

## **Minutes of a meeting of the Governance Committee**

**Held at the Tahunanui Conference Centre**

**On Thursday 22 May 2014, commencing at 9.02am**

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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: Chief Financial Officer (N Harrison), Chief Executive (C Hadley), Group Manager Infrastructure (A Louverdis), Group Manager Support Services/Acting Group Manager Community Services (H Kettlewell), Administration Adviser (E-J Ruthven)

Apologies: Councillor P Rainey, and Her Worship the Mayor for early departure.

### **1. Apologies**

Resolved

***THAT apologies be received and accepted from Councillor Rainey, and Her Worship the Mayor for early departure.***

Acland/McGurk

Carried

### **2. Interests**

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

### **3. Confirmation of Order of Business**

The Chairperson advised that there was a public forum presentation.

There was no further change to the order of business.

#### 4. Public Forum

##### 4.1 Review of Events relating to Closure of the Trafalgar Centre

Mr Kerry Neal spoke about the report 'Review of Events relating to Closure of the Trafalgar Centre Paru Paru Road, Nelson' undertaken by Mr Alan Bickers. He said that the conclusions of the report would be useful to Council in the future.

Mr Neal suggested that the report did not support the closure of the Trafalgar Centre. He said that the report's comments on this issue were based on interim draft information provided to him by Council, and suggested that the report conclusions regarding the closure of the Trafalgar Centre should be modified. He quoted from the report that the s124 notice did not prevent public access to the building, and that this was a separate matter for Council to consider.

#### 5. Confirmation of Minutes – 3 April 2014

Document number A1167749, agenda pages 8-15 refer.

The Chairperson advised a small correction in item 7, substituting the words 'external members' for the words 'an external member'.

Resolved

***THAT the minutes of a meeting of the Nelson City Council - Governance, held on 3 April 2014, be confirmed as a true and correct record, with the substitution of the words "external members" for the words "an external member" in item 7.***

Davy/Her Worship the Mayor

Carried

#### 6. Status Report – Governance 22 May 2014

Document number A1160658, agenda page 16 refers.

The Chairperson outlined Council's desire to ensure involvement by the Economic Development Agency in the development of the Long Term Plan.

Attendance: Councillor Fulton joined the meeting at 9.15am.

Resolved

***THAT the Status Report – Governance 22 May 2014 (A1160658) be received.***

McGurk/Matheson

Carried

## 7. Chairperson's Report

The Chairperson spoke about the practice of appointing non-elected members to committees, and noted that it had been Council policy since the 1970s to have non-elected members with full voting rights sit on committees. He added that the intention to appoint such members had been clearly indicated at the start of the Council term, when the Committee structure had been established.

He outlined the benefits of having non-elected members present on the Governance and Planning and Regulatory Committees, and noted the robust process undertaken to identify individuals able to offer their expertise for the benefit of the Nelson community.

Resolved

***THAT the verbal Chairperson's Report be received.***

Barker/Acland

Carried

## GOVERNANCE

### 8. Uniquely Nelson Business Plan 2014/15

Document number A1171894, agenda pages 17-34 refer.

Uniquely Nelson Manager, Cathy Madigan, and Chairman, Ian Williams, joined the meeting.

They thanked Council for its support to date, and explained some of the recent activities undertaken by Uniquely Nelson. They noted that activities focused on experiencing Nelson city and the diversity of Nelson's culture.

There was a discussion regarding Uniquely Nelson's plans regarding winter parking. In response to a question, Ms Madigan explained that the free Tuesday parking would not proceed this winter, as there was no obvious benefit to retailers from it. She said Uniquely Nelson would prefer to utilise initiatives that rewarded customers with a rebate on parking in return for receipts from retailers. She added that Uniquely Nelson was working with SBL on marketing initiatives, but that currently there was no desire to exchange free bus tickets for retail spend.

