

**MINUTE EXTRACT FROM THE NON-PUBLIC MINUTES OF THE COUNCIL MEETING HELD ON TUESDAY
26 SEPTEMBER 2017**

**C3 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 and would assist DCHL and the wider group in developing their Statements of Intent (SOI) documents.

The Acting Chief Financial Officer spoke to the report and responded to questions. It was agreed that the letter be approved with three changes to be incorporated as follows:

Under Purpose:

Include reference to the overarching strategic considerations of 'Sustainability' and 'Te Tiriti o Waitangi'.

Under Corporate Goals

Disputes between CCO's and DCC are to be resolved directly between the parties, and each party is to avoid disparaging one another in public.

Under DCHL Responsibilities:

Will develop performance measures that show the alignment with the Dunedin City Council Strategic Framework, report on these as part of the quarterly report including reporting on where they do not align.

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

That the Council:

- a) **Considered** the Letter of Expectation to the Board of Dunedin City Holdings Limited on behalf of the Council as shareholder.
- b) **Approves** the Letter of Expectation as amended.
- a) **Authorises** the Mayor to sign the Letter of Expectation on behalf of the Council as shareholder.

Motion carried (CNL/2017/182)

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 (bold italics) 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 improve the relationship between all organisations.
- 5 The Council and DCHL have identified that the process around the preparation of the SOIs requires improvement to ensure that the subsidiaries are aware of Council's expectations of the Group.
- 6 This has resulted in the Council developing the Letter of Expectation to be sent to DCHL with the intention that this information will be discussed and implemented within the wider Council Group.
- 7 The first letter was issued to DCHL in February 2016. This revised letter is provided for consideration to inform the development of the Group Company Statements of Intent for 2018/19.

DISCUSSION

- 8 The letter has been developed following initial feedback from Elected Members. It also contains some additional requirements that come out of the Deed of Understanding that is currently in place between the various parties within the DCC Group.

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:	Gavin Logie - Acting Chief Financial Officer
Authoriser:	Sue Bidrose - Chief Executive Officer

Attachments

	Title	Page
A	Letter of Expectation	

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	☐	☐	☐
Economic Development Strategy	☐	☐	☐
Environment Strategy	☐	☐	☐
Arts and Culture Strategy	☐	☐	☐
3 Waters Strategy	☐	☐	☐
Spatial Plan	☐	☐	☐
Integrated Transport Strategy	☐	☐	☐
Parks and Recreation Strategy	☐	☐	☐
Other strategic projects/policies/plans	☐	☐	☐

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.