

Report of the Council Controlled Organisations Performance Subcommittee Meeting of 27 February 2007

**Members: Mayor Prendergast, James Ogden (Chair), Councillors,
Ahipene-Mercer, Morrison, Ritchie and Wain.**

MATTERS CONSIDERED BY THE COMMITTEE

The Council Controlled Organisation Performance Subcommittee dealt with a number of issues for which it has delegated powers to act and therefore these are before the Strategy and Policy Committee for noting.

The Subcommittee hereby recommends that the information be received.

1. **ITEM 007/07FM REVIEW OF THE PERFORMANCE OF ALL
COUNCIL CONTROLLED ORGANISATIONS FOR THE
QUARTER ENDED 30 SEPTEMBER 2006**
(1215/52/02IM)(REPORT 2)
 1. *Receive the information.*
 2. *Note that there were no issues to raise with the entities covered by this report.*
 3. *Note that there were no issues to raise with the Strategy and Policy Committee in regard to this report.*
 4. *Note the 2007/08 Letters of Expectation attached at appendix one of the officers report and provide any comment to officers ahead of the Statement of Intent process.*
 5. *Note the attached report from Mr Tiffin regarding the review of the relationship between Council Controlled Organisations and Council's Audit and Risk Management and Council Controlled Organisation Performance Subcommittees and provide any comment to officers ahead of a report to Strategy and Policy Committee on the issue.*

2. **ITEM 008/07FM REVIEW OF 2006/07 ANNUAL REPORTS AND FINANCIAL STATEMENTS OF COUNCIL ORGANISATIONS AND OTHER ENTITIES**
(1215/52/02IM)(REPORT 3)

1. *Receive the information.*
2. *Confirm that there are no issues for the Chair of this Subcommittee to raise with the Council Organisations.*
3. *Confirm that there are no issues to raise with the Strategy and Policy Committee.*

Report of the Council Controlled Organisations Performance Subcommittee Meeting of 13 April 2007

Members: Mayor Prendergast, James Ogden (Chair), Councillors, Ahipene-Mercer, Morrison, Ritchie and Wain.

MATTERS CONSIDERED BY THE COMMITTEE

The Council Controlled Organisation Performance Subcommittee dealt with a number of issues for which it has delegated powers to act and therefore these are before the Strategy and Policy Committee for noting.

The Subcommittee hereby recommends that the information be received.

1. **ITEM 017/07FM REVIEW OF THE PERFORMANCE OF ALL COUNCIL CONTROLLED ORGANISATIONS FOR THE QUARTER ENDED 31 DECEMBER 2006**
(1215/52/02IM)(REPORT 2)

1. *Receive the information.*
2. *Note that there were issues regarding the quality of the reports received from some of the CCO's; officers will raise these issues with the individual CCO's.*
3. *Note that there were no issues to raise with Strategy and Policy Committee in regard to this report.*

4. *Note that officers will continue to work with Carter and MEC to develop the content of their quarterly reports to the Subcommittee.*

2. **ITEM 018/07FM DRAFT STATEMENTS OF INTENT FOR ALL COUNCIL CONTROLLED ORGANISATIONS FOR THE YEAR 2007/08**

(1215/52/02IM)(REPORT 3)

1. *Receive the information.*
2. *Note that officers work with all CCOs to continue to improve the quality of Statements of Intent over time, as recommended by the Roche Review of CCOs in 2006*
3. *Agree that officers request that CCOs make the following changes to their Statements of Intent for presentation to this Subcommittee at its meeting of 6 June 2007:*

CCO	Recommendations
<i>Wellington Museums Trust</i>	<ul style="list-style-type: none"> ➤ produce missing 3 year forecasts ➤ provide information on how the Board will meet best practice standards and the Board development programme ➤ outline its audit and risk assurance processes, including internal audit
<i>Basin Reserve Trust</i>	<ul style="list-style-type: none"> ➤ provide an undertaking to work with the Council to achieve co-ordinated event management ➤ identify risks, and the associated mitigation strategies ➤ outline audit and risk assurance processes, including internal audit ➤ produce missing 3 year forecasts ➤ provide information on how the Board will meet best practice standards and the Board development programme
<i>Cable Car Company</i>	<ul style="list-style-type: none"> ➤ articulate future company strategies, including scenarios with/without overhead trolley network ➤ identify risks, and the associated mitigation strategies ➤ outline its audit and risk assurance processes,

CCO	Recommendations
	<p>including internal audit</p> <ul style="list-style-type: none"> ➤ produce missing 3 year forecasts ➤ provide information on how the Board will meet best practice standards and the Board development programme
<i>Positively Wellington Tourism</i>	<ul style="list-style-type: none"> ➤ include working with the Council Events team to develop a robust methodology to measure the economic impact of events ➤ include cost effectiveness and organisational health measures ➤ produce missing 3 year forecasts ➤ outline how its internal audit functions are provided for ➤ articulate its Board development programme
<i>St James Theatre Trust</i>	<ul style="list-style-type: none"> ➤ Raise the issue of an SOI or joint SOI for the St James Theatre Limited ➤ additional information about strategic direction – e.g. Trust taking greater role in productions, development of back lot ➤ include measures on organisational health and capacity ➤ produce missing 3 year forecasts ➤ provide information on how the Board will meet best practice standards and its Board development programme
<i>Wellington Waterfront Limited</i>	<ul style="list-style-type: none"> ➤ A number of the requirements for the SOI, as laid out in the Letter of Expectations are not attached to the SOI and will be received as part of the business plan ➤ In the Governance section, WWL assert that only the WWL Board can make decisions, including major capital projects and the approval of development contracts. The Companies Act 1993 says that a major transaction (greater than half the value of the company's assets) requires shareholder support for it to be approved ➤ produce missing 3 year forecasts ➤ include details of how it reviews and measures board performance, and of its board

CCO	Recommendations
	<p>development programme</p> <ul style="list-style-type: none"> ➤ a detailed assessment of all risks that might impact waterfront development and their proposed strategies for mitigation
Wellington Zoo Trust	<ul style="list-style-type: none"> ➤ ensure details of processes and controls for CAPEX development projects are included in the SOI. ➤ articulate how it reviews and measures board performance, and its board development programme. ➤ discuss all performance measures with the Trust, especially those which have decreased compared to 2006/07 and/or 2005/06.
Capacity	<p><i>(These recommendations will need to be discussed with Hutt City Council):</i></p> <ul style="list-style-type: none"> ➤ Consider requiring an explicit link to be made between the SOI and the Strategic Plan ➤ Explicitly recognise and outline how it will manage risks to the Council ➤ Agree to remove the specific performance measures and rely on the general requirement to comply with SLAs ➤ include measures on organisational health and capacity ➤ outline its audit and risk assurance processes, included internal audit ➤ produce missing 3 year forecasts ➤ provide information on how the Board will meet best practice standards and its Board development programme

4. *Note that there are no issues to raise with Strategy and Policy Committee in regard to this report.*

3. **ITEM 019/07FM FORWARD PROGRAMME**
(1215/52/02IM)(REPORT 4)

1. *Receive the information.*
2. *Agree to the forward programme attached to the officer's report.*