

Mā tō tātou takiwā  
**For our District**

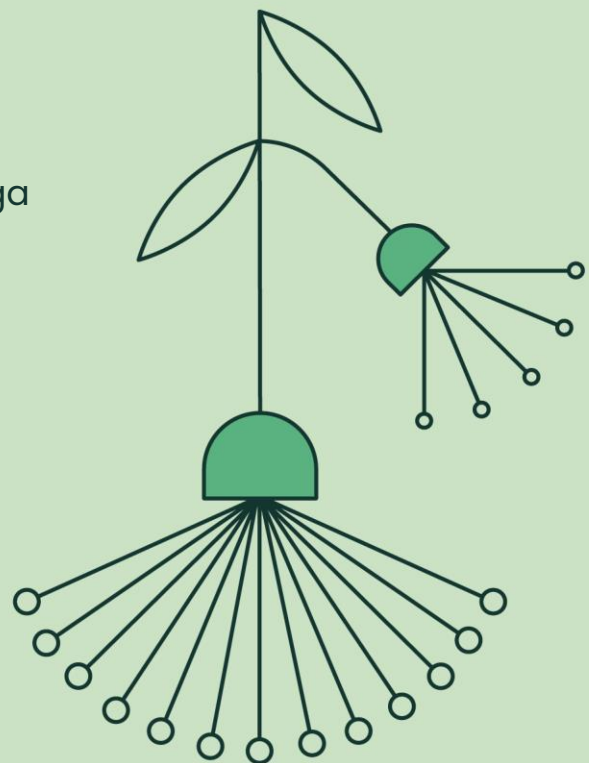
## **Performance and Monitoring Committee**

Komiti Whakahaere

PM22-5

Thursday, 4 August 2022, 9.30am

Council Chambers, Barkes Corner, Tauranga



# Performance and Monitoring Committee

## Membership:

Chairperson	Cr Don Thwaites
Deputy Chairperson	Cr Murray Grainger
Members	Cr Grant Dally Cr Mark Dean Cr James Denyer Cr Monique Gray Cr Anne Henry Cr Kevin Marsh Cr Margaret Murray-Benge Deputy Mayor John Scrimgeour Cr Allan Sole Mayor Garry Webber
Quorum	6
Frequency	Six weekly

## Role:

- To monitor and review the progress of the Council's activities, projects and services.

## Scope:

- To monitor the operational performance of Council's activities and services against approved levels of service.
- To monitor the effectiveness of Council, community and agency service agreements / contracts.
- To monitor the implementation of Council's strategies, plans, policies and projects as contained in the Long-Term Plan or Annual Plan.
- To monitor Community Service Contract performance, set service delivery requirements and receive annual reports from service delivery contractors.
- To review and monitor agreements between Tauranga City Council and Western Bay of Plenty District Council and recommend to the respective Councils any changes to agreements, as appropriate.
- To monitor performance against the Priority One approved contract.
- To monitor performance of Council Controlled Organisations (CCO's) against their Statement of Intent, including Tourism Bay of Plenty's Statement of Intent and make recommendations to Council on matters relating to CCO's.

- To monitor the on-going effectiveness of implemented joint projects, plans, strategies and policies with Tauranga City Council.
- To monitor performance against any Council approved joint contracts with Tauranga City Council and/or other entities.
- To monitor performance and outcomes relating to:
  - seal extensions and unsealed road maintenance
  - community halls and facilities.
- To report to Council financial outcomes and recommend any changes or variations to allocated budgets.

### Power to Act:

- Subject to agreed budgets and approved levels of service, to make decisions to enable and enhance service delivery performance.

### Power to Recommend:

- To make recommendations to Council and/or any Committee as it deems appropriate.

### Power to sub-delegate:

- The Committee may delegate any of its functions, duties or powers to a subcommittee, working group or other subordinate decision-making body, subject to the restrictions on its delegations and provided that any sub-delegation includes a statement of purpose and specification of task.

Notice is hereby given that an Performance and Monitoring Meeting will be held in the Council Chambers, Barks Corner, Tauranga on:  
Thursday, 4 August 2022 at 9.30am

## Order Of Business

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**1 PRESENT****2 IN ATTENDANCE****3 APOLOGIES****4 CONSIDERATION OF LATE ITEMS****5 DECLARATIONS OF INTEREST**

Members are reminded of the need to be vigilant and to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest that they may have.

**6 PUBLIC EXCLUDED ITEMS****7 PUBLIC FORUM**

A period of up to 30 minutes is set aside for a public forum. Members of the public may attend to address the Board for up to five minutes on items that fall within the delegations of the Board provided the matters are not subject to legal proceedings, or to a process providing for the hearing of submissions. Speakers may be questioned through the Chairperson by members, but questions must be confined to obtaining information or clarification on matters raised by the speaker. The Chairperson has discretion in regard to time extensions.

Such presentations do not form part of the formal business of the meeting, a brief record will be kept of matters raised during any public forum section of the meeting with matters for action to be referred through the customer contact centre request system, while those requiring further investigation will be referred to the Chief Executive.

## 8 PRESENTATIONS

### 8.1 WAKA KOTAHI (NZTA) TAURIKO UPDATE PRESENTATION

**File Number:** A4626373

**Author:** Tracy Harris, Executive Assistant

**Authoriser:** Gary Allis, Deputy Chief Executive & General Manager Infrastructure Group

#### EXECUTIVE SUMMARY

Waka Kotahi will present an overview of the details for Tauriko to the Performance and Monitoring Committee.

