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## **DRAFT STATEMENTS OF INTENT FOR COUNCIL CONTROLLED ORGANISATIONS FOR THE YEAR 2008/09**

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### **1. Purpose of Report**

To provide the Subcommittee with an analysis of the draft 2008/09 Statements of Intent received from Council Controlled Organisations, in compliance with Local Government Act 2002 and Council reporting requirements.

### **2. Recommendations**

It is recommended that the Subcommittee:

- 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 the Chair write to each CCO, on the basis of the commentaries provided in this cover report and as amended by the Subcommittee, requesting changes for final 2008/09 Statement of Intents for presentation to this Subcommittee at its meeting of 24 June 2008.*
- 4. Note that there are no issues to raise with Strategy and Policy Committee in regard to this report.*

### **3. Background**

The requirements for Statements of Intent (SOIs) are prescribed in the Local Government Act 2002. The requirements in the Act are modelled on those for SOEs under the State Owned Enterprises Act.

Under the Local Government Act 2002, CCOs are required to submit a draft SOI to the Council by 1 March in the previous financial year. As a matter of good practice, the Council precedes this with a Letter of Expectation to CCOs, which outlines the Council's expectations in respect of the SOIs it will receive.

The draft SOI process provides both the Council and CCOs with an opportunity to fine tune respective expectations ahead of submitting a final SOI for owner approval (Council) in June each year.

## **4. Entities covered by this report**

### **4.1 Council Controlled Organisations**

A draft Statement of Intent was received by the following CCOs:

Basin Reserve Trust  
Capacity  
Positively Wellington Tourism  
St James Theatre Charitable Trust  
Wellington Cable Car Ltd  
Wellington Museums Trust  
Wellington Waterfront Ltd  
Wellington Zoo Trust

### **4.2 Wellington Regional Stadium Trust**

A Court of Appeal ruling clarified the Trust's status and confirmed that it is not a CCO. It has provided an SOI because of the materiality of the Council's financial commitment to the Trust and the Trust's contribution to Council outcomes.

### **4.3 Council Organisations**

A number of Council Organisations are now included in the CCOPS quarterly reporting regime (all COs also provide an annual report to the Council). One of these organisations, the Karori Wildlife Sanctuary Trust, by virtue of Council's \$8 million non-recourse loan to them is now required to provide an SOI.

## **5. Discussion**

### **5.1 Basin Reserve Trust**

The Basin Reserve Trust Statement of Intent (SOI) is necessarily less detailed than for other CCO's given the nature and scope of its operations. Further to this, some of the Trust officers are relatively new to their positions. The content of the Trust's SOI has been driven by statutory compliance requirements and doesn't detail the nature of the Trust's operations, and the environment in which it operates. Trust officers have shown a willingness to work with Council Officers to develop the content of the SOI.

The Trust has acknowledged the need for a co-ordinated city wide events schedule, and the need to work with the Council to achieve Council's events related objectives. However, no information has been supplied detailing how

this might be achieved. The Trust also acknowledges the need for an Asset Management Plan (AMP), and undertakes to focus on this in the next 6 months. Both the above points demonstrate how the Trust aligns with the Council's Economic Development and Social and Recreation strategies hence the need for them to be addressed in the SOI.

There is no mention of risk management in the 2008/09 SOI, and it is not clear whether or not a risk management framework has been developed. An excerpt from the Trust's 2007/08 SOI is given below:

*"The Trust is currently developing a risk management framework identifying potential risks to the Trust's viability and strategies to either overcome or mitigate these potential difficulties. The organisations risk profile will be a fixed agenda item for the bi monthly meetings allowing for ongoing monitoring of this aspect of the venues management."*

The Trust has not sought to explain the successive \$80k annual deficits forecast for the 3 years covering the SOI, and the gradual atrophy of its currently robust reserves position. With annual depreciation of \$260k against annual revenue of around \$550k, and an increasingly significant amount of deferred maintenance accruing, the need for an AMP is further highlighted.

The KPI measures and actual targets are identical to 2007/08 and it is unclear whether this is by accident or design. Council officers will work with the Trust over the coming weeks to ensure that the 2008/09 KPI's are relevant, meaningful and measurable.

The draft SOI does not address how Board performance (of the Chair and the Trustees) will be assessed, and ongoing development of the Board effected.

