

SIX MONTH REVIEW REPORT ICC

Executive Summary

1. My general finding (and I believe it is substantively borne out in the Impact Consulting Survey as well) is of a Council (both governance and management) that is in a vastly better space than they were 6 months ago. But the public (media) events of the last few weeks, since I completed all my interviews, must provide some caution to this conclusion. In most respects they have made significant progress in a very short period of time. There remains some work to do to consolidate this, and enable the phasing out of the External Appointees, most specifically around the tension that now overtly exists between the Mayor and his Deputy (& recognising that this reflects a wider frustration from Councillors generally). It is reasonable to also have a concern as to the potentially destabilising impact associated with recent media stories about the use, by the Chief Executive Officer (CEO), of an email sent by the Mayor.
2. Notwithstanding these concerns, that have all become apparent post my interviews, I believe that the Council has delivered on its immediate priorities. This is particularly so around the Long-Term Plan, which was one of the significant concerns of the Department of Internal Affairs at the outset of this intervention.
3. The difference in mood and morale at the time of my interviews, with the exception of the Mayor, was palpable. There was a strong sense of collegial purpose and an apparent willingness to step back from confrontation around things that might have irritated previously, and may still do, in the interests of the City's greater good. I remain uncertain as to how the media storm since my interviews could affect this and therefore there must remain a risk of future destabilisation despite the very significant progress evident.
4. The strength of the new executive leadership team (ELT) has been recognised widely and this has contributed to better recognition of what Councillors need to make decisions, and how to go about determining that. The issues that the CEO needed to deal with have also substantially improved and there is now a good working relationship between the Deputy Mayor (DM) and the CEO, and a good feeling of co-operation between ELT and the councillors generally.
5. The presence and assistance of the external appointees has been a significant factor in facilitating this improvement, as has a strong structurally based improvement programme (Working on Working Together).
6. There remain significant difficulties in managing a political process in which the Mayor is seen by his colleagues as not just unable to perform his expected functions, but actively continuing to stoke discontent through his public media statements. However, the significant difference to six months ago is that the Mayor is now seen more as an unavoidable and inconvenient distraction and the rest of them just have to get on and make things work.
7. This process has been significantly assisted by the approach of the Deputy Mayor who has stepped up significantly to fill the leadership void, and amended most of the modus operandi that led to my significant concerns in my original

report as to his suitability for the role. This has been recognised by almost all participants, whether governance or management. It is not without its ongoing tensions but they are much reduced in comparison with what was previously the case. However, events of the last few weeks have demonstrated an escalation in tension between the Mayor and his Deputy (which in part reflects a wider push back from Council to some of the mayor's public statements). This was already apparent in my interviews but it has become more publicly evident now. There is a view, by the Deputy Mayor and Councillors more widely, that where a statement about staff is inaccurate that there is a requirement as a good employer to challenge this.

8. In my recommendations I propose the progressive phasing out of the external appointees (EAs); recommend that the Project Governance Group (PGG) remains in place till the end of the term but that its membership be reconfigured to reflect the progressive removal of the EAs; and make some further suggestions for the Deputy Mayor to reflect on.
9. In summary, this is a Council that remains a work in progress but should be pleased (both governance and management alike) of the progress that has been made. The work of Council is being successfully done but there remains a residual concern that the public discord, if it flows through into how the rest of Council functions, could damage this again in the future.

Terms Of Reference

10. The TOR provided are reasonably general and are included as Appendix 1. I have chosen to summarise key points only here:
 - 10.1. "We have formed the view that the best approach to this is to review how the project as a whole is tracking".
 - 10.2. "It is also the initial review of the External Appointees".
 - 10.3. "We are particularly interested to hear your views on how you think the behaviours and relationships are changing and/or improving as they underpin everything and it was clear from your original report that these needed to improve".
 - 10.4. "We translated the recommendations from your report and the council resolutions into a "Plan on a Page" which we call our "Working on Working Together" (WoWT) framework. This is attached as Appendix C. The Council Charter is attached as Appendix D and the MoU setting out the role of the Deputy Mayor is attached as Appendix E. Are there any aspects you think we have missed and/or can you suggest any improvements?"
 - 10.5. "Is there any risk that we will not address any of your report's recommendations or their intent?"
 - 10.6. "We set out 5 outcomes in the ToR for the EAs and the PGG added another 2". "We would like your views on whether you think we are measuring the right outcomes? Are we on a path to achieving them? Where do you see the main challenges? How could we improve?"
 - 10.7. "What do you see as the main risks to delivery and what strategies or controls should we be putting in place to mitigate?"

Process & Format of Report

11. In order to provide some continuity and direct relationship to my original report I have chosen to address progress against the issues raised in that. I have followed a similar format to my original review:
 - 11.1. I have interviewed the Mayor and all City Councillors (bar one who chose to provide me with a written letter but declined to be interviewed), the two External Appointees (Lindsay McKenzie and Jeff Grant), plus the following members of the executive leadership team – CEO Clare Hadley, Peter Thompson (Executive Manager – Office of the CE), Steve Gibling (Leisure, Recreation & acting Customer & Environment Group Manager), Michael Day (Finance Group Manager) & Erin Moogan (Infrastructure Group Manager). In addition, I met with, or interviewed by phone, Bruce Robertson (Chair of Audit & Risk), Gore Mayor Tracy Hicks (from the perspective of regional relationships only), The Chair & CEO of the Invercargill Chamber of Commerce (as a major representative of external stakeholders), and Richard Hardie (key liaison between the Council and DIA) and Jane Parfitt (Advisor – Office of the Chief Executive).
 - 11.2. I had an interview framework which I used as a guide to review whether I felt we had covered the key aspects, rather than as a formal structured interview (Appendix 2).
 - 11.3. Every participant was advised that their comments to me would be confidential. This was qualified by me as being “to the extent that any ombudsman’s ultimate interpretation of a refusal to make public, if subject to a LGOIMA request, was not in my control”. I advised each participant that I would be making notes as I went.
 - 11.4. I have read the views and opinions of Councillors as expressed in media, and kept abreast of all media reporting of the ICC since my original report was presented. I recognise that, whilst expressed as their views, any individual elected member’s, EA’s, or staff member’s comments will have been coloured by the perspective that the reporter chooses to take. Their value is not in those individual views per se but in the way in which they reflect the dynamics of this Council, its problems, and its progress on addressing those.
 - 11.5. I have reviewed some Council documents and where they have relevance, I have notated them in the body of the report.
12. I note for the sake of clarity that my observations are in most respects the views of those that I have interviewed. I have not attended Council meetings (with the exception of one PGG meeting) to observe Councillors and/or the Mayor in formal processes. I have attempted, at the risk of annoying the reader with repetition, to state where a comment is the observation/report of others. Where it is my view, based on those collected observations, I have said so. If at any point in the report I have failed to make that clear then this is an accidental omission and the reader should seek clarification from me directly.
13. I have chosen to structure the report around:

- 13.1. Firstly, reviewing my original findings and progress (or otherwise) against them. This is primarily the subjective views of interviewees and my collected summary of those. It provides a good measure of overall progress as perceived by both elected members, management and external stakeholders.
- 13.2. Secondly, looking at the formal work programme (Working on Working Together). In this context I address most of the formal measures that have been put in place to address the concerns of my original report, and address what has worked and what is still a work in progress.
- 13.3. Thirdly, providing my views on appropriate next steps and “future direction”.

