

Response to LGOIMA request from Stuff

13 December 2023

Dear Rachael

Thank you for your email requesting the minutes of the Council's in-committee agenda from its meeting on Tuesday 10 October.

The minutes, which were ratified on 21 November, are attached.

We have redacted sections of item 2 in accordance with the Local Government Information and Meetings Act Section 7(2)(g) – to maintain legal professional privilege.

We has also redacted parts of item 4 in accordance with the Local Government Information and Meetings Action Section 7(2)(a) – to protect an individual's privacy.

If you are unsatisfied with the response, you are entitled to lodge a complaint with the Office of the Ombudsmen. You can find more information on its website <http://www.ombudsman.parliament.nz>

Kind regards

A handwritten signature in black ink, appearing to read "Sonia Gerken".

Sonia Gerken
GM Communications / Customer Support

Minutes of an ordinary meeting of the Gore District Council, held in committee, in the Council Chambers, civic administration building, 29 Bowler Avenue, Gore, on Tuesday 10 October 2023, at 5.47pm.

Present His Worship the Mayor (Mr B R Bell), Crs Dickson, Fraser, Gardyne, Hovell, MacDonell, McKenzie, P McPhail, R McPhail, Phillips, Reid and Stringer.

In attendance The Chief Executive (Mr Stephen Parry), General Manager Community Lifestyle Services (Mr Rex Capil), General Manager Corporate Support (Ms Lornae Straith), General Manager People and Culture (Mrs Nicky Cooper), General Manager Communication and Customer Support (Sonia Gerken), Governance Manager (Susan Jones) – all permitted to remain at the meeting.

RESOLVED on the motion of His Worship, seconded by Cr MacDonell, THAT the public be excluded from the following parts of the proceedings of this meeting, namely the items as listed below.

The general subject of each matter to be considered while the public is excluded, the reason for passing the 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:

<u>General subject matter</u>	<u>Reason for passing this resolution in relation to each matter</u>	<u>Grounds under Section 48(1) for the passing of this resolution</u>
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Confirmation of Minutes

Confirmation of the minutes of the ordinary meeting of the Gore District Council, held in committee, on Tuesday 12 September 2023.

Confirmation of the minutes of the meeting of the Assets and Infrastructure Committee, held in committee, on Tuesday 5 September 2023.

Confirmation of the minutes of the meeting of the Audit and Risk Committee, held in committee, on Tuesday 19 September 2023.

Other business

Proposed Gore District Plan – complaint submitted by Stoney Creek Station Ltd	Maintain legal professional privilege	7 (2)(g)
Minutes of Great South Joint Shareholders Committee meeting	Enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	7 (2)(h)
Appointment of interim Chief Executive	Protect the privacy of natural persons including that of deceased natural persons.	7(2)(a)

1. CONFIRMATION OF MINUTES

RESOLVED on the motion of Cr MacDonell, seconded by Cr Dickson, **THAT** the minutes of an ordinary meeting of the Gore District Council, held on Tuesday 12 September 2023, as presented, be confirmed and signed by the Mayor as a true and complete record.

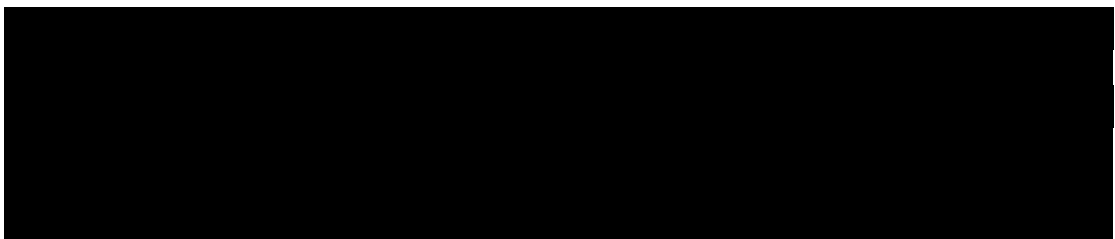
RESOLVED on the motion of Cr Gardyne, seconded by Cr MacDonell, **THAT** the minutes and recommendations of a meeting of the Assets and Infrastructure Committee, held on Tuesday 5 September 2023, as presented, be confirmed and signed by the Mayor as a true and complete record.

