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## **REVIEW OF 2006/07 STATEMENT OF INTENT FOR THE ST JAMES THEATRE TRUST**

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

To present the Statement of Intent for the St James Theatre Trust for Subcommittee approval. To provide advice to the Subcommittee on the 2006/07 Statement of Intent received from the St James Theatre Trust.

### **2. Recommendations**

It is recommended that the Subcommittee:

1. *Receive the information.*
2. *Confirm any issues that it wishes to draw to the attention of the Strategy and Policy Committee regarding the Statement of Intent from:*
  - a. *St James Theatre Trust*

### **3. Background**

The Local Government Act 2002 (LGA) requires a council controlled organisation to present its annual statement of intent to its shareholder Council, for ratification. The statement of intent is the governance document between the shareholder / owner and the board of the particular entity. It is a public statement of how the entity will manage and protect the owner's interest. It does this by specifying its objectives, scope, activities and governance mechanism.

Schedule 8 clause 1 states that the purpose of a statement of intent is to:

- state publicly the activities and intentions of a council-controlled organisation for the year and the objectives to which those activities will contribute; and
- provide an opportunity for shareholders to influence the direction of the organisation; and
- provide a basis for the accountability of the directors to their shareholders for the performance of the organisation.

The statement of intent is required to include a number of specific items, which are set out in Schedule 8 (clause 9) of the Act. In addition, individual trust deeds, constitutions and funding deeds specify a range of reporting obligations. In some cases these include additional requirements to those set out in the Act.

## **4. Discussion**

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

The following are included by virtue of their status as Council Controlled Organisations (CCO's):

- St James Theatre Trust

## **5. Analysis**

### **5.1. St James Theatre Trust**

#### *Compliance*

Officers have reviewed the Statement of Intent for St James and no compliance issues have been raised.

#### *Changes*

There are no major changes to the Statement of Intent between 2005/06 and 2006/2007. The Trust's macro performance targets have been received.

The draft Statement of Intent was tabled at the 17 March 2006 Subcommittee meeting for review and the matters arising are set out below.

- 1) Clause 9 of Schedule 8 of the LGA refers to *the objectives of the CCO, the nature and scope of the activities to be undertaken by the CCO and the performance targets and other measures by which the performance of the group may be judged*. In relation to the Statement of Intent please note the following:
  - a) The contribution the Trust's activities make to the strategic direction and outcomes sought by the Council for Wellington city and how their objectives and strategies underpin this.
  - b) The identification and mitigation of risks.
  - c) The organisational health and capability of the CCTO to perform its functions.
- 2) Produce quarterly financial reports in the format proposed by the Council as per the templates attached to the draft Letter of Expectation.
- 3) The provision of quarterly performance targets which are phased to reflect any seasonal differences that are expected.

- 4) The development of an HR report to be included in the quarterly report as outlined in the draft Letter of Expectation.
- 5) A statement confirming the relationship and communication principles between the Council and CCO.
- 6) Address the specific results as set out in the draft Letter of Expectation.

We have now received the final Statement of Intent which is an unchanged version of the draft Statement of Intent received by 1 March 2006. Officers will continue to work with the Trust on the matters arising as part of the discussions on the 2007/08 Statement of Intent.

## **6. Conclusion**

The review of the Statement of Intent provides an opportunity for the CCOP Subcommittee to identify any particular lines of enquiry or issues that need to be drawn to the attention of the Strategy and Policy Committee.

Contact Officer: *Wayne Maxwell, Director Council Controlled Organisations*

## **Supporting Information**

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

*The operations of the entities covered by this report support a variety of strategic objectives as set out in the 2006/07 Draft Annual Plan.*

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

*Any changes indicated by the entities are as included in the 2006/07 Draft Annual Plan.*

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

*There are none arising from this report.*

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

*This does not involve a significant decision. The report reviews the statements of intent for the entities and forms the governance document between the Council and the entity.*

### **5) Consultation**

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

*Discussions have been held with each entity regarding the detail set out in its statement of intent. Each has been provided with an opportunity to comment. Where considered appropriate, these comments have been incorporated into the covering report.*

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

*Where considered appropriate, discussions will be held with local Maori, and these comments will be incorporated into the covering report. There were no such issues arising from this report.*

### **6) Legal Implications**

*Each Statement of Intent complies with the requirements of the Local Government Act 2002.*

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

*This does not involve a policy decision. The report reviews the statements of intent for the entities.*

## Appendix One