An aerial photograph of a large, forested island in a fjord. The island is covered in dense green trees and has a small beach area on its eastern side. The water is a deep blue-grey color. In the background, there are more islands and a range of mountains with some snow-capped peaks under a cloudy sky. A large cruise ship is visible in the lower-left quadrant of the image, moving across the water.

TO PRESERVE AND PROTECT THE TRUST AREA AND ITS
UNIQUE AMENITIES AND ENVIRONMENT FOR THE BENEFIT
OF THE RESIDENTS OF THE TRUST AREA AND THE
PROVINCE GENERALLY, IN COOPERATION WITH
MUNICIPALITIES, REGIONAL DISTRICTS, IMPROVEMENT
DISTRICTS, OTHER PERSONS, ORGANIZATIONS AND THE
GOVERNMENT OF BRITISH COLUMBIA.

THE ISLANDS TRUST ACT, 1974

The background of the cover page is a composite image. It features a central blue-tinted rectangular area that serves as a backdrop for the text. This central area is flanked on both sides by vertical strips of a photograph showing a coastal town and islands. The photograph is taken from an elevated perspective, showing a large body of water in the foreground, a town built on a peninsula, and several islands in the distance. In the far background, a range of mountains is visible under a clear sky. The overall aesthetic is professional and scenic.

**ISLANDS TRUST
GOVERNANCE REVIEW**

February 2022

Great Northern Management Consultants

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Executive Summary

Trust is the glue that binds governing systems to the people they serve. Relevance and purpose keeps governance current and meaningful to residents.

A shared understanding among Trustees of the Islands Trust mission and mandate, together with robust arrangements and practices to support consensus-building and decision-making, is the bedrock for a well-functioning Trust Council.

Crucially, Trustees and senior staff are unequivocal in stating their commitment to the Trust and their belief in its potential to safeguard the area's unique physical environment and enhance the quality of life of its residents.

Put simply, good governance is the art of setting and navigating the course for the institution. Current Trust Council practices, however, do not meet the requirements set by good governance principles.

Connecting Good Governance Principles to Islands Trust Practices

Good Governance Principles	Islands Trust Practices
<i>Legitimacy and Voice</i>	
<ul style="list-style-type: none"> informed leadership selection process 	<ul style="list-style-type: none"> leadership selection process is flawed, impairing informed choice and buy-in
<ul style="list-style-type: none"> citizens' voices are heard 	<ul style="list-style-type: none"> ample opportunity for residents to be informed and make their views known
<ul style="list-style-type: none"> stakeholders and partners have representational standing 	<ul style="list-style-type: none"> key partners, most notably First Nations and representatives of province-wide interests, are absent from decision-making
<ul style="list-style-type: none"> a consensus-building orientation for decision-making 	<ul style="list-style-type: none"> Trust Council practices, proceedings and committee structure do not foster the development of consensus

Good Governance Principles	Islands Trust Practices
<i>Direction and Purpose</i>	
<ul style="list-style-type: none"> shared vision of strategic direction and the means for getting there 	<ul style="list-style-type: none"> persistent divisions around the meaning of the Preserve and Protect Object, and the measures necessary to uphold it
<i>Performance and Stewardship</i>	
<ul style="list-style-type: none"> making the best use of resources 	<ul style="list-style-type: none"> every reason to believe Islands Trust's financial records and practices meet the standards set for a public agency significant concerns regarding efficiency and cost-effectiveness, as well as timeliness inadequate demonstration that financial and human resources are allocated commensurate with Islands Trust priorities to the extent they exist, Trust Council has virtually no role and very little information as to performance targets and assessment of CAO
<i>Accountability</i>	
<ul style="list-style-type: none"> accessibility to information and proceedings; transparency 	<ul style="list-style-type: none"> transparency and accessibility to both information and Council proceedings meets the standards set by the Government of British Columbia
<ul style="list-style-type: none"> meaningful performance metrics, widely available 	<ul style="list-style-type: none"> real performance measures, as opposed to workload measurements, are largely absent. Consequently, performance targets are virtually non-existent
<i>Fairness</i>	
<ul style="list-style-type: none"> practices that ensure equal opportunity 	<ul style="list-style-type: none"> practices appear to conform with provincial government policies and guidelines
<ul style="list-style-type: none"> impartial application and enforcement of rules and requirements 	<ul style="list-style-type: none"> processes are obscure and overly bureaucratic

Trust Council's challenge is to set an agenda for reform that modernizes a governance structure. The structure has not changed significantly in over 30 years. The dramatic developments and ever-increasing challenges in the Islands Trust's environment demands this reform. A new approach that emphasizes consensus and collaborative decision-making will allow Trustees to better fulfill their responsibility to set direction, guide operations, and assess performance.

Better information and briefings are needed to ensure candidates standing for election as Trustees have a fuller understanding of the multi-faceted role Trustees play. Similarly, newly-elected Trustees need to be empowered through an on-boarding program that allows them to quickly acquire both the procedural and substantive knowledge necessary to act effectively in their role. It is a matter of the greatest importance that the Trust Council's leadership selection process be changed to allow for Trustees to be better-informed in their capacity as electors.

The number of committees of Trust Council should be increased, allowing for a sharper focus on those issues of greatest priority to Trustees. Committee membership should be more carefully considered, including the addition of outside members with experience and expertise that would otherwise be missing. All membership on committees should be subject to the approval of Trust Council as a whole.

Given the large size of Trust Council and its relatively infrequent meetings, committees must be the real workhorses of Council, acquiring a command of subject matter and taking ownership of recommendations to Trust Council.

The Secretary to Trust Council should report to Trust Council through the Chair. The Secretary's role should be uniquely focussed on supporting Trustees in the discharge of their duties, including providing advice on procedural, statutory, and regulatory questions, ensuring the proper flow of information between Trust Council and management, and facilitating all aspects of the meetings of Council and its committees. The Secretary fulfills this role in collaboration with the Chief Administrative Officer, but at the direction of the Chair.

Among the first items of business to be taken up by the next Trust Council should be to establish a governance committee in order to drive reform from within. This work must begin in order for Trust Council to build trust and regain relevance. Change is needed. Change must happen now. Trust Council's governance committee would work closely with the Secretary and the Chief Administrative Officer to ensure good governance practices are in place and upheld.

Membership on Trust Council should be increased to represent both First Nations and the interests of the province as a whole.

Strategic and financial planning of all Trust activities should be consolidated in a single, multi-year corporate plan, renewed annually. The plan should include performance measures and targets.

A component of the plan should be a communications and stakeholder engagement strategy, with a focus on strengthening relations with key players and partners, especially within the provincial government, and promoting ongoing dialogue with Trust Area residents.

The plan should also include steps to establish greater synergy between the Islands Trust and the Islands Trust Conservancy, sharing knowledge and expertise, and featuring the Conservancy as an integral part of the Islands Trust brand.

The land use planning function consumes nearly three-quarters of the Islands Trust annual budget, and its activities have direct impact on virtually every resident of the Trust Area. Yet, there is no comprehensive analysis of the Trust Area's capacity to sustain current population and activity, or its ability to accommodate more growth and development, especially in light of climate change and other considerations. The absence of an overarching vision for the Trust Area as a whole, setting out limits to growth, measures for protection of the environment, and sustainable strategies for development must be addressed.

Good governance can only be achieved if Trustees are able to dedicate a considerable amount of time to the business of the Trust. So that Trust Council is not the preserve only of those who do not need to earn a living, the significant time and effort required of Trustees must be reasonably compensated, which means an increase in current compensation levels.

Most of the initiatives described above address relatively high-level governance issues. It is important that these issues be dealt with first. Identifying measures to ensure alignment of management with Trust Council's new orientation should follow. To this end, Trust Council should launch a management and operational review with the object of ensuring this alignment, while enhancing reporting and accountability and fostering service delivery improvements.

Many of the most important changes needed can be made within the Islands Trust's current statutory and regulatory framework; Trustees have considerable latitude in determining how Trust Council is organized. What is needed is the political will for Council to choose reform and agree on a set of measures to improve its effectiveness and fulfill its mandate.

Approach

In March 2021, Great Northern Management Consultants received a mandate from the Islands Trust Council to undertake a review and make recommendations pertaining to governance and management policies and practices at the Islands Trust.

The mandate stipulated the Islands Trust Conservancy was outside the scope of the review. The mandate further stipulated that the *Islands Trust Act* itself was out of scope, but, in respect of governance matters, connections between challenges faced by the Islands Trust and the legislative framework under which it operates were matters for consideration. The mandate specifically identified planning and advocacy as areas for review.

The consulting team undertook a review of documentation, readily made available by Islands Trust staff, that informs the Trust's governance, and the policies which guide its practices and activities. Multiple meetings of Islands Trust Council and its committees were audited in real-time to gain an appreciation of the dynamics of the Council and of trustees' interactions. This research was complemented by ongoing background briefings and discussions with senior Islands Trust staff regarding the Trust's operations. A review was also undertaken of various statutory and regulatory authorities that pertain, including the *Islands Trust Act*, the *Local Government Act*, and the *Community Charter*.

(See Annex 2 – Biographical Notes of Consulting Team Members)

On matters of project scope and milestones, guidance was provided by a Select Committee of Council, which met with the consultants seven times over the course of the project.

In respect of advocacy, an initial review indicated that the current advocacy function at the Trust does not lend itself to cost/benefit analysis or objective measurement of effectiveness, as called for in the RFP. The mandate was modified accordingly.

(See Annex 3 - Note to Select Committee regarding Advocacy)

To explore Trustees' views of the governance and management challenges facing the Trust and their thinking as to how those challenges might be addressed, individual interviews lasting 90 minutes or longer with each of the 26 Islands Trust Trustees were conducted. Each interview involved two or more members of the consulting team. The interviews were confidential, in that comments made by Trustees are not for personal attribution.

These discussions all followed the same general outline, but, in the end, were personally shaped by the participating Trustee. They provided not only important information, but unique perspectives on how they viewed the challenges facing the Trust. Trustees were frank and constructive in their comments; all expressed a strong commitment to the

Islands Trust and a desire to identify ways to strengthen its effectiveness. Their personal strong commitment was evident.

(See Annex 4 - Discussion Guide for Trustee Interviews)

Interviews were also held with the Chief Administrative Officer and other senior staff from all the Trust's directorates to understand their roles and responsibilities and their perspective on the functioning of the Trust itself. Again, interviews were based on a discussion guide provided ahead of time, and are confidential. Senior staff were also invited to comment on any of the topics raised in the discussion guide for Trustees. Participants were forthcoming and constructive; their commitment to the Trust was evident.

(See Annex 5 - Discussion Guide for Senior Staff Interviews)

A number of other interviews were conducted with individuals that project team members felt could offer insight into specific topics or issues being examined. These interviews were not meant to serve as a form of public consultation, which was not part of the reviews' scope, but rather to provide the consulting team with additional information relevant to the lines of inquiry being pursued. Again, these discussions were confidential.

In all, upwards of 140 consulting hours were spent interviewing and discussing issues relevant to the review's mandate with individuals connected to the Islands Trust. This was an outsized effort which took place over several months and involved many scheduling complications; it was also a greater effort than could have been expected given the budget available, but was crucial to gaining a full appreciation of the issues and how they might be addressed. Taken together, the interviews proved invaluable in terms of understanding how Trustees view their role, and what they identify as strengths and weaknesses of both the Islands Trust governance framework and the arrangements that give it practical application and meaning.

British Columbia government officials with responsibilities related to the Islands Trust chose not to participate in the review; repeated invitations beginning in May to engage with the consulting team were finally declined six months later. The absence of input and insight from those in government with the closest interest in the Trust's activities is, on the face of it, perplexing, given the Trust's status as a Special Purpose Agency of the BC government, and the Trust's mandate, which includes the requirement to act in the interests of all British Columbia residents.

(See Annex 6 – Letter dated December 1, 2021 addressed to Peter Luckham and Lee Middleton, Islands Trust from Tara Faganello, Assistant Deputy Minister, Ministry of Municipal Affairs, Government of British Columbia.)

These Are Not Normal Times

The pandemic has changed everything we do. The Islands Trust is at a crossroads. At the best of times, a governance and management review signals the discussion of important issues in the life of any organization. Having these significant discussions only virtually has an impact on everyone's ability to conduct business in a normal way.

Not only has COVID had an impact on the conduct of this review but, more importantly, it has had an immeasurable impact on the conduct of business at the Islands Trust Council, its relationship with stakeholders, and its relationship with staff.

For the last two years, all relationships have been managed virtually without the vitally important connective tissue of personal and informal contact. Trustees have not had the ability to continue to get to know each other, to understand each other's values and priorities, to explore how to build consensus around important questions. Similarly, engagement with staff has been constrained. This situation has posed a huge challenge to an organization trying to set its future direction to 2050.

The Islands Trust at a Crossroads

The Trust Council and senior management have done a yeoman's job at managing the organization. By any measure, the Local Trust Committees (LTCs) have done a very good job at public engagement and representing their communities' interests. However, the consultants heard much about "restoring trust to the Trust". The issue of how Trust Council can be relevant given the pressing need to Preserve and Protect the 450 islands and surrounding waters of the Salish sea were raised by all. Trust Council has recognized this by launching an updating of its guiding document "the Policy Statement". The organization is struggling at finding a balance between protecting a unique and fragile ecosystem and the needs of a growing and different population than was in place in 1974, when the *Islands Trust Act* was enacted. In addition, a further dynamic tension, which has to be accommodated, is that between the federated governance model of the Trust Council and community interests at the local level.

The question that many are asking is: "is the Islands Trust a planning organization, or an institution charged with preserving and protecting a unique area with a broader mandate where planning is just one tool?"

Evolving Context

The *Islands Trust Act* was enacted in 1974. Since that time, several amendments have been made to keep pace with developments in the Trust Area, to reflect evolving thinking on governance arrangements. One significant change occurred in 1978, when, in addition to reaffirming the "Preserve and Protect" mandate, the province transferred responsibility over land use planning and regulation within the Trust Area from regional districts to LTCs. The LTCs were not given authority to levy taxes, make budgets, decide how to spend resources, hire staff or acquire property. The Minister's appointment authority made way to the electoral process for the selection of Trustees. However, the Minister assumed responsibility for approving all community plans.

At the same time, amendments reinforced the concept that the Islands Trust Area constituted one single unit. It demonstrated this by requiring all taxpayers to pay the same tax rate regardless of where they lived in the Trust Area.

In the late 1990s, the Province undertook a further broad review of the Islands Trust. The review again reaffirmed the “Preserve and Protect” mandate and introduced legislative changes to implement the review. The most significant change was the establishment of the Trust Council as the governing and legislative body. The Council also assumed responsibility for developing and amending the Islands Trust Policy Statement. This Policy Statement, introduced in the 1990 legislation, was intended to proactively guide decisions and activities of the Council, the land-use planning efforts of LTCs, and the decisions of various governmental and non-governmental actors in the Trust Area.

Furthermore, the 1990 amendments created the following responsibilities for the Trust Council: approve the annual budget and oversee financial management of the Trust Council, hiring corporate officers, serving as the appeal body for LTC bylaws and reporting annually to the Minister. The Executive Committee of Council was also created and placed in charge of day-to-day operations of the Trust Council. Executive Committee members were to be elected from among the Trustees.

