WAIMAKARIRI DISTRICT COUNCIL

MINUTES FOR THE MEETING OF THE AUDIT AND RISK COMMITTEE HELD IN THE WAIMAKARIRI DISTRICT COUNCIL CHAMBERS, 215 HIGH STREET, RANGIORA ON TUESDAY 13 FEBRUARY 2018 COMMENCING AT 4.00PM.

PRESENT

Deputy Mayor K Felstead (Chairperson), Mayor D Ayers, Councillors N Atkinson, A Blackie, S Stewart and P Williams

IN ATTENDANCE

Councillors K Barnett, W Doody, J Meyer and D Gordon
Messrs J Millward (Manager Finance and Business Support), S Markham (Manager Strategy and Engagement), P Christensen (Finance Manager), Mr S Hart (Business and Centres Manager), and Mrs A Smith (Committee Advisor)

1 APOLOGIES

There were no apologies.

2 CONFLICTS OF INTEREST

There were no conflicts of interest.

3 CONFIRMATION OF MINUTES

3.1 Minutes of a meeting of the Audit and Risk Committee held on Tuesday 28 November 2017

Moved Councillor Atkinson seconded Mayor Ayers

THAT the Audit Committee

(a) Confirms the circulated minutes of a meeting of the Audit and Risk Committee, held on the 28 November 2017, as a true and accurate record, with the correction to Item 6.11, Annual Report for Enterprise North Canterbury for the year ended 30 June 2017, Councillor Stewart wished to record her vote against this.

CARRIED

4 MATTERS ARISING

No matters arising

5 PRESENTATION/DEPUTATION

There were no presentations or deputations.
6 REPORTS

6.1 Renewal of District Promotions Contract with Enterprise North Canterbury for 2018-21 Period – Simon Markham (Manager Strategy and Engagement)

Mr Markham presented this report, which follows on from a workshop held later in 2017 on district promotions. This is a request for a renewal of the contract on similar terms and conditions, for a further three-year period. The next review, as part of the S17 Reviews is tabled to happen in the 2020/21 year which aligns with the end of this three-year contract period.

Council Stewart questioned the figures in table on page 20 of the agenda on the costs for staff to undertake the district marketing for visitors, business and events promotion. Mr Markham provided an explanation of the figures, and the work that these staff are involved in, with promoting the district. There is three areas considered in this table – staff engaging in promotional work; costs of placement of promotional material in publications; and other funding provided by other organisations, such as those who want their material displayed on the i-Site.

Regarding the contestable fund – it was recorded in the ENC Annual Report, that there were 26 applications for funding, and of these 18 events were funded. Mr Markham noted that sometimes the criteria isn’t met in these applications, and in some case events don’t proceed. It is important that any events that are provided funding for are well organised and planned and that they do go ahead, so that funding isn’t then missed being made available to another applicant. There was a review in 2014 of the criteria and it can be challenging to get the “bar” right for good events and what the event funding panel need to weigh up. Council Stewart asked if it would be possible for other Councillors to sit in on the funding panel meetings. Councillor Dan Gordon as the portfolio holder is one of the three panel members. Councillor Gordon is happy to take on board the concerns of any other Councillors in his role with the funding panel.

Councillor Williams raised concerns that the Promotion Objectives which are listed in the ENC Annual Report, in particular “Engaging with Council, local developers and property owners to promote business development opportunities” is what the Council staff role of Business and Centres Manager undertakes. The proposal for an additional role in the Business and Centres area was also noted. Mr Markham provided an explanation of the role of the Council’s Business and Centres Manager and proposed additional staff.

Councillor Barnett commented that it is important for the Council to review this contract and make sure the money is spent wisely. Tourism is a very important industry, and does not see in this report how the visitor market is being attracted. Councillor Barnett does not believe there is value for money in this report in attracting visitors from Christchurch, and that it is important that Council knows how many Christchurch people are aware of visitor attractions in Waimakariri. Councillor Barnett asked when was the last survey undertaken of Christchurch residents on their knowledge of attractions in the Waimakariri area? Mr Markham said this had been done within the last two years, possibly 2016. A copy of this information will be circulated to members.

i-SITE – Councillor Barnett questioned if it is planned for this to continue, as this is showing a significant drop in numbers coming through the door, and these numbers were largely local community. Councillor Barnett would support a review being undertaken of the i-SITE. Mr Markham said this will be something that will be considered by the Council in May in the adoption of the Long Term Plan. As discussed previously in Council workshop the operation of the i-SITE and event funding are two areas for consideration before adoption of the LTP in May.
In relation to recommendation (e), Councillor Stewart moved an amendment that the review be for the full functions of Enterprise North Canterbury and that this be undertaken in the 2018 year as part of Section 17a review. (the amendment was not seconded) Mayor Ayers called a Point of Order, that this amendment is ultra vires to the Local Government Official Information and Meetings Act, in that the amendment would bring up matters that are not subject to the report that has been publicly advertised. Mayor Ayers added that this report relates to the promotions contract, and is not on Enterprise North Canterbury as a whole. The Point of Order was upheld by Chair Felstead.

