



AGENDA

Ordinary meeting of the

Governance Committee

Thursday 5 November 2015

Commencing at 9.00am

Council Chamber

Civic House

110 Trafalgar Street, Nelson

Membership: Councillor Ian Barker (Chairperson), Her Worship the Mayor Rachel Reese, Councillors Luke Acland (Deputy Chairperson), Eric Davy, Kate Fulton, Paul Matheson, Brian McGurk, Gaile Noonan and Pete Rainey, Mr John Murray and Mr John Peters

Guidelines for councillors attending the meeting, who are not members of the Committee, as set out in Standing Orders:

- All councillors, whether or not they are members of the Committee, may attend Committee meetings (SO 2.12.2)
- At the discretion of the Chair, councillors who are not Committee members may speak, or ask questions about a matter.
- Only Committee members may vote on any matter before the Committee (SO 3.14.1)

It is good practice for both Committee members and non-Committee members to declare any interests in items on the agenda. They should withdraw from the room for discussion and voting on any of these items.

1. Apologies

Nil

2. Confirmation of Order of Business**3. Interests**

3.1 Updates to the Interests Register

3.2 Identify any conflicts of interest in the agenda

4. Public Forum**5. Confirmation of Minutes**

5.1 1 October 2015

9 - 16

Document number M1503

Recommendation

THAT the minutes of the meeting of the Governance Committee, held on 1 October 2015, be confirmed as a true and correct record.

6. Chairperson's Report**7. Review of Nelson City Council's Policy for Appointing Directors/Trustees of Council Controlled Organisations and Council Controlled Trading Organisations****17 - 26**

Document number R4276

Recommendation

THAT the report Review of Nelson City Council's Policy for Appointing Directors/Trustees of Council Controlled Organisations and Council Controlled Trading Organisations (R4276) and its attachments (A1417327 and A284857) be received.

Recommendation to Council

THAT the reviewed and amended Nelson City Council Policy for the Appointment of Directors/Trustees of Council Controlled Organisations and Council Controlled Trading Organisations (A284857) be adopted.

8. Audit, Risk and Finance Subcommittee Terms of Reference

27 - 33

Document number R4931

Recommendation

THAT the report Audit, Risk and Finance Subcommittee Terms of Reference (R4931) and its attachment (A1437349) be received.

Recommendation to Council

THAT the Audit Risk and Finance Subcommittee draft Terms of Reference (A1437349) be adopted;

AND THAT the Delegations Register (A1183061) be updated to include a reference to the Audit, Risk and Finance Subcommittee Terms of Reference.

9. Service Level Reviews: Process, Criteria, Resourcing

34 - 43

Document number R5014

Recommendation

THAT the report Service Level Reviews: Process, Criteria, Resourcing (R5014) and its attachment (A1445250) be received.

Recommendation to Council

THAT approval is given for the proposed approach (as detailed in R5014) to review all applicable services in order to comply with the requirements of Section 17A of the Local Government Act 2002.

REPORTS FROM COMMITTEES

10. Commercial Subcommittee - 14 October 2015 44 - 46

Document number M1527

Recommendation

THAT the unconfirmed minutes of a meeting of the Commercial Subcommittee, held on 14 October 2015, be received.

11. Audit, Risk and Finance Subcommittee - 14 October 2015 47 - 51

Document number M1529

Recommendation

THAT the unconfirmed minutes of a meeting of the Audit, Risk and Finance Subcommittee, held on 14 October 2015, be received.

11.1 Draft Asset Disposal Policy

Recommendation to Governance Committee and Council

THAT the Draft Asset Disposal Policy (A1412442) with amendments be approved;

AND THAT the Delegations Manual is updated to reflect the delegations in the Asset Disposal Policy.

Note: The amended Draft Asset Disposal Policy can be found on Google Drive for Councillors and is available on request to an Administration Adviser.

11.2 Draft Risk Management Framework

Recommendation to Governance Committee and Council

THAT the Draft Risk Management Framework (A1431591) with amendments be approved.

Note: The amended Draft Risk Management Framework can be found on Google Drive for Councillors and is available on request to an Administration Adviser.

11.3 Corporate Report to 31 August 2015

Recommendation to Governance Committee and Council

THAT \$350,000 for the upgrade of the Civic House verandah be deferred until 2017/18;

AND THAT \$200,000 for the upgrade of the Hunter Furniture roof be deferred until 2016/17.

PUBLIC EXCLUDED BUSINESS

12. Exclusion of the Public

Recommendation

THAT the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Governance Committee Meeting Minutes - Public Excluded - 1 October 2015	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7.	The withholding of the information is necessary: <ul style="list-style-type: none">• Section 7(2)(h) To enable the local authority to carry out, without prejudice or disadvantage, commercial activities.• Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).• Section 7(2)(a) To protect the privacy of natural persons, including that of a deceased person.

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
2	Nelmac Statement of Expectation 2016/17	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)
3	Bishop Suter Trust Statement of Expectation 2016/17	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)
4	<p>Commercial Subcommittee Meeting - Public Excluded - 14 October 2015</p> <p>These minutes contain a recommendation regarding land purchase in Stoke.</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7.</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> Section 7(2)(a) To protect the privacy of natural persons, including that of a deceased person. Section 7(2)(h) To enable the local authority to carry out, without prejudice or disadvantage, commercial activities. Section 7(2)(j) To prevent the disclosure or use of official information for improper gain or improper advantage. Section 7(2)(b)(ii) To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
			subject of the information.

13. Re-admittance of the public

Recommendation

THAT the public be re-admitted to the meeting.

Minutes of a meeting of the Governance Committee

**Held in the Council Chamber, Civic House, 110 Trafalgar Street,
Nelson**

On Thursday 1 October 2015, commencing at 9.00am

Present: Councillor I Barker (Chairperson), Her Worship the Mayor R Reese, Councillors L Acland (Deputy Chairperson), E Davy, K Fulton, P Matheson, B McGurk, and G Noonan, and Mr J Peters

In Attendance: Group Manager Community Services (C Ward), Group Manager Corporate Services (N Harrison), Group Manager Infrastructure (A Louverdis), Senior Strategic Adviser (N McDonald), Manager Communications (P Shattock), Manager Administration (P Langley), and Administration Adviser (S McLean)

Apologies: Councillor P Rainey and Mr John Murray for attendance, Councillor K Fulton for lateness

1. **Apologies**

Resolved GOV/2015/044

***THAT apologies be received and accepted from
Councillor Rainey and Mr Murray for attendance,
and Councillor Fulton for lateness.***

Acland/Peters

Carried

2. **Confirmation of Order of Business**

There was no change to the order of business.

3. **Interests**

There were no updates to the Interests Register, and no interests with items on the agenda were declared.

4. **Public Forum**

There was no public forum.

5. Confirmation of Minutes

5.1 20 August 2015

Document number M1409, agenda pages 8 - 13 refer.

Resolved GOV/2015/045

THAT the minutes of the meeting of the Governance Committee, held on 20 August 2015, be confirmed as a true and correct record.

McGurk/Davy

Carried

Attendance: Councillor Matheson joined the meeting at 9.02am.

6. Chairperson's Report

The Chairperson provided an update on the Port Nelson Annual General Meeting, highlighting that the company was performing well.

The Chairperson spoke about the opening of the new headquarters for Nelmac.

Resolved GOV/2015/046

THAT the Chairperson's Report be received.

Barker/Noonan

Carried

7. Sister Cities Update October 2015

Document number R4930, agenda pages 14 - 18 refer.

Group Manager Community Services, Chris Ward, and Sister City Coordinator, Gail Collingwood, presented the report.