#### RECOMMENDATION

That the Executive Assistant's report dated 4 August 2022 titled 'Waka Kotahi (NZTA) Tauriko Update Presentation' be received.

## 9 REPORTS

### 9.1 PRIORITY ONE ECONOMIC UPDATE

**File Number:** A4626847

**Author:** David Pearce, Community Manager

**Authoriser:** Rachael Davie, General Manager Strategy and Community

#### EXECUTIVE SUMMARY

Western Bay of Plenty District Council (WBOPDC) has a Service Delivery Contract with Priority One. Chief Executive Nigel Tutt will be in attendance to provide Elected Members with a presentation on a broad economic update relating to our district. Priority One was unable to make the recent 'Speed Dating' Service Delivery contractors feedback session.

#### RECOMMENDATION

That the Community Manager's report dated 4 August 2022 titled 'Priority One Economic Update' be received.

#### BACKGROUND

In the current financial year, WBOPDC is investing \$189,017 into Priority One.

Priority One are targeting the following four Economic Development Outcomes:

1. Shift the industry sector mix in the Western Bay of Plenty Sub-Region to become more knowledge intensive, creating higher value jobs. This outcome is to be achieved through:
  - Targeted growth and the attraction of knowledge intensive industries;
  - The development of the innovation ecosystem via agglomeration and related specialities;
  - The growth/attraction of talent; and
  - The growth of capital networks.
2. Encourage industry scale and success in the Western Bay of Plenty Sub-Region through the understanding of key industries and economic corridors and labour markets, leading to:
  - Fit for purpose spatial planning;
  - The provision of land, infrastructure and talent; and
  - Investment for the economy to grow

3. Leveraging the education system for targeted skills via:
  - The understanding and targeting of future skill/workforce requirements in the Western Bay of Plenty Sub-Region; and
  - The development of work pathways and enablement of education systems to provide work ready talent in the Western Bay of Plenty Sub-Region.
  
4. Improve Māori education and workforce outcomes in the Western Bay of Plenty-Sub-region through encouraging relevant skills, pathways to employment and the success of Māori businesses/innovation.

Nigel will give his presentation and then answer any questions.



## **9.2 FINANCIAL PERFORMANCE AND MONITORING COMMITTEE UPDATE AS AT 30 JUNE 2022**

**File Number:** A4637880

**Author:** David Jensen, Chief Financial Officer

**Authoriser:** James Graham, Acting General Manager Corporate Services

### **EXECUTIVE SUMMARY**

The purpose of this report is to inform Elected Members on important issues relating to Council's finances and operational performance. It is noted that the financial information contained in this report for the year ended 30 June 2022 are unaudited and may change through the audit process for the 2022 Annual Report.

### **RECOMMENDATION**

That the Chief Financial Officer's report dated 4 August 2022 titled 'Financial Performance and Monitoring Committee Update as at 30 June 2022' be received.

## **1. UNAUDITED YEAR END RESULTS**

Council's unaudited surplus for the year ended 30 June 2022 was \$3.3m favourable to budget. This was primarily driven by underspends on personnel and operational projects.

Due to significant increases in construction and labour costs over the course of 2022 it is highly likely that the replacement costs of Council's assets will have increased since the last asset revaluation. Staff are working alongside external valuers to revalue Council's significant asset classes to ensure the 2021/2022 Annual Report and associated disclosures in Council's insurance plans reflect the likely replacement costs as at 30 June 2022.

## **2. FINANCIAL PERFORMANCE & POSITION**

### **2.1 Operating Income**

Total income for the year ended 30 June was \$125.05m. This was \$319k higher than the full year budget of \$124.73m. This is primarily driven by subsidy revenue relating to CIP-funded projects, user fee revenue and other income, being above year-to-date budget. This is offset by lower than budgeted vested assets and rate revenue.

The major variances were:

- Subsidies and Grants of \$17.26m being \$378k ahead of the full year budget of \$16.88m, due to the recognition of revenue relating to CIP-funded projects. In 2020/2021 Council received grants from Central Government which was tied to

the completion of certain projects. As the work had not been completed at the time the subsidies were received, Council was not able to book the revenue and had been holding the revenue in the balance sheet, pending completion of the capital works. Staff are assessing the full-year completion of these projects to assess whether any additional CIP-funded projects have now reached the stage where Council can recognise the revenue received from Central Government in the 2021/22 Annual Report.

- User Fees of \$8.71m being \$0.64m ahead of the full year budget of \$8.07m. This variance is primarily driven by additional animal service fees and building service fees.
- Rate Income of \$68.01m, being \$1.2m lower than the full year budget of \$69.24m due to lower than budgeted water-by-meter revenue, particularly in the western supply zone as well as lower than forecast rating unit growth through 2022.
- Other Income of \$4.07m being \$1.16m higher than the full year budget of \$2.92m driven primarily by forestry harvesting proceeds of \$978k, which are unbudgeted.

## 2.2 Financial Contribution Revenue

Financial Contributions were largely on budget with \$10.92m received against the full year budget of \$10.94m. A full table of revenue received is shown below.

