

Report of the ordinary meeting of the Finance and Policy Committee held in the Council Chambers, 29 Bowler Avenue, Gore on Tuesday 14 March 2017, at 5.19 pm.

Present His Worship the Mayor (Tracy Hicks, JP), Cr Bolger (Chairperson), Crs Beale, Davis, Dickson, Gardyne, D Grant, P Grant, Phillips, Reid and Sharp.

In Attendance The Chief Financial Officer (Mr Luke Blackbeard), General Manager Regulatory and Planning (Dr Ian Davidson-Watts), Parks and Recreation Manager (Mr Ian Soper), Transport Manager (Mr Peter Standring), Communications Manager (Sonia Gerken), Building Control Manager (Mr Russell Paterson), 3 Waters Asset Manager (Mr Matt Bayliss), Senior Corporate Support Officer (Ceri Macleod), Policy and Planning Officer (Miss Emma Williams), 3 Waters Project Manager (Mr Sam Bunting) and one member of the public in the gallery.

Apologies Cr Highsted and the Chief Executive apologised for absence

1. CIVIC ASSURANCE DRAFT STATEMENT OF INTENT (SC 1485)

A memo had been received from the Chief Financial Officer providing an overview of upcoming changes at Civic Assurance. A letter and new statement of intent had been circulated with the report.

The Chief Financial Officer spoke to the report and provided a background to the Council's change in direction regarding the insurance options available to local government.

In response to Cr Davis, the Officer advised that the Council had not previously held an insurance policy with Civic Insurance before, so the changes that had been proposed in his report would only would affect the Council as a shareholder.

RECOMMENDED on the motion of Cr Gardyne, seconded by Cr Davis THAT the report be received.

2. CIVIC LIABILITY POOL (RISKPOOL) – CESSATION OF COVER (SC1485)

A memo had been received from the Chief Financial Officer regarding future insurance arrangements following the cessation of cover from Civic Liability Pool (CLP). A copy of a letter from CLP outlining these changes, plus a copy of Riskpool's latest annual report had been circulated with the Committee report.

The Chief Financial Officer said the cessation of cover was unfortunate for the sector overall as Civic Liability Pool had in the past taken a whole-of-sector view on issues affecting councils and this approach would be missed. He said the Council was considering two different avenues for securing new insurance through its insurance broker. He added these offers would be presented to the Audit and Risk Committee once available.

Cr Beale asked whether the Council's current level of public liability and indemnity insurance would need to be reviewed given the size of the local population. He asked for examples of typical situations that would necessitate a need to draw on this cover.

The Chief Financial Officer agreed that the level of cover was very high, but that had only been the case because it had been accessible at a cheap rate. He said the future level of cover required would depend on the nature and scope of the insurable event and that the overall level of cover would likely be scaled down.

Cr Bolger said the level of cover taken by the Council would also depend on what was on offer within the market.

RECOMMENDED on the motion of Cr D Grant, seconded by Cr Dickson THAT the report be received.

3. LAPP ANNUAL REPORT 30 JUNE 2016 (SC1488)

A memo had been received from the Chief Financial Officer highlighting key developments regarding the LAPP fund. A copy of the Annual report to 30 June had been circulated with the agenda.

In response to Cr Bolger, the Chief Financial Officer confirmed that the individual levels of member support were correct.

His Worship emphasised that whilst LAPP continued to represent a good deal for communities, the recent earthquakes had emphasised the need for local

government to review how risk in the public sector was managed. He suggested that it may change in the not too distant future, and that a working group was reviewing what was acceptable in this area.

RECOMMENDED on the motion of Cr Bolger, seconded by Cr P Grant THAT the report be received.

4. RATE ARREARS REPORT (SC1467)

A memo had been received from the Chief Financial Officer providing an update on rate arrears as at the end of February 2017.

The Chief Financial Officer noted that rate arrears had not previously been reported on a regular basis but it was intended for this information to be reported to the Committee every six months. He emphasised the report related to unpaid rates from the last and not the current financial year. He outlined the statutory tools that could be drawn upon by the Council in ensuring rates were paid, including bank intervention on mortgages, judicial proceedings and the abandoned land process. He introduced the Rating Officer, Miss Rosie Alderton to the Committee.

Cr D Grant asked how much longer land that had been classified as “abandoned” would be recognised as such.

The Rating Officer advised that issue could take between three to six months, subject to legal processes.

In response to Cr Bolger, the Chief Financial Officer said the Council was tracking where it would expect to be regarding rates arrears at this stage, and was at relatively the same level as other councils. He advised that rates arrears were factored into the financial planning process.

In response to Cr Dickson, the Officer said anecdotally there did not seem to have been a monumental increase in requests for rates rebates, and he would include an update at a future meeting.

RECOMMENDED on the motion of Cr Sharp, seconded by Cr P Grant THAT the report be received.

5. FINANCIAL REPORT FOR JANUARY 2017

The Committee perused a financial report for January 2017.

The Chief Financial Officer noted that, overall, spending was tracking close to the outcomes of the previous report. The only notable change was to the reporting mechanisms in terms of layout and information included. In response to Cr Bolger, he said he was satisfied that the Council was tracking where it should at the moment, but that higher levels of planned expenditure were anticipated in the next few months.

RECOMMENDED on the motion of Cr Bolger, seconded by Cr Dickson THAT the financial report for the seven months ended 31 January 2017 be received.

The meeting concluded at 5.43 pm.