

## Notice of Meeting:

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

**Date:** Wednesday 2 December 2020  
**Time:** 9:30am  
**Meeting Room:** Council Chamber and Audio-visual Link  
**Venue:** Municipal Building, Garden Place, Hamilton

Richard Briggs  
Chief Executive

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## Finance Committee *Komiti Tahua* OPEN AGENDA

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### Membership

**Chairperson** Cr R Pascoe  
*Heamana*

**Deputy Chairperson** Cr Maxine van Oosten  
*Heamana Tuarua*

<b>Members</b>	Mayor P Southgate	Cr D Macpherson
	Deputy Mayor G Taylor	Cr K Naidoo-Rauf
	Cr M Bunting	Cr A O'Leary
	Cr M Forsyth	Cr S Thomson
	Cr M Gallagher	Cr E Wilson
	Cr R Hamilton	Maangai H Rau

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

**Meeting Frequency:** Six weekly

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Becca Brooke  
Governance Manager  
*Menetia Mana Whakahaere*

**25 November 2020**

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**Purpose:**

The Finance Committee is responsible for:

1. Monitoring Council's financial strategy, and financial performance against the Long Term Plan and Annual Plan.
2. Determining financial matters within its delegations and Terms of Reference and making recommendations to Council on financial matters outside its authority.

***In addition to the common delegations, the Finance Committee is delegated the following Terms of Reference and powers:***

**Terms of Reference:**

1. To provide direction on Council's financial strategy and monitor performance against that strategy.
2. To monitor Council's financial performance against the Council's 10 Year Plan and the impact of the financial performance on services levels and rate payers' value.
3. To monitor deferred capital expenditure.
4. To develop and monitor policy related to the following matters:
  - a) financial management;
  - b) revenue generation; and
  - c) procurement and tendering.
5. To monitor the probity of processes relating to policies developed by the Finance Committee.

**The Committee is delegated the following powers to act:**

- Approval of operating expenditure within the Long Term Plan or Annual Plan that exceeds the Chief Executive's delegation, excluding expenditure which:
  - contravenes the Council's Financial Strategy; or
  - significantly alters any level of service outlined in the applicable Long Term Plan or Annual Plan; or
  - impacts Council policy or practice, in which case the delegation is recommendatory only and the Committee may make a recommendation to the Council for approval.
- Approval of contractual and other arrangements for supply and services, and revenue generating contracts, which:
  - exceed the Chief Executive's delegations, but
  - exclude contracts or arrangements that are reserved for the Council or another Committee's approval.
- Approval to write-off outstanding accounts greater than \$10,000 (in accordance with the Debtor Management Policy).

**The Committee is delegated the following recommendatory powers:**

- To set the direction of Council's Financial Strategy.
- The Committee may make recommendations to Council.
- The Committee may make recommendations to other Committees.

**Recommendatory Oversight of Policies and Bylaws:**

- *Funding Needs Analysis Policy*
  - *Investment and Liability Management Policy*
  - *Rates Remissions and Postponements Policy*
  - *Rating Policy*
1. *Revenue and Financing Policy*

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**1 Apologies – *Tono aroha***

**2 Confirmation of Agenda – *Whakatau raarangi take***

The Committee to confirm the agenda.

**3 Declaration of Interest – *Tauaakii whaipanga***

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 – *Aatea koorero***

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 five 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 Governance 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 Governance by telephoning 07 838 6727.

# Council Report

**Committee:** Finance Committee

**Date:** 02 December 2020

**Author:** Narelle Waite

**Authoriser:** Becca Brooke

**Position:** Governance Advisor

**Position:** Governance Manager

**Report Name:** Confirmation of the Open Finance Committee Minutes - 6 October 2020

<b>Report Status</b>	<i>Open</i>
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## Staff Recommendation - *Tuutohu-aa-kaimahi*

1. That the Finance Committee confirm the Open Minutes of the Finance Committee Meeting held on 6 October 2020 as a true and correct record.

## Attachments - *Ngaa taapirihanga*

Attachment 1 - Finance Committee Open Minutes - 6 October 2020 .

## Finance Committee *Komiti Tahua* OPEN MINUTES

Minutes of a meeting of the Finance Committee held in Council Chamber, Municipal Building, Garden Place, Hamilton and Audio-visual Link on Tuesday 6 October 2020 at 9.30am.

### PRESENT

**Chairperson** Cr R Pascoe  
*Heamana*

**Deputy Chairperson** Cr M van Oosten  
*Heamana Tuarua*

**Members** Mayor P Southgate  
Deputy Mayor G Taylor (Audio-visual link)  
Cr M Bunting (Audio-visual link)  
Cr M Gallagher  
Cr R Hamilton  
Cr D Macpherson  
Cr K Naidoo-Rauf (Audio-visual link)  
Cr A O'Leary  
Cr S Thomson  
Cr E Wilson  
Maangai H Rau

**In Attendance** David Bryant – General Manager Corporate  
Eeva-Liisa Wright – General Manager Infrastructure Operations  
Chris Allen – General Manager City Growth  
Lance Vervoort – General Manager Community  
Tracey Musty – Financial Controller  
Iain Anderson – Capital Financial Lead  
Matthew Bell – Rates and Revenue Manager  
Maire Porter – City Waters Manager  
Julie Clausen – Unit Manager Strategy and Corporate Planning  
Julie Sanderson – Group Business Manager City Growth  
James Clarke – Director of the Mayor's Office

**Governance Staff** Becca Brooke – Governance Manager  
Narelle Waite and Carmen Fortin – Governance Advisors

### 1. Apologies – *Tono aroha*

**Resolved:** (Cr Pascoe/Cr van Oosten)  
That the apologies for absence from Cr Forsyth are accepted.

2. **Confirmation of Agenda – *Whakatau raarangi take***  
**Resolved:** (Cr Pascoe/Cr van Oosten)  
 That the Agenda is confirmed.
3. **Declarations of Interest – *Tauaakii whaipaaanga***  
 No members of the Council declared a Conflict of Interest.
4. **Public Forum – *Aatea koorero***  
**Roger Stratford** spoke to Item 9 (Financial Strategy Monitoring Report) concerning perceived risk in financial strategy, rates and debt.
5. **Confirmation of the Open Finance Committee Minutes - 11 August 2020**  
**Resolved:** (Cr Pascoe/Cr van Oosten)  
 That the Finance Committee confirm the Open Minutes of the Finance Committee Meeting held on 11 August 2020 as a true and correct record.
6. **Chair's Report**  
 Cr Pascoe took the report as read, noting staff and Members' continued work on the procurement review.  
**Resolved:** (Cr Pascoe/Cr van Oosten)  
 That the Finance Committee receives the report.
7. **Capital Portfolio Monitoring Report**  
 The Capital Financial Lead spoke to the report noting accomplishments of the 19/20 financial year. He responded to questions from Members concerning capitalisation, planned expenditure and deferrals, the Hamilton Zoo project stage, and Peacocke's fair value.  
**Staff Action:** *Staff undertook provide a table in future Capital Portfolio Monitoring Reports to show the impact of deferred capital project's against the original Long Term Plan projections.*  
**Resolved:** (Cr Pascoe/Cr van Oosten)  
 That the Finance Committee receives the report.
8. **Annual Monitoring Report to 31 August 2020**  
 The Financial Controller spoke to the report, noting updates to forecasting and interest rates. She responded to questions from Members concerning report graphics, debt to revenue, capital deferrals, the living wage, investments, personnel costs and interest rates.  
**Resolved:** (Cr Pascoe/Cr Hamilton)  
 That the Finance Committee receives the report.
9. **Financial Strategy Monitoring Report (*Recommendation to the Council*)**  
 The Financial Controller spoke to the report, noting the Financial Strategy Graphs would change format in future reports. She responded to questions from Members concerning rates, report

graphics, forecasting, and the Local Government Funding Agency (LGFA) limit.

**Resolved:** (Cr Pascoe/Cr Wilson)

1. That the Finance Committee receives the report.
2. That the Finance Committee recommends that the Council:
  - a) approves the capital movement as identified in the 6 October 2020 Capital Portfolio Monitoring Report;
  - b) approves the significant forecast adjustments as set out in paragraphs 17 to 21 of this report; and
  - c) approves the revised Financial Strategy position for Debt to Revenue, Net Debt and Balancing the Books as set out in paragraphs 22 to 26 of this report.

#### 10. New Zealand Local Government Funding Agency - 2020 Annual Report

Andrew Michl (Senior Manager, NZ Local Government Funding Agency) presented the LGFAs Annual Report. He responded to questions from Members concerning credit ratings, debt capacity, insurance, the Green and Social and Sustainable Lending Framework, operating deficits, revenue reduction, amalgamation of local authorities, interest expense and LGFA capital.

**Resolved:** (Cr Hamilton/Cr Thomson)

That the Finance Committee:

- a) receives the report; and
- b) notes the achievements highlighted in the cover letter to shareholders (**Attachment 1** of the staff report).

*Cr O'Leary left the meeting (11.42am) during the above item. She was not present when the matter was voted on.*

#### 11. Resolution to Exclude the Public

**Resolved:** (Cr Pascoe/van Oosten)

##### **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. Confirmation of Finance Public Excluded Minutes - 11 August 2020	) Good reason to withhold ) information exists under ) Section 7 Local Government	Section 48(1)(a)
C2. Report on overdue debtors as at 31 August	) Official Information and ) Meetings Act 1987	

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2020 & Debt write-offs )  
2020/21

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 prevent the disclosure or use of official information for improper gain or improper advantage                    | Section 7 (2) (j)      |
| Item C2. | to protect the privacy of natural persons   | Section 7 (2) (a)      |
|          | to maintain the effective conduct of public affairs through protecting persons from improper pressure or harassment | Section 7 (2) (f) (ii) |

**The meeting went into the Public Excluded session at 11.54am.**

**The meeting was declared closed at 12.16pm.**

# Council Report

Item 6

**Committee:** Finance Committee

**Date:** 02 December 2020

**Author:** Narelle Waite

**Authoriser:** Becca Brooke

**Position:** Governance Advisor

**Position:** Governance Manager

**Report Name:** Chair's Report

<b>Report Status</b>	<i>Open</i>
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## Recommendation - *Tuutohu*

1. That the Finance Committee receives the report.

## Attachments - *Ngaa taapirihanga*

Attachment 1 - Chair's Report - Finance Committee Meeting 2 December 2020 .



# Chair's Report

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DECEMBER 2020

This report, the final for 2020, finds Elected Members and council staff very busy gathering together projects, thoughts, and costings for the 2021/31 Long Term Plan.

The city continues to grow and now enjoys reputational status previously denied within the media and many living outside the city.

Major funding will be required in the next few years to fund District Plan changes, increased compliance resulting from new directives of central government, and a need to fund new and aging infrastructure including community assets in the city to meet an increasing population and community expectations.

Challenging this is the need to source funding that is fair and affordable to existing residents, and to those now seeking Hamilton as a choice to live and raise a family.

2020 has been a “different” and challenging year for Hamilton. The Covid-19 pandemic and our current recovery from this has presented both challenges and opportunities to the city, that we would not have anticipated at the beginning of the year.

Council, local organisations and businesses have all responded to provide outstanding outcomes for residents in very different ways firstly to the lockdown in March and April, and then to events thereafter. We are now well prepared to deal with challenges that might confront us in the coming year.

Recent media suggests globally we are well on the way in the development of a vaccine that will provide a pathway to get us “out of the woods”. The timing of this could well be beneficial to New Zealanders as we head toward the 2021 winter.

Another positive from Econometrics indicates a 3% increase in national spending in the September 2020 quarter. This is good news following significant declines in the earlier periods.

I wish to record my thanks to Deputy Chair Maxine, to GM David Bryant, to Tracey Musty and her Finance team, and to the Governance team, specifically Narelle Waite, for the support they have given this Committee during 2020.

I hope they and all of you have a joyous Christmas and do take advantage of a much-deserved holiday break over summer, returning safe and well ready for the challenges that lie ahead in 2021.

Thank you

Rob Pascoe  
Chair



# Council Report

Item 7

**Committee:** Finance Committee

**Date:** 02 December 2020

**Author:** Iain Anderson

**Authoriser:** Chris Allen

**Position:** Capital Financial Lead

**Position:** General Manager  
Development

**Report Name:** Capital Portfolio Monitoring Report

Report Status	Open
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## Purpose - *Take*

1. To inform the Finance Committee on the progress of the capital portfolio against the 2020-21 Annual plan.
2. To request approval to increase the Approved Contract Sum for the Rotokauri Transport Hub.

## Staff Recommendation - *Tuutohu-aa-kamahi*

3. That the Finance Committee:
  - a) receives the report;
  - b) approves the increase to the Approved Contract Sum for *Contract 18508 – Rotokauri Transport Hub* of \$1,024,256.48 from \$20,675,743.52 to \$21,700,000.00.

## Executive Summary - *Whakaraapopototanga matua*

3. This report is to be read in conjunction with the:
  - 31 October 2020 (02 December 2020 meeting) Annual Monitoring Report; and
  - 31 October 2020 (02 December 2020 meeting) Financial Strategy Monitoring report
4. This report reflects the capital portfolio results for the four months ending 31 October 2020.
5. An increase in the Approved Contract Sum is requested for the Rotokauri Transport Hub project. The increase is due to scope increases and other technical issues encountered on site. The increase can be accommodated within the existing budget and associated funding streams.
6. Staff consider the matters to be of low significance and that the recommendations comply with the Council's legal requirements.

## Discussion - *Matapaki*

### Programme Summary and Significant Highlights

7. The following definitions are relevant:

- Portfolio: refers to the total organisational capital work budget for 2020-21. As per the approved Annual Plan the portfolio is \$302.8m.
- Programme: refers to the 8 programmes that are referred to in this report, which when added together equal the portfolio;
- Project: refers to the individual project under a particular programme. These projects may have funding from multiple activities and occur across multiple years.

8. **Attachment 1** contains an overview of the Capital Portfolio.
9. **Attachment 2** contains an overview of the 8 programmes. Each overview contains a summary of the key achievements and a graphical representation of the financial performance. The 8 programmes are:
  - i. City Wide Community,
  - ii. City Wide Waters,
  - iii. Peacocke,
  - iv. Rotokauri,
  - v. Rototuna,
  - vi. Ruakura,
  - vii. Transport Improvement, and
  - viii. Renewal and Compliance.
10. **Attachment 3** – a full capital project listing. This reports the overall capital budget for the 2020/21 financial year. It tracks the budget changes from the approved 10 Year plan through to the approved Annual plan and then the budget changes through to the current forecast position as at 31 October 2020.

### Capital Expenditure Forecast Groups

11. For the purposes of this Capital Portfolio Monitoring report, there are six main types of capital budget movement that will impact on the forecasted total spend for this financial year. They are:
  - I. **Re-phasing Deferrals**: this is where the project has started, or there is confidence that the project will start and finish on time, but the expenditure across the years of the project is forecast to be different than budgeted. In general, this refers to projects where staff have received construction programmes from the contractors, and with them the forecasts of expenditure have been rephrased.
  - II. **Delay Deferrals**: this is where a movement of capital expenditure is required due to delays and will result in a shift of the project end date. Some of these delays will be due to third party issues outside Council control, the more usual reason being that a developer is not ready to partner with Council as anticipated when the 2018-28 10-Year Plan was developed.
  - III. **Renewal and Compliance Deferrals**: this is for projects that are classified Renewals and Compliance. This programme is being managed as a 3-year programme. Any unspent funds within any year are carried forward. Ultimately, any budgets unspent at the end of the 3-year cycle will be returned to Council as a saving. Staff are authorised to use their discretion to manage projects within the 3-year programme to ensure that Council is looking after its assets.
  - IV. **Capital Savings**: this is for the recording of efficiencies and capital savings that can be attributed to the capital savings target. At times Capital cost increases will also occur that erode any savings.

- V. **Capital Expenditure Brought Forward**: this is where a project has been brought forward to align with other projects or to enable work ahead of schedule to achieve the outcomes required in the timeframes set.
- VI. **Other Changes**: these changes are likely to be either new projects or amendments to existing projects to ensure the budget reflects up to date data.

### Capital Forecast

12. The following section summarises the changes to the capital portfolio since the adoption of the 2020-21 Annual Plan. The changes are presented in table form for both capital expenditure and capital revenue.
13. **Attachment 3** has a full capital listing. This listing follows the same layout as the approved 2020-21 Annual Plan. It tracks the approved changes for the original 10-Year Plan through to the current forecast position.
14. The following table list the changes to expenditure and revenue since the previous report to the Finance Committee on 6 October 2020.
15. Expenditure – Annual Forecast changes

2020/21 Capital Expenditure Budget – 6 October 2020	\$311.3m
Less New Deferrals	\$ 21.0m
2020/21 Revised Capital Expenditure Budget – 2 December 2020	\$290.3m

16. Revenue – Annual Forecast changes

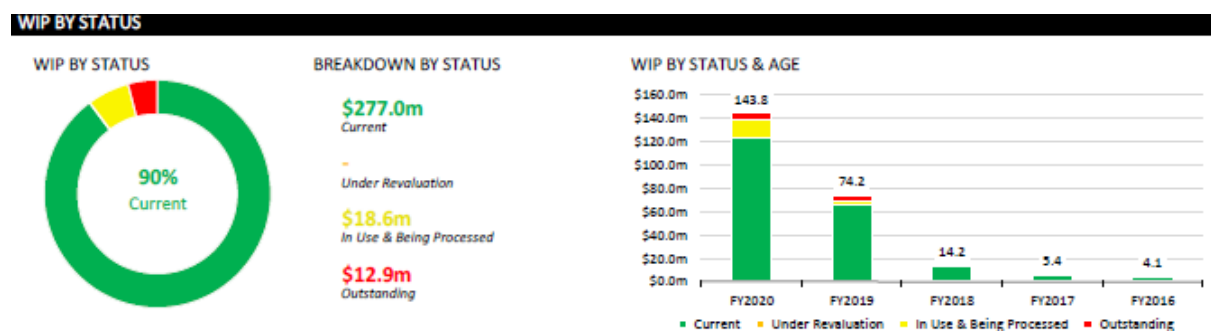
2020/21 Annual Plan Capital Revenue Budget – 6 October 2020	\$62.1m
No changes	\$ 0.0m
2020/21 Revised Annual Capital Expenditure Budget – 2 December 2020	\$62.1m

### Capital Actual

17. The actual capital expenditure for the four months ended 31 October 2020 is \$66.7m (\$51.8m) with associated capital revenue of \$14.8m (\$16.5m). The amounts in the brackets are comparatives from the previous financial year.
18. The capital programme is significantly greater this year than was delivered in the previous year. The total spend last year was \$190.8m while this year the target spend through the forecast budget is \$290.3m.
19. Within this budget is a saving target of \$14.2m. This target was established in the report Cost Saving for the 2018-28 10 Year Plan. The capital saving target needs to be met to ensure the consequential savings in depreciation and interest are achieved. No savings have been confirmed after the first four months. As savings are confirmed these will be reported to future Finance Committee meetings.
20. Net deferrals identified for the four months ended are \$21.0m. Net deferral refers to project budgets that are either moved out to a future year or approved project budgets that are being brought forward from future years.

## Work in Progress (WIP)

21. The balance of WIP as at 31 October 2020 is \$308.5m, this excludes the value of vested assets.
22. The breakdown by status is:
  - Current - \$277.0m (90%): this is legitimate WIP and reflects the assets that cannot be capitalised until they are in use; and
  - Outstanding \$31.5m (10%): these are assets are in service, but the capitalisation process has not yet been completed. This group is treated with priority. Depreciation is applicable but not yet charged.
23. The following table includes the status along with the WIP age.



24. In addition to balance above there is a further \$21.0m of vested asset that have not yet been capitalised.

## Project Risks

25. The following projects have been classified as orange within the eight Programme Summaries.

### Wairere Drive Extension – Cambridge to Cobham

26. This is a large complex contract with a number of significant risks that need monitoring and managing. The significant remaining risks include below ground works by the bridge structure and traffic management.

### Te Wetini Drive Extension

27. This is a complex project due to the need to cross the future greenway drainage swale. Council has agreed to a Private Development Agreement with Rotokauri Development Ltd for them to construct the extension and for a sharing of costs.
28. The project is highlighted as a risk and is being monitored and managed as a risk until the construction contract is well underway

### Resolution Drive Extension

29. This project is part of the Waikato Expressway and is subject to a fixed price agreement between Council and Waka Kotahi NZTA. Council are aware of potential scope changes being proposed by NZTA that could result in a reduced level of service or the need for additional costs.

### Rotokauri Transport Hub

30. Requires a Council decision to increase in the Approved Contract Sum. Refer section starting paragraph 38.

### Transport Centre Rejuvenation

31. This is a timing risk, design was due for completion this year, it is likely this will extend into the next financial year.

### Gordonton/Puketaha Intersection Upgrade

32. It was resolved at the 8 October 2020 Infrastructure Operations Committee meeting to approve the design of interim intersection improvements for Puketaha and Darjon and for staff to report back to Committee in early 2021 with detailed costings together with a proposed funding plan taking into account relative intersection priorities. Committee also approved progressing land purchase that would enable a longer-term improvement for the Puketaha intersection.

### Hamilton Gardens Stage 1

33. This is a timing risk. Due to COVID the construction of the Egyptian Garden started later than was planned. Progress is being monitored but a budget deferral may be needed, particularly as the work on the Palm Court cannot commence until the completion of the Egyptian Garden.

### Zoo/Waiwhakareke Shared Entry Precinct

34. This project has dependencies on the Brymer Road urbanisation under the Rotokauri programme, staff will continue to monitor to ensure alignment and that both projects complement each other.

### Ruakura Rd Upgrade

35. This project is a Council project which is part of several large construction works projects that will be undertaken in Ruakura over the 18 – 24 months. The project will have part funding contribution from Crown Infrastructure Partners.
36. The project is highlighted as a risk due to the programme and the need to commence works in early 2021 and will be monitored and management until construction is well underway.
37. The delivery of this project will require a length closure of Ruakura Road towards the end of 2021 which will need to be carefully managed.

### **Rotokauri Transport Hub**

38. At the 27 August 2019 Growth and Infrastructure Committee meeting, local share funding of \$14,265,000 for the Rotokauri Transport Hub project, including the main contract costs, other project costs and Park and Ride land purchase costs, was approved as per the following table.

Phase	Item	Total Cost (\$000)	NZTA Subsidy (\$000)	Net HCC Cost (\$000)
Pre-implementation	Design, Internal Costs	1,070	866	204
	Land Stage 1	3,300	2,492	808
Implementation	Supervision, Internal costs	568	429	139
	Main Contract 18508	17,687	12,007	5,680
	New Collector Road	2,167	1,636	531
	KiwiRail Trackwork	1,137	1,137	0
Other	Land Stage 2	3,100	0	3,100
Total		29,029	18,567	10,462
Proposed Contract Contingency				2,313
Remaining HCC Net				1,490
Total				14,265

39. The Chief Executive was delegated approval at this meeting to award Contract 18508- Rotokauri Transport Hub with an Approved Contract Sum of \$20,000,000.
40. Following this delegation tender prices were received which were higher than anticipated. The contract was awarded for \$18,231,058.46 which reduced the contingency within the Approved Contract Sum from \$2,313,000 to \$1,768,941.54.
41. Council have been kept informed of the progress of this project through Capital Project Reporting to this Committee and also through regular updates to the Infrastructure Committee meetings. The last full project update report was to the 27 August 2020 Infrastructure Operations Committee meeting.
42. An increase to the project budget of \$675,743.52 was approved at the 11 August 2020 Finance Committee as a result of COVID-19 related contract costs. The Approved Contract Sum was also revised to \$20,675,743.52.
43. As a result of the COVID-19 issues the revised completion date for the project was delayed and estimated to be November 2020, with commencement of services provisionally planned for early November 2020, noting that some of the Overbridge work connecting to the BASE and the toilet facilities would still be outstanding and available in December 2020.
44. However, and as reported through the 19 November 2020 Infrastructure Operations Committee, the commencement date of the service has now been delayed further until at least February/March 2021 due to significant KiwiRail track maintenance work on the Auckland rail network.
45. The Rotokauri Transport Hub remains on track to be complete in early December 2020 and is planned to be brought into operation at this time for bus related activity.
46. Recent forecast cost to complete information for the project has indicated that the project will be completed within the funding approved by Council, but that an increase to the Approved Contract Sum for Contract 18508 is required.
47. Staff seek approval for an increase to the Approved Contract Sum through this report to the Finance Committee given the timing of information from the contract team and the timing of other Committee meetings not being scheduled until early next year.
48. Additional costs have been incurred on this project due to a combination of scope increases, technical issues encountered on site and time related issues with the extended contract period.
49. Subsequent to tender award a number of scope increases have been instructed including more substantive driver and toilet facilities, a separate fully accessible toilet and separate utility building, improved bus shelter for customers and increased security measures including CCTV cameras. Infrastructure Committee resolved at its 26 May 2020 meeting to approve the more substantive scope increase as follows;

*“agree to an addition to the scope of the Rotokauri Transport Hub project consisting of an additional fully accessible toilet and utility building at an expected cost of \$450,000, noting that this could be funded within the maximum local share contribution for the Transport Hub delegated to the Chief Executive at the Strategic Growth meeting on 27 August 2019”.*

50. It was noted in the report that this scope addition for the fully accessible toilet was fully at the cost of Council and that no Waka Kotahi subsidy would be available.
51. Other contract and project costs have been incurred in changing the specification of the overbridge to apply learnings from similar projects on the Auckland metro, unexpected service relocations and time related costs for management and supervision relating to the extended contract period.
52. The Following table sets out the forecast final project costs as of November 2020.

Phase	Item	Total Cost (\$000)	NZTA Subsidy (\$000)	Net HCC Cost (\$000)
Pre-implementation	Design, Internal Costs	1,070	866	204
	Land Stage 1	3,300	2,492	808
Implementation	Supervision, Internal costs	1,020	612	408
	Main Contract 18508	21,676	12,702	8,974
	New Collector Road	1,300	982	319
	Service Relocations	760	0	760
	Works Outside Main Contract	546	273	273
	KiwiRail Trackwork	813	813	0
Other	Land Stage 2	3,100	0	3,100
Total		33,585	18,740	14,846
Approved Funding				14,941
Remaining HCC Net				95

53. This forecast cost assumes that some of the additional project costs do not attract a Waka Kotahi subsidy noting that Waka Kotahi have capped the capital contributions to the overall programme costs. Applications are being made to Waka Kotahi for additional subsidy through the programme structure. If additional subsidy is approved the situation for Council will improve.
54. Staff recommend that the Approved Contract Sum for Contract 18508 be increased by \$1,024,256.48 from \$20,675,743.52 to \$21,700,000, noting that no additional local share funding is required.

### Water Stimulus Funding

55. Council has now received confirmation of central government funding for the Water Reform. The funding amount was determined using the Delivery Plan Council submitted to the Department of Internal Affairs. The total value is \$17.46m. Under the conditions Council will receive 50% of this amount as a payment (\$8.73m) during December 2020. The remaining 50% will be in 2021/22 as the nominated projects are progressed.
56. This funding while unbudgeted to is to undertake a raft of works both operating and capital that were not part of the already approved 2020/21 Annual Plan.
57. The impact of this revenue has yet to be included within the Financial Strategy metrics for the current Annual Plan or the proposed 2021-31 10 Year Plan. It will be modelled and presented to the next Finance Committee in early February 2021.

## Emerging Issues

58. The National Policy Statement: Fresh Water (NPS FW) came into force on 3 September 2020. This requires that all projects that are interacting with any body of water, (drain, wetland, stream) and require Resource consents will be assessed by the Waikato Regional Council for compliance. The impact is that any consents already lodged but not yet granted will be re-assessed by Waikato Regional Council and therefore may be subject to change. Aside from project delays this could include increase in costs to ensure compliance.
59. Staff believe that this is a significant issue and will be a major cost driver for the future projects. Staff are arranging to meet with the Regional Council to ascertain the impacts. Once this happens staff will report back to Council with a full report.

## Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

60. Staff confirm that matters and recommendations within this report comply with the Council's legal and policy requirements.

## Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

61. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 well-beings').
62. The subject matter of this report has been evaluated in terms of the 4 well-beings during the process of developing this report as outlined below.
63. The recommendations set out in this report are consistent with that purpose.

## Social

64. Work is currently underway to understand social procurement opportunities across our portfolio, which involves enhanced recognition and valuing of social benefits through particularly our selection of contractors.

## Economic

65. Delivery of our capital works portfolio is required for the city to continue to grow and generate employment and wealth.

## Environmental

66. Across the capital portfolio, environmental consideration is integrated throughout the project life cycle, including through design, procurement and construction.
67. In the procurement phase all physical works contracts include a component to incorporate environmental and sustainability considerations into tender evaluation, where contractor initiatives such as materials reuse, energy requirements, electric vehicle utilisation, carbon offsets etc. can be valued.
68. Across the portfolio several works projects and programmes are specifically focussed on enhancing Hamilton's natural environment or ensuring effects of city development are not at the detriment of the natural environment.

## Cultural

69. Across the portfolio, engagement and partnership with Iwi are continuing at a project level, and work is underway to further align and partner at programme and portfolio levels to identify opportunities for enhanced partnership and shared outcomes. This is particularly in



regard to alignment with objectives of the Waikato Tainui Environmental Plan – Tai Tumu Tai Pari Tai Ao.

### **Risks - *Tuuraru***

70. There are no known risks associated with the decisions required for this matter.

### **Significance & Engagement Policy - *Kaupapa here whakahira/anganui***

#### **Significance**

71. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed the matters and recommendations in this report have a low level of significance.

#### **Engagement**

72. Community views and preferences are already known to the Council through the 2018-28 10-Year Plan and 2019-20 Annual Plan.
73. Given the low level of significance determined, the engagement level is low, and no further engagement is required.

### **Attachments**

Attachment 1 - Capital Portfolio Overview

Attachment 2 - Overview by Programme

Attachment 3 - Capital Project Listing

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# HAMILTON CITY COUNCIL CAPITAL PORTFOLIO REPORT

## PORTFOLIO COMMENTARY/HIGHLIGHTS

Across the portfolio, our works programmes and projects are continuing to deliver organisational outcomes and realise the following investment benefits:

### Looking after our existing assets

Delivery of our asset renewals programmes is continuing, with works largely contractually committed and on track. Delivery of these activity works programmes has involved agility and reprioritisation to best respond to asset needs.

### Enabling and supporting residential growth and development

Our strategic infrastructure delivery programmes continue to support ongoing residential development in the greenfield growth areas of Rototuna and Ruakura, and delivery of the Peacocke programme is on track as our next primary greenfield residential growth area.

### Enabling and supporting industrial and employment growth and development

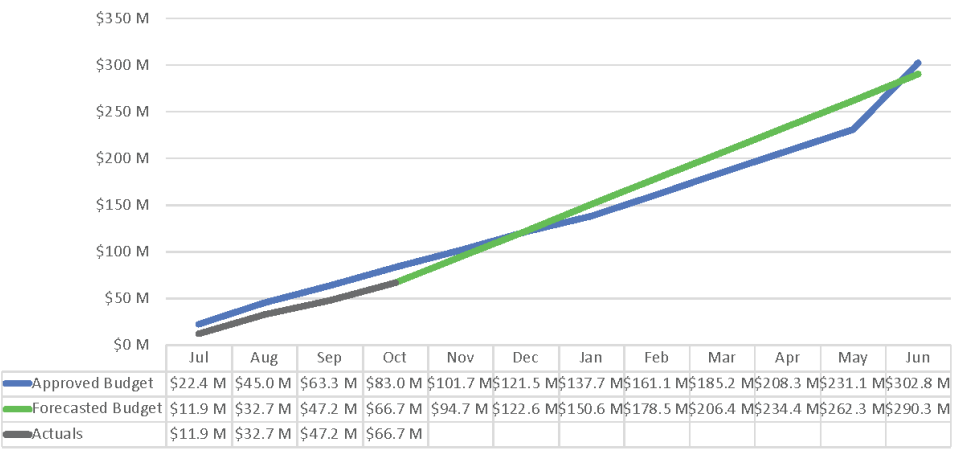
With limited existing industrial/commercial land available (Te Rapa industrial zone almost at capacity), Ruakura is the city's next planned major employment area. In collaboration with local developers, provision for strategic 3-waters infrastructure is well advanced, however there is pressure to advance delivery of the strategic transportation networks (Ruakura Road Upgrade and Eastern Transport Corridor) to support development.

### Building a great river city that makes Hamilton a great place to live, work, play and visit.

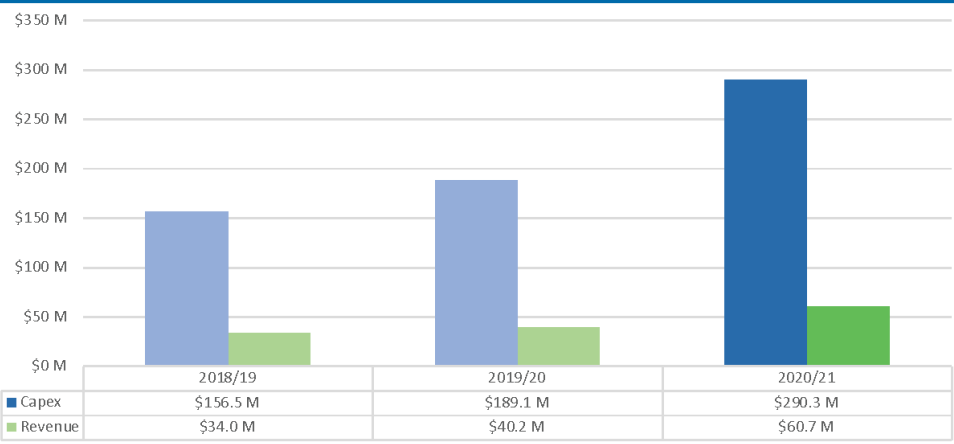
Development of new playgrounds, sports parks and Rototuna village are progressing well with positive community feedback.

