

## Notice of Meeting:

I hereby give notice that an ordinary meeting of Finance Committee will be held on:

**Date:** Thursday 22 October 2015  
**Time:** 1.30pm  
**Meeting Room:** Council Chamber  
**Venue:** Municipal Building, Garden Place, Hamilton

Richard Briggs  
Chief Executive

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## Finance Committee OPEN AGENDA

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### Membership

Chairperson	Cr R Pascoe
Deputy Chairperson	Cr G Mallett
Members	Her Worship the Mayor J Hardaker Cr G Chesterman Cr M Forsyth Cr M Gallagher Cr K Green Cr A King Cr D Macpherson Cr A O'Leary Cr L Tooman Cr E Wilson Cr P Yeung

**Quorum:** A majority of members (including vacancies)

**Meeting Frequency:** Six weekly

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Ian Loiterton  
**Committee Advisor**

**15 October 2015**  
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## **Terms of Reference:**

- To monitor the Council's financial and non-financial performance against the Long Term Plan and Annual Plan.
- To monitor the delivery of key projects.
- To approve and monitor contracts.
- To approve acquisition or sale or lease of properties owned by the Council, or owned by the Municipal Endowment Fund and the Domain Endowment Fund with reference to the strategy developed by the Business and Investment Sub-committee, for any endowment properties.
- To consider and approve deferred capital expenditure.
- To approve changes to projects resulting from staff recommendations within the Key Projects monitoring report.
- To consider and approve business cases referred by the Senior Leadership Team.

## **Power to act:**

- Write off outstanding accounts greater than \$10,000 (in accordance with the Debtor Management Policy).
- To approve all contractual and other arrangements for supply and services and revenue generating contracts where the term of the contract (including renewal periods) and the total value of the contract is within limits set and delegated by Council.
- To approve contracts and other arrangements where the amount of work involved in a decision not to go to public tender exceeds \$100,000 (GST excluded) or in accordance with Council's Procurement Policy.
- To approve all other matters in accordance with the terms of reference of this committee.

## **Sub-committees:**

This Committee will be supported in its work by the:

- Events Sponsorship Sub-committee.
- External Funding Sub-committee.
- Council Controlled Organisations (CCO) Sub-committee.

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**1 Apologies**

**2 Confirmation of Agenda**

The Committee to confirm the agenda.

**3 Declaration of Interest**

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

**4 Public Forum**

As per Hamilton City Council's Standing Orders, a period of up to 30 minutes has been set aside for a public forum. Each speaker during the public forum section of this meeting may speak for three minutes or longer at the discretion of the Chair.

Please note that the public forum is to be confined to those items falling within the terms of the reference of this meeting.

Speakers will be put on a Public Forum speaking list on a first come first served basis in the Council Chamber prior to the start of the Meeting. A member of the Council Democracy Team will be available to co-ordinate this. As many speakers as possible will be heard within the allocated time.

If you have any questions regarding Public Forum please contact Democracy by telephoning 07 838 6772.

**Committee:** Finance Committee

**Date:** 22 October 2015

**Report Name:** Finance Committee Meeting -  
Open Minutes - 20 August  
2015

**Author:** Ian Loiterton

<b>Status</b>	<i>Open</i>
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## Recommendation

That the Committee confirm and adopt as a true and correct record the Open Minutes of the Finance Committee Meeting held on 20 August 2015.

## 1. Attachments

- Attachment 1 - Finance Committee Meeting - Open Minutes - 20 August 2015

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## Finance Committee

### OPEN MINUTES

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**Minutes of a meeting of the Finance Committee held in Council Chamber, Municipal Building, Garden Place, Hamilton on Thursday 20 August 2015 at 1.30pm.**

#### PRESENT

Chairperson	Cr R Pascoe
Deputy Chairperson	Cr G Mallett
Members	Her Worship the Mayor J Hardaker
	Cr G Chesterman
	Cr M Forsyth
	Cr M Gallagher
	Cr K Green
	Cr A King
	Cr D Macpherson
	Cr A O'Leary
	Cr L Tooman
	Cr E Wilson
	Cr P Yeung

In Attendance:	Richard Briggs – Chief Executive
	Paul Conder – Chief Financial Officer
	Chris Allen – General Manager City Infrastructure
	Lance Vervoort – General Manager Community
	Sean Murray – General Manager Events and Economic Development
	Mark Brougham – Programme Manager Strategic Analysis and Business Intelligence
	Debra Stan-Barton – Planning Guidance Manager
	Kelvin Powell – City Safe Unit Manager
	John Gibson – Revenue Manager
	Carol Serra – Portfolio Management Office Manager
	Andy Mannering – Manager Social Development
	Andrew Parsons – Waters Manager
	Mathew Bayliss – Manager Swimming and Recreation
	Nicola Walsh – Communication Coordinator

Democracy Advisors	Mrs M Birch and Mr I Loiterton
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**1. Apologies**

**Resolved:** (Crs Pascoe/Chesterman)

That the apologies from Her Worship the Mayor Hardaker and Councillor Wilson (both for lateness) be received and accepted.

**2. Confirmation of Agenda**

**Resolved:** (Crs Pascoe/Chesterman)

That the Agenda be confirmed with the inclusion of one late item: Item 6a - Consideration and Approval of Hamilton City Council's (HCC's) Draft 20 August 2015 Submission to the Sale and Supply of Alcohol (Extended Licensing Hours During the Rugby World Cup) Bill.

Councillor Wilson joined the meeting (1.32pm) during the above item. He was present when the matter was voted on.

**3. Declarations of Interest**

No members of the Council declared a Conflict of Interest.

**4. Public Forum**

As per Hamilton City Council's Standing Orders, a period of up to 30 minutes was set aside for a public forum.

No members of the public requested the opportunity to speak.

## 5. Finance Committee - Open Minutes - 23 July 2015

**Resolved:** (Crs Mallett/Tooman)

That the Committee confirm and adopt as a true record the Open Minutes of the Finance Committee Meeting held on 23 July 2015.

## 6. Finance Committee Action List - Open - 20 August 2015

The Chief Financial Officer (CFO) highlighted the following in relation to Leave Accrual, and responded to questions from Committee Members:

- **Audit process:** The independent auditor conducted a small sample of staff leave balances as part of their substantive process, and in so doing did not find any errors.
- **Staff impacts:** No staff had been disadvantaged, nor had any complaints been received as a result of any over or under reporting of leave balances.

**Action:** the CFO to contact Audit New Zealand to clarify audit processes following changes in legislation.

**Resolved:** (Crs Pascoe/Mallett)

That the report be received.

Her Worship the Mayor Hardaker joined the meeting (1.37pm) during the above item. She was present when the matter was voted on.

## 6a Late Item - Consideration and Approval of HCC's Draft 20 August 2015 Submission to the Sale and Supply of Alcohol (Extended Licensing Hours During Ruby World Cup) Bill

Item included as per confirmation of the Meeting Agenda.

The City Safe Unit Manager spoke to the report and responded to questions:

- **Draft submission:** The Draft Submission had been discussed at a Council Briefing earlier in the week, feedback from which had been incorporated into the submission.
- **Response:** Committee Members applauded the speed at which the legislation was to be passed.

**Resolved:** (Crs Pascoe/Mallett)

That:

- a) The report be received;
- b) HCC's draft 20 August 2015 submission to the Sale and Supply of Alcohol (Extended Licensing Hours During Rugby World Cup) Bill be approved;
- c) HCC's final submission to the Bill be sent to the Justice and Electoral Committee to meet the 20 August 2015 submission closing date;
- d) HCC's final submission to the Bill be uploaded to Council's website; and
- e) Local Members of Parliament be advised and be encouraged to support HCC's submission to the Sale and Supply of Alcohol (Extended Licensing Hours During Rugby World Cup) Bill adopted at the 20 August 2015 Finance Committee meeting.

## 7. Recommendations to Finance Committee - Event Sponsorship Subcommittee Meeting - 5 August 2015

Deputy Mayor Chesterman, Chair of the Event Sponsorship Subcommittee, presented recommendations from a meeting of the Event Sponsorship Subcommittee held on 5 August 2015.

The Deputy Mayor noted that the bulk of funding had been allocated to three iconic events, but that there was the potential to allocate surplus funds from the FIFA World Cup, subject to an audit and Council approval.

Questions that arose from the presentation included the governance of the Event Sponsorship Subcommittee, particularly:

- **Grant processes:** The grant process for allocation of any remaining funds.
- **Subcommittee Membership:** The process for the reappointment of Members to the Subcommittee.
- **Minutes:** How the activities of the Subcommittee were reported to all Elected Members.
- **Purpose:** The future role of the Events Sponsorship Subcommittee.

**Motion:** (Crs Chesterman/Wilson)

That:

- a) The Event Sponsorship Subcommittee's Terms of Reference be amended with the effect that the requirement for two externally-appointed members be reduced to one such member;
- b) Sandra Peek be re-appointed as the Subcommittee's external member until the end of the current triennium; and
- c) Subcommittee to report back to the next Financial Committee meeting on 22 October 2015.

As the procedural motion was carried, the substantive motion was not voted on and the matter was deferred.

**Procedural Motion:** (Crs King/Green)

As more information is required, Item 7 be deferred to the next meeting of Council on 27 August 2015.

## 8. Recommended dates for reports to be presented to Finance Committee

**Resolved:** (Crs Pascoe/Tooman)

That the Report be received.

## 9. 10-Year Plan Monitoring Report

The Chief Financial Officer (CFO) spoke to the full year monitoring report for the 2014/15 financial year and highlighted the following:

- **Report Status:** The report was still subject to audit and changes were therefore possible. To date, no significant issues had been found nor none expected before the process was to be concluded.
- **Preliminary Report Findings:** Overall, Council had had a positive year, with a \$5 million balancing the books surplus for 2014/15, which was \$8 million ahead of the annual plan deficit of \$3.3 million.
- **Key Results:** Increased revenue from developer contributions, higher interest on investments, and lower financing costs had reduced debt balances.
- **Key Challenges:** The reduction in revenue from the sale of buildings; increased maintenance costs and the change in the way capital works were treated in the accounting standards; and costs associated with the organisational restructure and recruitment.
- **Staff costs:** Staff costs exceeded budget as the result of needing to safeguard the quality and safety of HCC services.
- **Future targets:** While a good result had been achieved, the CFO stated that it would not make the achievement of 2015/16 targets any easier, as they included additional cost saving measures.

The CFO then called on the General Managers (GMs) to talk about their areas, which included:

- **City Infrastructure:** The GM spoke of a positive result in Water and Waste Water activities, while the Transport budget was effectively balanced. Issues included planning of Integrated Catchment Management Plans and deferral of the Ring Road project.
- **Community:** The GM spoke to a positive outcome for capital works programmes, noting the deferral of three projects due to issues outside of HCC control, with an overall positive budget result.
- **Events and Economic Development:** The GM spoke of increased profile and revenue as a result of the FIFA Under 20 World Championships and World Cup Cricket events. Issues included theatres, which returned a budget short fall; the Strategic Property Group also experienced a small budget deficit.

The CFO then spoke to Capital Expenditure, stating that 15 projects totalling \$15.2 million were on the deferred capital list. This equated to a decreased trend in the number of deferred capital work projects over the past three years.

Questions included clarification of staffing costs, public toilet costs and gym budget shortfall.

**Action:** Report on Water World and gym business areas (inclusive of KPIs, with the four Water World departments disaggregated) to be provided to the next Finance Committee Meeting on 22 October 2015, by the GM Community.

**Action:** Report on the Claudelands Event Centre's cumulative losses for the previous three years be made to the next Financial Committee Meeting on 22 October 2015, by the GM Events and Economic Development.

**Resolved:** (Crs Pascoe/Chesterman)

That:

- a) the report be received; and
- b) \$21m of capital expenditure be deferred into the 2015-16 financial year.

**Those for the Resolution:** Her Worship the Mayor, and Crs Chesterman, Pascoe, Forsyth, Yeung, Tooman, O’Leary and Mallett

**Those against the Resolution:** Crs Wilson, Macpherson, King, Green and Gallagher

## 10. Key Projects Report - July 2015

The Chief Financial Officer (CFO) took the report as read and noted the three amber projects, namely:

- Financial System IT Implementation.
- Hamilton Ring Road Upgrade and Extension.
- Rototuna Reservoir and Bulk Watermains Development.

The CFO confirmed the delays would not have any cost implications.

**Resolved:** (Crs Pascoe/Chesterman)

That the report be received.

The Meeting was adjourned (3.10pm – 3.25pm) at the conclusion of Item 10.

Her Worship the Mayor Hardaker and Councillor Wilson left the Meeting during the adjournment.

## 11. Resolution Drive Extension Multi Party Funding Agreement and Business Case

GM City Infrastructure took the report as read.

Discussions on potential risks included:

- **Kane Road and Resolution Drive:** The risk if HCC was required to build the connection between the two.
- **Osborne Road over bridge and Horsham Downs link:** Though these constituted a more substantive risk, they were both the responsibility of NZTA; there had been no indication within the planning process that these would become the responsibility of HCC.
- **Resolution Drive (number of lanes):** The project was reliant on NZTA funding and was discussed at a Meeting of the Strategy and Policy Committee on 11 August 2015; it was expected the current plan for two lanes would cater for population growth over the next 20 years.

Councillor Wilson (3.27pm) and Her Worship the Mayor Hardaker (3.38pm) rejoined the Meeting during the above item. Both were present when this matter was voted on.

**Resolved:** (Crs Forsyth/Wilson)

That:

- a) The report be received;
- b) The Resolution Drive and Borman Road Extensions project business case is approved and Council agrees to proceed with the projects recommended in the business case;
- c) Council delegates approval to the CE to enter into a Multi Party Funding Agreement with NZTA for an agreed sum of \$9,829,000 to construct the Resolution Drive Extension and associated works as part of the Waikato Expressway Hamilton Section construction contract; and
- d) The Approved Contract Sum for the Multi Party Funding Agreement be set at \$10,329,000 excluding GST comprising \$9,829,000 the agreed sum and \$500,000 for contingency.

## 12. Wastewater Treatment Plant – Electricity Supply and Conveyance Contracts

GM City Infrastructure and the Waters Manager took the report as read and highlighted the high electricity demands of HCC's Waste Water Treatment Plant at around 10 GigaWatts per year, and that management were seeking:

- **Meridian Energy:** A one year contract extension with Meridian Energy, to bring the contract into alignment with the whole of organization energy contract cycle; plus
- **WEL Energy:** A ten year contract with WEL Energy as the owner of the site's electricity infrastructure.

Issues of note included:

- **Forward Planning:** Ten year contract with WEL Energy included provision to manage costs, in that HCC only paid for WEL Energy's infrastructure depending on the level of its usage.
- **Infrastructure Maintenance:** The significant safety issue of maintaining high voltage power infrastructure made it advantageous to partner with WEL Energy, rather than HCC having to become a specialist in that area.

**Resolved:** (Crs Pascoe/Mallett)

That:

- a) The report be received;
- b) Contract 12100 for the Energy Supply to the Wastewater Treatment Plant with Meridian Energy Limited be approved with a contract term of one year with expiry on 1 July 2016 and an Approved Contract Sum of \$1,003,000 including a contingency value of \$100,000;
- c) The agreement for the Connection and Distributed Generation of Electricity for the Wastewater Treatment Plant with WEL Network Limited be approved for a term of ten years with staff delegated to make payments on a monthly basis, noting that the agreement also establishes a permanent easement over WEL Networks Limited infrastructure located at the WWTP site; and
- d) The Chief Executive be given delegated authority to finalise and execute a contract with Meridian Energy Limited and agreement with WEL Networks Limited for the supply connection and distributed generation of electricity at the Wastewater Treatment Plant site.

## 13. IS Programme of Work - Quarterly Update

Chief Information Officer, David Gunn took the report as read.

**Resolved:** (Crs Pascoe/Mallett)

That the report be received.

#### 14. Mult-Year Grant Follow Up Report

The GM Community and Manager of Social Development took the report as read and responded to questions including:

- **Service Level Agreement (SLA):** Under Option Three, the proposed funding to Age Concern would be comprised of two components, namely: funding toward building costs; and funding toward service costs, in lieu of a grant.
- **Amount of Funding:** The proposed funding was required by Age Concern for their operating requirements.
- **Issues of Precedence:** The GM stated that Option Three was the least likely to set a precedent while ensuring ongoing delivery of the aged care service.
- **Grant Closing Dates:** Attempts to contact Age Concern prior to the closing date had been made.
- **Age Concern:** Age Concern had acknowledged responsibility for not submitting an application.
- **Due Process:** As no grant application had been received from Age Concern by the closing date, the grant panel was not able to act outside its terms of reference.
- **Building Review Process:** A report would be developed as part of a review of the then current operating premises of Age Concern. It was unclear if community fundraising had been invested into the building, but the SLA would incorporate flexibility for Age Concern to deliver services irrespective of its operating premises.
- **Key Performance Indicators (KPIs):** KPIs unlikely to be different to those required for grant funding.
- **Grant Promotion:** The processes by which funding schemes were advertised and promoted included print media, social media, email notifications and word of mouth promotion by Community Advisors.
- **Surf Lifesaving:** Surf Lifesaving claimed to have submitted an electronic request for funding under a different HCC scheme, but HCC had no record of this; the matter was being investigated.

It was agreed that there was a need to act to ensure the wellbeing of Age Concern's clients.

**Resolved:** (Crs Chesterman/Forsyth)

That:

- a) The report be received;
- b) Council considers Option 3; Renew Age Concern's SLA for the provision of Customer Service and include a variation to the SLA for the provision of operational costs associated to the delivery of Education Programmes to the total value of \$56,000; and
- c) The unallocated amount of \$32,000 be moved to the Single-Year Community Grant for the funding years 2015/16, 2016/17 and 2017/18, increasing the Single-Year Community Grant to a total of \$292,000 per annum.

Her Worship the Mayor Hardaker left the Meeting (4.10pm) at the conclusion of this item, but was present when this matter was voted on.

## 15. Resolution to Exclude the Public

**Resolved:** (Crs Pascoe/Yeung)

### Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

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 follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Finance Committee Meeting - Public Excluded Minutes - 23 July 2015	) Good reason to withhold information exists under Section 7 Local Government	Section 48(1)(a)
C2. Finance Committee Action List - Public Excluded - 20 August 2015	) Official Information and Meetings Act 1987	
C3. Claudelands Park and Waikato Show Trust Operation	)	
C4. Garden Place Carpark		
C5. Report on overdue debtors as at 31 July 2015 & Bad Debts Writeoffs 2015/16		

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 relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to protect the privacy of natural persons to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (a) Section 7 (2) (j)
Item C2.	to protect the privacy of natural persons to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (a) Section 7 (2) (j)
Item C3.	to enable Council to carry out negotiations	Section 7 (2) (i)
Item C4.	to enable Council to carry out commercial activities without disadvantage to enable Council to carry out negotiations	Section 7 (2) (h) Section 7 (2) (i)
Item C5.	to protect the privacy of natural persons	Section 7 (2) (a)

**The Meeting moved into Public Excluded Session from 4.30pm until 5.15pm.**

**The Meeting was declared closed at 5.15pm.**

**Committee:** Finance Committee**Date:** 22 October 2015**Report Name:** Finance Committee Action List  
- Open - 22 October 2015**Author:** Ian Loiterton

<b>Status</b>	<i>Open</i>
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**Recommendation**

That the report be received.

**1. Attachments**

2. Attachment 1 - Finance Committee - Open Action List - 22 October 2015

## Finance Committee - Action List - Open

D-1385914					
Meeting Date	Item #	Item	GM Responsible	Action	Status
24 September 2013	15	Waiwhakareke Smart Subdivision – Retention or Disposal Options Current options for retention and disposal presented to <b>Council on 29 May 2014</b> . Council resolved to continue to manage the land status quo and deferred a decision on the disposal or inclusion of the land in Waiwhakareke Natural Heritage Park until the costs and timing of required network infrastructure upgrades, that would allow development of the land to occur, are known.	Parks and Open Spaces, Strategic Property	Commissioners released their decision to apply a residential zoning to the Smart Subdivision site on 18 February 2015.  The network infrastructure upgrades needed to facilitate the development of the Smart Subdivision are being considered within Council's draft LTP. Consequential development options will be reported back to Council in December 2015	Elected Members notified of commissioners decision in February 2015. Consequential development options will be reported back to Council in December 2015
20 February 2014	11	Caro Street - Road Stopping (Telecom to purchase of small strip of land on Caro St to carry out Earthquake strengthening to the Telecom Building) - Any unresolved objections to be reported to Council for determination.	Infrastructure	<b>September 2014 Update:</b> Telecom has put its plans back one year and aren't proposing to start any work on the Caro Street building until the 15/16 financial year.  The legal agreement between ourselves and Telecom has yet to be signed. Upon signing, Telecom will commence the public consultation process (and survey work) that is required due to the partial road stopping. The potential for objections will arise from that public consultation process. Public consultation may not commence this year. Any objections to the road stopping as a result of the consultation process will need to go to Council.	Completed: This land purchase by Spark has been completed with settlement funds received and Title issued in Spark's
19 February 2015	12	Business Case for New Structure to Extract Water from the Waikato River	GM City Infrastructure	Upon completion of the project a Completion Report will be provided to the Finance Committee.	The Project is contractually committed and forecast for completion in November 2015
23 April 2015	10	New Lease Request at Melville Park	GM Community	Lease application was publicly notified. Public consultation closed 6 June, 31 submissions were received, 22 opposed the proposed speed skate track. Hearings held 24 June.  On recommendation of the Hearings Panel, staff are working in consultation with the park users (dog obedience clubs and the Hamilton Roller Skating Club) to develop suitable landscape solutions both parties agree too and which meets Council's requirements. Recommendation will be reported back to 22 October Finance Committee.	Complete - reported to meeting of Council on 27 August 2015. Resolution adopted.



Meeting Date	Item #	Item	GM Responsible	Action	Status
23 April 2015	11	Te Awa River Ride Easement - Horotiu Landfill	GM Community	<p>Council to grant an easement in favour of Waikato District Council for the purposes of Te Awa River Ride over the Horotiu Landfill, subject to Council obtaining partial surrender of existing leases and licences.</p> <p>Partial surrender of existing leases and licences obtained.</p> <p>Council to authorise the CE to negotiate the terms of the easement and any other instrument required to give effect to this resolution.</p> <p>Negotiations with Te Awa are in progress regarding easement terms.</p>	As at 10 August, agreement is with Te Awa's solicitors and is expected to be returned in final form by 14 August for signing by WDC and HCC CE.
21 May 2015	8	Six monthly report from Chair of External Funding Subcommittee to Finance Committee	GM Community	A document setting out funding received for different projects would be completed, which would state the different projects and amounts received for them.	In Progress. The six Monthly Chair report will be presented at the 19 November 2015 Committee Meeting (postponed from 22 Oct with agreement of the Chair).
21-May-15	16	Refuse Transfer Station	CE and General Manager Infrastructure	<ul style="list-style-type: none"> <li>Set processes in terms of formal press releases by HCC to be looked into by CE.</li> <li>Research about waste minimisation, together with recycling and littering issues, should be looked at prior to further discussions about comprehensive Recycling/Waste Management Policies.</li> <li>Staff to request that the increase in fees by the Refuse Station timed to coincide with when HCC looked at its fees and charges schedule as part of the budgets. Also, when the next Refuse Station Fees Report is drafted, 5 and 10 year comparisons should also be made.</li> </ul>	In progress - report to Finance Committee 22 October 2015 inclusive of kerbside and transfer station contracts, with recommendations to form a working party to develop a business case to identify the scope of new services



Meeting Date	Item #	Item	GM Responsible	Action	Status
23-Jul-15	8	10-Year Monitoring Report - ICMP	GM City Infrastructure	Elected Members to be briefed on Integrated Catchment Management Plans	In Progress - This has been included as an agenda item for 20 October 2015 Councillor Briefing session.
20-Aug-15	9	10-Year Plan Monitoring Report	GM Community	Report on Water World and gym business areas (inclusive of KPIs, with the four Water World departments disaggregated) to be provided to the next Finance Committee Meeting on 22 October 2015, by the GM Community.	In Progress – reporting date to Finance Committee on 22 October 2015
20-Aug-15	9	10-Year Plan Monitoring Report	GM Events and Economic Development	Report on the Claudelands Event Centre’s cumulative losses for the previous three years be made to the next Financial Committee Meeting on 22 October 2015, by the GM Events and Economic Development.	Complete - email sent to Elected Members by Paul Conder on 1/9/15
20-Aug-15	14	Multi-Year Grant Follow Up Report	GM Community	GM Community to report back to the Finance Committee on the Community Facilities Review and how this related to Age Concern’s current premises; namely, the Celebrating Age Centre.	Community Facilities Report to be made to the 3 November 2015 Strategy and Policy Committee Meeting by the Community Development and Leisure Manager
20-Aug-15	14	Multi-Year Grant Follow Up Report	GM Community	GM Community to investigate Surf Lifesaving’s claims to have submitted a funding request, and to report back to the Finance Committee.	Report to be made to the 19 November 2015 Meeting of the Finance Committee by the Community Development and Leisure Manager

**Committee:** Finance Committee

**Date:** 22 October 2015

**Report Name:** Recommended dates for reports to be presented to Finance Committee

**Author:** Kay Lindsay

## Recommendation

That the Report be received.

### 1. Purpose of the report

2. This report provides detail of the regular reports that will be presented to this committee as well as estimated timing. Any new reports requested can be added to the attached list.

### 3. Attachments

4. Attachment 1 - Recommended dates for reports to Finance Committee

## Signatory

Authoriser	Paul Conder, Chief Financial Officer
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Reports to Finance Committee	Frequency/Timing 2015								Comments
	February Q2 18/15	April Q3 17/15	May	July	August YE 18/15	October Q1 15/16	November	December	
<b>Standard Monitoring Reports</b>									
List of standard monitoring reports	x	x	x	x	x	x	x	x	
Financial Summary			x	x			x	x	
Key Projects Status Report			x	x	x	x	x	x	
<b>Quarterly/Six Monthly Reports (Internal)</b>									
Quarterly Financial and Non-financial Report, Key Projects Report (end of Q). Includes Open Development Contributions commentary	Dec-14	Mar-15			Jun-15	Sep-15			
IS Programme Update (Quarterly)	x		x		x		x		
Procurement Report (Quarterly)		x		x		x			
Ring Road Progress Report (Quarterly)						x			
Weathertight Buildings Update (Six monthly)		x				x			
<b>Confidential Reports</b>									
Overdue Debtors/Bad Debt Writeoffs	x	x	x	x	x	x	x	x	
Development Contributions Remissions (aligned with Q-reporting)	x	x		x		x			

**Committee:** Finance Committee

**Date:** 22 October 2015

**Report Name:** 10-Year Plan Monitoring  
Report

**Author:** Stephen Halliwell

<b>Report Status</b>	<i>Open</i>
<b>Strategy, Policy or Plan context</b>	<i>2015-25 10-Year Plan 2015-16 Annual Plan</i>
<b>Financial overview</b>	<i>Included in the report</i>

## 1. Purpose of the Report

- To provide Council with an update as at 30 September on Council's performance in delivering the 2015-16 Annual Plan (as documented in the 2015-25 10-year Plan).

## 3. Executive Summary

- Council is on target for delivering the 2015-16 Annual Plan, the first year of the 10-Year Plan. No material variances are identified that would result in Council not meeting financial strategy or performance targets.
- Council's financial performance identifies a YTD surplus of \$12m which is \$11m better than budget.
- The majority of this variance results from growth related activity that is exceptional and significantly greater than budgeted. We could not have predicted the level of activity that has occurred in the first 3 months of this year.
- Building consents granted are up 45% on previous years by volume and 220% by value. LIMs are up 69%. These are indicators of the exceptional growth activity.
- Staff identified this change after reviewing the August results and have instigated work programmes to further understand the growth and its implications. At this stage staff are not certain the extent to which this is a permanent step change as against a timing difference arising from activity occurring earlier than expected. This work will inform the 2016-17 Annual Plan work programme commencing next month.
- Activity and capital expenditure also show favourable variances to budget. Managers have reported that this is largely due to a lag in expenditure as plans and activity builds up during the year. With the exception of Planning and Development (KPIs), activity managers are reporting that they are on target to deliver the 2015-16 Annual Plan budgets and service levels.

## 10. Recommendation from Management

That the report be received.

## Attachments

Attachment 1 - Financial Statements

Attachment 2 - Activity Financial Reports

Attachment 3 - Growth Information

Attachment 4 - Capital Expenditure

Attachment 5 - Risks and Opportunities

Attachment 6 - Debt and Treasury Report

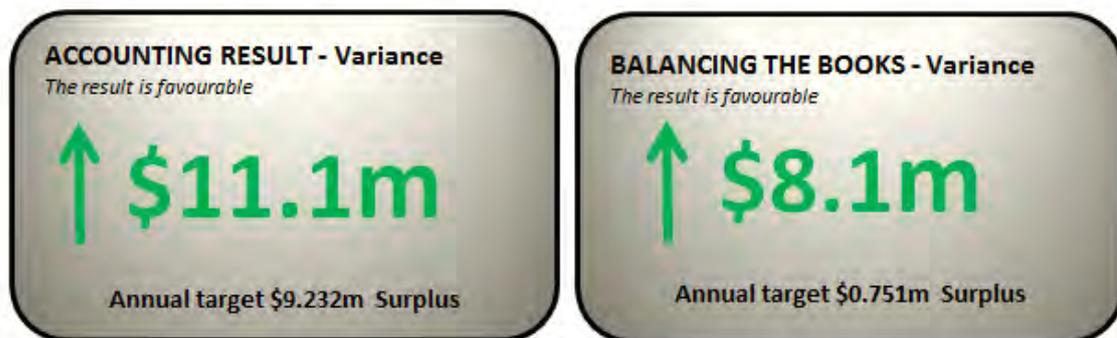
Attachment 7 - Service Performance Report

11. The structure of this report includes the following sections:

- a) Summary of operational results
- b) Summary of capital expenditure
- c) Summary of risks and opportunities
- d) Summary of debt and treasury management
- e) Summary of service performance measures

12. Attachments to this report provide more detailed analysis and explanation of the results.

### 13. Summary of Operational Results



14. The accounting result for the three months ended 30 September is a surplus of \$12.1m, which is \$11.1m favourable against the target YTD surplus. The annual surplus is budgeted at \$9.2m.

15. The balancing the books result is more conservative than the accounting result by excluding non-cash items such as gains or losses from the valuation of financial instruments, vested assets and capital subsidies on the Ring Road. For the three months ended 30 September the balancing the books result is a surplus of \$7.0m, which is \$8.1m favourable against the target year end surplus of \$0.8m.

16. The *Financial Statements* (attachment 1) show the accounting result, balancing the books reconciliation and balance sheet. Variances greater than \$250,000 by class of revenue and expenditure are explained in this attachment.

17. *Activity Financial Reports* (attachment 2) explain activity variances greater than \$100,000.

18. The major contributors to the favourable accounting results are:

Vested assets	Assets handed to Council on completion of subdivisions, these are non-cash and eliminated from the balancing the books result.  Vested assets will result in an increase in depreciation costs in future periods and additional maintenance costs in future years.	10.2m
Development contributions	Payments from developers under the development contributions policy to contribute funding to growth related capital projects.	4.0m
Planning and Development Revenue	Revenue is up due to higher than expected building consents and LIMs. Additional costs are being incurred on these consents in this and other activities.	0.8m
Activity results	Across all other activities expenditure is behind budget as activity builds up. Transport revenue is ahead of budget due to subsidy income as the capital programme is ahead of budget. Explanations of activity variances are explained in the <i>Activity Financial Report</i> .	3.0m
Less Loss on Swaps	This loss is a non-cash adjustment to the balance sheet resulting from an adverse unrealised variance between Council's interest rate swaps and the floating interest rate.  This is eliminated from the balancing the books result.	(7.0)m
<b>Total variance</b>		<b>\$11.0m</b>

19. Summary of Capital Expenditure



- 20. The capital program is comprised of the Annual Plan budgeted programme of \$65.6m and deferred projects of \$18.1m. This gives a total programme of \$83.7m.
- 21. For the three months ended 30 September 2015, Capital Expenditure of \$9.2m has been expended. This is \$1.7m favourable and represents 2% of the total capital expenditure programme.
- 22. The *Capital Expenditure Report* (attachment 4) provides a list of all projects, variances to budget and the projects status. Staff have also established a capital programme delivery team which is focusing on supporting asset managers to deliver the programme. The favourable variance is due to timing between actual and budget and the capital programme is on track for completion by the 30 June 2016.

## 23. Summary of Risks and Opportunities

24. The *Risks and Opportunities Schedule* (attachment 3) is used to forecast the 30 June 2016 year-end results for Council. It records budget adjustments greater than \$100,000 that are impacting the year end forecast.
25. As at 30 September 2015 the year end accounting result is forecast to be a surplus of \$23.9m, this would be a \$14.7m improvement over the Annual Plan target of \$9.2m. The major drivers continue to be the additional revenue from vested assets, development contributions and favourable interest costs. The balancing the books year end forecast is a surplus of \$10.4m, this would be an improvement of \$9.7m over the Annual Plan target of \$0.8m.

## 26. Summary of Debt and Treasury Management



### 27. Total Overall Debt

28. Total Overall Debt is currently \$360.9m, which is \$45.8m less than the year end budget target of \$406.8m.
29. The favourable position is the difference between the actual for September and the year end target. Contributing to this position is the favourable result in balancing the books and capital expenditure. Council also started the year with a favourable opening balance. Any permanent reduction in debt will be addressed during the 2016-17 Annual Plan work programme commencing next month.

### 30. Treasury Management

31. The Council is compliant with the Borrowing Management Policy measures except Council's fixed debt is 101% of net debt which exceeds the policy limit of 95%.
32. This non-compliance was brought about by increased development contributions revenue, asset sales and the timing of rates revenue. This resulted in cash debt reducing quicker than planned. There is no financial impact of this breach.
33. To rectify the breach staff have purchased additional swaps (13 October 2015) to swap fixed interest rates back to floating rates.
34. The *Treasury Report* is attached (attachment 6)

### 35. Summary of Service Performance Measures

36. The 2015-25 10-Year Plan contains 65 performance measures across Council's 13 service groups. These are the service performance measures that will be reported in Council's Annual Report.
37. Performance results are collected on a quarterly basis.
38. This *Service Performance Measures Report* (attachment 7) includes a high level graph of the results and an exceptions report that provides more detail for the measures that are reported as needing corrective action or not on track to meet this year's target.
39. For a full list of the performance measures, please see the 2015-25 10 Year Plan, <http://www.hamilton.co.nz/10yearplan>

#### Signatory

Authoriser	Paul Conder, Chief Financial Officer
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## STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

	Notes	Council		
		Actual	Annual Budget	Prior YTD
		\$'000	\$'000	\$'000
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	1	23,542	45,000	47,196
Receivables		11,258	17,101	10,611
Prepayments		809	1,663	1,015
Inventory		196	237	166
Other financial assets	1	32,010	-	590
Derivative financial instruments		-	-	5
Non-current assets held for sale		-	-	569
<b>Total current assets</b>		<b>67,815</b>	<b>64,001</b>	<b>60,152</b>
<b>Non-current assets</b>				
Property, plant and equipment		3,245,700	3,294,067	3,199,507
Intangible assets		18,726	19,184	14,126
Investment property		24,139	24,308	41,330
Investment in associates		7,430	7,430	7,430
Other financial assets	1	4,970	8,280	8,499
Investment in subsidiaries		10,150	10,150	10,150
<b>Total non-current assets</b>		<b>3,311,115</b>	<b>3,363,419</b>	<b>3,281,042</b>
<b>Total assets</b>		<b>3,378,930</b>	<b>3,427,420</b>	<b>3,341,194</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Employee entitlements		6,539	5,013	5,922
Payables		19,960	13,621	16,925
Borrowings	2	63,251	79,048	72,333
Derivative financial instruments	3	238	-	-
Provisions		2,105	1,724	1,724
<b>Total current liabilities</b>		<b>92,093</b>	<b>99,406</b>	<b>96,904</b>
<b>Non-current liabilities</b>				
Employee entitlements		881	886	886
Borrowings	2	316,031	336,036	341,466
Derivative financial instruments	3	32,794	-	14,681
Provisions		8,477	8,085	8,085
<b>Total non-current liabilities</b>		<b>358,183</b>	<b>345,007</b>	<b>365,118</b>
<b>Total liabilities</b>		<b>450,276</b>	<b>444,413</b>	<b>462,022</b>
<b>Net assets</b>		<b>2,928,654</b>	<b>2,983,007</b>	<b>2,879,172</b>
<b>Equity</b>				
Accumulated funds		1,622,875	1,609,284	1,625,776
Other reserves	4	1,305,779	1,373,723	1,253,396
<b>Total equity attributable to Hamilton City Council</b>		<b>2,928,654</b>	<b>2,983,007</b>	<b>2,879,172</b>
<b>Total equity</b>		<b>2,928,654</b>	<b>2,983,007</b>	<b>2,879,172</b>

## Notes to the Statement of financial position

### Note 1: Cash and cash equivalents

	Actual	Annual budget	Prior YTD
	\$000	\$000	\$000
Cash and cash equivalents	23,542	45,000	47,196
Other financial assets (current)	32,010	-	590
Other financial assets (non-current)	4,970	8,280	8,499
Less: shares and loan investments	(4,980)	(4,977)	(5,229)
<b>Total cash</b>	<b>55,542</b>	<b>48,303</b>	<b>51,056</b>

The financial statements separate term deposits with maturities of greater than 3 months and less than 1 year from those with maturities of less than 3 months at acquisition. The above reconciliation shows that total cash at 30 September is above budgeted cash of \$48,303k.

### Note 2: Borrowings

	Actual	Annual budget	Prior YTD
	\$000	\$000	\$000
Borrowings (current)	63,251	79,048	72,333
Borrowings (non-current)	316,031	333,036	341,466
<b>Total external debt</b>	<b>379,282</b>	<b>412,084</b>	<b>413,799</b>

While total external debt is the balance sheet measure, the Financial Strategy benchmark uses Total Overall Debt. To arrive at the Total Overall debt result cash investment received and cash-backed reserves are added.

### Note 3: Derivative financial instruments

	Actual	Annual budget	Prior YTD
	\$000	\$000	\$000
Interest rate swaps - held for trading (current)	238	-	-
Interest rate swaps - held for trading (non-current)	32,794	-	14,681
<b>Total derivative financial instrument liabilities</b>	<b>33,032</b>	<b>-</b>	<b>14,681</b>

The revaluation of interest rate swaps held by Council show an unrealised YTD mark-to-market revaluation loss for 2016 of \$6,934k (2015 loss \$2,669k) as shown in the Statement of comprehensive revenue and expense. This revaluation loss has increased the derivative financial instrument liability and occurs because floating interest rates were lower than the fixed rates of the swaps.

### Note 4: Restricted and Council created reserves

	Balance 1 July 2015	Transfers into fund	Transfers out of fund	Balance 30 Sep 2015
	\$000	\$000	\$000	\$000
Total restricted reserves	30,491	42	-	30,533
Total Council created reserves	10,326	521	-	10,847
	40,817	563	-	41,380
Revaluation reserve	1,264,383	-	-	1,264,383
<b>Total reserves</b>	<b>1,305,200</b>	<b>563</b>	<b>-</b>	<b>1,305,763</b>

Transfers into the reserves greater than \$100,000 include interest, Hamilton Gardens targeted rate, reserves contributions and waste minimisation levies.

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE for the three months ended 30 September 2015

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000	
	Actual \$000	Budget \$000			
<b>Revenue</b>					
33,261	1	33,871	33,264	607	138,472
1,912		2,190	2,019	172	7,772
11,983	2	11,931	11,207	723	41,744
2,303	3	2,308	1,846	462	9,257
3,448	4	5,795	1,816	3,979	9,500
8,153	5	13,379	3,105	10,274	13,381
<b>61,061</b>		<b>69,474</b>	<b>53,257</b>	<b>16,217</b>	<b>220,126</b>
<b>Expenses</b>					
16,318	6	15,723	16,528	805	66,546
13,869	7	14,163	14,567	404	58,269
6,202		5,499	5,662	163	22,647
14,708	8	14,940	15,440	500	63,431
<b>51,096</b>		<b>50,326</b>	<b>52,197</b>	<b>1,872</b>	<b>210,894</b>
<b>9,965</b>		<b>19,148</b>	<b>1,060</b>	<b>18,089</b>	<b>9,232</b>
0		1	0	1	0
(2,669)	9	(7,009)	0	(7,009)	0
<b>7,296</b>		<b>12,141</b>	<b>1,060</b>	<b>11,081</b>	<b>9,232</b>

## BALANCING THE BOOKS MEASURE for the three months ended 30 September 2015

7,296		12,141	1,060	11,081	9,232
<b>Adjustments for balancing the books measure</b>					
0		1	0	1	0
(2,669)		(7,009)	0	(7,009)	0
6,870		12,101	2,120	9,981	8,481
209		0	0	0	0
<b>4,410</b>		<b>5,094</b>	<b>2,120</b>	<b>2,973</b>	<b>8,481</b>
<b>2,887</b>		<b>7,047</b>	<b>(1,060)</b>	<b>8,108</b>	<b>751</b>

#### Notes to the Statement of Comprehensive Revenue and Expense

1. Rates excluding Water rates - \$607k Favourable. This variance is due to rates remissions (relating to Council properties) are lower than budget. Revenue from rates penalties is tracking higher. Both these are considered permanent and have been included on Risk and Opportunities.
2. Revenue from activities - \$723k Favourable. This variance is due to the higher Land Information Memorandums and Building Consents being processed in Planning and Development.
3. Subsidies and grants - \$462k Favourable. This variance is due to higher NZTA subsidy on road resealing. This is linked to the capital expenditure variance for Transportation.
4. Development & financial contributions - \$3,979k Favourable. This is due to higher than expected receipts, see attachment 3
5. Other Revenue - \$10,274k Favourable. This is due to higher than expected vested assets, see attachment 3
6. Personnel Costs - \$805k Favourable. Predominantly across 3 activities, Planning and Development \$171k, Economic Development \$133k and Overheads \$353k. Explanations of these variances are contained in the Activity Financial Reports. See attachment 2
7. Depreciation and amortisation - \$404k Favourable. This is predominately due to the extension of the useful life of the Claudelands Events Centre reducing the depreciation expense.
8. Other Expenses - \$500k Favourable. This variance is across many activities and variance greater than \$100k are explained in the Activity Financial Reports. See attachment 3.
9. Losses - \$7,008k Unfavourable. This is mainly due to an unreliaed loss on revaluation of the interest rate swaps of \$6,934k.

**ARTS AND CULTURE**  
Theatres | Libraries | Museum | Arts | Active Communities  
**for the three months ended 30 September 2015**

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
(1) Rates excluding Water rates	(1)	(0)	(0)	(1)
0 Water rates	0	0	0	0
473 Revenue from activities	524	431	94	1,679
251 Subsidies and grants	1	12	(11)	38
0 Development & financial contributions	0	0	0	0
10 Other revenue	6	5	1	20
<b>732 Total revenue</b>	<b>531</b>	<b>447</b>	<b>84</b>	<b>1,736</b>
<b>Expenses</b>				
1,652 Personnel costs	1,629	1,681	52	6,609
360 Depreciation and amortisation	651	653	2	2,611
74 Finance costs	51	51	(0)	203
2,159 Other expenses	2,026	1,895	(130)	7,608
<b>4,245 Total expenses</b>	<b>4,357</b>	<b>4,280</b>	<b>(77)</b>	<b>17,031</b>
<b>(3,512) Operating surplus/(deficit)</b>	<b>(3,826)</b>	<b>(3,833)</b>	<b>7</b>	<b>(15,295)</b>
0 Gains	0	0	0	0
0 Losses	0	0	0	0
<b>(3,512) Surplus/(deficit)</b>	<b>(3,826)</b>	<b>(3,833)</b>	<b>7</b>	<b>(15,295)</b>

**Variance explanation: variances exceeding \$100k are explained in this section.**

Revenue from activities - \$130k unfavourable. This variance is predominantly due to costs associated with museum exhibitions \$44k which is offset by favourable revenue from activities and a one off unbudgeted grant paid to the Clarence Street Theatre of \$75k. Approved by Council June 2015.

## RECREATION

Pools | Indoor Recreation | Zoo

for the three months ended 30 September 2015

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
0 Rates excluding Water rates	0	0	0	0
0 Water rates	0	0	0	0
947 Revenue from activities	984	971	13	4,429
103 Subsidies and grants	104	108	(4)	276
0 Development & financial contributions	0	0	0	0
11 Other revenue	7	7	0	28
<b>1,061 Total revenue</b>	<b>1,095</b>	<b>1,086</b>	<b>9</b>	<b>4,733</b>
<b>Expenses</b>				
1,143 Personnel costs	1,175	1,182	7	4,896
185 Depreciation and amortisation	352	408	56	1,631
83 Finance costs	73	73	(0)	292
1,397 Other expenses	1,121	1,112	(9)	4,432
<b>2,806 Total expenses</b>	<b>2,722</b>	<b>2,775</b>	<b>53</b>	<b>11,250</b>
<b>(1,746) Operating surplus/(deficit)</b>	<b>(1,627)</b>	<b>(1,689)</b>	<b>62</b>	<b>(6,517)</b>
0 Gains	0	0	0	0
0 Losses	0	0	0	0
<b>(1,746) Surplus/(deficit)</b>	<b>(1,627)</b>	<b>(1,689)</b>	<b>62</b>	<b>(6,517)</b>

**Variance explanation: variances exceeding \$100k are explained in this section.**

This activity has no significant variances to report.

## PLANNING AND DEVELOPMENT

City Planning | Planning Guidance & Compliance | Building Control

for the three months ended 30 September 2015

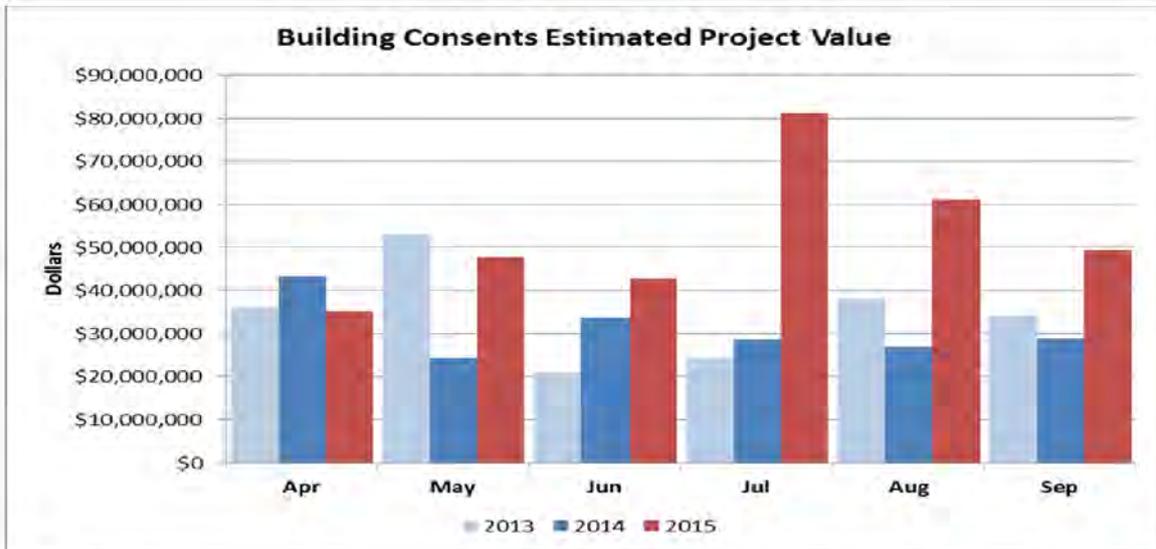
Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
0 Rates excluding Water rates	0	0	0	0
0 Water rates	0	0	0	0
1,894 Revenue from activities	2,669	1,882	787	7,410
0 Subsidies and grants	0	0	0	0
0 Development & financial contributions	0	0	0	0
0 Other revenue	0	0	0	0
<b>1,894 Total revenue</b>	<b>2,669</b>	<b>1,882</b>	<b>787</b>	<b>7,410</b>
<b>Expenses</b>				
1,420 Personnel costs	1,417	1,589	171	6,326
0 Depreciation and amortisation	0	0	(0)	0
0 Finance costs	0	0	0	0
783 Other expenses	1,320	1,292	(28)	5,194
<b>2,203 Total expenses</b>	<b>2,737</b>	<b>2,881</b>	<b>143</b>	<b>11,521</b>
<b>(309) Operating surplus/(deficit)</b>	<b>(68)</b>	<b>(998)</b>	<b>930</b>	<b>(4,111)</b>
0 Gains	0	0	0	0
0 Losses	0	0	0	0
<b>(309) Surplus/(deficit)</b>	<b>(68)</b>	<b>(998)</b>	<b>930</b>	<b>(4,111)</b>

**Variance explanation: variances exceeding \$100k are explained in this section.**

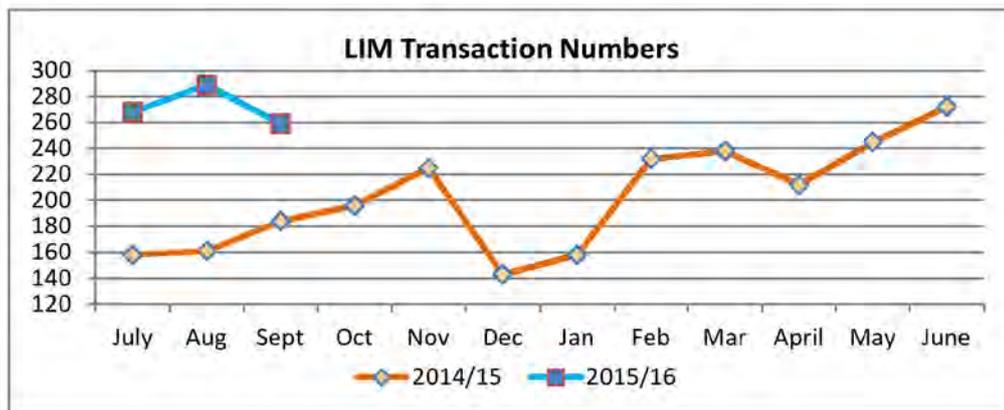
Revenue from activities - 5787k favourable. This variance is predominantly due to growth resulting in increased number of Land Information Memorandums and Building Consents being processed. The following page shows the number and value of building consents granted and LIMs issued in the first quarter compared with the previous year. It should be noted that some costs for LIMs is incurred in other activities.

Income from building consents will incur costs in future periods.

Personnel costs - \$171k favourable. This variance is due to vacancies which have been advertised and for which recruitment is underway.