Attendance: Councillor Fulton joined the meeting at 9.08am.

Ms Collingwood highlighted the volunteer contribution to sister cities and emphasised that the sister city agreements sat with Council. Her Worship the Mayor thanked Ms Collingwood and the volunteers for their service to sister cities relationships.

There was discussion on lower level relationships with other cities as Council was at capacity in terms of sister city level relationships.

Resolved GOV/2015/047

THAT the report Sister Cities Update October 2015 (R4930) and its attachment (A1433825) be received.

Noonan/Davy

Carried

8. Service Level Reviews Under Section 17A Local Government Act

Document number R4443, agenda pages 19 - 23 refer.

Senior Strategic Adviser, Nicky McDonald, and Policy Adviser, Susan Moore-Lavo, presented the report.

There was discussion on how contracts would be considered in the review and the level of 'business as usual' review currently undertaken in terms of contract renewal.

Questions were asked about timing of reporting the review back to the Committee, how comprehensive the review would be, what criteria would be set to determine if a review was needed, and what the resourcing implications would be. Concern was raised that Council would not be involved in determining which activities would be reviewed.

It was suggested that set criteria be used to assess activities, including a cut-off level in terms of cost of the service. It was also pointed out that officer assumptions on the need to review or not review activities should be tested.

Attendance: The meeting adjourned from 9.58am to 10.03am.

In response to a question about reviewing Council Controlled Organisation activities, Ms McDonald advised that further assessment on this matter was required.

It was asked that officers further assess legislation, costs, resources, criteria, breadth and governance oversight of the review.

It was pointed out that a level of service could not be amended until a contract was up for renewal.

Attendance: Councillor Acland left the meeting at 10.12am.

Resolved GOV/2015/048

THAT the report Service Level Reviews Under Section 17A Local Government Act (R4443) be received.

McGurk/Matheson

Carried

Recommendation to Council GOV/2015/049

THAT approval is given for officers to prepare scope of work and resourcing needed for service level review to comply with the requirements of Section 17A of the Local Government Act 2002;

AND THAT officers prepare a draft criteria of factors to be considered to determine if a service

level review of an activity or contract is to be implemented;

AND THAT these matters are reported back to the Governance Committee;

AND THAT the Governance Committee maintains oversight of service level reviews.

McGurk/Matheson

Carried

9. Economic Development Services Contract with Tasman District Council

Document number R4588, agenda pages 24 - 33 refer.

Group Manager Community Services, Chris Ward, presented the report.

It was agreed that due to the need to discuss negotiations on the matter, it would be moved to the public excluded part of the meeting.

REPORTS FROM COMMITTEES

10. Audit, Risk and Finance Subcommittee - 10 September 2015

Document number M1459, agenda pages 34 - 39 refer.

Resolved GOV/2015/050

THAT the unconfirmed minutes of a meeting of the Audit, Risk and Finance Subcommittee, held on 10 September 2015, be received.

Peters/McGurk

Carried

10.1 Carry Forwards from 2014/15

Recommendation to Council GOV/2015/051

THAT \$4,233,000 of unspent capital budget from 2014/15 be carried forward for use in 2015/16;

AND THAT \$403,000 of capital spent in 2014/15 be offset against 2015/16 budgets;

AND THAT an amount of \$107,000 operating budget be carried forward for use in 2015/16.

Peters/McGurk

10.2 Draft Internal Audit Charter

Recommendation to Council GOV/2015/052

THAT the Draft Internal Audit Charter (A1395134) as amended as per the Audit, Risk and Finance Subcommittee minutes 10 September 2015 be approved.

Peters/McGurk

11. Commercial Subcommittee - 10 September 2015

Document number M1460, agenda pages 40 - 42 refer.

Resolved GOV/2015/053

THAT the unconfirmed minutes of a meeting of the Commercial Subcommittee, held on 10 September 2015, be received.

Peters/Noonan

Carried

12. Exclusion of the Public

Resolved GOV/2015/054

THAT the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Peters/Noonan

Carried

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Governance Committee Meeting Minutes - Public Excluded - 20 August 2015	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists	The withholding of the information is necessary: <ul style="list-style-type: none"> Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
		under section 7.	commercial and industrial negotiations). <ul style="list-style-type: none"> Section 7(2)(a) To protect the privacy of natural persons, including that of a deceased person. Section 7(2)(h) To enable the local authority to carry out, without prejudice or disadvantage, commercial activities.
2	Status Report - Governance Committee - October 2015	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> Section 7(2)(h) To enable the local authority to carry out, without prejudice or disadvantage, commercial activities
3	Akersten Street Land Purchase	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)
4	City of Nelson Civic Trust - New Trustee	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> Section 7(2)(a) To protect the privacy of natural persons, including that of a deceased person
5	Bishop Suter Trust - Trustee rotation and remuneration	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of	The withholding of the information is necessary: <ul style="list-style-type: none"> Section 7(2)(a) To protect the privacy of natural persons, including that of a

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
		information for which good reason exists under section 7	deceased person
6	Commercial Subcommittee Meeting Minutes - Public Excluded - 10 September 2015 These minutes contain a recommendation regarding: <ul style="list-style-type: none"> Property Asset Review – 3 Precincts Workshop – terms of reference 	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7.	The withholding of the information is necessary: <ul style="list-style-type: none"> Section 7(2)(h) To enable the local authority to carry out, without prejudice or disadvantage, commercial activities.
7	Economic Development Services Contract with Tasman District Council	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7.	The withholding of the information is necessary: <ul style="list-style-type: none"> Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

The meeting went into public excluded session at 10.32am and resumed in public session at 12.42pm, during which time Councillor Acland returned to the meeting.

13. Re-admittance of the Public

Resolved GOV/2015/055

THAT the public be re-admitted to the meeting.

Acland/McGurk

Carried

There being no further business the meeting ended at 12.42pm.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

Review of Nelson City Council's Policy for Appointing Directors/Trustees of Council Controlled Organisations and Council Controlled Trading Organisations

1. Purpose of Report

- 1.1 To consider the reviewed and amended Policy for the Appointment of Directors/Trustees of Council Controlled Organisations and Council Controlled Trading Organisations (the Policy), and recommend its adoption to Council.

2. Delegations

- 2.1 The Governance Committee has an area of responsibility for all matters associated with Council Controlled Organisations and Council Controlled Trading Organisations, including the appointment of directors. The Governance Committee has the power to recommend to Council the review of policies relating to areas of responsibility.

3. Recommendation

THAT the report Review of Nelson City Council's Policy for Appointing Directors/Trustees of Council Controlled Organisations and Council Controlled Trading Organisations (R4276) and its attachments (A1417327 and A284857) be received.

Recommendation to Council

THAT the reviewed and amended Nelson City Council Policy for the Appointment of Directors/Trustees of Council Controlled Organisations and Council Controlled Trading Organisations (A284857) be adopted.

4. Background

- 4.1 The Policy covers the appointment and re-appointment process for directors/trustees of organisations such as Nelmac Ltd, the Nelson

Regional Economic Development Agency, Nelson Tasman Tourism, City of Nelson Civic Trust and the Bishop Suter Trust.

- 4.2 The Policy was most recently received and amended by Council on 15 December 2011 to ensure consistency with the reviewed Joint Appointment of Directors and Trustees of Council Controlled Organisations (CCOs) and Council Controlled Trading Organisations (CCTOs) Policy.
- 4.3 The Policy was scheduled for review in November 2014.
- 4.4 It is envisaged the review of Economic Development Services will not impact the content of this Policy, or require further amendments, although any new CCO established will be covered by this policy.
- 4.5 The Joint Appointment of CCOs and CCTOs Policy will be reviewed and presented to the Joint Shareholders Committee on 20 November 2015, to ensure consistency between the two policies.