## FINANCIAL PERFORMANCE

### Capital Expenditure 2020-21



### 3 Year Forecasted Budget



# CITY WIDE COMMUNITY PROGRAMME CAPITAL REPORT

## PROGRAMME OUTCOME

*Whakapai atu te mauri o ngaa waahi taangata me ngaa waahi wairua auaha*  
Improving the vibrancy of our social and creative spaces



### HAMILTON GARDENS

The Ancient Egyptian Garden construction is expected to continue on site at the end of November after some contractor delays. The Egyptian Ambassador has been invited to inspect the site and discuss activities associated with the Egyptian Garden opening next spring. Hamilton club members have been invited to a preview morning tea on 27 November 2020, by which time the Hamilton Club Summerhouse will be complete. The Palm Court construction is not able to commence until the Egyptian Garden is completed and could be deferred into the next financial year if there are further delays with the construction of the Egyptian Garden.



### PLAYGROUNDS

Nawton/Elliot Park Skatepark construction is nearing completion and is anticipated to open before Christmas. The Lake Domain playground renewal and upgrade is almost complete and is planned to re-open in the coming weeks. Design and stakeholder engagement is currently underway for Hammond, Hayes Paddock and Glenview Park.



### CENTRAL CITY JETTY

A pre-commencing ceremony was held on the 12th October 2020. The contractor will mobilise to site on the 11th November 2020. Jetty artwork fabrication is completed with installation planned for December 2020.



### ZOO/WAIWHAKAREKE SHARED ENTRY PRECINCT

Detailed design has been completed and building consent has been granted for entry building. The procurement phase as begun for the construction of Stage 1. This is a two-step process, consisting of a public Request for Expressions Of Interest (REOI) and Request For Tender (RFT). Evaluation of the REOI has been completed and 3 respondents have been shortlisted. Tenders are to be received by mid-December 2020. The construction of the Shared Entry Precinct is planned to commence in February 2021 avoiding the high public visitation time over Christmas and the January school holidays. Council resolved for staff to investigate options for construction staging and alignment of the Zoo precinct with the Brymer Rd urbanisation, acknowledging the interdependencies.

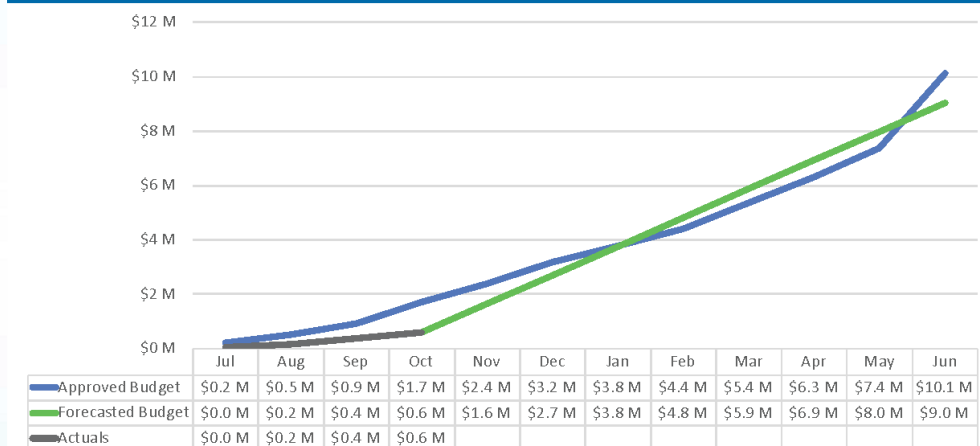


### TE AWA CYCLEWAY ENHANCEMENT (Roding Stimulus Project)

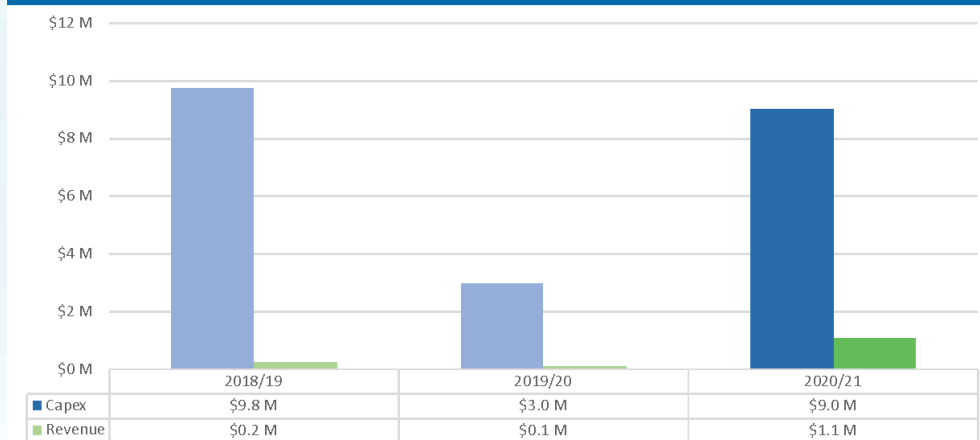
All participants have completed the enhancement works. There are some final elements to be carried out by the external contractors. The project is anticipated to be completed at the end of November 2020. To date, 27 of the 50 participants have gone into full time employment. This is an operational project funded via MBIE/Provincial Growth Unit (PGU).

## FINANCIAL PERFORMANCE





### Capital Expenditure 2020-21

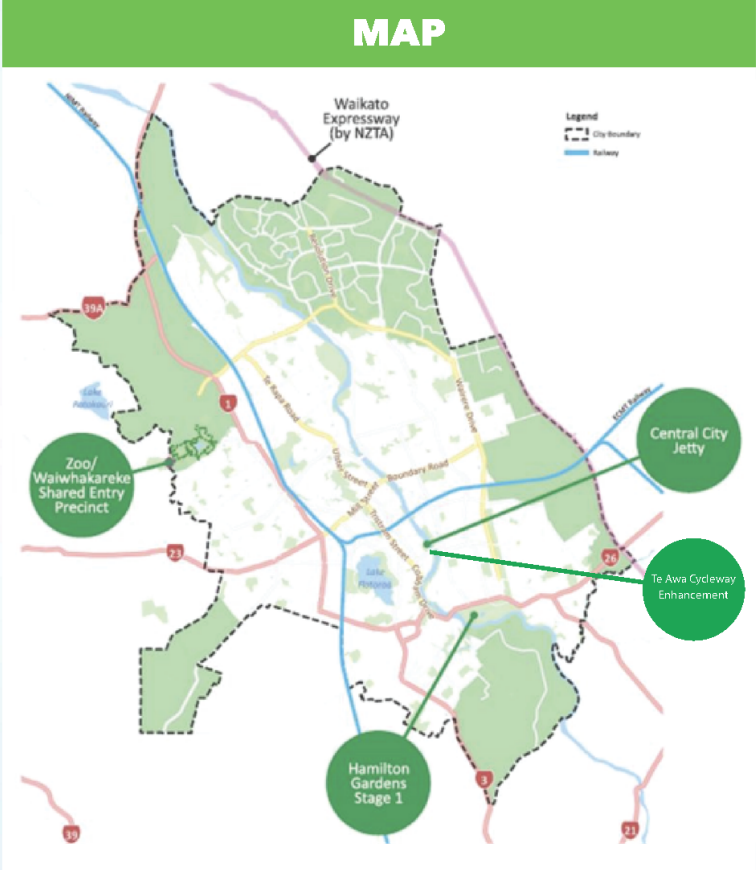


### 3 Year Forecasted Budget






# CITY WIDE COMMUNITY PROGRAMME CAPITAL REPORT

KEY PROJECTS														
Project Name		Project Description	Project Status	Total Project Budget	Actual Spend to Date	Forecast Total Cost	2019/20		2020/21			2021/22		
	Hamilton Gardens Stage One	Completion of the theme gardens at the western end of the site and the extension of the visitor retail space. The project also includes the following new gardens: - Baroque Garden - Medieval Garden - Pasifika Garden - Ancient Egyptian Garden and Courtyard Civil works have been completed for these four gardens.		\$9.9 M	\$3.8 M	\$9.9 M								
	Zoo/Waiwhakareke Shared Entry Precinct	Creating a shared entry precinct with Hamilton Zoo and Waiwhakareke Natural Heritage Park. This major project will be done in stages and includes developing a new function and education space at the zoo.		\$7.6 M	\$0.7 M	\$7.6 M								
	Playground Development Programme	The renewal and upgrade of playgrounds across the City (budget shown for 2018/19 to 2020/21). This budget includes playground upgrades and renewals.		\$4.9 M	\$2.7 M	\$4.9 M								
	Central City Jetty	The upgrade the current central city jetty to provide a safe location for boats to dock close to the central business district		\$1.1 M	\$0.2 M	\$1.1 M								






Zoo/Waiwhakareke Entry Precinct

## Project status

-  Project is on track
-  Project has significant risks that are being monitored and managed
-  Project has significant risks that will require Council decision

## KEY

-  Business Case / Investigation
-  Design
-  Procurement
-  Construction

# CITY WIDE WATERS PROGRAMME CAPITAL REPORT

## PROGRAMME OUTCOME

*He wai tonu ka whai ture, ka haapai hoki i te tupuranga*

Ensuring the provision of essential water services that allow for future growth and compliance



### TREATMENT PLANTS

**Waioira Water Treatment Plant:** Construction of the new chemical storage facility is now complete and commissioned. Design and works planning for the subsequent sedimentation and filtration upgrade are progressing as reported to the Infrastructure Operations Committee 19 November 2020.



### WASTEWATER

**Western Wastewater Interceptor:** The project is making good progress with pipe installation alongside Mangaharakeke Drive. Detailed works planning is currently underway for upcoming major road crossings of Forest Lake Road and Lincoln Street in early 2021.

### Hillsborough Wastewater Pump Station

**Upgrade:** The pump station is currently going through final commissioning and reinstatement works.

**Pukete Wastewater Treatment Plant:** This project is progressing towards completion of the new chemical storage facility, bioreactor and clarifier by the end of this calendar year, with the majority of civil and structural installation now substantively complete and the focus now on mechanical, electrical, tie-in and commissioning activities.



### WATER

#### Newcastle Water Reservoir and Supply

**Network Upgrade:** Procurement is planned to commence prior to Christmas with construction starting in early 2021.



### STORMWATER

**Erosion Control Works:** Works planning is underway to deliver a programme of erosion control through streams and watercourses across the city's catchment areas in the upcoming summer construction season.

Hillsborough Pump Station

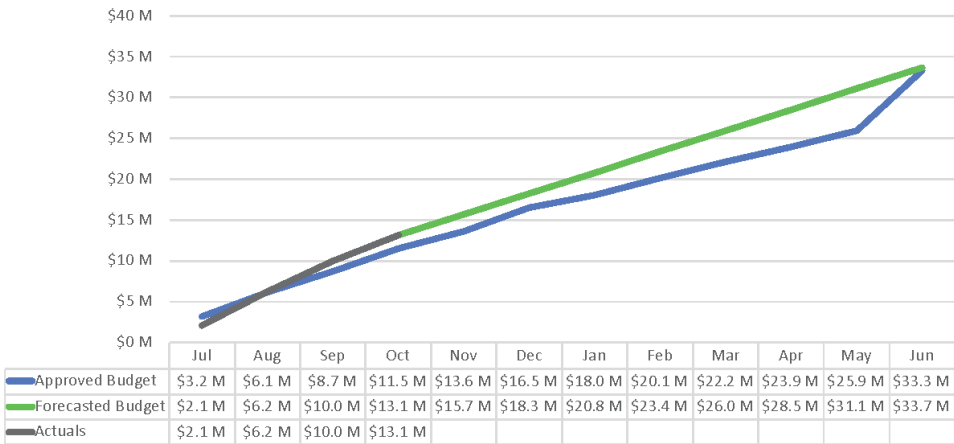


Hillsborough Pump Station

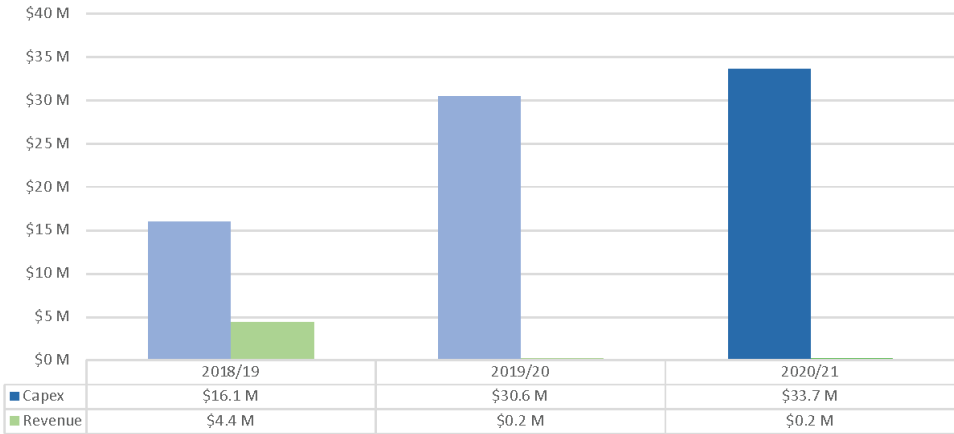


## FINANCIAL PERFORMANCE

### Capital Expenditure 2020-21








### 3 Year Forecasted Budget





# CITY WIDE WATERS PROGRAMME CAPITAL REPORT

## KEY PROJECTS

Project Name	Project Description	Project Status	Total Project Budget	Actual Spend to Date	Forecast Total Cost	2019/20	2020/21	2021/22
 <b>Pukete Wastewater Treatment Plant Capacity Upgrade</b>	Major capacity upgrade on the wastewater treatment plant.	On Track	\$36.6 M	\$29.1 M	\$36.6 M	Construction	Construction	Construction
 <b>Western Wastewater Interceptor Capacity Upgrade</b>	A large wastewater pipe being installed underground along Mangaharakeke Drive which will duplicate the existing Western Interceptor. Savings of \$1.44m already realised in 2018/19.	On Track	\$22.5 M	\$12.3 M	\$21.0 M	Construction	Construction	Construction
 <b>Hillsborough Wastewater Pump Station Upgrade</b>	A major renewal project which will increase the size and capacity of the wastewater pump station.	On Track	\$4.8 M	\$4.2 M	\$4.8 M	Construction	Construction	Construction
 <b>Waioara Water Treatment Plant Upgrade</b>	Major capacity upgrade on the water treatment plant including upgrading the chemical facility and replacing the clarifiers, sand filters, balancing tank and pump station.	On Track	\$32.4 M	\$10.4 M	\$32.4 M	Design	Design	Design
 <b>Newcastle Water Reservoir and Supply Network Upgrade</b>	Installing new water pipes and upgrading the reservoir pump station to improve functionality, network operations and resilience.	On Track	\$10.7 M	\$1.1 M	\$10.7 M	Design	Design	Design

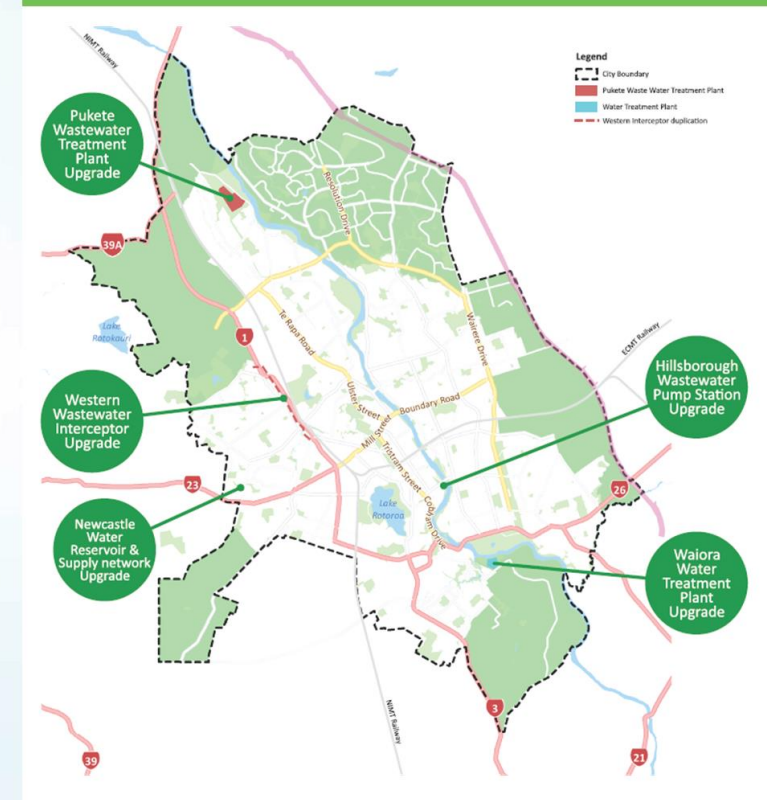
### Project status

- Project is on track
- Project has significant risks that are being monitored and managed
- Project has significant risks that will require Council decision

### KEY

- Business Case / Investigation
- Procurement
- Design
- Construction

## MAP



Hillsborough Pump Station

# PEACOCKE PROGRAMME CAPITAL REPORT

## PROGRAMME OUTCOME

*Ko te aaheinga o te hanga he waahi ataahua, he waahi toiora ki Peacocke*

Enabling the development of an attractive and sustainable community in the Peacocke growth area



### INFRASTRUCTURE

Overall, the network infrastructure programme is on track or ahead of the original Business Case and approved HIF agreement. Approximately \$230M of Peacocke’s \$360M 10 year infrastructure programme (LTP including HIF) is now contractually committed on time or ahead of schedule. Tenders to date have been consistent with contract estimates. The team continue to explore value engineering and risk reduction opportunities.

Ohaupo Road (SH3) Intersection construction is well advanced, with traffic now on the new roundabout and completion for most works on track for late 2020, well ahead of the HIF completion date of June 2021. Asbestos contamination has consumed the available contingency and the contract sum has been increased to provide a reasonable contingency for the remaining works.

The Waikato bridge and associated roads contract and the Wastewater northern pipelines (Cobham to Crosby) contractors have established on site and commenced work ahead of the HIF expected commencement of December 2020.

Peacocke’s main wastewater pump station design and contract documentation is being finalised for procurement to commence with information to market this year to support tendering in the first half of 2021. Wastewater pipelines beneath the Cobham interchange site have been completed.

Land acquisition for network infrastructure is progressing in accordance with the business case and PWA processes. Council has secured 34 of the 39 properties required with 28 by agreement. Environment Court assisted mediation continues with one landowner. Two objections have been resolved by agreement with another close to resolution. The process is shifting towards resolution of key compensation issues including the Land Valuation Tribunal.



### PARKS

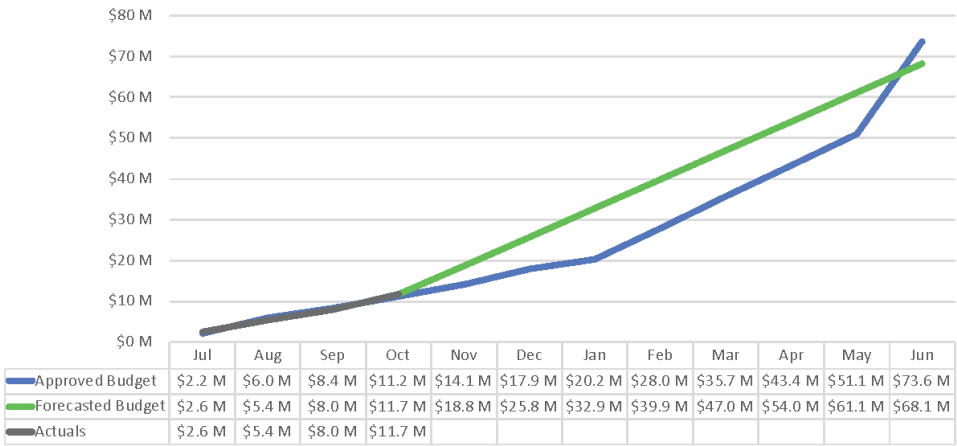
A Notice of Requirement for the approximately 14.5ha northern sports park has been lodged. The submissions closed on 10 August 2020 with four submissions received. The hearing was to be held on 21-23 September but has now been postponed to allow for sufficient time for further discussions with the submitters. A new hearing date is still to be confirmed.



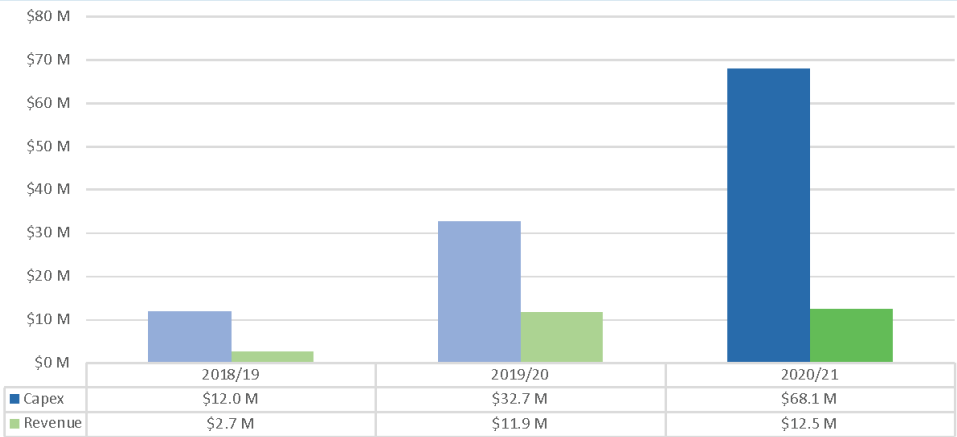
SH3/Ohaupo Rd Roundabout

## FINANCIAL PERFORMANCE

### Capital Expenditure 2020-21



### 3 Year Forecasted Budget





# PEACOCKE PROGRAMME CAPITAL REPORT

## KEY PROJECTS

Project Name	Project Description	Project Status	Total Project Budget	Actual Spend to Date	Forecast Total Cost	2019/20	2020/21	2021/22
 <b>Ohaupo Road (SH3) Intersection</b>	Construction of a new roundabout, including separated walking/cycling facilities, will serve as a gateway to Peacocke from the south.		\$18.3 M	\$13.6 M	\$18.3 M			
 <b>Wairere Drive Extension and Bridge over Waikato River to Peacocke North-South Arterial</b>	Construction of a new major arterial roading connection into Peacocke, including a bridge across the Waikato River.		\$136.5 M	\$11.1 M	\$136.5 M			
 <b>Wastewater Strategic Pumpstation, Storage and Pressure Main</b>	Construction of a new major pump station, associated storage and installation of 7.5km new wastewater pressure pipelines to connect to the city's existing wastewater network.		\$59.9 M	\$8.9 M	\$59.9 M			
 <b>East/West Rooding Arterial</b>	This major arterial roading connection will connect Peacockes Road in the east with Ohaupo Rd/State Highway 3 (SH3) in the west.		\$35.1 M	\$0.9 M	\$35.1 M			
 <b>Land Acquisition</b>	The purchase of land to allow for the construction of infrastructure.		\$66.5 M	\$15.2 M	\$66.5 M			
 <b>Sports Park Land Acquisition and Development</b>	The land purchase and basic development of two sports parks in Peacocke. Currently the budget sits in 2020/21 for the purchase of the northern park and in 2027/28 for the southern park. The budget for this programme of work will be reviewed as part of the 2021-31 long term plan.		\$33.9 M	\$0.3 M	\$33.9 M			

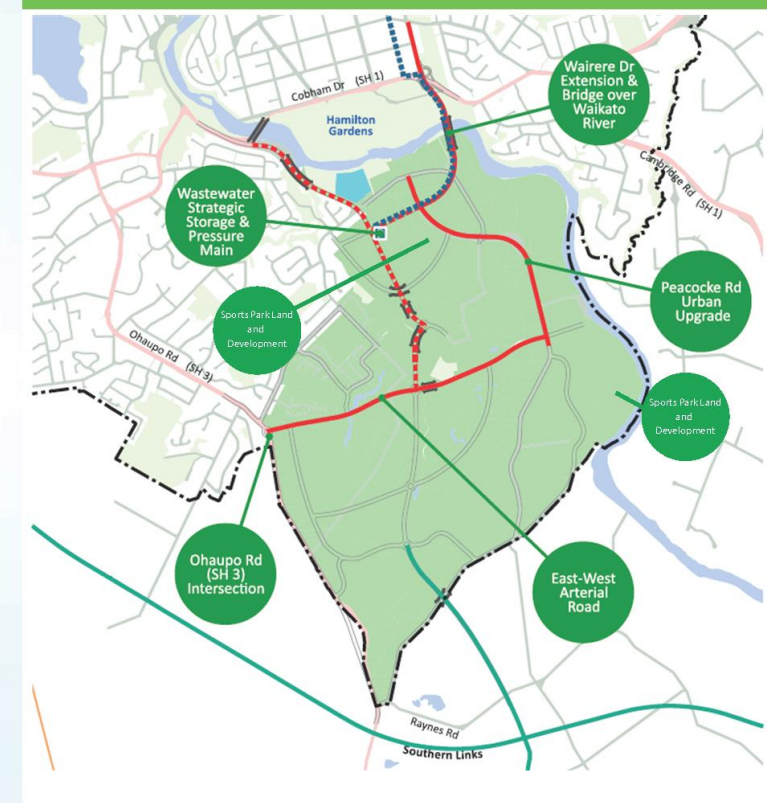
### Project status

-  Project is on track
-  Project has significant risks that are being monitored and managed
-  Project has significant risks that will require Council decision

### KEY

-  Business Case / Investigation
-  Design
-  Procurement
-  Construction

## MAP



Northern Wastewater Pipeline Karakia

# RENEWALS & COMPLIANCE PROGRAMME CAPITAL REPORT

## PROGRAMME OUTCOME

*Ko te tiaki aa taatou hua hei tika moo toona whaingā*

**Looking after the assets we have and making sure they are fit for purpose**

As approved by Council, the Renewals and Compliance programme is now managed as a 3-year (36 month) programme with a total budget of \$211.7M. Over the last 28 months we have spent \$143.1M (68%). In September and October a total of \$11.5M was expended leaving a balance for the remainder of the financial year and 3 year programme of \$68.6M.

**Mahoe Park  
Changing  
Facilities**

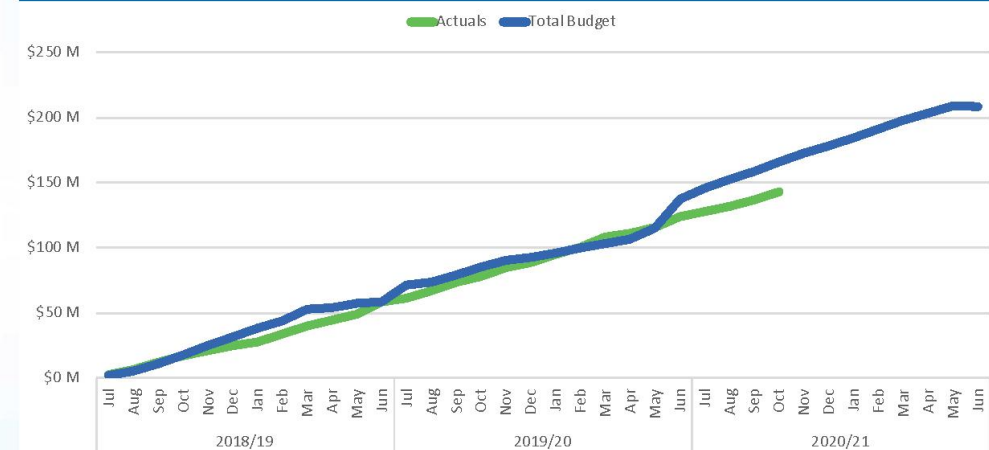


**Innes Common  
Toilet Block**

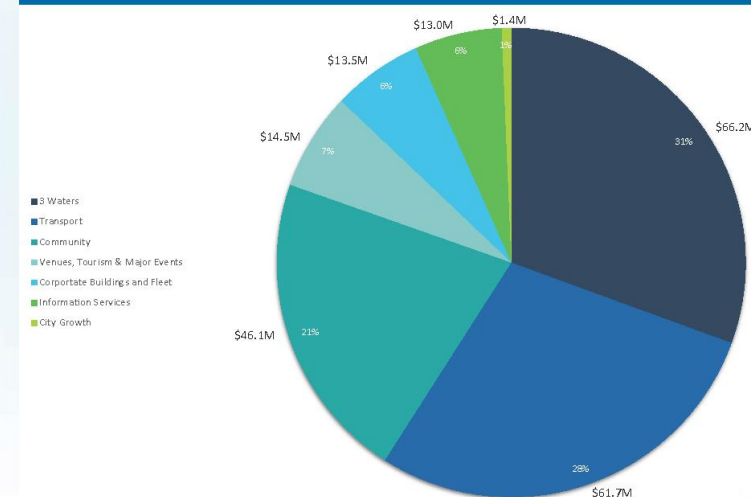


## FINANCIAL PERFORMANCE

### Capital Expenditure Y1-Y3



### Total Budget Y1-Y3



Graph shows \$4.7M is still to be found across the programme from reprioritisation and savings. Total forecast budget over the 3 years is \$211.7M



# ROTOKAURI PROGRAMME CAPITAL REPORT

## PROGRAMME OUTCOME

*Ko te aaheinga o te hanga he waahi ataahua, he waahi toiora ki Rotokauri*  
Enabling the development of an attractive and sustainable community in the Rotokauri growth area



### BAVERSTOCK ROAD UPGRADE

Construction is underway and progressing well.



### ARTERIAL ROADING DESIGNATION

As reported to the Strategic Growth Committee on 12 November 2020, the macroscope for the designation of the strategic transport corridors in the Rotokauri area was approved by Council.

The project is progressing with site investigation, concept development and stakeholder engagement workstreams.



### ROTOKAURI ROAD UPGRADE

Construction is underway for the upgrade between Baverstock Road and the new development area. On track for completion by the end of 2020.



### TE WETINI DRIVE EXTENSION

A private development agreement (PDA) is now in place to progress this extension.



