

REPORT OF THE REGIONAL GOVERNANCE WORKING PARTY

1. Purpose of report

This report provides the Wellington Region Local Government Reform Working Party's (Working Party) report on future governance options for consideration.

The Working Party recommends that two governance options be consulted on with the community – a single tier unitary council for the region, and a two tier unitary council for the region (using local boards).

This report includes the following appendices:

- *Appendix 1* – analysis of the governance options currently being considered in the region against good governance principles and Local Government Commission criteria.
- *Appendix 2* – description of governance models, and the risks and benefits associated with each model.
- *Appendix 3* – financial considerations.
- *Appendix 4* – the Working Party's report.

2. Executive Summary

The Working Party is comprised of Wellington and Porirua City Councils, Kapiti Coast District Council and Greater Wellington Regional Council. It has undertaken work to identify the best alternative to the status quo for the arrangement of local government in the Wellington region.

The Working Party focused on three key areas: the case for change, what the future boundary should be, and what governance structure options best deliver on the Local Government Commission criteria for reorganisation.

The Working Party has identified that there are opportunities that can be realised by establishing a regional unitary authority, and now seeks Wellington City Council agreement to consult on two governance model options as contained in their attached report. The recommended options for consultation are a single tier unitary Council for the region, or a two tier unitary Council for the region (using local boards).

Each of the two options above can include a variation of having the Wairarapa region included or not.

The multiple unitary authority model (ie. more than two) was considered but limitations around its ability to effectively and efficiently address regional issues meant it has not been recommended as an option for consultation.

A criteria and principle-based analysis of the options, in addition to a review of the benefits and risks associated with each governance model, has found that the two options identified by the Working Party meets the government criteria most closely and are therefore the most appropriate for consultation with residents in the region.

In terms of decision-making in regard to this report, there are three primary options:

- i. Consult with residents on the Working Party's report, and subsequent to that consultation, consider whether to support the lodging of an application to the Local Government Commission.
- ii. Direct an alternative consultation process to be undertaken that asks residents of Wellington City for their views about the two options and any other option (ie. multi unitary authorities). As a consequence of that consultation, the Council may then wish to consider submitting an alternative view to that of the Working Party in May when it is likely to lodge an application with the Local Government Commission.
- iii. Decline to consult on the Working Party's two options and any other option, and consider Council's position once an application is lodged with the Local Government Commission (likely to be in May 2013).

3. Recommendations

It is recommended that the Strategy and Policy Committee:

1. *Receive the information.*
2. *Note officers' analysis of the governance models currently being considered in the region against the good governance principles and Local Government Commission criteria attached as appendix 1.*
3. *Note officers' analysis of the risks and benefits associated with each governance model as outlined in appendix 2*

4. *Note officers' financial considerations as outlined in appendix 3.*
5. *Receive the report of the Wellington Region Local Government Reform Working Party (attached as appendix 4).*
6. *Agree to consult collaboratively with other participating Councils on the basis of the Wellington Region Local Government Reform Working Party's report (option one).*
7. *Delegate to the Mayor and the Chief Executive the authority to sign-off on any consultation material.*
8. *Note that the findings of the consultation will be presented back to the Strategy and Policy Committee for consideration before next steps are decided.*

4. Discussion

4.1 Background

Wellington City Council was invited to join the Wellington Region Local Government Reform Working Party. Its purpose was to identify the best possible alternative arrangement for local government in the Wellington region. Participating Council's included the:

- Greater Wellington Regional Council
- Wellington City Council
- Porirua City Council
- Kapiti Coast District Council.

The Working Party and all councils remain committed to sharing their information and the results of their investigations with each other and the public to ensure any future public debate is well informed.

The Working Party has met several times and considered a significant volume of information. The two areas of focus for the Working Party were:

- what future boundary Wellington might take, and
- what structure might be proposed to sit within that boundary.

The findings of the Working Party have been outlined in their report and is attached as appendix 4.