There was a further discussion regarding online tools for retailing. In response to a question, Ms Madigan and Mr Williams noted that Uniquely Nelson was looking to develop an e-commerce platform, and was encouraging retailers to embrace online technology.

Ms Madigan and Mr Williams left the meeting.

There was a discussion regarding the process for receiving the business plan. In response to a question, Group Manager Support Services, Hugh Kettlewell, explained that as Uniquely Nelson was not a Council-controlled organisation, there was no need to formally approve the business plan.

It was noted that it was preferable to be able to engage in dialogue with Uniquely Nelson regarding the development of the business plan, and to provide feedback, such as including performance measures, and it was suggested that these could be included in a review of the Memorandum of Understanding.

Resolved

***THAT the report Uniquely Nelson Business Plan 2014/15 (A1171894) and its attachments (A1171700 and A569088) be received.***

Davy/Noonan

Carried

## **9. Nelson Tasman Business Trust Business Plan 2014/15**

Document number A1176228, agenda pages 35-47 refer.

Sarah Holmes, Ian Kearney and Rochelle Selby-Neal of the Nelson Tasman Business Trust joined the meeting.

They thanked Council for their on-going support, outlined Business Trust activities, and noted their value particularly for small to medium-sized businesses. They explained that they worked alongside various regional and national organisations, had increasing numbers of participants at meetings and a high degree of customer satisfaction.

Mr Kearney spoke about the Trust's involvement with Marlborough businesses over many years. He said that Marlborough District Council had recently approved funding to establish a similar trust, and had requested that the Nelson Tasman Business Trust assist with establishing and overseeing the new Marlborough trust.

In response to a question, Ms Holmes explained that the proportion of funding received from Tasman District Council was less than the proportion of Tasman businesses benefitting from the Trust. She explained that the Trust had approached Tasman District Council to increase its level of funding, and had been received positively.

A suggestion was made that rent review for the Nelson Tasman Business Trust be considered within the Long Term Plan 2015-2025.

Resolved

***THAT the report Nelson Tasman Business Trust Business Plan 2014/15 (A1176228) and its attachments (A1175310 and A777074) be received.***

Noonan/Fulton

Carried

## **10. Independent Review – Southern End, Trafalgar Centre**

Document number A1180055, agenda pages 48-50 refer.

The Chief Executive presented the report.

In response to questions, she confirmed that the report 'Review of Events relating to Closure of the Trafalgar Centre, Paru Paru Road, Nelson' by Alan Bickers concluded that closure of the Trafalgar Centre by Council was an appropriate course of action for Council to take.

There was a discussion regarding risk management for current Council projects. In response to questions, the Chief Executive explained measures that had been undertaken to improve risk management in Council projects, including that all capital projects were planned and project managed by the Infrastructure team, regardless of the nature of the facility being built. She said that Council currently had a strong project management approach to Council projects, but that it was appropriate to identify where the 'business case' approach advocated by Mr Bickers could be incorporated as well.

Councillors discussed the concept of best practice, and it was noted that the standard of what was considered to be best practice moved with advances in knowledge. It was further noted that Mr Bickers' report had concluded that Council actions in 2007 with regards to the relative risk regarding liquefaction damage at the Trafalgar Centre site were appropriate and in accordance with accepted best practice of the day.

There was a further discussion regarding the involvement of elected members in project governance committees. In response to a question, the Chief Executive agreed that this was a useful practice where appropriate, and noted that there were currently projects underway that involved a project governance team. She added that it was also important to ensure projects were handed over to officers to be able to carry them out.

In discussing the report, councillors agreed that it was a comprehensive report, which highlighted that Council had acted responsibly in deciding to close the Trafalgar Centre.