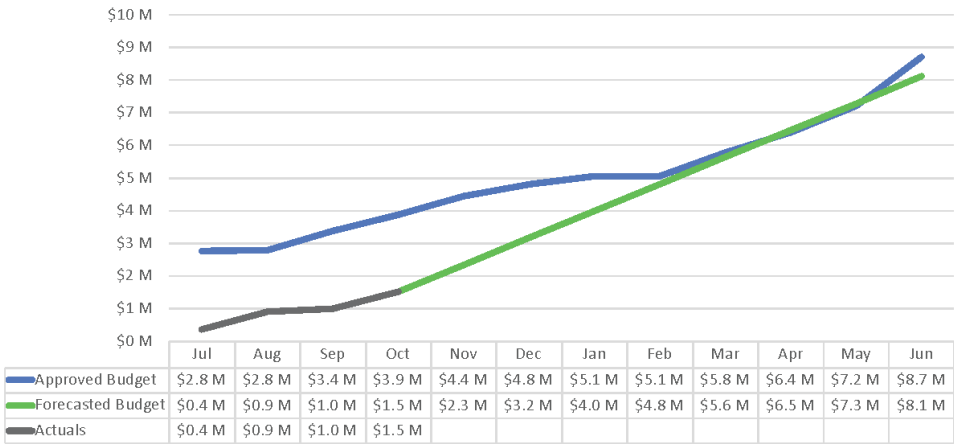
Rotokauri Road Upgrade



Rotokauri Road Upgrade

## FINANCIAL PERFORMANCE






### Capital Expenditure 2020-21



### 3 Year Forecasted Budget



# ROTOKAURI PROGRAMME CAPITAL REPORT

Key Projects													
Project Name		Project Description	Project Status	Total Project Budget	Actual Spend to Date	Forecast Total Cost	2019/20		2020/21		2021/22		
	Baverstock Road Urban Upgrade	Urban upgrade (taking the road from rural to one which fits within an urban setting) of Baverstock Road.	On Track	\$2.8 M	\$0.8 M	\$2.8 M	Design	Design	Design	Design			
	Rotokauri Swale Designation	Protecting land corridors required for stormwater mitigation for future development.	On Track	\$1.4 M	\$1.4 M	\$1.4 M	Design	Design					
	Rotokauri Arterial Transport Designation	Protecting land corridors required for future roading development.	On Track	\$3.2 M	\$1.7 M	\$3.2 M		Design	Design	Design	Design	Design	
	Te Wetini Drive Extension	To extend Te Wetini Drive from Akoranga Road to the new Rotokauri north-south minor arterial. The developer is in control of the timing and is expecting a contribution from Council for upsking. Council and the Developer RDL have a signed PDA agreement that will enable the construction of Te Wetini Dr over the future proposed swale. This will better connect the Rotokauri Rise Community to the road network and improve public transport efficiency to the Base. Construction expected to commence Summer 2020.	On Track	\$1.2 M	\$0.0 M	\$1.2 M				Design	Design	Design	Design
	Rotokauri Minor Arterial (Baverstock Rd to Te Wetini Drive)	Urban upgrade of existing Rotokauri Road from Baverstock Road to new development area, plus new minor arterial extension to Te Wetini Drive. \$1.5M to savings realised in 2018/19.	On Track	\$3.3 M	\$1.8 M	\$1.8 M	Design	Design	Design	Design			
			On Track				Design	Design	Design	Design			
Project status						Key							

Project is on track

Project has significant risks that will require Council decision

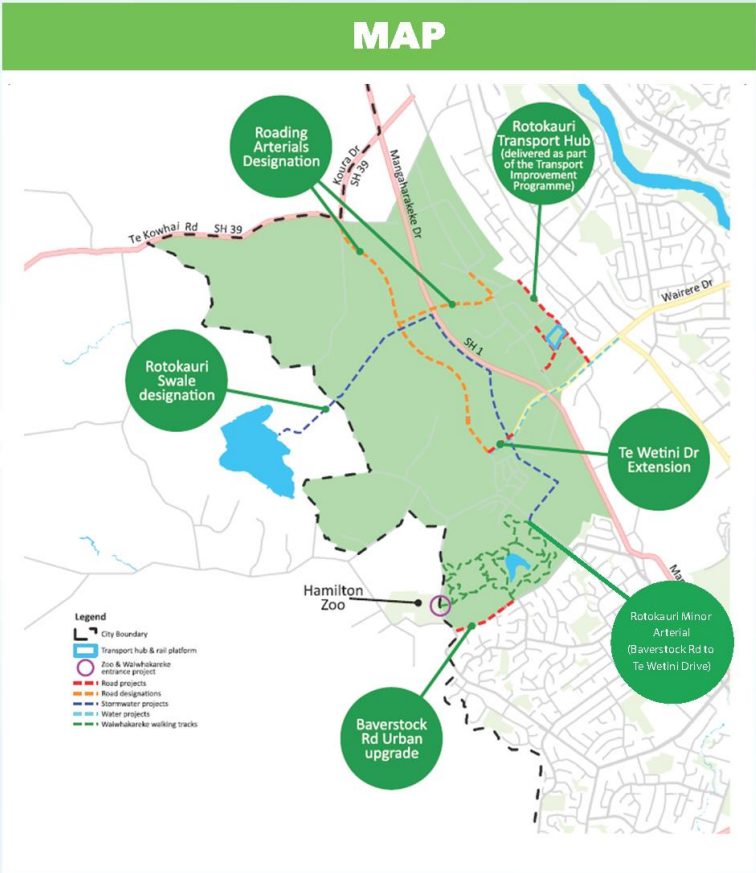
Project has significant risks that are being monitored and managed

Business Case / Investigation

Design

Procurement

Construction



# ROTOTUNA PROGRAMME CAPITAL REPORT

## PROGRAMME OUTCOME

*Ko te aaheinga o te hanga he waahi ataahua, he waahi toiora ki Rototuna*  
Enabling the development of an attractive and sustainable community in the Rototuna growth area



### ROTOTUNA VILLAGE

The Rototuna Village programme including the library, open space and roads is progressing well.

The construction of the first stage of North City Road between Borman Road and Fergy Place is complete, with development of adjacent retail/commercial premises underway via land developer.

As reported to the Strategic Growth Committee on 12 November 2020, delivery of the next sections of the roading network (extensions of Turakina Rise and Bourn Brook Ave) are on track for construction in the upcoming 2020/21 summer construction season as planned.

Design development is progressing for the library, open spaces and remaining roading networks for planned construction commencing in the 2021/22 financial year.



### SPORTS PARKS

Construction of the changing rooms and toilet facilities at Korikori Park are complete. Works planning is progressing well for the planned sports field development at Harepuke Park and Mangaiti Park this financial year.



### RESOLUTION DRIVE EXTENSION

NZTA are contracted to HCC to construct the extension of Resolution Drive from Borman Road to the new expressway interchange as part of the Waikato Expressway construction contract. It is anticipated that Resolution Drive will be complete and opened at the same time as the expressway, which is currently scheduled for late 2021.



### NORTH RIDGE DRIVE UPGRADE

The upgrade of North Ridge Drive to urban standard is complete.



### BORMAN HORSHAM MACROSCOPE

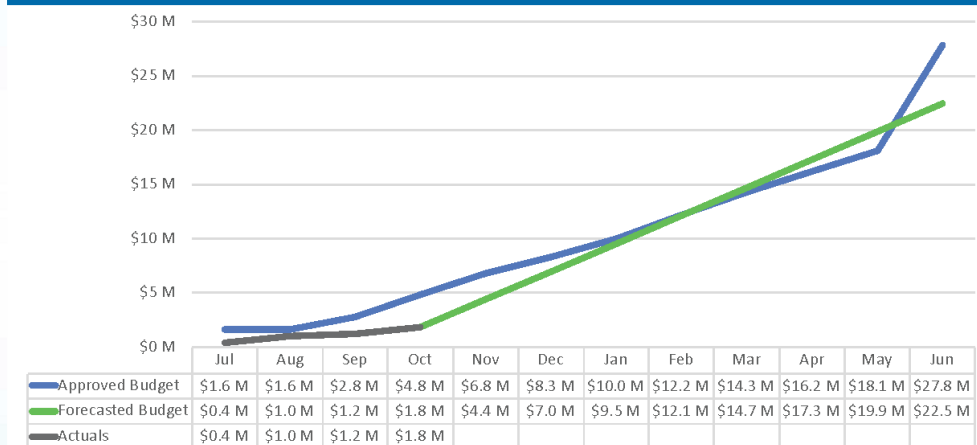
As reported in the 12 November 2020 Strategic Growth Committee, the macroscope for the design of the Borman Road and Horsham Downs Road intersection was approved by Council to allow the projects progression through Design and a Single Stage Business Case process with Waka Kotahi NZTA.



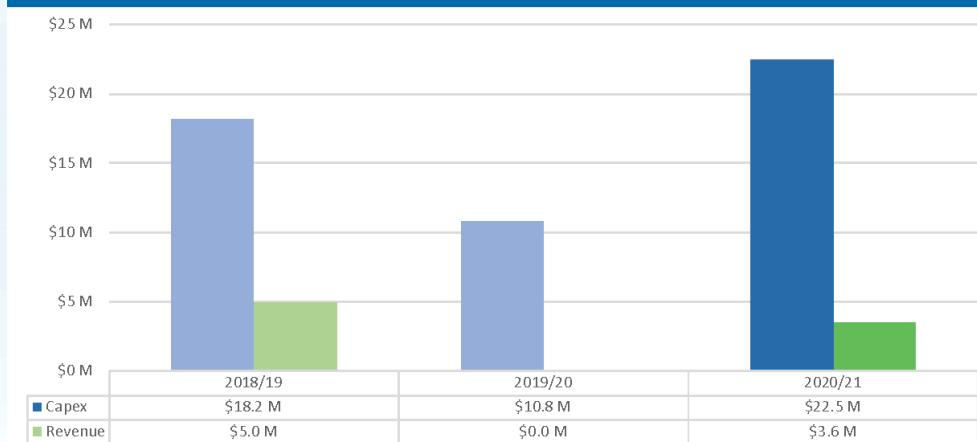
North Ridge Drive

## FINANCIAL PERFORMANCE

### Capital Expenditure 2020-21





























































































### 3 Year Forecasted Budget








# ROTOTUNA

## PROGRAMME CAPITAL REPORT




Key Projects													
Project Name		Project Description	Project Status	Total Project Budget	Actual Spend to Date	Forecast Total Cost	2019/20		2020/21			2021/22	
	Borman Road Western Extension to Kay Road	Construction of the final piece of road which connects Borman Road to Kay Road. Physical works to connect Borman Road to Kay Road has completed under a PDA. A land purchase agreement is still outstanding due to misalignment of values between valuers.		\$2.1 M	\$1.3 M	\$2.1 M							
	Borman Road Extension - Kimbrae Drive to Horsham Downs Road	Design development for the extension of this key piece of road which will include associated urban upgrades and a new intersection at Horsham Downs Road. Currently planned for construction in 2025/26.		\$2.2 M	\$0.3 M	\$2.2 M							
	North Ridge Drive Upgrade	Urban upgrade (taking the road from rural to one which fits within an urban setting) of Northridge Road and construction of a new stormwater wetland to support land development in the area. \$2M of savings realised in 2019/20.		\$5.4 M	\$2.7 M	\$3.4 M							
	Rototuna Village - Community Facilities	Development of new library, community hub, play spaces, village square and carparks.		\$19.6 M	\$0.8 M	\$19.6 M							
	Rototuna Village Transport - Stage 1 North City (Borman to Fergy) and Park Lane	Roading upgrades to support the Rototuna Village development.		\$3.7 M	\$3.7 M	\$3.7 M							
	Rototuna Village Transport - Stage 2 North City (Fergy to Bourn Brook)	Transport network upgrade through the Rototuna Village area including Turakina/Bourn Brook extensions		\$9.9 M	\$1.0 M	\$9.9 M							
	Expressway to Kimbrae Dr - Walking/Cycling Connection	A pedestrian and cycling connection under the Waikato Expressway adjacent to Rototuna High School.		\$0.6 M	\$0.3 M	\$0.6 M							
	North City Road Upgrade - Bourn Brook to Kay	Preliminary design and land acquisition for future urban upgrade		\$1.7 M	\$0.02 M	\$1.7 M							
	Resolution Drive Extension	The extension of Resolution Drive (north) to connect to the new Waikato Expressway. Waka Kotahi is constructing as part of the Waikato Expressway and are challenging the scope of the project.		\$10.3 M	\$5.1 M	\$10.3 M							
	Rototuna Park & Reserve Upgrades	Development of Hare Puke Park and Managiti Park into sports parks. Improving walking/cycling networks, playground and recreational space at Te Manatu Park.		\$2.6 M	\$0.1 M	\$2.6 M							



### Project status

-  Project is on track
-  Project has significant risks that are being monitored and managed
-  Project has significant risks that will require Council decision

### KEY

-  Business Case / Investigation
-  Design
-  Procurement
-  Construction



Korikori Park Facilities

# RUAKURAPROGRAMME CAPITAL REPORT

### PROGRAMME OUTCOME

*Ko te aaheinga o te hanga he waahi ataahua, he waahi toiora ki Ruakura*  
**Enabling the development of an attractive and sustainable community in the Ruakura growth area**



#### RUAKURA WATER RESERVOIR

Construction is complete and final commissioning works are underway on our new 12ML water reservoir - which will supply fresh drinking water to the Ruakura and Peachgrove areas.



#### RUAKURA EASTERN TRANSPORT CORRIDOR (SPINE ROAD STAGE 1) - EXPRESSWAY TO RUAKURA/SILVERDALE

This is being developed as a partnership project between Hamilton City Council, Tainui Group Holdings and the MBIE Provincial Development Unit. As reported to Strategic Growth Committee on the 12 November 2020, construction procurement is underway with commencement of construction anticipated in late 2020.



#### RUAKURA WASTEWATER INTERCEPTOR

The Chedworth portion (stage 1) of the strategic Far Eastern Interceptor Wastewater pipe has been completed under a PDA with the developer. Stage 2 is also being undertaken by a PDA and the timing is dictated by the developer TGH.



#### RUAKURA ROAD URBAN UPGRADE

As reported to Strategic Growth Committee on the 12 November 2020, the design and procurement is progressing to enable construction commencement in early 2021. Some funding has been secured from Crown Infrastructure Partners



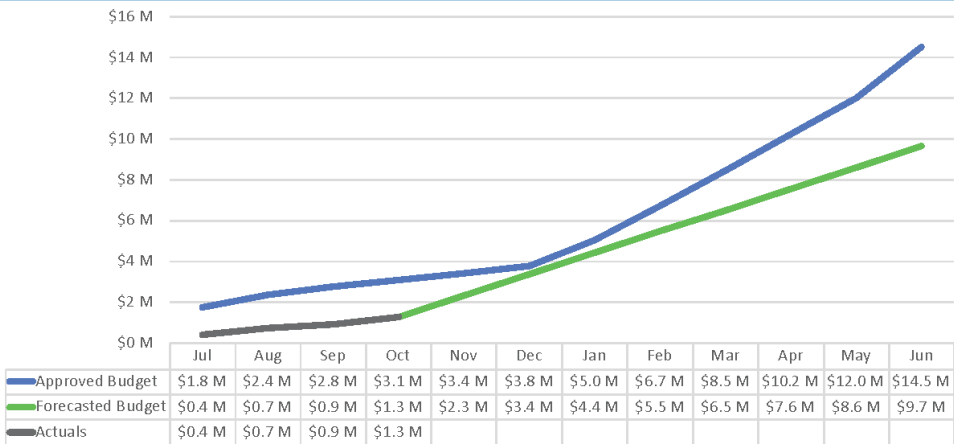
Ruakura Reservoir



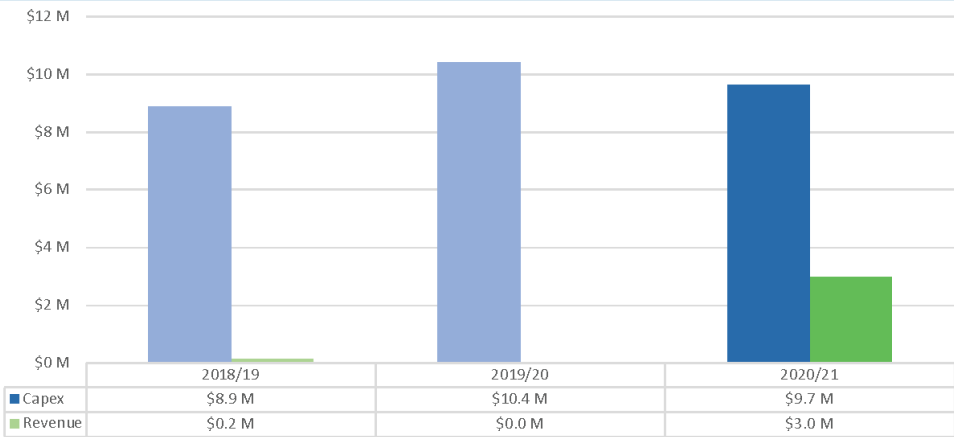
Ruakura Reservoir

### FINANCIAL PERFORMANCE

#### Capital Expenditure 2020-21







#### 3 Year Forecasted Budget







# RUAKURA PROGRAMME CAPITAL REPORT

KEY PROJECTS														
Project Name		Project Description	Project Status	Total Project Budget	Actual Spend to Date	Forecast Total Cost	2019/20		2020/21			2021/22		
	Ruakura Water Reservoir and Water Supply	Construction of a new 12ML water reservoir, associated pumphouse, and bulk mains (large water pipes) to service development happening in Ruakura. Detail required for bulk main funding which will be delivered by Tainui Group Holdings.	On Track	\$19.1 M	\$17.1 M	\$19.1 M	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
	Ruakura Wastewater Interceptor	HCC contribution to new wastewater pipe to service development. Northern section complete, including realised savings of \$1.3M. Deferral required for Southern Interceptor funding which will be delivered by Tainui Group Holdings.	On Track	\$9.9 M	\$2.5 M	\$8.5 M	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
	Ruakura Road Urban Upgrade	Urban upgrade (taking the road from rural to one which fits within an urban setting) of Ruakura Road from the Wairere Drive/Ruakura Road intersection and up to the Ruakura Road and Silverdale Road intersection. Additional funding secured from Crown Infrastructure Partners to complete project.	At Risk	\$12.3 M	\$0.6 M	\$12.3 M	Blue	Blue	Blue	Orange	Yellow	Yellow	Yellow	Yellow
	Ruakura Eastern Transport Corridor (Spine Road Stage 1) - Expressway to Ruakura/Silverdale	Jointly funded by HCC, TGL and PDU the construction of a new road from Silverdale Road/Ruakura Road intersection to the Waikato Expressway Ruakura Interchange to allow the development of the Ruakura Inland Port.	On Track	\$40.9 M	\$0.6 M	\$40.9 M	Dark Blue	Dark Blue	Dark Blue	Orange	Yellow	Yellow	Yellow	Yellow




Ruakura Reservoir

## Project status

-  Project is on track
-  Project has significant risks that are being monitored and managed
-  Project has significant risks that will require Council decision

## KEY

-  Business Case / Investigation
-  Design
-  Procurement
-  Construction



# TRANSPORT IMPROVEMENT PROGRAMME CAPITAL REPORT

## PROGRAMME OUTCOME

*Kia tika ano te hanga rori maa; Aahienga whakatupu, whakapai atu haumarū, me whakawhaanui atu ngā koowhiringa waka*  
**Delivering a balanced transport system through; Enabling growth, improving safety, and improving transport choice**



### TRANSPORT HUB

Construction on the Rotokauri Transport Hub is progressing including works on Tasman Road, the new rail platform, overbridge between Tasman Road and The Base, as well as the park and ride facility. The project is currently on track for completion December 2020.



### TE AWA CYCLE EXTENSION

We will be commencing construction of the Hamilton City section of the Te Awa Cycle Path in late 2020. As reported to Strategic Growth Committee on the 12 November 2020, we are currently finalising funding agreements with MBIE Provincial Development Unit regarding "shovel ready" central government stimulus investment.



### WAIRERE DRIVE EXTENSION

Works are progressing on-site with the construction of the on/off ramps, retaining walls and recently commenced Cobham Drive bridge. This project still has a number of significant risks to manage.



### MANGAITI PARK WALKING/CYCLING

Construction on site is scheduled to commence this year, including construction of pedestrian bridge and boardwalk over the gully to connect walking and cycling networks between the St James and Huntington areas.



### EASTERN PATHWAYS

Following the Infrastructure Operations Committee on 27 August 2020 where the Committee endorsed the School Link and University Link strategic cases further development of the business cases has progressed including the long list assessment. Associated biking connectivity and intersection safety projects are on track for completion this financial year. This includes the Crosby Road cycling upgrade and Anzac Parade improvements.



### TE AWA PATH CBD REMEDIATION

Construction is largely completed with reopening anticipated in late November/early December 2020.

Te Awa Path Remediation

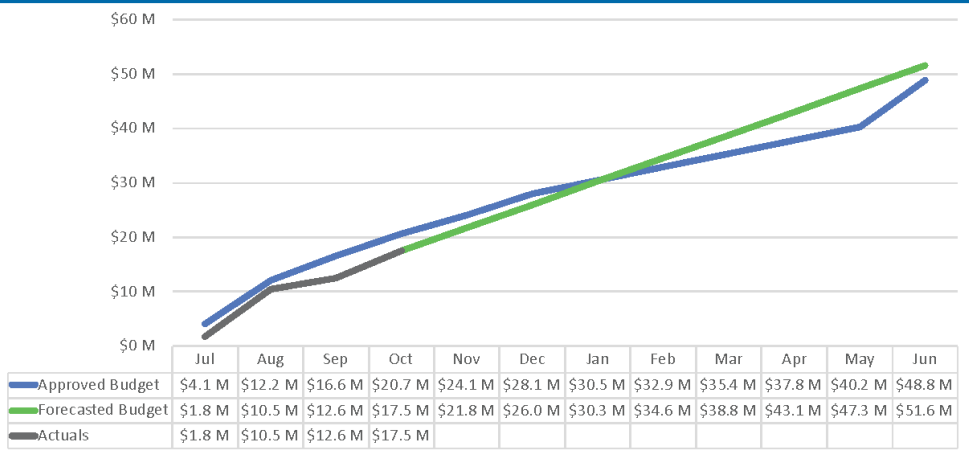


Transport Hub

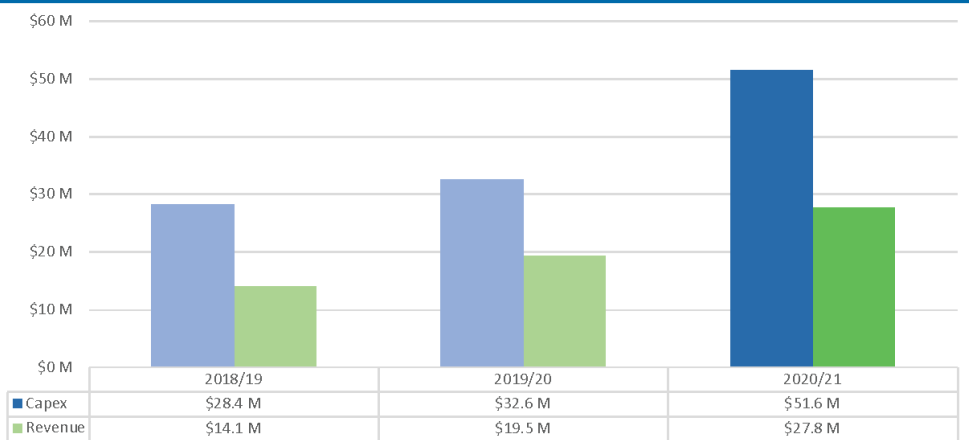


## FINANCIAL PERFORMANCE









### Capital Expenditure 2020-21

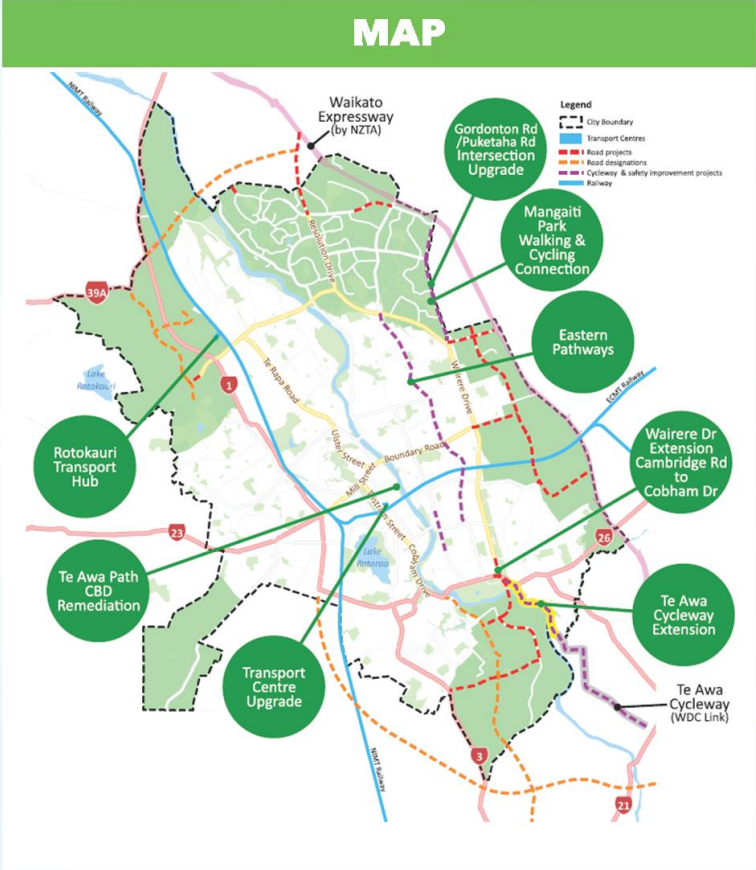


### 3 Year Forecasted Budget





# TRANSPORT IMPROVEMENT PROGRAMME CAPITAL REPORT

KEY PROJECTS									
Project Name		Project Description	Project Status	Total Project Budget	Actual Spend to Date	Forecast Total Cost	2019/20		
 Wairere Drive Extension - Cambridge Road to Cobham Drive		The final connection of the Hamilton Ring Road will see Cobham Drive raised to allow the four-laned Wairere Drive to pass underneath it. It will also include extensions of shared walking and biking paths.		\$59.1 M	\$36.2 M	\$59.1 M			
 Rotokauri Transport Hub		The Hub is a park and ride, rail station, bus interchange and includes a pedestrian connection to The Base. It includes improvements essential to the city's public transport network and will improve the intercity connections between Hamilton and Auckland.		\$28.9 M	\$25.6 M	\$28.9 M			
 Te Awa Path CBD - Remediation		Specialist slip repair between London Street and Bryce Street to make this section of river path safe again for users.		\$1.1 M	\$0.5 M	\$1.1 M			
 Mangaiti Park Walking/Cycling Network Connection		Will connect existing walking/cycling paths between St James and Huntington areas in Rototuna, including a new pedestrian bridge across Mangaiti gully.		\$1.0 M	\$0.1 M	\$1.0 M			
 Te Awa Cycle Extension - Hamilton Gardens to City Boundary		The Hamilton section of the Te Awa River Ride from Mangaonua Stream — in Riverlea — to Hamilton Gardens with a mix of gravel paths and gully/stream bridge crossings.		\$5.8 M	\$0.9 M	\$5.8 M			
 Eastern Pathways		Will make it easier and safer for people on the east of our city to get around their neighbourhoods by bike, on foot, or by bus. The budget and actuals shown is for 2018/19 to 2020/21.		\$5.1 M	\$0.9 M	\$5.1 M			
 Transport Centre Upgrade		Upgrading the existing transport centre in the central city and will include platform upgrades and the recently completed driver facilities upgrade.		\$6.4 M	\$0.2 M	\$6.4 M			
 Gordonton/Puketaha Intersection Upgrade		The 10 Year Plan budgeted for an upgrade of the Puketaha Rd/Gordonton Rd intersection, including connection of St James Dr to Gordonton Rd. At the Infrastructure Operations Committee on 8th October 2020, the Committee delegated authority to the Chief Executive to purchase land for the future long-term upgrade of the Puketaha/Gordonton intersection this financial year. Designs and costings for short-term safety improvements at Puketaha/Gordonton and Darjon/Gordonton intersections will be reported back to the Infrastructure Operations Committee in February 2021.		\$2.7 M	\$0.04 M	\$2.7 M			



## Project status

-  Project is on track
-  Project has significant risks that are being monitored and managed
-  Project has significant risks that will require Council decision

## KEY

-  Business Case / Investigation
-  Design
-  Procurement
-  Construction

## LIST OF CAPITAL PROJECTS

For the 2020-21 Financial Year

		2020-21 Annual Plan				2020-21 Forecast Changes as at 31 October 2020			
Type		10-Year Plan 2020/21	Approved Changes 2020/21	Deferrals 2020/21	Annual Plan 2020/21	Deferrals and B/fwds	Approved Changes	Savings	Revised Budget
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Arts and Culture</b>									
CE10005 - Library collection purchases	R	1,229	-	-	1,229	62	-	-	1,292
CE10006 - Library asset renewal	R	147	-	-	147	70	55	-	273
CE10007 - Library building asset renewal programme	R	742	-	151	893	139	(43)	-	989
CE10013 - Technical services equipment renewals	R	352	-	70	422	45	-	-	467
CE19015 - Libraries facilitation plan	LOS	-	-	-	-	2	(2)	-	-
CE19016 - Libraries strategic plan	LOS	-	-	-	-	10	(10)	-	-
CE19017 - Rototuna community facilities	G	9,743	-	(243)	9,500	(7,803)	-	-	1,697
CE19070 - Community Facilities building renewals	R	128	-	-	128	39	83	-	250
<b>Total Arts and Culture</b>		<b>12,342</b>	<b>-</b>	<b>(23)</b>	<b>12,320</b>	<b>(7,435)</b>	<b>83</b>	<b>-</b>	<b>4,968</b>
<b>City Planning and Development</b>									
CE10037 - CCTV renewals and development	R	54	-	-	54	(9)	-	-	45
<b>Total City Planning and Development</b>		<b>54</b>	<b>-</b>	<b>-</b>	<b>54</b>	<b>(9)</b>	<b>-</b>	<b>-</b>	<b>45</b>
<b>Corporate Services</b>									
CE10053 - Tenancy Inducement renewals	R	81	-	28	109	6	-	-	115
CE10151 - Renewals program	R	671	-	1,600	2,271	104	(377)	-	1,998
CE10152 - Network and Infrastructure	R	877	-	1,146	2,023	(135)	-	-	1,888
CE10153 - Core business applications	R	780	-	719	1,498	(28)	-	-	1,470
CE10154 - Minor applications	R	49	-	15	64	58	-	-	121
CE10156 - Lease funding of equipment	R	1,344	-	234	1,578	-	-	-	1,578
CE10158 - Replacement of fleet vehicles	R	1,886	-	486	2,372	181	-	-	2,552
CE15155 - Mobility and services	R	92	-	472	564	(13)	-	-	551
CE17001 - Customer Service Projects	R	-	-	51	51	-	-	-	51
CE19024 - IS major upgrades	R	476	-	991	1,467	3	-	-	1,470
CE19025 - Smart Hamilton Initiatives	LOS	271	-	-	271	(9)	-	-	262
CE19032 - Civic Square upgrade project	R	541	-	-	541	-	-	-	541
CE19033 - Duke Street workshop replacement	R	-	-	60	60	-	127	-	187
CE19034 - Key Control project	R	-	-	-	-	-	-	-	-
CE19035 - Building Management Systems Council upgrade project	R	-	-	-	-	-	-	-	-
<b>Total Corporate Services</b>		<b>7,067</b>	<b>-</b>	<b>5,801</b>	<b>12,869</b>	<b>167</b>	<b>(250)</b>	<b>-</b>	<b>12,786</b>
<b>Parks and Recreation</b>									
CE10001 - Aquatic facilities building renewals	R	20	-	300	320	115	9	-	444
CE10003 - Waterworld operational asset renewals	R	366	-	44	410	(17)	20	-	413
CE10004 - Gallagher Aquatic Centre operational asset renewal	R	12	-	45	57	(7)	25	-	75
CE10021 - Building renewals cemeteries	R	-	-	-	-	-	-	-	-
CE10022 - Renewal of crematorium assets	R	137	-	-	137	(36)	28	-	129
CE10023 - Hamilton Park east and west cemeteries renewals	R	43	-	239	282	50	(28)	-	304
CE10029 - Toilet and changing room renewals	R	86	-	28	113	-	242	-	355
CE10030 - Building renewals parks and open spaces	R	124	-	-	124	16	(140)	-	1
CE10031 - Sports area renewals	R	1,673	-	(5)	1,668	242	(427)	-	1,483
CE10032 - Parks and open spaces assets and playgrounds renewals	R	1,785	-	65	1,850	(16)	1,448	-	3,282
CE15024 - Hamilton Park cemetery, burial and ash lawn extension	G	-	-	97	97	-	-	-	97
CE15033 - Land purchase future reserves	G	-	-	-	-	406	-	-	406
CE15035 - Rototuna Park development	G	-	-	699	699	32	-	-	731
CE15036 - Playground development programme	LOS	2,599	-	(1,899)	700	(7)	(693)	-	-
CE17004 - River Plan	LOS	-	-	935	935	(32)	-	-	902
CE19001 - Hamilton Park cemetery accessible toilet block	LOS	-	-	-	-	-	-	-	-
CE19002 - Cemetery land acquisition	G	-	-	-	-	-	-	-	-
CE19003 - Parks Toilets development/upgrade	LOS	1,874	-	193	2,068	159	77	-	2,303
CE19004 - Destination Parks Renewals	R	4,130	-	296	4,426	428	(400)	-	4,454
CE19005 - Sports Park development	G	1,562	-	604	2,166	(2)	-	-	2,163
CE19006 - Te Rapa Sportsdrome building renewals	R	-	-	-	-	-	-	-	-
CE19007 - Peacocke Parks development	G	8,636	-	1,358	9,994	10	-	-	10,004
CE19009 - Rototuna Parks development	G	466	-	(466)	-	-	-	-	-
CE19010 - Te Manatu Park development	G	402	-	-	402	-	-	-	402
CE19012 - Day's Park erosion remediation	LOS	-	-	-	-	-	-	-	-
CE19013 - Pooches and Parks	LOS	-	-	95	95	(8)	-	-	87
CE19014 - Walwhakareke Natural Heritage Park development	LOS	-	-	-	-	5	-	-	5
CE19022 - Alternative Weed Control	LOS	-	-	-	-	-	-	-	-
CE19071 - Sports Park Drainage	LOS	1,624	-	(263)	1,361	(135)	92	-	1,318
<b>Total Parks and Recreation</b>		<b>25,538</b>	<b>-</b>	<b>2,364</b>	<b>27,901</b>	<b>1,205</b>	<b>253</b>	<b>-</b>	<b>29,360</b>
<b>Rubbish and Recycling</b>									
CE10054 - Replacement of closed landfill assets	R	179	-	966	1,144	(2)	-	-	1,143
CE10056 - Replacement of RTS & HOC assets	R	31	-	207	239	62	-	-	300
CE15055 - Closed landfill management	LOS	27	-	50	77	3	-	-	80
CE19027 - Refuse drop off points	G	43	-	-	43	-	-	-	43