Job Description	Building Type	Value
Bupa St Andrews 62 New Apartments & 40 room Care Home	Retirement Village	\$16,500,000
Wendell B Mendenhall Building - New Entry & Office/Theatre Alterations	Library	\$10,000,000
New Mitre 10 Building Garden Retail Cafe Retail & Yard	Retail Outlet	\$5,000,000
New Build Bulk Retail Commercial Development	Retail Outlet	\$4,500,000
MA - Envelope and Facade Alterations	School Facility	\$4,200,000
Phase 1 - 11x New Detached & Semi-Detached Dwellings (40-48)	Dwelling	\$3,844,850



## ECONOMIC DEVELOPMENT

Economic Initiatives | Strategic Property Investment | Claudelands | Stadiums  
for the three months ended 30 September 2015

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
(68) Rates excluding Water rates	(51)	(75)	24	(300)
0 Water rates	0	0	0	0
2,613 Revenue from activities	2,022	2,125	(103)	8,559
0 Subsidies and grants	6	0	6	0
0 Development & financial contributions	0	0	0	0
239 Other revenue	156	131	25	524
<b>2,783 Total revenue</b>	<b>2,134</b>	<b>2,182</b>	<b>(48)</b>	<b>8,783</b>
<b>Expenses</b>				
832 Personnel costs	744	877	133	3,514
641 Depreciation and amortisation	1,252	1,482	230	5,928
1,822 Finance costs	1,288	1,284	(5)	5,134
4,918 Other expenses	2,811	3,009	198	11,683
<b>8,213 Total expenses</b>	<b>6,095</b>	<b>6,652</b>	<b>557</b>	<b>26,260</b>
<b>(5,430) Operating surplus/(deficit)</b>	<b>(3,961)</b>	<b>(4,470)</b>	<b>509</b>	<b>(17,477)</b>
0 Gains	0	0	0	0
0 Losses	0	0	0	0
<b>(5,430) Surplus/(deficit)</b>	<b>(3,961)</b>	<b>(4,470)</b>	<b>509</b>	<b>(17,477)</b>

**Variance explanation: variances exceeding \$100k are explained in this section.**

Revenue from activities - \$103k unfavourable. This variance is primarily contributable to the shortfall in Strategic Property Investment (vacancy in Beggs Wiseman building) and the Claudelands Events Centre.

Personnel costs - \$133k favourable. This variance is predominantly due to vacancies in the following areas - Strategic Property Investment, Stadiums and Claudelands Events Centre.

Depreciation and amortisation - \$230k favourable. This variance is due to the latest valuation extending the useful life of the majority of the buildings at Claudelands. This has reduced the depreciation expense. The revaluation was completed after budgets were set.

Other expenses - \$198k favourable. This variance is predominantly due to the planned maintenance programme for both Waikato Stadium and Seddon Park occurring later than originally anticipated. Maintenance is expected to be completed on budget by year end.

## SAFETY

Animal Control | Environmental Health and Public Safety

for the three months ended 30 September 2015

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
0 Rates excluding Water rates	0	0	0	0
0 Water rates	0	0	0	0
1,347 Revenue from activities	1,458	1,448	10	2,136
61 Subsidies and grants	9	0	9	0
0 Development & financial contributions	0	0	0	0
1 Other revenue	1	1	0	3
<b>1,409 Total revenue</b>	<b>1,468</b>	<b>1,449</b>	<b>19</b>	<b>2,139</b>
<b>Expenses</b>				
552 Personnel costs	552	523	(29)	2,081
13 Depreciation and amortisation	26	21	(5)	84
10 Finance costs	6	6	(0)	25
733 Other expenses	703	728	25	2,892
<b>1,309 Total expenses</b>	<b>1,287</b>	<b>1,278</b>	<b>(9)</b>	<b>5,082</b>
<b>100 Operating surplus/(deficit)</b>	<b>182</b>	<b>171</b>	<b>11</b>	<b>(2,943)</b>
0 Gains	0	0	0	0
0 Losses	0	0	0	0
<b>100 Surplus/(deficit)</b>	<b>182</b>	<b>171</b>	<b>11</b>	<b>(2,943)</b>

Variance explanation: variances exceeding \$100k are explained in this section.

This activity has no significant variances to report.

## COMMUNITY SUPPORT

Community Development | Emergency Management | Housing

for the three months ended 30 September 2015

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
(0) Rates excluding Water rates	(42)	(43)	1	(173)
0 Water rates	0	0	0	0
549 Revenue from activities	557	571	(14)	2,289
15 Subsidies and grants	0	0	0	0
0 Development & financial contributions	0	0	0	0
1 Other revenue	1	0	0	1
<b>565 Total revenue</b>	<b>515</b>	<b>528</b>	<b>(13)</b>	<b>2,117</b>
<b>Expenses</b>				
335 Personnel costs	351	381	30	1,526
4 Depreciation and amortisation	253	286	33	1,145
6 Finance costs	3	3	(0)	12
1,302 Other expenses	929	1,011	82	3,638
<b>1,647 Total expenses</b>	<b>1,536</b>	<b>1,681</b>	<b>145</b>	<b>6,321</b>
<b>(1,082) Operating surplus/(deficit)</b>	<b>(1,021)</b>	<b>(1,153)</b>	<b>133</b>	<b>(4,204)</b>
0 Gains	0	0	0	0
0 Losses	0	0	0	0
<b>(1,082) Surplus/(deficit)</b>	<b>(1,021)</b>	<b>(1,153)</b>	<b>133</b>	<b>(4,204)</b>

Variance explanation: variances exceeding \$100k are explained in this section.

This activity has no significant variances to report.

## DEMOCRACY SERVICES

Governance and Public Affairs | Partnership with Maaori

for the three months ended 30 September 2015

	Prior YTD	Year to Date		Variance	Annual
	Actual 2014/15	Actual	Budget	Favourable/ (Unfavourable)	Budget
	\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>					
0 Rates excluding Water rates		0	0	0	0
0 Water rates		0	0	0	0
0 Revenue from activities		5	4	1	17
0 Subsidies and grants		0	0	0	0
0 Development & financial contributions		0	0	0	0
0 Other revenue		0	0	0	0
<b>0 Total revenue</b>		<b>5</b>	<b>4</b>	<b>1</b>	<b>17</b>
<b>Expenses</b>					
113 Personnel costs		134	142	8	565
0 Depreciation and amortisation		0	0	0	0
0 Finance costs		0	0	0	0
1,027 Other expenses		1,099	1,101	3	4,398
<b>1,140 Total expenses</b>		<b>1,232</b>	<b>1,243</b>	<b>11</b>	<b>4,964</b>
<b>(1,140) Operating surplus/(deficit)</b>		<b>(1,227)</b>	<b>(1,239)</b>	<b>12</b>	<b>(4,947)</b>
0 Gains		0	0	0	0
0 Losses		0	0	0	0
<b>(1,140) Surplus/(deficit)</b>		<b>(1,227)</b>	<b>(1,239)</b>	<b>12</b>	<b>(4,947)</b>

**Variance explanation: variances exceeding \$100k are explained in this section.**

This activity has no significant variances to report.

## PARKS AND GREEN SPACES

Hamilton Gardens | Community Parks | Sports Parks | Cemeteries and Crematorium  
for the three months ended 30 September 2015

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
0 Rates excluding Water rates	0	0	0	0
0 Water rates	0	0	0	0
689 Revenue from activities	665	527	138	2,207
0 Subsidies and grants	0	0	0	7
0 Development & financial contributions	2	0	2	0
141 Other revenue	219	215	5	1,715
<b>830 Total revenue</b>	<b>886</b>	<b>741</b>	<b>145</b>	<b>3,928</b>
<b>Expenses</b>				
503 Personnel costs	516	523	7	2,092
494 Depreciation and amortisation	859	819	(40)	3,275
405 Finance costs	390	389	(1)	1,557
3,667 Other expenses	3,041	3,262	221	13,815
<b>5,068 Total expenses</b>	<b>4,806</b>	<b>4,993</b>	<b>187</b>	<b>20,739</b>
<b>(4,238) Operating surplus/(deficit)</b>	<b>(3,920)</b>	<b>(4,252)</b>	<b>332</b>	<b>(16,811)</b>
0 Gains	0	0	0	0
0 Losses	(74)	0	(74)	0
<b>(4,238) Surplus/(deficit)</b>	<b>(3,994)</b>	<b>(4,252)</b>	<b>257</b>	<b>(16,811)</b>

**Variance explanation: variances exceeding \$100k are explained in this section.**

Revenue from activities - \$138k favourable. Cemetery revenue is \$100k ahead of target due to increased number of cremations and cemetery plot sales. Increased Parks revenue includes a \$27k contribution towards the plant for gullies programme that has been received from the Waikato River Authority.

Other expenses - \$221k favourable. This variance is predominantly due to various maintenance contract works which have yet to fully commence. These are expected to be completed by the end of year.

## RUBBISH AND RECYCLING

Refuse Collection | Waste Minimisation | Landfill Site Management

for the three months ended 30 September 2015

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
0 Rates excluding Water rates	0	0	0	0
0 Water rates	0	0	0	0
70 Revenue from activities	82	85	(3)	339
107 Subsidies and grants	131	103	28	410
0 Development & financial contributions	0	0	0	0
5 Other revenue	3	3	0	13
<b>182 Total revenue</b>	<b>216</b>	<b>190</b>	<b>25</b>	<b>762</b>
<b>Expenses</b>				
1 Personnel costs	1	0	(1)	0
60 Depreciation and amortisation	83	77	(6)	308
39 Finance costs	32	32	(0)	129
1,434 Other expenses	1,562	1,695	133	6,929
<b>1,534 Total expenses</b>	<b>1,678</b>	<b>1,804</b>	<b>126</b>	<b>7,366</b>
<b>(1,352) Operating surplus/(deficit)</b>	<b>(1,463)</b>	<b>(1,614)</b>	<b>151</b>	<b>(6,604)</b>
0 Gains	0	0	0	0
0 Losses	0	0	0	0
<b>(1,352) Surplus/(deficit)</b>	<b>(1,463)</b>	<b>(1,614)</b>	<b>151</b>	<b>(6,604)</b>

**Variance explanation: variances exceeding \$100k are explained in this section.**

Other expenses - \$133k favourable. This variance is predominantly due to the timing of waste minimisation works still to be done \$55k and minor variations in the rubbish and recycling contract costs \$46k in the first quarter.

## STORMWATER

Stormwater Network | Catchment Management

for the three months ended 30 September 2015

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
0 Rates excluding Water rates	0	0	0	0
0 Water rates	0	0	0	0
74 Revenue from activities	59	60	(1)	241
0 Subsidies and grants	0	0	0	0
0 Development & financial contributions	0	0	0	0
34 Other revenue	37	21	17	82
<b>108 Total revenue</b>	<b>97</b>	<b>81</b>	<b>16</b>	<b>323</b>
<b>Expenses</b>				
22 Personnel costs	0	0	(0)	0
1,391 Depreciation and amortisation	1,407	1,436	29	5,745
103 Finance costs	116	115	(0)	461
526 Other expenses	569	561	(9)	2,433
<b>2,043 Total expenses</b>	<b>2,092</b>	<b>2,112</b>	<b>21</b>	<b>8,639</b>
<b>(1,935) Operating surplus/(deficit)</b>	<b>(1,995)</b>	<b>(2,032)</b>	<b>37</b>	<b>(8,316)</b>
0 Gains	0	0	0	0
0 Losses	0	0	0	0
<b>(1,935) Surplus/(deficit)</b>	<b>(1,995)</b>	<b>(2,032)</b>	<b>37</b>	<b>(8,316)</b>

Variance explanation: variances exceeding \$100k are explained in this section.

This activity has no significant variances to report.

## TRANSPORTATION

Transport Network | Parking Management

for the three months ended 30 September 2015

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
(47) Rates excluding Water rates	(34)	(39)	5	(156)
0 Water rates	0	0	0	0
1,799 Revenue from activities	1,483	1,482	1	6,064
1,653 Subsidies and grants	2,057	1,624	432	8,527
0 Development & financial contributions	0	0	0	0
452 Other revenue	545	427	118	1,711
<b>3,857 Total revenue</b>	<b>4,051</b>	<b>3,495</b>	<b>556</b>	<b>16,145</b>
<b>Expenses</b>				
212 Personnel costs	198	225	26	899
4,254 Depreciation and amortisation	4,529	4,492	(38)	17,966
1,805 Finance costs	2,025	2,018	(7)	8,071
4,553 Other expenses	4,604	4,589	(15)	18,748
<b>10,824 Total expenses</b>	<b>11,356</b>	<b>11,323</b>	<b>(33)</b>	<b>45,685</b>
<b>(6,968) Operating surplus/(deficit)</b>	<b>(7,306)</b>	<b>(7,829)</b>	<b>523</b>	<b>(29,539)</b>
0 Gains	0	0	0	0
0 Losses	0	0	0	0
<b>(6,968) Surplus/(deficit)</b>	<b>(7,306)</b>	<b>(7,829)</b>	<b>523</b>	<b>(29,539)</b>

**Variance explanation: variances exceeding \$100k are explained in this section.**

Subsidies and grants - \$432k favourable. This variance is due to NZTA capital subsidy on thin asphaltic surfacing being \$472k favourable due to this work being completed earlier than expected. This corresponds with the capital works variance.

Other revenue - \$118k favourable. This variance is due to capital contributions from Ministry of Education for private works done as part of the Rototuna School Collector Road.

## SEWERAGE

Sewerage Collection | Sewerage Treatment and Disposal

## for the three months ended 30 September 2015

Prior YTD Actual 2015/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
0 Rates excluding Water rates	0	0	0	0
0 Water rates	0	0	0	0
1,156 Revenue from activities	960	1,093	(133)	4,256
0 Subsidies and grants	0	0	0	0
0 Development & financial contributions	0	0	0	0
180 Other revenue	154	97	57	388
<b>1,336 Total revenue</b>	<b>1,114</b>	<b>1,190</b>	<b>(76)</b>	<b>4,644</b>
<b>Expenses</b>				
249 Personnel costs	267	313	46	1,256
1,919 Depreciation and amortisation	2,042	2,023	(19)	8,092
1,030 Finance costs	866	863	(3)	3,452
2,321 Other expenses	2,444	2,606	162	11,203
<b>5,519 Total expenses</b>	<b>5,619</b>	<b>5,805</b>	<b>187</b>	<b>24,003</b>
<b>(4,183) Operating surplus/(deficit)</b>	<b>(4,505)</b>	<b>(4,615)</b>	<b>111</b>	<b>(19,359)</b>
0 Gains	0	0	0	0
0 Losses	0	0	0	0
<b>(4,183) Surplus/(deficit)</b>	<b>(4,505)</b>	<b>(4,615)</b>	<b>111</b>	<b>(19,359)</b>

**Variance explanation: variances exceeding \$100k are explained in this section.**

Revenue from activities - \$133k unfavourable. This variance is due to trade waste revenue \$198k under budget, which is partially offset by capital contributions and other income being favourable \$69k. A trade waste revenue review is being undertaken.

Other expenses - \$162k favourable. This variance is due predominantly to the timing of bulk chemical procurement \$98k, a consumable in the treatment process based on city demand.

## WATER SUPPLY

Water Treatment and Storage | Water Distribution

for the three months ended 30 September 2015

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
0 Rates excluding Water rates	0	0	0	0
2,078 Water rates	2,190	2,019	172	7,772
43 Revenue from activities	34	23	11	157
0 Subsidies and grants	0	0	0	0
0 Development & financial contributions	0	0	0	0
210 Other revenue	148	79	69	315
<b>2,332 Total revenue</b>	<b>2,372</b>	<b>2,120</b>	<b>252</b>	<b>8,244</b>
<b>Expenses</b>				
16 Personnel costs	1	0	(1)	0
1,644 Depreciation and amortisation	1,758	1,888	131	7,553
772 Finance costs	812	809	(3)	3,237
1,667 Other expenses	1,863	2,035	172	8,757
<b>4,099 Total expenses</b>	<b>4,434</b>	<b>4,733</b>	<b>299</b>	<b>19,547</b>
<b>(1,767) Operating surplus/(deficit)</b>	<b>(2,062)</b>	<b>(2,613)</b>	<b>551</b>	<b>(11,304)</b>
0 Gains	0	0	0	0
0 Losses	0	0	0	0
<b>(1,767) Surplus/(deficit)</b>	<b>(2,062)</b>	<b>(2,613)</b>	<b>551</b>	<b>(11,304)</b>

**Variance explanation: variances exceeding \$100k are explained in this section.**

Water rates - \$172k favourable. This variance is predominantly due to water by meter route phasing of meters read. The recovery of water by meter revenue in 2014/15 was successful and staff will now undertake a review of the likely impact, if any, on the 2015/16 end of year result.

Depreciation and amortisation - \$131k favourable. This variance is due to the timing of capital works completion.

Other expenses - \$172k favourable. This variance is predominantly due to the timing of bulk chemical procurement \$100k, a consumable in the treatment process based on city demand.

## OVERHEADS &amp; SUPPORT UNITS

for the three months ended 30 September 2015

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
(46) Rates excluding Water rates	(5)	0	(5)	0
0 Water rates	0	0	0	0
327 Revenue from activities	428	504	(77)	1,964
0 Subsidies and grants	1	0	1	0
0 Development & financial contributions	0	0	0	0
0 Other revenue	0	0	0	0
<b>281 Total revenue</b>	<b>424</b>	<b>504</b>	<b>(80)</b>	<b>1,964</b>
<b>Expenses</b>				
9,268 Personnel costs	8,738	9,091	353	36,780
2,904 Depreciation and amortisation	952	983	31	3,931
16 Finance costs	19	19	0	75
(11,911) Other expenses	(9,283)	(9,588)	(305)	(38,822)
<b>276 Total expenses</b>	<b>425</b>	<b>504</b>	<b>79</b>	<b>1,964</b>
<b>5 Operating surplus/(deficit)</b>	<b>(1)</b>	<b>0</b>	<b>(1)</b>	<b>(0)</b>
0 Gains	1	0	1	0
0 Losses	0	0	0	0
<b>5 Surplus/(deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>

**Variance explanation: variances exceeding \$100k are explained in this section.**

Personnel costs - \$353k favourable. This variance is predominately due to vacancies being held in the support units within the City Infrastructure Group, which includes new positions that were approved during the 10- Year Plan.

Other expenses - \$305k unfavourable. The variance has a direct relationship to the favourable personnel costs variance. The support units within City Infrastructure recover their actual costs through internal time cost charging, due to the lower staff costs the level of charging (internal revenue) is lower resulting in this unfavourable variance. Note Internal revenue is part of other expenses.

## Items not allocated directly to Activities

Rates | Development Contributions | Vested Assets  
for the three months ended 30 September 2015

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
33,423	34,002	33,421	582	139,102
(166)	0	0	0	0
3	0	0	0	0
115	0	0	0	0
3,448	5,793	1,816	3,977	9,500
6,870	12,101	2,120	9,981	8,581
<b>43,691</b>	<b>51,897</b>	<b>37,357</b>	<b>14,540</b>	<b>157,183</b>
<b>Expenses</b>				
0	0	0	0	0
0	0	0	0	0
38	(182)	0	182	0
132	131	131	(0)	525
<b>170</b>	<b>(51)</b>	<b>131</b>	<b>182</b>	<b>525</b>
<b>43,522</b>	<b>51,947</b>	<b>37,226</b>	<b>14,722</b>	<b>156,658</b>
0	0	0	0	18,261
(2,669)	(6,934)	0	(6,934)	0
<b>40,853</b>	<b>45,013</b>	<b>37,226</b>	<b>7,787</b>	<b>174,919</b>

**Variance explanation: variances exceeding \$100k are explained in this section.**

Rates - \$582k favourable. This variance is due to lower than expected remissions on Council owned properties as well as higher revenue in penalties. Both these are considered permanent and have been recorded on the Risks and Opportunities Schedule.

Development & financial contributions - \$3,977k favourable. This variance is as previously explained in the Growth Report (attachment 3).

Other revenue - \$9,981k favourable. This variance is due to a higher value of vested assets.

Losses - \$6,934 unfavourable. This variance is due to interest rate swaps, as reported previously (attachment 1).

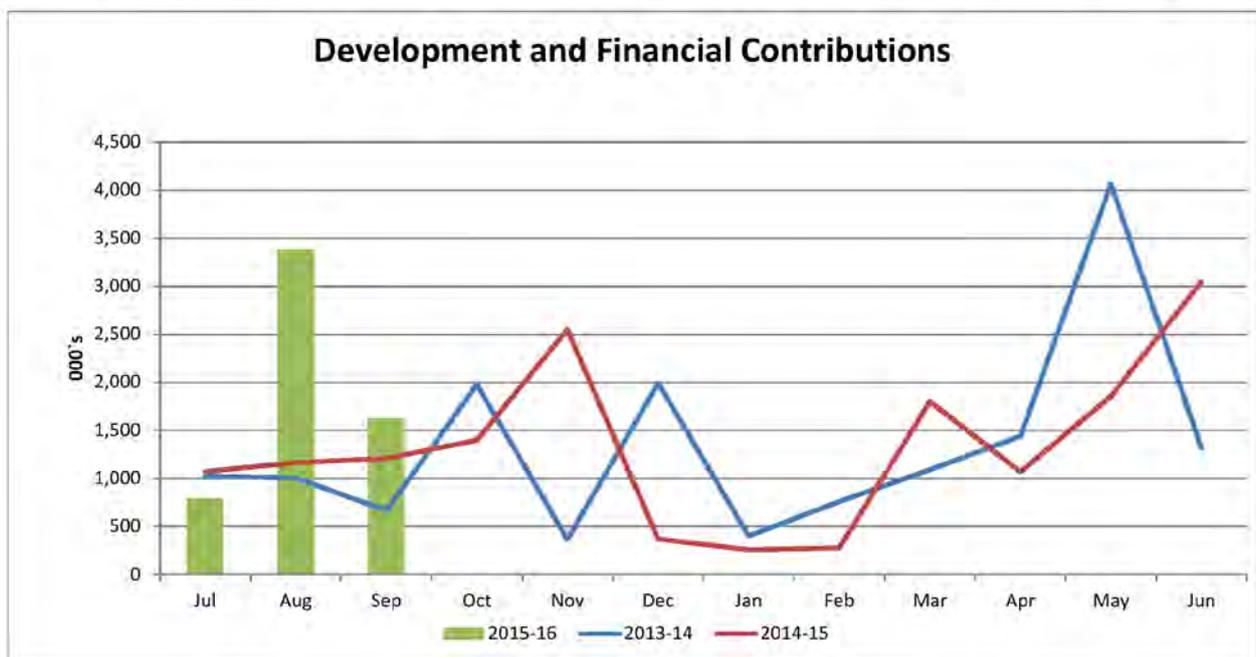
## GROWTH RELATED ITEMS

### for the three months ended 30 September 2015

### DEVELOPMENT AND FINANCIAL CONTRIBUTIONS

Trend data for development contributions for the 2013-14, 2014-15 and the current year. This demonstrates the volatile nature of this revenue. In 2014-15 monthly revenue varied from \$0.3m to \$3.0m. Council has budgeted \$9.5m in the current year and this is now forecast (Risk and Opportunities) to be exceeded by \$6.5m. The new growth unit is currently developing a DC Growth and Demand forecast model to assist in better predictability of development contribution revenue.

(000's)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
2013-14	1,025	1,006	668	1,977	367	1,992	401	760	1,091	1,440	4,060	1,316	16,103
2014-15	1,072	1,165	1,211	1,397	2,547	370	259	277	1,801	1,071	1,854	3,045	16,059
2015-16	789	3,383	1,623										5,795



### VESTED ASSETS

Revenue recognised from the transfer (vesting) of sub divisional assets to Council is \$12.1m which results in \$10m favourable year to date. The annual budget for vested assets of \$8.5m is already exceeded. These additional assets will result in additional depreciation expense in the current year followed by on-going maintenance and operational costs in future years.

Top 5 by value.

Location	\$000's Value
Industrial Subdivision Rotokauri	5,523
Residential Subdivision Rototuna	1,339
Residential Subdivision Rototuna	1,192
Residential Subdivision Rototuna	1,143
Residential Subdivision Rototuna	1,035
	<b>10,233</b>

## CAPITAL EXPENDITURE for the three months ended 30 September 2015

PROJECT TYPE KEY		STATUS KEY	
R	Renewal		Project on track or under budget
LOS	Level of Service		Project over budget as per Risks & Opportunities
G	Growth		Project deferral/potential deferral
	Project within HCC control		Funding reprioritised as per Risks & Opportunities
	Project dependent on third parties		

	Type	YTD Total Cost			Annual Budget			Status	Notes
		Actual	Budget	Variance	Approved 2015/16	Approved Deferred	Cost		
		\$000	\$000	\$000	\$000	\$000	\$000		
<b>ARTS AND CULTURE</b>									
<b>Libraries</b>									
CE10005 - Library collection purchases	R	217	254	38	1,048		1,048		
CE10006 - Library asset renewal	R	58	63	5	164		164		
CE10007 - Library building asset renewal programme	R	7	2	(5)	9		9		
<b>Total libraries</b>		<b>282</b>	<b>319</b>	<b>37</b>	<b>1,221</b>	<b>0</b>	<b>1,221</b>		
<b>Museum</b>									
CE10008 - Museum asset renewal	R	68	72	4	139		139		
CE10010 - Public art support fund	R	3	8	4	30		30		
CE10011 - Museum activity building renewals	R	27	30	3	390		390		
<b>Total Museum</b>		<b>99</b>	<b>109</b>	<b>11</b>	<b>559</b>	<b>0</b>	<b>559</b>		
<b>Hamilton City Theatres</b>									
CE10012 - Founders Theatre plant and equipment	R		24	24	97		97		
CE10013 - Technical services equipment renewals	R	9	53	44	210		210		
CE10014 - Founders Theatre building renewals	R		0	-	152		152		
CE10159 - Founders Theatre stage house renewal	R		25	25	100		100		
<b>Total Hamilton City Theatres</b>		<b>9</b>	<b>102</b>	<b>93</b>	<b>559</b>	<b>0</b>	<b>559</b>		
<b>TOTAL ARTS AND CULTURE</b>		<b>389</b>	<b>530</b>	<b>141</b>	<b>2,339</b>	<b>0</b>	<b>2,339</b>		
<b>COMMUNITY SERVICES</b>									
<b>Housing Services</b>									
CE10025 - Pensioner housing renewals	R	5	0	(5)	200		200		
<b>Total Housing Services</b>		<b>5</b>	<b>0</b>	<b>(5)</b>	<b>200</b>	<b>0</b>	<b>200</b>		
<b>TOTAL COMMUNITY SERVICES</b>		<b>5</b>	<b>0</b>	<b>(5)</b>	<b>200</b>	<b>0</b>	<b>200</b>		
<b>ECONOMIC DEVELOPMENT</b>									
<b>Claudlands and Stadia</b>									
CE10041 - Claudlands plant and equipment	R	12	65	53	260		260		
CE10042 - Seddon Park plant and equipment	R		27	27	107		107		
CE10043 - Waikato Stadium plant and equipment	R	4	188	184	751		751		1
CE10044 - Turf services plant and equipment	R	0	6	6	25		25		
CE10045 - Claudlands property renewals	R		38	38	150		150		
CE10046 - Seddon Park property renewals	R		9	9	35		35		
CE10047 - Waikato Stadium property renewals	R	5	62	58	249		249		
CE10048 - Stadia building renewals	R		0	-	333		333		
CE10049 - Claudlands building renewals	R	35	32	(3)	61		61		
CE15050 - Claudlands capital improvement programme	LOS		23	23	90		90		
<b>Total Claudlands and Stadia</b>		<b>55</b>	<b>448</b>	<b>394</b>	<b>2,061</b>	<b>0</b>	<b>2,061</b>		
<b>Strategic Property</b>									
CE10052 - Strategic property renewals	R	13	0	(13)	262		262		
CE10053 - Tenancy inducement renewals	R		89	89	354		354		
<b>Total Strategic Property</b>		<b>13</b>	<b>89</b>	<b>75</b>	<b>616</b>	<b>0</b>	<b>616</b>		
<b>TOTAL ECONOMIC DEVELOPMENT</b>		<b>68</b>	<b>537</b>	<b>469</b>	<b>2,677</b>	<b>0</b>	<b>2,677</b>		

	Type	YTD Total Cost			Annual Budget			Status	Notes
		Actual	Budget	Variance	Approved 2015/16	Approved Deferred	Cost		
		\$000	\$000	\$000	\$000	\$000	\$000		
<b>PARKS AND GREEN SPACES</b>									
<b>Cemeteries and Crematorium</b>									
CE10021 - Building renewals cemeteries	R		0	-	12		12		
CE10023 - Hamilton Park east and west cemeteries renewals	R		0	-	60		60		
CE15024 - Hamilton Park cemetery, burial and ash lawn extension	G		0	-	32		32		
<b>Total Cemeteries and Crematorium</b>			<b>0</b>	<b>0</b>	<b>104</b>	<b>0</b>	<b>104</b>		
<b>Hamilton Gardens</b>									
CE10026 - Hamilton Gardens renewals	R		5	5	45		45		
CE10028 - Hamilton Gardens building renewals	R	16	2	(13)	165		165		
CE15027 - Proposed development programme	G	149	198	49	1,828		1,828		
<b>Total Hamilton Gardens</b>		<b>165</b>	<b>206</b>	<b>41</b>	<b>2,038</b>	<b>0</b>	<b>2,038</b>		
<b>Parks</b>									
CE10029 - Toilet and changing room renewals	R		4	4	284		284		
CE10030 - Building renewals parks and open spaces	R		16	16	233		233		
CE10032 - Parks and open spaces assets and playgrounds renewals	R	15	25	9	969		969		
CE15033 - Land purchase future reserves	G	101	100	(1)	830	130	960		
CE15034 - Destination playground public toilets	LOS		0	-	500		500		
CE15035 - Rototuna Park development	G	58	58	(0)	350	58	408		
CE15036 - Playground development programme	LOS		0	-	100		100		
<b>Total Parks</b>		<b>174</b>	<b>203</b>	<b>29</b>	<b>3,266</b>	<b>188</b>	<b>3,454</b>		
<b>Sports Parks</b>									
CE10031 - Sports area renewals	R		0	0	287		287		
<b>Total Sports Parks</b>		<b>0</b>	<b>0</b>	<b>-</b>	<b>287</b>	<b>0</b>	<b>287</b>		
<b>TOTAL PARKS AND GREEN SPACES</b>		<b>339</b>	<b>409</b>	<b>70</b>	<b>5,695</b>	<b>188</b>	<b>5,883</b>		
<b>RECREATION</b>									
<b>Aquatic Facilities</b>									
CE10001 - Aquatic facilities building renewals	R		0	-	79		79		
CE10002 - Waterworld hydroslide renewal	R		0	-	150		150		
CE10003 - Waterworld operational asset renewals	R	0	0	(0)	0		0		
CE10004 - Gallagher Aquatic Centre operational asset renewal	R	10	10	(0)	250		250		
<b>Total Aquatic Facilities</b>		<b>10</b>	<b>10</b>	<b>(0)</b>	<b>479</b>	<b>0</b>	<b>479</b>		
<b>Hamilton Zoo</b>									
CE10015 - Zoo animal enclosure renewals	R	187	180	(7)	108	195	303		
CE10016 - Zoo building renewals	R	50	58	8	108		108		
CE10017 - Property renewals	R	1	0	(1)	14		14		
CE10019 - Zoo quarantine replacement	R		0	-	80		80		
CE10020 - Zoo animal replacement	R	15	0	(15)	40		40		
<b>Total Hamilton Zoo</b>		<b>252</b>	<b>238</b>	<b>(14)</b>	<b>350</b>	<b>195</b>	<b>545</b>		
<b>TOTAL RECREATION</b>		<b>262</b>	<b>248</b>	<b>(14)</b>	<b>829</b>	<b>195</b>	<b>1,024</b>		
<b>SAFETY</b>									
CE10037 - CCTV renewals	R		0	-	40		40		
CE10038 - Animal education and control building - security fencing	R		40	40	70		70		
<b>TOTAL SAFETY</b>		<b>0</b>	<b>40</b>	<b>40</b>	<b>110</b>	<b>0</b>	<b>110</b>		
<b>RUBBISH AND RECYCLING</b>									
CE10054 - Replacement of closed landfill assets	R	9	13	3	100		100		
CE10056 - Replacement of RTS & HOC assets	R		0	-	7		7		
CE15055 - Closed landfill management	LOS	21	25	4	200		200		
<b>TOTAL RUBBISH AND RECYCLING</b>		<b>30</b>	<b>38</b>	<b>7</b>	<b>307</b>	<b>0</b>	<b>307</b>		

Type	YTD Total Cost			Annual Budget			Status	Notes
	Actual	Budget	Variance	Approved 2015/16	Approved Deferred	Cost		
	\$000	\$000	\$000	\$000	\$000	\$000		
<b>STORMWATER</b>								
CE10058 - Replacement of stormwater assets	R	326	94	(232)	707		707	
CE15059 - Rototuna stormwater infrastructure	G	1	6	5	574		574	
CE15062 - Peacocke stormwater infrastructure stage 1	G	14	6	(8)	558	444	1,002	
CE15064 - Stormwater pipe upgrade - growth	G	9	4	(6)	125		125	
CE15066 - Existing network improvements in new areas	G		4	4	100		100	
CE15068 - Stormwater customer connections to the network	G	12	13	1	50		50	
CE15162 - Integrated catchment management plan	G	173	474	302	350	1,172	1,522	2
<b>TOTAL STORMWATER</b>		<b>534</b>	<b>599</b>	<b>65</b>	<b>2,464</b>	<b>1,616</b>	<b>4,080</b>	
<b>TRANSPORT</b>								
<b>Parking Management</b>								
CE10069 - Resurfacing off street carparks	R	3	0	(3)	23		23	
CE10070 - Replacement of parking enforcement equipment	R	10	50	40	360		360	
CE10071 - Parking building renewal	R		0	-	256		256	
<b>Total Parking Management</b>		<b>13</b>	<b>50</b>	<b>37</b>	<b>639</b>	<b>0</b>	<b>639</b>	
<b>Transportation Network</b>								
CE10072 - Replacement of footpath	R	563	535	(28)	2,141		2,141	
CE10073 - Replacement of street furniture	R		0	-	60		60	
CE10074 - Replacement of drainage (kerb and channel)	R	322	307	(15)	1,229		1,229	
CE10075 - Replacement of road base	R	132	100	(32)	937		937	
CE10076 - Road resurfacing	R	1,278	490	(788)	3,970		3,970	3
CE10077 - Replacement of bridges and culverts	R	5	0	(5)	100		100	
CE10078 - Replacement of retaining walls and structures	R	2	0	(2)	45		45	
CE10079 - Replacement of environmental controls	R		0	-	10		10	
CE10080 - Replacement of lighting	R	69	80	11	280		280	
CE10081 - Replacement of traffic equipment	R	65	70	5	400		400	
CE10082 - Replacement of street signs	R	0	17	17	70		70	
CE10098 - Building and property renewals	R		0	-	30		30	
CE15085 - Minor improvements to transport network	LOS	30	30	(0)	638		638	
CE15086 - Bus stop infrastructure	LOS	63	1	(62)	113		113	
CE15087 - Network upgrades to allow new development	G	25	11	(14)	175		175	
CE15088 - Roading upgrades and development in Peacocke stage 1	G	33	44	11	975		975	
CE15089 - Roading upgrades and development in Peacocke stage 2	G	22	115	93	2,025		2,025	
CE15090 - Roading upgrades and development in Rotokauri stage 1	G	129	27	(102)	777	223	1,000	3
CE15092 - Roading upgrades and development in Rototuna	G	782	814	32	2,392	1,573	3,965	
CE15094 - Traffic signal improvements	LOS	5	10	5	300		300	
CE15095 - Integrated transport initiatives	LOS	165	46	(119)	900		900	
PIF12005 Hamilton Ring Road Completion	LOS	84	50	(34)		10,550	10,550	
<b>Total Transportation Network</b>		<b>3,775</b>	<b>2,748</b>	<b>(1,027)</b>	<b>17,567</b>	<b>12,345</b>	<b>29,912</b>	
<b>TOTAL TRANSPORT</b>		<b>3,788</b>	<b>2,798</b>	<b>(990)</b>	<b>18,206</b>	<b>12,345</b>	<b>30,551</b>	
<b>SEWERAGE</b>								
CE10100 - Replacement of wastewater pump stations	R	36	130	94	1,013		1,013	4
CE10101 - Replacement of wastewater assets	R	395	500	105	3,915		3,915	4
CE15103 - Increase capacity of wastewater pump stations	LOS	12	130	118	423		423	
CE15104 - Wastewater pip upgrade - growth	G		6	6	300		300	
CE15105 - Increase capacity of wastewater network - Rototuna	G	(20)	108	127	1,400	91	1,491	
CE15106 - Wastewater network upgrades to allow development	G	10	4	(6)	80		80	
CE15107 - Increase capacity of network in Rotokauri stage 1	G	4	4	(0)	52		52	
CE15109 - Increase capacity of network in Peacocke stage 1	G		6	6	1,722	420	2,142	
CE15111 - Increase capacity of network throughout the city	G	6	31	25	350		350	
CE15114 - Increase capacity of network (bulk storage)	G	4	60	56	400		400	
CE15161 - Wastewater master plan	G	2	8	6	150		150	
CE10115 - Replacement of wastewater treatment plant assets	R	227	629	402	2,224		2,224	4
CE15116 - Upgrade wastewater treatment plant systems	LOS	24	25	0	150		150	
CE15117 - Upgrade wastewater treatment plant (Pukete 3)	G	36	94	58	950		950	
CE15120 - Wastewater treatment plant compliance	LOS	84	135	51	500		500	
CE15121 - Wastewater customer connections to the network	G	68	12	(56)	50		50	
<b>TOTAL SEWERAGE</b>		<b>888</b>	<b>1,881</b>	<b>993</b>	<b>13,679</b>	<b>511</b>	<b>14,190</b>	

	Type	YTD Total Cost			Annual Budget			Status	Notes
		Actual	Budget	Variance	Approved 2015/16	Approved Deferred	Cost		
		\$000	\$000	\$000	\$000	\$000	\$000		
<b>WATER SUPPLY</b>									
CE10123 - Replacement of watermains	R	986	780	(206)	3,128		3,128		
CE10124 - Replacement of water meters, valves and hydrants	R	151	110	(41)	338		338		
CE15126 - Upgrade or build new watermains in Rototuna	G		44	44	773		773		
CE15127 - Water pipe upgrade - growth	G	2	6	4	300		300		
CE15128 - Upgrade/build new watermains in Rotokauri stage 1	G	84	10	(74)	505		505		
CE15130 - Upgrade/build new watermains in Peacocke stage 1	G		2	2	75		75		
CE15132 - Water network upgrades to allow new development	G	72	6	(66)	80		80		
CE15133 - Water demand management - network water loss	LOS	(29)	60	89	399		399		
CE15136 - Water demand management - Dinsdale reservoir zone	LOS		15	15	25		25		
CE10138 - Replacement of treatment plant and reservoir assets	R	46	470	423	1,341		1,341		5
CE15139 - Water treatment plant compliance - minor upgrades	LOS	71	511	440	1,591		1,591		5
CE15140 - Rototuna reservoir and associated bulk mains	G	623	645	22	6,447	1,154	7,601		
CE15144 - Upgrade water treatment plant	G	62	153	91	500		500		
CE10145 - Tools of trade renewals	R		13	13	50		50		
CE15146 - Water customer connections	G	76	13	(63)	50		50		
CE15148 - Upgrade or build new watermains in Ruakura	G	8	9	1	513		513		
CE15159 - Water master plan	G	2	25	23	150		150		
CE15166 - Fluoride free water source	LOS		3	3	60		60		
PIF12027 - New software for growth planning	LOS	0	0	-		86	86		
PIF12031 - New structure to extract water from the Waikato River	LOS	272	210	(62)		1,643	1,643		
Chlorine scrubber	LOS	242	300	58		321	321		
<b>TOTAL WATER SUPPLY</b>		<b>2,666</b>	<b>3,382</b>	<b>716</b>	<b>16,325</b>	<b>3,204</b>	<b>19,529</b>		
<b>CORPORATE SERVICES</b>									
<b>Corporate Buildings</b>									
CE10151 - Renewals program	R	102	9	(93)	182		182		
<b>Total Corporate Buildings</b>		<b>102</b>	<b>9</b>	<b>(93)</b>	<b>182</b>	<b>0</b>	<b>182</b>		
<b>Information Services</b>									
CE10152 - Network and infrastructure	R	15	95	80	380		380		
CE10153 - Core business applications	R	(0)	64	64	420		420		
CE10154 - Minor applications	R		0	-	10		10		
CE15155 - Mobility and eservices	LOS	103	29	(75)	214		214		
CE10156 - Lease funding of equipment	R	(2)	68	70	270		270		
CE15157 - Authority replacement	LOS		50	50	500		500		
<b>Total Information Services</b>		<b>116</b>	<b>305</b>	<b>189</b>	<b>1,794</b>	<b>0</b>	<b>1,794</b>		
<b>Performance</b>									
CE10158 - Replacement of fleet vehicles	R	48	200	152	839		839		
<b>Total Performance</b>		<b>48</b>	<b>200</b>	<b>152</b>	<b>839</b>	<b>0</b>	<b>839</b>		
<b>TOTAL CORPORATE SERVICES</b>		<b>266</b>	<b>513</b>	<b>247</b>	<b>2,815</b>	<b>0</b>	<b>2,815</b>		
<b>TOTAL COUNCIL</b>		<b>9,237</b>	<b>10,975</b>	<b>1,738</b>	<b>65,646</b>	<b>18,060</b>	<b>83,706</b>		

**Capital Expenditure Variance Explanations: Variances greater than \$250,000.**

**1. Economic Development**

Waikato Stadium plant and equipment renewals are the main contributor to this favourable variance these are now underway and on target to be completed by year end.

**2. Stormwater**

Current forecast Integrated Catchment Management Plans (ICMP) programme of works under review with budget expected to be spent this year.

**3. Transport**

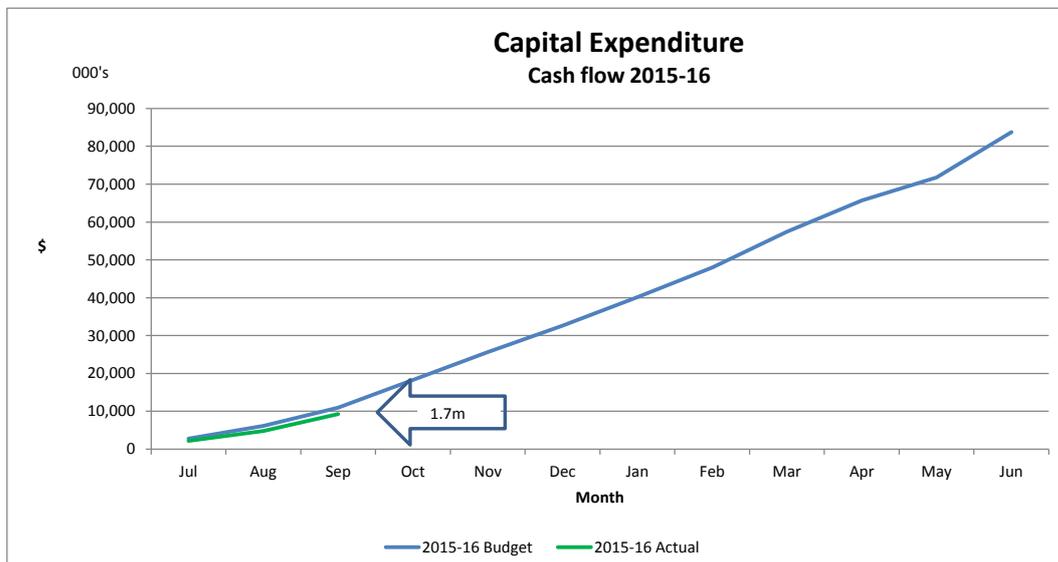
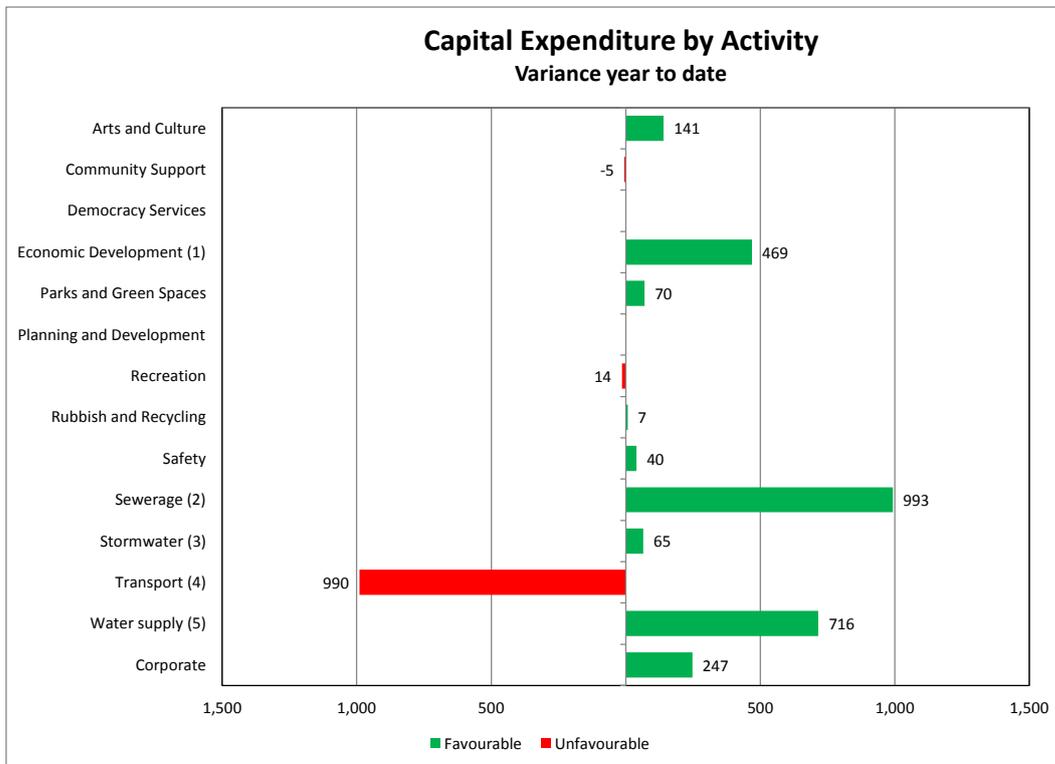
The road resurfacing programme work has been brought forward to ensure earlier completion of works. This is a change of approach in order to complete 80% of renewals by the end of February as this will enable better use of any opportunity that may arise in the alliance partnership prior to the end of the year. A land Purchase also settled earlier than expected.

**4. Sewerage**

This variance is predominantly driven by the timing of the renewals plan, with works being committed and on track to be completed by the end of the year.

**5. Water supply**

Water treatment plant renewals including minor capex of \$570k have been reprioritised to the Wastewater Treatment Plant. This is reported on the Risk and Opportunities Schedule.



**Risks and Opportunities Schedule**  
for the year ended 30 June 2016  
Summary

	Balance Sheet Impact			
	Accounting Surplus	Balancing the books	Capital Programme Impact	Borrowing Impact
	\$000	\$000	\$000	\$000
<b>CORPORATE</b>				
<b>Energy Efficiency</b> - is an initiative undertaken to provide energy savings. The budget is included in operating and reclassification is required as work is of a capital nature. The impact in later years reduces as the work is part funded by savings in energy budgets.	100	100	(100)	
<b>CORPORATE TOTAL</b>	<u>100</u>	<u>100</u>	<u>(100)</u>	<u>0</u>
<b>ED SPECIAL PROJECTS</b>				
<b>Shared Water Business Case</b> - contribution to Water CCO business case project (50% share). Invoices related to Stage 1 were missed in the accruals process at year end.	(150)	(150)		
<b>Shared Water Business Case</b> - contribution to Stage 2 of the Water CCO business case project (50% share), along with Waikato and Waipa Councils. Estimated cost is \$350,000 and a report will go to Council at the end of September.	(175)	(175)		
<b>ED SPECIAL PROJECTS TOTAL</b>	<u>(325)</u>	<u>(325)</u>	<u>0</u>	<u>0</u>
<b>COMMUNITY</b>				
<b>Community Facilities</b> - grant funding approval to Age Concern.	(45)	(45)		
<b>One Victoria Trust Grant</b> - was unable to be paid due to a condition in the agreement that states that payment can only be made upon completion of Earth-quake proofing work at the Meteor Theatre. Work will be undertaken in 15/16 at which time payment will be made and disclosed on the 15/16 risk and opportunities list.	(75)	(75)		
<b>Museum Art Collection</b> - Gifting of Collection to Museum will come with the condition that Council invests 50K per annum in new Art.	(50)	(50)		
<b>COMMUNITY TOTAL</b>	<u>(170)</u>	<u>(170)</u>	<u>0</u>	<u>0</u>
<b>CITY INFRASTRUCTURE</b>				
<b>Hamilton Organic Recycling Centre Wall</b> - unbudgeted works required to ensure drop off wall structure is safe for public use (offset by \$120,000 opportunity in City Growth)			(120)	(120)
<b>Water treatment plant renewals and minor capex</b> - \$572,000 funding reprioritised from water treatment plant renewals and minor capex to wastewater treatment plant renewals and minor capex.			572	572
<b>Wastewater treatment plant renewals and minor capex</b> - \$572,000 funding reprioritised from water treatment plant renewals and minor capex to wastewater treatment plant renewals and minor capex.			(572)	(572)
<b>Western Rail Trail</b> - \$3m external funding from Urban Cycleways Fund (capital expenditure will be over budget by \$3m but will be offset by capital contributions of \$3m)	3,000	3,000	(3,000)	
<b>CITY INFRASTRUCTURE TOTAL</b>	<u>3,000</u>	<u>3,000</u>	<u>(3,120)</u>	<u>(120)</u>

**Risks and Opportunities Schedule**  
for the year ended 30 June 2016  
Summary

	Balance Sheet Impact			
	Accounting Surplus	Balancing the books	Capital Programme Impact	Borrowing Impact
	\$000	\$000	\$000	\$000
<b>CITY GROWTH</b>				
Victoria On The River - Phase 1 Planning	(140)	(140)		
Online Building Consenting Roadmap - Phase 2: implement an online consenting solution	(495)	(495)		
<b>CITY GROWTH TOTAL</b>	<b>(635)</b>	<b>(635)</b>	<b>0</b>	<b>0</b>
<b>H3 &amp; EVENTS</b>				
Legal Costs - Recovery of legal costs associated with defending the Waikato Show Trust. Could be up to 75% of total incurred by Council	100	100		
<b>H3 &amp; EVENTS TOTAL</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>0</b>
<b>COUNCIL WIDE</b>				
ACC Levies - based on the budget and the actual from previous year there will be a favourable position.	180	180		
Rates - Additional rates revenue. This has occurred due to the timing of the Council resolution and the actual striking of the rates.	100	100		
Rates Penalties - based on the previous years actuals	100	100		
Rates Remissions - Remissions relating Council properties and other qualifying properties (this excludes the hardship remissions) have been processed for the year. Final cost was favourable to budget.	200	200		
<b>COUNCIL WIDE TOTAL</b>	<b>580</b>	<b>580</b>	<b>0</b>	<b>0</b>
<b>Net Business Impact before Debt Servicing, Development Contributions, Unrealised Gains</b>	<b>2,650</b>	<b>2,650</b>	<b>(3,220)</b>	<b>(120)</b>
<b>DEBT SERVICING AND DEVELOPMENT CONTRIBUTIONS, UNREALISED GAINS/LOSSES, NON CASH ITEMS</b>				
Net interest cost - Year end forecast using the actual opening debt position for 2015-16 and current interest rates.	500	500		
Development Levies and Financial Contributions - based on the year to date results.	6,500	6,500		
Vested Assets - based on the year to date results.	5,000			
<b>DEBT SERVICING AND DEVELOPMENT CONTRIBUTIONS, UNREALISED GAINS/LOSSES, NON CASH ITEMS</b>	<b>12,000</b>	<b>7,000</b>	<b>0</b>	<b>0</b>
<b>Net Business Impact after Debt Servicing, Development Contributions, Unrealised Gains/L</b>	<b>14,650</b>	<b>9,650</b>	<b>(3,220)</b>	<b>(120)</b>
<b>SUMMARY</b>				
Future Years	0	0	0	0
Permanent Impact	2,650	2,650	(3,220)	(120)
<b>Debt Servicing and Development Levies</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Development Contributions	6,500	6,500	0	0
Debt Servicing	500	500	0	0
<b>Non Cash items</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Vested Assets	5,000	0	0	0
Depreciation	0	0	0	0
WIP Reclassifications	0	0	0	0
Unrealised Gains/Losses	0	0	0	0
<b>Surplus (Deficit)</b>	<b>14,650</b>	<b>9,650</b>	<b>(3,220)</b>	<b>(120)</b>

**DEBT AND TREASURY REPORT**  
for the three months ended 30 September 2015

**Policy Compliance**

	Policy	Result @ 30-Sep-15	Policy Compliance
Fixed debt parameters	fixed 50% - 95%	101%	✘
Fixed rate maturity	all years within annual parameters	achieved for all years	✔
Funding maturity	0 - 3 years 15% - 60%	58%	✔
	3 - 5 years 15% - 60%	23%	✔
	5 years plus 10% - 40%	19%	✔
Liquidity ratio	minimum 110%	124%	✔
Counterparty credit risk	maximum \$75m per bank	achieved	✔

**Comments on policy breaches**

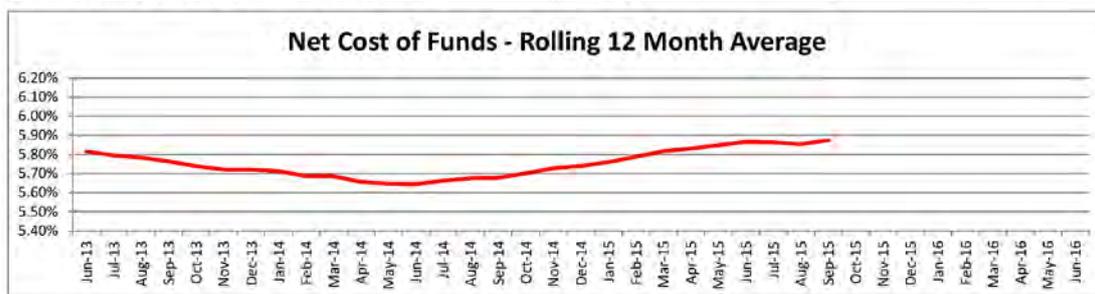
Fixed debt currently exceeds the 95% upper limit due to asset sales, additional revenue (eg development contributions) and timing of rates revenue received rapidly reducing Council's debt in recent months. Action was taken on 13 October to swap a portion of the fixed interest rates for floating to return Council to policy compliance.

