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8 February 2022

## **VENTURE TARANAKI TRUST STATEMENT OF EXPECTATIONS**

As part of the process of establishing the Statement of Intent (SOI) each year, the Council issues a Statement of Expectations (SOE) to Council Controlled Organisations (CCOs).

This Venture Taranaki Trust (VT) SOE has been developed in a collaboration with VT. Its purpose is to guide their strategic direction and set out the expectations that should be addressed in their 2022/23 SOI.

This SOE has been developed in accordance with the Local Government Act 2002 (LGA) Section 64b including:

- Specifying how the organisation is to conduct its relationship with New Plymouth District Council (NPDC, the Council, the shareholder) and the wider district including our local Iwi and Hapū and other Māori organisations; and
- Requiring the CCO to act consistently with the statutory obligations of the Council and the Council's obligations pursuant to agreements with third parties.

### **Context**

The Council commissioned a review of VT in 2021. The findings of that review – in so far as it applies to the relationship between VT and the Council, have been considered in preparing this SOE. The review has now been completed.

The VT review was initiated to improve the clarity of the purpose of VT, consider how it is situated in the current operating environment, identify opportunities to further increase regional cooperation and inclusivity while optimising shareholder investment on behalf of the community.

As expected, the review found general satisfaction with VT and did not identify any serious concerns. The review did however make recommendations for consideration and action. The VT board should work through the recommendations and facilitate a workshop, in the first quarter of the 2022/23 year, with Council to agree a plan to implement any changes.

### **Expectations Specific to VT**

#### **1** *Transitional year:*

- VT is set to go through significant change in 2022 with four new board members and a new chief executive to be appointed; the local government election; and the on-going effects of the pandemic and other changes to VT's operating environment.

- As such, 2022/23 is considered a 'transitional year' to allow for the personnel changes to occur and the outcomes of the review to be considered and implemented.
- As part of the transitional year, any ongoing 'business as usual' activities should continue. Any new activities should be considered against the VT review findings and the region's economic development strategic framework to ensure they align.

## 2 *Strategic framework:*

- The strategic framework, attached to this SOE, has been prepared by VT in collaboration with Council. It is viewed by the Council as fairly representing the current, business as usual state.
- The strategic framework should be reviewed by the VT board in the first quarter of the 2022/23 year in collaboration with the Council. The results of this review will then form the basis of the next SOE and help determine the level of resourcing required in the Council's LTP 2024-34.
- A suite of performance measures should also be developed during this time. They should be considered beyond stakeholder perspectives and include the impacts of VT initiatives on those aspects of the economy it has capacity to influence. The VT review recommends that consideration is given to three levels of key performance measures:
  - Outcome monitoring signals e.g. GDP, unemployment, housing affordability, consumer and visitor spending.
  - VT performance indicator signals e.g. customer relationship management survey results, how many business partners received services.
  - VT project indicator signals e.g. what planned projects were completed, did affected parties feel the project made a difference.

## 3 *Communications:*

- Communications was a key topic in the VT review, in particular a lack of understanding of the role of VT by some. The following three stakeholder related measures were identified in the VT review. These should be monitored, and improvement achieved over time:
  - Overall stakeholder satisfaction with VT
  - Overall stakeholder views on value for money provided by VT
  - Overall stakeholder clarity on the purpose of VT

- VT should provide early advice to Council on risks they have identified as facing the Taranaki economy or VT itself.

#### 4 *Accountability:*

- A more detailed outline of budgets and spending should be provided in the Statement of Intent (SOI) and half-yearly reports, such as showing proportional investment across programmes and performance against other appropriate indicators. This is to provide transparency of allocation of resources across programmes and the prioritisation of these.
- Performance reporting should continue to update the Council quarterly on the progress of the delivery of Tapuae Roa and Taranaki 2050 actions (or any Council agreed replacement strategic programme) and six-monthly on the VT Strategic Framework. The level of this reporting should be high-level, strategic and outcome focused, as appropriate for the shareholder.

#### 5 *Regional strategy and sectors:*

- VT will continue to oversee the coordination and reporting of the implementation and delivery of the Tapuae Roa programme on behalf of the Taranaki Mayoral Forum. This includes the Māori Economy Future area and working with Taranaki Iwi, Hapū and other Māori organisations to see this progress.
- VT will support Nga Kaiwhakatore o Taranaki, including undertaking the secretariat role, to progress the Tapuae Roa and Taranaki 2050 work programmes. These programmes should be further outlined in the SOI, including combining the actions and recommendations for Council adoption, if any.
- The current level of NPDC Tapuae Roa funding will continue to be provided to VT in 2022/23. The draft VT SOI must outline how this funding will be used.
- VT should collaborate with, and support, key stakeholders in the community to provide support to enterprises, where appropriate. This will ensure the best outcomes for the community and that there is not a doubling up of effort. This includes but is not limited to the Taranaki Chamber of Commerce, Te Aranga o Taranaki, WITT and sector leaders across key parts of the Taranaki economy.

