

Report to Kaipara District Council and Community - Council Meeting, 27 November 2012

From John Robertson, Chair of Commissioners

At the October meeting of the Council, my report detailed the tasks that the Minister of Local Government had set Commissioners in the Gazette Notice of 6 September 2012. I recorded the work that the Commissioners had been engaged in through their first seven weeks in office, and then detailed the Commissioners' Action Plan for November and December 2012.

In particular, I noted that the Council:

- was under stress financially and organisationally.
- had lost the support of some in the community that it served.
- had made decisions in the past that had not followed proper process.
- had asset investment and management plans that needed review.
- was under siege by some in the community who believed that associated with poor management decision-making in the past were poor ethical standards and questionable practices.

Further I noted that Commissioners believed that the longer the issues involving the Kaipara District Council remained unresolved, the more costly and difficult would be their resolution. For this reason, the Commissioners are requiring certain matters addressed at speed. These include:

1 Organisation Development

Council needs to build a capable, service oriented, efficient and professional organisation. This requires attention throughout the organisation. Needless to say, the Commissioners are impressed with the commitment of staff as they go about their tasks to provide good services to residents and ratepayers.

At a governance level, **Commissioners** have been put in place. They set the strategic direction of Council; they set policies and protocols; they approve delegations and budgets; they appoint the Chief Executive; and they monitor his performance. As the governance team, the Commissioners are ultimately responsible for the success (or failure) of the organisation. The Commissioners have taken a portfolio approach to their own organisation, with Commissioner Booth watching over the assets and commercial contracts of the Council, Commissioner Dale delegated the task of being the link to community groups and projects, Commissioner Winder overseeing the work to clean up the past rating irregularities, and the Chair providing the overall leadership and engagement with the community.

At the executive level, the **Chief Executive** reports to the Commissioners. The Commissioners have held the first of the Chief Executive Performance Review Committee meetings. At this meeting, held yesterday, a formal process was followed to hear from the Chief Executive on his view of his accomplishments and challenges over the past twelve months, to review his performance, and to set expectations, priorities and key performance indicators for the period ahead.

The Chief Executive has a **Senior Management** team reporting to him. While this team does not report to the Commissioners, the relationship between the Commissioners and this team needs to be respectful, both

ways. The Commissioners have begun a monthly “Caucus” meeting with this team, to set expectations and to provide support where their resources are stretched.

Senior Management have **staff** reporting to them, through a number of channels. Staff have many interactions with the community. They are the core delivery agents of the services of the Council. It is important that the expectations of the Commissioners are relayed and explained to them as organisational development takes place.

The organisation needs to develop quickly into one that performs with excellence, efficiently and effectively.

2 Financial Management

The Commissioners have been astounded at the poor management accounting systems that have failed to provide past Councils with adequate information for robust decision making. The cash accounting practices of the past are being replaced by accrual accounting systems, and monthly management accounts are to replace the little reporting that existed before. Our aim is to ensure that Council implements best practice, reaching a standard that is the best in Local Government.

3 Contract Management

The Commissioners have been disturbed at the lack of in house monitoring of major contracts. The first of the major contracts awarded under the watch of the Commissioners has been awarded by tender, with proper monitoring provisions included. The Commissioners expect management to secure good value for the ratepayer out of this parks and reserves maintenance contract.

We are also exploring opportunities for more efficient and cost effective services for roading, by working with the Whangarei District Council and the NZ Transport Agency who operate the State Highway contracts.

4 Addressing the questions around past rating irregularities

The Commissioners are addressing the questions of past rating irregularities so that the focus of the organisation, and the community, can move from looking back to looking forward. Included in this work is a review of the funding of the Mangawhai Wastewater Scheme. We look forward to the Auditor-General’s Report on this scheme.

While these four “internal fix” matters have been prioritised for fast resolution by the Commissioners, the Commissioners are increasingly investing their time looking outwards by engaging with the community, and looking ahead to 2015 and beyond.

5 Community Engagement

The Council has a key role to facilitate community development, through investment in infrastructure to assist economic and social development, and through the delivery of certain services. Council needs to understand the aspirations of the community in order to make the most effective investments back into the community of ratepayer resources. Thus community engagement by the Commissioners, is important, and is taking place, as follows:

- **Iwi.** The Commissioners seek an engaging partnership with Iwi and local Marae. Iwi were invited by the Commissioners to a hui at Council on 12 November. It was well attended. The purpose was to consider matters of interest to Maori and to discuss how a partnership between Iwi and Council could develop. Commissioner Dale is to lead this initiative on behalf of Council.
- **Community Groups.** The Commissioners have been, and are keen to engage further, with community groups throughout the Kaipara District. The Commissioners have observed their resilience in tough times, and the value that they are adding to community development and engagement.
- **Shared Governance Entities.** Council leadership is required with respect to entities where governance is shared between Council, community, and Iwi. The Taharoa Domain Committee holds responsibilities to our Kai Iwi lakes. The Mangawhai Endowment Fund and its linkage to the Harbour Restoration Society is such body. The Raupo Drainage Board is another. Commissioners are now appointed to and active with these entities. With some, we reviewing arrangements to ensure that we deliver the best outcomes for the community.
- **Community led Economic Development Initiatives.** Council needs to become a facilitator of community-wide initiatives that assist economic development. The Commissioners have begun to engage with groups who are putting their energy into such initiatives. These include initiatives led by business associations, those seeking to attract tourists to the Kauri Coast, and those passionate about the re-invigoration of their towns and villages.

6 Planning for 2015 and beyond

The Commissioners have begun the early work with staff to develop a framework for the 2015 Long Term Plan. This work will be ongoing through the next two years.

It is important that the Commissioners regularly report their work to residents and ratepayers. A communications strategy is in place to keep residents and ratepayers fully informed of the Commissioner's "Action Plans".