



AGENDA

**Ordinary meeting of the
Commercial Subcommittee**

**Thursday 27 April 2017
Commencing at 1.00pm
Ruma Mārama
Floor 2A, Civic House
110 Trafalgar Street, Nelson**

Membership: Mr John Murray (Chairperson), Her Worship the Mayor Rachel Reese, Councillors Luke Acland, Ian Barker, and Mel Courtney, 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. Chairperson's Report

6. Forestry Advisory Group

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Document number R7509

Recommendation

That the Subcommittee

Receives the report Forestry Advisory Group (R7509) and its attachments (A1741123 and A1741119).

Recommendation to Council

That the Council

Establishes the Forestry Advisory Group; and

Approves the Terms of Reference for the Forestry Advisory Group (A1739267); and

Confirms the members of the Forestry Advisory Group are the Chair of the Commercial Subcommittee, Councillor Luke Acland, an independent external forestry expert (Mr Peter Gorman), and two Council officers of which one will be the Group Manager Infrastructure; and

Amends the Delegations Register to include the Forestry Advisory Group, as per the attached Delegations Register Amendment (A1741119).

PUBLIC EXCLUDED BUSINESS

7. Exclusion of the Public

Recommendation

That the Subcommittee

Excludes the public 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	Public Excluded Status Report - Commercial Subcommittee - 27 April 2017	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	Akersten Street – commercial tenancy	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)(h) To enable the local authority to carry out, without prejudice or

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	disadvantage, commercial activities
3	Haven Precinct Next Steps	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
4	Referred Report: Nelmac Limited draft Statement of Intent 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)

8. Re-admittance of the public

Recommendation

That the Subcommittee

Re-admits the public to the meeting.

Forestry Advisory Group

1. Purpose of Report

- 1.1 To approve the Terms of Reference and confirm the members of the Forestry Advisory Group (Group).

2. Recommendation

That the Subcommittee

Receives the report Forestry Advisory Group (R7509) and its attachments (A1741123 and A1741119).

Recommendation to Council

That the Council

Establishes the Forestry Advisory Group; and

Approves the Terms of Reference for the Forestry Advisory Group (A1739267); and

Confirms the members of the Forestry Advisory Group are the Chair of the Commercial Subcommittee, Councillor Luke Acland, an independent external forestry expert (Mr Peter Gorman), and two Council officers of which one will be the Group Manager Infrastructure; and

Amends the Delegations Register to include the Forestry Advisory Group, as per the attached Delegations Register Amendment (A1741119).

3. Background

- 3.1 Council commissioned a review of its production forests in 2016 and that report noted Council's involvement in forestry intersects with many of Council's activities, both regulatory and non-regulatory. Recommendations included that Council focus on a single species (pinus radiata), that it retire stands/part stands where it is not economic or not appropriate to continue with forestry, replanting buffer zones and

consider alternate uses for those stands that are not to be considered as harvestable forest.

- 3.2 On 4 August 2016, the Commercial Subcommittee recommended 15 recommendations to the Governance Committee and to Council.

Adopt the 15 recommendations set out in attachment 2 (A1590754) (noting the change from a forestry governance committee to a forestry advisory group reporting to the Commercial Subcommittee or its successor) with respect to the forestry management.

- 3.3 The above-mentioned recommendations include as recommendation number 15, the following:

Agrees to establish a Forestry Governance Committee reporting to the [Commercial sub-committee], comprising 2 Councillors, 2 staff members, and an external forestry expert; with delegated authority to approve forestry and harvesting management strategy and plans, engage contractors, approve budgets and decide any other matters relating to commercial forestry operations.

- 3.4 These recommendations were adopted by the Governance Committee on 25 August 2016 and by Council on 8 September 2017.

- 3.5 The Commercial Subcommittee was established as a subcommittee to the Governance Committee on 27 October 2016, however no delegations were approved at this time. On 23 March 2017 the commercial subcommittee was re-constituted as a subcommittee of Council and the committee's delegations were set – this now includes forestry.

4. Discussion

- 4.1 The next steps are the establishment of the Group, approval of the Terms of Reference and confirmation of the members of the Group.

- 4.2 The purpose of the Group is to maintain oversight of and to make decisions relating to the forestry activity.

- 4.3 Council resolved in September 2016 that the Group would include two councillors. However, as the forestry activity falls within the Commercial Subcommittee's area of responsibility, the Chair of the Commercial Subcommittee, Mr John Murray, is now proposed as a member of the Group.

- 4.4 The Group will comprise the Chair of the Commercial Subcommittee (Mr John Murray), Councillor Luke Acland, an independent external forestry expert (currently Mr Peter Gorman) and two Council officers of which one will be the Group Manager Infrastructure.

- 4.5 Draft Terms of Reference for the Group have been prepared and are attached to this report (Attachment 1).

- 4.6 The draft Delegations Register Amendment is as per Attachment 2.

5. Options

5.1 The preferred option is to establish the Group, adopt the Terms of Reference and confirm the members of the Group; the alternative option is to decline to take these steps.