**Finance Costs (\$000's)**

	Result @ 30-Sep-15	Budget @ 30-Sep-15	Variance Fav. / (Unfav.)	Annual Budget
Interest and financing costs paid (net of interest paid to reserves)	5,499	5,662	163	22,647
less Interest received	(528)	(500)	28	(2,000)
<b>Net finance costs</b>	<b>4,971</b>	<b>5,162</b>	<b>191</b>	<b>20,647</b>

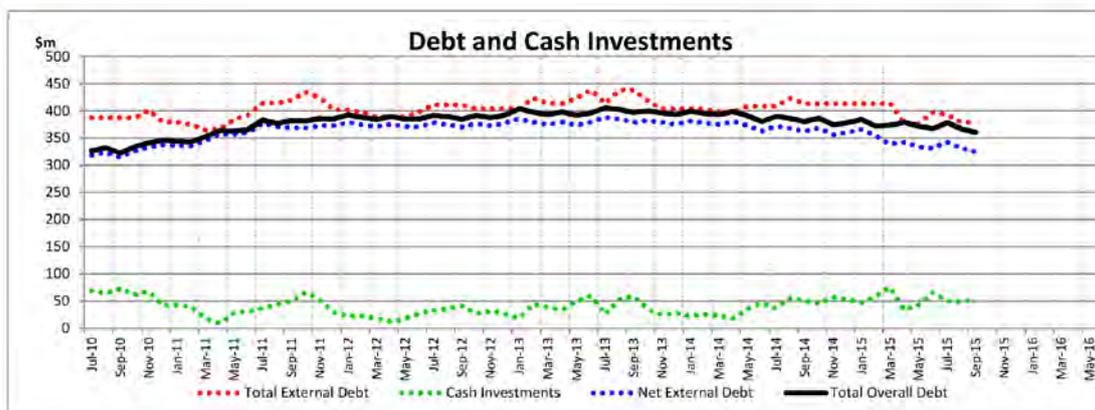
Weighted average net cost of funds (12 month rolling average)

5.87%



**Debt and Cash Investments (\$000's)**

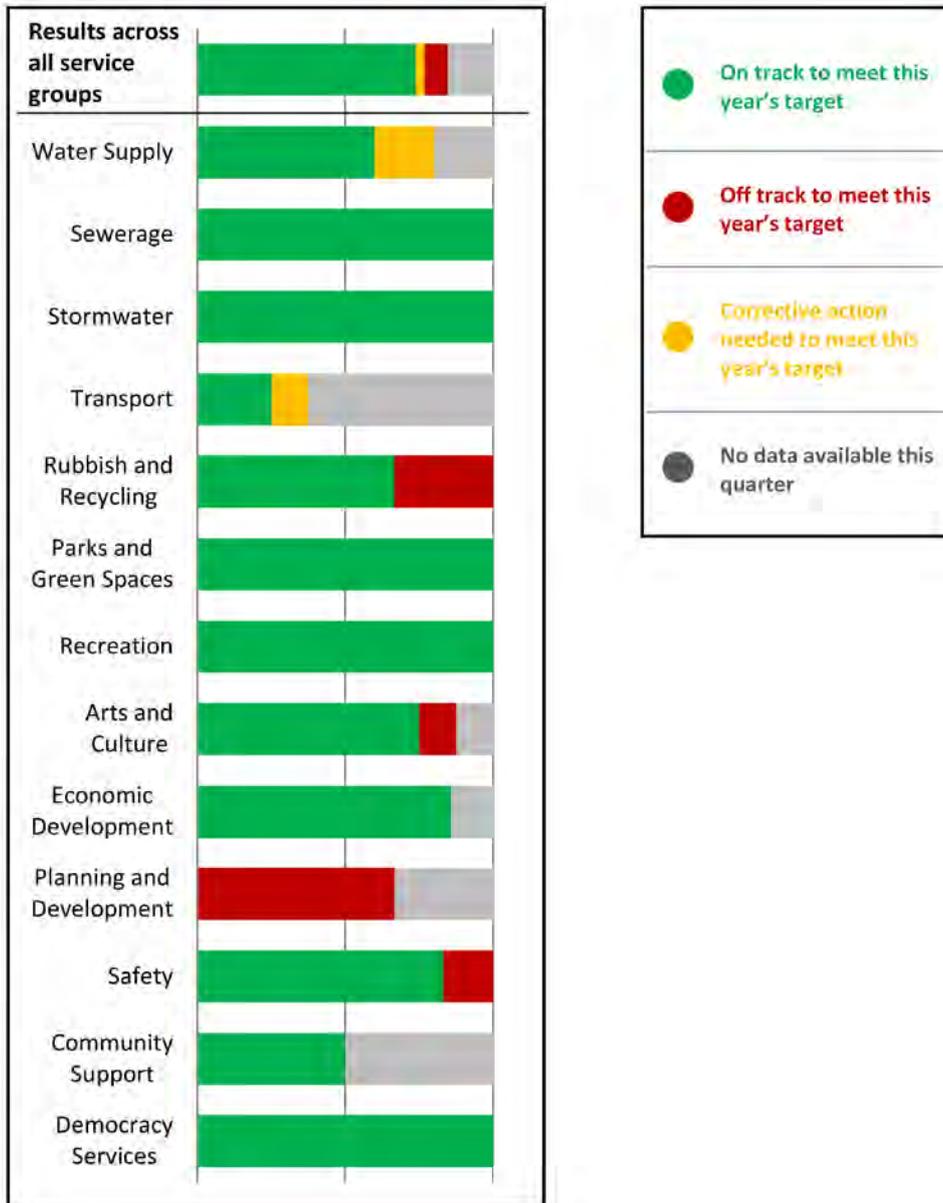
	Result @ 30-Sep-15	Budget @ 30-Jun-16	Variance Fav. / (Unfav.)
External debt	379,282	415,084	35,802
less Cash Investments	(54,573)	(45,000)	9,573
<b>Net external debt</b>	<b>324,709</b>	<b>370,084</b>	<b>45,375</b>
add Cash-backed reserves	36,238	36,713	475
<b>Total overall debt</b>	<b>360,947</b>	<b>406,797</b>	<b>45,850</b>



## Service Performance Report - 2015/16

### 2015-25 10-Year Plan

There are 65 Performance Measures contained in the 2015-25 10-Year Plan. The results below show that overall 74% (48) of measures are on track to meet their targets by June 2016, 3% (2) need corrective action, 8% (5) are off track and 15% (10) have no data available yet. The table below provides details of the measures that are not on track, need corrective action or do not have a result where one was expected.







2015/16 - Quarter 1 Exceptions

M = Government mandatory performance measure

#	LEVEL OF SERVICE STATEMENT	MEASURE	TARGET	COUNCIL GROUP	COUNCIL UNIT	QUARTER 1		
						Result	Status	Comments
<b>ACTIVITY GROUP: WATER SUPPLY</b>								
1 M	A timely response if there is a problem with the water supply.	The median response times for the following when the Council attends a call-out in response to a fault or unplanned interruption to its water reticulation system:  Attendance for non-urgent call-outs: From the time that the Council receives notification to the time that service personnel reach the site.	No more than 5 days	City Infrastructure	City Waters	6.2 days	Corrective action needed	Data monitoring will be increased and actioned as required to ensure the measure is met before the end of the year.
<b>ACTIVITY GROUP: TRANSPORT</b>								
2 M	A timely response to requests for service.	The percentage of customer service requests relating to roads and footpaths responded to within five working days.	95%	City Infrastructure	City Transportation	91%	Corrective action needed	There were 743 requests out of 813 responded to within 5 days, giving a percentage of 91 (Totals per month - July 308/351, August 167/185, September 268/277). Data monitoring will be increased and actioned as required to ensure the measure is met before the end of the year.
<b>ACTIVITY GROUP: RUBBISH AND RECYCLING</b>								
3	The Council will promote and encourage recycling and reuse.	The percentage of waste recovered for recycling through the kerbside collection.	At least 30%	City Infrastructure	City Waters	27.4%	Off track	The figure for quarter 1 is slightly lower than usual, this is due to the way our Contractor calculates the monthly recycling tonnage (based on what is transported off site for further treatment). There were no volumes transported off site for some waste streams in September resulting in a lower recycling tonnage for that month and a lower percentage result for the quarter. Further long term improvements will be seen as waste minimisation initiatives are implemented. 2053.32/7494.41
<b>ACTIVITY GROUP: ARTS AND CULTURE</b>								
4	A modern and relevant library service. Use of the library collections, both print and electronic.		1% increase each year	Community	Hamilton City Libraries	5.6% decrease	Off track	The quarter has been lower than expected with the total issues at 376,100. This is partly due to seasonal fluctuations and is expected to pick up in quarters 2 and 4.



M = Government mandatory performance measure

#	LEVEL OF SERVICE STATEMENT	MEASURE	TARGET	COUNCIL GROUP	COUNCIL UNIT	QUARTER 1		
						Result	Status	Comments
<b>ACTIVITY GROUP: ECONOMIC DEVELOPMENT</b>								
5	Growth in the Hamilton and Waikato Region visitor economy.	The percentage of growth in the visitor economy of the Hamilton and Waikato region.	2.8% growth annually	City Growth	Economic Growth		No data available	This is an annual expenditure figure provided by Ministry of Business, Innovation and Employment (MBIE) and isn't available quarterly. The results for year end March 2016 will be available in November 2016. MBIE have recast growth figures so Hamilton and Waikato Tourism have decreased their target to 2.7%.
<b>ACTIVITY GROUP: PLANNING AND DEVELOPMENT</b>								
6	The Council will provide an adequate supply of land for housing.	The number of years of residential land supply zoned and ready for development in greenfield areas.	At least 5 years	City Growth	Economic Growth		No data available	Investment in Council's information system is occurring so planning and building data can be used to monitor this measure on a live, on going basis. The tool is currently being finalised and results will be available from the next quarterly report.
7	Planning and building consents will be processed on time.	The percentage of non-notified resource consent applications processed within statutory timeframes.	100%	City Growth	Planning Guidance	99.8%	Off track	Two consents were processed out of time. One was by one day and the other was 28 days. These were because of a miscount of days and consultant negotiations to ensure agreed conditions of consent were reached to best reflect the environment, respectively.
8	Planning and building consents will be processed on time.	The percentage of building consents processed within statutory timeframes.	100%	City Growth	Building Control	96%	Off track	Resource challenges have effected the workflow and timeframes of building consents in the last quarter.
<b>ACTIVITY GROUP: SAFETY</b>								
9	Premises selling food will be regularly monitored.	The percentage of high risk premises selling food inspected at least once each year for compliance with the current food safety requirements (excluding those premises subject to the new Food Act 2014 regime).	100%	City Growth	City Safe	98%	Off track	291 out of 296 high risk food businesses have been inspected at least once in the past 12-months; 5 remaining premises have been scheduled for inspection over the weekend periods when they are operating next quarter.

**Committee:** Finance Committee

**Date:** 22 October 2015

**Report Name:** Key Projects - August 2015

**Author:** Carol Serra

<b>Report Status</b>	<i>Open</i>
<b>Strategy, Policy or Plan context</b>	<i>2015-2025 10 Year Plan</i>
<b>Financial status</b>	<i>There is budget allocated – on a per project basis</i>
<b>Assessment of significance</b>	<i>Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance</i>

## 1. Purpose of the Report

2. To provide an overview of the key projects underway at Hamilton City Council for the August period.
3. To provide an overview of PMO activity in relation to key projects, across the organisation.

## 4. Executive Summary

5. The August 2015 key projects summary report is provided as Attachment 1.
6. Project YTD spend figures are confirmed spend to 31 August 2015.
7. Financial System IT Implementation is showing amber – this is due to time delays which have been previously signaled.
8. Rototuna Reservoir and Bulk Watermains Development is showing in amber – this is due to the final Design Estimate reviews indicating a risk the total funding allocated for the project may be insufficient.
9. The full key projects report for August 2015 is available on request (via Mary Birch).

## 10. Recommendation from Management

That the report be received.

## 11. Attachments

12. Attachment 1 - Key Projects summary report - August 2015

### 13. Key Issues

14. Two projects are showing amber:
- Financial System IT Implementation (the original project timeline has been exceeded- however no other project impact is foreseen and completion is scheduled for September 2015).
  - Rototuna Reservoir and Bulk Watermains Development (Final Design Estimate reviews have indicated a risk that the total funding allocated for the project may be insufficient. Staff will report back on this issue in March 2016 when the final contract price is known together with options to mitigate any impacts on Council's financial position).
15. One project has changed from amber to green:
- Hamilton Ring Road Upgrade and Extension (a deferral of \$10.5m of 2014/15 funds to 2015/16 was required in order to complete works and has now been formally approved by Council, 20 August 2015).
16. All YTD spend figures, for the open projects, are confirmed spend.

### 17. Financial and Resourcing Implications

18. Nil new.

### 19. Risk

20. Project risks are identified on a project specific basis and are actively managed and monitored by the assigned project manager in conjunction with the relevant project governance group/GM project sponsor.
21. Any change to risk profile or risk rating is included in the key projects summary report for each project.
22. The focus and priorities of the PMO are under discussion with the CIO and CEO as the organisation's new structure beds down.

### Signatory

Authoriser	Paul Conder, Chief Financial Officer
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Key Projects Summary Report - August 2015 (Full Key Projects report available from Mary Birch)

Total Number of Projects	Count	Project Status	Risks
Project Status – On Track	5		Increased = ↑
Project Status – Needs to be Monitored	2		Unchanged = →
Project Status – Needs urgent management attention	0		Decreased = ↓

Project/ Programme Name	Project Sponsor	Project Manager	Start date	Expected completion date	Total project budget	Total project cost TD	YTD spend 7/2015-6/2016	Project Status	Project Exception Report	Risks
Financial System IT Implementation	Richard Briggs	Mark Donnelly	1-Oct-13	15-Oct-15	\$ 2,312,740	\$ 2,301,817	No spend		The timing has been exceeded for this project, therefore it will remain in an Amber status until completed. Following a change request, this project is now due to be completed in October 2015. No other project impact arising.	→
Hamilton Ring Road Upgrade and Extension	Chris Allen	Chris Barton	1-Jul-03	31-Dec-16	\$ 84,270,900	\$ 73,750,378	\$ 29,036		The project status has changed from amber to green (a deferral of \$10.5m of 2014/15 funds to 2015/16 was required in order to complete works and has now been formally approved by Council, 20 August 2015).	→
District Plan Review – Phase VIII	Debra Stan-Barton	Luke O’Dwyer	01-Jan-10	31-Dec-16	\$ 6,168,163	\$ 5,576,938	\$ 85,594			→
Hamilton Gardens Development	Lance Vervoort	Helen Paki	02-Jun-14	31-Dec-18	\$ 8,042,000	\$ 544,751	\$ 67,751			→
Rototuna Town Centre – New Agreement Phase	Lance Vervoort	Helen Paki	02-Apr-13	29-Nov-15	\$ 3,187,800	\$ 1,969,989	\$ 644,000			→
Southern Links – Designation as part of the Peacocke Structure Plan	Chris Allen	Tony Denton	01-Jul-09	31-Dec-16	\$ 3,577,000	\$ 3,325,385	\$ 5,200			→
Rototuna Reservoir and Bulk Watermains Development	Tony Denton	Chris Barton	01-Mar-15	30-Jun-18	\$ 19,489,000	\$ 1,250,228	\$ 547,228		The project status remains in amber. Final Design Estimate reviews have indicated a risk that the total funding allocated for the project may be insufficient. Staff will report back on this issue in March 2016 when the final contract price is known together with options to mitigate any impacts on council’s financial position.	↑

**Committee:** Finance Committee

**Date:** 22 October 2015

**Report Name:** Procurement Report

**Author:** Scott Copeland

<b>Report Status</b>	<i>Open</i>
<b>Strategy, Policy or Plan context</b>	<i>Not Applicable</i>
<b>Financial overview</b>	<i>Not Applicable</i>

## 1. Purpose of the Report

- The purpose of this report is to provide the Finance Committee with information on a standard set of Council procurement metrics.

## 3. Executive Summary

- This report gives an overview of procurement activities for Hamilton City Council for the period 1 July 2015 to 30 September 2015.

## 5. Recommendation from Management

That the report be received.

## 6. Attachments

- Attachment 1 - Procurement KPI Dashboard
- Attachment 2 - Contracts Awarded By Council Between 1 July and 30 September 2015
- Attachment 3 - Contracts Currently Being Tendered Or Under Evaluation
- Attachment 4 - Professional Services Panel Instruction For Services Issued By Council Between 1 July and 30 September 2015
- Attachment 5 - Professional Service Spend by Financial Year

## 12. Key issues

- The Procurement KPI Statistics Dashboard is contained in Attachment One.
- The ten year forecast for procurement savings is contained within the Procurement KPI Statistics Dashboard. The ten year forecast for procurement savings is currently \$9.68 million. Savings are calculated from the contract start until the end of contract and are benchmarked against pre contract costs unless there is a reasonable expectation that these savings will continue post contract expiry. Savings are shown in the financial year they will fall.
- Attachment Two shows all contracts awarded by Council for the period between 1 July 2015 and 30 September 2015.

- 16. Attachment Three shows all contracts currently being tendered or under evaluation.
- 17. Attachment Four shows all Professional Service Panel Instruction for Services issued by Council for the period between 1 July 2015 and 30 September 2015.
- 18. Attachment Five shows all Professional Service spend for Council by category for the last three financial years as well as spend by Professional Services Provider for the 1 July 2015 and 30 September 2015.

**19. Risks and legal implications**

- 20. Not Applicable

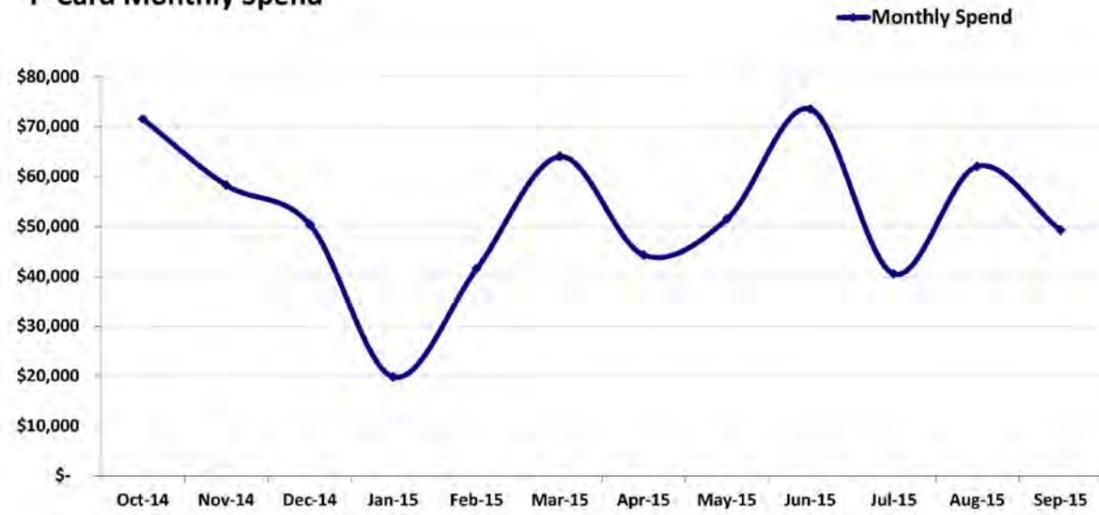
**Signatory**

Authoriser	Paul Conder, Chief Financial Officer
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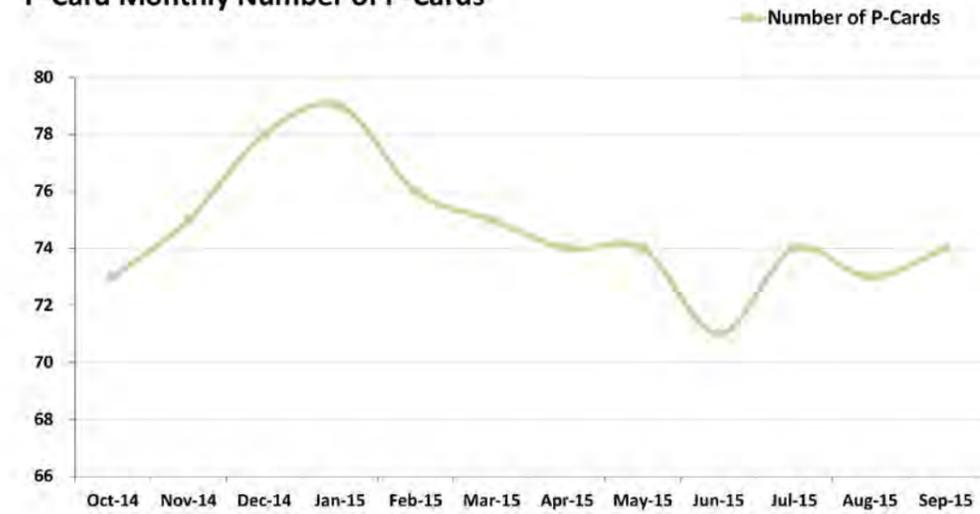


# PROCUREMENT - KPI Statistics Dashboard

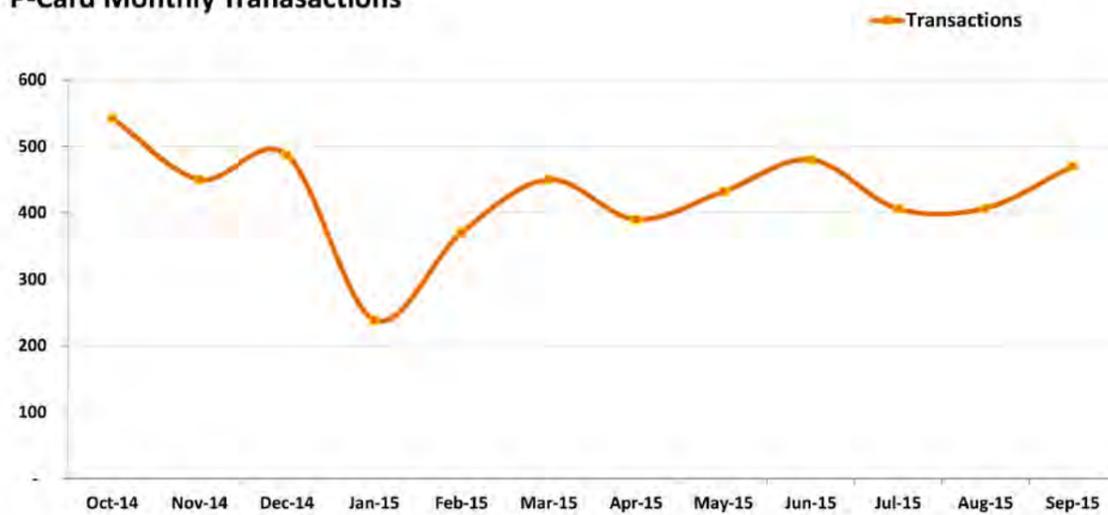
P-Card Monthly Spend



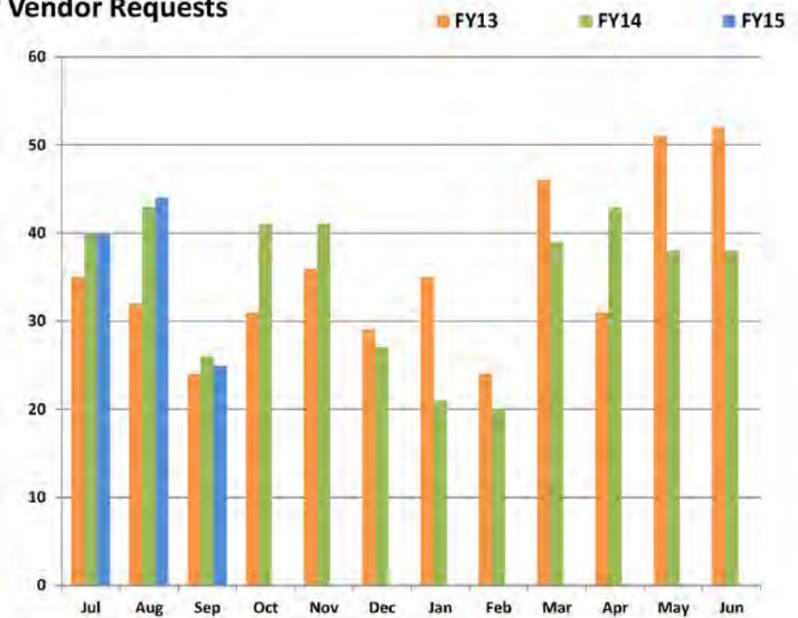
P-Card Monthly Number of P-Cards



P-Card Monthly Transactions



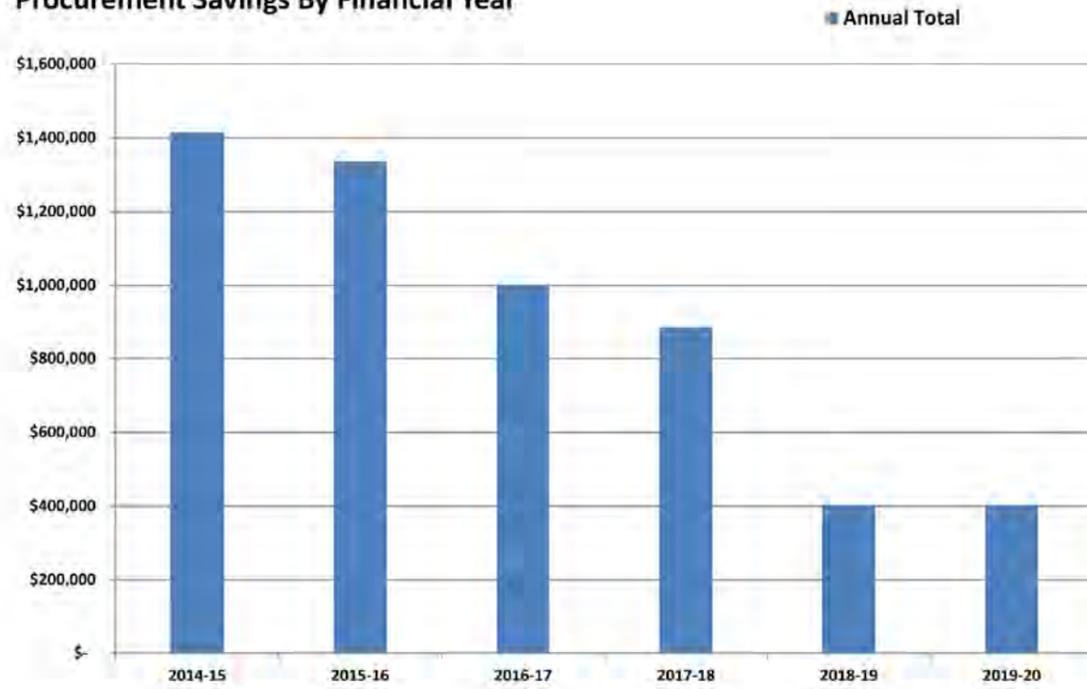
New Vendor Requests



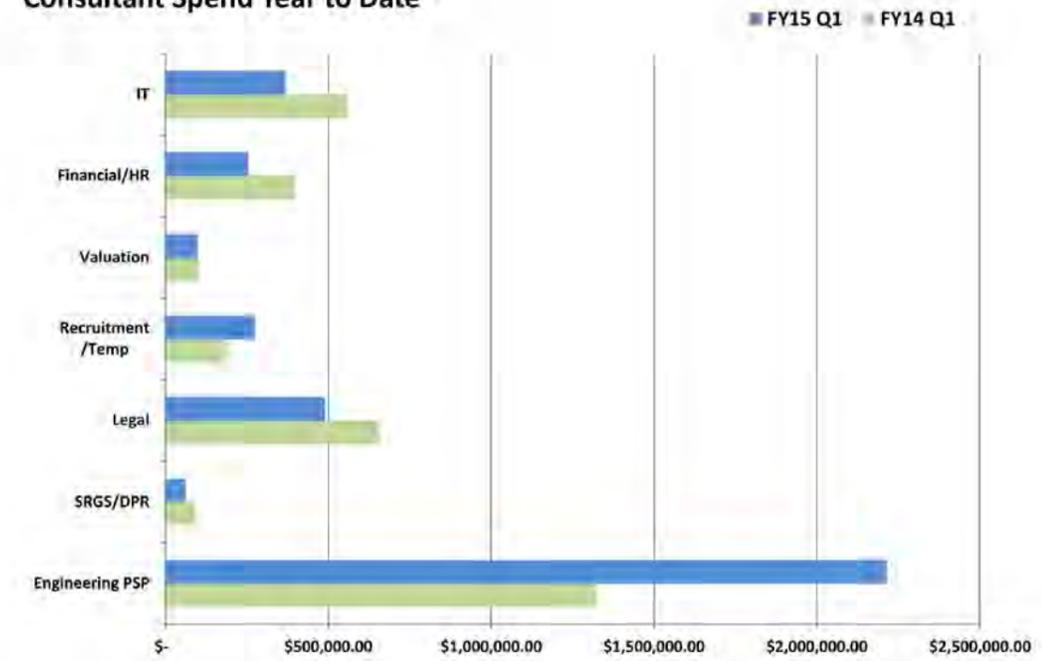


# PROCUREMENT - KPI Statistics Dashboard

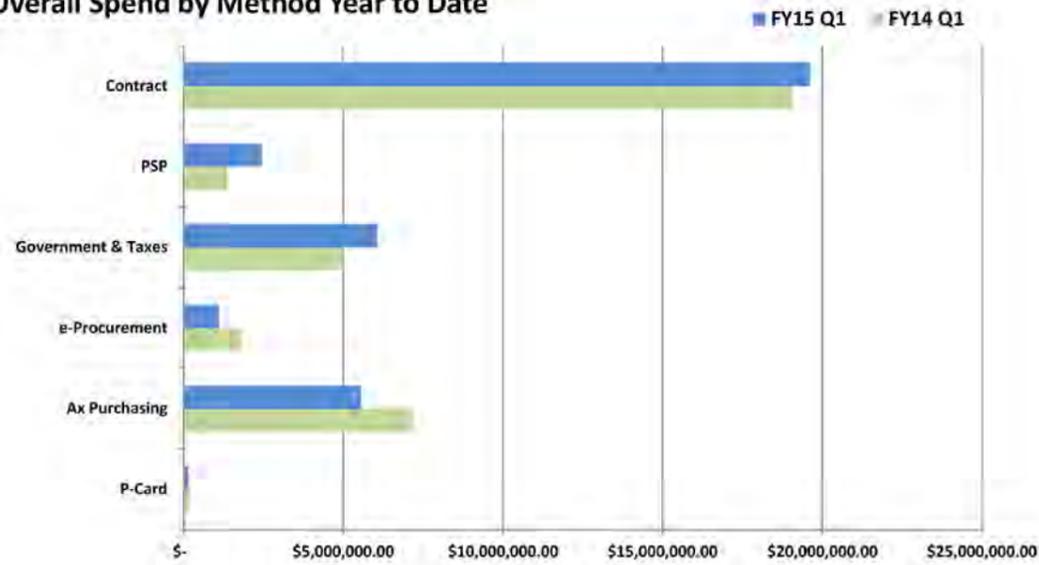
Procurement Savings By Financial Year



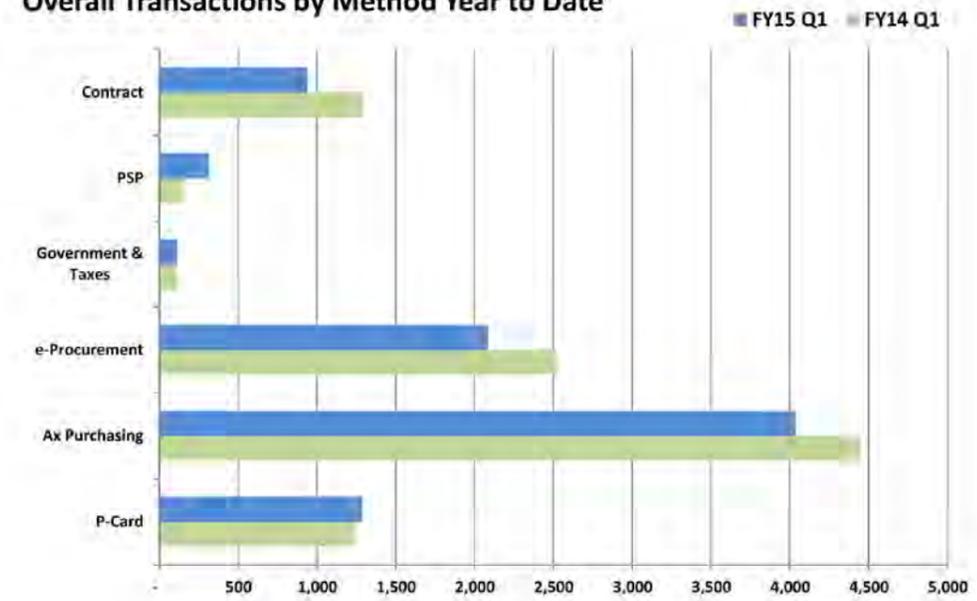
Consultant Spend Year to Date



Overall Spend by Method Year to Date



Overall Transactions by Method Year to Date





Contracts Awarded Between 1 July and 30 September 2015

Contract No.	Contract Description / Name	NZTA	Public or Private	RFX Method	Supplier Selection Method	Contract Delivery Model	Approved By	Approved Date	Contractor	Current Approved Contract Sum	Approved Contract Start Date	Approved Contract End Date
CON 14362	Low River Contingency Building Works	Not Funded	Private	RFT	Price Quality	NZS 3910 Traditional	Richard Briggs - Chief Executive	10/06/15	Brian Perry Civil	\$ 1,472,791.40	19/06/15	13/11/15
CON 14378	Three Waters Network Physical Works	Not Funded	Private	RFT	Price Quality	NZS 3910 Traditional	Finance Committee	23/07/15	HEB Construction Ltd	\$ 18,500,000.00	23/07/15	1/07/18
CON 14383	Annual External Audit 2014-15	Not Funded	Private	Direct Appointment	Direct Appointment	Bespoke	Paul Conder - Chief Financial Officer	7/09/15	Audit New Zealand Ltd	\$ 199,000.00	1/04/15	8/10/15
CON 14414	Hamilton Gardens Infrastructure Project	Not Funded	Public	RFT	Price Quality	NZS 3910 Design & Build	Richard Briggs - Chief Executive	2/07/15	John Carter Constructors Ltd	\$ 480,000.00	1/07/15	18/09/15
CON 14445	Waterworld Outdoor Splash Pad Flooring	Not Funded	Public	RFQ	Price Quality	Minor Work	Deanne McManus-Emery - Acting General Manager - Community	21/09/15	Natare Ltd	\$ 111,081.00	24/08/15	2/10/15
CON 14446	WWTP Energy Partnership HOA	Not Funded	Private	Direct Appointment	Direct Appointment	Bespoke	Chris Allen - General Manager - City Infrastructure	13/05/15	Pioneer Generation Ltd	\$ 20,000.00	23/09/15	13/11/15
CON 14461	Scaffolding for WWTP Acid Digester 2 Cleaning and Condition Assessment	Not Funded	Private	Direct Appointment	Direct Appointment	Minor Work	Chris Allen - General Manager - City Infrastructure	19/06/15	A-Z Scaffolding Limited	\$ 20,000.00	29/06/15	10/07/15
CON 14463	Agreement to Provide Services through Unimarket: Just Water	Not Funded	Private	Direct Appointment	Direct Appointment	Period Supply	Paul Conder - General Manager - Corporate	28/09/15	Just Water International Limited	\$ 88,000.00	1/07/15	30/06/19
CON 14465	Unitec Agreement for Provision of Work Experience	Not Funded	Private	Direct Appointment	Direct Appointment	Bespoke	Sean Murray - General Manager - Events and Economic Development	9/07/15	Unitec	\$ 9,000.00	1/01/15	31/12/18
CON 15001	Developer Contributions Reference Model Development	Not Funded	Private	Direct Appointment	Direct Appointment	IPENZ Short Form	Olly Te Ua - General Manager - Organisational Development	8/07/15	LeapThought NZ Ltd	\$ 60,000.00	29/06/15	30/10/15
CON 15002	Clarifier Levelling	Not Funded	Public	RFQ	Price Quality	Minor Work	Chris Allen - General Manager - City Infrastructure	25/09/15	Service Engineers Ltd	\$ 240,000.00	28/09/15	28/02/16
CON 15003	Concept Garden and Courts	Not Funded	Public	RFT	Price Quality	Minor Work	Richard Briggs - Chief Executive	6/08/15	Foster Construction Group Limited	\$ 552,900.00	10/08/15	13/11/15
CON 15006	Credit Rating Service	Not Funded	Private	Direct Appointment	Direct Appointment	Bespoke	Paul Conder - Chief Financial Officer	21/07/15	Fitch Ratings Pty Ltd	\$ 90,000.00	1/08/15	30/07/17
CON 15009	Communications Engagement and Marketing Strategy for Waste	Not Funded	Private	Direct Appointment	Direct Appointment	IPENZ Short Form	Chris Allen - General Manager - City Infrastructure	15/07/15	Nautonnier	\$ 80,000.00	20/07/15	20/03/16
CON 15010	Development Contributions and Growth Funding Working Group Facilitator	Not Funded	Private	Direct Appointment	Direct Appointment	IPENZ Short Form	Blair Bowcott - General Manager - Performance	15/07/15	Wasley Knell Consultants Ltd - Bill Wasley	\$ 30,000.00	7/07/15	30/06/16
CON 15014	AOG Office Consumables	Not Funded	Private	AoG / Sydicated Agreement	AoG / Sydicated Agreement	Bespoke	Richard Briggs - Chief Executive	15/07/15	Ministry of Business, Innovation & Employment	\$ 600,000.00	18/07/15	17/07/19



Contracts Awarded Between 1 July and 30 September 2015

Contract No.	Contract Description / Name	NZTA	Public or Private	RFX Method	Supplier Selection Method	Contract Delivery Model	Approved By	Approved Date	Contractor	Current Approved Contract Sum	Approved Contract Start Date	Approved Contract End Date
CON 15017	Future Proof Independent Tāngata Whenua Advisor	Not Funded	Private	Direct Appointment	Direct Appointment	IPENZ Short Form	Debra Stan-Barton - Acting General Manager - Growth	29/07/15	Maximize Consultancy	\$ 45,000.00	1/07/15	31/12/16
CON 15045	AOG Collective Procurement of Vehicles MoU	Not Funded	Private	AoG / Sydicated Agreement	AoG / Sydicated Agreement	Bespoke	Richard Briggs - Chief Executive	13/08/15	Ministry of Business, Innovation & Employment	\$ 1,200,000.00	1/07/15	30/06/20
CON 15052	Tai Aroha Swimming Classes for Offenders	Not Funded	Private	Direct Appointment	Direct Appointment	Bespoke	Lance Vervoort - General Manager - Community	6/08/15	Department of Corrections	\$ 12,000.00	1/09/15	31/08/18
CON 15054	Irrigation Audit at Waikato Stadium and Seddon Park	Not Funded	Private	Direct Appointment	Direct Appointment	Government Model Contract-Lite	Karl Johnson - Turf Manager H3 - Waikato Stadium	6/08/15	Raintech Ltd	\$ 2,370.00	1/08/15	30/08/15
CON 15056	Secondment of Dayna Clement for Month-End Processing	Not Funded	Private	Direct Appointment	Direct Appointment	Bespoke	Raniel Prasad - Unit Manager - Accounting	4/08/15	Deloitte	\$ 9,360.00	5/08/15	21/08/15
CON 15061	Ruakura Development Economic Impact Assessment	Not Funded	Private	Direct Appointment	Direct Appointment	IPENZ Short Form	Paul Gower - Programme Manager - Growth and Assets	10/08/15	Market Economics Ltd	\$ 6,000.00	3/08/15	31/08/15
CON 15063	Digital Enablement Plan for Hamilton	Not Funded	Private	Direct Appointment	Direct Appointment	Bespoke	Blair Bowcott - General Manager - Performance	12/08/15	Voco Limited	\$ 30,000.00	13/08/15	18/09/15
CON 15068	Acting Unit Manager Finance	Not Funded	Private	Direct Appointment	Direct Appointment	IPENZ Short Form	Paul Conder - Chief Financial Officer	13/08/15	Stephen H Halliwell (T/A "Working Smarter")	\$ 50,000.00	12/08/15	30/11/15
CON 15069	Renew Irrigation at Jansen Park	Not Funded	Private	RFQ	Price Quality	Minor Work	Gina Hailwood - Acting Unit Manager Parks and Open Spaces	25/09/15	Urban Lawns and Civil Ltd	\$ 78,437.01	29/09/15	30/10/15
CON 15070	Da Vinci Mechanics	Not Funded	Private	Direct Appointment	Direct Appointment	Bespoke	Lance Vervoort - General Manager - Community	16/09/15	Artisans of Florence -International PTY LTD	\$ 74,400.00	18/08/15	31/05/16
CON 15098	Ruakura Inland Port Resource Consents Ecological Assessment	Not Funded	Private	Direct Appointment	Direct Appointment	IPENZ Short Form	Debra Stan-Barton - Acting General Manager - Growth	27/08/15	Kessels & Associates Ltd	\$ 4,000.00	21/08/15	21/08/16
CON 15114	Ruakura Variation – Feasibility Brief for Land Transition at Ruakura	Not Funded	Private	Direct Appointment	Direct Appointment	IPENZ Short Form	Debra Stan-Barton - Acting General Manager - Growth	25/09/15	TelferYoung Ltd	\$ 25,000.00	1/09/15	1/09/16
CON 15115	Ferrybank Development Economic Impact Assessment	Not Funded	Private	Direct Appointment	Direct Appointment	IPENZ Short Form	Debra Stan-Barton - Acting General Manager - Growth	8/09/15	Market Economics Ltd	\$ 40,000.00	3/08/15	30/10/15
CON 15136	Carlyle St Watermain/Ridermain Renewal	Not Funded	Private	Direct Appointment	Direct Appointment	Minor Work	Chris Allen - General Manager - City Infrastructure	11/09/15	Allens United Drainage & Earthworks Ltd	\$ 35,000.00	14/09/15	14/10/15



Contracts Awarded Between 1 July and 30 September 2015

Contract No.	Contract Description / Name	NZTA	Public or Private	RFX Method	Supplier Selection Method	Contract Delivery Model	Approved By	Approved Date	Contractor	Current Approved Contract Sum	Approved Contract Start Date	Approved Contract End Date
CON 15144	Partner Pool Agreement - Fairfield College	Not Funded	Private	Direct Appointment	Direct Appointment	Bespoke	Lance Vervoort - General Manager - Community	17/09/15	Fairfield College	\$ 60,000.00	26/10/15	25/04/18
CON 15145	Partner Pool Agreement - Hillcrest Normal School	Not Funded	Private	Direct Appointment	Direct Appointment	Bespoke	Lance Vervoort - General Manager - Community	17/09/15	Hillcrest Normal School	\$ 30,000.00	26/10/15	25/04/18
CON 15146	Partner Pool Agreement - Te Rapa Primary	Not Funded	Private	Direct Appointment	Direct Appointment	Bespoke	Lance Vervoort - General Manager - Community	17/09/15	Te Rapa Primary School	\$ 30,000.00	26/10/15	25/04/18
CON 15147	Partner Pool Agreement - U-Leisure (University of Waikato)	Not Funded	Private	Direct Appointment	Direct Appointment	Bespoke	Lance Vervoort - General Manager - Community	17/09/15	U-Leisure (University of Waikato)	\$ 90,000.00	26/10/15	25/04/18

## Contracts Currently Being Tendered or Under Evaluation

Contract Status	Contract No.	Contract Description / Name	NZTA Funded	Public or Private	RFX Method	Supplier Selection Method	Contract Delivery Model	Estimated Value
RFX Evaluation	CON 15000	Development Plan for the Ferrybank	Not Funded	Public	REOI	Quality	CCCS	\$ 180,000
RFX Evaluation	CON 15030	Council Chamber Voting Board Upgrade	Not Funded	Private	RFQ	Quality	Bespoke	\$ 30,000
RFX Evaluation	CON 15051	Waterworld CCTV Upgrade	Not Funded	Private	RFQ	Price Quality	Minor Work	\$ 65,000
RFX Evaluation	CON 15073	Hamilton City Council Media Buying Service	Not Funded	Public	REOI	Quality	Period Supply	\$ 400,000
RFX Evaluation	CON 15093	Additional Partner Pool	Not Funded	Private	REOI	Weighted Attributes	Bespoke	\$ 60,000
Tender	CON 15158	Deanwell Park Playground Renewal Equipment Supply and Install	Not Funded	Private	RFQ	Purchaser Nominated Price	Minor Work	\$ 45,000

<b>Definition of Terms</b>	
<b>RFX</b> i.e.:	A generic abbreviation that covers all 'Request for "processes".  <i>RFP</i> Request for Proposal <i>RFT</i> Request for Tender <i>RFQ</i> Request for Quotation <i>REOI</i> Request for Expression of Interest The RFX Specifies what Council wishes to purchase, the terms and conditions plus instructions on how to bid and respond.
<b>Estimated Value</b>	The total estimated cost of contract over the proposed contract term (which may be subject to negotiation).
<b>Public or Private</b>	Private or Public RFX: <i>Private RFX</i> Limited numbers of Tenderers' are invited to submit a tender without public advertisement of Contract. <i>Public RFX</i> A publically advertised tender that any party may respond to.

