

## Finance Committee Agenda

**Date:** Wednesday, 6 March, 2024

**Time:** 9:00 am

**Location:** Civic Centre, Te Iwitahi, 9 Rust Avenue

**Elected Members:** Cr Paul Yovich (Chairperson)  
Cr Phil Halse (Deputy Chairperson)  
His Worship the Mayor Vince  
Cocurullo  
Cr Ken Couper  
Cr Deborah Harding  
Cr Patrick Holmes  
Cr Simon Reid

For any queries regarding this meeting please contact  
the Whangarei District Council on (09) 430-4200.

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	Pages
<b>1. Declarations of Interest / Take Whaipānga</b>	
<b>2. Apologies / Kore Tae Mai</b>	
<b>3. Confirmation of Minutes of Previous Finance Committee Meeting / Whakatau Meneti</b>	
3.1 Minutes Finance Committee 7 February 2024	7
<b>4. Information Reports / Ngā Pūrongo Kōrero</b>	
4.1 Financial Report for the 7 months ending 31 January 2024	11
4.2 Capital Projects Report for the 7 months ending 31 January 2024	35
4.3 Operations Report - Corporate Group - March 2023	45
<b>5. Public Excluded Business / Rāhui Tangata</b>	
5.1 Confidential Minutes Finance Committee 7 February 2024	
<b>6. Closure of Meeting / Te katinga o te Hui</b>	

## ***Finance Committee – Terms of Reference***

### **Membership**

<b>Chairperson</b>	Councillor Paul Yovich
<b>Deputy Chairperson</b>	Councillor Phil Halse
<b>Members</b>	His Worship the Mayor Vince Cociurullo Councillors Ken Couper, Deborah Harding, Patrick Holmes and Simon Reid
<b>Meetings</b>	Monthly
<b>Quorum</b>	4

### **Purpose**

To ensure than Council finances and other corporate support functions are well managed. Management of disposal and purchase of individual properties within Council's commercial property portfolio.

### **Key responsibilities**

- Manage the budget process including the co-ordination and preparation of budgets and financial statements for the Annual Plan and Long-Term Plan.
- Preparation of the financial component of Council's Annual Report.
- Operational reporting for the Corporate Group within Council.
- Operational accountability of performance including:
  - Health and Safety
  - Regular reporting on service delivery
  - Compliance
  - Sustainability
  - Finance
- Procurement – general procurement relating to the areas of business of this committee, within delegations.
- Shared Services – investigate opportunities for shared services for recommendation to council.

- Council's commercial property portfolio, including:
  - The purchase and disposal of commercial properties specifically identified in the Long Term Plan
  - The purchase and disposal of commercial properties as authorised by Council, where these are not specifically identified in the Long Term Plan.
  - Recommendations to Council for the purchase and disposal of any other commercial properties.
- Council Controlled Organisations (CCOs) – monitoring the financial and non-financial performance of CCOs whose functions would otherwise fall under the scope of this committee. Includes trading CCOs (CCTOs) and those CCOs exempted under the LGA. Responsibilities include:
  - advising on the content of annual Statement of Expectations to CCOs
  - monitoring against the Statement of Intent
  - for exempted CCOs, monitoring and reporting as agreed between Council and the organisation
  - quarterly reporting on performance

**CCO accountable to this committee:**

- Local Government Funding Agency (LGFA)  
*\*Statement of Intent agreement to council*

**Delegations**

- (i) All powers necessary to perform the committee's responsibilities, including:
  - (a) Approval of expenditure of less than \$5 million plus GST.
  - (b) Purchase and disposal of commercial properties as identified above and within the budget limits identified in the Long Term Plan.
  - (c) Establishment of working parties or steering groups.

**The Committee does not have:**

- I. The power to establish sub-committees.
- II. The powers Council is expressly prohibited from delegating as outlined in Clause 32(1)(a)-(h) of Schedule 7 of the Local Government Act 2002; being:
  - the power to make a rate
  - the power to make a bylaw
  - the power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan

- the power to adopt a long-term plan, annual plan or annual report
- the power to appoint a chief executive the power to adopt policies required to be adopted and consulted on under the Local Government 2002 in association with the long-term plan or developed for the purpose of the local governance statement
- the power to adopt a remuneration and employment policy.



## Finance Committee Meeting Minutes

**Date:** Wednesday, 7 February, 2024  
**Time:** 9:00 a.m.  
**Location:** Civic Centre, Te Iwitahi, 9 Rust Avenue

<b>In Attendance</b>	<b>Cr Paul Yovich (Chairperson)</b> <b>Cr Phil Halse (Deputy Chairperson)</b> <b>His Worship the Mayor Vince Cociurullo</b> <b>Cr Ken Couper</b> <b>Cr Deborah Harding</b> <b>Cr Patrick Holmes</b> <b>Cr Simon Reid</b>
<b>Also in Attendance</b>	<b>Cr Gavin Benney</b> <b>Cr Nicholas Connop</b> <b>Cr Marie Olsen</b>
<b>Scribe</b>	<b>D.Garner (Democracy Adviser)</b>

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### 1. Declarations of Interest / Take Whaipānga

There were no declarations of interest made.

### 2. Apologies / Kore Tae Mai

There were no apologies.

### 3. Confirmation of Minutes of Previous Finance Committee Meeting / Whakatau Meneti

#### 3.1 Minutes Finance Committee 22 February 2023

**Moved By** Cr Patrick Holmes  
**Seconded By** Cr Simon Reid

That the minutes of the Finance Committee meeting held on Wednesday 6 December 2023, having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings of that meeting.

**Carried**

**4. Information Reports / Ngā Pūrongo Kōrero**

**4.1 Financial Report for the 6 months ending 31 December 2023**

**Moved By** Cr Paul Yovich (Chairperson)  
**Seconded By** His Worship the Mayor

That the Finance Committee notes the operating results for the six months ending 31 December 2023.

**Carried**

*Cr Nicholas Connop arrived at 9:09am during item 4.1.*

**4.2 Capital Projects Report for the 6 Months Ending 31 December 2023**

**Moved By** Cr Patrick Holmes  
**Seconded By** His Worship the Mayor

That the Committee notes the Capital Projects Report for the period ending 31 December 2023.

**Carried**

**4.3 Operations Report - Corporate Group - February 2024**

**Moved By** Cr Deborah Harding  
**Seconded By** His Worship the Mayor

That the Finance Committee notes the Corporate Group operations report for February 2024.

**Carried**

**5. Public Excluded Business / Rāhui Tangata**

**Moved By** His Worship the Mayor Vince Cocurullo  
**Seconded By** Cr Ken Couper

“That the public be excluded from the following parts of proceedings of this meeting. The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for passing this resolution</b>
1.1 Commercial Property – February Quarterly Update	Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public, are as follows:

<b>Item</b>	<b>Grounds</b>	<b>Section</b>
1.1	To enable Council to carry on without prejudice or disadvantage commercial activities.  To enable Council to carry on without prejudice or disadvantage negotiations (including commercial and industrial negotiations).	S7(2)(h)  S7(2)(i)

**Carried**

## **6. Closure of Meeting / Te katinga o te Hui**

The meeting concluded at 10:17am.

Confirmed this 6<sup>th</sup> day of March 2024

Cr Paul Yovich (Chairperson)



## 4.1 Financial Report for the 7 months ending 31 January 2024

**Meeting:** Finance Committee

**Date of meeting:** 6 March 2024

**Reporting officer:** Alan Adcock (General Manager – Corporate CFO)

### 1 Purpose / Te Kaupapa

To provide the operating results for the seven months ending 31 January 2024.

### 2 Recommendation / Whakataunga

That the Finance Committee notes the operating results for the seven months ending 31 January 2024.

### 3 Background / Horopaki

The provision of this report comes with several disclaimers, and should be interpreted with an understanding of these limitations of use:

- No full year forecast has been included within this report. Due to the Christmas break an updated forecast is not prepared in the month of January. The last forecast was provided in November. The input required from the business to produce an accurate and meaningful forecast in November was not achieved. This is primarily due to competing priorities with the Long Term Plan.

An updated full year forecast will be undertaken by the business in February and will be used for the February financial report.

- Although the year to date adverse results appear concerning, the full financial view is not visible without an accurate and up-to-date forecast. Often year to date variances can simply be due to a timing difference between the phasing of the budget, and the period in which expenditure has occurred. Without an accurate forecast, it is difficult to determine whether any adverse variances are expected to remain at the end of the financial year.

Management has specifically addressed the importance of this with budget managers. We rely on the business to perform their forecasting using their expertise and knowledge of their individual functions. With multiple priorities across the business, monthly forecasting is often one of the first tasks that can be either overlooked or not performed with adequate attention.

Without this full and complete view, it is very difficult to monitor and manage Council's financial position. The February report with the updated full year forecast will provide Council with further clarity as to the expected budget variance at year end, and any actions required as a result of the variance.

### **Year to date**

The year-to-date position is a surplus of \$9.5 million, compared to a budgeted surplus of \$23.1 million, resulting in an unfavourable variance of \$13.6 million. The key contributors to this variance include:

- \$1.4m less water rates revenue compared to YTD budget.
- \$4.3m higher 'other expenditure' YTD compared to phased budget.
- \$10.6m less capital income (development contributions, vested asset income, and other capital contributions) YTD compared to budget.

Key year to date variances for seven months ending 31 January 2024 include:

<b>Details</b>	<b>Variance to budget</b>	<b>Explanation</b>
<b>Rates Revenue - \$1.4m unfavourable</b>		
Water	\$1.4m	Metered water lower than budget
<b>Other Expenses (including loss on disposal and opex on projects) - \$4.3m unfavourable. Key variances as follows:</b>		
<b>Community Facilities and Services \$661k</b>		
Parks and Recreation	\$713k	Various cost centres
Parks and Recreation	\$208	Loss on disposal of assets
Civil Defence	(\$171k)	Payments to external contractors
<b>Support Services \$650k</b>		
Business Support	\$280k	Cleaning, security and maintenance
CE Overheads	\$154k	Unbudgeted Riskpool call
ICT	\$517k	Payments to external contractors, computer software expenses, capex recoveries not yet charged to WIP
ICT	(\$436k)	Opex on projects
Infrastructure Development	\$163k	Professional fees
<b>Transportation \$1.7m</b>		
Emergency works	\$1.6m	Various

<b>Water \$849k</b>		
3 Waters transition expenses	\$691k	Fully funded – offset by revenue
Loss on disposal of assets	\$307k	Non-cash loss on assets disposed
<b>Solid waste (\$456k) favourable</b>		
Recycling	(\$404k)	Favourable to budget – likely to be a timing difference only.
<b>Wastewater \$1.5m</b>		
Plant Operation	\$578k	R&M, landfill fees, external contractors
Other cost centres	(\$378k)	Various
Loss on disposal (non-cash)	\$1.3m	Relating to Marsden Bay to Ruakaka wastewater treatment plan rising main upgrade
<b>Capital Income - \$10.6m unfavourable</b>		
Other capital contributions	\$6.7m	Revenue recognition of capital contributions is dependent on milestones in the various funding agreements being achieved. Any delays in capital programme delivery will impact the timing of the associated revenue.
Development Contributions	\$1.7m	Year-to-date development contribution income received is tracking below budget. Future stages of some developments are on hold we may see this income stream to continue to be lower than budget.
Vested asset income	\$1.6m	Similarly to Development Contributions, year to date is currently tracking below budget. Note that vested asset income is a non-cash adjustment used to recognize the value of assets vested to Council therefore does not directly impact funding or debt.
Waka Kotahi NZTA capital subsidies	\$497k	YTD subsidies are \$497k lower than budget. Any delays in capital programme delivery will impact the timing of the associated revenue.

### 3.1 External Net Debt and Treasury

Total net external debt at the end of January 2024 was \$200.5 million compared to year-to-date budgeted net debt of \$208.0 million, resulting in net debt being \$7.5 million under budget.

As at 31 January 2024 cash and term deposits held of \$35.5 million was comprised of:

- \$10.0 million of term deposits relating to short term borrowings not yet required.
- \$2.0 million of term deposits relating to excess cash not currently required.
- \$3.3 million of term deposits and cash on hand relating to the Whangarei Harbour Marina Management Trust loan not yet advanced.
- \$20.2 million of cash on hand.

## **4 Accounts Receivable and Arrears**

Total arrears as at 31 January 2024 were \$8.4 million, \$2.4 million more than January last year, and \$0.1 million less than last month.

Land rates arrears decreased by \$0.4 million from last month however they are \$1.1 million more than January last year (\$0.8 million current year and \$0.3 million prior year). Water rates are at the same level as December 2023. Other debtors are \$1.3 million more than last year, \$1.4 million being one debtor 90 days overdue.

## **5 Significance and engagement / Te Hira me te Arawhiti**

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda publication on the website.