Resolved

**THAT the report Independent Review – Southern End, Trafalgar Centre (A1180055) and its attachment (A1180082) be received.**

Davy/Fulton

Carried

Recommendation to Council

**THAT Council accept the recommendations in Alan Bickers' report dated April 2014 (A1180082);**

**AND THAT Council note the business case approach to projects, as set out in the Independent Review of the Southern End, Trafalgar Centre, will be reviewed and incorporated into management practices for use in significant Council projects.**

Davy/Fulton

Carried

Attendance: The meeting adjourned for morning tea from 10.38am to 11.00am, during which time Her Worship the Mayor left the meeting.

## **11. Long Term Plan Workshops March to May 2014**

Document number A1184322, agenda pages 51-72 refer.

There was a discussion regarding the inclusion of workshop notes as attachments to the report, and some councillors expressed surprise that these had been included on a meeting agenda. It was noted that members of the public were often interested in understanding what took place in workshops, and that the notes identified the discussions held, with no formal decisions made.

In response to a question, the Chief Executive explained that the purpose of including workshop notes was to ensure that officer actions were in accordance with the general direction given at workshops. She said that increasing audit expectations meant that local government decision making would be subject to greater scrutiny, and that in this manner, it was helpful for workshop notes to form a part of the formal record.

Resolved

**THAT the report Long Term Plan Workshops March to May 2014 (A1184322) and its attachments (A1161440, A1187274, A1183906 and A1185413) be received.**

Davy/McGurk

Carried

## FINANCE

### 12. Finance Report for the Period Ending 31 March 2014

Document number A1174527, agenda pages 73-89 refer.

Chief Financial Officer, Nikki Harrison, presented the report. She noted that there had been a slight non-compliance with funding maturity profiles in the five years plus category during March, which related to a Local Government Funding Agency bond moving from the five years plus, to the three to five years category. She said that the non-compliance had been remedied by the issue of a further Local Government Funding Agency Bond on 2 April 2014, being the first opportunity to remedy the breach in this manner.

In response to a question, Ms Harrison explained that the report identified a large number of outstanding rates, as the report was written when the fourth instalment had just been levied. She said that there were no concerns regarding the level of outstanding rates.

In response to further questions regarding desludging at Nelson North Wastewater Treatment Plant, Group Manager Infrastructure, Alec Louverdis, explained that the cost for desludging had come in significantly under budget. He said that work had now commenced on site, and that some work would continue into the next financial year.

Resolved

***THAT the Finance Report for the Period ending 31 March 2014 (A1174527) and its attachments (A1173310, A1181631, A1170658 and A793514) be received and the variations noted.***

Matheson/Acland

Carried

### 13. Financial Reporting and Prudence Regulations 2014

Document number A1172443, agenda pages 90-91 refer.

Resolved

***THAT the report Financial Reporting and Prudence Regulations 2014 (A1172443) be received.***

Davy/McGurk

Carried

## 14. 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><b>Governance Committee – Public Excluded Minutes – 3 April 2014</b></p> <p>These minutes contain information regarding:</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>   |
|      | <p>Management Letter to Council for the Year Ending 30 June 2013 from Audit New Zealand, including a resolution that the letter to Council on the audit of NCC for the year ending 30 June 2013 be released from public excluded once finalised by Audit NZ.</p> |  | <ul style="list-style-type: none"> <li>Section 7(2)(g)<br/>To maintain legal professional privilege</li> </ul>  |
| 2    | <p><b>Ridgeways Joint Venture Statement of Intent and Half Yearly Report 2014</b></p> <p>This report contains information regarding the Ridgeways Joint venture</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</p>                        | <p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> <li>Section 7(2)(b)<br/>To protect information that</li> </ul> |

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|  | six months results including the half yearly report. | exists under section 7 | may disclose a trade secret or the commercial position of a person |
|--|--|------------------------|--|

Davy/Noonan

Carried

The meeting went into public excluded session at 11.27am and resumed in public session at 11.43am.

**15. 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 11.43am.

Confirmed as a correct record of proceedings:

\_\_\_\_\_ Chairperson \_\_\_\_\_ Date