



**Te Tari Taiwhenua
Internal Affairs**

18 August 2020

Sir Tim Shadbolt, Mayor
Clare Hadley, Chief Executive
Invercargill City Council
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Tēnā koe Sir Tim and Ms Hadley,

I am writing to you following concerns raised through recent media articles and correspondence received by us and the Minister of Local Government regarding significant conflict among elected representatives and the Chief Executive at Invercargill City Council (the Council).

I recognise the Council is currently managing several high-profile capital projects, such as the City Block development, investing in the Museum storage facility, and Rugby Park, among others. However, it appears that these projects are testing the capacity of the Council to provide strong, unified governance and leadership particularly when it comes to the prudent allocation of council funding for capital projects.

It is also disappointing to note the behaviour of elected representatives that has resulted in a series of Code of Conduct complaints, some of which have been leaked to the public through social media and news channels. It is not apparent that there is any willingness to settle these conflicts. This does not give confidence that the Council can resolve its differences and represent its community with unified leadership.

In advising the Minister of Local Government on action she may need to take pursuant to Part 10 of the Local Government Act 2002, I require assurance and evidence that the Council is taking proactive steps to restore trust and confidence in its ability to meet the Crown's expectations of a high-performing Council. Specifically, I request:

- an independent evaluation of the current standard of governance performance by elected representatives against the expectations set out in the Council's Code of Conduct, particularly section 5 *Relationships* and section 11 *Creating a supportive and inclusive environment*;
- a summary of the key issues that elected representatives and Chief Executive agree are impacting the Council's performance;
- a clear plan on how the Council will address the issues, including a timeline and framework for how success will be measured; and
- a summary of key decisions that the Council needs to make through to 30 June 2021 to deliver the 2021-2031 Long-Term Plan.

In considering how to address my concerns, I encourage you to seek high-quality, independent advice to guide and support the Council through this process. I would appreciate a response by Friday 28 August 2020 on how the Council will achieve this outcome.

Should you have any questions regarding this request, please contact me at Anita.Balakrishnan@dia.govt.nz, or Richard Hardie, Manager Operational Policy, at Richard.Hardie@dia.govt.nz or 027 540 6014.

Heoi anō

A handwritten signature in black ink, appearing to read 'Anita Balakrishnan', written in a cursive style.

Anita Balakrishnan

Director Ministerial Advice, Monitoring, and Operations
Policy, Regulation, and Communities Branch