The 1990 amendments strengthened the superintendence role of the Minister vis-à-vis the Trust Council by giving the Minister the following powers:

- approving the Policy Statement by-law;
- approving the Annual Budget;
- levying the property tax in the non-municipal part of the Trust Area;
- approving any borrowing by the Trust;
- receiving the Annual Report;
- approving all Official Community Plans (OCPs) proposed by LTCs; and,
- serving as an appeal body for island municipalities whose OCPs were rejected by Trust Council.

In 2007, a governance review was undertaken by Neilson-Welch Consulting, focusing on the number and size of Local Trust Areas (LTAs), the question of proportional representation at Trust Council, and matters related to coordination between the Salt Spring Island LTC and the Capital Regional District. No significant governance changes resulted from the review.

A major review of local planning services, known as the Stantec report, was also undertaken in 2007. The report recommended implementing efficiencies and corresponding staff reductions in the land use planning function; these recommendations were not implemented.

In 2016, the governance focus had moved to the question of Salt Spring Island’s possible incorporation as an island municipality, similar to Bowen Island. An assessment of the potential impact of such a change of status was undertaken by Urban Systems. This assessment was followed in the same year by an internal document, setting out a transition plan in the event of Salt Spring Island becoming a municipality. Residents voted for Salt Spring Island to remain an LTC, thereby making the studies redundant.

It is clear, however, that great effort and energy went into planning for this eventuality by both the province and the Islands Trust. When the initiative failed to materialize, “the air seemed to go out of the balloon”. Rather than launching new efforts to examine the path forward now that the issue is settled, greater effort seems to have gone into protecting the status quo and focusing on day-to-day administration. Dissatisfaction ultimately resulted in Trustees making the decision to launch this review.

In 2021, further amendments to the legislation were passed by the BC Legislature:

- inclusion of a specific reference to First Nations as a party with whom Trust Council cooperates in its Object to Preserve and Protect¹;
- enabling the Islands Trust to give financial support to community groups for activities that provide education about its Object; and,
- streamlining the Islands Trust development approvals processes by enabling local trust committees (instead of Trust Council) to adopt and amend Development Approval Information bylaws.

The initiatives identified above, some of which resulted in real change while others did not, illustrate the dynamic nature of Islands Trust governance. However, notwithstanding the minor amendments to the *Act* currently before the provincial legislature, and aside from the 2016 preoccupation with the status of Salt Spring Island, there has been little substantive consideration of governance changes. Given so many significant changes in the Trust Area’s reality, a review of governance is well overdue.

A governance review is, of course, never an end in itself. In the case of the Islands Trust, where so much has happened to affect and change the context in which the Trust Council operates, there is a pressing need to modernize the Trust’s governance framework. The goal is to ensure the Trust is as well-equipped as possible to meet the new challenges it faces.

Islands Trust Act

The Island Trust is a unique body. On the one hand it has certain characteristics of a local government, but differs significantly from local governments in that:

¹ The addition of “First Nations” in Section 3 of the *Islands Trust Act* is a bare minimum, given the scope of the *Declaration on the Rights of Indigenous Peoples Act*, which affirms the application of the Declaration to the laws of British Columbia, contributes to the implementation of the Declaration, and supports the affirmation of, and develops relationships with, Indigenous governing bodies. As well, the government must take all measures necessary to ensure the laws of British Columbia are consistent with the Declaration. First Nations are notably absent from the governance of the Islands Trust.

- it has no authority of its own to impose property taxes;
- is primarily concerned with protecting the amenities and environment of the Trust Area as opposed to providing services to people;
- is governed chiefly by its own legislation, and secondarily by cross-reference to other provincial statutes, notably the *Local Government Act*, the *Community Charter*, and the *Environmental Management Act*, and,
- is very much a creature of the Province, guided by strong provincial interest, and subjected to a greater level of provincial involvement and oversight than municipalities and regional districts.

As noted earlier, the *Islands Trust Act* establishes the Trust and the Trust Fund and defines the Object and organization of the Trust.

The Object of the Trust is to Preserve and Protect the Trust Area and its unique amenities and environment for the benefit of the residents of the Trust Area and of British Columbia generally, in cooperation with municipalities, regional districts, improvement districts, First Nations, other persons and organizations and the government of British Columbia. The Trust Area is defined as the waters and islands of the Salish Sea between Vancouver Island and the British Columbia mainland.

For the purpose of carrying out the Object of the Trust, the organization consists of the Trust Council, Executive Committee, Local Trust Committees and Islands Trust Conservancy.

The Trust Council establishes the general policies for carrying out the Object, and is responsible for the financial management of the Trust, other than financial management of the Trust Fund. The Executive Committee carries out the daily business of the Trust, reviews the activities of the Local Trust Committees, and acts as a local trust committee for that part of the Trust Area that is not in a local trust area or municipality.

The Local Trust Committees regulate the development and use of land in their Local Trust Area by exercising powers conferred by the *Act*, including powers that would otherwise belong to the regional district for each area.

The Islands Trust Conservancy administers the Trust Fund and manages the real and personal property assets of the Trust Fund.

The *Islands Trust Act* requires the Trust Council to adopt a Policy Statement setting out the policies to Preserve and Protect the Trust Area. The purpose of the Policy Statement is to establish a vision for the future of the Trust Area that reflects the values of residents and of the province generally.

Officers and Employees

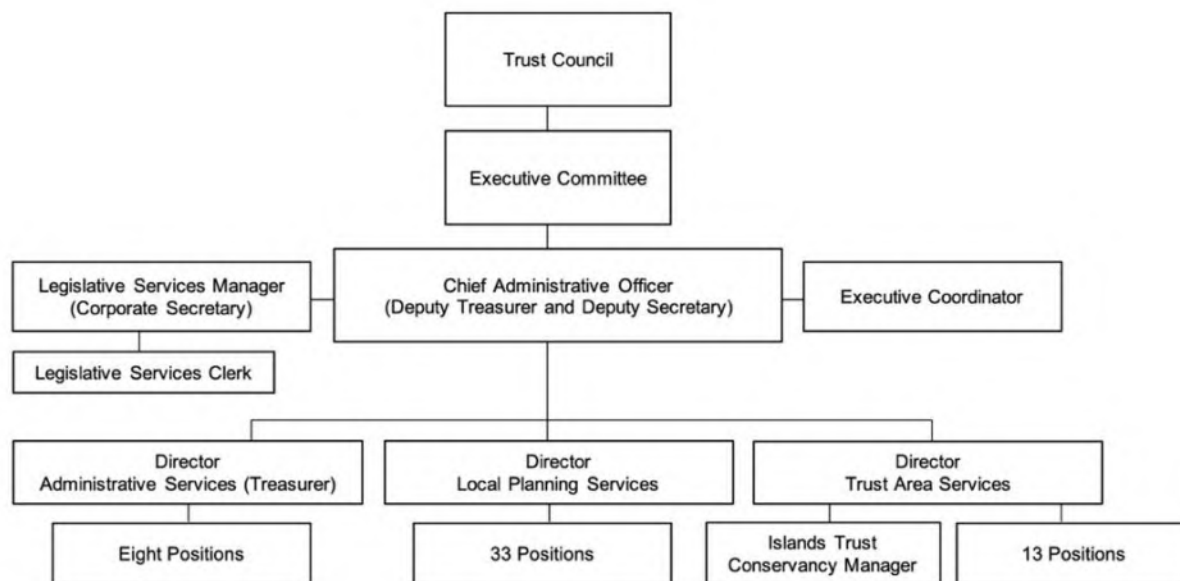
The appointment of the Trust Council's officers and employees is subject to the Public Service Act and for the purpose of the Public Service Act and the Public Service Labour Relations Act, employees of the Trust Council are deemed to be employees and the Trust Council is deemed to be an employer in respect of those employees. The Public Service Pension Plan continued under the Public Sector Pension Plans Act applies to the Trust Council and the employees of the Trust Council. While employees enjoy the same rights as public service employees under these Acts, it does not make them public service employees. The Islands Trust remains a separate employer and a separate bargaining unit under the *Public Service Labour Relations Act*. As a corporation, the Trust enjoys certain flexibilities that a government ministry does not have as it is not subject to all the Treasury Board rules applicable to ministries of the government. It can have its own rules regarding employee classification and remuneration, procurement, spending, accounting, reporting, audit, etc. It should be noted that Trust Council officers are not deemed employees under the deeming provision.

Local Government Act and Community Charter

The *Islands Trust Act* refers to the *Local Government Act* and to the *Community Charter* for certain purposes including election, qualification for office and conflict of interest.

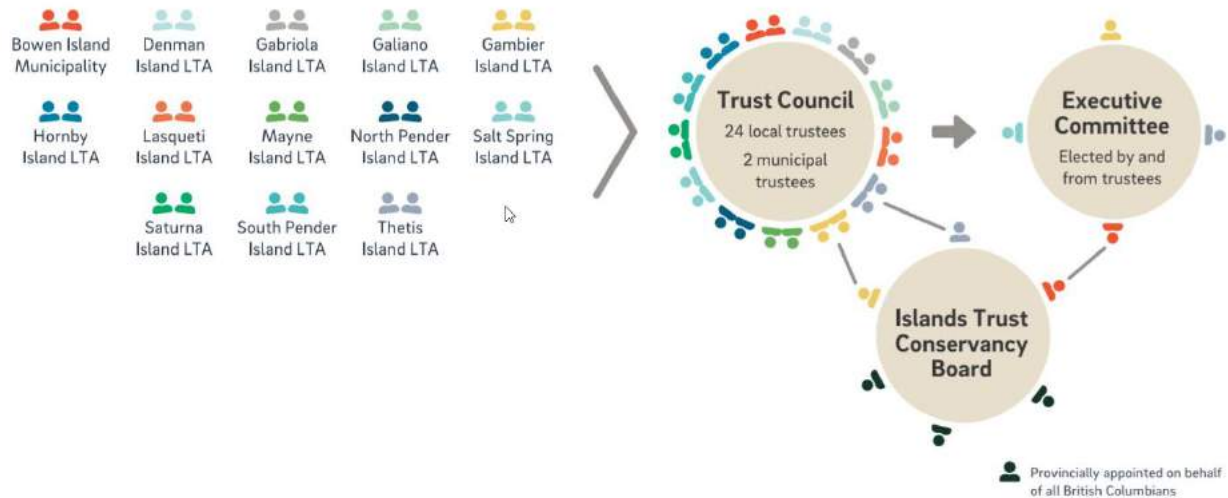
Part 3 of the *Local Government Act* applies to the Trust in relation to the election of Trustees, procedure bylaws and other matters as specified in the *Islands Trust Act*. Provisions of the *Community Charter* also apply to the Island Trust, again as specified in the *Islands Trust Act*, including provisions related to corporate procedure.

Islands Trust Staff Organization Chart²



² Derived from the Islands Trust Staff Organization Chart, as it appears on the Islands Trust website, dated November 2021.

Federated Structure

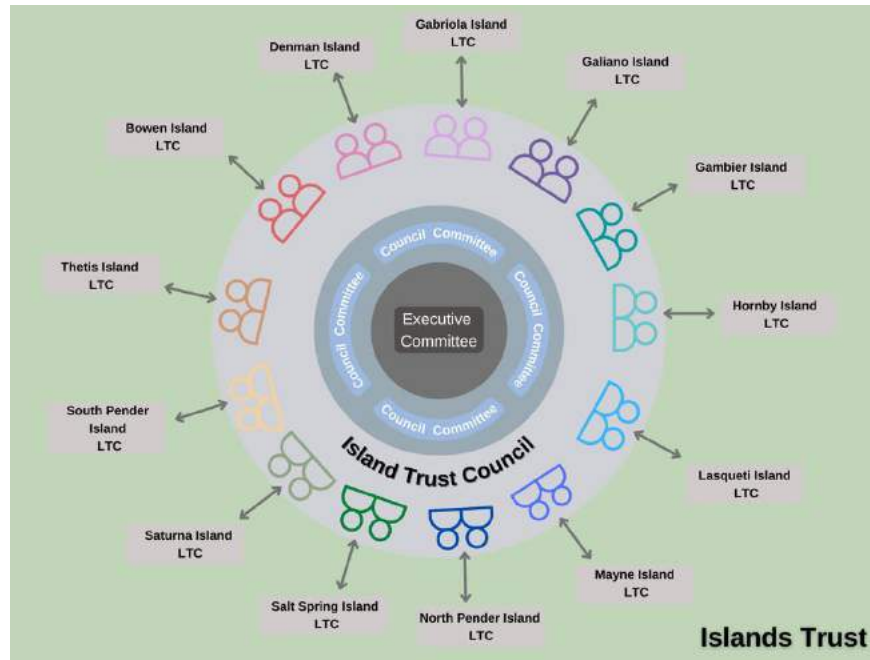


This organigram appears on the Islands Trust website and it is sometimes used in publications. It highlights the differences and the discrete responsibilities of some of the elements of the Islands Trust. It does not however show the holistic intent captured in the governing legislation of the Islands Trust. It encourages unhealthy tension and behaviours that are not designed for consensus building.

The fundamental and most important characteristic of the Islands Trust model is its unique federal structure. The locally-elected Trustees have two sets of fiduciary responsibilities. First, to act on behalf of the entirety of the Islands Trust Area “to preserve and protect the trust area and its unique amenities and environment for the benefit of residents of the trust area and of the province generally”. Second, in a manner consistent with the Policy Statement, act in the best interest of their Local Trust Area.

When it comes to planning and regulating land use, the Islands Trust Conservancy is an excellent example of the first responsibility, as is the development and the upholding of the Policy Statement. Examples of the second set of responsibilities are the OCPs and the related local land use by-laws.

The mandate of the Trust is not appropriately discharged by Trustees unless **both** elements are working in dynamic concert.



The Executive Committee derives its authorities from the whole of Trust Council by whom its members are elected. It has a duty to understand that its role must encompass both elements. Members sit as locally elected representatives of their Local Trust Councils and as members of the Islands Trust Council. Local input is key to their pivotal role at understanding local circumstances while forging solutions that will serve the entirety of the Trust Council's unique area. The role of the Trust Council is to be a deliberative body while the role of the LTCs is to be administrative.

Twelve Local Trust Committees (LTCs) have duties and powers to plan and regulate land use within their LTA. These duties and powers are shared with, and complemented by, the Trust Council. The Islands Trust Executive Committee acts as a LTC for a 13th LTA, Ballenas-Winchelsea. Bowen Island, which might be thought of as a 14th LTA, is an anomaly, in that the two individuals elected as Trustees are, in addition to being members of the Trust Council, members of the Bowen Island Municipal Council which, in effect, assumes the duties and powers of an LTC.

The concurrent and separate duties and powers of the Trust Council and the Local Trust Committees are one manifestation of the Islands Trust's federal nature. The membership of the Council and the LTCs reinforces the federal character of the Trust. Each LTA elects two individuals who serve both as members of the LTC for the Area that elected them and as trustees on the Trust Council. In turn, the LTC is chaired by a third individual, a Trust Council member from another Local Trust Area who is also a member of the Trust Council's Executive Committee.

The duality of LTC and Trust Council membership can raise issues, especially at the level of the Trust Council, as to how trustees reconcile their local role with their federal role.

Another important characteristic of the Islands Trust governance model is the separate status of the Islands Trust Conservancy, which has its own governing body made up of three Trustees and three appointees of the Minister of Municipal Affairs. While administrative and financial management functions of the Conservancy are shared with the Islands Trust, the Conservancy has a five-year plan, the development and approval of which follows a separate track from the one used by the Islands Trust itself. At the same time, the Conservancy's annual report is submitted to Trust Council.

