

Mā tō tātou takiwā
For our District

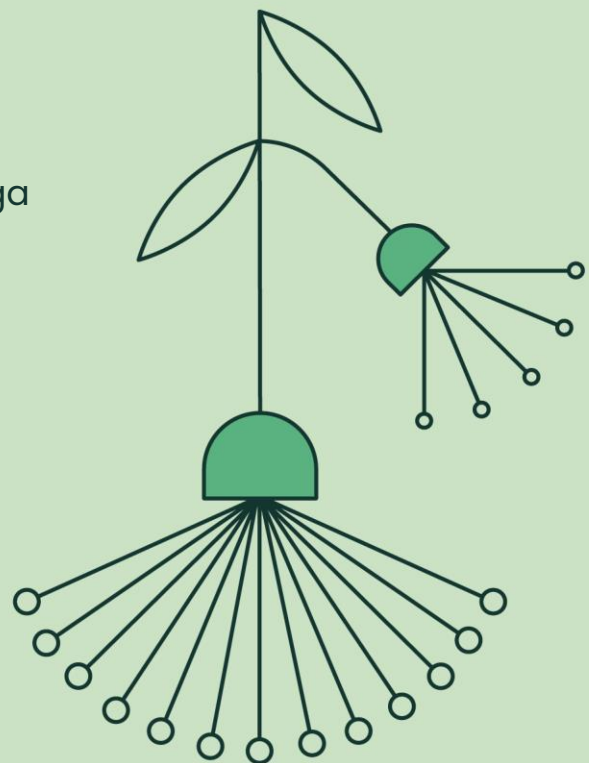
Performance and Monitoring Committee

Komiti Whakahaere

PM22-1

Thursday, 10 February 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, 10 February 2022 at 9.30am

Order Of Business

1	Present.....	5
2	In Attendance	5
3	Apologies.....	5
4	Consideration of Late Items.....	5
5	Declarations of Interest	5
6	Public Excluded Items	5
7	Public Forum.....	5
8	Presentations	5
9	Reports	6
9.1	Group Manager Finance and Technology Services' Report	6
9.2	Schedule of Payments for the Month of November and December 2021	87
9.3	Civic Financial Services Statement of Intent 2022.....	88
9.4	Pahoia School Hall	93
10	Information for Receipt.....	100
11	Resolution to Exclude the Public.....	100
11.1	Council Contracts Awarded or Renegotiated for the months of November and December 2021	100
11.2	Operational Risk Report February 2022 Confidential.....	100

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

9 REPORTS

9.1 GROUP MANAGER FINANCE AND TECHNOLOGY SERVICES' REPORT

File Number: A4396405

Author: David Jensen, Finance Manager

Authoriser: Kumaren Perumal, Group Manager Finance and Technology Services

EXECUTIVE SUMMARY

The purpose of this report is to inform Elected Members on important issues relating to Council's finances.

RECOMMENDATION

That the Group Manager Finance and Technology Services' report dated 10 February 2022 titled 'Group Manager Finance and Technology Services' Report be received.

KEY FINANCIAL ISSUES REPORT FOR THE SIX MONTHS ENDING 31 DECEMBER 2021 (ATTACHMENT 1)

1. Operating Income

Total income for the six months ended 31 December 2021 was \$60.87m. This was \$2.0m lower than the year-to-date year budget of \$62.87m. This continues to be primarily due to timing of subsidy revenue to be received from Waka Kotahi later in the financial year, as well as timing delays in the recognition of rate revenue. The major variances were Subsidies and Grants of \$7.55m being \$1.14m behind year-to-date budget of \$8.69m.

2. Operating Expenditure

Total expenditure of \$49.32m was \$4.20m lower than the year-to-date budget of \$53.52m. The expenditure variance is due to lower than year-to-date budget for additional level of service projects and personnel costs offset by a higher than year to date budget variance for interest expense.