PSP's Awarded Between 1 July and 30 September 2015

PSP Number	Description	NZTA	Consultancy Company	Group	Unit	IFS Signatory	Date IFS Signed	Current Approved Contract Sum
PSP 14298	Vegetation Management Plan	Not Funded	Arborlab Consultancy Services Ltd	Community	City Parks	Gina Hailwood - Team Leader - City Landscapes	6/07/2015	\$ 16,380
PSP 14456	Post Chlorine Sample Pumps	Not Funded	BCD Group Ltd	Infrastructure	City Waters	Emily Botje - Asset Management Manager	26/06/2015	\$ 10,900
PSP 14459	Environmental Monitoring for RC 105279	Not Funded	Tonkin & Taylor Ltd	Infrastructure	City Waters	Trent Fowles - Compliance Manager - City Waters	26/06/2015	\$ 49,300
PSP 14464	Melville Park Skate Track Landscape Plan	Not Funded	Opus International Consultants	Community	Parks and Open Spaces	Renee McMillan - Team Leader, Assets & Planning	8/07/2015	\$ 3,850
PSP 14467	Carbon Filter and Dehumidifier Design	Not Funded	BCD Group Ltd	Infrastructure	City Waters	Emily Botje - Asset Management Manager	26/06/2015	\$ 22,400
PSP 15004	HCC Intranet Revamp Project	Not Funded	Datacom Group Limited	Corporate	Information Services	Ben Blissett - Application Support Lead - Information Services	7/07/2015	\$ 6,250
PSP 15007	CTU Transport Assistance	Funded	AECOM	Infrastructure	City Transportation	Robyn Denton - Acting Unit Manager - City Transportation	15/07/2015	\$ 99,000
PSP 15008	Wairere Drive Cambridge to Cobham Safety Audit	Funded	Opus International Consultants	Infrastructure	City Development	Pieter Geldenhuis - Project Engineer	14/07/2015	\$ 5,200
PSP 15012	Tsai and Adare Southern Links Appeal Collector Road Peacocke Structure Plan MCA	Funded	AECOM	Infrastructure	City Development	Tony Denton - Unit Manager - City Development	26/08/2015	\$ 20,000
PSP 15013	Business Case Development and Project Management for Southern Links	Not Funded	Gary Matter Ltd	Infrastructure	City Development	Tony Denton - Unit Manager - City Development	13/07/2015	\$ 95,000
PSP 15016	Pukete Reservoir Dedicated Bulkmain Feasibility Study	Not Funded	Opus International Consultants	Infrastructure	City Development	Chris Barton - Project Development Manager	21/07/2015	\$ 36,600
PSP 15018	Lagoon Culvert Remediation	Not Funded	MWH New Zealand Ltd	Infrastructure	City Waters	Emily Botje - Asset Management Manager	30/07/2015	\$ 18,585
PSP 15019	Sed Tank Coating, Ruakiwi Rese Roof, Lime Tank Relining	Not Funded	MWH New Zealand Ltd	Infrastructure	City Waters	Emily Botje - Asset Management Manager	17/07/2015	\$ 29,400
PSP 15020	Lime Dosing and Reservoir Pump and Low Lift Vibration	Not Funded	MWH New Zealand Ltd	Infrastructure	City Waters	Emily Botje - Asset Management Manager	17/07/2015	\$ 35,900
PSP 15021	Hamilton South Reservoir Roof Relining	Not Funded	CH2M Beca Ltd	Infrastructure	City Waters	Emily Botje - Asset Management Manager	17/07/2015	\$ 31,360
PSP 15024	Bourn Brook Ave - Wastewater Pipeline Remedial Work Witnessing	Not Funded	CH2M Beca Ltd	Infrastructure	City Development	Cliff Newton-Smith - Growth Team Leader - City Development	16/07/2015	\$ 12,000
PSP 15025	Fire Alarm Improvements	Not Funded	Beca Ltd	Infrastructure	City Waters	Emily Botje - Asset Management Manager	20/07/2015	\$ 25,330
PSP 15026	People Retrieval System	Not Funded	Beca Ltd	Infrastructure	City Waters	Emily Botje - Asset Management Manager	20/07/2015	\$ 7,760
PSP 15027	Compressed Air Improvements	Not Funded	CH2M Beca Ltd	Infrastructure	City Waters	Emily Botje - Asset Management Manager	20/07/2015	\$ 45,920
PSP 15029	Sewer Pump Station Condition Assessment Programme	Not Funded	MWH New Zealand Ltd	Infrastructure	City Waters	Emily Botje - Asset Management Manager	31/07/2015	\$ 37,100
PSP 15031	Drinking Water Intake Review for Consent 113941	Not Funded	Tonkin & Taylor Ltd	Infrastructure	City Waters	Gavin Pooley - Compliance Team Leader - City Waters	10/07/2015	\$ 2,950
PSP 15032	Ruakura Structure Plan Water Modelling Scenarios and Expert Advice	Not Funded	Mott MacDonald New Zealand Ltd	Infrastructure	City Development	Tony Denton - Unit Manager - City Development	21/07/2015	\$ 7,536
PSP 15033	Lagoon Pipeline Upgrade	Not Funded	MWH New Zealand Ltd	Infrastructure	City Waters	Emily Botje - Asset Management Manager	30/07/2015	\$ 8,716



PSP's Awarded Between 1 July and 30 September 2015

PSP Number	Description	NZTA	Consultancy Company	Group	Unit	IFS Signatory	Date IFS Signed	Current Approved Contract Sum
PSP 15034	Heat Loop Renewal Phase 2	Not Funded	MWH New Zealand Ltd	Infrastructure	City Waters	Emily Botje - Asset Management Manager	30/07/2015	\$ 10,568
PSP 15035	Water Treatment Plant Demand Assessment for Level of Service	Not Funded	Mott MacDonald New Zealand Ltd	Infrastructure	City Development	Lance Haycock - Project Engineer	22/07/2015	\$ 4,761
PSP 15036	Callum Brae Gully Resource Consent Application	Not Funded	Tonkin & Taylor Ltd	Infrastructure	City Waters	Emily Botje - Asset Management Manager	24/07/2015	\$ 20,900
PSP 15037	Update of LIM Notices for Rototuna CLF, Callum Brae and Stage 4	Not Funded	Tonkin & Taylor Ltd	Infrastructure	City Waters	Emily Botje - Asset Management Manager	6/08/2015	\$ 5,250
PSP 15038	Rotating Machinery Protection	Not Funded	Beca Ltd	Infrastructure	City Waters	Emily Botje - Asset Management Manager	22/07/2015	\$ 19,710
PSP 15039	Processing of Resource Consent for Chartwell Investments Ltd	Not Funded	AECOM	Growth	Planning Guidance	Fraser McNutt - Acting Unit Manager - Planning Guidance	29/07/2015	\$ 5,250
PSP 15040	Lake Magellan Bridge Engineering and Consents	Not Funded	Beca Ltd	Community	Parks and Open Spaces	Jeremy Froger - Team Leader Natural Environments - Parks and Open Spaces	26/08/2015	\$ 18,000
PSP 15041	WTP and WWTP Project Engineer Secondment	Not Funded	CH2M Beca Ltd	Infrastructure	City Development	Chris Allen - General Manager - City Infrastructure	17/08/2015	\$ 225,000
PSP 15042	Miscellaneous Stormwater Technical Advice	Not Funded	Morphum Environmental Ltd	Infrastructure	City Development	Tony Denton - Unit Manager - City Development	29/07/2015	\$ 100,000
PSP 15043	ICMP Project Steering Group Technical Advisor	Not Funded	Morphum Environmental Ltd	Infrastructure	City Development	Tony Denton - Unit Manager - City Development	29/07/2015	\$ 93,600
PSP 15044	ICMP Project Steering Group Programme Manager	Not Funded	CH2M Beca Ltd	Infrastructure	City Development	Tony Denton - Unit Manager - City Development	31/07/2015	\$ 100,000
PSP 15046	Pukete Sewer Bridge Condition Assessment	Not Funded	AECOM	Infrastructure	City Waters	Maire Porter - Water Operations Manager	30/07/2015	\$ 21,600
PSP 15047	Waiora 2 WTP Upgrade Business Case Preparation	Not Funded	GHD Ltd	Infrastructure	City Development	Chris Barton - Project Development Manager	3/08/2015	\$ 27,800
PSP 15048	Pukete 3 WWTP Upgrade Business Case Preparation	Not Funded	MWH New Zealand Ltd	Infrastructure	City Waters	Chris Barton - Project Development Manager	13/08/2015	\$ 28,500
PSP 15049	WTP and WWTP Procurement Options Assessment	Not Funded	CH2M Beca Ltd	Infrastructure	City Development	Chris Barton - Project Development Manager	19/08/2015	\$ 40,860
PSP 15053	Resource Consent Processing	Not Funded	Environmental Management Services Ltd	Growth	Planning Guidance	Fraser McNutt - Acting Unit Manager - Planning Guidance	5/08/2015	\$ 20,000
PSP 15055	Rototuna Reservoir Preload Monitoring	Not Funded	Opus International Consultants	Infrastructure	City Development	Chris Barton - Project Development Manager	5/08/2015	\$ 28,900
PSP 15057	Western Rail Trail Cycle Path	Funded	Opus International Consultants	Infrastructure	City Transportation	Chris Allen - General Manager - City Infrastructure	10/08/2015	\$ 295,000
PSP 15059	Wairere Drive Cambridge to Cobham Pedestrian Bridge	Funded	AECOM	Infrastructure	City Development	Chris Barton - Project Development Manager	14/08/2015	\$ 19,485
PSP 15062	Planning Assessment Reports for City Waters 3 Year Renewal Programme	Not Funded	MWH New Zealand Ltd	Infrastructure	City Waters	Emily Botje - Asset Management Manager	6/08/2015	\$ 10,000
PSP 15064	2016-17 Treatment Plants Minor Capex and Renewal Programme	Not Funded	MWH New Zealand Ltd	Infrastructure	City Waters	Andrew Parsons - Unit Manager - City Waters	7/08/2015	\$ 100,000
PSP 15071	Fall Arrest Equipment and Gantry Crane Certification and Replacement	Not Funded	BCD Group Limited	Infrastructure	City Waters	Emily Botje - Asset Management Manager	12/08/2015	\$ 13,825
PSP 15074	Wastewater Network Bulk Storage Consent Strategy White Paper Development	Not Funded	MWH New Zealand Ltd	Infrastructure	City Development	Chris Barton - Project Development Manager	17/08/2015	\$ 19,450



PSP's Awarded Between 1 July and 30 September 2015

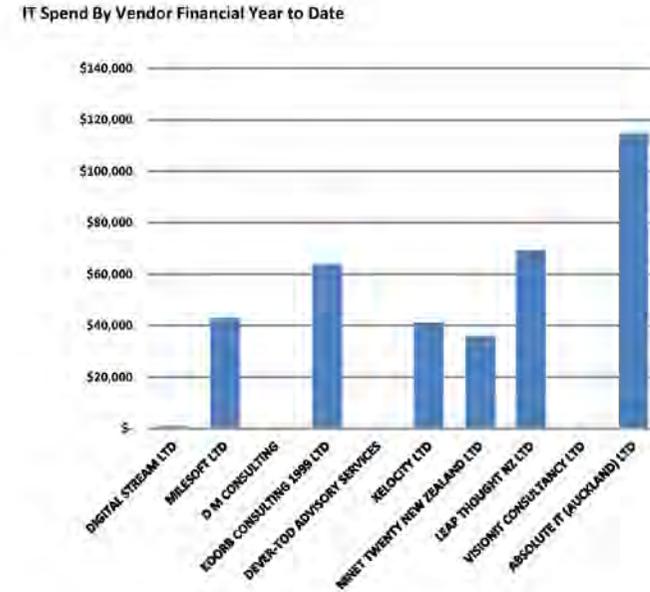
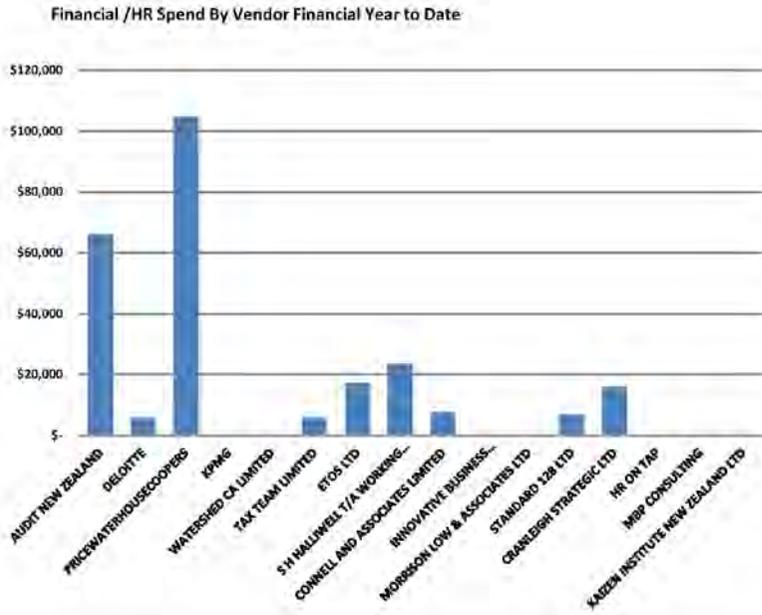
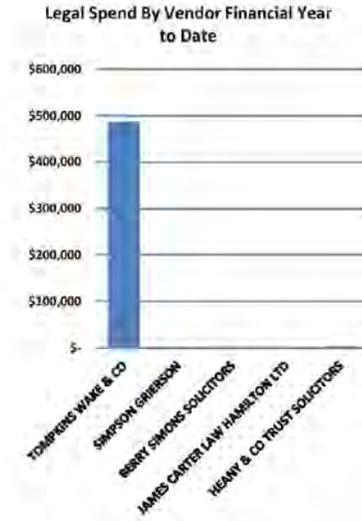
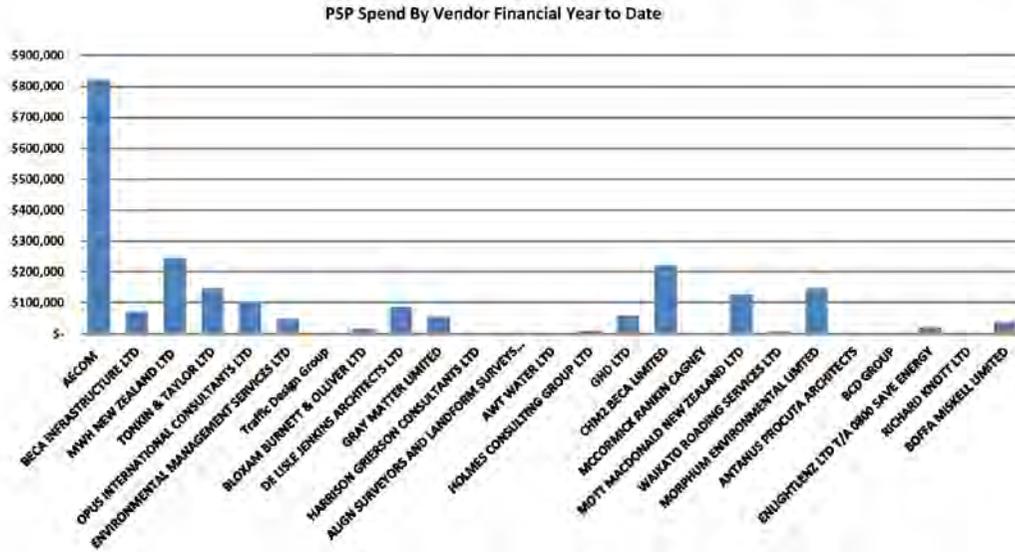
PSP Number	Description	NZTA	Consultancy Company	Group	Unit	IFS Signatory	Date IFS Signed	Current Approved Contract Sum
PSP 15076	Data Led Organisation - Benefits Mapping	Not Funded	Xelocity Ltd	Corporate	Information Services	Eion Hall - Chief Information Officer	14/08/2015	\$ 7,500
PSP 15077	Lake Magellan Compliance and Water Quality	Not Funded	Morphum Environmental Ltd	Infrastructure	City Waters	Tony Denton - Unit Manager - City Development	18/08/2015	\$ 18,000
PSP 15081	Processing of Resource Consents	Not Funded	MWH New Zealand Ltd	Growth	City Planning	Fraser McNutt - Acting Unit Manager - Planning Guidance	17/08/2015	\$ 25,000
PSP 15082	Mobile Chlorination and Dechlorination Unit	Not Funded	MWH New Zealand Ltd	Infrastructure	City Waters	Andrew Parsons - Unit Manager - City Waters	13/08/2015	\$ 31,500
PSP 15083	RMA Approvals - Wairere/Cobham Connection	Funded	AECOM	Infrastructure	City Development	Chris Barton - Project Development Manager	14/08/2015	\$ 30,000
PSP 15084	Review of s95 Report for Resource Consent - Dinsdale Countdown	Not Funded	Environmental Management Services Ltd	Growth	City Planning	Fraser McNutt - Acting Unit Manager - Planning Guidance	17/08/2015	\$ 4,370
PSP 15085	Water Treatment Plant Intake Ground Assessment	Not Funded	MWH New Zealand Ltd	Infrastructure	City Development	Chris Barton - Project Development Manager	17/08/2015	\$ 12,500
PSP 15087	Pukete 3 Wastewater Treatment Plant Upgrade - Instrument Improvement	Not Funded	MWH New Zealand Ltd	Infrastructure	City Waters	Chris Barton - Project Development Manager	28/08/2015	\$ 14,652
PSP 15089	Wairere Drive Cambridge to Cobham - Wetland Design	Not Funded	AECOM	Infrastructure	City Development	Chris Barton - Project Development Manager	18/08/2015	\$ 29,500
PSP 15090	Lake Magellan Hydraulic Assessment	Not Funded	AECOM	Infrastructure	City Development	Tony Denton - Unit Manager - City Development	19/08/2015	\$ 17,600
PSP 15091	ICMP Template and Modules	Not Funded	Morphum Environmental Ltd	Infrastructure	City Development	Tony Denton - Unit Manager - City Development	20/08/2015	\$ 15,870
PSP 15092	Technical Civil and Waters Resources Advice Relating to Houchens Dams	Not Funded	Tonkin & Taylor Ltd	Growth	City Planning	Luke O'Dwyer - Unit Manager - City Planning	7/08/2015	\$ 5,000
PSP 15099	Central City Perspectives	Not Funded	De Lisle Jenkins Architects	H3 and Events	Executive Director - H3 and Events	Sean Murray - General Manager - Events and Economic Development	27/08/2015	\$ 16,250
PSP 15100	Datacom Support Contract	Not Funded	Datacom Group Ltd	Corporate	Information Services	David Gunn - Solutions Delivery Manager	4/09/2015	\$ 49,000
PSP 15101	Assessment of Structural Steel Wall at Waterworld	Not Funded	Opus International Consultants	Corporate	Facilities	Athol Thompson - Contracts Supervisor	8/09/2015	\$ 1,015
PSP 15104	3 Waters Management Practice Notes Update	Not Funded	Morphum Environmental Ltd	Infrastructure	City Development	Tony Denton - Unit Manager - City Development	31/08/2015	\$ 13,000
PSP 15106	Processing of Various Resource Consents by Craig Sharman	Not Funded	Environmental Management Services Ltd	Growth	Planning Guidance	Fraser McNutt - Acting Unit Manager - Planning Guidance	28/08/2015	\$ 15,000
PSP 15107	Commissioner Services for Resource Consent - Dinsdale Countdown Supermarket Extension	Not Funded	Environmental Management Services Ltd	Growth	Planning Guidance	Fraser McNutt - Acting Unit Manager - Planning Guidance	2/09/2015	\$ 1,260
PSP 15108	Cambridge Road Safety Improvements	Funded	AECOM	Infrastructure	City Development	Chris Barton - Project Development Manager	28/09/2015	\$ 36,000
PSP 15109	Business Analysis Services for Information Services	Not Funded	Milessoft Ltd	Corporate	Information Services	David Gunn - Solutions Delivery Manager	2/09/2015	\$ 20,000
PSP 15112	North City Road Business Case	Not Funded	AECOM	Infrastructure	City Development	Chris Barton - Project Development Manager	1/09/2015	\$ 15,000
PSP 15113	North City Road Concept Design	Not Funded	AECOM	Infrastructure	City Development	Tony Denton - Unit Manager - City Development	7/09/2015	\$ 80,000



PSP's Awarded Between 1 July and 30 September 2015

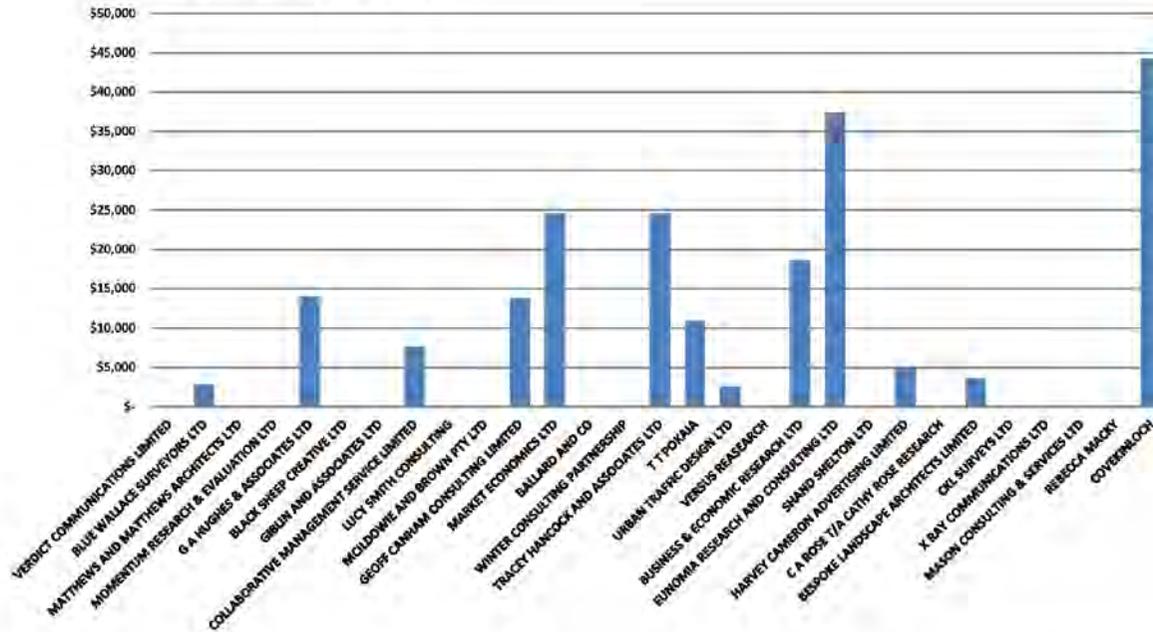
PSP Number	Description	NZTA	Consultancy Company	Group	Unit	IFS Signatory	Date IFS Signed	Current Approved Contract Sum
PSP 15116	Maeroa and Dinsdale Reservoir Pumps Capacity Assessment	Not Funded	Mott MacDonald New Zealand Ltd	Infrastructure	City Waters	Emily Botje - Asset Management Manager	28/08/2015	\$ 27,180
PSP 15117	Design for DMA Water Meter Installation	Not Funded	Mott MacDonald New Zealand Ltd	Infrastructure	City Waters	Emily Botje - Asset Management Manager	28/08/2015	\$ 25,320
PSP 15118	Italian Renaissance Garden Wharf	Not Funded	Environmental Management Services Ltd	Community	Hamilton Gardens (Incl. Nursery)	Peter Sergel - Director - Hamilton Gardens	16/09/2015	\$ 4,000
PSP 15119	Museum Back of House Lighting Design	Not Funded	0800 Save Energy Ltd	Community	Museum	Mark James - Project Manager - Facilities	4/09/2015	\$ 1,770
PSP 15120	Museum Chiller Replacement	Not Funded	0800 Save Energy Ltd	Community	Museum	Mark James - Project Manager - Facilities	8/09/2015	\$ 3,383
PSP 15122	City Waters Risk Management Tool	Not Funded	CH2M Beca Ltd	Infrastructure	City Waters	Emily Botje - Asset Management Manager	14/09/2015	\$ 16,000
PSP 15123	Horsham Downs Rd Permanent Level Design	Not Funded	AECOM	Infrastructure	City Development	Tony Denton - Unit Manager - City Development	4/09/2015	\$ 70,000
PSP 15124	Transportation Evidence for Findlay v Waipa DC	Not Funded	Gray Matter Ltd	Growth	City Planning	Alice Morris - Policy Team Leader - City Planning	23/09/2015	\$ 5,000
PSP 15127	Kay Rd Permanent Levels	Not Funded	AECOM	Infrastructure	City Development	Tony Denton - Unit Manager - City Development	4/09/2015	\$ 80,000
PSP 15128	River Rd Permanent Levels	Not Funded	AECOM	Infrastructure	City Development	Chris Barton - Project Development Manager	9/09/2015	\$ 45,000
PSP 15131	WTP & WWTP Upgrade Benefits Mapping	Not Funded	Xelocity Ltd	Infrastructure	City Development	Chris Barton - Project Development Manager	21/09/2015	\$ 10,000
PSP 15137	BIM Implementation at the Treatment Plants	Not Funded	AECOM	Infrastructure	City Waters	Emily Botje - Asset Management Manager	14/09/2015	\$ 36,000
PSP 15138	Trade Waste and Wastewater Bylaw Drafting	Not Funded	Beca Ltd	Infrastructure	City Waters	Emily Botje - Asset Management Manager	22/09/2015	\$ 29,500
PSP 15153	Benefits Mapping for eConsenting	Not Funded	Xelocity Ltd	Growth	Building Control	Graeme Eagar-Savage - Group Business Manager - Growth	17/09/2015	\$ 7,500
PSP 15156	Te Kowhai Water Incident Investigation	Not Funded	Opus International Consultants	Infrastructure	City Waters	Trent Fowles - Compliance Manager - City Waters	28/09/2015	\$ 8,000

Consultancy Spend by Vendor and Category Year to Date

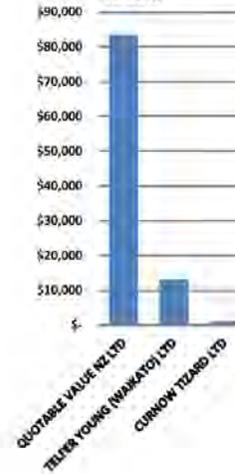


### Consultancy Spend by Vendor and Category Year to Date

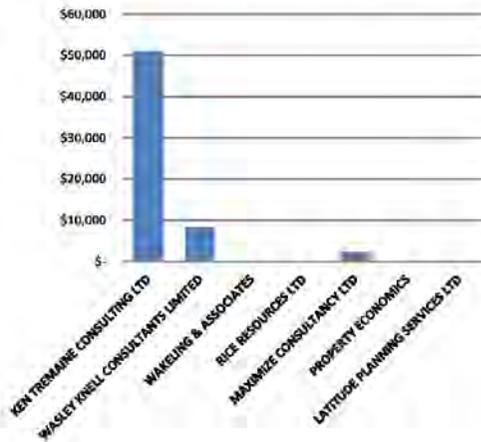
Other Spend By Vendor Financial Year to Date



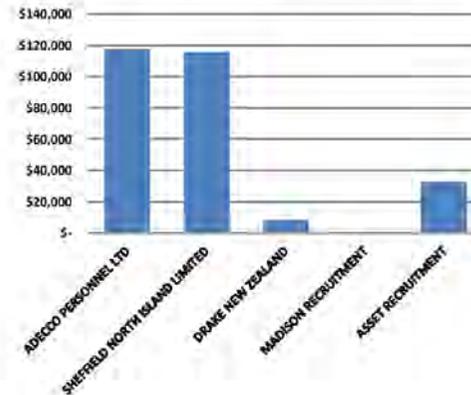
Valuation Spend By Vendor Financial Year to Date



SGRS/DPR Spend By Vendor Financial Year to Date



Recruitment/Temp Spend By Vendor Financial Year to Date



**Committee:** Finance Committee

**Date:** 22 October 2015

**Report Name:** Hamilton Ring Road Quarterly  
Project Update

**Author:** Christopher Barton

<b>Report Status</b>	<i>Open</i>
<b>Strategy, Policy or Plan context</b>	<i>Hamilton Plan:</i> <ul style="list-style-type: none"> <li>• <i>Providing Outstanding Infrastructure</i></li> <li>• <i>The Third City Economy in New Zealand</i></li> </ul> <i>Access Hamilton Strategy</i>
<b>Financial status</b>	<i>Budget available as indicated in report</i>
<b>Assessment of significance</b>	<i>Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance</i>

## 1. Purpose of the Report

2. To provide an update on the current status of the Hamilton Ring Road upgrade and extension project, and to seek approval to extend the existing contract with Downer NZ for the construction of the final section from Cambridge Road to Cobham Drive.

## 3. Executive Summary

4. Construction of the Wairere Drive 4-Laning from Pukete Road to Resolution Drive and the Wairere Drive extension to Cambridge Road are complete.
5. The extension of Wairere Drive from Cambridge Road to Cobham Drive (SH1) including a new roundabout intersection with the State Highway is the final link in the Hamilton Ring Road network.
6. The project is on budget and is on-track to be complete by June 2016 subject to detailed design approval from NZTA and successful negotiation with Downer NZ to undertake construction of the final section from Cambridge Road to Cobham Drive as a variation to the existing contract.

## 7. Recommendations from Management

That:

- a) the report be received;
- b) subject to successful negotiation with Downer NZ, construction of the final section of the Wairere Drive Extension from Cambridge Road to Cobham Drive is awarded as a variation to the existing Contract 10044 for the Hamilton Ring Road Upgrade and Extension with Downer NZ; and

- c) subject to successful negotiation with Downer NZ as outlined in (b) above Council approves an increase to the Approved Contract Sum of Contract 10044 by \$5,682,366 to a maximum value of \$76,172,466.

**8. Attachments**

- 9. There are no attachments for this report.

**10. Project Works Update**

**11. Wairere Drive 4-Laning - Pukete Road to Resolution Drive**

- 12. Work on this section is now complete and the new 4-lane corridor was fully opened to traffic in late August 2014.
- 13. Following post-construction monitoring, additional noise mitigation works are still required to ensure compliance with consent conditions.

**14. Wairere Drive Extension – Crosby Road to Cambridge Road**

- 15. Construction is complete, with the final section from Clyde Street to Cambridge Road opened to public in September 2014.

**16. Wairere Drive Extension – Cambridge Road to Cobham Drive**

- 17. At the Strategy and Policy Committee held 7 July 2015 the macro-scope of the section from Wairere Drive between Cambridge Road and Cobham Drive was approved, including construction of a roundabout at the intersection of Wairere Drive and Cobham Drive (SH1).
- 18. Design has subsequently been progressing including NZTA review and approval of the concept design proposal including a design safety audit.
- 19. The project includes a pedestrian/cycle overbridge crossing across Cobham Drive connecting the new Wairere Drive shared path network to the Hamilton Gardens and existing path network on the southern side of Cobham Drive. Overbridge concept design options investigation is currently progressing, and further design options feedback from Council will be sought prior to committing to a design.

**20. Procurement Options**

- 21. Two options exist for procurement of this final section of the project:

	<b><u>Option 1</u></b>	<b><u>Option 2</u></b>
	Award work as a variation to the existing contract for the Hamilton Ring Road Upgrade and Extension with Downer NZ	Publicly tender work
<b>Time</b>	Direct negotiation avoids the time of the tendering process. Would mean works could potentially commence in November 2015 and be complete by June 2016, maximising the ability to utilise the summer months for construction.	Would likely result in commencing works in early 2016 with anticipated works completion at the end of 2016.  This option would also require a deferral of capital expenditure.

	<b><u>Option 1</u></b>	<b><u>Option 2</u></b>
	Award work as a variation to the existing contract for the Hamilton Ring Road Upgrade and Extension with Downer NZ	Publicly tender work
<b>Cost</b>	<p>Price tension and value for money to Council and NZTA will be demonstrated both by maintaining pricing from the existing tendered rates where appropriate, and by undertaking an independent parallel estimate exercise to demonstrate contract pricing in accordance with current market rates.</p> <p>Following the parallel estimate exercise a final agreed price would be negotiated with Downer NZ.</p>	<p>Additional costs associated with the tendering process.</p> <p>Competitive market pricing for physical works.</p>

22. Downer NZ have delivered the previous stages of the Ring Road contract successfully and would be able to capitalise on existing working relationships and their project understanding to deliver this final section of the project.
23. There is currently approximately \$4M of financial capacity within the existing Contract 10044, however an increase to the current Approved Contract Sum would be required to complete the extension to Cobham Drive.
24. Staff recommend Option 1, completing the final section of the Wairere Drive Extension from Cambridge Road to Cobham Drive via a variation to the existing Contract 10044.
- 25. Key Stakeholders**
26. Staff are continuing to work collaboratively with the Hamilton Gardens as a major stakeholder to ensure that designs appropriately integrate with the strategic objectives of the Hamilton Gardens Management Plan and construction methodologies align with site operational requirements.
27. Co-ordination of design and development of an appropriate construction methodology with NZTA is ongoing, particularly regarding the connection to Cobham Drive (State Highway 1).
- 28. Project Communication**
29. Communication to stakeholders has been successful and effective to date, with Facebook, Twitter, regular email and newsletter updates being well received. Targeted radio and print media is used where deemed appropriate to reach the wider community.
30. Public information sessions are programmed for early November prior to commencement of construction of the final section.
- 31. Benefits Realisation**
32. Staff are monitoring the wider network impacts of the opening of the Wairere Drive sections. Traffic data suggests that there has been a successful shift of traffic from residential streets onto the arterial with traffic volumes being in the order of 20,000 vehicles per day between Crosby Road and Ruakura Road and 10,000 vehicles per day between Ruakura Road and Cambridge Road.

33. Staff are also continuing to monitor interim effects of the staged section opening, including the effects on Cambridge Road where traffic has increased by approximately 15% since opening of the recent section from Clyde Street to Cambridge Road. This escalation is in line with expectations, and will be mitigated with construction of the Cambridge Road to Cobham Drive section of Wairere Drive.

#### 34. Project Financial Update

35. The following table reports on the current financial status of the project. The budgeted and actual costs are the gross costs which include the 55% NZTA subsidy. The budgeted cost allows for the completion of all sections including that from Cambridge Road to Cobham Drive.

	PAST YEARS 2010/11, 2011/12, 2012/13, 2013/14 & 2014/15	CURRENT YEAR 2015/16	Future Years 2016/17	Total Years Budget Actual and Projected
Planned Budget	\$73,721,342	\$10,549,558	-	\$84,270,900
Actual to date	\$73,721,342	\$84,375	-	\$73,805,717
Remaining projected spend		\$10,465,183	-	\$10,465,183
				<b>\$84,270,900</b>

36. The Cambridge Road to Cobham Drive section of the project is 100% advance funded by NZTA as per an existing funding agreement.
37. It is currently forecast that remaining project works can be completed within the 2015/16 approved budget allocation:

Item	Forecast Cost
Cambridge to Cobham design, project management and construction monitoring.	\$300,000
Cambridge to Cobham Construction (including provisional sums for the Cobham Drive pedestrian overbridge and associated Cambridge Road improvement works)	\$9,500,000
Additional Wairere Drive 4-Laning consent compliance remedial works	\$300,000
Project Contingency	\$449,558
<b>Total Estimated Cost</b>	<b>\$10,549,558</b>
<b>Approved 2015/16 Budget</b>	<b>\$10,549,558</b>

38. Throughout the existing Ring Road construction works Contract contingency has been retained, however in order to complete the Cambridge Road to Cobham Drive extension an increase to the existing Approved Contract Sum will be required:

Item	Cost	Approved Contract Sum
Contract 10044 Works to Date	\$66,222,908	
<b>Existing Contract 10044 Approved Contract Sum</b>		<b>\$70,490,100</b>
Cambridge to Cobham Construction (Estimate)	\$9,500,000	
Project Contingency	\$449,558	
<b>Total Estimated Cost</b>	<b>\$76,172,466</b>	
<b>Revised Contract 10044 Approved Contract Sum</b>		<b>\$76,172,466</b>

39. Though it is currently programmed that the connection to Cobham Drive will be delivered in the current financial year, there is potential that some ancillary works may require the deferral of a portion of the capital expenditure from 2015/16 to 2016/17. It should be noted that in accordance with the existing funding agreement with NZTA any deferred expenditure has no material impact on Council's financial position.

#### 40. Risk

41. Current key project risks and opportunities are outlined in the table below:

Risk Description	Probability	Impact	Overall Risk	Value	Comments:
Construction impacts on Cobham Drive (SH1) traffic flows could result in higher than anticipated traffic management costs to mitigate	Likely	Serious	High	\$1,000,000.00	Close liaison with key stakeholders including NZTA and contractor to establish works programme. Mitigation may include components of night works to avoid peak traffic flows.
Design scope issues could cause time and cost implications	Likely	Moderate	Medium	\$500,000.00	Early liaison with key stakeholders during design phase. Monthly monitoring and early notification of issues
Potential for finalisation of works to occur in the 2016/17 financial year.	Likely	Minor	Low	n/a	Early notification once contractor programme is available.
Unsuitable ground could cause time and cost implications	Likely	Moderate	Medium	\$500,000.00	Site investigation during design phase. Monthly monitoring and early notification of issues
Service relocations could cause delays to contract	Likely	Moderate	Medium	\$300,000.00	Forward planning with service providers
Opportunity Description	Probability	Impact	Overall Risk	Value	Comments:
Ongoing Value Engineering	Likely	Moderate	Medium	Unknown	Continuing Value engineering

#### Signatory

Authoriser	Chris Allen, General Manager City Infrastructure Group
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**Committee:** Finance Committee

**Date:** 22 October 2015

**Report Name:** Rubbish and Recycling Contract

**Author:** Emily Botje

<b>Report Status</b>	<i>Open</i>
<b>Strategy, Policy or Plan context</b>	<i>Waste Management and Minimisation Plan</i>
<b>Financial status</b>	<i>There is budget allocated in 2015/16 for the completion of a business case and contract documentation Amount \$100,000</i>
<b>Assessment of significance</b>	<i>Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance</i>

## 1. Purpose of the Report

- The purpose of this report is to establish a working party and extend the existing contracts while the business case for the new kerbside collection and recycling contract is developed.

## 3. Executive Summary

- Council's suite of refuse and collection contracts expire on the 30<sup>th</sup> of June 2017. To enable procurement of a new contractor(s) the following works are required:
  - Business case approval, prior to the procurement process commencing
  - Two stage procurement process in line with Council's Procurement Policy.
- Staff have identified significant issues since the last engagement with Council which could impact on a successful outcome. These issues include:
  - The optimum lead in time for a contractor has increased from 12 months to 18-24 months
  - Health and Safety Reform Bill may make a bagged rubbish service unachievable
  - The need for further clarity from Council on what options to be purchased and expansion of options for consideration through the 10 Year Plan process.

## 6. Recommendations from Management

That:

- the report be received;
- the current suite of contracts (0201, 0202, and 0203) relating to kerbside collection and recycling and, the operations at the refuse transfer station are extended for a period of 18-24 months following negotiation with the incumbent contractor; and
- a working party is formed comprising two Councillors, staff and an independent expert to enable the successful development of a business case for the new services.

## 7. Attachments

8. There are no attachments for this report.

## 9. Key Issues

### 10. Background

11. In 2001 Council called public tenders for and entered into a number of 15 year Contracts with Waste Management for the collection, disposal and operations of the kerbside collections and transfer station. These include:

- 0201 Kerbside refuse collection and disposal
- 0202 Kerbside recycling collection and disposal
- 0203 Refuse transfer station operations and lease.

12. The contracts and lease agreements are due to expire on the 30th June 2017.

13. The expiry of the contracts is an opportune time to review and assess the current service provision and any new service provision.

14. In 2014 City Waters conducted an assessment of the current services, this assessment found that a good service is being provided to the community; however the service is no longer considered to be best practice.

15. Through the 10 Year Plan process, staff recommended that a future service should be expanded to include kerbside collection of all plastic's and that the container for recycling be improved to a wheeled bin (for paper, plastics, tin and aluminum) and crate for glass.

16. Staff agreed to come back to the finance committee with a business case recommending a preferred service option.

17. The business case will be reported to the Finance Committee for approval in around March 2016.

### 18. Business Case development

19. Throughout the 10 Year Plan meetings, debate on a number of technical points raised questions about the preferred service to be provided. In order to capture these questions, the scope of the business case was expanded to include:

- Service options: status quo, wheeled bin + crate and a new option of two recycling crates
- User pays for rubbish collection, previously discounted based on guidance received in a workshop
- Ownership of the refuse transfer station and organic center.

20. Staff recommend the creation of a working group, whereby two Councillors work alongside the team of staff and independent experts in the preparation of the business case. This group will ensure that the needs of the community are measured equally against the waste minimisation and financial benefits when determining the preferred option to be reported back to Finance Committee for approval.

21. Procurement Process

22. A two stage procurement process is recommended, expressions of interest, followed by request for tender. The procurement process cannot begin until the business case is approved.

23. Since the 10 Year Plan meetings, new information has come to light through discussion with key stakeholders that could affect a successful procurement process.

- The original 12 month lead in time required to purchase new trucks, is in reality 18 months, as Auckland is also procuring a vehicle fleet at the same time and the resources for truck fit out in New Zealand is limited.
- Depending on who wins the procurement process, facilities to sort waste (over and above what the refuse transfer station can process) will be required. At least 18 months if not two years may be required if the company does not own land / facilities within the City.
- Bagged rubbish has significant safety hazards for those collecting. The Health and Safety Reform Bill will put greater onus on Council to provide a safe working site for our contractors. Council may find contractors are unwilling to provide a service which includes bagged rubbish. Further information will be obtained from tenderers through the expressions of interest procurement process.

**24. Options**

25. In order to mitigate the above issues, three options are available:

26. Option 1: Bring forward the procurement process to enable an 18 month lead in time.

This will require the contract to be let by December 2015. This option is unachievable and will not be progressed given the pre-requisite work including a business case and collation of tender documentation.

27. Option 2: Continue as planned, with:

- The businesses case only considering the original options of status quo and recycling expanded to include a wheeled bin + crate. User pays rubbish, the third recycling option (two crates) and mitigation of safety risks (including cost implications) for rubbish collection will be excluded.
- Expressions of interest would be sought and a request for tender advertised in early 2016 with the contract awarded by 30<sup>th</sup> June 2016.
- The preferred contractor would need to be able to ensure procurement of trucks and facilities within a 12 month period.
- The safety hazard of collecting refuse in bags would be managed by the Contractor.
- Engagement with the community with regards to the collection service and what it means for the householder will commence in early 2017.

28. Option 3: Extend the incumbent contract between 18 months to 2 years.

29. This will enable:

- A more considered business case to be developed, including options, user pays and safety issues.
- Extended engagements with the community, increasing awareness of waste minimisation as well as the new service.

- Sufficient lead in time for the contractor to purchase trucks and facilities. It should be noted that this lead in time is required for the incumbent contractor and any new contractor.
- Engagement with the community with regards to waste minimisation will commence in 2016. Further engagement on the collection services and what it means for the householder will commence approximately six months prior to the service change.

30. Discussion with the incumbent contractor has taken place to determine if an extension is possible. The contractor has indicated that:

- An extension of 12 months will result in additional costs to Council, as part of the truck fleet will need to be replaced
- An extension of 18-24 months would enable the contractor to recover the costs of new trucks, with no cost increases to Council.

**31. Financial and Resourcing Implications**

32. Funding is available in the 2015/16 year within existing operational budgets to deliver a business case and complete the procurement process.

33. Prior to commencing any service change verification will take place to ensure that the existing funding within the 2015-25 10 Year Plan is sufficient to deliver future services with:

- Funding is available in 2016/17 for the procurement of wheeled bins to enhance the kerbside recycling collection.
- Funding is available in the 2017/18 year for the commencement of an enhanced service, however actual costs will need to be confirmed through the tender process.

**34. Risk**

35. Any new contract for Council for the kerbside collection of rubbish and recycling and the operation of the refuse transfer station is likely to be significant in both time (10 + years) and value. Without engagement from Councillors and sufficient time to deliver an expanded business case may result in a service that is less than optimum.

36. Providing sufficient lead in time for any contractor to set up the necessary operations and procurement of necessary equipment will result in the most cost efficient service being provided. Providing limited time may result in cost escalations for council, for both the immediate set up and on-going operations.

**Signatory**

Authoriser	Chris Allen, General Manager City Infrastructure Group
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**Committee:** Finance Committee

**Date:** 22 October 2015

**Report Name:** Dixon Road / Ohaupo Road  
(SH3) Intersection Business  
Case

**Author:** Nathanael Savage

<b>Report Status</b>	<i>Open</i>
<b>Strategy, Policy or Plan context</b>	<i>Waikato Regional Land Transport Plan, Access Hamilton Strategy, Hamilton Urban Growth Strategy, Hamilton Economic Development Agenda, Hamilton Plan, Hamilton Proposed District Plan (including the Southern Links Designation), 2015-25 10 Year Plan, 2015-45 30 Year Infrastructure Strategy</i>
<b>Financial status</b>	<i>There is budget allocated Amount \$11,811,000</i>
<b>Assessment of significance</b>	<i>Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance</i>

## 1. Purpose of the Report

- To seek approval of the Dixon Road / Ohaupo Road (SH3) Intersection project business case.

## 3. Executive Summary

- This report includes the full business case for the Dixon Road / Ohaupo Road (SH3) Intersection project for approval to expend \$11.811M of funds over the next eight years as provided for in the 2015-25 10 Year Plan.
- This project involves investigations, consenting, design, land purchase and construction works to provide safe transportation access and three waters infrastructure.
- The Dixon Road / Ohaupo Road (SH3) Intersection is the transport solution to unlock the balance of residential development in Stage 1b of the Peacocke Structure Plan.
- Securing land needed for the intersection works and the future Southern Links west/east minor arterial road is included within this business case.
- These works will be the first infrastructure components of the designated Southern Links transport network to be constructed. Construction is programmed to occur in Year 7 (2021/22).
- The NZ Transport Agency is a key stakeholder and funding partner in this project as the transport infrastructure will be part of the State Highway network and Council will be seeking a transport subsidy. Not receiving a subsidy is identified as a project risk in the business case.

## 10. Recommendations from Management

That:

- a) the report be received; and
- b) the Dixon Road / Ohaupo Road (SH3) Intersection project business case is approved.

## 11. Attachments

12. Attachment 1 - Business Case - Dixon Road / Ohaupo Road (SH3) Intersection - 2015-10-22

## 13. Key Issues

### 14. Background

15. Resource consents for development in Stage 1a of the Peacocke Structure Plan area have been granted over time. Now the 500 dwelling capacity set by the Proposed District Plan for Stage 1a has been largely reached.
16. This cap was set because of transport and wastewater infrastructure constraints. The project covered by this business case seeks to deliver the strategic transport and three waters infrastructure needed to enable further residential development of Stage 1b (350 dwellings) to be progressed.
17. The Southern Links designation process has determined that a round-about intersection is the preferred solution for this intersection (refer to Figure 3 of Section 1.1 of the business case).

### 18. Business Case

19. Council has a management policy that supports the development of robust business cases for selected projects from the 10 Year Plan.
20. The business case approach used by Council is based on the Treasury 2010 Better Business Case (BBC) model which now has wide acceptance throughout New Zealand.
21. The BBC is a five case model incorporating:
  - Strategic case – a compelling case for change, strategic fit and business needs
  - Economic case – preferred option that optimizes value for money
  - Commercial case – Commercially viable over the project term
  - Financial case – affordable from available funding
  - Management case – achievable and can be successfully delivered
22. Staff are seeking Council approval of this business case due to the significance of the project and the capital cost involved.

### 23. Strategic Case

24. This project delivers part of the Southern Links transport network which is a key component of the Strategic Roding network identified in Access Hamilton. The project will support planned residential growth, firstly in Peacocke Stage 1b (allowing an additional 350 dwellings connecting to transport network via the roundabout) and secondly in the balance of the Peacockes area as it develops which is consistent with the Hamilton Urban Growth Strategy.

25. This project aligns with the Hamilton Plan including providing outstanding infrastructure and supporting economic development and growth in line with the goal of becoming the third economy in New Zealand.
26. Section 1.3 of the business case provides further comment on how this project aligns with Council strategies.
27. Economic Case
28. The business case supports the view that that this project is economically viable, noting the need to apply and secure NZ Transport Agency subsidy. The economic assessment prepared for Southern Links as part of the designation process demonstrated a benefit cost ratio of 2, which is considered medium. Section 2 of the business case describes the economic details for this project.
29. Obtaining an NZ Transport Agency subsidy cannot be guaranteed and this can only be confirmed once an application has been made.
30. Commercial Case
31. The business case supports the view that the project is commercially viable over the project term and that it can be delivered. Section 3 of the business case describes the commercial details for this project.
32. Financial Case
33. The project as scoped has sufficient funding in the 2015-25 10 Year Plan (\$11.811M). A separate NZ Transport Agency business case and funding application will be sought for the detailed design, land and construction of the Dixon Road / Ohaupo Road (SH3) intersection.
34. A summary of the financial details are set out in paragraph 41 of this report. Section 2.3 and 4 of the business case further describes the financial details for this project.
35. The anticipated project is an eight year programme aligning investment in strategic transport and three waters infrastructure. This lengthy delivery timeframe arises from the need to satisfy Southern Links designation conditions and from funding decisions made as part of the 2015-25 10 Year Plan. There is some potential for advancement through a Private Developer Agreement should the development community wish to progress faster.
36. Management Case
37. This project will be delivered using an appropriate management structure with oversight through a Programme Governance Group. Section 5 of the business case describes the management details for this project.
- 38. Financial and Resourcing Implications**
39. City Infrastructure staff inputs are time costed to capital projects and are therefore covered by the budgets set out below.
40. Dixon Road / Ohaupo Road (SH3) Intersection project budgets:

Description	Amount	Timing	Comment
Transport (CE15088)	\$653,000	2015/16 to 2018/19	Investigation and Reporting
	\$2,413,000	2019/20 to 2020/21	Property costs and design
	\$2,504,000	2021/22	Construction
	\$73,000	2022/23	Maintenance contract period
<b>Transport Total</b>	<b>\$5,643,000</b>		NZ Transport Agency subsidy will be applied for to recover \$2,052,000 over the life of the project
Water (CE15130)	\$1,664,000	2016/17 to 2020/21	Investigation and Reporting, Design and Project Management, Property costs, Construction, MSQA, and Maintenance contract period
Stormwater (CE15062)	\$1,198,000	2018/19 to 2021/22	
Wastewater (CE15109)	\$60,000	2020/21	
<b>Three waters Total</b>	<b>\$2,922,000</b>		
<b>Debt Funding Total</b>	<b>\$3,246,000</b>		(Capitalised interest reflecting the cost of this project over the current 10 year plan)
<b>CAPITAL AND DEBT FUNDING TOTAL</b>	<b>\$11,811,000</b>		

Description	Amount	Timing	Comment
Depreciation	\$24,600	Annual	Applies post-construction / Capitalisation of asset
Maintenance and Operations expense	\$6,000		
<b>ANNUAL OPERATIONAL TOTAL</b>	<b>\$30,600</b>		

#### 41. Risk

42. Section 1.12 of the business case includes a summary of the identified risks for this project together with a high level summary of the proposed risk treatments to mitigate those risks.
43. Key risks generally relate to higher than expected costs and/or delays arising from the findings of further investigation and design works, and land procurement.

#### Signatory

Authoriser	Chris Allen, General Manager City Infrastructure Group
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## HAMILTON CITY COUNCIL BUSINESS CASE SUMMARY

### Summary

**Business Case Name** Dixon Road / Ohaupo Road (SH3) Intersection

**Business Case Type (choose from list)** Full

**Business Case Focus (choose from list):** Address issue

**Risk Rating (circle from list)** Medium

#### Financial Commitment

All of the project costs are included within existing 2015-25 10 Year Plan budgets (this includes the capital costs, depreciation, ongoing maintenance, and interest on borrowing) and has assumed NZ Transport Agency subsidy of \$2,052,000 over the life of the project.

**Total Capital and Debt Funding Expenditure – \$11,811,000**

Capital commitment \$8,565,000

Debt funding \$3,246,000 (Capitalised interest reflecting the cost of this project over the current 10 year plan) (refer to a) and b) below)

**Annual Operating Expenditure - \$30,600**

Depreciation expense \$24,600

Maintenance/operations expense \$6,000

(refer to c) below)

a) Transport

Activity	2015-25 10 Year Plan (inflated costs)				Comment
Transport	CE15088	Years 1 to 4	2015/16 to 2018/19	\$653,000	Investigation and Reporting
		Years 5 to 6	2019/20 to 2020/21	\$2,413,000	Property costs and design
		Year 7	2021/22	\$2,504,000	Construction
		Year 8	2022/23	\$73,000	Maintenance contract period
<b>Total</b>				<b>\$5,643,000</b>	

The cost of borrowing over the life of the project is \$2.14M, which is included within the 2015-25 10 Year Plan budgets

b) Three waters infrastructure

Activity	2015-25 10 Year Plan (inflated costs)				Comment
Water	CE15130	Years 2 to 6	2016/17 to 2020/21	\$1,664,000	Investigation and Reporting, Design and Project Management, Construction, MSQA, and Maintenance contract period
Stormwater	CE15062	Years 4 to 7	2018/19 to 2021/22	\$1,198,000	Property Costs, Design and Project Documentation, Construction and MSQA, Maintenance contract period
Wastewater	CE15109	Year 6	2020/21	\$60,000	Investigation and Reporting, Design and Project Management, Construction, MSQA, and Maintenance contract period
<b>Total</b>				<b>\$2,922,000</b>	

The cost of borrowing over the life of the project is \$1.1M, which is included within the 2015-25 10 Year Plan budgets

c) **Annual Operating Costs****Transport Infrastructure**

The initial operating and maintenance costs for the intersection will be the responsibility of the NZ Transport Agency because it will be a state highway asset. Whilst revocation is anticipated in the future (15+ years) the ongoing operational and maintenance costs for Council will need to be determined as part of the revocation process and be reflected in a related annual/10year plan.