## **5.2 Capacity**

Given the nature of the Infrastructure Directorate's relationship as a customer of Capacity, the Director Infrastructure was asked to comment as part of this analysis of Capacity's draft SOI, and accordingly the feedback has been merged into this analysis.

Capacity has made a noticeable effort to develop both the format and the content of its Statement of Intent (SOI), and the draft SOI focuses on the delivery of a number of key strategies that align with Council outcomes.

Whilst the SOI looks at immediate asset management issues in the coming year, the Council is concerned that longer-term strategic network planning needs are not being addressed. Council officers have provided Capacity with the draft parameters required for the strategic network planning in May 2007. As these have not as yet been completed, Council officers will continue to work with Capacity to identify and address the apparent gaps. The strategic planning needs to focus on options to protect the networks performance and optimise

their configuration to achieve a sustainable and affordable defence against a range of emerging risks to services.

The implementation of the Business Improvement Project will aim to increase productivity, quality and timeliness of the work delivered and, not least, to offer a management fee saving of around \$400,000 to the Council.

One of the main focuses for the 08/09 year is the Growth Strategy. Council will need to be comfortable with the scope of this strategy, and have assurance that its implementation will not adversely affect the service delivery to Council.

Capacity has acknowledged a number of ongoing risks in the body of the SOI, for example, staff retention, and ways of addressing them but has not provided a detailed assessment matrix highlighting the key risks to both itself, and to Council, and strategies for their mitigation. Further to this, the SOI notes that 'the risk committee meet twice yearly to review and measure all outstanding risks'.

With regard to the Council's own risk assessment matrix, an Audit and Risk Management Subcommittee (ARMS) workshop in 2007 identified the three most significant risks across the whole of Council as being:

- Failure of Good Quality Water Supply
- Failure of Sewerage Systems
- Failure of Stormwater Systems

The Council's Audit and Risk Management Subcommittee meet, on average, at least 4 times a year to assess the Council's ongoing risk. Accordingly the Council would like to see Capacity's approach to risk management reflect the importance within Council, in terms of both priority and frequency.

Perhaps most prevalent in the Capacity SOI are the number of assertions and commitments to monitor and improve service delivery. Under the SLA, clause 2.1.4, these KPIs should be clearly demonstrating the relative performance of the networks against the pre-establishment levels. Council has provided Capacity with a range of reporting expectations in May 2007. Council officers will continue to work with the company to establish more meaningful KPIs than those proposed in the Capacity's SOI.

Capacity has noted its LGA requirement to provide 6-monthly reporting to Council. Whilst the company may not have intended to imply that they might only provide 6-monthly reporting, it would make sense for them to confirm their adherence to Council's quarterly reporting program.

It is difficult to assess the company's performance for each Council, relative to each other, but it is noteworthy that one of the Hutt KPI's for 06/07 recorded a 100% result for 'Programmes (operational expenditure) and projects (capital expenditure) completed on time to the required quality'.

The company has not made clear how it intends to assess board performance and facilitate ongoing development of the board members to ensure that use of best practice governance processes.

### **5.3 Positively Wellington Tourism**

The Positively Wellington Tourism (PWT) Statement of Intent (SOI) has responded too many of the points raised by the Council in their Letter of Expectation (LOE).

There is no question that PWT are well placed to work with the Council's events team, and to pro-actively lobby and market Council projects such as the Marine Education Centre and the Carter Observatory, and that they have and will continue to add significant value to Wellington City.

The SOI is comprehensive in addressing the risks that the Trust, and ultimately Council face, a lot of which appear to have direct consequences for the level of Council funding.

PWT appear to be optimistic about the long term prospects for tourism in Wellington, and New Zealand as a whole. Notwithstanding a current downturn in the tourism market (which the Trust acknowledges) which is not expected to last more than 18 months, PWT has forecast the tourism contribution to the Wellington regional economy to grow from \$1.2 billion per annum in 2006 to \$2.0 billion per annum in 2013. This equates to an average nominal (excluding inflation) increase of 8% per annum. Further to this, PWT believes that good planning and investment could lead to an increase to \$2.5 billion per annum – an 11% nominal increase.

This appears to be slightly at odds with the 2007 predictions of the Ministry of Tourism, which has forecast an increase in visitor expenditure in the Wellington region from \$1.09 billion in 2006 to \$1.52 billion in 2013. This equates to an average nominal increase of 5% per annum.