5. Discussion

- 5.1 The proposed amendments to the Policy are listed below. Further detail and explanation can be found in Attachment 1, and the revised policy is shown as Attachment 2.
 - Corrections to officer titles and dates throughout the Policy
 - Clause 1.1: Removed reference to Port Nelson Limited (covered in the Joint Appointment of CCOs and CCTOs Policy)
 - Clause 3.1: Replaced 'gender balance' with 'diversity'
 - Clause 3.3.5: Changed 'company' to 'company/trust', and replaced 'business area' with 'activities'
 - Clause 4.1: Removed reference to Remuneration Review Committee, replaced with 'the Mayor and Chairperson of the Governance Committee'
 - Clause 4.1.1 and 5.2.1: Added detail on assessing if the appointment is necessary
 - Clause 6: Included reference to the Procedure for setting remuneration for Directors of Nelson City Council Council Controlled Trading Organisations
 - Clause 7.1: Removed reference to 'while a vacancy is filled'
 - Clause 8.2 (new): Added detail on varying procedures in the policy as necessary

6. Options

- 6.1 Endorse the Policy as reviewed and amended, and recommend its adoption to Council. This is the preferred option.
- 6.2 The Committee may choose to amend the Policy further before recommending its adoption to Council.
- 6.3 The Committee could choose not to accept the proposed changes to the Policy and leave it in its current state. This would result in a less flexible and effective Policy.

7. Alignment with relevant Council policy

- 7.1 This recommendation is not inconsistent with any other Council policy or decision.

8. Assessment of Significance against the Council's Significance and Engagement Policy

- 8.1 This decision is not significant under Council's Significance and Engagement Policy, therefore no community engagement is required.

9. Consultation

- 9.1 No consultation has taken place on this matter.

10. Inclusion of Māori in the decision making process

- 10.1 Maori have not been consulted on this matter.

11. Conclusion

- 11.1 The reviewed and amended Policy for Appointment of Directors/Trustees of Council Controlled Organisations and Council Controlled Trading Organisations should be considered by the Governance Committee before being recommended to Council for adoption.

Chris Ward
Group Manager Community Services

Attachments

- Attachment 1: A1417327 - Table of Amendments to the Policy for Appointment of Directors/Trustees of CCOs and CCTOS
- Attachment 2: A284857 - Revised Procedure for Appointment of Directors/Trustees of Council Controlled Organisations and Council Controlled Trading Organisations

Amendments to the Procedure for Appointment of Directors/Trustees of Council Controlled Organisations and Council Controlled Trading Organisations

Clause	Heading	November 2011 version	November 2015 version	Notes
1.1	Introduction	Nelson City Council controls or has significant shareholdings in several Council Controlled Organisations and in Port Nelson Limited, a port company registered in accordance with the Port Companies Act 1988.	Nelson City Council controls or has significant shareholdings in several Council Controlled Organisations and Council Controlled Trading Organisations.	Port Nelson is covered in the Joint Appointment of Directors/Trustees of CCOs and CCTOs Policy.
3.1	Criteria for Selection of Directors/ Trustees	Council must have regard to the gender balance of each Governing Board when considering candidates for appointment or re-appointment.	Council must have regard to the diversity of each Governing Board when considering candidates for appointment or re-appointment.	Replacing the words 'gender balance' with 'diversity' ensures consideration of a range of factors such as background, age, ethnicity, gender, and personality.
3.3.5	Criteria for Selection of Directors/ Trustees	Relevant business experience and/or the ability to gain an in-depth understanding of the company and its business area;	Relevant business experience and/or the ability to gain an in-depth understanding of the company/trust and its activities;	Correcting company reference to company/trust. Using 'activities' instead of 'business area' due to the nature of organisations such as Bishop Suter Trust, were applicants may not have a business background.
4.1	Process for Appointment of Directors /Trustees	The Chief Executive, and/or delegate of the Chief Executive, and one of more members of the Remuneration Review Committee will;	The Chief Executive, and/or delegate of the Chief Executive, the Mayor, and the Chairperson of the Governance Committee will;	The Remuneration Review Committee no longer exists. Delegations for CCOs and CCTOs now sit with the Governance Committee.
4.1.1	Process for Appointment of	Meet with the Chairperson of the relevant Governing Board to	Meet with the Chairperson of the relevant Governing Board to	To ensure an assessment is made about whether the appointment is

Clause	Heading	November 2011 version	November 2015 version	Notes
	Directors /Trustees	discuss specific requirements and to consider whether there is any need for any variation of procedure, under clause 8.1; and	discuss specific requirements (including whether the appointment is necessary) and to consider whether there is any need for any variation of procedure, under Section 8; and	necessary.
5.2.1	Reappointment of Directors/ Trustees		Additional bullet point under 5.2.1: <ul style="list-style-type: none"> Whether an appointment is necessary. 	See 4.1.1 above
6	Remuneration of Directors/ Trustees	<p>6.1 Directors/Trustees shall receive fees in accordance with scales approved from time to time by each Council prior to the organisation's annual general meeting.</p> <p>6.2 The Governing Board of the organisation will provide appropriate information and details of any proposal to request an increase in remuneration at least 3 months before the Council Controlled Organisation's Annual General Meeting.</p>	<p>6.1 Directors/Trustees of Council Controlled Organisations shall receive fees in accordance with scales approved from time to time by each Council prior to the organisation's annual general meeting.</p> <p>6.2 The Governing Board of the organisation will provide appropriate information and details of any proposal to request an increase in remuneration at least 3 months before the Council Controlled Organisation's Annual General Meeting.</p> <p>6.3 Remuneration for Directors of Council Controlled Trading Organisations is covered by the Procedure for Setting Remuneration for Directors of Nelson City Council Council Controlled Trading Organisations (A1269972).</p>	<p>Procedure for setting remuneration for Directors of Nelson City Council Council Controlled Trading Organisations was approved in December 2014 (A1269972).</p> <p><i>Also added Related Policies section at end of document.</i></p>

7. Review of Nelson City Council's Policy for Appointing Directors/Trustees of Council Controlled Organisations and Council Controlled Trading Organisations - Attachment 1 - A1417327 - Table of Amendments to the Policy for Appointment of Directors/Trustees of CCOs and CCTOS

Clause	Heading	November 2011 version	November 2015 version	Notes
7.1	Appointment of staff members or Elected Members as Directors/ Trustees	No staff member or elected member of Council may be appointed as a Director/Trustee, except in a temporary role while a vacancy is filled and where good reason exists to do so.	No staff member or elected member of Council may be appointed as a Director/Trustee, except in a temporary role and where good reason exists to do so.	Removing reference to 'while a vacancy is filled' to accommodate a great range of scenarios.
8.2 (new)	Variation of Procedure		New clause: Council may decide to vary the procedures outlined in this policy as necessary, provided that such variation meets the requirements of the Local Government Act 2002.	This will allow Council greater flexibility in varying the process if necessary.

Procedure for Appointment of Directors/Trustees of Council Controlled Organisations and Council Controlled Trading Organisations

Nelson City Council Policy

Contact Chris Ward, Group Manager Community Services, Nikki Harrison, Group Manager Corporate Services
Nelson City Council

Approved by Clare Hadley, Chief Executive Nelson City Council

Date November 2015

Review November 2017

APPOINTMENT OF DIRECTORS/TRUSTEES

1. Introduction

- 1.1 Nelson City Council controls or has significant shareholdings in several Council Controlled Organisations and Council Controlled Trading Organisations. These are independent organisations, whose operations are governed by a Board of Directors or Trustees.

