

STAFF REPORT

TO: Mayor and Councillors
FROM: Corporate Services Manager
DATE: 23 June 2009
SUBJECT: **Combined Shareholders Group – Terms of Reference**

Purpose

To consider establishing a formal joint committee with Nelson City Council for matters relating to joint council-controlled organisations. These organisations are specifically Port Nelson Ltd, Nelson Airport Ltd, Tourism Nelson Tasman Ltd, Tasman Bays Heritage Trust and the Nelson Regional Sewerage Business Unit.

Background

Council currently has a combined shareholders group (the group) which comprises the Mayor, Deputy Mayor, Corporate Services Chairman, Chief Executive Officer and Corporate Services Manager. This group was set up some years ago but was never formally established by resolution of Council. The group is an important interface between council-controlled organisations and Council, and has worked successfully throughout this time.

This matter was formally discussed at the group's March 2009 meeting and the following resolution was passed:

THAT the Combined Shareholders Group be formally constituted as a joint committee of both NCC and TDC;

THAT membership of this committee comprise three elected members from NCC and TDC including Mayor, Deputy Mayor and another Councillor (or their alternates);

THAT the Terms of Reference be:-

***To ensure statements of corporate intent and business plans are prepared and the contents approved in principle by the committee before being recommended to both Councils for formal approval;
To negotiate council funding matters pertaining to jointly-owned CCOs and joint ventures with a view to formulating a joint recommendation to both Councils to enable formal decision making;***

To discuss any other matters that relate to each Council's joint shareholding

Specific delegations to appointees:-

Power to represent each Council in all matters relating to shareholder interest in the jointly owned CCOs and joint venture.

Power to establish the list of potential directors/trustees for Council-owned organisations and joint ventures, add or remove names to maintain a pool of suitably qualified candidates and to agree recommendations for appointments by both Councils.

Kerry Marshall/Richard Kempthorne Carried

Discussion

It is now intended that this group be formally constituted by resolution. As a joint committee cannot include staff the membership would comprise Mayor, Deputy Mayor and Corporate Services Chairman or their alternates. In the case of Tasman District Council, as long as the Deputy Mayor and Chair of Corporate Services Committee are the same person, the membership will include the Deputy Chair of Corporate Services.

Nelson City Council, prior to this report being prepared, passed the resolution attached to this report, with the exception of the following two clauses:

- d) Power to represent each Council in all matters relating to shareholder interest in the jointly owned CCOs and joint ventures;
- e) To discuss any other matters that relate to each Council's joint shareholding.

Tasman District Council staff are of the view these two clauses should be added into the terms of reference as they were part of the original resolution accepted by the group. Enquiries of Nelson City Council staff indicate that they are in agreement to altering their resolution to add these two clauses and as a result both these clauses have been added to this report.

Nelson City Council staff have also added in additional clauses on "procedures" a) to c) which add clarity to the process. Additionally "procedures d) and e) have been added by Tasman District Council staff.

Consultation

As this is a governance issue between the two councils, no consultation has been undertaken or is proposed.

Significance of Decision

The decision is not considered significant, but is to formalise an existing situation and facilitate joint decision-making.

Options

There are two options in relation to the control which Council exercises in respect of these CCOs.

Option 1

Have the organisations report to the respective standing committees of each Council, which in the case of Tasman District Council would be the Corporate Services Committee.

The advantage of this would be to remove the need for a joint committee, however the disadvantage would be that the two councils could be making decisions in isolation and it could take longer to reach consensus.

Option 2

This option would be to formally establish a Joint Committee with Nelson City Council and provide this Committee with the power to carry out a substantial part of the work required before reporting to the two Councils.

The advantage of this would be that any decisions would have input from both councils during the preliminary stages when the initial discussions and negotiations with the organisations would be carried out. The disadvantages would be that unless meaningful delegations were provided the work at the Joint Committee level could end up being duplicated at Council.

Staff Recommendation

Staff recommend that a Joint Committee be established and that its delegations be wide enough to ensure that its decisions are not re-litigated at Council level.

Recommendation

That a Joint Committee of the Nelson City and Tasman District Councils be set up under the following parameters:

- i) To negotiate and develop recommendations to the two Councils in respect of all statutory requirements and funding proposals pertaining to the jointly owned Council Controlled Organisations and joint ventures, namely: Port Nelson Ltd, Nelson Airport Ltd, Tourism Nelson Tasman Ltd, Tasman Bays Heritage Trust and the Nelson Regional Sewerage Business Unit.**
- ii) Delegations:**
 - a. Power to review and negotiate amendments to the Statements of Corporate Intent and Business Plans relating to the jointly owned Council controlled organisations and joint ventures, and to recommend the adoption by the Council of such documents.**

- b. Power to add to or remove names from the list of potential directors/trustees for Council Controlled Organisations.**
- c. Power to recommend persons for appointment to the position of Director/Trustee of jointly owned Council controlled organisations.**
- d. Power to represent each Council in all matters relating to shareholders interest in the jointly owned Council controlled organisations and joint ventures.**
- e. To discuss any other matters that relate to each Council's joint shareholding.**

iii) Membership:

- a. Membership of the Joint Committee shall consist of the Mayor, the Deputy Mayor, and the Chairman of the Corporate Services Committee, or their alternates. That the membership of the group include the deputy chair of Corporate Services Committee for as long as the chair of the Corporate Services Committee is also the deputy mayor.**

iv) Procedure:

- a. No matter shall be referred from the Committee to the two Councils unless the vote at the Committee is carried by not less than two members from each Council.**
- b. Any matter referred from the Committee, if not adopted as recommended by the Committee, shall be referred back to the Committee for further consideration.**
- c. Any matter referred from the Committee, which is adopted by the Council, shall carry the rider that it shall be subject to adoption by the Nelson City Council and if not also adopted by that Council, shall be referred back to the Committee.**
- d. Standing Orders to be applied at each meeting shall be Model Standing Orders NZS 9202:2003.**
- e. The Chairperson shall alternate on a per meeting basis, between both councils and the Chairperson shall not have a casting vote.**

Murray Staite
Corporate Services Manager