



24 April 2017

Submission on the Local Government Commission's Draft Proposal for Wairarapa Council

1. PURPOSE OF THE REPORT

For the Committee to adopt a submission on the Local Government Commission's Draft Proposal for Wairarapa Council.

2. SIGNIFICANCE

The matters for decision in this report are not considered to be of significance under the Council's Significance and Engagement Policy.

3. BACKGROUND

The Local Government Commission has been considering the local government arrangements in Wairarapa for some time. It formally received applications for changes to the arrangements affecting Wairarapa in 2013, including an application from the three Wairarapa District Councils for a unitary authority in Wairarapa. Following consultation on a draft proposed wider regional unitary authority model the Commission withdrew that proposal and started working with the three District Councils and the Regional Council on alternative options.

After community consultation and its own investigations the Commission released a draft proposal in March for a combined Wairarapa District Council. Submissions on the draft proposal are due by 3 May 2017.

4. DRAFT SUBMISSION

Councillors have informally discussed the draft proposal, including releasing a joint Position Statement in early April. There are differing views on the proposal amongst Councillors. The draft submission does not, therefore, support or oppose the Draft Proposal, but rather identifies how the proposed arrangements and the status quo could both be strengthened.

The draft submission is in **Attachment 1**. It outlines principles that should underpin the design of any council model in Wairarapa; changes that could be made to the proposal and status quo to enhance democratic decision-making; and identifies further advantages and disadvantages of the draft proposal to those identified by the Commission.

The Local Government Commission has made available the opportunity for submitters to present their submissions in person. It is recommended that opportunity is taken by the Council. It is appropriate for the Mayor and the Deputy Mayor, supported by the Chief Executive, to make the presentation on behalf of the Council.

5. **RECOMMENDATION**

That the Council:

1. **Receives** the report.
2. **Adopts** the submission on the Local Government Commission's Draft Proposal for Wairarapa Council, in Attachment 1.
3. **Delegates** to the Mayor authority to make changes to the submission agreed at the meeting.
4. **Requests** the Mayor and Deputy Mayor present the submission to the Commission on behalf of the Council.

John Booth
Mayor

Attachment 1: Draft Carterton District Council submission on the Local Government Commission's Draft Proposal for Wairarapa Council

Carterton District Council Submission

Local Government Commission Draft Proposal for Wairarapa District Council

1. Introduction

The Council does not support or oppose the proposal. There are different views amongst Councillors about the draft proposal. This submission, therefore, focusses on both the proposed Wairarapa Council arrangements as well as the status quo and identifies where these two options can be improved and strengthened.

If the Commission releases a Final Proposal for change the community will ultimately decide if amalgamation will happen, through a poll. The Council's submission is aiming to ensure the best amalgamation model can be presented to the communities of Wairarapa for them to consider against the best status quo option. They will then make the final decision through the poll.

2. Principles for the design of the Wairarapa Council model

There is an opportunity for the Wairarapa to have in place a local government model that fits with the area's unique character. Although the model must comply with the provisions of the Local Government Act, the Council believes there is scope to significantly strengthen aspects of the Commission's draft model. In the absence of a combined District Council model, we believe there are opportunities to improve the way the Councils currently operate – effectively enhancing the status quo.

There are also potentially changes to the relevant legislation that could be made to enable the best local government arrangements in Wairarapa. These are identified in this submission.

Irrespective of the model, the concept of democracy must be at the heart of local government in Wairarapa. In support of this the Carterton District Council considers the following principles should underpin any local government arrangements in Wairarapa:

- Decisions about activities affecting local communities should be made locally, unless it is more efficient to carry out the activity on a district-wide basis, or where the benefits of integrating and aligning with other areas outweigh benefits of keeping decision-making local
- Emphasis must be placed on working with communities
- Consultation and communication between the council(s) and the community boards (if instigated) needs to be positive, respectful and enduring
- District-wide strategies should be supported and implemented by local plans
- Place-making must stay local
- Resources need to be provided where responsibilities are delegated and allocated to local communities/community boards

- In order to achieve the best community outcomes, collaboration, respect and open communication are vital
- The new arrangements must build on the strengths of each of the current Councils, with areas of excellence and expertise sitting within the current Councils preserved and expanded for the benefit of the whole Wairarapa
- The relationship between the Council and the Regional Council needs to be positive, respectful and enduring.

