

COUNCIL-CONTROLLED ORGANISATIONS

As noted in the *2009/2019 Long-Term Council Community Plan*, the Council is establishing a council-controlled organisation with five other regional councils for the purposes of collaboratively developing and maintaining a software application suite for use by regional councils in the delivery of their activities under a long-term council community plan. The application suite being developed is called IRIS – Integrated Regional Information Software.

The main drivers of the IRIS project are:

- continuity of supply
- influence/control of the destiny of regional council sector specific software
- risk reduction
- economies of scale
- standardisation of practice and/or adoption of best practice.

It is intended that the council-controlled organisation will be formed and become operative post 1 July 2011.

A council-controlled organisation can be a company, partnership, trust, arrangement for the sharing of profits, union of interest, co-operation, joint venture or other similar arrangement in which one or more local authorities, directly or indirectly, controls the organisation. This council-controlled organisation will be a limited liability company.

The shareholders of the council-controlled organisation will be the six regional councils that are developing the IRIS suite.

The Council will hold shares in the council-controlled organisation. By committing its share of the costs of development, the Council will be financing the council-controlled organisation. The operating costs will be recovered from the participating councils using an agreed recovery formula taking into account each council's size and use of the system. The Council will maintain its ownership of the council-controlled organisation as long as it continues to operate and the Council continues to utilise the products developed by the council-controlled organisation. Once established, the council-controlled organisation will prepare a statement of intent. This statement of intent will form the basis of key performance targets and other measures by which the performance of the council-controlled organisation may be judged.