One unique area, with one unique institution working as a whole to achieve the Object.

Good Governance

Put simply, good governance is the art of setting the course and navigating the course for the institution.

Five Principles

For the purpose of this review, the principles of good governance as described below constitute the standard of measurement when determining the degree to which the Islands Trusts' governance practices are considered effective.

1. Legitimacy and Voice

Participation – all citizens of the Trust Area and beyond, should have a voice in decision-making, through legitimate processes. Broad participation is built on freedom of association, as well as capacities to participate constructively. Good governance has a consensus orientation, mediating differing interests to reach a broad consensus on what is in the best interest of the whole and following up with policies and procedures that give it life. The organizational structure needs to support this orientation.

2. Direction and Purpose

A shared vision on strategic direction, along with a sense of what is needed to achieve long-term goals. There is also a need for an understanding of the historical, cultural, and social complexities in which the strategic direction is grounded. Therefore, a shared vision of a common future, well communicated throughout the organization and to stakeholders, is essential.

3. Performance and Stewardship

Responsiveness to the needs of stakeholders is necessary for social license. Performance is grounded in effectiveness and efficiency – which means making the best use of resources to produce concrete results against agreed-upon direction and purpose.

4. Accountability

Islands Trust decision-makers are accountable to each other and the public as well as to the government. Transparency, built on the free flow of information, is an essential attribute. Processes, structures, and information should be directly

accessible and digestible. Public engagement should be ongoing and effective. Performance measures that are publicly reported across key areas, tied to direction and purpose, are essential for communicating why decisions were made and how they were made.

5. Fairness

Fairness requires the Trust Council and the organization to follow sound governance requirements while setting an example in the policies and processes it develops.

Rule of Law is about having the same rules for everyone and applying them impartially.

Close attention must be paid to each of these principles in order to have a constructive discussion on how to restore “trust in the Trust”.

Applying Good Governance Principles to the Trust

Trust Council

The Council is collectively charged with overseeing and supporting the entire organization and all its constituent parts to achieve its mandate. The Council is accountable to the citizens of the Trust Area. In order to invest Trustees with ownership of structure and issues, the entire Council should feel responsible for the election and appointment of Executive Committee members, committee chairs, officers and employees or agents of the Trust.

Characteristics of a High Performing Council

In order to understand what the Trust Council needs to aspire towards, it is worthwhile to draw out characteristics of a high performing Council with the principles of good governance.

- Develop and maintain a long-term vision and a clear sense of direction (*Direction*)
- Ensure high ethical standards (*Performance, Legitimacy, Accountability and Fairness*)
- Ensure effective performance. Through the availability of sound information which focuses on outcomes and results rather than activities (*Performance*)
- Ensure financial and organizational health by focusing on long-term sustainability and macro-level concerns with the quality of management (*Performance, Direction*)
- Ensure sound relationships with citizens and key stakeholders (*Legitimacy, Performance, Accountability*)
- Manage risk effectively by identifying, assessing and monitoring critical developments that would have an impact on outcomes (*Performance*)

- Understand that you are accountable through publicly available information on financial matters, results and outcomes, public engagements, etc. (*Accountability*)
- Set objectives and review performance of the CAO (*Performance*)
- Ensure the soundness and resilience of the governance system by regularly monitoring Trust Council and individual Trustees performance, by providing appropriate training of Trustees, by monitoring contemporary best practices and continuing to evolve policies and practices in a modern context (*Legitimacy, Accountability, Performance, Fairness*).

In summary, the role of Trust Council is to provide leadership in policy and strategy while being the stewards of compliance and oversight while ensuring that the work gets done in a manner aligned with purpose and direction.

Managing Trust Council Performance

Collectively, Trust Council as a whole needs to be ever vigilant of the following:

- no clear sense of direction and purpose;
- Trustees who don't understand their collective and individual responsibilities;
- lacking an understanding of the roles and responsibilities in a federated governance model;
- conflict of interest;
- rubberstamping of important decisions;
- disregard of policies on a regular basis;
- Board micromanagement;
- interpersonal rivalries, distrust and factionalism;
- loyal to only their own constituency;
- Trustee disengagement; boring meetings that don't engage Trustees;
- lacking the appropriate support and training of Trustees;
- lacking regular Council assessment, including self-assessment; and,
- overloading Trustees with briefing material and information for decision-making that is not well-organized or relevant.

Leadership

First, there is a leadership deficit. In this case, "leadership" does not refer to individuals currently in leadership positions, but to the institutional and procedural arrangements whereby leadership is established and discharges its role.

The Chair of the Trust Council is the most visible manifestation of leadership for the Islands Trust, and, as the presiding officer, the Chair's role at Council meetings is of great importance, setting the tone for discussion and decision-making. Leadership is actually held more broadly by the Executive Committee, made up of the Chair and three other Trustees. Between Council's quarterly meetings, the Executive Committee takes decisions on a wide variety of matters on behalf of the Council. It also reviews most items for consideration at Council meetings, and sets the agenda for those meetings. An Executive Committee representative sits ex-officio on all other committees of Council, and serve as Chair of all LTCs (in the areas of the Islands Trust where there are no LTCs, the Executive Committee acts as such).

The Executive Committee reviews all bylaws passed by LTCs to determine conformity with the Policy Statement, and is the appeal body for LTC rulings in respect of bylaw permits and variances. The committee undertakes the performance review of the Council's sole staff appointment, the Chief Administrative Officer, and, to the extent the CAO has a meaningful reporting relationship, it is with the Executive Committee.

Clearly, the Executive Committee, with the Chair at its centre, constitutes the nexus of political leadership at Islands Trust.

As prescribed by the Act, the Chair is chosen by trustees from among their membership, rather than by residents of the Trust Area. This method, unlike what is the case at other local government bodies, has the significant drawback of denying the incumbent a Trust Area-wide popular mandate. Instead, the Chair, like all trustees, is elected from a single Local Trust Area by an electorate ranging in size from a few hundred to several thousand. The individual is elected as the representative of a specific area, and it follows that the path to election is focussed on the specific interests of that local area's electorate.

Still, even if the Chair is only directly elected by a relatively few Trust Area residents, the incumbent and other members of the Executive Council are chosen by 26 Trustees, all popularly elected, albeit from 13 different areas. But this method, which might be seen as an indirect way to confer a popular mandate on those elected to leadership positions (i.e., not elected directly by voters, but by individuals who have been elected by voters), is seriously flawed.

Somewhere around half of the newly-elected trustees have no previous experience on Council, and an even greater number have little or no real acquaintance with their fellow trustees. Exposure to Trust-wide policies and issues is similarly limited. Yet, within little more than a day of their first meeting, trustees elect the Trust Council Chair and the other members of the Executive Committee. Almost all trustees cited this process as unsatisfactory and an impediment to effective leadership.

Other than ensuring continuity of governance, there are virtually no constraints, other than those set by the Trust Council itself, as to when or for what length of time individual Trustees are elected to leadership positions.

Somewhere along the way, the connective tissue between Executive Committee and other Trustees has been eroded. It must be restored if leadership is to be followed. New ways must be explored to allow Trustees to get to know each other, understand each other's values and points of view, and to have informal discussions on the pressing issues for the Trust Area and plans for working collaboratively to achieve desired outcomes. These discussions must precede the election of Executive Committee members and chairs of other committees.

Trust Council Committees Need to be Part of a Consensus-building Leadership

Chairs of the other standing committees of Council - Financial Planning, Regional Planning, and Trust Programs - are also quickly selected. Trustee membership on committees is optional and elective; trustees are not required to serve on committees, there is no limit to committee membership size, nor are there any criteria regarding qualification for membership on committees (e.g., regional balance). In most cases, Trustees simply "sign up" for one or more committees based on their interest, with the option of resigning from a committee or joining another committee at any time.

Most trustees believe there is merit in considering changes to the Council's committee structure, using criteria other than mirroring the organizational structure of the Trust's administration. A greater number of committees, each with a sharper focus on particular priorities or areas of interest, would allow Trust Council to better deliberate on, and set policy for, matters of real importance.

An important addition to Trust Council's committees would be a governance committee that works to ensure that governance practices are up to date and meet applicable standards. Because sound governance structures and systems protect the interests of all residents and stakeholders, a committee of Council with a clear governance oversight mandate is essential.

The review of committee membership will be as important as the review of committee mandates; the Financial Planning Committee being a case in point. Currently, membership includes, ex officio, the four Executive Committee members and two other members nominated by the Executive Committee, with the result that the Executive Committee, rather than Trust Council as a whole, has the preponderant influence on, and effective control of, the Financial Planning Committee.

Committees of Council could play an important leadership role in the governance of the Islands Trust, particularly on potentially divisive issues where there is need for careful consideration of policy and political implications. Inevitably, the democratic selection of Trustees means that certain areas of expertise and competency will be missing from Trust Council. Currently, Trust Council does not extend membership on committees to individuals not on Trust Council, but who possess subject matter expertise that could enhance the credibility and authority of reports and recommendations made to Trust Council.

There is a sense among many Trustees that committees could also play a stronger role in the search for accommodation on difficult questions. Too often, committees are seen as simply forwarding proposals onward to Trust Council without necessarily championing the proposal or recommending amendments to broaden its appeal. The potential for committees to be the workshops of Trust Council where compromises are hammered out based on both a mastery of the subject matter and “political” sense of what is needed to meet the most significant concerns of stakeholders and, ultimately, Trustees.

Absence of Effective Efforts to Overcome Division Through Dialogue, Compromise and Accommodation

When interviewed, some Trustees used the word “dysfunction” to describe the state of governance at Islands Trust. An important qualification is necessary. The Islands Trust discharges a wide range of responsibilities and carries out an array of duties in a professional, competent manner, and with probity.

That said, the term dysfunctional may indeed be applicable in reference to aspects of its governance model and practices. Differences of opinion and vigorous debate concerning an organization’s scope of activities and balance of power, especially in a federated entity, are not unusual. But when failure to resolve such questions endures and compromises the organization’s ability to operate effectively, dysfunctionality becomes a real danger.

This danger centres around not only the absence of a shared understanding of the Trust’s Object, but also the absence of mechanisms and opportunities for the participants in the governing body – the Trustees – to collectively pursue the compromise and accommodation always required to achieve consensus.

A review of the decision-making machinery that serves the institution is a common best practice of governance. The structure and mandates of committees should be clear to all, especially new candidates for election to Trust Council. In this regard, the absence of a governance committee of Trust Council is of particular note.

Trust Council Division on Preserve and Protect Object

Good governance requires a widely-held, common understanding of the institution’s mission, with structures and practices in place to allow those who hold power to exercise it for the purpose of fulfilling that mission.

Despite the Trust’s “Preserve and Protect” Object being essentially unchanged since set out in legislation nearly 50 years ago, there is a remarkable lack of consensus among Trustees as to what that Object means and entails. While every Trustee claims a good understanding of the Preserve and Protect Object, all go on to assert there is a significant lack of agreement among Trustees as to what the Object means, in terms of the nature and range of endeavours that should preoccupy Trust Council. This constitutes a fundamental – not to say existential – challenge.

It is not unusual for there to be differences of opinion regarding strategies and priorities among those entrusted with the governance of a public agency. Such differences are inevitable, indeed healthy, so long as they can be resolved through a framework that fosters consensus and through processes considered fair and inclusive. But the differences that exist at Trust Council pertaining to fundamental questions about policy direction and the role of Council have proven near-intractable. Trustees speak of a “dysfunctional” situation that is getting worse; most describe a regularly divided Council and a disturbing decline in collegiality and civility. Some of this is undoubtedly the result of a virtual environment and all its constraints, but the damage is real and palpable.

Issues that divide Council are myriad, touching on strategic direction, policy initiatives, cost and value for money, efficiency of operations, taxation levels, advocacy, accountability, and performance measures, to cite the topics raised most often by interviewees. Weaknesses in the underlying institutional framework makes it especially difficult to find the common ground necessary to resolve such important issues.

The first challenge that confronts the Trust is to agree on how to interpret the Preserve and Protect Object. This absence of consensus is described in a variety of ways; one that seems to have resonated with many is to ask if the Trust is an environmental steward with land use regulatory powers, or a land use regulator with a particular concern for environmental stewardship. Not to be dismissed as semantics, the question reflects a long-time inability to reach agreement on most of the important questions facing Council.

Local Governance

The divergence among Trustees regarding what the Object means in terms of the Council’s mandate is in contrast with the general agreement that exists as to the role and functioning of Local Trust Committees.

The LTCs mandate, with its focus on Official Community Plans, land use bylaws, and the application of those bylaws in conformity with the Islands Trust Council Policy Statement bylaw, is reasonably straightforward, commonly understood, and generally accepted. This is not to say questions do not arise in respect of how any given LTC discharges its duties in terms of efficiency or consistency with the Policy Statement bylaw, but rather that there is clarity and a wide acceptance as to the role of LTCs and mechanisms available to resolve outstanding issues when necessary. Whenever possible, it works best when local issues are dealt with at the local level; people are more engaged and more likely to find an accommodation that maintains social harmony.

For Trustees to maintain the necessary level of engagement at the local level more communication support from Islands Trust staff would be helpful.

It is telling that many Trustees said they derived great job satisfaction from their Local Trust Committee role, while expressing a sense of frustration and, in some cases, a sense of futility regarding their role on Trust Council. In many cases, this frustration leads to disengagement and contributes to the high turnover rate among Trustees. Building a sense of purpose into the work of Trustees must be a priority.

Trust Council Policy Statement Bylaw

LTCs are the principal entity by which responsibility for land use policy and regulations is discharged, through the aforementioned official community plans and land use bylaws. These plans and bylaws must take account of requirements and considerations set out in the Trust Council's Policy Statement.

Land use powers exist so that the Trust may "preserve and protect the Trust Area and its unique amenities and environment". The factors to be taken into account when determining appropriate land use policy, the extent and means by which growth should be limited, and the extent and means by which the physical environment should be otherwise managed, are all part of an increasingly fraught debate as complex environmental concerns grow, property prices sharply rise, and shortages of water, labour, housing, and, in some areas, land itself becomes acute. As the population grows, evolves, and ages, service needs change and increase, adding to citizen pressure on the Trust. This is all background for the proposed amendments to the Trust Council's Policy Statement bylaw, currently under consideration.

The very contentious nature of debate at both Trust Council and among Trust Area residents on the proposed amendments is a strong indication of the divisions which exist regarding how the Islands Trust Object should be interpreted.

Taking Account of the Interests of All Residents of British Columbia

Not only must the different viewpoints, strongly held by Trust Area residents, be reconciled by Trust Council, the interests of all residents of British Columbia must also be taken into account. What those interests are is not readily apparent. There is no meaningful mechanism in place to either identify or to integrate province-wide interests in the plans and priorities of the Trust. There is no representation on Trust Council with either the mandate or the wherewithal to represent BC-wide interests.

The absence of any instructions to the Trust by the BC government on this subject, coupled with government officials' decision not to participate in this review, may suggest the Ministry of Municipal Affairs has no appetite to take on questions regarding the Islands Trust mandate and its future. The Islands Trust seems to be missing a champion within the provincial government. This contributes to a sense of provincial neglect that some Trustees have expressed. Closer collaboration with Municipal Affairs and all the provincial government agencies which have responsibility for matters of direct concern to the Trust Area would help ensure Trust Council's perspective and point of view were fully taken into account.

