

REPORT OF THE DIRECTOR OF FINANCE

1. COUNCILLOR DIRECTOR SUBCOMMITTEE

Background

In September 2001 the previous Council resolved that it be recommended to the incoming Council at its inaugural meeting, that a subcommittee of the Council be established as an appointment panel to recommend the appointment of Councillor directors to subsidiary company boards using a process similar to that adopted in 1998. The process included:

- Seeking expressions of interest from interested Councillors, including incumbent directors.
- Discussions with the Chairpersons of the various boards to determine the skills and experience needed on each board.
- Interviews of individual Councillor applicants by a management consultant and reporting on their suitability to the subcommittee.
- Consideration of the most appropriate appointments by the subcommittee and the formulation of a recommendation to the Council.

The membership of the appointment subcommittee was the Chair of the Strategy and Resources Committee, the Chair of CCHL, one other Councillor and a non-Councillor. (Mr Murray Rodgers, management consultant, was employed to work with the subcommittee.) A copy of the report to Council in September is attached to this report.

Recommended Process

The Council resolution of September 2001 was as follows:

1. *That five or six suitable Councillors be appointed by the Council to the Board of CCHL at the time it appoints its standing committees.*
2. *That a subcommittee be appointed to:*
 - (a) *Review the appointment of Councillor directors to all subsidiary boards using a process similar to that adopted in 1998.*
 - (b) *Ascertain and consider the skill set required for each of the subsidiary boards in determining the most suitable appointment recommendations.*
 - (c) *Consider recommending the appointment of at least one Councillor to each subsidiary board unless there are exceptional circumstances.*
 - (d) *Recommend appointments to Council no later than March 2002.*

Timeframe for Appointments

Because of the importance of making the best possible appointments to boards, the Council (in 1998) adopted the practice, outlined in the background section of this report, of making Councillor appointments to subsidiary boards in the February following the triennial elections. The process allowed all interested Councillors to register interest and provided for an evaluation of the skills of Councillors seeking appointment utilising the services of a management consultant and it is proposed that a similar process is used again this year.

- Recommendation:**
1. That the Council appoint a subcommittee comprising the Chair of Strategy and Resources Committee, the Chair of Christchurch City Holdings Limited, one other Councillor who is not a Director of a subsidiary company and a management consultant.

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2. That the subcommittee:
 - (a) Review the appointment of Councillor directors to all subsidiary boards.
 - (b) Ascertain and consider the skill set required for each of the subsidiary boards in determining the most suitable appointment recommendations.
 - (c) Consider recommending the appointment of at least one Councillor to each subsidiary board unless there are exceptional circumstances.
 - (d) Recommend appointments to the Council no later than March 2002.

R A Lineham
DIRECTOR OF FINANCE

1 November 2001