PART ONE

Summary of Previous Concerns

14. In my original review I highlighted the strained relationship that existed between Councillors and gave my view as to some of the key reasons for this. These included:
 - 14.1. The leadership void that existed around the table due to the difficulty that the mayor was having in delivering what would be considered normal Mayoral functions.
 - 14.2. The strained relationships between the Mayor and a succession of Deputies, highlighted by the resignation of then Deputy mayor Toni Biddle from both the Deputy’s role and Council itself.
 - 14.3. A newly elected Councillor, Cr Clark, who had, in the view of most of his colleagues, been a significant cause of Council friction due to his manner of operating, perceived frequent relitigating of matters, over use of Notices of Motion, and use of the Media in a way that annoyed his colleagues and felt manipulative to many of them.
 - 14.4. The presence of a number of significant “Stone in the Shoe” issues that had remained unresolved over, sometimes, years, and around which there was significant discord, relitigating, and in which it was felt by many Councillors that Cr Clark (in particular but not solely) strayed too often into operational rather than governance roles. It also seemed to me that there was an absence of informal & formal structure around trying to understand the information needs of Councillors to resolve these issues by staff, processes to prioritise and schedule these works, and mechanism’s for handling the understanding of Councillors for each other’s different perspectives (and the associated reality that democracy didn’t mean that everybody won).
 - 14.5. A number of instances of apparent leaking, an investigation into this, and Code of Conduct complaints that both reflected the poor collegial relationships and fuelled further deterioration.

14.6. A Council that was divided in its view as to the CEO and her manner of operating.

15. In the following sections I assess progress in these key areas.

Cr Clark & The Deputy Mayor Role

16. I was overtly critical of Cr Clark in my original report (whilst also noting the very real strengths he brought to his role). He was a polarising personality who had adopted what I described as an “activist councillor” role. I also questioned Cr Clark’s appointment by the Mayor to be his new Deputy to the extent of saying (amongst other comments):

16.1. “His elevation to Deputy Mayor is likely (in my view) to risk further destabilisation of both governance and the governance/management relationship, unless he changes his approach to a more collegial one”.

16.2. “Because of the, to date, poor relationship between Cr Clark and both management and many Councillors, his appointment by the Mayor to the Deputy’s position on the 20th of October, in my view, significantly heightens the risks of further governance discord and, possibly, governance failure”.

16.3. “Whilst Cr Clark has yet to be able to demonstrate how he will work with his colleagues as Deputy Mayor, I cannot help but worry that the Mayor’s lack of insight into what is needed has resulted in him appointing the person least likely to enable a collegial path forward in my view (based on the views of Councillors, but acknowledging that these pre-dated his appointment)”.

17. I detail the above quotes because I think it needs to be made very clear that Cr Clark has, in large part, reacted to my challenge by amending his mode of operating and is, in a difficult situation, providing significant de facto leadership. His overt change in operating mode has been noted to me by almost all Councillors. They speak highly of his work ethic and his apparent commitment to working with his colleagues, whilst retaining his right to his own views and political commitments.

18. He has developed a collegial working relationship with the CEO and both parties have commented to me on the vastly improved relationships. Cr Clark says that he spoke with both the DIA and the late Dave Cull (former mayor of Dunedin and President of LGNZ) following my report. He reports that they emphasised to him that the relationship with the CEO is the most important thing in developing a successful governance/management team. He reports reflecting on that, and what his part needed to be in it, and feels that the relationship has “vastly” improved. The CEO has similarly commented to me that they have a good working relationship now. For her part she feels at times that she is still “too much in governance” but the difference now is that Cr Clark understands the drivers of that, is involved, and they are able to discuss issues. Other councillors also noted the significant improvement in the relationship not just between the CEO and Deputy Mayor but between the Deputy Mayor and other management staff. There appears to be a far greater degree of respect between all parties and this has taken a great deal of tension out of the room. Small but important things such as advising management in advance of

questions that he might have, so they can be prepared to answer them in meetings, are further indicators of a more collegial approach.

19. There remain some issues but, to abuse an old Speights advert. “It’s a hard job finding the perfect Deputy Mayor”. His decision to vote against the whole LTP because he disagreed with a single significant aspect of it (the Museum timing) was seen by many as a reversion to the Nobby of old. Some Councillors (a few) take a view that the leopard has not changed his spots and there will be a reversion to poor behaviour sometime. But I think that misses the point. It is not about changing who and what you are, but about finding mechanisms that work for the collective good and thus enable democracy. By most reasonable measures one would have to conclude that Cr Clark has reflected and acted, and that his behaviour has been a major component in a significant improvement by this Council. A comment from one interviewed Councillor who previously felt differently is worth quoting:

“Now get on very well with Nobby. He puts a lot of effort in. Still wants to relitigate things sometimes but not nearly as much. His heart is in the right place. Improved out of sight”

20. However, there is another significant material difference between the situation I reported in my original report and what is the case now. Whereas at the time he was appointed Deputy he expressed one of his goals as being to sit alongside the Mayor and assist him, the situation is far from that now. The level of frustration he feels with Sir Tim (and the role he perceives his partner, Ms Dutt, plays) is now significantly more evident publicly.
21. Whilst the Mayor has continued to put out a range of media comments since my original report that have annoyed his colleagues, they have largely, till recently, chosen to ignore them. It is clearly the case that the Deputy Mayor has now overtly lost patience with Sir Tim and has made it clear that he is no longer prepared to sit by whilst comments that he believes to be inaccurate, or wrong, are made by the Mayor. This is particularly so where statements may be made about staff and reflects a view that failure to respond could be seen as a derogation of duty as a “good employer”. There is evidence that this reflects a more widely held view amongst Councillors of no longer being prepared to sit by when they feel statements are being made by the Mayor that are inaccurate (in their view or in actuality) or needlessly destructive. That is more materially evident now than it was a few weeks back and there is therefore increased risk for Council as a result. I think this primarily lies in:
- 21.1. Further loss in public confidence.
 - 21.2. An increased risk that other Councillors, who may not agree with Cr Clark’s in your face response to Sir Tim, (even if broadly supportive of a need to push back), may feel irritation at one or both parties, and that could lead to a resumption of internal discord.
 - 21.3. The possibility that the Deputy Mayor will no longer be prepared to stay the course given the increasingly difficult relationship that now exists between him and Sir Tim.
22. The latter bullet point statement is made given that part of my Terms of Reference (TOR) is to identify any risks going forward and, if there is one material risk that could have escalated, even between completing my interviews and the finalisation of this report, it is probably in this area. I think there are a

number of Councillors that could step up to this role should that risk eventuate. However, it is unlikely that any of them would be someone that the Mayor would wish to appoint to the role. The Mayor, legislatively, has the right to propose the Deputy but Council do have the ability to reject that recommendation. I am not suggesting that this will come to pass but it is, in my view, a now increased risk. Should it occur then Council will need to unite around someone who can carry out the leadership role that Cr Clark has assumed, AND who has the time and energy to do so.

23. I will return to some things that I think the Deputy Mayor needs to continue to reflect on in the “future direction” section of the report.

The CEO & Management Team

24. In my original report I made it clear that the CEO was seen differently by different factions of Council and that she also had a role to play in improving the situation. These matters were not primarily about competence (she was generally seen as very competent) but expressed themselves in concerns around:

24.1. Getting in the “governance lane” too much. Examples being her de facto chairing of the Chairs meeting (reflecting the Mayor’s reported inability to do this), and her perceived role in creating the two committees of the whole (from the previous four committee structure, which had enabled a kind of upper and lower house situation, with Councillors being able to relitigate decisions at Council that had previously been made by committees of a minority of councillors).