4.2 The context for change

Auckland became New Zealand's first super-city, a city of 1.4 million people that stretched from Franklin in the south to Rodney in the north. It is comprised of one Mayor, one council, and 21 local boards. This was a catalyst for debate on

local government reform in Wellington and discussion on what opportunities may be capitalised on with a different governance structure in the region.

In March 2012, the government sent its strongest signals that reforms in Auckland were to be viewed as a compass for the local government sector. The government's broad strategy is called *Better Local Government*.

Better Local Government makes reorganisations easier and encourages a more strategic regional view. *Better Local Government* asks local government to use its resources more effectively and to consider the long term with clear, simple and easily accessible plans. Significant legislative reform has also been made to the Local Government Act 2002 recently that makes it easier for areas to amalgamate.

The Local Government Commission – who makes decisions about whether reorganisations should happen or not – also has more scope. This means anyone able to show demonstrable community support will be able to apply to reorganise local government in their area. In addition, the Local Government Commission has new criteria that encourage a regional view, a regional voice and simplified strategic regional planning.

4.3 Summary of the Working Party's Report

The Working Party seeks Wellington City Council's agreement to consult on two options for local government reform in the Wellington region. Those options are:

- a. A single tier unitary Council for the region.
- b. A two tier unitary Council for the region (with local boards).

It is important to note that the Working Party acknowledges that a case is being prepared by the three existing Wairarapa Council's to propose the establishment of a Wairarapa unitary authority and that both options listed above are viable regardless of whether the Wairarapa proposal is successful or not.

The Working Party recommends consulting residents throughout the region on the basis of its report.

The Working Party report outlines a number of critical areas that are crucial to the lodging of any application to the Local Government Commission to consider reorganisation, these are:

- a. a case for change
- b. principles of good governance against which design activity has been guided
- c. descriptions of two proposals

- d. financial implications arising from both proposals
- e. efficiency and effectiveness assessments of a range of proposals currently being formally considered throughout the region.

The outcome of consultation on the two options and subsequent consideration by the Working Party is likely to be an application to the Local Government Commission by one or more participating Councils for reorganisation of local government in the region. An application is likely to be made in May 2013.

4.4 Consideration of other options

The report of the Working Party recommends the single and two tier governance options for consultation with the community. They considered and eliminated multiple unitary authorities as a viable option as it did not meet the principles of 'good governance' and the assessment criteria of the Local Government Commission to the same level as that of the recommended options.

This officers' report includes analysis of the two recommended options, multi unitary authorities, as well as the status quo against the same principles and criteria. The results of this analysis are included in appendix 1 to this report.

4.5 Recommended next steps

In terms of decision-making in regard to this report, there are three primary options:

Option One – agree to consult on the Working Party's report

Consult with residents on the Working Party's findings, and subsequent to that consultation, consider whether to support the lodging of an application to the Local Government Commission.

This option **is recommended**. Council participated in the Working Party process to identify the most appropriate future governance options to consult on with the community. The Working Party identified two options that most strongly meet the principles of good governance, reflect the intention of the Local Government Act, and the views and criteria of the Local Government Commission with respect to reorganisation proposals.

Consultation will be region wide and will be conducted in collaboration with other participating Councils. Each participating Council will take a lead in consulting their own residents and communities in their areas. The consultation will feature a common website, consultation material and submission form, and the costs for consulting and communications will be shared. See section 4.6 of this report for more information.

Option Two – (i.) determine to consult the public on three options: single and two tier unitary authorities (as described in the Working Party report) plus a multi-unitary authority, and (ii.) work with the Wairarapa and Hutt councils on a consistent multi-unitary authority model for consultation, and (iii.) decline to consult on the Working Party's report.

Should the Committee determine to consult on a wider range of options than those the Working Party has agreed upon, it must decline the recommendation to be part of the Working Party's consultation process.

This officers' report provides analysis on a multiple unitary authority governance model as a way to demonstrate the risks and benefits of such a model – see appendix 2. If the Committee determined that this model (or any other model) should be consulted on with the community, the Committee would need to agree the specific number of multiple authorities that would be consulted on and how their boundaries were to be constituted¹.

As a multiple unitary authority model would affect residents in the whole Wellington region it would be necessary to carry out region-wide consultation.