## **6 Attachments / Ngā Tāpiritanga**

- Attachment 1 – Monthly key indicators
- Attachment 2 – Monthly activity summary
- Attachment 3 – Monthly income statement
- Attachment 4 – Monthly income statements by activity
- Attachment 5 – Treasury report

**MONTHLY KEY INDICATORS**  
JANUARY 2024



	YTD to January 2024				
	Actual	Revised Budget	Variance	YTD	YTD Trend
	YTD \$ m	YTD \$ m	YTD \$ m	Indicator	Current / previous month
<b>OPERATING</b>					
Total Rates	71.6	73.1	(1.5)	🟡	
Subsidies and Grants	8.8	9.5	(0.7)	🔴	
User Fees	10.8	10.8	0.0	🟢	
<b>Total Operating Income</b>	<b>99.9</b>	<b>99.9</b>	<b>0.0</b>	<b>🟢</b>	<b>➡</b>
Personnel Costs	20.0	20.8	0.8	🟢	
Other Operating Expenditure	46.3	42.3	(4.0)	🔴	
<b>Total Operating Expenditure</b>	<b>107.1</b>	<b>104.4</b>	<b>(2.7)</b>	<b>🟡</b>	<b>⬇</b>
<b>Surplus/(Deficit) from Operations</b>	<b>(7.2)</b>	<b>(4.5)</b>	<b>(2.7)</b>	<b>🟡</b>	<b>⬇</b>
<b>Total Capital Income</b>	<b>18.4</b>	<b>27.3</b>	<b>(8.9)</b>	<b>🔴</b>	
<b>Total Surplus/(Deficit)</b>	<b>9.5</b>	<b>23.2</b>	<b>(13.7)</b>	<b>🔴</b>	<b>⬇</b>

KEY	
🟢	Favourable to budget
🟡	Unfavourable, but within 5% of budget
🔴	Unfavourable, over 5% of budget
⬆	Favourable to previous month
⬇	Unfavourable to previous month

**EXTERNAL DEBT FUNDING**

External Net Debt	200.5	208.0	7.5	🟢
Net Interest on debt	4.1	5.2	1.1	🟢

**Note:** The above information includes excerpts taken from the Monthly Income Statement. The shaded lines above represent key totals from the Monthly Income Statement but are not totals of the lines above.



**MONTHLY ACTIVITY SUMMARY**  
**JANUARY 2024**

**YTD to January 2024**

	Actual Surplus/ (Deficit)	Revised Budget Surplus/ (Deficit)	Variance Surplus/ (Deficit)	YTD Indicator	YTD Trend Current / previous
<b>Transportation</b>	(5.2)	3.9	(9.1)	●	⬇️
<b>Water</b>	0.7	2.9	(2.2)	●	⬆️
<b>Solid Waste</b>	(1.7)	(2.3)	0.6	●	⬆️
<b>Waste Water</b>	8.0	8.4	(0.4)	●	⬆️
<b>Storm Water</b>	(2.8)	(2.1)	(0.7)	●	⬇️
<b>Flood Protection</b>	0.2	0.3	(0.1)	●	⬇️
<b>Community Facilities</b>	(19.0)	(18.5)	(0.5)	●	⬆️
<b>Governance &amp; Strategy</b>	(1.2)	(1.6)	0.4	●	⬆️
<b>Planning &amp; Regulatory</b>	(0.1)	(1.2)	1.1	●	⬇️
<b>Support Services</b>	32.2	33.0	(0.8)	●	⬆️

**KEY:**

 Favourable to budget	 Unfavourable, but within 5% of budget	 Unfavourable, over 5% of budget
 Favourable to previous month	 Unfavourable to previous month	 No change to previous month

**Note:** The above information is at Council Operations level and excludes non-cash adjustments



## MONTHLY INCOME STATEMENT

### 31 January 2024

<b>Council Summary</b>	<b>Actual</b> YTD \$000	<b>Revised Budget</b> YTD \$000	<b>Variance*</b> <b>2023-24</b> \$000
<b>Revenue</b>			
Rates	71,622	73,058	(1,436)
Development and other contributions	2,563	4,275	(1,712)
Subsidies and grants	24,620	32,587	(7,967)
Fees and charges	10,819	10,767	52
Interest revenue	1,655	891	764
Other revenue	10,258	10,576	(318)
<b>Total revenue</b>	<b>121,536</b>	<b>132,154</b>	<b>(10,617)</b>
<b>Expenses</b>			
Other expenditure	51,156	46,895	(4,261)
Depreciation and amortisation	34,979	35,255	276
Finance costs	5,831	6,052	222
Personnel costs	20,039	20,795	756
<b>Total expenses</b>	<b>112,004</b>	<b>108,997</b>	<b>(3,007)</b>
<b>Surplus/(deficit) before taxation</b>	<b>9,532</b>	<b>23,157</b>	<b>(13,625)</b>
Taxation charge	-	-	-
<b>Surplus/(deficit) after taxation</b>	<b>9,532</b>	<b>23,157</b>	<b>(13,625)</b>

## EVERYDAY INCOME vs EVERDAY COSTS

	<b>Actual</b> YTD \$000	<b>Revised Budget</b> YTD \$000	<b>Variance*</b> <b>2023-24</b> \$000
<b>Surplus/(deficit) after taxation (as above)</b>	<b>9,532</b>	<b>23,157</b>	<b>(13,625)</b>
<b>Remove capital revenue</b>			
Vested assets	3,257	4,903	(1,646)
Development contributions	2,563	4,275	(1,712)
Capital subsidy (excluding subsidy on transport renewals)	12,643	13,141	(497)
less estimated capital subsidy on transport renewals	(3,608)	(7,359)	3,751
Other capital contributions	3,161	9,902	(6,740)
<b>Remove gains/(losses) on asset disposals</b>			
Gains/(losses) on asset disposals	(2,155)	-	(2,155)
<b>Balancing the books (surplus/(deficit)</b>	<b>(6,329)</b>	<b>(1,705)</b>	<b>(4,624)</b>

The everyday funding result is indicative only. Staff are continuing to define the parameters of this measure and will finalise a standardised approach through the development of the Financial Strategy for the 2024-34 Long Term Plan.

\*Favourable variances are recorded as positive amounts (unfavourable variances are negative amounts)



**Summary Financial Performance By Activity**

Activity	2023-2024 YTD		Full Year Variance
	Actual	Revised Budget	
	YTD \$000	YTD \$000	
<b>Transportation</b>			
Revenue	8,541	8,766	(225)
Capital Income	16,170	23,404	(7,234)
Expenditure	29,947	28,233	(1,714)
<b>Surplus/(deficit) including capital income</b>	<b>(5,236)</b>	<b>3,936</b>	<b>(9,173)</b>
<b>Water</b>			
Revenue	9,819	10,508	(689)
Capital Income	1,253	1,894	(642)
Expenditure	10,322	9,503	(819)
<b>Surplus/(deficit) including capital income</b>	<b>749</b>	<b>2,899</b>	<b>(2,149)</b>
<b>Solid Waste</b>			
Revenue	2,558	2,474	84
Capital Income	-	-	-
Expenditure	4,236	4,776	541
<b>Surplus/(deficit) including capital income</b>	<b>(1,678)</b>	<b>(2,302)</b>	<b>624</b>
<b>Wastewater</b>			
Revenue	15,928	15,665	262
Capital Income	343	854	(511)
Expenditure	8,306	8,073	(234)
<b>Surplus/(deficit) including capital income</b>	<b>7,965</b>	<b>8,447</b>	<b>(483)</b>
<b>Stormwater</b>			
Revenue	265	799	(534)
Capital Income	53	-	53
Expenditure	3,094	2,900	(194)
<b>Surplus/(deficit) including capital income</b>	<b>(2,776)</b>	<b>(2,102)</b>	<b>(674)</b>
<b>Flood Protection</b>			
Revenue	728	719	8
Capital Income	-	-	-
Expenditure	506	449	(57)
<b>Surplus/(deficit) including capital income</b>	<b>221</b>	<b>271</b>	<b>(49)</b>
<b>Community Facilities and Services</b>			
Revenue	3,173	3,275	(102)
Capital Income	543	1,165	(622)
Expenditure	22,753	22,939	186
<b>Surplus/(deficit) including capital income</b>	<b>(19,037)</b>	<b>(18,499)</b>	<b>(538)</b>
<b>Governance and Strategy</b>			
Revenue	3,072	2,525	547
Capital Income	-	-	-
Expenditure	4,233	4,159	(74)
<b>Surplus/(deficit) including capital income</b>	<b>(1,161)</b>	<b>(1,633)</b>	<b>473</b>
<b>Planning and Regulatory Services</b>			
Revenue	7,776	7,513	264
Capital Income	-	-	-
Expenditure	7,878	8,697	819
<b>Surplus/(deficit) including capital income</b>	<b>(102)</b>	<b>(1,184)</b>	<b>1,082</b>
<b>Support Services</b>			
Revenue	52,798	52,137	661
Capital Income	6	-	6
Expenditure	20,603	19,122	(1,481)
<b>Surplus/(deficit) including capital income</b>	<b>32,200</b>	<b>33,015</b>	<b>(814)</b>

**MONTHLY INCOME STATEMENT**

Transportation	2023-2024 YTD		Full Year
	Actual	Revised Budget	Variance
	YTD \$000	YTD \$000	2023-24 \$000
<b>Operating income</b>			
Rates	68	49	18
Subsidies and grants	6,898	7,309	(411)
Fees and charges	1,173	1,021	151
Interest revenue	-	-	-
Other revenue	403	386	17
Overheads recovered	-	-	-
<b>Total operating income</b>	<b>8,541</b>	<b>8,766</b>	<b>(225)</b>
<b>Operating expenditure</b>			
Other expenditure	12,105	9,996	(2,109)
Depreciation and amortisation	14,791	15,214	424
Finance costs	1,265	1,144	(121)
Personnel costs	1,787	1,879	92
Overheads charged	-	-	-
<b>Total operating expenditure</b>	<b>29,947</b>	<b>28,233</b>	<b>(1,714)</b>
<b>Surplus/(deficit) from operations</b>	<b>(21,406)</b>	<b>(19,467)</b>	<b>(1,939)</b>
<b>Plus capital income</b>			
Development and other contributions	1,201	1,910	(709)
Other capital contributions	2,325	8,353	(6,028)
Waka Kotahi NZTA capital subsidies	12,643	13,141	(497)
<b>Total capital income</b>	<b>16,170</b>	<b>23,404</b>	<b>(7,234)</b>
<b>Surplus/(deficit) including capital income</b>	<b>(5,236)</b>	<b>3,936</b>	<b>(9,173)</b>
<b>Plus non-cash income adjustments</b>			
Vested assets income	-	674	(674)
Gain on disposal of assets	-	-	-
<b>Total non-cash income adjustments</b>	<b>-</b>	<b>674</b>	<b>(674)</b>
<b>Less non-cash expenditure adjustments</b>			
OPEX on capital projects**	222	583	361
Loss on disposal of assets	-	-	-
<b>Total non-cash expenditure adjustments</b>	<b>222</b>	<b>583</b>	<b>361</b>
<b>Total non-cash adjustment</b>	<b>(222)</b>	<b>91</b>	<b>(313)</b>
<b>Total surplus/(deficit)</b>	<b>(5,458)</b>	<b>4,027</b>	<b>(9,485)</b>

**MONTHLY INCOME STATEMENT**

Water	2023-2024 YTD		Full Year
	Actual	Revised Budget	Variance
	YTD \$000	YTD \$000	2023-24 \$000
<b>Operating income</b>			
Rates	8,437	9,804	(1,368)
Subsidies and grants	493	-	493
Fees and charges	93	116	(23)
Interest revenue	788	581	208
Other revenue	8	7	1
Overheads recovered	-	-	-
<b>Total operating income</b>	<b>9,819</b>	<b>10,508</b>	<b>(689)</b>
<b>Operating expenditure</b>			
Other expenditure	4,358	3,837	(521)
Depreciation and amortisation	4,938	4,534	(404)
Finance costs	-	-	-
Personnel costs	1,026	1,132	106
Overheads charged	-	-	-
<b>Total operating expenditure</b>	<b>10,322</b>	<b>9,503</b>	<b>(819)</b>
<b>Surplus/(deficit) from operations</b>	<b>(503)</b>	<b>1,004</b>	<b>(1,508)</b>
<b>Plus capital income</b>			
Development and other contributions	594	936	(342)
Other capital contributions	659	959	(299)
Waka Kotahi NZTA capital subsidies	-	-	-
<b>Total capital income</b>	<b>1,253</b>	<b>1,894</b>	<b>(642)</b>
<b>Surplus/(deficit) including capital income</b>	<b>749</b>	<b>2,899</b>	<b>(2,149)</b>
<b>Plus non-cash income adjustments</b>			
Vested assets income	870	889	(19)
Gain on disposal of assets	-	-	-
<b>Total non-cash income adjustments</b>	<b>870</b>	<b>889</b>	<b>(19)</b>
<b>Less non-cash expenditure adjustments</b>			
OPEX on capital projects**	21	-	(21)
Loss on disposal of assets	307	-	(307)
<b>Total non-cash expenditure adjustments</b>	<b>328</b>	<b>-</b>	<b>(328)</b>
<b>Total non-cash adjustment</b>	<b>542</b>	<b>889</b>	<b>(347)</b>
<b>Total surplus/(deficit)</b>	<b>1,291</b>	<b>3,788</b>	<b>(2,496)</b>

