

18. Christchurch City Holdings Ltd - Appointment of independent directors to the board

Reference / Te Tohutoro: 23/182226

Report of / Te Pou Linda Gibb, Performance Advisor, Resources Group
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Confidentiality

Section under the Act:	The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
Sub-clause and Reason:	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons.
Plain English Reason:	To protect the reputation of the recommended candidates.
Report can be released:	As soon as the Council has made its decisions on the proposed appointments to the CCHL board.

1. Nature of Decision or Issue and Report Origin

- 1.1 This report proposes that the Council approves the appointment of four independent directors to the board of Christchurch City Holdings Ltd (CCHL).
- 1.2 The appointments have been recommended by the Council-appointed Appointments Committee, established at its meeting on 14 December 2022 (CNCL/2022/00205 refers).
- 1.3 The appointment of four independent directors is the last of the CCHL board appointments that the Council sought from the Appointments Committee. This follows the earlier appointments of the Chair of the board, Ms Abby Foote on 1 March 2023 (CNCL/2023/00017 refers) and Deputy Chair, Mr Gill Cox on 22 March (FPCO/2023/00013 refers).
- 1.4 The Appointments Committee's report is at **Attachment A**. It includes advice from expert governance consultants, Propero Consulting Ltd on the skills and competencies needed for a high-functioning CCHL board and a process for recruiting new members. In particular, the need for skills and expertise to support implementation of the Northington Partners' strategy work was a key requirement.
- 1.5 Of the recommended appointees, three would commence on 1 May 2023. Two temporary appointees to the CCHL board made by the Council at its meeting on 8 September – Mr Barry Bragg and Mr Mike Rondel - will retire from the board at the same time (CNCL/2022/00102 and CNZL/2022/00103 refer).
- 1.6 A fourth independent director is proposed to commence on 1 September 2023. This timing reflects the expected retirement of Mr Alex Skinner from the CCHL board at the Annual General Meeting later in the year following service of two terms (six years).
- 1.7 The work undertaken by the Appointments Committee to reach its recommendations is consistent with the Council's Appointments Policy with the exception that probity and

reference checks have not yet been completed (at the time of writing). The Chair of the Appointments Committee will advise the Finance and Performance Committee at the meeting of the outcome of the probity and reference checks.

- 1.8 The four proposed independent directors would join incumbents – Ms Abby Foote (Chair) and Mr Gill Cox (Deputy Chair), Mr Alex Skinner (departing at the AGM later in the year) and Councillors Templeton and MacDonald. The Propero report clearly identifies the set of key skills and expertise that each member brings to the board (refer page 5).
- 1.9 The decision in this report is of low significance in relation to the Christchurch City Council's Significance and Engagement Policy. The level of significance was determined by considering the extent to which the decision may impact the community.

2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1. Approves the appointment of Mr David Hunt as an independent director of the Christchurch City Holdings Ltd board, for a term of three years effective from 1 May 2023 subject to confirmation that probity and reference checks have been completed;
2. Approves the appointment of Ms Bridget Giesen as an independent director of the Christchurch City Holdings Ltd board, for a term of three years effective from 1 May 2023 subject to confirmation that probity and reference checks have been completed;
3. Approves the appointment of Mr Martin Goldfinch as an independent director of the Christchurch City Holdings Ltd board, for a term of three years effective from 1 May 2023 subject to confirmation that probity and reference checks have been completed; and
4. Approves the appointment of Mr Chris Day as an independent director of the Christchurch City Holdings Ltd board, for a term of three years effective from 1 September 2023 subject to confirmation that probity and reference checks have been completed.
5. Agrees to release the report to the public as soon as the candidates have been notified of the Council's decision.

3. Reason for Report Recommendations Ngā Take mō te Whakatau

- 3.1 The Appointments Committee has undertaken a process that is consistent with the Council's Policy for the Appointment and Remuneration of Directors of Council Organisations, subject to advice on the outcomes of probity and reference checks, the outcome of which is expected to be advised at the Finance and Performance Committee meeting.