3. Capital Expenditure

Capital expenditure of \$17.04m was \$0.06m higher than the year-to-date budget of \$16.97m. The primary variance year-to-date is within the wastewater activity as capital expenditure across the district is \$1.35m above budget .

KEY FINANCIAL PERFORMANCE INDICATOR REPORT FOR THE SIX MONTHS ENDING 31 DECEMBER 2021 (ATTACHMENT 2)

4. Debt

Council's total external debt and net debt balances were \$90.0m and \$49.38m respectively as at 31 December 2021. This represents a \$8.72m increase from the

30 November 2021 balance of \$40.66m as Council continues to deliver on capital and operational budgets. Council had a positive cash position of \$40.62m at the end of the reporting period.

5. **Interest Rate Swaps**

Council's total debt covered by interest rate swaps as at 31 December 2021 was 62%, unchanged from November 2021. This level of coverage is within the required policy range of 50%-95%. Council held interest rate swaps totalling \$96.5m as at 31 December 2021. Council was in compliance with all of its key financial ratios at the end of the reporting period.

WARD AND DEVELOPMENT TREND STATISTICS REPORT

6. **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 December 2021 quarter. The report also tables each statistical area and zone, the comparison of the last three financial years between December 2019 and December 2021 and a comparison of the October to December 2021 quarter for dwelling consents issued, additional lots created, and additional lots proposed.

The total number of residential and rural dwelling consents issued as at 31 December 2021 for the last 3 months was 133, compared to 130 consents issued for the same period in 2020.

There were 82 new lots created for the three months to 31 December 2021 (2020:46).

The table below lists the areas where the actual new lots created have either met or exceeded the 2021/2022 annual projection target.

The full growth monitoring statistics report has been incorporated into the Scorecard update (**Attachment 3, Part 2**).

Statistical Area	Actual New lots created as at 31 December 2021	New lots created projected for the full 2022 year
Waihi Beach - Bowentown	19	15
Katikati	46	40
Pongakawa	4	3

SCORECARD UPDATE (ATTACHMENT 3)

The scorecard performance report for six months to December 2021 is attached (**Attachment 3**).

In summary there is a total of 447 reporting items of which 315 are projects. At the end of the second quarter the year end projection is that 91% of projects will be on time and 73% on cost. There are 23% where it is too early to project year end costs.

There are 10 (3%) projects projected to be over cost, \$3m, and 4 (1%) under cost, \$1m.

An adjustment has been made in the reflection of the results on the scorecard to show both year to date (YTD) and year end projection. The electronic scorecard will be updated to reflect this change for the March report.

ATTACHMENTS

1. **Key Financial Issues Report – December 2021**  
2. **Key Performance Indicators Report – December 2021**  
3. **Scorecard Report For Six Months Ending 31 December 2021**  



KEY FINANCIAL ISSUES FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

File Number: A445
Author: David Jensen, Finance Manager
Authoriser: Kumaren Perumal, Group Manager Finance and Technology Services

EXECUTIVE SUMMARY

1. This report provides a high-level summary of the key financial statements for the six months ended 31 December 2021 and explanations for significant variances from the year-to-date budget, highlighting any known issues.

INCOME

2. Total income for the six months ended 31 December 2021 was \$60.87m. This was \$2.0m lower than the year-to-date budget of \$62.87m. This continues to primarily be driven by timing of subsidy revenue from Waka Kotahi which will be received later in the financial year in line with Council's transport capital programme expenditure, as well as timing delays in the recognition of rate revenue and vested assets. This is offset by higher than budgeted user fees and other income.