There will be no annual depreciation for transport infrastructure as these costs relate to land procurement which is not subject to depreciation and the infrastructure asset will be owned by the NZ Transport Agency as state highway.

**Water, Stormwater, Wastewater Infrastructure**

Annual depreciation expense \$24,600

Annual maintenance/operations expense \$6,000

The stormwater infrastructure will incur an annual depreciation charge of \$8,000 from 2021/22 onwards (assumed 75 year life of asset). The stormwater infrastructure will incur ongoing maintenance and operating costs of approximately \$6,000 per annum.

The wastewater infrastructure will incur an annual depreciation charge of \$600 from 2021/22 onwards (assumed 100 year life of asset).

The water infrastructure will incur an annual depreciation charge of \$16,000 from 2019/20 onwards (assumed 100 year life of asset).

The water and wastewater infrastructure will incur ongoing maintenance and operating costs which is provided for within the 2015-25 10 Year Plan operational budgets but not individually specified.

Depreciation, operations and maintenance expenses are included within the 2015-25 10 Year Plan operational budgets.

Note: separate business case/s will be prepared in due course for bulk water projects for the Peacocke area. The design and works covered by this Dixon Road / Ohaupo Road (SH3) Intersection business case will be undertaken in a way that assists with the delivery of the bulk water project/s.

**Executive Summary**

The objective of the project is to provide safe transportation access and three waters infrastructure that unlocks residential development in Peacocke Stage 1b (350 dwellings) by 2022/2023 (Year 8 of the 2015-25 10 Year Plan).

The project will:

- Provide strategic transportation and three waters infrastructure necessary to support residential development and growth in Peacocke Stage 1b
- Provide safe and efficient access for traffic generated by the Peacocke Stage 1a and 1b development

Enabling residential growth in Peacocke will help Council achieve its business goals. The construction of the strategic transport network and three waters infrastructure will both respond to and facilitate planned city growth (Peacocke), and gives effect to the District Plan, Hamilton Urban Growth Strategy and the infrastructure investment priorities established by the 10 Year Plan.

This project also represents a component of the wider Southern Links transport network which supports future further development in Peacocke.

**Background and Context**

In 2007 the Peacocke Structure Plan was proposed as part of a variation to the District Plan. This became operative in 2012 and created stages for residential development. The Proposed District Plan (2014) retains an approach where Stage 1 is split into a Stage 1a and 1b for infrastructure capacity reasons. Stage 1a has a 500 dwelling limit which has been reached (consented development).

A further 350 dwellings could be released as Stage 1b following infrastructure upgrades. The upgrades would include three waters network improvements and a transport solution that mitigates safety and efficiency effects of increased traffic at the Dixon Road / Ohaupo Road (State Highway 3) intersection.

Council, in partnership with the NZ Transport Agency, has invested over \$7M in designating the Hamilton Southern Links arterial road network through the Peacocke Structure Plan area and the wider state highway network. Considerable investigation and analysis was completed as part of the Hamilton Southern Links investigation to develop a transport network that aligns with Council's strategic direction and will provide long term support for growth in southern Hamilton. This designation secured routes for the major and minor arterials within the Peacocke Structure Plan area necessary to facilitate development. The designation confirmed the structure plan provisions for transport and access to Stage 1b.

**Preferred Option**

The preferred 3-leg roundabout option has a good strategic fit. It provides road safety improvements and access to Peacocke Stage 1b for residential development. Provision of three waters infrastructure will be integrated into the project. The preferred option has few disadvantages when compared to the other options.

Selection of the preferred option is supported by the recommendations of the scheme assessment and decisions by independent commissioners on the Southern Links notice of requirement.

The project has a funding requirement of \$11.811M signalled in the 2015-25 10 Year Plan. Project works will be funded through a combination Council Capital Expenditure (rates and development contributions), debt funding and NZ Transport Agency Financial Assistance. Third party funding may be considered if a developer proposes to advance construction via a private developer agreement. The project can be delivered within existing 10 Year Plan budget allocations.

The project scope includes:

- Active project and programme management
- Procurement of any required land and management/lease arrangements for land acquired prior to construction
- Develop and implement the Pre-Construction Communication and Consultation Plan. This requires consultation and engagement with external stakeholders including establishment of the Peacocke Community Liaison Group
- Engagement with internal stakeholders
- Engage with utility service providers and complete any necessary service relocations
- Procurement of professional services (including project management) and contract management
- NZ Transport Agency funding application
- Review of NZ Transport Agency Corridor Agreement
- Development of any Private Developer Agreements
- Final design of the intersection including investigation and mitigation of ecological, landscape, heritage and archaeological impacts related to construction of the roundabout (refer image below)
- Design of three waters infrastructure (based on inputs from strategic level investigation by City Waters)
- Application for necessary resource consents (earthworks, stormwater, etc.)
- Construction of the intersection including:
  - Roundabout at the intersection of Ohaupo Road (State Highway 3) with the proposed minor arterial (to create a stub road only)
  - Slip lane for access to properties southwest of the intersection
  - T- intersection (left-in/left-out movements) with Dixon Road
  - Stormwater treatment and conveyance

- Utility and service relocations
- Construction of strategic three waters infrastructure to enable development in Stage 1b (350 dwellings)
- Capitalisation of new assets

The project is consistent with the long term transport network for Hamilton (Southern Links) and provides transport and three waters infrastructure necessary for residential development.

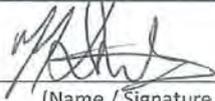
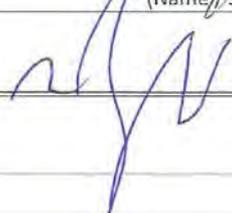
Construction of the minor arterial extending to the east from the stub road is likely to be staged. This will maximise value for Council and developers by providing infrastructure in a 'just in time' manner. Initially it would be constructed as a local road by the developer of Stage 1b and subsequently upgraded to a minor arterial standard. Council would be required to complete land acquisition for the road.

If there is developer demand for strategic infrastructure ahead of timing in the 10 Year Plan then a Private Developer Agreement (PDA) may be used to facilitate development.



Preferred roundabout option (AECOM drawing reference 60164546-C-20-8203 Rev B)

**Review / Approval Summary**

Prepared By Business Owner		Date	22/09/15
	(Name / Signature of individual)		
Reviewed By PMO		Date	22-9-15
	(Name / Signature of individual)		
Reviewed By SLT		Date	2/10/2015

(Name / Signature of	
individual) <b>SLT Decision (choose from list)</b> Approved	
<b>Council / Committee Meeting (circle one)</b> Choose an item.	<b>Date</b> _____
<b>Resolution (adopted following Council/Committee consideration)</b>	

## HAMILTON CITY COUNCIL BUSINESS CASE DETAILS

### 1.0 Strategic Case – complete for **ALL** business cases

Ensuring an appropriate strategic fit and making a robust case for change

#### 1.1 Position

Where are we now - what's the issue / opportunity we are trying to address? Where do we want to be? Define clear SMART objectives that can be directly linked to your proposed outcomes (benefits)

##### Where are we now

The Peacocke area was brought into Hamilton city from Waipa district in 1989. In 1999 the District Plan zoning for this area was changed from 'rural' to 'future urban'.

In 2007 the Peacocke Structure Plan was proposed as part of a variation to the District Plan. This became operative in 2012 and created stages for residential development. Stage 1 was zoned for residential use while Stage 2 remained 'future urban'.

The recent District Plan review (notified 2012 and decision 2014) kept many of the same provisions and gave Stage 2 a residential special character zoning (Peacocke Character Zone).

The Proposed District Plan splits Stage 1 into a Stage 1a and 1b for infrastructure capacity reasons. The District Plan does not however define, by way of a plan, the land that is in Stage 1a versus 1b (refer to Figure 1 below). Instead it sets a 500 dwelling limit for development in Stage 1 which would determine the size of Stage 1a. This is the maximum capacity without investment on the existing transport network to mitigate adverse safety and efficiency effects of increased traffic from growth at the Dixon Road / Ohaupo Road (State Highway 3) intersection, and improvements to the wastewater network. Over time various resource consents have been granted for development and the 500 dwelling capacity has now been reached. Once a transport and wastewater solution is in place a further 350 dwellings could be released as Stage 1b. Rule 3.4.6.1 of the Proposed District Plan specifically relates.

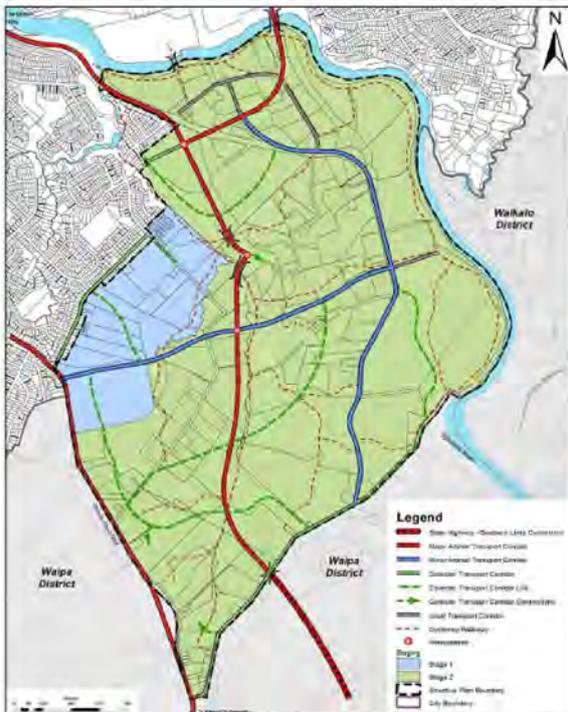


Figure 1: Peacocke Structure Plan – Stages and Transport Network (Proposed District Plan 2014, Appendix 2)

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**Hamilton Southern Links**

Council, in partnership with the NZ Transport Agency, has invested over \$7M in designating the Hamilton Southern Links arterial road network through the Peacocke Structure Plan area and the wider state highway network. This designation secured routes for the major and minor arterials within the Peacocke Structure Plan area necessary to facilitate development. The Hamilton Southern Links Investigation completed the following work:

- Public consultation with key stakeholders, landowners and other interested parties.
- Option identification and assessment using a multi-criteria analysis.
- Investigation and design including archaeological, social, heritage, ecological, geotechnical, traffic modelling, geometric design.
- Assessment of effects and successful notice of requirement for designation of the network.

The Hamilton Southern Links investigation determined that a roundabout intersection was the preferred transport solution for access from the Peacocke Structure Plan area to Ohaupo Road (State Highway 3). Without this intersection improvement planned for residential development in Stage 1b cannot happen. The preferred network and intersection arrangement are shown in the Figures 2 and 3 below.

As the state highway components of the Hamilton Southern Links network are developed, the state highway status may be revoked from some parts of the existing state highway network. These revoked sections would become local roads. It is possible that Ohaupo Road (SH3) will have its state highway status revoked in the future. Revocation is not planned within the medium term (15+ years) because a change in the function Ohaupo Road is contingent on the substantive completion of the Southern Links transport network. There is a NZ Transport Agency State Highway Revocation Policy which sets out the requirements for consultation and actions before a state highway can be revoked.

In the future it is likely that the state highway status of Dixon Road / Ohaupo Road (SH3) intersection and a length of Ohaupo Road (SH3) itself will be revoked and the asset will come to Council to operate and maintain. The revocation process will involve an assessment of the life span of each component of the transport asset at that time. It will also identify what works need to be undertaken by NZ Transport Agency before transferring the asset to Council. It is at that point in time that the ongoing operational and maintenance costs for Council will be able to be determined and then reflected in a subsequent Annual Plan / 10 Year Plan.

This project will influence the long-term form and function of the corridor.



Figure 2: Hamilton Southern Links Preferred Network



Figure 3: Preferred roundabout option (AECOM drawing reference 60164546-C-20-8203 Rev B, D-1903448)

#### NZ Transport Agency and Strategic Context

The NZ Transport Agency has a number of investigations and on-going projects that may influence this project. This includes:

- NZ Transport Agency Safe Roads Alliance – may identify safety improvements along SH3/Ohaupo Road
- Southern Land Use Implementation Plan (SLIP) – could influence the timing of development in the wider area including at the Hamilton Airport
- SH3 Strategic Business Case (Airport to Hamilton) – may identify safety or efficiency improvements along SH3/Ohaupo Road corridor

The NZ Transport Agency is also developing an off-road walking and cycling path along Ohaupo Road that should be connected to walking and cycling facilities within Peacocke Stage 1b.

As part of the funding application to NZ Transport Agency, may be necessary to demonstrate that this project contributes to the wider integrated planning and transport objectives for the area through a NZ Transport Agency specific Business Case.

#### Summary

The approach of this business case supports staged implementation of strategic transport and water infrastructure to enable and support residential development in Peacocke Stage 1b. Staged implementation staggers Council's investment but allows developers to forward fund infrastructure through private developer agreements.

In summary, this project is the key step to enable planned residential development in Peacocke Stage 1b, and ultimately Stage 2. The Hamilton Southern Links investigation has considered a range of options for the preferred transport network in Peacocke and delivery of this project is consistent with the designation achieved as part of that project.

<p><b>Objective</b> The objective of the project is to provide safe transportation access and three waters infrastructure that unlocks residential development in Peacocke Stage 1b (350dwellings) by 2022/2023 (Year 8 of the 2015-25 10 Year Plan).</p>		
<p><b>1.2 Outcomes</b> What are the expected outcomes that will be delivered as a result of this work - Develop these with Stakeholders along with SMART objectives and defined long term value for money this BC work will deliver</p>		
<p><b>Outcomes</b> The project will:</p> <ul style="list-style-type: none"> <li>• Provide strategic transportation and three waters infrastructure necessary to support residential development and growth in Peacocke Stage 1b</li> <li>• Provide safe and efficient access for traffic generated by the development of Peacocke Stage 1a and 1b</li> </ul>		
<p><b>Proposed District Plan</b> The project is consistent with the objectives and policies of the Proposed District Plan (PDP). For example, the project will contribute to the Proposed District Plan Objective 3.3.4 “An integrated and efficient pattern of land use and transportation so as to sustainably manage the impact of development on existing and planned transport infrastructure”</p>		
<p><b>Hamilton Southern Links</b> The Dixon Road / Ohaupo Road (SH3) Intersection project is a component of the Hamilton Southern Links network. The Hamilton Southern Links network will generate the following benefits:</p> <ul style="list-style-type: none"> <li>• Improvements in journey time reliability and easing of severe congestion by reducing delays and improving the level of service on the existing state highway and arterial road network in the project area</li> <li>• More efficient freight supply chains will be achieved by protecting and improving connections to important commercial and industrial areas within Hamilton (particularly in the western corridor), the Hamilton Ring Road from the Waikato Expressway; also to Ruakura in the east, the Hamilton International Airport and nearby proposed development of industrial land, and from State Highway 3</li> <li>• Better access to markets, employment and areas that contribute to economic growth by providing direct connections from the Peacocke growth cell and other towns such as Te Awamutu</li> <li>• Opportunities for improved amenity for active modes and public transport</li> <li>• Improvements in road safety by providing new high standard, access controlled arterial corridors for the movement of freight and people and reducing conflict in existing corridors</li> <li>• Redistribution of freight movements away from heavily congested existing routes through suburbs such as Hillcrest and Melville with attendant future travel time savings for interregional freight</li> <li>• A road hierarchy will be established where local and inter-regional traffic is able to travel on appropriate routes better suited for its travel purpose. This improves amenity and safety through reduced conflict between different vehicle types, particularly in the residential areas through which State Highway 1, State Highway 3 and State Highway 21 currently pass</li> </ul>		
<p><b>1.3 Strategic Alignment</b> Describe how the proposed work aligns to either individual or multiple Council strategies (which in turn support the Hamilton Plan (<a href="http://www.hamilton.govt.nz/our-council/hamilton-plan/Documents/HAM0001%2010%20Year%20Plan_web.pdf">http://www.hamilton.govt.nz/our-council/hamilton-plan/Documents/HAM0001%2010%20Year%20Plan_web.pdf</a> ) <a href="http://www.hamilton.govt.nz/our-city/10-strategies/pages/default.aspx">http://www.hamilton.govt.nz/our-city/10-strategies/pages/default.aspx</a>)</p>		
<p>Supporting growth in Peacocke through delivery of key transport and three waters infrastructure is well aligned with a number of Council’s strategies and plans.</p>		
<b>Strategic document</b>		<b>How this project delivers</b>
<b>Hamilton City Council’s Purpose</b>	To be a smart city in every way and in everything we do	Constructing the intersection is the first part of a long term programme for delivering infrastructure to support residential development in Peacocke. It enables staged development of Peacocke and is a smart way to allow growth to start without

		<p>significant financial risk to Council</p> <p>The intersection improvements will make it easier and safer for people to get around Hamilton and do business</p>
<b>Hamilton Plan</b>	<p>We want to:</p> <ul style="list-style-type: none"> <li>- Provide outstanding infrastructure</li> <li>- Provide access to affordable housing</li> </ul>	<p>The project is well aligned with the Hamilton Plan, it will:</p> <ul style="list-style-type: none"> <li>- Deliver strategic transport and three waters infrastructure solutions that supports economic development and growth</li> <li>- Enable residential development in Peacocke which: <ul style="list-style-type: none"> <li>o Increases the rate base of the city</li> <li>o Increases the supply of land for housing</li> </ul> </li> </ul>
<b>Hamilton Urban Growth Strategy (HUGS)</b>	HUGS is Council's spatial vision for the city	<p>HUGS recognises and prioritises Stage 1 of the Peacocke Structure Plan within the context of city wide growth</p> <p>Peacocke Stage 1a has reached its 500 dwelling limit. Development of transport infrastructure (including this intersection), is necessary to enable development within Peacocke Stage 1b</p>
<b>Access Hamilton</b>	<p>Access Hamilton's purpose is to meet changing travel demands of the city by providing an affordable, safe, responsive and sustainable transport system that contributes to Hamilton's strategic vision and achieves community outcomes</p>	<p>Integrated land use planning is identified as a key objective of the strategy</p> <p>Access Hamilton identifies Hamilton Southern Links as a key package for implementation</p> <p>Construction of this intersection is an important first stage in development of the Peacocke arterial network. It will provide a safe transport solution that is integrated with development of Peacocke Structure Plan and Hamilton Southern Links</p>
<b>Economic Development Agenda</b>	<p>The role of Council in economic growth is:</p> <ul style="list-style-type: none"> <li>- Leadership</li> <li>- Responsibility</li> <li>- Strategic investment</li> <li>- Relationships</li> </ul> <p>To ensure growth and strengthening of the Hamilton economy</p>	<p>Growth in Hamilton, particularly Peacocke includes large residential areas and some commercial development</p> <p>Land developers are actively engaging with Council with forward works programmes indicating a readiness to go</p> <p>Construction of the intersection is a strategic investment that facilitates growth and development by providing a key piece of transport infrastructure</p>
<b>Sustainable Hamilton</b>	<p>Changing the way we live for a better future</p> <p>Three priorities:</p> <ul style="list-style-type: none"> <li>- Healthy natural environment</li> <li>- City living and business</li> <li>- Leadership and collaboration</li> </ul>	<p>This project will contribute to the Sustainable Hamilton priority of 'City Living and Business' by providing infrastructure that enables planned residential development while managing its impact on the natural environment</p> <p>The project will include walking and cycling facilities both on-road and within the existing gully networks and provides options for public transport that will help reduce car use</p>
<b>Hamilton 30 Year Infrastructure Strategy</b>	<p>Identifies proposed approaches and estimated infrastructure requirements to support realistic growth forecasts over 30 years</p>	<p>This intersection is necessary for growth of the Peacocke area over the next 10 years</p> <p>This intersection will help to address the identified transport issues of:</p> <ul style="list-style-type: none"> <li>- Improving Hamilton's safety record</li> <li>- Providing a resilient transport network that meets the needs of a growing city</li> </ul>

1.4 Organisational Context	
Outline how this work will assist Council achieve its business goals (Refer Council's Hamilton Plan)	
<p>Development in Peacocke will provide outstanding transport and three waters infrastructure enabling residential growth delivering on the Hamilton Plan goals of:</p> <ul style="list-style-type: none"> <li>- Provide outstanding infrastructure</li> <li>- Provide access to affordable housing</li> </ul> <p>The project will contribute to delivery of Council's business goals relating to provision of outstanding infrastructure and residential development as described below.</p>	
Business Goal	Project Relevance
Embrace Growth	<ul style="list-style-type: none"> <li>• Deliver infrastructure solutions                             <ul style="list-style-type: none"> <li>○ The construction of strategic transport network and three waters infrastructure will both respond to and facilitate planned city growth (Peacocke), and gives effect to the District Plan, Hamilton Urban Growth Strategy and the infrastructure investment priorities established by the 10 Year Plan.</li> <li>○ The completed project will enhance customer levels of service for safety, efficiency, access and mobility</li> </ul> </li> <li>• Leverage the best opportunities                             <ul style="list-style-type: none"> <li>○ Construction of the intersection will allow for growth and opportunities within Stage 1b to be realised</li> <li>○ Delivering water and transport infrastructure in a single project maximises value to Council</li> </ul> </li> <li>• Facilitate a strong economy                             <ul style="list-style-type: none"> <li>○ The intersection will improve access from State Highway 3 and support the development of the Stage 1 of the Peacocke Structure Plan - assisting economic and population growth for the city.</li> </ul> </li> </ul>
We are Best in Business	<ul style="list-style-type: none"> <li>• Right People, Right Outcomes                             <ul style="list-style-type: none"> <li>○ Stakeholder analysis and communication planning in keeping with project management best practice will enable the success of this project and ensure the right outcomes for the city are delivered</li> </ul> </li> <li>• Do The Basics Well                             <ul style="list-style-type: none"> <li>○ This project delivers critical infrastructure to enable the development of a further 350 dwellings in Stage 1b of the Peacocke Structure Plan Area</li> <li>○ Ensuring Council's project management principles are utilised throughout the implementation will ensure effective delivery of appropriate outcomes</li> </ul> </li> <li>• Financial Sustainability                             <ul style="list-style-type: none"> <li>○ Works will be delivered within existing 10 Year Plan budgets and in-line with programmed financial timeframes, and will maximise savings through contract model opportunities</li> <li>○ Other non-rates funding options are identified and applied, for example subsidies, development contributions and developer agreements</li> </ul> </li> <li>• Wow The Customer                             <ul style="list-style-type: none"> <li>○ High quality infrastructure supports development in Peacocke which will provide a high quality urban development</li> </ul> </li> </ul>
1.5 Organisational Impact	
How / where does this piece of work integrate with / impact on the rest of the organisation's activities?	
<p>The project impacts on the organisation across a number of units and functions.</p> <p><b>City Development</b></p> <p>City Development Unit will manage the project through all phases. This will be undertaken using existing internal and external resources, the Professional Services Panel, and physical works contracts as necessary. The project phases include:</p> <ul style="list-style-type: none"> <li>• Investigation (partially completed as part of the Hamilton Southern Links Investigation)</li> <li>• Procurement of the required land</li> </ul>	

- Design and consenting
- Construction

#### **City Waters**

City Waters is responsible for levels of service for water across the city. Planning and implementation of this project must be integrated with three waters infrastructure projects planned by the City Waters Unit. This will include liaison on the design and construction of stormwater treatment and conveyance, water supply and wastewater infrastructure.

#### **City Transport**

City Transport is responsible for maintenance and operation of a safe local transport network. Development of the transport network within Peacocke must be integrated with the existing transport network, in particular the Hamilton Ring Road and off-road networks for walking and cycling. This will include liaison on the investigation, design and construction of transport infrastructure including walking, cycling and public transport. Actions identified in safety audits will require review and sign off by City Transport.

#### **City Environment – Planning Guidance Unit**

Planning and implementation of this project must be integrated with the Planning Guidance Unit (PGU). PGU staff will need to process outline plans, land use consents and certify compliance with designation conditions as part of administering the regulatory functions of Council (as the territorial authority) under the Resource Management Act. . Therefore PGU requires an understanding of the timing and scope of the future transport network and infrastructure necessary to facilitate development.

#### **City Environment – City Planning**

City Planning are responsible for maintaining and managing changes to the District Plan, of particular relevance to this project is that City Planning is responsible for processing any alterations to the designation. City Planning also contributes land use planning guidance to the Strategic Growth Group who track progress of greenfield structure plan development. City Planning will be interested in how the delivery of transport and three waters infrastructure gives effect to the District Plan rules regarding infrastructure and Stage 1b. This requires an understanding of the timing and scope of the work and what it means in relation to enabling residential development.

#### **Property**

Procurement of land is required to enable construction of the roundabout and stub road. Council property staff (and consultants) will be required to negotiate and settle land purchase agreements prior to construction commencing. If land is purchased well in advance of construction, Council may need to arrange lease agreements for ongoing maintenance and use of the land.

#### **Legal**

There will be a need to involve Council's legal advisors to clarify Council's obligations under the Hamilton Southern Links designation. For example, legal advice may be required to define and confirm the scope of environmental investigations and mitigations required for this project (intersection) compared to the wider project (32km network). Legal advice may be required should consent processes involve hearings or the preparation of developer agreements. Legal advice will be required if amendments to the existing NZ Transport Agency Corridor Agreement with Council are required (this agreement defines the maintenance responsibilities and boundaries).

#### **Finance**

The finance group, through a project financial accountant, will be required to review financial elements on an ongoing basis. This will include financial reporting, calculation of debt funding, assistance with private developer agreements and capitalisation of assets.

#### **Procurement**

The design and property purchase phases will require engagement of external consultants through the Professional Services Panel. The construction phase will require a publically tendered contract process undertaken in accordance with Hamilton City Council's Procurement Policy. Both engagements will be supported by the Procurement Management team.

#### Communication

The Southern Links designation conditions have specific requirements for communication and consultation with stakeholders including Waikato Tainui. This includes:

- Appointment of a 'Communication, Consultation and Property Liaison Manager' (this responsibility has been delegated to an existing member of Council staff)
- Development and implementation of a 'Pre-construction Communication and Consultation Plan (PCCP)'
- Development and implementation of a 'Property acquisition and management engagement practice (PAMEP)'
- Establishment of a 'Community Liaison group for the Peacocke Structure Plan area'
- Development and implementation of a 'Construction Communication and Consultation Plan (CCCP)'

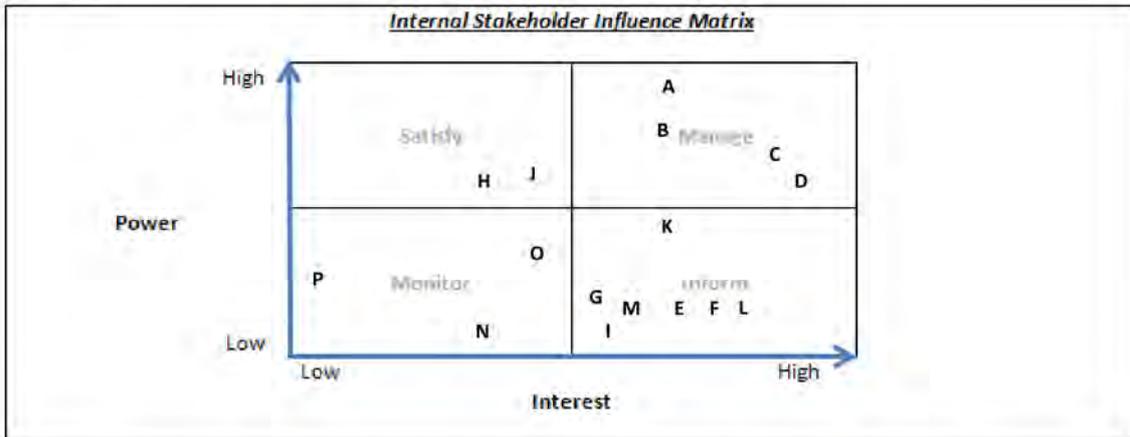
The Communications team will be required to liaise with NZ Transport Agency communications staff and assist with development and implementation of the above communication and consultation plans as well as provide input into and review of :

- Public messages and updates
- Complaints received
- Media releases and enquires
- Joint communications with NZ Transport Agency

**1.6 Stakeholders**  
 Need to be identified and their level of influence and interest in the BC needs to have been defined – use the analysis tool if helpful [D-1166068](#).

The Hamilton Southern Links project established a stakeholder database that identified individual stakeholders and affected landowners. The following table summarises the stakeholders involved in the Dixon Road / Ohaupo Road (SH3) Intersection and their interest.

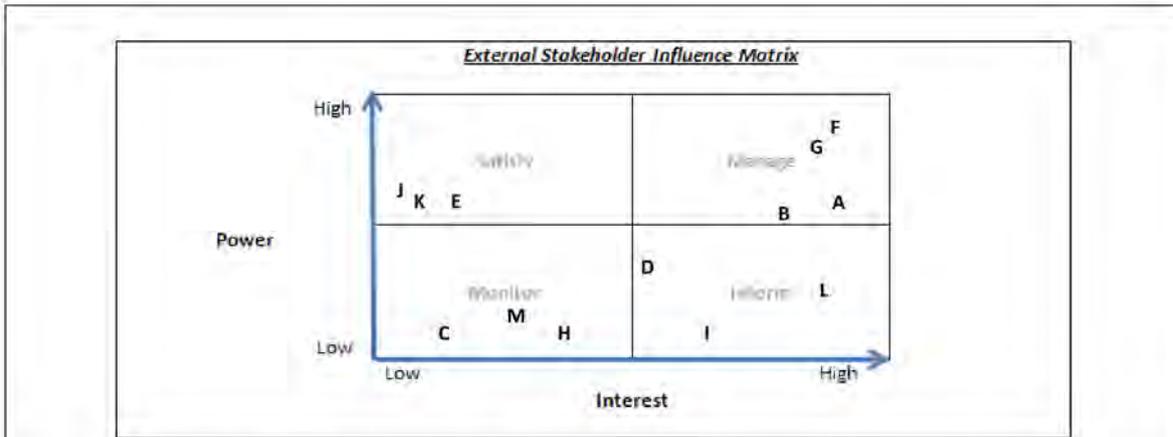
The assessment of their impact has been described using Council’s Project Stakeholder Management – Tools and Techniques.



	Internal Stakeholder	Interest in the Project	Assessment of Impact	Strategies for engagement
A	Elected members (Mayor and Councillors)	<ul style="list-style-type: none"> <li>- Hamilton Plan Delivery</li> <li>- Compliance with strategic alignment</li> <li>- Compliance with 10 Year Plan budgets and timeframes</li> <li>- Council’s Reputation</li> </ul>	Manage closely	Provide sufficient information and opportunities for Elected Members to understand project status and potential risks by: <ul style="list-style-type: none"> <li>• Reporting the business case and any private developer agreement for approval to the Finance Committee</li> <li>• Regular project reporting via Key Projects Report if desired</li> </ul>
B	Chief Executive and Senior Leadership Team	<ul style="list-style-type: none"> <li>- Hamilton Plan Delivery</li> <li>- Compliance with strategic alignment</li> <li>- Delivery of Organisational Goals</li> <li>- Compliance with 10 Year Plan budgets and timeframes</li> <li>- Council’s Reputation</li> </ul>	Manage closely	Provide sufficient information and opportunities for SLT to understand project status and potential risks by: <ul style="list-style-type: none"> <li>• Reporting the business case for review and approval by SLT ahead of submission to Finance Committee</li> <li>• Regular project updates on progress and risks through General Manager City Infrastructure</li> </ul>
C	General Manager City Infrastructure and City Infrastructure Transport and Waste Governance Group (PGG)	<ul style="list-style-type: none"> <li>- Project Sponsor (GM)</li> <li>- Delivery of Organisational Goals</li> <li>- Compliance with 10 Year Plan budgets and timeframes</li> <li>- Service Delivery</li> <li>- Council’s Reputation</li> </ul>	Manage closely	Engage with PGG on strategic and project governance issues including through: <ul style="list-style-type: none"> <li>• Providing regular PGG updates on high level financial and project risks</li> <li>• Coordinating of activities and projects between City Development and City Waters</li> </ul>

<b>D</b>	City Development	<ul style="list-style-type: none"> <li>- Project management, delivery of project and developer liaison</li> </ul>	Manage closely	<ul style="list-style-type: none"> <li>• Appoint a dedicated project manager who will define project roles and responsibilities</li> <li>• Appoint a Communication, Consultation and Property Liaison Manager who will implement the Pre-Construction Communication and Consultation Plan (PCCP)</li> </ul>
<b>E</b>	City Waters	<ul style="list-style-type: none"> <li>- Owner of water infrastructure</li> <li>- Provision of 3 waters infrastructure in line with growth requirements</li> </ul>	Keep informed	<p>Provide opportunities for engagement with relevant City Waters staff through regular workshops during the design phase to:</p> <ul style="list-style-type: none"> <li>• Identify opportunities to integrate design of three waters infrastructure</li> <li>• Identify cost savings through joint procurement and construction</li> </ul>
<b>F</b>	City Transport (including Infrastructure Alliance)	<ul style="list-style-type: none"> <li>- Owner of local transport infrastructure</li> <li>- Key consideration regarding network safety</li> <li>- Asset maintenance and operator for new local transport infrastructure (Infrastructure Alliance)</li> </ul>	Keep informed	<p>Provide opportunities for engagement with relevant City Transport and IA staff through regular workshops during design phase to:</p> <ul style="list-style-type: none"> <li>• Identify opportunities for walking, cycling and public transport</li> <li>• Focus on improving network safety</li> </ul> <p>Involve City Transport staff in safety audits and related decision making processes</p>
<b>G</b>	City Environment – City Planning	<ul style="list-style-type: none"> <li>- Processing team for any alterations to designation</li> <li>- Integration with land use planning</li> </ul>	Keep informed	Provide opportunities for early engagement with relevant City Planning staff prior to lodging any applications for alteration
<b>H</b>	City Environment – Planning Guidance Unit	<ul style="list-style-type: none"> <li>- Review designation conditions and construction related consents in line with statutory requirements</li> </ul>	Keep satisfied	Provide opportunities for early engagement with relevant PGU staff and use the existing pre-application process to confirm regulatory requirements prior to lodging any consent applications, outline plans and the certification of plans required by designation conditions
<b>I</b>	Community – Parks and Open Spaces	<ul style="list-style-type: none"> <li>- Asset owner for public reserves and open spaces</li> </ul>	Keep informed	Provide opportunities for key Parks and Open Space staff to be involved in the planning and design of restoration and enhancement of gully systems existing relationships with community groups
<b>J</b>	Procurement Management team	<ul style="list-style-type: none"> <li>- Contract administration and procurement compliance</li> </ul>	Keep satisfied	Provide opportunities for PMT to be involved early in the development of the procurement plan in accordance with Council policy Seek early advice and confirmation of proposed procurement strategy (methods and timing) from PMT

<b>K</b>	Communications Team	<ul style="list-style-type: none"> <li>- Liaise with media</li> <li>- Develop and support implementation of all project communication</li> </ul>	Keep informed	<p>Work with Communications Team to establish a single source for external engagement and messages by:</p> <ul style="list-style-type: none"> <li>• Appointing a Communication Consultation and Property Liaison Manager to liaise with and regularly update the Communications Team on project progress</li> <li>• Jointly develop and implement the Pre-Construction Communication and Consultation Plan (PCCP)</li> </ul>
<b>L</b>	Finance Team	<ul style="list-style-type: none"> <li>- Assist with financial reporting for the project</li> <li>- Co-ordinate NZ Transport Agency financial claims in regard to subsidised project elements</li> </ul>	Keep satisfied	<p>Work with the Finance Team to identify a financial accountant to provide assistance on financial reporting</p> <p>Provide regular updates to the financial accountant on the progress of the project and to identify financial tasks that will require assistance</p>
<b>M</b>	Strategic Property Unit	<ul style="list-style-type: none"> <li>- Land procurement, legalisation and disposal</li> </ul>	Keep informed	<p>Involve relevant Strategic Property staff in the development of the Property Acquisition and Management Practice as required by the designation conditions</p> <p>Jointly identify Strategic Property staff who will be responsible for project related property acquisition processes and management</p>
<b>N</b>	Customer Services Team	<ul style="list-style-type: none"> <li>- Co-ordinate response to any customer complaints or enquiries</li> </ul>	Monitor	<p>Provide information and regular updates to Customers Services staff to allow them to respond to public enquires, including:</p> <ul style="list-style-type: none"> <li>• Project summary describing project scope and programme</li> <li>• Early notification of any construction activities which could result in complaints</li> </ul>
<b>O</b>	Strategic Growth Group	<ul style="list-style-type: none"> <li>- Delivery of Organisational Goals</li> <li>- Compliance with 10 Year Plan budgets and timeframes</li> <li>- Delivery of infrastructure in growth areas</li> </ul>	Monitor	<p>Project manager to provide regular updates on project progress to inform growth monitoring and reporting undertaken by the Strategic Growth Group</p>
<b>P</b>	Health and Safety	<ul style="list-style-type: none"> <li>- Delivery of Organisational Goals</li> <li>- Council's Reputation</li> </ul>	Monitor	<p>Involve Health and Safety staff in relevant parts of the project phases and ensure any site safety plans are reviewed by Health and Safety team</p> <p>Early engagement with Health and Safety staff where high risk activities are identified</p>



	External Stakeholder	Interest in the Project	Assessment of Impact	Strategies for engagement
A	Directly affected land owners	<ul style="list-style-type: none"> <li>- Property acquisition</li> <li>- All landowners were involved in designation process</li> </ul>	Manage closely	<ul style="list-style-type: none"> <li>• Appoint Communication, Consultation and Property Liaison Manager to act as a key contact point</li> <li>• Engage through Peacocke Liaison Group and measures identified in the Pre-construction Communication and Consultation Plan as per designation conditions</li> </ul>
B	Adjacent land owners	<ul style="list-style-type: none"> <li>- Maintaining property access</li> <li>- Construction related effects</li> <li>- Were involved in designation process</li> </ul>	Manage closely	<ul style="list-style-type: none"> <li>• Appoint Communication, Consultation and Property Liaison Manager to act as a key contact point</li> <li>• Engage through Peacocke Liaison Group and measures identified in the Pre-construction Communication and Consultation Plan as per designation conditions</li> </ul>
C	Hamilton City residents	<ul style="list-style-type: none"> <li>- Interested in overall transport network benefits</li> </ul>	Monitor	Provide consistent messages to the public through: <ul style="list-style-type: none"> <li>• A single point of contact, e.g. the Communication, Consultation and Property Liaison Manager</li> <li>• Project updates via HCC webpage</li> <li>• Media releases as required</li> </ul>
D	Waikato Tainui (Iwi)	<ul style="list-style-type: none"> <li>- Iwi relationship</li> <li>- Interest in ecological monitoring and mitigation</li> </ul>	Keep informed	Establish a single point of contact for engagement that: <ul style="list-style-type: none"> <li>• Maintains relationships with the Tangata Whenua Working Group (TWWG) developed during Southern Links</li> <li>• Identifies opportunities for collaboration (restoration planting, blessings, etc.)</li> </ul> Involve the TWWG where relevant to ensure design is consistent with relevant designation conditions (e.g. archaeology, landscape planting, etc.)

E	Waikato Regional Council (WRC)	<ul style="list-style-type: none"> <li>- Responsible for determining, monitoring and enforcing regional plan resource consents</li> <li>- Provider of public transport services</li> </ul>	Keep satisfied	<p>Identify key staff at WRC to regularly engage with (including via pre-application meetings) to:</p> <ul style="list-style-type: none"> <li>• Ensure compliance with designation conditions and conditions of any regional consents that may be required</li> <li>• Work together to identify opportunities for public transport</li> </ul>
F	NZ Transport Agency – Highway and Network Operations	<ul style="list-style-type: none"> <li>- Responsible for project and contract management for State Highways</li> <li>- One Network focus</li> <li>- Owner of state highway assets</li> <li>- Interest in ecological monitoring as part of wider Southern Links</li> </ul>	Manage closely	<p>Identify and engage with organisational representatives (HCC and NZTA) that are responsible for:</p> <ul style="list-style-type: none"> <li>• Confirmation of roles and responsibilities</li> <li>• Direct engagement to align expectations</li> <li>• Liaison during design phase</li> <li>• Collaboration on ecological monitoring</li> </ul>
G	NZ Transport Agency – Planning and Investment	<ul style="list-style-type: none"> <li>- Responsible for reviewing and approving Council financial assistance application</li> <li>- Integrated planning of land use and transportation</li> <li>- Interest in ensuring that investment in transport infrastructure delivers benefits for the transport network</li> </ul>	Manage closely	<p>Identify and engage with organisational representatives (HCC and NZTA) that provide a dedicated channel for:</p> <ul style="list-style-type: none"> <li>• submission of funding application(s) for financial subsidy</li> <li>• Ongoing regular forecasting and cost updates</li> </ul> <p>Through an Investment Logic Mapping (ILM) process develop NZ Transport Agency Business Case to clearly identify wider benefits to the transport network</p>
H	Private developers	<ul style="list-style-type: none"> <li>- Want to understand future development opportunities</li> </ul>	Monitor	<ul style="list-style-type: none"> <li>• Use the existing developer forum to provide updates on project progress</li> <li>• Keep developers informed through methods identified in Pre-construction Communication and Consultation Plan</li> <li>• Undertake specific one-on-one discussions with on the potential for Private Developer Agreements</li> </ul>
I	Specialist groups such as stream care groups	<ul style="list-style-type: none"> <li>- Interest in ecological monitoring and protection, and restoration opportunities</li> </ul>	Keep informed	<p>Involve these stakeholders in the development of management plans (as relevant) to:</p> <ul style="list-style-type: none"> <li>• Ensure compliance with designation conditions related to consultation/engagement and design</li> <li>• Work with Parks and Open Spaces and these stakeholders to identify opportunities for collaboration on ecological protection and restoration works</li> </ul>
J	Department of Conservation (DoC)	<ul style="list-style-type: none"> <li>- Statutory responsibilities and interest in ecological monitoring and protection, and restoration opportunities</li> </ul>	Keep satisfied	<p>Identify and engage with representatives from DoC at relevant points of the project to:</p> <ul style="list-style-type: none"> <li>• Ensure compliance with designation conditions and legislation regarding wildlife protection</li> <li>• help develop the Ecological Management and Monitoring Plan as required by designation conditions</li> </ul>

<b>K</b>	Heritage NZ	- Statutory responsibilities and interest in the management of historic sites	Keep satisfied	Identify and engage with representatives from Heritage NZ at relevant points of the project to: <ul style="list-style-type: none"> <li>• Ensure Heritage NZ processes for archaeological authorities are followed</li> <li>• help develop the Heritage and Archaeological Site Management Plan as required by designation conditions</li> </ul>
<b>L</b>	Project Consultants	- Contractual responsibilities to complete design and investigation	Keep informed	Develop contractual engagements that provide clear project scope, deliverables, programme and costs
<b>M</b>	Network Utility Providers	- Maintenance, operations and providers of other network services (e.g. gas) with an interest in potential relocation of existing services and opportunities to install new infrastructure	Monitor	Provide updates to the existing network utility operators liaison meetings Engage in direct discussions with relevant network utility representatives if service relocations are required

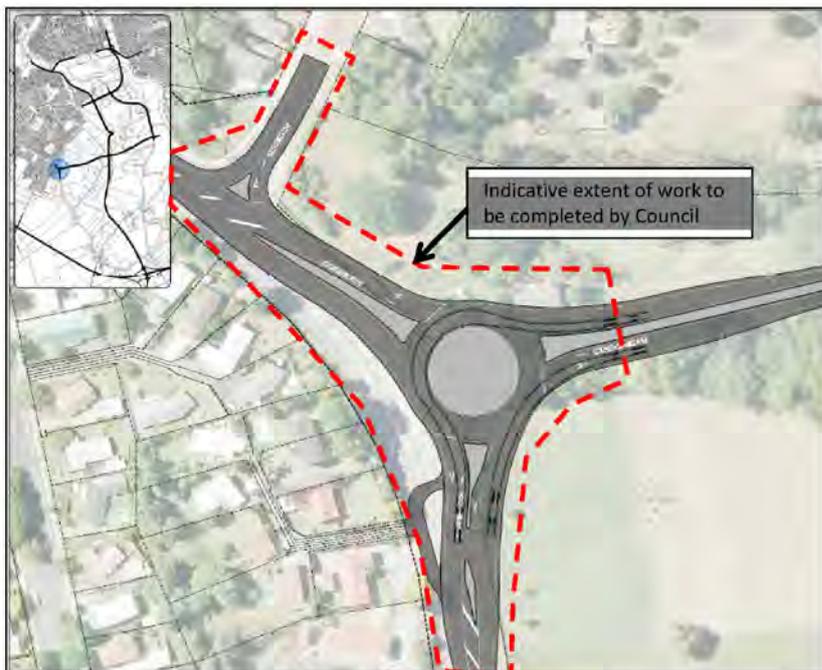
**1.7 Scope of the Work - What's included in the scope of this proposal, and what is specifically excluded – ensure you define impact of change?**

The project involves investigation, design, procurement, consenting and construction of a new intersection and stub road on Ohaupo Road (State Highway 3) (refer to Figure 4 below) and three waters infrastructure necessary to support residential development in Stage 1b of the Peacocke Structure Plan. The scope includes:

- Active project and programme management
- Procurement of any required land and management/lease arrangements for land acquired prior to construction
- Contract management (PSP and other)
- Develop and implement the Pre-Construction Communication and Consultation Plan. This will identify what consultation and engagement will occur with external stakeholders, including by establishing a Peacocke Community Liaison Group
- Engagement and communication with internal stakeholders
- Procurement of professional services (including project management)
- Development of a NZ Transport Agency specific Business Case and preparation and submission of a related Funding Application(s) and multi-party funding agreement (if required)
- Review of NZ Transport Agency Corridor agreement
- Final design of the intersection including investigation and mitigation of ecological, landscape, heritage and archaeological impacts related to construction of the roundabout (refer image below)
- Design of three waters infrastructure (based on inputs from strategic level investigations by City Waters)
- Application for necessary resource consents not already obtained (e.g. earthworks, stormwater) and archaeological authorities
- Tender and award of physical works contractor
- Construction of the intersection including:
  - Roundabout at the intersection of Ohaupo Road (State Highway 3) with the proposed minor arterial (to create a stub road only)
  - Slip lane for access to properties southwest of the intersection
  - T- intersection (left-in/left-out movements) with Dixon Road
  - Stormwater treatment and conveyance
  - Utility and service relocations
- Construction of strategic three waters infrastructure to enable development in Stage 1b (350 dwellings)
- Development of any Private Developer Agreements
- Engage with utility services providers and complete any necessary service relocations

**Work completed to date:**

- Hamilton Southern Links investigation. This investigation resulted in designation of the 32km arterial road network including this intersection.



**Figure 4: Scope of preferred roundabout option (AECOM drawing reference 60164546-C-20-8203 Rev B, D-1903448)**

**Elements excluded from the project scope include:**

The Southern Links designation conditions require investigation of ecological, landscape, heritage and archaeological issues across the wider Peacocke area affected by the Southern Links designation. Wider environmental investigations will be undertaken by a separate project with its own Business Case.

