

NOTICE OF MEETING

**Notice is hereby given of an
Extraordinary Meeting of the
Invercargill City Council
to be held in the Victoria Room, Civic Theatre
on Thursday 28 May at 3.00 pm**

Sir T R Shadbolt, KNZM JP
Cr T M Biddle (Deputy Mayor)
Cr R R Amundsen
Cr R L Abbott
Cr A J Arnold
Cr W S Clark
Cr A H Crackett
Cr P W Kett
Cr G D Lewis
Cr D J Ludlow
Cr I R Pottinger
Cr N D Skelt
Cr L F Soper

CLARE HADLEY
CHIEF EXECUTIVE

A G E N D A

1. **APOLOGIES**

2. **INTEREST REGISTER**
A2279220

3. **REVIEW AND PROPOSAL FOR REVAMPED GOVERNANCE
STRUCTURE**
A3022386
 - 3.1 Appendix 1
 - 3.2 Appendix 2

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS
INTEREST REGISTER**

A2279220

ELECTED MEMBERS			
NAME	ENTITY	INTERESTS	PROPERTY
RONALD LINDSAY ABBOTT	Invercargill City Council Kiwi-Pie Radio 88FM Invercargill	Councillor Director / Broadcaster	
REBECCA RAE AMUNDSEN	Invercargill City Council Arch Draught Ltd BP Orr Ltd Task Ltd Arts Murihiku Dan Davin Literary Foundation Heritage South Glengarry Community Action Group SMAG Board	Councillor Director Director Director Trustee Trustee/Chair Contractor Events Co-ordinator (Volunteer) Council Representative	

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS
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ALLAN JAMES ARNOLD	Invercargill City Council Ziff's Café Bar Ltd Buster Crabb Ltd Ziff's HR Ltd Ziff's Trust Southland Aero Club Invercargill Club Invercargill East Rotary	Councillor Executive Director Executive Director Executive Director Trustee Administrator Member Member Member	
TONI MARIE BIDDLE	Invercargill City Council Southland Museum and Art Gallery Trust Board McIntyre and Dick	Councillor Trustee Husband (Kris MacLellan) – Chief Executive Officer	
WILLIAM STUART CLARK	Invercargill City Council Invercargill Ratepayers Advocacy Group	Councillor Member	

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS
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ALEX HOLLY CRACKETT	Invercargill City Council Ride Southland Southland Youth Futures Advisory Board Sport Southland McIntyre Dick	Councillor Chair Chair Trustee Marketing Manager	High Street Invercargill
PETER WARREN KETT	Invercargill City Council Age Concern Southland Kite Investments Limited Invercargill Harness Racing Club Board Member Ascot Consortium	Councillor Board Member Director Vice President and Life Member Member	
GRAHAM DAVID LEWIS	Invercargill City Council Bluff 2024 Rejuvenation Hospice Southland City Centre Heritage Steering Group	Councillor Officer Trustee Member	
DARREN JAMES LUDLOW	Invercargill City Council Radio Southland Healthy Families Invercargill Murihiku Maori Wardens Southland Community Law Centre Thrive Community Trust Environment Southland	Councillor Manager Board Member Board Member Board Member Trustee Lyndal Ludlow (wife) – Councillor	770 Queens Drive Invercargill

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS
INTEREST REGISTER**

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IAN REAY POTTINGER	Invercargill City Council Southland Electronics Limited Santa Parade Organiser	Councillor Director Alice Pottinger (Wife)	171 Terrace Street Invercargill 9810
TIMOTHY RICHARD SHADBOLT	Invercargill City Council Kiwi Speakers Limited SIT Ambassador	Mayor Director Member	
NIGEL DEAN SKELT	Invercargill City Council Badminton New Zealand Badminton Oceania Badminton World Federation ILT Stadium Southland	Councillor Board Member Vice President Council Member (Chair of Communications and Media) General Manager	
LESLEY FRANCES SOPER	Invercargill City Council Breathing Space Southland Trust (Emergency Housing) Omaui Tracks Trust National Council of Women (NCW) Citizens Advice Bureau Southland ACC Advocacy Trust Southern District Health Board Southland Warm Homes Trust	Councillor Chair Director Secretary / Treasurer Member Board Member Employee Member Member	137 Morton Street Strathern Invercargill 24 Margaret Street Glengarry Invercargill