Challenges in a Federated Structure

A tension arises from questions concerning the respective roles of LTCs and the Trust Council. Just as the search for consensus on a Trust Area-wide vision has proven elusive, so too has agreement on what the role of Trust Council should be vis-a-vis LTCs. An expansive role, championed by some, is resisted by others who see Local Trust Areas as having unique characteristics and challenges best understood and managed at the local level.

As noted, the LTCs land use policy-setting and regulatory power is shared with Trust Council, in that LTC bylaws must not be contrary to or at variance from the Policy Statement approved by Trust Council. Determination as to whether new local bylaws conform with the Policy Statement lies with Trust Council's Executive Committee. How narrow or expansive interpretation of the Preserve and Protect Object should be, and how prescriptive Trust Council should be in its directives to LTCs as to the measures and practices allowed or proscribed to conform with those directives, are questions that come to the fore in the Policy Statement. The proposed amendments to the Policy Statement bylaw are controversial, in large part because there is no consensus on the scope of the Preserve and Protect Object, or on the balance of power between Trust Council and LTCs in respect of how the Preserve and Protect Object is reflected in land use policy and regulation.

Council Secretariat Needs Improvement

Trustee briefing books for Council meetings, running to hundreds of pages, are largely unread by many trustees, being difficult to absorb and requiring more time than is available. Council agendas typically make insufficient time for deliberation of important matters, often significantly less time than is reserved for non-controversial items and routine reports.

Management of Trust Council's meetings seems more focussed on punctilious attention to detail, and ensuring adherence to what appear to be over-elaborate procedures, while leaving little opportunity for a meaningful exchange of views and ideas so necessary for consensus-building and collegial decision-making. Meetings are more transactional than deliberative. The priority can seem to be about working through a list of agenda items as efficiently as possible, rather than creating the best possible space and place for real dialogue and working toward broad agreement.

A test of materiality seems missing in the preparation of briefing material, setting agendas, and in the conduct of meetings. Shortcomings in how the Council organizes itself contribute to a difficulty in both decision-making and in the ability to coalesce around a collective will. Delivering concise, pertinent briefing material, developing agendas that help ensure Trustees' time together is used optimally, organizing and using committees to increase Council effectiveness, would all contribute significantly to achieving consensus.

Good Governance Requires Strategic Planning

Islands Trust lacks a unified, comprehensive corporate planning process that begins with goals, proceeds to initiatives to achieve the goals, and then converts the initiatives into financials. The current approach to planning is largely tactical, lacking a strategic dimension that connects initiatives and strategies with overarching goals and objectives.

The strategy-setting that results from the articulation of goals and the development of initiatives to achieve them constitutes the descriptive front end of a corporate plan.

The budget is the essential second half of the plan, setting out the financial wherewithal for implementation, along with milestones and performance indicators that measure success and ensure accountability.

This process, which should be undertaken annually, generally uses a five-year planning horizon. It is the universally-accepted method of engaging all decision-makers and key staff in the development of an enterprise-wide plan that addresses contentious and competing proposals in a holistic manner, keeping agreed-upon priorities to the fore, promoting trade-offs, and insisting on taking account of downstream impacts.

The result is a coherent, comprehensive plan that begins with a shared vision and ends with budgetary allocations to fund initiatives supporting that vision, tested for value in terms of cost-effectiveness and against the relative merits of competing proposals.

The annual budget-setting process currently in place at Trust Council exists alongside other, separate processes to identify, and in some cases fund, a variety of projects championed by various sponsors and sometimes based on different approval criteria. One such process, referred to inappropriately as the Strategic Plan, occurs every four years at the beginning of a new Council's term. Trustees propose or support projects they wish to see undertaken during that Council's term, from which a list of projects is developed, their implementation depending on a variety of factors not always consistently applied, or even understood at the time of project approval.

Another selection process has each LTC identifying priority projects for consideration by the Trust's land use planning directorate, to be taken up as resources become available, depending again on other factors, some of which may not be immediately clear. Other projects are considered on an ad hoc basis, some in tandem with consideration of the budget, and others on their own at various times over the course of the year.

As noted, identification, assessment, and determination of the order in which these projects are to be taken up, is influenced by a differing array of considerations and circumstances. Approval does not appear subject to a common set of criteria, and often reflects the particular interest of a "sponsoring" trustee, rather than a consensus of all trustees as to where Trust Area priorities lie. The value and cost of projects (on their own terms or relative to other projects), and availability of funds are often not taken fully into account, nor are downstream implications of the projects, once completed, in terms of utility or benefit.

This disaggregated and not very disciplined approach to planning diminishes Council's ability to devise and execute a single, cohesive plan that integrates all strategic and financial considerations, ensuring the right trade-offs and choices are made, given Trust-wide priorities and scarce resources. It diminishes the potential impact of the Islands Trust, and it misses an important opportunity for Council to work together and to lead. Moreover, it is more time and resource consuming that is necessary for good planning.

Bureaucratic Inertia

At another level, administrative and procedural practices are often unduly cumbersome, time-consuming, and costly, in terms of both financial and human resources. Initiatives are mired in processes that take much too long, contributing to a sense of inertia and the widely-held belief that the Trust is unwilling or unable to respond effectively to pressing concerns.

The Policy Statement is a case in point. Amending the statement from time to time to reflect changing circumstances and challenges can be a practical way to maintain relevance and respond to new circumstances. It could also be an excellent opportunity for trustees to collectively explore compromise, practice accommodation, and develop proposals for difficult policy issues that can win broad support. In other words, an opportunity to demonstrate Council's leadership.

The current initiative to amend the Policy Statement bylaw fails to do this. Instead, it has highlighted and perhaps deepened divisions on Council and in the community at large regarding important challenges facing the Trust Area. The statement has been left unamended for 25 years. Consequently, the scope and breadth of the amendments now being considered can seem overwhelming, difficult to manage in a single amendment cycle, touching on multiple subject areas, all with "urgent" tags on them, and proposing responses to these challenges that may not have been adequately socialized.

Moreover, consideration of the implications of the challenges for the Trust Area, and discussion on how best to respond to them - already a daunting undertaking - is complicated by a parallel controversy regarding how the draft Policy Statement was developed and the adequacy of the consultative process.

Lively debate, even controversy, is not an unexpected consequence of proposing substantive changes to a foundational document such as the Policy Statement. Allowing a number of important issues requiring attention to accumulate over such a long period, and not providing a more innovative and inclusive approach to policy development, debate, and consensus-reaching, has compounded the difficulties inherent in what would always have been a challenging exercise. It has become a dramatic example of Trust Council's collective leadership deficit.

Similarly, many of the LTC's OCPs have not been reviewed or updated in decades, partly because of the time and resources needed to do so. Reviews of each of the 21 OCPs, with each review typically taking multiple years, could quickly overwhelm an organization of the Islands Trust size and budget, while leaving the plans unamended can result in policies no longer aligned with contemporary realities. The fact is, there are too many OCPs, and it takes too long to update them. It seems the prospect of the time-consuming bureaucratic burden that would accompany doing something about that is itself sufficient to discourage reform.

The practice of adopting model bylaws highlights an ongoing question as to where the balance of power lies between LTCs and the Trust Council; it also shows the need for a more rigorous approach to resource allocation. Unwilling to use either its directive power or its funding authority to gain LTC compliance with a given policy Trust Council sees as important, Council commissions the development of a model bylaw which, if enacted by LTCs, would give effect to the desired policy. Development of model bylaws can easily take more than a year, along the way taking up considerable time at both Trust Council and committee levels, and even more time of already hard-pressed staff. The model bylaws are pursued without identifying the cost, not only in terms of diverting resources from other priorities, but also without a realistic assessment as to how many LTCs, if any, will take up the model bylaw. Experience has shown that few do. In the end, this practice is costly while doing little to enhance Trust Council's relevance or effectiveness.

Reconciliation

Recent activity on the part of Islands Trust to broadly socialise both the concept and the importance of Reconciliation has been useful. The practical support and advice provided to LTCs as they focus on deepening and strengthening relations with First Nations in their LTAs is also seen as having value.

Going forward, care must be taken to find the right balance between the need for discretion regarding discussions with First Nations and Trust Council's culture of transparency in decision-making.

As noted, the recent amendment to the *Islands Trust Act*, which adds First Nations to the list of entities with which Islands Trust is to cooperate, does not meet the spirit of what is envisaged in DRIPA for First Nations participation. One important measure would be for the province, following consultation with the appropriate First Nations, to make provision for the appointment of First Nations representatives to the Islands Trust Council. This would require an amendment to the *Act*.

As an immediate priority for Trust Council, steps should be taken, in consultation with concerned parties, to identify other mechanisms to provide First Nations with appropriate and meaningful roles in the Islands Trust governance framework.

Advocacy

Advocacy activities do not easily lend themselves to cost/benefit analysis or objective measurement of effectiveness, particularly in cases where the Trust is only one of many stakeholders advocating on an issue, or where issue resolution takes years and is influenced by many other intervenors and circumstances.

This is certainly the case for a number of issues that the Trust has been involved with. The tactics most often employed by the Trust, letter-writing to decision-makers and co-operating with like-minded organizations to amplify voice, seem appropriate and commensurate with resources available, but in themselves do not constitute an advocacy campaign.

The absence of a broader communications and engagement plan that supports Trust goals and priorities means Trust Council is missing an effective tool to assist in determining where advocacy can best contribute to its objectives. Limited resources mean activities need to be tightly focussed on a very few areas, ensuring maximum impact where most needed. An annual plan, integrated with a strategic and financial strategy as discussed above, would allow Council to set advocacy priorities.

Islands Trust's Twitter, Facebook and YouTube platforms have not attracted a significant number of followers or subscribers. Since the importance of social media in communications generally and advocacy in particular will only continue to grow, the annual plan should include initiatives to optimize the use of social media.

Currently, many advocacy activities are externally directed, concentrating on matters of interest to the Trust but under the jurisdiction of other levels of government. Going forward, an advocacy plan should shift the focus to relationship-building with governments, especially the BC government, and to more effective engagement with Trust Area residents.

In respect of relationship-building, a multitude of federal, provincial, and other organizations set policy and make decisions with significant impact on the Trust Area's environment and well-being. Strengthening relations with these organizations is essential to achieve harmonized and complementary policies and practices in support of the Preserve and Protect Object

Local Planning Services

As noted earlier, the mandate for this review included an analysis of Local Planning Services (LPS), which can be found in Annex 1.

The way land use planning and regulation is undertaken by Islands Trust is unique, driven by statutory requirements resulting in a more complex and cumbersome process than is the case for municipalities or regional districts.

Before considering the implementation of most recommendations pertaining to LPS as outlined in Annex 1, it will be important to first establish the new framework and context in which such recommendations would be implemented. In practical terms, this means addressing the governance recommendations contained in this review as a first order of business, as well as awaiting completion of the Policy Statement bylaw review, and the adoption of a truly comprehensive multi-year strategic and financial plan.

The most significant LPS findings, in the context of a high-level governance and management review, are the following:

- Islands Trust lacks both a comprehensive analysis of the Trust Area's capacity to sustain current population and activity, and its ability to accommodate more growth and development, especially in light of climate change and other considerations.

These include adequacy of water supply, rising sea levels, wildfire risks, threats to ecosystems, stringent environmental protection regulations, the increasing cost of public services.

While this pressing need was acknowledged by Trust Council's 2019 Climate Emergency Declaration, it remains to be properly addressed.

- As noted elsewhere, there are too many OCPs and most of them are outdated. The number of OCPs should be reduced to 14, and their updating should begin as soon as possible.
- While each island has unique characteristics and requirements, the review of land use plans should give greater recognition of the inter-connected and inter-dependent reality of the Trust Area.
- Too much LPS staff time is taken up with LTC and other public meetings (preparation, attendance, travel, preparing reports). Other means for supporting LTCs should be adopted, achieving efficiencies and ensuring better use of land use planning staff.
- As noted elsewhere, Trust Council's practice of developing and adopting model bylaws should be reconsidered. Model bylaws only have value if they are adopted by LTCs; the historic rate of adoption has been insufficient to warrant toward their development.
- As noted elsewhere, the identification of, and resource allocation for, LTC projects should be integrated into a larger, annual Trust-wide planning process, not only to ensure the resulting workloads is manageable, but that approval criteria is the same for all projects and funding is equitably distributed.
- The three land use planning teams (Northern, Southern, Salt Spring) are siloed, with limited communication and sharing of information, leading to duplication of effort and inconsistencies in approach. Regular sharing of information and ideas between the planning teams would go some way to address this problem.
- There is a large gap between the application fees being received by Islands Trust and the cost incurred to process them. The difference is made up from general tax revenue. Greater cost recovery is required.

Change is Needed; Change Can Happen Now

A shared understanding among Trustees of mission and mandate, together with robust arrangements and practices to support consensus-building and decision-making, are the bedrock for a well-functioning Trust Council. This is achievable. Crucially, trustees and senior staff are unequivocal in stating their commitment to the Trust and their belief in the Trust's potential to safeguard the area's physical environment and enhance the quality of life of its residents.

When considering changes to Islands Trust governance, amendments to the constituent Act, which sets out the Trust's mandate and its governance framework, would be the obvious place to start. However, as mentioned earlier, the terms of reference for this review stipulate that the Islands Trust Act is out of scope, at least insofar as recommending changes to the Act itself is concerned.

Within the scope of the existing Act, the Trust Council can make many of the changes discussed up to this point. This would go a long way to improve governance and address key issues raised by Trustees. The framework allows Trust Council great flexibility in determining how it organizes itself for governance purposes and for decision making. While Trust Council may consider and propose to government amendments to the Act, it already possesses what sociologists refer to as "agency", which is the capacity to actively and independently choose and effect change. Political leadership is required.

Islands Trust's dramatically changing and increasingly challenging environment demands it. Without reform, the ability of Trust Council to effectively respond to these challenges will be severely impaired. Trust in the Trust will continue to erode. The relevance of a much-needed institution will continue to be questioned.

Recommendations

Leadership

As discussed above, the manner by which the Trust Council Chair, other Executive Committee members, and the Chairs of other Trust Council committees are selected is deficient. Trustees simply do not have sufficient opportunity to make informed choices for these positions, diminishing the leadership attribute that should be associated with them. In particular, the election process for Council Chair has been a long-standing complaint of Trustees. To date, advice to Council on this question has focused on reasons why the process cannot be changed rather than on possible new methods of election.

Election of Trust Council Leadership

Recommendation #1: The most important consideration any new election system must take into account is Trustees' need for a reasonable amount of time before votes are held for the election of Chair, Executive Committee members and other Committee Chairs.

Providing more time for Trustees to assess the suitability of candidates would allow for a more substantive exchange of information regarding candidates' qualifications and perspectives on how they see the Islands Trust evolving and how they see their role.

The extra time should also provide the opportunity for Trustees to acquire a high-level appreciation of the priorities and pressing issues the Islands Trust is facing.

It is up to Trust Council itself to determine what method best addresses the need for better-informed elections to Trust Council leadership positions. The only constraint is the need to ensure the continuity of leadership.

For example, Trust Council could elect an interim Chair and interim members of the Executive Committee for a short period of time, pending the opportunity for Trustees to get to know each other and hold an informed election. Furthermore, it is the prerogative of Trustees to determine the term of the Chair and Executive Committee members.