4. Alternative Options Considered Ētahi atu Kōwhiringa

- 4.1 The only alternative option is to decline to make the appointments. This would see the current board continue (including the two temporary directors who were appointed for up to one year from 8 September 2022). A new appointments process would then be required when the terms of the temporary directors, and the retirement of Mr Skinner expire.

5. Policy Framework Implications Ngā Hīraunga ā- Kaupapa here

Strategic Alignment Te Rautaki Tīaroaro

- 5.1 This report is consistent with the Council's governance policy which reflects its views of good governance in the local government context. It is not specifically related to the [Council's Long Term Plan \(2021 - 2031\)](#).

Policy Consistency Te Whai Kaupapa here

- 5.2 The decision sought is consistent with the Council's Plans and Policies. In particular, the requirements for director appointments contained in the Council's Appointments Policy.

Impact on Mana Whenua Ngā Whai Take Mana Whenua

- 5.3 The decision does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Mana Whenua, their culture and traditions.
- 5.4 The decision does not involve a matter of interest to Mana Whenua and will not impact on our agreed partnership priorities with Ngā Papatipu Rūnanga.
- 5.5 Governance arrangements that are optimal benefit the wider community.

Climate Change Impact Considerations Ngā Whai Whakaaro mā te Āhuarangi

- 5.6 Not relevant to this decision.

Accessibility Considerations Ngā Whai Whakaaro mā te Hunga Hauā

- 5.7 Not relevant to this decision.

6. Resource Implications Ngā Hīraunga Rauemi

Capex/Opex Ngā Utu Whakahaere

- 6.1 Directors' fees are funded by CCHL.

7. Legal Implications Ngā Hīraunga ā-Ture


Statutory power to undertake proposals in the report Te Manatū Whakahaere Kaupapa

- 7.1 LGA.

8. Risk Management Implications Ngā Hīraunga Tūraru

- 8.1 Appropriately structured governance boards are essential to maximising the commercial and social value of the company's undertakings.

Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A 	Christchurch City Holdings Ltd - independent director appointments	23/579774	15

In addition to the attached documents, the following background information is available:

Document Name - Location / File Link
Not applicable

Confirmation of Statutory Compliance Te Whakatūturutanga ā-Ture

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

Signatories Ngā Kaiwaitohu

Author	Linda Gibb - Performance Monitoring Advisor CCO
Approved By	Leah Scales - General Manager Resources/Chief Financial Officer



Report for Council

Date: 20 April 2023

To: Dawn Baxendale, CEO, Christchurch City Council

From: CCHL Appointments Committee

Subject: Recommendation of Director Appointments to the CCHL Board of Directors

Purpose

The purpose of this report is the following:

- To provide a full overview to Council on the appointment process, selection criteria, and approach to progress the appointment of directors for the CCHL Board.
- A recommendation on the appointment of three independent Directors for the Board of Christchurch City Holdings Limited (CCHL) board being:
 - David Hunt
 - Bridget Giesen
 - Martin Goldfinch
- Appointment of an additional Director, on the retirement of Alex Skinner from the CCHL Board, being:
 - Chris Day

Background

It is important to provide full context to the process conducted in forming the new Board of CCHL.

Following the outcomes of the CCHL Strategic Review undertaken by Northington Partners, the Council, at its meeting held on 14 December 2022, approved a Christchurch City Holdings Ltd (CCHL) Appointments Committee to undertake the work required, as prescribed by the Council's Policy for the Appointment and Remuneration of Directors. The Committee consists of:

- i. Mary Devine - Chair of the panel, as an experienced professional director and previous CCHL Director, and
- ii. Mark Cahill as an external commercial advisor with relevant experience and knowledge; and
- iii. Henrietta Carroll as Ngāi Tahu recommended appointee; and
- iv. Dawn Baxendale - Christchurch City Council Chief Executive (as Advisor to the panel).

The Appointments Committee subsequently undertook a formal RFP process to select an executive search firm to assist the Appointments Committee in attracting, interviewing, and evaluating potential director appointments to the board of CCHL. Propero Consulting Limited was selected given their expertise in board composition and performance.