	YTD Budget 2021	YTD Actual 2021	\$ Variance to Budget	Variance to Budget
Water Supply - Western	332,202	600,362	268,160	81 %
Water Supply - Central	783,555	642,789	(140,766)	(18)%
Water Supply - Eastern	928,850	273,131	(655,719)	(71)%
Wastewater - Waihi Beach	335,561	763,867	428,306	128 %
Wastewater - Katikati	246,162	352,228	106,066	43 %
Wastewater - Omokoroa	1,025,105	808,021	(217,084)	(21)%
Wastewater - Te Puke	251,864	77,696	(174,168)	(69)%
Wastewater - Maketu/Little Waihi	52,020	0	(52,020)	0 %
Stormwater	1,600,269	491,807	(1,108,462)	(69)%
Roading - Rural	556,532	871,890	315,358	57 %
Roading - Waihi Beach SP	19,757	100,080	80,323	407 %
Roading - Katikati SP	237,124	132,095	(105,029)	(44)%
Roading - Omokoroa SP	1,720,908	1,997,187	276,279	16 %
Roading - Te Puke SP	143,495	0	(143,495)	(100)%
Roading - Strategic	411,252	719,203	307,951	75 %
District - Reserves & Facilities	2,292,818	2,944,982	652,164	28 %
Ecological	0	149,619	149,619	100 %
<b>Total</b>	<b>10,937,474</b>	<b>10,924,960</b>	<b>(12,514)</b>	<b>(0)%</b>

Staff have noted that the pipeline for future developments is stable for the first six months of the 2023 financial year however, new enquiries are trending downwards. Staff are keeping a watching brief on development trends and are meeting regularly with developers in order to gauge the level of development demand.

**2.3 Operating Expenditure**

Total expenditure of \$104.21m was \$3.02m lower than the full year budget of \$107.23m. Council is likely to be underspent against budget at year end.

The major variances were:

- Additional Level of Service projects of \$5.7m were \$4.07m lower than the full year budget of \$9.7m.
- Personnel costs of \$26.79m being \$581k lower than the full year budget of \$27.34m. This is largely due to the timing of when open vacancies have been filled throughout the year.

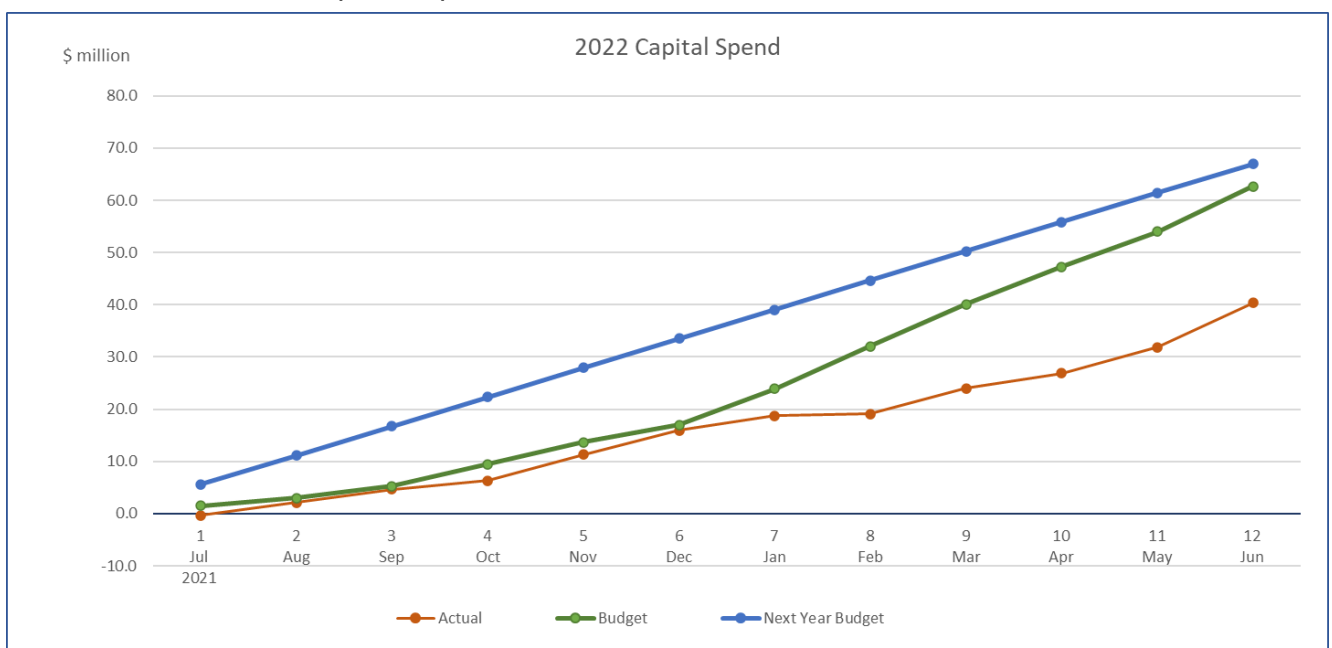
**2.4 Capital Expenditure**

Total capital expenditure of \$40.38m was \$22.34m lower than the full year budget of \$62.71m. This represents capital expenditure of 64% of the full year budget.

The major variances were:

- Transport capital expenditure across the district being \$13.18m lower than the full year budget.
- Water Supply capital expenditure across the district being \$1.43m lower than the full year budget.
- Stormwater capital expenditure across the district being \$1.31m lower than the full year budget.
- Recreation and Leisure capital expenditure across the district being \$3.74m lower than the full year budget.