Trust Council Committees

Number of Committees and Committee Mandates

The only way a 26-member Council, meeting relatively infrequently, can govern effectively is through a robust committee system.

Recommendation #2: The Trust Council should undertake a comprehensive review of its committee structure, with the idea of increasing the number of committees with mandates more focused on the subjects and issues that reflect Trust Council priorities. Frequent use should be made of sub-committees and *ad hoc* committees to address particular topics.

Committee Membership

Recommendation #3: While the number of committees should increase, the number of trustees on committees could be reduced. Membership should strive for some regional balance, and a match of Trustees' interests and expertise with committee mandates.

All Trustees should be members of at least one committee. Individuals other than Trustees should also be considered for committee membership where appropriate to ensure the desired representation, subject-matter expertise, or other relevant criteria.

All committee membership should be subject to Trust Council approval. This manner of proceeding will have a particular impact on membership of the Financial Planning Committee, which is currently dominated by Executive Committee members and appointees.

Committee Mandates

Recommendation #4: Committee mandates should reflect Trust Council's priorities and areas of greatest concern. For example, it may be useful to have a committee focused on marine issues, or a committee that fosters better approaches and mechanisms to increase inter-LTC sharing of best practices. Establishment of a governance committee with a mandate to ensure that governance best practices are in place at Trust Council is of special importance.

Role of Committees

The role of committees is not only to ensure proposals recommended to Trust Council are sound policies, but also that all other considerations arising from the proposals, including political considerations, have been recognized and, where appropriate and possible, taken into account.

Recommendation #5: Recommendations from committees to Trust Council should be truly "owned" and championed by the committee; actual proposals are likely to have been developed by staff, but the recommendation as to the disposition of the proposal must belong to the committee.

There is also an important onus on committee members to ensure proposals have been considered from a Trust-wide, federal point of view. The aim is always to provide a recommendation that will shape the debate at Trust Council in such a manner as to focus quickly on what is truly important and, possibly, contentious; doing so will facilitate meaningful discussion and satisfactory resolution by Trustees, without using an undue amount of time.

Always, when developing committee recommendations, the importance of achieving consensus should be a priority.

Trust Council Support

Exercising agency requires that Trustees understand their dual role, be prepared to expend the effort necessary to fulfil it, and are properly equipped to do so.

Helping Trustees Understand Their Role

Recommendation #6: Prior to standing for election, Trustee candidates should have the benefit of a briefing that provides a full description of what the job entails. Of particular importance is the need to ensure candidates understand Trustees' "federal" responsibilities. Often, Trustees' role at Trust Council is seen as secondary, if it is considered at all, when individuals decide to stand for office. Yet, the federal role can be the more challenging one, requiring Trustees to think beyond the interest of their LTA and adopt Trust-wide perspectives, without which effective governance cannot be achieved.

Once elected, Trustees must balance the need to represent the interests of their own Trust Area with the need to find common ground with 25 other Trustees, so as to develop and implement policies for the Trust Area as a whole. Trustees must also be prepared to invest the time needed to fully understand the different and sometimes divergent views at play regarding important issues, and to work with others to develop policies that accommodate as many points of view as possible, while still honouring the Preserve and Protect Object.

Recommendation #7: To help Trustees fulfill their role, post-election briefings and workshops should be held, covering both procedural and substantive matters integral to their duties at Trust Council.

Secretary to Trust Council

Section 17(1)(a) of the Islands Trust Act authorises Trust Council to appoint a person to the Office of Secretary. A corporate secretary's duties include ensuring the framework by which the organisation's governing body fulfills its duties and responsibilities is upheld and operates efficiently, including compliance with statutory and regulatory requirements, and in such a manner as to facilitate optimal interface and alignment with management.

It is noted that the manner in which Trust Council organises itself and is supported in terms of developing meeting agendas, organising and conducting meetings, and providing briefing materials needs to be revamped to better foster collaborative decision-making. The Corporate Secretary should be the lynchpin between Trust Council and management in the collaborative effort to make this happen.

The principals that underpin the *Public Service Act* must be followed in a hiring process, for example, the hiring of the Secretary should follow sound merit-based public service principles but the classification and the employment relationship directly to Council should be explored by Council.

Recommendation #8: The Office of Secretary should be staffed with a full-time incumbent, reporting to Trust Council through the Chair of Trust Council.

Expanding Trust Council Membership

Currently, Trust Council does not include Trustees who represent First Nations or the wider interests of residents of British Columbia generally.

First Nations Representation

Reconciliation requires that the question of co-governance be taken up as a priority by Trust Council. The question must be addressed in concert with the Government of British Columbia and, ultimately, will depend on discussions and agreement with the First Nations concerned.

Recommendation #9: Following consultation with the appropriate First Nations, the province should make provision for the appointment of First Nations representatives to the Islands Trust Council. This would require an amendment to the *Act*.

That said, Trust Council must now both prepare for, and encourage, the advancement of the co-governance proposition as it applies both to the Trust Council itself and LTCs. As an immediate priority, Trust Council should take steps, in consultation with concerned parties, to identify other mechanisms to provide First Nations with appropriate and meaningful roles in the Islands Trust governance framework.

Provincial Representation

A requirement of the Object for the Trust is to act for the benefit of all British Columbians. Having a province-wide perspective on Trust Council would also encourage Trustees to look beyond local issues and take account of broader considerations.

Recommendation #10: The province should amend the *Islands Trust Act* to include a provision for the appointment of Trustees by the Governor-in-Council.

Strategic Planning

Adoption of Comprehensive, Multi-year Planning Document

Recommendation #11: Trust Council should adopt a four- or five- year corporate plan that integrates strategic and financial components, reviewed and updated annually, identifying the initiatives to be undertaken, the corresponding financial resources, along with performance metrics to measure achievement.

Only extraordinary circumstances should allow for the consideration of significant initiatives of financial expenditures that are not part of the approved corporate plan.

The annual development and adoption of an integrated and comprehensive multi-year plan facilitates strategic priority-setting, helps ensure there is a fair distribution of resources throughout the Trust Area, and sets the stage for accountability.

Advocacy

Recommendation #12: A communications and engagement function should be established to replace the current advocacy function. A communications and engagement strategy should be developed as part of the annual corporate plan, and in support of the priorities identified therein.

The strategy should support the Preserve and Protect Object of the Trust, focusing on two goals: 1) strengthening the Islands Trust brand by increasing awareness and support for the Trust with relevant stakeholders, influencers, policy-makers, and decision-makers; 2) improving communication between the Trust and Trust Area residents, in line with Trust Council's emphasis on transparency and consultation.

The communications and consultation strategy would identify specific initiatives, along with performance metrics to assess performance. As is the case with any public-facing organisation, an important component of such a strategy must be a digital and social media plan that allows Islands Trust to more effectively connect with its target audiences, both transmitting and receiving information.

Managing the Change Transition

Management Alignment with Trust Council

This report emphasises the need for Trust Council to change how it goes about its business in order to foster a more deliberative and collegial set of behaviours, and to take up the challenge of effecting change.

Appropriately, Trust Council relies on Islands Trust staff for support in both formulating policies and implementing decisions. However, many have reported a disconnect between Trustees and senior staff that inhibits the efficient functioning of both the Trust Council and Trust management.

Some Trustees feel staff's efforts lean toward managing Trust Council, rather than enabling it. Trustees sometimes feel that questioning of staff recommendations or activities is construed to be challenging the Preserve and Protect Object itself. Some staff are concerned that Trustees do not always fully consider information and advice provided.

The level of trust, and the assurance that Trustees and staff are working together needs to be strengthened.

Recommendation #13: A management review should be undertaken to identify measures that will improve alignment of staff to Trust Council, and improve reporting and accountability.

Islands Trust Conservancy

The Conservancy's place in the federation seems to be downplayed, even though it is probably the most broadly popular aspect of the Islands Trust brand.

Exploiting the Potential for Synergy Between the Conservancy and the Other Components of Islands Trust

Recommendation #14: Without compromising the independence of the Islands Trust Conservancy, necessary for tax and other reasons, take measures to ensure greater sharing of expertise, experience, and resources between the Conservancy and other Islands Trust operations.

Trustee Compensation

A central theme of this report is the need for Trustees themselves to assume responsibility for reform of Trust Council, so that it achieves its promise as an effective governing body. This requires Trustees to play a leadership role, being prepared to devote the time necessary to overcome procedural and bureaucratic complications to provide sound policy direction, and to ensure the efficient delivery of outcomes and services.

Recommendation #15: So that Trust Council is not the preserve only of those who do not need to earn a living, the significant time and effort required of Trustees must be reasonably compensated, which means an increase in current compensation levels. Currently, much of the time Trustees spend on Trust Council business, including preparation for meetings, participation in some meetings, and travel time, are not compensated at all.



Annexes

Annex 1

Islands Trust Governance and Management Review Local Planning Services

Local Planning Services (LPS) is the biggest activity of Islands Trust, consuming the greatest amount of resources, accounting for \$6.7 million (74%) of the \$9.1 million budget for 2021-22.

The way in which land use planning and regulation is undertaken by Islands Trust is unique in the province, driven by a combination of legislation in the *Local Government Act*, *Community Charter* and *Islands Trust Act*. It is a more complex and cumbersome process than that found in a municipality or regional district because there are 13 Local Trust Areas (LTAs)³ that each manage land use and have their own bylaws for doing so (see attached map). That includes Official Community Plans (OCPs), Land Use Bylaws (LUBs)⁴, compliance and enforcement bylaws, and an array of other bylaws (e.g., subdivision, regulation of soil removal and deposit, housing agreements, authorization of permits).

Adding to this complexity, Bowen Island, while part of Islands Trust, is not in an LTA, although it is surrounded by the Gambier Island LTA. Bowen Island is a municipal government and therefore has its own set of bylaws. So, there are essentially 14 separate land use planning authorities in Islands Trust, with LPS delivering services to each of the 13 LTAs and Bowen Island municipality managing its own land use planning and regulations.

For the Ballenas-Winchelsea LTA, the Islands Trust Executive Committee, acting as a Local Trust Committee (LTC), makes decisions on all planning initiatives.

The common planning touchstone spanning the entire Islands Trust area is the Trust Policy Statement, which is in the process of being substantially updated after more than 25 years. For many other municipalities and regional districts in BC, it is regional growth strategies (currently 10 adopted strategies in the province) that serve this purpose.

Without significant changes to the *Islands Trust Act*, which is largely outside the scope of this review, Islands Trust land use planning will continue to be a very different process than for other local governments. The focus here is therefore on recommendations to improve the delivery of planning services within the existing legislated framework.

It must also be noted that this review of LPS must be considered within the context of the broader governance and management review. It is understood that issues identified and recommendations made in respect of governance must be addressed before most land use planning recommendations can be fully assessed and their implementation properly

³ Ballenas-Winchelsea (aka Executive Committee), Denman, Gabriola, Galiano, Gambier, Hornby, Lasqueti, Mayne, North Pender, Salt Spring, Saturna, South Pender and Thetis.

⁴ LUBs are more commonly referred to as zoning bylaws. The terms are used interchangeably here.

directed by Trust Council. Also, the LPS review is not an efficiency review, although that is an important topic that will be partly addressed this year through a separate process.

Islands Trust was recently awarded a *\$367,795 grant from the provincial government for a Development Application Service Delivery and Technology Improvement Program*. The budget includes \$50,000 to retain a consultant to review current processes at Islands Trust, make recommendations to improve efficiency, and streamline processing times.

This LPS review covers five topics: bylaws, planning projects, development applications, organization and staff resources, and other considerations.

For each topic, recommendations are provided for consideration. Implementation of most recommendations should wait until a new Policy Statement is adopted, a new Strategic Plan is in place, and Trust Council has addressed higher-level governance issues.

A. BYLAWS

Islands Trust has a total of 149 bylaws, many of which are tied to land use planning, such as OCPs, LUBs and compliance and enforcement.

1. Official Community Plans

There are 21 OCPs covering the Islands Trust, including five LTAs with more than one OCP. They have different formats and subject areas and some do not meet the requirements for an OCP under current provincial legislation.

Most of the OCPs focus on land use policy, which is the intent of an OCP, but a few delve into land use regulations better suited to LUBs (e.g., Gabriola Island).

With the exception of the Ballenas-Winchelsea Islands OCP (adopted in 2013) and the Hornby Island OCP (adopted in 2014), the OCPs have not been comprehensively reviewed for years, with only piecemeal amendments since adoption, largely at the discretion of the LTCs (or municipal Council in the case of Bowen Island).

Examples of outdated OCPs include:

- Bowen Island OCP - adopted in 2011.
- Galiano Island OCP - adopted in 1995 and last comprehensively reviewed in 2011.
- Salt Spring Island OCP - adopted in 2008.
- North Pender Island OCP - adopted in 2007.
- Gabriola Island OCP - adopted in 1997.
- And, at the extreme, Piers Island OCP - adopted in 1981, with no amendments since then.⁵

⁵ A process was started in 2015/16 to update the Piers Island OCP to include climate change considerations, but it was not completed. It is a moot point since even if the proposed amendments had been adopted, the Piers Island OCP would still not meet the content requirements of an OCP under current legislation. In any event, it should be an area plan as part of a larger OCP (Salt Spring Island), as should a number of the other smaller islands that currently have their own OCPs.

Two comprehensive OCP reviews are currently underway:

- The Lasqueti Island OCP review, which was started in mid-2018 and is estimated to be completed in the latter part of 2022 (four years).
- The Gambier Island OCP review, which was identified by the LTC as a top priority in 2015, put on hold in 2018 and recommenced in late 2021, with estimated completion in 2023 (two years).

Because a number of the OCPs are outdated, they do not fully reflect current and anticipated future conditions on the islands and the land use planning implications.

Two examples that show the age and incompleteness of some of the information (emphasis added) that is being relied upon as underpinnings to land use policies are:

- The **Salt Spring Island OCP**, which states, *“There are approximately 5,800 residential lots on Salt Spring Island (2007). While approximately 1,300 of these are vacant, local zoning allows for the construction of a single family dwelling on each of them. Of the existing residential parcels, many are large enough that they can be further subdivided under the existing local subdivision bylaw. A few are zoned for multi-family use. All told, the number of dwelling units (not including seasonal cottages and suites) that could be built on Salt Spring Island under current residential zoning is estimated to be about 8,150. The eventual population of Salt Spring Island that might result from the zoning now in place is estimated to be a little over 17,000.”* (page 23)
- The **Gabriola Island OCP**, which states, *“Based on the 2011 records of the B.C. Assessment Authority there were a total of 3,280 parcels on Gabriola of which 20% (or 668 parcels) were undeveloped. Of these undeveloped parcels, the majority are in the residential land use designations of this Plan. In other words, not counting new lots from potentially subdividable residentially zoned land, there are in excess of 566 existing parcels available for residential purposes on Gabriola.*

The 2006 Census estimates the population of Gabriola to be 4,050. Based on historic growth trends, the Planning Area’s population could increase to about 4,720 by the year 2016. Based on an average household size of 2.4 persons, the anticipated population increase of 390 persons over the next five years can be accommodated on 566 parcels. Therefore there is no requirement to designate additional lands as residential, as the current availability of vacant residential parcels combined with the future potential to create new parcels through the subdivision of existing residentially zoned land should be more than adequate to satisfy the Island’s housing requirements for fifteen to twenty years.

