

Christchurch City Council

SUPPLEMENTARY AGENDA

Notice of Meeting:

An ordinary meeting of the Christchurch City Council will be held on:

Date: Thursday 27 June 2019
Time: 9.30am
Venue: Council Chambers, Civic Offices,
53 Hereford Street, Christchurch

Membership

Chairperson	Mayor Lianne Dalziel
Deputy Chairperson	Deputy Mayor Andrew Turner
Members	Councillor Vicki Buck
	Councillor Jimmy Chen
	Councillor Phil Clearwater
	Councillor Pauline Cotter
	Councillor Mike Davidson
	Councillor David East
	Councillor Anne Galloway
	Councillor James Gough
	Councillor Yani Johanson
	Councillor Aaron Keown
	Councillor Glenn Livingstone
	Councillor Raf Manji
	Councillor Tim Scandrett
	Councillor Deon Swiggs
	Councillor Sara Templeton

25 June 2019

Principal Advisor

Mary Richardson
Acting Chief Executive
Tel: 941 8999

Samantha Kelly
Committee and Hearings Advisor
941 6227
samantha.kelly@ccc.govt.nz
www.ccc.govt.nz

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. If you require further information relating to any reports, please contact the person named on the report.

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33. Resolution to Include Supplementary Reports

1. Background

- 1.1 Approval is sought to submit the following reports to the Council meeting on 27 June 2019:
 - 34. Recipients of Councillor-Director fees for 2018/19
 - 35. Changes to constitutions
- 1.2 The reason, in terms of section 46A(7) of the Local Government Official Information and Meetings Act 1987, why the reports were not included on the main agenda is that they were not available at the time the agenda was prepared.
- 1.3 It is appropriate that the Council receive the reports at the current meeting.

2. Recommendation

- 2.1 That the reports be received and considered at the Council meeting on 27 June 2019.
 - 34. Recipients of Councillor-Director fees for 2018/19
 - 35. Changes to constitutions

34. Recipients of Councillor-Director fees for 2018/19

Reference: 19/589036

Presenter(s): Linda Gibb - Performance Advisor

1. Purpose of Report

- 1.1 This report requests the Council's confirmation of recipients of donations from external organisations (i.e. Council-controlled organisations (CCOs)) in lieu of paying fees to Councillor-directors for the 2018/19 financial year only.

2. Staff Recommendations

That the Council:

1. Notes that donations in lieu of Councillor-director fees from external organisations are likely to be around \$267,000 for 2018/19;
2. Endorses the allocation of donations in lieu of Councillor-director fees of \$100,000 in 2018/19 to the Innovation and Sustainability Fund as provided for in the Long Term Plan 2018-28;
3. Approves the Mayor's Welfare Fund as the recipient of all other donations in lieu of Councillor-director fees in 2018/19;
4. Directs staff to report to the new Council by December 2019 for new decisions on the recipients for the donations in lieu of Councillor-director fees for 2019/20;
5. Requests Christchurch City Holdings Ltd to make donations in lieu of Councillor-director fees of \$100,000 to the Innovation and Sustainability Fund and the remainder to the Mayor's Welfare Fund in 2018/19; and
6. Requests ChristchurchNZ Holdings Ltd and Transwaste Canterbury Ltd to make donations in lieu of Councillor-director fees to the Mayor's Welfare Fund in 2018/19.

Background

Policy for the Appointment and Remuneration of Directors

- 2.1 The Council's Policy for the Appointment and Remuneration of Directors (CNCL/2017/00292 refers) requires external organisations (e.g. CCOs) to make donations in lieu of Councillor-director fees as follows:
 - to recognise the element of public service involved a person appointed to the governing board of an external organisation in his or her capacity as an elected member or employee of the Council will not receive the remuneration otherwise payable in respect of that appointment; and
 - the external organisation will be directed to donate an equivalent amount to recipients specified by the Council from time to time, to be paid as at 30 June each year, the recipients being charitable organisations established for the purpose of benefitting the community (or particular sector of it) or funds administered by the Council for the benefit of ratepayers.

Recipients in 2017/18

- 2.2 The Appointments' Policy provided for the recipients of donations in lieu of Councillor-director fees for the 2017/18 financial year only. The recipients for that year were the Innovation and Sustainability Fund (the Fund) and the Mayor's Welfare Fund.
- 2.3 The allocation of donations to the Fund was underpinned by the Council's resolutions for its establishment (CNCL/2017/00292 refers). The resolution is appended at **Attachment A**. It provides for an unspecified amount of funding from donations in lieu of Councillor-director fees to be included in the 2018-28 Long Term Plan (LTP) annually until 2025.
- 2.4 The LTP includes \$100,000 in 2018/19 which brings the Fund to a total of \$500,000.