6 *Review of Venture Taranaki:* The VT board should further work through the recommendations and facilitate another workshop, in the first quarter of the 2022/23 year, with Council to agree a plan to implement any changes.

#### 7 *Taranaki Recovery:*

- VT is an active and integral member of the regional recovery work and should continue to be involved in this work however it is best situated to do so across the areas of its focus and projects.

- The Regional Leadership Group (RLG) oversees the Taranaki regional recovery - VT should engage with the RLG as requested.
- Te Aranga o Taranaki is the agency responsible for undertaking the recovery programme for Ngā Iwi o Taranaki. VT should develop a collaborative relationship with Te Aranga and support them on projects of mutual benefit where appropriate.

## 8 Accounting:

- VT are expected to meet reporting deadlines. This includes providing a trial balance and additional disclosure information to Council and delivery of fully audited financial statements to fit the Council Annual Report and Audit schedule at Financial Year End. This will be agreed annually in advance.
- VT are expected to provide a quarterly trial balance to Council Officers by the 12<sup>th</sup> working day of the month following or as agreed.
- Financial reports are expected to represent a fair view of the organisation's financial performance and position of the reporting period being presented to Council.
- VT interim and annual financial statements are expected to comply with the appropriate generally accepted accounting standards (currently being Public Benefit Entity) and the financial reporting requirements of the Local Government Act 2002.
- VT are expected to manage the trust's financial audit and for resolving any audit issues raised in the "Report to the Board" on the audit.
- The signed audit opinion and audit management report will be presented to the scheduled CCOs Committee after it has been reviewed by the VT Board. Council expect the audit opinion to be unqualified.
- VT are expected to answer queries on their financial performance as and when requested by Council Officers or elected members.
- Appropriate reconciliations of the financial accounts will need to comply with Audit expectations to ensure a smooth and timely audit process for the annual accounts.

## General Expectations

- 1 *Draft SOI:* All CCOs must provide a draft SOI to council officers by 1 March each year. The draft SOI will be considered by the CCOs Committee meeting on 13 April 2022. Feedback will be provided at that meeting and the final SOI is to be provided to council officers by 30 June.

2 *Reporting:*

- A quarterly report will be provided to the CCOs Committee within two months of the end of each quarter. The Board approved Annual Report will be provided to the CCOs Committee within three months of year end. All reports will be made publicly available within one month of being received.
- The half-yearly and end-of-year reports must be appropriately detailed and include updates on all measures and activities (where applicable). The quarter one and three reports may be less detailed dashboard style reports.

3 *CCO Committee Meetings:* The board Chair or in their absence a board member, must attend CCO Committee meetings to present quarterly updates. The Chief Executive and/or management should attend to answer questions for clarification.

4 *CCO Committee Briefings:* Briefings should be led by the Chair or in their absence a board member. Management should attend to answer questions and present any detailed information.

5 *“No Surprises” Policy:* It is expected that VT will maintain a “no surprises” policy and inform Council officers well in advance of any material or significant events, transactions or other issues that would be considered contentious or attract wide public interest.

6 *Sensitive Expenditure:* While noting that CCOs operate in a different market than the Council, they need to be cognizant of the fact that they are operating in a public environment and should be aware of the Council’s sensitive expenditure policy.

7 *Sustainability/Climate change:* NPDC has adopted a strategic goal “Sustainability: Nurturing our environment, mitigating our impact and adapting to climate change” and a Climate Action Framework. CCOs must be aware of these and assist in the achievement of them where and when appropriate. This should be reported on in the half-yearly and end-of-year reports.

8 *Relationship with NPDC:* To ensure strong communications and alignment between the Council and its CCOs it is planned that an advisor will attend, as an observer, all Board meetings. This is currently the Deputy Chief Executive.

9 *Relationship with New Plymouth District Community:* Council expects that VT’s decisions are for the benefit of the District.

10 *Relationship with Iwi, Hapū and other Māori organisations:* The Council expects ongoing and meaningful relationship building to occur with Taranaki Iwi, Hapū and other Māori organisations. Opportunities to partner with Ngā Iwi o Taranaki are strongly encouraged.

- 11 *Obligations:* VT must always act in a manner consistent with the statutory obligations of NPDC and also those pursuant to agreements with third parties (including Iwi, Hapū, or other Māori organisations).

Yours faithfully

Richard Jordan  
CHAIRPERSON CCOS COMMITTEE