

I hereby give notice that an ordinary meeting of the Appointments, Performance Review and Value for Money Committee will be held on:

**Date:** Thursday, 5 July 2018  
**Time:** 9.30am  
**Meeting Room:** Room 1, Level 26  
**Venue:** 135 Albert St  
Auckland

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## Appointments, Performance Review and Value for Money Committee

### OPEN AGENDA

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#### MEMBERSHIP

<b>Chairperson</b>	Hon Phil Goff, CNZM, JP
<b>Deputy Chairperson</b>	Hon Christine Fletcher, QSO
<b>Members</b>	Cr Josephine Bartley Cr Ross Clow Cr Chris Darby Cr Richard Hills Cr Penny Hulse Cr Desley Simpson, JP
<b>Ex-officio</b>	Deputy Mayor Bill Cashmore IMSB Member David Taipari

(Quorum 5 members)

**Suad Allie**  
**Governance Advisor**

**2 July 2018**

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## Terms of Reference

### Responsibilities

The Council Appointments, Performance Review and Value for Money Committee is established to:

1. Review the chief executive's performance and to recommend to the Governing Body the terms and conditions of the CE's employment including any performance agreement measures and annual remuneration
2. Make appointments to Council-Controlled Organisations (CCOs), Council Organisations (COs) and exempt CCOs and COs
3. Approve policies relating to the appointment of directors and trustees to CCOs and COs.
4. Monitor and report to the Governing Body on the implementation of service delivery reviews required under s17A of the Local Government Act 2002, and the recommendations arising from those reviews
5. Approve the scheduling of the forward s17A work programme, and recommend to the Governing Body the terms of reference for individual reviews
6. Request reports on Auckland Council parent and CCO value for money, savings and effectiveness-focused initiatives that are beyond the scope of s17A reviews, and make recommendations on these reports to the Governing Body.

### Powers

All powers necessary to perform the committee's responsibilities.

#### Except:

- (a) powers that the Governing Body cannot delegate or has retained to itself (section 2)
- (b) where the committee's responsibility is limited to making a recommendation only
- (c) the power to establish sub-committees

## **Exclusion of the public – who needs to leave the meeting**

### **Members of the public**

All members of the public must leave the meeting when the public are excluded unless a resolution is passed permitting a person to remain because their knowledge will assist the meeting.

### **Those who are not members of the public**

#### General principles

- Access to confidential information is managed on a “need to know” basis where access to the information is required in order for a person to perform their role.
- Those who are not members of the meeting (see list below) must leave unless it is necessary for them to remain and hear the debate in order to perform their role.
- Those who need to be present for one confidential item can remain only for that item and must leave the room for any other confidential items.
- In any case of doubt, the ruling of the chairperson is final.

#### Members of the meeting

- The members of the meeting remain (all Governing Body members if the meeting is a Governing Body meeting; all members of the committee if the meeting is a committee meeting).
- However, standing orders require that a councillor who has a pecuniary conflict of interest leave the room.
- All councillors have the right to attend any meeting of a committee and councillors who are not members of a committee may remain, subject to any limitations in standing orders.

#### Independent Māori Statutory Board

- Members of the Independent Māori Statutory Board who are appointed members of the committee remain.
- Independent Māori Statutory Board members and staff remain if this is necessary in order for them to perform their role.

#### Staff

- All staff supporting the meeting (administrative, senior management) remain.
- Other staff who need to because of their role may remain.

#### Local Board members

- Local Board members who need to hear the matter being discussed in order to perform their role may remain. This will usually be if the matter affects, or is relevant to, a particular Local Board area.

#### Council Controlled Organisations

- Representatives of a Council Controlled Organisation can remain only if required to for discussion of a matter relevant to the Council Controlled Organisation.

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## 1 Apologies

At the close of the agenda no apologies had been received.

## 2 Declaration of Interest

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

## 3 Confirmation of Minutes

That the Appointments, Performance Review and Value for Money Committee:

- a) confirm the ordinary minutes of its meeting, held on Thursday, 7 June 2018, including the confidential section, as a true and correct record.

## 4 Petitions

At the close of the agenda no requests to present petitions had been received.

## 5 Public Input

Standing Order 7.7 provides for Public Input. Applications to speak must be made to the Governance Advisor, in writing, no later than **one (1) clear working day** prior to the meeting and must include the subject matter. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders. A maximum of **thirty (30) minutes** is allocated to the period for public input with **five (5) minutes** speaking time for each speaker.

At the close of the agenda no requests for public input had been received.

