

**SUPPLEMENTARY REPORT BY THE
CITY MANAGER**

**2. APPOINTMENT OF DIRECTORS TO
CHRISTCHURCH CITY HOLDINGS LIMITED**

RR 8698

1. BACKGROUND

The Council resolved in September 1998 that appointments to the board of Christchurch City Holdings Limited should be reviewed at the inaugural meeting of the new Council and any necessary new appointments made at that time.

The Constitution of Christchurch City Holdings Limited has no fixed term of appointment or rotation cycle but instead allows the shareholder (Christchurch City Council) to remove or appoint directors by giving notice to the company in terms of clause 13.2.

2. CURRENT BOARD MEMBERSHIP

The Constitution provides that the company may have a board of no less than five and no more than nine directors. At least two of the directors must be external to the Council in terms of both the constitution and the Local Government Act. The Council established a policy approximately one year ago to appoint three external directors.

Current Directors are:

Mr Alister James	(Chairman)
Mr Craig Boyce	(External Director)
Ms Vicki Buck	
Mr David Close	
Mr Patrick Harrow	
Mr Garry Moore	
Mrs Margaret Murray	
Mr David Stock	(External Director)
Mr Peter Taylor	(External Director)

3. IMPACT OF ELECTIONS

It is noted that two of the existing directors who were originally appointed as Councillors are no longer on the Council and the Council may therefore wish to replace them on the board. These members are Ms Vicki Buck and Mrs Margaret Murray. This is not a constitutional requirement as they could legitimately remain as external board members, however it has been generally accepted in the past that it is important for Christchurch City Holdings Limited to include a significant number of Councillors so that a spectrum of opinion from within the elected member body can influence the development and monitoring of statements of corporate intent, and so that the Council has a good understanding of issues facing its major trading activities. I would advise that this principle is important and so the Council should replace these members at this time.

2 Cont'd

4. PROCEDURE FOR CHANGE OF DIRECTORS

The Constitution of Christchurch City Holdings Limited requires that the Council formally notify the Company in writing of directors which it wishes to remove from the board and those which it wishes to appoint. A Council resolution authorising the issuing of such a notice will therefore be necessary.

It is not necessary to make any notification in respect of Directors who remain on the board although the Council may wish to confirm this for the sake of clarity. I understand that a complete list of Councillors which the Council wishes to be directors will be tabled at the meeting.

5. CONFIRMATION OF EXTERNAL DIRECTORS

In view of the process of confirming all Councillor directors on the board it would be appropriate for the Council to also confirm the appointment of Messrs Boyce, Stock and Taylor as external Directors. Messrs Stock and Taylor have been members of the board since it was established in 1993. Mr Boyce was appointed in early 1998. All three make a very positive contribution to the board and confirmation of the their ongoing tenure is recommended.

- Recommendation:**
1. That the Council approve the appointment to the Board of Christchurch City Holdings Limited of those Councillors named in the list tabled by the Mayor.
 2. That the Company be notified in writing of the removal of those directors who are former Councillor directors and who are not on the list.
 3. That the Company be notified in writing of the appointment of the new directors on the list.
 4. That the continuation of Messrs Boyce, Stock and Taylor on the Board be confirmed.

M A Richardson
CITY MANAGER

3 November 1998