

Lynette Wainwright

To: Lynette Wainwright
Subject: Raglan Kopua Holiday Park Charter and Procedures
Attachments: Recommendations for alterations to Raglan Holiday Park Board Charter.docx; Businesses have different types of internal and external stakeholders.docx; Review of draft Charter document for the Raglan Holiday Park Board.docx

From: Peter Storey [<mailto:prstorey99@gmail.com>]

Sent: Wednesday, 22 November 2017 2:42 p.m.

To: Gavin J. Ion; Tim Harty; Colin Chung; lisa thompson; Bob MacLeod; Pablo Rickard; prstorey99

Subject: Fwd: attach

Hi Gavin

We, the Board have worked through the Charter document and drawn up a list of issues that we think need to be addressed.

Please see the attached documents which I have expanded on a bit below.

We feel that it is quite cumbersome and should actually be split into two documents. One being the actual Charter and the other being the Rules and procedures. (See attached.)

The Charter should focus on why we are here and who we are answerable to with reference to the deed of gift.

In the first instance we believe there is only one Stakeholder (The Raglan Community) (see attached)

The WDC, employees and contractors are service providers to the Camp and therefore, for the Community. All are, in a limited way, internal stakeholders but not the ultimate Stakeholder.

This could change after the outcome of the Waitangi Tribunal hearing, but as this could well be years away we see no point guessing possible outcomes.

We believe the Board should report in the first instance to the Raglan Community Board and intended changes be presented first, through them and where required Consultation with the Community.

The procedure around the appointment of Board members needs to be made clearer and the intention spelled out clearly.

The draft document is silent on these essential procedures.

Currently Members (other than the RCB Chair and Ward Councillor) are on a three year rotation.

As the cycle nears an end the position is advertised in the local paper and applicants are vetted by the Board and an appointment is made by them. If this is to be the procedure then it needs to be spelled out as should any proposed changes..

The document needs to spell out how the Iwi reps are chosen (from within their groups) so as to clear up current interpretations.

The current position is that there is a member representing Maori Business operators and a member representing Ngati Maahunga. The way it has changed is that the Ngati Maahunga have interpreted that they get two positions and the Maori Business position is no longer there.

This needs to be tidied up as the original intention was never that and nor should it be! It was that members from both groups in town have representation, as you know.

The Board should only be involved with the running of the camp business and the remainder of the Papahua block be looked after by another body.

We are happy to further meet and work through this document

Regards

Peter Storey

Board Member



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Recommendations for alterations to Raglan Holiday Park Board Charter

Numbering system should be applied

Paragraphs and bullet points be numbered for ease of reference, in keeping with Council's usual practice.

Name of park, name of Board

"Kopua" should be removed. The camping ground is to be known as Raglan Holiday Park, and the name of the Board should therefore be the Raglan Holiday Park Board.

References to policy and procedures – Part 3

List / append the policies and procedures that the Board is responsible for. As an example, there will be appointment policies and procedures, but the Council is the Employer so the Board cannot be held responsible for the Employer not abiding by particular policies.

A reference should also be to Council policies not overriding the terms of the Gift.

Part 5

Membership

Item (f) says "The Council share appoint new members to fill vacancies", which is the final part of the process. However the process of appointment should be more transparent by being outlined in this section to reflect what actually takes place.

The positions of representative of Raglan businesses and community representative are advertised in the Raglan Chronicle. Applicants are considered by the Board, and a recommendation is made to Council.

Iwi representatives are appointed by Iwi, and the appointment is confirmed by ?

Part 3

"monitoring the performance of management". Does this include the General Manager's performance? If

Businesses have different types of internal and external stakeholders, with different interests and priorities. Sometimes these interests can conflict.

What are stakeholders?

A **stakeholder** is anyone with an interest in a business. Stakeholders are **individuals, groups** or **organisations** that are affected by the activity of the business. They include:

- **Owners** who are interested in how much **profit** the business makes.
- **Managers** who are concerned about their **salary**.
- **Workers** who want to earn **high wages** and **keep their jobs**.
- **Customers** who want the business to produce quality products at reasonable prices.
- **Suppliers** who want the business to continue to buy their products.
- **Lenders** who want to be repaid on time and in full.
- The **community** which has a stake in the business as employers of **local people**.

Business activity also affects the **local environment**. For example, noisy night-time deliveries or a smelly factory would be unpopular with local residents.

Internal stakeholders are groups within a business - eg owners and workers.

External stakeholders are groups outside a business - eg the community.

Source: GCSE – bbc.co.uk/schools/gcsebitesize/business/environment/stakeholders1.shtml

Review of draft Charter document for the Raglan Holiday Park Board – November 2017

Overview

The re-writing of the Terms of Reference into a Charter document is an opportunity for Board and Council to work together and create a document that recognises the current flavour of the Raglan community's tourism activity, and the significant part that the Raglan Holiday Park has to play in bringing business into the Raglan community, including ensuring that Raglan remains a cost-effective "family" destination for holidaymakers during the peak season.

