

Minutes of a meeting of the Governance Committee

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

On Thursday 1 December 2016, commencing at 1.00pm

Present: Councillor I Barker (Chairperson), Her Worship the Mayor R Reese, Councillors M Courtney, B Dahlberg (Deputy Chairperson), P Matheson, G Noonan, M Rutledge, and T Skinner, Mr J Murray and Mr J Peters

In Attendance: Councillors B McGurk and S Walker, Chief Executive (C Hadley), Group Manager Community Services (C Ward), Group Manager Corporate Services (N Harrison), Group Manager Infrastructure (A Louverdis), Group Manager Strategy and Environment (C Barton), Senior Strategic Adviser (N McDonald), Manager Communications (P Shattock), Manager Administration (P Langley), Team Leader Administration Advisers (R Byrne), and Administration Adviser (S Burgess)

1. Apologies

There were no apologies.

2. Confirmation of Order of Business

The Chairperson advised that Item 10 (Health and Safety: Quarterly Report) and item 11 (Internal Audit Report to 30 September 2016) would be considered after item 7 (Sister City Report) to accommodate staff availability.

The Chairperson advised of one late item for the public part of the meeting, and that the following resolution needed to be passed for the items to be considered:

- 2.1 Nelson Events Strategy Funding Application South Island Masters Games 2017 (M2242)

Resolved GOV/2016/132

That the Committee

Considers the item regarding Nelson Events Strategy Funding Application South Island Masters Games 2017 at this meeting as a major item not on the agenda, pursuant to Section 46A(7)(a) of the Local Government Official Information and Meetings Act 1987, to enable a timely decision to be made.

Dahlberg/Rutledge

Carried

3. Interests

Deputy Mayor Matheson declared an interest in the late item Nelson Events Strategy Funding Application South Island Masters Games 2017.

4. Public Forum

There was no public forum.

5. Status Report - Governance Committee - 1 December 2016

Document number R6820, agenda pages 9 - 10 refer.

The Audit, Risk and Finance Subcommittee Status Report was tabled (A1324298)

It was requested that the report regarding options for the Theatre Royal Loan be prepared for the first meeting of the relevant committee in 2017.

Resolved GOV/2016/133

That the Committee

Receives the Status Report Governance Committee 1 December 2016 (R6820) and its attachment (A1160658), and the tabled Audit, Risk and Finance Subcommittee Status Report (A1324298).

Noonan/Courtney

Carried

Attachments

1 A1324298 - Status Report - Audit, Risk and Finance Subcommittee

6. Chairperson's Report

The Chairperson tabled and presented his Chairperson's Report (A1671957).

The Committee acknowledged the achievement of Council retaining an AA credit rating with Standard and Poor's, and thanked senior officers for their efforts.

Resolved GOV/2016/134

That the Committee

Receives the Chairperson's Report (A1671957).

Barker/Dahlberg

Carried

GOVERNANCE

7. Sister City Report

Gail Collingwood, Sister City Coordinator, tabled her report to the Committee (A1670966). She highlighted key activities and responded to questions regarding China Week 2016.

The Committee noted the strength of Council's Sister City relationships.

Resolved GOV/2016/135

That the Committee

Receives the report from the Sister Cities Coordinator (A1670966)

Matheson/Dahlberg

Carried

Attachments

1 A1670966 - Nelson City Council Sister Cities Coordinator Report

8. Health and Safety: Quarterly Report

Document number R6491, agenda pages 89 - 119 refer.

Manager Organisational Assurance and Emergency Management, Roger Ball, presented the report. He provided an update on health and safety activities in October and November 2016.

Mr Ball responded to questions regarding site visits, reporting on actions under the Health and Safety Management System Governance Charter, health and safety training for newly elected members, contractor

reporting, and whether health and safety reporting needed to be enhanced to meet elected member obligations under legislation.

Mr Ball responded to further questions regarding the definition of 'director' in reference to annual self-assessments, the process of building assessments, and seasonality of incident reporting.

Resolved GOV/2016/136

That the Committee

Receives the report Health and Safety Quarterly Report (R6491) and its attachments (A1394804 and A1651702).

Dahlberg/Skinner

Carried

It was requested that newly elected members be provided information by the end of 2016 regarding their health and safety obligations under legislation. It was also requested that a written engineering report regarding Civic House post the Kaikoura earthquake be provided to the Committee by the end of 2016.

Recommendation to Council GOV/2016/137

That the Council

Notes the report Health and Safety Quarterly Report (R6491) and its attachments (A1394804 and A1651702).