**MONTHLY INCOME STATEMENT**

<b>Solid Waste</b>	<b>2023-2024 YTD</b>		<b>Full Year</b>
	<b>Actual</b>	<b>Revised Budget</b>	<b>Variance</b>
	<b>YTD \$000</b>	<b>YTD \$000</b>	<b>2023-24 \$000</b>
<b>Operating income</b>			
Rates	(0)	-	(0)
Subsidies and grants	-	-	-
Fees and charges	1,462	1,575	(113)
Interest revenue	-	-	-
Other revenue	1,096	899	197
Overheads recovered	-	-	-
<b>Total operating income</b>	<b>2,558</b>	<b>2,474</b>	<b>84</b>
<b>Operating expenditure</b>			
Other expenditure	3,960	4,416	456
Depreciation and amortisation	156	136	(19)
Finance costs	-	12	12
Personnel costs	120	211	92
Overheads charged	-	-	-
<b>Total operating expenditure</b>	<b>4,236</b>	<b>4,776</b>	<b>541</b>
<b>Surplus/(deficit) from operations</b>	<b>(1,678)</b>	<b>(2,302)</b>	<b>624</b>
<b>Plus capital income</b>			
Development and other contributions	-	-	-
Other capital contributions	-	-	-
Waka Kotahi NZTA capital subsidies	-	-	-
<b>Total capital income</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus/(deficit) including capital income</b>	<b>(1,678)</b>	<b>(2,302)</b>	<b>624</b>
<b>Plus non-cash income adjustments</b>			
Vested assets income	-	-	-
Gain on disposal of assets	-	-	-
<b>Total non-cash income adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Less non-cash expenditure adjustments</b>			
OPEX on capital projects**	-	-	-
Loss on disposal of assets	-	-	-
<b>Total non-cash expenditure adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total non-cash adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total surplus/(deficit)</b>	<b>(1,678)</b>	<b>(2,302)</b>	<b>624</b>

**MONTHLY INCOME STATEMENT**

Wastewater	2023-2024 YTD		Full Year
	Actual	Revised Budget	Variance
	YTD \$000	YTD \$000	2023-24 \$000
<b>Operating income</b>			
Rates	14,222	14,072	151
Subsidies and grants	-	51	(51)
Fees and charges	814	668	146
Interest revenue	871	873	(2)
Other revenue	20	1	19
Overheads recovered	-	-	-
<b>Total operating income</b>	<b>15,928</b>	<b>15,665</b>	<b>262</b>
<b>Operating expenditure</b>			
Other expenditure	2,158	1,804	(355)
Depreciation and amortisation	5,270	5,293	23
Finance costs	-	-	-
Personnel costs	878	976	98
Overheads charged	-	-	-
<b>Total operating expenditure</b>	<b>8,306</b>	<b>8,073</b>	<b>(234)</b>
<b>Surplus/(deficit) from operations</b>	<b>7,622</b>	<b>7,593</b>	<b>29</b>
<b>Plus capital income</b>			
Development and other contributions	343	854	(511)
Other capital contributions	-	-	-
Waka Kotahi NZTA capital subsidies	-	-	-
<b>Total capital income</b>	<b>343</b>	<b>854</b>	<b>(511)</b>
<b>Surplus/(deficit) including capital income</b>	<b>7,965</b>	<b>8,447</b>	<b>(483)</b>
<b>Plus non-cash income adjustments</b>			
Vested assets income	1,055	1,011	43
Gain on disposal of assets	-	-	-
<b>Total non-cash income adjustments</b>	<b>1,055</b>	<b>1,011</b>	<b>43</b>
<b>Less non-cash expenditure adjustments</b>			
OPEX on capital projects**	129	379	250
Loss on disposal of assets	1,345	-	(1,345)
<b>Total non-cash expenditure adjustments</b>	<b>1,474</b>	<b>379</b>	<b>(1,095)</b>
<b>Total non-cash adjustment</b>	<b>(419)</b>	<b>632</b>	<b>(1,052)</b>
<b>Total surplus/(deficit)</b>	<b>7,545</b>	<b>9,080</b>	<b>(1,534)</b>

**MONTHLY INCOME STATEMENT**

Stormwater	2023-2024 YTD		Full Year
	Actual	Revised Budget	Variance
	YTD \$000	YTD \$000	2023-24 \$000
<b>Operating income</b>			
Rates	-	-	-
Subsidies and grants	265	799	(534)
Fees and charges	-	-	-
Interest revenue	-	-	-
Other revenue	-	-	-
Overheads recovered	-	-	-
<b>Total operating income</b>	<b>265</b>	<b>799</b>	<b>(534)</b>
<b>Operating expenditure</b>			
Other expenditure	426	209	(218)
Depreciation and amortisation	2,407	2,358	(49)
Finance costs	-	-	-
Personnel costs	261	334	73
Overheads charged	-	-	-
<b>Total operating expenditure</b>	<b>3,094</b>	<b>2,900</b>	<b>(194)</b>
<b>Surplus/(deficit) from operations</b>	<b>(2,829)</b>	<b>(2,102)</b>	<b>(727)</b>
<b>Plus capital income</b>			
Development and other contributions	-	-	-
Other capital contributions	53	-	53
Waka Kotahi NZTA capital subsidies	-	-	-
<b>Total capital income</b>	<b>53</b>	<b>-</b>	<b>53</b>
<b>Surplus/(deficit) including capital income</b>	<b>(2,776)</b>	<b>(2,102)</b>	<b>(674)</b>
<b>Plus non-cash income adjustments</b>			
Vested assets income	1,071	2,329	(1,258)
Gain on disposal of assets	-	-	-
<b>Total non-cash income adjustments</b>	<b>1,071</b>	<b>2,329</b>	<b>(1,258)</b>
<b>Less non-cash expenditure adjustments</b>			
OPEX on capital projects**	428	1,020	592
Loss on disposal of assets	13	-	(13)
<b>Total non-cash expenditure adjustments</b>	<b>440</b>	<b>1,020</b>	<b>580</b>
<b>Total non-cash adjustment</b>	<b>631</b>	<b>1,309</b>	<b>(678)</b>
<b>Total surplus/(deficit)</b>	<b>(2,145)</b>	<b>(793)</b>	<b>(1,352)</b>

**MONTHLY INCOME STATEMENT**

Flood Protection	2023-2024 YTD		Full Year
	Actual	Revised Budget	Variance
	YTD \$000	YTD \$000	2023-24 \$000
<b>Operating income</b>			
Rates	709	710	(1)
Subsidies and grants	-	-	-
Fees and charges	-	-	-
Interest revenue	18	9	9
Other revenue	-	-	-
Overheads recovered	-	-	-
<b>Total operating income</b>	<b>728</b>	<b>719</b>	<b>8</b>
<b>Operating expenditure</b>			
Other expenditure	291	229	(62)
Depreciation and amortisation	215	220	5
Finance costs	-	-	-
Personnel costs	-	-	-
Overheads charged	-	-	-
<b>Total operating expenditure</b>	<b>506</b>	<b>449</b>	<b>(57)</b>
<b>Surplus/(deficit) from operations</b>	<b>221</b>	<b>271</b>	<b>(49)</b>
<b>Plus capital income</b>			
Development and other contributions	-	-	-
Other capital contributions	-	-	-
Waka Kotahi NZTA capital subsidies	-	-	-
<b>Total capital income</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus/(deficit) including capital income</b>	<b>221</b>	<b>271</b>	<b>(49)</b>
<b>Plus non-cash income adjustments</b>			
Vested assets income	-	-	-
Gain on disposal of assets	-	-	-
<b>Total non-cash income adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Less non-cash expenditure adjustments</b>			
OPEX on capital projects**	-	-	-
Loss on disposal of assets	-	-	-
<b>Total non-cash expenditure adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total non-cash adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total surplus/(deficit)</b>	<b>221</b>	<b>271</b>	<b>(49)</b>

**MONTHLY INCOME STATEMENT**

Community Facilities and Services	2023-2024 YTD		Full Year
	Actual	Revised Budget	Variance
	YTD \$000	YTD \$000	2023-24 \$000
<b>Operating income</b>			
Rates	-	-	-
Subsidies and grants	988	1,226	(238)
Fees and charges	509	489	20
Interest revenue	283	296	(13)
Other revenue	1,393	1,264	129
Overheads recovered	-	-	-
<b>Total operating income</b>	<b>3,173</b>	<b>3,275</b>	<b>(102)</b>
<b>Operating expenditure</b>			
Other expenditure	13,122	12,879	(243)
Depreciation and amortisation	4,875	5,085	210
Finance costs	1,265	1,144	(121)
Personnel costs	3,491	3,831	340
Overheads charged	-	-	-
<b>Total operating expenditure</b>	<b>22,753</b>	<b>22,939</b>	<b>186</b>
<b>Surplus/(deficit) from operations</b>	<b>(19,580)</b>	<b>(19,664)</b>	<b>84</b>
<b>Plus capital income</b>			
Development and other contributions	425	575	(150)
Other capital contributions	118	590	(472)
Waka Kotahi NZTA capital subsidies	-	-	-
<b>Total capital income</b>	<b>543</b>	<b>1,165</b>	<b>(622)</b>
<b>Surplus/(deficit) including capital income</b>	<b>(19,037)</b>	<b>(18,499)</b>	<b>(538)</b>
<b>Plus non-cash income adjustments</b>			
Vested assets income	261	-	261
Gain on disposal of assets	-	-	-
<b>Total non-cash income adjustments</b>	<b>261</b>	<b>-</b>	<b>261</b>
<b>Less non-cash expenditure adjustments</b>			
OPEX on capital projects**	1,486	1,550	64
Loss on disposal of assets	482	-	(482)
<b>Total non-cash expenditure adjustments</b>	<b>1,968</b>	<b>1,550</b>	<b>(418)</b>
<b>Total non-cash adjustment</b>	<b>(1,707)</b>	<b>(1,550)</b>	<b>(157)</b>
<b>Total surplus/(deficit)</b>	<b>(20,744)</b>	<b>(20,049)</b>	<b>(695)</b>

**MONTHLY INCOME STATEMENT**

Governance and Strategy	2023-2024 YTD		Full Year
	Actual	Revised Budget	Variance
	YTD \$000	YTD \$000	2023-24 \$000
<b>Operating income</b>			
Rates	-	-	-
Subsidies and grants	-	-	-
Fees and charges	-	-	-
Interest revenue	708	534	173
Other revenue	2,364	1,991	373
Overheads recovered	-	-	-
<b>Total operating income</b>	<b>3,072</b>	<b>2,525</b>	<b>547</b>
<b>Operating expenditure</b>			
Other expenditure	2,422	2,193	(230)
Depreciation and amortisation	47	45	(2)
Finance costs	192	73	(120)
Personnel costs	1,571	1,848	277
Overheads charged	-	-	-
<b>Total operating expenditure</b>	<b>4,233</b>	<b>4,159</b>	<b>(74)</b>
<b>Surplus/(deficit) from operations</b>	<b>(1,161)</b>	<b>(1,633)</b>	<b>473</b>
<b>Plus capital income</b>			
Development and other contributions	-	-	-
Other capital contributions	-	-	-
Waka Kotahi NZTA capital subsidies	-	-	-
<b>Total capital income</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus/(deficit) including capital income</b>	<b>(1,161)</b>	<b>(1,633)</b>	<b>473</b>
<b>Plus non-cash income adjustments</b>			
Vested assets income	-	-	-
Gain on disposal of assets	-	-	-
<b>Total non-cash income adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Less non-cash expenditure adjustments</b>			
OPEX on capital projects**	311	565	254
Loss on disposal of assets	9	-	(9)
<b>Total non-cash expenditure adjustments</b>	<b>319</b>	<b>565</b>	<b>246</b>
<b>Total non-cash adjustment</b>	<b>(319)</b>	<b>(565)</b>	<b>246</b>
<b>Total surplus/(deficit)</b>	<b>(1,480)</b>	<b>(2,198)</b>	<b>719</b>

**MONTHLY INCOME STATEMENT**

Planning and Regulatory Services	2023-2024 YTD		Full Year
	Actual	Revised Budget	Variance
	YTD \$000	YTD \$000	2023-24 \$000
<b>Operating income</b>			
Rates	-	-	-
Subsidies and grants	100	100	-
Fees and charges	6,235	6,363	(129)
Interest revenue	-	-	-
Other revenue	1,442	1,049	393
Overheads recovered	-	-	-
<b>Total operating income</b>	<b>7,776</b>	<b>7,513</b>	<b>264</b>
<b>Operating expenditure</b>			
Other expenditure	3,827	4,096	269
Depreciation and amortisation	41	42	2
Finance costs	-	-	-
Personnel costs	4,011	4,559	548
Overheads charged	-	-	-
<b>Total operating expenditure</b>	<b>7,878</b>	<b>8,697</b>	<b>819</b>
<b>Surplus/(deficit) from operations</b>	<b>(102)</b>	<b>(1,184)</b>	<b>1,082</b>
<b>Plus capital income</b>			
Development and other contributions	-	-	-
Other capital contributions	-	-	-
Waka Kotahi NZTA capital subsidies	-	-	-
<b>Total capital income</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus/(deficit) including capital income</b>	<b>(102)</b>	<b>(1,184)</b>	<b>1,082</b>
<b>Plus non-cash income adjustments</b>			
Vested assets income	-	-	-
Gain on disposal of assets	-	-	-
<b>Total non-cash income adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Less non-cash expenditure adjustments</b>			
OPEX on capital projects**	-	-	-
Loss on disposal of assets	-	-	-
<b>Total non-cash expenditure adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total non-cash adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total surplus/(deficit)</b>	<b>(102)</b>	<b>(1,184)</b>	<b>1,082</b>

