



Report 04.657
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Committee Policy, Finance and Strategy
Author Councillor Buchanan, Chairperson

Appointment of Directors to the Council's Companies

1. Purpose

To appoint councillor directors to the Council's companies.

2. Background

The Council adopted a policy on the appointment and remuneration of directors of council organisations on 30 June 2003 (report 03.350).

The Council's holding company, WRC Holdings Limited, has two subsidiaries, Port Investments Limited and Pringle House Limited. The policy notes that as there are natural linkages between the three companies, all meet at the same time and it makes sense to have a common board of directors for all three companies.

The policy states that in each triennium the Council Chairperson, Deputy Chairperson and one other Councillor are appointed to the boards of these companies. The Council Chairperson is the Chairperson of each of the companies.

The term of the current councillor directors ends on 31 December 2004 so it is necessary to make new appointments to take effect from that time.

3. Considerations

The current policy and make-up of the boards of the companies is three regional councillors and two external appointments. It is my view that this policy should be amended to provide for four councillors and two external appointees. As the board is essentially a shareholders' board, I believe that there are clear advantages from gaining a stronger link with the ultimate shareholder, the Council, while retaining an external perspective to provide an independent overview and to bring in key business skills.

The four councillors would include the Chairperson and Deputy Chairperson as at present, and two additional councillors. I recommend that Councillors Long and Shields be appointed to these positions.

The term of the current external directors ends on 30 April 2005. I propose that the two external directors remain in office until that time, but that a selection process commences in the New Year so that two external directors can be appointed to commence on 1 May 2005. The process for appointment will be as outlined in the policy on appointment and remuneration of directors of council organisations. Essentially this requires that a screening group comprising the Council Chairperson, Deputy Chairperson and Council Secretary seek potential directors, assess them in terms of the criteria in the policy, and make a recommendation to the Council via the Policy, Finance and Strategy Committee.

4. Communication

The Council's decisions will be reported to the next meeting of WRC Holdings Limited.

5. Recommendations

That the Committee recommends that Council:

- (1) **Amend** its policy on the Appointment and Remuneration of Directors to provide for four Councillors and two external appointees on the boards of WRC Holdings Limited, Port Investments Limited and Pringle House Limited.
- (2) **Appoint** the Council Chairperson, Deputy Chairperson and Councillors Shields and Long as directors of WRC Holdings Limited, Port Investments Limited and Pringle House Limited effective from 1 January 2005.
- (3) **Note** that the Council Chairperson will be the Chairperson of each of the boards.

Report prepared by:

Councillor Buchanan
Chairperson