

Minutes of an extraordinary meeting of the Queenstown Lakes District Council held via Zoom on Thursday 8 July 2022 commencing at 11.00am

Present:

Mayor Boulton; Councillors Clark, Copland, Ferguson, Gladding, Lewers, MacLeod, Miller, Shaw, Smith and Whitehead

In attendance:

Mr Mike Theelen (Chief Executive Officer), Ms Meaghan Miller (General Manager, Corporate Services), Mr Bruce Robertson (Consultant), Mr Paul Speedy (Strategic Projects Manager) and Ms Jane Robertson (Senior Governance Advisor)

Apologies/Leave of Absence Applications

There were no apologies.

Declarations of Conflict of Interest

No declarations were made.

Confirmation of Agenda

On the motion of the Mayor and Councillor Lewers the Queenstown Lakes District Council resolved that the agenda be confirmed without addition or alteration.

1. Taitara Lakeview/Taumata development decision-making process review

A covering report from Meaghan Miller (General Manager, Corporate Services) presented a report from rbrlimited (authored by Bruce Robertson) which responded to a request from Council for a review of options for strengthening the internal governance of the project. Mr Robertson's report concluded that it was appropriate to retain the current delegations to the Chief Executive, but with enhanced monitoring arrangements to be put in place with the QLDC Finance, Audit and Risk Committee to ensure adequate monitoring of the project objectives and material outcomes set by elected members.

Mr Robertson introduced his report, detailing the reasoning behind his various recommendations.

Councillor Shaw questioned how Mr Robertson's recommendations achieved effective division of decision-making powers. Mr Robertson noted that he had concluded that it was appropriate to retain the existing delegation to the Chief Executive but with enhanced reporting to Council via the Audit, Finance & Risk Committee. Accordingly, he did not consider a division of duties was necessary.

He also considered that the recommendations created a better forum to test decisions being made.

Councillor Whitehead was critical that the present delegation did not enable the development of an iterative strategy. Mr Robertson questioned the need for this, observing that the Development Agreement set out a strategy and in plain development terms what the developer and the Council each wished to gain from the project.

Councillor Gladding was critical of how Mr Robertson had interpreted the scope of investigation sought by the Notice of Motion, in particular, that he did not detail what powers had been delegated. In her view, the Council had been seeking options but these had not been provided.

Councillor Smith advised that he had been disappointed with the decision to fast track the consent. Mr Robertson agreed that there could have been better communication around the fast track consent and this was one of the main reasons for his recommended oversight provisions. Councillor Gladding also expressed concern that Councillors had not been consulted on this decision. Further, she did not consider that there was sufficient information in front of the Council at present to make a decision.

It was noted that a similar review should be repeated at some stage in the future but it would be appropriate to maintain the current approach for at least three years.

It was moved (The Mayor/Councillor Clark):

That the Council:

- 1. Note the contents of this report and recommendations and in particular:**
- 2. Agree the importance of being an effective partner to the Lakeview-Taumata development and to act and make decisions in accordance with s14(1)(f) of the Local Government Act 2002 namely that: “a local authority should undertake any commercial transactions in accordance with sound business practices.”**
- 3. Agree to retain the existing Lakeview-Taumata Project delegations to the Chief Executive, to ensure timely and effective delivery of its Project Objectives and Material Outcomes;**
- 4. Agree to strengthen the transparency of decisions made and achievement of the Project Objectives and**

Material Outcomes, through enhanced reporting to the QLDC Audit, Finance and Risk Committee;

5. Agree management's reporting to the QLDC Audit, Finance and Risk Committee includes: quarterly risk assessments associated with achieving the Project Objectives and Material Outcomes and Council's own deliverable commitments under the Development Agreement; key decisions made under delegation including material modifications, minor modifications and permitted departures; and flag potential future decisions for the coming QLDC Audit, Finance and Risk Committee quarter;
6. Agree to a six-monthly engagement with the Developer in recognition of the importance of the relationship to enable a mutual understanding of the development progress and an understanding of the perspective of both parties.

It was moved as an amendment (Councillor Gladding/Councillor Shaw):

That part (3) of the resolution be amended to read:

3. That Council agree to:
 - a. Amend the existing delegation to the Chief Executive (to execute the Lakeview Development Agreement) by removing the authority to:
 - i. Make changes to the Development Agreement
 - ii. Terminate the Development Agreement
 - iii. Make any decisions on Modifications

That parts (7) and (8) be added to the resolution:

[That Council:]

7. Direct officers to conduct a legal analysis of the Lakeview-Taumata Development Agreement and report to a Council workshop with a comprehensive list of all decisions that can be made and all actions that might be taken under Lakeview-Taumata Development Agreement; and

8. Agree to make available to Councillors the minutes of the Lakeview-Taumata Project Control Group via the Council Documents information sharing platform.

Councillor Gladding asked for the three parts of the amendment to be taken separately.

The amendment to part (3) was put and lost (4:7)

For: Councillor Gladding, Councillor Smith, Councillor Shaw, Councillor Whitehead

Against: Mayor Boulton; Councillor Clark, Councillor Copland, Councillor Ferguson, Councillor Gladding, Councillor Lewers, Councillor MacLeod, Councillor Miller

Abstain: Nil

The new amendment (7) was put and lost (3:8)

For: Councillor Gladding, Councillor Shaw, Councillor Whitehead

Against: Mayor Boulton; Councillor Clark, Councillor Copland, Councillor Ferguson, Councillor Gladding, Councillor Lewers, Councillor MacLeod, Councillor Miller, Councillor Smith

Abstain: Nil

The new amendment (8) was put and carried unanimously

For: Mayor Boulton; Councillor Clark, Councillor Copland, Councillor Ferguson, Councillor Gladding, Councillor Lewers, Councillor MacLeod, Councillor Miller, Councillor Smith, Councillor Shaw, Councillor Whitehead

Against: Nil

Abstain: Nil

The Council returned to the substantive motion as amended:

That the Queenstown Lakes District Council:

- 1. Note the contents of this report;**
- 2. Agree the importance of being an effective partner to the Lakeview-Taumata development and to act and make decisions in accordance with s14(1)(f) of the Local Government Act 2002 namely that: "a local authority should undertake any commercial transactions in accordance with sound business practices."**
- 3. Agree to retain the existing Lakeview-Taumata Project delegations to the Chief Executive, to ensure timely and effective delivery of its Project Objectives and Material Outcomes.**

4. **Agree to strengthen the transparency of decisions made and achievement of the Project Objectives and Material Outcomes, through enhanced reporting to the QLDC Audit, Finance and Risk Committee;**
5. **Agree management's reporting to the QLDC Audit, Finance and Risk Committee includes: quarterly risk assessments associated with achieving the Project Objectives and Material Outcomes and Council's own deliverable commitments under the Development Agreement; key decisions made under delegation including material modifications, minor modifications and permitted departures; and flag potential future decisions for the coming QLDC Audit, Finance and Risk Committee quarter.**
6. **Agree to a six-monthly engagement with the Developer in recognition of the importance of the relationship to enable a mutual understanding of the development progress and an understanding of the perspective of both parties.**
7. **Agree to make available to Councillors the minutes of the Lakeview-Taumata Project Control Group via the Council Documents information sharing platform.**

The motion was put and carried 7:4:

For: Mayor Boulton; Councillor Clark, Councillor Copland, Councillor Ferguson, Councillor Lewers, Councillor MacLeod
Against: Councillor Gladding, Councillor Shaw, Councillor Smith, Councillor Whitehead
Abstain: Nil

The meeting concluded at 12.05pm.

MAYOR

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