

Report No.	19-146
<b>Decision Required</b>	

## MW LASS LIMITED - EXEMPTED ORGANISATION

### 1. PURPOSE

- 1.1. This report is to seek Council's endorsement to review the **Manawatū-Whanganui Local Authority Shared Services Ltd (MW LASS)** status as an 'Exempted Organisation' under the provisions of section 7 of the Local Government Act 2002.

### 2. RECOMMENDATION

It is recommended that Council:

- a. receives the information contained in Report No. 19-146.
- b. approves that, subject to confirmation by all LASS member councils, Manawatū-Whanganui Local Authority Shared Services Ltd be exempt for the purposes of section 6(4)(i) of the Local Government Act 2002 and thus not be a council-controlled organisation under that Act; and
- c. approves that this exemption applies for the period ending 30 June 2022 or until member councils determine an earlier date when this exemption should no longer apply.

### 3. FINANCIAL IMPACT

- 3.1. Nil.

### 4. COMMUNITY ENGAGEMENT

- 4.1. There is no requirement for community engagement for this matter.

### 5. SIGNIFICANT BUSINESS RISK IMPACT

- 5.1. There is no significant business risk impact for this matter.

### 6. BACKGROUND

- 6.1. This company was set up as a council controlled organisation during 2007-08 to provide councils in the Horizons region with an umbrella vehicle to investigate, procure, develop and deliver shared services. At its meeting on 12 March 2013 Council resolved to grant an 'Exempted Organisation' status to the company. This exemption must be reviewed no later than 30 June 2019 and every third year thereafter.

Consideration is being given to whether a further three year exemption from the Council-Controlled Organisation requirements might be an appropriate recognition for the nature of the company. That consideration requires that account be taken of the matters specified in section 7(5) of the Local Government Act 2002. The matters are:

- the nature and scope of the activities provided by the organisation; and
- the costs and benefits, if an exemption is granted, to the local authority, the council-controlled organisation, and the community.

- 6.2. The exemption has previously been granted every three years since 12 March 2013. The exemption provides for less legislative reporting and requirements for MW LASS Ltd. Mainly a formal Statement of Intent, including performance reporting, as well as presenting to shareholders a set of six-monthly accounts. However, in best practice, MW LASS does still prepare a six-monthly set of financial statements as well as an operational plan each year which does include performance reporting.
- 6.3. Secondly, while it is important to maintain reporting as part of the accountability to councils within the region, the LASS member councils are all represented by their Chief Executives on the Board of Directors. This means they are well-placed to keep their respective communities up-to-date with the activities of the LASS.
- 6.4. The Council is required to review this exemption every three years, so the recommendation takes that into account and also the need to align with other member councils of the LASS.

## **7. SIGNIFICANCE**

- 7.1. This is not a significant decision according to the Council's Policy on Significance and Engagement.

Craig Grant  
**GROUP MANAGER CORPORATE AND GOVERNANCE**

## **ANNEXES**

There are no attachments to this report.