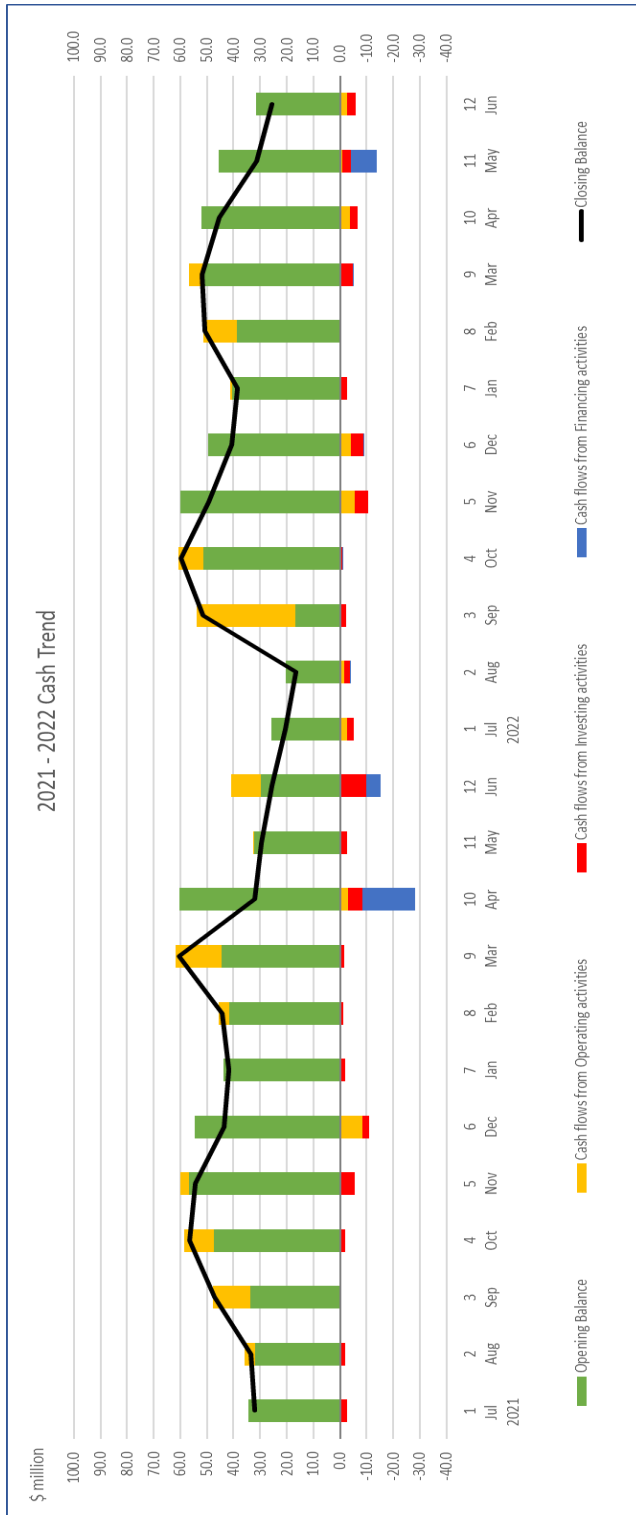
The 2021/2022 Capital Expenditure trend is shown as follows:



### 3. CASH FLOW FORECAST

#### 3.1 Projected Cash Balances

At 30 June 2022, Council had a positive cash position of \$25.54m. This was comprised of \$22.64m cash and \$2.89m in short term deposits. Council’s cash trend and key drivers are shown below:



## 4. TREASURY UPDATE

### 4.1 Key Financial Ratios

Council was in compliance with all of its key financial ratios for the month ending 30 June 2022.

### 4.2 Interest Expense

Council's weighted cost of finance at 30 June 2022 was 3.75%, down from 3.76% at May 2022. Interest expense on external debt for the year ended 30 June 2022 of \$4.15m was \$0.47m higher than year-to-date budget of \$3.67m. This is due increases in floating interest rates over the last several months.

### 4.3 External Debt

Total external debt was \$80.0m as at 30 June 2022, unchanged from 31 May 2022. Net debt (being external debt of \$80.0m less cash on hand of \$25.54m) was \$54.46m as at 30 June 2022. This was \$5.87m higher than the 31 May balance of \$48.59m.

### 4.4 Internal Loan and Current Account Balances

Internal loan balances at 30 June 2022 totalled \$98.69m, with current account balances totalled \$3.73m. These are both consistent with the balances of 31 May 2022.

### 4.5 Interest Rate Swaps

The valuation of Council's interest rate swaps at 31 March 2022 was a net asset of \$876k. This is \$337k higher than the 31 May 2022 balance of \$539k, reflecting the increases in market rates through June.

At 30 June 2022 Council held interest rate swaps totalling \$81.5m. Of these, \$21m were forward start interest rate swaps. Council had 76% of total debt covered by current interest rate swaps, unchanged from May 2022.

The current swaps to 12-month net debt ratio as at 30 June 2022 sits within the recommended policy bands.

## 5. KEY PERFORMANCE INDICATORS AND MONITORING

### 5.1 Project Year End Reporting

There is a total of 456 reporting items of which 324 are projects. At the end of the June the year end projection is that 80% of projects will be on time and 60% on cost. There are 12% where final project costs cannot be predicted. There are 26 (8%) projects projected to be over cost, \$7.7m, and 63 (19%) under cost, \$9.2m.

## 5.2 Work Programme Summary

This section shows the overall work programme results for each of council's activities. The work programme is compiled of 456 reporting items of which 324 are projects and 132 are processes.