		2020-21 Annual Plan				2020-21 Forecast Changes as at 31 October 2020			
Type		10-Year Plan 2020/21	Approved Changes 2020/21	Deferrals 2020/21	Annual Plan 2020/21	Deferrals and B/fwds	Approved Changes	Savings	Revised Budget
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Total Rubbish and Recycling</b>		<b>281</b>	<b>-</b>	<b>1,223</b>	<b>1,503</b>	<b>64</b>	<b>-</b>	<b>-</b>	<b>1,567</b>
<b>Sewerage</b>									
CE10100 - Replacement of wastewater pump stations	R	680	-	126	806	10	-	-	816
CE10101 - Replacement of wastewater assets	R	4,471	-	281	4,751	(58)	-	-	4,693
CE10115 - Replacement of wastewater treatment plant assets	R	2,123	-	(81)	2,042	(263)	-	-	1,779
CE15103 - Increase capacity of wastewater pump stations	LOS	914	-	559	1,473	184	-	-	1,657
CE15104 - Wastewater pipe upgrade - growth	G	325	-	-	325	307	-	-	632
CE15105 - Increase capacity of wastewater network - Rototuna	G	197	-	428	625	107	-	-	733
CE15106 - Wastewater network upgrades to allow development	G	87	-	-	87	33	-	-	119
CE15107 - Increase capacity of network In Rotokauri stage 1	G	40	(20)	929	949	(116)	-	-	834
CE15109 - Increase capacity of network In Peacocke stage 1	G	524	-	35	559	(111)	-	-	449
CE15111 - Increase capacity of network throughout the city	G	-	-	-	-	-	-	-	-
CE15117 - Upgrade wastewater treatment plant (Puketā 3)	G	-	3,650	4,520	8,170	(1,048)	473	-	7,595
CE15120 - Wastewater treatment plant compliance	LOS	1,954	-	1,300	3,253	219	-	-	3,472
CE15121 - Wastewater customer connections to the network	G	54	-	-	54	-	-	-	54
CE15160 - Wastewater model	R	623	-	-	623	428	-	-	1,051
CE15161 - Wastewater master plan	G	163	-	-	163	(22)	-	-	140
CE19029 - Wastewater seismic strengthening	LOS	108	-	-	108	30	-	-	138
CE19040 - Increase capacity network Peacocke Stage 2	G	6,775	-	6,246	13,022	(89)	-	-	12,933
CE19041 - Increase capacity WW far east network	G	2,166	-	790	2,956	(2,956)	-	-	-
CE19042 - Increase capacity WW south network	G	17,868	-	(7,584)	10,283	(3,485)	-	-	6,798
CE19043 - Increase capacity WW west network	G	4,566	-	6,719	11,285	(332)	54	-	11,006
CE19044 - Increase capacity WW east network	G	1,260	-	1,825	3,085	(22)	-	-	3,063
CE19050 - Increase capacity WW central network	G	70	-	1,865	1,935	(22)	-	-	1,913
CE19072 - Increase capacity of network In Te Rapa	G	-	-	-	-	-	-	-	-
<b>Total Sewerage</b>		<b>44,966</b>	<b>3,630</b>	<b>17,956</b>	<b>66,553</b>	<b>(7,205)</b>	<b>526</b>	<b>-</b>	<b>59,874</b>
<b>Stormwater</b>									
CE10058 - Replacement of stormwater assets	R	542	-	45	587	46	-	-	633
CE15059 - Rototuna stormwater infrastructure	G	2,646	-	1,045	3,691	(254)	-	-	3,437
CE15060 - Rotokauri stormwater infrastructure stage 1	G	4,812	-	(4,039)	773	-	-	-	773
CE15062 - Peacocke stormwater infrastructure stage 1	G	33	-	895	927	(225)	-	-	702
CE15063 - Peacocke stormwater infrastructure stage 2	G	6,515	-	1,762	8,277	1,715	-	-	9,993
CE15064 - Stormwater pipe upgrade - growth	G	163	-	-	163	156	-	-	319
CE15066 - Existing network improvements in new areas	G	114	-	-	114	82	-	-	195
CE15067 - Comprehensive stormwater consent implementation	LOS	54	-	20	74	7	-	-	81
CE15068 - Stormwater customer connections to the network	G	54	-	-	54	-	-	-	54
CE15162 - Integrated catchment management plan	G	921	-	30	951	(189)	-	-	762
CE19026 - Erosion control works	LOS	3,585	-	(1,384)	2,200	532	-	-	2,732
<b>Total Stormwater</b>		<b>19,437</b>	<b>-</b>	<b>(1,626)</b>	<b>17,811</b>	<b>1,869</b>	<b>-</b>	<b>-</b>	<b>19,680</b>
<b>Transport</b>									
CE10069 - Resurfacing off street carparks	R	55	-	(55)	-	-	-	-	-
CE10070 - Replacement of parking enforcement equipment	R	114	-	300	414	27	-	-	440
CE10071 - Parking building renewal	R	60	-	-	60	306	13	-	379
CE10072 - Replacement of footpath	R	5,079	-	-	5,079	465	-	-	5,543
CE10074 - Replacement of drainage (kerb and channel)	R	1,708	-	-	1,708	(851)	-	-	857
CE10075 - Replacement of road base	R	1,330	-	-	1,330	459	-	-	1,789
CE10076 - Road resurfacing	R	5,563	-	-	5,563	1,057	-	-	6,620
CE10077 - Replacement of bridges and culverts	R	278	-	2,270	2,548	346	-	-	2,894
CE10080 - Replacement of lighting	R	950	-	1,910	2,860	(532)	-	-	2,327
CE10081 - Replacement of traffic equipment	R	436	-	(33)	402	(97)	-	-	305
CE10098 - Building and property renewals	R	13	-	-	13	-	(13)	-	-
CE15085 - Minor improvements to transport network	LOS	2,166	-	-	2,166	(395)	1,111	-	2,882
CE15086 - Bus stop infrastructure	LOS	704	-	-	704	356	-	-	1,060
CE15087 - Network upgrades to allow new development	G	190	-	-	190	48	-	-	238
CE15088 - Roadway upgrades and development in Peacocke stage 1	G	4,145	-	(1,238)	2,907	(1,205)	-	-	1,701
CE15089 - Roadway upgrades and development in Peacocke stage 2	G	20,160	-	5,582	25,742	(2,034)	-	-	23,708
CE15090 - Roadway upgrades and development in Rotokauri stage 1	G	745	-	11,914	12,659	(899)	(2,586)	-	9,174
CE15092 - Roadway upgrades and development in Rototuna	G	7,390	-	4,509	11,899	2,563	-	-	14,463
CE15093 - Roadway upgrades and development in Ruakura	G	5,004	1,000	2,850	8,854	(615)	-	-	8,238
CE15095 - Integrated transport initiatives	G	1,625	-	850	2,475	330	-	-	2,805
CE15096 - Cross city connector	G	-	-	-	-	-	-	-	-
CE15097 - Northern river crossing	G	-	-	-	-	-	-	-	-
CE19036 - Ring Road	G	2,977	2,000	9,000	13,977	(1,387)	566	-	13,156
CE19037 - Hamilton transport model	G	1,625	-	(1,125)	500	-	-	-	500
CE19038 - Rotokauri rail platform	G	-	-	500	500	-	6,590	-	7,090
CE19052 - Intersection safety upgrade programme	LOS	1,625	-	256	1,881	-	(1,881)	-	-
CE19054 - Bridge safety improvements	LOS	3,357	-	407	3,764	(1)	-	-	3,763
CE19057 - Bridge plan implementation	G	8,664	-	1,786	10,450	297	-	-	10,747
CE19058 - Mass transit	G	5,415	-	462	5,877	(12)	(588)	-	5,278
CE19062 - Bridge resilience programme	LOS	1,516	(2,157)	641	-	-	-	-	-
CE19063 - Intersection capacity upgrade programme	G	-	-	452	452	(47)	770	-	1,175
CE19064 - Transport Centre rejuvenation	LOS	-	-	1,407	1,407	41	-	-	1,448

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		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
CE19065 - Modal access on bridges programme	G	-	-	-	-	-	-	-	-
<b>Total Transport</b>		<b>82,892</b>	<b>843</b>	<b>42,645</b>	<b>126,380</b>	<b>(1,781)</b>	<b>3,982</b>	-	<b>128,580</b>
<b>Venues Tourism and Major Events</b>									
CE10040 - Business administration plant and equipment	R	33	-	-	33	41	-	-	74
CE10041 - Claudelands plant and equipment	R	503	-	-	503	(79)	-	-	423
CE10042 - Seddon Park plant and equipment	R	-	-	-	-	-	-	-	-
CE10043 - Waikato Stadium plant and equipment	R	133	-	223	356	60	-	-	416
CE10044 - Turf services plant and equipment	R	54	-	-	54	-	-	-	54
CE10046 - Seddon Park property renewals	R	314	-	-	314	(3)	540	-	851
CE10047 - Waikato Stadium property renewals	R	504	-	75	579	56	-	-	634
CE10048 - Stadla building renewals	R	339	420	560	1,319	361	(298)	-	1,383
CE10049 - Claudelands building renewals	R	636	-	138	774	39	(242)	-	571
CE15050 - Claudelands capital Improvement programme	LOS	49	-	-	49	155	-	-	204
CE15051 - Stadla capital Improvement function	LOS	29	-	400	429	272	117	-	818
CE19031 - I-Site building renewals	R	54	-	(54)	-	-	-	-	-
<b>Total Venues Tourism and Major Events</b>		<b>2,646</b>	<b>420</b>	<b>1,342</b>	<b>4,408</b>	<b>903</b>	<b>117</b>	-	<b>5,428</b>
<b>Visitor Attractions</b>									
CE10008 - Museum asset renewal	R	52	-	-	52	(31)	-	-	22
CE10009 - ArtsPost earthquake strengthening	LOS	-	-	-	-	21	(21)	-	-
CE10010 - Public art support fund	R	33	-	99	132	(33)	-	-	99
CE10011 - Museum activity building renewals	R	326	-	207	533	264	96	-	893
CE10015 - Zoo animal enclosure renewals	R	521	-	(209)	312	72	176	-	559
CE10016 - Zoo building renewals	R	13	-	-	13	30	(21)	-	21
CE10017 - Property renewals	R	18	-	-	18	14	9	-	40
CE10020 - Zoo animal replacement	R	65	-	96	161	1	(60)	-	102
CE10026 - Hamilton Gardens renewals	R	168	-	-	168	12	-	-	180
CE10028 - Hamilton Gardens building renewals	R	12	-	-	12	54	46	-	112
CE19018 - Museum loading bay	LOS	-	-	-	-	-	-	-	-
CE19019 - Zoo safety improvements	LOS	-	-	1,014	1,014	(33)	-	-	981
CE19020 - Hamilton Zoo Improvement programme	LOS	81	-	-	81	34	(115)	-	-
CE19021 - Water and stormwater reticulation	R	45	-	148	193	13	-	-	207
CE19023 - Hamilton Gardens development	LOS	2,058	-	956	3,014	124	-	-	3,138
CE19028 - Collection acquisition fund	R	54	-	43	97	-	33	-	130
CE19030 - Zoo and Waikarekare Entrance Precinct	LOS	4,115	-	1,361	5,477	(889)	-	-	4,587
<b>Total Visitor Attractions</b>		<b>7,562</b>	-	<b>3,716</b>	<b>11,278</b>	<b>(316)</b>	<b>109</b>	-	<b>11,071</b>
<b>Water Supply</b>									
CE10123 - Replacement of water mains	R	2,792	-	(500)	2,292	(404)	-	-	1,888
CE10124 - Replacement of water meters, valves and hydrants	R	1,229	-	868	2,097	550	-	-	2,647
CE10138 - Replacement of treatment plant and reservoir assets	R	1,937	-	1,032	2,969	(27)	-	-	2,943
CE10145 - Tools of trade renewals	R	54	-	-	54	20	-	-	74
CE15126 - Upgrade or build new water mains in Rototuna	G	1,042	-	484	1,526	2	-	-	1,528
CE15127 - Water pipe upgrade - growth	G	325	-	-	325	306	-	-	631
CE15128 - Upgrade/build new water mains in Rotokauri stage 1	G	-	-	61	61	-	-	-	61
CE15130 - Upgrade/build new water mains in Peacocke stage 1	G	-	-	-	-	-	-	-	-
CE15132 - Water network upgrades to allow new development	G	87	-	-	87	77	-	-	164
CE15133 - Water demand management - network water loss	LOS	-	-	-	-	-	-	-	-
CE15134 - Water demand management - Pukete reservoir zone	G	-	-	-	-	-	-	-	-
CE15135 - Upgrade/build distribution water mains in Peacocke	G	649	-	(26)	623	(46)	-	-	577
CE15137 - Water demand management - Newcastle reservoir zone	G	6,090	-	(3,777)	2,313	(32)	-	-	2,282
CE15139 - Water treatment plant compliance - minor upgrades	LOS	782	-	1,307	2,089	259	(110)	-	2,238
CE15141 - Water demand management - Hillcrest reservoir zone	G	-	-	-	-	256	-	-	256
CE15144 - Upgrade water treatment plant	G	9,151	(3,650)	(3,443)	2,058	(189)	110	-	1,979
CE15146 - Water customer connections	G	54	-	-	54	-	-	-	54
CE15148 - Upgrade or build new water mains in Ruakura	G	217	-	-	217	(217)	-	-	-
CE15158 - Water model	R	585	-	-	585	12	-	-	597
CE15159 - Water master plan	G	-	-	-	-	27	-	-	27
CE16004 - Eastern Bulk Main Slip	G	-	-	658	658	319	-	-	978
CE19045 - Ruakura reservoir & associated bulk mains	G	43	-	2,443	2,486	(1,067)	-	-	1,419
CE19046 - Upgrade/build new water mains in Peacocke Stage 2	G	1,090	-	182	1,272	8	-	-	1,280
CE19047 - Water Demand Management - Maeroa reservoir zone	G	-	-	-	-	-	-	-	-
CE19048 - Water Demand Management - Hamilton South reservoir zone	G	-	-	-	-	-	-	-	-
CE19049 - Water Demand Management - Fairfield reservoir zone	G	-	-	-	-	-	-	-	-
CE19073 - Upgrade/build new water mains in Te Rapa	G	-	-	-	-	-	-	-	-
<b>Total Water Supply</b>		<b>26,128</b>	<b>(3,650)</b>	<b>(710)</b>	<b>21,768</b>	<b>(143)</b>	-	-	<b>21,625</b>
<b>Renewals and Compliance Movements - will be found through programme reprioritisation by 30 June 2021*</b>		-	-	-	-	<b>(4,426)</b>	<b>(283)</b>	-	<b>(4,709)</b>
<b>Grand Total</b>		<b>228,912</b>	<b>1,244</b>	<b>72,689</b>	<b>302,844</b>	<b>(17,107)</b>	<b>4,537</b>	-	<b>290,275</b>

\*The renewals and compliance programme is being managed as a 3 year programme. This approach allows staff to actively manage the required works and where appropriate undertake projects

Type	2020-21 Annual Plan				2020-21 Forecast Changes as at 31 October 2020			
	10-Year Plan 2020/21	Approved Changes 2020/21	Deferrals 2020/21	Annual Plan 2020/21	Deferrals and B/fwds	Approved Changes	Savings	Revised Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000

previously not part of the programme. The \$4.4m represents the value of new projects undertaken in the previous year, this balance will need to be found from savings throughout the remainder of 2020-21.

# Council Report

Item 8

**Committee:** Finance Committee

**Date:** 02 December 2020

**Author:** Tracey Musty

**Authoriser:** David Bryant

**Position:** Financial Controller

**Position:** General Manager Corporate

**Report Name:** Annual Monitoring Report to 31 October 2020

## Report Status

Open

### Purpose - *Take*

1. To inform the Finance Committee on Council's financial performance for the four months ended 31 October 2020.

### Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Finance Committee receives the report.

### Executive Summary - *Whakaraapopototanga matua*

3. This report is to be read in conjunction with the:
  - 31 October 2020 (2 December 2020 meeting) Capital Portfolio Monitoring report; and
  - 31 October 2020 (2 December 2020 meeting) Financial Strategy Monitoring report
4. The 31 October 2020 financial results show a positive variance against the YTD budget in the accounting result.
5. Staff consider the matters in this report have low significance and that the recommendations comply with the Council's legal requirements.

### Discussion - *Matapaki*

#### Operating results

##### The accounting results

6. The Statement of Comprehensive Revenue and Expense discloses the accounting result in accordance with accounting standards.
7. The accounting result for the four months ended 31 October 2020 is a surplus of \$25.4M. This is \$2.2M favourable against the YTD budget surplus of \$23.2M.

Accounting Result		
YTD Actual	YTD Budget	Variance
\$25.4M	\$23.2M	\$2.2M

8. The Annual Forecast has been adjusted to reflect the forecasting adjustments that are explained in the "understanding material variances" section of this report.

Annual Accounting Result		
Annual Forecast	Annual Budget	Variance
\$68.7M	\$66.1M	\$2.6M

### Balancing the books result

9. The balancing the books result for the four months ended 31 October 2020 is (\$3.3M). This is \$2.6M favourable against a YTD budget of (\$5.9M).

Balancing the Books		
YTD Actual	YTD Budget	Variance
(\$3.3M)	(\$5.9M)	\$2.6M

10. The annual forecast is unfavourable to budget by \$1M. Detail on this to follow under the Operating Expenditure section of this report.

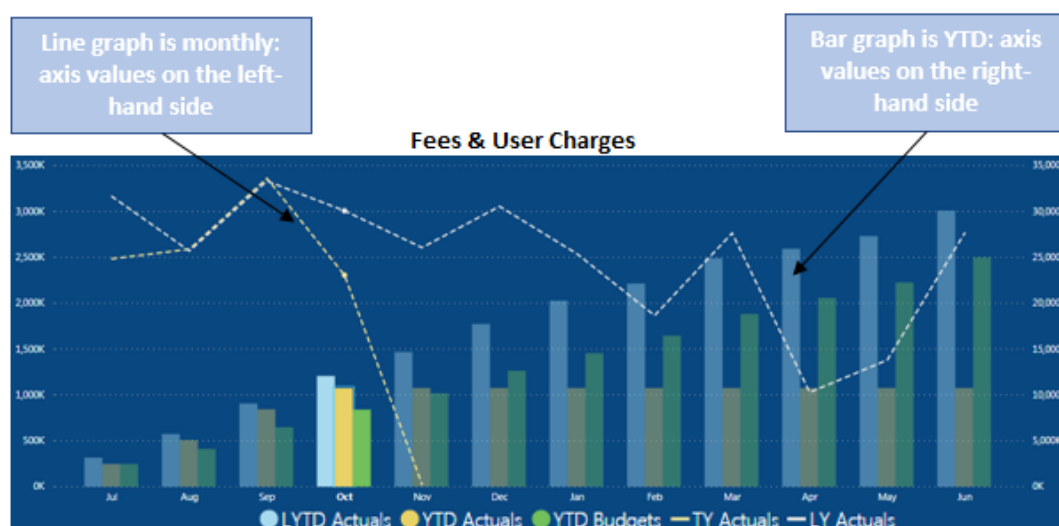
Annual Balancing the Books		
Annual Forecast	Annual Budget	Variance
(\$5.4M)	(\$4.4M)	(\$1M)

### Understanding material variances

11. The Statement of Comprehensive Revenue and Expense, Statement of Financial Position, and accompanying notes are contained in **Attachment 1**.
12. Individual Everyday Revenue and Expense statements for each of the Council's 12 activities, overheads and general expenses are contained in **Attachment 2**.
13. A reconciliation of the accounting result to the balancing the books result is provided after the Statement of Comprehensive Revenue and Expense.

### Operating Revenue

14. Total Operating Revenue is \$4.6M higher than budgeted. This is attributable to Fees & Charges and Subsidies & Grants as explained below.
15. Fees & Charges contribute the largest share of the favourable variance in Operating Revenue and exceeds YTD budget by \$3.6M.





16. The bar chart above compares Last Year To Date Actuals (LYTD Actuals), Year to Date Actuals (YTD Actuals) and Year To Date Budgets (YTD Budgets). These values are reflected on the vertical axis to the right-hand side. The line chart above compares This Year Actuals (TY Actuals) and Last Year Actuals (LY Actuals) at each month. These values are reflected on the vertical axis to the left-hand side.
17. As at 31 October 2020, the YTD actual for Fees & User Charges was \$10.7M and is tracking above the YTD budget of \$8.4M. This favourable result is due to increased event activity in VTME, attractive visitor numbers at the zoo and museum and lastly, revenue from building consents has remained consistent despite an anticipated downturn as reflected in the budget.
18. Operating contributions also contributed \$1.3M towards the favourable variance in Fees & Charges. This is due to an unbudgeted grant received from the Ministry of Business, Innovation and Employment (MBIE) for our shovel ready project upgrade of the Te Awa Cycleway. This revenue offsets the cost of the project as the expenditure is incurred.
19. Subsidies & Grants are favourable to budget by \$1.1M. This is the result of an unbudgeted NZTA operating subsidy in regard to the Rotokauri Park & Ride project, which is managed by Council on behalf of Kiwirail, with a 100% NZTA subsidy received on expenditure.
20. The positive variance in Fees & Charges helped to offset negative variances in Other Revenue. Infringement & Fines revenue is tracking below budget, as reflected:

#### Infringement & Fines



The YTD actual for Infringement & Fines at 31 October 2020 was \$0.2M. This is well below a YTD budget of \$0.6M, and a YTD comparable for last year of \$0.7M. The covid-19 impact was felt in this area where the issuing of fines for traffic infringements has only resumed in October 2020.

21. Please refer to the activity statements for material variance explanations.

#### Capital Revenue

22. Total Capital Revenue is \$2.8M favourable to budgeted. This is attributable to Development Contributions (DC's).
23. DC's are ahead of budget by \$4.1M. Large developments (especially residential subdivisions and non-residential) do not pay required DC's in a smooth, linear fashion but in large amounts when development milestones are met. Therefore, the quantum of DC's will vary significantly year on year and quarter by quarter. In this quarter two retirement home developments and a large residential subdivision paid significant DC's. This helped to offset the following negative variances in:
  - Capital Contributions and Capital Subsidies were unfavourable to budget with a variance of \$0.6M. This is due to the timing of capital spend; and

- vested assets were unfavourable to budget by \$0.7M. Bad weather caused a delay in work clearance certification and as a result only 12 certificates were issued in October 2020. The vested asset budget is broken down by class of asset on page 99 of the 10-Year Plan. Vested Assets are outlined in the table that follows.

24. The addition of vested assets increases the operating and maintenance costs for Council, as well as depreciation. An estimate of operating and maintenance costs and depreciation expense has been made in the 10-Year Plan to support the annual vested assets budget.

Asset class	YTD Actual \$000	Annual Budget \$000	Life Range (Years)	Estimated Annual Depreciation \$000
Wastewater	625	3,287	15-100	8
Stormwater	576	5,508	30-100	7
Water Supply	280	1,920	50-80	4
Roading	1,232	21,764	12-140	25
Parks and Recreation	220	-		-
Land				
Land – Under Roads	204	-		-
Land – Recreation Reserve	1,013	-		-
Land - Infrastructure	5,968	-		-
<b>Total</b>	<b>10,118</b>	<b>32,479</b>		<b>44</b>

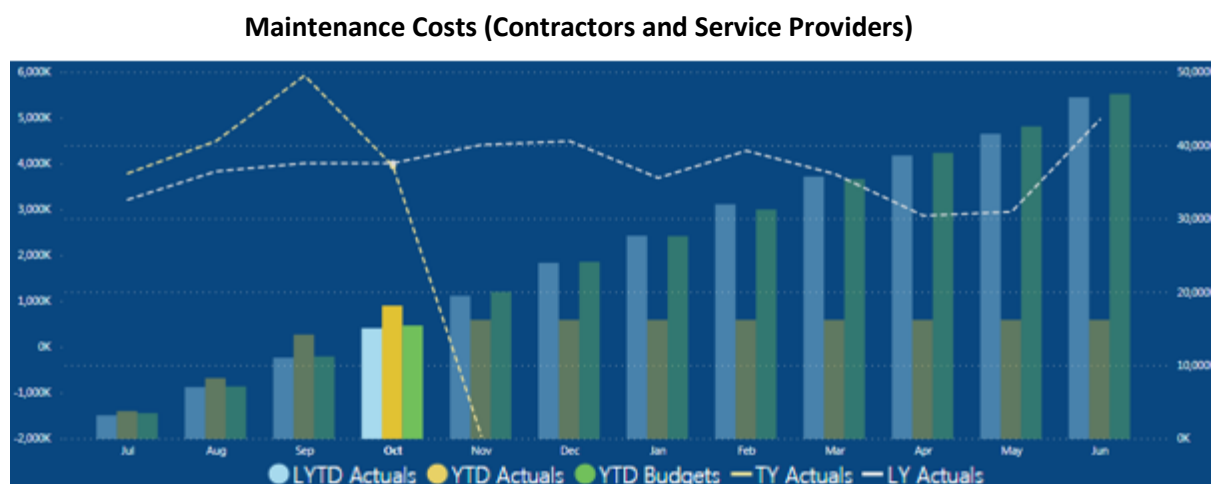
25. Through the 2018-28 10-Year Plan, increased funding was made available for maintenance on new vested assets for three waters and transportation activities. The nature of many of these vested infrastructure assets are that they have a long useful life and generally do not require significant direct maintenance in the first 10 years of operation.

### Operating Expenditure

26. Total Operating Expenditure is unfavourable to budget by \$1.9M. This is attributable to Personnel Costs, Operating & Maintenance Costs and Professional Costs as explained below.
27. Personnel Costs are unfavourable to budget by \$0.9M. This is mainly affected by a leave accrual of \$0.5M and an increase of \$0.3M in externally contracted staff, who cover vacancies and deliver organisation wide projects. We expect the leave accrual figure to reduce as staff take leave over the December and January months.



28. The graph above reflects the leave liability that is held on our balance sheet. As more leave is accrued the gap between financial year comparatives widens. The large gap reflecting for the current financial year is indicative of the leave that accrued over the national lockdown period where many staff would have taken leave over Easter and school holidays.
29. Operating & Maintenance Costs are unfavourable to budget by \$3.4M. Increased expenditure on contractors as reflected:



The YTD actual for Contractors and Service Providers is \$18.2M. This is \$2.7M unfavourable against a YTD budget of \$15.5M. A further unfavourable variance in cost of sales relating to subcontractors of \$0.7M contributes to the overall Operating & Maintenance Cost tracking below budget. This is due to:

- the Rotokauri Park & Ride project is managed by Council on behalf of Kiwirail and is an unbudgeted item. This is offset by the revenue in paragraph 20; and
- unbudgeted expenditure incurred on the Te Awa Cycleway works, which is funded by the MBIE. This is offset by the revenue in paragraph 17.

30. Professional Costs are unfavourable to budget by \$0.9M. Part of this consists of an overspend in the Planning Guidance Unit related to an increase in workload. This is offset by an underspend in Personnel Costs in Planning & Development. The annual forecast for Professional Costs has been increased by \$0.9M to allow for additional expenditure on expert consultants and additional legal fees in respect of the Development Contributions Judicial Review.

### Gains and Losses

31. The 31 October 2020 adjustment on non-cash revaluation of Council's Financial borrowing instruments resulted in a \$2.8M loss.

### Treasury Management

32. Council is fully compliant with the following treasury policy measures as at 31 October 2020.

<b>Counterparty credit risk</b>	max	\$75m per bank	Achieved	✓
<b>Liquidity ratio</b>	min	110%	136%	✓
<b>Funding maturity</b>	0 - 3 years	15% - 60%	23%	✓
	3 - 5 years	15% - 60%	33%	✓
	5 years +	10% - 60%	44%	✓
<b>Fixed rate debt maturity</b>	All years	Within annual parameters	Not achieved	✗

### Debt and Cash Investments

33. External Debt increased by \$50M in borrowings from the Local Government Funding Agency (LGFA) in October 2020. This was based on a pre-funding strategy recommended by PwC to pre-fund loan repayments due in May 2021. The \$50M of pre-funding was placed on term deposits with maturity dates set a few dates prior to the May 2021 maturities.
34. External Debt also increased by \$8.6M when two new HIF drawdowns were approved in September 2020.
35. The Debt Forecast and the Debt to Revenue ratio form part of our Financial Strategy and is addressed within the Financial Strategy Monitoring Report.

Treasury Performance			
	YTD Actual	Annual Budget	Variance
<b>Cash Investments</b>	<b>\$142.2M</b>	<b>\$86.1M</b>	<b>\$56.1M</b>
<b>Total External Debt</b>	<b>\$575M</b>	<b>\$716.8M</b>	<b>(\$141.8M)</b>
<b>Finance Cost on Borrowings</b>	<b>\$4.5M</b>	<b>\$14.6M</b>	<b>(\$10.1M)</b>

### Interest Rate Risk Management

36. The movement on interest rate swaps relates to valuations completed at a point in time. These are based on Council's total external debt and the difference between current market interest rates and the fixed rates that Council has locked in. They are unrealised because on maturity of each interest rate swap contract no interest gain or loss eventuates.

37. As at 31 October 2020 our fixed rate hedging is 36%. This falls outside our debt interest rate policy parameters which requires a minimum fixed rate of 40% and a maximum fixed rate of 95%. PwC Treasury Advisors currently recommend that Council clients maintain minimums of fixed rate policy limits and they continue to closely monitor our treasury position. Monthly meetings are prescheduled with PwC Treasury Advisors to ensure regular review.
38. Our gross cost of funds over a 12-month rolling average is 3.09%.

### **Emerging Issues**

39. The initiation of a national lockdown period, due to Covid-19, has impacted various areas within our organisation. Any material amounts will reflect within the activity statements.

### **Legal and Policy Considerations - *Whaiwhakaaro-aa-ture***

40. Staff confirm that the matters in this report complies with the Council's legal and policy requirements.

### **Risks - *Tuuraru***

41. There are no known risks associated with the topics of this report.

### **Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga***

42. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
43. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report. The recommendations set out in this report are consistent with that purpose.

### **Significance and Engagement Policy - *Kaupapa here whakahira/anganui***

#### **Significance**

44. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have a low significance.

#### **Engagement**

45. Given the low level of significance determined, the engagement level is low. No engagement is required.

### **Attachments**

Attachment 1 - Statement of Comprehensive Revenue and Expense October 2020

Attachment 2 - Council Activities October 2020

Attachment 3 - Treasury Position October 2020

# STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

## FOR THE MONTH ENDED 31 OCTOBER 2020

Attachment 1

\$000		\$000		\$000		\$000		\$000		\$000	
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent		Annual Forecast	Annual Variance Fav/(Unfav)		
<b>Operating Revenue</b>											
58,145	Rates	59,668	59,683	(15)	200,066	30%		200,066			
14,683	Fees & Charges	14,902	11,309	3,593	32,260	46%		32,260			
3,417	Subsidies & Grants	3,575	2,443	1,133	7,227	49%		7,227			
621	Interest Revenue	433	423	11	1,250	35%		1,250			
3,107	Other Revenue	2,669	2,807	(138)	10,298	26%		10,298			
<b>79,973</b>	<b>TOTAL OPERATING REVENUE</b>	<b>81,248</b>	<b>76,665</b>	<b>4,583</b>	<b>251,101</b>	<b>32%</b>		<b>251,101</b>			
<b>Capital Revenue</b>											
8,975	Development Contributions	11,583	7,503	4,080	22,504	51%		22,504			
16,910	Capital Revenue	14,934	15,504	(570)	58,634	25%		62,207	3,573		
19,483	Vested Assets	10,118	10,829	(710)	32,479	31%		32,479			
<b>45,368</b>	<b>TOTAL CAPITAL REVENUE</b>	<b>36,635</b>	<b>33,836</b>	<b>2,799</b>	<b>113,617</b>	<b>32%</b>		<b>117,190</b>	<b>3,573</b>		
<b>125,341</b>	<b>TOTAL REVENUE</b>	<b>117,883</b>	<b>110,500</b>	<b>7,382</b>	<b>364,717</b>	<b>32%</b>		<b>368,291</b>	<b>3,573</b>		
<b>Expenditure</b>											
28,131	Personnel Costs	28,825	27,900	(925)	83,802	34%		83,802			
16,226	Operating & Maintenance Costs	20,789	17,415	(3,374)	52,927	39%		52,928			
3,212	Professional Costs	4,265	3,336	(930)	13,820	31%		14,745	(925)		
7,679	Administration Expenses	4,969	5,670	701	36,367	14%		36,367			
3,663	Property Costs	3,363	3,320	(43)	10,017	34%		10,017			
6,377	Finance Costs	4,513	4,999	486	17,124	26%		17,124			
23,105	Depreciation & Amortisation Expense	22,676	24,915	2,239	74,727	30%		74,727			
<b>88,393</b>	<b>TOTAL EXPENDITURE</b>	<b>89,400</b>	<b>87,555</b>	<b>(1,845)</b>	<b>288,785</b>	<b>31%</b>		<b>289,710</b>	<b>(925)</b>		
<b>36,948</b>	<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>28,483</b>	<b>22,946</b>	<b>5,537</b>	<b>75,933</b>	<b>38%</b>		<b>78,581</b>	<b>2,649</b>		
<b>Gains and Losses</b>											
(3,504)	Net gain/(loss) on revaluation of interest rate swaps	(2,858)		(2,858)							
	Gain on fair value of investment properties		198	(198)	593	0%		593			
(2,233)	Property, plant and equipment net gain/(loss)	(271)		(271)	(10,457)	3%		(10,457)			
<b>(5,737)</b>	<b>TOTAL GAINS AND LOSSES</b>	<b>(3,130)</b>	<b>198</b>	<b>(3,328)</b>	<b>(9,864)</b>	<b>32%</b>		<b>(9,864)</b>			
<b>31,212</b>	<b>TOTAL SURPLUS/(DEFICIT)</b>	<b>25,353</b>	<b>23,143</b>	<b>2,210</b>	<b>66,069</b>	<b>38%</b>		<b>68,717</b>	<b>2,649</b>		

Refer to Activity Statements for variances against budget.