24.2. A perceived inflexibility that meant she was at times in danger of winning the battle but losing the war.

24.3. An absence of any working relationship with the Mayor.

24.4. A perceived resistance to requests for what some councillors saw as legitimate requests for information (although my perception was that this had as much to do with the methods being used by the likes of Cr Clark, as it did with reluctance to be held to account).

24.5. Her body language in meetings which was interpreted by others as attempting to influence outcomes or signal to supportive councillors.

24.6. Being too quick to respond when time for reflection might result in a different outcome or at least a perception that consideration was being given to the other persons view.

24.7. For all of these reasons, and possibly others, she was seen by a significant minority of Councillors as being a primary cause of their difficulties and some had a clear view that removing her would solve the problems (erroneously in my view, as stated at the time).

25. It is clear from the views of Councillors that the CEO has also reflected on these concerns and amended aspects of her behaviour. There were many comments from councillors that attested to this. One such quote:

“People have got used to Clare’s style and feel. She has run the organisation with authority (with a small a) and has built a strong team around her. There is now a real confidence around the table about the management team. Clare doesn’t interfere in meetings now. Not the texts etc that existed before”.

26. Many Councillors spoke of the strength of the team that the CEO has built around her and it was a common view that this had allowed her to step back more and allow them to lead in their respective areas. There was palpable respect for the quality of the executive leadership team and a sense of relief that things had worked out as they had when it might have all blown apart.
27. My interviews with the exec team painted a similar picture. It is of note that they all started around the same time (the exec team is 100% different to the people I interviewed 6 months ago, some of whom were moving on, and some of whom were there only in a temporary role). This has meant that they have been able to build their own collective culture, rather than having to fit into an existing one. Two of the four I interviewed commented that in some respects the reported situation in Invercargill was an attraction in that:
- 27.1. "It could only get better so didn't scare them";
 - 27.2. "Being part of a whole new team, and could create our own culture, was an attraction";
 - 27.3. "Exec is feeling like a team. All got thrown in the deep end together";
 - 27.4. "Ironically it was the situation that attracted them";
- and a range of similar views. All report that they have bonded well as a team and that the CEO leaves them to run their own patch. They feel supported in their roles, not just by the CEO, but also by Councillors generally. They speak warmly of the CEO and generally hold similar views.
- 27.5. "Have seen a change in her. Has allowed things to flow. Been very supportive. Been good to bounce off, especially with regard to interactions with Councillors"
 - 27.6. "I feel she has stopped reacting immediately. Allowing herself time to reflect".
 - 27.7. "The exec team are being allowed to do their job and not being micro managed by Clare".
28. The exec team all feel that the LTP process was a significant project that facilitated bringing a more team environment to councillors and the collective governance/management team. Whilst they felt stretched due to the amount of work required in a short period of time, they all felt that the preparatory work with Councillors and the way in which Councillors involved themselves in this constructively was pivotal. There were a lot of workshops and they were well attended. Management focused on trying to understand the needs of councillors both collectively and individually to ensure that the right information got to them. This meant that discussions were informed and tended to flow well rather than there being lots of requests for further reports. Management's report of this process is absolutely aligned with the reports of Councillors in this regard.
29. I am aware, through the media, that there has been an incident around the use of a Mayoral email that found its way into the public arena. I am also aware that there may be a review into the process of what occurred. I am not privy to the details of this but I have endeavoured to seek some understanding of what occurred in case it might influence the general nature of my conclusions. Because this may be the focus of a separate review, and it is not within my TOR

to make such a review, I have not raised the matter with any of the apparent parties (which could include the CEO, The Mayor, staff, the Deputy Mayor, and possibly others for all I know). I cannot pass judgement on the appropriateness or otherwise of what has taken place without knowing the outcome of any review. Therefore, I contain my comments to whether I think this could impact the general conclusions I have drawn. I do not believe it does alter any of the conclusions that I have come to as a result of my direct investigation via interviews. These conclusions have widespread support from interviewees and I have confidence in them, but it would be inappropriate to ignore the fact that any such review could create risk for the Council.

The Stones In The Shoe (and the LTP)

30. I previously identified a number of significant (mainly capital project) issues that had become a lightning rod for discontent and adversarial positions. I felt that if these could be removed as issues by dealing with them through an appropriate Long Term Plan process this would substantially assist with resolving other, more relationship based, problems.
31. There were a number of aspects to both the cause and resolution of this. To paraphrase:
 - 31.1. There seemed to be no process in place to enable Councillors to discuss (outside of a formal decision-making framework) what was important to them and what information they needed to enable them to make collective decisions.
 - 31.2. Staff were not sufficiently anticipating the nature of the information councillors wanted. This was leading to lots of questions of staff in meetings, often with an elevated level of aggravation, and demands for further reports that both exasperated other Councillors and harmed the relationship between governance and management.
 - 31.3. When decisions were being made there was frequent relitigating of past decisions due to a combination of some councillors being unprepared to respect a majority decision and a belief that “further information gathering would result in a different outcome”.
 - 31.4. There was a tendency by some Councillors, Cr Clark being the prime example, to do their own research and struggle to distinguish between their role as governors and a role as a community activist or surrogate manager.
32. It is clear from the views of all Councillors and management that a very successful LTP process (under significant time constraints) has enabled major progress around these issues. Councillors speak highly of Management’s collective role in this (at several tiers of the organisation). I note the progress here and what appears to be rated by all as a very successful outcome. I have already discussed some of the reasons why this was successful in my earlier section on the CEO and Exec, so will not repeat myself at length here as the reasons are the same. I will address later the “Why it was successful” part in my review of the actions Council has taken to respond to my report as part of the “Working on Working Together” framework.

Regional Relationship Concerns

33. At the time of my original report there were significant concerns around Invercargill's ability to be an effective part of a wider regional group due to the Mayor's reported difficulties. The solution suggested for this (and other matters) was to separate out what the mayor might continue to take prime responsibility for (mainly ceremonial and PR areas and the things that legislatively only a mayor could do) and those that might be assumed instead by the Deputy Mayor. I suggested a clear set of delegations for the Deputy Mayor that would enable someone else to represent the city either instead of, or in conjunction with, the Mayor. The attempted solution to this was a Memorandum of Understanding (MOU) between the Mayor and Deputy Mayor. My assessment of that MOU is that it was a well-intended, and generally sound, attempt to operationalise my recommendations. It foundered ultimately.
34. It is a matter of public record already that some of the dealings with Sir Tim around these kinds of matters are a process which, reportedly, also involves his partner. The Deputy Mayor says he chose to use the exit clause in the Memorandum of Understanding (MOU) when relations began to get difficult for him, in his mind, in dealing with the Mayor's partner over the MOU and its wording and then implementation. I make no judgement call on the rights or wrongs of the interactions and I note that, in feedback from key affected parties, she and Sir Tim deny that this is the case and state that her role is as nothing more than a supportive partner. This contrasts with the view of the DM about their interaction. Whether it is a matter of substance or style it is perceived as a real difficulty by the DM and others around the Council table.
35. There is a view now that the exit from the MOU was probably beneficial in that it removed a need for the DM to consult with the Mayor about matters that might also involve discussions with his partner. Council has authorised the Deputy Mayor to attend all meetings at which the city would wish to be represented and to report back to them. This occurs whether the Mayor is present or not. Councillors generally spoke well of the report backs that they receive from the Deputy Mayor, although some express a concern that there can be difficulties in determining what is information and what might be coloured by the Deputy Mayor's personal view. This is a matter that I will return to.
36. In order to get an independent sense of how things were working I spoke with Gore Mayor Tracy Hicks. He indicated that Invercargill was now well represented and integrated into the Southland Mayoral forum by both the Deputy Mayor and the CEO and that there were no concerns as to how that process was operating. From a Gore Council perspective in particular he indicated that the relationship was good and there was no lack of connection.

