
REPORT 1
(1215/11/IM)

FUNDING AND ACTIVITY REVIEW WORKING PARTY: UPDATED TERMS OF REFERENCE

1. Purpose of Report

The purpose of this report is to appoint a councillor to the FAR working party which is carrying a vacancy, and to include the review of the performance measurement framework (Council outcome indicators and activity performance measures) within the terms of reference of the FAR working party.

The revised terms of reference are presented for adoption.

2. Recommendations

Officers recommend that Council:

1. *Receive the information.*
2. *Agree to the updated terms of reference for the FAR working party (attached as appendix one).*
3. *Appoint one Councillor to the FAR working party (to fill the existing vacancy).*

3. Discussion

The FAR working party was established last triennium to guide the work of the revenue and financing policy, activity reviews and asset management plans.

The FAR working party was re-established at the start of the 2007-10 triennium to continue to monitor compliance with the revenue and financing policy, recommend any necessary refinements as and where appropriate, review the remaining activity reviews and review asset management plans.

The FAR working party is an informal body that recommend matters to the Strategy and Policy Committee – it has no decision-making powers.

The current members of the working party are: Councillors Foster (Chair), McKinnon and Wade-Brown, and there is currently one vacancy as a result of a resignation from the working party in late 2007.

The vacancy was not filled at that time as the majority of work had been transacted for the 2008/09 annual plan. In recognition of the volume of work that is required to be transacted for the long-term plan is recommended that this position now be filled.

The terms of reference for the working party have also been updated to reflect that the activity review programme has largely concluded and that the work relating to the remaining activity reviews has been encapsulated as part of the 2009-19 long-term work programme and/or through the community facilities programme. Notwithstanding this, the 'review of activities' in the broader sense will remain within the terms of reference of the working party as from time-to-time work of this nature will be presented to the working party for review as part of long-term and annual plan processes.

It is also recommended that the review of Council's performance measurement framework be included within the terms of reference of the working party. The informal fora will allow for the measurement framework to be reviewed in greater detail than the formal committee environment may practicably allow and ensure that the committee's work is focussed.

The FAR working party meets approximately 8-12 times a year. Most of the work is transacted in February, although meetings also occur in November and December, as well as May to review feedback received from the community relating to areas that are the responsibility of the working party.

4. Conclusion

It is recommended that one additional councillor be appointed to the FAR working party to fill the existing vacancy and that its terms of reference be amended to include the review of the performance measurement framework within its area of responsibility. The revised terms of reference are attached as appendix one.

FUNDING AND ACTIVITY REVIEW WORKING PARTY: TERMS OF REFERENCE

Purpose of the Working Party

The purpose of the Funding and Activity Review Working Party is to:

- a) Guide officers in the review of the Revenue and Financing Policy as it applies to all activities and recommend any changes to the policy to the Strategy and Policy Committee.
- b) Review Asset Management Plans.
- c) Review the performance measurement framework¹.
- d) Provide a governance perspective and strategic overview to officers as they undertake reviews of activities.

Membership

Up to four councillors will be members of the working party. The mayor is also an ex officio member of the working party.

Portfolio Leaders

Portfolio leaders will be invited to engage in discussions with the working party on items directly related to their area of responsibility.

Chair

The chair shall be appointed by the Council.

Parent Committee

The working party will report to the Strategy and Policy Committee.

Terms of Reference

The working party has specific responsibilities to:

1. prepare at least annually – and in conjunction with the long-term and annual plan processes - a report that recommends any amendments to (or occasions when the Council should make decisions that are inconsistent with) the Revenue and Financing Policy. In its review the working party will give consideration to:
 - how each Council activity is funded after consideration of s101(3)(a) and (b) of the Local Government Act 2002
 - the appropriate level for the commercial/ residential rates differential, and if different to the present level, how and over what period should the position be corrected
 - the possible impact on rates following any decision to change the way Council funds activities

¹ For the avoidance of doubt, this does not extend to the setting of performance targets. That responsibility rests with the Strategy and Policy Committee.

APPENDIX ONE

- the application of targeted rates
 - how capital funding should be reflected in the policy (including Development Contributions)
 - the appropriate level of user charges (including the results of benchmarking exercises where applicable)
 - a review of performance against current Revenue and Financing Policy targets
 - the need for any changes to the Council's financial policies as required by s102 of the Local Government Act 2002
 - submissions that are received as part of the special consultative procedure
 - other factors that may impact on the Council's Revenue and Financing Policy.
2. receive and review Asset Management Plans and the performance measurement framework.
 3. receive and review reports from officers on activity reviews.

Delegation

The working party has the authority to carry out its activities in line with its terms of reference.

Frequency of Meetings

A schedule of meetings will be agreed by the working party with the chair having the discretion to call additional meetings as required.

Duration/Sunset

The working party will cease at the end of the 2007/10 triennium.