

Minutes of a meeting of the Governance Committee

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

On Thursday 28 November 2013, commencing at 1.03pm

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

In Attendance: Councillor M Lawrey, Chief Executive (C Hadley), Chief Financial Officer (N Harrison), Acting Group Manager Strategy and Environment (N McDonald), Group Manager Support Services/Acting Group Manager Community Services (H Kettlewell), Group Manager Infrastructure (A Louverdis), Kaihautū/Acting Manager Community Partnerships (G Mullen) Manager Administration (P Langley), Administration Adviser (E-J Ruthven), and Youth Councillors (S Stephens and C Rumsey)

Apologies: Councillor P Rainey, and Councillor E Davy (for lateness)

1. Interests

There were no updates to the Interests Register, and no conflicts of interest with any agenda items were declared.

2. Confirmation of Order of Business

There was no change to the order of business

Attendance: Her Worship the Mayor and Councillor Noonan joined the meeting at 1.06pm.

3. Public Forum

3.1 Video in Council Chamber

Graeme O'Brien requested that a video link be installed in the Council Chamber, to allow people who were unable to attend Council meetings to view proceedings at a later time. He said that videos of Council meetings could then be uploaded to the Council website.

Mr O'Brien said that the benefits to be gained with regards to transparency around Council activities outweighed the cost of installing video link in the Council Chamber.

In response to questions, Mr O'Brien suggested that there would be a high level of interest from all sectors of the community in viewing videos of Council meetings.

4. Apologies

Resolved

THAT apologies be received and accepted from Councillor Rainey; from Councillor Davy for lateness; and from Councillor Fulton for early departure.

McGurk/Noonan

Carried

5. Chairperson's Report

The Chairperson spoke about the important role that the Governance Committee played in providing financial oversight for the city.

GOVERNANCE

6. Psychoactive Substances – Draft Local Approved Products Policy

Document number A1103811, agenda pages 6-21 refer.

Acting Executive Manager Strategy and Environment, Nicky McDonald, presented the report. She explained that paragraph 3.1 of the draft Policy should be amended to clarify that the central city zone was the 'Nelson Inner City Zone', as defined in the Nelson Resource Management Plan.

Ms McDonald explained the scheme of the Psychoactive Substances Act 2013, which allowed local authorities to develop policies regarding where psychoactive substances could be sold. She said that, if Council were minded to have a local policy, it should be in place prior to central Government regulations being released in approximately March 2014.

In response to questions, Ms McDonald explained that it was likely that anyone applying for a licence to sell psychoactive substances would also need to apply for a resource consent. However, she said that a resource consent would not necessarily be declined on the basis of 'sensitive sites', such as schools, being in the nearby vicinity.

Councillors discussed whether to develop a local policy, and if so, whether to exclude Stoke Town Centre as a location for retail outlets.

Some concern was noted that the proposed period of consultation would have to run through the summer holiday period in order for the policy to be in place prior to the central government regulations being released.

A discussion followed regarding whether it was preferable to wait for central Government regulations to be released, rather than develop a local policy now. During this discussion, councillors considered the extent of the risk posed by the prospect that the Ministry of Health may approve further licenses to sell psychoactive substances in the absence of a local policy.

Councillor Fulton, seconded by her Worship the Mayor, moved

THAT the report Psychoactive Substances - Draft Local Approved Products Policy (A1103811) and its attachments (A375102, A375469 and A662745) be received;

AND THAT the Statement of Proposal be approved and advertised for consultation in accordance with section 83 of the Local Government Act 2002, with the following amendments to the Statement of Proposal and draft Policy:

- *remove Stoke Town Centre as a location for retail outlets; and*
- *clarification of the "Inner City Zone" within the Nelson Resource Management Plan;*

AND THAT the consultation period runs from 3 December 2013 to 20 January 2014;

AND THAT the hearings and deliberations on the Draft Local Approved Products Policy be carried out by the Planning and Regulatory Committee, with a recommendation made to Council for a final decision.

Attendance: Councillor Lawrey departed the meeting 1.44pm.

Councillor Acland, seconded by Councillor Matheson moved an amendment

THAT the report Psychoactive Substances - Draft Local Approved Products Policy (A1103811) and its attachments (A375102, A375469 and A662745) be received;

AND THAT the Council wait until regulations are issued under the Psychoactive Substances Act 2013 and then review whether to have a Local Approved Products Policy.