2.1 The major variances were:

- Subsidies and Grants of \$7.55m being \$1.14m behind the year-to-date budget of \$8.69m, mainly due to timing of income claims with Waka Kotahi. The timing of subsidies received from Waka Kotahi will be in line with Council's spending profile on those projects.
- Rate Income of \$33.76m being \$1.04m behind the year-to-date budget of \$34.80m. This variance is made up of \$380k water by meter revenue as the western supply zone comes into its new billing cycle and \$760k land rate revenue as Council process new lots created across the district year-to-date. Rate Income is forecast to be on budget at year end.
- User Fees of \$5.13m being \$0.92m ahead of year-to-date budget of \$4.21m. This variance is primarily driven by additional \$380k building service fees, \$195k solid waste fees and \$168k resource consent fees.
- Other Income of \$2.10m being \$742k higher than the year-to-date budget of \$1.36m driven primarily by forestry harvesting proceeds of \$613k, which are unbudgeted.
- Financial Contributions are tracking slightly below budget with \$5.10m received against year-to-date budget of \$5.47m. Council received financial contributions of \$2.15m during the month of December 2021, the highest single month revenue in three years.

The table below provides a breakdown of the financial contributions received:



	YTD Budget 2021	YTD Actual 2021	\$ Variance to Budget	Variance to Budget
Water Supply - Western	166,104	319,425	153,321	92 %
Water Supply - Central	391,776	355,909	(35,867)	(9)%
Water Supply - Eastern	464,424	95,518	(368,906)	(79)%
Wastewater - Waihi Beach	167,778	234,158	66,380	40 %
Wastewater - Katikati	123,084	253,872	130,788	106 %
Wastewater - Omokoroa	512,550	304,061	(208,489)	(41)%
Wastewater - Te Puke	125,934	(2,151)	(128,085)	(102)%
Wastewater - Maketu/Little Waihi	26,010	0	(26,010)	0 %
Stormwater	800,136	100,189	(699,947)	(87)%
Roading - Rural	278,268	446,575	168,307	60 %
Roading - Waihi Beach SP	9,876	11,053	1,177	12 %
Roading - Katikati SP	118,560	79,445	(39,115)	(33)%
Roading - Omokoroa SP	860,454	889,388	28,934	3 %
Roading - Te Puke SP	71,748	0	(71,748)	(100)%
Roading - Strategic	205,626	432,199	226,573	110 %
District - Reserves & Facilities	1,146,408	1,497,043	350,635	31 %
Ecological	0	80,466	80,466	100 %
Total	5,468,736	5,097,148	(371,588)	(7)%

EXPENDITURE

3. Total expenditure of \$49.32m was \$4.20m lower than year to date budget of \$53.52m.
- 3.1 The major variances were;
- Additional Level of Service projects of \$2.74m were \$2.14m lower than year to date budget of \$4.89m.
 - Personnel costs of \$12.64m being \$1.05m lower than year to date budget of \$13.69m.
 - Interest expense of \$2.11m being \$0.28m higher than year to date budget of \$1.84m. This is due to the timing of interest payment cash flows year to date.

CAPITAL EXPENDITURE

4. Total capital expenditure of \$17.04 m was \$0.06m higher than year to date budget of \$16.97 m.
- 4.1 The major variances were;
- Wastewater capital expenditure across the district being \$1.35m higher than budget year-to-date.



Statement of Financial Performance
For the 6 months ended 31 December 2021

	Year to Date				Full Year Revised Budget \$'000
	Actual \$'000	Budget \$'000	Variance Fav / (Unf) \$'000	Last Year Actual \$'000	
Costs					
Additional Levels of Service	2,741	4,883	2,142	1,582	10,312
Operating Costs	19,893	21,158	1,264	19,722	42,516
Personnel	12,637	13,686	1,049	11,290	27,370
Interest Expense	2,113	1,837	(275)	3,547	3,675
Depreciation	11,937	11,954	17	10,692	23,907
Total Costs	49,321	53,518	4,197	46,832	107,780
Income					
Financial Contributions	5,097	5,469	(372)	1,139	10,937
Interest Income - External	37	131	(94)	138	263
Other Income	2,105	1,364	742	1,954	2,915
Rate Income	33,760	34,796	(1,035)	31,433	69,591
Service Charges	6,848	6,892	(44)	4,996	13,783
Subsidies & Grants	7,546	8,690	(1,143)	4,173	16,880
Sundry Income	347	200	147	342	400
User Fees	5,130	4,209	921	4,124	8,418
Vested & Found Assets	0	1,120	(1,120)	2,679	2,240
Total Revenue	60,871	62,870	(1,998)	50,979	125,428
Share of Associate surplus/(deficit)	0	0	0	0	0
Surplus (Deficit)	11,550	9,352	2,198	4,146	17,647