General Collegial Relationships

37. All Councillors interviewed, without exception, spoke of the improvement in general Council culture (I would qualify this with the obvious statement that Cr Lush was not able to have a before and after perspective due to his relatively recent election to Council). It was also not the view of the Mayor. Many commented that the original report had forced a collective rethink in both a formal (see section on Working on Working Together) and informal way, and this meant that all Councillors were more conscious of their own behaviours

and were making an effort to be more aware of how these were seen both by their colleagues and the public generally.

38. Almost all reflected on the benefit that the two external appointees had brought, in the sense that they modelled a degree of professionalism that they respected and wanted to emulate. But there was a general consensus that the changes I have discussed in the sections above had all contributed significantly to an improved situation. The “whole was greater than the sum of the parts” in this regard. There was a lot more happiness around the table and people who had previously been at loggerheads were now working more collegially.
39. All felt that the LTP process had been a real success and pointed to the workshops, in which they were able to understand the “what if’s”, and consequences, of various options, and the skilled way in which staff facilitated these processes as being significant. Rather than individual issues being debated (often with more heat than light) they felt that they were adopting a strategic approach – there was an opportunity to ensure that the right information was brought to the table for them to answer their individual questions and concerns; they were able to interact with staff in a less formal way to best understand prioritisation decisions; and they generally felt good about the public consultation process. All of these elements appear to have facilitated a much better functioning collegial approach.
40. This is not to suggest that all is sweetness and light. The Mayor’s interactions with the media and what Councillors collectively see as a Mayoral side show, which crowds out any real public awareness of significant progress and competent outcomes, continues to grate. The Deputy Mayor’s decision to vote against the adoption of the whole LTP because he lost a democratic vote around one issue was seen by many as a reversion to old ways of doing things (although there was a sense that, if unnecessary and inappropriate, it was done more respectfully than it might have been done 6 months ago). And the recent examples of leaking, particularly the leaks from the Risk and Assurance Committee (Sir Tim’s reported musing about resignation and the leaking of an unredacted report from the EA’s) has annoyed, and impacted once again on trust. The issue around the possibly inappropriate use of a mayoral email by the CEO has the potential to do likewise. However, the outcome has been less destabilising than it might have been 6 months ago. That should not reduce the concern however as to how damaging, for both Council and Councillors, leaks and public squabbles can be.

The Mayor & His Contribution

41. The role of the Mayor, and his performance in that role, remains a difficulty for Council and there has been no change in my views around that (as formed from interviewees comments). The strong view of interviewees is that nothing has changed in regard to the identified concerns regarding the mayor since my original report. There is frustration from other Councillors about the way in which what many define as “the Mayoral sideshow” dominates media discussion at the expense of the very real progress that they believe (and which I endorse) has been made by Councillors and Management in significantly improving performance. Indeed, one Councillor (whom I would have seen as amongst the most supportive of the Mayor, and least supportive of the CEO, in the original report interviews) commented that “they had expressed a view then that the

problems were 20% The Mayor and 80% the CEO, but 6 months on would reverse those percentages”.

42. There was significant resentment (from some) and resignation (from others) at the way in which the Mayor initially appeared to agree to the findings of my original report but then later publicly dismissed them. Sadly, but perhaps understandably in the light of my original report, he is seen by most Councillors and Staff interviewed as a difficulty they are stuck with and simply have to work around. There is more a sense of resignation now that the situation is what it is and the rest of them need to simply accept that there is little that can be done to change that and they need to get on with working out how to run a strong Council with both alternative leadership from the Deputy and Committee Chairs, and significantly better collegial and management relationships. It may be a case in part that “my enemy’s enemy is my friend” but in some respects the difficulty around the Mayor has moved, in my view, from a major problem, to reinforcing a view that they need to just get on with it by working well together.
43. The Mayor continues to express a strong view that he is not provided with appropriate support and, more recently, he has characterised behaviour towards him as bullying. In regard to the former, the Deputy Mayor, other Councillors, and management all deny this is the case. They argue that where assistance has been offered it has not been taken advantage of, or the Mayor has been unable to benefit from it. Various examples have been put to me and would tend to support the view that there is a significant gap between what the Mayor sees as required and what he could realistically use.
44. Whilst I cannot attest to the presence or absence of bullying behaviour across the wider spectrum, it does seem to be the case that the mayor’s own behaviour has resulted in significant reduction in support for him by colleagues. (EG., I noted earlier the contrast between Cr Clark’s original stated wish to “sit alongside and support the Mayor”, and his current approach of overtly challenging the Mayor in a public way). A small number of colleagues who were more supportive of him than others at the time of my original report have lost sympathy for a range of reasons. He finds himself now very isolated and the subject of media attacks both from within and outside Council. It is a lonely and distressing place to be and it is difficult not to feel considerable sadness for the position he is in. The strength of Cr Clark’s public comments, the possible misuse of his email, and the uncertainty he expresses as to what he understood was happening with staff reviewing his email correspondence from his Mayoral account, could all contribute to an impression of bullying. Whilst I have not seen any evidence that would support the presumption of bullying there is a risk that continuing to respond to his public statements other than carefully, could appear like “kicking someone when they are down” and create a perception of that in the public’s mind. Council might wish to reflect on that. I made the comment in my original report that the Mayor has appeared to adopt at times an approach of “putting out fire with gasoline”. This means that he both continues to dominate media interest, and stimulate it. Whilst that is probably inevitable it does mean that the significant improvement that has been made at the ICC is seen by many Councillors as not being a focus, or where it is, it is a media afterthought. There is probably little that can be done about this but the reason I have moved the Mayor’s role in things from the top of my list of concerns in my original report, to the bottom in this report will, I hope, reinforce the notion that the ICC is not

The Mayor and that a lot of people have worked very hard in the last six months to achieve significant progress.

External Stake Holders – Chamber of Commerce

45. I have chosen to feedback from the Chamber of Commerce at this point in the report. Their feedback is primarily anecdotal and is supportive of the general flavour of the feedback above. There are many external stake holders that I could have engaged with but, on the advice of Council, I chose the Chamber as it reflected the views of a wide range of stake holders. I recognise that their views will however be reflective of a particular kind of stake holder and should not be seen as representative of all possible stake holders.
46. It is not possible to reflect the views of a single external stakeholder anonymously for obvious reasons but I have cleared with them that they are comfortable with the feedback I have provided here.
47. They noted that the “noise levels had dropped considerably”. At a management level “the quality of the new leadership team is really, really good” and “engagement at a management level is really good. Always know where you are with her” (CEO).
48. They felt that “comms was a difficulty” and that the “community has little idea of what is going on” which in their view means that perception is slow to change. They felt that there are good stories to tell but that the media coverage was very much dominated by stories about, or apparently initiated by, the Mayor which dominates the public perception.
49. They expressed concerns that Invercargill may not be being adequately represented at a regional level (although my subsequent discussions with Mayor Hicks suggest that concern may be less real now than it was previously).
50. They expressed surprise at how smoothly the LTP process went. They felt kept in the loop and engaged, but have a concern that there is still a need for a long-term vision rather than a project scheduling one (my words attempting to summarise their comments).
51. At a governance level they retain a concern that there is no one you “can pick up the phone with and sort something out”. They recognise that the Deputy Mayor is attempting to fill a gap in this regard but have some concerns that his strongly held views could filter the message rather than deliver it.
52. Finally, they commented very positively on the impact of the External Appointees and expressed concerns as to what might happen if this input was withdrawn too soon.