2. Purpose

- 2.1 This Policy sets out the process for selection, appointment and review of Directors/Trustees appointed to the Governing Boards of Council Controlled Organisations as per section 57 of the Local Government Act 2002.

3. Criteria for Selection of Directors/Trustees

- 3.1. Council must have regard to the diversity of each Governing Board when considering candidates for appointment or re-appointment.
- 3.2. Any person appointed a Director/Trustee of a Council Controlled Organisation or Council Controlled Trading Organisation must:
 - 3.2.1 Have completed the Institute of Directors course; or
 - 3.2.2 Have equivalent experience.
- 3.3. The following qualities of candidates for appointment as Directors/Trustees must also be considered:

- 3.2.1 Demonstrated ability to think commercially and financially about strategies, projects and the intelligent deployment of resources;
- 3.2.2 Articulate, and able to communicate in a concise and clear manner;
- 3.2.3 Demonstrated leadership skills, and prepared to be counted on important matters;
- 3.2.4 Commitment to, and understanding of, the responsibilities of Directorships;
- 3.2.5 Relevant business experience and/or the ability to gain an in-depth understanding of the company/trust and its activities;
- 3.2.6 Objectivity in decision making;
- 3.2.7 Respect for colleagues and staff;
- 3.2.8 High ethical standards;
- 3.2.9 Proven commercial experience;
- 3.2.10 Positive attitude to public ownership and the principles of good corporate citizenship;
- 3.2.11 Financial acumen;
- 3.2.12 Commitment to regional needs and priorities;
- 3.2.13 Any other special considerations/requirements in respect of the specific organisation.

4. Process for Appointment of Directors/Trustees

- 4.1. The Chief Executive, and/or delegate of the Chief Executive, the Mayor, and the Chairperson of the Governance Committee will:
 - 4.1.1. Meet with the Chairperson of the relevant Governing Board to discuss specific requirements (including whether the appointment is necessary) and to consider whether there is any need for any variation of procedure, under Section 8; and
 - 4.1.2. Retain a recruitment consultant to advertise the vacancy and develop a list of candidates.
- 4.2. The Group Manager Corporate Services and/or the Group Manager Community Services may include any persons recommended by Council on the list of candidates.

4.3. The Recruitment Consultant shall interview and carry out reference checks of persons on the list of candidates, having regard to the criteria listed in Section 3 above, and report a short list with recommendations to Council.

4.4. Council will make the final decision to appoint Directors/Trustees, on the recommendation of the Group Manager Corporate Services and/or the Group Manager Community Services.

5. Reappointment of Directors/Trustees

5.1. No Director/Trustee may be reappointed for a fourth successive term unless there are special circumstances.

5.2. Subject to the constitution of the organisation concerned, where a Director/Trustee's term of appointment has expired and they are offering themselves for reappointment, the Group Manager Corporate Services and/or the Group Manager Community Services:

5.2.1 May make confidential enquiries from the Chairperson and other members of the Governing Board as necessary, including:

- Whether the skills of the incumbent add value to the work of the Governing Board;
- Whether there are other skills which the Governing Board needs;
- Whether a change to the existing Directors/Trustees would compromise the Governing Board's ability to pursue a desired vision and long term strategy, or whether there is a need for new skills and ideas on the Board; and
- Whether an appointment is necessary.

5.2.2 Must consider any information obtained and form a view on the appropriateness of reappointment or making a replacement appointment; and

5.2.3 Must recommend to Council whether reappointment is appropriate.

5.3. If reappointment is not appropriate, the appointment process outlined in Section 4 will be followed.

6. Remuneration of Directors/Trustees

- 6.1. Directors/Trustees of Council Controlled Organisations shall receive fees in accordance with scales approved from time to time by the Council prior to the organisation's annual general meeting.
- 6.2. The Governing Board of the organisation will provide appropriate information and details of any proposal to request an increase in remuneration at least 3 months before the Council Controlled Organisation's Annual General Meeting.
- 6.3. Remuneration for Directors of Council Controlled Trading Organisations is covered by the Procedure for Setting Remuneration for Directors of Nelson City Council Council Controlled Trading Organisations (A1269972).

7. Appointment of staff members or Elected Members as Directors/Trustees

- 7.1. No staff member or elected member of Council may be appointed as a Director/Trustee, except in a temporary role and where good reason exists to do so. Any report recommending the appointment or reappointment of a staff member or elected member in a temporary role must clearly explain the reasons for doing so.
- 7.2. Any staff member or elected member serving as a Director/Trustee in a temporary role will not be eligible for any additional remuneration.

8. Variation of Procedure

- 8.1 The procedures outlined in this policy may be varied to meet the requirements of the Organisation's rules, constitution, trust deed or other guiding document, provided that such variation meets the requirements of the Local Government Act 2002.
- 8.2 Council may decide to vary the procedures outlined in this policy as necessary, provided that such variation meets the requirements of the Local Government Act 2002.

Related Policies

- Procedure for Setting Remuneration for Directors of Nelson City Council Council Controlled Trading Organisations (A1269972)

REPORT R4931

Audit, Risk and Finance Subcommittee Terms of Reference

1. Purpose of Report

- 1.1 To adopt Terms of Reference for the Audit, Risk and Finance Subcommittee.

2. Delegations

- 2.1 The Audit, Risk and Finance Subcommittee has been delegated areas of responsibility by the Governance Committee. The Governance Committee has the powers to recommend to Council any other matters.

3. Recommendation

THAT the report Audit, Risk and Finance Subcommittee Terms of Reference (R4931) and its attachment (A1437349) be received.

Recommendation to Council

THAT the Audit Risk and Finance Subcommittee draft Terms of Reference (A1437349) be adopted;

AND THAT the Delegations Register (A1183061) be updated to include a reference to the Audit, Risk and Finance Subcommittee Terms of Reference.

4. Background

- 4.1 At a meeting of Council on 12 February 2015 the Audit, Risk and Finance Subcommittee was set up through the Mayor's Report.
- 4.2 Also at this Council meeting, Council resolved that the Governance Committee meeting 3 March 2015 confirm the appointment of the chairperson and the draft delegations for the Audit, Risk and Finance Subcommittee.

- 4.3 At that meeting the Governance Committee appointed the chairperson and approved the draft delegations for the Audit, Risk and Finance Subcommittee.

5. Discussion

- 5.1 The Chairperson of the Audit, Risk and Finance Subcommittee has requested that Terms of Reference be adopted for this Subcommittee.
- 5.2 Terms of Reference for subcommittees at Council is not usual practice.
- 5.3 The Audit, Risk and Finance Subcommittee Terms of Reference collates information from the Local Government Act 2002, Local Government Information and Meetings Act 1987, Local Government New Zealand Audit and Risk Management Guide, Council's Delegations Register, Standing Orders, Elected Members Code of Conduct and reports written for the establishment of the Audit, Risk and Finance Subcommittee.
- 5.4 The Terms of Reference elaborate on this collated information as well as providing additional information.
- 5.5 The Governance Committee should be sure that the additional information is clear within the Terms of Reference and aligns with the level of authority initially intended to be delegated to the Audit, Risk and Finance Subcommittee.
- 5.6 Should the Terms of Reference be recommended for adoption, the Delegations Register should be amended to include reference to them.
- 5.7 It is proposed the following words are inserted into the Audit, Risk and Finance delegations. 'For the Terms of Reference for the Audit, Risk and Finance Subcommittee please refer to document A1437349'.
- 5.8 Terms of Reference for the Commercial Subcommittee are not proposed.