The financial assessment is based on whether the activity was within budget at 30 June 2022. This provides an accurate reflection of the year which was impacted by COVID-19, and resources (staff, contractors, and supplies) were difficult to obtain, hence budgets were underspent.

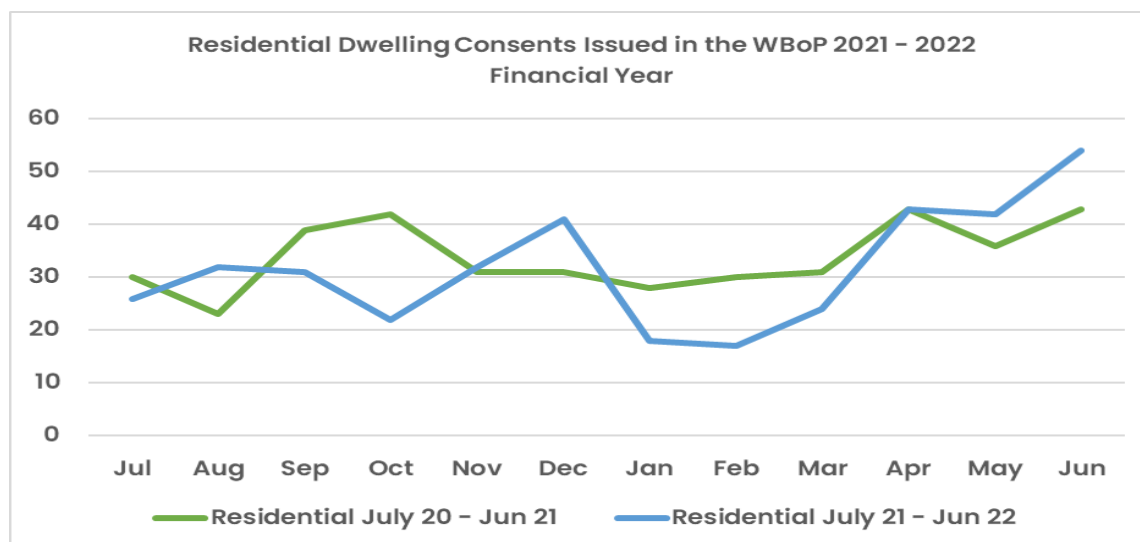
The full report is contained in **Attachment 2**.

## 6. GROWTH MONITORING STATISTICS

### 6.1 Ward and Development Trend Statistics

The Ward and Development Trends Statistics report highlights the level of subdivision activity and dwelling consents issued within the District for the June 2022 quarter.

The 2021 – 2022 June Financial year noted a yearly 224 new lots created average of 25 lots per month, compared to 18.9 lots per month for the 2020 – 2021 June financial year. Dwelling consents issued in the Western Bay of Plenty have increased in the 2022 April – June quarter compared to the same quarter in 2021 by 14%, and decreased by 3% in the last 12 months (July 21 – June 22) compared to the same period in 2020 – 2021.



The full growth monitoring statistics report has been incorporated into the Scorecard update (**Attachment 1**).

## ATTACHMENTS

1. **June 2022 - Financial Information**  
2. **June 2022 - Scorecard Report**  

**Statement of Financial Performance**  
**For the 12 months ended 30 June 2022**

	Year to Date				Full Year Revised Budget \$'000
	Actual \$'000	Budget \$'000	Variance Fav / (Unf) \$'000	Last Year Actual \$'000	
<b>Costs</b>					
Additional Levels of Service	5,667	9,736	4,069	3,826	10,312
Operating Costs	43,737	42,544	(1,194)	41,394	42,516
Personnel	26,789	27,370	581	23,098	27,370
Interest Expense	4,146	3,675	(471)	7,382	3,675
Depreciation	23,873	23,907	35	19,597	23,907
<b>Total Costs</b>	<b>104,212</b>	<b>107,231</b>	<b>3,019</b>	<b>95,297</b>	<b>107,780</b>
<b>Income</b>					
Financial Contributions	10,925	10,937	(13)	5,892	10,937
Interest Income - External	137	263	(125)	905	263
Other Income	4,072	2,915	1,157	4,503	2,915
Rate Income	68,013	69,241	(1,228)	63,089	69,591
Service Charges	13,694	13,783	(90)	9,990	13,783
Subsidies & Grants	17,258	16,880	378	11,996	16,880
Sundry Income	698	400	298	749	400
User Fees	8,705	8,070	635	6,740	8,418
Vested & Found Assets	1,547	2,240	(693)	5,940	2,240
<b>Total Revenue</b>	<b>125,048</b>	<b>124,729</b>	<b>319</b>	<b>109,804</b>	<b>125,428</b>
Share of Associate surplus/(deficit)	0	0	0	0	0
<b>Surplus (Deficit)</b>	<b>20,837</b>	<b>17,499</b>	<b>3,338</b>	<b>14,508</b>	<b>17,647</b>