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS
INTEREST REGISTER**

A2279220

EXECUTIVE STAFF			
NAME	ENTITY	INTERESTS	PROPERTY
CLARE HADLEY	Invercargill City Council Hadley Family Trust	Chief Executive Trustee	
CAMERON MCINTOSH	Invercargill City Council	Group Manager - Works and Services	
DAVID FOSTER	Invercargill City Council	Acting Group Manager - Finance and Corporate Services Executive Director Foster and Associates Ltd	
DARREN EDWARDS	Invercargill City Council	Group Manager - Environmental and Planning Services	
JANE PARFITT	Invercargill City Council Dementia Canterbury Charitable Trust	Interim Group Manager – Infrastructure Board Member	

TO: COUNCIL
FROM: CLARE HADLEY, CHIEF EXECUTIVE
MEETING DATE: THURSDAY 28 MAY 2020

REVIEW AND PROPOSAL FOR REVAMPED GOVERNANCE STRUCTURE
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RECOMMENDATIONS

A proposal on how to best step through the recommendations is also set out.

Step One – vote on first two recommendations:

- 1. That the report '*Review and Proposal for Revamped Governance Structure*' be received; and**
- 2. That the Council determine it does / does not wish to alter its structure in order to better respond to the challenges now facing the community; and**

Step Two - If those recommendations are passed in the affirmative, continue on with recommendations 3 – 7:

- 3. That in accordance with clause 30(5) of Schedule 7 of Local Government Act 2002 the Council discharge the existing standing committees of Council established at the inaugural Council meeting on 29 October 2019; and**
- 4. That the Council, in accordance with s41A(4)(c) of Local Government Act 2002 establish two committees, the Infrastructural Services Committee and the Performance, Policy and Partnership Committee; and**
- 5. That all elected members are members of both committees; and**
- 6. That these Committees are called *Infrastructural Services* and *Policy, Performance and Partnerships*; and**
- 7. That the election or appointment of the chairs and deputy chairs of the committees be determined in accordance with clause 25 (3) or (4) of Schedule 7 of the Local Government Act, and that System [] be chosen for electing the Chair and Deputy Chair of each of the committees; and**

Step Three - If those recommendations are passed, then there be a call for nominations for the positions of Chair of Infrastructural Services and Policy, Performance and Partnerships Committees, and these positions be voted upon;

Then there be a call for nominations for the positions of Deputy Chair of Infrastructural Services and the Policy, Performance and Partnerships Committees;

Step Four – further administration arrangements be confirmed as set out

- 8. That there be a monthly cycle for committees and Council meetings; and**
- 9. That the new structure is introduced from []; and**

- 10. That Council note a new determination by the Remuneration Authority will be necessary to allocate the Invercargill City Council remuneration pool, and request the Chief Executive to advise the Remuneration Authority of the changes made, and to prepare a report outlining options for presenting to the Remuneration Authority; and**
- 11. That the Governance Statement be amended to:**
 - a. Remove the existing standing committees (Finance and Policy, Community Services, Regulatory Services, and Infrastructure and Services); and**
 - b. Include as a Standing Committee the Infrastructural Services Committee having responsibility for the matters set out in Appendix A (A3022430); and**
 - c. Include as a Standing Committee the Performance, Policy and Partnership Committee having responsibility for the matters set out in Appendix B (A3022433);**
- 12. That the Council, in accordance with clause 30, schedule 7 of Local Government Act, amend the terms of reference for the Committee of Council established on 24 March 2020 to exclude the matters set out in the terms of reference being Appendix A and B; and**
- 13. That consequential amendments to other governance documents, including but not limited to the Governance Statement, to give effect to these resolutions be made and presented to Council at the first opportunity.**

LEGISLATIVE CONSIDERATIONS

At the inaugural Council meeting of this triennium, the Mayor proposed the creation of four committees:

- Regulatory
- Community Services
- Infrastructure
- Finance and Policy

The proposed appointment of the committee chairs, deputy chairs and members for each committee.