In addition, while issues related to the carrying capacity of Gabriola’s land base to accommodate more development have not been substantiated, there are known problems with inadequate soil percolation for septic disposal and groundwater

supply because of the complex nature of groundwater flow through fractures in the bedrock.” (page 13)

Comprehensive analysis using current data is needed on the ability of the islands to manage existing development and natural areas and to accommodate more growth (where there is the potential to do so) in light of the effects of climate change (e.g., increasing water shortages, rising sea levels, greater wildfire risks, the impact on species and ecosystems), more stringent environmental protection regulations and standards, the increasing costs of delivering public services and other considerations. This pressing need was acknowledged by Trust Council in 2019 when it adopted a Climate Emergency Declaration.

Despite the absence of a regional growth strategy, each of the LTAs is part of a larger system and land use planning decisions in any one LTA can have implications that extend far beyond its boundaries. The need for an integrated planning approach is expressed in a number of ways in the current Policy Statement. For example:

“The Trust Area is a unique and special place -- a scenic archipelago of 13 major islands and more than 450 smaller islands.” (page i)

“The Islands Trust today faces a major challenge. While populations, numbers of visitors and the demand for intensified use and residential development of the Trust Area can be expected to continue to grow, capacities of the Area’s resources and systems are limited. Potential for conflict exists: conflict between short and long-term interests and between unlimited use of the Trust Area and ongoing stewardship. To keep everything in the Trust Area exactly as it is today is impossible. Changes will occur. If the Area’s environment and unique character are to be preserved and protected, priorities must be defined and management strategies established.” (page iii)

“The primary responsibility of the Islands Trust Council is to provide leadership for the preservation, protection and stewardship of the amenities, environment and resources of the Trust Area.

When making decisions and exercising judgment, Trust Council will place priority on preserving and protecting the integrity of the environment and amenities in the Trust Area.

Trust Council believes that to achieve the Islands Trust object, the rate and scale of growth and development in the Trust Area must be carefully managed and may require limitation.” (page 6)

This need for integration and keeping the bigger planning picture in mind will be important as the OCPs are updated. The proposed new Policy Statement carries forward and builds on many of the key themes in the existing Policy Statement, as well as adding new ones.

Consideration should be given on holding off on the comprehensive OCP updates until the new Policy Statement is adopted by Trust Council.

It is recognized that updating some of the OCPs will be a challenging process. Islands Trust residents have diverse and passionately held views on many land use topics, including whether more growth is desirable. For some, the Islands Trust preserve and protect mandate should be interpreted as meaning very limited new development (which on some islands is already the case anyway). However, there are also 26,000 full-time residents on the islands and increasing housing, social, economic and other challenges, many of which are inter-twined, just as they are in other communities. Some residents feel that part of the solution requires more development (e.g., increased housing supply, more local job creation, more local services).

Reconciling these differences will take time for some LTAs as their OCPs are updated, but it should not drag out for years. OCP review processes typically get bogged down when:

- There is not a clear understanding by the public (and sometimes the decision makers) about the purpose of an OCP, leading to an expectation by some that it should cover topics that do not belong in an OCP but rather in other regulatory bylaws or policy documents.
- The public engagement is not properly structured and managed. Every member of the public needs the opportunity to fully express their views, but that should not lead to unduly long timelines to gather and consider the input.
- There are insufficient resources applied (often limited staff time) to complete the work.
- Decision makers are reluctant to make decisions when there are strongly held differences of opinion among the public on land use issues that cannot be fully reconciled.

Recommendations:

1. Reduce the number of OCPs to 14 - one for each of the 13 LTAs, plus one for Bowen Island Municipality.
2. Use the same format and content for all OCPs, recognizing that some may be much longer and more detailed than others, depending on the LTA. It is noted that an OCP template is being prepared by LPS that should resolve this issue.
3. Start at least two OCP reviews each year until they are all updated. Bowen Island Municipality can begin its review independent of the OCP review process for the LTAs since it will be using its own staff resources rather than those of LPS.
4. Give priority to those LTAs experiencing the most growth and change.
5. Complete each OCP review within a maximum of two years of being started. Some can likely be completed within a shorter timeframe.

6. Target five years for the completion of the entire process, especially given that two OCPS are relatively recent (Ballenas-Winchelsea Islands and Hornby Island) and do not need a comprehensive review and two others (Lasqueti Island and Gambier Island) are in the midst of comprehensive reviews. If that overtaxes LPS staff resources, outside planning assistance can be sought, which is common for OCP reviews, especially the public engagement component since that can be particularly time-consuming.
7. Apply the same public engagement processes for each LTA as part of the OCP updates, with clearly defined steps, engagement methods, expected outcomes, timelines, etc.

2. Land Use Bylaws

There are 21 LUBs and two zoning bylaws, including five LTAs with more than one LUB. Zoning bylaws are typically implementation tools of OCPs.

With the exception of Ballenas-Winchelsea Islands and Hornby Island, the LUBs are largely outdated. As one LPS staff member put it, many of the LUBs are “historical artifacts” of bylaws inherited decades ago from the regional districts.

As with the OCPs, there have been only piecemeal amendments since adoption, largely at the discretion of the LTCs.

The LUBs vary for topics such as definitions and general regulations (e.g., building heights, siting and setbacks). There may be good reasons for this in some cases, but not all.

Because they have not been modernized to any degree, there is inconsistent interpretation of elements of the LUBs, depending on the LTA.

This is not an issue unique to Islands Trust – many local governments in BC have not comprehensively reviewed their zoning bylaws in years because it can be a time-consuming process. Nonetheless, it is an important part of good land use planning.

Recommendations:

1. Reduce the number of LUBs / zoning bylaws to, if possible, match the recommended number of OCPs.
2. Use the same general format and content for all the LUBs.
3. Create more consistency among the LUBs for topics such as definitions and general regulations.
4. There are two options for updating the LUBs:
 - Undertake concurrently with the OCP updates.
 - Undertake immediately after the OCP updates.

Selecting the first option would allow the public to see how proposed OCP land use policies would be translated into land use regulations. It would also shorten the length of time of the updating process.

If the second option is selected, the LUB update should be completed within a year of the OCP update.

3. Model Bylaws

Staff time is being spent researching and preparing model bylaws on a variety of land use planning topics. Examples include a Development Permit Area (DPA) Bylaw, a Bonus Density for Affordable Housing Bylaw and a Floor Area Ratio Bylaw.

Model bylaws prepared to date have typically been implemented by only a very few LTCs. There is no requirement that LTCs adopt model bylaws, including the recently approved model Fees Bylaw. In the case of bylaw fees, applicants in some LTAs pay less than in others, despite the amount of staff time and other resources required to process applications generally being the same regardless of location. While this is inequitable, the decision to adopt the model bylaw rectifying the situation is left to each LTC.

Recommendations:

1. Determine why the LTCs are not adopting the model bylaws. Either the bylaws are relevant and there is no compelling reason why they should not be adopted by most LTCs or they are largely irrelevant and should not have been prepared to begin with.
2. Explore ways to encourage all LTCs to adopt the same fees. Trust Council has some control over the matter. For example, if an LTA is collecting lower fees, the amount of LPS staff time allocated to the LTA could be reduced.

4. Compliance and Enforcement

The Bylaw Enforcement Notification Bylaws and Bylaw Infractions Investigations Bylaws are based on the LUBs. There are differences in these bylaws, depending on the LTA. If the number of LUBs is reduced, these two types of bylaws will also be reduced in number.

There is inconsistent enforcement of the LUBs, depending on the LTA, with some LTCs and residents wanting more enforcement and others wanting less, either in general or for specific issues (e.g., short-term vacation rentals).

There is also a misunderstanding by some residents and business owners as to the areas of responsibility of Islands Trust Compliance and Enforcement, which is only land use matters. As a result, Compliance and Enforcement frequently receives enquires and complaints on bylaw issues that are handled by the regional districts. Conversely, the regional districts receive bylaw enquiries and complaints on land use issues.

There are some inconsistencies in enforcement among the regional districts given the time and cost incurred by regional district bylaws staff in investigating complaints on the islands, especially where it involves longer travel times.

Staff estimate that there is only follow-up by staff on roughly half at most of the various permits issued to ensure compliance because of the time and cost involved. This is low compared to some other local governments, although most do not follow-up on every permit to ensure compliance for the same reason as Islands Trust, namely limited resources.

The limited follow-up on permits may explain some of the complaints received by Islands Trust about non-compliance.

Recommendations:

1. Consistently apply bylaw enforcement in all the LTAs, both by Islands Trust Compliance and Enforcement and the regional districts.
2. Review Compliance and Enforcement staff resources to determine if more are required as part of consistently applied bylaw enforcement and/or if some reorganization is needed.
3. Improve communication and cooperation between Islands Trust Compliance and Enforcement and some of the regional districts.
4. Create more public awareness of the respective roles of Islands Trust and the regional districts in dealing with bylaw issues.
5. Increase the follow-up by staff on permits issued to ensure compliance.

B. PLANNING PROJECTS

As of late 2021, there were an estimated 70 planning projects underway, some of which were started several years ago and have made little progress since then because of limited staff time and other resources to complete them. The majority of projects are initiated by the individual LTCs, with a few initiated by the Regional Planning Committee.

At any given time, the LTAs may each have one to three projects underway, with more waiting to be started. While separate projects, some are on the same topics for several of the LTAs (e.g., groundwater sustainability), while others are on topics specific to one LTA (e.g., housing policy – tiny homes for Mayne Island LTA).

Despite the large number of projects, planning staff estimate that they are only able to devote about 20% of their time to them since many of the projects have to be a lower priority relative to the more immediate demands of development applications and public enquiries (50%) and involvement in public meetings (30%). Compared to other local governments, allocating only 20% of planning resources to projects (also referred to as long-range planning or community planning) is low.

There is no assignment of budget to each of the projects in terms of the cost of staff time and other resources, although some have budgets for consulting assistance. Also, there are no standard evaluation criteria to determine priorities, benefits and other considerations in selecting the projects to be undertaken.

It is appreciated that not all projects need to have Islands Trust-wide benefit to be important, but there needs to be a better understanding of what some of these projects will consume in the way of staff time and other resources before direction is given to LPS to undertake them.

If less staff time is spent in *attending public meetings* and managing development applications as a result of the outcomes of the *Development Application Service Delivery and Technology Improvement Program*, more staff time can be devoted to planning projects. That means projects can be completed quicker and more of the projects waiting in queue can be initiated.

Recommendations

1. Local planning projects should be considered, along with all other Islands Trust initiatives requiring the allocation of financial and human resources, in the context of an annual multi-year strategic and financial plan. The number of projects approved should correspond to the resources available to implement them.
2. Establish criteria to guide selection of the projects to be undertaken, including an evaluation process that determines priorities on the basis of need and regional equity.

C. DEVELOPMENT APPLICATIONS

LPS estimates that 50% of planning staff time is spent on development applications and referrals and enquiries from the public. In 2021, applications and referrals were as follows:

Application Type	Nor	Salt Spring	Southern	Total
Agricultural Land Commission	1	6	3	10
Board of Variance	0	0	6	6
Building Permit, Siting & Use Permit, Crown Land & Other Referrals	142	188	144	474
Development Permit	11	14	17	42
Development Variance Permit	19	24	25	68
Heritage Alteration Permit	0	0	0	0
Rezoning	2	3	3	8
Strata Conversion	0	0	0	0
Soil Removal & Deposit Permit	0	1	0	1
Subdivision	9	7	3	19
Temporary Use Permit	2	1	15	18
Other	0	0	3	3
Total	186	244	219	649

The total number of applications in 2021 was up from previous years: 559 in 2020, 425 in 2019 and 481 in 2018. LPS anticipates the number of applications to continue to increase annually.

A significant number of the applications processed are referrals from other agencies, notably building permit referrals from the regional districts.

What the statistics do not show is the complexity of some of the applications. For example, a development permit application could be for exterior modifications to an existing building or it could be for a whole new development.

LPS estimates the typical times between filing an application and approval to be as follows for those that require LTC approval:

- Rezoning: The average is 20 months where the LTC approves a bylaw and five months where the LTC decides to proceed no further with the bylaw.
- Development Permit: Eight to 10 weeks to process, but development permits currently require LTC approval to issue and therefore can take up to four months or more until issued.
- Development Variance Permit: Two months to process but can take longer... four months or more to issue depending on the LTC meeting schedule. Many DVPs are a result of bylaw enforcement and some of those take longer to resolve.
- Temporary Use Permit: Six to eight weeks to process.

These times may be extended where LTCs do not meet at least monthly or because of the limitation of the LTC to handle more than three to four applications per meeting.

LPS estimates the typical times between filing an application and approval to be as follows for those that do not require LTC approval:

- Siting and Use Permit: Two weeks.
- Building Permit Referral: Four to eight days.

These types of applications/referrals are generally processed by a Planning Technician.

The Islands Trust development applications review and approvals process is similar to that of other local governments in BC in some respects, but not others. The key differences are:

- Building inspection services are conducted by the regional districts⁶, although LPS staff review the applications to ensure conformity with the LUBs and other pertinent bylaws. Islands Trust does not receive a portion of the building permit application fees for performing this service.

⁶ Not all the LTAs have building inspection services. Lasqueti LTA does not require any form of building permit while landowners in the Denman and Hornby LTAs must have a valid Siting and Use Permit from Islands Trust prior to beginning construction.

- An OCP bylaw, or an amendment to an OCP bylaw, must be referred to the Minister of Municipal Affairs for approval after third reading.⁷ LPS staff estimate that, on average, it takes a bylaw about six months to be approved by the Minister. While they are almost always approved without comment, there is no sense by LPS staff of why it takes this long, nor what the Ministry does internally with the bylaws once they are received.
- Bylaws must also be referred to the Islands Trust Executive Committee for approval after third reading.
- Development permits cannot be delegated to staff for issuance. However, recent provincial legislation allows LTCs, by bylaw, to delegate the issuance of development permits to staff, with allowance for the reconsideration of staff decisions by the LTC if warranted. This is a change that Islands Trust has sought for several years since it is a power already granted to other local governments.
- Islands Trust is exempt from Regional Growth Strategy legislation and this is not a consideration in preparing or amending OCP and zoning bylaws.

One of the recent amendments to the *Local Government Act* is that minor development variance permits (DVPs) can, by bylaw, be delegated to staff for approval and issuance. Up until now, DVPs could not be delegated to staff by local governments anywhere in the province.

The minor DVPs that can be delegated to staff include:

- Zoning bylaws respecting siting, size and dimensions of buildings, structures and permitted uses.
- Off-street parking and loading space requirements.
- Regulation of signs.
- Screening and landscaping to mask or separate uses or to preserve, protect, restore and enhance the natural environment.

This is a potentially important change for Islands Trust, which handles a significant number of DVP applications annually (68 in 2021). Delegation to staff of minor DVPs will shorten the turn-around time for many DVP applications and also reduce LTC agendas, allowing the Trustees to focus on more important matters.

The legislation, however, requires that a bylaw be adopted that delegates the authority to staff and that the bylaw includes:

- Criteria for determining whether a proposed variance is minor.
- Guidelines the delegate (staff) must consider in deciding whether to issue a DVP.
- Any terms and conditions the local government considers appropriate.

This bylaw will need to be adopted separately for each LTA.

⁷ There is no requirement for a zoning bylaw to be approved by the Minister, except where there is no OCP in force or where the OCP in force was adopted prior to March 31, 1990.

