

**MINUTE EXTRACT FROM THE NON-PUBLIC MINUTES OF THE COUNCIL MEETING HELD ON TUESDAY
28 AUGUST 2018**

**C4 DUNEDIN CITY COUNCIL'S LETTER OF EXPECTATION FOR DUNEDIN CITY
HOLDINGS LIMITED AND GROUP**

A report from Finance advised that the purpose of the report was to finalise the Letter of Expectation to be sent to the Dunedin City Holdings Limited (DCHL) Board.

The Letter of Expectation provided Council's annual direction to DCHL and was an agreement outlining the parties' respective accountabilities, roles and responsibilities. It would assist DCHL and the wider group in developing their Statements of Intent (SOI) documents.

The General Manager Finance and Commercial (Dave Tombs) spoke to the report. In response to a question on the anticipated timing of the annual letter of expectation for 2019 which was election year, Mr Tombs commented that it would be presented to the last Council meeting of the triennium.

Moved (Cr David Benson-Pope/Cr Aaron Hawkins):

That the Council:

- a) **Confirms** the attached Letter of Expectation to the Board of Dunedin City Holdings Limited on behalf of the Council as shareholder.
- a) **Authorises** the Mayor to sign the Letter of Expectation on behalf of the Council as shareholder.

Motion carried (CNL/2018/093) with Cr Vandervis recording his vote against

DUNEDIN CITY COUNCIL'S LETTER OF EXPECTATION FOR DUNEDIN CITY HOLDINGS LIMITED AND GROUP

Department: Finance

REASONS FOR CONFIDENTIALITY

Grounds:	S48(1)(a) - The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
Reason:	S7(2)(c)(i) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied.
In particular:	The letter is presented in draft form for discussion prior to finalisation, signing and issuing to Dunedin City Holdings Limited.

EXECUTIVE SUMMARY

- 1 The purpose of this report is to finalise the Letter of Expectation to be sent to the Dunedin City Holdings Limited (DCHL) Board.
- 2 The Letter of Expectation provides Council's annual direction to DCHL and is an agreement outlining the parties' respective accountabilities, roles and responsibilities. The Letter of Expectation will assist DCHL and the wider group in developing their Statements of Intent (SOI) documents.
- 3 The highlighted (tracked changes) sections indicate additions/amendments to the current letter.

RECOMMENDATIONS

That the Council:

- a) **Considers** the attached Letter of Expectation to the Board of Dunedin City Holdings Limited on behalf of the Council as shareholder.
- b) **Provides** feedback as to the letter's content prior to finalisation.
- a) **Authorises** the Mayor to sign the Letter of Expectation on behalf of the Council as shareholder.

BACKGROUND

- 4 Council and the Boards of the Council-Controlled Organisations (CCOs) have been working to continually enhance the relationship between all organisations.
- 5 The Council and DCHL are both aware of the importance of the SOIs in ensuring that the subsidiaries are aware of Council's expectations of the Group.
- 6 This has resulted in the Council sending a Letter of Expectation to DCHL with the intention that this information will be discussed and implemented within the wider Council Group.
- 7 The most recent Letter of Expectation was issued to DCHL in September 2017. This revised letter is provided for consideration to inform the development of the Group Company Statements of Intent for 2019/20.

DISCUSSION

- 8 The letter has been developed following initial feedback from Elected Members.

OPTIONS

- 9 This report is seeking feedback as to the content of the Letter of Expectation prior to finalisation and issuing to DCHL.

NEXT STEPS

- 10 Once agreed, the Letter of Expectation will be signed by the Mayor on behalf of the shareholder and sent to the Board of DCHL for action.

Signatories

Author:	Dave Tombs - General Manager Finance and Commercial
Authoriser:	Sandy Graham - General Manager Strategy and Governance

Attachments

	Title	Page
A	Draft Dunedin City Council's Letter of Expectation - 2019/20	

SUMMARY OF CONSIDERATIONS***Fit with purpose of Local Government***

This report relates to providing local infrastructure, public services and regulatory functions for the community.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spatial Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and Recreation Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The performance of the companies helps Council deliver across the strategic framework, but this report has no direct contribution.

Māori Impact Statement

There are no known implications for tangata whenua.

Sustainability

There are no implications for sustainability.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

The report fulfils the financial reporting requirements for Council and the Local Government Act 2002.

Financial considerations

Not applicable.

Significance

This report has been assessed under the Council's Significance and Engagement Policy as being of low significance.

Engagement – external

There has been no external engagement.

Engagement - internal

The draft letter incorporates feedback from Elected Members.

Risks: Legal / Health and Safety etc.

No risks have been identified.

Conflict of Interest

There are no known conflicts of interest.

Community Boards

There are no implications for Community Boards.