

# Policy on appointments to council organisations

**Group responsible: Community and democracy**

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## Introduction

Southland District Council (Council) has an interest in a number of council organisations (COs). These organisations deliver services, provide advice, or in some way support the achievement of Council's long-term objectives, and include the organisations listed in Council's Local Governance Statement for each triennium.

COs are organisations that Council is involved with by itself or with other local authorities and has one or more voting rights or rights to appoint a board member from Council. This policy does not apply to council-controlled organisations (CCOs).

## Purpose

The Local Government Act 2002 (LGA) requires that Council have a policy that contains an objective and transparent process for the:

- identification and consideration of the skills, knowledge, and experience required of trustees and directors of a council organisation
- the appointment of trustees and directors to a CO
- the remuneration of trustees and directors of a CO.

## Definitions

TERM	MEANING
<b>board member</b>	In this policy, refers to a director, trustee or shareholder of a CO.
<b>council-controlled organisation (CCO)</b>	Has the meaning given to it by s.6(1) of the LGA. A CCO includes a council organisation where one or more local authorities have: <ul style="list-style-type: none"> <li>• control, directly or indirectly, of <b>50% or more</b> of the votes at any meeting of the members or controlling body of the entity; or</li> <li>• the right, directly or indirectly, to appoint <b>50% or more</b> of the trustees, directors, or managers (however described) of the entity.</li> </ul>
<b>council organisation (CO)</b>	Has the meaning given to it by s.6(1) of the LGA. A CO is an entity in respect of which Council has, whether or not jointly with other local authorities: <ul style="list-style-type: none"> <li>• control, directly or indirectly, of <b>one or more</b> of the votes at any meeting of the members or controlling body of the entity; or</li> </ul>

- the right, directly or indirectly, to appoint **one or more** of the trustees, directors, or managers (however described) of the entity.

‘Entity’ here means any partnership, trust, arrangement for the sharing of profits, union of interest, co-operation, joint venture, or other similar arrangement; but does not include a company, or a committee or joint committee of a local authority.

## Policy principles

### Skills, knowledge and experience

Council may appoint a person to be a board member of a CO only if Council considers the person has the skills, knowledge and experience to:

- guide the organisation given the nature and scope of its activities
- contribute to the achievement of the objectives of the organisation.

The core competencies expected of Council appointed board members to a CO are:

- sound judgement and decision-making
- public service ethos
- an understanding and commitment to Council’s obligation to Te Tiriti o Waitangi
- a high standard of personal integrity
- clear communication and an ability to debate in a reasoned manner
- effective teamwork and collaboration
- ability to think strategically
- ability to consider risk and contingency management
- commitment to the principles of good corporate citizenship.

### Appointment

Appointments will be made by a formal resolution of Council. Where consistent with the LGA, Council may by resolution delegate authority to the chief executive to make appointments.

Elected members and staff may be appointed as a board member of a CO, subject to the specific provisions of the trust deed or equivalent founding document. The appointment of an elected member shall be dis-established at the end of each triennium and needs to be re-established by the new Council at the beginning of each triennium.

To reflect current national and international best practice, Council’s policy regarding board member tenure is as follows:

- tenure of three years: board members shall hold office for a term of up to three years from the date of appointment
- expiry of tenure: upon expiry of that three-year term, the board member retires from the board and may be eligible for reappointment

- reappointment: a board member who is retiring from their first three-year tenure, deemed eligible for reappointment and who wishes to stand, may, at the sole discretion of Council (by ordinary resolution), be reappointed for a further term of up to three years
- tenure exceeding six consecutive years: regular board member rotation is encouraged, but terms exceeding six years will be considered on a case-by-case basis. Council recognises that board members often have valuable institutional knowledge that organisations need to retain, and acknowledges there is a limited pool of suitable candidates for some boards.

### **Conflicts of interest**

Any conflicts of interest will be declared by potential board members to a CO prior to appointment. Council expects that board members of COs will avoid situations where their actions could give rise to a conflict of interest. To minimise these situations, Council requires board members to follow the provisions of the Code of Conduct for elected members and the Conflict of Interest Policy for staff.

### **Remuneration**

As a general rule, Council will not remunerate for service as a board member of a CO. In the case of the appointment of a member of staff, no additional remuneration will be paid.

Any reimbursement of expenses of board members of a CO is not set by Council and is at the discretion of that organisation.

## **Review**

This policy shall be reviewed every six years, or as otherwise required.

## **Associated documents**

- Delegations Manual
- Code of Conduct for elected members
- Conflict of Interest Policy
- Elected Members Remuneration and Reimbursement Policy
- Local Government Act 2002 and other relevant statutes