Under s41A(3) Local Government Act, the Mayor has the authority to establish the committees and appoint the chairpersons.

However s41A(4) provides that the Council may alter the appointments a Mayor can make, by discharging or reconstituting a committee or chair.

Altering any of these governance arrangements must be done in accordance with clause 30 of Schedule 7 of the LGA.

BACKGROUND

Council has had four standing committees, meeting on a six-weekly cycle, for many years. Elected members have typically been appointed to two committees, and while all councillors could attend all meetings, only members of the committee could vote on matters.

Those committees have limited powers to determine matters; rather they have considered the item and made recommendations to Council. The main benefits of such a structure is that it shares the workload across elected members, and allows for a 'two step' decision making process – discussed once at the committee, and then, upon the committee's recommendation to Council, discussed and resolved at the Council meeting. The main dis-benefits are that it is very time consuming, can delay or change decisions and requires comparatively more admin support.

COVID-19 has prompted the question – would the community be better served if Council was able to move more quickly, i.e. if the governance structure was altered to become more agile.

POSSIBLE STRUCTURE

This report is prepared on the basis that the Council has sought advice on its power to change the arrangements for its own committee structure, as set out under clause 30, Schedule 7 Local Government Act.

COVID-19 has made those things which we thought not possible, possible. We have demonstrated that we can be more adaptive than we had previously believed. The current governance arrangements allow us to be faster and more flexible in how we undertake our business. Councillors are now questioning whether a two-step, six weekly cycle enables us to be the most responsive we can. Officers have considered that question, and feel that while there could be some concerns about the time allowed for the preparation of reports, this would be outweighed by the benefit of there being no "second bite at the cherry" as a result of the committees having powers to decide. The point is also made that the shorter cycle means that there is a lesser amount of time to wait for a subsequent meeting, allowing things to move more quickly.

The two-step system is the local government equivalent of a bicameral system of Parliament – it allows a cooling off period before making a final decision. Legislation relating to local government was altered some years ago to allow for workshops. This provides the opportunity for elected members to discuss matters and provide direction without making decisions. In many ways, this negates the need for a two-step system.

In considering potential change, a number of factors have sought to be balanced:

- Workload across the committees
- Sense of inclusion for all elected members
- Timeliness in decision making
- Clarity for community
- Organisational efficiency
- Support for strategic framework of Council

Currently, the workload of the existing four committees has been somewhat uneven. Typically, the Infrastructure Committee has had the heaviest workload, with the other three committees having lighter workloads. Reducing the number of committees and reappportioning the workload would go some way to addressing this.

Feedback from some elected members is that they can feel excluded from committee debates where they are able to be present, but not able to vote if they are not part of the membership of that committee. Altering the committee structure, and making committees “committees of the whole” would remove that. Opponents to a ‘committee of the whole’ structure suggest that this places a heavy workload on all. However this is reduced if those committees have decision making authority, and the matter is not relitigated at Council.

It is also possible for a committee to establish its own subcommittees. This would allow matters of importance (e.g. delivery of the capital programme) or particular projects (e.g. museum redevelopment) to have closer governance oversight which could then report back to the Committee. This could also include steering groups and funding allocations. It could provide the opportunity / expectation that Deputy Chairs would lead particular pieces of work, in turn providing a succession planning opportunity.

PROPOSED STRUCTURE

The structure requested for consideration is attached in Appendix A (A3022430) and B (A3022433).