Dahlberg/Skinner

Carried

9. Internal Audit Report to 30 September 2016

Document number R6660, agenda pages 120 - 130 refer.

Manager Organisational Assurance and Emergency Management, Roger Ball, presented the report.

Mr Ball responded to questions regarding external resource and prioritisation of internal audit reviews. He noted the challenge in ensuring reviews were carried out by people with expertise who held no conflict of interest.

Officers responded to questions regarding the fixed asset review process and the community grants process review.

Resolved GOV/2016/138

That the Committee

Receives the report Internal Audit Report to 30 September 2016 (R6660) and its attachment (A1642257); and

Notes internal audit findings and recommendations in the table summarising Internal Audit activity to 30 September 2016 (A1642257).

Murray/Courtney

Carried

Councillor Dahlberg, seconded by Councillor Skinner, moved the recommendation to Council in the officer report.

It was suggested that internal audit requirements were deeper and broader than audits by Audit New Zealand, and that Council should take care to discharge its responsibilities in this area. It was noted that Audit New Zealand would undertake a review of the Liability Management Policy and the Investment Policy at a level to suit its objective needs, and as Council's needs were likely different, Council should undertake its own review of these policies.

Group Manager Corporate Services, Nikki Harrison, explained that there would be reasonable duplication of work between the internal and external audits of the Liability Management Policy and the Investment Policy.

Her Worship the Mayor, seconded by Mr Murray, proposed an amendment:

Recommendation to Council

That the Council

Approves that the Internal Audit Plan to 30 June 2017 (A1562649) be amended to defer internal audits for the Liability Management Policy and the Investment Policy to 2017/18, and prioritise Business Continuity Planning.

The amendment was put and carried, and became the substantive motion.

Recommendation to Council GOV/2016/139

That the Council

Approves that the Internal Audit Plan to 30 June 2017 (A1562649) be amended to defer internal audits for the Liability Management Policy and the Investment Policy to 2017/18, and prioritise Business Continuity Planning.

Dahlberg/Skinner

Carried

10. Service Delivery Review Quarterly Update

Document number R6482, agenda pages 11 - 46 refer.

Policy Adviser, Gabrielle Thorpe, presented the report.

Officers responded to questions regarding the contracts for community facilities, and the potential that the statutory deadline of 8 August 2017 might not be met.

Senior Strategic Adviser, Nicky McDonald, clarified that earlier discussions with Council had indicated officers should work towards the deadline within existing resources but recognised that other tasks may take precedence.

While the Committee acknowledged the staff position, the Committee did not endorse not meeting the deadline due to lack of resources.

Resolved GOV/2016/140

That the Committee

Receives the report Service Delivery Review Quarterly Update (R6482) and its attachments (A1653452, A1653316, A1657534, A1608744, A1653640, A1654605, A1657532, A1665363, and A1665280); and

Notes the update on progress to achieving the statutory deadline of August 2017.

Courtney/Noonan

Carried

11. 2016 Residents Survey

Document number R6720, agenda pages 47 - 88 refer.

Strategy and Environment Analyst, Brylee Wayman, presented the report.

Officers responded to questions regarding sample sizes and reliability of statistics, survey responses to being 'informed by Council and its services', and the actions they were taking to engage the under 40 years age group. It was noted that focus groups could provide more detail regarding areas of importance. Officers advised that alternative means of engaging with the community would be undertaken for the 2017 Residents Survey.

Resolved GOV/2016/141

That the Committee

Receives the report 2016 Residents Survey (R6720) and its attachment (A1580658); and

Notes the release of the 2016 Residents Survey results.

Her Worship the Mayor/Noonan

Carried

12. Council's Key Organisational Risks: Progress Report

Document number R6681, agenda pages 131 - 148 refer.

Risk and Procurement Analyst, Steve Vaughan, presented the report.

Mr Vaughan responded to questions regarding the officer conflicts of interest policy, the Report It Now service, templates for contracts, management of contractors, and Council's Procurement Policy.

Attendance: Councillor Rutledge left the meeting from 3.13pm to 3.15pm.

Committee members asked further questions regarding the risk management policy, customer aggression, the privacy officer appointment, and the risk rating for 'Breach of Privacy of Personal Information Affects Council's Reputation'.

Resolved GOV/2016/142

That the Committee

Receives the report Council's Key Organisational Risks: Progress Report (R6681) and its attachment (A1639927).