As noted earlier, the average amount of time required to process an application can vary widely, depending on the type of application, its complexity and other factors, such as:

- Applications with incomplete and incorrect information, including mapping and technical reports (e.g., engineering, environmental, agricultural, building architecture, landscape architecture, archaeological). This is a common issue for most local governments since many applicants are not familiar with development review and approvals processes. LPS staff note that a significant amount of staff time is spent helping inexperienced applicants both before and after applications are received.
- The amount of deliberation by the LTA Trustees on OCP amendment and rezoning bylaws, with some applications appearing on agendas several times before a decision is made on whether or not to give readings and advance the application.
- The amount of time taken by the Minister to sign off on an OCP bylaw or amendment bylaw after third reading.
- The timing of getting a bylaw onto an Executive Committee agenda for approval before adoption and then back onto a LTC agenda for final reading.
- The amount of time taken by the Ministry of Transportation and Infrastructure (MoTI) to approve subdivision applications.
- The amount and type of engagement required with persons, organizations and authorities that Islands Trust considers will be affected by an application. This is increasing, especially with First Nations, and is occupying more of staff's time.

The consultants have heard anecdotal stories of applications being held up for what is perceived to be too long and unexpected added information requirements sought by LPS or other agencies that appear unjustified, creating more delay and cost for the applicants. This may be the case for some applications, but there is no evidence to suggest that this is a chronic issue. The same criticism is leveled at almost all local governments across the province by applicants frustrated, sometimes with good reason, in their efforts to gain approvals.

A significant issue that needs to be further explored is the amount of development application revenue received by Islands Trust relative to the amount of LPS resources put into processing applications. For the 2021/22 fiscal year, it is roughly estimated that about \$100,000 in application fees will be collected.

If planning staff are spending upwards of 50% of their time on development applications and public enquiries (not all of which are related to development applications), this suggests a large gap between what is being paid for this service and what it costs to deliver the service.

Development application fees, while in theory intended to cover a significant share of the cost of processing applications, rarely do in any local government in the province. Nonetheless, the gap here appears large and is being off-set by property tax revenue.

This is partly due to Islands Trust not receiving any revenue, nor the ability to do so under current legislation, for the hundreds of referrals that it handles each year from other agencies, notably building permit referrals from the regional districts.⁸

It is also noted that most of the development application fees are fixed and not scaled. For example, the Salt Spring Island LTA currently charges \$4,400 for a rezoning application, regardless of the nature of the rezoning. Most local governments have base fees upon which there are added fees based on the number of residential units, land area, amount of floor space, type of use or similar metrics. So, complex applications pay more since they require more staff time to process.

Trust Council approved an Application Processing Services Policy on June 9, 2021 that:

- Identifies the services provided by Islands Trust and the different levels of costs associated with these services.
- Provides direction for the preparation of Fees Bylaws and Schedules by LTCs.
- Provides the principles by which cost recovery for extraordinary services beyond the standard fee can be negotiated and agreed to by an applicant and the LTC.
- Is intended to recover from applicants 100 per cent of the average cost of processing development applications, while permitting consideration of lower cost recovery for environmental protection and community benefit.

However, it is understood that for many of the applications that end up taking more time than initially anticipated (e.g., added public engagement at the direction of the LTC), the extra costs are not being charged to the applicants.

This issue should be examined as part of the *Development Application Service Delivery and Technology Improvement Program* to see *not only how time and cost savings can be achieved but also if fees are set appropriately.*

Recommendations

1. Delegate the issuance of most, if not all, development permits to staff.
2. Determine what constitutes minor DVPs and prepare a model bylaw that can be adopted by each LTA.
3. Review the current development application fees and how they are applied to ensure appropriate cost recovery.

⁸ Islands Trust Financial Planning Committee received a report from LPS at its January 19, 2022 meeting recommending that staff report back on options to recover costs related to building permit referrals.

D. ORGANIZATION AND STAFF RESOURCES

1. Organization

LPS is divided into three planning teams / offices: Salt Spring, Northern and Southern (see attached map), plus Compliance and Enforcement.

There is also the recently established Regional Planning Team that serves all of Islands Trust (excluding Bowen Island).

The majority of LPS staff are located at the Islands Trust office in Victoria, where most other Islands Trust staff are also located. There is an office on Salt Spring Island to help serve that planning area and an office on Gabriola Island to help serve the Northern area.

Two issues have been identified with the current organizational structure:

- The three planning teams are siloed, with limited communication and sharing of information between them, leading to some duplication of effort and also inconsistencies in the approach to dealing with some planning matters.
- Much of the planning staff turnover in recent years has been in the Northern office, which staff believe is partly due to it being located on Gabriola Island instead of in Nanaimo, where most of the team lives.

Recommendations

1. Move the Northern team office to Nanaimo, but retain an office on Gabriola Island open regular hours and staffed on a rotating basis by one planner. Notably this was also one of the recommendations of Stantec in its 2007 report⁹:

“The northern office should be relocated from Gabriola Island to Nanaimo and converted from a ‘full service’ office to more of a ‘store front’ or satellite office with a smaller staff complement, focusing primarily on the development application side. This will provide somewhat easier access to staff for residents of the northern islands, but it is primarily intended to be able to recruit and retain staff. (page 3)

2. Reduce the siloing by having regular meetings between the planning teams to share information and ideas. This can be more easily accomplished now that many meetings have moved to video conference platforms.

2. Staff Resources

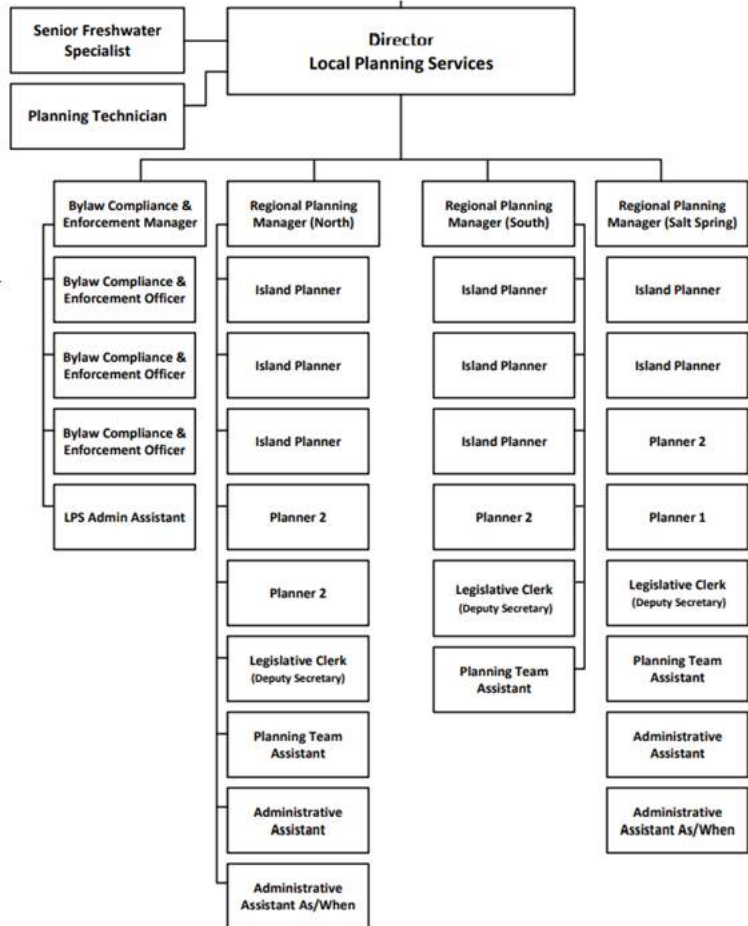
As shown in the organization chart below, there are 34 LPS staff positions. Seventeen are professional planning positions, including Planner 1s (1), Planner 2s (4), Island Planners (8), Regional Planning Managers (3) and the Director (1). Three of the planners are assigned to the Regional Planning Team.

⁹ Stantec Consulting Ltd., *Islands Trust Local Planning Services Review*, March 23, 2007.

The planners are in generalist positions. While they all have education and experience in a wide range of planning subjects, none are specialist planner positions (e.g., housing, social, environmental). Outside assistance is sought on occasion for some of these services.

While not a planner, there is one specialist position in LPS - the Senior Freshwater Specialist who reports directly to the Director.

Local Planning Services Organization



Questions have been raised about the number of professional planning staff (17) relative to the population (~26,000 full-time residents), a per capita ratio of 1:1,500 that almost certainly exceeds that of any other municipality or regional district in the province. Even if the estimated 10,000 part-time residents were added in, it would still be significant (1:2,100).

This was noted in the 2007 review of LPS by Stantec, which stated:

“The organization has nine planners (Planner II’s, Island Planners, Regional Planning Managers, and the Director) for 23,000 people which, per capita, is higher than other planning agencies that we are aware of. We also note the uniqueness of the Islands Trust circumstances in terms of geography, but this is not much different than some of the larger regional districts.” (page 4)

However, this is not a relevant comparison given that Islands Trust is comprised of 13 LTAs that each have separate land use planning bylaws and processes served by LPS. This is unlike any other local government in the province in terms of the demands on staff time.

To help put the issue into context, the planners attended an estimated 172 public meetings in 2021, as follows:

- LTC Regular Meetings: 90
- LTC Special Meetings: 19
- Executive Committee Meetings: 19
- Community Information Meetings: 13
- Islands Trust Council Meetings (4 times per year x 3 days per meeting): 12
- Regular Planning Committee Meetings: 9
- Agricultural Advisory Committee Meetings - Salt Spring: 5
- Public Hearings: 3
- Advisory Committee Meetings - Salt Spring: 2

For some of these meetings, more than one planner was in attendance, depending on the agenda.

LPS staff at the LTC meetings often act as *de facto* corporate officers on topics well outside of planning since they are often the only staff person in attendance to support the Trustees. This is not a normal practice in local government.

Staff estimate that, in a typical year, about 30% of planning staff time is spent on the public meetings (preparation for, attendance at, travel to and from). That is far more than for any other local government, where there are fewer public meetings in which planning staff have to be involved (e.g., regional district boards typically meet once or twice a month and municipal councils typically meet between two and four times a month).

The past two years have not been typical in that most meetings were held via video conferencing, which reduced the amount of staff time involved with meetings since there was less travel.

There have been questions raised about whether some of the planning staff are suited to working in a rural/non-urban planning environment as opposed to an urban planning environment. In the opinion of the consultants, there is no reason for this to be a concern.

All professional planners have education in both urban and rural planning and many have experience working in both environments.

Professional planners are in high demand in the province, with heavy competition amongst public and private sector employers in attracting and retaining planners, especially on the development planning side and in middle and senior management positions. This is particularly a challenge for some of the smaller communities around the province and many planning departments have vacancies that they are having difficulty filling. Placing more stringent requirements on new planning hires at Islands Trust is not advised.

However, more training and orientation for new planning hires could be of benefit given the complexity of the Islands Trust planning process, which no planner would have experienced anywhere else in local government, be it rural or urban.

Recommendations

1. Reduce the amount of planning staff time spent at meetings by allowing them to attend more meetings via video conferencing, even when there is a return to more face-to-face meetings.
2. Planners should not be participating in meetings as *de facto* corporate officers. Their role should be focused on planning matters.
3. Move the Northern offices to Nanaimo, but retain an office on Gabriola Island open regular hours and staffed on a rotating basis by one planner. Notably, this was also one of the recommendations of the 2007 Stantec report:

“The northern office should be relocated from Gabriola Island to Nanaimo and converted from a ‘full service’ office to more of a ‘store front’ or satellite office with a smaller staff complement, focusing primarily on the development application side. This will provide somewhat easier access to staff for residents of the northern islands, but it is primarily intended to be able to recruit and retain staff.” (page 3)

4. Review the current training and orientation program for new planning hires. The input of the planners hired in the past several years, as well as the staff involved in the exit interviews, should be sought as part of this process.

E. OTHER OBSERVATIONS

1. Planning Reports

LPS staff are producing hundreds of reports each year for the Planning Committees, the Task Forces, the Boards of Variance, the LTCs, Council and the Executive Committee, which is very time consuming.

Some of the reports are inconsistent in format and style, depending on the author and the subject matter.

Too much staff time is being spent writing planning reports that are not being read, or at best are being lightly skimmed, because they are too long and have too much detail for decision makers to fully absorb in agendas that can run into hundreds of pages. This was an observation made by a number of the Trustees.

Recommendations

1. Standardize the format and style of the planning reports.
2. Planning reports should generally be shorter. An executive summary should be included for any report longer than six pages that gives the decision makers the critical information. That means telling them what they need to know in making a decision, not simply summarizing topic headings. The reports can also put more of the details, where they are needed, into attachments rather than the main body, where they clog the flow of important information.

2. Development Application Service Delivery and Technology Improvement Program

One of the activities that Islands Trust will be undertaking as part of this recently funded project is:

“Hire a consultant to review the development application processing approach currently used at Islands Trust and make recommendations on changes that could be made to improve efficiency. This will be focused on the steps used, the reporting, and the detail in the reporting to the elected officials for each type of major application - rezoning, development variance permit, development permits and temporary use permits. Part of this will be to look at means to "fast-track" or "prioritise" those applications that improve equity and access to affordable housing.” (page 4 of application)

Some points for consideration in this upcoming review have already been covered in this report. Others that should be considered in the review are:

- The relationship with other agencies that have a role in the applications approval process. For example, there should include a better understanding why it takes the Ministry an average of six months to approve an OCP bylaw or amendment bylaw after third reading and determine if there are ways to shorten that time. If

applications are going to be fast-tracked, a strong working relationship will be required among all agencies involved in the process, including a clear understanding of needs, objectives, processes and priorities.

- It is not just the amount of time that an application takes to move through the process, but where it is in the process. One local government is working on an operational dashboard for applications that will include the time that the application is with it being reviewed, the time that the application is back with the applicant for further work, and the time that the application is with referral groups (e.g., other government agencies). They refer to it as a “chess clock”.
- This same local government does post-mortems of completed major applications to see if there are things that could have been done better.
- The application fees, which do not appear to be coming close to covering the cost of processing some applications, should be reviewed.
- Greater use can be made of outside consultants in helping fast-track applications if there is not sufficient LPS staff capacity. A number of local governments take this approach by selecting and retaining consultants (i.e., the local government is the client, not the applicant) and re-billing the applicant for the consultants’ fees and expenses. Applicants are sometimes prepared to do this where there is an offsetting benefit in time savings and therefore project financing costs. For the local government, this also frees up staff resources to deal with other applications.
- There may be a role for the application of Comprehensive Development (CD) zones, which are essentially custom zones, for some proposed developments that do not conform to existing zones (e.g., they exceed the maximum permitted density), but are desirable. This could be particularly useful as Islands Trust explores opportunities to create innovative affordable housing projects. CD zones are commonly used by local governments.
- Policies such as the Best Management Practices for Delivery of Local Planning Services to Local Trust Communities (approved in 2006 and last updated in 2013) and the Application Processing Services Policy (approved in 2021) will likely need to be updated based on the findings of the review.

3. Benchmarking

There was a desire by Islands Trust to have benchmarking undertaken as part of this relatively high-level review of LPS. However, it became clear as the review progressed that this would not be a particularly productive or informative exercise given the way in which Islands Trust is structured and governed under the *Islands Trust Act*, which is unlike any other local government in the province when it comes to land use planning. There are planning lessons that can be learned from other local governments, but they do not lend themselves to a benchmarking exercise.