This project will meet Council's obligations in a scale appropriate to construction of the roundabout. The following is specifically excluded:

- Environmental investigations and mitigation beyond that required to offset impacts of the intersection. These investigations are part of a separate Business Case for Southern Links generally
- Ongoing road maintenance and operation post construction and handover of the physical asset to the NZ Transport Agency
- Design and construction of improvements at the Ohaupo Road (State Highway 3) / Houchens Road intersection. This work is required by a consent condition for a separate development accessed from Houchens Road
- Development and implementation of the Integrated Catchment Management Plan (ICMP) for the Peacocke Structure Plan area. This work is being completed under a separate business case
- Preparation of any master plan/s under the Proposed District Plan
- Any State Highway revocation process

<b>1.8 Quantitative Benefits</b> Develop this list with Stakeholders (as a minimum with those most affected by the proposal)	<b>1.8a KPI/Target/Frequency of reporting</b> Also Identify the Benefit owner and who will report the KPI/ Target and Frequency (i.e. as 3 separate items)
Residential development of Stage 1b is enabled	<p><b>Key Performance Indicator</b> Construction of transport network and three waters infrastructure that sufficiently satisfies District Plan requirements(Rule 3.4.6.1) to enable developers to progress residential development of Stage 1b</p> <p><b>Target</b> Construction of transport network and three waters infrastructure by 2022/23 (Year 8)</p> <p><b>Reporting and Owner</b> To be reported by City Development at the completion of the works</p>
<b>1.9 Qualitative Benefits</b> Develop this list with Stakeholders (as a minimum with those most affected by the proposal)	<b>1.9a Indicator of Success</b> Identify the benefit owner and who specifically will report on the progress/realisation of the benefit
Citywide Economic Benefits realised through residential growth in Peacocke Stage 1b	<p><b>Indicator of Success</b> Residential development in Peacocke Stage 1b, indirectly measured by number of subdivision consents issued and population data</p> <p><b>Reporting</b> City population and Peacocke area growth reported by Strategic Growth Group using consent and population growth information</p>
<b>1.10 Dis-benefits</b>	<b>1.10a Impact on the business</b> (identify who will be impacted as a result)
Adjacent land owners – adverse noise, visual and amenity effects from construction activities and traffic on new road. Designation conditions require mitigation to be in place during construction	<p>Potential for dis-benefit both through construction and post-opening, potentially resulting in unhappy residents</p> <p><b>Who will be impacted:</b> City Transportation Unit, City Development Unit and potentially Customer Call Centre</p>
Increased operational, maintenance and renewal costs	<p>Increased operational, maintenance and renewal expenditure from creation of new assets.</p> <p><b>Who will be impacted:</b> City Transportation Unit (stub road and any extension) and NZ Transport Agency (roundabout and Ohaupo Road/State Highway 3)</p>
<b>1.11 Opportunities Arising</b> (identify who will own and report the opportunity)	<b>1.11a Strategies to Exploit, Enhance &amp;/or Share Each Opportunity</b>
<b>Transport Benefits</b> - The NZ Transport Agency Business Case involves a workshop process that will identify transport benefits (e.g. safety, efficiency, etc.) This opportunity will be owned by City Development	<ul style="list-style-type: none"> <li>Engage with NZ Transport Agency and identify specific transport benefits as part of a separate Business Case and funding application</li> </ul>
<b>Environmental Restoration Opportunity</b> -Stakeholder and community engagement may provide opportunities to identify and implement joint restoration and planting projects within the affected gully systems This opportunity will be owned by the Communication, Consultation and Property Liaison Manager (with assistance from City Development and Parks and Open Spaces)	<ul style="list-style-type: none"> <li>Ensure that specific methods to exploit this opportunity are identified in Pre-construction Communication and Consultation Plan</li> <li>Ensure that the NZ Transport Agency and TWWG are involved in development of the Concept Landscape Management Plan and EMMP as required by the designation conditions</li> </ul>
<b>Utility Relocations</b> – Relocation of existing utilities/ services may provide opportunities to improve network resilience (upgrades) and amenity (e.g. underground existing overhead services). This opportunity will be owned by City Development	<ul style="list-style-type: none"> <li>Provide design information and discuss opportunities at liaison meetings with external utility service providers</li> </ul>
<b>Gateway and Urban Design</b> – The roundabout provides an opportunity to establish a gateway into Hamilton that improves urban design through public art, welcome signage, amenity and	<ul style="list-style-type: none"> <li>Ensure principles of City Gateways policy (currently being developed) are incorporated into the design brief</li> <li>Present design options to the Urban Design Advisory</li> </ul>

lighting This opportunity will be owned by City Development.		Panel for input		
<p><b>Private Developer Agreements</b> – Private developer agreements provide opportunities for infrastructure funding and construction ahead of Council programme</p> <p>This opportunity will be owned by City Development</p>		<ul style="list-style-type: none"> <li>Use already established regular developer liaison meeting to provide updates on project progress</li> <li>Keep the development community informed of project process and opportunities for private developer agreements through methods identified in Pre-construction Communication and Consultation Plan</li> <li>Specific engagement with developers to consider and develop Private Developer Agreements</li> </ul>		
<p><b>Duplication of water supply to reservoir</b> – A new duplicate water supply line to the Hamilton South water reservoir is required and may pass through the site. There may be an opportunity to install the necessary water supply infrastructure during construction of the roundabout.</p> <p>This opportunity will be owned by City Waters</p>		<ul style="list-style-type: none"> <li>City Waters project completes the strategic investigation required for the bulk water supply confirm a preferred route and design requirements. This is then integrated with the design and construction of the intersection</li> </ul>		
<p><b>Increased participation by NZ Transport Agency</b> – There may be an opportunity to deliver the physical works through an NZ Transport Agency led contract that will reduce costs. This opportunity will be explored during detailed design.</p> <p>This opportunity will be owned by City Development Unit</p>		<ul style="list-style-type: none"> <li>Consultation with the NZ Transport Agency is important to realise this opportunity. The NZ Transport Agency will be involved in all phases of the project</li> </ul>		
1.12 Risks Identified <a href="#">D-1030981</a> – risk statements <a href="#">D-722311</a> – risk register template	1.12a Gross Risk Rating Council's risk calculator – <a href="#">D-1030989</a>	1.12b Risk Trigger Points	1.12c Risk Management Approach	1.12d Residual Risk
As a result of further investigations and design work the project cost may exceed project estimates and identified funding	High	Stage reviews: - Detailed design - Tender	<p><i>Prevention:</i> Review design to ensure cost effective solutions are developed Regular hold points in project to confirm budget provisions align with project scope and deliverables.</p> <p><i>Response:</i> Review project scope to identify opportunities to reduce costs Seek additional funding from Council or other funding sources (e.g. PDA)</p>	Low
As a result of unrealistic property owner expectations timely and cost effective property purchase(s) cannot be achieved which may result in project delay, additional costs and the potential for negative media	High	Commencement of property acquisition	<p><i>Prevention:</i> Early and open consultation with affected property owners (Northview Partnership) to develop realistic expectations and with sufficient lead in time to allow a compulsory purchase process to be completed within project timeframes if a negotiated purchase cannot be achieved (Delay and Perception) Early communication of property acquisition risk to SLT and elected members (Perception) Create a positive profile for the project through measures established within the Pre-construction and Consultation Communications Plan(Perception)</p>	Medium

			<p>Update expected property costs on a regular basis to ensure they reflect current market value (Cost)</p> <p><i>Response:</i></p> <p>Follow procedures of Public Works Act for compulsory acquisition - initiated with sufficient time allowed to finish in advance of construction commencing (Delay)</p> <p>Seek additional funding from Council (Cost)</p> <p>Provide media responses outlining the benefits of the project and the appropriateness of the process followed (Perception)</p>	
As a result of construction works unknown or unrecorded archaeological sites may be discovered which would lead to programme delays from redesign, additional investigation or consultation, and a likely increase in costs	High	<p>During</p> <ul style="list-style-type: none"> <li>- site investigations</li> <li>- detailed design</li> <li>- construction</li> </ul>	<p><i>Prevention:</i></p> <p>The Southern Links investigations identified known sites and involved meetings with Iwi and the landowners</p> <p>Undertake further archaeological investigations and develop and implement Heritage and Archaeological Site Management Plan (HASMP) as required by designation conditions</p> <p><i>Response:</i></p> <p>Follow Accidental Discovery Protocol as set out in HASMP</p>	Medium
DoC and other environmental stakeholders may oppose the investigation methodology and degree of environmental mitigation proposed regarding long tail bats, which would lead to delays and/or additional costs to mitigate	High	2015/16 bat monitoring season	<p><i>Prevention:</i></p> <p>Early consultation with WRC, DoC and other environmental stakeholders</p> <p>Undertake 2 years of bats surveys as required by designation conditions for Ecological Management and Monitoring Plan (EMMP)</p> <p>Carryout bat surveys well in advance of design and construction</p> <p><i>Response:</i></p> <p>Additional restoration planting</p> <p>Bat relocation may be necessary during construction</p>	Medium
The extent, nature and costs of the environmental offset mitigation are currently unknown. As a consequence of further investigation and securing certification of the EMMP there may be a need to purchase land for environmental offsets and/or obtain other consents for these offsets, adding time and cost to the	High	During detailed design 2015/16 bat monitoring season	<p><i>Prevention:</i></p> <p>Update and review approach to design to ensure best practice methods regarding environment offsetting is followed</p> <p><i>Response:</i></p> <p>The design and cost estimate has allowed for estimated costs of environmental offsetting</p> <p>Identify land already held by Council that could be used for offsetting</p> <p>Work with landowners to secure environmental offsets on private land</p> <p>Seek additional funding from Council or</p>	Medium

project			other funding sources (e.g. PDA)	
Councils application for subsidy from the NZ Transport Agency is rejected which means the identified funds are insufficient to complete the project	Medium	Application to the NZ Transport Agency for subsidy	<p><i>Prevention:</i> Engage with NZ Transport Agency (including via an ILM process) when preparing the subsidy application and apply as early as possible</p> <p><i>Response:</i> Seek additional funding from Council or other funding sources (e.g. PDA)</p>	Low
<p><b>1.13 Issues</b> Identify and describe</p> <p><b>Environmental Investigation and Reporting</b> The designation conditions require further investigation and reporting on a range of issues including bat and aquatic surveys. The outcomes of this investigation will impact on the environmental mitigation required for this project (time, and cost risks). This project will complete investigations and reporting of a scale suitable for this project. A separate business case is being prepared to support environment investigations for Southern Links across the wider Peacocke area.</p> <p><b>Resources to deliver the project</b> Current staffing levels within City Development Unit means there is not sufficient in house resource available to provide the necessary project management. It will be necessary to seek an external project manager through the PSP.</p>				
<p><b>1.14 Constraints/Dependencies/Assumptions</b> Define and describe the factors under each of the headings</p> <p><b>Constraints</b></p> <ul style="list-style-type: none"> <li>Land – the Southern Links project set the designation (land available) for the improvements. Any works outside the designation would likely require an alteration to designation with potential time and cost impacts.</li> <li>Funding – the budget is set out in the 10 Year Plan 2015-2025.</li> </ul> <p><b>Dependencies</b></p> <ul style="list-style-type: none"> <li>Appropriate resource consents from Waikato Regional Council and Hamilton City Council (Outline Plans, certification of management plans) must be obtained prior to construction.</li> <li>Detailed design of the roundabout will be subject to road safety audits and design approval from NZ Transport agency.</li> <li>Procurement of land is required prior to construction. Active land acquisition is included within the scope of this business case.</li> </ul> <p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>Findings of the wider environmental investigations are consistent with findings for this project and do not impact on the scale of mitigation required for this project.</li> <li>NZ Transport Agency subsidy will be available for the project.</li> <li>Design information for the duplicate water supply line with Hamilton South water reservoir is available in a timely manner to allow it to be considered in the intersection design.</li> </ul>				

<p><b>2.0 ECONOMIC CASE – complete for ALL business cases</b>                  Critical success factors &amp; the preferred way forward</p>
<p><b>2.1 Business Requirements</b> (refer more detail in the specific notes section)                  Identify the requirements that must be met – Define them according to <b>core vs desirable vs optional</b></p>
<p>The requirements for the project are:</p> <p><b>Core (must have outcomes)</b></p> <ul style="list-style-type: none"> <li>• Compliance with designation conditions regarding environmental mitigation, including no net loss of terrestrial, wetland and stream biodiversity values</li> <li>• Intersection with Ohaupo Road that provides safe and efficient access to the Peacocke area</li> <li>• Ability to deliver a 2-lane minor arterial transport corridor that provides access to the Peacocke area for all modes</li> <li>• Three waters infrastructure sufficient to support residential development</li> </ul> <p><b>Desirable (consider on a cost/benefit basis)</b></p> <ul style="list-style-type: none"> <li>• Integrate construction of duplicate water supply line with Hamilton South water reservoir within the project</li> <li>• Integration of on/off carriageway walking and cycling facilities with off-road networks</li> <li>• Transport corridor that supports future opportunities for passenger transport</li> <li>• Integrate construction with the provision of other utility services</li> </ul> <p><b>Optional (these are usually acceptable if they are a low margin cost)</b></p> <ul style="list-style-type: none"> <li>• Gateway features, e.g. public art, welcome signage, amenity lighting, etc. (any gateway at this location will be superseded as the wider Southern Links network is developed)</li> </ul>
<p><b>2.2 Available Options – Long List</b> (refer more detail in the specific notes section)                  Consider a wide range of realistic options for meeting the business requirements. Has a feasibility study been done?                  You must include a base case: chose either status quo or do nothing or do minimum for this purpose</p>
<p>Considerable investigation and analysis was completed as part of the Hamilton Southern Links investigation to develop a transport network that aligns with Council’s strategic direction and will provide long term support for growth in southern Hamilton. Documents outlining the investigation and designation process that resulted in the preferred network include:</p> <ul style="list-style-type: none"> <li>• Hamilton Southern Links Investigation: Scoping Report (D-574944)</li> <li>• Hamilton Southern Links Investigation: Scheme Assessment Report (D-1043595)</li> <li>• Hamilton Southern Links Notice of Requirement and Assessment of Environmental Effects (see reference #230 to #262 of D-1628331)</li> <li>• Hearings Report of the Hearings Commissioners (D-1613248) including Volume 6 Council S168A Decision (D-1613350)</li> </ul> <p>The figure below illustrates the investigation envelope (light green shading) and transport corridor alignments (red, blue and yellow) considered during the Hamilton Southern Links investigation.</p>



**Hamilton Southern Links investigation envelope**

Various options for the alignment of the minor arterial were considered in the Hamilton Southern Links scheme assessment. The assessment of options considered during the Hamilton Southern Links investigation is attached in Appendix 2. The Business Case describes a ‘do nothing’ option and four options for improvements at this location:

- Do nothing
- Option 1: Dixon Road Upgrade
- Option 2: New arterial at Dixon Road intersection (4-leg)
- Option 3: New arterial with new 3-leg intersection (preferred)
- Option 4: New arterial with new 3-leg intersection retaining access to Dixon Road

Do nothing is considered the base case. This would maintain the existing situation where residential development beyond Stage 1a cannot start.

The following table focuses on the preferred option (Option 3 new arterial with new intersection). The other options were assessed as part of the Hamilton Southern Links investigation (refer to the scoping and scheme assessment report referenced above provides details of these other options)

Dimension	Description	Options
Scale and scope	In relation to the proposal how big/small could this be?  e.g. by levels of functionality, unit/group/organisation-wide	<p><b>Do nothing:</b> Not considered a viable option as it does not meet the strategic objectives of the Hamilton Plan, the PDP or the requirements listed elsewhere in this Business Case.</p> <p><b>Option 1: Dixon Road Upgrade:</b> Upgrade existing Dixon Road to provide arterial access to Peacocke. This option could increase safety concerns at the existing intersection. This alignment would not provide efficient access to the proposed town centre.</p> <p><b>Option 2: New arterial at Dixon Road intersection (4-leg):</b> Construct a 4-leg roundabout intersection on Ohaupo Road that includes separate approaches for the proposed stub road and Dixon Road. Intersection design is unlikely to meet the required design standards for spacing of the approach legs.</p> <p><b>Option 3: New arterial with new intersection (preferred):</b> New minor arterial and roundabout (3-leg) intersection on Ohaupo Road. This option restricts movements at Dixon Road to left-in/left-out and requires a collector road link from Dixon Road to a new road extending east from the intersection and stub road.</p> <p><b>Option 4: New arterial with new intersection retaining access to Dixon Road:</b> Similar to Option 3 but retains right-turn access to Dixon Road. This option does</p>

		not require a collector road connection from a new road extending east from the intersection and stub road, but would lead to adverse safety outcomes on Ohaupo Road
Service Solution (for the preferred option)	How can services be provided? e.g. potential solutions and answers, use of technologies	<ul style="list-style-type: none"> <li>There are no other methods to provide transport connectivity in this area. Preferred solution provides options for walking, cycling and passenger transport</li> <li>The project will allow for innovative solutions to be proposed by the designer and contractor. This could include alternative pavement designs or surface treatments and innovative stormwater solutions</li> </ul>
Service Delivery (for the preferred option)	Who can deliver the services? e.g. in-house, out sourced, alternative procurement strategies	<ul style="list-style-type: none"> <li>There is insufficient in-house design and planning resource to completely deliver this project</li> <li>The project could be delivered externally through a design and build contract. The project does not offer the necessary scale or technical challenges for a design and build option to be efficient</li> <li>The preferred method is in-house project management with design services provided by external consultant and construction delivered through a traditional contract</li> </ul>
Implementation (for the preferred option)	When can the services be delivered? e.g. timing and staging, big bang, phased, modular	<ul style="list-style-type: none"> <li>Timing for this improvement was considered during development of the 30 Year Infrastructure Strategy</li> <li>Construction of infrastructure in Stage 1b including this project is identified for Year 7 of the current 10 Year Plan. Construction timing will be confirmed during development of the next 10 Year Plan</li> <li>A private developer agreement could look to advance fund the project and deliver earlier</li> <li>Constructing the state highway components of Southern Links by NZ Transport Agency is not included in the Regional Land Transport Plan 2015-2045</li> </ul>
Funding (for the preferred option)	How can it be funded? e.g. Capital, operating, PPP, grant	<ul style="list-style-type: none"> <li>The 10 Year Plan 2015-2025 has funding identified within the first three years for roading upgrades and development in Peacocke Stages 1 and 2 – this is a mix of capital and debt funding. There are options to review funding through the Annual Plan process</li> <li>The NZ Transport Agency financial assistance subsidy would contribute 51% to part of the transport related component of the project. It is likely that funding arrangements with the NZ Transport Agency will involve a multi-party funding agreement</li> <li>Operating expenditure is included in the 10 Year Plan</li> </ul>

**2.3 Preferred Option** – engage with stakeholders to develop this and identify whole of life cost of the proposal  
Identify the preferred option, describing strategic fit, how well it meets the business requirements and its advantages and disadvantages

The preferred option is the construction of a new roundabout on Ohaupo Road (State Highway 3) and minor arterial (long term) providing direct access into Peacocke Stage 1 and the ability to extend services to Peacocke Stage 2. The scope includes:

- Roundabout intersection on Ohaupo Road (State Highway 3) and stub road into Stage 1b (Northview block)
- T- intersection (left-in/left-out movements) with Dixon Road
- Slip lane for access to properties southwest of the intersection
- Construction of a 3m wide off-road shared walking and cycling path and 2.5m wide footpath
- Stormwater infrastructure necessary to convey and treat stormwater
- Three waters infrastructure to enable residential development
- Strategic three waters services through the site necessary for city wide growth

- Relocation of affected utility services to enable construction
- Provision of appropriate landscaping requirements to enhance amenity
- Environmental mitigation necessary to offset the impact of this project
- Provision of corridor space for city gateway features

The 3-leg roundabout option has a good strategic fit. It provides road safety benefits and access to Peacocke Stage 1b for residential development. Provision of three waters infrastructure will be integrated into the project. The preferred option has few disadvantages when compared the other options.

Construction of the Southern Links east-west minor arterial is likely to be staged. Initially constructed as a collector road to service Stage 1b (Northview block) then upgraded to a minor arterial to enable Stage 2 development when required by growth in Stage 2.

Selection of the preferred option is supported by the recommendations of the scheme assessment report and decisions by independent commissioners on the notice of requirement. The relevant documents from the investigation and decision are listed in Section 2.2 above.

All of the project costs are included within existing 2015-25 10 Year Plan budgets (this includes the capital costs, depreciation, ongoing maintenance, and interest on borrowing) and has assumed NZ Transport Agency subsidy of \$2,052,000 over the life of the project.

#### **Debt Funding**

The cost of borrowing over the life of the project for the transport infrastructure component is \$2.14M. The cost of borrowing over the life of the project for the three waters infrastructure component is \$1.1M.

#### **Depreciation**

There will be no annual depreciation for transport infrastructure as these costs relate to land procurement which is not subject to depreciation and the infrastructure asset will be owned by the NZ Transport Agency as state highway.

The water infrastructure will incur an annual depreciation charge of \$16,000 from 2019/20 onwards (assumed 100 year life of asset).

The stormwater infrastructure will incur an annual depreciation charge of \$8,000 from 2021/22 onwards (assumed 75 year life of asset).

The wastewater infrastructure will incur an annual depreciation charge of \$600 from 2021/22 onwards (assumed 100 year life of asset).

These depreciation expenses are included within the 2015-25 10 Year Plan budgets.

#### **Ongoing maintenance and operating costs**

There will be no ongoing maintenance and operating costs for the transport infrastructure as the intersection will be a state highway asset. Council will only become responsible for operating and maintenance costs if the state highway status for Ohaupo Road is revoked. Revocation is not planned within the medium term because a change in the function Ohaupo Road is contingent on the completion of the Southern Links transport network (15+ years). Post-revocation operations and maintenance costs to Council will need to be established as part of the revocation process and incorporated into a future Annual Plan / 10 Year Plan.

The stormwater infrastructure will incur ongoing maintenance and operating costs of approximately \$6,000 per annum, which is included within the 2015-25 10 Year Plan budgets.

The water and wastewater infrastructure will incur ongoing maintenance and operating costs which is provided for within the 2015-25 10 Year Plan operational budgets but not individually specified.

#### **NZ Transport Agency subsidy**

Council will apply for NZ Transport Agency subsidy on the roading infrastructure. The 2015-25 10 Year Plan budget has

assumed NZ Transport Agency subsidy of 51% for part of the transport related costs (\$2,052,000 over the life of the project).

#### 2.4 Potential Value for Money

Describe how the preferred option maximises value for money

The preferred option maximises value for money as:

- It delivers a solution within the identified 2015-2025 10 Year plan budget
- Provides for staged development of Peacocke Stage 1b. This will maximise value for Council and developers by providing infrastructure in a 'just in time' manner
- Maximises the use of in-house resources and supplements known gaps through the engagement of consultants and contractors
- The preferred option is consistent with the long term network for Hamilton Southern Links and provides access for interim residential development
- Council will seek financial assistance subsidy from NZ Transport Agency, which if successful will result in a Council costs being apportioned to 49%

An economic assessment of the Hamilton Southern Links project has also been undertaken based on NZ Transport Agency economic evaluation criteria. This demonstrates a project benefit cost ratio of approximately 2, which is considered medium. Details of economic assessment are attached in Appendix 2.

#### 2.5 Achievability

Outline how the preferred option will be successfully delivered

This project can be successfully delivered using Council's standard project management and procurement procedures. The project is not expected to have a significant adverse impact on Council's operations. It will create a new transportation asset that can be operated and managed using existing procedures, asset management plans and budgeted operational funds.

Successful delivery of the project requires input across a number of internal business units and external support.

##### Internal

- City Development Unit – overall programme management and procurement of consultants and contractors in accordance with Council policies and procedures
- City Waters Unit – will provide asset management upon completion of the physical works

##### External

- Consultants – will undertake design of the works including detailed design, consultation, consenting and supervision during construction
- Construction – physical works delivery to be contracted as per Council's procurement policy. Council approval will be required due to the financial delegation limits
- There may be the need for amendments to the existing NZ Transport Agency Corridor Agreement with Council (this agreement defines the maintenance responsibilities and boundaries).

##### Timing

- This project is the first stage of the Hamilton Southern Links network to be delivered over the next 30 years
- The investigation phase for this project will be delivered in year 1-4 of the 10 Year Plan
- The property acquisition, construction phase for this project will be delivered in years 5-8 of the 10 Year Plan

#### 2.6 Affordability

Outline how the preferred option will be funded

All of the project costs are included within existing 2015-25 10 Year Plan budgets (this includes the capital costs, depreciation, ongoing maintenance, and interest on borrowing) and has assumed NZ Transport Agency subsidy of

\$2,052,000 over the life of the project.  
 Refer to 2.3 for more detail on debt funding, operations and maintenance.  
 Refer to 4.1 and 4.2 for more detail on capital costs.

3.0 COMMERCIAL CASE – Complete for <b>FULL</b> business cases only	
Resource requirements	
3.1 Identify the resource requirements – define internal and external?	3.1a Proposed procurement strategy – the how not the what <a href="#">Council's Procurement Policy &amp; Procedures Manual</a>
<p><b>Internal</b></p> <ul style="list-style-type: none"> <li>• Programme manager</li> <li>• Project financial accountant</li> <li>• Contract manager</li> <li>• Project specific communication/public relations advisor</li> <li>• Communication, Consultation and Property Liaison Manager</li> </ul> <p><b>External</b></p> <ul style="list-style-type: none"> <li>• Project manager</li> <li>• Specialist professional services (including archaeology, geotechnical, noise and vibration, ecology, structures, stormwater, transport design, three waters design, etc.)</li> <li>• Construction contractor</li> <li>• Construction supervisor</li> </ul>	<p>The following items will be procured through internal resources:</p> <ul style="list-style-type: none"> <li>• Programme manager</li> <li>• Project financial accountant</li> <li>• Contract manager</li> <li>• Project specific communication/public relations advisor</li> <li>• Communication, Consultation and Property Liaison Manager</li> </ul> <p>• The following items will be initially procured through the existing PSP framework agreement: Project manager                      Specialist professional services (including archaeology, geotechnical, noise and vibration, ecology, structures, stormwater, transport design, three waters design, etc.)</p> <p>A procurement plan will be developed in accordance with the Procurement and Policy Manual for the construction phase, currently planned for Year 7 (2021/22). It is expected that the construction contract will be a publically advertised tender</p>

4.0 FINANCIAL CASE – Complete for ALL business cases				
Affordability and funding requirements				
4.1 Description	4.2 Amount	4.3 Timing	4.4 Funding	4.5 Budget Notes
Capital - Transport	\$653,000	2015/16 to 2018/19	CE15088	Investigation and Reporting
Capital - Transport	\$2,413,000	2019/20 to 2020/21	CE15088	Property costs and design
Capital - Transport	\$2,504,000	2021/22	CE15088	Construction
Capital - Transport	\$73,000	2022/23	CE15088	Maintenance contract period
<b>Capital - Transport Total</b>	<b>\$5,643,000</b>	-	-	NZ Transport Agency subsidy will be applied for to recover \$2,052,000 over the life of the project
Capital - Water	\$1,664,000	2016/17 to 2020/21	CE15130	Investigation and Reporting, Design and Project Management, Construction, MSQA, and Maintenance contract period
Capital - Stormwater	\$1,198,000	2018/19 to 2021/22	CE15062	Property Costs, Design and Project Documentation, Construction and MSQA, Maintenance contract period
Capital - Wastewater	\$60,000	2020/21	CE15109	Investigation and Reporting, Design and Project Management, Construction, MSQA, and Maintenance contract period
<b>Capital - Three waters Total</b>	<b>\$2,922,000</b>			
Debt Funding (all)	<b>\$3,246,000</b>			Capitalised interest reflecting the cost of this project over the current 10 year plan
<b>CAPITAL AND DEBT FUNDING TOTAL</b>	<b>\$11,811,000</b>			
<b>Operational - Depreciation</b>	<b>\$24,600</b>	Annual		Applies post-construction / Capitalisation of asset
<b>Operational – Maintenance and Operations expense</b>	<b>\$6,000</b>	Annual		Applies post-construction / Capitalisation of asset
<b>ANNUAL OPERATIONAL TOTAL</b>	<b>\$30,600</b>			
<b>4.6 Comments – describe any contracting mechanisms that may apply and identify costs associated with risk. Provide any additional details on the above as appropriate</b>				
Estimates were completed as part of the Hamilton Southern Links investigation and for development of the 10 Year Plan 2015-2025. These estimates were prepared using NZ Transport Agency and Council guidance documents. They allow for all aspects of investigation, design, property and construction to complete the project.				
Private Developer Agreements enable earlier construction and contribute costs related to advanced funding of the works. The cost to Council does not change.				
There is some risk associated with the environmental mitigation costs. This is included in the risk register.				

#### 5.0 MANAGEMENT CASE – Complete for ALL business cases

##### Ensuring successful delivery

#### 5.1 Stakeholder Engagement

##### External Stakeholders

The Hamilton Southern Links investigation developed a register of stakeholders and affected landowners. Council is actively engaged with Northview Partnership (the most directly affected property owner).

Communication with external stakeholders will be through the Pre-Construction Communication and Consultation Plan developed following appointment of Council's Communication, Consultation and Property Liaison Manager. During the construction phase a separate Construction Communication and Consultation Plan will be developed.

External Stakeholders	Involved in Hamilton Southern Links	Involved in preparation of this Business Case	Further engagement planned if Business Case is approved
Individuals – Hamilton city residents	Yes	No	Yes
Waikato Tainui	Yes – through Tangata Whenua Working Party	No	Yes
Waikato Regional Council	Yes	No	Yes
NZ Transport Agency	Yes	Yes	Yes
Private developers	Yes	No	Yes
Specialist groups such as stream care groups	Yes	No	Yes
Infrastructure Alliance	No	No	Yes
Department of Conservation	Yes	No	Yes
Heritage NZ	Yes	No	Yes
Utility providers (power, telecom, gas, etc.)	Yes	No	Yes

#### Internal Stakeholders

Communications with internal stakeholders will include:

- Regular reports to Unit Manager
- Workshops with affected staff as required
- Regular reporting to City Infrastructure Project Governance Group and Steering Group
- Regular reporting to Council via Strategy and Policy Committee and Finance Committee

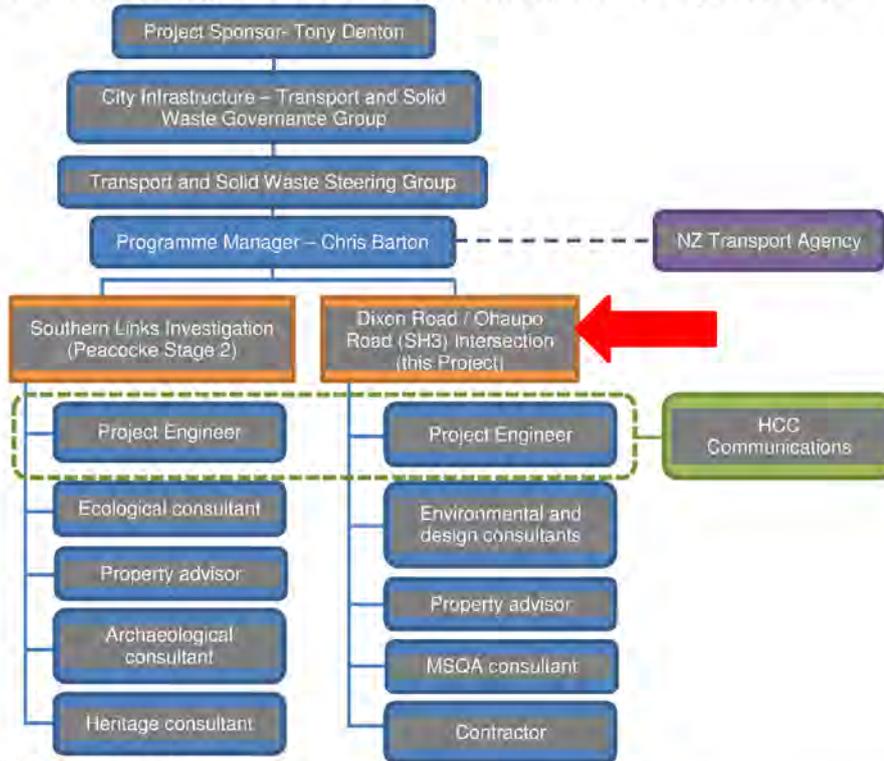
Internal Stakeholders	Involved in Hamilton Southern Links	Involved in preparation of this Business Case	Further engagement planned if Business Case is approved
Elected members (Mayor and Councillors)	Yes	No	Yes
CEO and Senior Leadership Team	Yes	No	Yes
General Manager City Infrastructure (Project Sponsor)	Yes	Yes	Yes
City Infrastructure Project Governance Group	No	Yes	Yes
City Development Unit	Yes	Yes	Yes
City Transportation Unit	Yes	Yes	Yes
City Waters	No	Yes	Yes
City Environment – Planning Guidance Unit	Yes	Yes	Yes
City Environment – City Planning	Yes	Yes	Yes
Parks and Open Spaces	Yes	Yes	Yes
Procurement Management Office	No	Yes	Yes
Communications Team	Yes	Yes	Yes
Finance Team	Yes	Yes	Yes

**5.2 Proposed Implementation Plan**

This project will be delivered in keeping with Council’s best practice project management principles and practice. A full project scope and project plan will be developed by the project manager.

**1. Governance and Project Management Structure**

An overview of the proposed governance and management structure for work is provided below.



**2. Reporting Arrangements**

This project will use the existing City Infrastructure Project Governance Group structure. This group meets on a regular basis to monitor, discuss and make key strategic decisions on all significant City Infrastructure projects.

**3. Proposed Project Management Plan**

The project management plan will include these key project milestones:

- Business Case Approval 22 October 2015 (Finance Committee)
- Implementation of an updated acquisition strategy including a Property Acquisition and Management Engagement Practice note (required by Southern Links designation conditions)
- Develop Pre-construction Communication and Consultation Plan (required by Southern Links designation conditions)
- Procurement of external services (e.g. project manager, investigation and design consultants)
- Obtaining of necessary outline plans, consents and/or certifications
- Initial NZ Transport Agency funding application and business case to be completed 2015/16
- Construction of infrastructure

**4. Project Deliverables**

- Property purchase for roundabout and stub road
- Design and consenting
- Environmental mitigation (if required)
- Construction

**5. Budget Allocation**

- Capital
- Transport \$5,643,000 (CE15088)
- Three waters infrastructure \$2,922,000 (CE15130 – Water , CE15109 – Wastewater, CE15062 – Stormwater)

**6. Contract Management Arrangements**

The contracts identified for this project are a combination of:

- Council and LASS PSP
- Publically advertised tenders in accordance with Council Procurement Policy
- Private developer agreements

**7. Engagement of external specialists**

Specialists will be engaged via the existing Council and LASS PSP as required for components such as:

- Property advisor to assist Council property team
- Design consultants
- Environmental experts and consultants
- Noise and vibration specialists (likely to be engaged as sub-contractor to design consultant)

**8. Communication Strategy**

Communication with external stakeholders will be through the Pre-Construction Communication and Consultation Plan developed following appointment of Council's Consultation and Property Liaison Manager. During the construction phase a separate Construction Communication and Consultation Plan will be developed.

Communications with internal stakeholders will be via regular updates on project progress and key milestone achievements.

**9. Change Management Planning Requirements**

The new roundabout will not lead to significant changes in how the organisation functions or maintains the transport network. As Ohaupo Road is a state highway (State Highway 3), the new asset (roundabout) will be maintained by the NZ Transport Agency. There may be the need to amendments to the existing NZ Transport Agency Corridor Agreement with Council (this agreement defines the maintenance responsibilities and boundaries).

**10. Risk Management**

The Project Manager will be responsible for identifying and managing the risks associated with design and construction of the roundabout. The Programme Manager will hold a risk register of these risks and report by exception to the City Infrastructure Project Governance Group.

The Hamilton Southern Links investigation developed a risk register. This will be used to develop the risk register for this project.

**11. Contingency Planning Arrangements**

Once the detailed design is completed, the timing of construction is flexible. Construction could be delayed or advanced in response to reduced demand for residential development, or advanced due to private developer agreements or agreements with the NZ Transport Agency.

**12. Post Project Evaluation**

At the conclusion of the work, the Programme Manager will complete a project closure report. The project sponsor will be responsible for signing off the completed project.

# BUSINESS CASE APPENDICES

Trim: D-1910322 and D1910325

35 of 36

**Appendix 1: Option Assessment (TRIM D-1910322)**

**Appendix 2: Economic Evaluation Report (TRIM D-1910324)**

***Agenda note:** Appendices not included in Agenda*

Trim: D-1910322 and D1910325

**Committee:** Finance Committee

**Date:** 22 October 2015

**Report Name:** Southern Links Investigation (Pre-construction) and Land Procurement Business Case

**Author:** Nathanael Savage

<b>Report Status</b>	<i>Open</i>
<b>Strategy, Policy or Plan context</b>	<i>Waikato Regional Land Transport Plan, Access Hamilton Strategy, Hamilton Urban Growth Strategy, Hamilton Economic Development Agenda, Hamilton Plan, Hamilton Proposed District Plan (including the Southern Links designation, 2015-25 10 Year Plan, 2015-45 30 Year Infrastructure Strategy</i>
<b>Financial status</b>	<i>There is budget allocated Amount \$15,550,000</i>
<b>Assessment of significance</b>	<i>Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance</i>

## 1. Purpose of the Report

- To seek approval of the Southern Links Investigation (Pre-construction) and Land Procurement project business case.

## 3. Executive Summary

- Hamilton City Council has now successfully achieved appeal free the designation of its part of the Southern Links arterial transport network (11km) within the Peacocke growth cell. The NZ Transport Agency has two appeals to resolve to complete the designation process for the wider Southern Links Project (32km).
- This report includes the full business case for the Southern Links Investigation (Pre-construction) and Land Procurement project for approval to expend \$15.55M of funds over the next ten years as provided for in the 2015-25 10 Year Plan.
- This project involves:
  - Environmental investigations and monitoring to satisfy pre-construction conditions as required by the Southern Links designation conditions, this includes the implementation of mitigation measures arising from this work.
  - Investigation and reporting necessary to secure remaining resource consents, archaeological authorities, and other approvals necessary to progress the final design and construction of the Southern Links transport network.

- Securing land needed to progress construction of the Southern Links transport network in the northern part of the Peacocke area, based on property owners approaching Council with appropriate reasons for purchase.

7. This project does not involve construction but is a necessary pre-construction step to support the long term delivery of the designated Southern Links and Peacockes transport network.

## 8. Recommendations from Management

That:

- a) the report be received; and
- b) the Southern Links Investigation (Pre-construction) and Land Procurement project business case is approved.

## 9. Attachments

10. Attachment 1 - Business Case - Southern Links Investigations (Pre-construction) and Land Procurement - 2015-10-22

## 11. Key Issues

12. Background

13. In October 2014 independent commissioners made a decision on behalf of Council to grant the designation of Council's part of the Southern Links network.

14. The Southern Links designation project was a joint NZ Transport Agency and Hamilton City Council.

15. The only appeal to Council's designation was resolved by consent order of the Environment Court on 23 September 2015.

16. The earliest component of the Southern Links transport network to be constructed is the Dixon Road / Ohaupo Road (SH3) intersection in 2021/22. This is provided for within the 2015-25 10 Year Plan and the subject of a separate project business case.

17. The 30 Year Infrastructure Strategy signals that the next component of the Southern Links transport network to be constructed is in the northern part of Peacocke. This involves the extension of the Ring Road to Peacocke Road via a bridge over the Waikato River. Construction of this component is expected to commence between Years 10 (2025/26) and 15 (2030/31).

18. A range of designation conditions must be satisfied and other consents and approvals secured before construction works for Southern Links can begin.

19. Some designation conditions must be satisfied within specific timeframes, for example the Ecological Management and Monitoring Plan must be completed within 3 years of the designation being included within the District Plan.

20. This business case recommends progressing this project now to:

- Ensure environmental monitoring and investigations are completed within the timeframes and sequence required by the designation conditions
- Inform budgets and programmes for future 10 Year Plans
- Maintain and develop the stakeholder relationships formed during the Hamilton Southern Links designation process
- Make progress on the project within the 20 year designation lapse period

21. Council also has obligations under the Resource Management Act (RMA) relating to land purchase for designations that it is responsible for.
22. In general a 'just in time' approach is taken whereby land is secured as close to the time of infrastructure construction as practicable. Council may however be required to purchase land earlier if ordered to by the Environment Court should a landowner make a successful application under s185 of the RMA or it may choose to purchase land early.
23. The priority area for active land purchase is in the northern part of Peacocke (refer to Figure 3 of the business case) in order to secure the land necessary for completing the new bridge across the Waikato River and connecting network.
24. Business Case
25. Council has a management policy that supports the development of robust business cases for selected projects from the 10 Year Plan.
26. The business case approach used by Council is based on the Treasury 2010 Better Business Case (BBC) model which now has wide acceptance throughout New Zealand.
27. The BBC is a five case model incorporating:
  - Strategic case – a compelling case for change, strategic fit and business needs
  - Economic case – preferred option that optimises value for money
  - Commercial case – Commercially viable over the project term
  - Financial case – affordable from available funding
  - Management case – achievable and can be successfully delivered
28. Staff are seeking council approval of this business case due to the significance of the project and the capital cost involved.
29. Strategic Case
30. This project is a key step in the process to deliver the designated Southern Links transport network. Southern Links is a key component of the Strategic roading network identified in Access Hamilton and its strategic case was demonstrated through the designation process.
31. The delivery of Southern Links aligns with the Hamilton Plan including providing outstanding infrastructure and supporting economic development and growth in line with the goal of becoming the third economy in New Zealand.
32. Section 1.3 of the business case provides further comment on how this project aligns with Council strategies.
33. Economic Case
34. The business case supports the view that this project is economically viable. The economic assessment prepared for Southern Links as part of the designation process demonstrated a benefit cost ratio of 2, which is considered medium. Section 2 of the business case describes the economic details for this project.
35. Commercial Case
36. The business case supports the view that the project is commercially viable over the project term and that it can be delivered. Section 3 of the business case describes the commercial details for this project.

37. Financial Case
38. The project as scoped has sufficient funding in the 2015-25 10 Year Plan (\$15.55M).
39. A summary of the financial details are set out in paragraph 46 of this report. Section 2.3 and 4 of the business case further describes the financial details for this project.
40. This project is part of the first ten years of a longer term programme to deliver the designated Southern Links transport network.
41. Management Case
42. This project will be delivered using and appropriate management structure with oversight through a Programme Governance Group. Section 5 of the business case describes the management details for this project.

### 43. Financial and Resourcing Implications

44. City Infrastructure staff inputs are time costed to capital projects and are therefore covered by the budgets set out below.
45. Southern Links Investigation (Pre-construction) and Land Procurement Budgets

Description	Amount	Timing	Comment
Transport (CE15089)	\$3,347,000	2015/16 to 2017/18	Land procurement and designation conditions
	\$7,947,000	2018/19 to 2024/25	
<b>Transport Total</b>	<b>\$11,294,000</b>		
<b>Debt Funding Total</b>	<b>\$4,256,000</b>		(Capitalised interest reflecting the cost of this project over the current 10 year plan)
<b>CAPITAL AND DEBT FUNDING TOTAL</b>	<b>\$15,550,000</b>		

### 46. Risk

47. Section 1.12 of the business case includes a summary of the identified risks for this project together with a high level summary of the proposed risk treatments to mitigate those risks.
48. Key risks generally relate to higher than expected costs and/or delays arising from the findings of further investigation and land procurement.

### Signatory

Authoriser	Chris Allen, General Manager City Infrastructure Group
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## HAMILTON CITY COUNCIL BUSINESS CASE SUMMARY

### Summary

**Business Case Name** Southern Links Investigation (Pre-construction) and Land Procurement (Peacocke Stage 2)

**Business Case Type (choose from list)** Full

**Business Case Focus (choose from list):** Address issue

**Risk Rating (circle from list)** Medium

**Financial Commitment**

**Total Capital and Debt Funding Expenditure – \$15,550,000**

Capital commitment \$11,294,000

Debt funding \$4,256,000 (Capitalised interest reflecting the cost of this project over the current 10 year plan) (refer to a) below)

**Annual Operating Costs - \$0**

(refer to b) below)

a) Capital and Debt Funding Expenditure

2015-25 10 Year Plan (inflated costs)				Comment
CE15089 - Roading upgrades & development in Peacocke Stage 2	Years 1 to 3	2015/16 to 2017/18	\$3,347,000	Land procurement and designation conditions
	Years 4 to 10	2018/19 to 2024/25	\$7,947,000	
<b>Total</b>			<b>\$11,294,000</b>	

The cost of borrowing over the life of the project is \$4.256M, which is included within the 2015-25 10 Year Plan budgets

b) Annual Operating Costs:

This project includes the purchase of land but does not include the construction of infrastructure. Therefore depreciation is not a relevant operational expense that needs to be accounted for.

The operational and maintenance costs for properties that may be purchased over the life of the project are unknown. However properties will have their own incomes derived from leases / rent and be managed by the Strategic Property Unit until the land is required for construction. This income is assumed to off-set any operational and maintenance costs associated with the properties.

Note: This project involves Council performing two separate roles. The first is as the requiring authority responsible for the designation (comparable to a resource consent applicant / holder). The second role is as the regulatory authority responsible for administering the Operative (1999) and Proposed District Plan (Decision version 2014) and ensuring compliance with the Southern Links designation conditions.

**Executive Summary**

This business case seeks confirmation to expend \$15,550,000 of funds already budgeted for in the 2015-25 10 Year Plan on:

- Completing environmental investigations and monitoring necessary for certification of the Ecological Management and Monitoring Plan (EMMP), Pre-construction Communication and Consultation Plan and satisfy other pre-construction conditions as specified by the Hamilton Southern Links designation conditions
- Completing investigation and reporting necessary to secure resource consents (e.g. earthworks, stormwater), archaeological authorities, and other approvals necessary to progress (as a separate subsequent project) the final design and construction of the Southern Link transport network
- Securing all the land needed to progress construction of the Southern Links transport network in the northern part of the Peacocke area (refer to the priority land purchase area in Figure 3)

(refer to section 1.7 for more details on the project scope)

Completing this work enables the Southern Links transport network and associated stormwater infrastructure to be implemented which facilitates residential growth in Peacocke and will help Council achieve its business goals. Planned residential growth in Peacocke gives effect to the Operative (1999) and Proposed District Plan (Decision version 2014) (i.e. Peacocke Structure Plan), Hamilton Urban Growth Strategy and the infrastructure investment priorities established by the 10 Year Plan and 30 Year Infrastructure Strategy.

**Background**

In 2007 the Peacocke Structure Plan was incorporated into the Proposed District Plan (1999). This became operative in 2012 and created stages for residential development. The Proposed District Plan (Decision version 2014) retains an approach whereby the Structure Plan area is split into a Stage 1a, 1b and Stage 2. Stage 1a has reached its 500 dwelling limit and a separate business case (refer to business case for Dixon Road / Ohaupo Road (SH3) Intersection D-1910315) addresses strategic infrastructure needed to support Stage 1b (a further 350 dwellings). Stage 2 provides for at least a further 7,000 dwellings and a new Suburban Centre. Development in Stage 2 needs to be supported by investment in strategic infrastructure such as the Southern Links transport network and associated stormwater infrastructure.

Council, in partnership with the NZ Transport Agency, has invested over \$7M in designating the Hamilton Southern Links arterial road network through the Peacocke Structure Plan area and the wider state highway network. Considerable investigation and analysis was completed as part of the Hamilton Southern Links project to develop a transport network that aligns with Council's strategic direction and provide long term support for growth in southern Hamilton. This designation secured routes for the major and minor arterials within the Peacocke Structure Plan area necessary to facilitate development.

**Context**

It is necessary to start the investigation works outlined in this business case to:

- Ensure environmental monitoring and investigations are completed within the timeframes required by the designation conditions (e.g. submit an Ecological Management and Monitoring Plan for certification within three years)
- Inform budgets and programmes for future 10 Year Plans
- Maintain and develop the stakeholder relationships formed during the Hamilton Southern Links Investigation
- Make progress on the project within the 20 year lapse period. If the designation is not given effect to and allowed to lapse, Council (as the requiring authority) will need to lodge a new notice of requirement

Council's preferred approach for land purchase is 'just in time', acquiring land as close to the time of infrastructure construction as practicable. Council may however be required to purchase land earlier than planned if landowners make a successful application under s185 of the RMA.

In general the priority area for active land purchase is in the northern part of Peacocke in order to secure the land necessary for completing the new bridge across the Waikato River (refer to the priority land purchase area in Figure 3).

Review / Approval Summary	
Prepared By Business Owner <u>Tommy Devlin</u> <u>City Development</u> (Name / Signature of individual)	Date <u>24/9/2015</u>
Reviewed By PMO _____ (Name / Signature of individual)	Date _____
Reviewed By SLT _____ (Name / Signature of individual)	Date <u>2/10/2015</u>
SLT Decision (choose from list) <input checked="" type="checkbox"/> Approved	<b>Richard Briggs</b> CHIEF EXECUTIVE
Council / Committee Meeting (circle one) <input type="checkbox"/> Choose an item.	Date _____
Resolution (adopted following Council/Committee consideration)	

## HAMILTON CITY COUNCIL BUSINESS CASE DETAILS

### 1.0 Strategic Case – complete for **ALL** business cases

Ensuring an appropriate strategic fit and making a robust case for change

#### 1.1 Position

Where are we now – what's the issue / opportunity we are trying to address? Where do we want to be? Define clear SMART objectives that can be directly linked to your proposed outcomes (benefits)

##### Where are we now

The Peacocke area was brought into Hamilton city from Waipa district in 1989. In 1999 the District Plan (Proposed 1999) zoning for this area was changed from 'rural' to 'future urban'.

In 2007 the Peacocke Structure Plan was incorporated into to the Proposed District Plan (1999), becoming operative in 2012 and creating stages for residential development. Stage 1 was zoned for residential use while Stage 2 remained 'future urban'.

The recent review of the Operative District Plan (Proposed District Plan notified version 2012 and subsequent Proposed District Plan decision version 2014) kept many of the same provisions and gave Stage 2 a residential special character zoning (Peacocke Character Zone).

The Proposed District Plan (decision version 2014) splits stage 1 into a stage 1a and 1b for infrastructure capacity reasons. Stage 1a has reached its 500 dwelling limit. Strategic infrastructure required to enable stage 1b (an additional 350 dwellings) are addressed in a separate business case (refer to business case for Dixon Road / Ohaupo Road (SH3) Intersection D-1910315).

Peacocke Stage 2 (635ha) is planned for development over a 20-25 year period once the necessary strategic three waters infrastructure and transport network has been established. Figure 1 below identifies Peacocke stage 1 and 2 in the context of the future transport networks. The Proposed District Plan (decision version 2014) identifies the priority strategic infrastructure for stage 2 as being a bulk wastewater connection to the existing reticulated network to the north of the Waikato River, and a bridge and transport corridor connection constructed across the Waikato River.

Council, in partnership with the NZ Transport Agency, has invested over \$7M in designating the Hamilton Southern Links arterial road network through the Peacocke Structure Plan area and the wider state highway network (refer to Figure 2 below). This designation has secured routes for the major and minor arterials within the Peacocke Structure Plan area necessary to facilitate development. The works needed to secure the designation included the following work:

- Public consultation with key stakeholders, landowners and other interested parties.
- Option identification and assessment using a multi-criteria analysis.
- Investigation and design including archaeological, social, heritage, ecological, geotechnical, traffic modelling, and geometric design.
- Assessment of effects and successful notice of requirement for designation of the network.



On 28 October 2014, independent commissioners made a decision (on behalf of Council) to grant a designation for Council's part of the Hamilton Southern Links project. The designation was subject to one appeal for which agreement has been reached to settle and is awaiting confirmation from the Environment Court. The designation will then be able to be confirmed by the administrative process of including it within the Operative (1999) and Proposed District Plan (Decision version 2014). The designation is subject to a range of conditions (refer to Southern Links - Commissioners Decision - Volume 6 - HCC s168A Decision 20141024 D-1613350). These conditions include the requirement to prepare a pre-construction communication and consultation plan, as well as other management plans for the purpose of identifying and mitigating the potential adverse effects on ecology, heritage and archaeological sites of the future Southern Links transport network.

The 10 Year Plan identifies that the earliest component of the Southern Links network to be constructed is the Dixon Road/ Ohaupo Road (State Highway 3) intersection (refer to separate business case D-1910315) in year 7 (2021/22) while the 30 Year Infrastructure Strategy indicates the next component of the Southern Links transport network to be constructed is in the north including the bridge over the Waikato River which is expected to begin construction in year 13 (2027/28). There are conditions which must be satisfied before construction commences, and some conditions have specific timeframes, measured from the date that the designation is confirmed, for example

- a) Condition 15.2 *"The EMMP shall be submitted to the Territorial Authority's Chief Executive or nominee, for certification. The EMMP must be submitted for certification within three (3) years after the date on which the designation is included in the Operative or Proposed HCC District Plan or at least forty (40) working days prior to the commencement of Construction Works, whichever event occurs earlier in time. The EMMP shall include performance measures, actions, methods, trigger levels and monitoring programmes designed to achieve the objectives specified below."*
- b) Condition 15.5h requires *"Monitoring shall be carried out over the long-tailed bat breeding season and peak activity period (beginning of November to the end of April), first commencing two (2) years prior to Construction Works, and continuing during construction and five (5) years post construction for the first stage of the project."*

It is necessary to commence investigation works now to:

- Ensure environmental monitoring and investigations are completed within the timeframes and sequence required by the designation conditions
- Inform budgets and programmes for future 10 Year Plans
- Maintain and develop the stakeholder relationships formed during the Hamilton Southern Links Investigation
- Make progress on the project within the 20 year designation lapse period. If the designation is not given effect to and allowed to lapse, Council (as the requiring authority) will need to lodge a new notice of requirement

There will be some overlap between the investigations required by this Business Case and that for of the Dixon Road/ Ohaupo Road (State Highway 3) intersection (refer to separate business case D-1910315). Council's Programme Manager will oversee both projects to maximise synergies, minimise overlap and avoid duplication of work.