The recommendation was then taken in parts.

Moved Councillor Atkinson seconded Councillor Blackie

THAT the Audit and Risk Committee Receives Report No. 180131009463 and recommends to the Council that it:

(a) Notes that comprehensive reviews of District Promotions Services were undertaken in 2008 and 2014.

CARRIED

(b) Notes that the three-year District Promotions Contract, with Enterprise North Canterbury, expires on 30 June 2018 and that contract provides for Council approval of an annual district promotions business plan setting out the scope of services that are to be provided from year to year.

CARRIED

(c) Renews the District Promotions Contract with Enterprise North Canterbury on similar terms and conditions as at present for a further three year period from 1 July 2018.

CARRIED

Councillors S Stewart and P Williams against

(d) Authorises the Chief Executive to execute, for the Council, a refreshed contract document with ENC to give effect to recommendation (c) above.

CARRIED

Councillor S Stewart abstained

(e) Agrees that the next such review of the delivery arrangements for district promotions services, in terms of S.17A of the Local Government Act, be undertaken in 2020.

CARRIED

Councillor S Stewart against

(f) Notes that the Audit and Risk Committee, in the lead up to the approval of the 2018/19 district promotions business plan, intend to review the following elements of the promotions activity:
• The role/structure/process of the events grants budget with the Events Funding Panel and the Promotions Portfolio Holder;
• The role and function of a physical i-SITE in the context of the changing marketing and i-SITE Network landscape which is rapidly moving online.

CARRIED

Councillors Atkinson has concerns with the requests for continual reviews of the operations under this contract.

Councillor Blackie noted that tourism injects $150 million into the area, and if ENC were involved with just 1% of that, this more than covers their entire expenditure for a year and is happy with the status quo.

Councillor Gordon said there is planned to be discussions with the three promotions groups that capacity funding is provided for, on service level agreements. This matter will be brought back to this committee.

Councillor Barnett commented that it is important for the Council to review this contract and make sure the money is spent wisely. Tourism is a very important industry, and does not see in this report how the visitor market is being attracted. Councillor Barnett does not believe there is value for money in this report in attracting visitors from Christchurch, and that it is important that Council knows how many Christchurch people are aware of visitor attractions in Waimakariri. Councillor Barnett asked when was the last survey undertaken of Christchurch residents on their knowledge of attractions in the Waimakariri area? Mr Markham said this had been done within the last two years, possibly 2016. A copy of this information will be circulated to members.

Councillor Barnett has concerns with the visitor numbers to the i-SITE and noted the changing functionality, with online sales and changing travel patterns. Councillor Barnett would like to see a lot more evidence based reporting on the i-SITE based in Kaiapoi.

Mayor Ayers noted the reviews suggested are of event funding and the operation of the i-SITE. Mayor Ayers acknowledged the comments of Councillor Atkinson of the continued request for reviews and suggested that this could discourage people from being Trustees and reminded members that the Trustees are volunteers, with the interests of the wider North Canterbury area at heart. Noted that there is limited options in the district to accommodate the i-SITE on State Highway One. Mayor Ayer welcomes a review of event funding. Referring to comments on doubling up of functions of ENC staff and Council staff, Mayor Ayers noted that there are many businesses who may wish to establish in the district who do not need to have any Resource Consent, or go through any other Council processes, they just need to have a location to operate their business. Mayor Ayers suggested it would be beneficial for the Councillors to have a future presentation to explain the difference in the roles of the Council and ENC staff involved.

Councillor Williams supported the comments of Councillor Barnett on the i-SITE operation and does not support this recommendation and believes there needs to be clarification on matters relating to the promotion contract.

Councillor Stewart also echoes the concerns of Councillors Barnett and Williams. Welcomes the review in recommendation (f), which is an ongoing issue with some groups Councillor Stewart believes the i-SITE has a real value to the community, noting that the income has increased from its activities, even though the number of visitors has decreased. It was noted the benefits of the location of the i-SITE on the prominent corner in the middle of Kaiapoi Some current Councillors have been through reviews of these functions, but there are many Councillors who haven’t, and suggested with the changing
demographics, promotion and economic development needs, that it is timely to have a review of the entire functions.

Councillor Atkinson noted that when the original i-SITE was established in Kaiapoi, there were 49 across the country, and now there is 80 operating. 45% of tourists visit an i-SITE for information and to make changes to travel arrangements. The Kaiapoi i-SITE is rated as a star 5 facility, which means it delivers extremely well for the people who use it. Some i-SITEs are rated just 3 Star. Noted that some years ago there was a push to have machines installed in i-SITE facilities, but none of these are now operating and that visitors much prefer to speak face to face with staff members, and there has been an increase in staffing at i-SITEs nationally of over 200. Regarding events funding, Councillor Atkinson noted this is a changing area and supports having Council representation reviewing this regularly.