PART TWO

Why Has Progress Been Made (Working on Working Together)

53. I focused in my original report on a range of measures that I felt could be used to improve a difficult situation. These included both the “soft” things that might make a difference, and also the structural interventions that I thought could

improve things. It is to the significant credit of both elected members (the Mayor excepted), and management, that they grasped the opportunity to make progress and embraced it.

54. Much of what I have commented on above reflects the soft stuff changes. The improved understanding of what behaviours are necessary to enable good democratic processes, and the way in which everyone had to take responsibility for their own behaviours if they were to be successful. No amount of structural intervention will be successful if the interpersonal relationships get in the way of implementation.
55. In this section I focus more specifically on the formal processes that the Council has adopted to address the challenges in my report, and what appears to have worked and not worked, and why.

External Appointees

56. There was a universally held view that the presence, skill set mix, and methodology employed by the EA's has been a major factor in the progress made. They brought different skill sets to the task. A description by one Councillor probably summarises the collective view well:

“They come from 2 different perspectives. One politically wise, and one bureaucratically wise. They have played off each other well. Been good at providing feedback back to Chairs. Very useful in helping Council. Fear is that they be let go too soon. Need them still. Have a calming effect and an objective ability to chip in”.
57. Many Councillors talked about the way they had attempted to learn from the EA's approach, and the desire to be seen by them as working hard to contribute and do so in the best possible way. Much of their value actually lay in the “soft stuff”. This was a Council that was not working well together (both governance and management) and it needed a reset in its values and attitudes. In my view the most critical benefit the EA's have brought has been in that area.
58. The appointment of External Appointees was a calculated risk. It had not been done before in Local Authorities with the more common approach being the appointment of Crown Observers. The roles are very different. A Crown Observer is reporting back to the Crown and would not usually take an active role in Council affairs. They have a clear line of accountability back, ultimately, to the Minister. The EA's were intended to take an active role in the affairs of Council (although not in political decision making). They had no line of accountability in this situation (possibly in hindsight both a benefit and a concern). They were able to take stewardship of the project plan for implementing the recommendations in my report (put together by management). The decision that one of them should also chair the Chairs' meeting has been successful based on the feedback of those attending.
59. There has been a view expressed by a number of people (both governance, management, and external stakeholders) that at times there has been too much focus on “tasks” and that that may have reflected a concern by the EA's that they demonstrate value for the ratepayers cost incurred. Indeed, a similar comment was made by one of the EA's in interview when he said “there may be a need to redefine the role to be more a stabilising function going forward rather than task focused”. There has also been some concern expressed at

comments made publicly by the EA's at times and questions as to whether this was appropriate or helpful.

60. The above needs to be seen clearly however in the context of what has been seen by almost all parties as a valuable and well gauged intervention on their part.
61. I comment below on the importance of the Project Governance Group. I do not believe that this could have created the structure and discipline needed without the key participation of the EA's.
62. For their part they have noted that they felt at the beginning of the process that many Councillors were not aware of the extent of the problem. The focus by many was on Sir Tim and it took a while to move the focus away from what they could not control to what they could, which was their own behaviour and processes. They felt it took a couple of months to build confidence in their role amongst the wider Councillor group. They also reflect the same frustration now felt by many others "success is still being seen through a Sir Tim lens when what is happening is top class".
63. They share a view as to the strength of the current management team. "Reports to Council still have some progress to be made but are much improved". They also noted that the structure of the governance support team was unclear when they commenced, as were the roles and responsibilities of the people supporting the ELT, Committees and Council. They report that recent changes in the Governance Support area have been a really positive move.
64. They have a view that the Chairs' meetings still need to be more proactively focused rather than reactively so, and that the forward thinking is still coming more from the CEO than the Chairs. Although they feel there is more of a forward focus developing, there is a still a need for better harvesting of key issues and their implications in advance of papers being finalised.
65. The EA's themselves have questioned at what point they should pull back and I will return to this in the next section.

Working On Working Together Plan

66. I commend the Council on the thought and effort that has gone into the Working on Working Together implementation plan. This has wrapped an important structure around their response to my report. Whilst, as is inevitable, some things have been more successful than others, and some things have moved more slowly than possibly expected, the overall sense is of a council taking its responsibilities seriously. The plan is appended as Appendix 3.
67. The Plan has at its heart seven core outcomes that would define success:
 - 67.1. The Elected Council is able to function as a governing body;
 - 67.2. The Mayor, Deputy Mayor and Committee/Deputy Chairs are able to provide leadership to other elected members and the Council organisation;
 - 67.3. Elected Council Members have the understanding required to carry out their local governance role;

- 67.4. Elected Council members have the capability and knowledge to make decisions effectively.
 - 67.5. Elected Council members are able to work effectively with the council CEO and ELT;
 - 67.6. A lasting legacy for future councils will be provided;
 - 67.7. A reputation is established as a high performing Council.
68. The work plan to achieve these goals has been allocated to four working groups:
- 68.1. Strategic Projects – Deliverables being -An ICC decision making framework which assists with identifying and prioritising projects for inclusion in future LTP's, and for strategic project decision making on a continuous basis.
 - 68.2. Support for Councillors – Focused on developing a comprehensive professional development programme and oversight of its roll out. This group also turned its mind to council reports.
 - 68.3. Supporting the Mayor & CE and clarifying the Role of the DM – with focus on ensuring the Mayor & CE are appropriately supported to lead the implementation of the report recommendations, and to clarify and sign off the responsibilities of the Deputy Mayor.
 - 68.4. Developing Media Protocols & bringing the community along – deliverables being a set of protocols by the end of Feb 2021, and a communications plan in place by the 31st Jan 2021.
69. The plan envisaged a number of clear goals and I have chosen to review progress using those as markers. They are not addressed in entirety or necessarily in the order they appear in the document. I have chosen to highlight key areas, and in some cases, for brevity, I have brought multiple goals together into a single heading that does not reflect the structure of the programme but grabs its essence.

The Council Charter Is Adopted

70. Whilst there was not universal agreement around the success of this process almost all interviewees believe that the work done to achieve the Charter was a key element in getting them focused on what good behaviour and respect looked like and how they would hold themselves to account for that. Sometimes the work to get to something is as important as the outcome itself. Councillors generally felt the process was valuable, and the outcome was a good one. It was a structural element that reinforced the “soft” relationship building and self-reflection that has contributed significantly to an improved culture around the Council table.

The LTP Is Adopted By 30th June

71. This had been seen as a significant risk by the DIA who had expressed concern about what they saw as a poor process to achieve the annual plan. I have commented earlier on the success of this process and the strong sense of satisfaction from Councillors and staff regarding the process and the outcome.

Whilst part of the reason for this lies in the improved working relationships referenced in the prior point, a lot also lies in some of the following plan items.