## 6 Local Board Input

Standing Order 6.2 provides for Local Board Input. The Chairperson (or nominee of that Chairperson) is entitled to speak for up to **five (5) minutes** during this time. The Chairperson of the Local Board (or nominee of that Chairperson) shall wherever practical, give **one (1) day's** notice of their wish to speak. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders.

This right is in addition to the right under Standing Order 6.1 to speak to matters on the agenda.

At the close of the agenda no requests for local board input had been received.

## 7 Extraordinary Business

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“An item that is not on the agenda for a meeting may be dealt with at that meeting if-

- (a) The local authority by resolution so decides; and
- (b) The presiding member explains at the meeting, at a time when it is open to the public,-
  - (i) The reason why the item is not on the agenda; and
  - (ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting.”

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting,-

- (a) That item may be discussed at that meeting if-
  - (i) That item is a minor matter relating to the general business of the local authority; and
  - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”

## Update report for appointments to Auckland Council's council-controlled organisations and external partnerships for 2018

File No.: CP2018/11979

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### Te take mō te pūrongo / Purpose of the report

1. To provide an update on the programme of appointments to the boards of Auckland Council's substantive council-controlled organisations (CCOs) and external partnerships for 2018.

### Whakarāpopototanga matua / Executive summary

2. Given the extent of the 2018 board appointment programme the committee agreed that the chair appointments commence in March 2018, with any proposed chair appointments approved at the committee's 5 July 2018 meeting.
3. The remaining director vacancies would then commence in July 2018 with, proposed appointments approved in September or October 2018.
4. The committee will today make decisions regarding three preferred candidates for the chair vacancies and a confidential report is attached to this agenda.
5. Also on this committee agenda is a confidential report that considers ten directors whose term of appointment will end on 31 October 2018. Included in the report are proposed skill requirements for any vacancies. The committee will also be asked to approve members of the selection panels for any vacancies.
6. A confidential report seeks approval from the committee to undertake a joint appointment process with the Crown for appointments to the Tamaki Redevelopment Company Limited (TRC). This is in line with previous processes undertaken in 2012 and 2016.

### Ngā tūtohunga / Recommendation/s

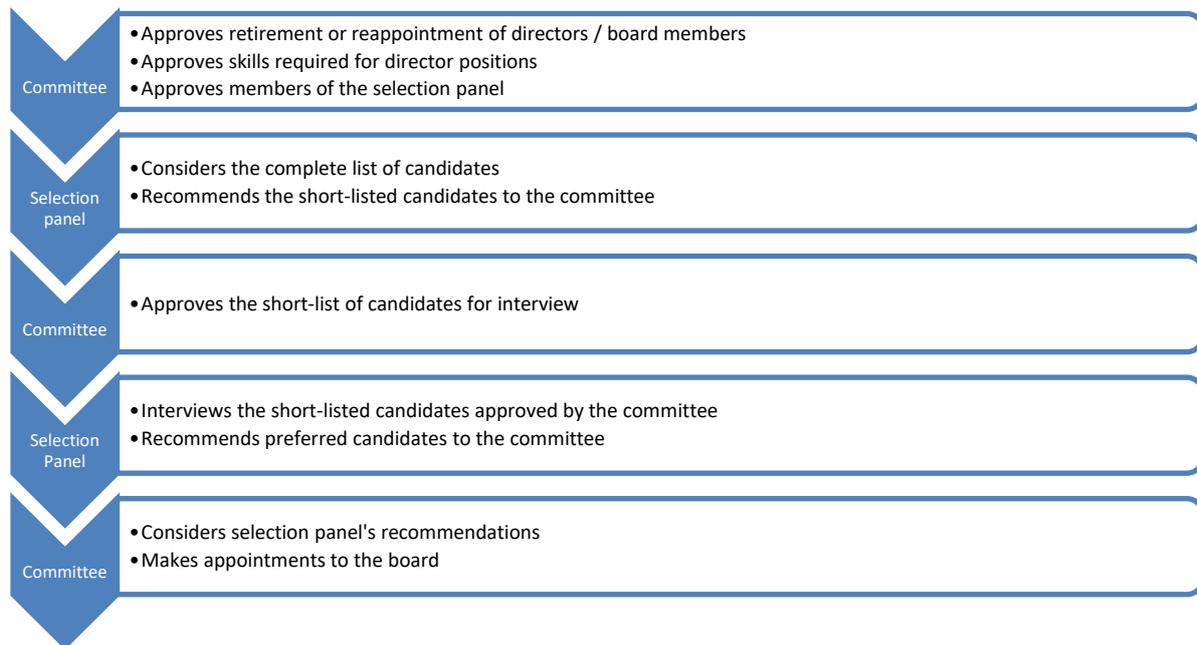
That the Appointments, Performance Review and Value for Money Committee:

- a) note that three confidential reports are included in the agenda that provide information to:
  - i) make decisions on the directors on Auckland's council-controlled organisations whose terms of appointment is due to end on 31 October 2018
  - ii) make decisions on the preferred candidates for the chairs of Auckland Tourism, Events and Economic Develop, Regional Facilities Auckland and Panuku Development Auckland
  - iii) make decisions on the process for appointing directors to Tamaki Redevelopment Company Limited
  - iv) note that the reports include the skill requirements for any vacancies created and that each report is confidential due to the personal information contained in it.
- b) note that the confidential report for director appointments also contains information on membership for the 2016-2019 pool of councillors for board appointments to council-controlled organisations.