## BALANCING THE BOOKS RESULT FOR THE MONTH ENDED 31 OCTOBER 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
<b>31,212</b>	<b>Surplus/(Deficit)</b>	<b>25,353</b>	<b>23,143</b>	<b>2,210</b>	<b>66,069</b>	<b>38%</b>	<b>68,717</b>	<b>2,648</b>
	<b>Remove capital revenue</b>							
(19,483)	Vested assets	(10,118)	(10,829)	710	(32,479)	31%	(32,479)	
(6,078)	Part of Development and Financial contributions	(8,957)	(4,877)	(4,080)	(14,627)	61%	(14,627)	
(6,294)	Capital Subsidy (excluding subsidy on transport renewals)	(8,904)	(9,008)	104	(37,736)	24%	(40,917)	(3,181)
(6,938)	Other Capital Contributions	(3,163)	(3,559)	396	(12,496)	25%	(12,888)	(392)
(295)	Other items not considered everyday operating revenue	(681)	(681)		(4,217)	16%	(4,217)	
	<b>Remove (gains)/losses</b>							
5,737	All Gains/(Losses)	3,130	(198)	3,328	9,864	32%	9,864	
	<b>Remove other expenses</b>							
35	Other items not considered everyday operating expenses	79	85	(6)	21,189	0%	21,189	
<b>(2,106)</b>	<b>EVERYDAY SURPLUS/(DEFICIT)</b>	<b>(3,262)</b>	<b>(5,923)</b>	<b>2,661</b>	<b>(4,433)</b>	<b>74%</b>	<b>(5,358)</b>	<b>(925)</b>

## LOCAL GOVERNMENT BALANCING THE BOOKS MEASURE FOR THE MONTH ENDED 31 OCTOBER 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
<b>31,212</b>	<b>Surplus/(deficit)</b>	<b>25,353</b>	<b>23,143</b>	<b>2,210</b>	<b>66,069</b>	<b>38%</b>	<b>68,717</b>	<b>2,648</b>
	<b>Adjustments for the Local Government Regulations measure</b>							
	Gains excluding gains on investment properties		(198)	198	(593)	0%	(593)	
3,504	Net (Gain)/Loss on derivative financial instruments	2,858		2,858	0			
(8,975)	Development and Financial contributions	(11,583)	(7,503)	(4,080)	(22,504)	51%	(22,504)	
(19,483)	Vested assets	(10,118)	(10,829)	710	(32,479)	31%	(32,479)	
<b>(24,954)</b>	<b>Total adjustments</b>	<b>(18,842)</b>	<b>(18,529)</b>	<b>(313)</b>	<b>(55,576)</b>		<b>(55,576)</b>	
<b>6,257</b>	<b>LG Regulations balancing the books surplus/(deficit)</b>	<b>6,511</b>	<b>4,614</b>	<b>1,896</b>	<b>10,493</b>	<b>62%</b>	<b>13,141</b>	<b>2,648</b>

## Attachment 2

## COUNCIL

## FOR THE MONTH ENDED 31 OCTOBER 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
<b>Everyday Revenue</b>								
58,145	Rates**	59,668	59,683	(15)	200,066	30%	200,066	
14,683	Fees & Charges	14,902	11,309	3,593	32,260	46%	32,260	
3,417	Subsidies & Grants	3,575	2,443	1,133	7,227	49%	7,227	
621	Interest Revenue	433	423	11	1,250	35%	1,250	
3,107	Other Revenue	2,669	2,807	(138)	10,298	26%	10,298	
<b>79,973</b>	<b>Total Everyday Revenue</b>	<b>81,248</b>	<b>76,665</b>	<b>4,583</b>	<b>251,101</b>	<b>32%</b>	<b>251,101</b>	
<b>Everyday Expenditure</b>								
28,131	Personnel Costs	28,825	27,900	(925)	83,802	34%	83,802	
16,226	Operating & Maintenance Costs	20,789	17,415	(3,374)	52,927	39%	52,928	
3,212	Professional Costs	4,265	3,336	(930)	13,820	31%	14,745	(925)
7,679	Administration Expenses	4,969	5,670	701	36,367	14%	36,367	
3,663	Property Costs	3,363	3,320	(43)	10,017	34%	10,017	
6,377	Finance Costs**	4,513	4,999	486	17,124	26%	17,124	
23,105	Depreciation & Amortisation Expense**	22,676	24,915	2,239	74,727	30%	74,727	
5,737	Gains & Losses	3,130	(198)	(3,328)	9,864	32%	9,864	
<b>94,130</b>	<b>Total Everyday Expenditure</b>	<b>92,530</b>	<b>87,357</b>	<b>(5,173)</b>	<b>298,649</b>	<b>31%</b>	<b>299,574</b>	<b>(925)</b>
<b>(14,157)</b>	<b>Everyday Surplus/(Deficit)*</b>	<b>(11,282)</b>	<b>(10,692)</b>	<b>(590)</b>	<b>(47,548)</b>	<b>24%</b>	<b>(48,473)</b>	<b>(925)</b>
<b>Capital Revenue</b>								
8,975	Development Contributions**	11,583	7,503	4,080	22,504	51%	22,504	
16,910	Capital Revenue	14,934	15,504	(570)	58,634	25%	62,207	3,573
19,483	Vested Assets**	10,118	10,829	(710)	32,479	31%	32,479	
<b>45,368</b>	<b>Total Capital Revenue</b>	<b>36,635</b>	<b>33,836</b>	<b>2,799</b>	<b>113,617</b>	<b>32%</b>	<b>117,190</b>	<b>3,573</b>
<b>31,212</b>	<b>Operating Surplus/(Deficit)</b>	<b>25,353</b>	<b>23,143</b>	<b>2,210</b>	<b>66,069</b>	<b>38%</b>	<b>68,717</b>	<b>2,649</b>

**Material variances as explained below:**

**Finance Costs\*\*:** \$486k favourable.

Overall finance cost (interest expense) for Council is favourable. This is due to the debt being lower than budget.

**Depreciation & Amortisation Expense\*\*:** \$2,239k favourable.

The favourable result relates to capital projects still to be fully capitalised.

**Development Contributions\*\*:** \$4,080k favourable.

Large developments do not pay required DC's in a smooth, linear fashion, but in large amounts when development milestones are met. This is why the quantum of DC's will vary significantly quarter by quarter. During the first quarter of the year two retirement home developments and a large residential subdivision paid significant DC's.

**Vested Assets\*\*:** (\$710k) unfavourable.

Fewer vested assets have been received than budgeted.



## FOR THE MONTH ENDED 31 OCTOBER 2020

		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
<b>Everyday Revenue</b>								
874	Rates**	897	898	(1)	3,021	30%	3,021	
13	Fees & Charges	5		5	2	220%	2	
	Subsidies & Grants							
	Interest Revenue							
5	Other Revenue							
<b>893</b>	<b>Total Everyday Revenue</b>	<b>901</b>	<b>898</b>	<b>3</b>	<b>3,023</b>	<b>30%</b>	<b>3,023</b>	
<b>Everyday Expenditure</b>								
147	Personnel Costs	156	233	76	696	22%	696	
20	Operating & Maintenance Costs	4	14	9	41	11%	41	
186	Professional Costs	146	140	(6)	402	36%	402	
523	Administration Expenses	547	565	18	1,693	32%	1,693	
	Property Costs							
	Finance Costs**							
	Depreciation & Amortisation Expense**							
	Gains & Losses							
<b>876</b>	<b>Total Everyday Expenditure</b>	<b>853</b>	<b>951</b>	<b>97</b>	<b>2,832</b>	<b>30%</b>	<b>2,832</b>	
<b>17</b>	<b>Everyday Surplus/(Deficit)*</b>	<b>48</b>	<b>(53)</b>	<b>101</b>	<b>191</b>	<b>25%</b>	<b>191</b>	
<b>Capital Revenue</b>								
	Capital Revenue							
	<b>Total Capital Revenue</b>							
<b>17</b>	<b>Operating Surplus/(Deficit)</b>	<b>48</b>	<b>(53)</b>	<b>101</b>	<b>191</b>	<b>25%</b>	<b>191</b>	

\* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

\*\* Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution and Vested Assets variances are explained in the Council activity statements

## Material variances as explained below:

No material variances have been identified.

## Attachment 2

## VENUES, TOURISM AND MAJOR EVENTS

Claudelands | FMG Stadium Waikato | Seddon Park | i-SITE | Tourism and Events Funding

## FOR THE MONTH ENDED 31 OCTOBER 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
<b>Everyday Revenue</b>								
4,541	Rates**	4,663	4,662	1	15,664	30%	15,664	
2,736	Fees & Charges	1,268	978	290	2,803	45%	2,803	
4	Subsidies & Grants							
61	Interest Revenue	42	32	10	79	53%	79	
271	Other Revenue	245	216	29	742	33%	742	
7,613	<b>Total Everyday Revenue</b>	6,219	5,888	330	19,288	32%	19,288	
<b>Everyday Expenditure</b>								
2,105	Personnel Costs	1,881	1,911	30	5,731	33%	5,731	
1,822	Operating & Maintenance Costs	1,322	1,023	(299)	3,067	43%	3,067	
20	Professional Costs	33	99	66	296	11%	296	
904	Administration Expenses	499	745	246	1,793	28%	1,793	
375	Property Costs	368	304	(65)	886	42%	886	
618	Finance Costs**	433	516	83	1,477	29%	1,477	
1,813	Depreciation & Amortisation Expense**	1,645	1,828	183	5,480	30%	5,480	
	Gains & Losses							
7,657	<b>Total Everyday Expenditure</b>	6,182	6,425	243	18,729	33%	18,729	
(44)	<b>Everyday Surplus/(Deficit)*</b>	36	(537)	573	560	6%	560	
<b>Capital Revenue</b>								
	Capital Revenue		100	(100)	200	0%	200	
	<b>Total Capital Revenue</b>		100	(100)	200	0%	200	
(44)	<b>Operating Surplus/(Deficit)</b>	36	(437)	473	760	5%	760	

\* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

\*\* Rates Revenue, Finance Costs, Depreciation &amp; Amortisation Expenses, Development Contribution and Vested Assets variances are explained in the Council activity statements

## Material variances as explained below:

## Fees &amp; Charges: \$290k favourable.

A favourable variance due to a conservative budget as a result of the COVID-19 environment. Event activity remains better than expected for the period.

## Operating &amp; Maintenance Costs: (\$299k) unfavourable.

An unfavourable variance due to an increase in cost of sales. The cost of sales increase is relative to the additional revenue gained by better than expected event activity. An increase in maintenance costs will continue to be challenged.

## Administration Expenses: \$246k favourable.

A favourable variance due to the timing of event sponsorship funding being released. A fund has been allocated by resolution with a small surplus to remain at year end.

**VISITOR ATTRACTIONS**  
Hamilton Gardens | Waikato Museum | Hamilton Zoo  
**FOR THE MONTH ENDED 31 OCTOBER 2020**

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
<b>Everyday Revenue</b>								
4,593	Rates**	4,726	4,709	17	15,787	30%	15,787	
890	Fees & Charges	1,189	602	587	1,563	76%	1,563	
22	Subsidies & Grants	28	28	(1)	85	33%	85	
6	Interest Revenue	4	4	(1)	12	32%	12	
59	Other Revenue	28	29	(1)	87	32%	87	
<b>5,569</b>	<b>Total Everyday Revenue</b>	<b>5,974</b>	<b>5,372</b>	<b>602</b>	<b>17,534</b>	<b>34%</b>	<b>17,534</b>	
<b>Everyday Expenditure</b>								
2,776	Personnel Costs	2,847	2,806	(41)	8,407	34%	8,407	
832	Operating & Maintenance Costs	934	831	(103)	3,068	30%	3,068	
93	Professional Costs	128	57	(71)	231	56%	231	
193	Administration Expenses	140	188	48	565	25%	565	
168	Property Costs	167	155	(12)	471	36%	471	
56	Finance Costs**	39	44	5	133	29%	133	
671	Depreciation & Amortisation Expense**	736	733	(3)	2,199	33%	2,199	
8	Gains & Losses	1		(1)				
<b>4,797</b>	<b>Total Everyday Expenditure</b>	<b>4,994</b>	<b>4,815</b>	<b>(178)</b>	<b>15,073</b>	<b>33%</b>	<b>15,073</b>	
<b>773</b>	<b>Everyday Surplus/(Deficit)*</b>	<b>980</b>	<b>557</b>	<b>423</b>	<b>2,461</b>	<b>40%</b>	<b>2,461</b>	
<b>Capital Revenue</b>								
	Capital Revenue				1,000		1,120	120
	<b>Total Capital Revenue</b>				<b>1,000</b>	<b>0%</b>	<b>1,120</b>	<b>120</b>
<b>773</b>	<b>Operating Surplus/(Deficit)</b>	<b>980</b>	<b>557</b>	<b>423</b>	<b>3,461</b>	<b>28%</b>	<b>3,581</b>	<b>120</b>

\* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

\*\* Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution and Vested Assets variances are explained in the Council activity statements

**Material variances as explained below:**

**Fees & Charges: \$587k favourable.**

One of the assumptions included in the 2020/21 budget was that Council facilities would remain at Covid level 2 until December 2020. Revenue budgets were reduced accordingly. An earlier than expected exit from level 2 to level 1 has resulted in Visitor Attractions revenue tracking well in advance of budget.

**Operating & Maintenance Costs: (\$103k) unfavourable.**

The unfavourable variance includes shop stock purchases at Hamilton Gardens that will be recovered from shop sale proceeds over the coming months.

**The comments below explain the material variance between annual approved budget and annual forecast.**

**Capital Revenue - \$120k favourable**

2020/21 Deferrals have resulted in a revised forecast. Refer to Capital Monitoring Report.

## Attachment 2

## ARTS AND COMMUNITY

Libraries | Community Development | Arts Promotion | Theatres

## FOR THE MONTH ENDED 31 OCTOBER 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
<b>Everyday Revenue</b>								
5,045	Rates**	5,176	5,153	23	17,424	30%	17,424	
92	Fees & Charges	159	167	(8)	501	32%	501	
	Subsidies & Grants				2	14%	2	
	Interest Revenue		22	(22)	66	0%	66	
	Other Revenue							
5,137	<b>Total Everyday Revenue</b>	5,336	5,342	(7)	17,992	30%	17,992	
<b>Everyday Expenditure</b>								
1,918	Personnel Costs	2,066	1,950	(116)	5,828	35%	5,828	
290	Operating & Maintenance Costs	254	314	60	1,041	24%	1,041	
120	Professional Costs	26	21	(5)	191	14%	191	
1,254	Administration Expenses	1,233	1,318	85	23,932	5%	23,932	
110	Property Costs	87	96	9	279	31%	279	
1	Finance Costs**	1	1		3	29%	3	
985	Depreciation & Amortisation Expense**	892	969	77	2,906	31%	2,906	
3	Gains & Losses	37		(37)				
4,682	<b>Total Everyday Expenditure</b>	4,595	4,669	73	34,180	13%	34,180	
455	<b>Everyday Surplus/(Deficit)*</b>	740	674	67	(16,188)	(5%)	(16,188)	
455	<b>Operating Surplus/(Deficit)</b>	740	674	67	(16,188)	(5%)	(16,188)	

\* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

\*\* Rates Revenue, Finance Costs, Depreciation &amp; Amortisation Expenses, Development Contribution and Vested Assets variances are explained in the Council activity statements

**Material variances as explained below:****Personnel Costs: (\$116k) unfavourable.**

This variance includes a \$58k unfavourable leave balance that will reduce as leave is taken.

## Attachment 2

## PARKS AND RECREATION

Community Parks | Natural Areas | Streetscapes | Sports Parks | Playgrounds | Cemeteries and Crematorium | Pools | Indoor Recreation

## FOR THE MONTH ENDED 31 OCTOBER 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
<b>Everyday Revenue</b>								
8,537	Rates**	8,678	8,714	(37)	29,325	30%	29,325	
2,391	Fees & Charges	3,205	1,849	1,356	6,297	51%	6,297	
	Subsidies & Grants	6	2		7	81%	7	
71	Interest Revenue	49	47	2	142	35%	142	
73	Other Revenue	55	25	30	76	73%	76	
<b>11,072</b>	<b>Total Everyday Revenue</b>	<b>11,992</b>	<b>10,638</b>	<b>1,355</b>	<b>35,848</b>	<b>33%</b>	<b>35,848</b>	
<b>Everyday Expenditure</b>								
3,976	Personnel Costs	4,458	3,991	(467)	12,257	36%	12,257	
2,318	Operating & Maintenance Costs	3,695	2,542	(1,154)	7,579	49%	7,579	
334	Professional Costs	496	233	(263)	726	68%	726	
266	Administration Expenses	239	270	32	697	34%	697	
378	Property Costs	345	362	16	1,051	33%	1,051	
727	Finance Costs**	509	579	70	1,738	29%	1,738	
1,976	Depreciation & Amortisation Expense**	2,029	1,983	(47)	5,947	34%	5,947	
8	Gains & Losses	42		(42)				
<b>9,984</b>	<b>Total Everyday Expenditure</b>	<b>11,815</b>	<b>9,960</b>	<b>(1,854)</b>	<b>29,994</b>	<b>39%</b>	<b>29,994</b>	
<b>1,088</b>	<b>Everyday Surplus/(Deficit)*</b>	<b>178</b>	<b>678</b>	<b>(500)</b>	<b>5,854</b>	<b>3%</b>	<b>5,854</b>	
<b>Capital Revenue</b>								
	Development Contributions**	520	399	122	1,196	43%	1,196	
3	Capital Revenue	3	33	(30)	100	3%	372	272
	Vested Assets**	541		541				
<b>3</b>	<b>Total Capital Revenue</b>	<b>1,065</b>	<b>432</b>	<b>632</b>	<b>1,296</b>	<b>82%</b>	<b>1,568</b>	<b>272</b>
<b>1,091</b>	<b>Operating Surplus/(Deficit)</b>	<b>1,242</b>	<b>1,110</b>	<b>133</b>	<b>7,150</b>	<b>17%</b>	<b>7,422</b>	<b>272</b>

\* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

\*\* Rates Revenue, Finance Costs, Depreciation &amp; Amortisation Expenses, Development Contribution and Vested Assets variances are explained in the Council activity statements

**Material variances as explained below:****Fees & Charges: \$1,356k favourable.**

Third party contributions from the Ministry of Business, Innovation and Employment (MBIE) to upgrade the Te Awa Cycleway.

**Personnel Costs: (\$467k) unfavourable.**

Costs associated with the Te Awa Cycleway construction that Ministry of Business, Innovation and Employment (MBIE) funded.

**Operating & Maintenance Costs: (\$1,154k) unfavourable.**

Parks maintenance is \$800k unfavourable against budget and includes \$600k Te Awa Cycleway works that are funded by MBIE. Streetscape and Sports Park maintenance also exceed budget by \$200k but are expected to meet year end budget. Aquatics maintenance is \$350k ahead of target and includes \$125k costs to remedy plant defects, part of which will be recovered from Council's insurer. Other maintenance budgets also exceed by \$175k but are also expected to meet target.

**Professional Costs: (\$263k) unfavourable.**

Expenditure tracks \$163k unfavourable and includes costs associated with the Te Awa Cycleway works that are funded by MBIE. Expenditure at Waterworld tracks \$100k ahead of target and includes costs to remedy plant defects. Part of this cost will be recovered from Council's insurer.

**The comments below explain the material variance between annual approved budget and annual forecast.****Capital Revenue: \$272k favourable**

2020/21 Deferrals have resulted in a revised forecast. Refer to Capital Monitoring Report.

## Attachment 2

## SAFETY

Animal Education and Control | Environmental Health | Alcohol Licensing | Public Safety | Civil Defence

## FOR THE MONTH ENDED 31 AUGUST 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
<b>Everyday Revenue</b>								
1,171	Rates**	1,201	1,194	7	4,047	30%	4,047	
1,407	Fees & Charges	1,278	1,262	16	1,938	66%	1,938	
16	Subsidies & Grants	17	18		53	32%	53	
	Interest Revenue							
8	Other Revenue	19	10	8	31	61%	31	
<b>2,603 Total Everyday Revenue</b>		<b>2,514</b>	<b>2,483</b>	<b>30</b>	<b>6,068</b>	<b>41%</b>	<b>6,068</b>	
<b>Everyday Expenditure</b>								
1,483	Personnel Costs	1,361	1,338	(23)	4,004	34%	4,004	
333	Operating & Maintenance Costs	353	375	22	1,238	29%	1,238	
35	Professional Costs	59	54	(4)	97	61%	97	
97	Administration Expenses	54	75	21	293	18%	293	
7	Property Costs	8	7	(1)	33	25%	33	
	Finance Costs**							
21	Depreciation & Amortisation Expense**	28	23	(5)	70	40%	70	
	Gains & Losses							
<b>1,975 Total Everyday Expenditure</b>		<b>1,862</b>	<b>1,872</b>	<b>10</b>	<b>5,735</b>	<b>32%</b>	<b>5,735</b>	
<b>627 Everyday Surplus/(Deficit)*</b>		<b>652</b>	<b>611</b>	<b>40</b>	<b>333</b>	<b>196%</b>	<b>333</b>	
<b>Capital Revenue</b>								
Capital Revenue								
Total Capital Revenue								
<b>627 Operating Surplus/(Deficit)</b>		<b>652</b>	<b>611</b>	<b>40</b>	<b>333</b>	<b>196%</b>	<b>333</b>	

\* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

\*\* Rates Revenue, Finance Costs, Depreciation &amp; Amortisation Expenses, Development Contribution and Vested Assets variances are explained in the Council activity statements

## Material variances as explained below:

No material variances have been identified.

## PLANNING AND DEVELOPMENT

City Planning | Planning Guidance | Building Control

## FOR THE MONTH ENDED 31 OCTOBER 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
<b>Everyday Revenue</b>								
1,751	Rates**	1,795	1,785	10	6,010	30%	6,010	
4,203	Fees & Charges	3,793	2,677	1,116	8,474	45%	8,474	
	Subsidies & Grants	70						
23	Interest Revenue	16	10	6	30	53%	30	
5	Other Revenue							
<b>5,981</b>	<b>Total Everyday Revenue</b>	<b>5,673</b>	<b>4,472</b>	<b>1,201</b>	<b>14,513</b>	<b>39%</b>	<b>14,513</b>	
<b>Everyday Expenditure</b>								
3,017	Personnel Costs	3,145	3,426	281	10,272	31%	10,272	
82	Operating & Maintenance Costs	70	143	73	408	17%	408	
779	Professional Costs	1,275	815	(460)	2,236	57%	2,236	
369	Administration Expenses	314	395	80	1,378	23%	1,378	
9	Property Costs	13	9	(4)	64	20%	64	
232	Finance Costs**	163	185	22	555	29%	555	
	Depreciation & Amortisation Expense**	1		(1)				
	Gains & Losses							
<b>4,488</b>	<b>Total Everyday Expenditure</b>	<b>4,981</b>	<b>4,972</b>	<b>(9)</b>	<b>14,912</b>	<b>33%</b>	<b>14,912</b>	
<b>1,493</b>	<b>Everyday Surplus/(Deficit)*</b>	<b>692</b>	<b>(500)</b>	<b>1,192</b>	<b>(399)</b>	<b>(173%)</b>	<b>(399)</b>	
<b>Capital Revenue</b>								
	Capital Revenue							
	Total Capital Revenue							
<b>1,493</b>	<b>Operating Surplus/(Deficit)</b>	<b>692</b>	<b>(500)</b>	<b>1,192</b>	<b>(399)</b>	<b>(173%)</b>	<b>(399)</b>	

\* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

\*\* Rates Revenue, Finance Costs, Depreciation &amp; Amortisation Expenses, Development Contribution and Vested Assets variances are explained in the Council activity statements

**Material variances as explained below:****Fees & Charges: \$1,116k favourable.**

This is due to higher than budgeted levels of activity in the Planning Guidance and Building Control units.

Revenue from building and planning has been difficult to predict since the Covid-19 lockdown as the reality of the economic situation evolves. The budget was set to reflect the Treasury forecasted downturn. While revenue in the planning guidance area continued to increase last month, revenue in the building consenting area stabilised. It is unclear when a level of certainty and predictability will return to this market.

**Personnel Costs: \$281k favourable.**

Holding funds from City Planning restructure while these roles are repurposed to deliver the District Plan Change work. Recruitment of senior planning staff for Planning Guidance is proving challenging and the work is currently being sent out to consultants.

**Professional Costs: (\$460k) unfavourable.**

This is due to overspend in the Planning Guidance unit. This overspend is offset by an underspend in Personnel Costs and is related to the increase in workload which is evidenced by a higher than budgeted level of revenue.

## Attachment 2

## WATER SUPPLY

Water Treatment | Water Storage | Water Distribution

## FOR THE MONTH ENDED 31 OCTOBER 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
<b>Everyday Revenue</b>								
8,479	Rates**	8,697	8,704	(7)	28,695	30%	28,695	
(9)	Fees & Charges	(144)	(52)	(92)	(155)	93%	(155)	
	Subsidies & Grants	0		0				
123	Interest Revenue	109	73	36	218	50%	218	
	Other Revenue							
<b>8,593</b>	<b>Total Everyday Revenue</b>	<b>8,661</b>	<b>8,725</b>	<b>(64)</b>	<b>28,758</b>	<b>30%</b>	<b>28,758</b>	
<b>Everyday Expenditure</b>								
1,351	Personnel Costs	1,205	1,428	223	3,441	35%	3,441	
524	Operating & Maintenance Costs	529	626	97	2,686	20%	2,686	
93	Professional Costs	139	110	(29)	1,024	14%	1,024	
24	Administration Expenses	20	24	4	80	25%	80	
576	Property Costs	662	628	(34)	1,974	34%	1,974	
1,263	Finance Costs**	884	1,005	122	3,016	29%	3,016	
3,464	Depreciation & Amortisation Expense**	2,692	2,835	143	8,504	32%	8,504	
240	Gains & Losses	120		(120)				
<b>7,533</b>	<b>Total Everyday Expenditure</b>	<b>6,251</b>	<b>6,656</b>	<b>405</b>	<b>20,724</b>	<b>30%</b>	<b>20,724</b>	
<b>1,060</b>	<b>Everyday Surplus/(Deficit)*</b>	<b>2,410</b>	<b>2,068</b>	<b>342</b>	<b>8,034</b>	<b>30%</b>	<b>8,034</b>	
<b>Capital Revenue</b>								
	Development Contributions**	2,854	1,453	1,401	4,359	65%	4,359	
276	Capital Revenue	248	18	230	54	458%	54	
829	Vested Assets**	258	640	(382)	1,920	13%	1,920	
<b>1,105</b>	<b>Total Capital Revenue</b>	<b>3,360</b>	<b>2,111</b>	<b>1,248</b>	<b>6,333</b>	<b>53%</b>	<b>6,333</b>	
<b>2,165</b>	<b>Operating Surplus/(Deficit)</b>	<b>5,770</b>	<b>4,180</b>	<b>1,590</b>	<b>14,366</b>	<b>40%</b>	<b>14,366</b>	

\* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

\*\* Rates Revenue, Finance Costs, Depreciation &amp; Amortisation Expenses, Development Contribution and Vested Assets variances are explained in the Council activity statements

**Material variances as explained below:****Personnel Costs: \$223k favourable.**

The favourable variance is mainly due to short term staff vacancies.

**Gains & Losses: (\$120k) unfavourable.**

Unfavourable variance is due to the disposal of various assets.

**Capital Revenue: \$230k favourable.**

Contributions towards new water connections exceed budget due to higher than budgeted applications. This revenue will offset capital installation costs.



## Attachment 2

## WASTEWATER

Wastewater Collection | Wastewater Treatment | Wastewater Disposal  
**FOR THE MONTH ENDED 31 OCTOBER 2020**

\$000		\$000		\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
<b>Everyday Revenue</b>								
8,923	Rates**	9,138	9,174	(36)	30,639	30%	30,639	
1,449	Fees & Charges	2,179	2,087	92	5,546	39%	5,546	
	Subsidies & Grants	(0)		(0)				
138	Interest Revenue	97	90	6	271	36%	271	
	Other Revenue							
<b>10,511</b>	<b>Total Everyday Revenue</b>	<b>11,413</b>	<b>11,352</b>	<b>62</b>	<b>36,456</b>	<b>31%</b>	<b>36,456</b>	
<b>Everyday Expenditure</b>								
1,722	Personnel Costs	1,853	1,925	72	5,244	35%	5,244	
1,721	Operating & Maintenance Costs	2,452	2,271	(181)	6,093	40%	6,093	
77	Professional Costs	752	744	(8)	2,318	32%	2,318	
26	Administration Expenses	37	41	3	184	20%	184	
719	Property Costs	641	688	47	2,087	31%	2,087	
1,422	Finance Costs**	995	1,132	137	3,396	29%	3,396	
3,413	Depreciation & Amortisation Expense**	3,746	4,241	495	12,720	29%	12,720	
269	Gains & Losses	14		(14)				
<b>9,368</b>	<b>Total Everyday Expenditure</b>	<b>10,490</b>	<b>11,042</b>	<b>552</b>	<b>32,042</b>	<b>33%</b>	<b>32,042</b>	
<b>1,143</b>	<b>Everyday Surplus/(Deficit)*</b>	<b>923</b>	<b>310</b>	<b>613</b>	<b>4,414</b>	<b>21%</b>	<b>4,414</b>	
<b>Capital Revenue</b>								
(0)	Development Contributions**	4,052	2,460	1,592	7,378	55%	7,378	
440	Capital Revenue	666	18	648	54	1229%	54	
2,108	Vested Assets**	613	1,096	(482)	3,287	19%	3,287	
<b>2,548</b>	<b>Total Capital Revenue</b>	<b>5,331</b>	<b>3,574</b>	<b>1,757</b>	<b>10,719</b>	<b>50%</b>	<b>10,719</b>	
<b>3,691</b>	<b>Operating Surplus/(Deficit)</b>	<b>6,254</b>	<b>3,884</b>	<b>2,370</b>	<b>15,133</b>	<b>41%</b>	<b>15,133</b>	

\* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

\*\* Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution and Vested Assets variances are explained in the Council activity statements

#### Material variances as explained below:

##### Operating & Maintenance Costs: (\$181k) unfavourable.

The unfavourable variance is predominantly due to increased frequency of reactive wastewater main cleaning. This is required to reduce the risk of wastewater overflows to sensitive environments in response to repeated wastewater blockage events in some areas of the city.

##### Capital Revenue: \$648k favourable.

Contributions towards new wastewater connections exceed budget due to higher than budgeted applications. This revenue will offset capital installation costs.

## Attachment 2

## STORMWATER

Stormwater Network

## FOR THE MONTH ENDED 31 OCTOBER 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
<b>Everyday Revenue</b>								
1,996	Rates**	2,047	2,035	12	6,897	30%	6,897	
30	Fees & Charges	108	81	27	289	37%	289	
	Subsidies & Grants	(0)		(0)				
38	Interest Revenue	26	39	(12)	116	23%	116	
	Other Revenue							
<b>2,063</b>	<b>Total Everyday Revenue</b>	<b>2,181</b>	<b>2,155</b>	<b>26</b>	<b>7,301</b>	<b>30%</b>	<b>7,301</b>	
<b>Everyday Expenditure</b>								
744	Personnel Costs	729	805	76	2,144	34%	2,144	
43	Operating & Maintenance Costs	124	9	(115)	97	128%	97	
57	Professional Costs	49	22	(27)	458	11%	458	
14	Administration Expenses	5	14	9	45	11%	45	
72	Property Costs	57	55	(1)	374	15%	374	
389	Finance Costs**	272	309	37	928	29%	928	
3,289	Depreciation & Amortisation Expense**	3,079	3,252	172	9,752	32%	9,752	
228	Gains & Losses							
<b>4,834</b>	<b>Total Everyday Expenditure</b>	<b>4,315</b>	<b>4,465</b>	<b>150</b>	<b>13,797</b>	<b>31%</b>	<b>13,797</b>	
<b>(2,771)</b>	<b>Everyday Surplus/(Deficit)*</b>	<b>(2,134)</b>	<b>(2,310)</b>	<b>177</b>	<b>(6,496)</b>	<b>33%</b>	<b>(6,496)</b>	
<b>Capital Revenue</b>								
	Development Contributions**	1,140	951	189	2,854	40%	2,854	
118	Capital Revenue	161	35	126	104	154%	104	
3,167	Vested Assets**	3,454	1,836	1,617	5,508	63%	5,508	
<b>3,284</b>	<b>Total Capital Revenue</b>	<b>4,754</b>	<b>2,823</b>	<b>1,932</b>	<b>8,466</b>	<b>56%</b>	<b>8,466</b>	
<b>513</b>	<b>Operating Surplus/(Deficit)</b>	<b>2,620</b>	<b>512</b>	<b>2,108</b>	<b>1,970</b>	<b>133%</b>	<b>1,970</b>	

\* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

\*\* Rates Revenue, Finance Costs, Depreciation &amp; Amortisation Expenses, Development Contribution and Vested Assets variances are explained in the Council activity statements

**Material variances as explained below:****Operating & Maintenance Costs: \$115k unfavourable.**

The unfavourable variance is due to works completed for stream maintenance as part of the Project Watershed programme. The cost is fully recoverable from the Waikato Regional Council and is offset by a favourable variance in Fees & Charges.

