

Joint Appointment of Directors/Trustees of Council Controlled Organisations and Council Controlled Trading Organisations

Joint Policy of Nelson City Council/Tasman District Council

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JOINT APPOINTMENT OF DIRECTORS/TRUSTEES

1. Introduction

1.1 Nelson City Council and Tasman District Council jointly control or have significant shareholdings in several Council Controlled Organisations (CCOs) and Council Controlled Trading Organisations (CCTOs). These are independent organisations, whose operations are governed by a board of directors or trustees.

2. Purpose

2.1 This Policy sets out the process for selection, appointment and review of directors/trustees jointly appointed to CCTOs, and to the governing boards of CCOs as per section 57 of the Local Government Act 2002.

3. Criteria for Selection of Directors/Trustees

3.1. The Joint Shareholders Committee must have regard to the diversity of each governing board when considering candidates for joint appointment or re-appointment.

3.2 Any person jointly appointed as a director/trustee of a CCO or CCTO must:

3.2.1 Have completed the Institute of Directors course; or

- 3.2.2 Have equivalent experience.
- 3.3 The following qualities of candidates for joint appointment as directors/trustees must also be considered:
 - 3.3.1 Ability to think commercially and financially about strategies, projects and the intelligent deployment of resources;
 - 3.3.2 Ability to communicate in a concise and clear manner;
 - 3.3.3 Leadership skills, and willingness to be counted on important matters;
 - 3.3.4 Commitment to, and understanding of, the responsibilities of directors / trustees;
 - 3.3.5 Relevant business experience and/or the ability to gain an in-depth understanding of the company/trust and its activities;
 - 3.3.6 Objectivity in decision making;
 - 3.3.7 Respect for colleagues and staff;
 - 3.3.8 High ethical standards;
 - 3.3.9 Proven commercial experience;
 - 3.3.10 Positive attitude to public ownership and the principles of good corporate citizenship;
 - 3.3.11 Financial acumen;
 - 3.3.12 Commitment to regional needs and priorities;
 - 3.3.13 Any other special considerations/requirements in respect of the specific organisation.

4. Process for Appointment of Directors/Trustees

- 4.1. The Co-Chairs of the Joint Shareholders Committee will:
 - 4.1.1. Meet with the Chairperson of the relevant governing board to discuss specific requirements (including whether the

appointment is necessary), and to consider whether there is any need for a variation of procedure under section 8;

- 4.1.2. Retain a recruitment consultant as required to advertise the vacancy and develop a list of candidates; and
 - 4.1.3. Decide on the composition of the interview panel, which will include the board chairperson (or another board member if the board chairperson is unavailable)
- 4.2. The Joint Shareholders Committee may include on the list of candidates any persons recommended by the chairperson of the governing board.
 - 4.3. The recruitment consultant shall, in consultation with the interview panel, assist with any interview process and carry out reference checks of persons on the list of candidates, having regard to the criteria listed in Section 3 above, and report a short list with recommendations to the Joint Shareholders Committee.
 - 4.4. The interview panel will conduct interviews on the short list of candidates and recommend a preferred candidate (or in the case of multiple vacancies, candidates) to the Joint Shareholders Committee through the Group Manager Corporate Services and/or the Group Manager Community Services.
 - 4.5. The Joint Shareholders Committee will make the final decision to appoint the director/ trustee on the recommendation of the interview panel.

5. Process for Reappointment of Directors/Trustees

- 5.1. No Director/Trustee may be reappointed for a fourth consecutive term unless there are special circumstances.
- 5.2. Subject to the constitution of the organisation concerned, where a Director/Trustee's term of appointment is about to expire and they are offering themselves for reappointment, the Co-Chairs of the Joint Shareholder's Committee:
 - 5.2.1. May make confidential enquiries from the Chairperson and other members of the Governing Board as necessary, including:
 - Whether the skills of the incumbent add value to the work of the Governing Board;
 - Whether there are other skills which the Governing Board needs;

- Whether a change to the existing Directors/Trustees would compromise the Governing Board's ability to pursue a desired vision and long term strategy, or whether there is a need for new skills and ideas on the Board; and
 - Whether an appointment is necessary.
- 5.2.2. Must consider any information obtained and form a view on the appropriateness of reappointment or making a replacement appointment; and
- 5.2.3. Must recommend to the Joint Shareholders Committee whether reappointment is appropriate.
- 5.3. If reappointment is not appropriate, the appointment process outlined in Section 4 will be followed.

6. Performance of directors/trustees

- 6.1. A review of the Board and individual director/trustee performance shall be undertaken by the Chairperson of the governing board at least once every 18 months, including consideration of:
- 6.1.1. Board 'fit' and rapport;
 - 6.1.2. Demonstration of the necessary skills and qualities;
 - 6.1.3. Any changes in the organisation's strategic direction which may require different skills or experience;
 - 6.1.4. Individual's contribution and meeting attendance.
- 6.2. The Chair of the Board should reference this evaluation when making recommendations on the re-appointment or recruitment of Board members.

7. Remuneration of directors/trustees

- 7.1. Remuneration of directors/trustees of jointly held CCTOs is covered by the *Procedure for Joint setting remuneration for Directors of Council Controlled Trading Organisations (A1929440)*.
- 7.2. Remuneration of directors/trustees of jointly held CCOs is set in accordance with scales approved from time to time by the Joint Shareholders Committee prior to the organisation's annual general meeting.

8. Appointment of staff members or Elected Members as directors/trustees

- 8.1. No staff member or elected member of either Council may be jointly appointed as a director/trustee, except where good reason exists for doing so. Any report recommending the appointment or reappointment of a staff member or elected member of either Council must clearly explain the reasons for doing so.
- 8.2. Subject to clause 8.1, each Council may develop separate policies regarding the appointment of elected members or staff members as directors/trustees.

9. Variation of Procedure

- 9.1. The procedures outlined in this policy may be varied to meet the requirements of the organisation's rules, constitution, trust deed or other guiding document, provided that such variation meets the requirements of the Local Government Act 2002.
- 9.2. The Joint Shareholders Committee may decide to vary the procedures outlined in Sections 4 and 5 of this policy as necessary, provided that such variation is not contrary to the requirements of the Local Government Act 2002, and conforms to relevant trust deed, the company's constitution, and other relevant legislation e.g. the Port Companies Act.