Rutledge/Murray

Carried

Attendance: Her Worship the Mayor left the meeting at 3.24pm.

FINANCE

13. Corporate Report to 30 September 2016

Document number R6813, agenda pages 149 - 163 refer.

Senior Accountant, Tracey Hughes, presented the report. She noted that the commissioning of the Corder Park Sewer Pump Station Upgrade was not quite complete (pg 161), and the Capital Revenue arrow (page 153) should have been marked green.

Attendance: Her Worship the Mayor returned to the meeting at 3.25pm.

Officers responded to questions regarding debtors, recent recommendations to Council from the Works and Infrastructure Committee, the marina dredging resource consent, Days Track, the Saxton Velodrome, and how jointly funded projects were reported to, and from, Tasman District Council.

It was asked that in future the Major Projects Summary reports showed further detail regarding amendments to milestone dates and whether they had been confirmed by the relevant Committee or Council, as well as showing the final overall project completion date.

Resolved GOV/2016/143

That the Committee

Receives the report Corporate Report to 30 September 2016 (R6813) and its attachments (A1655647 and A1651321).

Murray/Peters

Carried

Attendance: Deputy Mayor Matheson declared an interest and left the meeting at 3.55pm.

14. Nelson Events Strategy Funding Application South Island Masters Games 2017

Document number R6858, late items agenda pages 2 - 27 refer.

Senior Strategic Adviser, Nicky McDonald, introduced Nelson Regional Development Agency Chief Executive, Mark Rawson, who presented the report in his role as Chair of the Event Management Committee.

Attendance: Councillor Skinner left the meeting at 3.58pm.

Mr Rawson highlighted that the South Island Masters Games was a stepping stone to the World Masters Games. In response to a question, it was clarified that the right to hold the event was granted for two events at a time, before being re-bid.

The Committee asked questions about whether Tasman District Council or other organisations would be providing funding towards the event. Mr Rawson explained that this was not part of the criteria that the event was assessed against.

Attendance: The meeting adjourned from 4.03pm to 4.05pm.

Mr Rawson responded to questions regarding how Council would be recognised as a sponsor of the event. It was suggested that the contract should list the ways in which Council would be acknowledged as a sponsor.

It was suggested that a lower level of funding for the event could be approved.

The Committee further discussed funding from other organisations and the types of return that Council should expect for its sponsorship.

Resolved GOV/2016/144

That the Committee

Receives the report Nelson Events Strategy Funding Application South Island Masters Games 2017 (R6858) and its attachments (A1671467, A1671474 and A1671477).

Her Worship the Mayor/Barker

Carried

It was suggested that the matter be referred to Council, and that Council needed to clearly determine its expectations when the matter was considered.

Resolved GOV/2016/145

That the Committee

Refers the item Nelson Events Strategy Funding Application South Island Masters Games 2017 (R6858) to Council for consideration at its meeting on 15 December 2016.

Noonan/Courtney

Carried

15. Exclusion of the Public

It was noted that that Rob Gunn, Lee Babe, and Robyn Curran of Nelmac Limited would be in attendance for Item 3 of the Public Excluded agenda to present and answer questions and, accordingly, the following resolution was required to be passed:

Resolved GOV/2016/146

That the Committee

Confirms, in accordance with section 48(5) of the Local Government Official Information and Meetings Act 1987, that Rob Gunn, Lee Babe, and Robyn Curran remain after the public has been excluded, for Item 3 of the Public Excluded agenda (Nelmac Presentation on Strategic Direction), as they have knowledge that will assist the Council;

Notes, in accordance with section 48(6) of the Local Government Official Information and Meetings Act 1987, the knowledge that Rob Gunn, Lee Babe, and Robyn Curran possess relates to Nelmac Limited.

Noonan/Dahlberg

Carried

Resolved GOV/2016/147

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/Courtney

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	Nelmac Presentation on Strategic Direction	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

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 <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)
2	Nelmac Ltd - matters for Statement of Expectation 2017/18	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)
3	Bishop Suter Trust - Statement of Expectation 2017/18	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	Nelson Regional Development Agency - Statement of Expectation 2017/18	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)
5	Process For Awarding Contracts for Council Festivals and Events	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which	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

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
		good reason exists under section 7	
6	Commercial Lease - Reliance Building	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 4.35pm and resumed in public session at 6.47pm.

16. Re-admittance of the Public

Resolved GOV/2016/148

That the Committee

Re-admits the public to the meeting.

Murray/Rutledge

Carried

There being no further business the meeting ended at 6.47pm.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date