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Committee Policy, Finance and Strategy
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Implementation of the Local Government Act 2002

1. Purpose

To advise the Committee of some of the key requirements of the Local Government Act 2002 that require early attention by the Council.

2. Background

As Councillors are aware, the new Local Government Act received the Royal Assent on 24 December 2002. While much of the Act takes effect from 1 July 2003, some provisions apply from 25 December 2002 and others have introduced additional requirements into the LTCCP process already underway.

3. Comment

This report identifies areas where early action is required by the Council. Councillors should note that the date of 1 July 2003 is frequently specified in the Act as the date by when a policy must be adopted or other action taken. Because of the requirements to consult as part of the LTCCP process, this effectively means that the analysis and drafting must take place in the next few weeks. Hence, we are all in for a period of intense effort.

Local Government New Zealand has its KNOWHOW process to provide guidance on implementing the Act. The seminar for Wellington will be 5-7 March (see Chairperson's report to the Council). These dates may be a little late for us to start some of our processes. Fortunately, the participation of Messrs Schollum and Allard in the KNOWHOW teams means that we have access to some of the thinking and materials in advance of the seminars.

Issues that arise as we attempt to address the provisions of the Act can be raised at the seminars when we may also refine our thinking. It is also worth noting that given the tight timeframe to implement new provisions, perfect compliance with the Act will be difficult. In this regard, our position is no different to others within the local government sector.

4. Decision Making

The Act has introduced a requirement for specific procedures and considerations when a Council takes any decision (including decisions of committees, sub-committees and of officers). In order to provide a manageable approach to dealing with this requirement, the Council needs to adopt appropriate criteria setting out when all the detailed requirements are used, so that excessive process is not needlessly applied. This matter will be given a high priority and the Council Secretary will report back to the Committee as soon as practicable.

5. Matters for Inclusion in the LTCCP

The Act has introduced requirements for the following policies that have to be adopted as part of the LTCCP:

- Revenue and Financing Policy
- Liability Management Policy
- Investment Policy
- Policy on Partnerships between the local authority and the private sector
- Policy on the Remission and Postponement of Rates on Māori freehold land

A local authority may also adopt:

- Rates Remission Policy
- Rates Postponement Policy

Some of these policies are similar to existing policies under the previous legislation. Others are new. As they can only be adopted as part of the LTCCP, Council needs to have developed drafts before the proposed LTCCP is adopted on 18 March. We therefore propose that extra workshops be scheduled **in February** to allow informal discussions in advance of the formal consideration.

6. Policy on Significance

The Council has to adopt a policy on significance by 1 July 2003. This policy must also be formally consulted upon. It therefore makes sense that the policy is also included in the LTCCP process. A similar timeframe is therefore proposed to that applying to the other policies in (5) above.

7. Policy on Appointment of Directors

A local authority is required to have a policy on the appointment (and remuneration) of directors by 1 July 2003. Much of the material that would go into such a policy already exists, but needs to be brought together. This matter will be given a medium priority and the Chief Financial Officer will report back to the Committee in the second quarter.

8. Code of Conduct

The Act requires a Code of Conduct to be adopted as soon as practicable after 1 July. As there is no particular urgency for this Council to have such a code, the Council Secretary proposes to address this item once a number of examples/templates have been developed.

9. Important, but less Urgent Issues

The Act introduces the requirements for a triennial agreement between all the local authorities in the Region. The first such agreement is not required until 1 January 2004. Nevertheless, given the possible challenges in developing such an agreement, it is suggested that the Chairperson raises the question at the **LGNZ Zone 4 Meeting of 10 February 2003** with a request for the Region's chief executives to report to the subsequent meeting on a possible process and timeframe.

The Act substantially amends the Local Electoral Act 2001. By the end of this year, the Council will need to have reviewed its electoral arrangements. The Council Secretary anticipates addressing these provisions in the first half of this year.

10. Recommendations

That the Committee receives the report and notes the indicated programme.

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