#### **Land Procurement**

Council (as the requiring authority) has obligations under the Resource Management Act relating to land purchase for its designations (including the Hamilton Southern Links designation). The preferred approach for land purchase is 'just in time' whereby land is secured as close to the time of infrastructure construction as practicable. Council may however be required to purchase land earlier if ordered to by the Environment Court should a landowner make a successful application under s185 of the RMA.

There may however be some benefits in Council purchasing land earlier if it would assist with satisfying designation conditions (e.g. land for ecological mitigation works) or if early purchase mitigates the risk associated with potential future increases in property values.

In general the priority area for active land purchase is in the northern part of Peacocke (refer to Figure 3) in order to secure the land necessary for completing the new bridge across the Waikato River and the connecting network.

#### **Infrastructure Planning**

The 30 Year Infrastructure Strategy identifies the preferred development pattern in Peacocke Stage 2 as generally proceeding from the north to south.

Further investigations will be required over time to inform and update the assumptions (costs, timing, etc.) used in development of the 30 Year Infrastructure Strategy.

#### Objective

The objectives of the project are to:

- Submit and achieve certification of an Ecological Management and Monitoring Plan (EMMP) for Peacocke Stage 2 within three years of the Southern Links designation being included in the Hamilton City Operative (2012) and Proposed District Plan (Decisions version 2014)
- Secure the land needed to commence construction of the transport infrastructure and associated stormwater infrastructure for the first part of Southern Links (refer to priority land purchase area in Figure 3)
- Complete other environmental investigation and reporting necessary to secure resource consents (e.g. earthworks, stormwater) archaeological authorities, and satisfaction of other pre-construction conditions required by the Southern Links designation conditions in order to support the construction of the Southern Link transport network in accordance with the timeframes envisioned within the 30 Year Infrastructure Strategy

#### 1.2 Outcomes

What are the expected that will be delivered as a result of this work – Develop these with Stakeholders along with SMART objectives and defined long term value for money this BC work will deliver

#### Outcomes

Completing the environmental investigations, satisfying the pre-construction conditions of the Southern Links designation, securing the necessary consents and approvals, and purchasing land covered by this business case will support separate, subsequent projects for the construction of the Southern Links transport network and associated stormwater infrastructure.

This project is part of a programme of projects necessary to support planned growth in Peacocke Stage 2. This contributes towards giving effect to the District Plan (i.e. Peacocke Structure Plan), Hamilton Urban Growth Strategy and the infrastructure investment priorities established by the 10 Year Plan and 30 Year Infrastructure Strategy.

#### Hamilton Southern Links

The arterial transport network that enables development of Peacocke Stage 2 was investigated and confirmed as part of the Hamilton Southern Links project investigation. This Southern Links Investigation (Peacocke Stage 2) business case supports the future construction of the Hamilton Southern Links transport network which will generate the following outcomes:

- Improvements in journey time reliability and easing of severe congestion by reducing delays and improving the level of service on the existing state highway and arterial road network in the project area.
- More efficient freight supply chains will be achieved by protecting and improving connections to important commercial and industrial areas within Hamilton (particularly in the western corridor), the Hamilton Ring Road from the Waikato Expressway; also to Ruakura in the east, the Hamilton International Airport and nearby proposed development of industrial land, and from State Highway 3.
- Better access to markets, employment and areas that contribute to economic growth by providing direct connections from the Peacocke growth cell and other towns such as Te Awamutu.
- Opportunities for improved amenity for active modes and public transport.
- Improvements in road safety by providing new high standard, access controlled arterial corridors for the movement of freight and people and reducing conflict in existing corridors.
- Redistribution of freight movements away from heavily congested existing routes through suburbs such as Hillcrest and Melville with attendant future travel time savings for interregional freight.
- A road hierarchy will be established where local and inter-regional traffic is able to travel on appropriate routes better suited for its travel purpose. This improves amenity and safety through reduced conflict between different vehicle types, particularly in the residential areas through which State Highway 1, State Highway 3 and State Highway 21 currently pass.

**1.3 Strategic Alignment**

Describe how the proposed work aligns to either individual or multiple HCC strategies (which in turn support the Hamilton Plan ([http://www.hamilton.govt.nz/our-council/hamilton-plan/Documents/HAM0001%2010%20Year%20Plan\\_web.pdf](http://www.hamilton.govt.nz/our-council/hamilton-plan/Documents/HAM0001%2010%20Year%20Plan_web.pdf)) (<http://www.hamilton.govt.nz/our-council/our-strategies/Pages/0/about.aspx>).

Completing the environmental investigations, satisfying the pre-construction conditions of the Southern Links designation, securing the necessary consents and approvals, and purchasing land will support the future delivery of key transport and stormwater infrastructure necessary to enable growth in Peacocke Stage 2 which is well aligned with a number of Council's strategies and plans.

Strategy	Vision/ Goals	How this project delivers
<b>Hamilton City Council's Purpose</b>	Shaping a world class city through smart thinking and exceptional service	<p>The project focuses on environmental investigations, satisfying the pre-construction conditions of the Southern Links designation, securing the necessary consents and approvals which will inform the final design and construction of Hamilton Southern Links and necessary mitigation works in response (e.g. ecological restoration, landscaping). It will help Council and the development community understand and respond to potential effects of future development. Gathering sufficiently detailed and relevant information is a smart way to identify what matters need to be addressed and the best way (e.g. efficiency, effectiveness) in which to respond.</p> <p>This work supports part of a long term programme for delivering infrastructure to enable development in Peacocke Stage 2 and will make it easier and safer for people to get around Hamilton and do business.</p>
<b>Hamilton Plan</b>	Provide outstanding infrastructure Provide access to affordable housing	<p>The project is well aligned with the Hamilton Plan in that the environmental investigations, satisfaction of the pre-construction conditions of the Southern Links designation, securing the necessary consents and approvals, and land purchase will enable future construction of the Southern Links arterial network which:</p> <ul style="list-style-type: none"> <li>- Delivers strategic transport and associated stormwater infrastructure that supports economic development and growth</li> <li>- Enables residential development and access to housing which:               <ul style="list-style-type: none"> <li>o Increases the rate base of the city</li> <li>o Increases the supply of land for housing</li> </ul> </li> </ul>
<b>Hamilton Urban Growth Strategy (HUGS)</b>	HUGS is Council's spatial vision for the city.	<p>HUGS recognises Stage 2 of the Peacocke Structure Plan within the context of city wide growth.</p> <p>Peacocke Stage 1a has reached its capacity. Work is underway to provide strategic infrastructure to enable residential development in stage 1b (refer to separate business case D-1910315)</p> <p>Environmental investigations, satisfaction of the pre-construction conditions of the Southern Links designation, securing the necessary consents and approvals, and land purchase for Stage 2 is required to ensure that Stage 2 can be developed as other greenfield growth areas reach their capacity (i.e. Rototuna, Peacocke Stage 1 and Rotokauri Stage 1).</p>

<b>Access Hamilton</b>	Access Hamilton’s purpose is to meet changing travel demands of the city by providing an affordable, safe, responsive and sustainable transport system that contributes to Hamilton’s strategic vision and achieves community outcomes.	Integrated land use planning is identified as a key objective of the strategy.  Access Hamilton identifies Hamilton Southern Links as a key package for implementation.  Construction of strategic transport infrastructure, particularly in the northern part of the growth cell, demonstrates integrated strategic planning that is consistent with the long term objectives of Access Hamilton.
<b>Economic Development Agenda</b>	The role of Council in economic growth is: <ul style="list-style-type: none"> <li>- Leadership</li> <li>- Responsibility</li> <li>- Strategic investment</li> <li>- Relationships</li> </ul> To ensure growth and strengthening of the Hamilton economy.	Growth in Hamilton, particularly Peacocke includes large residential areas and some commercial development.  Land developers are actively engaging with Council with forward works programmes indicating a readiness to go.  Environmental investigations, satisfaction of the pre-construction conditions of the Southern Links designation, securing the necessary consents and approvals, and land purchase supports Council’s long term strategic investment in Southern Links to facilitate growth and development.
<b>Sustainable Hamilton</b>	Changing the way we live for a better future. Three priorities: <ul style="list-style-type: none"> <li>- Healthy natural environment</li> <li>- City living and business</li> <li>- Leadership and collaboration</li> </ul>	This project will contribute to the Sustainable Hamilton priority of ‘City Living and Business’ and ‘healthy natural environment’ by planning infrastructure that enables residential development while managing its impact on the natural environment.
<b>Hamilton 30 Year Infrastructure Strategy</b>	Identifies proposed approaches and estimated infrastructure requirements to support realistic growth forecasts over 30 years.	The environmental investigations, satisfaction of the pre-construction conditions of the Southern Links designation, securing the necessary consents and approvals, and land purchase covered by this project is needed to support the future construction of the Southern Links transport network and associated stormwater infrastructure.  This infrastructure is needed to support the staged development of Peacocke Stage 2 which is included in the 30 Year Infrastructure Strategy and will address the identified transport issues of: <ul style="list-style-type: none"> <li>• Providing a resilient transport network that meets the needs of a growing city</li> <li>• Improving Hamilton’s safety records</li> </ul>

**1.4 Organisational Context**

Outline how this work will assist HCC achieve its business goals

The project will contribute to delivery of Council’s business goals relating to provision of outstanding infrastructure and residential development as described below.

<b>Business Goal</b>	<b>Project Relevance</b>
Embrace Growth	<ul style="list-style-type: none"> <li>• Deliver infrastructure solutions                             <ul style="list-style-type: none"> <li>○ The Environmental investigations, satisfaction of the pre-construction conditions of the Southern Links designation, securing the necessary consents and approvals, and land purchase for delivering the Southern Links network will both respond to and facilitate planned city growth in Peacocke, and gives effects to the Operative (1999) and Proposed District Plan (Decision version 2014), Hamilton Urban Growth Strategy and the infrastructure investment priorities established by the 10 Year Plan and 30 Year Infrastructure Strategy</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ The completed project will support the future construction of infrastructure (Southern Links transport network and associated stormwater infrastructure) which will enhance customer levels of service for safety, efficiency, access and mobility</li> <li>• Leverage the best opportunities             <ul style="list-style-type: none"> <li>○ Delivering investigation and certification works (and other consenting and approvals) in a single project maximises value to Council</li> <li>○ The development community has indicated willingness to progress development in the Peacocke area. There may be opportunities for developer agreements to facilitate the delivery of infrastructure projects</li> </ul> </li> <li>• Facilitate a strong economy             <ul style="list-style-type: none"> <li>○ Supporting development of Peacocke Stage 2 will facilitate Hamilton’s economic and population growth</li> <li>○ The Hamilton Southern Links transport network provides improved transport connections that will reduce the cost of doing business in Hamilton</li> </ul> </li> </ul>
<p>We are Best in Business</p>	<ul style="list-style-type: none"> <li>• Right People, Right Outcomes             <ul style="list-style-type: none"> <li>○ Stakeholder analysis and communication planning in keeping with project management best practice will enable the success of this project and ensure the right outcomes for the city are delivered.</li> </ul> </li> <li>• Do The Basics Well             <ul style="list-style-type: none"> <li>○ This project delivers environmental investigations, satisfaction of the pre-construction conditions of the Southern Links designation, securing the necessary consents and approvals, and land purchase for critical infrastructure to enable urban development of 635ha of land in Peacocke Stage 2 (including capacity for over 7000 dwellings and a new suburban centre).</li> <li>○ Ensuring Council’s project management principles are utilised throughout the implementation will ensure effective delivery of the project.</li> </ul> </li> <li>• Financial Sustainability             <ul style="list-style-type: none"> <li>○ The project will be delivered within existing 10 Year Plan budgets and in-line with programmed financial timeframes, and will maximise savings through contract model opportunities.</li> <li>○ Opportunities for other non-rates funding options are identified and applied, for example private developer agreements</li> </ul> </li> <li>• Wow The Customer             <ul style="list-style-type: none"> <li>○ The requirements for environmental restoration and enhancement may result in opportunities for stakeholder and community participation (e.g. community planting days) which establishes new and/or builds on existing relationships between Council and the community</li> <li>○ High quality infrastructure supports development in Peacocke which will provide a high quality urban development including the protection and restoration of the natural environment</li> </ul> </li> </ul>
<p><b>1.5 Organisational Impact</b> How / where does this piece of work integrate with / impact on the rest of the organisation’s activities?</p>	
<p>The project impacts on the organisation across a number of units and functions.</p> <p><b>City Development</b></p> <p>City Development will manage the project through all phases. This will be managed through existing internal and external resources, the Professional Services Panel, competitive tenders and physical works as necessary. City Development will liaise with other Council units to ensure the investigations are coordinated with Council’s other</p>	

activities in the Peacocke area. The project phases include:

- Investigation (partially completed as part of the Hamilton Southern Links Designation process) and environmental monitoring
- Development of management plans to satisfy designation conditions
- Design, reporting, consenting and approvals
- Procurement of the required land
- Implementation of mitigation works (e.g. ecological restoration) as determined by the designation and consent conditions

#### **City Waters**

City Waters is responsible the operation and maintenance of three waters infrastructure to meet levels of service across the city. Planning and implementation of this project should be integrated with three waters infrastructure projects planned by the City Waters Unit. This will include liaison regarding the needs for future stormwater treatment and conveyance, water supply and wastewater infrastructure, particularly the stormwater infrastructure associated with Southern Links and wastewater strategic connections across the Waikato River. This project will also integrate with work underway / completed on the Mangakotukutuku Integrated Catchment Management Plan.

#### **City Transport**

City Transport is responsible for maintenance and operation of a safe and efficient transport network and will be the owner of the Southern Links transport infrastructure assets once constructed (including landscaping within the transport corridor). Development of the transport network within Peacocke must be integrated with the existing transport network, in particular the Hamilton Ring Road and off-road networks for walking and cycling.

#### **City Environments – Planning Guidance Unit**

Planning and implementation of this project must be coordinated with the Planning Guidance Unit (PGU). PGU staff will need to process outline plans, land use consents and certify compliance with designation conditions as part of administering the regulatory functions of Council (as the territorial authority) under the Resource Management Act. Therefore PGU requires an understanding of the scope of environmental mitigations identified through this investigation and also the timing and scope of the future transport network and associated stormwater infrastructure necessary to facilitate development.

#### **City Environment - City Planning**

City Planning are responsible for maintaining and managing changes to the Operative District Plan (1999) and variations to the Proposed District Plan (Decision version 2014), in particular City Planning is responsible for processing any alterations to the designation. City Planning also contributes land use planning guidance to the Strategic Growth Group who tracks progress of greenfield structure plan development. City Planning will be interested in how the delivery of the Southern Links transport network and associated stormwater infrastructure gives effect to the Peacocke Structure Plan. This requires an understanding of the timing and scope of the work and what it means in relation to enabling residential development.

#### **Parks and Open Spaces**

The designation conditions require development of ecological and landscape management plans. Consultation and liaison with the Parks and Open Spaces team will be required to ensure these plans are developed in accordance with any existing guidance and integrates with any future open space plans for the Peacocke area. The project will benefit from the use of their expertise in the development of ecological restoration works. The Parks and Opens Spaces team has existing relationships with interested stakeholders that will be utilised during consultation. Opportunities may exist for Parks and Open Spaces to facilitate the delivery of mitigation works (e.g. restoration planting) in conjunction with community groups and other stakeholders.

#### **Strategic Property**

Procurement of land is required to enable development of the Southern Links transport network and associated stormwater infrastructure to support development in Peacocke. Council property staff (and consultants) will be required to negotiate and settle land purchase agreements. If land is purchased well in advance of construction,

Council may need to arrange lease agreements for ongoing maintenance and use of the land.

#### **Legal**

There will be a need to involve Council's legal advisors to clarify Council's obligations under the Hamilton Southern Links designation. In particular this relates the potential scope of environmental investigations and required mitigation. Legal advice may be required should consenting processes involve hearings or in the preparation of private developer agreements or access agreements, or when using compulsory acquisition processes under the Public Works Act or responding to processes under s185 of the RMA.

#### **Finance**

The finance group, through a project financial accountant, will be required to review financial elements on an ongoing basis. This will include financial reporting, calculation of debt funding, and providing assistance with private developer agreements.

#### **Procurement**

The investigation and property purchase phases will require engagement of external consultants through the Professional Services Panel. Any future implementation activities will be carried out in accordance with Hamilton City Council's Procurement Policy. Both engagements will need to be supported by the Procurement Management team.

#### **Communication**

The Southern Links designation conditions have specific requirements for communication and consultation with stakeholders including Waikato Tainui. This includes:

- Appointment of a 'Communication, Consultation and Property Liaison Manager' (this responsibility has been delegated to an existing member of Council staff)
- Development and implementation of a 'Pre-construction Communication and Consultation Plan (PCCP)'
- Development and implementation of a 'Property acquisition and management engagement practice (PAMEP)'
- Establishment of a 'Community Liaison group for the Peacocke Structure Plan area'
- Development and implementation of a 'Construction Communication and Consultation Plan (CCCP)'

The Communications team will be required to liaise with NZ Transport Agency communications staff and assist with development and implementation of the above communication and consultation plans as well as provide input and review of:

- Public messages and updates
- Complaints received
- Media releases and enquires
- Joint communications with NZ Transport Agency (where the project affects the state highway network)

#### **Customer Services**

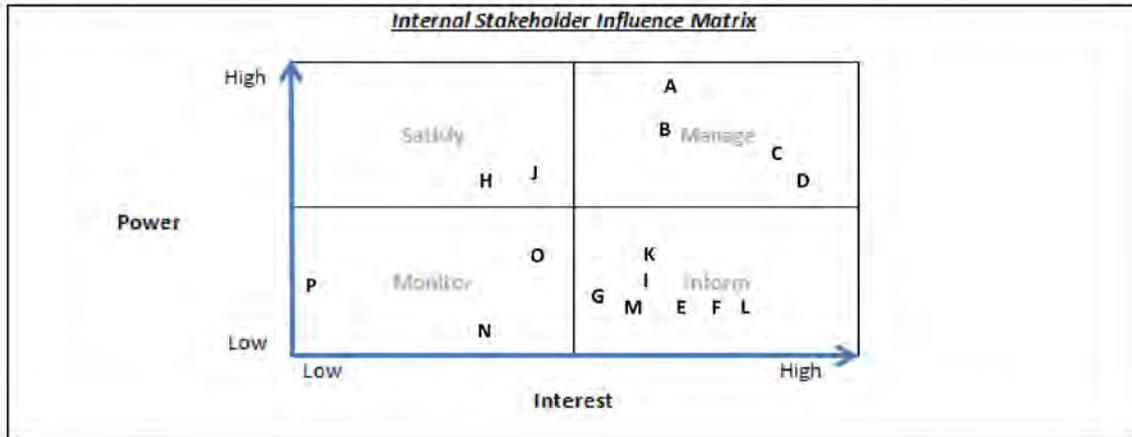
The Customer Services team may be contacted by external stakeholders seeking information, actions or wanting to make a complaint. Customer Services will be kept informed of progress of the project and need to be familiar with what information is available and who to direct enquiries to (Communication, Consultation and Property Liaison Manager). This will be addressed by the implementation of methods developed through the Pre-construction Communication and Consultation Plan.

**1.6 Stakeholders**

Need to be identified and their level of influence and interest in the BC needs to have been defined – use the analysis tool if helpful [D-1166068](#).

The Hamilton Southern Links project established a stakeholder database that identified individual stakeholders and affected landowners. The following table summarises the stakeholders involved in this Southern Links Investigation project and their interest.

The assessment of their impact has been described using Council’s Project Stakeholder Management – Tools and Techniques.



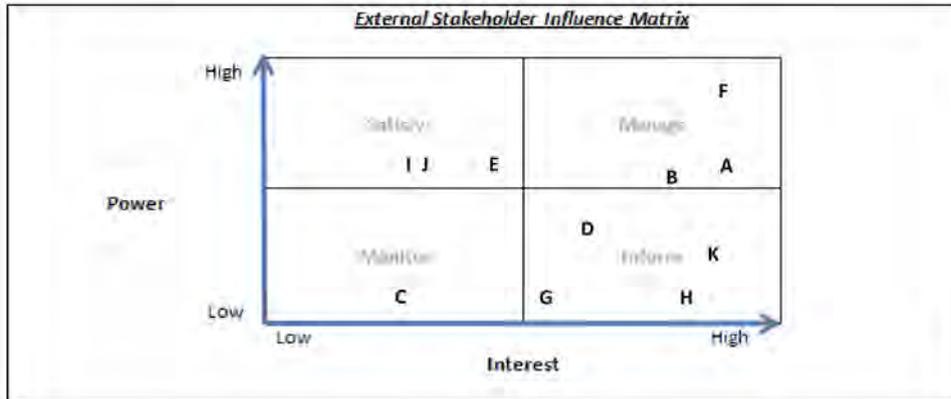
	Internal Stakeholder	Interest in the Project	Assessment of Impact	Strategies for engagement
A	Elected members (Mayor and Councillors)	<ul style="list-style-type: none"> <li>- Hamilton Plan Delivery</li> <li>- Compliance with strategic alignment</li> <li>- Compliance with 10 Year Plan budgets and timeframes</li> <li>- Council’s Reputation</li> </ul>	Manage closely	Provide sufficient information and opportunities for Elected Members to understand project status and potential risks by: <ul style="list-style-type: none"> <li>• Reporting the business case and any private developer agreement for approval to the Finance Committee</li> <li>• Regular project reporting via Key Projects Report if desired</li> </ul>
B	Chief Executive and Senior Leadership Team	<ul style="list-style-type: none"> <li>- Hamilton Plan Delivery</li> <li>- Compliance with strategic alignment</li> <li>- Delivery of Organisational Goals</li> <li>- Compliance with 10 Year Plan budgets and timeframes</li> <li>- Council’s Reputation</li> </ul>	Manage closely	Provide sufficient information and opportunities for SLT to understand project status and potential risks by: <ul style="list-style-type: none"> <li>• Reporting the business case for review and approval by SLT ahead of submission to Finance Committee</li> <li>• Regular project updates on progress and risks through General Manager City Infrastructure</li> </ul>

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<b>C</b>	General Manager City Infrastructure Infrastructure Transport and Waste Governance Group (PGG)	<ul style="list-style-type: none"> <li>- Project Sponsor (GM)</li> <li>- Delivery of Organisational Goals</li> <li>- Compliance with 10 Year Plan budgets and timeframes</li> <li>- Service Delivery</li> <li>- Council's Reputation</li> </ul>	Manage closely	Engage with PGG on strategic and project governance issues including through: <ul style="list-style-type: none"> <li>• Providing regular PGG updates on high level financial and project risks</li> <li>• Coordinating of activities and projects between City Development and City Waters</li> </ul>
<b>D</b>	City Development	<ul style="list-style-type: none"> <li>- Project management, delivery of project and developer liaison</li> </ul>	Manage closely	<ul style="list-style-type: none"> <li>• Appoint a dedicated project manager who will define project roles and responsibilities</li> <li>• Appoint a Communication, Consultation and Property Liaison Manager who will implement the Pre-Construction Communication and Consultation Plan (PCCP)</li> </ul>
<b>E</b>	City Waters	<ul style="list-style-type: none"> <li>- Owner of water infrastructure</li> <li>- Provision of strategic three waters infrastructure in line with growth requirements</li> <li>- Delivery of ICMP's</li> </ul>	Keep informed	Provide opportunities for engagement with relevant City Waters staff through regular workshops during investigation phases to identify opportunities to integrate design of three waters infrastructure and the development of the Mangakotukutuku ICMP
<b>F</b>	City Transport (including Infrastructure Alliance)	<ul style="list-style-type: none"> <li>- Owner of local transport infrastructure</li> <li>- Key consideration regarding network safety</li> <li>- Asset maintenance and operator for new local transport infrastructure (Infrastructure Alliance)</li> </ul>	Keep informed	Provide opportunities for engagement with relevant City Transport and IA staff through regular workshops to identify opportunities to integrate with planned walking and cycling projects and to understand long term maintenance costs of potential landscaping
<b>G</b>	City Environment – City Planning	<ul style="list-style-type: none"> <li>- Processing team for any alterations to designation</li> <li>- Integration with land use planning</li> </ul>	Keep informed	Provide opportunities for early engagement with relevant City Planning staff prior to lodging any applications for alterations to the designation and provide updates on project progress
<b>H</b>	City Environment – Planning Guidance Unit	<ul style="list-style-type: none"> <li>- Review designation conditions and construction related consents in line with statutory requirements</li> </ul>	Keep satisfied	Provide opportunities for early engagement with relevant PGU staff and use the existing pre-application process to confirm regulatory requirements prior to lodging any consent applications, outline plans and the certification of plans required by the designation conditions
<b>I</b>	Community – Parks and Open Spaces	<ul style="list-style-type: none"> <li>- Asset owner for public reserves and open spaces</li> <li>- Delivery of ecological restoration works</li> </ul>	Keep informed	<p>Provide opportunities for key Parks and Open Space staff to be involved in the planning and design of restoration and enhancement of gully systems including using their existing relationships with community groups</p> <p>As part of the development of the EMMP work with Parks and Open Space to identify opportunities for the delivery of ecological mitigation works</p>

<b>J</b>	Procurement Management team	<ul style="list-style-type: none"> <li>- Contract administration and procurement compliance</li> </ul>	Keep satisfied	<p>Provide opportunities for PMT to be involved early in the development of the procurement plan in accordance with Council policy</p> <p>Seek early advice and confirmation of proposed procurement strategy (methods and timing) from PMT</p>
<b>K</b>	Communications Team	<ul style="list-style-type: none"> <li>- Liaise with media</li> <li>- Develop and support implementation of all project communication</li> </ul>	Keep informed	<p>Work with Communications Team to establish a single source for external engagement and messages by:</p> <ul style="list-style-type: none"> <li>• Appointing a Communication Consultation and Property Liaison Manager to liaise with and regularly update the Communications Team on project progress</li> <li>• Jointly developing and implementing the Pre-Construction Communication and Consultation Plan (PCCP)</li> </ul>
<b>L</b>	Finance Team	<ul style="list-style-type: none"> <li>- Assist with financial reporting for the project</li> <li>- Co-ordinate NZ Transport Agency financial claims in regard to subsidised project elements</li> </ul>	Keep satisfied	<p>Work with the Finance Team to identify a financial accountant to provide assistance on financial reporting</p> <p>Provide regular updates to the financial accountant on the progress of the project and to identify financial tasks that will require assistance</p>
<b>M</b>	Strategic Property Unit	<ul style="list-style-type: none"> <li>- Land procurement, legalisation and disposal</li> </ul>	Keep informed	<p>Involve relevant Strategic Property staff in the development of the Property Acquisition and Management Practice as required by the designation conditions</p> <p>Jointly identify Strategic Property staff who will be responsible for project related property acquisition processes and management</p>
<b>N</b>	Customer Services Team	<ul style="list-style-type: none"> <li>- Co-ordinate response to any customer complaints or enquiries</li> </ul>	Monitor	<p>Provide information and regular updates to Customers Services staff to allow them to respond to public enquiries, including:</p> <ul style="list-style-type: none"> <li>• Project summary describing project scope and programme</li> <li>• How to access investigation results and certified documents (a requirement of the designation conditions)</li> <li>• Directing enquiries to the Communication, Consultation and Property Liaison Manager</li> </ul>
<b>O</b>	Strategic Growth Group	<ul style="list-style-type: none"> <li>- Delivery of Organisational Goals</li> <li>- Compliance with 10 Year Plan budgets and timeframes</li> <li>- Delivery of infrastructure in growth areas</li> </ul>	Monitor	<p>Project manager to provide regular updates on project progress to inform growth monitoring and reporting undertaken by the Strategic Growth Group</p>

P	Health and Safety	<ul style="list-style-type: none"> <li>- Delivery of Organisational Goals</li> <li>- Council's Reputation</li> </ul>	Monitor	<p>Involve Health and Safety staff in relevant parts of the project phases and ensure any site safety plans are reviewed by Health and Safety team</p> <p>Early engagement with Health and Safety staff where high risk activities are identified</p>
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	External Stakeholder	Interest in the Project	Assessment of Impact	Strategies for engagement
A	Directly affected land owners	<ul style="list-style-type: none"> <li>- Property acquisition</li> <li>- All landowners were involved in designation process</li> </ul>	Manage closely	<p>Provide opportunities for engagement by:</p> <ul style="list-style-type: none"> <li>• Appointing a Communication, Consultation and Property Liaison Manager to act as a key contact point</li> <li>• Engaging through the Peacocke Liaison Group and measures identified in the Pre-construction Communication and Consultation Plan as per designation conditions</li> </ul>
B	Adjacent land owners	<ul style="list-style-type: none"> <li>- Landscaping and retention existing restoration planting on private property</li> </ul>	Manage closely	<p>Provide opportunities for engagement by:</p> <ul style="list-style-type: none"> <li>• Appointing a Communication, Consultation and Property Liaison Manager to act as a key contact point</li> <li>• Engaging through the Peacocke Liaison Group and measures identified in the Pre-construction Communication and Consultation Plan as per designation conditions</li> </ul>
C	Hamilton City residents	<ul style="list-style-type: none"> <li>- Interested in overall transport network benefits</li> </ul>	Monitor	<p>Provide consistent messages to the public through:</p> <ul style="list-style-type: none"> <li>• A single point of contact, i.e. the Communication, Consultation and Property Liaison Manager</li> <li>• Project updates via HCC webpage</li> <li>• Media releases as required</li> </ul>

<b>D</b>	Waikato Tainui (Iwi)	<ul style="list-style-type: none"> <li>- Iwi relationship</li> <li>- Interest in ecological monitoring and mitigation</li> </ul>	Keep informed	<p>Establish a single point of contact for engagement that:</p> <ul style="list-style-type: none"> <li>• Maintains relationships with the Tangata Whenua Working Group (TWWG) developed during Southern Links</li> <li>• Identifies opportunities for collaboration (restoration planting, blessings, etc.)</li> <li>• Involves the TWWG where relevant to ensure the project consistent with relevant designation conditions (e.g. archaeology, ecological mitigation)</li> </ul>
<b>E</b>	Waikato Regional Council (WRC)	<ul style="list-style-type: none"> <li>- Responsible for determining, monitoring and enforcing regional plan resource consents</li> <li>- Provider of public transport services</li> </ul>	Keep satisfied	<p>Identify key staff at WRC to regularly engage with (including via pre-application meetings) to ensure compliance with designation conditions and conditions of any regional consents that may be required</p>
<b>F</b>	NZ Transport Agency – Highway and Network Operations	<ul style="list-style-type: none"> <li>- Responsible for project and contract management for State Highways</li> <li>- One Network focus</li> <li>- Owner of state highway assets</li> <li>- Interest in ecological monitoring as part of wider Southern Links</li> </ul>	Manage closely	<p>Identify and engage with organisational representatives to:</p> <ul style="list-style-type: none"> <li>• align expectations between the state highway and Hamilton parts of the Southern Links network</li> <li>• Collaborate on ecological monitoring</li> </ul>
<b>G</b>	Private developers	<ul style="list-style-type: none"> <li>- Want to understand future development opportunities</li> </ul>	Keep informed	<ul style="list-style-type: none"> <li>• Use the existing developer forum to provide updates on project progress</li> <li>• Keep developers informed through methods identified in Pre-construction Communication and Consultation Plan</li> <li>• Undertake specific one-on-one discussions with on the potential for Private Developer Agreements</li> </ul>
<b>H</b>	Specialist groups such as stream care groups (Riverlea Environmental Society, Mangakotukutuku Stream Care Group)	<ul style="list-style-type: none"> <li>- Interest in ecological monitoring and protection, and restoration opportunities</li> </ul>	Keep informed	<p>Involve these stakeholders in the development of management plans (as relevant) to ensure compliance with designation conditions related to consultation/ engagement and design</p> <p>Work with Parks and Open Spaces and these stakeholders to identify opportunities for collaboration on ecological protection and restoration works</p>

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I	Department of Conservation (DoC)	Statutory responsibilities and interest in ecological monitoring and protection, and restoration opportunities	Keep satisfied	Identify and engage with representatives from DoC at relevant points of the project to: <ul style="list-style-type: none"> <li>• Ensure compliance with designation conditions and legislation regarding wildlife and habitat protection</li> <li>• help develop the Ecological Management and Monitoring Plan as required by designation conditions</li> </ul> Work with Parks and Open Spaces and these stakeholders to identify opportunities for collaboration on ecological protection and restoration works
J	Heritage NZ	Statutory responsibilities and interest in the management of historic sites	Keep satisfied	Identify and engage with representatives from Heritage NZ at relevant points of the project to ensure Heritage NZ processes are followed and all necessary archaeological authorities are obtained
K	Project Consultants	Contractual responsibilities to complete design and investigation	Keep informed	Develop contractual engagements that provide clear project scope, time, deliverables, programme and costs

**1.7 Scope of the Work - What's included in the scope of this proposal, and what is specifically excluded – ensure you define impact of change?**

The project involves, land purchase, investigation, design, procurement, consent and approvals necessary to support the future construction of the Southern Links transport network (and associated stormwater infrastructure), in particular those works needed to satisfy the pre-construction conditions of the Southern Links designation. The scope includes:

- Active project and programme management
- Procurement of professional services (including project management, ecology, archaeology, property advice)
- Engagement and communication with internal stakeholders
- Developing, securing certification and implementation of the Pre-Construction and Communication and Consultation Plan. This requires consultation and engagement with external stakeholders including establishment of the Peacocke Community Liaison Group
- Environmental investigations and ecological monitoring and reporting, including at least two years of pre-construction bat monitoring and surveys of aquatic species, lizards and avifauna
- Developing measures, securing certification and implementation and monitoring of the Ecological Management and Monitoring Plan (EMMP)
- Investigation, reporting and applications to secure necessary resource consents (e.g. earthworks, stormwater)
- Investigation and reporting of archaeological and heritage sites including any necessary onsite investigations/ excavations and securing authorities
- Strategic land purchase for Peacocke Stage 2 priority areas in the northern part of the growth cell (refer to Figure 3)
- Land purchase in the wider Peacocke Stage 2 area as may be required under s185 of the Resource Management Act (RMA)

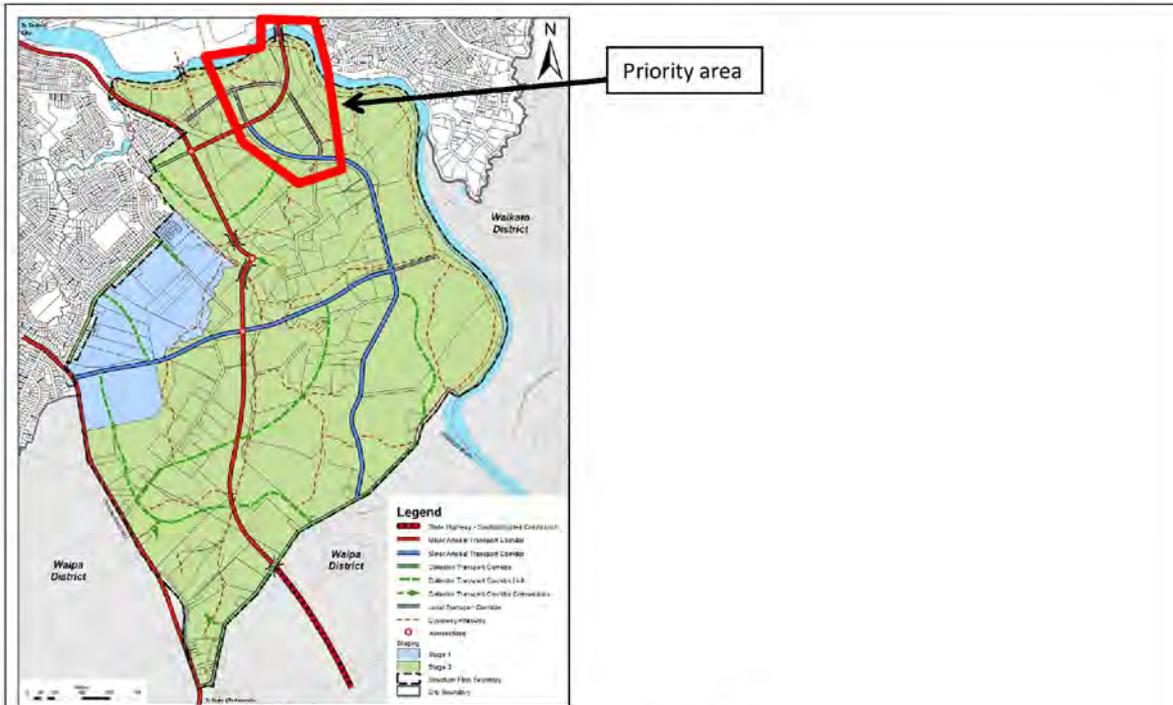


Figure 3 Peacocke structure plan indicating priority area for land purchase

**Work completed to date:**

- Hamilton Southern Links Designation process. This resulted in designation of the 32km arterial road network and includes a comprehensive set of conditions relating to ecological, landscape, heritage and archaeological impacts

**Elements excluded from scope include:**

The following is specifically excluded:

- Infrastructure to support development in Peacocke Stage 1b. These are the subject of a separate business case (Dixon Road / Ohaupo Road (SH3) Intersection D-1910315)
- Detailed design and construction of infrastructure

**1.8 Quantitative Benefits**

Develop this list with Stakeholders (as a minimum with those most affected by the proposal)

The detailed design and construction for the Southern Links transport network and associated stormwater infrastructure can be progressed

**1.8a KPI/Target/Frequency of reporting**

Also Identify the Benefit owner and who will report the KPI/ Target and Frequency (i.e. as 3 separate items)

**Key Performance Indicator**

The pre-construction conditions of the Southern Links designation have been satisfied and other necessary resource consents and approvals have been secured

All the land needed to progress construction in the priority area of Peacocke (refer Figure 3) has been secured

**Target**

Certification, consents and approvals are secured within the 10 Year Plan period, or earlier as specified by the conditions of the Southern Links designation

Land purchases for the priority area of Peacocke (refer Figure

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	<p>3) has been completed within the 10 Year Plan period</p> <p><b>Reporting</b> To be reported by City Development following the receipt of certified plans, granted consents and approvals Land purchase to be reported by City Development annually</p>
<p><b>1.9 Qualitative Benefits</b> Develop this list with Stakeholders (as a minimum with those most affected by the proposal)</p>	<p><b>1.9a Indicator of Success</b> Identify the benefit owner and who specifically will report on the progress/realisation of the benefit</p>
<p>Environmental restoration and enhancement of the gully and river corridor system</p>	<p><b>Indicator of Success</b> Implementation of ecological mitigation work. The scope of environmental mitigation will be specifically defined in the EMMP (More defined KPIs and monitoring measures will be identified as the EMMP is developed and certified)</p> <p><b>Reporting</b> To be reported by City Development following certification of the EMMP in accordance with the monitoring measures identified in the EMMP</p>
<p><b>1.10 Dis-benefits</b></p>	<p><b>1.10a Impact on the business</b> (identify who will be impacted as a result)</p>
<p>Adjacent and directly affected land owners – presence of the designation and investigation works can create uncertainty for landowners</p>	<p>Concerned landowners may seek to have mitigation provided or their land purchased ahead of available Council funding <b>Who will be impacted:</b> City Development Unit</p>
<p><b>1.11 Opportunities Arising</b> (identify who will own and report the opportunity)</p>	<p><b>1.11a Strategies to Exploit, Enhance &amp;/or Share Each Opportunity</b></p>
<p><b>Environmental Restoration Opportunity</b> - Stakeholder and community engagement may provide opportunities to identify and implement joint restoration and planting projects within the affected gully systems. The environmental benefits will be greater if restoration commences prior to construction of the transport infrastructure</p> <p>This opportunity will be owned by the Communication, Consultation and Property Liaison Manager (with assistance from City Development and Parks and Open Spaces)</p>	<ul style="list-style-type: none"> <li>Ensure that specific methods to exploit this opportunity are identified in Pre-construction Communication and Consultation Plan</li> <li>Ensure that the NZ Transport Agency and TWWG are involved in development of the Management Plans required by the designation conditions</li> </ul>
<p><b>Environmental, Heritage and Archaeological Protection</b> – The investigation works will improve the understanding of environmental, heritage and archaeological values in the Peacocke area. This information can be used to inform other development in the vicinity to help avoid or mitigate adverse effects and assist with the development of the Mangakotukutuku ICMP</p> <p>This opportunity will be owned by City Development (with the assistance of City Waters and Planning Guidance Unit)</p>	<ul style="list-style-type: none"> <li>Ensure that the ecological, heritage and archaeological investigation findings are made available to the relevant internal and external stakeholders</li> <li>Involve key staff involved in the development of the Mangakotukutuku ICMP in the scoping of ecological investigation work</li> </ul>
<p><b>Private Developer Agreements</b> – Private developer agreements provide opportunities for advancing investigations</p> <p>This opportunity will be owned by City Development.</p>	<ul style="list-style-type: none"> <li>Use already established regular developer liaison meeting to provide updates on project progress</li> <li>Keep the development community informed of project process and opportunities for private developer agreements through methods identified in Pre-construction Communication and Consultation Plan</li> <li>Specific engagement with developers to consider and develop Private Developer Agreements</li> </ul>

<b>1.12 Risks Identified</b> <i>D-1030981</i> – risk statements <i>D-722311</i> – risk register template	<b>1.12a Gross Risk Rating</b> Council's risk calculator – <i>D-1030989</i>	<b>1.12b Risk Trigger Points</b>	<b>1.12c Risk Management Approach</b>	<b>1.12d Residual Risk</b>
<p>As a result of further investigations or property values the project cost may exceed project estimates and identified funding</p>	<p>High</p>	<p>Stage reviews: -Defined points in each investigation topic (e.g. EMMP)  Commencement of property acquisition</p>	<p><i>Prevention:</i> Review design to ensure cost effective solutions are developed Regular hold points in project to confirm budget provisions align with project scope and deliverables Update expected property costs on a regular basis to ensure they reflect current market value  <i>Response:</i> Review project scope to reduce costs Seek additional funding from Council or other funding sources (e.g. PDA)</p>	<p>Low</p>
<p>As a result of unrealistic property owner expectations timely and cost effective property purchase(s) cannot be achieved which may result in project delay, additional costs and the potential for negative media</p>	<p>High</p>	<p>Commencement of property acquisition</p>	<p><i>Prevention:</i> Early and open consultation with affected property owners to develop realistic expectations and with sufficient lead in time to allow a compulsory purchase process to be completed within project timeframes if a negotiated purchase cannot be achieved (Delay and Perception) Early communication of property acquisition risk to SLT and elected members (Perception) Create a positive profile for the project through measures established within the Pre-construction and Consultation Communications Plan(Perception) Update expected property costs on a regular basis to ensure they reflect current market value (Cost)  <i>Response:</i> Follow procedures of Public Works Act for compulsory acquisition - initiated with sufficient time allowed to finish in advance of expected construction (Delay) Seek additional funding from Council (Cost) Provide media responses outlining the benefits of the project and the appropriateness of the process followed (Perception)</p>	<p>Medium</p>

## Business Case – Southern Links Investigation (Pre-construction) and Land Procurement (Peacocke Stage 2)

As a result of investigation works unknown or unrecorded archaeological sites may be discovered which would lead to additional investigation or consultation	High	During - site investigations	<p><i>Prevention:</i></p> <p>The Southern Links investigations identified known sites and involved meetings with Iwi and the landowners</p> <p>Develop and implement Heritage and Archaeological Site Management Plan (HASMP) as required by designation conditions</p> <p><i>Response:</i></p> <p>Follow Accidental Discovery Protocol</p> <p>Develop and implement Heritage and Archaeological Site Management Plan (HASMP)</p>	Medium
DoC and other environmental stakeholders may oppose the investigation methodology and degree of environmental mitigation proposed which would lead to delays and/or additional costs to mitigate	High	During development of EMMP 2015/16 bat monitoring season	<p><i>Prevention:</i></p> <p>Early consultation with WRC, DoC and other environmental stakeholders and if required obtain peer review by appropriate expert/s.</p> <p>Undertake work in accordance with the designation conditions regarding the Ecological Management and Monitoring Plan (EMMP)</p> <p>Carryout investigation and surveys with sufficient lead in time to inform future design and construction to avoid delay</p> <p><i>Response:</i></p> <p>Lodge the EMMP for certification to confirm appropriateness of investigation methodology and environment mitigation and respond to any formal regulatory response</p>	Medium
The extent, nature and costs of the environmental offset mitigation are currently unknown. As a consequence of further investigation and securing certification of the EMMP there may be a need to purchase land for environmental offsets and/or obtain other consents for these offsets, adding time and cost to the project	High	During development and certification of EMMP 2015/16 bat monitoring season	<p><i>Prevention:</i></p> <p>Update and review approach to design to ensure best practice methods regarding environment offsetting is followed</p> <p><i>Response:</i></p> <p>The design and cost estimate has allowed for estimated costs of environmental offsetting</p> <p>Identify land already held by Council that could be used for offsetting</p> <p>Work with landowners to secure environmental offsets on private land</p> <p>Seek additional funding from Council or other funding sources (e.g. PDA)</p>	Medium
As a result of landowners refusal to allow access to land	Medium	During commencement of ecological and archaeological	<p><i>Prevention:</i></p> <p>Early and open consultation with affected</p>	Low

investigation works are delayed		investigations	<p>property owners</p> <p>Create a positive profile for the project through measures established within the Pre-construction and Consultation Communications Plan</p> <p><i>Response:</i></p> <p>Work with landowners to negotiate access to property (with mediator if required)</p> <p>Follow procedures of Public Works Act for compulsory acquisition - initiated with sufficient time allowed to avoid project delays</p> <p>Seek additional funding from Council for advancing property purchase</p>	
The income from purchased property is insufficient to off-set the actual operational and maintenance costs	Medium	Duration of project	<p><i>Prevention:</i></p> <p>Work with the Property Unit at the time of acquisition to determine and fix property issues to bring it up to a leasable / rental standard whilst recognising how long until the property is needed for construction.</p> <p>Pass cost responsibilities (e.g. rates) to leaseholders as part of the lease agreement.</p> <p>Monitor ongoing costs and where reasonable adjust rents / leases to reflect trend.</p> <p><i>Response:</i></p> <p>Adjust rents / leases to meet and recover actual costs.</p> <p>Review how the property is being managed / held to identify more sustainable approach (e.g. it may be more sustainable to remove a house with high maintenance costs and just lease the land)</p>	Low

**1.13 Issues**

**Identify and describe**

**Development Pressure**

Developers are approaching Council seeking early development of Stage 2 with minimal strategic infrastructure connections (if any) north of the Waikato River. Discussions to date have not identified options that align with Council's infrastructure requirements.

**Property Purchase**

Council's preferred approach for land purchase is 'just in time', acquiring land as close to the time of infrastructure construction as practicable. Affected landowners have been approaching Council to discuss on property purchase. Pressure on Council is likely to increase as the project progresses and may result in formal applications to require purchase under s185 of the RMA. Funding in the 10 Year Plan is insufficient for purchasing all the land necessary for Southern Links. Future 10 Year Plans will need to provide further funding.

**Environmental Awareness**

The initial Southern Links investigation and other ecological/environmental initiatives have increased community awareness of the importance of the gully systems within Peacocke and mitigation expectations. Stakeholders, such as Mangakotukutuku Stream Care Group, are likely to be interested and active participants in any mitigation and restoration works.

**Resources to deliver the project**

Current staffing levels within City Development Unit means there is not sufficient in house resource available to provide the necessary project management. It will be necessary to seek an external project manager through the PSP.

**1.14 Constraints/Dependencies/Assumptions**

Define and describe the factors under each of the headings

**Constraints**

- Lapse – the designation conditions set a 20 year lapse period. If the designation is not given effect to and allowed to lapse, Council (as the requiring authority) will need to lodge a new notice of requirement
- Designation conditions – the designation protects the Southern Links route. An outline plan is still required to enable construction. The designation conditions specify a range of management plans and actions that must be undertaken before, during and after construction. Regional consents and other approvals are still required for some matters prior to construction of the Southern Links transport network commencing
- Land – the Southern Links project set the designation footprint (land available) for the transport network. Any works under the designation needs to be within the designation footprint
- Funding – the budget is set out in the 10 Year Plan 2015-2025
- Resource consents from Waikato Regional Council may be required for mitigation works (depending on the mitigation details established by the EMMP)
- Authorities will be required from Heritage NZ for archaeological investigations and mitigation works

**Dependencies**

- Procurement of land is required prior to construction. Funding for land acquisition is dependent on a valuation process in accordance with the Public Works Act. Budget allocations for property purchase needs to be flexible as the value of property purchases in any year is very difficult to predict

**Assumptions**

- Findings of the environmental investigations are consistent with earlier Southern Links investigations and suitable mitigation measures can be identified and implemented within available budgets, staff resources and timeframes
- Developers and land owners are willing to develop their property in accordance with the structure plan and allow access for investigation works
- Income from properties acquired for the purposes of designation will be sufficient to off set any operational and or maintenance costs arising

## 2.0 ECONOMIC CASE – complete for ALL business cases

### Critical success factors & the preferred way forward

#### 2.1 Business Requirements (refer more detail in the specific notes section)

Identify the requirements that must be met – Define them according to **core vs. desirable vs. optional**

The requirements for the project are:

##### Core (must have outcomes)

- Completion of environmental investigations and monitoring necessary for certification of the Ecological Management and Monitoring Plan (EMMP), Pre-construction Communication and Consultation Plan and to satisfy other pre-construction conditions as specified by the Hamilton Southern Links designation conditions
- Completion of investigation and reporting necessary to secure resource consents (earthworks, stormwater, etc.) and archaeological authorities to support the delivery of the Southern Link transport network
- Secure the land needed to commence construction of the transport infrastructure and associated stormwater infrastructure for the first part of Southern Links (see Figure 3)
- Land purchase as may be required under s185 of the RMA

##### Desirable (consider on a cost/benefit basis)

- Restoration and enhancement of identified heritage and archaeological sites
- Implementation of environmental mitigation identified by the EMMP

##### Optional (these are usually acceptable if they are a low margin cost)

- Design of strategic wastewater connection to the existing reticulated network to the north of the Waikato River
- Design of arterial transport network that includes a bridge and transport corridor connection constructed across the Waikato River

#### 2.2 Available Options – Long List (refer more detail in the specific notes section)

Consider a wide range of realistic options for meeting the business requirements. Has a feasibility study been done? You must include a base case: chose either status quo or do nothing or do minimum for this purpose

Securing the Southern Links corridor via designation is a project identified in the Regional Land Transport Plan (RLTP). Construction is identified as a project in years 11-30 of the RLTP.