The Chairs' Group Are Able To Provide Leadership (My Paraphrase)

72. The Chairs' group was a failed body at the time of my report. It lacked leadership, resulting in the CEO having to assume a de facto governance role, relationships were fraught, the Mayor was unable to play a normal leadership role, and there was little in the way of forward planning or feeding back into supporting staff around the kinds of work Council needed from them to ensure key deliverables were met. I recommended that one of the EA's should chair this body. The new structure, chaired by an EA, and comprising the Mayor, DM, Chairs and Deputies, with the CEO and other appropriate Exec staff in attendance appears to be working well. Importantly there are notes that go back to Councillors after each meeting that keep them in the loop and reduces the risk of an A team B team scenario. There are terms of reference in place. Staff commented to me that the Chairs' group is now an avenue for engagement whereas previously it was not. For all of these reasons, this structure is working. There are moments of tension but that is only to be expected and would be likely in most similar situations.

Effective Support Is In Place For Decision Making

73. There have been two key structural components to this. The first has been around the way in which staff reports have been prepared, and the second is around the facilitated workshops that have enabled staff to understand Councillor's information needs, and for Councillors to understand key information. Previously there was a lot of discord around multiple requests of staff for revised or further reports, and frustration from some Councillors who felt that the reports did not have the information that they required. And because this was not a uniformly held view it ratcheted up the tension.
74. Structured reports from staff to Council are reported by most Councillors as significantly improved and there is a strong sense that they are anticipating the information requirements of Councillors. In part this has been linked to the calibre of the current ELT, but my expectation would be that reports will be coming from a number of staff outside of that tier. It could be that the ones most likely to be contentious have strong input from ELT even if they are not holding the pen. I am aware of work that has been done by the External Democracy Services Advisor who has picked up weaknesses in historic report presentation and provided new templates and guides to overcome this. But a lot of her formal work has only recently been signed off so the improvement may also reflect a greater awareness from staff of the need to put themselves in Councillor's shoes when trying to anticipate the information needs of Councillors.
75. There has also been a clear attempt to structure workshops around facilitating objectives. My understanding is that an externally facilitated workshop were held prior to the LTP to get a sense of councillor priorities, areas of likely dispute, and information needs. Councillors feel that this contributed significantly to a far better process. Many talked with enthusiasm about the work of both the Exec and staff from other tiers who facilitated LTP workshops and the community process. I heard no complaints about any aspect of this and staff should take some considerable credit for their work. Some long serving

Councillors reported the LTP process as being the best they had been involved in in their time on council.

The Role Of The Deputy Mayor Is Agreed

76. I have commented at some length regarding this in section 1 and will just touch on it again here. The MOU was a sound structural approach to achieve a mediated outcome between the Mayor and Council. It ultimately failed due to the difficulties the DM had in operationalising the agreement combined with comments made by the Mayor through the media which further undermined the relationship (the “Brutus” comments amongst others). The DM is clear that the negotiations significantly involved the Mayor’s partner. He reported being asked to seek approval from (as opposed to “notification” to) the Mayor for any attendance or action, and in the end was no longer prepared to engage with the Mayor’s partner around this, and elected to use the MOU’s exit clause. In the absence of a formal document the DM has been free to develop the role as he feels Council wishes of him. It does have some ongoing issues in that he may not be aware of all meetings that the Mayor has been invited to if they go direct to the mayor’s personal diary. However, there is general agreement that the role adopted is working generally well and meeting the needs envisaged in my original report. There remain some issues of style that are of concern to most councillors and other interested parties and I will return to those in the last section, but overall, there is both good will and recognition of the hard work by the DM in picking up these additional responsibilities.

Professional Development Programme In Place

77. The External Democracy Services Advisor has worked with Council around developing an appropriate professional development programme. Rather like business confidence surveys in which a majority of respondents say the country is doomed but 90% say they themselves are all right (when both cannot be true), it is the nature of elected officials (and probably most of the rest of us) to have a view that professional development would be good for everyone but “I don’t need it”. That has made putting together such a programme more difficult, and there are mixed views as to the value, but (fortunately) a collective view that “even though I don’t need it” I will “take one for the team” has prevailed. I think the programme is valuable in its own right and, so far, it appears to have had good attendance although it is early days.

Staff Reports Reflect Good Practice & Facilitate Timely, Informed, Decisions

78. I have covered most of this off in the earlier paragraph (Effective support is in place for decision making). There is strong support for a view that this is now the case.

Elected Members Able To Work Effectively With CE & ELT

79. There was a strong consensus that the working relationship and respect level between Councillors and the Exec team and CEO has improved significantly. I note the Impact Consulting Survey data reinforces the anecdotal reports strongly in this regard with 77% of councillors either agreeing or strongly agreeing that a good working relationship exists, and 82% of staff expressing the same views.

Project Governance Group

80. The Project Governance Group was largely seen by those participating as an important structural component to driving the work programme. It has kept a clear focus on the work plan, and I think it has been an important window for the DIA to gauge the sense of direction. It also brings management, key players in the previous discord (the Deputy Mayor and, at least at the meeting I attended, the Mayor), and the EA's, Chair of Audit & Risk (who acted in the role of governance adviser prior to and during my review) and the DIA all into the same room. There are some differences in view as to how important this is going forward but I would encourage continuation. It is important not to underestimate the value of a structural work programme. It might sound trite but sometimes "the work is the goal" and having a range of projects, concretely defined, and regularly being reviewed by the PGG has created a sense of discipline which has been beneficial for all concerned. It has forced attention to processes, and created structure. Having an independent Chair of this group has ensured that it has run well.

A Communications Strategy In Place

81. This is seen by many as a still significant gap, although an appointment had been made to a strategic communications manager at the time of my interviews and so hopefully this will soon join other goals as achieved. There is a collective view from Councillors, Management, EA's and the Chamber, that the reputation of the ICC is being driven still by the focus on the Mayor. The frustration levels have increased at what all see as "the Mayoral sideshow" (my phrase but reflective of a range of ways of similarly describing it). As a result, what all see as a vastly improved performance (a view shared by the DIA as best I can ascertain) is not being seen as such by the public. There is significant pride amongst the team as to the success of the LTP process, and a view that the many positive things that are happening are being swamped by the media focus on Sir Tim. There has been far less negative interaction between Councillors in the public arena, apart from that between the Mayor and DM in the last few weeks, (which reflects the reality of improved relationships), but there is a positive story about Invercargill to be told and a general feeling it is being lost.
82. The Media protocol that was attempted reflected a desire to present a more collegial and considered view by Councillors regarding media interaction. It is unfortunate that the focus became the perceived "gagging" of members when that was not the motivation for it. I understand the media's focus on the wording but I place more store on the intent. As best I can tell, the contentious piece of the protocol was "Elected members agree to focus on council issues and activities when speaking to the media, rather than the actions or decisions of other elected members or staff". I will comment further on this in the last section.

A Comprehensive Induction Programme Is In Place

83. I am not clear that this goal has been met yet. Whilst it is always more difficult to manage an induction programme for a single Councillor, Cr Lush's comments would indicate that there is still work to do and there may well be merit in engaging with him, as the most recent new member, around what he found useful and what he found lacking. Further, I think a successful induction programme starts well before an election. One of the goals of the work plan is

around a legacy approach which dovetails back into the desire to be a high performing Council. This means, in my view, ensuring that prospective new Councillors have a good understanding as to what the role is about, what the ongoing issues are, and how the Council works (governance versus management, legislatively defined planning cycle, etc). I would encourage the Council to pick up this mantle (as part of the PGG work programme) and start induction at least a month out from nominations closing. I have been involved in a similar approach in Dunedin and was surprised at just how high the turnout was from interested people. Some went on to stand (and were elected) and some clearly decided it wasn't for them.