6. Health and Safety at Work Act 2015

- 6.1 Due to the new Health and Safety at Work Act 2015, Council on 19 November 2015 will be considering the approval of a draft Health and Safety Management System Governance Charter.
- 6.2 Under the new Health and Safety at Work Act 2015, elected members and Senior Leadership Team will be classed as "officers" under the new Act and will therefore have a duty of due diligence.
- 6.3 Health and Safety is therefore considered to be a matter for full Council rather than the Audit, Risk and Finance Subcommittee.
- 6.4 Due to Health and Safety being a matter for full Council reference to Health and Safety in the areas of responsibility have been removed from the Audit, Risk and Finance Subcommittee Terms of Reference.

- 6.5 Removal of Health and Safety within the areas of responsibility in the Audit, Risk and Finance Subcommittee delegations will be considered at Council on 19 November 2015.

7. Options

- 7.1 Council can choose to adopt or not to adopt the Audit, Risk and Finance Subcommittee Terms of Reference.

8. Alignment with relevant Council policy

- 8.1 This matter is not in contradiction to any Council policy or strategic document except for the Health and Safety points described above.

9. Assessment of Significance against the Council's Significance and Engagement Policy

- 9.1 This decision is not considered to be significant in terms of Council's Significance and Engagement Policy.

10. Consultation

- 10.1 No consultation has been undertaken on this matter.

11. Inclusion of Māori in the decision making process

- 11.1 No consultation with Maori has been undertaken on this matter.

Gayle Brown
Administration Adviser

Attachments

Attachment 1: A1437349 - draft Audit, Risk and Finance Subcommittee Terms of Reference 5 Nov 2015

TERMS OF REFERENCE

AUDIT RISK AND FINANCE SUBCOMMITTEE

Establishment	<p>The Local Government New Zealand (LGNZ) Audit and Risk Management Guide states that an audit and risk committee has a valuable contribution to make in improving the governance, performance and accountability of local authorities. Audit and risk committees are common in councils around the country.</p> <p>Council resolved on 12 February 2015 to establish the Subcommittee (A1313027).</p>
Objectives	<p>The objective of the Subcommittee is to assist Nelson City Council in meeting its responsibilities and increasing its effectiveness by establishing:</p> <ul style="list-style-type: none"> • The strengthened independence and objectivity of Council through external appointees, internal and external auditors; • A robustness in the internal control framework and financial management practices; • The integrity and appropriateness of internal and external reporting and accountability arrangements; • The independence and adequacy of internal and external audit functions; • Robustness in risk management systems, processes and practices; • Appropriate monitoring of compliance with applicable laws, regulations, standards and best practice guidelines.
Responsibilities and Delegations	<p>The Governance Committee resolved on 3 March 2015 the appointment of a chairperson and approved the delegations for the Audit, Risk and Finance Subcommittee (A1325357).</p> <p>The following Areas of Responsibility (in bold) are as contained in Council's Delegations Register (A1183061). The subsequent points below provide further clarification in line with best practice for such committees.</p> <ul style="list-style-type: none"> • Council's Treasury policies <ul style="list-style-type: none"> ◦ Review of accounting policies and changes in policy and practice • Audit of Council's Annual Report and annual accounts <ul style="list-style-type: none"> ◦ Liaison with external auditors and review of audit findings • Providing guidance to the audit process and management of financial risk <ul style="list-style-type: none"> ◦ Ensuring that recommendations highlighted in internal and external audit reports are actioned by management ◦ Ensuring that areas of known or suspected financial risk are appropriately managed

A1437349

	<ul style="list-style-type: none"> • Risk management and internal control <ul style="list-style-type: none"> ○ Review whether management's approach to maintaining an effective internal control framework is sound and effective; ○ Ensuring compliance with the Nelson City Council Risk Management Framework ○ Monitoring the Risk Management Programme and reviewing the top risks contained in the risk profile of Council on an annual basis ○ Recommending to the Governance Committee any other significant risk issues to be considered ○ Oversight of compliance with statutory and regulatory requirements affecting financial and risk information • Monitoring of Council's financial and service performance <ul style="list-style-type: none"> ○ Review of financial information and assessment of the performance of financial management; including whether the reporting is adequate for stakeholder needs • Business Continuity • Internal Audit <ul style="list-style-type: none"> ○ Providing guidance to the Internal Audit function including reviewing and monitoring of the Annual Internal Audit Work Plan • Any matters referred to it by Council or Governance Committee <ul style="list-style-type: none"> ○ Make recommendations to Council as a result of reports from internal or external auditors about fraudulent or illegal acts, deficiencies in internal control
Membership	<ul style="list-style-type: none"> • Membership of the Subcommittee will comply with Council's Standing Orders (A691137). • Membership of the Subcommittee to comprise 3 to 5 members to be appointed by the Nelson City Council from amongst Elected Members and/or other independent persons. • The Governance Committee will appoint a chairperson from the members of the Subcommittee. The Chair shall be an independent member rather than an elected member.

A1437349

	<ul style="list-style-type: none"> The Subcommittee must have one member who has an expert understanding of generally accepted accounting principles and financial statements; the ability to assess the general application of such principles and an understanding of internal controls over financial reporting. All members, whether elected or appointed, will be bound by Council's Elected Members' Code of Conduct (A1181923).
Secretarial and Meetings	<p>Meetings of the Subcommittee will comply with Council's Standing Orders (A691137)</p> <ul style="list-style-type: none"> The Subcommittee may request, through the Chief Executive, other staff to attend meetings and provide appropriate information and explanations, as necessary. The Subcommittee may request the external auditor to attend meetings. Meetings will be held six-weekly. The timing of these meetings will be aligned with the Governance Committee meeting dates and consideration taken in relation to Nelson City Council's reporting and audit cycle. Minutes of all meetings will be received by the Governance Committee. All recommendations shall be made to the Governance Committee and Council where necessary. The external auditors and the staff responsible for internal audits are encouraged to meet as appropriate with the Subcommittee Chairperson.
Authority	<ul style="list-style-type: none"> The Subcommittee shall have unfettered rights to discuss any matters within their jurisdiction with staff members and external auditors. The external auditors and staff shall have the ability to approach the Subcommittee directly with matters of concern.
Review of the Subcommittee	<p>The Subcommittee will undertake an annual self-review of its Terms of Reference, Internal Audit Charter and Annual Subcommittee Work Plan.</p> <p>Any changes are to be recommended to the Governance Committee</p>

A1437349

Reporting Procedures	<ul style="list-style-type: none"> • The Subcommittee will have direct lines of communication with the Chief Executive and the Group Manager Corporate Services. Any communication with other staff will be through the Chief Executive. • The Chief Executive and the Group Manager Corporate Services will be responsible for drawing to the Subcommittee's attention: <ul style="list-style-type: none"> ○ Any material matter that relates to the financial condition of the Nelson City Council ○ Any significant operational risks ○ Any material breakdown in internal controls ○ Any event of fraud or malpractice.
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Council adopted the Audit, Risk and Finance Subcommittee Terms of Reference at its meeting on _____.

A1437349

Service Level Reviews: Process, Criteria, Resourcing

1. Purpose of Report

- 1.1 To approve a process for carrying out service level reviews as required by the Local Government Act 2002.

2. Delegations

- 2.1 The Governance Committee has delegated responsibility for a number of matters relating to the review of Council services, including powers to recommend decisions on the financial and service performance of Council and reviews of specific activity areas within Council.

3. Recommendation

THAT the report Service Level Reviews: Process, Criteria, Resourcing (R5014) and its attachment (A1445250) be received.