RESOLVED on the motion of Cr MacDonnell, seconded by Cr Stringer, **THAT** the minutes and recommendations of a meeting of the Audit and Risk Committee, held on Tuesday 19 September 2023, as presented, be confirmed and signed by the Mayor as a true and complete record.

2. PROPOSED DISTRICT PLAN – COMPLAINT SUBMITTED BY STONEY CREEK STATION LTD (SC0487)

Mr Matt Heale of The Property Group (TPG) was in attendance at the meeting by Zoom.

Crs Dickson and Hovell removed themselves from the table while this item was discussed.



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

RESOLVED on the motion of Cr MacDonell, seconded by Cr Reid, **THAT** the report and enclosures be received and noted,

[REDACTED]

[REDACTED]

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[REDACTED]

Mr Heale now departed the meeting.

3. MINUTES OF GREAT SOUTH JOINT SHAREHOLDERS COMMITTEE MEETING (SC3084)

A memo had been received from the from Chief Executive, together with a copy of the minutes of a Great South Joint Shareholders Committee meeting held in committee, on Friday 18 August 2023.

His Worship said Great South had acknowledged the situation with the Functional Foods company and a review was being initiated to determine how it happened. The shareholders were not keen to support a company that was not domiciled in the Southland region. He said it had been shameful on the part of the Joint Shareholders Committee and should have been the subject of an emergency meeting. He added there was a review being promoted by the Invercargill City Council for a review of the funding breakdowns. The Terms of Reference would be presented to the Council in due course.

RESOLVED on the motion of Cr R McPhail, seconded by Cr MacDonell, THAT the minutes be received.

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4. APPOINTMENT OF INTERIM CHIEF EXECUTIVE

A report had been received from the Chief Executive profiling the benefits and risks associated with the selection of an interim Chief Executive. The need to appoint an interim Chief Executive arose from the writer's announcement of his resignation as Chief Executive of the Gore District Council, which would become effective from 31 October 2023.

The recruitment process for a new Chief Executive was more exacting and protracted than other positions. Before going to the market, the Council would need to engage a reputable executive search agency and then work with that agency to develop attributes that were sought in the new Chief Executive. The attributes also needed to be referenced against the strategic priorities of the Council.

All of these matters could take some time because the Council needed to have a united, cohesive view to be able to be shared with the recruitment agency. In the case of the Council, given its well chronicled political challenges in the past 12 months, the communication of a united view may take a period of intense workshopping to arrive at a commentary that all were comfortable with.

It may not be possible to advertise a role complete with a candidate briefing before mid-November. Applications may close in the first week of December, with a long list being agreed with the recruitment agency prior to Christmas. A long list of applicants could be interviewed by the recruitment consultant in late January to early February with a final shortlist settled on in the latter half of February. With short-listed interviews with the full Council being scheduled for perhaps the first half of March and

allowing for the usual three months notice period that most senior executives had in their employment agreements, a permanent Chief Executive may not be in place and working until sometime in June 2024.

In the meantime, the normal business of the Council had to continue with a Long Term Plan that needed to be notified in draft form via a Consultation Document no later than March next year. The need for a Long Term Plan to be adopted by the statutory deadline of 1 July 2023, was the next major hurdle for the Council.

The report covered the option of an external Chief Executive and the internal appointment of an interim Chief Executive. The Council had a designated deputy Chief Executive who had previously acted when the Chief Executive had been on leave. The focus of the Council in appointing an interim Chief Executive should be centred on providing continuity of service, stability, and a reliance on knowledge of local issues at a time of transition. The appointment of an interim Chief Executive was by nature transitional and designed to “steady the ship” without the Council having to unduly worry about daily operational needs being met.

His Worship said given the resignation of the General Manager Community Lifestyle Services and Deputy Chief Executive, Mr Rex Capil earlier in the day, he proposed that the item be tabled and considered at the 12 October extraordinary Council meeting. Cr Hovell did not agree. His Worship said the next step was whether to have staff remain at the meeting. Cr Hovell said in the spirit of openness and in terms of building a good working relationship with staff moving forward that, other than the Chief Executive, all other staff members should remain at the meeting. There may be some points of clarification that could be provided. Under Standing Orders, if staff were to be excluded then it should have been done at the beginning of the meeting when the resolution to exclude the public was passed. Cr Dickson supported the comments of Cr Hovell for the staff to remain.

The Chief Executive departed the meeting at 6.28pm.