Considerable investigation and analysis was completed as part of the Hamilton Southern Links investigation to develop a transport network that aligns with Council's strategic direction and will provide long term support for growth in southern Hamilton. Documents outlining the investigation and designation process that resulted in the preferred network include:

- Hamilton Southern Links Investigation: Scoping Report (D574944)
- Hamilton Southern Links Investigation: Scheme Assessment Report (D1043595)
- Hamilton Southern Links Notice of Requirement and Assessment of Environmental Effects (see reference #230 to #262 of D-1628331)
- Hearings Report of the Hearings Commissioners (D1613248) including Volume 6 Council S168A Decision (D-1613350)
- Hearing Evidence from Ecological, Archaeological, and three waters experts (see D-1628331 reference #'s 21, 22, 23, 62, 63, 64, 66, 74, 75, 81, 82, 107, 113, 165, 179, 180, 184)

This figure illustrates the investigation envelope (light green shading) and transport corridor alignments (red, blue and yellow) considered during the Hamilton Southern Links investigation.



**Hamilton Southern Links investigation envelope**

A range of designation pre-construction conditions must be satisfied, consents and approvals secured and land procured prior to being able to progress construction of the Southern Links transport network and associated stormwater infrastructure. Option analysis has already been undertaken with regard to the Southern Links network (refer above for links to relevant reports) and the designation conditions and other regulatory requirements specify how many aspects of the project are to proceed. Two timing related options exist in relation to the delivery of this work:

- **Option 1: Commence works now (Preferred):** Commencing the investigations now provides Council with sufficient time to satisfy regulatory requirements and secure necessary land within the required timeframes.
- **Option 2: Delay works:**

Investigation necessary to satisfy regulatory requirements could be delayed. However, there are specific timeframes specified within the designation conditions that must be complied with (for example the certification of the EMMP within three years). Delaying the investigations would adversely impact Council’s ability to satisfy the designation conditions which would leave Council exposed to enforcement action. While active land acquisition can be delayed sufficient lead in time needs to be provided prior to construction phases to secure land and establish environmental mitigation works. Council also has limited influence over land purchase requests that meet the provisions of s185 of the RMA.

Dimension	Description	Options
Scale and scope	In relation to the proposal how big/small could this be? e.g. by levels of functionality, unit/group/organisation-wide	This business case proposes the completion of environmental investigations, securing the necessary consents and approvals, across the whole of Council’s Southern Links designation area, active land purchase within a priority area (refer Figure 3) and reactive land purchase in response to s185 applications under the RMA.  Increasing the scope to include active purchase of all the land and complete design and construction is not achievable within the existing budgets
Service Solution	How can services be provided? e.g. potential solutions and answers, use of technologies	<ul style="list-style-type: none"> <li>• Methods for undertaking environmental investigations need to be established as part of the initial stages of the project but must achieve the objectives identified in the pre-construction conditions</li> <li>• The project will allow for innovative solutions to be proposed later in the projects by both designer(s) and contractor(s). This could include innovative mitigation measures for bat habitation and roost protection</li> </ul>
Service Delivery	Who can deliver the services? e.g. in-house, out sourced, alternative procurement strategies	<ul style="list-style-type: none"> <li>• There is insufficient in-house design and planning resource to completely deliver this project.</li> <li>• The preferred method is in-house project management with investigation and design services provided by external consultants.</li> <li>• The method for delivery of physical works will be determined at a later</li> </ul>

		date. Construction of infrastructure (e.g. Waikato River crossing) could be delivered externally through a design and build contract. This will be determined once the investigations have been completed.
Implementation	When can the services be delivered? e.g. timing and staging, big bang, phased, modular	<ul style="list-style-type: none"> <li>Timing for this improvement was considered during development of the 30 Year Infrastructure Strategy. Progressing development of infrastructure from the northern section of Stage 2 towards the south is the preferred approach</li> <li>Construction timing will be confirmed during development of the next 10 Year Plan 2018-2028</li> </ul>
Funding	How can it be funded? e.g. Capital, operating, PPP, grant	<ul style="list-style-type: none"> <li>The 10 Year Plan 2015-2025 has funding to deliver this project in Peacocke Stage 2 as capital and debt funding. There are options to review funding through the Annual Plan process.</li> </ul>

**2.3 Preferred Option** – engage with stakeholders to develop this and identify whole of life cost of the proposal  
Identify the preferred option, describing strategic fit, how well it meets the business requirements and its advantages and disadvantages

The preferred option is Option 1: Commence Environmental Investigations, Consenting, Approvals and Land Purchase. The scope for the project is set out in Section 1.7.

The project supports the future construction of the Southern Links transport network which has a good strategic fit with the business requirements and is supported by the recommendations of the scheme assessment report and decisions by independent commissioners on the notice of requirement. The relevant documents from the investigation and decision are listed in Section 2.2 above.

All of the project costs (\$15,550,000) are included within existing 2015-25 10 Year Plan budgets (this includes the capital costs (\$11,294,000) and interest on borrowing (\$4,256,000)).

**Debt Funding**

The cost of borrowing over the life of the project within the 2015-25 10 Year Plan period is \$4.256M. Further active land purchase, design and construction will be necessary beyond of the 10 year horizon and will need to be addressed in future 10 Year Plans.

**Depreciation**

This project includes the purchase of land but does not include the construction of infrastructure. Depreciation is therefore not a relevant operational expense that needs to be accounted for.

**Ongoing maintenance and operating costs**

Operational and maintenance costs for properties that may be purchased over this time are unknown. However properties will have their own incomes derived from leases / rent and be managed by the Strategic Property Unit until the land is required for construction. This income is assumed to off-set any operational and maintenance costs associated with owning and managing the properties.

**2.4 Potential Value for Money**

Describe how the preferred option maximises value for money

The preferred option maximises value for money as:

- It maximises the use of in-house resources and supplements known gaps through the engagement of consultants and contractors
- Commencing the investigations now will provide more detailed assessment of the adverse environmental effects and will inform the future construction programme and costs
- The project provides opportunities to use private developer agreements to reduce Council's financial risk

An economic assessment of the wider Hamilton Southern Links project has also been undertaken based on NZ Transport Agency economic evaluation criteria, which demonstrates a project benefit cost ratio of approximately 2, which is considered medium. Details of economic assessment are attached in Appendix 2.

### 2.5 Achievability

Outline how the preferred option will be successfully delivered

This project can be successfully delivered using Council's standard project management and procurement procedures.

The investigations are likely to identify a range of environmental mitigation measures that may require some changes to Council's operations activities, but are not expected to have a significant adverse impact on Council's operations. As implementation of the mitigation measures is not planned within the first three years of the current 10 Year Plan there is sufficient time to review the impact and make the necessary adjustments to Council's activities and budgets.

Successful delivery of the project requires input across a number of internal business units and external support.

#### Internal

- City Development Unit – overall programme management and procurement of consultants and contractors in accordance with Council policies and procedures
- Parks and Open Spaces – will be an important link to stakeholders during the investigations and the development and implementation of the EMMP

#### External

- Consultants – will undertake works including environmental monitoring, consultation, investigation, design, and consenting.
- Property purchase – Council staff will require support from external consultants for property valuation, purchase and on-going property management.

#### Timing

- There are specific timing requirements within the designation pre-construction conditions to comply with (e.g. EMMP within three years)
- Investigations, consenting, approvals, and property purchase (priority areas as per Figure 3) for this project are expected to be delivered in Years 1-10 of the 10 Year Plan
- The construction of the Southern Links transport network and associated stormwater infrastructure is not provided for within the current 10 Year Plan timeframe and is therefore not included in the scope of this business case.

### 2.6 Affordability

Outline how the preferred option will be funded

All of the project costs (\$15,550,000) are included within existing 2015-25 10 Year Plan budgets (this includes the capital costs (\$11,294,000) and interest on borrowing (\$4,256,000)).

Additional funding will be required in future 10 Year Plans for further land purchase and construction of the infrastructure, including satisfying during and post construction designation conditions and any ongoing mitigation measures. This will be addressed in future 10 Year Plans.

Refer to 2.3 for more detail on debt funding, operations and maintenance.

Refer to 4.1 and 4.2 for more detail on capital costs.

3.0 COMMERCIAL CASE – Complete for <b>FULL</b> business cases only	
Resource requirements	
3.1 Identify the resource requirements – define internal and external?	3.1a Proposed procurement strategy – the how not the what <i>Council's Procurement Policy &amp; Procedures Manual</i>
<p><b>Internal</b></p> <ul style="list-style-type: none"> <li>• Programme manager</li> <li>• Project financial accountant</li> <li>• Contract manager</li> <li>• Project specific communication/public relations advisor</li> <li>• Communication, Consultation and Property Liaison Manager</li> <li>•</li> </ul> <p><b>External</b></p> <ul style="list-style-type: none"> <li>• Project manager</li> <li>• Specialist professional services (including environmental, archaeology, landscape, )</li> <li>• Property acquisition agent</li> </ul>	<p>The following items will be procured through internal resources:</p> <ul style="list-style-type: none"> <li>• Programme manager</li> <li>• Project financial accountant</li> <li>• Contract manager</li> <li>• Project specific communication/public relations advisor</li> <li>• Communication, Consultation and Property Liaison Manager</li> </ul> <p>The following items will be initially procured through the existing PSP framework agreement:</p> <ul style="list-style-type: none"> <li>• Project manager</li> <li>• Specialist professional services (including environmental, archaeology, landscape)</li> <li>• Property acquisition agent</li> </ul>

4.0 FINANCIAL CASE – Complete for <b>ALL</b> business cases				
Affordability and funding requirements				
4.1 Description	4.2 Amount	4.3 Timing	4.4 Funding	4.5 Budget Notes
Capital - Transport	\$3,347,000	2015/16 – 2017/18	CE15089	Designation conditions and land purchase
Capital - Transport	\$7,947,000	2018/19 – 2024/25	CE15089	Designation conditions and land purchase
<b>Capital - Total</b>	<b>\$11,294,000</b>			
Debt Funding	\$4,256,000	Capitalised interest reflecting the cost of this project over the current 10 year plan		
<b>CAPITAL AND DEBT FUNDING TOTAL</b>	<b>\$15,550,000</b>			
<b>Operational - Depreciation</b>	<b>\$0</b>			No depreciation applicable
<b>Operational – Maintenance and Operations expense</b>	<b>\$0</b>			No infrastructure constructed. Operations and maintenance costs relating to purchased property is assumed to be offset by rent / lease income
<b>ANNUAL OPERATIONAL TOTAL</b>	<b>\$0</b>			
4.5 Comments – describe any contracting mechanisms that may apply and identify costs associated with risk. Provide any additional details on the above as appropriate				
<p>Estimates were completed as part of the Hamilton Southern Links investigation and for development of the 10 Year Plan 2015-2025. These estimates were prepared using NZ Transport Agency and HCC guidance documents. They allow for all aspects of the project.</p> <p>Private Developer Agreements are an option to provide funding to advance the project. These are expected to cost neutral to Council.</p> <p>There is some risk associated with the environmental mitigation and property costs. The budgeted amounts are estimates made on best information currently available. Costs are subject to a range factors, including external influences (e.g. property values). This is included in the risk register.</p>				

**5.0 MANAGEMENT CASE – Complete For ALL business cases**  
Ensuring successful delivery

**5.1 Stakeholder Engagement**

**External Stakeholders**

The Hamilton Southern Links investigation developed a register of stakeholders and affected landowners. Council is actively engaging with Adare Company (large directly affected landowner).

Communication with external stakeholders will follow methods established through the Pre-Construction Communication and Consultation Plan developed following appointment of Council's Consultation and Property Liaison Manager.

Direct engagement will be required if land owners request property purchase ahead of Council's preferred 'just in time' approach.

External Stakeholders	Involved in Hamilton Southern Links	Involved in preparation of this Business Case	Further engagement planned if Business Case is approved
Individuals – Hamilton city residents	Yes	No	Yes
Waikato Tainui	Yes – through Tangata Whenua Working Party	No	Yes
Waikato Regional Council	Yes	No	Yes
NZ Transport Agency	Yes	Yes	Yes
Private developers	Yes	No	Yes
Specialist groups such as stream care groups	Yes	No	Yes
Infrastructure Alliance	No	No	Yes
Department of Conservation	Yes	No	Yes
Heritage NZ	Yes	No	Yes

**Internal Stakeholders**

Communications with internal stakeholders will include:

- Regular reports to relevant Unit Manager/s or nominated staff
- Workshops with affected staff as required
- Regular reporting to City Infrastructure Project Governance Group and Steering Group
- Regular reporting to Council via Strategy and Policy Committee and Finance Committee

Internal Stakeholders	Involved in Hamilton Southern Links	Involved in preparation of this Business Case	Further engagement planned if Business Case is approved
Elected members (Mayor and Councillors)	Yes	No	Yes
CEO and Senior Leadership Team	Yes	No	Yes
General Manager City Infrastructure (Project Sponsor)	Yes	Yes	Yes
City Infrastructure Project Governance Group	No	Yes	Yes
City Development Unit	Yes	Yes	Yes
City Transportation Unit	Yes	Yes	Yes
City Waters	No	Yes	Yes
City Environment – Planning Guidance Unit	Yes	Yes	Yes
City Environment – City Planning	Yes	Yes	Yes
Parks and Open Spaces	Yes	Yes	Yes

Business Case – Southern Links Investigation (Pre-construction) and Land Procurement  
(Peacocke Stage 2)

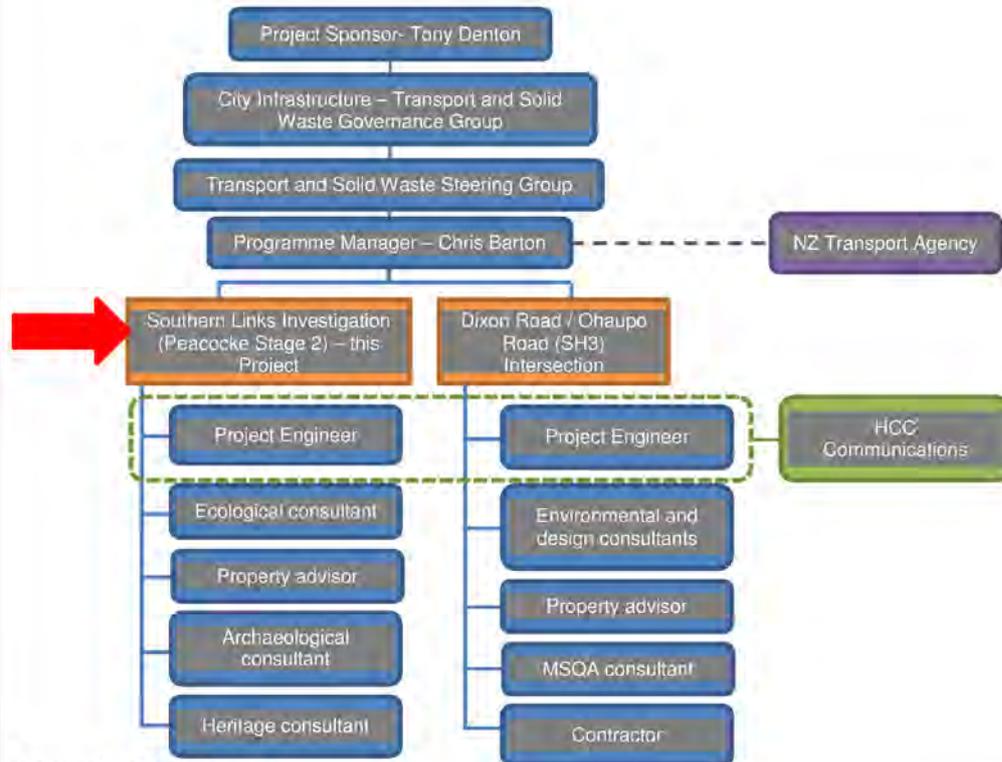
Procurement Management Office	No	Yes	Yes
Communications Team	Yes	Yes	Yes
Finance Team	Yes	Yes	Yes
Health and Safety	No	No	Yes

## 5.2 Proposed Implementation Plan

This project will be delivered in keeping with Council's best practice project management principles and practice. A full project scope and project plan will be developed by the project manager.

### 1. Governance and Project Management Structure

An overview of the proposed governance and management structure for the wider Southern Links programme of work is provided below.



### 2. Reporting Arrangements

This project will use the existing City Infrastructure Project Governance Group structure. This group meets on a regular basis to monitor, discuss and make strategic decisions on all significant City Infrastructure projects.

### 3. Proposed Project Management Plan

The project management plan will include these key project milestones:

- Business Case Approval 22 October 2015 (Finance Committee)
- Implementation of an updated acquisition strategy including a Property Acquisition and Management Engagement Practice (PAMEP) (required by Southern Links designation conditions)
- Submission for certification and commencement of implementation of the Pre-construction Communication and Consultation Plan (required by Southern Links designation conditions)
- Establish Peacocke Community Liaison Group (required by Southern Links designation conditions)
- Procurement of external professional services (e.g. project manager, investigation and design consultants)
- Site investigation and ecological surveys
- Submission for certification and implementation of the Environmental Management and Monitoring Plan (EMMP)
- Application for necessary resource consents and approvals

### 4. Project Deliverables

- All documentation and securing of all approvals needed to satisfy pre-construction conditions of the Southern Links designation necessary to support future construction of the Southern Links transport network
- Acquisition of land required in the priority area (see Figure 3) and completion of land purchases as required under s185 of the RMA

#### 5. Budget Allocation

Capital and Debt Funding Expenditure

2015-25 10 Year Plan (inflated costs)				Comment
CE15089 - Roading upgrades & development in Peacocke Stage 2	Years 1 to 3	2015/16 to 2017/18	\$3,347,000	Investigation and Reporting
	Years 4 to 10	2018/19 to 2024/25	\$7,947,000	Property costs and design
<b>Total</b>			<b>\$11,294,000</b>	

The cost of borrowing over the life of the project is \$4.256M, which is included within the 2015-25 10 Year Plan budgets

#### 6. Contract Management Arrangements

The contracts identified for this project are a combination of:

- Council and LASS PSP
- Publically advertised tenders in accordance with Council Procurement Policy
- Private developer agreements

#### 7. Engagement of external specialists

Specialists will be engaged via the existing Council and LASS PSP as required for components such as:

- Project manager
- Property advisor to assist Council property team
- Environmental experts and consultants including an archaeologist and ecologist/s

#### 8. Communication Strategy

Communication with external stakeholders will be through the methods and measures established through the Pre-Construction Communication and Consultation Plan developed following appointment of Council's Consultation and Property Liaison Manager

Communications with internal stakeholders will be via regular updates on project progress and key milestone achievements

#### 9. Change Management Planning Requirements

The project will not lead to significant changes in how the organisation functions.

#### 10. Risk Management

The Project Manager will be responsible for identifying and managing the risks associated with the investigations. The Programme Manager will hold a risk register of these risks and report by exception to the City Infrastructure Project Governance Group

The Hamilton Southern Links investigation developed a risk register. This will be used in development of the risk register for this project

#### 11. Contingency Planning Arrangements

Once the investigations are completed and necessary consents, certified plans and approvals are obtained, the timing of design and construction is flexible. Implementation of mitigation measures and construction of strategic infrastructure could be delayed or advanced in response to reduced demand for residential development, or advanced due to private developer agreements

#### 12. Post Project Evaluation

At the conclusion of the work, the Programme Manager will complete a project closure report. The Project Sponsor will be responsible for signing off the completed project.

Business Case – Southern Links Investigation (Pre-construction) and Land Procurement  
(Peacocke Stage 2)

**Item 14**

**Attachment 1**

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Business Case – Southern Links Investigation (Pre-construction) and Land Procurement (Peacocke Stage 2)

# BUSINESS CASE APPENDICES

Trim: D-1910322 and D-1910324

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Business Case – Southern Links Investigation (Pre-construction) and Land Procurement  
(Peacocke Stage 2)

Item 14

**Appendix 1: Option Assessment (TRIM D-1910322)**

**Appendix 2: Economic Evaluation Report (TRIM D-1910324)**

***Agenda note:*** *Appendices not included in Agenda*

Attachment 1

Trim: D-1910322 and D-1910324

**Committee:** Finance Committee

**Date:** 22 October 2015

**Report Name:** Contract 14106 - Rototuna  
Reservoir Bulk Watermains  
Contract Award

**Author:** Christopher Barton

<b>Report Status</b>	<i>Open</i>
<b>Strategy, Policy or Plan context</b>	<i>Hamilton Plan:</i> <ul style="list-style-type: none"> <li>• <i>Providing Outstanding Infrastructure</i></li> <li>• <i>The Third City Economy in New Zealand</i></li> </ul>
<b>Financial status</b>	<i>There is budget allocated as indicated in the report</i>
<b>Assessment of significance</b>	<i>Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance</i>

## 1. Purpose of the Report

2. The purpose of this report is to seek approval to award Contract 14106 for the installation of bulk watermain as part of the Rototuna Reservoir project.

## 3. Executive Summary

4. Contract 14106 is a Measure and Value contract to complete installation of new bulk watermains from the existing water reticulation network to the new Rototuna Reservoir site.
5. Council have undertaken a public Request for Tender for this contract. The objective of the Request for Tender was to select the best value for Council.
6. Following evaluation of submitted tenders in accordance with the process outlined in Request for Tender documentation, the recommendation is to award the contract to West Construction Ltd.
7. Delivery of the contract works is an integral component of the Rototuna Reservoir project which is required to facilitate ongoing City growth and provide resilience to water supply in north-east Hamilton.
8. The project is delivered through three separate contracts being the site preload, the bulk watermains followed by the civil works contract to construct the reservoir.
9. This report indicates that there is a risk that the funding set aside for the complete project may not be sufficient and that value engineering combined with reprioritisation across the 3 waters activities over the next 2 years may be required to mitigate the impact on Councils financial position.

## 10. Recommendations from Management

That:

- a) the report be received;
- b) Contract 14106 for Rototuna Reservoir Bulk Watermains is awarded to West Construction Ltd in the contract sum of \$7,712,854.60 excluding GST; and
- c) the Approved Contract Sum for Contract 14106 is set at \$8,500,000 excluding GST comprising the tender amount of \$7,712,854.60 plus a contingency allowance of \$787,154.40.

## 11. Attachments

12. There are no attachments for this report.

## 13. Key Issues

### 14. Purpose and Structure of Contract

15. The purpose of the Contract is to complete installation of new watermains required as part of the Rototuna Reservoir construction project. The Business case for the project was approved by Council in February 2015.
16. The primary work to be carried out under the contract includes supply and installation 3.5km of dual watermains ranging in size from 500mm to 700mm diameter to provide supply to the new Rototuna Reservoir from the existing bulk water network and distribution from the Rototuna Reservoir to the city water reticulation network.
17. The bulk watermain alignment extends along existing Resolution Drive from Rototuna Road to Borman Road, and extends through the proposed Resolution Drive extension corridor to Hancock Road before connecting to the reservoir site on Kay Road.
18. Bulk watermain installation is programmed to be undertaken over two summer construction seasons, and has been staged for completion at the same time as the anticipated reservoir construction in mid 2017. Any delays to awarding the bulk watermain installation contract award would likely delay overall project commissioning of the reservoir as the watermains will not be installed to feed the reservoir.
19. Bulk watermain installation works will also be staged to provide interim assistance with water supply to the Rototuna Area over the 2016/17 summer high demand period, but will not be connected to provide assistance over the 2015/16 summer.

### 20. Evaluation Process

21. To attract the best value for money Tenderers were permitted to submit alternative tenders. Following a public request for tender process, one alternative and four conforming tenders were received prior to the advertised closing time of 2:30pm on 15 September 2015.
22. The tenders were evaluated using the 'Price-Quality Method' for physical works as detailed in the Request for Tender documentation. This method involves evaluating the non priced attributes then converts the non price attributes score into a dollar value – the Supplier Quality Premium (SQP). The SQP represents the dollar value of the quality of the non priced attributes scores of higher ranked tenders present over the lowest ranked tender. For evaluation purposes, the SQP is then deducted off the tender price. The tenderer with the lowest evaluation price is then the preferred tenderer.

23. The non price attributes used in this evaluation were:
- Methodology & Resources (10%)
  - Relevant Experience & Track Record (7%)
  - Programme (5%)
  - Local Impact (5%)
  - Relevant Skill (3%)
  - Financial Viability (Pass/Fail)
24. The non price attributes had an overall 30% weighting (price weighting 70%).
25. No tenders failed the non-priced attributes grading.
26. The table below summarises the tender evaluation:

Tenderer	Tender Price	Supplier Quality Premium (SQP)	Evaluation Price
West Construction Ltd. (Alternative)	\$7,712,854.60	\$369,357.14	\$7,343,497.46
West Construction Ltd. (Conforming)	\$9,866,581.83	\$710,785.71	\$9,155,796.12
Spartan Construction	\$10,722,308.00	\$595,642.86	\$10,126,665.14
Brian Perry Civil	\$10,403,710.00	\$0	\$10,403,710.00
CDS New Zealand Ltd.	\$13,813,121.58	\$425,142.86	\$13,387,978.72

27. Preferred Tenderer and Contract Sum
28. The preferred tender is the alternative submission from West Construction Ltd, which following evaluation had the lowest evaluation price. It is noted that West Construction also had the most competitive conforming tender.
29. West Construction is well known to Council from previous work undertaken and they are a very capable company well placed to do this work.
30. The alternative tender is based around a different construction methodology and alternative materials and has been assessed as acceptable by the tender evaluation and technical teams. The tenderers proposed methodology allows the installation of the water mains using trenching while avoiding any significant adverse effects.
31. The Approved Contract Sum sought is \$8,500,000.00, excluding GST, comprising \$7,712,854.60, the tendered amount, and \$787,145.40 for contingency as deemed necessary.

## 32. Financial and Resourcing Implications

33. Financial allocations (including escalation) for Rototuna Reservoir bulkmain installation works are funded in the 2015-25 10 Year Plan under CE15140 - Rototuna Reservoir and Associated Bulkmain:

Year	2014/15	2015/16	2016/17	2017/18	Total Cost
Approved Budget (Includes approved deferrals from 14/15)	\$703,000	\$7,601,000	\$11,132,000	\$53,000	<b>\$19,489,000</b>

34. The Rototuna Reservoir project includes three primary work contracts, contract 1-preloading of the reservoir site, contract 2-bulkmain installation and contract 3-reservoir construction. Cost estimates for these work components were allocated within the approved project business case which was approved by Council in February 2015.
35. The financial situation in relation to the first 2 contracts, including the bulk mains contract which is the subject of this report is as follows:

Phase of works	Budgets	Forecast Cost	Comment
<b>Contract 1-COMPLETED</b> Preload Installation (Contract 14264)	\$600,000	\$1,030,000	<u>Forecast Basis – Actual Cost</u> Works complete. Although cost to complete is in excess of initial estimates, potential exists to offset Reservoir costs with value of discarded preload material
<b>Contract 2-THIS REPORT</b> Bulkmain Installation (Contract 14106)	\$8,149,000	\$8,500,000 (includes \$787,145 contingency)	<u>Forecast Basis – Tendered Price as per this report</u> Design peer review resulted in upsizing one of the significant pipe sizes at additional cost. Tender Price as per this report.
<b>Total Contracts 1 and 2</b>	<b>\$8,749,000</b>	<b>\$9,530,000</b>	<b>(\$781,000) Unfavourable</b>
<b>Remaining budget for Contract 3, electrical supply and other miscellaneous project costs</b>	<b>\$10,740,000</b>	-	-

36. Approval of the business case was required in February 2015 in order to let the first contract to preload the site. It was critical to get this work underway as time is required for the preload to do its work and consolidate the ground to the point where it can take the load/weight of the planned reservoir.
37. The business case indicated that all of the final design and estimate reviews had not been completed at the time of submission due to the need to get the first contract underway. A risk was identified in the business case that these reviews were in progress to reflect the changes required to meet the new objectives emerging from the strategic water master planning work and that project costs may increase.
38. The design review also included an operational review to look at best practice in how to manage the reservoir to meet the changing and dynamic growth needs of the city. These reviews have added to the scope and potential cost of the project.
39. The scope has increased to accommodate:
- Increased pumping capability to reduce peak demand pressures on the Water treatment plant
  - Increased civil works to accommodate increased pumping capability
  - Increased pipe specifications within and below reservoir to reduce future maintenance costs
  - Emergency power generation
40. The completed design and estimate review has indicated that the cost of the main reservoir construction contract is likely to exceed the remaining budget reflecting the increase in scope and an update of the likely market conditions that will prevail at the time of tendering.

41. Forecast costs for the reservoir construction contract are currently estimates and cannot be accurately assessed prior to tendering. Final detailed design of the reservoir is currently progressing with a programme to publicly tender works in December 2015 and award the contract via Finance Committee in February 2016.
42. Once the market price is known for the final contract staff will be in a position to make a recommendation to Council about the increased scope components of the contract. This will include implementing any value engineering opportunities (for example offsetting the reservoir costs with the value of the discarded and recycled preload material) and reviewing the priority of all capital works across the City Infrastructure Group.
43. The recommendation to Council is expected in February 2016 and should there be a need to reprioritize or adjust funding it can be done as part of the 2016/17 Annual Plan process.

#### **44. Risk**

45. The financial outcome for this project will be dependant on the market price for the main civil contract to construct the reservoir. The current estimates based on a finalised scope of work indicate that the cost of the final contract could exceed the available budget for the project by \$4.5M. While the estimates have been independently peer reviewed they may still not accurately reflect the market with significant contracts such as the Huntly and Hamilton Waikato Expressway contracts concurrently in progress.
46. The completion of the reservoir to a high standard is a critical project for the City. The project was delayed by three years in the 2012-22 10-Year Plan and it is not possible to delay it any further without significant risk to our ability to supply water.
47. Water supply and storage capacity in the Rototuna area is currently limited in the interim until the new reservoir is commissioned, and residential water supply to some areas of Rototuna during high demand and usage periods over the summer period may be limited or restricted, which could result in Hamilton City customers not receiving water via the reticulation network.
48. As the project involves extensive excavation and trenching, there is potential for time delays and additional cost in regard to conflicts with existing services or unsuitable ground conditions.
49. The installation alignment and open trenching methodology alongside the existing Resolution Drive could have an impact on local transportation facilities and will likely require localised footpath diversions and night work for road crossings. Detailed communications plans will be developed prior to works commencing.

#### **Signatory**

Authoriser	Chris Allen, General Manager City Infrastructure Group
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**Committee:** Finance Committee

**Date:** 22 October 2015

**Report Name:** Community Occupancy Applications - Various

**Author:** Renee McMillan

<b>Report Status</b>	<i>Open</i>
<b>Strategy, Policy or Plan context</b>	<i>Community Occupancy Policy</i>
<b>Financial status</b>	<i>There is not budget allocated</i>
<b>Assessment of significance</b>	<i>Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance</i>

## 1. Purpose of the Report

2. This report seeks Council approval to grant new community occupancy agreements to the following five community groups:

- Hamilton Cadet Forces Charitable Trust
- Metro Judo Club Incorporated
- Arts for Health Community Trust
- Artmakers Community Arts Trust
- Hamilton Community Men's Shed Trust

## 3. Recommendations from Management – Recommendation to Council

That:

- a) the report be received;
- b) Council approves the granting of a new community group lease to the **Hamilton Cadet Forces Building Charitable Trust** for premises at 60 Dey Street as shown in Attachment 1, being Part Section 36 Hamilton East Town Belt, subject to the following terms and conditions:
  - (i) Term – two years;
  - (ii) Rent – \$2,428.13 plus GST per annum in accordance with the Community Occupancy Policy;
  - (iii) All other terms and conditions in accordance with the Community Occupancy Policy and Community Occupancy Guidelines.

- c) Following s54(1)(b) of the Reserves Act 1977, Council approves the granting of a new community group lease to **Metro Judo Club Incorporated** for premises at Pembroke Park as shown in Attachment 2, being Lot 1 DPS1727 and Lot 1 DPS 70567, subject to the following terms and conditions:
- (i) Term – 10 years;
  - (ii) Rent – \$4,565.50 plus GST per annum in accordance with the Community Occupancy Policy;
  - (iii) All other terms and conditions in accordance with the Community Occupancy Policy and Community Occupancy Guidelines;
- d) Following s54(1)(b) of the Reserves Act 1977, Council approves the granting of a new community group lease to **Arts for Health Community Trust** for premises at Ward Park as shown in Attachment 3, being Pt Allot 11 Hamilton West Town Belt, subject to the following terms and conditions:
- (i) Term – 10 years;
  - (ii) Rent – \$406.25 plus GST per annum in accordance with the Community Occupancy Policy;
  - (iii) All other terms and conditions in accordance with the Community Occupancy Policy and Community Occupancy Guidelines;
- e) Following s54(1)(b) of the Reserves Act 1977, Council approves the granting of a new community group lease to **Artmakers Community Artists Trust** for premises at Ward Park as shown in Attachment 3, being Pt Allot 11 Hamilton West Town Belt, subject to the following terms and conditions:
- (i) Term – 10 years;
  - (ii) Rent – \$2,431.25 plus GST per annum in accordance with the Community Occupancy Policy;
  - (iii) All other terms and conditions in accordance with the Community Occupancy Policy and Community Occupancy Guidelines; and
- f) Following s54(1)(b) of the Reserves Act 1977, Council approves the granting of a new community group lease to the **Hamilton Community Men’s Shed Trust** for premises at Ward Park as shown in Attachment 3, being Pt Allot 11 Hamilton West Town Belt, subject to the following terms and conditions:
- (i) Term – 10 years;
  - (ii) Rent – \$455.55 plus GST per annum in accordance with the Community Occupancy Policy;
  - (iii) All other terms and conditions in accordance with the Community Occupancy Policy and Community Occupancy Guidelines.
- g) Council grants approval for the **Hamilton Community Men’s Shed Trust** to locate a 20 foot storage container on the premises within the asphalt carparking area adjacent to the existing storage container for the purpose of storing materials for the use and benefit of its members subject to the storage container:
- i) being painted to match the colours of the main building;
  - ii) being kept and maintained in good clean order and condition free of graffiti and other malicious damage;
  - iii) being removed from the premises at the expiry or earlier determination of the lease.

#### 4. Attachments

5. Attachment 1 - Hamilton Cadet Forces Charitable Trust Proposed Lease Area
6. Attachment 2 - Metro Judo Club Incorporated Proposed Lease Area
7. Attachment 3 - Ward Park Proposed Lease Areas

#### 8. Key Issues

##### 9. The Hamilton Cadet Forces Trust (Cadets)

10. The Cadets is a voluntary, disciplined, uniformed youth leadership training organisation for boys and girls aged 13 to 18. It comprises the Sea Cadet Corps, the New Zealand Cadet Corps and the Air Training Corps.
11. In 1998, Council acquired land from the Crown for the future arterial road linking to Cobham Drive. This included the ATC Hall at 60 Dey Street which had been occupied by the Cadets since 1956.
12. After lengthy negotiations, on 1 April 2003 a lease was entered into between Council and the Cadets. The lease commenced on 1 April 2003, for a term of five years and expired in March 2008. On expiry, a new lease was granted for a further seven years, expiring 30 March 2015. Since this date their occupation has been on a monthly basis.
13. The proposed lease area is shown in Attachment 1 and is within the Southern Links Project investigations. The impact of the project on the Hall is expected to be confirmed through investigations over the next two years.
14. The Cadets have applied for a 10 year lease. Due to the, staff recommend the granting of a community group lease to the Cadets for a term of two years. Although disappointed, the Cadets accept the shorter lease term and understand the reasons for this.
15. Due to Southern Links, it is unlikely the Cadets will be able to occupy this site in the long-term. This was signaled to the Cadets when Council acquired the property in 1998. Staff will work with the Cadets to try to find an alternative space.
16. The Cadets meet the eligibility criteria for community occupancy as set out in the [Community Occupancy Policy](#) (Policy).
17. The application has been assessed against the assessment criteria for community occupancy as set out in the [Community Occupancy Policy Guidelines](#) (Guidelines).
18. The proposed rent is \$2,428.13 plus GST per annum based on a building of 555m<sup>2</sup>; assessed as a category 3 building calculated in accordance with 5.1 of the Guidelines. The Cadets have not applied for a further rental subsidy.
19. The site is road reserve and not subject to the Reserves Act 1977 (Act).

##### 20. Metro Judo Club Incorporated (Metro Judo)

21. Metro Judo has leased Pembroke Park since 1995. Their leased commenced on 1 August 1995 for a term of 20 years and expired on 31 July 2015. Since expiry, their occupation has been on a monthly basis.
22. Prior to 1993, Pembroke Park was the location of the Hamilton City Bowling Club. In 1993, the Bowling Club was relocated to Hinemoa Park along with the Whitiara Bowling Club to allow for the Cobham Drive/Tristram Street link road development.
23. Metro Judo has applied for a new lease for the area shown in Attachment 2, comprising the whole of Pembroke Park, including the carpark and Council-owned building.

24. Metro Judo's mission is to foster confidence, self-worth, sportsmanship, and self-discipline and team spirit through the sport of Judo. They offer bi-weekly classes in three grades of Judo and have a focus on training children with behavioral and learning difficulties.
25. The Club has a current membership of 67 and a volunteer base 9.
26. They share the premises with three other martial arts groups to optimize use.
27. Metro Judo meets the eligibility criteria for community occupancy as set out in the Policy.
28. The application has been assessed against the assessment criteria for community occupancy as set out in the Guidelines.
29. The proposed rent is \$4,565.50 per annum based on a land area of 3,824m<sup>2</sup> and a building of 582m<sup>2</sup>; assessed as category 3 building, calculated in accordance with 5.1 of the Community Occupancy Policy Guidelines. Metro Judo has not applied for a further rental subsidy.
30. Lot 1 DPS 1727 and Lot 1 DPS 70567 are classified for the purpose of recreation reserve under the Act. The Metro Judo lease is contemplated by the Operative Sports Park Management Plan 2009. On this basis, public notification of the proposed lease is not required.
31. Staff recommend the granting of a community group lease to Metro Judo for a term of 10 years in accordance with 5.5 of the Policy.

### **32. Ward Park**

33. Ward Park is part of Hamilton's original West Town Belt and up until 1974 was the location of Council's depot.
34. Since then the buildings have been leased to arts and craft groups. There are currently five of these groups; the Arts for Health Community Trust, Artmakers Community Artists Trust, Waikato Society of Potters and the Hamilton Community Men's Shed. These leases expired on 30 June 2015.
35. The Waikato Society of Potters lease provided for a right of renewal. This has been exercised and the final expiry is 30 June 2025.
36. The four other groups have applied for new leases. These applications are covered individually below. The kitchen and toilet areas are shared between the groups.
37. Ward Park is classified as recreation reserve under the Act and is covered by the Neighborhood Reserves Management Plan 2007 (Management Plan).
38. The Plan signals Council's intention to demolish the buildings when they reach the end of their useful lives, estimated useful life of 40 years.

### **39. Arts for Health Community Trust (Arts for Health)**

40. Arts for Health is a community based organisation that provides ongoing art and craft activities for adults recovering from illness, injury and disability. Clients work at their own pace and are assisted by staff and volunteers.
41. Arts for Health have leased the premises at Ward Park since 1991. Their current lease expired on 30 June 2015. Since this date their occupation has been on a monthly basis.
42. Arts for Health currently have two paid staff, six volunteers and 48 clients who attend one day per week.
43. The proposed lease area is shown in Attachment 3 and is the same as the area currently leased.

44. The proposed rental is \$406.25 plus GST per annum based on a building of 65m<sup>2</sup> assessed as a category 3 building and calculated in accordance with 5.2 of the Guidelines. Arts for Health has not applied for a further subsidy.
45. Arts for Health meets the eligibility criteria for community occupancy as set out in the Policy. The application has been assessed against the assessment criteria for community occupancy as set out in the Guidelines.
46. The Arts for Health lease is contemplated by the Management Plan so public notification is not required.
47. Staff recommend the granting of a new community group lease to Arts for Health for a term of 10 years in accordance with 5.5 of the Policy.

**48. Artmakers Community Artists Trust (Artmakers)**

49. Artmakers is a community organisation, established in the early 1980's. Their focus is on arts and creativity. They work in the community as facilitators of community arts projects and events, working in partnership with schools, health care facilities, social and community services groups, environment groups and Council. The group is accredited by NZ Child Youth and Family as a provider of after school and holiday programmes for children and a provider of education and training programmes.
50. In the past 12 months, there have been 500 participants and a volunteer base of 40.
51. Artmakers have leased the premises at Ward Park since 1991. Their current lease expired on 30 June 2015. Since this date their occupation has been on a monthly basis.
52. The proposed lease area is shown in Attachment 3 and is the same as the area currently leased.
53. The proposed rental is \$2,431.25 plus GST per annum based on a building of 389m<sup>2</sup> assessed as a category 3 building and calculated in accordance with 5.2 of the Guidelines. Artmakers have not applied for a further subsidy.
54. The Artmakers meet the eligibility criteria for community occupancy as set out in the Policy.
55. The application has been assessed against the assessment criteria for community occupancy as set out in the Guidelines.
56. The Artmaker's lease is contemplated by the Management Plan so public notification is not required.
57. Staff recommend the granting of a new community group lease to Artmakers for a term of 10 years in accordance with 5.5 of the Policy.

**58. Hamilton Community Men's Shed Trust (Men's Shed)**

59. The Men's Shed brings people together to share their skills, socialize, and work on practical tasks individually (personal projects) or as a group for the Shed or community. They encourage wide participation offering programmes for home school students and a course for new migrants assisting them with basic construction skills and confidence in language.
60. The Men's Shed has a current membership of 30, with 10 volunteers. Approximately 60 people used the service within the last 12 months. They use the premises three days per week.
61. The Men's Shed has leased the premises at Ward Park since 2009. Their lease commenced on 1 July 2009 for a term of six years and expired on 30 June 2015. Since this date their occupation has been on a monthly basis.
62. Since 2009, the Men's Shed have identified the premises at Ward Park is limiting due to its size and have signaled their long-term goal to establish a larger purpose built facility in Hamilton

City. The Men's Shed aspiration is to join with other groups such as the Woodturners to establish a larger learning hub that caters for educational and practical needs of seniors and others in Hamilton. This is currently a long-term aspiration with no funding or location in mind.

63. Staff will work with the Men's Shed to find an alternative more suitable space that enables their expansion.
64. The original lease was for 70m<sup>2</sup>. In 2009, a Variation of Lease was granted for the Men's Shed to locate a 20ft shipping container on site to provide storage for timber, subject to a number of conditions e.g. ensuring the container is painted to match the colours of the main building.
65. Additional space would enable the Men's Shed to increase the number of people able to work at any one time; cater for an increasing number of requests for community projects and would enable an increase the options of working beyond the medium of wood e.g. metal, plastics etc.
66. The Men's Shed seeks Council approval to locate an additional 20ft shipping container on site to provide additional space for storage. Although not their ideal outcome, the Men's Shed have agreed to this temporary solution for additional space.
67. To optimise use of the Ward Park facility, the Artmakers have agreed to share their part of their space with the Men's Shed on a project by project base. The Men's Shed are also able to increase their use of the communal kitchen area and work outside on the asphalt on fine days.
68. Staff recommend the granting of a new community group lease to the Men's Shed for a term of 10 years including approval to locate an additional 20ft storage container on the premises, adjoining the existing container.
69. The proposed lease area, including the container is shown in Attachment 3.
70. The proposed rental is \$455.55 plus GST per annum based on a building of 70m<sup>2</sup> assessed as a category 3 building and calculated in accordance with 5.2 of the Guidelines. Men's Shed has not applied for a further subsidy.
71. The Men's Shed meet the eligibility criteria for community occupancy as set out in the Policy. The application has been assessed against the assessment criteria for community occupancy as set out in the Guidelines.
72. Staff recommend the granting of a new community group lease to the Men's Shed for a term of 10 years in accordance with 5.5 of the Policy.

### **73. Options**

74. Option 1 is to approve community occupancy leases to the groups covered in this report.
75. Option 2 is to not approve a community group leases to the groups covered in this report.

### **76. Financial and Resourcing Implications**

77. Council loss is zero.
78. On adoption of the Policy and Guidelines, projected annual income from Community Occupancy was \$139,242.16.
79. Actual annual income is estimated to be \$1332,161.42. To date, 24 new leases have been granted under the Policy.
80. The variance is the result of confirming lease areas, building categories and additional tenants being covered by the Policy, e.g. Celebrating Age Centre and the granting of further subsidies (for example, Riding for the Disabled Association).

**81. Risk**

- 82. There is minimal risk to Council in granting new community group leases to the five community groups covered in this report.

**Signatory**

Authoriser	Lance Vervoort, General Manager Community
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**Committee:** Finance Committee

**Date:** 22 October 2015

**Report Name:** Weathertight Buildings Report

**Author:** Phil Saunders

<b>Report Status</b>	<i>Open</i>
<b>Strategy, Policy or Plan context</b>	<i>Update on weathertight building claims</i>
<b>Financial status</b>	<i>There is budget allocated</i>
<b>Assessment of significance</b>	<i>Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance</i>

## 1. Purpose of the Report

- This report updates the committee on the present status of weathertight buildings claims.

## 3. Executive Summary

- There are a number of changes to the position of our claims that was reported to the committee in May 2015. These are explained in more detail later in this report.
- We are confident that we are well placed with a small number of claims and our current position in terms of risk.

## 6. Recommendation from Management

That the report be received.

## 7. Attachments

- There are no attachments for this report.

## 9. Key Issues

- Of the 3 school claims reported in May we have settled one claim and have successfully negotiated our removal from another (minor costs associated with this were paid in FY2014/15). The third claim is of a minor nature and settlement negotiations are occurring between the claimant and the roofing contractor. At present we do not know the outcome of these negotiations except to advise that we have not been approached by either party to attend negotiations or contribute towards a settlement or costs.
- We have been made aware of a multi-unit residential claim that totals 8 separate units and we are presently awaiting confirmation of the details of this claim. We understand that the application to the Weathertight Homes Tribunal (WHT) is on the basis of a claim for funding in terms of the Financial Assistance Package (FAP) as we have received notification from WHS

regarding an FAP claim for this property. HCC is not a signatory to the FAP scheme and we are therefore not required to make a contribution. We are also aware that this claim was made after the expiration of the 10 year limitation for liability in terms of the Building Act 2004 and it is unlikely that a successful claim could be made against HCC in the circumstances.

## 12. Financial and Resourcing Implications

13. There is budget allocated for the management of weathertight claims and a snapshot of our current position follows:

Financial information as at 30 September 2015	Attachment 1 (\$000's)	Note
<b>Councils Total Costs of Settlements to 30 September 2015</b>	<b>3,007</b>	
Annual Budget 2015/16 to settle claims	266	
<i>Less Costs:</i>		
Property Settlements	0	2
Expert and legal costs	3	
Estimated settlement cost of all current claims	750	1
	<u>753</u>	
<b>Expected deficit 2015/16 to settle all claims</b>	<b>(487)</b>	

Resolved claims as at 30 September 2015	(\$000's)	
Property Settlements as at 30 September 2015	0	2
	Claim #'s	
Claims 1/7/2015	9	
New claims	0	2
Less claims settled/withdrawn	0	2
<b>Claims as at 30 September 2015</b>	<b>9</b>	

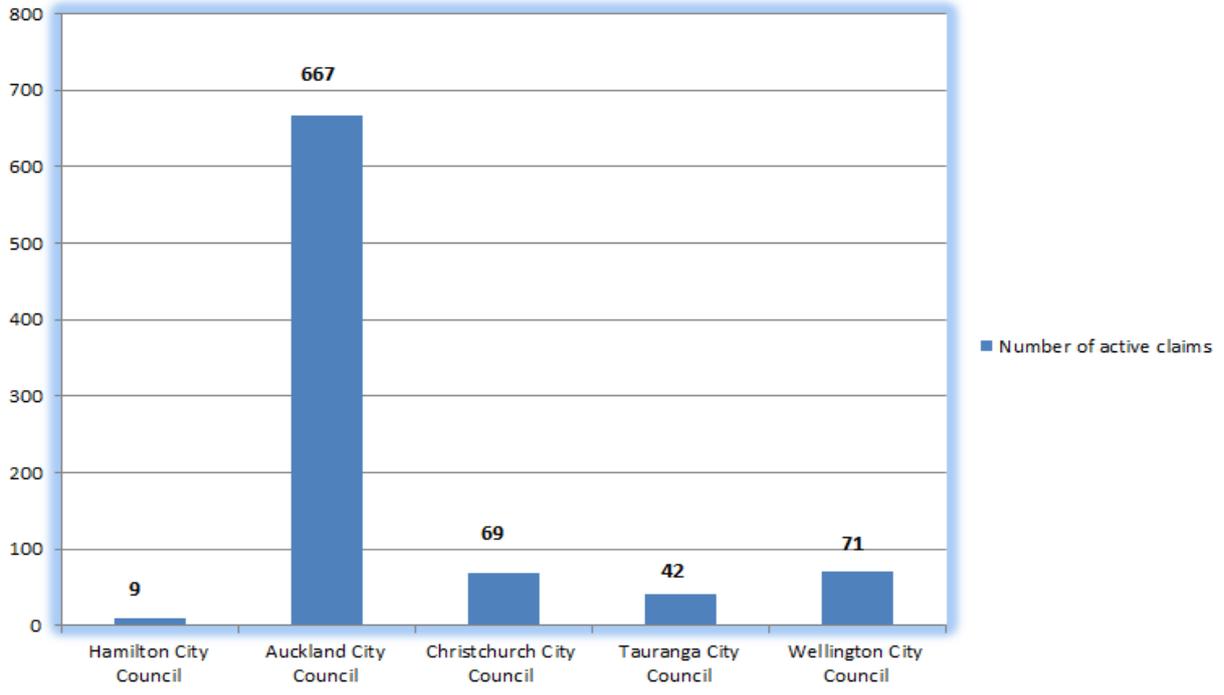
### Notes.

1. Claim settlements expected for 14/15 will now settle 15/16 onwards.
2. No claim settlements for the period 1 July to 30 September 2015

## 14. Risk

15. There is risk as we are aware there are a number of claims (9) sitting with the WHT that may or may not result in mediation – we expect that some of them will be actioned. There is also the possibility of further Commercial Building claims. However we expect claim numbers will continue to diminish in the future. Risk is mitigated by continuing to manage all claims utilizing the best experts available and by keeping our costs to a minimum.

### Comparison of active weathertight claims as at 09 October 2015



#### Signatory

Authoriser	Debra Stan-Barton, Planning Guidance Manager
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## Resolution to Exclude the Public

### Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

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 follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Finance Committee Meeting - Public Excluded Minutes - 20 August 2015	) Good reason to withhold information exists under Section 7 Local Government	Section 48(1)(a)
C2. Finance Committee Action List - Public Excluded - 22 October 2015	) Official Information and Meetings Act 1987	
C3. Report on overdue debtors as at 30 September 2015 & Bad Debts Writeoffs 2015/16		
C4. Development Contributions Report		
C5. Contract 14123 - Approval to vary contract Future Proof Implementation Advisor		

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 relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to protect the privacy of natural persons to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (a) Section 7 (2) (j)
Item C2.	to protect the privacy of natural persons to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (a) Section 7 (2) (j)
Item C3.	to protect the privacy of natural persons	Section 7 (2) (a)
Item C4.	to protect the privacy of natural persons to maintain legal professional privilege	Section 7 (2) (a) Section 7 (2) (g)
Item C5.	to enable Council to carry out negotiations	Section 7 (2) (i)