In the Trust's KPI's, its target measures are typically to maintain the 07/08 figure, or to improve on it by 1 – 2%. It is difficult to see how these modest increases can be reconciled to the significant economic growth that the Trust has predicted. Furthermore, why has the Trust not budgeted for at least the same targets as the Ministry of Tourism?

In addition, the Trust's cost effectiveness measure – 'Partnership funding at no less than 35% of WCC funding' - whilst a useful indicator of the Trust's ability to generate alternate funding sources doesn't appear to be an obvious measure of cost effectiveness. Also, the Trust has no organisational health measures, such as staff engagement, staff development or staff turnover, which given the disruptive events during 2007 could add value to the Trust's management. Council officers will continue to work with the Trust to develop relevant and meaningful KPI's, ideally with easier and timelier measurement capability than exists for many of the current measures.

The Trust notes that the ramping up of its commercial online activities brings associated risks, including the potential loss of the Trust's charitable status. The Trust needs to understand the risks involved, and assess the potential consequences which might include an increased tax compliance burden, and greater tax liability through the incurrence of Fringe Benefit Tax.

Another consideration to help the Trust manage the range of activities that it seeks funding for would be for it to let the Council do more of the small event marketing, which it could arguably do at less cost. Also, there may be a question over the value of doing any marketing for events such as the Sevens, which are virtually guaranteed to sell out.

Council officers will work with the Trust to understand the Trust's concerns with regard to its limited financial flexibility. As at 30 June 2007 and 31 December 2007, the Trust held cash balances of \$1.11 million and \$1.17 million respectively.

#### **5.4 *St James Theatre Trust***

The St James Theatre Trust Statement of Intent (SOI) responds to many of the points raised in the Council's Letter of Expectation (LOE), seeking to demonstrate alignment with the Council's desired outcomes and particularly focussing on the specific issues highlighted by the Council.

The Trust has also commented on the format of the SOI, noting that key areas such as strategy and risk should be focussed on whilst other less variable background information might be included as appendices rather than within the body of the letter. Council officers will work on this issue with the CCO's to incorporate their feedback where appropriate, with a view to submitting a revised draft format in time for the 2009/10 SOI round.

One of the key components of the SOI is the 3-year financial forecast, enabling the Council to assess the financial performance of the Trust, particularly whether or not it is budgeting for a surplus, and how much if any of the future depreciation charges (and hence capital renewals) it is intending to cover. The Trust has stated that full financials will be presented as part of their business plan which they will deliver to Council before the end of May.

One of the key areas that the Trust has addressed in its SOI, in response to Council's LOE, is the issue of community access. The Trust considers that it already offers significant opportunities to the wider community and has included a number of statistics in support of this assertion. There is still some work to be done to clarify the exact outcomes that the Council is looking for and to agree what constitutes acceptable community access, before assessing how well the Trust is achieving them, and in what proportions this should be funded by the Trust and the Council.

It should be further noted that the Council policy team is currently drafting a proposal to look at the shortage of venue access within Wellington, particularly for community grass roots and independent practitioners. As it is unlikely that any funding for new premises will be forthcoming in the immediate future, there needs to be a review of the existing venue capacity, and the effectiveness of its utilisation. The Trust states in its SOI that it is 'well utilised for the size of population' with 'only some scope for increased hire.'

The Trust has acknowledged the need for long term asset planning, and Council officers will provide assistance where possible, as significant expertise exists within the Council's property team. The Trust has signalled its intention to approach the Council for future asset funding, probably in the 2009/10 year.

The Trust makes a number of assertions in its SOI which might usefully be formalised by way of KPI's. This includes the following examples:

- Production of Asset Management Plans
- Sponsorship targets
- Number of community performances
- Number of Own Shows
- Targeted maintenance
- Financial sustainability
- Number of school tours
- Organisational health, e.g., staff training, development and turnover

The cost of auditing the KPI's is not insignificant so it is important that meaningful and relevant KPI's are used. The Trust, in collaboration with Council officers, will develop its KPI targets in time for the final SOI, whilst also looking at the nature of some of the measures.