**MONTHLY INCOME STATEMENT**

Support Services	2023-2024 YTD		Full Year
	Actual	Revised Budget	Variance
	YTD \$000	YTD \$000	2023-24 \$000
<b>Operating income</b>			
Rates	50,401	50,582	(181)
Subsidies and grants	72	60	12
Fees and charges	533	534	(1)
Interest revenue	1,518	886	632
Other revenue	275	75	200
Overheads recovered	-	-	-
<b>Total operating income</b>	<b>52,798</b>	<b>52,137</b>	<b>661</b>
<b>Operating expenditure</b>			
Other expenditure	5,830	4,803	(1,027)
Depreciation and amortisation	2,240	2,327	87
Finance costs	5,638	5,967	329
Personnel costs	6,895	6,025	(870)
Overheads charged	-	-	-
<b>Total operating expenditure</b>	<b>20,603</b>	<b>19,122</b>	<b>(1,481)</b>
<b>Surplus/(deficit) from operations</b>	<b>32,195</b>	<b>33,015</b>	<b>(820)</b>
<b>Plus capital income</b>			
Development and other contributions	-	-	-
Other capital contributions	6	-	6
Waka Kotahi NZTA capital subsidies	-	-	-
<b>Total capital income</b>	<b>6</b>	<b>-</b>	<b>6</b>
<b>Surplus/(deficit) including capital income</b>	<b>32,200</b>	<b>33,015</b>	<b>(814)</b>
<b>Plus non-cash income adjustments</b>			
Vested assets income	-	-	-
Gain on disposal of assets	-	-	-
<b>Total non-cash income adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Less non-cash expenditure adjustments</b>			
OPEX on capital projects**	120	496	377
Loss on disposal of assets	-	-	-
<b>Total non-cash expenditure adjustments</b>	<b>120</b>	<b>496</b>	<b>377</b>
<b>Total non-cash adjustment</b>	<b>(120)</b>	<b>(496)</b>	<b>377</b>
<b>Total surplus/(deficit)</b>	<b>32,081</b>	<b>32,518</b>	<b>(437)</b>

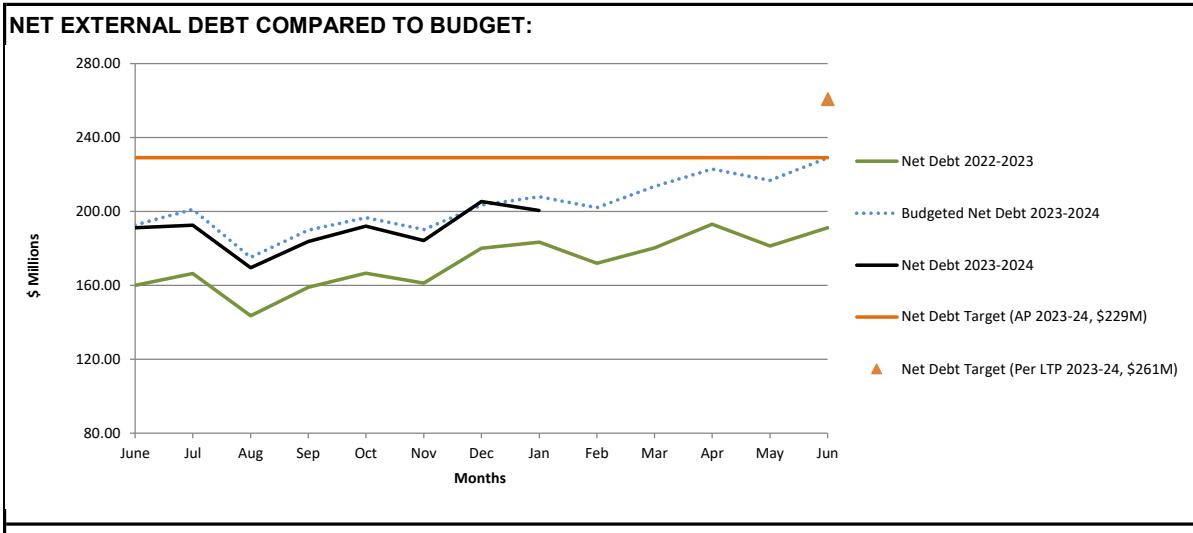


**TREASURY REPORT**  
**31 JANUARY 2024**



<b>S&amp;P GLOBAL RATINGS CREDIT RATING:</b>	<b>AA</b>	Outlook: Stable
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<b>DEBT SUMMARY:</b>		
<b>As at 31 January 2024</b>		
<b>External Debt</b>		
Opening public debt as at 1 January 2024		236,000,000
Plus loans raised during month	5,000,000	
Less loan repayments made during month (Note: Facility movement has been netted)	(5,000,000)	
Net movement in external debt		-
<b>Total External Debt</b>		<b>236,000,000</b>
Less: Cash balances (excluding funds held on behalf)	21,710,660	
Term deposits (Funds held on deposit until required for project funding)	13,800,000	
Total cash and term deposits		35,510,660
<b>Total Net External Debt</b>		<b>200,489,340</b>
<i>Note: Council also holds \$4.94m of LGFA borrower notes. These are not included in net external debt as per Council's Treasury Risk Management Policy.</i>		
<b>External debt is represented by:</b>		
Less than 1 Year		28,000,000
1-3 Years		38,000,000
3-5 Years		74,000,000
Greater than 5 Years		96,000,000
<b>Total</b>		<b>236,000,000</b>



<b>Internal Funding*</b>		
Community Development Funds		11,268,409
Property Reinvestment Reserve - Committed		-
Property Reinvestment Reserve - Available for Investment	21,479,245	
		21,479,245
Hikurangi Swamp		864,308
Waste Minimisation Reserve		1,084,134
Water Reserve		31,683,708
Wastewater Reserve		36,195,568
<b>Total</b>		<b>102,575,371</b>

\*Note: Reserves Funding is disclosed to ensure transparency of Council's use of cashflow management to fund capital works.  
Where funds are raised through property sales or targeted rates for Water, but they are not required for immediate investment in that asset category, Council's Revenue and Financing policy allows them to be used for other purposes, rather than being held on deposit.  
To ensure total transparency of this we create Reserve Accounts so that the appropriate funding can be made available and transferred back when it is required. The timing of projects requiring these funds is set out in our Long Term Plan (LTP) and/or Annual Plan (AP).  
These Reserves are not a liability to an external party, and are not part of Council's debt obligations.

The Property Reinvestment Reserve is split to record funds that have been already been committed to land purchases, and the remaining uncommitted balance that is available for other future investment purchases.

The only situation where our Net Debt would increase as a result of these Reserves is if major expenditure on Water Assets or property purchases is brought forward from the dates set out in the LTP/AP.



## 4.2 Capital Projects Report for the 7 months ending 31 January 2024

**Meeting:** Finance Committee

**Date of meeting:** 6 March 2024

**Reporting officer:** Alan Adcock (General Manager – Corporate/CFO)

### 1 Purpose / Te Kaupapa

To provide the Capital Projects Report for the period ending 31 January 2024.

### 2 Recommendation / Whakataunga

That the Finance Committee notes the Capital Projects Report for the period ending 31 January 2024.

### 3 Background / Horopaki

This report provides an update on the Capital Projects expenditure to date compared with budget.

### 4 Discussion / Whakawhiti kōrero

The Capital Projects expenditure as at 31 January 2024 is \$18.4 million less than year to date budget. As indicated in the December report an updated full year forecast and estimated carry forwards into year 1 of the Long Term Plan will be undertaken by the business in February and will be used for the February financial report.

As illustrated by the graph, the year to date actual spend is considerably lower than the phased budget, with the current gap widening as the year progresses. The updated full year forecast currently in progress will be included in the February finance report. This will provide an updated reflection of what budget managers expect to achieve by year end. Management is investigating the options available to provide a longer range forecast to enable the forecasting of projects over a three year span. It is anticipated that this may help to improve the accuracy of forecasting and budget phasing over time.

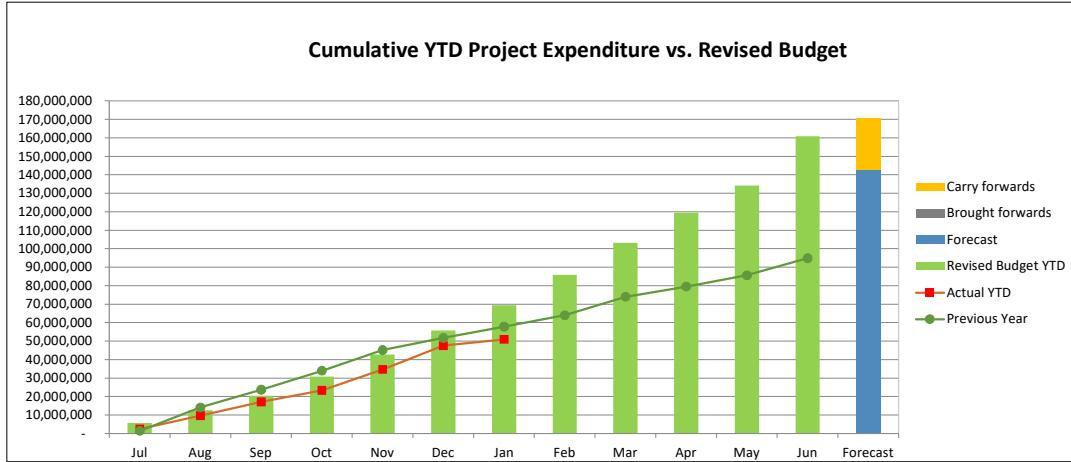
### 5 Significance and engagement / Te Hira me te Arawhiti

The matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via Agenda publication on the website.

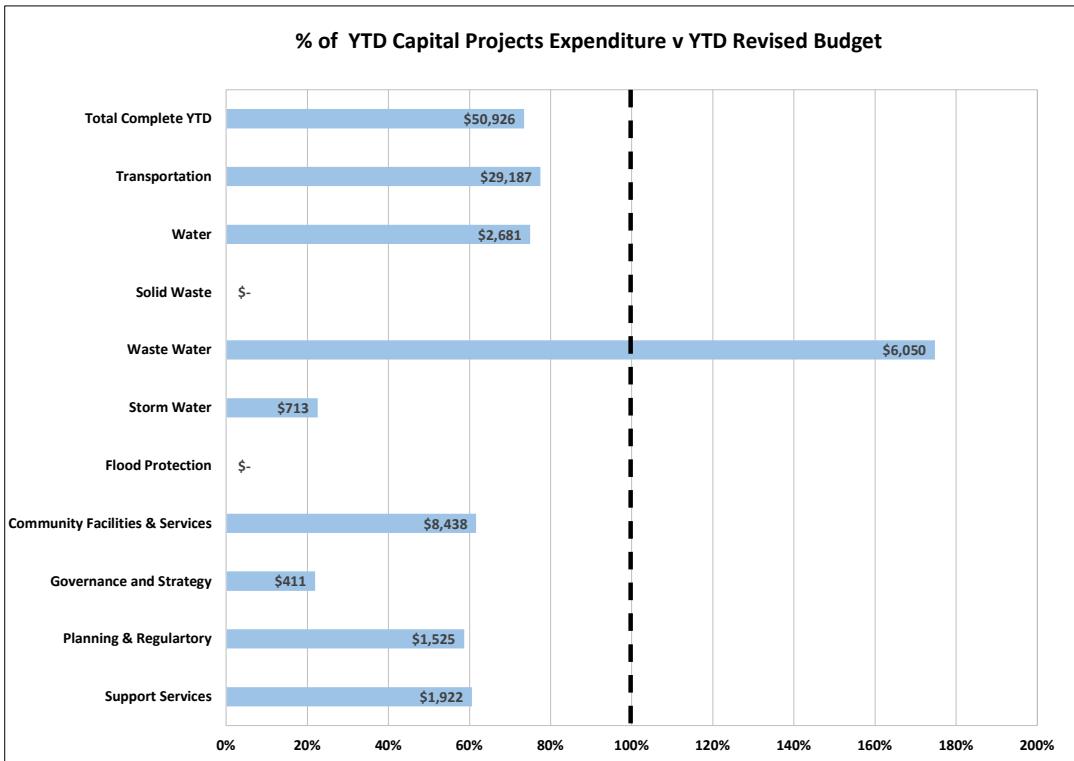
## **6 Attachments / Ngā Tāpiritanga**

Attachment 1: Capital Projects Graphs January 2024

Attachment 2: Capital Projects Report January 2024

CAPITAL PROJECT EXPENDITURE  
 AS AT 31 JANUARY 2024


The above graph illustrates Councils actual spend year-to-date compared to the prior year actuals, and the budget set as part of the Annual Plan/Long Term Plan. The green bars indicate the estimated timing of the budgeted spend as we progress through the year. This budget phasing occurs at the start of the financial year based on the information known at that time. The timing of the actual spend may differ to this phasing. The blue column indicates the level of capital spend expected by the end of the financial year. The yellow bar indicates project spend that is not expected to be completed this financial year, of which the budget will be carried forward to future years for completion. This forecast is updated periodically throughout the year.



The above graph shows what percentage of the phased budgeted capital programme has been achieved year to date. This can be useful in determining a snapshot view of the year to date progress as well as to highlight timing differences between the actual spend and timing of the phased budget.