Recommendation to Council

THAT approval is given for the proposed approach (as detailed in R5014) to review all applicable services in order to comply with the requirements of Section 17A of the Local Government Act 2002.

4. Background

- 4.1 Recent changes to the Local Government Act 2002 introduced a new requirement to review the governance, funding and delivery of all Council services, including contracts, by 7 August 2017. The reviews are to consider a range of delivery methods including by a council controlled organisation, another local authority or another party.
- 4.2 The Committee, in considering this workstream at its 1 October 2015 meeting, had a number of questions around the resources required to carry out this work and the most appropriate criteria for determining whether, on cost-benefit grounds, a review should not be undertaken. It was also interested in reviewing the services that officers intended to

discuss with Tasman District Council as potential for shared services or other collaboration.

4.3 The Committee resolved:

THAT approval is given for officers to prepare scope of work and resourcing needed for service level review to comply with the requirements of Section 17A of the Local Government Act 2002;

AND THAT officers prepare a draft criteria of factors to be considered to determine if a service level review of an activity or contract is to be implemented;

AND THAT these matters are reported back to the Governance Committee;

AND THAT the Governance Committee maintains oversight of service level reviews.

5. Discussion

- 5.1 Officers have prepared a table (Attachment 1) which lists all the services to be reviewed and gives an initial assessment as to the likely scale of review and the resourcing required. This is very much a first cut and the level of effort will be better gauged once some service reviews have been undertaken.
- 5.2 The table shows how services have been assembled into larger groupings to reduce the number of reviews required. It has attempted to show which reviews will require more than a quick assessment of existing information and this extra effort may be due to the potential delivery options to be considered, the level of public interest in the issue, or changes in central government approach or legislation. The table also gives some indication of the resource required with some services potentially requiring input from external expertise.
- 5.3 It should be noted that since the legislation came into force, officers have been taking the Section 17A requirements into account as contracts expired or services were changed. Section 17A consideration has already been included in some matters that have come before Council, often for public excluded discussions as they relate to contracts or commercial matters. The process described in this report considers how to formalise this process and review the entirety of Council's work programme over the next two years.

Working with other councils

- 5.4 In requiring service level reviews by all councils, central government was mindful of the work of the Local Government Efficiency Taskforce and the Local Government Infrastructure Expert Advisory Group. Both noted that although there are a number of successful joint and shared service arrangements between councils, there appeared to be significant

unrealised potential for efficiency and effectiveness gains through greater use of such agreements, joint contracting and similar arrangements.

- 5.5 Given the intent of the legislation to focus attention on cooperation between councils, it is proposed that discussions be held with Tasman District Council (and other councils as appropriate), as to the potential for shared services, joint contracts and other collaboration. It may be that joint reviews of services would be appropriate in some cases. Officers propose to explore opportunities but would seek guidance from the Governance Committee before beginning any joint work.

CCOs/CCTOs

- 5.6 A question was raised at the October Governance Committee meeting about whether the contracts and other arrangements for service delivery of Council controlled organisations (CCOs) and Council controlled trading organisations (CCTOs) were covered by the Act's requirements. The legislation is unfortunately not clear on this point. Advice has been sought from the Society of Local Government Managers (SOLGM) and the initial comment was that once a council externalises a service through a CCO or CCTO it would seem reasonable that how that agency chooses to acquire the service is not part of a Section 17A review. Legal advice will be sought on this point but it is not expected that any review of contracts entered into by CCOs/CCTOs will be undertaken.

Criteria

- 5.7 The legislation allows councils to not undertake reviews if it is judged that the potential benefits do not justify the costs (or if the current delivery cannot reasonably be changed over the next two years). For services that are not contracted it is difficult to apply any set criteria for not undertaking a review. What has been suggested by SOLGM and the firm providing advice to officers on this process, Thomas Consulting, is that desktop reviews be undertaken for these services and only those where there are realistic alternative options for delivery be explored more fully. Officer would use the SOLGM provided template to guide this work. Once these desktop reviews have been completed and documented the process for the subsequent six yearly reviews could be to accept the existing assessment unless there has been a change likely to affect provision of the service.
- 5.8 As contracts all have a value attached, it is easier to consider cost/benefit in assessing them. It is proposed that where a contract for service is less than \$100,000 per year that no review be undertaken as the benefit is unlikely to outweigh the cost of undertaking a detailed analysis. The cut off of \$100,000 fits with Council's Procurement Policy which does not require publicly advertised tenders for purchases under \$100,000.
- 5.9 Council does not have a comprehensive contracts register at present but work is underway to develop one. This will be a useful tool for service level reviews.

6. Options

- 6.1 The Committee can approve the approach outlined in this report, noting that Council will be able to monitor progress to completion of the reviews through update reports to the relevant Committees, or it can amend the approach.

7. Alignment with relevant Council policy

- 7.1 The service review process aligns with Council's due diligence obligations and regular reviews of contract performance that are a part of business as usual. This work also contributes to achieving Council's community outcomes and Nelson 2060 goals in the most cost-effective manner.
- 7.2 The level of extra resource required, including external expertise, will only be properly quantified after more work is undertaken. Where possible work will be carried out within existing budgets but where contractors are required it is likely that additional funding will be required. As the work stretches over two years some of these adjustments could be made through the Annual Plan process. Where reviews of Council services are already planned or underway, the section 17A will be incorporated as part of that project.

8. Assessment of Significance against the Council's Significance and Engagement Policy

- 8.1 This decision is not significant in terms of Council's Significance and Engagement Policy. However any decisions to change the manner of delivery of services could potentially trigger a need to consult the public.

9. Consultation

- 9.1 No consultation has been undertaken as this work is a statutory requirement.

10. Inclusion of Māori in the decision making process

- 10.1 Maori have not been consulted on this project.

11. Conclusion

- 11.1 Council has a statutory requirement to undertake service level reviews across all its activities. This report outlines the approach proposed and an early estimate of resourcing.

Nicky McDonald
Senior Strategic Adviser

Attachments

Attachment 1: A1445250 - Service level reviews table

9. Service Level Reviews: Process, Criteria, Resourcing - Attachment 1 - A1445250 - Service level reviews table

Services	Current situation	Estimated scale of review ⁱ	Estimated resource required ⁱⁱ
Transport			
Roading network (incl parking, cycle-ways, street lights, traffic signals and footpaths)	<ul style="list-style-type: none"> • Council governance • Joint Council/NZTA funding • Operations delivered via publically tendered contracts 	Desktop	Low
Buses	<ul style="list-style-type: none"> • Council governance • Joint funding with NZTA • Operations delivered via publically tendered contracts 	Medium level analysis	Medium
Stormwater/Flood Protection/Wastewater/Water Supplyⁱⁱⁱ			
Stormwater / Flood Protection / wastewater/water supply	<ul style="list-style-type: none"> • Council governance • Council funded • Maintenance, and operations contracted to CCTO and via publicly tendered contract 	Desktop	Low
NRSBU (Nelson Regional Sewerage Business Unit)	<ul style="list-style-type: none"> • Joint governance NCC/TDC • Council / Self funding • Maintenance, management and operations via publicly tendered contracts 	Desktop	Medium
Environment			
Emergency Management	Statutory responsibility	Desktop	Low
Planning	<ul style="list-style-type: none"> • Council governance • Council funded • Council delivered 	Desktop	Low
Environmental Programmes (ECO Advisor, Land management advice, etc)	<ul style="list-style-type: none"> • Council governance • Council funded • Council delivered 	Desktop	Low