Council would retain those matters set out in clause 32, Schedule 7, LGA:

- The making of a rate
- The adoption of a bylaw
- Borrowing of money, purchasing or disposal of assets, other than in accordance with the Long Term Plan
- The adoption of a Long Term Plan, Annual Plan or Annual Report
- The appointment of a Chief Executive
- The adoption of policies required to be adopted and consulted on under the LGA in association with the Long Term Plan or developed for the purpose of the local governance statement
- The adoption of a remuneration and employment policy

MEETING CYCLE

The meeting cycle for such a structure could be:

- Week 1 – Infrastructural Services
- Week 2 – Performance, Policy and Partnerships
- Week 4 – Council

The “heavy lifting” of Council matters would be done at committees, so the Council meeting would be shorter than at present. This would allow workshops for LTP and other matters to be held on Week 3, or after the Council meetings.

ALTERNATIVE PROPOSAL FROM CR CLARK

Cr Clark has put forward an alternative proposal, which is provided as Appendix 1 (A3016328).

CONSEQUENTIAL MATTERS

This report has been prepared on the basis that if an altered structure is adopted, there may be some consequential changes which have not been considered at this time. ,

A review of the committee structure as set out in the Governance Statement would be appropriate to consider; there may be committees which could be dis-established (e.g. Child, Youth and Family Friendly) or reconstituted as subcommittees (e.g. Events Committee).

Continuation of the Risk and Assurance Committee should be confirmed, along with the independent Chair and member, although councillor membership may change, and Council may wish to consider where this reports to (ie to Council, or to the Performance, Policy and Partnerships committee).

Remuneration of elected members would need to be reconsidered under an altered committee structure. The process is that Council considers the options and makes a recommendation to the Remuneration Authority. This process would follow resolutions made on the basis of this report.

PROCESS FOR ADOPTION

If the Committee of Council wishes to adopt an altered structure and appoint new committee chairs, it needs to follow the process for appointing the chairs and deputy chairs, as set out in section 5 of Standing Orders, i.e. resolve the system to be used for voting before undertaking any vote:

- System A:
The candidate will be elected if s/he receives the votes of a majority of members of the committee who are present and voting. This system has the following characteristics:
 - a) There is a first round of voting for all candidates;
 - b) If no candidate is successful in the first round, there is a second round of voting from which the candidate with the fewest votes in the first round is excluded; and
 - c) If no candidate is successful in the second round, there is a third round and if necessary subsequent rounds, of voting from which, each time, the candidate with the fewest votes in the previous round is excluded.In any round of voting, if two or more candidates tie for the lowest number of votes, the person to be excluded from the next round is resolved by lot.
- System B:
The candidate will be elected or appointed if s/he receives more votes than any other candidate. This system has the following characteristics:
 - a) There is only one round of voting; and
 - b) If two or more candidates tie for the most votes, the tie is resolved by lot.

OPTIONS

The Committee has four options before it:

- a) Determine no change is required;

This seems unlikely, after councillors have discussed the need for Council to demonstrate greater speed and agility in decision making than at present.

- b) Determine change is required but make amendments to the recommendations set out above;

Councillors may feel that change is appropriate but request officers undertake further work, either in terms of the number of committees or the meeting cycle.

- c) Consider the proposal from Cr Clark;

or

- d) Adopt the recommendations as set out above. The Committee may feel that the recommendations set out address all matters.

CONCLUSION

COVID-19 has altered what is expected of us – individually and collectively. It has changed our economic conditions for the foreseeable future, and provides the opportunity for innovation to be demonstrated in ways not previously considered.

Elected members requested a report on a different governance structure, feeling that they needed to be flexible and faster in decision making. Feedback from the Committee of Council arrangement, introduced during the pandemic, has been that the committee of the whole has real benefits.