Option 1 (Preferred): Establish the Group, approve the Terms of Reference and confirm the members	
Advantages	<ul style="list-style-type: none">• Opportunity for effective oversight and decision-making in relation to the forestry activity.
Risks and Disadvantages	<ul style="list-style-type: none">• None known
Option 2: Status quo	
Advantages	<ul style="list-style-type: none">• Resourcing involved in operating the group would not be required.
Risks and Disadvantages	<ul style="list-style-type: none">• The forestry activity continues without the benefit of the Group's involvement.

Alec Louverdis
Group Manager Infrastructure

Attachments

Attachment 1: A1741123 - Draft Terms of Reference [↓](#)

Attachment 2: A1741119 DRAFT Delegations Register Amendment - Forestry Advisory Group [↓](#)

Important considerations for decision making	
1. Fit with Purpose of Local Government	This decision will support the effective and efficient management of Council's production forest to maximise returns to the ratepayers.
2. Consistency with Community Outcomes and Council Policy	The recommendation aligns with the following Community Outcomes: <ul style="list-style-type: none"> - Our Council provides leadership and fosters partnerships, a regional perspective and community engagement - Our region is supported by an innovative and sustainable economy
3. Risk	The establishment of the Group will reduce risk to Council.
4. Financial impact	The establishment of the Group will result in a small administrative cost which can be met through existing resourcing.
5. Degree of significance and level of engagement	This matter is of low significance.
6. Inclusion of Māori in the decision making process	Māori have not specifically been consulted on this report.
7. Delegations	The Commercial Subcommittee is responsible for making recommendations to Council in relation to the forestry activity.

Forestry Advisory Group Draft Terms of Reference

1. Purpose

The formation of the Forestry Advisory Group (Group) was agreed as part of the Forestry Review approved by the Commercial Sub-committee on the 4 August 2016, Governance Committee on the 25 August 2016 and Council on the 8 September 2016.

The Terms of Reference were agreed by the Commercial sub-committee on the xxxx 2017 and by Council on the xxxx 2017.

The purpose of the Group is to maintain oversight and to make decisions relating to the forestry activity.

2. Membership

The Group comprises the Chair of the Commercial Sub-committee (Mr John Murray), Councillor Acland, two Council officers of which one will be the Group Manager Infrastructure and an independent external forestry expert (currently Mr Peter Gorman).

The Group will meet every 3 months (or more or less frequently if required). The chair will be the Chair of the Commercial Sub-committee.

3. Quorum

A quorum for any meeting will be 3, including both the Chair of the Commercial Sub-committee and Councillor Acland.

4. Areas of Responsibility

The Group's areas of responsibilities are to maintain oversight of all matters relating to the commercial forestry operational portfolio including environmental issues.

All media releases will come from the Chair who will liaise with Council's Communications team as required.

A1739267

5. Powers to decide

This Group has powers to:

1. In accordance with Council's Annual Plan and Long Term Plan:
 - a. Approve forestry and harvesting management strategy and plans;
 - b. Approve the engagement of contractors/consultants and forestry tenders;
 - c. Approve forestry related budgets;
 - d. Decide on any matters relating to continuing commercial forestry operations.

6. Powers to recommend

Powers to recommend will include any actions relating to the oversight of all matters relating to the commercial forestry portfolio, falling outside the powers to decide. All minutes will be reported to the Commercial Sub-committee.

7. Role of staff

Officers and the independent forestry expert will provide technical and financial expertise and an update of project risks.

All meetings and decisions will be minuted.

8. Conflicts of Interest

Conflicts of interest shall be declared at the start of meetings.

9. Reporting

The provisions of the Local Government Official Information and Meetings Act 1987 (Part 7) applies to meetings of the Forestry Advisory Group.

10. Review Period

The Advisory Group will be reviewed every 5 years.

A1739267

DRAFT Delegations Register Amendment

1.0 Commercial Subcommittee

1.1 This is a subcommittee of Council

1.1.1 Areas of Responsibility

Strategic governance, advice and direction to ensure the maximisation of Council's property portfolio (i.e. property not held to support core functions) and forestry (all matters relating to commercial forestry operational portfolio are delegated to the Forestry Advisory Group).

Ensuring that operational strategies and the capital works programme within the property portfolio support the return on investment targets

Identifying and mitigating financial and operational risk for the property portfolio

Developing, implementing and monitoring Council Policy in relation to the property portfolio

Budget establishment, forecasting and proactive management of tenants

1.1.2 Powers to Decide

None

1.1.3 Powers to Recommend to Council

Any matters within the areas of responsibility or such other matters referred to it by the Council

2.0 Forestry Advisory Group

2.1 This is a subordinate decision making body of the Commercial Subcommittee

2.1.1 Areas of Responsibility:

All matters relating to the commercial forestry operational portfolio including environmental issues.

2.1.2 Powers to Decide:

In accordance with Council's Annual Plan and Long Term Plan:

- Approval of forestry and harvesting management strategy and plans;
- Approval of the engagement of contractors/consultants and forestry tenders;
- Approve forestry related budgets;
- Decisions on any matters relating to continuing commercial forestry operations.

2.1.3 Powers to Recommend to Commercial Subcommittee:

Any actions relating to the oversight of all matters relating to the commercial forestry portfolio, falling outside the powers to decide.

A1741119