

Appointments to Council Organisations Policy

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CONTENTS

- Purpose..... 1
- Scope..... 1
- Strategic Alignment 1
- Required Skills, Knowledge and Experience..... 1
- Diversity and Inclusion..... 1
- Appointment Process..... 1
 - Advertising the Position 1
 - Assessment of Candidates..... 2
 - Council Decision..... 2
- Elected Members and MDC Employees 2
- Remuneration..... 2
- Term of Appointment 2
- Reappointment..... 3
- Conflict of Interest 3
- Reporting Requirements 3
- Removal of Directors 3
- Review of Policy 3
- Definitions..... 4
- Related Documents 4
- References..... 4
- Version Control..... 4

PURPOSE

The purpose of the Appointments to Council Organisations Policy is to ensure Masterton District Council (MDC) follows an objective and transparent process for the selection, appointment and remuneration of Council Organisation (CO) directors, in accordance with section 57 of the Local Government Act 2002 (LGA).

SCOPE

This policy applies to the selection, appointment and remuneration of all MDC CO directors.

STRATEGIC ALIGNMENT

Prior to deciding to appoint a CO director, Council will assess its involvement against the following strategic criteria:

- The organisation's goals and objectives, which must fit with MDC's direction as stated in its strategic planning documents.
- Any appointment must add value to the organisation and MDC.
- The benefits of appointing a director must outweigh other methods of achieving MDC's objectives.

REQUIRED SKILLS, KNOWLEDGE AND EXPERIENCE

MDC may appoint a person to be a director of a CO only if the Council considers the person has the skills, knowledge, or experience to:

- guide the organisation, given the nature and scope of its activities; and
- contribute to the achievement to the objectives of the organisation.

As a minimum, any person appointed as a director of a CO must have the following skills and attributes:

- an understanding of governance issues;
- knowledge and experience that is relevant to the position;
- intellectual ability;
- sound judgement;
- a high standard of personal integrity;
- the ability to work as a member of a team;
- ability to appreciate the wider public interest; and
- time available to effectively undertake the position.

DIVERSITY AND INCLUSION

MDC values diversity and acknowledges the value that a CO will gain from a broad range of skills, experience, perspectives, backgrounds, demographics and other qualities.

All director appointments will be made on the basis of the skills, knowledge and experience which the CO requires to be effective, balanced with the benefits of diversity in the organisation.

APPOINTMENT PROCESS

Advertising the Position

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

- costs associated with the advertisement and recruitment process;
- the availability of qualified candidates; and
- the urgency of the appointment.

Where an appointment is made without advertising, Council will record the decision (including the reasons for not advertising the position) in the minutes of the relevant meeting.

Assessment of Candidates

The Council will nominate a sub-committee to manage the appointment. The sub-committee may include MDC employees and external parties, as appropriate.

If the vacancy is advertised, the sub-committee will be responsible for:

- developing a person specification;
- considering applications;
- interviewing shortlisted candidates; and
- reporting back to Council (including making a recommendation if the sub-committee wishes to do so).

If the vacancy is not advertised, the sub-committee will recommend suitable candidates to Council (identifying a preferred candidate if the sub-committee wishes to do so). Recommendations will consider the:

- functional relationships of the appointment;
- responsibilities and liabilities of the appointment;
- key result areas for the appointment; and
- specific skills/qualifications that may be required by the successful candidate.

Council Decision

The preferred candidate will be appointed by Council resolution. The resolution may be made in a Public Excluded session if required to protect the privacy of a natural person. A public announcement of the decision will be published as soon as practicable.

If an elected member is under consideration for a vacancy, that elected member cannot take part in the discussion or vote on their appointment, or any other proposed appointees, at the same meeting.

ELECTED MEMBERS AND MDC EMPLOYEES

Elected members and MDC employees are eligible for appointment, except to Council-Controlled Organisations and Council Controlled Trading Organisations.

The Council will consider the potential for any conflict of interest before appointing an elected member or an MDC employee as a CO director.

REMUNERATION

MDC will not remunerate CO directors.