3. Key Issues

Innovation and Sustainability Fund

- 3.1 Finance and legal staff are not clear on what authority the donation sum of \$100,000 in lieu of Councillor-director fees to the Fund has been set. The resolution at **Attachment A** does not provide for a dollar amount to be donated.
- 3.2 Allocating the donations for a period of seven years does not fit with the Appointments' Policy which requires recipients to be specified by the Council "from time to time". This allows the Council the flexibility to direct the funding to meet the needs of the time. Our interpretation of "from time to time" is every one to two years. There is no record of the Council supporting the Innovation and Sustainability Committee's resolution to provide \$100,000 per annum to the Fund.
- 3.3 Taking into account the Appointments' Policy's provision for recipients to be specified by the Council "from time to time", we consider that the funding decision made in 2017/18 could be confirmed for 2018/19 also if the Council so wishes. We understand that the \$100,000 of potential funding from donations has been committed for expenditure by the Fund's guardians.

Donations in 2018/19

- 3.4 The donations in 2018/19 from Christchurch City Holdings Ltd (CCHL), ChristchurchNZ Holdings Ltd (CNZHL) and Transwaste Canterbury Ltd are expected to total around \$267,000, with \$167,000 of this available for allocation to other than the Fund.
- 3.5 In order to make the donations process straight-forward, we recommend that CCHL be the sole donor to the Fund and the balance of its donation as well as the donations from CNZ and Transwaste be allocated to the Mayor's Welfare Fund (or such other recipient that the Council may decide).

Donations in 2019/20

- 3.6 Staff propose to report to the new Council before the end of this year seeking decisions on recipients of the donations in lieu of Councillor-director fees for the year starting 1 July 2019 and ending 30 June 2020. From then on, decisions will need to be made at the beginning of a year, rather than the end to provide certainty to the intended recipient for the commitment of expenditure.

Tax implications

- 3.7 The Innovation and Sustainability Fund is not a charitable organisation, and therefore the donation is not tax deductible to the donor.

Attachments

No.	Title	Page
A ↓	Council Resolution: Establishment of the Innovation and Sustainability Fund, 2017	8

Confirmation of Statutory Compliance

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

Author	Linda Gibb - Performance Monitoring Advisor
Approved By	Len Van Hout - Manager External Reporting & Governance Diane Brandish - Head of Financial Management Carol Bellette - General Manager Finance and Commercial (CFO)

For Action

MEMO TO: Tony Moore - Principal Advisor Sustainability
COPY TO: Ceciel DelaRue, Vivienne Wilson, Patricia Christie
MEMO ISSUED: 03 October 2017
MEETING: Council Meeting of 28/09/2017

Please note for action by you:

CNCL/2017/00292 **Innovation and Sustainability Fund Establishment**
FILE REF 17/927842
AGENDA ITEM NO. 42
NOTE This has been sent to Tony Moore for action.

Council Resolved CNCL/2017/00292

That the Council:

1. Approve the creation of an Innovation and Sustainability Fund ("Fund") for 2017/18 funded by:
 - a. \$400,000 from the Capital Endowment Fund as provided in the 2017/18 Annual Plan; and
 - b. Additional funding from donations in lieu of the Councillors Director Fees as provided for in the Policy for the Appointment of Directors to Council Organisations (adopted 28 September 2017, reference CNCL/2017/00293).
2. Approve the funding in the draft 2018-28 Long Term Plan for future years until 2025:
 - a. \$400,000 per year from the Capital Endowment Fund for the first three years; and
 - b. additional funding from donations in lieu of the Councillors Director Fees as provided for in the Policy for the Appointment of Directors to Council Organisations.
3. Delegate to:
 - a. the Head of Urban Design, Regeneration and Heritage, the delegated authority to approve Innovation and Sustainability Grant applications of up to and including \$10,000 in accordance with the Terms Of Reference for the Fund; and
 - b. the Innovation and Sustainable Development Committee, the delegated authority to approve Innovation and Sustainability Grant applications between \$10,001 and \$100,000, in accordance with the Terms Of Reference for the Fund; and
 - c. the Head of Urban Design, Regeneration and Heritage the delegated authority to determine and carry out the administration requirements for this Fund, and to enter into Funding Agreements with Grant recipients.
4. Approve the Fund's Terms of Reference, as amended by these resolutions (Attachment A of the report).
5. Approve that any unallocated funds remaining at financial year end (30 June annually) will be recognised as committed, but unallocated on the Balance Sheet and added to the total funding available for allocation.

Councillor Buck/Councillor Scandrett

Carried

22. Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987.

I move that the public be excluded from the following parts of the proceedings of this meeting, namely items listed overleaf.

Reason for passing this resolution: good reason to withhold exists under section 7.

Specific grounds under section 48(1) for the passing of this resolution: Section 48(1)(a)

Note

Section 48(4) of the Local Government Official Information and Meetings Act 1987 provides as follows:

“(4) Every resolution to exclude the public shall be put at a time when the meeting is open to the public, and the text of that resolution (or copies thereof):

- (a) Shall be available to any member of the public who is present; and
- (b) Shall form part of the minutes of the local authority.”

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

ITEM NO.	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	SECTION	SUBCLAUSE AND REASON UNDER THE ACT	PLAIN ENGLISH REASON	WHEN REPORTS CAN BE RELEASED
35	CHANGES TO CONSTITUTIONS	S7(2)(B)(II), S7(2)(H)	PREJUDICE COMMERCIAL POSITION, COMMERCIAL ACTIVITIES	COMMERCIAL ACTIVITIES	AT THE DISCRETION ON THE CHIEF EXECUTIVE