3. Draft Proposal – Wairarapa District Council

The following is the Carterton District Council's views on the draft proposal and options for enhancing the model, in line with the principles above.

3.1 Representation and working with the rural community

Generally, the Council supports the representation arrangements, including the names of the rural wards. However, we are concerned about the level of rural representation. We note that the ward boundaries are based on a population formula and cannot be changed significantly. This will mean one Councillor will be elected to cover huge geographic areas, particularly in the case of the Maungaraki Ward.

The proposal provides for rural representation through the rural ward councillors, the Wairarapa District Council Rural Standing Committee and the Greater Wellington Regional Council Wairarapa Committee.

We would like consideration to be given to changing the legislation (Local Electoral Act) to recognise geography as well as population when defining ward boundaries and representation. We believe the rural wards should have at least two representatives.

In the absence of a legislative change we believe the following options could go towards addressing the representation issues:

- i. Provide additional resources to the rural ward councillors
- ii. Empower the Rural Standing Committee with decision-making delegations and ensure it is resourced similar to the Community Boards. This committee should be well supported by Council officer resources and be delegated to make decisions relevant to the rural areas of Wairarapa. To achieve this, we believe there would need to be significant interaction between the Transition Body and the rural community as the Rural Standing Committee's terms of reference and delegations are prepared.
- iii. Set up Community Boards in the rural wards, similar to the urban community board arrangements (see discussion about Community Boards below). The Community Boards would become an additional resource for/a complement to rural ward members
- iv. Encourage and recognise ratepayer associations (or the like) in the rural areas and establish a relationship between them, the Council and the Rural Standing Committee.

Of these options the Council prefers rural community boards and the rural ward councillors being well supported by the Council. As with the urban community boards, the rural community boards would need to be well-resourced.

It will also be very important that, through the transition, a culture of non-parochialism is established to avoid a ward-based focus for the elected representatives. Councillors who are not rural ward Councillors should be able to support the rural ward councillors, and vice versa.

3.2 Community Boards

For Carterton residents, amalgamating into a much bigger Council entity poses a high risk that Carterton issues will be overlooked when the Council is considering its budgets and activities. Therefore, the model needs to enable the Carterton community to be able to make decisions about our unique area.

The Council believes the community board arrangements are a vital part of the proposal. In line with the principles identified above, the success of the model will in part rest with the willingness of the Council to allocate resources and delegations to the community boards, and allow the boards to effectively carry out their roles as leaders of their local communities.

So, for the model to be successful the Community Boards must be supported by Council resources, including both budgets and staff. We believe the proposal will be strengthened if there is specific provision made for each community board to have sufficient staff resources and budget allocated to enable them to operate and make decisions effectively.

The Draft Terms of Reference included in the Draft Proposal set out a wide range of responsibilities for community boards. The Terms of Reference could be further strengthened by a statement about the purpose of the boards. This statement should make reference to the boards being, in their local areas:

- advocates for their communities;
- leaders in the development of plans and decision-making on the use and development of local amenities, facilities and services; and
- decision-makers on issues that are local to their areas, except where it is more efficient for that decision-making to be done on a district-wide basis, or where the benefits of integrating and aligning with other areas outweigh benefits of keeping decision-making local.

The Terms of Reference should also provide for the preparation, every three years, of a Local Area Plan that sets out the priorities and preferences of the communities in their area for local activities and levels of service over term of the board. This will enable the board to set out clearly their community's expectations for activities and investments in their local area, for the Council to consider and provide for in its Long Term Plan.