Services	Current situation	Estimated scale of review	Estimated resource required
Building consents and building inspections services	<ul style="list-style-type: none"> • Council governance • Council funded • Council delivered 	Desktop	Low
Resource consents and compliance	<ul style="list-style-type: none"> • Council governance • Council funded • Council delivered 	Desktop	Low
Community Health and Safety: food premises, animal licencing and control; fencing; licencing;	<ul style="list-style-type: none"> • Council governance • Council funded • Operations delivered via contract 	Desktop	Low
Solid waste / refuse disposal / transfer station	<ul style="list-style-type: none"> • Council governance • Council funded • Operations delivered via publicly tendered contract 	Medium level analysis	Medium
Recycling	<ul style="list-style-type: none"> • Council governance • Council funded • Operations delivered via contract 	Medium level analysis	Medium
Social			
Heritage properties (incl. Melrose, Broadgreen, Isel)	<ul style="list-style-type: none"> • Council governance • Mixed funding (Council, Trust, Revenue) • Mixed delivery (Council, Trust) 	Desktop	Medium
Arts Fund	<ul style="list-style-type: none"> • Council governance • Council funded • Council delivered 	Desktop	Low

9. Service Level Reviews: Process, Criteria, Resourcing - Attachment 1 - A1445250 - Service level reviews table

Services	Current situation	Estimated scale of review	Estimated resource required
Community housing	<ul style="list-style-type: none"> • Council governance • Council funded • Operations via publicly tendered contract 	Medium level analysis Review of management contract completed	Medium
Festivals and events	<ul style="list-style-type: none"> • Council governance (Trust for Arts Festival from 2017) • Council funded and revenue • Mixed Council and via contract 	Desktop	Low
Administration of grants	<ul style="list-style-type: none"> • Council governance • Council funded • Council delivered 	Desktop	Low
Libraries	<ul style="list-style-type: none"> • Council governance • Council funded • Council delivered 	Desktop	Low
Community properties: incl public toilets, Civic House, library buildings, halls	<ul style="list-style-type: none"> • Council governance • Council funded • Operations delivered via contract 	Desktop	Low
Cemeteries	<ul style="list-style-type: none"> • Council governance • Council funded • Operations, Maintenance delivered via contracts with CTO 	Desktop	Low
Crematorium	<ul style="list-style-type: none"> • Council governance • Council funded • Operations, Maintenance delivered via contract with CTO 	Medium level analysis	Medium

Services	Current situation	Estimated scale of review	Estimated resource required
Motor camps	<ul style="list-style-type: none"> Council governance Council funded Operations, maintenance delivered via contracts, BY Council and through Trust 	Medium level analysis	Medium
Founders Park	<ul style="list-style-type: none"> Council governance Council funded plus revenue Council staffed 	Desktop	Low
Parks			
Sportsfields	<ul style="list-style-type: none"> Council governance Council funded and revenue Operations, Maintenance delivered via contracts with CTO 	Desktop	Low
Saxton Oval, Saxton Field, Pavilion	<ul style="list-style-type: none"> Shared governance and funding with TDC, and revenue Operations delivered via contracts 	Medium level analysis	Medium
Pools	<ul style="list-style-type: none"> Council governance Council funded Operations, Maintenance delivered via contracts 	Medium level analysis	Possible external resource
Marina	<ul style="list-style-type: none"> Council governance Funded via fees Operations, Maintenance delivered via publicly tendered contracts 	Medium level analysis	Draw on work of external resource already contracted
Parks (Horticulture, Neighbourhood, Landscape, Conservation, Foreshore, Esplanade) and Trees management	<ul style="list-style-type: none"> Council governance Council funded and revenue Operations, Maintenance delivered via contracts with CTO 	Desktop	Low

9. Service Level Reviews: Process, Criteria, Resourcing - Attachment 1 - A1445250 - Service level reviews table

Services	Current situation	Estimated scale of review	Estimated resource required
Trafalgar Centre (currently closed)	<ul style="list-style-type: none"> • Council governance • Council funded and revenue • Operations, Maintenance delivered via contracts 	Medium level analysis	Low
Natureland	Council owned land, leased to Natureland, Council provides grant	Desktop	Low
Golf Course	<ul style="list-style-type: none"> • Council governance • Council funded • Operations, Maintenance delivered via contracts 	Medium level analysis	Medium
Corporate			
Commercial property portfolio	<ul style="list-style-type: none"> • Council governance • Council funding (revenue generating) • Council delivered 	Medium level analysis	High
Forestry	<ul style="list-style-type: none"> • Council governance • Revenue generating • Delivered via contract 	Medium level analysis	Medium
Strategy and Planning (Policy and Planning)	<ul style="list-style-type: none"> • Council governance • Council funded • Council delivered 	Desktop	Low
Corporate Services (i.e. Debt Collection, IT, HR, Customer Service, Administration, Communications, Legal, GIS services)	<ul style="list-style-type: none"> • Council governance • Council funded • Council delivered 	Desktop	Low

Services	Current situation	Estimated scale of review	Estimated resource required
Other			
Port Nelson	Company: 50/50 shareholding with TDC	Desktop	Low
Nelmac	CCTO	Desktop	Low
Nelson Airport	CCTO: 50/50 shareholding with TDC	Desktop	Low
Suter Trust	CCO	Desktop	Low
Stoke Heights (Ridgeways) Joint Venture	CCTO: 50/50 shareholding with Homedale Holdings Ltd	Desktop	Low
Tasman Bays Heritage Trust and Nelson Museum	CCO joint with TDC	Desktop	Low
Nelson Tasman Tourism Ltd	CCTO	Desktop	Low
EDA	CCO	Desktop	Low

ⁱ The timeframe for having reviews completed under s17A is by August 2017. Reviews will be appropriately staged between now and the deadline. In some instances, discussions relating to a service are in train. Desktop analysis is where it is likely that the information needed is readily available, medium level analysis will require some resource to acquire new data, undertake research and seek other inputs.

ⁱⁱ Estimated Resource relates to both the time requirement needed for the review and whether or not external advice/resource is needed. This has been based upon whether there are known to be options for alternative delivery, the level of community interest anticipated, changes to government legislation/approach etc.

- "Low" refers to a limited scale of service review being undertaken, involving one or two staff, and completed within a short timeframe;
- "Medium" may involve a wider project team from within Council with a more in-depth level of analysis;
- "High" may involve significant analysis of a service, considerable time spent by officers, and potentially the use of external expertise to either undertake the review or to provide technical advice.

ⁱⁱⁱ There are examples of some Councils, including Auckland and Wellington, that have formed joint operations for the delivery of water services. While NCC has had discussions at a regional level with TDC about regional water services, and are to continue these discussions, any wider review of the delivery of water services would likely take place post August 2017.

Minutes of a meeting of the Commercial Subcommittee

Held in Ruma Mārama, Level 2A, Civic House, 110 Trafalgar Street, Nelson

On Wednesday 14 October 2015, commencing at 9.04am

Present: Mr J Murray (Chairperson), Her Worship the Mayor R Reese, Councillors L Acland and G Noonan, and Mr J Peters

In Attendance: Councillors B McGurk, I Barker, and P Matheson, Chief Executive (C Hadley), Group Manager Infrastructure (A Louverdis), Group Manager Corporate Services (N Harrison), and Administration Adviser (G Brown)

Apology: Councillor Noonan for lateness

1. Apology

Resolved COM/2015/021

THAT an apology be received and accepted from Councillor Noonan for lateness.

Murray/Acland

Carried

2. Confirmation of Order of Business

There was no change to the order of business.