## Horopaki / Context Links to strategies, policies and plans

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7. The board appointment process for appointing directors to any CCO and external partnership board is outlined in the table below:



8. Council's policy sets a maximum tenure of six years for substantive CCO directors in order to achieve a balance of experience and fresh thinking on individual boards.
9. However, the policy also recognises that there are sometimes there are good reasons to approve extensions beyond the two three-year terms, such as retaining the knowledge, skills and leadership on the board.
10. The confidential reports on this agenda provide advice and options to assist the committee to make decisions regarding:
- directors whose terms of appointment are due to end on 31 October 2018
  - the appointment of chairs on CCOs
  - the process for appointing directors to Tamaki Redevelopment Company Limited.

## Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe / Local impacts and local board views

11. Board appointments to CCOs are the role of the Governing Body. Local boards can participate in the nomination process for each director vacancy. The nomination of a candidate requires the consent of that candidate.

## Tauākī whakaaweawe Māori / Māori impact statement

12. Council's policy also aims to achieve a diverse range of directors to all CCO boards.
13. This can have positive impacts for Māori by creating opportunities for Māori directors.
14. In line with the policy, an Independent Māori Statutory Board member may be appointed to the selection panel to provide a Māori perspective throughout the process.

## Ngā ritenga ā-pūtea / Financial implications

15. The costs associated with these appointments will be managed from existing budgets.

## Ngā raru tūpono / Risks

16. There are risks associated with all board appointments including:
- i) Reputational: all candidates are appropriately screened to meet the skill requirements for directors of a board such as this and have appropriate governance experience especially within public-facing entities. To mitigate any potential risks of disqualified directors or under-qualified candidates:
    - a) a thorough due diligence process will be completed on all candidate applications in line with the council's appointment policy
    - b) short-listed candidates have completed the council's director consent form prior to interview which requires directors to confirm that there is nothing that would disqualify them from being a director
    - c) thorough reference checks of candidates who are approved for appointment to the CCOs are being conducted by Kerridge and Partners.
  - ii) Reputational: breach of privacy if confidential candidate information is provided to media outlets prior to final decisions being made by the committee. The risk is fewer and potentially less qualified candidates being attracted into future board appointment programmes. To mitigate the risk staff will continue to highlight the need for maintaining confidentiality during the board appointment programme.
  - iii) Governance: the risk of an unbalanced board where a loss of institutional knowledge impacts decision-making. Conversely, retaining board members for too long can mean the board lack innovation and fresh thinking.

## Ngā koringa ā-muri / Next steps

17. Following approval from this committee, staff from the CCO Governance and External Partnerships department and council's external director recruitment support company (Kerridge and Partners) will maintain progress on the appointment programmes for 2018.

## Ngā tāpirihanga / Attachments

There are no attachments for this report.

## Ngā kaihaina / Signatories

Author	Josie Meuli - Senior Advisor
Authorisers	Alastair Cameron - Manager - CCO Governance & External Partnerships Phil Wilson - Governance Director



## Exclusion of the Public: Local Government Official Information and Meetings Act 1987

a)

That the Appointments, Performance Review and Value for Money Committee:

a) exclude the public from the following part(s) 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 follows.

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, as follows:

### C1 Confidential: Tamaki Redevelopment Company Limited : Board Appointment

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
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.	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.  In particular, the report contains private information about board members on the Tamaki Redevelopment Company Limited Board.	s48(1)(a)  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.

### C2 Confidential: Appointment of candidates for chair vacancies on Auckland Council's Council Controlled Organisations

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
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.	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.  In particular, the report contains private information about candidates who have applied for the three chair vacancies on Auckland Council's council-controlled organisations.	s48(1)(a)  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.

**C3 Confidential: Programme for appointment of directors to council-controlled organisations**

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
<p>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.</p>	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p> <p>In particular, the report contains private information about the board members of Auckland Council's council-controlled organisations and their potential retirement or reappointment.</p>	<p>s48(1)(a)</p> <p>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.</p>