An amended Terms of Reference is provided at page 10 of this submission. It also identifies some other changes that would strengthen the Draft Proposal with respect to community

boards.

3.3 Working with Maori

We believe there is opportunity with a new Council model to enhance the current arrangements for Maori participation in Council decision-making. This applies to the broad range of Council activities, from District Planning through to community services. The proposed Maori Standing Committee is therefore supported. This committee needs to be well supported by Council resources.

We also support the Commission's decision to leave any other decisions and arrangements for the Council's relationship with Maori for the new Council to make.

3.4 Area offices, principal public office, and service centres

We support the proposal to retain area offices in Carterton, Martinborough and Masterton, and service centres in the other towns. It is very important that residents do not lose their direct access to council services and advice.

We note that the Commission has not nominated a head office, but has instead identified Masterton as the location of the "principal public office". We also note that the draft proposal provides for the Transition Body to make decisions about the location of staff and functions.

We believe the new Council will need a central base:

- which will be the location of the Mayor's office and Council Chambers
- in a location that is as accessible as possible. It is important that people across the Wairarapa District feel that they can access the Mayor and Council. With the geographical size of the proposed district, a central location will be important both practically and symbolically
- that enables the newly-created teams within the Council to regularly come together, especially early on as the Council is established and systems and processes are integrated. With the service centres located in Masterton, Martinborough and Carterton a lot of work will be required to avoid the risk of the new organisation simply operating as they currently do as three separate units. This will miss the benefits of amalgamation
- that provides the best value for ratepayers
- that promotes and supports the current concentration of activities in parts of Wairarapa, reflecting the strength of the various parts of the District: Masterton the commercial centre, South Wairarapa the tourism and leisure centre, and Carterton a service (and potentially) governance centre.

Serious consideration should be given to Carterton being the principal location of the Mayor's office and Council Chambers (creating the "leadership centre" for the District),

because of its geographically central location. It also has the advantage of a railway station within a 5 minute walk to the Mayor's office, there is land available to build a modest building to house the Council's leadership and parking spaces close by.

It makes sense that Carterton is the principal place where meetings are held. The new Council will need to create meeting spaces to enable them to come together. We note that this would be the case where ever the main office is to be located. The Carterton Events Centre already has modern meeting facilities which could be utilized in part to meet the new Council's needs.

Both Masterton and Carterton have property that will potentially be surplus, depending on the decisions made about the location of a head office¹. The relative value of that property should be a consideration in the decisions made about a head office location, so that ratepayers get the best value from any sales and investment in new facilities. Land values in Masterton are significantly higher than those of Carterton. If the leadership centre was created in Carterton then this would enable some of the property currently owned by the Masterton District Council to be made available for commercial use, thus creating economic opportunity.

Greater Wellington Regional Council is currently reviewing its office space in Masterton. There would be an opportunity for it to consider co-locating or sharing the facilities with the Wairarapa District Council, including officers and meeting rooms/the Council chamber. This could easily be accommodated with a Carterton location.

3.5 Rates, debt and assets

We strongly support the Commission's approach to ring-fencing debt associated with wastewater treatment systems. We support the Commission locking-in the proposed provisions for as long as it is legally able. We note that new debt-funded capex may also need to be ring-fenced in this way and we strongly support the Commission's consideration of the treatment of new debt.

In addition to the ring-fencing we submit the Commission should also adopt, in any final proposal, provisions that also limit debt and address levels of service. In line with the current Carterton District Council prudential limits, we request the following limits apply to the new Council:

- i. total debt as a percentage of total assets will not exceed 15%
- ii. in any financial year, gross interest paid on term debt will not exceed 12% of gross operating revenue
- iii. in any financial year, gross interest will not exceed 50% net cash inflow from operating activities.