### ***5.5 Wellington Cable Car Limited***

The Wellington Cable Car Limited (WCCL) Statement of Intent (SOI) is impacted by the uncertainty that the company finds itself in due to the lack of agreement with Greater Wellington Regional Council (GWRC) over network maintenance funding and the ongoing negotiations over broadband and Vector payments. As a result the company is unable to accurately forecast its financial requirements for the 2008/09 to 2010/11 period. This information should be forthcoming in the business plan, which is due in May, though it will most likely still reflect a significant degree of uncertainty.

The company has recently been through a tender process to identify suitable contractors to undertake maintenance services for the overhead network. This process has revealed urgent maintenance on a greater scale than was previously understood and, consequently, a need for a significant increase in the level of funding required. In response the company will, as a priority, be working on securing adequate funding from GWRC and appropriate service contracts. Council officers will be involved in the funding discussions with the GWRC.

The company refers to its 'Risk and Vulnerability' schedule in the SOI, the tool for assessing and managing its risk. However, no details of the schedule have been given, making it difficult for officers to understand the nature of the risks that the company is exposed to or the processes being used to manage them.

The performance measures for the company do not address cost effectiveness or organisational health, and the high level outcome measures are unsatisfactory. Council officers will work with the company to try to introduce more meaningful and relevant KPI's, which help to drive the company's performance.

The Council has made it clear that it needs to see a financial return on its investment and the company should provide a robust proposal for the Council's consideration, which details the process and calculation of future dividend payments.

The company has not indicated how it will affect Director and Chair performance reviews or what, if any, board development programs it has in place.

### **5.6 Wellington Museums Trust**

The Wellington Museums Trust (WMT) has significantly revised its Statement of Intent (SOI). The new CEO has been able to input into the document but it is likely that there will be further changes in the 2009/10 SOI once she has had more time to understand the business. The SOI clearly signals the desire for more capital and operational funding.

The detailed risk management framework and robust governance structure, including an audit committee, give the Council assurance that the Trust is meeting its audit and risk assurance obligations.

The Trust has not commented on the process for the management of the City Art Gallery during its redevelopment, however, the redevelopment is still not sufficiently certain for the management in the period to be defined. The Trust is also working on the strategic direction for the Gallery post-development, but it is not yet at a stage to include it in the SOI.

The Trust has reasonably predicted reduced visitor numbers to the City Gallery around the time of the redevelopment. However, in 2010/11, 9 months after the intended re-opening, the forecast visitor numbers are still only 150,000. The gallery has achieved visitor numbers of 236,000 in 2005/06 and 169,000 in 2006/07.

The Trust has acknowledged the Council desire to look at incorporating the revamped Carter Observatory into the WMT, and will continue to work with Council officers over the coming months.

## **5.7 Wellington Waterfront Limited**

The Wellington Waterfront Limited (WWL) Statement of Intent (SOI) has responded at a high level to the issues raised in the Council's Letter of Expectation (LOE). However, there are significant risks – including the outcome of the Hilton decision - that are not addressed in detail.

WWL acknowledges the need for forward planning of the transition of operational activities from the company to within Council, in approximately four years time, but has not provided any detail. Council officers are of the opinion that a more staged approach should be considered for this critical process, rather than to attempt a one-off transition in Year 4. This year's delivery for design and project implementation should include developing asset management plans for public space so that they can be efficiently handed over to the Council at the appropriate time.

Risks and opportunities around the project timeframes and funding have been identified by the company. The main mitigation strategies for the non-realisation of commercial receipts appear to be either delaying public space expenditure or seeking more money from the Council. It should also be noted that the company are no longer stating that the advance (approved by Council in July 2007) will be paid back within the original three year time frame. At this time, the receipt of commercial proceeds for the Overseas Passenger Terminal extends beyond the three years covered by this SOI. Council officers will work with the company to agree a process for managing the advance in accordance with the original terms, or for approaching Council if further funding is required.

WWL has included some high level measures but nothing in relation to cost effectiveness or organisational health and capacity. Notwithstanding the ongoing difficulty in implementing meaningful and relevant performance measures, Council officers would like, in conjunction with the company to further develop some measures to help drive performance.

Council officers consider that the organisation of a design competition for the Outer-T could be an informative KPI. Also, given that the responsibility for events has moved from WWL to the Council's events team, it seems inappropriate for the company to include references to events in its KPIs.

## **5.8 Wellington Zoo Trust**

The Wellington Zoo Trust Statement of Intent (SOI) supplies robust responses to all but one of the specific issues raised in the Council's Letter of Expectation (LOE) and highlights the positive contribution that the Zoo makes to Wellington.