9.2 SCHEDULE OF PAYMENTS FOR THE MONTH OF NOVEMBER AND DECEMBER 2021

File Number: A4457282

Author: Sarah Bedford, Financial Controller

Authoriser: David Jensen, Finance Manager

EXECUTIVE SUMMARY

The purpose of this report is for Elected Members to receive information on payments from ANZ Bank for the months of November and December 2021.

RECOMMENDATION

That the Financial Controller's report dated 10 February 2022 titled 'Schedule of Payments for the Months of November and December 2021' be received.

BACKGROUND

In accordance with the provisions of the legislation, the following payments were made during the months of November and December 2021. Computer printouts listing all the vouchers issued over the period will be available for inspection if required.

Payment Summary – November 2021	
Payment of Accounts	
Direct Credits and Cheques	\$17,377,662.47
Direct Debits (Salary Payments)	\$1,347,249.70
Direct Debits (other accounts)	\$10,754,597.56
Total	\$29,479,509.73
Payment Summary –December 2021	
Payment of Accounts	
Direct Credits and Cheques	\$14,940,117.64
Direct Debits (Salary Payments)	\$1,367,039.20
Direct Debits (other accounts)	\$55,316.59
Total	\$16,362,473.43

9.3 CIVIC FINANCIAL SERVICES STATEMENT OF INTENT 2022

File Number: A4460938

Author: David Jensen, Finance Manager

Authoriser: Kumaren Perumal, Group Manager Finance and Technology Services

EXECUTIVE SUMMARY

1. The purpose of this report is to provide Elected Members with Civic Financial Services Limited's (Civic) Statement of Intent for 2022 (**Attachment 1**).

RECOMMENDATION

1. That the Finance Manager's report dated 10 February 2022 titled 'Civic Financial Services Statement of Intent 2022', be received.
2. That the Performance and Monitoring Committee receive the Civic Financial Services Statement of Intent 2022.

BACKGROUND

2. Civic Financial Services is a Council Controlled Organisation and Council owns shares in the company. As a result, Council (through the Performance and Monitoring Committee) is required to receive the Statement of Intent and publish the document online as part of the Committee agenda.
3. Civic Financial Services administers superannuation services for Local Government and Local Government staff via SuperEasy and the SuperEasy KiwiSaver Superannuation Scheme. The Company also provides a range of other services to Local Authority Protection Programme (LAPP), Riskpool, Civic Liability Pool and Civic Property Pool.
4. Civic Financial Services will provide Shareholders an audited Annual Report for 2021 by 30 April 2022 and a report on the first half of 2022 by 30 September 2022, containing a review of the Company's operations during the half year and unaudited half-yearly accounts.

ATTACHMENTS

1. **Civic Financial Services Statement of Intent 2022**  

9.4 PAHOIA SCHOOL HALL

File Number: A4440702

Author: Blaise Williams, Strategic Property Manager

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

EXECUTIVE SUMMARY

The purpose of this report is for Council to determine what course of action to take to assist the Pahoia Hall Committee (the 'Society'), Pahoia School, and maintain public access to the Pahoia School Community Hall.

RECOMMENDATION

1. That the Strategic Property Manager's report dated 10 February 2022 titled 'Pahoia School Hall' 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. Council staff request direction as to the following options:
 - a. That Council assists with dissolution of the Society and disbursement of the Society's funds and enter into an agreement securing public access with the Board of Trustees.