84. There needs to be a clearly defined induction programme in place for elected members. Further, I believe it is critical that re-elected members commit to being part of that. Whilst there is a view often from "old hands" that they don't need this and attendance can be poor, the reality is that creating a team at the beginning of a triennium is important. The presence of experienced Councillors participating with novices in an induction programme signals a commitment to that, is welcomed by new members, and they just might learn something.

PART 3

Next Steps & Direction

85. In summary I have expressed a pretty clear view that significant progress has been made and most project goals have either been addressed or are in the process of being addressed. One has been abandoned in favour of a different approach (MoU between Mayor and Deputy), and the media protocol may (I understand) still be subject to some review (although I note that it was adopted by majority vote on 23rd Feb). I think there remains work to be done to ensure that the significant progress does not abate over the balance of the term.
86. As a general comment I note that the objective results of the Impact Consulting survey align closely with my more subjective analysis. Apart from referencing the survey in a few instances, I have not felt any need to revise any conclusions based on that data. But I find it interesting, and probably reassuring, that the feedback from Staff as to how things are improving gives more credit generally to Councillors than they give to themselves.
87. For example, Q5 A HIGH PERFORMING COUNCIL, which measures "what progress do you believe ICC have made in the past 6 months towards having strong unified governance and leadership?". Staff rated at 92% "noticeable progress" whilst Councillors were at 53% either "significant" or "noticeable" progress.
88. Or, Q6 DIVIDING ISSUES, which measures "Councillors are making positive progress on resolving issues which have divided council in the past (or have defined an agreed decision-making process for these topics)". Staff rated positive progress at 82% versus Councillors at 62%.
89. There are other similar results. What this suggests to me is that Councillors still see room for improvement (and possibly are reflecting the view that "I am doing it but some others still have some work to do"), but that staff see things as far

more positive than I believe they would have in the same survey had it been done a year ago.

90. In no particular order of importance, I see the following steps as remaining significant.

Role Of The EA's

91. There are a number of issues to be resolved around the ongoing participation, or otherwise of the EA's.
92. There has been a range of views as to how long they should remain engaged, and how their role should develop. In summary, the strong majority view was that Councillors and Management would like to see their role continue until at least the end of the year, with a significant subset preferring it to continue in some shape or other until perhaps the end of the first quarter of next year. There was a minority view that continuation right through to the end of the term was desirable.
93. I believe that it would be unwise to discontinue the current arrangements before the end of the year. But I would see a focus shift from the more task orientated mode of operating to a more supporting, mentoring, and process focused role. This loosely aligns with the timing and focus of the PGG's Phase 3 programme. I think that the greatest benefit has been brought simply by their presence and modelling of professional behaviour, coupled with their ability to work with Chairs and the Deputy Mayor in particular, but also the CEO, around process and focus. I would recommend that (if willing) both continue until the balance of the projects in the Working on Working Together Plan are in train or complete, which should be in the next couple of months. At that point, perhaps coinciding with the time frame completion of phase 3 in the PGG work programme, it may well be that there is not an ongoing need for both EA's to remain. If that were the view, I would prefer that the locally based EA (if willing) should continue and that the role he carries out would be to continue Chairing the PGG through Phase 4, supervise a handover to a Councillor chairing the Chairs meeting, acting as a mentor to the wider governance group, and continuing to support the interface between Councillors and Management. There will be the first stages of an annual plan to be brought together in that period. I would see it as appropriate for the remaining EA to finish their role at the point the annual plan is signed off by Council, which also coincides with the completion of the PGG Phase 4 time frame. It may be possible to do so earlier if it is clear that all is progressing well around that annual plan and the PGG work plan is completed and is well embedded.
94. I think that timing is important. The ICC is a political body at a governance level. The public rightly would expect it to have different views and opinions around all sorts of matters and would also expect to see them both express those and manage the expression of them as responsible Councillors. If they do not, or cannot, then the public is entitled to take that into consideration in how they vote. I would expect Councillors to be behaving in the City's best interests by then (as they largely appear now to be) and if they were not, then the public can assess that for themselves. But it would also be unfair on them if there were a perception that they were behaving this way because they were being managed. For these reasons I believe it important that the EA presence be

completed before the end of the current term. If all continues to progress well then it may even be feasible to phase out the EA involvement earlier in the process, perhaps by the end of March, subject to their being a clear view that the annual plan process is on track and the preparatory work completed.

95. The question of who makes these choices is germane. There was originally intended to be two reviews of the EA's appointment in the Working on Working Together programme (June 21 and December 21). The June review has lagged by two months. Given that, there might be merit in having a much-abbreviated review in December that focuses only on whether there is a need to continue with two EA's, and then a final review in March that determines whether the EA appointment(s) finish at the end of March or continue till the completion of the annual plan. I do not see the need at present for a review of the current complexity in December. It could be accomplished by seeking the written views of Councillors, and meeting with the EAs, Chairs' group collectively, the Chair of Audit & Risk, and the CEO, followed by a recommendation to either the last meeting of the year or first in the New Year. The ambit of the March review could be similarly reduced in scale given the progress to date. The safeguard could be that the Chair of Risk & Assurance could be the referee of whether the progress has been maintained sufficiently that the only decision is when the EA(s) finish, or whether a wider review scope is required.

Continuation of PGG

96. I recommend that the PGG in its current form remain in place until the completion of its Phase 4 work plan. I note that Phase 4 is essentially overseeing that things are embedded rather than commencing new work. Even if all projects and goals are in place it is an important reassurance to the DIA and it maintains a formal discipline. There is a need ultimately for a collective owning of the work that is being processed through the PGG. This appears largely to be the case now but I think it would have been more difficult without such a structure. If my recommendations above, relating to the timing of the EA's departure, is accepted then there would be EA presence until at least the end of March, and probably till the end of June. I believe it would be wise for the current Chair to remain in that role till at least the completion of Phase 3, but there may be merit in a Councillor taking the Chair's role with the EA in attendance through Phase 4. This would allow the PGG to continue through to the end of the term if Council considered that desirable, but would also allow for a transition while the previous Chair was still present. Currently the only councillor member is the Deputy Mayor (although I note the Mayor was in attendance by video on the occasion I joined). If my recommendations are accepted, I would think it wise to broaden the Councillor membership to replace the departing EA's, and in advance of this happening. I recognise that there are a number of Councillors chairing the work stream groups. There may be merit in these Chairs becoming part of the PGG or, if that is seen as making the group too large, the alternative is for Council to appoint two more representatives to the group with the deliberate intention of leaving the Chairs of the working groups reporting to the PGG rather than part of it. I am comfortable with either option. But someone will need to chair the group through to the end of the term and at present that could really only be the Deputy Mayor, or a subsequent appointee.