## CAPITAL PROJECTS REPORT

AS AT 31 January 24

*(Project figures include both Operating and Capital Expenditure)*

	Actual YTD \$000	Revised Budget YTD \$000	Variance YTD \$000	Full Year	Capital	Capital	Capital	Capital
				Revised Budget \$000	Income YTD \$000	Income Budget YTD \$000	Income Variance YTD \$000	Income Full Year Budget \$000
<b>Transportation</b>								
Amenity Lighting	85	144	59	247	0	0	0	0
Bridge and Structural Renewals	660	1,900	1,240	3,256	0	(1,007)	(1,007)	(1,726)
Bus Shelters	161	75	(86)	129	0	(40)	(40)	(68)
Bus Terminal Development/Relocation	190	0	(190)	0	0	0	0	0
Coastal Protection Structures - Roading	7	53	46	92	0	0	0	0
Cycleways - Additional government funding	2	0	(2)	0	0	0	0	0
Cycleways - Subsidised	3,199	2,785	(414)	4,557	0	(1,476)	(1,476)	(2,415)
Cycleways - Unsubsidised Programmed Work	39	188	150	323	0	0	0	0
Cyclone Gabrielle	0	1,750	1,750	3,000	0	(1,278)	(1,278)	(2,190)
Drainage Renewals	926	1,651	725	2,831	0	(875)	(875)	(1,500)
Footpaths Renewals	616	494	(121)	848	0	(262)	(262)	(449)
Land for Roads	(42)	0	42	0	0	0	0	0
LCLR Major Bridge Repairs	122	620	498	1,063	0	(329)	(329)	(564)
LCLR Minor Improvement Projects	2,118	810	(1,308)	1,335	0	(429)	(429)	(708)
LCLR Lighting Improvements	0	144	144	248	0	(77)	(77)	(131)
LCLR New Footpaths	1,197	365	(831)	1,096	0	(194)	(194)	(581)
LCLR PT Infrastructure	0	135	135	231	0	(71)	(71)	(122)
LCLR Resilience Projects	792	1,900	1,108	3,180	0	(1,007)	(1,007)	(1,686)
LCLR Safety Improvements	1,940	2,602	662	4,257	0	(1,379)	(1,379)	(2,256)
LCLR Subsidised Seal Extensions	0	201	201	345	0	(107)	(107)	(183)
LED Streetlight Upgrades	(41)	0	41	0	0	0	0	0
Low Carbon Transport WHG- CBD bike and public trans	639	1,877	1,238	4,600	(480)	(1,877)	(1,397)	(4,600)
Low Carbon Transport WHG- Kamo Shared path connect	328	2,930	2,603	4,795	(328)	(2,930)	(2,603)	(4,795)
Low Carbon Transport WHG- Raumanga Shared Path c	271	2,045	1,775	4,600	(253)	(2,045)	(1,792)	(4,600)
MBIE Projects	775	0	(775)	0	(1,250)	(1,500)	(250)	(1,500)
Parking Renewals	(13)	406	419	696	0	0	0	0
Seal Extensions - House Frontage Sealing	700	0	(700)	0	0	0	0	0
Seal Extensions - Unsubsidised	32	2,125	2,093	3,995	0	0	0	0
Sealed Road Resurfacing	902	1,373	471	4,118	0	(728)	(728)	(2,183)
Springs Flat Roundabout	1,772	3,092	1,320	6,090	0	(1,639)	(1,639)	(3,228)
Structures Component Replacement	2,998	0	(2,998)	2,482	(100)	0	100	(1,500)
Subdivision Works Contribution	710	1,245	535	2,134	0	(660)	(660)	(1,131)
Traffic Sign & Signal Renewals	23	35	12	59	0	0	0	0
Unsealed Road Metalling	358	852	494	1,460	0	(451)	(451)	(774)

	Actual YTD \$000	Revised Budget YTD \$000	Variance YTD \$000	Full Year Revised Budget \$000	Capital Income YTD \$000	Capital Income Budget YTD \$000	Capital Income Variance YTD \$000	Capital Income Full Year Budget \$000
Urban Intersection Upgrades	2,045	2,111	67	3,800	0	(1,119)	(1,119)	(2,014)
Whangarei City Centre Plan Implementation	5,584	2,858	(2,726)	4,900	0	(15)	(15)	(25)
<b>Transportation Total</b>	<b>29,187</b>	<b>37,662</b>	<b>8,475</b>	<b>74,131</b>	<b>(2,411)</b>	<b>(21,494)</b>		<b>(40,929)</b>
Waka Kotahi Subsidy					(12,643)			
<b>Transportation Total</b>	<b>29,187</b>	<b>37,662</b>	<b>8,475</b>	<b>74,131</b>	<b>(15,054)</b>	<b>(21,494)</b>	<b>(6,439)</b>	<b>(40,929)</b>
<b>Water</b>								
Capital Projects (3 Waters)	(3)	0	3	0	0	0	0	0
Cyclone Gabrielle	15	0	(15)	0	0	0	0	0
Fairway Drive Pump Station Upgrade	0	50	50	236	0	0	0	0
Kamo Reservoir Additional Capacity	53	630	577	4,129	0	0	0	0
Maungakaramea Reservoir Additional Capacity	0	0	0	205	0	0	0	0
Minor Projects - Emergency Works	137	0	(137)	426	0	0	0	0
Reservoir Rehabilitation - Programmed Work	5	0	(5)	0	0	0	0	0
Reticulation - Programmed Work	1,493	1,410	(83)	3,674	(237)	0	237	0
Three Mile Bush Reservoir Additional Capacity	82	430	348	2,671	0	0	0	0
Treatment Plant Upgrades	431	621	190	6,030	(422)	(959)	(537)	(1,917)
Waipu Water Reticulation	0	0	0	108	0	0	0	0
Water Meter Renewals	0	120	120	628	0	0	0	0
Water Treatment Plant & Equipment Replacement	469	314	(154)	538	0	0	0	0
<b>Water Total</b>	<b>2,681</b>	<b>3,575</b>	<b>895</b>	<b>18,645</b>	<b>(659)</b>	<b>(959)</b>	<b>(299)</b>	<b>(1,917)</b>
<b>Solid Waste</b>								
Transfer Station Renewals	0	0	0	54	0	0	0	0
<b>Solid Waste Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>54</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Wastewater</b>								
Laboratory Equipment Renewals & Upgrades	24	10	(14)	17	0	0	0	0
Sewer Network Renewal	3,427	877	(2,550)	1,504	0	0	0	0
Sewer Network Upgrades	298	948	651	2,758	0	0	0	0
Wastewater Assessment	69	30	(39)	52	0	0	0	0
Wastewater Pump Station Remote Monitoring	174	371	197	1,007	0	0	0	0
Wastewater Pump Station Renewals	201	157	(44)	269	0	0	0	0
Wastewater Reticulation Upgrade	0	13	13	22	0	0	0	0
Wastewater Treatment Plant Renewals	449	510	61	874	0	0	0	0
Wastewater Treatment Plant Upgrades	1,408	545	(863)	3,240	0	0	(0)	0
<b>Wastewater Total</b>	<b>6,050</b>	<b>3,462</b>	<b>(2,588)</b>	<b>9,743</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>
<b>Stormwater</b>								
Blue/Green Network	26	665	639	1,139	0	0	0	0

	Actual YTD \$000	Revised Budget YTD \$000	Variance YTD \$000	Full Year Revised Budget \$000	Capital Income YTD \$000	Capital Income Budget YTD \$000	Capital Income Variance YTD \$000	Capital Income Full Year Budget \$000
Improve Community Wellbeing & Placemaking (Storm)	53	119	65	366	(53)	(119)	(65)	(366)
Stormwater Catchment Management Plans & Assessme	155	175	19	340	0	0	0	0
Stormwater Renewals	213	947	734	1,897	0	0	0	0
Stormwater Upgrades	0	574	574	908	0	0	0	0
Transition to Sustainable Economy	265	680	415	1,193	(265)	(680)	(415)	(1,193)
<b>Stormwater Total</b>	<b>713</b>	<b>3,159</b>	<b>2,446</b>	<b>5,842</b>	<b>(318)</b>	<b>(799)</b>	<b>(480)</b>	<b>(1,559)</b>
<b>Flood Protection</b>								
Gravity Drainage Gates	0	0	0	316	0	0	0	0
Level Sensor Renewals	0	0	0	35	0	0	0	0
Pump Upgrades/Renewals	0	126	126	215	0	0	0	0
Stop/Control Bank Renewals	0	40	40	285	0	0	0	0
<b>Flood Protection Total</b>	<b>0</b>	<b>166</b>	<b>166</b>	<b>851</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Community Facilities &amp; Services</b>								
<i>Civil Defence</i>								
Civil Defence Emergency Management Equipment Rene	0	30	30	30	0	0	0	0
Civil Defence Emergency Management New Equipment	0	0	0	6	0	0	0	0
Emergency Operations Centre - New Equipment	0	0	0	159	0	0	0	0
Tsunami Signage	0	0	0	29	0	0	0	0
Tsunami Sirens Renewals	0	400	400	1,929	0	0	0	0
<b>Civil Defence Total</b>	<b>0</b>	<b>430</b>	<b>430</b>	<b>2,154</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Community Development</i>								
CCTV Upgrades & Improvements	229	180	(49)	297	(99)	(120)	(21)	(120)
Community Buildings Renewals & Improvements	57	97	40	132	0	0	0	0
Community Led Development	5	369	364	734	0	0	0	0
Pensioner Housing Renewals & Improvements	139	370	231	762	0	0	0	0
<b>Community Development Total</b>	<b>430</b>	<b>1,015</b>	<b>585</b>	<b>1,925</b>	<b>(99)</b>	<b>(120)</b>	<b>(21)</b>	<b>(120)</b>
<i>Infrastructure Planning &amp; Capital Works</i>								
Blue/Green Network	16	589	572	2,093	0	0	0	0
Coastal Structures Renewal	288	282	(6)	1,712	0	0	0	0
Community Buildings Renewals & Improvements	2,159	3,448	1,289	7,997	0	0	0	0
Cyclone Gabrielle	231	98	(134)	353	0	0	0	0
Emerald Necklace - Sense of Place	163	0	(163)	0	0	0	0	0
Enable Housing Development & Growth	0	75	75	200	0	(75)	(75)	(200)
Improve Community Wellbeing & Placemaking (Comser	899	1,081	182	2,196	(899)	(1,081)	(182)	(2,196)
NEC Building Renewals	0	310	310	1,310	0	0	0	0
Neighbourhood & Public Gardens Renewals	747	1,010	263	1,241	0	0	0	0

	Actual YTD \$000	Revised Budget YTD \$000	Variance YTD \$000	Full Year Revised Budget \$000	Capital Income Actual \$000		Capital Income Budget YTD \$000	Capital Income Variance YTD \$000	Capital Income Full Year Budget \$000
					Capital Income YTD \$000	Capital Income Budget YTD \$000			
Playgrounds & Skateparks Level of Service	27	147	120	481	0	0	0	0	0
Playgrounds & Skateparks Renewals	53	0	(53)	382	0	0	0	0	0
Pohe Island Development	50	0	(50)	0	0	0	0	0	0
Sport & Recreation Growth	270	105	(165)	232	0	0	0	0	0
Sport & Recreation Level of Service	75	160	85	267	0	0	0	0	0
Sport & Recreation Renewals	211	311	99	1,528	0	0	0	0	0
Town Basin - Conversion of Carpark to Park	1	0	(1)	0	0	0	0	0	0
Visitor Destination Upgrades	66	32	(34)	237	0	0	0	0	(230)
Waterfront Programme	1,266	175	(1,091)	175	0	(470)	(470)	(470)	(470)
Infrastructure Planning & Capital Works Total	<b>6,522</b>	<b>7,823</b>	<b>1,301</b>	<b>20,403</b>	<b>(899)</b>	<b>(1,626)</b>	<b>(727)</b>	<b>(3,096)</b>	
<b>Libraries</b>									
Book Purchases	301	704	403	1,207	0	0	0	0	0
Library Improvements	13	0	(13)	503	0	0	0	0	0
Library IT Equipment	72	84	12	145	0	0	0	0	0
Library Renewals	1	4	3	5	0	0	0	0	0
Libraries Total	<b>387</b>	<b>792</b>	<b>405</b>	<b>1,859</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Parks &amp; Recreation</b>									
Cemeteries Level of Service	93	0	(93)	120	0	0	0	0	0
Cemeteries Renewals	29	28	(1)	39	0	0	0	0	0
Cemetery Land Purchases	2	100	98	468	0	0	0	0	0
Coastal Structures Level of Service	10	40	30	130	0	0	0	0	0
Coastal Structures Renewal	23	0	(23)	32	0	0	0	0	0
Cyclone Gabrielle	448	538	91	1,048	0	0	0	0	0
Neighbourhood & Public Gardens Level of Service	38	833	795	1,427	0	0	0	0	0
Neighbourhood & Public Gardens Renewals	114	100	(14)	548	0	0	0	0	0
Neighbourhood Parks and Reserves	0	0	0	359	0	0	0	0	0
Parks Interpretation Information	45	30	(16)	89	0	0	0	0	0
Playgrounds & Skateparks Level of Service	0	0	0	80	0	0	0	0	0
Playgrounds & Skateparks Renewals	(37)	214	251	214	0	0	0	0	0
Pohe Island Development	0	13	13	89	0	0	0	0	0
Public Art	1	0	(1)	54	0	0	0	0	0
Public Toilets	287	139	(148)	273	0	0	0	0	0
Sport & Recreation Growth	0	790	790	1,077	0	0	0	0	0
Sport & Recreation Level of Service	1	221	220	430	0	0	0	0	0
Sport & Recreation Renewals	(165)	233	399	1,039	0	0	0	0	0
Walkway & Track Renewals	71	8	(63)	53	0	0	0	0	0
Parks & Recreation Total	<b>960</b>	<b>3,287</b>	<b>2,327</b>	<b>7,569</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Venue and Events Whangarei</b>									