We note that the document follows the Sample Board Charter supplied by the Institute of Directors in New Zealand, which is a five-page document designed to support the Board relationship in a "for profit" enterprise. The template is designed for corporate governance, which differs from community enterprise governance, and the document is skewed towards medium-to-large enterprises.¹

At the end of the charter, some sections of the old Terms of Reference have been appended. This results in a lengthy, cumbersome document that in some instances repeats or contradicts itself.²

Risk management for the primary stakeholder (the Raglan Community)

Minor anomalies and recommendations have been appended to this document.²

We acknowledge that there are not many examples of Terms of Reference or Board Charters to work from. Therefore it is likely that the significant change in direction and responsibilities arising from the use of clauses taken from the corporate charter template and inserted in this draft Charter were inadvertent. We wish to address the anomalies arising from trying to make this template fit, and the appropriate action is that the Charter go through a community consultation prior to formal approval.

A significant oversight appears to have occurred in that there is no process for the Charter review other than the statement in Part 4 which says that it will be reviewed and updated every three years. This means that the agreed process applied to the Terms of Reference (which was that the reviewed document would be approved by the Raglan Community Board prior to adoption) has not been carried through.

Charter objectives

We understood that the objectives in changing the Terms of Reference to a Board Charter were:

- Clarity
- Simplicity
- Accountability (Council to Board as well as Board to Council)
- Dealing with out-dated items

The community of Raglan, the Board, and Council would be better served if the template, which is designed for corporates, not be adhered to so strictly.

Defining stakeholders

The Raglan Community was gifted the use of the Papahua block nearly 100 years ago, and is the primary stakeholder. Our references to the Raglan Community or Community of Raglan in this document should be read as *inclusive of the descendants of those who gifted the land*.

¹ iod.org.nz/Portals

² See separate list – minor items requiring amendment

The camp is to be operated at no cost to ratepayers (note that the word “direct” should be removed in the Charter).³ ⁵⁴Therefore ratepayers are not stakeholders in the camp, and Council does not become a stakeholder through representing ratepayers.

Council’s involvement in the camp activity is based on risk management and the provision of services, in relation to Council’s decision to maintain a structure as the camp Employer, and thus take on the contingent liability that arises for any employer. Council has been delegated the oversight of the land by the Crown. In addition to this, Council has a responsibility to ensure that the terms of the Gift of the land are adhered to. Council has delegated, to the Board, responsibilities for many aspects of the camp activity and management of the land, including funding other projects on Papahua block, and responsibilities to assist with managing the terms of the Gift. Either the Board and Council are both stakeholders, or neither are stakeholders. We wish to explore this a little further.

A stakeholder is defined as a member of the “groups without whose support the organisation would cease to exist”⁵ The camp could function without Council (many throughout NZ are privately owned. or owned and operated by community enterprises such as Kiwanis, Scouting and Guiding associations, NZMCA, etc). Therefore, under this definition, Council is not a stakeholder.

Another way to define stakeholders is to look at who would be affected if the enterprise disappeared:

- *The members of the Community of Raglan.* Among other things this would reduce the affordable “family-oriented” accommodation options available, which would have a significant economic impact on Raglan businesses and employment in the short term, and could further exacerbate the current housing shortage with locals and out of towners seeking to capitalise on these opportunities to the detriment of long-term tenants. The community would also lose the income-earning asset that has helped to support the construction and maintenance of community assets based on the Papahua Block, such as the pump track.
- *The employees of the camp.* They would lose their jobs.

Council, however, would not suffer any significant loss or detrimental effect if the enterprise disappeared. Most of the buildings on site were funded through camp operations. Council, under the terms of the Gift, “derives no benefit” and therefore cannot own the buildings or participate in any proceeds raised from the sale and removal of assets from the land. Any surpluses held must be spent on the Papahua block, and would not be passed on to Council.

In conclusion to this section, we do not believe that Council is a stakeholder, but acknowledge that Council bears some risk as employer, and not all of this risk can be delegated to the Board. We acknowledge that a purpose of the Charter is to protect Council from bearing risk.

The Board’s role

The camp is a “community enterprise” or “social enterprise” which operates as a business, but surpluses are not applied outside of the Papahua block (land which was gifted to the Raglan community). The Board operates within constraints that go beyond those imposed on most “not-for-profit” organisations in that it is not free to choose suppliers of business services, and it operates

³ Part 2 of the draft Charter – *Camp Goals – General*. “The purpose of the Board is to ensure an efficient, effective and sustainable Raglan Camp operation which is in the long term interests of the Raglan Community and Council”

⁴ Part 3 of the draft Charter – *Board Governance Process – Role of the Board*. “The role of the Board is to effectively represent, and promote the interests of, Council and other stakeholders”

⁵ Wikipedia – *Stanford Research Institute*

under an organisational structure which is out of alignment for a business the size of the camp (a small business).

A goal of the Charter is to have a Board evaluation process take place on an annual basis. These evaluations are usually based on key performance indicators and elements within a Board Charter. The template that this document came from is designed to be used with a suite of other documents including charters for committees and other commercially-focussed documents which there is not the infrastructure (or the need, as this is a small business operation) to implement.

Our suggestion is to adopt the community enterprise approach, and have a brief charter to deal with the relationship, supported either by separate documents that outline the two key roles (General Manager and Board). Alternatively, the charter document should not try to conform to the template plus the add-on from the old Terms of Reference, but be re-organised in such a way that it contains two clearly demarcated sections that relate to the functions of the General Manager and the Board, against which an evaluation checklist can be created and reviewed.

Summary

The document, compared to the old Terms of Reference, has dealt with some anomalies and removed old and outdated references, but there are questions around who the stakeholders are

has been no real consultative process, and the document has only been with the Board for a very short period of time, during which it has already become evident that there are concerns with matters such as the make-up of the Board, which has had business representation reduced from two Board members to one.