Role of the Deputy Mayor

97. I have commented extensively above regarding the important role that Cr Clark has played in enabling the progress I see the Council as having made, as well as where I retain some concerns. It has been largely a collective Council effort but I was very critical in my original report regarding Cr Clark's role in the difficulties that Council had got itself in. It is only fair therefore that I equally prominently reflect the manner in which he has risen to that challenge and consciously amended his way of working. He is passionate about the things he believes in and dispassionate about how he may be seen by others. Nevertheless, his work ethic and amended way of doing things has been largely recognised by his colleagues, and others, and this has enabled changes to take place that would not have been possible otherwise. His leadership in a range of areas has been exemplary. Notwithstanding that the relationship between himself and the Mayor has largely broken down I don't see him as primarily responsible for that, and he remains committed to assisting the Mayor as he can, but not at the expense of fulfilling the role for Council that the Mayor is unable to perform. He is seen as ensuring that the ICC is represented appropriately in the regional forum, and he has rebuilt a good working relationship with the CEO that seemed unlikely six months ago.
98. There are two areas in which I feel he needs to reflect still further. The first is simple, and possibly reflects a momentary aberration, and is not of long-term consequence. His decision to vote against the entire LTP because he lost a vote on one aspect that he was passionate about (the Museum rebuild timing) annoyed many of his colleagues who saw it as a sign he was going back to his old ways. Local democracy works best when Councillors advocate passionately and informedly for their position, but then come in behind the democratic decision. This does not mean that they have to agree with the decision. They should be free to explain why they did not (although if they are competent that will be very clear from the debate). For his part, Cr Clark would say that this reflected a matter of principle for him in that he could not support the time frame that the LTP envisaged for this work in particular, and that some decisions were taken when he was absent which were contrary to what he believed was to happen. But that does not change my concern. To vote against the adoption of the LTP, in which he presumably had endorsed many or most of the other positions, because he felt strongly about one component, was aggravating to his colleagues. However, several commented that, though annoyed, they felt he did so in a better way than he would have previously. One assumes that there will have been other aspects of the LTP that other Councillors may have found themselves on the losing side of a vote over. If they had all decided to vote against adoption because they lost one bit of it one could find oneself in the absurd position of refusing to adopt an LTP (or annual plan for that matter) because of disagreement over multiple "one part's" of it by a number of different Councillors. It was unhelpful to the process and unpicked some of the trust that had been hard won.
99. The second is of more moment. Cr Clark has taken his role as DM (and effectively on course substitute for the Mayor in many forums) very seriously. He is seen as delivering in this regard and as being diligent in reporting back. What is a concern to many (and was reflected by the majority of interviewees regardless of role) was a strong feeling that his reports are editorialised and

reflect the world through Nobby's eyes. This is a concern to many in that they worry, on important issues, that they are getting Nobby's view about what should be done as opposed to an objective report back. In interview I put it to him that there was a fundamental difference between:

"I have reviewed all the material on this and attended the presentations on behalf of council and I believe that we need to do X", versus

"I have reviewed all the material on this and attended the presentations on behalf of council. I think the areas that we need to ensure we have information in front of us on, to ensure we can come to a sound collective decision, is X, Y & Z"

100. I put it to him that there was a strong sense that his feedback reflected the former approach rather than the more dispassionate reporting back of the second. He did not agree with me that this was the case, but it was seen that way by most of his colleagues, and non-councillor interviewees alike. I think that the DM needs to continue to focus on how he enables discussion around an issue, as opposed to using his position to influence or guide the outcome. The place for the latter is around the table where he is free to take whatever advocacy position he chooses. Prior to that he has a leadership role to enable his colleagues best possible participation rather than being seen as trying to mould it. A number of Councillors expressed their view about this issue in the context of the Three Waters debate.
101. I have already commented on the concerns that have arisen around the last few weeks media storm and Cr Clark's role in that. I won't go through it again except to say that I saw little risk of destabilisation at the point I completed my interviews but I am less confident of that now. I think Cr Clark, and to the extent that he is being supported by other Councillors, the wider Council, need to look hard at whether what they believe is right (challenging the Mayor on what he, or they, see as inaccurate statements) has the potential to ultimately do harm to the improved collegial approach of Council if it is not handled very well. I am not suggesting that he, or Council more widely, should say nothing. Only that tone and scope of response, will influence outcome.

Media Position

102. The media protocol was a well-intentioned effort to build a better collegial relationship which ran up against a freedom of expression argument and a significant media reaction. The key point of concern appeared to revolve around the clause that advised Councillors to make comment on issues rather than on their fellow Councillors. As a way of rebuilding collegial relationships, it was an entirely sensible clause. Nevertheless, it was almost inevitable that it would be interpreted as it was by the media.
103. I would encourage taking a more cultural approach to this rather than a "legalistic" one. I believe that it was in Invercargill's best interest to achieve a Council organisation that was working well together, focused on key issues, and as collegial as any political organisation can be. By and large Councillors have chosen to step back from the adversarial and unhelpful media commentary that existed previously. The Mayor has been a notable exception and Cr Clark has at times appeared ambivalent as to which approach to take, and in recent weeks appears to have abandoned ambiguity for a more aggressive style where it pertains to the Mayor (and I have dealt with this above). I suggested in my original report that part of building respect & trust

might be to withhold media comment about an issue until they had given their colleagues the courtesy of hearing their views at a meeting. By and large I think this has probably occurred. There is a general resignation around the table as to the fact that the Mayor will continue to make statements they see as inflammatory and unnecessary, and sometimes incorrect, but most media comment has been restrained and has played the ball rather than the person.

104. But the Council is a political organisation and not a Company Board of Directors. There is a role for the expression of divergent views and it would be a very unusual Council where all views were the same. What Councillors need to be aware of is that the public perception of them was previously being defined by the apparent conflict that dominated much of the media discourse. If they adopt a few basic principles, they will enhance both the Council's reputation, their own, and ensure that a collegial approach continues to the benefit of the city. I would suggest that they focus on the following:

104.1. Withhold comment on agenda topics until they have given their colleagues the courtesy of hearing their views.

104.2. Wherever possible express their views in the media as their view and debate the issue rather than focusing it on another person.

104.3. If there is a perceived need to make personal comments about others then do so with respect, careful checking of their facts, and probably after a night's reflection. Referring negatively to someone's performance can just as effectively reflect back on them, and their colleagues by association.

105. If Council were of a mind too, they might replace in the media protocol:

“Elected members agree to focus on council issues and activities when speaking to the media, rather than the actions or decisions of other elected members or staff.” with:

- Where members disagree with the decisions, views, or actions of other members they have a right to make their position known and to state why. This should be done with courtesy and respect and members should refrain from unnecessary or irrelevant personal attacks.
- Members are entitled to disagree with the recommendations or professional opinions of staff but should restrict their comments to the facts of why they take a contrary view. Personal attacks on staff are unacceptable.

106. The appointment to the Strategic Communications position is an important step forward. Councillors, Management and external interviewees all commented on the outstanding need to ensure that the positive work that the Council is doing needs a greater focus. Least this be seen as simply a desire to spin a good story I refer back to the Chamber of Commerce's view. They felt that “comms was a difficulty” and that the “community has little idea of what is going on” which in their view means that perception is slow to change. They felt that there are good stories to tell but that the media coverage was very much dominated

by stories about, or apparently initiated by, the Mayor which dominates the public perception.”

Final Words

107. This is a Council that remains a work in progress but should be pleased (both governance and management alike) of the progress that has been made. I congratulate them on their willingness to accept strong criticism and to respond in such a positive manner. There remain risks and I have outlined them above. Nobody is suggesting it is perfect but I believe that it is largely meeting the expectations that its ratepayers should expect of it.

Richard Thomson

2/9/21