Cr Hovell noted the agenda item had been prepared on the basis that the Deputy Chief Executive would remain at the Council, however, with his resignation being received earlier in the day, the Council now had a different situation. There were several options from the Chief Executive’s report that could be talked through. Whether the Mayor wished to share his thinking now or later, that was his call. His Worship was happy to keep his thinking until there was a discussion held. He said in the past, he had openly discussed the options of an internal and external appointment.

Cr Stringer referred to previous discussions and asked if there was anyone else in the Senior Management Team (SMT) who could step up. Cr Hovell said the Council could not assume that. The issue was about giving priority to someone internal or bringing in someone external.

Cr Reid acknowledged and accepted that the General Manager Community Lifestyle Services and deputy Chief Executive was to have stepped up but he had his reasons for

not taking that option. She respected his opinion and was sorry he was not going to be the interim Chief Executive. She acknowledged that he had stepped up over the last 12 months and she thanked him sincerely.

Cr R McPhail said looking at the recommendations – one of the key factors was to steady the ship. The General Manager had made a decision to resign and the Council had to be cognisant of what it was doing and the factors it had to take into consideration. He thought there had to be an internal person to offer the support. The Council was on a timetable and on 31 October, the Chief Executive would conclude his employment with the Council and on 24 November, the General Manager finished. The support mechanisms the Council had around initial discussions with the General Manager assuming the interim Chief Executive role now needed review. The Council now had a Chief Executive who was prepared to step into a transitional role which was a key component going forward to recruiting for a new Chief Executive. Any discussion had to have that factored in. There would be a lot of people looking at the Council if this was not managed correctly.

Cr Gardyne thought there was an obvious choice. Cr Reid had prepared some recommendations that were circulated at the meeting.

Cr Reid moved THAT the Council appoint Stephen Parry as the interim Chief Executive from 1 November 2023 until a new Chief Executive commences employment at the Council.

Cr Reid suggested the Council would be subject to flight risks if there was no leadership provided. Cr Gardyne noted there were two major projects to be completed in the near future – the Long Term Plan and the District Plan.

Cr Phillips concurred with Cr Reid and said the Council needed stability.

The motion was seconded by Cr Phillips.

His Worship said if the Council was going to go down that path then staff may need to leave the meeting. [REDACTED] Cr Hovell said the meeting was public excluded and the Council had agreed for staff to remain. There was no provision in Standing Orders for staff to be asked to leave now. His Worship said the Council could not have an open and honest conversation if staff remained.

Cr R McPhail asked if the Councillors understood the topic the Mayor was raising.

[REDACTED]
[REDACTED] Cr Phillips said the point of the motion was to have a senior leader continue until the Council could appoint a new Chief Executive. The person to steer the ship through was Stephen Parry. The terms of his contract would be up for negotiation.

Cr McKenzie asked if the Council realised what such a decision would do in the public's mind. He acknowledged the General Manager for the job he had done and said he had a lot of support from the staff. However, the Council could not go down this path. The Council needed to get an outsider as a temporary Chief Executive. He would not support any other way. He had nothing against Mr Parry but it was a bad road to travel. What would the public say? There had already been a petition. Cr Phillips called a point of order. Cr McKenzie was accusing him of trying to get rid of Mr Parry. Cr McKenzie said he did not say that. The Council had tried to get rid of the Mayor. His Worship said he had a valid point.

Cr Dickson supported the motion and believed it was the way the Council handled the media. The Council wanted to steady the ship. The staff had a lot of respect for the Chief Executive. Bringing in an outsider was not an option in her view.

Cr Fraser supported the motion. Everyone was walking on eggshells. He disagreed with what the press might do and they were ill-informed. The Council had left the Chief Executive out to dry and he had been apologised to. The senior staff would say they were losing the Chief Executive and now a General Manager. His Worship said he was happy to provide comment but he needed staff to leave so he could do so, or was the Council too scared about having the conversation.

The General Manager asked what the Mayor knew that was confidential that the Council did not. What did the Mayor need to talk about that Councillors did not know? He said the rest of the Councillors did not agree or think like the Mayor.

