

26. 8. 99

## **REPORT OF ESTABLISHMENT UNIT REGARDING THE FORMATION OF A LOCAL AUTHORITY TRADING ENTERPRISE**

The Establishment Unit formed by the Christchurch City Council pursuant to Section 594I of the Local Government Act has pleasure in presenting for your consideration and adoption the Establishment Plan for the transfer of physical works to an expanded LATE.

The Establishment Plan has been developed and agreed by the Establishment Unit and follows on from the work undertaken earlier this year by the Working Party convened to advise on appropriate future arrangements for delivery of physical works services. The Establishment Unit comprised of the following members:

Mr David Spence (Chairman)

Councillor David Close

Councillor Denis O'Rourke

Councillor Ron Wright

Councillor Alister James

Mr Derek Anderson

Mr Doug Marsh

Mr Bernie O'Brien

Mr Mike Richardson

Mr Ian Hay

The Establishment Plan addresses the issues identified under Section 594J of the Local Government Act and develops the preferred option of one LATE as determined by Council pursuant to Section 247D along with the expected timetable for implementation. As part of the deliberation the Establishment Unit was requested to again review the option of retaining the refuse transfer station, resource recovery and composting activities as in house operations. After full consultation and agreement with the Waste Unit, Recovered Materials Foundation and current Works Operations management the Establishment Unit unanimously recommend that these activities be transferred to and be managed by the expanded LATE.

- Recommendation:**
1. That the Council adopt the Establishment Plan relating to future physical works service delivery by an expanded LATE and recommendations of the Establishment Unit relating to matters specified in Section 594J of the Local Government Act.
  2. That subject to professional valuation advice being obtained Council members of the Establishment Unit be delegated authority to agree on the final sale price with directors of the company, and that the final price be reported to Council for information in due course.
  3. That the Director of Business Projects and Relationships and Chairman of the Strategy and Resources Committee have delegated authority to approve legal documentation relating to the sale.

4. That the Constitution of Canroad Construction Ltd be adopted as the Constitution for the expanded LATE subject to the following amendments.

Clause 6(b)(xi) altered to read:

"Procedures for Shareholder consultation in respect of any proposed acquisition or divestment of assets."

Clause 6(b)(xii) delete "Transit Act" and replace with "all statutory requirements to operate its business".

Clause 10 addition

(c) "Every director who is a Councillor can be removed from office within three months after the triennial elections".

Clause 10 (a) insert "Notwithstanding the provisions relating to rotation" before "The parent shall".

---

DL Spence (Chairman of  
Establishment Unit)

---

Date