

STRATFORD DISTRICT COUNCIL

SECTION: DEMOCRACY	
<u>POLICY: APPOINTMENT AND REMUNERATION OF DIRECTORS FOR COUNCIL ORGANISATIONS</u>	
RESPONSIBILITY: Chief Executive	REVIEW DATE: November 2007
VERSION: 1	APPROVED DATE: December 2004
FILE NUMBER: 16043	
DELEGATIONS REGISTER NO: [Click here]	

Introduction

The Stratford District Council has an interest in a number of Council Organisations (COs). This policy also incorporates Council Controlled Organisations.

Purpose Of Council Directors for Council Organisations

Council may appoint Council Directors where:

- There is a statutory requirement.
- Council has a financial interest or an interest through ownership.
- There are wider community benefits.

Appointments

- Appointments are made by Council in terms of Section 57 of the Local Government Act.
- Appointments are made following the members election to office.

Directors

The Local Government Act 2002 requires that the Council may appoint a person to a directorship of Council Organisations only if the 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 and the organisation.

Further, the Local Government Act 2002 requires that the Council may appoint a person to a directorship of Council Controlled Organisations only if the Council considers the person has the skills, knowledge and experience to:

- assist the organisation to meet its objectives and any other requirements in its statement of intent.
- contribute to the achievement of the objectives and the organisation.

The Council is required to adopt a policy setting out an objective and transparent process for identifying and considering the skills required of a Council Organisation director, and appointing the directors of COs.

Tenure

Tenure shall be for the term of office (three years) unless otherwise determined by Council, or 80% of the organisation concerned excluding the Council Director.

Responsibility

The Council Director shall be responsible to the Stratford District Council in terms of the roles and duties of the position.

Role Of Position

The primary purpose of the position is to support the organisations in all ways possible in terms of Council's Long Term Council Community Plan and Council policy.

Skills

The Council considers that any person that it appoints to be a director of a Council Organisation should, as a minimum, have the following skills:

- intellectual ability.
- an understanding of governance issues.
- either business experience or other experience that is relevant to the activities of the organisation (or both).
- sound judgement.
- a high standard of personal integrity.
- the ability to work as a member of a team.

Duties

- To attend all committee meetings of the organisation.
- To support the organisation as noted above.
- To act as liaison between the organisation and Council.
- To report to Council on the organisations progress at least annually or more frequently if requested by Council.

Appointment Process

When vacancies arise in any Council Organisation the Council will follow the following process for appointing directors.

The Council will decide in open Council whether to advertise a particular vacancy or make an appointment without advertisement. When making this decision the Council will consider:

- the costs of any advertisement and process.
- the availability of qualified candidates.
- the urgency of the appointment (eg. a Council Organisation that is without a quorum cannot hold board meetings).

Appointment by Advertisement

Where the Council decides to advertise a vacancy, it will form an ad hoc committee to consider applications and make a recommendation to the Council. The Mayor, or a Councillor nominated by the Mayor, will chair the committee.

A shortlist of candidates will be prepared by the Mayor, the chairperson of the committee charged with responsibility for monitoring the CO, and the Chief Executive.

The short listed candidates will be interviewed by the relevant committee and the committee will report to Council on each of the candidates. The committee may make a recommendation if it wishes to do so.

Appointment without Advertisement

Where the Council decides not to advertise a particular vacancy it will refer the matter to the Council committee that is responsible for monitoring the Council Organisation.

The Council committee will consider the appointment at its next scheduled meeting. The committee will identify a shortlist of candidates whom it considers meet the above criteria and will forward those to Council together with a report explaining why these candidates meet the criteria. The committee may make a recommendation.

Final Appointment

The Council will make a decision In-Committee (thus protecting the privacy of natural persons). Public announcement of the appointment will be made as soon as practicable after the Council has made its decision.

An elected member who is under consideration to fill a particular vacancy may not take part in the discussion or vote on that appointment.

Conflicts of Interest

Stratford District Council expects that directors of Council Organisations will avoid situations where their actions could give rise to a conflict of interest. To minimise these situations the Council requires directors to follow the provisions of the New Zealand Institute of Directors' Code of Ethics. All directors are appointed 'at the pleasure of Council' and may be dismissed for breaches of this code.

Remuneration

Remuneration of directors of Council Organisations is a matter of public interest.

Where the Council is the sole shareholder in a particular organisation the Council will set director's remuneration either by resolution at the annual general meeting or will review salaries on an annual basis (for those organisations that do not have such a meeting). In reaching a view on the appropriate level of remuneration for directors of Council Organisations the Council will consider the following factors:

- the need to attract and retain appropriately qualified people to be directors of the Council Organisation.
- the levels and movement of salaries in comparable organisations (the Council will retain professional advice on salary levels and movements).
- the objectives of the Council Organisation (in particular whether or not the Council Organisation operates on a charitable basis).
- the past performance of the Council Organisation.
- whether the Council Organisation is operating as a trading undertaking.
- the financial situation of the Council Organisation.
- any determinations from the Remuneration Authority.

In cases where the Council cannot exercise direct control, such as in an organisation where it is one shareholder among many, it will conduct its own monitoring of salaries against the above factors and will publicly disclose the name of any Council Organisation which it considers is not complying with the above factors.