**Western Bay of Plenty District Council**  
**Statement of Financial Position**  
**As at 30 June 2022**

	<b>Actual 2022 \$'000</b>	<b>Forecast June 2022 \$'000</b>	<b>June 2021 \$'000</b>
<b>EQUITY</b>			
Accumulated Funds	997,831	954,642	905,715
Restricted Reserves	278	283	280
Council-created Reserves	31,741	29,471	32,052
Asset Revaluation Reserves	504,506	577,953	431,251
<b>Total Equity</b>	<b>1,534,357</b>	<b>1,562,349</b>	<b>1,369,298</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Bank	22,638	26,634	11,349
Short Term Deposits	2,903	-	23,140
Receivables and Prepayments	5,892	14,366	12,272
Property and Investments for Resale	-	1,214	3,495
<b>Total Current Assets</b>	<b>31,432</b>	<b>42,213</b>	<b>50,256</b>
<b>Non-current Assets</b>			
Financial Instruments	15,353	11,519	14,865
Other Non-current Assets	1,594,717	1,649,639	1,448,252
Interest in Associates	231	3,181	212
<b>Total Non-current Assets</b>	<b>1,610,301</b>	<b>1,664,339</b>	<b>1,463,330</b>
<b>Total Assets</b>	<b>1,641,733</b>	<b>1,706,552</b>	<b>1,513,586</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables and Accruals	16,531	23,589	17,810
Employee Entitlements	2,680	3,573	2,837
Current Portion Public Debt	10,000	10,000	20,000
Derivative Financial Instrument	422	-	383
Current Portion Provisions	313	696	313
<b>Total current Liabilities</b>	<b>29,946</b>	<b>37,858</b>	<b>41,343</b>
<b>Non-current Liabilities</b>			
Public Debt - Term Portion	70,000	93,400	90,000
Other Term Debt	7,429	12,632	12,945
Non-current Provisions		313	
<b>Total Non-current Liabilities</b>	<b>77,429</b>	<b>106,345</b>	<b>102,945</b>
<b>Total Liabilities</b>	<b>107,375</b>	<b>144,203</b>	<b>144,288</b>
<b>Net Assets</b>	<b>1,534,357</b>	<b>1,562,349</b>	<b>1,369,298</b>

**Western Bay of Plenty District Council**  
**Cost of Service Summary**  
**For the period ended 30 June 2022**

<b>Activity</b>	<b>Total Operating Revenue \$'000</b>	<b>Total Operating Costs \$'000</b>	<b>Net Cost of Service Surplus / (Deficit) \$'000</b>	<b>YTD Budget Surplus / (Deficit) \$'000</b>	<b>YTD Variance Under / (Over) \$'000</b>	<b>Total Budget Surplus / (Deficit) \$'000</b>
Stormwater	5,840	4,104	1,735	2,287	(552)	2,287
Solid Waste	4,346	3,571	775	(498)	1,273	(498)
Natural Environment	747	1,057	(310)	(641)	331	(641)
Economic	324	796	(472)	(421)	(51)	(421)
Representation	460	2,851	(2,391)	(3,442)	1,051	(3,442)
Transportation	32,076	21,078	10,998	12,265	(1,267)	12,265
Recreation & Leisure	5,074	8,556	(3,482)	(4,667)	1,186	(4,667)
	<b>48,868</b>	<b>42,014</b>	<b>6,854</b>	<b>4,883</b>	<b>1,971</b>	<b>4,883</b>
Strategic Planning/Monitoring	7	1,238	(1,231)	(1,770)	540	(1,770)
Resource Management Planning	0	1,756	(1,756)	(2,312)	555	(2,312)
Infrastructure Planning	13	(16)	29	29	0	29
<b>Sustainable Development</b>	<b>20</b>	<b>2,978</b>	<b>(2,958)</b>	<b>(4,053)</b>	<b>1,095</b>	<b>(4,053)</b>
Western Water	5,642	4,199	1,443	1,147	296	1,147
Central Water	3,755	3,218	537	29	508	29
Eastern Water	4,757	5,136	(379)	(940)	560	(940)
<b>Water Supply</b>	<b>14,154</b>	<b>12,553</b>	<b>1,601</b>	<b>237</b>	<b>1,364</b>	<b>237</b>
Resource Consents	1,941	2,585	(645)	(920)	276	(920)
Building Services	4,739	5,281	(542)	(1,350)	808	(1,350)
Animal Services	769	1,188	(419)	(589)	169	(589)
Compliance & Monitoring	512	1,656	(1,144)	(1,695)	550	(1,695)
Regulatory Services	0	150	(150)	(175)	25	(175)
<b>Regulatory</b>	<b>7,960</b>	<b>10,860</b>	<b>(2,900)</b>	<b>(4,729)</b>	<b>1,829</b>	<b>(4,729)</b>
Information Centres	2,853	4,278	(1,426)	(2,440)	1,015	(2,440)
Community Building	178	2,128	(1,949)	(2,705)	755	(2,705)
Emergency Management	2	415	(413)	(562)	149	(562)
Community Facilities	1,211	1,302	(91)	(822)	731	(822)
<b>Communities</b>	<b>4,244</b>	<b>8,123</b>	<b>(3,879)</b>	<b>(6,529)</b>	<b>2,650</b>	<b>(6,529)</b>
<b>Activity</b>	<b>Total \$'000</b>	<b>Total \$'000</b>	<b>Net Cost of \$'000</b>	<b>YTD Budget \$'000</b>	<b>YTD \$'000</b>	<b>Total Budget \$'000</b>
Waihi Beach Wastewater	4,702	2,799	1,903	364	1,539	364
Katikati Wastewater	3,927	2,707	1,220	592	628	592
Omokoroa Wastewater	4,270	3,522	747	(789)	1,536	(789)
Te Puke Wastewater	3,553	1,611	1,942	1,609	333	1,609
Maketu Wastewater	615	1,436	(821)	(1,117)	295	(1,117)
Ongare Wastewater	75	227	(152)	(224)	72	(224)
<b>Wastewater</b>	<b>17,140</b>	<b>12,301</b>	<b>4,839</b>	<b>436</b>	<b>4,403</b>	<b>436</b>
Human Resource Services	0	429	(429)	0	(429)	0
Financial Services	740	691	49	394	(346)	394
Information Services	64	1,903	(1,839)	(1,438)	(401)	(1,438)
Corporate Assets	217	2,077	(1,860)	(1,019)	(842)	(1,019)
Corporate Services	41	3,468	(3,427)	(584)	(2,843)	(584)
<b>Corporate Services</b>	<b>1,063</b>	<b>8,568</b>	<b>(7,505)</b>	<b>(2,646)</b>	<b>(4,861)</b>	<b>(2,646)</b>
Treasury Operations	74	963	(889)	449	(1,338)	449
Rates Appropriation	31,519	3,863	27,656	29,435	(2,478)	29,784
<b>Rates and Treasury</b>	<b>31,593</b>	<b>4,826</b>	<b>26,767</b>	<b>30,233</b>	<b>(3,466)</b>	<b>30,233</b>
<b>Total</b>	<b>125,048</b>	<b>104,214</b>	<b>20,837</b>	<b>17,499</b>	<b>3,338</b>	<b>17,855</b>































































