**Capital Revenue: \$126k favourable.**

Contributions towards new stormwater connections exceed budget due to higher than budgeted applications. This revenue will offset capital installation costs.

**TRANSPORT**  
Transport Network | Transport Centre | Parking Management  
**FOR THE MONTH ENDED 31 OCTOBER 2020**

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
<b>Everyday Revenue</b>								
10,294	Rates**	10,583	10,623	(40)	35,634	30%	35,634	
1,147	Fees & Charges	1,472	1,290	182	4,016	37%	4,016	
2,953	Subsidies & Grants	3,228	2,103	1,125	6,498	50%	6,498	
160	Interest Revenue	112	104	8	312	36%	312	
1,091	Other Revenue	657	987	(329)	2,568	26%	2,568	
<b>15,645</b>	<b>Total Everyday Revenue</b>	<b>16,052</b>	<b>15,106</b>	<b>946</b>	<b>49,027</b>	<b>33%</b>	<b>49,027</b>	
<b>Everyday Expenditure</b>								
1,583	Personnel Costs	1,550	2,252	702	5,281	29%	5,281	
5,360	Operating & Maintenance Costs	6,003	4,643	(1,360)	12,910	46%	12,910	
234	Professional Costs	190	282	93	1,183	16%	1,183	
3,943	Administration Expenses	3,164	3,106	(58)	716	442%	716	
826	Property Costs	803	760	(43)	2,120	38%	2,120	
1,647	Finance Costs**	1,153	1,311	159	3,934	29%	3,934	
5,768	Depreciation & Amortisation Expense**	5,953	6,805	852	20,411	29%	20,411	
1,503	Gains & Losses			( )	10,457	0%	10,457	
<b>20,862</b>	<b>Total Everyday Expenditure</b>	<b>18,816</b>	<b>19,160</b>	<b>344</b>	<b>57,013</b>	<b>33%</b>	<b>57,013</b>	
<b>(5,217)</b>	<b>Everyday Surplus/(Deficit)*</b>	<b>(2,764)</b>	<b>(4,054)</b>	<b>1,290</b>	<b>(7,986)</b>	<b>35%</b>	<b>(7,986)</b>	
<b>Capital Revenue</b>								
( )	Development Contributions**	3,016	2,239	777	6,717	45%	6,717	
16,073	Capital Revenue	13,857	15,300	(1,443)	57,122	24%	60,303	3,181
13,380	Vested Assets**	5,252	7,256	(2,004)	21,764	24%	21,764	
<b>29,453</b>	<b>Total Capital Revenue</b>	<b>22,126</b>	<b>24,796</b>	<b>(2,670)</b>	<b>85,602</b>	<b>26%</b>	<b>88,784</b>	<b>3,181</b>
<b>24,236</b>	<b>Operating Surplus/(Deficit)</b>	<b>19,361</b>	<b>20,741</b>	<b>(1,380)</b>	<b>77,617</b>	<b>25%</b>	<b>80,798</b>	<b>3,181</b>

\* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

\*\* Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution and Vested Assets variances are explained in the Council activity statements

#### Material variances as explained below:

##### Fees & Charges: \$182k favourable.

The favourable result is due to the higher than expected offstreet parking income. Revenue from vehicle crossing inspections is favourable due to higher than expected demand.

##### Subsidies & Grants: \$1,125k favourable.

The Rotokauri Park & Ride project is managed by Council on behalf of Kiwirail with a 100% NZTA subsidy received on expenditure. This additional subsidy is unbudgeted.

##### Other Revenue: (\$329k) unfavourable.

The unfavourable variance is due to a lower than budgeted recovery of traffic infringements as a result of Covid-19. During Covid-19 a hold was put in place for issuing traffic infringements until October 2020.

##### Personnel Costs: \$702k favourable.

The favourable variance is mainly due to short term staff vacancies.

##### Operating & Maintenance Costs: (\$1,360k) unfavourable.

The Rotokauri Park and Ride project is managed by Council on behalf of Kiwirail and is an unbudgeted item as mentioned above. The unfavourable variance is also due to a previous year capital projects in Rototuna not progressing and the cost was reclassified as operational expenditure.

##### Capital Revenue: (\$1,443k) unfavourable.

Revenue from NZTA subsidies are tracking below budget due to projects progressing slower than anticipated.

#### The comments below explain the material variance between annual approved budget and annual forecast.

##### Capital Revenue - \$3,181k favourable

2020/21 Deferrals of \$2,738k have resulted in a revised forecast. Increase in capital revenue related to the Park & Ride project of \$343k.

## Attachment 2

## RUBBISH AND RECYCLING

Refuse Collection | Waste Minimisation | Landfill Site Management

## FOR THE MONTH ENDED 31 OCTOBER 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
<b>Everyday Revenue</b>								
2,084	Rates**	2,138	2,125	13	7,200	30%	7,200	
(47)	Fees & Charges	(41)	(23)	(18)	(69)	59%	(69)	
347	Subsidies & Grants	227	292	(64)	583	39%	583	
3	Interest Revenue	2	1	1	4	55%	4	
203	Other Revenue	116	148	(32)	444	26%	444	
2,590	<b>Total Everyday Revenue</b>	2,442	2,543	(101)	8,162	30%	8,162	
<b>Everyday Expenditure</b>								
373	Personnel Costs	439	484	44	1,371	32%	1,371	
1,565	Operating & Maintenance Costs	2,673	2,701	28	8,213	33%	8,213	
44	Professional Costs	149	133	(17)	293	51%	293	
6	Administration Expenses	(7)	6	13	(1,152)	1%	(1,152)	
20	Property Costs	14	17	3	57	25%	57	
31	Finance Costs**	22	24	3	339	6%	339	
192	Depreciation & Amortisation Expense**	187	188	1	564	33%	564	
	Gains & Losses							
2,230	<b>Total Everyday Expenditure</b>	3,478	3,553	75	9,686	36%	9,686	
360	<b>Everyday Surplus/(Deficit)*</b>	(1,036)	(1,010)	(26)	(1,524)	68%	(1,524)	
<b>Capital Revenue</b>								
	Capital Revenue							
	<b>Total Capital Revenue</b>							
360	<b>Operating Surplus/(Deficit)</b>	(1,036)	(1,010)	(26)	(1,524)	68%	(1,524)	

\* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

\*\* Rates Revenue, Finance Costs, Depreciation &amp; Amortisation Expenses, Development Contribution and Vested Assets variances are explained in the Council activity statements

## Material variances as explained below:

No material variances have been identified.

## Attachment 2

## OVERHEADS

CE's Office | Corporate | Strategy and Communications | Strategic Property  
FOR THE MONTH ENDED 31 OCTOBER 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
<b>Everyday Revenue</b>								
(124)	Rates**	(68)	(92)	24	(277)	25%	(277)	
381	Fees & Charges	431	390	41	1,055	41%	1,055	
75	Subsidies & Grants							
	Interest Revenue							
841	Other Revenue	803	676	126	2,029	40%	2,029	
1,172	<b>Total Everyday Revenue</b>	1,165	974	191	2,808	42%	2,808	
<b>Everyday Expenditure</b>								
6,937	Personnel Costs	7,301	6,813	(488)	20,405	36%	20,405	
1,316	Operating & Maintenance Costs	2,376	2,338	(37)	7,539	32%	7,539	
1,141	Professional Costs	822	917	95	4,865	17%	5,790	(925)
3,497	Administration Expenses	1,597	1,591	(6)	6,066	26%	6,066	
403	Property Costs	198	207	10	621	32%	621	
27	Finance Costs**	10	23	14	70	14%	70	
1,514	Depreciation & Amortisation Expense**	1,685	1,840	155	5,520	31%	5,520	
(25)	Gains & Losses	58	(198)	(256)	(593)	(10%)	(593)	
14,811	<b>Total Everyday Expenditure</b>	14,046	13,532	(514)	44,494	32%	45,419	(925)
(13,638)	<b>Everyday Surplus/(Deficit)*</b>	(12,881)	(12,558)	(322)	(41,686)	31%	(42,611)	(925)
<b>Capital Revenue</b>								
	Capital Revenue							
	<b>Total Capital Revenue</b>							
(13,638)	<b>Operating Surplus/(Deficit)</b>	(12,881)	(12,558)	(322)	(41,686)	31%	(42,611)	(925)

\* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

\*\* Rates Revenue, Finance Costs, Depreciation &amp; Amortisation Expenses, Development Contribution and Vested Assets variances are explained in the Council activity statements

**Material variances as explained below:****Other Revenue: \$126k favourable.**

Other Revenue represents Rental Revenue on the Council's Investment Property portfolio which is currently favourable to budget. The favourable variance is due to the budget being adjusted to reflect uncertainty as a result of Covid-19.

**Personnel Costs: (\$488k) unfavourable.**

Personnel costs are unfavourable due to expenditure on externally contracted staff to cover vacancies and deliver organisation wide projects.

**The comments below explain the material variance between annual approved budget and annual forecast.****Professional Costs: (\$925k) unfavourable.**

On 27 August 2020 Council was served with Judicial Review proceedings in respect of its Development Contributions regime. The applicants include a range of Hamilton's largest developers.

Elected members were briefed on the proceedings in a closed meeting on 21 September 2020. In summary, the proceedings are comprised of 19 separate claims that can be largely grouped into claims relating to; the DC model, aspects of the policy that are considered unlawful, specific remission/reconsideration decisions, charging for canopies, cost allocations and capitalisation of non-infrastructure assets.

Staff have engaged the necessary legal and expert consultant support required to respond to the proceedings appropriately. HCCs evidence in defence of the proceedings is due to be filed on 27 November 2020. Further information on the status of the proceedings will be provided to elected members at this point.

## Attachment 2

## GENERAL

## FOR THE MONTH ENDED 31 OCTOBER 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
<b>Everyday Revenue</b>								
(19)	Rates**							
	Fees & Charges							
	Subsidies & Grants							
	Interest Revenue	(24)		(24)				
551	Other Revenue	746	716	31	4,321	17%	4,321	
532	<b>Total Everyday Revenue</b>	<b>723</b>	<b>716</b>	<b>7</b>	<b>4,321</b>	<b>17%</b>	<b>4,321</b>	
<b>Everyday Expenditure</b>								
	Personnel Costs		(335)	(335)	(1,000)	0%	(1,000)	
	Operating & Maintenance Costs		(351)	(351)	(1,052)	0%	(1,052)	
	Professional Costs		(167)	(167)	(500)	0%	(500)	
	Administration Expenses		(67)	(67)	(200)	0%	(200)	
	Property Costs							
(36)	Finance Costs**	33	(133)	(166)	1,535	2%	1,535	
	Depreciation & Amortisation Expense**		218	218	654	0%	654	
3,504	Gains & Losses	2,858		(2,858)				
3,468	<b>Total Everyday Expenditure</b>	<b>2,891</b>	<b>(834)</b>	<b>(3,725)</b>	<b>(563)</b>	<b>(513%)</b>	<b>(563)</b>	
(2,936)	<b>Everyday Surplus/(Deficit)*</b>	<b>(2,168)</b>	<b>1,549</b>	<b>(3,718)</b>	<b>4,884</b>	<b>(44%)</b>	<b>4,884</b>	
<b>Capital Revenue</b>								
8,975	Development Contributions**							
	Capital Revenue							
	Vested Assets**							
8,975	<b>Total Capital Revenue</b>							
6,039	<b>Operating Surplus/(Deficit)</b>	<b>(2,168)</b>	<b>1,549</b>	<b>(3,718)</b>	<b>4,884</b>	<b>(44%)</b>	<b>4,884</b>	

\* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

\*\* Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution and Vested Assets variances are explained in the Council activity statements

**Material variances as explained below:**

Gains & Losses: (\$2,858k) unfavourable.

Movement in market interest rates have resulted in a loss in the fair value of interest rate swaps.

**Note: negative budgets**

The negative budgets are due to CEO savings target which is set to the whole organisation. It nets out across the Council.

## TREASURY REPORT

### Year to date 31 October 2020

Attachment 3

### Investment and Cash Position

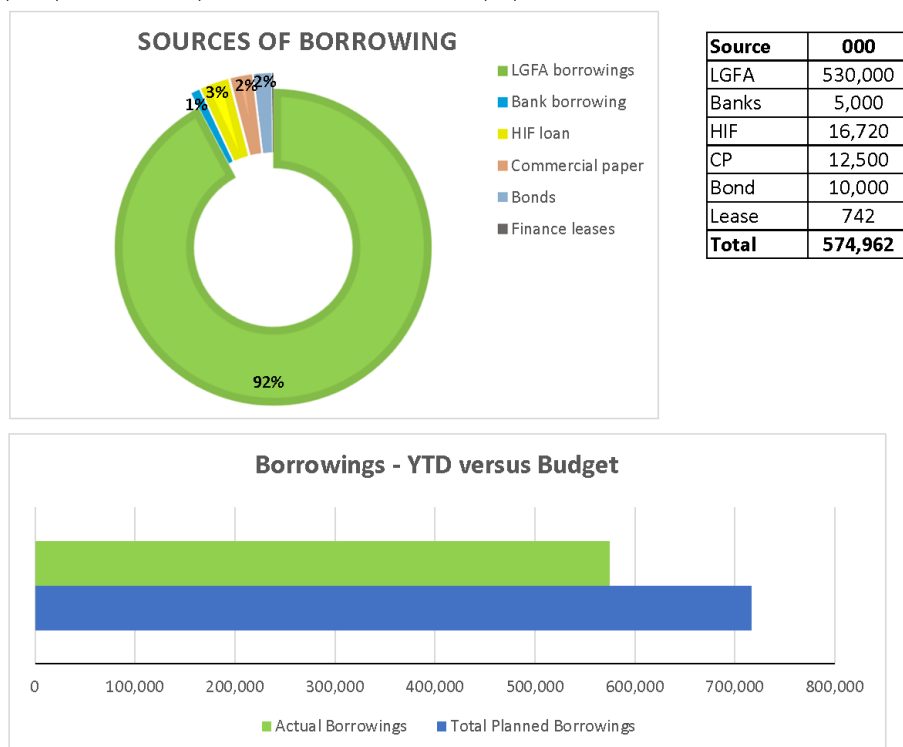
Treasury cash investments consist of:

Cash Investments	Actual \$000 Oct-20	Budget \$000 Jun-21	Variance \$000 Fav/ (Unfav)
Cash on call	48,795	not apportioned	not apportioned
Term deposit	85,000	not apportioned	not apportioned
Closing bank balances	(538)	not apportioned	not apportioned
LGFA borrower notes	8,930	not apportioned	not apportioned
<b>Total cash investments</b>	<b>142,187</b>	<b>86,144</b>	<b>56,043</b>

The Council's investments are managed on a regular basis, with sufficient minimum immediate cash reserves maintained. To best manage funding gaps, Council's financial investment maturities are matched with Council's forecast cash flow requirements.

### Borrowing Position

Council borrowings is the external portion of debt held with the Local Government Funding Agency (LGFA), banks, Ministry of Business, Innovation and Employment and finance lease liabilities.



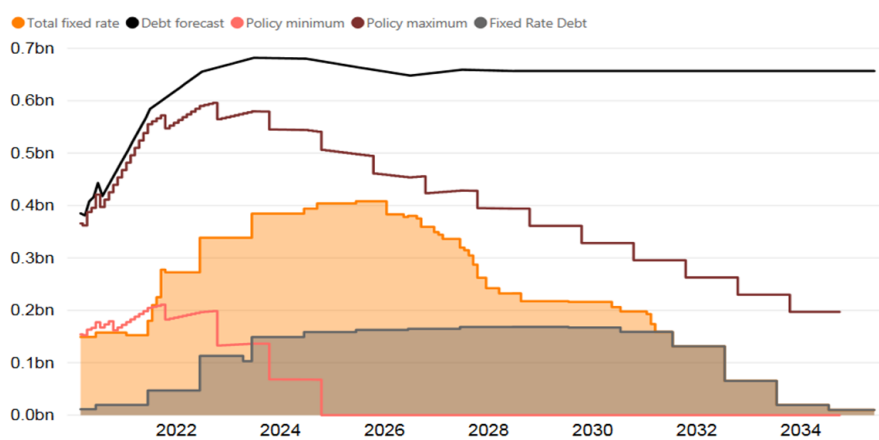
Borrowing debt has increased. In September 2020 two new HIF drawdowns, totalling \$8.6M, increased total HIF borrowings to \$16.7M. We also increased our LGFA borrowings by \$50M to prefund loan repayments due in May 2021. These amounts were placed on term deposit with maturity dates set a few days prior to the May 2021 debt maturities.

As indicated in the Source of Borrowing graph, the LGFA remains our most favoured and low cost source of funding.

### Interest Rates

The Council ensures interest rate risk management to reduce uncertainty relating to interest rate fluctuations through fixing/ hedging of interest costs. The exposure to interest rate risk is managed and mitigated through the risk control limits as set out in the Investment and Liability Management Policy.

#### Interest rate risk timeline



Our fixed rate debt is compared to the fixed rate policy over 15 years. This includes HIF as it is fixed at 0%. Our fixed debt is currently 36%.



# Council Report

Item 9

**Committee:** Finance Committee

**Date:** 02 December 2020

**Author:** Candice Swanepoel

**Authoriser:** David Bryant

**Position:** Business Performance Accountant

**Position:** General Manager Corporate

**Report Name:** Financial Strategy Monitoring Report

<b>Report Status</b>	Open
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## Purpose - Take

1. To inform the Finance Committee of the status of the 2018-28 10-Year Plan Financial Strategy as at 31 October 2020.

## Staff Recommendation - *Tuutohu-aa-kaimahi* (Recommendation to the Council)

2. That the Finance Committee receives the report.
3. That the Finance Committee recommends that the Council:
  - a) approves the capital movement as identified in paragraph 15 of the 2 December 2020 Capital Portfolio Monitoring Report;
  - b) approves the significant forecast adjustments as set out in paragraphs 17 to 23 of the staff report; and
  - c) approves the revised Financial Strategy position for Debt to Revenue, Net Debt and Balancing the Books as set out in paragraphs 24 to 28 of the staff report.

## Executive Summary

4. This report is to be read in conjunction with the:
  - 31 October 2020 (2 December 2020 meeting) Annual Monitoring Report; and
  - 31 October 2020 (2 December 2020 meeting) Capital Portfolio Monitoring Report.
5. This report provides a forecast update of the key 10-Year Plan Financial Strategy metrics.
6. One key goal of the 10-Year Plan Financial Strategy is to maintain or better the balancing the books result, so the need to borrow to fund everyday expenses is eliminated.
7. Not borrowing to fund everyday expenses maintains Council's borrowing capacity to fund investment in community and infrastructure initiatives.
8. If there are negative variances from either the operating and/or capital budgets, Council may need to consider increasing revenue and/or reducing expenditure in other budgets.
9. Staff consider the matters in this report have low significance and that the recommendations comply with the Council's legal requirements.

## Background - *Kooreo whaimaarama*

### Financial Strategy

10. The Financial Strategy (pages 67-71, 2018-28 10-Year Plan) is designed to:
  - a) fund everyday expenses from everyday revenues;
  - b) maintain service levels and assets;
  - c) create surpluses to repay debt;
  - d) support investment in community, infrastructure and growth initiatives; and
  - e) fund investments from debt.
11. The key outcomes are:
  - a) balancing the books after four years (2023/24). This was updated in the 2020/21 Annual Plan;
  - b) maintaining a Debt to Revenue Ratio of less than 230%; and
  - c) setting rates increases for existing ratepayers at 9.7% (2018/19) and 3.8% per annum thereafter for existing ratepayers.
12. The approved 10-Year Plan budgeted Financial Strategy provided for \$3M unused debt capacity for the first three years. Changes to the actual and forecast operating and capital budgets affects this capacity. If there are negative variances from either the operating and/or capital budgets the Council will need to consider increasing revenue and/or reducing expenditure in other budgets.
13. Forecasting changes made since the adoption of the 10-Year Plan show an improvement in the Financial Strategy measures.

### Significant Forecasting assumptions

14. Any changes in significant forecasting assumptions (pages 72-81, 2018-28 10-Year Plan) will result in changes to the Financial Strategy outcomes.
15. The following forecasting assumptions directly impact the Financial Strategy; an adverse change would have a material impact:
  - a) **Growth:** Revenue budgets for rates, development contributions, building and resource consents are linked to growth assumptions based on the National Institute of Demographic and Economic Analysis (NIDEA) Low projections;
  - b) **Interest on borrowing;** and
  - c) **Inflation:** was forecast by Business and Economic Research Ltd (BERL) under contract to SOLGM, with a modification for the Waikato. Waikato is experiencing higher inflation on capital projects than is being experienced across the rest of New Zealand.
16. These assumptions will be considered and if necessary adjusted in each Annual Plan.

### Financial Strategy Significant Forecast Adjustments

17. This report forecasts the debt to revenue measure and balancing the books measure compared with the 10-Year Plan budget.
18. The forecast takes account of changes:
  - a) to capital budgets approved by the Capital Investment Board, under delegation;
  - b) to operating expenditure approved by staff under delegation;
  - c) by Council decision; and
  - d) recommendations by other Council Committees to the Council, that are not yet approved.

19. All significant changes made since the 10-Year Plan and up to the last Finance Committee Meeting on 6 October 2020 are listed in **Attachment 1**.

### Significant forecasting adjustments

20. Significant forecasting adjustments since the 6 October 2020 Council meeting are outlined below.

#### Capital adjustment

21. Numbers in brackets represent an adverse outcome.

Capital revenue, capital savings, re-phasing, and delay deferrals from 2020/21 to future years as detailed in the 2 December 2020 Capital Portfolio Monitoring Report, paragraph 15.

Financial Strategy Impact										
\$(000)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Balancing the Books	-	-	1,043	(14)	49	52	53	56	58	61
Net Debt	-	-	22,194	(300)	1,049	1,101	1,154	1,209	1,268	1,329

#### Annual Monitoring Report forecast adjustment

22. The 2 December 2020 Annual Monitoring Report includes actuals for 2020/21. These changes have been made within the activity statements.

Financial Strategy Impact										
\$(000)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Balancing the Books	-	-	(1,014)	(50)	(52)	(55)	(56)	(59)	(62)	(65)
Net Debt	-	-	(1,014)	(1,064)	(1,116)	(1,171)	(1,228)	(1,287)	(1,349)	(1,414)

#### Municipal Endowment Fund and Domain Endowment Fund

23. A recommendation was made at the Council meeting on 26 November 2020 to include the Municipal Endowment Fund of \$29M and Domain Endowment Fund of \$8.1M in the calculation of net debt.

Financial Strategy Impact										
\$(000)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Balancing the Books	-	-	(1,834)	(1,924)	(2,019)	(2,118)	(2,173)	(2,278)	(2,388)	(2,503)
Net Debt	-	-	(39,013)	(40,937)	(42,956)	(45,074)	(47,248)	(49,526)	(51,914)	(54,417)

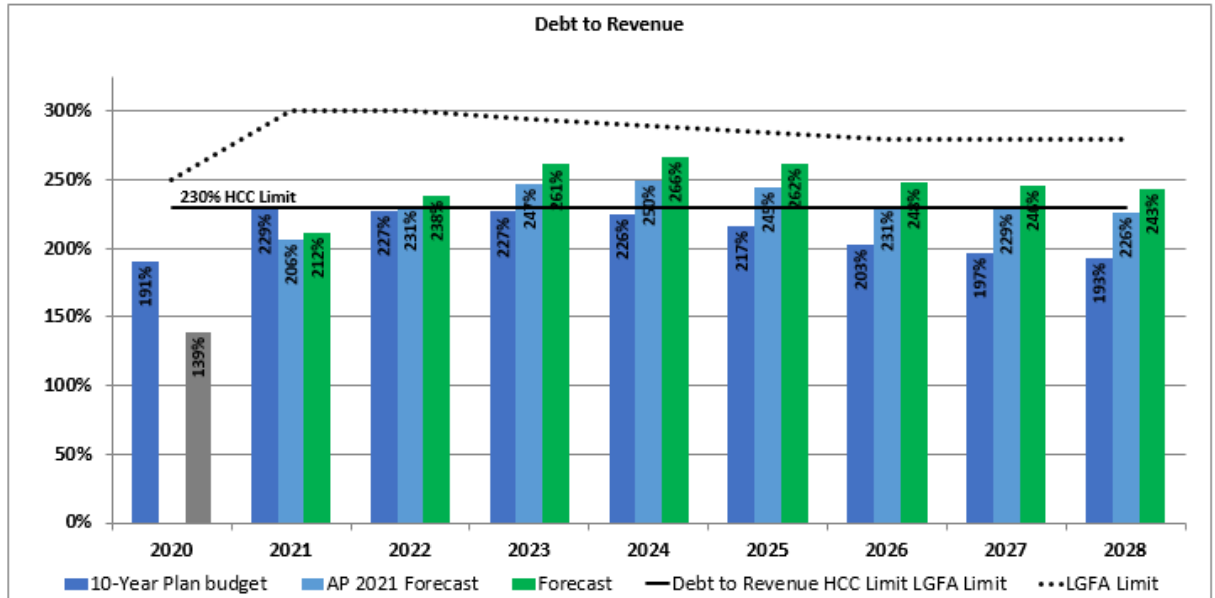
### Financial Strategy Graphs

24. The following graphs show the 10-Year Plan budgets (in blue) and the total of all Council approved changes listed in **Attachment 1** as well as the significant forecast adjustments as set out in paragraph 17 above (in green).

25. Forecast changes include matters contained in this agenda and subject to decision by the Finance Committee or Council.

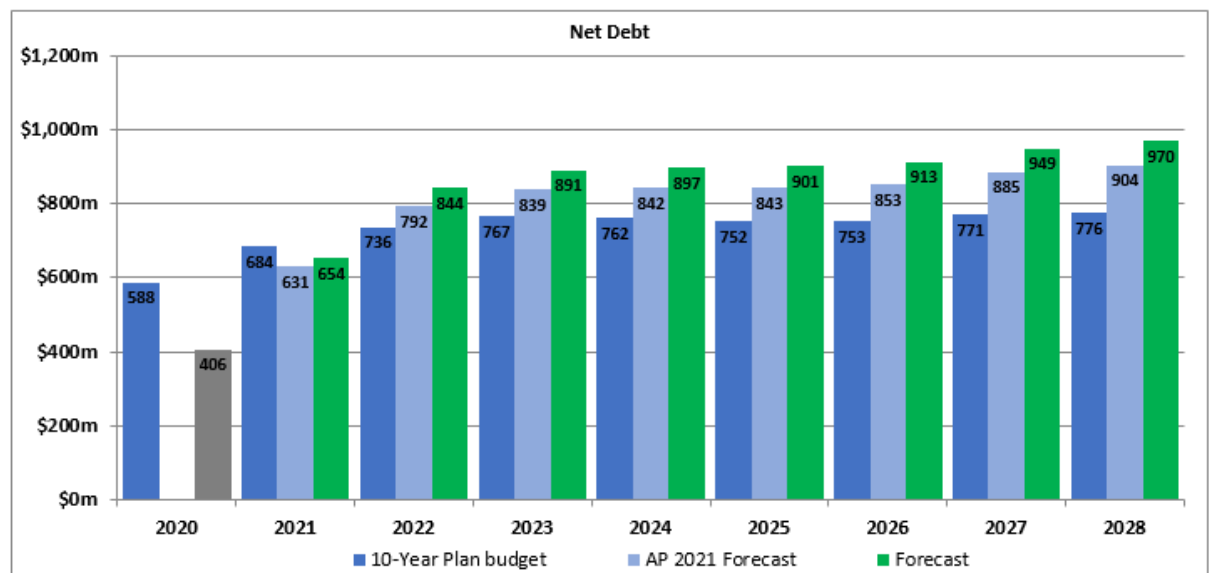
### Debt to Revenue

26. The Debt to Revenue graph includes all adjustments identified in this report and shows that the forecast debt to revenue of 212% is favourable against the 10-Year Plan budget of 229%.



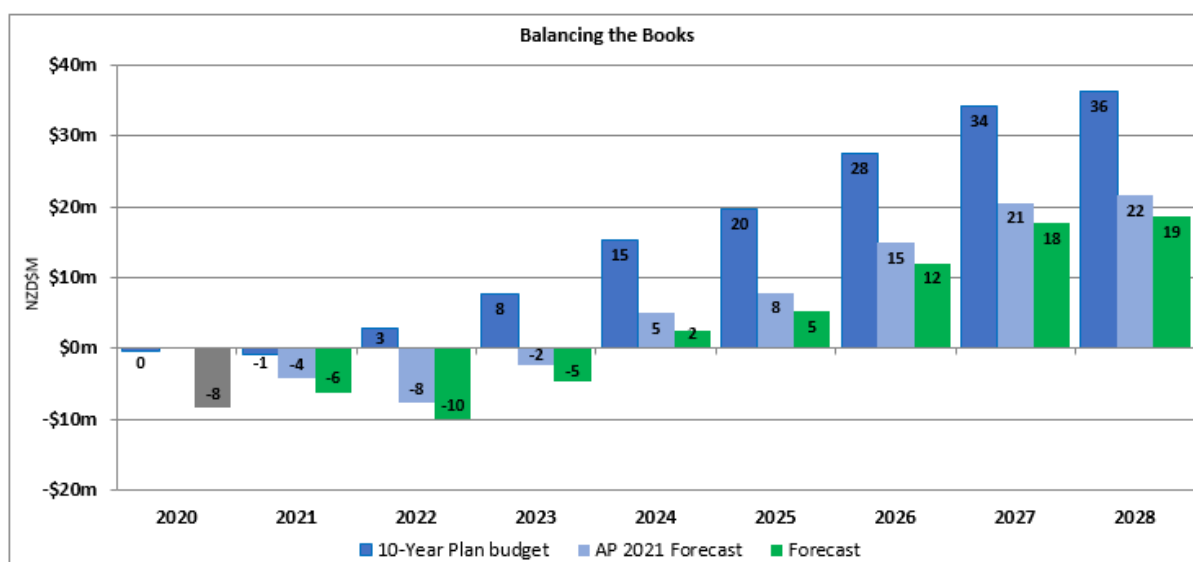
### Net Debt

27. The Net Debt graph shows a decrease in net debt against the 10-Year Plan. Net debt for 2020/21 is forecast at \$654M.



### Balancing the Books

28. The 2020/21 forecast balancing the books result is unfavourable at (\$6M). Forecast shows to balance the books in 2023/24.



## Risks to the Financial Strategy

29. The debt to revenue margin on debt capacity in two years' time (2022/23) has lost the resilience built up before the national lockdown period. It should be considered in the context of the extent of change that has occurred already since the plan was adopted, the impact on expected revenue and the amount of spending budgeted to occur before the end of 2022/23.

## Recent Council Decisions

30. The 24 September 2020 Council meeting approved the Ruakura Inland Port Development Crown Funding package. As part of the decisions in relation to this item Council approved the reallocation and advancing of \$3m of funding from the Mangaonua Stream Erosion Control Work (Stage 1) across all years of the 2018-28 Long Term Plan and 2020/21 Annual Plan, to a new project commencing in the current 2020/21 financial year. The new project to receive the \$3m funding is the Business Case and Specimen Design work for the Ruakura Eastern Transport Corridor and the associated master planning for Ruakura North. This reallocation of funding is enabled because the Mangaonua Stream Erosion Control Work (Stage 1) will receive \$3m of Shovel Ready grant funding from Crown Infrastructure Partners.

## Emerging Issues

31. The Annual and Capital Portfolio Monitoring Report lists emerging issues that could impact the capital portfolio and consequently debt and the balancing the books result across the remainder of the 10-Year Plan.
32. There are no new emerging issues additional to and not included in the above reports.

## Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

33. Staff confirm that the staff recommendations in this report comply with the Council's legal and policy requirements.

## Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

34. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 well-beings').

- 35. The subject matter of this report has been evaluated in terms of the 4 well-beings during the process of developing this report.
- 36. The recommendations set out in this report are consistent with that purpose.
- 37. This report addresses matter of financial sustainability. No other considerations have been identified relevant to the matters in this report.

**Risks - *Tuuraru***

- 38. This report is based on decisions that have been made in the context of assumptions that may change.

**Significance & Engagement Policy - *Kaupapa here whakahira/anganui***

**Significance**

- 39. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the matter(s) in this report has/have a low level of significance.

**Engagement**

- 40. Given the low level of significance determined, the engagement level is low. No engagement is required.

