

PUBLIC EXCLUDED

Report to the Policy and Finance Committee
from Margaret Shields, Chairperson

Appointments to Boards of Directors - Council LATEs

1. Purpose

To approve appointments of Directors of WRC Holdings Limited, Pringle House Limited and Port Investments Limited, to take effect from 1 May 2002.

2. Background

- (1) Council on 5 March 2002 approved a process for appointment of Directors. (Report 02.103 to that meeting is appended (**Attachment 1**) together with the Resolutions adopted by Council (**Attachment 2**). The Council approved:
 - (a) Appointment of the Council Deputy Chairperson as a Director of all three Companies with effect from 1 May 2002.
 - (b) The process for appointment of a third Councillor Director to the Board by 30 April.
 - (c) The process for appointment of two external Directors to take effect from 1 May 2002.
- (2) In pursuing the agreed processes, Councillor McDavitt and I, assisted by Mr Maguire, also engaged Mr David Hutton (ex Public Trustee), who is an experienced Director and is familiar with Public Sector Enterprises. He was suggested by the Institute of Directors and provided a very valuable independent perspective on candidates.
- (3) It was decided to identify potential directors by direct approach and not by advertisement. Interested Councillors were invited to submit their names for the Councillor vacancy and several Councillors suggested the names of potential candidates for the external Director vacancies. The interest of some external candidates was already on record. All candidates including the four retiring

external Directors (all of whom sought reappointment) were asked to provide CVs and were interviewed. Mr Hutton participated in all interviews.

(4) The candidates were:

(a) **Councillor Vacancy**

Councillors Barr and Long

(b) **External Vacancies (2)**

Rosamund Averton
 Anne Blackburn
 Alison Lawson
 Stuart Macaskill
 Euan McQueen
 David Panckhurst
 Jim Rowe
 Carol Stigley

(5) The Screening Group's recommendations are made after full consideration of the key attributes sought. It was also considered that a balance was essential between continuity of membership in terms of background knowledge and understanding of the three Companies and their roles, while at the same time introducing new members to the Board. It should be noted that my involvement with the Boards is comparatively recent and adoption of the recommendations contained in this report would mean three Directors would have comparatively little experience of these Companies.

(6) The Screening Group's recommendations for the appointments are:

(a) **One Councillor Director** – Cr Long

In addition to his extensive experience and knowledge of public and private sector enterprises, Cr Long's Wairarapa perspective would also be of considerable assistance to the Boards.

(b) **Two External Directors** – Mrs Anne Blackburn and Mr Stuart Macaskill

Mrs Blackburn will not be known to most Councillors and her CV is attached (**Attachment 3**). A reference check has been undertaken with Mr Brent Layton, the Chair of the Board of AgResearch, which she is currently a member of. The view was expressed that in that capacity Mrs Blackburn had proved to be a very competent Director who brings particular skills in the areas of governance and finance. Her work experience has also given her strong skills in commercial judgment and property management. It was considered that she "is a very strong candidate who would be a good Director for the WRC."

In terms of particular skills each Director would bring, all are considered to offer the necessary strategic view and a good understanding of Statement of Corporate Intent/Accountability processes. Between them the recommended new Directors also offer a balance of sound commercial, property and financial expertise.

- (7) The Screening Group is of the view that terms of appointment generally, should be for three years (as with Councillors). As has been our experience this time, there is benefit in the new appointments not being made until a new Council has had the opportunity to assess its approach.

The Screening Group is also of the view that continuity would best be achieved by retaining the services of Mr Macaskill for a term of two years when the position could again be reviewed and provide an opportunity for a further injection of a new face at the Board table. Mr Macaskill also demonstrated a high level of the attributes required of a Director of the Companies.

- (8) Because these appointments are made under the Companies Act, there is a formal process of appointment by way of special resolutions. These will be as follows:
- (a) As a sole shareholder in WRC Holdings Limited, the Council is required to resolve by way of special resolution that:
- The Deputy Chairperson of the WRC
 - Cr Long
 - Mrs Anne Blackburn
 - Mr Stuart Macaskill
- be appointed as Directors of WRC Holdings with effect from 1 May 2002. (It should be noted that Council has previously agreed to the appointment of Cr McDavitt from May 2002).
- (b) It should be noted, also, that WRC Holdings Limited, as the sole shareholder of Pringle House Limited and Port Investments Limited will also need to pass special resolutions appointing the same persons as Directors of Pringle House Limited and Port Investments Limited with effect from 1 May 2002. A meeting of the Board of WRC Holdings Limited will be convened prior to 1 May to pass these resolutions.

3. **Communications**

Once the decisions are made and all candidates notified of the outcome, a press release will be issued announcing the appointments.

4. **Recommendations**

That the Council:

- (a) *As sole shareholder of WRC Holdings Limited, resolve as a Special Resolution that Terence McDavitt, Richard Long, Anne Blackburn and Stuart Macaskill be appointed as Directors of WRC Holdings Limited with effect from 1 May 2002.*
- (b) *That the appointments be for terms of three years from 1 May 2002, except for Mr Macaskill whose appointment be for a term of two years to 30 April 2004.*

- (c) *Note that WRC Holdings Limited, as sole shareholder of Pringle House Limited and Port Investments Limited, will need to resolve as a Special Resolution that Terence McDavitt, Richard Long, Anne Blackburn and Stuart Macaskill be appointed as Directors of Pringle House Limited and Port Investments Limited with effect from 1 May 2002 for the same terms as in (b).*

MARGARET SHIELDS
Chairperson

- Attachments:**
- 1. Report 02.103**
 - 2. Resolutions adopted by Council of 5 March 2002**
 - 3. Mrs Blackburn's CV**