### 9.3 SITE OPTIONS FOR WAIHĪ BEACH LIBRARY, SERVICE CENTRE AND HUB

**File Number:** A4645066

**Author:** Sara Elvin, Project Manager

**Authoriser:** Gary Allis, Deputy Chief Executive & General Manager Infrastructure Group

#### EXECUTIVE SUMMARY

The purpose of this report is for the Performance and Monitoring Committee to approve the Community Centre site as the preferred location for the new Waihī Beach Library, Service Centre and Hub, to note the increase in the estimate and to bring forward the timing for the detailed design.

The architects 'Jigsaw' will be attending the meeting with staff to present the concept plan and to answer questions – refer **Attachment 1**.

#### RECOMMENDATION

1. That the Project Manager's report dated 4 August 2022 titled 'Site options for Waihī Beach Library, Service Centre and Hub' be received.
2. That the report relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.
3. That Beach Road (adjacent to the Community Centre) is adopted as the site for the new Waihī Beach library, service centre and hub.
4. That the Committee notes that the concept design includes utilisation of the existing library space as part of the community hub.
5. That the Performance and Monitoring Committee recommend that the planned expenditure of \$205,600 in the 2023–2024 financial year is bought forward to the 2022–2023 financial year to proceed with the full design.
6. That the new Waihī Beach library, service centre and hub project be referred to the Annual Plan and Long Term Plan Committee for a review of the construction timing and the budget.

#### BACKGROUND

The first community engagement on potential sites for the new Waihī Beach Library Service Centre and Hub took place in late 2021, on seven sites that were initially identified.

The project was identified in the 2021–2023 Long Term Plan (LTP) and had an approved budget of \$2,500,000.

**December 2021:** Staff updated elected members on phase 1 community engagement. Of the 575 pieces of feedback received via the online survey, the petition and email, the most popular sites were:

- Beach Road option of expansion/utilisation of Community Centre carpark - 211
- Beach Road Community Centre Reserve - 107
- Wilson Road Te Mata Reserve - 74

Most of the feedback received centred around concerns that a new facility must not result in reduced car parking availability, should be close by the community centre and school and not too far from the village town centre. There was clear high-level support for an alternative option at the Community Centre car park site.

**March 2022:** Staff updated elected members on the sites most preferred by the local community and the common themes of the feedback received.

**April 2022:** Staff instructed and received a Quantity Surveyor (QS) Bulk and Location report on three sites; Wilson Road Te Mata Reserve, Beach Road Reserve and Beach Road carpark adjacent to the Community Centre.

**May 2022:** Staff met with key stakeholders – the Community Centre Committee and the Principal Waihi Beach Primary School to hear what concerns and ideas they had in relation to the potential sites.

**June 2022:** Staff instructed and received an initial architect's concept plan for two of the sites – Wilson Road Te Mata Reserve and Beach Road adjacent to the community Centre. The brief for the Wilson Road site included provision of hub space that would be utilised as a bookable space and a space for a local group. This was required as part of the provisional agreement relating to the land transfer.

**July 2022:** Staff met with the Community Centre Committee for a second time to confirm their level of comfort with a combined facilities approach. The concept plans and the recommended direction have been shared with the Waihi Beach Community Board. An updated QS report was received with revised cost estimates based on current market costs which are above the original budget.

## ANAYLSIS

Through the community and staff feedback it has become clear that the preferred option is the Beach Road site as it can achieve the most desirable outcome for all parties. While this site has increased in cost from the initial estimates these can be explained as follows:

- The building size has needed to increase for the additional requirements identified through briefing and community engagement. Including the opportunity to include and share the new facility with the local primary school at the Beach Road.
- The square meter (m<sup>2</sup>) rate identified in the LTP (\$6,250) is similar to the numbers we are seeing for the Beach Road site.

- LTP budget (\$2,500,000) was for construction cost on a bare piece of land. Analysing the additional costs – add additional site-specific works (new/replacement carparking, site preparation etc.), FF&E fitout, community centre refresh and contingency and escalation (approx. 30%) the estimated budget for the preferred site (Beach Road) sits where we would expect it to sit – refer to the QS Assessment Report (**Attachment 2**).
- In 2017/2018 Katikati Library cost \$4000/m<sup>2</sup> plus additional costs e.g., FF&E, landscaping, site preparation etc.
- Fine tuning the design through a detailed design process will reduce the contingent risk (approx. 30%) on the project.