¹ We believe there are only two viable options for the location of a head office – Masterton (largest urban centre) or Carterton (geographically central). Property currently owned by South Wairarapa District Council is therefore not relevant to the consideration of surplus property.

In addition, we request that the Commission requires that at least the current local infrastructure levels of service be maintained across the Wairarapa.

3.6 Relationship between Wairarapa District Council and Greater Wellington Regional Council

We strongly support the Wairarapa Committee that would be a standing committee of the regional council and believe it is a critical element in the proposal. The relationship between the Councils, and the Wairarapa community's ability to influence decisions made by the regional council that affect Wairarapa is one of the underlying issues with the current local government arrangements. We believe the current single Wairarapa representative on the regional council is inadequate, given the scope and impact of regional council activities in Wairarapa.

We believe the proposed Wairarapa Committee arrangements would be strengthened if the proposal provided for:

- i. Decision-making delegations for the committee
- ii. Appropriate resources to be provided to the committee to support its decision-making delegations
- iii. A commitment for the meeting frequencies to be similar to the other standing committees of the regional council.

3.7 Transition costs

The Draft Proposal and supporting documentation identifies the likely costs of transition. A figure of \$21 million over the 10 years is provided, with \$4.7 million in the first year, before the new Council is established. These and the other transition costs need to be kept to an absolute minimum, and so we urge the Commission to encourage the Transition Board to exercise fiscal prudence when making decisions and resourcing the transition.

Experience with other amalgamations overseas suggests that costs are generally higher than predicted, and savings less. Care must be taken to minimise the risks of this occurring in a Wairarapa amalgamation.

3.8 Process from here

Should an amalgamation be confirmed (and Carterton District Council elected representatives will be actively supporting a petition to require a poll) we would like the new Council to be in place by October 2018. Our staff have been operating for a number of years now with the uncertainty of amalgamation and this has caused some stress. If an amalgamation is confirmed we would like the impacts on staff minimised by having as short a transition period as is possible. We strongly encourage the Commission to progress the proposal as quickly as it can.

We support the proposed make-up of the Transition Board. We strongly urge the Commission and the Board to set in place effective consultation mechanisms with Maori and the wider community as the Transition Board makes its decisions.

3.9 Service delivery

While outside the scope of the Commission's powers to include in a reorganisation proposal, we would like to make a statement about service delivery. Carterton District Council currently delivers the majority of its services using in-house resources. While we contract out our road management, maintenance and capital works, and rubbish collection and disposal, we use our own staff to deliver all our other services. We believe this enables us to provide the best level of service to our communities.

Should the Wairarapa Council eventuate we will continue to advocate strongly for the adoption of this model². We ask that the Commission, through the transition period, ensures the current Councils do not enter into long term contracts that might preclude this option being adopted across the Wairarapa, and/or force a contract-based service delivery model on Carterton.

While we acknowledge that there would be some upfront capital expenditure required to support Wairarapa-wide in-house service provision, we believe a business case would support this model.

3.10 Advantages and disadvantages of the draft proposal

The Commission has identified a number of advantages and disadvantages of the proposed Wairarapa District Council. We have identified the following further advantages and disadvantages.

Advantages

- It removes the parochialism that exists with the three Council model, and the duplication of activities, enabling the streamlining of Wairarapa-wide decisions
- It is likely to support more community participation, through empowered community boards working within local communities
- It will provide an opportunity for the community boards to act as a training ground for potential councillors
- A larger Council is likely to be a more attractive employer, with larger teams supporting more diverse experience and career development opportunities
- The scale of a larger Council could provide better support for Wairarapa's smaller, isolated communities
- The relationship between the Council and youth would be assisted by the Youth Council only needing to have a relationship with one Council.