3. Interests

There were no updates to the Interests Register, and no interests with items on the agenda were declared.

4. Public Forum

There was no public forum.

5. Confirmation of Minutes

5.1 10 September 2015

Document number M1460, agenda pages 5 - 7 refer.

Attendance: Councillor Noonan joined the meeting at 9.06am.

Resolved COM/2015/022

THAT the minutes of the meeting of the Commercial Subcommittee, held on 10 September 2015, be confirmed as a true and correct record.

Noonan/Murray

Carried

6. Chairperson's Report

There was no Chairperson's Report.

7. Exclusion of the Public

Resolved COM/2015/023

THAT the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Noonan/Acland

Carried

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Commercial Subcommittee Meeting Minutes- Public Excluded - 10 September 2015	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7.	The withholding of the information is necessary: <ul style="list-style-type: none">• Section 7(2)(h) To enable the local authority to carry out, without prejudice or disadvantage, commercial activities.
2	Property Asset Review - Three Precincts Workshop Terms	Section 48(1)(a) The public conduct of this matter would be	The withholding of the information is necessary: <ul style="list-style-type: none">• Section 7(2)(h) To enable the local

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
	of Reference	likely to result in disclosure of information for which good reason exists under section 7	authority to carry out, without prejudice or disadvantage, commercial activities <ul style="list-style-type: none"> Section 7(2)(j) To prevent the disclosure or use of official information for improper gain or improper advantage
3	Stoke Strategic Land Purchase	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> Section 7(2)(b)(ii) To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information

The meeting went into public excluded session at 9.07am and resumed in public session at 9.36am.

8. Re-admittance of the Public

Resolved COM/2015/024

THAT the public be re-admitted to the meeting.

Acland/Peters

Carried

There being no further business the meeting ended at 9.36pm.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

Minutes of a meeting of the Audit, Risk and Finance Subcommittee

Held in Ruma Mārama, Level 2A, Civic House, 110 Trafalgar Street, Nelson

On Wednesday 14 October 2015, commencing at 9.42am

Present: Mr J Peters (Chairperson), Her Worship the Mayor R Reese, Councillors I Barker and B McGurk, and Mr J Murray

In Attendance: Councillors L Acland, P Matheson, and G Noonan, Chief Executive (C Hadley), Group Manager Infrastructure (A Louverdis), Group Manager Corporate Services (N Harrison), and Administration Adviser (G Brown)

1. Apologies

There were no apologies.

2. Confirmation of Order of Business

There was no change to the order of business.

3. Interests

There were no updates to the Interests Register, and no interests with items on the agenda were declared.

4. Public Forum

Mr Kerry Neal read from tabled document A1444695 regarding Trafalgar Centre financing.

Attachments

- 1 A1444695 - Tabled Document - Kerry Neal - Trafalgar Centre Financing

5. Confirmation of Minutes

5.1 10 September 2015

Document number M1459, agenda pages 6 - 11 refer.

Resolved AUD/2015/041

THAT the minutes of the meeting of the Audit, Risk and Finance Subcommittee, held on 10 September 2015, be confirmed as a true and correct record.

Murray/Barker

Carried

6. Status Report - Status Report - 14 October 2015

Document number R4982, agenda pages 12 - 13 refer.

Resolved AUD/2015/042

THAT the Status Report Audit, Risk and Finance Subcommittee 14 October 2015 (R4982) and its attachment (A1324298) be received.

Barker/McGurk

Carried

7. Chairperson's Report

The Chairperson said it was pleasing to see progress made in relation to new policies and the risk management framework which the Audit, Risk and Finance Subcommittee would be receiving at today's meeting.

8. Draft Asset Disposal Policy

Document number R4823, agenda pages 14 - 19 refer.

Group Manager Corporate Services, Nikki Harrison, presented the report.

There was agreement that the following changes would be incorporated in the draft Asset Disposal Policy:

- Clause 4.1 remove the term 'real property' and add 'and property' after the word Land
- Clause 7.1, remove 'a' and replace with 'the' third tier manager
- Add to clause 8.1 evidence and documents will be kept on file in relation to the statement 'examples of like items'
- Clause 8.2 reword 'items being disposed of on one day'
- Clause 8.6 broaden the definition of technology to include other confidential information

It was suggested that the removal of confidential information should be covered in a broad overarching policy.

There was a discussion around what triggers the disposal of an asset. The Chief Executive, Clare Hadley advised there were processes in place for the disposal of assets and that a disposal was approved at a senior level. She added that officers had input to whether the asset required disposal.

Resolved AUD/2015/043

THAT the report Draft Asset Disposal Policy (R4823) and its attachment (A1412442) be received.

Barker/McGurk

Carried

Recommendation to Governance Committee and Council AUD/2015/044

THAT the Draft Asset Disposal Policy (A1412442) with amendments be approved;

AND THAT the Delegations Manual is updated to reflect the delegations in the Asset Disposal Policy.

Barker/McGurk

Carried

9. Draft Risk Management Framework

Document number R4887, agenda pages 20 - 35 refer.

Group Manager Corporate Services, Nikki Harrison, presented the report.

There was agreement that the following changes would be incorporated into the draft Risk Management Framework:

- Section 6, add to 6.1 'The role of the Senior Leadership Team is to report to the Audit, Risk and Finance Subcommittee as set out below and in Table 1'
- Clause 9.3.2 add 'including an environmental scan'

Attendance: Her Worship the Mayor left the meeting from 10.21am to 10.23am.

Resolved AUD/2015/045

THAT the report Draft Risk Management Framework (R4887) and its attachment (A1431591) be received.

Peters/Barker

Carried

Recommendation to Governance Committee and Council AUD/2015/046

THAT the Draft Risk Management Framework (A1431591) with amendments be approved.

Peters/Barker

Carried

10. Corporate Report to 31 August 2015

Document number R4939, agenda pages 36 - 52 refer.

Group Manager Corporate Services, Nikki Harrison, presented the report.

In response to a question, Group Manager Infrastructure, Alec Louverdis, advised the projects included under the Parks and Active Recreation activity in attachment 3 included retaining walls, dredging and the Trafalgar Centre.

In response to a question, the Chief Executive, Clare Hadley referred to the Trafalgar Centre Reopening project in attachment 5, and explained the expenditure of \$644,000 was in relation to early project work and this was written off on advice from Audit New Zealand. This was not included in the current budget.

Mrs Hadley said the \$667,000 additional expenditure for the Trafalgar Centre was incorrectly recorded in the Consulting Engineer, Richard Kirby's, report to Council on 3 September 2015, but he verbally corrected this at the meeting.

It was agreed that the Audit, Risk and Finance Subcommittee was satisfied the increase in expenditure for the Trafalgar Centre was appropriately considered against the Significant and Engagement Policy and followed due process.

In response to a further question, Mrs Hadley advised the Rutherford Park development was not included as part of the Trafalgar Centre budget.

There was a discussion regarding further road closures in relation to the Brook Area Cycling and Walking Improvements. Mr Louverdis advised that any further road closures would be managed in discussion with the Communications Team, the residents and other stakeholder groups.

Resolved AUD/2015/047

THAT the report Corporate Report to 31 August 2015 (R4939) and its attachments (A1422506, A1432835, A793514, and A1436178) be received and the variations noted.

Murray/McGurk

Carried

Recommendation to Governance Committee and Council AUD/2015/048

THAT \$350,000 for the upgrade of the Civic House verandah be deferred until 2017/18;

AND THAT \$200,000 for the upgrade of the Hunter Furniture roof be deferred until 2016/17.

Murray/Barker

Carried

There being no further business the meeting ended at 11.15am.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date