Councillors discussed the amendment. During discussion, councillors acknowledged the difficulty in developing a local policy prior to central Government regulations being released, but balanced this against the strong community support for limiting the sale and use of psychoactive substances.

The amendment was put and lost. The meeting returned to consider the original motion.

Resolved

THAT the report Psychoactive Substances - Draft Local Approved Products Policy (A1103811) and its attachments (A375102, A375469 and A662745) be received;

AND THAT the Statement of Proposal be approved and advertised for consultation in accordance with section 83 of the Local Government Act 2002, with the following amendments to the Statement of Proposal and draft Policy:

- ***remove Stoke Town Centre as a location for retail outlets; and***
- ***clarification of the "Inner City Zone" within the Nelson Resource Management Plan;***

AND THAT the consultation period runs from 3 December 2013 to 20 January 2014;

AND THAT the hearings and deliberations on the Draft Local Approved Products Policy be carried out by the Planning and Regulatory Committee, with a recommendation made to Council for a final decision.

Fulton/Her Worship the Mayor

Carried

Councillors noted their disappointment that local authorities were unable to ban psychoactive substances entirely.

Resolved

THAT a letter be written to the Government, expressing the Committee's disappointment that the Psychoactive Substances Act 2013 did not include an option for local authorities to ban psychoactive substances in their entirety.

Matheson/Noonan

Carried

7. Participation in Gigatown Competition

Document number A1102924, agenda pages 22-27 refer.

Group Manager Support Services, Hugh Kettlewell, presented the report.

In response to a question, he clarified that the officer recommendation did not prevent Council from participating in the competition, but rather recommended that Council should not lead such an effort.

Resolved

THAT the report Participation in Gigatown competition (A1102924) be received.

Fulton/Acland

Carried

Recommendation to Council

THAT Council does not agree to lead an effort to participate in the Gigatown competition.

Fulton/Acland

Carried

FINANCE

8. Finance Report for the Period Ending 30 September 2013

Document number A484035, agenda pages 28-48 refer.

Chief Financial Officer, Nikki Harrison, presented the report.

Attendance: Her Worship the Mayor departed the meeting at 2.15pm, and Councillor Davy joined the meeting at 2.17pm.

In response to questions, Ms Harrison explained the costs related to remediating damage caused in recent flood events, and outlined the reasons for proposing that the Events Contestable Fund be held by Council until such time that the Economic Development Agency required it for funding for events.

Attendance: Councillor Fulton departed the meeting at 2.25pm.

In response to questions, Ms Harrison explained the graph detailing budgeted and actual capital expenditure. She said that the actual figures reflected the fact that many tenders had recently been let and that invoices would shortly be expected for such work. She also noted that delays relating to the transfer of assets from the Theatre Royal and Nelson School of Music had resulted in lower actual capital expenditure to date than budgeted.

There was a discussion regarding the cost of Council's debt. In response to questions, Ms Harrison explained that Council's AA- credit rating, the use of swaps, and access to the Local Government Funding Agency had led to Council having one of the lowest weighted average costs of debt across all local authorities.

At the Chairperson's invitation, Ms Harrison explained Council's practice of repaying debt when cash was available, and otherwise funding depreciation, in order to achieve inter-generational equity across current and future ratepayers.

Attendance: Her Worship the Mayor returned to the meeting at 2.39pm.

In response to a question, Ms Harrison explained the challenges faced in collecting marina fees, and the steps being taken by officers to ensure greater security around recovering marina debts.

A suggestion was made that an update on marina activities be presented to a future Community Services Committee meeting.

Resolved

THAT the Finance Report for the Period Ending 30 September 2013 (A484035) and its attachments (1633361, 1634497 and 1234107) be received and the variations noted.

Barker/Noonan

Carried

Recommendation to Council

THAT Council approves the Events Contestable Funding being accrued and held in a Council reserve until such time as the Economic Development Agency require the funding for events.

Barker/Noonan

Carried

9. Exclusion of the Public

Resolved

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	<p>Nelmac Appointment of Director November 2013</p> <p>This report contains information relating to the final list of candidates for a Nelmac directorship.</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 • Section 7(2)(i) To carry out negotiations

Barker/Noonan

Carried

The meeting went into public excluded session at 2.45pm and resumed in public session at 2.53pm.

10. Re-admittance of the Public

Resolved

THAT the public be re-admitted to the meeting.

Davy/McGurk

Carried

There being no further business the meeting ended at 2.54pm.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date