**Attachments - *Ngaa taapirihanga***

Attachment 1 - Register of Significant Forecast Changes October 2020 .

## Register of Significant Forecast Changes

The follow significant forecasting changes have previously been approved.

\$000's

BB= Balancing the books impact

ND = Net Debt impact

Numbers in brackets have an adverse impact.

Date	Change	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
2018/19 Financial Year	Balancing the books	11,551	(4,596)	(4,875)	(6,236)	(1,589)	1,587	2,533	2,969	1,575	(485)
	Net Debt	95,525	65,083	29,322	34,362	40,886	45,823	50,346	54,953	59,596	64,160
Date	Change	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
2019/20 Financial Year	Balancing the books	-	4,736	3,561	(466)	(1,473)	(1,806)	(2,100)	(2,442)	(2,903)	(3,287)
	Net Debt	-	116,725	85,362	6,756	(13,783)	(19,904)	(25,722)	(32,048)	(40,928)	(48,069)
Date	Change	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
23-Jul-20	Annual Plan Budget Adjustments	BB	-	-	(17,201)	3,099	(1,359)	(4,715)	(5,943)	(6,703)	(5,706)
		ND	-	-	(32,528)	(38,173)	(43,223)	(48,559)	(54,138)	(60,034)	(66,259)
	Infrastructure Operations Staff Remuneration - additional resources	BB	-	-	(1,337)	(1,354)	(1,359)	(1,454)	(1,548)	(1,655)	(1,768)
		ND	-	-	(1,337)	(2,691)	(4,050)	(5,504)	(7,052)	(8,708)	(10,475)
	Infrastructure Operations Staff Remuneration - revenue recovery	BB	-	-	427	458	491	525	559	598	639
		ND	-	-	427	885	1,376	1,901	2,460	3,058	3,697
	Growth Programmes Funding	BB	-	-	(575)	(28)	(31)	(32)	(34)	(35)	(37)
		ND	-	-	(575)	(604)	(634)	(665)	(697)	(730)	(766)
	Living Wage	BB	-	-	(387)	(467)	(500)	(536)	(571)	(610)	(652)
		ND	-	-	(387)	(854)	(1,354)	(1,890)	(2,461)	(3,071)	(3,723)
	Suburban Response Team Funding	BB	-	-	(260)	(13)	(13)	(14)	(15)	(16)	(17)
		ND	-	-	(260)	(273)	(286)	(300)	(315)	(330)	(346)
	Council owned dwellings	BB	-	-	(55)	(3)	(3)	(3)	(3)	(3)	(4)
		ND	-	-	(55)	(58)	(60)	(63)	(66)	(70)	(73)
	Community welfare package	BB	-	-	(488)	(3)	(3)	(3)	(3)	(3)	(4)
		ND	-	-	(60)	(62)	(66)	(69)	(72)	(76)	(79)
	Rent relief to community groups	BB	-	-	(79)	(4)	(4)	(4)	(4)	(5)	(5)
		ND	-	-	(79)	(83)	(87)	(91)	(96)	(100)	(105)
	Rate relief to community groups	BB	-	-	(35)	(2)	(2)	(2)	(2)	(2)	(2)
		ND	-	-	(35)	(37)	(39)	(41)	(42)	(45)	(47)
	Business response centre	BB	-	-	(110)	(5)	(6)	(6)	(6)	(6)	(7)
		ND	-	-	(110)	(115)	(121)	(127)	(133)	(139)	(146)
	Business support fund	BB	-	-	(274)	(14)	(14)	(15)	(15)	(16)	(17)
		ND	-	-	(274)	(288)	(302)	(317)	(332)	(348)	(365)
	Capital Programme deferrals	BB	-	-	2,740	460	563	703	751	1,029	1,008
		ND	-	-	58,306	9,778	11,981	14,956	16,318	22,369	21,910
	Postpone Municipal Pool demolition by one year	BB	-	-	658	(640)	1	1	1	1	1
		ND	-	-	658	18	19	20	21	22	23
	Close public display houses at Hamilton Garden Nursery	BB	-	-	88	4	5	5	5	5	6
		ND	-	-	88	92	97	101	106	111	117
	Stop digitisation of Library heritage collection	BB	-	-	274	14	14	15	15	16	17
		ND	-	-	274	288	302	317	332	348	365
	CBD parking trial to cease from 1 January 2021	BB	-	-	438	22	23	24	24	26	27
		ND	-	-	438	460	483	507	531	557	583
	Extend resourcing for civic/city events	BB	-	-	(44)	(2)	(2)	(2)	(2)	(3)	(3)
		ND	-	-	(44)	(46)	(48)	(51)	(53)	(56)	(58)
Date	Change	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
11-Aug-20	Capital Deferrals and NZTA capital subsidy deferred	BB	-	-	(12)	(175)	(184)	(193)	(198)	(208)	(218)
		ND	-	-	(263)	(3,733)	(3,917)	(4,111)	(4,309)	(4,517)	(4,734)
	Forecast changes from Annual Monitoring report	BB	-	-	89	94	98	103	106	111	116
		ND	-	-	1,902	1,996	2,095	2,198	2,304	2,415	2,531
Date	Change	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
6-Oct-20	Capital Deferrals and NZTA capital subsidy deferred	BB	-	-	49	(71)	(75)	(78)	(81)	(84)	(88)
		ND	-	-	(1,445)	(1,517)	(1,592)	(1,670)	(1,751)	(1,835)	(1,923)
	Forecast changes from Annual Monitoring report	BB	-	-	-	-	-	-	-	-	-
		ND	-	-	-	-	-	-	-	-	-
2020/21											
	Balancing the books			(16,093)	1,369	(2,359)	(5,681)	(6,962)	(7,562)	(6,710)	(5,253)
	Net Debt			24,642	(35,016)	(39,427)	(43,458)	(49,445)	(51,178)	(59,873)	(67,104)

# Council Report

**Committee:** Finance Committee **Date:** 02 December 2020  
**Author:** Katy Nudd **Authoriser:** Sean Hickey  
**Position:** Business Planning Analyst **Position:** General Manager Strategy and Communications  
**Report Name:** Non-Financial Service Performance Report Quarter one 2018-28 Long Term Plan

<b>Report Status</b>	<i>Open</i>
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## Purpose - *Take*

1. To inform the Finance Committee of the quarter one (July 2020 – September 2020) Non-Financial Service Performance results related to year three of the 2018-28 10-Year Plan

## Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Finance Committee receives the report.

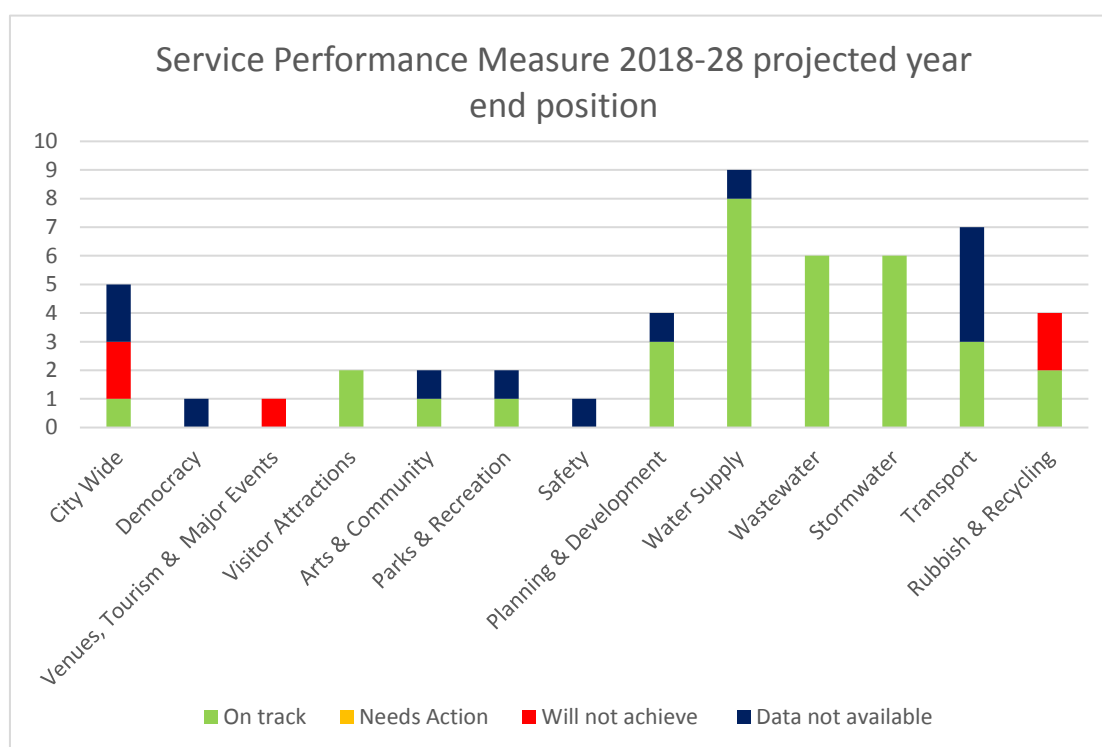
## Executive Summary - *Whakaraapopototanga matua*

3. The Service Performance Measures (KPIs) are set in the 2018-28 10-Year Plan and are reported against for three years.
4. This report is to update the Finance Committee on the results from year three quarter one (July 2020 – September 2020) of the Service Performance Measures.
5. The structure of the report has been set to provide an overview of each activity, the community focused non-financial service performance measures and key highlights for each activity.
6. The quarters are:
  - Quarter one: July 2020 – September 2020;
  - Quarter two: October 2020 – December 2020;
  - Quarter three: January 2022 – March 2021; and
  - Quarter four: April 2021 – June 2021.
7. Each measure is assigned a status and commentary in relation to current performance year-to-date, and status and commentary for its expected year-end position. Status options include, 'on track' (green), 'needs action' (orange), 'off track' (red), and 'data not available' (black).
8. Staff consider the matters in this report have low significance in accordance to the Significance and Engagement Policy and that the recommendations comply with the Council's legal requirements.



## Discussion - *Matapaki*

9. There are 50 KPIs contained in the 2018-28 10-Year Plan.
10. Based on the year to date position
  - 30 are on track to achieve year-end target (green)
  - 3 need corrective action to achieve year-end target (yellow)
  - 5 are off track (red)
  - 12 have no data available yet this year (black)
11. A summary of the projected year end position by activity is shown below:
  - 33 achieve year-end target (green)
  - 5 will not achieve (red)
  - 12 have no data available this year (black)



12. This period covers when New Zealand moved to Alert Level 2 from 12 August 2020 to 22 September 2020. During this time Auckland was in Alert Level 3 between 12 August 2020 – 31 August 2020 and level 2.5 until 7 October 2020. During Alert Level 3 travel to and from Auckland was limited.
13. Alert Level 2 meant:
  - No gatherings over 100 people;
  - 2 metres in public and in retail stores, like supermarkets and clothes shops;
  - 1 metre in most other environments like workplaces, cafes, restaurants, and gyms;
  - Face coverings were encouraged in situations where physical distancing is not possible, like on public transport or in shops;
  - Covid-19 tracker and contact tracing in place; and
  - Single server and no more than 10 people at food establishments and people must be seated.

## Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

14. Staff confirm that this report complies with the Council's legal and policy requirements.

### **Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga***

15. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
16. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.
17. The recommendations set out in this report are consistent with that purpose.

### **Risks - *Tuuraru***

18. There are no known risks associated with this matter.

### **Significance & Engagement Policy - *Kaupapa here whakahira/anganui***

#### **Significance**

19. Having considered content of the Significance and Engagement Policy, staff have assessed that the report has a low of significance.

#### **Engagement**

20. Given the low level of significance determined, the engagement level is low. No engagement is required.

### **Attachments - *Ngaa taapirihanga***

Attachment 1 - Service Performance Report Finance Committee 2020-21 Q1 Year 3 .

# DELIVERING ON OUR COMMUNITY OUTCOMES – CITY WIDE

**All the activities we carry out contribute to the overall achievement of our community outcomes.**

If we achieve all the expectations, we have set for our service delivery we will be making progress on achieving all three outcomes.

## OUR COMMUNITY OUTCOMES

**A GREAT RIVER CITY:** Our city embraces its natural environment and has green spaces, features and community facilities that make it a great place to live, work, play and visit.

**A CITY THAT EMBRACES GROWTH:** Our city has infrastructure that meets our current demands, supports growth and helps build a strong economy.

**A COUNCIL THAT IS BEST IN BUSINESS:** Our council is customer focussed, financially sustainable and has the best people delivering the best outcomes for the city.

## SERVICE PERFORMANCE MEASURES

**KEY:** On track | Needs action | Off track | No data

We want to know what Hamiltonians think of our city. We survey our residents every two years to find out what they think.



Measure	2020/21 target	YTD result	Forecast year-end position
Percentage of residents who think Hamilton is a great place to live.	Maintain or increase from the previous rating (75%)	●	
Percentage of residents who are proud of how Hamilton looks and feels.	Maintain or increase from the previous rating (53%)	●	
<b>What's behind the results</b>			
We ask our communities these questions in our two-yearly Quality of Life Survey, a survey of metro Councils to gain an understanding of communities' perception of their quality of life. Our last survey was undertaken in June 2018, with the subsequent survey due to take place in May 2020. This was delayed due to Covid-19 and took place between September 2020 - November 2020. Results will be available in February 2021.			
Peoples views change within the two-year cycle and to understand, on a more frequent basis, Council has commissioned Nielsen (who undertook the last Quality of Life Survey) to			

\*Measures required by the Department of Internal Affairs


run a series of pulse surveys. The pulse survey asks these questions on six monthly bases, and the results are used to inform subsequent work programmes. The result of the next pulse survey is due in December 2020.

We were unable to report a result in the 2019/20 Annual Report due to Covid-19. The result reported in the 2018/19 is shown as our target for this year.

We are putting infrastructure in place to grow as a city. The Gross Domestic Product (GDP) tells us about our city's economy.



Measure	2020/21 target	YTD result	Forecast year-end result
The annual average percentage change in the GDP growth for Hamilton.	Positive growth – 2019/20 result = 1.9%	-2.20% 	
<b>What's behind the results</b>			
Economic activity has dropped significantly as a result of the Covid-19 pandemic. Early GDP projections anticipate GDP to be lower than pre-Covid-19 Pandemic levels for approximately 24 months.			
This is a lag indicator and reflects the economic growth for the 12-month period ending June 2020 which included nearly five weeks at Alert Level 4 and nearly three weeks at Alert Level 3. The negative growth rate is therefore in line with expectations.			
The Auckland lockdown in the June quarter will continue to pull down the annual value of GDP in coming quarters.			

We will be financially responsible.

Measure	2020/21 target	YTD result	Forecast year-end result
We will stay within the debt and rating limits, as described in the Financial Strategy.	Achieved	144.36% 	
<b>What's behind the results</b>			
Our 2018-28 10-Year Plan's financial strategy states that our annual average rates increase for existing ratepayers for 2020/2021 would be 3.8%. This was reduced to 2.8% during our Annual Plan process.			
Our 2018-28 10-Year Plan's financial strategy stated that our net debt to revenue ratio will remain below 230%. Our budget net debt to revenue ratio for 2020/21 (as set in the Annual Plan) is 206%. Our net debt ratio for the first quarter is 144.36%. This is an increase since the last quarter from 139.57% but is still well within our net debt limit.			

\*Measures required by the Department of Internal Affairs

We aim to be best in business in our interactions with customers at our reception, call centre and facilities (excluding Claudelands and stadia).

Measure	2020/21 target	YTD result	Forecast year-end result
We are rated positively when asked how easy we are to do business with.	42%	38% 	
<b>What's behind the results</b>			
<p>Respondents raised concerns regarding long wait times on our phone and email service, this was due primarily to the increased call volume of inquiries regarding the operational roll out of the new Refuse and Recycling service.</p> <p>Organisationally we are focusing on and defining our Customer Service Standards and should start to see some effect on the customer experience. We are also continuing our work to gain additional insights from customer feedback and how we can use them in our customer experience approach.</p>			

\*Measures required by the Department of Internal Affairs

# DEMOCRACY SERVICES

Local democracy is about providing Hamiltonians with excellent governance and sound leadership for the city.

## SERVICE PERFORMANCE MEASURES

KEY: On track | Needs action | Off track | No data

**You can expect:** Timely and open access to public information.

We want to engage with the community to inform our decision making. We survey our residents every two years to find out what they think.

Measure	2020/21 target	YTD result	Forecast year-end result
The percentage of residents who believe we make decisions that are in the best interests of the city.	Maintain or increase from the previous rating (25%)	●	
<b>What's behind the results</b>			
<p>We ask our communities these questions in our two-yearly Quality of Life Survey, a survey of metro Councils to gain an understanding of communities' perception of their quality of life. Our last survey was undertaken in June 2018, with the subsequent survey due to take place in May 2020. This was delayed due to Covid-19 and took place between September 2020 - November 2020. Results will be available in February 2021.</p> <p>Peoples views change within the two-year cycle and to understand, on a more frequent basis, Council has commissioned Nielsen (who undertook the last Quality of Life Survey) to run a series of pulse surveys. The pulse survey asks these questions on six monthly bases, and the results are used to inform subsequent work programmes. The result of the next pulse survey is due in December 2020.</p> <p>We were unable to report a result in the 2019/20 Annual Report due to Covid-19. The result reported in the 2018/19 is shown as our target for this year.</p>			

## QUARTERLY HIGHLIGHTS

Following the Covid-19 Level 4 lockdown period, the Governance Team implemented a technology solution in the chamber and committee room one to accommodate physical and Zoom Council and Committee meetings. The temporary solution has been working well and has enabled members, staff and the public to have greater flexibility and accessibility to attend meetings. More advanced technology solutions are currently being explored.

In August 2020 the Council made the decision to switch its electoral voting system from First Past the Post (FPP) to Single Transferable Vote (STV) for the 2022 and 2025 local

\*Measures required by the Department of Internal Affairs



elections. Council received great feedback and response rates on the innovative and proactive engagement and education campaign from the community and received recognition at a national level from other governance professionals and political experts who were keen to employ similar approaches to reviews they were involved in. Also in August 2020, the Council formally farewelled Maangai Maaori Bella Takiari-Brame following her earlier resignation in March 2020 and welcomed new Maangai Maaori Hemi Rau who was appointed as a member in June 2020 to the Finance and Strategic Risk and Assurance Committees.

\*Measures required by the Department of Internal Affairs



# VENUES, TOURISM AND MAJOR EVENTS

Venues, Tourism and Major Events is about showcasing and leveraging Hamilton's event venues, visitor attractions and services. It includes Claudelands, FMG Stadium Waikato, Seddon Park and tourism and events funding.

## SERVICE PERFORMANCE MEASURES

KEY: **On track** | **Needs action** | **Off track** | **No data**

You can expect: Our venues are place you want to visit.

Measure	2020/21 target	YTD result	Forecast year-end result
The number of people attending events at the stadia (FMG Stadium Waikato and Seddon Park) and Claudelands.	441,000	67,333 	
<b>What's behind the results</b>			
<p>H3 venues held 198 separate events which is a good start to the year following a disrupted third and fourth quarters of 2019/20. Venue based activity was restarted June 2020 and continued into July 2020 this resulted in activities such as Super Rugby Aotearoa matches (FMG Stadium Waikato), Magic netball, L.A.B in concert and the Hamilton and Cambridge Farmers Market (Claudelands) taking place with crowds in attendance. A number of business events also took place as organisations, associations and corporates began to meet in person again.</p> <p>Assuming no further COVID-19 event restrictions take place through the rest of the year, we are currently forecasting a full year attendance forecast of 369,000. This will not achieve target and represents the impact of Covid-19 and the current volatile market.</p>			

\*Measures required by the Department of Internal Affairs

## QUARTERLY HIGHLIGHTS

On 12 August 2020, event activity was again restricted due to the change in alert levels across New Zealand as gathering restrictions were implemented until 21 September 2020. During this time, event activity on site was limited to the agreed gathering levels, with a number of smaller meetings and functions taking place.

Across quarter one a total of 67,333 people attended events at H3 Venues. Claudelands had 30,479 people attend events and our stadia welcomed 36,854 patrons.

Hamilton City Council provides funding for the promotion of Hamilton via it's major event sponsorship fund. The application of the fund is governed by the Event Sponsorship Policy and focuses on larger event opportunities where exposure will reach well beyond Hamilton, delivering high profile coverage and where it will attract significant numbers of visitors, plus deliver community participation. Due to Covid-19 the contestable approvals process was delayed from March 2020 to July 2020.

For 2020/21, Council's total major event sponsorship budget is \$401,246. An application to support Matariki ki Waikato event was pre-approved by Council in February 2020. In September, Council's Economic Development Committee has approved a further 11 events to receive funding totalling \$347,000. They are:

- Cambridge to Hamilton Paddle Race 2020
- NZ U15 & U19 Badminton Championships 2020
- Rāhui Pōkeka Ahurei 2020
- NZ Artistic Swimming Nationals 2020
- Round the Bridges 2020
- He Piko He Taniwha 2021
- The Great Kiwi Walk Series 2021
- Hamilton Gardens Arts Festival 2021
- Balloons over Waikato 2021
- Boon:Hamilton Street Art Festival 2021
- Feast Waikato 2021
- Matarki Ki Waikato 2021

In quarter one, one sponsored event took place supported by Council as a funding partner:

- Cambridge to Hamilton Paddle Race 2020

\*Measures required by the Department of Internal Affairs





# VISITOR ATTRACTIONS

Visitor Attractions are about providing our community and visitors with memorable experiences. Visitor Attractions includes the Hamilton Gardens, Waikato Museum and Hamilton Zoo.

## SERVICE PERFORMANCE MEASURES

KEY: **On track** | **Needs action** | **Off track** | **No data**

**You can expect:** Our premium attractions (Hamilton Gardens, Waikato Museum and Hamilton Zoo) are places you want to visit.

Measure	2020/21 target	YTD result	Forecast year-end result
Maintain or increase visitation to the Hamilton Enclosed Gardens.	At least 418,258	92,977 	
<b>What's behind the results</b>			
<p>The results represent an 18% increase over the 78,477 visits in the first quarter last year. Facilities and parking were, at times, congested on peak days. With one exception, this is the first time these peak numbers have occurred during the winter months; an unexpected result as typically pre-Covid-19 somewhere between 30% - 40% of visits into the Enclosed Gardens were international tourists. Above average visitors is reflective of the recent growth in domestic tourism during this period, when New Zealanders travelled around the country instead of overseas.</p> <p>Given these results, visitor numbers over the second quarter are expected to be similar to last year. The continued reduction in international tourists and any further Covid-19 restrictions may have an adverse effect over the course of the year.</p>			
Measure	2020/21 target	YTD result	Forecast year-end result
Maintain or increase visitation to the Waikato Museum and Hamilton Zoo.	At least 250,000	75,205 	
<b>What's behind the results</b>			
<p>Combined visitation to the Hamilton Zoo and Waikato Museum has increased 24% on the same period last year. The Hamilton Zoo saw a 32% increase with 39,792 almost a 9,000 visitor increase, and the Waikato Museum experienced a 15% increase with 35,413 visitors.</p> <p>The Waikato Museum had a very successful July school holiday period with the Dinosaur rEvolution exhibition extended. Dinosaur rEvolution exhibition visitor numbers exceeded 21,000 before its closure on 13 September.</p>			

\*Measures required by the Department of Internal Affairs

Hamilton Zoo benefited from increased domestic travellers and continue to be supported by our community. 1,400 students visited through the LEOTC programme – this is a decline on last years student numbers of 2,999. However, bookings are slowly increasing as schools adapt to Covid-19 related changes.

During the July School holidays, the Zoo teamed up with the Hamilton Library to offer Zoo visitors Cherry Blossom Tuesday, which involved story time and face painting. The Breeze broadcasted live from Hamilton Zoo while on their Heartland tour.

Several events were held prior to the move to Covid-19 Alert Level 2 on 12 August, including Onesie Wednesdays, Children's Day, Tiger Day. Events cancelled or postponed included Conservation Week Schools Day (over 500 students registered) and HCC Visitor Destinations 'Thank you essential workers' weekend. Keeper talks/animal encounters were paused and visitor traffic through the entry/exit was modified to support physical distancing requirements.

The level of domestic visitors during this quarter is positive and indicates that collaboration with other Hamilton City Council activities is proving effective. The opening of the Chimp enclosure and the Cheetah's return should help boost visitor numbers at the Zoo. We are expecting to achieve visitation targets. The continued reduction in international tourists and any further Covid-19 restrictions may have an adverse effect over the course of the year.

## QUARTERLY HIGHLIGHTS

### Hamilton Gardens

Hamilton Gardens continued to have strong domestic visitation.

Following extended closure due to missed planting turnover during lockdown, the Char Bagh garden reopened to the public in September.

Opening hours for the Enclosed Gardens and Information Centre were reduced to 10am to 4pm daily. This provided the gardeners with some time to maintain the gardens without being in contact with the public to ensure continued social distancing.

The Garden's regular Guided Tours were put on hold as it wasn't possible to maintain a 2m physical distance when guiding people through the Enclosed Gardens. There was a noticeable decrease in the number of visitors to the Enclosed Gardens and café when Auckland was at Alert Level 3 though overall the number of visitors to the Enclosed Gardens are up compared to the same quarter last year. The number of people in the Information Centre is down more than 50% which has impacted on retail sales being down almost 50%.

The Gardens' had two postponements and 10 cancellations for venue hire bookings, including three multi day shows; Antique Fair, Weight Loss Surgery workshop and Waikato Orchid Society September Show. The change in alert levels in Auckland has had major impact on weddings and workshops with family members unable to attend weddings and speakers unable to facilitate the workshops.

\*Measures required by the Department of Internal Affairs

Further public consultation on the Gardens layout on the specific matter of the rhododendron lawn received a pleasing level of engagement and the updated draft Hamilton Gardens Management Plan will progress to the next stage of the decision process.

#### **Waikato Museum**

The Visitor Hosts at the Waikato Museum adapted to the change, being flexible and 'Making it Happen' every day for our Museum visitors in the most professional manner possible. Events were either cancelled or postponed due to numbers permitted within the Museum, with an impact on our visitor numbers during this period. Events were cancelled due to not being able to ensure 2m physical distancing, or where event providers/suppliers were restricted to Auckland. A surge of interest in attending events early in the quarter when we returned to Level 1 turned into uncertainty with the subsequent changes in alert levels. This has had a negative impact on planning future events and has negatively affected forward bookings.

The Waikato Museum has developed a library of web and social media collateral for future use, new themes for social media for use when exhibitions and events are disrupted (e.g. collection items); and a new approach to public programmes (e.g. provision of take-home craft kits and craft videos for digital media) that can be rolled out if necessary. The return to level one on the 22 September prior to the September-October school holiday meant we were able to run our holiday programme, and promote and run events.

Several new exhibitions opened including Jacqueline Fahey's Suburbanites, Remembering Rodin - Te Whakamahara ki a Rodin and New to Us, an exhibition of works held by Waikato Museum which have been acquired over recent years with assistance from Trust Waikato.

The I-site is continuing to experience the impacts of Covid-19 on international tourism, sales are down 89% and visitor numbers down 80% compared to the same period last year. The increases in domestic tourism experienced by other Visitor Destinations does not appear to be of as much benefit for i-SITE.

The changes in alert level required i-SITE to place restrictions on visitor numbers in-store to meet physical distancing requirements, with a maximum capacity of 30 people. Additionally, brochures reverted to staff distribution to reduce public handling. Gathering number restrictions impacted on events which has impacted on ticketing. Transport services had reduction in capacity and some tourism operators closed or reduced availability (primarily Auckland companies). When visitor numbers are low, we take the opportunity to upskill and train staff, update procedures and website material, and collaborate with local businesses to promote packages.

#### **Hamilton Zoo**

Changes in alert level at Hamilton Zoo required adjusting entry / exit points during peak visitor times to meet physical distancing requirements. Staff continue to use PPE i.e. face masks when working in close proximity with others and vulnerable animals

Earlier this year the zoo received a number of unwell wader shorebirds from DOC. The zoo successfully rehabilitated over 80% of these birds. The birds were banded and returned to the wild. Some of the birds have since been spotted along NZ beaches and some of the red knots were seen in China; a resting point as they migrate to their northern breeding grounds.

\*Measures required by the Department of Internal Affairs

Sadly, in September the zoo said farewell to 15-year-old Sumatran Tiger Oz. Oz was born in 2004 at Tel Aviv Zoo in Israel and transferred to Auckland Zoo in 2006. An important part of the international breeding programme, Oz fathered Auckland Zoo's first Sumatran tiger cubs with Molek in 2008. He transferred to Hamilton Zoo in 2013 where he joined Sali and fathered cubs Kirana and Kembali.

The arrival of the new Zoo Director Doctor Baird Fleming was delayed until early September by Covid-19 border restrictions and isolation period requirements. Dr Fleming had been Director at ABQ BioPark in Albuquerque, New Mexico since early 2018, after being promoted from the deputy chief executive position. The BioPark covers an aquarium, botanic gardens, Tingley Beach and the zoo, and welcomes more than 1.2 million visitors annually.

\*Measures required by the Department of Internal Affairs





# ARTS AND COMMUNITY

Arts and Community is about providing community facilities and development assistance. This activity includes Community Development, Libraries, Arts promotion and Theatre.


## SERVICE PERFORMANCE MEASURES

KEY: **On track** | **Needs action** | **Off track** | **No data**

**You can expect:** To be satisfied with our libraries.

Measure	2020/21 target	YTD result	Forecast year-end result
The percentage of customers satisfied with libraries.	At least 89%	90% 	
<b>What's behind the results</b>			
The libraries satisfaction scores have been consistently above target. The general themes from people's positive comments have been around accessibility of space, and friendliness of staff at the libraries, and their efficiency in dealing with customer queries.			

**You can expect:** We will provide facilities and spaces that encourage the community to come together.

Measure	2020/21 target	YTD result	Forecast year-end result
The percentage of residents who feel a sense of community with others in their neighbourhood.	Maintain or increase from the previous rating (48%)		
<b>What's behind the results</b>			
We ask our communities these questions in our two-yearly Quality of Life Survey, a survey of metro Councils to gain an understanding of communities' perception of their quality of life. Our last survey was undertaken in June 2018, with the subsequent survey due to take place in May 2020. This was delayed due to Covid-19 and took place between September 2020 - November 2020. Results will be available in February 2021.			
Peoples views change within the two-year cycle and to understand, on a more frequent basis, Council has commissioned Nielsen (who undertook the last Quality of Life Survey) to run a series of pulse surveys. The pulse survey asks these questions on six monthly bases, and the results are used to inform subsequent work programmes. The result of the next pulse survey is due in December 2020.			
We were unable to report a result in the 2019/20 Annual Report due to Covid-19. The			

\*Measures required by the Department of Internal Affairs

result reported in the 2018/19 is shown as our target for this year.

## QUARTERLY HIGHLIGHTS

### Community Development

The Community Events fund received applications and allocated funding towards significant community events promoting social and cultural wellbeing in our public spaces and places. 28 applications were received asking for a total of \$125,472, a substantial over-subscription to the amount available, however the number of events applying for funding is less than previous years which can be attributed to the uncertainty involved in event planning. Three events funded have been scaled back or postponed due to Covid-19 restrictions.

Operationally the Community and Social Development Advisors have been unimpacted by changes to alert levels during the quarter. The use of mixed mediums to support organisations to increase and grow their capacity has meant no disruption has occurred. Support to grow engagement has been able to occur as we have leveraged existing relationships across the community, resulting in effective targeted engagement with stakeholders and community partners

Through the Covid-19 Community Response Fund, \$140,000 has been allocated in this quarter to support community organisations that have been impacted by Covid-19 through increased demand on services or reduction in ability to operate.

### Hamilton Libraries

The Central Library put in place floor limitations (100 per floor) and introduced an attendant at the entrance to the building to ensure numbers were controlled. There were rostering challenges with the additional dedicated attendant requirement. Staff also faced challenging conversations with customers on a regular basis in relation to the requirement for all visitors to sign into the facility tracing app or the paper log.

Several regular events were cancelled, including Storytime, Wriggle & Rhyme, weekly language learning groups, monthly book clubs and reading groups as well as the computer mentors. Two Hamilton book month events were also cancelled as Auckland based guest speakers were unable to attend.

\*Measures required by the Department of Internal Affairs


# PARKS AND RECREATION

Parks and Recreation is about ensuring access to a wide range of recreational and leisure activities and attractive outdoor spaces for all Hamiltonians to enjoy. This activity includes community parks, natural areas, streetscapes, sports parks, cemeteries and crematorium, pools, and indoor recreation.



## SERVICE PERFORMANCE MEASURES

KEY: On track | Needs action | Off track | No data

**You can expect:** Access to a park or open space in your neighbourhood.

Measure	2020/21 target	YTD result	Forecast year-end result
Percentage of households that have access to a neighbourhood park or open space within 500 metres walking distance.	At least 76%		
<b>What's behind the results</b>			
Each year we calculate the percentage of households that have access to a neighbourhood park or open space within 500 metres walking distance by GIS spatial mapping. This is a yearly calculation and will be completed in June 2021.			
The result reported in the 2018/19 Annual Report was 78.3%.			