While running a parallel consultation process to that of the Working Party would likely lead to confusion in the community, it would be necessary to take this approach if the Council wished to consider submitting an alternative view to that of the Working Party in May when it is likely to lodge an application with the Local Government Commission. The results of consultation could be used to support the alternative view if Wellington City Council chose to make a submission.

This option is **not** recommended. This officers' report discusses why more than two unitary authorities are unlikely to be successful when considered in light of the Local Government Commission's assessment criteria outlined in Schedule 3 of the amended Local Government Act 2002 and the good governance criteria as outlined by the Working Party. Most importantly it would not be assessed favourably against legislative criteria evaluating the efficiency, cost savings, and productivity and performance potential of any of those options.

Developing a separate consultation process specific to Wellington with a different or broader range of options is likely to be confusing for the community and may ultimately impact on the level and / or quality of feedback received. The most commonly discussed alternative governance model to that being recommended by the Working Party is that of multiple unitary authorities. While it is not supported by the Working Party it is canvassed in its report and residents may therefore comment on that option as part of their submission.

¹ There are a number of variations to the multiple unitary authority governance model that would need to be agreed prior to consultation e.g. Wellington City unitary authority, Wellington City and Porirua City unitary authority, or Wellington City, Porirua City and Kapiti Coast unitary authority.

Option Three – do not consult

Decline to consult on the Working Party's two options and any other option, and consider Council's position once an application is lodged with the Local Government Commission (likely to be in May 2013).

This option is **not** recommended. The Working Party has explored the need for change and developed two alternative governance options to the status quo that meet good governance principles and the criteria set by the Local Government Commission for regional reform. The Working Party will consult Wellington residents regardless and it is vital that Wellington City Council takes the lead in engaging with their residents, communities and stakeholders on what is a significant issue that that may potentially establish new governance arrangements that could last for the next thirty to fifty years.

4.6 Communication and engagement

The Working Party has agreed on a joint consultation exercise with common information, common consultation material and a unified approach to engaging with residents within the current territorial areas of each of the participating councils, as well as throughout the remainder of the region. In addition, the Working Party concluded that this consultation exercise would be on the basis of its final report.

The consultation programme agreed by the Working Party includes the following engagement tools:

- A joint website with a description of the two models, background information resources and website links to each local authority
- A flyer (including submission form) that will be delivered region-wide
- Online discussion forum and other engagement tools such as 'Bang the Table'
- Targeted stakeholder engagement through meetings and briefings
- A series of public meetings in each local authority
- Joint advertising such as print advertising, radio and online advertising
- The ability to make submission online and by email
- Hardcopy submission forms.

The Working Party agreed that each local authority can supplement the Working Party consultation process with additional engagement and communication techniques that are specific to that local authority.

In Wellington City it is recommended that at least one public meeting is held in each ward, and that meetings are organised with council reference groups, iwi and key stakeholders. In addition, a 'standing invitation' could be advertised in the *Our Wellington* page for council to attend any regular meeting of

community / resident organisations to provide an overview of the Working Party's recommended options and listen to any feedback.

A similar range of techniques to the consultation could be implemented if the Council directed officers to consult on an alternative range of options.

4.7 Timetable and key dates

The following timetable and key dates have been prepared by the Working Party:

Consideration/agreement to Working Party report

- 13 March – Porirua City Council
- 14 March – Wellington City Council
- 14 March – Kapiti Coast District Council
- 20 March – Greater Wellington Regional Council

Consultation material finalised

- By 20 March

Engagement with residents

- 21 March – consultation begins
- 19 April – consultation closes

Analysis of findings

- 19 April – 29 April
- 30 April – draft results available
- 30 April – Working Party meets to consider community feedback

Participating Councils consider community feedback and their next steps.

- 1 May to 15 May – each Council considers their next step
- 17 May – Working Party finalises approach

Application lodged

- 31 May 2013

5. Conclusion

This report provides you with a summary of a report released to you for your consideration from the Working Party. It recommends that Wellington City Council consult the community on the options discussed in the report for the future governance of the Wellington region.