Process

Propero worked with the Appointments Committee to develop an overarching CCHL Board skills matrix, including specific competencies for the CCHL Chair. This skill matrix was consistent with the acknowledgement in the Council's resolutions of 7 December that the recruitment of the Board of Directors and Executive of CCHL would need to consider the experience and skill-set required to support the strategy evaluation and implementation that was contemplated by the Northington Report. This was a critical first step, to ensure the appropriate balance of experience, expertise, and diversity to provide core elements for the framework of a high performing Board and to support the strategic direction of CCHL.

Councillor Appointments

The initial programme of work was the process to select the two Councillor representatives for the CCHL Board. A robust process was followed, with the Council approving the recommended re-appointment of Sara Templeton and the appointment of Sam MacDonald. Both appointments were ratified by Council on 1 February 2023.

Chair Appointment

A high-level summary of the Chair appointment process is as follows:

- An advertising campaign was undertaken in the market (advertised on the IoD website, LinkedIn and Appoint better Boards).
- Propero utilised its existing governance database to assess potential candidates against the skill matrix.
- Propero actively approached potential candidates in the market.
- Overall, for the Chair role there was a long list of 32 candidates for consideration by the Appointments Committee. The candidates were made up of 25 males and seven females, with a diverse mix of backgrounds, Iwi connections and either located in Christchurch or with a connection to the city.
- From the long list the Appointments Committee identified a target list of 12 candidates who were approached by Propero to assess their interest/availability for the role. Six candidates, whose experience was strongly aligned with the search brief and required competencies, responded positively.
- The Appointments Committee proceeded to interview the final shortlist of six candidates (two females and four males).
- All candidates were provided with information to assist in their preparation for an interview.
- The interviews were held on Wednesday 15 and Friday 17 February 2023 and undertaken with all members of the Appointments Committee in attendance, including Dawn Baxendale (as Advisor to the Panel).
- Each candidate was objectively assessed at interview against the skills matrix, other relevant selection criteria, and their responses to the pre-prepared interview questions.

At the conclusion of this process the Appointments Committee recommended to Council the appointment of Abby Foote as Chair of CCHL, which was approved by Council on 1 March.

Abby as a professional Director based in Christchurch has extensive experience in corporate governance, risk management and ESG. She has quickly taken the reigns as Chair of CCHL and is providing an important contribution to the composition and appointment process of the full Board.

Deputy Chairman Appointment

During the Chair appointment process, it was identified that the role of Deputy Chair, would add value to the CCHL Board. It was noted that the Board will have a significant workload in the next 1-2 years and having a Deputy Chair role with experience in Local Government processes and multiple stakeholder connections would be beneficial. Subsequently, Gill Cox was identified to offer the balance of skills and experience that would be highly relevant as Deputy Chair.

The appointment of Gill Cox as Deputy Chair was approved by Council on 22 March.

Independent Director Appointments

With the confirmation of four CCHL Directors being Abby Foote; Gill Cox; Sara Templeton and Sam McDonald, the Appointment Committee then referenced the skills matrix that was developed. This provided the guidelines to ensure the right balance of skill set for the full Board based upon the change in Council's expectations of CCHL, whilst also being cognisant of diversity.

As highlighted in the attached summary (refer Appendix 1), there were four key areas where we identified specific areas of expertise that would be required to ensure a complementary skill set for the CCHL Board:

- Commercial Performance;
- Investment Portfolio Management;
- Stakeholder Relations, Strategy and People;
- Financial

This was the framework which was applied to the search process methodology. The process identified 212 candidates (81 female), who were then filtered through key stages, to a long list of 87 individuals (46 female). With 16 interviews being completed (11 male and 5 female).

For the Appointments Committee, it was important to consider the potential individual appointments in a collective manner, to ensure the appropriate balance of skill and experience. On completion of this process, the Appointment Committee recommend the following appointments:

David Hunt

David is an economist with extensive public and private sector experience for both government and business organisations. David has executive experience with organisations providing key energy infrastructure. He has vast experience and expertise in markets, regulation, and economic development.