² Subject to Section 17 of the Local Government Act

Disadvantages

- There is a risk that transition costs will be higher than estimated, and savings less, delivering less benefits to Wairarapa communities
- Fewer Councillors may result in less diversity around the Council table
- With less representation, the community may feel disempowered and become more apathetic, impacting on democratic decision-making
- Rural representation will be reduced. Under the current three Council model, rural representation is assured due to the number of Councillors and, in the case of Masterton and South Wairarapa, wards. Carterton has a history of attracting a range of urban and rural candidates so is also well represented rurally.
- The geographic size of the rural wards will make effective face-to-face engagement difficult
- There is a risk that services and facilities will be centralized to the area of largest population (i.e. Masterton) or need, and therefore lost to the other communities.

4. Enhanced Status Quo

If the Commission decides not to proceed with the Draft Proposal, or if the community votes in a poll in favour of the status quo, there is an opportunity to make changes within the current model that would enhance democracy and the operations of the councils. While the Commission has noted that the current Councils already work together, collaborating to provide some Council services and plans, the draft proposal also identifies that a range of future challenges will put pressure on Councils.

We agree that the current approach is not sustainable in the medium to long term and that if the status quo is to continue then changes in the current council cultures and behaviours will be needed. The following summarises an enhanced status quo model for Wairarapa, that retains the three local councils and the regional council.

4.1 Relationship between the District Councils and Greater Wellington Regional Council

As with the Draft Proposal, the Wairarapa Standing Committee of Greater Wellington Regional Council should be embedded. The rationale and benefits of this Committee, as outlined in section 3.6 above, apply equally under the status quo and an amalgamated district council model.

4.2 More shared services

Shared business units

We believe the three Councils could do a lot more shared services than are currently being undertaken. For example, we believe there is a strong case for a combined building services business unit. The same applies to activities such as planning and animal control. The

Councils entering into these types of shared services will deliver efficiency savings, improve consistency across the Wairarapa and address staffing issues, particularly succession management.

Centres of Excellence

There is scope for the three Councils, through shared services arrangements, to establish centres of excellence, building on the strengths of each of the current councils. Each Council could host an activity, to be carried out across the three Council areas. Decisions on these centres of excellence would need to be made collaboratively by the Councils.

4.3 Strategic Workforce Plan

The three Councils could prepare a joint Strategic Workforce Plan that addresses succession and expertise issues, establishing opportunities to share staff resources.

4.4 Advantages and disadvantages of the Enhanced Status Quo

The advantages and disadvantages of the enhanced status quo option have not been analyzed and included in this submission. The main advantages of the amalgamated District Council option will be the main disadvantages of the enhanced status quo, and the disadvantages of the proposed amalgamated council the main advantages of retaining the status quo with enhancements.

5. Conclusion

The Council is very pleased to be able to make this submission to the Commission. We look forward to presenting our submission in person at the end of May.

Local government arrangements in Wairarapa are very important to the wellbeing of our communities. We appreciate the opportunities the Commission has given the Wairarapa Councils and the wider communities to influence the Draft Proposal. And we encourage the Commission to consider the decision on whether to continue with a Final Proposal very carefully.

John Booth

Mayor

On behalf of the Carterton District Council

Suggested Amended Draft Terms of Reference for Wairarapa community boards (suggested changes from the Draft Proposal shown in red)

Purpose of Community Boards

The purpose of the Wairarapa community boards is to enable democratic decision-making within their areas in partnership with the Council. This means providing a leadership role in empowering local communities to determine local issues associated with their areas. For the communities in their areas they are:

- advocates
- leaders in the development of plans and decision-making on the use and development of local amenities, facilities and services
- decision-makers on issues that are local to their areas, except where it is more efficient for that decision-making to be done on a district-wide basis, or where the benefits of integrating and aligning with other areas outweigh benefits of keeping decision-making local.

The Community Boards will have delegations and be resourced by the Council to effectively fulfil their role. This includes the appointment of a senior manager to be the "Area Manager" for the board areas. The Area Manager's role will be to lead the officer support of the Board, including administration, communications, reporting, planning, etc.