The good progress made to date with the Zoo Capital Plan (ZCP) offers significant assurance that the Zoo project management protocols and Council

standards are effective and being adhered to, and that the strong lines of communication that enable this are being maintained at all levels.

The Council has asked the Zoo to demonstrate in its SOI how it will reduce its dependence on Council funding, one of the key factors in the Council approving the ZCP in the 2006/07 year. In the covering letter to its SOI, the Board has suggested that the flat-lining of the operational grant dollar amount (at \$2.687m per annum) does effect a reduction in Council funding as it takes no account of inflationary increases.

The Zoo has budgeted for reasonable surpluses over the period that this SOI addresses which will enable it to strengthen its reserves which are artificially inflated due to the receipt of significant sponsorship funding. This predicted surplus of \$50-60k, sustained over a 3 year period, on the back of a \$100k surplus in 2006/07 suggests that the Zoo can manage its operations sustainably with a lower dollar amount of operational grant funding from Council. That said, it would be prudent to allow the Zoo to build up its reserve position before any reduction in the dollar amount of operational funding is approved.

It is important to acknowledge the advances that the Zoo has made over the last 18 months, demonstrated by the successful completion of three major projects, the increasingly positive visitor feedback and a measurable increase in attendance with 2007/08 visitor numbers likely to exceed 180,000.

This success will ultimately manifest itself through an increase in the revenue generated by the Zoo, facilitating a reduction in the dollar amount funded by Council which has to balance its funding priorities across a range of important outcomes. It is important to note that the Zoo is not being punished for its success. Council's continued commitment to the total of \$15.6m funding towards the ZCP, an investment which has accrued significant returns already, was always contingent on the Zoo's ability to raise capital funding and the understanding that the successful implementation of the ZCP would ultimately reduce Council's operating funding.

An assessment of the funding provided to the Zoo in comparison to some other CCO visitor experiences offers some context. For the 07/08 year, the budgeted cost to Council of the following visitor attractions - the Zoo, Karori and the Museums Trust is given below:

<b>CCO</b>	<b>Wellington Zoo Trust</b>	<b>Karori Wildlife Sanctuary Trust</b>	<b>Wellington Museums Trust</b>
Annual operating grant	\$2,687,500	\$1,096,000	\$6,090,379
Asset ownership and other costs	\$871,750	\$574,169	\$229,921
Total annual operating funding	\$3,559,250	\$1,670,169	\$6,320,300
Number of visitors	176,980	58,912	560,700
<b>Visitor subsidy per person</b>	<b>\$20.11</b>	<b>\$28.35</b>	<b>\$11.27</b>

It should be noted that these are budgeted figures only – the Zoo is likely to exceed its targeted visitor number though asset ownership costs will continue to increase throughout the course of the ZCP. The Council’s operating grant to the Sanctuary will reduce markedly as the visitor numbers increase after the opening of the Visitor Centre, hopefully having a significant impact on the per visitor subsidy for the Sanctuary.

Council officers will continue to work with the Zoo to ensure that the KPI’s are relevant and meaningful, and help to drive Zoo performance.

### **5.9 Wellington Regional Stadium Trust**

The Wellington Regional Stadium Trust (WRST) Statement of Intent (SOI) has a strong strategic focus and provides robust responses to many of the issues raised in the Council’s Letter of Expectation (LOE).

The Trust is planning capital enhancements to ensure that the stadium remains at the forefront of international stadia, going into and following the Rugby World Cup in 2011. The congested scheduling demands are also being managed effectively, whilst ensuring ground quality and an ongoing asset maintenance program.

However, the increased number of events, with an increasingly broad range of appeal mean that community events cannot be given priority, and have to be planned carefully to fit in with the busy commercial program.

The Trust will deliver its Business Plan in May, the 3 year financial forecasts of which are not expected to show any repayments to the Council of its limited recourse loan. Further to this, the Trust considers that the stadium enhancements needed to compensate for its smaller size, and to counter the pressure from the redevelopment of other stadia, will make it difficult to provide

surety over when the loan will be repaid. The Trust is working with the Council's finance team to establish an agreed repayment model.

