

Checklist for New Formal Council Relationships

Step 1: Clarify Proposal

To be completed by party initiating the new relationship, whether it be council staff or external party.

Can be completed in consultation with council officers and/or political “champion”.

For an overview of the process refer to the flowchart “Guideline for New Formal Council Relationships”.

Done √	Action	Explanation	Refer
	List all parties	Identify all parties, roles and credentials	
	State nature of proposal	Purpose, objectives, aims	
	State how aims will be achieved	Identify methods, processes, actions	
	Determine need	Is it consistent with the community outcomes identified in the Long Term Council Community Plan (LTCCP)? What needs are being served? Who will benefit? Will any groups be disadvantaged?	LTCCP Annual Plan
	Identify collaborative possibilities	Check whether there are other organisations – regionally or locally that can be collaborated with to achieve the desired outcomes and to ensure there will be no duplication of services.	
	List Funding Sources	Include secure and potential sources	
	Clarify Council involvement	What is being sought – e.g. land, buildings, funding, in kind resources? Estimate staff resource. Length of Council commitment.	
	Clarify management & governance of project and Council role	Why was preferred structure chosen – was full range of potential structures considered?	
	Check that project will include monitoring & reporting procedures	Clarify that monitoring and reporting procedures are an integral part of the project	
	Council officer discusses with Manager whether to proceed to Step 2.	If decision is not to proceed to Step 2, then parties should discuss other ways to achieve desired outcomes.	

Step 2. Analyse Proposal (To be completed by Council staff)

This analysis should enable the Council to make an informed decision to support or refuse council involvement in the proposal. At appropriate stages or at the conclusion of this analysis the council officer should discuss with his/her manager whether or not to proceed with the proposal.

Done √	Action	Explanation	Refer
	Identify impetus for proposal	What and who is driving it?	
	Is there an established need?	Check local and regional need	
	Is there an existing entity/organisation that can deliver the proposal?	Consider internal and external resources	
	Consider strategic fit	Does it further Council's strategic objectives	LTCCP/ Strategy & development Unit
	Determine priority	Balance against other projects/needs	QBL project
	Analyse financial & other resources sought	Include staff and elected member time.	
	How will proposal be funded over time?	Opex? Capex?	AP & LTCCP Budgets
	Do risk analysis		QBL
	Check for conflicts of interest	Particularly if Councillors/Directors are involved	
	What legislation applies?		Legal Services
	Any heritage implications?		Principal Advisor – Heritage
	What policies apply?		Council intranet S&D Policy & Planning Team
	Do Parties involved have the ability to carry out the proposed roles/responsibilities?		Step One
	Is the activity of any new entity likely to be able to be ongoing & sustained?		
	Clarify nature and degree of commitment required long-term?		
	What will be foregone or compromised by approving the proposal?	e.g. What will be affected if resources are taken from elsewhere to fund the new project?	
	What are iwi/Maori views on the proposal?	If the proposal involves a significant decision in relation to land or a body of water, then the relationship of Maori and their culture & traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna and other taonga must be considered (s77 (1c)).	Maori Issues Manager; Senior Analyst: Maori Policy; iwi consultation process.
	Other community consultation required?	If funding for a new stand-alone entity is sought outside the annual plan process, Council should ensure that the public is adequately informed and consulted before committing significant funds.	Strategy & development – Partnerships & Advocacy Team
	Can proposal be delivered in a more efficient or effective way?		
	How would any new entity be held to		Legal services/QA

	account?		Unit
	Determine appropriate charitable and tax status of any new entity.		Finance Unit Legal Services
	How would Council influence the direction and promote its interests within the new entity?		
	What are the key deliverables or success criteria?		
	What can be done in the event of non-performance?		

Step 3. If supported, this step identifies how best to deliver the proposal

At the end of this analysis the proposal should be presented to the Council decision makers for approval by way of Agenda report to Directors Group, Council or appropriate Committee.

Done √	Action	Explanation	Refer
	Establish or confirm the best mechanism for delivering the objectives.	Consideration of this may well have been part of step two. Evidence that different delivery options have been considered should have been presented as part of step one.	S77 (1a) of the LGA requires Council to identify all reasonably practicable options for the achievement of the objective.
	Cost & resource implications for the proposed mechanism over time	Financial plus in terms of the present and future social, economic, environmental and cultural wellbeing of the City	S&D Strategic Planning Manager LTCCP Plan for the City
	Risks & Benefits of the proposed mechanism	For example – why would you choose a Trust over a Limited Liability Company?	QA team Finance Team Legal Team
	Impact of each option on Council's ability to meet its statutory responsibilities.		S & D QA Legal Services
	The level of control Council is comfortable with having.	Ranging from CCO to Council appointees on a Trust Board.	QA Legal Finance
	The extent to which community outcomes would be promoted in an integrated and efficient manner by each option.		S&D Strategic Planning Manager LTCCP

Step 4. Set up phase for approved mechanism.

If the Council approves the proposal, this phase determines the finer details of council involvement. Use these details as a basis for drafting an agreement.

Done √	Action	Explanation	Refer
	State objectives and purpose of the new entity.		Auditor General advice on elements of a service agreement with a non-profit entity Legal Services Council QA Unit
	What is expected of the parties involved?		
	How will the parties work together?		
	Deliverables		
	Key performance indicators		
	Timeframes		
	Dispute resolution processes		
	Relationship management & communication		
	Accountability arrangements	The minimum level of accountability is annual reporting to Council and for the objectives and financial reports to be available for public inspection.	
	Councillor Liability issues	What liability protection for Council appointees is provided?	Legal
	Identify Council staff and Councillors responsible for managing Council involvement		
	"Out-clauses" for Council or a process for terminating the relationship		
	Performance criteria	Link these to funding and reporting stages	
	Does it need an advisory group?	This could be a group within Council, or an independent advisor to monitor and advise the project and/or new entity.	
	Establish a reporting framework	Outline key information requirements, which are logical, understandable, reported regularly and in a timely manner, and include key milestones & targets.	

Step 5. Implementation phase

Develop and document the process to appoint a governing body or council representatives onto the governing body.

Done	Action	Explanation	Refer
√	Recruit, select and induct representatives	The role and purpose of any new entity should be clearly stated in its Deed, Statement of Intent, Contract, Service Agreement or Relationship/Partnering Agreement. All parties should agree to a “no surprises” approach in their dealings with each other.	Council’s Policy on Appointment & Remuneration of Directors to Council Organisations Legal Services for Insurance & liability advice
	Train representatives		
	Identify capital and operating costs in Council’s Annual Plan and LTCCP		
	Implement a regular reporting process to Council and Community		

Step 6. Ongoing monitoring and reporting

Done	Action	Explanation	Refer
√	Develop an agreed framework for regular reporting against stated measures of performance		Strategic Planner: Monitoring
	Set up periodic review of the purpose of the relationship and/or entity		
	Set up periodic review of the performance of individuals undertaking a governance role in relation to the entity		
	Establish a protocol for terminating the entity if need be		
	Establish process for periodic independent review		
	Set up process for formal post set-up de-brief/evaluation		
	Set up mechanism for appropriate reporting to the community.	Council can show that it is properly managing the community’s financial and non-financial interests in the entity.	Group Manager: Partnerships & Advocacy; Strategic Planning Manager
	Set up process for reporting via Council’s Annual Report.		Finance Unit