### SIGNIFICANCE AND ENGAGEMENT

In terms of the Significance and Engagement Policy this decision is considered to be of low significance because in addition to the initial community-wide engagement there has been key stakeholder involvement with the process to date.

### ENGAGEMENT, CONSULTATION AND COMMUNICATION

Interested/Affected Parties	Completed/Planned Engagement/Consultation/Communication	
Name of interested parties/groups	The Waihi Beach Community Centre Committee. The Principal, Waihi Beach Primary School.	Completed
Tangata Whenua	Te Whanau A Tauwhao Ki Otawhiwhi Ngati Te Wai	
General Public	Wider Waihi Beach community	

### ISSUES AND OPTIONS ASSESSMENT

Option A	
Beach Road adjacent to the Community Centre. This option is a new facility on the carpark opposite the front of the community centre and hall. It would be visually connected to the centre building and make use of the (community centre) space the library currently utilises. Would require an upgrade to allow better access to kitchen facilities and the public toilets. Has potential to introduce a new shared operating model.	
<b>Assessment of advantages and disadvantages including impact on each of the four well-beings:</b> <ul style="list-style-type: none"> <li>• <b>Economic</b></li> <li>• <b>Social</b></li> <li>• <b>Cultural</b></li> <li>• <b>Environmental</b></li> </ul>	<b>Advantages:</b> High community support, particularly by groups currently operating in or near the site.  Potential to provide an opportunity for place-making, joined up planning that crosses boundaries e.g., school/Education Board and Council, shared responsibilities for safe access, technology and resources.

	<p>Viability of services and facilities for the future – flexible spaces to meet current identified needs, but able to be reinvented for future needs.</p> <p>Supporting existing community initiatives – under utilised shared working space and community space/kitchen in the community centre.</p> <p>Improving existing community facilities – potential to upgrade toilet facilities and to digitally enable space in the community centre could be utilised for Community Board and other meetings requiring remote participation.</p> <p>Building stronger community relationships – capitalise on the goodwill and energy by working together to assist with costs relative to administrating a facility, could be both financial and people resources.</p> <p>Supporting the local school and community– partner and collaborate to deliver on NZ Public Libraries framework “Literacy for all, for life” 2020–2025.</p> <p>Provide a platform for the future in terms of partnerships and service delivery with external agencies e.g., AA example in Te Puke.</p> <p><b>Disadvantages:</b> Eliminates the opportunity to provide a new community facility nearer the business and retail communities and new developments.</p> <p>Loss of potential partnership with a local community group in terms of co-location.</p>
<p><b>Costs (including present and future costs, direct, indirect and contingent costs).</b></p>	<p>Main new library/service centre: \$6,565,000</p> <p>Community Centre upgrade: \$297,000</p> <p><b>Total: \$6,862,000</b></p> <p>The estimate is above the existing budget and the AP/LTP Committee will need to consider the budget and timing.</p>
<p><b>Other implications and any assumptions that relate to this option (Optional – if you want to include any information not covered above).</b></p>	<p>Risks and challenges (as identified in QS report) include the existing severe constraints associated with the NZ construction industry – capacity pressures, supply chain disruption and rapid and excessive price increases.</p>



<b>Option B</b>	
Wilson Road Te Mata Reserve. This would take advantage of the offer of land by a local group in exchange for dedicated space in the new facility.	
<b>Assessment of advantages and disadvantages including impact on each of the four well-beings:</b> <ul style="list-style-type: none"> <li>• <b>Economic</b></li> <li>• <b>Social</b></li> <li>• <b>Cultural</b></li> <li>• <b>Environmental</b></li> </ul>	<b>Advantages:</b> Provides an opportunity to provide a new facility alongside of other new local developments and within walking distance of the business and retail part of the village.  Provides an opportunity to partner and co-locate with a local community group.  <b>Disadvantages:</b> Site constraints – flooding, size and shape impact on design options.  Higher cost option.  High expectation for dedicated space from partner group impact on space usability.
<b>Costs (including present and future costs, direct, indirect and contingent costs).</b>	\$8,671,000
<b>Other implications and any assumptions that relate to this option (Optional – if you want to include any information not covered above).</b>	Risks and challenges (as identified in QS report) include the existing severe constraints associated with the NZ construction industry – capacity pressures, supply chain disruption and rapid and excessive price increases.

<b>Budget Funding Information</b>	<b>Relevant Detail</b>	
<b>Current approved budget:</b>	2023-2024	\$205,600
	2024-2025	\$2,364,400
	2025-2026	\$257,000

## ATTACHMENTS

1. **2022-08-04 – Concept Plan Waihi Beach Community Centre – Beach Road**  
2. **2022-08-04 – QS Assessment – Waihi Beach Library Refined Bulk and Location Options 15 July 2022 DRAFT**  





























**10 INFORMATION FOR RECEIPT****11 RESOLUTION TO EXCLUDE THE PUBLIC****RESOLUTION TO EXCLUDE THE PUBLIC****RECOMMENDATION**

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

The general subject matter 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 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 for the passing of this resolution</b>
<b>11.1 - Infrastructure Operational Risk Report August 2022 Confidential</b>	s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7