

## 8. STATEMENTS OF INTENT FOR TUAM LTD AND TUAM 2 LTD



<b>General Manager responsible:</b>	General Manager Corporate Services, DDI 941-8540
<b>Officer responsible:</b>	General Manager Corporate Services
<b>Author:</b>	Roy Baker

### PURPOSE OF REPORT

1. The purpose of this report is to receive and approve the Statements of Intent for two Council Controlled Organisations, Tuam Ltd and Tuam 2 Ltd. Copies of the draft Statements of Intent are attached.
2. It is also necessary for Councillors to approve changes to the current directors of both companies.

### EXECUTIVE SUMMARY

3. At its meeting on 23 March 2007, the Council approved in principle the establishment of a new CCO (Tuam 2 Ltd) for the purpose of delivering a new civic building. The Council also resolved to include this proposal in the special consultative procedure adopted for the 2007 amendments to the Council's 2006-16 LTCCP.
4. Following completion of the consultation process on 28 June 2007, the Council adopted the 2007 amendments to its LTCCP. These included provision for the establishment of Tuam 2 Ltd to construct, own and lease the proposed new civic building to the Council. As a result of that resolution, Tuam 2 Ltd was established as a CCO and incorporated on 17 July 2007. The interim directors are Tony Marryatt and Roy Baker.
5. As a result of these resolutions, the role of Tuam Ltd is now restricted to owning and managing the existing civic building and related Tuam Street properties. This is also recorded in the 2007 amendments to the 2006-16 LTCCP.
6. In accordance with the provisions of the Local Government Act 2002, Tuam 2 Ltd must have a statement of intent. At the same time, the statement of intent for Tuam Ltd has been amended to include changes to the role of the company as a result of the establishment of Tuam 2 Ltd.
7. It is also necessary for the Council to approve the proposed changes to the Boards of Directors of both companies.

### FINANCIAL IMPLICATIONS

8. The matters referred to in this report reflect earlier resolutions of the Council and the provisions of the 2006-16 LTCCP.

### LEGAL CONSIDERATIONS

9. Tuam 2 Ltd has been established as a CCO pursuant to the requirements of Section 56 of the Local Government Act 2002. The Council is the sole shareholder and has the right to appoint the directors of the company.
10. The directors proposed for Tuam 2 Ltd have been identified in accordance with the Council's appointment and remuneration of directors' policy. They have agreed to their names being put forward for appointment to the Board. All nominees are currently directors of Christchurch City Facilities Ltd.
11. At its meeting on 8 June 2006, the Council authorised the General Manager Corporate Services to initiate the recruitment of directors for Tuam Ltd in accordance with the Council's policy on such appointments and with a view to appointing current directors of CCFL to the Board. The directors proposed for Tuam Ltd are current directors of CCFL and have agreed to their names being put forward for appointment.

12. Tuam Ltd and Tuam 2 Ltd are required to have a statement of intent for the 2007/08 year. The form of the documents attached (Appendix 1) complies with the provisions of the Local Government Act 2002.
13. Tuam Ltd will no longer have responsibility for matters relating to the new civic building. These will in future be dealt with by Tuam 2 Ltd in accordance with recommendations to the Council set out in a further report to be considered at the same meeting as this report. As a result of this, there will be a rearrangement of existing capital and debt structures of the companies so that:
  - (a) the level of uncalled capital issued by Tuam Ltd is reduced from \$15m to \$5m; and
  - (b) Tuam 2 Ltd will issue \$10m of uncalled capital to the Council.

#### **STAFF RECOMMENDATION**

It is recommended that the Council resolve to:

- (a) Consent to the resignation of Tony Marryatt and Roy Baker as the interim directors of Tuam 2 Ltd.
- (b) Appoint the following directors to Tuam 2 Ltd, as set out in its Statement of Intent:

Bruce Robertson Irvine (Chairman)  
William Hanlin Johnstone  
David George Cox  
Christopher Keith Doig  
Dominique Fiona Dowding  
Simon George Mortlock  
Arthur James Keegan.
- (c) Consent to the resignation of Bob Lineham and Roy Baker as the interim directors of Tuam Ltd.
- (d) Appoint the following directors to Tuam Ltd as set out in its Statement of Intent:

Bruce Robertson Irvine (Chairman)  
William Hanlin Johnstone  
David George Cox  
Christopher Keith Doig  
Dominique Fiona Dowding  
Simon George Mortlock  
Arthur James Keegan.
- (e) Approve the Statements of Intent for Tuam Ltd and Tuam 2 Ltd for the 2007/08 year.