1. Annual Submission on Expenditure

- a. At the beginning of each Triennium, authority to prepare a Local Area Plan that sets out the priorities and preferences of the communities in their area for local activities and levels of service for the 3 next years. The Local Area Plans should provide for the implementation of districtwide plans and strategies where appropriate, as well as setting out activities that are unique to the area.
- b. Authority to prepare a board annual plan for submitting to the Wairarapa District Council (Council) for expenditure within the community, for consideration as part of the annual plan and Long Term Plan processes.

2. Community

- a. Authority to communicate with community organisations, local marae and special interest groups within the community (as per section 52 of the Local Government Act 2002).
- b. Authority to listen, articulate, advise, advocate and make recommendations to Council on any matter of interest or concern to the local community.
- c. Authority to work with Council and the community to establish a strategic plan.
- d. Authority to provide a local community perspective on the levels of service as detailed in the long term plan, and on local expenditure, rating impacts and priorities.
- e. Authority to receive information of Council's receipt of all non-notified resource consent applications.
- f. Authority to provide advice to the Council and its committees on any matter of interest or concern to the Community Board in relation to the sale of alcohol.

3. Community Grants

- a. Authority to allocate community-based grant funds as approved through the annual plan process or the long term plan process.
- b. Authority to consider, and either approve or reject applications by community groups to establish community gardens, in accordance with the licensing requirements under the Reserves Act 1977 and Council policy.

- c. Authority to allocate any bequests or similar consistent with the terms of the bequest by making resolution for Council ratification.

4. Parks and Reserves

- a. Authority to make recommendations to Council after reviewing existing or considering new draft Reserve Management Plans for local public parks and reserves within its area, within current Council policy or management plans and within the annual plan/long term plan budget.
- b. Authority to decide priorities for local public parks and reserves within its area and in accordance with the Reserve Management Plans.
- c. Authority to prepare development and implementation plans for local public parks and reserves within its area and in accordance with the Reserve Management Plans.

5. Roading

- a. Authority to make recommendations relating to all traffic control and signage matters, in relation to existing local roads within the community board's area.
- b. Authority to make recommendations on changes to speed restrictions on local roads.
- c. Authority to make recommendations on the need to permanently diminish or stop roads. (i.e. permanently change the size of or permanently close a road)
- d. Authority to assist the Chief Executive (through the Community Board Chairperson) to consider and determine temporary road closure applications where there are objections to the proposed road closure.
- e. Authority to determine priorities for footpath maintenance and priority locations for new footpaths.

6. Naming Reserves, Structures and Commemorative Places

- a. Authority to receive requests from the community, or put forward names, regarding specific names of reserves, structures and commemorative places for input to the staff report.
- b. Authority to approve or reject officer recommendations in respect of such names.

7. Naming Roads

- a. Authority to make recommendations on the naming for public roads, private roads and rights of way.

8. Urban Reserves, Urban Amenities and Town Main Centres

- a. Authority to make recommendations on matters relating to urban reserves, urban amenities and town main streets that meet current Council policy or management plans and fall within the annual plan/long term plan budget.
- b. Authority to decide priorities for urban reserves, amenities and town main streets within its area and that meet current Council policy or management plans and fall within the annual plan/long term plan budget.
- c. Authority to prepare development and implementation plans for urban reserves, urban amenities and town main streets within its area and that meet current Council policy or management plans and fall within the annual plan/long term plan budget.
- d. Authority to prepare local area improvement plans.
- e. Authority to lead place making activities.

9. Submissions

- a. Authority to make submissions to Council on issues within its area.

10. Emergency Management

- a. Authority to support the development and promotion of individual and community planning for a civil defence emergency; in partnership with the Council support response activities during an event; and after an emergency event, support community-response recovery efforts.

11. Training and Development

- a. Authority to set priorities for and expend annual funding allocated by Council for the purposes of training and development.