

## **Council Controlled Organisations**

A council-controlled organisation (CCO) can be a company, partnership, trust, arrangement for the sharing of profits, union of interest, co-operation, joint venture or other similar arrangement in which one or more local authorities, directly or indirectly, controls the organisation.

### **Regional Software Holdings Ltd – owner of Integrated Regional Information Software – (IRIS)**

Council is part owner of a CCO with five other regional councils for the purposes of collaboratively developing and maintaining a software application suite for use by regional councils. Regional Software Holdings Ltd (RSHL) is the name of the company.

The CCO is a limited liability company. The shareholders are the six regional councils that have developed the IRIS suite of software. The West Coast Regional Council's Director is one of seven Directors of RSHL, being one per shareholding council and one independent.

## **Council Organisations**

The West Coast Regional Council has interests in an organisation that meets the definition of a Council Organisation.

The West Coast Development Trust (trading as Development West Coast) was established "for the benefit of the community of the present and future inhabitants of the West Coast Region". One Trustee is jointly appointed by the four West Coast Councils: Westland District Council, Grey District Council, Buller District Council and the West Coast Regional Council.

## **Policy on Appointments and Remuneration of Directors for Council Organisations and Council Controlled Organisations**

This policy details the skills sought from potential appointees and the appointment process to be followed by Council.

The Local Government Act 2002 requires that the Council may appoint a person to directorship of Council Organisations (CO's) or Council Controlled Organisations (CCO's) 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 of the organisation.

The Council is required to adopt a policy setting out the objectives and transparent process for identifying and considering the skills required and appointing the Directors of CO's and CCO's.

## **Skills**

The Council considers that any person that it appoints to be a Director of a CO or CCO should as a minimum have the following skills:

- Intellectual ability and an understanding of the region's community
- Appropriate business acumen and experience in the activities of the organisation
- Sound judgement and ability to work with others
- A high standard of personal integrity.

### **Appointment Process**

When vacancies arise in any CO or CCO, the Council will identify and follow the appropriate process for appointing the representative(s).

## Final Appointment

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

## Conflicts of Interest

The West Coast Regional Council expects that Directors of CO's and CCO's will avoid situations where their actions could give rise to a conflict of interest. To minimise these situations, the Council requires the Directors to follow the provisions of the good practice guide by the Office of the Auditor General "*Managing conflicts of interest: A guide for the public sector*".

All Directors are appointed "at the pleasure of the Council".

## Remuneration

Remuneration of directors of CO's and CCO's is a matter of public interest.

Where the Council is the sole shareholder in a particular organisation, the Council will set Directors 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 CO's or CCO's, Council will consider the following factors:

- The need to attract and retain appropriately qualified people
- The levels and movements of salaries in comparable organisations (Council will retain professional advice on salary levels and movements)
- The objectives of the CO or CCO (in particular whether or not the CO or CCO operate on a charitable basis)
- The past performance of the organisation
- The financial situation of the organisation.

In cases where 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.

As well as having this policy on appointments and remuneration, Council must monitor performance of its CO. Should Council form a CCO in future, the Local Government Act 2002 contains more rigorous additional requirements.