	Actual YTD \$000	Revised Budget YTD \$000	Variance YTD \$000	Full Year Revised Budget \$000	Capital Income YTD \$000	Capital Income Budget YTD \$000	Capital Income Variance YTD \$000	Capital Income Full Year Budget \$000
Flags & Decorations	48	76	27	101	0	0	0	0
FN Venue - Entrance/ Lighting Enhancements	0	21	21	37	0	0	0	0
FN Venue - Furniture Upgrades	0	40	40	47	0	0	0	0
Forum North Venue Renewals	31	37	5	57	0	0	0	0
Forum North Venue Upgrades	37	86	49	110	0	0	0	0
NEC Building Renewals	11	89	78	161	0	0	0	0
NEC Field Renewals	12	0	(12)	0	0	0	0	0
<b>Venue and Events Whangarei Total</b>	<b>140</b>	<b>348</b>	<b>208</b>	<b>512</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Community Facilities &amp; Services Total</b>	<b>8,438</b>	<b>13,695</b>	<b>5,257</b>	<b>34,423</b>	<b>(998)</b>	<b>(1,746)</b>	<b>(748)</b>	<b>(3,216)</b>
<b>Governance and Strategy</b>								
Airport Renewals & Improvements	0	637	637	637	0	0	0	0
Central City Carpark Upgrades & Improvements	71	84	13	84	0	0	0	0
Commercial Property Renewals & Improvements	10	360	350	1,450	0	0	0	0
Enable Housing Development & Growth	0	65	65	250	0	0	0	0
Improve Community Wellbeing & Placemaking (Strat)	0	0	0	150	0	0	0	(150)
New Airport Evaluation	305	500	195	1,226	0	0	0	0
Parihaka Transmission Mast Upgrade	25	125	100	872	0	0	0	0
WAMT Air Conditioning Upgrade	0	100	100	319	0	0	0	0
<b>Governance and Strategy Total</b>	<b>411</b>	<b>1,872</b>	<b>1,460</b>	<b>4,989</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(150)</b>
<b>Planning &amp; Regulatory</b>								
Dog Pound Renewals	1,525	2,599	1,075	4,777	0	0	0	0
<b>Planning &amp; Regulatory Total</b>	<b>1,525</b>	<b>2,599</b>	<b>1,075</b>	<b>4,777</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Support Services</b>								
<b>Business Support</b>								
Civic Centre	720	0	(720)	0	(4)	0	0	0
Council Vehicle Replacements	213	277	64	475	(54)	(18)	36	(30)
Forum North Venue Renewals - Bus Support	0	149	149	255	0	0	0	0
Furniture Renewals	0	13	13	22	0	0	0	0
Information Centre Upgrade	0	13	13	22	0	0	0	0
<b>Business Support Total</b>	<b>933</b>	<b>452</b>	<b>(482)</b>	<b>774</b>	<b>(58)</b>	<b>(18)</b>	<b>40</b>	<b>(30)</b>
<b>ICT</b>								
Application and System Upgrades	156	226	70	699	0	0	0	0
Cloud Strategy / ICT	140	809	670	2,417	0	0	0	0
Cyber Security	0	356	356	610	0	0	0	0

	Actual YTD \$000	Revised Budget YTD \$000	Variance YTD \$000	Full Year Revised Budget \$000	Capital Income YTD \$000	Capital Income Budget YTD \$000	Capital Income Variance YTD \$000	Capital Income Full Year Budget \$000
IT Equipment New	155	210	55	404	0	0	0	0
Portal and Online Services	458	1,047	589	2,205	0	0	0	0
ICT Total	<b>908</b>	<b>2,649</b>	<b>1,741</b>	<b>6,335</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Infrastructure Planning &amp; Capital Works</i>								
BOF Programme Delivery	77	60	(17)	226	(77)	(60)	17	(226)
Infrastructure Planning & Capital Works Total	<b>77</b>	<b>60</b>	<b>(17)</b>	<b>226</b>	<b>(77)</b>	<b>(60)</b>	<b>17</b>	<b>(226)</b>
<i>People &amp; Capability</i>								
Office Furniture	3	11	8	35	0	0	0	0
People & Capability Total	<b>3</b>	<b>11</b>	<b>8</b>	<b>35</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Support Services Total	<b>1,922</b>	<b>3,171</b>	<b>1,249</b>	<b>7,370</b>	<b>(135)</b>	<b>(78)</b>	<b>57</b>	<b>(256)</b>
Total	<b>50,926</b>	<b>69,361</b>	<b>18,435</b>	<b>160,825</b>	<b>(17,165)</b>	<b>(25,074)</b>	<b>(7,909)</b>	<b>(48,027)</b>

## 4.3 Operations Report – Corporate Group – March 2024

**Meeting:** Finance Committee

**Date of meeting:** 6 March 2024

**Reporting officer:** Alan Adcock (General Manager – Corporate/CFO)

### 1 Purpose

To provide a brief overview of work across functions and services that the Corporate Group is responsible for.

### 2 Recommendation

That the Finance Committee notes the Corporate Group operations report for March 2024.

### 3 Background

The Finance Committee terms of reference list key responsibilities which include provision of an operations report from the Corporate Group.

This report provides a brief overview of some of the operational highlights across functions and services of the Corporate Group, including comment on some future planned activities.

### 4 Significance and engagement

The decisions or matters of this agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda publication on the website.

### 5 Attachment

Attachment 1 – Corporate Group Operations Report – March 2024



# Operations Report Corporate Group

**March 2024**

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## **1. Management Update**

This report contains statistics up to 31 January 2024 and other narrative is provided as a general update.

### **1.1 Procurement Reporting – Contracts Approved Under Delegated Authority**

ICT Department – Assura – Health & Safety Management Software. Further details are provided under the ICT section of this report.

### **1.2 Current Priorities and Challenges**

The challenges and priorities for the Corporate Group are outlined in the report under each department. In summary, the main issues are:

- ongoing work related to the 2024-34 Long Term Plan to incorporate the impacts of the impending repeal of Affordable Waters
- progressing actions across the organisation arising from the audit of the 202/23 Annual Report
- working with ratepayers to minimise rates arrears, and
- managing ongoing operational cost pressures.

### **1.3 Civic Centre Update**

Staff continue to work with contractors to resolve outstanding issues on the defect register. As work is largely being done outside normal office hours to minimise customer and staff disruption, the resolution of what appear to be minor issues can take some time.

The most pressing issues remain the ongoing fine tuning of the air-conditioning system and resolving issues related to sun glare in some locations. Blinds are being installed in a number of locations over the next few months.

#### **Update on Civic Centre costs**

As advised last month we have now reached a point where final costs for the construction of Te Iwitahi can be determined. There is still the potential for some movement as some items remain in dispute and final retentions have not been released.

The final budget (which was approved in the 2022/23 Annual Plan) was \$59 million. This was to cover the construction and base fitout (including furniture), with work on the wider civic precinct covered by separate budgets.

Final anticipated costs are summarised below:

Civic Centre Construction		
Canam	48,847,698	
Consultants	7,606,005	
Other OpEx costs	1,234,198	
Legal costs	78,145	
Resource and Building Consents	255,750	
Development Contributions	301,709	
Transformer Upgrade	179,958	
		58,503,463
Furniture		2,017,195
		60,520,658

In addition to the amount shown above, a further amount of \$350k has been committed to fit blinds throughout the building to resolve problems with sun glare that became apparent after the building was occupied. This will bring the total anticipated cost to \$60.9 million (noting that there are still some final matters under dispute between the parties).

It is obviously disappointing that this over-run of \$1.9 million has occurred. Staff have worked diligently to contain costs with compromising quality of the completed facility but were not able to meet the final budget. Some of the major unexpected issues that arose during construction included:

- \$1,106k Direct impacts of Covid-19 lockdowns and subsequent changes to work programs
- \$165k Increased security to mitigate construction site theft (particularly during Gib crisis)
- \$840k Design and construction changes to fire escapes needed to meet final compliance requirements
- \$189k NABERSNZ requirements, which will be recovered over by over 5 times through discounted interest costs and energy savings
- \$80k Cafe fitout which is being recovered through the lease
- \$150k Stabilisation of the Waiarohia stream bank
- \$180k Upgrade of transformer servicing Central Library and Te Iwitahi
- \$350k Pump station to bring water up to required pressure for fire fighting (scheduled upgrade of Rust Avenue water main did not supply expected pressure)

There were numerous other costs pressures throughout the project that are not listed above, not the least being the unprecedented inflation related to construction costs over this period.

When the budget was extended to \$59 million in the 2022/23 Annual Plan some of these issues were anticipated, although the full financial impacts did not become apparent for some time afterwards.

With the delay in practical completion, Council enforced contract conditions to apply liquidated damages that offset some, but not all of these issues, resulting in the overall adverse variance of \$1.9 million.

## Civic Precinct Landscaping costs

Exterior and landscaping works have been split into separate phases.

- Civil works related to the driveway and carparking area (costing \$846k) are included in the building construction figures noted above.
- Phase 1 Landscaping, including the areas behind the building and the ate space in front of the building were completed at a cost of \$1.54 million. These were budgeted at a total cost of \$1.43 million, meaning a negative variance of \$101k.
- The final landscaping works in the wider civic precinct and outside the site boundaries of Te Iwitahi including Lovers Lane, Central and Old Library surrounds and the Rust Avenue street frontage have been reduced in scope (primarily rain gardens along the street frontage and an upgrade of the street crossing) to bring expected costs in line with the budget of \$1.7 million, which was approved as part of the 2022/23 Annual Plan.

## **2. Information Communications Technology (ICT)**

### **2.1 Current Priorities and Challenges**

Our current priorities are to complete and publish our Artificial Intelligence (AI) policy and plan a work programme for its implementation and use by Council and to complete implementation of a public Wi-Fi at Whangarei Art Museum for visitors from cruise ships.

### **2.2 Operational Activities**

#### ***ICT End User Support***

##### **Business as usual support**

We have a new Team Leader in Nick Dierick who joined us in January.

The work load has been high and was again well managed with the help of the wider user support team pitching in. We have a new staff member joining us in early February which will bring staffing levels back to a full team.

We are reviewing the workflows for mobile device management, specifically new starts, with various improvements planned.

##### **Security**

We had no zero day updates this month.

#### ***ICT Systems Engineering***

##### **Managed Events/P1 Incidents for the month**

There were no P1 incidents experienced during the month.

##### **Availability Management**

No unplanned outages were experienced within the month of January.

##### **Business as usual**

Apart from support for in flight projects, focus was on Auto-patching, Microsoft Server 2012 Decommissioning, POTS Migration, and Civic Centre Wi Fi Switch Redundancy Projects.

#### ***Information Management***

##### **Business as Usual**

- Ongoing Sentencing of files.
- Business Engagement with Armourguard - The team at Armourguard are scanning some files and some have been removed for long term storage.
- Over 200 boxes of physical files that have been digitised have been destroyed.
- Corporate library cataloguing to add appropriate functions to the files so that they can be more easily found is in progress.
- Ongoing induction training and continuous improvement of content delivered.
- Building Warrant of Fitness files have all been digitised – now available for Building staff to access electronically.

## Procurement

Contract awarded to Assura – CON23019 Health & Safety Management Software.

The Health and Safety function is a critical element of both the operational and strategic activities of Council and carries significant legislative responsibilities. The variety of tasks undertaken by Council staff and contractors mean that the management and monitoring of the function is a complex and difficult exercise. After a thorough investigation by ICT, it was agreed to source an application outside of our enterprise system through an RFP.