OR

 - b. That Council continues to assist in trying to find officers for the Society to continue and engage with the School Board to try and find new members.

BACKGROUND

In 2009, Western Bay of Plenty District Council received \$348,000.00 in insurance money from the destruction of the Apata Community Hall. Council agreed to contribute the funds to the building of the Pahoia School Community Hall and entered into an agreement with the Secretary for Education.

In 2010, Council entered into a licence to occupy with the Ministry of Education, which allowed for the use of the hall for the public outside of school hours. The Apata-Pahoia Community Hall Society manages the use and bookings by the public.

Recently the Society has had some trouble recruiting and retaining committee members, and therefore has subsequently decided to wind up the Society.

Councillors and staff have met with the Hall Committee and school with a view to keeping the Society in place and the hall open to the public.

The Society has confirmed there has been relatively little interest in the Hall for some years now and with the difficulty in getting Committee members they feel the need for the Society has become redundant. The Society holds cash in their accounts of approximately \$80,000, which will need to be dealt with on the dissolution of the Society. The funds have been raised by the Society and does not include any funds from rates.

Council received a letter from the Pahoia Hall Committee (the Society) requesting assistance to dissolve the Society, refer **Attachment 1**.

The Society will need to formally advertise a meeting to vote to dissolve the Society. The funds are able to be distributed to the school or Council under the society rules so the dissolution process should be able to be completed within a 6-8 week time frame.

There is an existing Memorandum of Understanding (MOU) with the Ministry of Education that provides for public access outside of school hours.

With the dissolution of the Society a similar MOU could be agreed with the Board of Trustees.

SIGNIFICANCE AND ENGAGEMENT

In terms of the Significance and Engagement Policy this decision is considered to be of low significance because there is little community interest and no financial impact.

ENGAGEMENT, CONSULTATION AND COMMUNICATION

Interested/Affected Parties	Completed		
Name of interested parties/groups	Pahoia Community Hall Society Incorporated Pahoia School Board Ministry of Education	Planned	Completed
Tangata Whenua	N/A		
General Public	N/A		

ISSUES AND OPTIONS ASSESSMENT

Option A	
a. That Council assists with dissolution of the Society and disbursement of the Society's funds and enter into an agreement securing public access with the Board of Trustees.	
Assessment of advantages and disadvantages including impact on each of the four well-beings <ul style="list-style-type: none"> • Economic • Social • Cultural • Environmental 	<ul style="list-style-type: none"> • Council ensures public access is maintained. • The Society is dissolved as requested. • Council may be able to ensure public access without further need for intervention.
Costs (including present and future costs, direct, indirect and contingent costs).	Council staff time.
Other implications and any assumptions that relate to this option (Optional – if you want to include any information not covered above).	Council may not be able to secure an agreement with the Board of Trustees.
Option B	
b. That Council continues to assist in trying to find officers for the Society to continue and engage with the School Board to try and find new members.	
Assessment of advantages and disadvantages including impact on each of the four well-beings <ul style="list-style-type: none"> • Economic • Social • Cultural • Environmental 	<ul style="list-style-type: none"> • The Society would continue and current public access would be maintained • Council may not be able to find replacement officers and situation may remain unchanged with the society wanting to dissolve. • Staff have undertaken this process in the past and there has been little response to the advertising.
Costs (including present and future costs, direct, indirect and contingent costs).	Council staff time, advertising costs
Other implications and any assumptions that relate to this option (Optional – if you want to include any information not covered above).	

STATUTORY COMPLIANCE

Council will comply with any legislative requirements, Council policies and plans. None have been identified.

ATTACHMENTS

- 1. Pahoia School Hall - Attachment 1**  

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:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
11.1 - Council Contracts Awarded or Renegotiated for the months of November and December 2021	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	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
11.2 - Operational Risk Report February 2022 Confidential	s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	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