Cr R McPhail said the Mayor should ask the Councillors whether it was done by a vote. What the Mayor was indicating was something the Council may need to deal with if the motion was passed. It might need to seek advice about ensuring it was correctly managed. It did not need to be regurgitated in front of everyone. [REDACTED]

His Worship said the Council had a meeting scheduled for 12 October and it could receive that advice and explore the option of external options and any internal options then. His Worship said the recommendations had been set up. Cr Reid disagreed and called a point of order. His Worship apologised and said the matter should wait until 12 October, [REDACTED] and think through what the media would say. The General Manager had resigned earlier in the day and the Council needed to take a breath.

Cr Phillips asked what the other options were. He was not aware of any. His Worship said there were options of offering to other internals who could present on 12 October and external options. [REDACTED]. There were other external options as well who he was happy to get in contact with. It was about taking a breath and making a well informed decision rather than one under the pump.

Cr R McPhail said he would not be dictated by the media or the public on how he made a decision. The public and media perception was not what the Council was about. There was 90% of the SMT at the meeting. He would like to see if it was a positive move. He asked if the option being considered reasonable? The General Manager said in his opinion it was to steady the ship and to get the Council through some very tough times through the Long Term Plan with rating and financial impacts. He had previously worked when externals came in and they were a waste of time. There was no-one better than the person being proposed. He could only commend the Council on the foresight being shown. It was all staff, not just the SMT who supported Mr Parry. He added he had received a number of emails from a range of staff since announcing his own resignation.

Cr R McPhail said the Council had already spoken about an external and had discounted it. The Council had to deal with the most available and dedicated candidate. There was institutional knowledge that would be missing from an external, and it was a no-brainer. Mr Parry had a skill base that the Council needed.

His Worship suggested [REDACTED] and considering the options on 12 October. Cr MacDonell saw no issue with appointing Stephen Parry as the interim Chief Executive. He had resigned and the Council was the employer. To hold the ship steady for another 6-8 months, he had to support the motion to appoint Mr Parry as interim. The Council knew how he operated and the SMT was happy with that. A new person would take time to understand and would only cause problems until the time they got up to speed. He knew the Mayor did not want that, but the Council needed to make a hard, business decision for someone to lead the Council.

Cr P McPhail supported the resolution and thought it was the only way to go. He found it very difficult to understand the Mayor coming with a suggestion without consulting with the rest of the Council. He thought everyone was considering it as a group. Mr Parry resigning did not really change anything.

The General Manager People and Culture clarified [REDACTED]
[REDACTED] Her fear was with someone new as interim, by the time they were settled in, would leave a frazzled SMT. The General Manager Communications concurred and from a steadying ship perspective, it was about the whole organisation. How it played out in the public depended on the unity of the Council over the decision.

Cr Phillips said Mr Parry had already volunteered to remain as a support for the Council until a new Chief Executive had been appointed. He thanked him for doing that.

Cr Reid said considering what Mr Parry had faced in the community why was the Mayor worried talking about workload? The workload of the General Manager Community Lifestyle Services would need to be assumed and she expected the only person who would do that would be Mr Parry.

His Worship said Mr Parry had noted in his resignation letter he wanted to spend more time with his family and take a step back. The public would cause an awful situation for him if he remained and he did not want that for him. He said the putting him back into the role would cause him more unrest.

Cr Dickson disagreed and said Mr Parry agreeing to become interim Chief Executive proved he cared about the Council and community. It was a business decision and the best one to make in her view.

Cr Fraser said Mr Parry had been at the Council for 22 years and did not want to see the organisation "go to the pack". [REDACTED]

Cr Reid's motion was put and it was carried.

His Worship, Crs Stringer and McKenzie voted against the motion and asked for their votes to be recorded.

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Cr Hovell said it would be desirable to have a small team to negotiate with Mr Parry along with Crs R McPhail and Cr Gardyne. His Worship said he could be involved. Cr Hovell said it would need to happen when the Mayor was away and he did not think it would be wise given their relationship. Cr MacDonell thought three would be enough but suggested the Council should ratify the terms and conditions. [REDACTED]

RESOLVED on the motion of Cr R McPhail, seconded by Cr Phillips THAT Crs Hovell, R McPhail and Gardyne be appointed to negotiate the terms and conditions of an employment agreement with Stephen Parry in his role as interim Chief Executive,

[REDACTED]

[REDACTED]

His Worship and Cr McKenzie voted against the motion and asked for their votes to be recorded.

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RESOLVED on the motion of His Worship, seconded by Cr Fraser, THAT the Council return to open meeting.

The meeting concluded at 7.14pm