## ICT Projects

<u>Legacy Systems Decommission</u>	Decommissioning of SharePoint 2010 platform. Includes:  Old web tools, Venues & Events and Is the Game On platforms.	Execution	<ul style="list-style-type: none"> <li>The SharePoint 2010 servers have all now been decommissioned. All dependencies &amp; security risks relating to the services are now resolved.</li> <li>Is The Game On - The POC will be presented to the communications team and a communication plan is in place to prepare the public for the change to the WDC website and navigation.</li> <li>CemApp: review of back-office processes relating to Assure32 in progress</li> <li>V&amp;E: A decision has been reached and approved to extend the Rendezvous contract for another year – due to uncertainty around Forum North.</li> </ul>
<u>Eplan (District Plan online)</u>	Government gazetted the National Planning Standards and a requirement for an electronic process for the public to make submissions on proposed changes to the plan.	Initiation	<ul style="list-style-type: none"> <li>Sprint 10 – currently in process. <ul style="list-style-type: none"> <li>- enabling production environment for ePlan</li> <li>- Ingest an Operative District Plan into system</li> <li>- Ingest the tables and images that are provided with the Operative Plan</li> <li>- Archiving amended pages/chapter and keeping an audit trail in regards the change.</li> </ul> </li> <li>The option to allow a second SOW to complete all requirements has been agreed and approved.</li> <li>Focus is now shifting from back end to front end functionality.</li> </ul>
<u>Civic Centre</u>	The logistics of moving ICT equipment from WP and FN to the new Civic Centre building & associated IT infrastructure.	Closing	<ul style="list-style-type: none"> <li>Additional speakers have been installed and tested ready for the first Council meeting in February.</li> <li>Scheduled maintenance on the AV systems in Civic Centre has been performed.</li> <li>Additional training is requested for Manaia room users. Training is scheduled for mid-February 2024</li> <li>User Support hand over training is now scheduled for mid-February 2024, to include the new Team Leader and new staff.</li> </ul>

			<ul style="list-style-type: none"> <li>Project close off documentation and hand over for AV systems/ Provision is planned for mid-February 2024.</li> <li>Awaiting SLA agreements from the business support: Honeywell, First City Care.</li> </ul>
<u>SharePoint (Kete) Migration</u>	Upgrade & Migration of EDRMS to SharePoint Online Upgrade of intranet (Kete)	Closing	<ul style="list-style-type: none"> <li>System Integration Design Document is being compiled to describe what external systems interact with Kete / SharePoint Handover to BAU commenced and project in closing phase.</li> </ul>
<u>HRIS</u>	Implementation of Technology One HRIS Modules	Execution	<ul style="list-style-type: none"> <li>Reporting and Dashboards configuration to commence this month.</li> <li>Configuration of categories and standardising of terminologies across the module has also commenced.</li> <li>Training plan in progress.</li> </ul>
<u>Health &amp; Safety</u>	Implementation of a H&S Application	Execution	<ul style="list-style-type: none"> <li>Discovery workshop completed</li> <li>SOW received. Implementation split into three phases.</li> <li>First phase to commence 14 Feb.</li> </ul>
<u>Multi-Function Device Contract</u>	Printer Fleet Replacement	Planning	<ul style="list-style-type: none"> <li>Test planning is underway; including testing all networks, fobs, and admin functions.</li> <li>Engagement with business functions has commenced to ensure smooth transfer over to the new machines.</li> </ul>
<u>PLM</u>	Project Lifecycle Management module in TechOne	Execution	<ul style="list-style-type: none"> <li>Weekly Showcases with KBUs have commenced.</li> <li>Change Management Plan complete; Business Case being reviewed.</li> <li>Impact analysis in progress to assess feasibility of multi-year Actual-Budget-Forecast by early April.</li> </ul>
<u>IAAS</u>	IaaS contract structure review	Execution	<ul style="list-style-type: none"> <li>Council approved the recommendation to have direct negotiations with current provider.</li> <li>IaaS contract structure has been reviewed by ICT Team.</li> <li>Meetings have been scheduled with North Cloud to work together with ICT team on the desirable outcome from the new contract structure.</li> <li>Draft contact to be agreed by both parties by mid-March.</li> </ul>

### **3. Finance**

#### **3.1 Current Priorities and Challenges**

Key priorities this month include:

- Preparation of full financial statement and supporting documents, including the Revenue and Financing Policy and Financial Strategy for the consultation of the 2024-34 Long Term Plan.
- Co-ordination of Fees and Charges process for concurrent consultation with the 2024-34 Long Term Plan.
- Changes to current Retentions process to align with Construction Contracts (Retention Money) Amendment Act 2023.
- Assisting the business with update of full year forecast.

Key challenges this month include:

- Condensed timeline for the Long Term Plan.
- Increased workload and multiple priorities with Long Term Plan and 'business as usual' tasks.

#### **3.2 Operational Activities**

##### **2023-24 Financial Year**

Year to date results are showing an increasing unfavourable variance against budget, with lower than budgeted subsidies and grants being the main contributor. The business is currently preparing a full year forecast which will provide additional information as to whether these variances are likely to continue through to year end. The updated forecast position will be provided as part of Finance reports for the eight months ending February 2024.

##### **2024-2034 Long Term Plan (LTP)**

Draft budgets have been updated to include Water, Wastewater and Stormwater activities. Briefings are scheduled across the coming weeks to confirm the approach for the Long Term Plan consultation, including proposed rates increases and financial parameters. This will enable the completion of the Revenue and Financing Policy, Fees and Charges and the Financial Strategy ahead of consultation. The timeframes to achieve adoption in July are extremely challenging.

##### **2022-23 Annual Report and Audit**

The audit of the 2022-23 Annual Report has raised various actions and audit recommendations. With the focus on the preparation of the Long Term Plan it will be challenging to address these recommendations before the 2024 end of financial year. Further information regarding audit's recommendations will be reported to the Risk and Audit Committee.

## 4. Revenue

### 4.1 Current Priorities and Challenges

Priorities:

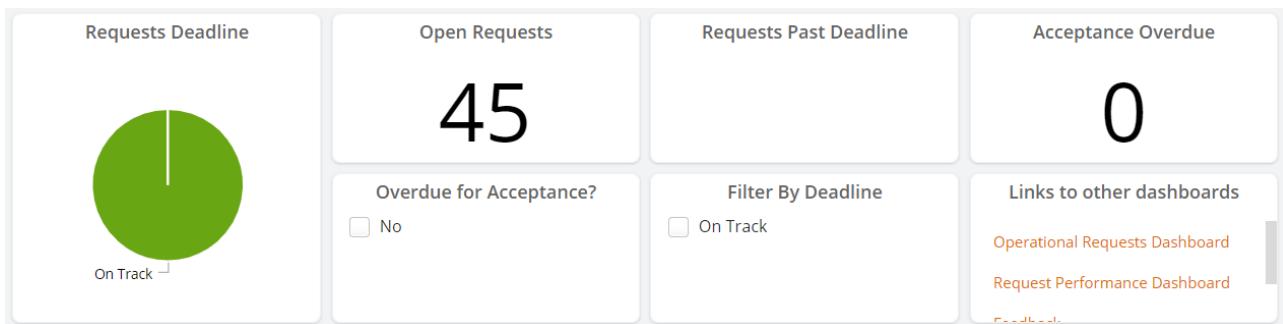
- 2024-34 Long Term Plan and concurrent consultation on rating policy.
- Planning and initial work for 2023-24 year end and 2024-25 year start.

Challenges:

- Refocusing the team after the summer holiday period.

### 4.2 Request System Dashboard

*At 7 February 2024*



There were 480 online customer service requests received in January 32 (7%) more than January last year. Those unresolved are: 9 from February 16 from January and 20 from 2023. Most customer queries are received online or over the phone but there are usually a few customers that drop into Te Iwitahi. These are mainly rates rebates applicants but there are some customers with more complex questions about a property's valuation, arrears, land or water rates.

### 4.3 Operational Activities

#### Projects

In January we focussed on:

- 2024-34 Long Term Plan
- Minor collections process improvements.

#### Operations

- There were 338 property sales December-January. Sales are tracking 90% of 2022-23.
- The third 2023-24 land rates instalment was sent resulting in the usual level of customer queries.
- The water meter readers are one week behind schedule, which is an improvement from last month. We met with the contractors to discuss how to resolve the backlog and improve communication.
- Customers are changing the way they pay their bills, with cash payments reducing. In February we reduced the number of days to collect cash to once a week.

## Collections

At 31 January, total land rates due are \$28.6 million (\$24.5 million due 20 February - 3<sup>rd</sup> instalment) including prior arrears of \$2.1 million (\$1.3 million Māori freehold land). Current year's arrears of \$2 million continue to be higher than last year, and proactive collection activities during January were minimal. Other debtors arrears are \$4.1 million, increasing \$100,000 from December.

## 5. Business Support

### 5.1 Current Priorities and Challenges

Current priorities include:

- Managing defect remediation and blind installation in Civic Centre
- Forum North clean
- Cleaning contract procurement

Current challenges include:

- Managing air conditioning system issues
- Commencement of landscaping to complete Civic Precinct.

### 5.2 Operational Activities

#### *Procurement*

##### **Internal**

- General advice and assistance to staff working on procurement related projects.
- Working with ICT on Infrastructure as a Service project, in particular developing a workshop to explore and develop specific aspects of the contractual arrangements and ongoing supplier relationship.

##### **Strategic**

- A desktop review of the Travel Policy has commenced, with the Procurement Policy having been completed and currently being socialised with the wider business. The Procurement Policy will be workshopped with Elected Members as soon as practical.
- Starting work on exploring requirements and options for an eProcurement system to support Council's procurement activities

***Major work streams in procurement in January have included:***

Service/Good Being Procured	Detail	Procurement Commencement Date	Business Owner	Date Advertised on GETS	Expected End Date
Multi Function Devices	Copier fleet contract	January 2023	ICT	25 July 2023	January 2024
Cleaning	Civic buildings cleaning contract	January 2023	Business Support	To be determined	To be determined
Infrastructure as a Service	ICT infrastructure related services Initiation/ implementation phases	June 2023	ICT	Not required	April 2024
After Hours Call Services	Provision of telephone answering services after	August 2023	Customer Services	To be determined	To be determined

Service/Good Being Procured	Detail	Procurement Commencement Date	Business Owner	Date Advertised on GETS	Expected End Date
	core business hours				
Library Carpet replacement	Replacement of carpet in Central Library	To be determined	Library	To be determined	To be determined
Library Books	Supply of library books	To be determined	Library	To be determined	To be determined

## Sustainability

### Our Carbon Footprint

Data gathering for FY23/24 is progressing, and quarterly key performance indicators have been measured. We are currently on track to reduce waste to landfill and reduce our energy consumption. We are making progress towards reducing our print volumes and fleet emissions; however, reducing our staff commute emissions remains challenging.

### Emissions Reduction Plan

The emission Reduction Plan is now live on our website. Work is currently being done to include our district wide emissions, in line with our Te Tai Tokerau Councils, who already have these published.

The Sustainability Adviser has been working with LGFA to get the documentation necessary so any future loans can be designated as Climate Action Loans.

### Waste

A waste audit was completed at Te Iwitahi in January. This was compared to our previous audit done in 2022, when staff were in Walton Plaza and Forum North. It was hard to compare the two audits directly as the first audit was based on percentage, and the second by weight. There was some contamination noted in the recycling, and some organics and recycling found in the general waste. Another waste audit will be conducted in March, with the aim of understanding if anything has changed, and what steps are needed moving forward.

## **Facilities Maintenance**

The team is continuing to work on requests and defects at Te Iwitahi. Open service requests for all Council premises have dropped from 63 to 43 with 26 of these related to Te Iwitahi. These are a mix of minor requests, minor repairs and building defects. The remaining 17 are for repairs at the Town Basin, Library and other Commercial Assets.

In progress:

- Addressing HVAC issues
- Completing some outstanding security system items
- Blinds have been ordered to mitigate glare issues.

Completed requests this month include:



- Repairs and painting at The Bach – Town Basin
- Painting at the Central City Car Park
- Installation of cowlings to roof vents at Te Iwitahi.

## **Service Contracts**

The Facilities Cleaning Contract for all Civic Buildings is going through procurement with consultations with all stakeholders completed. Registration of Interest is to be advertised on 16 February 2024.

Our Security Contract management this month focused on a review of alarm and duress responses across all sites. Feedback regarding the Te Iwitahi concierge has been good. Incidents reported by our static guards at the Town Basin, Forum North precinct, Library and i-SITE are being monitored and actions taken as required.

Compliance checks of systems in Te Iwitahi (Building Warrant of Fitness) are carried out as scheduled. The 12 month warranty/service period will end for many of these systems and new Service Agreements are currently being negotiated.

### ***Leases and Licences***

We are currently working through many overdue leases and licences that have either expired, require rent reviews and/or renewals. They are made up of outstanding Commercial and Park & Recreational leases and licences.

We rely on the support from other departments as well as our WDC solicitor and valuers to be able to complete the lease and or licence processes. We have several pending leases and licences waiting for further information.

We are also focusing on outstanding rent arrears that are 90 days and over and discussions are to be had regarding debt recovery processes.

Parks leases are entering a new phase where we are endeavouring to align as many leases as possible with their terms, reviews and standard park and recreation costs, as well as moving on from the peppercorn leases of old, as they are being legally freed up. We will give new leases in three yearly increments to suit Parks future planning and usage and have 3 yearly reviews, so the standard rental fees are kept up to date. Because we are working with lots of clubs, incorporations, volunteers and societies, these leases often take a long time to be both signed and finalised.

There are currently 41 leases and licences in progress, they are made up of 20 new leases, 2 surrender/new lease, 9 rent reviews/renewals, 3 variation/renewal/rent reviews, 1 rent review/assignment, 3 rent reviews and 3 variations.

### ***Contract Management***

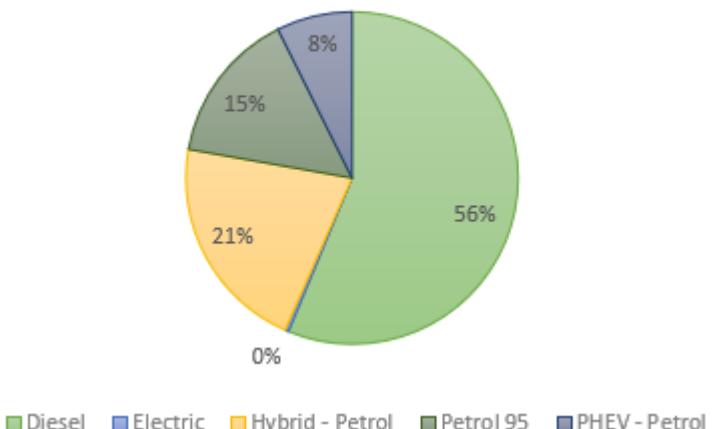
- Working through the register in a view of finding current high value/risk contracts with KPI's that will require tracking.
- Changes to Contracts Register functionality to be finalised.
- Contracts register tidy up and completing missing information ongoing. There are many contracts missing dates, business owner etc.