PROPOSAL STRUCTURE FOR INFRASTRUCTURE SERVICES

INFRASTRUCTURAL SERVICES
The Infrastructural Services Committee is responsible for Council strategies, policies and plans which promotes social, economic, environmental and cultural wellbeing of the community within its field of reference
It is responsible for all Long Term Plan policy development within this field of reference
<i>The Infrastructural Services Committee has authority to exercise all the powers, functions and duties of Council with the exception of those powers as set out in Schedule 7 Clause 32(1) Local Government Act 2002, which are only for Council and cannot be delegated by Council within its field of reference</i>
<ul style="list-style-type: none"> • Cemetery and Crematorium
<ul style="list-style-type: none"> • Community Facilities including public toilets
<ul style="list-style-type: none"> • Parks and Reserves, including sports fields
<ul style="list-style-type: none"> • Swimming pools
<ul style="list-style-type: none"> • Transport networks including passenger transport
<ul style="list-style-type: none"> • Street lighting
<ul style="list-style-type: none"> • Traffic control and parking (excluding enforcement)
<ul style="list-style-type: none"> • Regional Transport Committee
<ul style="list-style-type: none"> • Water
<ul style="list-style-type: none"> • Wastewater
<ul style="list-style-type: none"> • Stormwater
<ul style="list-style-type: none"> • Solid Waste management including transfer stations and waste minimisation
<ul style="list-style-type: none"> • WasteNet Joint Committee
<ul style="list-style-type: none"> • Property portfolio, including Investment Property and Housing Care
<ul style="list-style-type: none"> • Development of bylaws within the areas of responsibility, for recommending to Council

PROPOSAL STRUCTURE FOR PERFORMANCE, POLICY AND PARTNERSHIPS
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PERFORMANCE, POLICY AND PARTNERSHIPS
The PPP Committee is responsible for Council strategy, policy and planning which promotes the social, economic, environmental and cultural wellbeing of the community within its field of reference
Responsible for all plan development relating to LTP within its field of reference:
<i>The Performance, Policy and Partnerships Committee has authority to exercise all the powers, functions and duties of Council with the exception of those powers as set out in Schedule 7 Clause 32(1) Local Government Act 2002, which are only for Council and cannot be delegated by Council within its field of reference</i>
<ul style="list-style-type: none"> • Arts, Culture and Heritage, including SMAG, iPAG, Bluff Maritime Museum, Regional Heritage Committee
<ul style="list-style-type: none"> • Festivals and Events, including funding allocations from Events Fund
<ul style="list-style-type: none"> • Libraries
<ul style="list-style-type: none"> • Theatres and halls including Civic Theatre, Scottish Hall
<ul style="list-style-type: none"> • Community Development / External Relationships
<ul style="list-style-type: none"> • Communications and engagement
<ul style="list-style-type: none"> • Council's financial performance
<ul style="list-style-type: none"> • Rating systems and policies
<ul style="list-style-type: none"> • Business, economic development, tourism including Great South
<ul style="list-style-type: none"> • Environmental regulatory matters including alcohol licensing
<ul style="list-style-type: none"> • Environmental policy including District Plan
<ul style="list-style-type: none"> • Policies and strategies related to compliance, monitoring and enforcement
<ul style="list-style-type: none"> • Development of bylaws within the areas of responsibility, for recommendation to Council
<ul style="list-style-type: none"> • Long Term Plan strategy development
<ul style="list-style-type: none"> • Shared Services
<ul style="list-style-type: none"> • Joint committees in field of reference
<ul style="list-style-type: none"> • Statements of Intent (excluding ICHL)
<ul style="list-style-type: none"> • Youth Council
<ul style="list-style-type: none"> • LGNZ membership
<ul style="list-style-type: none"> • Sister City Relationships
<ul style="list-style-type: none"> • Democratic processes (Representation Review, Remuneration, Code of Conduct)
<ul style="list-style-type: none"> • Neighbourhood Fund Committee could be subcommittee
<ul style="list-style-type: none"> • Community Grants Committee could be subcommittee
<ul style="list-style-type: none"> • City Centre Heritage Steering Group could be subcommittee