6.2 **Non-Financial Performance Measures 2nd Quarter results as at 31 December 2017 – Maria Edgar (Corporate Planner)**

Mr Simon Markham presented this report updating the committee on progress of the 2015-2025 Long Term Plan non-Financial performance measures for the 2nd quarter of the 2017/18 financial year.

Councillor Barnett questioned the variances in the ratings used, and the use of the term “nearly met”. Messrs Markham and Millward advised that in future there will be a much more explanation provided on any activities that are “nearly met”. Meeting discussed this and Mr Markham said feedback will be taken back and need to ensure that staff are systematic and use the rating that is there to fairly describe the situation.

Regarding the percentage of items of business considered in the open meeting – it was advised that there has not been any significant improvement over recent years, and it was agreed that the level of 95% needs to be reviewed.

Moved Councillor Felstead seconded Councillor Atkinson

**THAT the Audit and Risk Committee**

(a) **Receives** report *Non-Financial Performance Measures 2nd Quarter Results as at 31 December 2017* TRIM No. 180208012066.

**CARRIED**

Councillor Felstead noted that it would be beneficial to review the required percentage of items to be considered by Council in open meeting. It was agreed this needs to be reviewed and reconsidered.

6.3 **Capital Projects Report for the period ended 31 December 2017 – Paul Christensen (Finance Manager)**

This report was presented by Mr Christensen and taken as read. There were no questions from members.

Moved Councillor Atkinson seconded Councillor Blackie

**THAT the Audit and Risk Committee**

(a) **Receives** report No 180129007740;  

(b) **Circulates** report to the Boards
(c) Notes the progress of the capital projects with 82% of the 238 projects on time or completed.

CARRIED

6.4 Financial Report for the period ended 31 December 2017 – Paul Christensen (Finance Manager)

Mr Christensen presented this report which provides an update on the financial result for the quarter ended 31 December 2017.

Moved Mayor Ayers seconded Councillor Blackie

THAT the Audit and Risk Committee

(a) Receives report no. 180129008233

(b) Notes that progress is tracking favourably in comparison to budget.

CARRIED

6.5 Interview Panel for the Appointment of Waimakariri Irrigation Limited (WIL) Director – Jim Palmer (Chief Executive)

Mr Millward spoke to this report on behalf of Mr Palmer. There has been a resignation from the WIL Board and a request for a replacement has been made. This report requests two Councillors to be appointed to the Recruitment sub-committee to join the Mayor to interview and make a recommendation on the appointment of a new Council-appointed director.

Moved Councillor Atkinson seconded Councillor Blackie

THAT the Audit and Risk Committee

(a) Receives report No. 180202010142.

(b) Appoints the Mayor and Councillors Stewart and Williams as the Recruitment Sub-committee to interview and make a recommendation on the appointment a new Council-appointed director to the Board of Waimakariri Irrigation Limited.

(c) Notes it is intended that the Sub-committee will make a recommendation to the Audit and Risk Committee meeting on 27 March with the Council making an appointment on 3 April.

CARRIED
7  PORTFOLIO UPDATES

7.1  Audit, Risk, Long Term Plan and Excellence Programme – Deputy Mayor Kevin Felstead

PGC meetings have continued, with another one held yesterday. Staff presented a draft document to the group and this is progressing.

7.2  Communications – Councillor Neville Atkinson

Ten year Plan to be led by the Council, and for the staff to be there for information when needed.

8  QUESTIONS

There were no questions.

9  URGENT GENERAL BUSINESS

There was no urgent general business.

10  MATTERS TO BE CONSIDERED WITH THE PUBLIC EXCLUDED

Section 48, Local Government Official Information and Meetings Act 1987

Moved Councillor Atkinson seconded Councillor Blackie

THAT the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution, are as follows:

<table>
<thead>
<tr>
<th>Item No</th>
<th>Minutes/Report of:</th>
<th>General subject of each matter to be considered</th>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Ground(s) under section 48(1) for the passing of this resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.1</td>
<td>Minutes of the public excluded portion of the Audit and Risk Committee meeting of 28 November 2017</td>
<td>Confirmation of minutes</td>
<td>Good reason to withhold exists under Section 7</td>
<td>Section 48(1)(a)</td>
</tr>
</tbody>
</table>

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987, and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:
<table>
<thead>
<tr>
<th>Item No</th>
<th>Reason for protection of interests</th>
<th>Ref NZS 9202:2003 Appendix A</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.1</td>
<td>Protection of privacy of natural persons</td>
<td>A2(a)</td>
</tr>
<tr>
<td></td>
<td>To carry out commercial activities without prejudice</td>
<td>A2(b)ii</td>
</tr>
</tbody>
</table>

**CLOSED MEETING**

**Resolution to resume in Open Meeting**

Moved Mayor Ayers  seconded Councillor Blackie

**THAT** the open meeting resumes and the business discussed with the public excluded remains public excluded

**CARRIED**

**OPEN MEETING**

There being no further business, the meeting closed at 5.25pm.

**CONFIRMED**

__________________________________________

Chairperson

__________________________________________

Date