Elected members appointed as directors may receive the remuneration (if any) offered by the CO.

If an MDC employee is appointed as a director, the remuneration (if any) shall be paid to MDC, unless the Council determines there are special circumstances.

TERM OF APPOINTMENT

Unless otherwise determined, appointments are made for three years.

REAPPOINTMENT

Where a director's term of appointment has expired, and they are offering themselves for reappointment, Council will consider:

- whether the skills of the incumbent add value to the work of the organisation;
- whether there are other skills which the Governing Board needs;
- whether a change to the existing director/s would compromise the organisation's ability to pursue a desired vision and long-term strategy, or whether there is a need for new skills and ideas on the Governing Board; and
- whether an appointment is necessary.

A director will not be reappointed for a third successive term unless there are special circumstances, including:

- succession planning;
- provision of continuity for development projects; or
- provision of specific areas of expertise.

If reappointment is not appropriate, the formal appointment process detailed in this policy will be followed.

A former appointee becomes eligible again after an absence of one full term.

CONFLICT OF INTEREST

Any person appointed as a CO director is expected to avoid situations where their actions could create a conflict of interest. To minimise these situations, CO directors are required to follow the provisions of MDC's Governance Code of Conduct.

REPORTING REQUIREMENTS

Reporting responsibilities of the CO director will be confirmed at the time of appointment. At a minimum, directors will report annually on the progress of the organisation.

REMOVAL OF DIRECTORS

Council-appointed directors of COs hold office at the pleasure of the Council and may be removed from the position at any time by way of Council resolution.

Without limiting the rights of the Council, the reasons likely to justify removal of a director, would be where that director:

- is regularly absent from board meetings without good justification;
- no longer has the confidence of the CO or the Council;
- has breached ethical standards;
- does not act in the best interests of the organisation; or
- breaches the confidence of the CO in any way.

MDC will not make any payment by way of compensation to directors who have been removed from their position.

REVIEW OF POLICY

This policy will be reviewed every five years.

DEFINITIONS

Council Organisation: A company or entity in which MDC has a voting interest or the right to appoint a director, trustee or manager. Refer LGA (s.6) for the full legal definition.

Council Controlled Organisation: A council organisation that MDC (alone or with other local authorities) controls 50% or more of the voting rights or has the right, directly or indirectly, to appoint 50% or more of the directors. Refer LGA (s.6) for the full legal definition.

Council Controlled Trading Organisation: A council-controlled organisation that operates a trading operation for the purpose of making a profit.

Director: Includes company directors, trustees, members, managers and office holders of a Council Organisation (however described).

Entity: Any partnership, trust, arrangement for the sharing of profits, union of interest, cooperation, joint venture, or other similar arrangement. Does not include a company, or a committee or joint committee of a local authority. Refer LGA (s.6) for the full legal definition.

RELATED DOCUMENTS

MDC Governance Code of Conduct

REFERENCES

Local Government Act 2002

VERSION CONTROL

Version	Date	Summary of Amendments	Approved By
1	2004	New policy	Masterton District Council
2	3/4/2019	Major amendment	Masterton District Council

APPENDIX 1: SCHEDULE OF CURRENT COUNCIL ORGANISATION APPOINTMENTS

Organisation	Appointee/s	Date of Appointment
Council Organisation (CO)		
Cobblestones Museum	Brent Goodwin	26/10/2016
Connecting Communities	Vacant	-
Destination Wairarapa	Robin Dunlop	26/10/2016
Montford Trimble Foundation	Robin Dunlop Harriet Palmer	26/10/2016
Bring It to Colombo Trust	Lyn Patterson Graham McClymont Bex Johnson Andrea Jackson	26/10/2016
Wairarapa Multi-Sports Stadium Trust	John Dalziell	26/10/2016
Wairarapa Road Safety Council	Frazer Mailman	26/10/2016
Council Controlled Organisation (CCO)		
MDC does not currently have any CCOs.		
Council Controlled Trading Organisation (CCTO)		
MDC does not currently have any CCTOs.		