Since 2006, David has been a Consulting Director at Concept Consulting Group, a firm which provides advice to government agencies in New Zealand and beyond on carbon energy, utility sector policy and regulatory issues in the energy sector, in addition to transport, telecommunications and water.

Previously he was Chief Executive at Contact Energy and Synergy. Prior to David's move into business, he held senior roles at NZ Treasury, including Economic Adviser to the Minister of Finance.

David has a BA Hons (First Class) in Economics and a BA in Statistics.

Bridget Giesen

Bridget has a commercial background and a wide breadth of knowledge and experience across strategy, Māori investment, organisational design, and people.

Bridget has extensive experience in both growth and transformational roles. This includes both NZX listed companies and Not for Profits across aviation, tourism, and Māori businesses. Bridget has a strength in strategy, having been Strategy Manager for Air NZ from 2009 to 2014, and Strategy Analyst for Auckland

International Airport from 2007 – 2009. And then progressing to various roles with NZ Trade and Enterprise. Subsequently, with her involvement with Ngāi Tahu she was appointed as Chair of Taramea Fragrances.

Bridget has a Bachelor of Commerce and Law from the University of Otago and Wellington respectively. Bridget is Ngāi Tahu – Kāti Huirapa Rūnaka ki Puketeraki.

Martin Goldfinch

Martin is a senior professional with extensive commercial experience across a range of industries in both public and private companies. He has a strong investment background and brings a diverse set of skills with his private equity experience.

He is currently the Head of Private Markets for Accident Compensation Corporation (ACC). He has served on numerous boards across a broad range of sectors. As the Head of Private Markets at ACC, Martin oversaw ACCs Impact Investment Fund when it took a share of Tauranga based robotics firm Robotics Plus. He was previously an independent Director of Augusta Capital and Perpetual Capital Management.

Martin holds degrees in Law and Commerce from the University of Auckland.

Next Step

Through the process it was identified that we would need a specific financial specialist post the retirement of Alex Skinner from the Board. Alex joined the CCHL Board in 2016 and has provided a valuable contribution during his tenure. However, it is acknowledged that the Council policy on director tenure for the CCHL Board and subsidiaries is that tenure should be limited to two terms. Therefore, as Alex will be required to stand for re-election at the AGM in November as the longest serving director of CCHL, it is considered appropriate for him to stand down at this time to be consistent with the new policy. We have therefore identified an independent Director to join the Board in September, to allow for a seamless transition with Alex. The Appointments Committee recommend the appointment of Chris Day effective 1 September 2023.

Chris Day

Chris is an accomplished governance and executive professional. He has an extensive background in finance holding roles in IT, energy, financial services, and agricultural sectors.

During Chris's executive career he held key Chief Financial Officer roles with Z Energy, AXA, and New Zealand Post. He has most recently been Chief Transformation Officer at Silver Fern Farms.

Currently Chris is a director of CentrePort, the New Zealand Institute of Directors (Chair of Audit & Risk Committee) and Datacom (Chair of Audit Committee).

Chris has a Bachelor of Business Studies in Accounting and Finance from Massey University, is a Chartered Accountant of New Zealand and Australia and a Certified Treasury Professional member of the INFINZ (Institute of Finance Professionals of New Zealand). Chris is also a Chartered Member of the Institute of Directors.

Summary

The Appointments Committee have conducted a fulsome approach to the recruitment of the CCHL Board candidates. We have been very impressed by the calibre and commitment shown by the interested candidates. We believe the depth of experience and balance of expertise of the proposed Board candidates will provide a highly effective governance framework for CCHL.

Recommendation

On the conclusion of a comprehensive and well managed process for the recruitment and selection of independent directors for the CCHL Board, the Appointments Committee recommend, subject to completion of final probity/reference checks, the following;

The Appointment of the following Directors effective 1 May 2023:

1. David Hunt
2. Bridget Giesen
3. Martin Goldfinch

The Appointment of Chris Day as an independent Director effective 1 September 2023.

Mary Devine

Chair CCHL Appointments Committee

Released From Public Excluded