Map of LTA Boundaries and LPS Office Service Areas



Annex 2

Great Northern Management Consultants Inc. (GNMC) Islands Trust Project Team Biographical Notes

Charles Kelly

Project Role – Project Manager and coordinator of consulting services by subject matter experts.

Career Summary – Mr. Kelly has been the CEO of two national management consulting firms for over 25 years. As CEO, he advised a wide range of executives and senior management in Canada's resource, information technology and financial services industries, Federal and Provincial Governments and NGOs. As a strategic advisor to IBM Canada's Public Sector Services, he helped lead major systems services initiatives. Internationally, he formed and led a team of former Ministers and Deputy Ministers to advise the Cuban Financial Ministries and Ministers on Canada's experience with Crown Corporations as a model for transition to a more market-oriented Cuban economy, under a CIDA project.

As the Commissioner General for the UN World Urban Forum 3, he initiated a global online consultation process, recruited over 60 subject matter experts world-wide that engaged 39,000 participants from 139 countries. As Commissioner General, he led the agenda development process through a Governing Council of 70 Nations, and managed the delivery of conference services for 12,000 attendees from 139 countries. He was the President of Concrete BC, and represented BC's concrete industry through membership in numerous BC, National and International Boards of Directors.

Currently, as President of Great Northern Management Consultants, he advises BC construction industry associations on public policy strategies, government relations and communications. The construction industry is BC's largest employment sector and operates in every region of the province.

Maryantonett Flumian

Project Role – Mrs. Flumian led the Governance dimension for the Islands Trust mandate. Throughout her career, she has worked to understand the links between legislation, structures, planning and processes and outcomes in an environment focussed on citizens. She also assisted in the alignment of key activities, corporate objectives and goals and performance assessment.

Career Summary – Over a 40-year career, Mrs. Flumian has worked with a variety of federal, provincial and municipal governments, including their agencies, boards and

commissions. She has also developed training programs for government senior appointees.

She was the founding Deputy Minister of Service Canada, the senior official for the creation of the Government of Nunavut, and a Senior Advisor to the Government of Iraq on Governance and Financial Management. In the last fifteen years, Mrs. Flumian has increasingly worked with Indigenous leaders and communities across Canada. In addition to sponsoring national dialogues on ‘Beyond the Indian Act and Reconciliation’ on the west coast, she currently is working with the New Relationship Trust, the Musqueam Indian Band, the Huu ay aht Nation, the Huu ay aht Group of Businesses and HaiCo, the Economic Development Arm of the Haida Nation. Her work focusses on governance and economic development. With the New Relationship Trust, the work also includes the Indigenous Clean Energy Initiative and the Clean Energy Legacy Fund – Towards Net-Zero Green House Gas Emissions.

James Roche

Project Role – Mr. Roche’s focus during the review was on strategic/corporate planning, communications and advocacy, and contributing to the analysis of governance.

Career Summary – Mr. Roche has an extensive background in strategic planning, governance and advocacy. His solid track record in government and business provided an excellent platform from which to build a consulting practice that focussed on helping private and public sector clients plan and organize for success, while building support and partnerships to ensure the achievement of critical goals.

Mr. Roche has worked with a wide variety of departments and agencies at all levels of government, led one of the largest federal crown corporations, and ran two of Canada’s leading public affairs agencies. He has been closely involved with strategic planning and advocacy campaigns with many of Canada’s leading private enterprises, including Canadian National, Bombardier, Air Canada, Canadian Imperial Bank of Commerce, and Bell Canada. He has been a long-time advisor to industry and professional associations including the Canadian Medical Association, Engineers Canada, Innovative Medicines Canada (research-based pharmaceutical companies), the Canadian Writers’ Guild, and the Association of Canadian Airport Authorities.

On the Canadian west coast, Mr. Roche has worked with the World Wildlife Fund on its successful campaign to protect the Northwest rainforest, and he is a long-time advisor to the B.C. Coast Marine Pilots, focussing on off-shore tanker safety campaigns, noise reduction initiatives to protect Southern Resident whales, and building constructive relationships with coastal Indigenous communities.

Eric Vance

Project Role – Mr. Vance undertook the review of the land use planning function at Islands Trust; this included an assessment of the effectiveness of land use planning activities, policies, and processes.

Career Summary – Mr. Vance MA, MLAI, FCMC, FCIP, RPP has over 40 years of experience as a professional planner, economist, management consultant and educator.

During his career, he has undertaken hundreds of land use planning projects. The majority of these projects have been for municipalities and regional districts throughout BC. As well as working on Official Community Plans and neighbourhood/area plans, he has also contributed to the current Metro Vancouver Regional Growth Strategy and the Livable Region Strategic Plan. He also worked on the first Regional Growth Strategy created in BC, which was for the Thompson-Nicola Regional District in the mid-1990s.

Mr. Vance also has a strong background in management consulting, having spent 11 years with Coopers & Lybrand (now PricewaterhouseCoopers), Chartered Accountants and Management Consultants. That work included reviews of the performance of both public and private sector organizations.

He holds the unique distinction of being the only professional in Canada who is a Fellow of both the Canadian Institute of Planners and the Canadian Association of Management Consultants.

He is also an Adjunct Professor in the Planning Program of the Graduate School of Resource and Environmental Management in the Faculty of Environment at Simon Fraser University.

Lorraine Cole

Project Role – Ms. Cole has provided overall coordination and administration on the project. She also assisted with research and document review.

Career Summary – Ms. Cole has over thirty-five years of experience in both the Government of Canada and with the not-for-profit sector, focusing on human resource management and administration services. Most recently, she has been providing advice and support in human resource management to Indigenous communities in western Canada.

Sylvain Dubois

Project Role – Mr. Dubois provides legal and policy advice, to the project team, with respect to the interpretation of legislated requirements and reforms associated with the governance of the Islands Trust.

Career Summary – Sylvain Dubois (LLM), is a lawyer and recognized as one of the leading experts in Canada in governance issues associated with the public sector.

Sylvain has advised numerous Federal Departments and Central Agencies for 30 years. Notably he has served in many capacities in the Privy Council Office (PCO) including the Director of Operations for Machinery of Government. During his tenure he received numerous awards for outstanding achievements.

He has been a senior advisor, representing Canada, at the Organization for Economic Cooperation and Development (OECD), in Paris.

He has served as the Deputy Chief Electoral Officer for Canadian Elections. He has worked for the Institute of Governance as a VP Public Governance and later VP International Governance.

Currently Sylvain is the Vice-President Governance at Holdfast Management Inc., where he provides legal and policy advice on governance and public sector modernization, to governments and national indigenous organizations.

Annex 3

Note to Select Committee of Islands Trust Governance and Management Review regarding Advocacy and Opinion Survey

An initial review of Islands Trust documents relevant to advocacy, and discussions with responsible staff, suggests that the current advocacy function at the Trust does not lend itself to cost/benefit analysis or objective measurement of effectiveness, as called for in the RFQ.

That said, specific advocacy-related initiatives, such as legislative monitoring, representations on public policy issues, and surveys, will be reviewed and assessed, as will the Trust's approach to determining which issues are identified as advocacy priorities. Moreover, the Review will consider how advocacy might function going forward, including possible recommendations on clarifying what constitutes advocacy, how the advocacy function is organized within the Trust, the appropriate level of effort and resources dedicated to the function, and how its effectiveness might be measured.

Great Northern's proposal in response to the Islands Trust RFQ included a "perception audit" to determine awareness and attitudes to the Trust and its mandate. It was anticipated that an on-line survey of Island Trust residents, along with selected interviews with key external stakeholders and collaborators, could help measure the impact of advocacy initiatives and activities. Practical and substantive reasons would now suggest that a survey of residents may not be the best use of limited time and resources.

The focus of advocacy activities that have been undertaken are largely externally focussed, concentrating on matters of interest to the Trust but under the jurisdiction of other levels of government. A survey of residents would not contribute significantly to an assessment of such initiatives. In the absence of internally-focussed advocacy or communication campaigns, documented in terms of tactics used and desired outcomes, there is no point in a survey intended to help determine if results matched expectations.

While Trust staff have offered to help deliver a survey to the extent possible given limited resources and capacity, there is reason to doubt that a survey undertaken in the context of the Review could deliver meaningful results. Other Trust consultations with residents are currently underway, and other surveys have been undertaken as recently as February of this year, as well as in 2019, 2016 and 2011. Also, the effort required to create community awareness of the survey, and ensure both a robust response rate and representative participation of all demographics across the Trust area, pose significant challenges.

In light of the above, the optimal approach would be to not proceed with a survey of Island Trust residents, but instead augment interviews with councillors, staff, and third parties (including both Trust area residents and "outsiders" with shared interests and other connections to the Trust). Also, the Review will explore if, how, and when a future public

opinion survey undertaken by the Trust itself might best inform Council of residents' concerns and requirements and, at the same time, establish a valid benchmark by which progress can be measured concerning agreed-upon advocacy-related goals.

May 31, 2021

Annex 4

Discussion Guide for Trustee Interviews

Note: Interviews are confidential; results and findings arising from the interviews will only be reported in the aggregate, without the identification of individual respondents.

Introduction

1. Tell us about yourself. How long have you served on the Council? In what capacity(ies)?
2. What experiences have you had that you find relevant to your work on Council?

Mandate & Strategy

3. Do you have a clear understanding of the mandate of the Islands Trust?
4. Do you think the role of the Trust Council in strategy development and oversight of the Trust is effective?
5. Do you have a clear understanding of how Trust Council measures its impact and results? How are these communicated to residents and other stakeholders?
6. Is there something different that you think the Council should be doing to fulfill its responsibilities and achieve its Object and mandate?

Roles and Responsibilities

7. Have you and/or the Council identified any gaps or risks associated with Trust's current governance approach?
8. What do you understand to be the role of the shareholder in respect of the Islands Trust? In respect of the Council?
9. Do you have a clear understanding of the expectations, roles and responsibilities of Trustees? How well do Trustees fulfill these obligations in your view?
10. Given the responsibilities of the Council and the Committees of the Council, what skill sets are missing?
11. Given the Islands Trust commitment to Reconciliation and the BC government's 2021-26 Action Plan, do you think Islands Trust and the Council have the expertise/skills/experience necessary to achieve the stated goals?

Council Operations

12. How would you describe the current culture of the Council? What are its strengths and weaknesses?
13. How effective are Council's and its Committee meetings? Is the Council guided by a clear set of operating principles?
14. How effective is communication and engagement with and among Trustees, as well as with Senior Staff?
15. What is the decision-making role of the Council? Should this role be changed in any way?

Information to the Council

16. Do you receive the information and reporting you need in order to fulfill your responsibilities as a Council member? Is the material helpful and digestible for decision making?
17. How would you describe the reporting from the CAO and senior staff?
18. How effective is reporting from Committees to the Council?

Standing Committees of Council

19. There are three Standing Committees of Council: Financial Planning, Regional Planning, and Trust Programs, in addition to the Executive Committee. Is this the right structure? How could it be improved?

Advocacy

20. Are the advocacy efforts of the Trust sufficient and effective? Please elaborate.

Land Use Planning

21. Do you see any areas that could be improved in how Local Planning Services manages development applications?
22. Do you see any areas that could be improved in how Local Planning Services manages projects?

Council-Senior Staff Relations

23. How would you describe the general state of Council-staff relations?
24. How effective is Council's process of performance assessment of the CAO?
25. Is the CAO/Council relationship sufficient to drive alignment between Council and Staff?

Other

26. Are there any governance practices of this organization which have not been discussed so far that you would like to raise, or any best practices that you would recommend for consideration?
27. Do you have suggestions as to others who might be interviewed to help gain a full perspective of Council Governance and Management issues?
28. Are there any other issues you would like to raise?

Annex 5

Discussion Guide for Senior Staff Interviews (CAO, CAO direct reports, other selected positions)

Note: Interviews are confidential; results and findings arising from the interviews will only be reported in the aggregate, without the identification of individual respondents.

1. Describe your role, responsibilities, and experience as an Islands Trust staff member.
2. Place your current position in the context of a broader career path.
3. Describe reporting relationship, performance evaluation, and tools required to fulfill your duties.
4. How do you understand the role of Trust Council, and how it connects to your job?
5. Identify the organization's strengths and weaknesses, and areas for improvement.
6. Would you like to comment on any of the issues or questions identified in the Trustee Interview Guide?
7. Are there any other issues you would like to raise?

Annex 6

Letter from Government of British Columbia, December 1, 2021



December 1, 2021

Ref: 268755

Peter Luckham, Chair and
Lee Middleton, Trustee
Islands Trust
200- 1627 Fort Street,
Victoria, BC V8R 1HR

Dear Chair Luckham and Trustee Middleton,

I am writing today in response to the Islands Trust Governance Review select committee and consultant's request for Ministry of Municipal Affairs' (ministry) participation in the interview portion of the Islands Trust governance review process. I appreciate the work that the Islands Trust is undertaking to review its effectiveness with respect to governance, planning services and advocacy.

The Islands Trust and the ministry have a unique relationship. While the province recognizes the Islands Trust as an independent, autonomous local body, the ministry continues to have an oversight role, that includes for example, the ministry's responsibility for the *Islands Trust Act*, the Islands Trust's annual reporting requirements and some Islands Trust bylaws that require approval of the Minister.

I understand that the governance review is looking to themes and trends, and as outlined in the interview form that states the questions that the ministry's commentary on the governance review questions would be rolled into an *aggregate response*. This seems like a practical and useful approach for most the respondents that will be interviewed. For the ministry, however, given our unique relationship with Islands Trusts participating on an internal governance, this places us in a challenging position. Many of internal Islands Trust practices and operations are founded on established provincial policy or in some cases legislation. Providing commentary on such practices may bring into question the provincial role and rules respecting those matters. For these reasons the ministry is respectfully declining the opportunity to participating in this review.

I do note from your workplan, the consultants expect to deliver an interim report on its findings. I would like to request that the ministry be given the opportunity to review and comment on the interim report.

...2

Ministry of Municipal Affairs Local Government

Mailing Address:
PO Box 9490 Stn Prov Govt
Victoria BC V8W 9N7
Phone: 250 356-6575
Fax: 250 387-7973

Location:
6th Floor, 800 Johnson Street
Victoria BC V8W 1N3
www.gov.bc.ca/muni

Chair Luckham and Trustee Middleton
Page 2

Thank you for the opportunity to participate in the governance review and I look forward to receiving a copy of the interim report.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Faganello', written in a cursive style.

Tara Faganello
Assistant Deputy Minister

pc: Russ Hotsenpiller, Chief Administrative Officer, Islands Trust
Michelle Dann, Executive Director, Governance and Structure Branch, Local Government
Division, Ministry of Municipal Affairs

Annex 7

The Islands Trust Select Committee on Governance and Management Review

Lee Middleton, Trustee Saturna Island - Chair

Kees Langereis, Trustee Gabriola Island - Vice-Chair

Paul Brent, Trustee Saturna Island

David Critchley, Trustee Denman Island

Michael Kaile, Trustee Bowen island and Municipal Councillor

Peter Luckham, Trustee Thetis Island, Chair Islands Trust Council

Benjamin McConchie, Trustee North Pender Island

Deb Morrison, Trustee North Pender Island, Chair Trust Council Programs Committee

Steve Wright, Trustee South Pender Island

Ex Officio:

Russ Hotsenpiller, Chief Administrative Officer The Islands Trust

With thanks for Secretariat support:

Lori Foster, Executive Coordinator