

LATE PAPER

PERFORMANCE, AUDIT & RISK COMMITTEE

THURSDAY, 28 MAY 2020



7.0 Extraordinary and Urgent Business

Performance, Audit & Risk Committee

Date of Meeting	Thursday, 28 May 2020
Author	Vivienne Ong, Committee Advisor

Late Papers

Purpose

1. The reason why the item is not on the agenda is that the item was identified for consideration after the agenda was prepared.
2. The reason that consideration of this item cannot be delayed is to enable timely information to be provided to the Committee for the Committee to in turn report to the Council, ahead of its meeting on 18 June 2020 to set the rates for the 2020/21 financial year.

Recommendation

That the Performance, Audit and Risk Committee:

1. **Resolves, pursuant to section 46A(7) of the Local Government Official Information and Meetings Act 1987, to consider these matters at this meeting notwithstanding that they were not on the agenda for the meeting; and**
2. **Receives the Liability Management and Investment Policy report**

Legal compliance and risk assessment

Section 46(A) of the Local Government and Official Information and Meetings Act:

7. *An item that is not on the agenda for a meeting may be dealt with at the meeting if –*
 - (a) the local authority by resolution so decides; and*
 - (b) the presiding member explains at the meeting at a time when it is open to the public*
 - (i) the reason why the item is not on the agenda; and*
 - (ii) the reason why the discussion of the item cannot be delayed until a subsequent meeting*

LIABILITY MANAGEMENT AND INVESTMENT POLICY

Performance, Audit and Risk Committee (PARC) report

Date of meeting	28 May 2020
Author	Katherine Harbrow
Endorsed by	Miles McConway

Purpose

1. To provide the Performance, Audit and Risk Committee (PARC) with the proposed revised Liability Management and Investment Policy (LMIP) prior to adoption of the 2020/21 Annual Plan and this policy on the 18 June 2020.

Recommendations

That the Performance, Audit and Risk Committee:

- 1. recommends to Council that the Council approves this revised Liability Management and Investment Policy.**

Background

2. The LMIP is a legislated required policy in the Local Government Act as part of the Long-Term Plan.
3. The existing LMIP was included as part of the Long-Term Plan 2018-28 and has only had a small change in November 2019 to its fixed term hedging % limits.
4. The LMIP provides the policy framework for all of Environment Canterbury's borrowing and investment activities and defines key responsibilities and the operating parameters within which borrowing, investment and related risk management activities are to be carried out.
5. The amendments included in this version of the LMIP include:
 - a. allow borrowing for "natural capital" assets resulting from operational expenditure
 - b. amendments from Local Government Act changes
 - c. allows equity investment

Cost, compliance and communication

Financial implications

6. There are no financial implications from approving LMIP but changes to the policy will enable more future borrowing flexibility for equity investments and natural capital.

Risk assessment and legal compliance

7. The proposed changes are minor and allow the future flexibility that the Councillors have been discussing as part of the 2020/21 Annual Plan discussions.
8. Our Treasury Advisor, Bancorp, has provided some of the proposed wording changes based on what other Councils have in their LMIP.

Significance and engagement

9. Although the LMIP is required as part of the Long-Term Plan there is no requirement to consult on this policy. This policy is included in the Long-Term Plan as supplementary information.

Consistency with council policy

10. It is proposed that the changes to the LMIP would be adopted by the Council on the 18 June 2020.

Communication

11. The revised LMIP will be provided on Environment Canterbury website as part of the 2020/21 Annual Plan.

Next steps

12. **June 18** – Council meeting to adopt 2020/21 Annual Plan will also adopt changes to the LMIP.

Attachments

- **Liability Management and Investment Policy**

File reference	
Peer reviewers	John McClelland Catherine Schache Nick Hill