The Trust has noted how it will seek to address specific areas of risk highlighted by Council in their LOE, but it has not provided a risk framework detailing all the significant risks it has identified within its operating environment. Consequently Council has no way of assuring itself that the stadium is meeting its audit and risk assurance obligations.

The Trust's response to declining rugby numbers is that it expects the NZRU and Wellington Rugby to address the issue. However, Council officers consider that the Trust should be more pro-active in seeking to address the falling attendances rather than to simply rely on others. In response, the stadium asserts that it has the advantage of the A-League Football franchise providing a natural hedge.

The LOE requested that all CCOs provide details of what processes they have in place to effect board assessment to which the Trust responded that the Chair interviews all trustees at the end of their terms. Council officers would like to better understand the process by which this takes place and also any board development programs that may exist.

Council officers will work with the Trust over the coming weeks to ensure that the 2008/09 KPI's are both relevant and meaningful, and that they appropriately reflect Council's desired outcomes for the Trust.

### ***5.10 Karori Wildlife Sanctuary Trust***

As part of funding deed for its \$8 million interest free loan from the Council, the Karori Wildlife Sanctuary Trust (KWST) has agreed to adopt the Council quarterly reporting cycle, and also therefore the Statement of Intent (SOI). Its first draft SOI addresses many of the issues raised by the Council in their Letter of Expectation (LOE) and importantly highlights the resources and protocols that are in place to ensure that the Visitor Centre project is successfully completed.

The Trust has signalled that it is unlikely to be in a position to start repaying the Council's non-recourse loan during the 3 years that this SOI covers. However, it is committed to being a self-funding enterprise, ultimately returning a surplus for the advancement of other conservation projects.

In May 2008, the Trust will be presenting a strategic business plan covering the period from 2008/09 to 2010/11. We anticipate that this will provide officers with more detail on financial projections in particular as they relate to the repayment of the Council's loan.

Officers will continue to work with the Trust to agree the methodology for the quantum and timing of loan repayments.

The Trust notes the delays in construction of the Visitor Centre, and the subsequent impact on their operations resulting in them requesting transitional funding from the Council. Officers feel that it might be useful for the SOI to detail the high level outcomes sought from the Visitor Centre project and to reaffirm the validity of the proposed new operating model, and the assumptions that underpin it, and to further explain the need for transitional funding.

The SOI states that the Board undertakes an annual review of the Board and Chief Executive's performance. It would be helpful to receive more information on what this entails, and also how the Board Chair's performance is reviewed as well as details of any Board development programs that are in place.

## **6. Conclusion**

Officers have assessed each entity's draft Statement of Intent for 2008/09. The quality and focus of the SOIs continues to improve, and officers will work with CCOs to ensure that this remains the case.

A number of changes are recommended to the subcommittee. Subject to its approval of these changes being requested, the subcommittee's views will be communicated to CCOs in time for amended (final) SOIs to be presented to this subcommittee at its next meeting on 24 June 2008.

Contact Officers:

*Allan Prangnell, Manager, Council Controlled Organisations*

*Ian Clements, Portfolio Manager, Council Controlled Organisations*

*Warren Ulusele, Portfolio Manager, Council Controlled Organisations*

*Sarah Polaschek, Portfolio Manager, Council Controlled Organisations*

## Supporting Information

### **1) Strategic Fit / Strategic Outcome**

*These entities and projects support the achievement of a range of outcomes across most strategic areas. CCOs are required to state in their Statements of Intent how they contribute to Council's strategic goals.*

### **2) LTCCP/Annual Plan reference and long term financial impact**

*Please refer to the individual covering report that prefaces each entity.*

### **3) Treaty of Waitangi considerations**

*This report raises no new treaty considerations. Where appropriate the entities do consult with the Council's Treaty Relations unit, and with the Tenth's Trust, as part of normal operations.*

### **4) Decision-Making**

*This is not a significant decision.*

### **5) Consultation**

#### **a) General Consultation**

*A draft of each entity report will be circulated to the individual entity, with comments passed on to the sub-committee as appropriate*

#### **b) Consultation with Maori**

*See section 3, above.*

### **6) Legal Implications**

*The Council's lawyers have been consulted during the year as part of normal operations. There are no new legal issues raised in this report.*

*A Statement of Intent is a legal requirement for CCOs under the Local Government Act 2002.*

### **7) Consistency with existing policy**

*This report is consistent with existing WCC policy.*