## Fleet

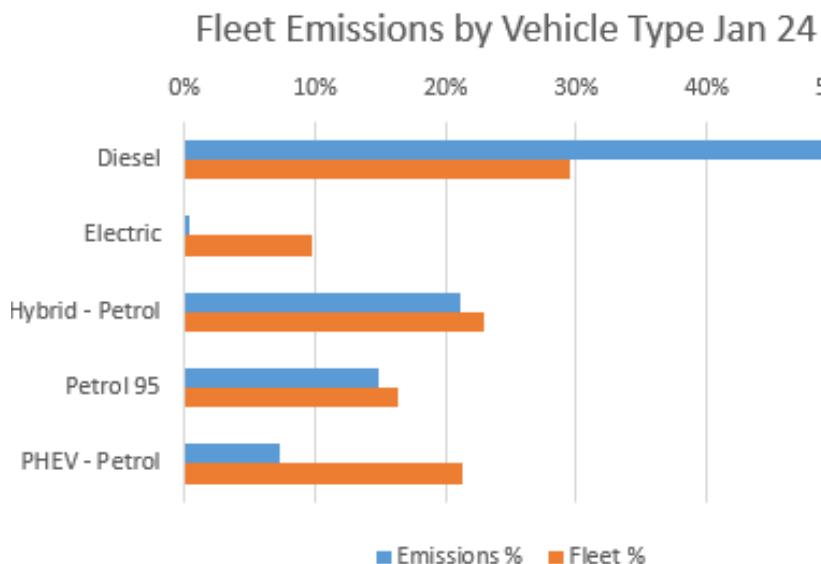
The total fleet emissions for January 2024 were 12,490kg of carbon dioxide equivalents (CO<sub>2</sub>-e). The highest proportion of emissions comes from our diesel vehicles (56%). January 2024 emissions were 10% lower than December 2023.

We will continue to make efforts around improving our carbon footprint with our fleet while ensuring that business needs and health and safety standards are maintained.

Fleet Emissions January 2024



The chart below shows the emission percentage by vehicle type.



Road User Charges (RUCS) will be required for all electric vehicles from 1 April 2024. This will affect our Electric and Plug in Hybrid vehicles. We are working on the budgeting and implementation for these additional charges. Last year we travelled approximately 200,000 kms in our 21 EVs and PHEVS. This would equal \$11,895 in additional RUC charges.

The total fleet number is currently 61 Vehicles:

- 7 fully electric vehicles
- 12 Hybrids
- 14 Plug In Hybrids (PHEV)
- 10 Petrol
- 18 Diesel.

## 6. Communications

### 6.1 Current Priorities and Challenges

Reworking continues with the updating of Council's LTP consultation material and the engagement programme following the inclusion of three waters. Work is also underway in beginning to socialise the Future Development Strategy.

A major focus this month was the collaboration between our Northland partners on the first Cruise Ship, raising awareness of the ship's arrival and support our iSite teams and local businesses with related Love it Here collateral. This event was well profiled by both local and national media.

Resourcing engagement activity across multiple infrastructure projects and programmes continues to be a juggle with constrained resources.

### 6.2 Operational activities

#### Media coverage

- Trespass order on Robert Street
- Extended bus links to Tikipunga and Kamo
- Halting of three waters legal action
- Core boards at Mair Park
- Government funding for flood resilience
- Safety changes at Lake Waro
- First cruise ship lands at Marsden Point.

#### Communications projects

A summary of campaigns of note include:

Campaign	Comment
Future Development Strategy	Early education campaign on social media and in Council News
Long Term Plan	Communications and graphics support for LTP
Cruise	Communication planning and implementation in conjunction with Northland Inc and Northport
Hikurangi Repo Business Case	Series of features detailing progress with Hikurangi Repo Business Case (BOF)
Welcoming Communities	Communications support for roll out of Welcoming Communities accreditation scheduled for 11 March
Climate Resilience	Communications support for Climate Adaptation Pilot Programme and emissions reduction
Changes to recycling	Promotion campaign across all Council channels

## District pride campaign

We are increasing the focus on celebrating our place, showcasing more positive stories about our District, celebrating some of our local attractions and highlights, and encouraging the community to get behind well-known waste minimisation campaigns like Keep New Zealand Beautiful.

### Activity over this period included:

- Aotearoa Bike challenge promo
- Welcoming communities survey
- First cruise celebrations
- Future Development Strategy early engagement
- New recycling rules explained
- Northland is open (HWM statements ahead of Brynderwys closure)
- Te Kamo Shared Path extension
- Civic Honour winner profile
- Love it here posts: 7 Sharp Town Basin feature, show us your summer pics, and live stream of cruise ship arrival.

## Social media

We typically see a lull over summer, but this year's seems to be smaller than usual.

**Top 3 performing posts in January 2024** refer to Appendix 1 for screenshots

Topic	Reach & engagement notes
Te Kamo Shared Path stage 5a preview clip (drone video)	22k reach, ~2k engagement. 2000 views of at least 1 minute.
Kensington roundabout gardening	22k reach, 2k engagement. 190 comments, which themselves appear widely read.
Kai Ora Fund	16k reach, 1k engagement. Includes \$20 paid advertising. Includes 138 link-clicks to learn more about funding.

## Website and digital channels

### Email newsletters

The first email has been sent for the new look Venues and Events e-newsletter and work is nearing completion on the new Council News focused e-newsletter.

### Digital transformations\*

We are building website capacity to allow for more customer interactions online. Work is underway to adapt the following processes so they can be started and completed through our website:

- online Land Information Memorandum application
- online Event Development Fund application.

We are also investigating trialling the automatic saving of online submissions from online forms.

\* Updated every three months – next update May 2024.

**Top 5 pages visited (main website only, *Monsido* report)**

November - December	January
Rubbish & Recycling collection	Rubbish & Recycling collection
Rates database	Freedom camping
Contact us	Otuihau Whangarei Falls
Christmas festival	Dogs on beaches
Freedom camping	Rates database
Notable: Online maps, dogs on beaches, District Plan, 10 free things to do with kids, What's on, payment gateway, walks and trails.	Notable: Waipu coastal walkway, A-Z recycling guide, 10 free things to do with kids

## Appendix 1 - Social media (top performing posts)



Kamo Shared Path stage 5a preview

[Like](#) [Comment](#) [Share](#)

157 · 50 comments · 10K views



Whangarei District Council [•](#)  
Published by Craig Neilson [•](#) 18 January at 11:05 [•](#)

[Overview](#) [Comments](#)

Here's a preview of Te Kamo Shared Path extension! The new bridge is being made from a recycled rail-bridge, and the new rail crossing will take walkers and cyclists more directly to Wakelin Street, Farmer Street, Kamo High School and Te Kamo village.

Until it opens around the middle of 2024, the connection to these places is through the current end of the path at Fisher Terrace.

Here's more on the project:

<https://www.wdc.govt.nz/.../Proj.../Kamo-Shared-Path-Stage-5>

[See less](#)

Most relevant ▾



Author

Whangarei District Council [•](#)  
There's never been a better time to get on a bike!  
Join the Aotearoa Bike Challenge and you'll never  
ride alone: <https://www.lovetoride.net/nz>



Write a comment...





Whangarei District Council

Published by Craig Neilson · 25 January at 15:13 ·

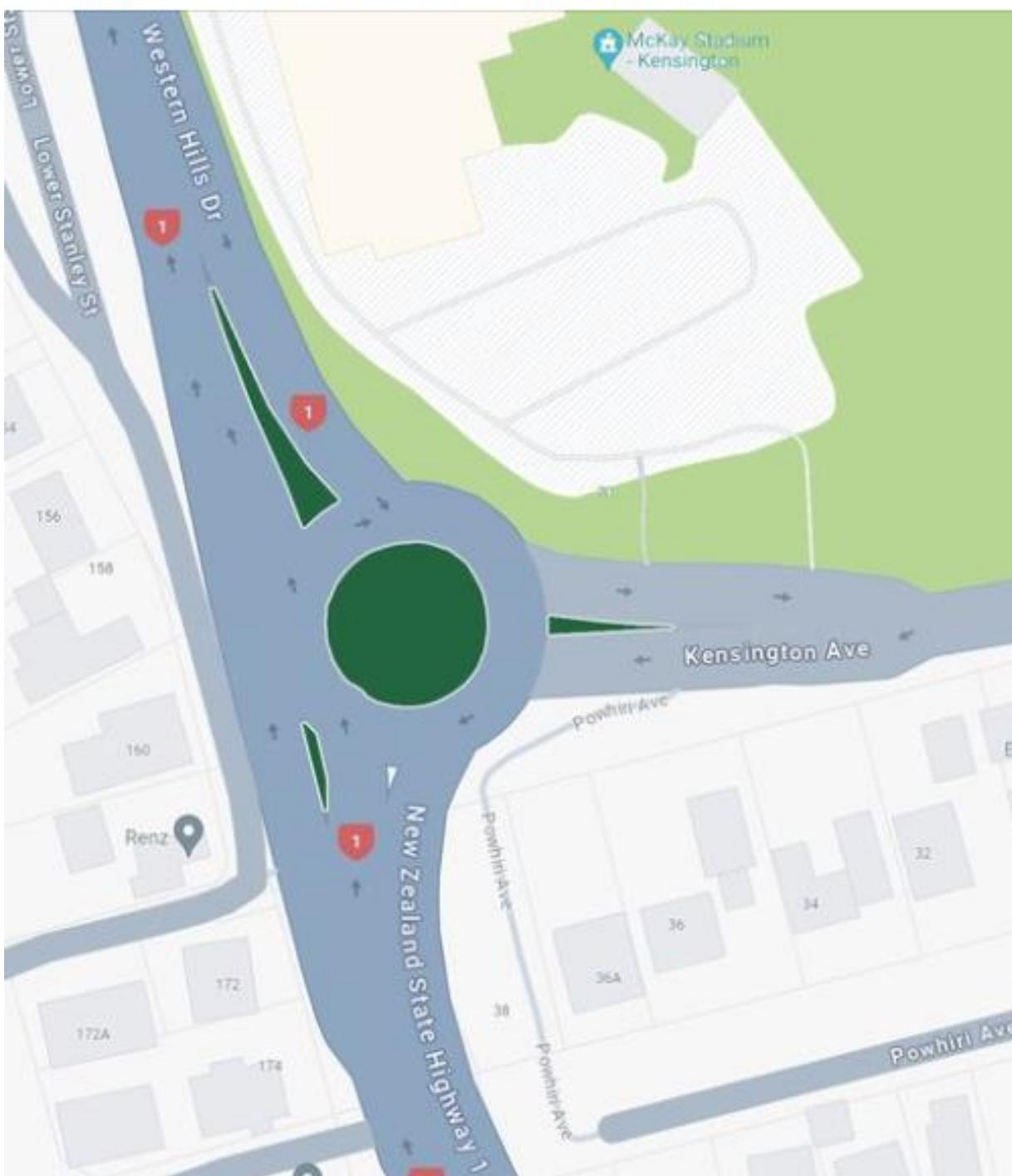
...

Our park contractors Citycare will be weeding and trimming the Kensington Road and Western Hills Drive roundabout over the coming days.

The roundabout plantings have been in need of a makeover for some time and we're pleased to have been able to work with [Waka Kotahi NZ Transport Agency - Northland](#), who manage State Highways, to get this done.

As with all maintenance work in the roading environment, please look out for our workers and drive sensibly to keep them safe.

The roundabout and splitter islands are highlighted in dark green below.



[See Insights and Ads](#)

[Boost post](#)



Whangarei District Council

Published by Craig Neilson · 19 January at 15:37 ·

...

Call for applications: The Kai Ora Fund is all about sustainable food initiatives whether that's growing, preparing, distributing or otherwise increasing the availability of healthy kai. It can award up to \$5000 per project so community groups, whānau trusts, social enterprises, and small businesses should apply by Tuesday 6 February.

Start here: <https://www.kaiorafund.com/>

The Kai Ora Fund has supported nearly 300 grassroots projects since it began in 2015. Last year, 31 community projects across Tai Tokerau received over \$100k to support initiatives including māra kai for marae, projects on whenua Māori, community gardens, as well as education and capacity-building workshops to help people grow fresh food.

This fund is a collaborative multi-sector initiative comprising Mahitahi Hauora, Te Puni Kōkiri, Far North District Council, Whangārei District Council, Kaipara District Council, the Ministry of Social Development, Kainga Ora – Homes and Communities, and Te Tari Taiwhenua (Department of Internal Affairs).



i

KAIORAFUND.COM

**HOME | Kai Ora Fund**

[Learn more](#)

The purpose of the Kai Ora Fund is to enable Northlanders to eat nutritious ...

[See Insights and Ads](#)

[Boost again](#)

74

30 comments 41 shares

## **RESOLUTION TO EXCLUDE THE PUBLIC**

### **Move/Second**

That the public be excluded from the following parts of proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for passing this resolution</b>
1.1 Confidential Minutes Finance Committee 7 February 2024	Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public, are as follows:

<b>Item</b>	<b>Grounds</b>	<b>Section</b>
1.1	For the reasons stated in the minutes	

### **Resolution to allow members of the public to remain**

If the committee wishes members of the public to remain during discussion of confidential items the following additional recommendation will need to be passed:

### **Move/Second**

"That \_\_\_\_\_ be permitted to remain at this meeting, after the public has been excluded, because of his/her/their knowledge of Item \_\_\_\_\_.

This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because \_\_\_\_\_.

*Note: Every resolution to exclude the public shall be put at a time when the meeting is open to the public.*