**You can expect:** To be satisfied with our community facilities (pools and community facilities).

Measure	2020/21 target	YTD result	Forecast year-end result
The percentage of customers satisfied with pools and community facilities.	80%	79% 	
<b>What's behind the results</b>			
The customer satisfaction score represents the Hamilton Pools, as the community facilities surveys remain paused. The satisfaction score is 2% lower than the same period last year. The decrease is likely to reflect lower overall visitor numbers and the limitations on facilities due to changes in Covid-19 alert levels. Customers comments continue to reflect satisfaction with appearance and atmosphere of the building, and accessibility of the space.			

\*Measures required by the Department of Internal Affairs

## QUARTERLY HIGHLIGHTS

### Parks and Open Spaces

The change in alert level had a minimal impact on Parks. Physical works were able to continue with contractors and staff re-enacting level 2 physical distancing protocols and contact tracing. No delays to projects were experienced although project managers are ordering items earlier to adjust for longer lead times. The drainage works at Ashurst Park were completed increasing the playable capacity

Hamilton Cemetery & Crematorium implemented physical distancing in the chapels, along with contact tracing and additional signage. The Cemetery Office has had a screen installed to provide separation between staff and customers. Funeral directors were required to provide attendee registers for burials. Furthermore, funeral numbers were limited in-line with Ministry of Health requirements.

Exciting progress in the development of a Pan Pacific Hub occurred with Council signing off a long-term lease with K'aute Pasifika for a part of Hinemoa Park.

Further community engagement was undertaken on the Nature in the City strategy development. Feedback was strongly supportive of increasing and restoring nature in Hamilton City with a range of ideas suggested.

### Aquatics

During Alert Level 2 Hamilton Pools closed several facilities to ensure social distancing guidelines were followed, they included; spa / sauna, steam rooms, hydroslide and toddler pools. Additional measures included limiting numbers attending club activities (regular bookings), no event bookings, reduced numbers in swim and gym classes, and limiting pool time to 1 hour (only enforced if numbers were high). The 2020 NZ Secondary Schools Championships were postponed to October in response to the Covid-19 Alert Level 2 restrictions.

The Splashpad roof at Waterworld was completed in time for summer, after Covid-19 related delays.

\*Measures required by the Department of Internal Affairs

## SAFETY

Safety is about ensuring Hamilton is a place where people feel safe and are protected from risks to their health and wellbeing. This activity includes public safety, animal education and control, environmental health, alcohol licensing and civil defence.

### SERVICE PERFORMANCE MEASURES

KEY: **On track** | **Needs action** | **Off track** | **No data**

**You can expect:** We work with partner organisations and the community to improve safety.

Measure	2020/21 target	YTD result	Forecast year-end result
The percentage of central city users surveyed who feel very safe or reasonably safe in the central city during daytime.	At least 80%	●	
<b>What's behind the results</b>			
This measure indicates the community's perception of safety during the day. The survey will be undertaken in May 2021.			
The result reported in the 2018/19 Annual Report was 89%.			

### QUARTERLY HIGHLIGHTS

Although the dog registration process was delayed by Covid-19, as at the end of September 10,860 dogs had been registered which is 87% of total. Other highlights include:

- 100% of Alcohol licenced premises monitored
- 95% of Complaints about excessive noise were responded to within 30 minutes.
- 92% of food audits were completed on time.
- 99% of graffiti was removed within 2 working days.
- 100% of Urgent dog control requests were responded to within 60mins

Dog control also achieved 100% (1151/1151) for attendance at non-urgent requests for service within 60 minutes rather than the standard 48 hours.

The planning and introduction of a new security and monitoring system to support Kiwi Rail with CCTV monitoring of new Te Huia train at Te Rapa Operations Yard was completed.

\*Measures required by the Department of Internal Affairs




# PLANNING AND DEVELOPMENT

Planning and Development is about city planning that supports the growth of the city while ensuring Hamilton's unique environment is protected. This activity includes city planning, planning guidance and building control.

## SERVICE PERFORMANCE MEASURES





KEY: **On track** | **Needs action** | **Off track** | **No data**

**You can expect:** A sufficient supply of land for housing and business.

Measure	2020/21 target	YTD result	Forecast year-end result
There will be at least three years capacity of residential zoned land supplied with development infrastructure in the city.	Achieved	3.70 	
<b>What's behind the results</b>			
It is estimated that there is currently 3.7 years of capacity for residential land zoned and supplied with development infrastructure in place. This result is more conservative than previous years, in anticipation of a slowing of residential development over the next few years due to the Covid-19 pandemic triggered recession.			
Measure	2020/21 target	YTD result	Forecast year-end result
There will be at least three years capacity of business zoned land supplied with development infrastructure in the city.	Achieved		
<b>What's behind the results</b>			
This measure is report 6 monthly. Data is next expected in December 2020.			
The result reported in the 2018/19 Annual Report was 2.6 years.			

\*Measures required by the Department of Internal Affairs

**You can expect:** We will support the delivery of safe, sustainable and attractive development.

Measure	2020/21 target	YTD result	Forecast year-end result
Average processing days for building consents. <sup>1</sup>	18 working days	15.96 	
<b>What's behind the results</b>			
<p>650 buildings consents were lodged, and 557 building consents were granted with an average processing time of 15.96 days. this is an increase in volume and a decrease in processing time compared to the same period last year where we granted 513 consents with an average processing time of 17.46 days.</p> <p>September saw 246 Building Consents lodged which is the highest number of since March 2017</p>			
Measure	2020/21 target	YTD result	Forecast year-end result
Average processing days for non-notified land use and subdivision resource consents. <sup>1</sup>	18 working days	19.50 	
<b>What's behind the results</b>			
<p>A total of 170 resource consents were granted in this quarter compared to 236 for the same period last year.</p> <p>We are working on the introduction of our online application process which will make the front end of the process quicker and more accurate enabling quicker turnaround time to planner processes. Due to this and other proactive measures in place to improve consenting timeframes we expected to meet year-end target.</p>			

## QUARTERLY HIGHLIGHTS

Residential growth has continued to climb back towards pre-Covid-19 levels despite earlier expectations that we would see construction decline. There were 130 residential building consents granted in September, the highest since February 2020. 153 new dwellings were completed (CCC) in September which made July - September 2020 the busiest quarter since electronic records started in 2005. Industrial building consenting is slightly down in this quarter and commercial has slowed markedly. Non-residential building consenting does tend to fluctuate in Hamilton and large consents can change the picture significantly.

There were two subdivision lots of over 20 lots lodged in September in Temple View and Rototuna North. 178 titles were issued in September which is the highest since July 2019.

<sup>1</sup> "Average processing days" is the average number of working days used in processing consents, which excludes all stop clock days. A working day means any day except for a weekend day, public holiday, and those days between 20 December and 10 January. The processing clock may be stopped at any point should we require further information from the applicant.

\*Measures required by the Department of Internal Affairs







# WATER SUPPLY

Water Supply is about providing Hamilton residents and businesses with a reliable, high quality and safe treated water supply. This activity includes water treatment and storage, and water distribution.


## SERVICE PERFORMANCE MEASURES

KEY: **On track** | **Needs action** | **Off track** | **No data**

**You can expect:** The water we supply is safe to drink.



Measure	2020/21 target	YTD result	Forecast year-end result
Water quality complies with the drinking water standards for (a) bacteria and (b) protozoa.*	a) Achieve compliance b) Achieve compliance	On Track  On Track 	 
<b>What's behind the results</b>			
Based on an internal assessment of Waiora Treatment Plant data and Laboratory DWSNZ monitoring results, Hamilton City Council met the quarterly requirements of the drinking water standards for bacterial compliance and protozoa compliance for quarter one.			
Based on internal assessment, Hamilton City Council is on track to achieve annual compliance with the drinking water standards for period 1 July 2020 -30 June 2021. Annual compliance will be formally assessed by the Drinking-Water Assessor (DWA) in September/October 2021.			

**You can expect:** Our water network is managed in a way that minimise the loss of water.



Measure	2020/21 target	YTD result	Forecast year-end result
The percentage of real water loss from the water network infrastructure in the city.*	No more than 16%		
<b>What's behind the results</b>			
This measure is undertaken annually and will be reported in June 2021. It covers the preceding April-March period and is undertaken using the standard NZ Benchloss guidelines and methodology. The percentage water loss measure estimates how much water is lost to leakage throughout the HCC network.			
The result reported in the 2018/19 Annual Report 13.2%.			

\*Measures required by the Department of Internal Affairs

**You can expect:** We will work with the community to sustainably manage the supply and use of water.

Measure	2020/21 target	YTD result	Forecast year-end result	
The average use of drinking water per Hamilton resident, per day.*	No more than 400 litres per resident, per day	317 		
<b>What's behind the results</b>				
<p>We provide a sustainable water supply, and this is achieved through water conservation campaigns that educate the community on sustainable water use and efficient management of the water network. This measure indicates the success of these campaigns and programmes of work.</p> <p>The average daily water use is similar to the same period for the previous two financials year, with 316 litres in 2018/19 and 310 litres in 2019/20. This reflects expected water consumption levels during the cooler months of the year for Hamilton.</p> <p>Over the coming year, we will continue to implement Water Supply Zones and Distinct Metered Areas (DMAs) to better monitor water consumption as well as target water conservation measures and leak detection investigations. Water consumption is typically higher during the warmer months of the year, so increased water conservation campaigns will run over the next six months.</p>				
Quarterly result:				
Q1	Q2	Q3	Q4	Average
317				317

**You can expect:** To be satisfied with the clarity, taste, odour, continuity and pressure of the water supply.

Measure	2020/21 target	YTD result	Forecast year-end result
The number of complaints relating to drinking water about clarity, taste, odour, pressure, continuity of supply and complaints about our response to any of these issues.*	No more than 5 complaints per 1,000 connections	0.6 per 1,000 connections 	
<b>What's behind the results</b>			
<p>36 complaints were received, this is slightly higher than the 28 complaints received during the same period last year. Of the 36 complaints received, 19 were related to loss of service, two related to low-pressure events, one related to water odour and 14 were general customer complaints that did not fit a particular category such as missing lids or reinstatement works.</p>			

\*Measures required by the Department of Internal Affairs









The number of pressure complaints has significantly reduced compared to the same period last year, but the number of supply interruptions have increased. The main cause of supply interruptions has been urgent shutdowns caused by third party strikes and incorrect water shut-off valves (also known as a toby) being closed by other parties.

Ongoing investigations are being completed to understand the reason for the continued increase of third party strikes in order to decrease the number of urgent shut downs. We are continuing to develop educational programmes for our community, with one potential area of focus to be toby locations for properties. We are on target to achieve no more than five complaints per 1,000 connections.

Quarterly result:

Q1	Q2	Q3	Q4	Cumulative
0.6 per 1,000 connections				0.6 per 1,000 connections

**You can expect:** A timely response and a timely resolution if there is a problem with the water supply.

Measure	2020/21 target	YTD result	Forecast year-end result
The median attendance time for urgent call-outs, from the time that we received notification to the time that our service personnel reach the site.*	No more than 60 minutes	43 minutes 	
The median resolution time of urgent call-outs, from the time that we received notification to the time that our service personnel confirm the fault or interruption has been resolved.*	No more than 5 hours	2.30 hours 	
The median attendance time, in working days, for non-urgent call-outs, from the time that we received notification to the time that our service personnel reach the site.*	No more than 5 days	3 days 	
The median resolution time, in working days, of non-urgent call-outs, from the time we received notification to the time that our service personnel confirm the fault or interruption has been resolved.*	No more than 10 days	4 days 	

\*Measures required by the Department of Internal Affairs

### What's behind the results

Households and businesses rely heavily on water so it's important that we provide a timely response when something goes wrong. These measures indicate how quickly we respond to issues with the water supply and resolve the problem. A call-out to a household or business with no water supply is classified as urgent. Call-outs for other water supply matters, where water is still being delivered, are classified as non-urgent.

The median attendance time for urgent call outs was 43 minutes. This is a five-minute increase compared to the same point in time last financial year, but below the target of no more than 60 minutes.

The median resolution time for urgent call outs was 2.3 hours. This result is an improvement on the median of 3.0 hours achieved in the same quarter last year and is consistent with the median resolution time achieved during the 2019/20 financial year.

The median attendance time for non-urgent call outs was 3 working days. This result is a slight increase on the median response time of 2 working days achieved in the same period last year.

The resolution time for non-urgent water requests was 4 working days. This is consistent with the result achieved last financial year and well below the target of 10 working days.

We will continue to focus on completion of our network operations and maintenance programmes and identify further improvements to ensure attendance and resolution times for urgent and non-urgent call-outs remain within targeted timeframes. The annual target is expected to be achieved.

Quarterly result:

	Q1	Q2	Q3	Q4	Average
<b>Urgent</b>					
Attendance	43 minutes				<b>43 Minutes</b>
Resolution	2.3 hours				<b>2.3 Hours</b>
<b>Non-urgent</b>					
Attendance	3 days				<b>3 Days</b>
Resolution	4 days				<b>4 Days</b>

### QUARTERLY HIGHLIGHTS

A number of important infrastructure upgrades were completed from July 2020 - September 2020. These included the Ruakura Water Reservoir, Hillsborough Wastewater Pump Station, watermains and service connections on River Road, and phase one of the remedial works on the fluoride free water supply at Taitua Arboretum.

As part of our Water Conservation and Demand Strategy, the final steps for creating the

\*Measures required by the Department of Internal Affairs

new Whitiara Water Supply Zone were also finished in September. Together these initiatives will ensure that Hamilton City Council is able to provide safe and trusted infrastructure services to residents both now and into the future.

The successes during this period of time were achieved despite Hamilton moving into Alert Level 2 for COVID-19 from 11 August 2020 to 21 September 2020. Implementation of business continuity plans enabled us to continue delivering a high standard of service to all Hamiltonians while adhering to health and safety guidelines.

\*Measures required by the Department of Internal Affairs



# WASTEWATER

Wastewater is about providing our city with reliable and sustainable wastewater services to protect both the health of our people and our waterways. This activity includes wastewater collection and wastewater treatment and disposal.

## SERVICE PERFORMANCE MEASURES



KEY: **On track** | **Needs action** | **Off track** | **No data**

**You can expect:** Our wastewater system is designed and maintained to minimise harm to the community and environment.

Measure	2020/21 target	YTD results	Forecast year-end result										
The number of overflows in dry weather.*	No more than 5 overflows per 1,000 connections	0.30 per 1,000 connections 											
<b>What's behind the results</b>													
<p>18 dry weather overflows were recorded, this quarter's result is slightly higher than the 12 dry weather overflow events reported for the same period last year. Of the 18 overflows that occurred, three were attributed to fat within the network, seven related to rags (e.g. wet wipes) and eight were caused by general blockages. There were no dry weather overflow events that occurred from wastewater pumping stations.</p> <p>New methods of monitoring the spatial distribution of service requests are allowing us to identify areas where targeted education, increased maintenance, asset renewal or capital investment may be needed. The reduction in the disposal of fats, oils and greases and foreign objects into the wastewater network continues to be a focus of this year's wastewater education programme. These actions are expected to assist in decreasing the number of wastewater overflow and blockage events.</p> <p>Quarterly result:</p> <table><tr><th>Q1</th><th>Q2</th><th>Q3</th><th>Q4</th><th>Cumulative</th></tr><tr><td>0.30 per 1,000 connections</td><td></td><td></td><td></td><td>0.30 per 1,000 connections</td></tr></table>				Q1	Q2	Q3	Q4	Cumulative	0.30 per 1,000 connections				0.30 per 1,000 connections
Q1	Q2	Q3	Q4	Cumulative									
0.30 per 1,000 connections				0.30 per 1,000 connections									

\*Measures required by the Department of Internal Affairs





**You can expect:** We operate and maintain the wastewater system to minimise odour and blockages.

Measure	2020/21 target	YTD results	Forecast year-end result	
The number of complaints about wastewater odour, system faults or blockages and complaints about our response to issues with the wastewater system.*	No more than 25 complaints per 1,000 connections	3.6 per 1,000 connections 		
<b>What's behind the results</b>				
<p>The number of complaints provides an indication of the quality of the service provided. This measure also provides data that highlights problems requiring attention, such as the need for maintenance, renewals, upgrades or new wastewater infrastructure.</p> <p>We received a total of 219 complaints which is equivalent to 3.6 complaints per 1,000 connections. This result is higher than the 154 complaints received in the same period last year. Of the 219 complaints received, 174 were related to wet overflows and blockages within the reticulated network. The remaining 45 complaints related to issues such as wastewater line damage, missing lids and manhole repairs.</p> <p>The reduction of overflow and blockage events is a specific area of focus for this financial year's wastewater education programme, which aims to increase community understanding about what can and can't be flushed or put down the drain. End of year target is expected to be achieved.</p>				
Quarterly result:				
Q1	Q2	Q3	Q4	Cumulative
3.6 per 1,000 connections				3.6 per 1,000 connections





\*Measures required by the Department of Internal Affairs



**You can expect:** We operate and maintain the wastewater system to minimise the impact on the environment.

Measure	2020/21 target	YTD results	Forecast year-end result
The number of abatement notices, infringement notices, enforcement orders and convictions issued for spillage from the wastewater system.*	No more than 1 abatement action	0 	
	0 infringement, enforcement or conviction actions	0 	
<b>What's behind the results</b>			
No abatement notices or infringement, enforcement or conviction actions were issued to Hamilton City Council for spillage from the wastewater system during quarter one.			

**You can expect:** A timely response and resolution if there is an urgent problem with the wastewater system.

Measure	2020/21 target	YTD result	Forecast year-end result
The median attendance time for call-outs, from the time that we received notification to the time that our service personnel reach the site.*	No more than 60 minutes	21 minutes 	
The median resolution time of call-outs, from the time that we received notification to the time that our service personnel confirm the fault or interruption has been resolved.*	No more than 5 hours	2.5 hours 	
<b>What's behind the results</b>			
<p>The median attendance time for wastewater call outs was 21 minutes. This result is an improvement on the median of 34 minutes achieved in the same quarter last financial year.</p> <p>The median resolution time for wastewater call outs was 2.5 hours. This result is lower than the median of 3.0 hours achieved in the same period last financial year.</p> <p>New methods of monitoring the spatial distribution of service requests are allowing us to target areas where increased maintenance, asset renewal or capital investment may be needed. The reduction in the disposal of fats, oils and greases into the wastewater network is a focus of this year's wastewater education programme. These actions are expected to assist in decreasing the number of wastewater overflow and blockage events and ensure we continue to respond and resolve wastewater issues in a timely manner.</p>			

\*Measures required by the Department of Internal Affairs

Quarterly result:					
	Q1	Q2	Q3	Q4	Average
Attendance	21 minutes				21 minutes
Resolution	2.5 hours				2.5 hours

\*Measures required by the Department of Internal Affairs





# STORMWATER

Stormwater is about providing our city with services that protect people and properties from flooding and manage the quality of our stormwater. This activity covers the stormwater network including collection, conveyance, treatment and discharge services.

## SERVICE PERFORMANCE MEASURES

KEY: **On track** | **Needs action** | **Off track** | **No data**





**You can expect:** Our stormwater system is designed and maintained to minimise the likelihood of stormwater entering habitable buildings.

Measure	2020/21 target	YTD result	Forecast year-end result
The number of flooding events <sup>2</sup> that occur within the city. *	No more than 1 flooding event	0 	
For each flooding event, the number of habitable floors <sup>2</sup> affected.*	No more than 1 per 1,000 properties	0 per 1,000 properties 	
<b>What's behind the results</b>			
<p>A total of 111 reports of flooding events were received. This quarter is traditionally the wettest period of the year when the performance of the stormwater system is more likely to be challenged. The majority of events reported were due to flooding of roads and blocked catchpits, however none of these events resulted in stormwater entering a habitable building.</p> <p>Continued implementation of preventative maintenance programmes and compliance with the Regional Infrastructure Technical Specifications for construction of new stormwater infrastructure will ensure that the stormwater system is constructed, operated and maintained to minimise flooding events.</p>			



<sup>2</sup> A flooding event means an overflow of stormwater from our stormwater system that enters a habitable floor (meaning a building, including a basement, but does not include ancillary structures such as stand-alone garden sheds or garages)

\*Measures required by the Department of Internal Affairs

**You can expect:** We will comply with our resource consent conditions and minimise the impact of our stormwater on the environment.

Measure	2020/21 target	YTD result	Forecast year-end result
The number of abatement notices, infringement notices, enforcement orders and convictions related to the management of the stormwater system.*	No more than 1 abatement action	0 	
	0 infringement, enforcement or conviction actions	0 	
<b>What's behind the results</b>			
No abatement notices or infringement, enforcement or conviction actions were issued to Hamilton City Council in relation to the management of the stormwater system during quarter one.			



**You can expect:** A timely response if there is a problem with the stormwater system or flooding of a habitable building.

Measure	2020/21 target	YTD result	Forecast year-end result	
The median response time, from the time that we received notification to the time that our service personnel reach the site of the flooding event. <sup>3i*</sup>	No more than 60 minutes	0 minutes 		
<b>What's behind the results</b>				
This measure indicates the median response time, from the time that we receive notification to the time that our service personnel reach the site of the flooding event. A flooding event is defined as an overflow of stormwater from our stormwater system that enters a habitable floor. There were no flooding events recorded during the quarter.				
Quarterly result:				
Q1	Q2	Q3	Q4	Average
0 minutes				0

<sup>3</sup> A flooding event means an overflow of stormwater from our stormwater system that enters a habitable floor (meaning a building, including a basement, but does not include ancillary structures such as stand-alone garden sheds or garages)

\*Measures required by the Department of Internal Affairs

**You can expect:** We will operate and maintain the stormwater system to minimise flooding.

Measure	2020/21 target	YTD result	Forecast year-end result										
The number of complaints received about the performance of the stormwater system. *	No more than 10 complaints per 1,000 properties connected	3.2 per 1,000 properties connected 											
<b>What's behind the results</b>													
<p>This quarter is traditionally the wettest period of the year when the performance of the stormwater system is more likely to be challenged. The number of complaints received during this quarter is typically is the highest for any quarter during the year.</p> <p>A total of 197 complaints in relation to the performance of the stormwater system were received, which equates to 3.2 complaints per 1,000 properties connected. This is lower than the 218 complaints received in the same period of time last year. The most common complaints have been for blocked catchpits, road flooding and damaged kerb and channels.</p> <p>Continued implementation of preventative maintenance programmes and compliance with the Regional Infrastructure Technical Specifications (RITS) for construction of new stormwater infrastructure will ensure that the stormwater system is constructed, operated and maintained to minimise flooding events. We remain on track to achieve the target of less than 10 complaints per 1,000 properties connected.</p> <p>Quarterly result:</p> <table><tr><th>Q1</th><th>Q2</th><th>Q3</th><th>Q4</th><th>Cumulative</th></tr><tr><td>3.2 per 1,000 properties connected</td><td></td><td></td><td></td><td>3.2 per 1,000 properties connected</td></tr></table>				Q1	Q2	Q3	Q4	Cumulative	3.2 per 1,000 properties connected				3.2 per 1,000 properties connected
Q1	Q2	Q3	Q4	Cumulative									
3.2 per 1,000 properties connected				3.2 per 1,000 properties connected									

\*Measures required by the Department of Internal Affairs

# TRANSPORT

Transport is about Hamilton being a city that is easy to get around. This activity includes the transport network and parking management.

## SERVICE PERFORMANCE MEASURES

KEY: On track | Needs action | Off track | No data

**You can expect:** Predictable vehicle travel times for peak time trips.



Measure	2020/21 target	YTD result	Forecast year-end result
The percentage of extra time taken for vehicles to travel key routes in the city during peak travel times compared to non-peak.	No more than 50%	●	
<b>What's behind the results</b>			
This measure is surveyed twice a year, in November and May, the next result will be available in quarter two. The measure shows whether we are providing consistent, reliable travel times for daily journeys that contribute to an efficient and enjoyable travel experience.			
The result reported in the 2019/20 Annual Report was 38%.			

**You can expect:** Alternative transport options for getting into the central city.


Measure	2020/21 target	YTD results	Forecast year-end result
The number of cyclists biking into the central city.	At least 1,700 on the day of survey	●	
<b>What's behind the results</b>			
This is a measure that is completed annually. The 2020/21 assessment will be completed in March 2021 and the result will be reported in quarter four.			
The count is completed at 29 checkpoints around the central city and the count is undertaken manually between the peak morning and evening hours. With access to data collection methods improving, we will look to review the collection method, locations and survey times to ensure we report on a metric that accurately reflects the number of people cycling into the central city. The result will show us how well our Biking Plan is working to encourage alternate transport modes.			
We were unable to report a result in the 2019/20 Annual Report due to covid-19. The result reported in the 2018/19 Annual Report was 1,238.			

\*Measures required by the Department of Internal Affairs

**You can expect:** Our transport network is safe to use.



Measure	2020/21 target	YTD results	Forecast year-end result																								
The change from the previous financial year in the number of fatalities and serious injury crashes on Hamilton’s local road network.*	Decrease from previous year	6 crashes that resulted in a serious injury or fatalities 																									
What’s behind the results																											
<p>Safety is a top priority as we create the future transport system for Hamilton. We have a safety vision goal (Vision Zero) that states there will be a decreasing trend of serious injuries and no deaths on our transport system by 2028/29. We aim to achieve this by delivering projects that improve the safety of pedestrian and biking facilities and intersections.</p> <p>The measure is an indication of the impact of safety improvements on reducing death and serious harm on Hamilton roads. The interim result shows there has been one fatal and five serious injury crashes year to date, resulting in one death and six people being seriously injured. The result for the same period last year was 0 fatal and 10 serious injury crashes, resulting in 10 people being seriously injured.</p> <p>Council also reports the number of people fatally and seriously injured on Hamilton’s local road network:</p> <table><tr><th></th><th>2020/21 YTD</th><th>2019/20</th><th>2018/19</th><th>2017/18</th><th>2016/17</th></tr><tr><td>Fatalities</td><td>1</td><td>2</td><td>4</td><td>5</td><td>1</td></tr><tr><td>Serious injuries</td><td>6</td><td>37</td><td>50</td><td>52</td><td>47</td></tr><tr><td>Total</td><td>7</td><td>39</td><td>54</td><td>57</td><td>48</td></tr></table>					2020/21 YTD	2019/20	2018/19	2017/18	2016/17	Fatalities	1	2	4	5	1	Serious injuries	6	37	50	52	47	Total	7	39	54	57	48
	2020/21 YTD	2019/20	2018/19	2017/18	2016/17																						
Fatalities	1	2	4	5	1																						
Serious injuries	6	37	50	52	47																						
Total	7	39	54	57	48																						

**You can expect:** Roads to be kept in good condition.


Measure	2020/21 target	YTD result	Forecast year-end result
The average smooth travel exposure rating across the sealed road network.*	At least 86% smooth travel exposure		
<b>What's behind the results</b>			
<p>This is an annual measure and the data is gathered from the Smooth Travel Exposure Report that is undertaken in April each year. It includes both urban and rural sealed roads. The 2020/21 assessment is expected to be completed in April 2021.</p> <p>The result reported in the 2019/20 Annual Report was 85.3%.</p>			

\*Measures required by the Department of Internal Affairs





Measure	2020/21 target	YTD result	Forecast year-end result
The percentage of Hamilton's sealed local road network that is resurfaced each year.*	At least 4%	0.07% 	
<b>What's behind the results</b>			
The annual resurfacing programme for 2020/21 has yet to start with programmed asphalt and chipsealing commencing in January 2021. There have been two small asphalt sites completed to date measuring 4,102m <sup>2</sup> in total.			
The current programme allows for completion of enough sites to achieve the end of year target of at least 4% resurfacing.			

**You can expect:** Footpaths to be kept in good condition.

Measure	2020/21 target	YTD result	Forecast year-end result
The percentage of footpaths that fall within the service standard for the condition of footpaths as set out in the Transport Activity Management Plan.*	At least 97%		
<b>What's behind the results</b>			
We aim to provide footpaths that are well maintained. Our target is at least 97% of footpaths have less than five faults identified per 100m. We record faults with different priority levels for actions, ranging from monitoring-only (to check for further deterioration) to immediate repair. Data is next expected in June 2021.			
The result reported in the 2019/20 Annual Report was 78%.			

**You can expect:** A timely response to road and footpath service requests.

Measure	2020/21 target	YTD result	Forecast year-end result
The percentage of customer service requests relating to roads and footpaths responded to within five working days.* <sup>4</sup>	At least 96%	99.8% 	
<b>What's behind the results</b>			
Of the 1,593 service requests received in quarter one we responded to 1,590 within five working days. The number of requests are down by 18.5% on the same period last year,			

<sup>4</sup> Working days are Monday to Friday, excluding public holidays. If notification is received on the weekend or public holiday the timeframe starts from the next working day.

\*Measures required by the Department of Internal Affairs

where we received 1,955 service requests and responded to 97% within five working days.

### QUARTERLY HIGHLIGHTS

Two central city projects have received funding from Waka Kotahi NZ Transport Agency's Innovating Streets for People pilot fund. One of the projects is Rostrevor Street in the West Town Belt (Tristram Street to Seddon Road) between Hinemoa and Boyes Parks. The project will look at 'stitching' the two parks together to create better pedestrian and cycle links. The second project is on Ward Street between Anglesea Street to Tristram Street. This section of our network is a key link that connects the city's Western Rail Trail and West Town Belt to the central city and the river path. Waka Kotahi is providing 90% of the total project costs with the aim to help us turn these areas into more people-friendly spaces. The Innovating Streets Programme is based on the concept of tactical urbanism; a technique where temporary physical changes are made to a street and then tested to inform a permanent solution. For communities, it is a chance to be involved in co-creating street design changes. These projects are part of Council's broader strategic approach to make Hamilton a city, where people are well connected by a variety of safe and accessible transport options.

A new "Apple" green surfacing has started to be rolled on our cycle lanes across the city, improving the visibility and awareness of cycle lanes across the network as part of Hamilton City Council's plan to get more people biking.

Widening was undertaken on some existing footpaths along River Road to a 3m-wide shared path, separating vehicles from cyclists, along with the construction of raised safety platforms near Flagstaff shops to provide safer crossing points for both cyclists and pedestrians.

City Transportation Community Engagement Team has been engaging in a variety of campaigns this quarter supporting education programmes aimed at both youth and adults; including Right Track, Motorcycle Maintenance, DriveWise (youth driver training), Car Free Day, Park Smarter, Better Driving around Schools and Bikes in Schools. The Better Driving around Schools campaign has been supported by improvement to our roads near schools to support a safer environment for our children.

\*Measures required by the Department of Internal Affairs





# RUBBISH AND RECYCLING

Rubbish and Recycling is about protecting the health of Hamiltonians and the environment by providing a reliable kerbside rubbish and recycling collection service, and promoting waste minimisation and resource recovery. This activity includes landfill site management, refuse and recycling collection and waste minimisation.

## SERVICE PERFORMANCE MEASURES

KEY: **On track** | **Needs action** | **Off track** | **No data**

**You can expect:** We will promote and encourage waste reduction, reuse and recycling.



Measure	2020/21 target	YTD result	Forecast year-end result
The percentage of waste recovered for recycling through the kerbside collection.	At least 45%	35% 	
<b>What's behind the results</b>			
<p>The 2020/21 target of 45% of waste to be recovered for recycling through the kerbside collection (up from 30% for 2019/2020) was set based on the new service starting on 1 July 2020. With the start of the new service delayed due 31 August 2020 due to COVID-19, the reported result includes two months of kerbside collection under the old service.</p> <p>Encouragingly the first month of the new rubbish and recycling service shows an increase of kerbside diversion to 58%. This is due to the collection of 527 tonnes of food waste and increased dry recycling volumes.</p> <p>Results for the next quarter will provide a good indication of where kerbside rubbish and recycling volumes for the new service are likely to stabilise. It is anticipated that the results for the rest of the financial year will bring the average up above the target of 45% by the end of 2020/21.</p>			
Measure	2020/21 target	YTD result	Forecast year-end result
The amount of waste received at Council operated waste facilities that is diverted from landfill.	At least 16,000 tonnes per annum.	3,453 	
<b>What's behind the results</b>			
<p>This result reflects two months of the old rubbish and recycling service and one month of operation of the Refuse Transfer Station by EnviroWaste Services Limited, who took over</p>			

\*Measures required by the Department of Internal Affairs

the site on 31 August 2020.



433 tonnes of waste were diverted from landfill via the Refuse Transfer Station during the first month of operation by EnviroWaste, which is consistent with the average monthly diversion for the last year by the previous operator. As additional initiatives such as wood recovery, e-waste, battery recycling, bottle lid recycling and mechanical recovery from the pit take place, alongside a full quarter of operation of the reuse store by Habitat for Humanity, it is expected that the diversion numbers will improve as the year progresses.

**You can expect:** We will collect your rubbish and recycling.

Measure	2020/21 target	YTD result	Forecast year-end result
The number of weeks where there are more than 20 complaints about uncollected kerbside rubbish and recycling.	0 weeks	5 weeks 	
<b>What's behind the results</b>			
<p>This result reflects the performance of the rubbish and recycling service from 31 August 2020, since the start of the contract with EnviroWaste Services Limited. Hamilton City Council has been unable to obtain accurate results from the previous contractor for July and August. The information provided by the previous contractor did not have sufficient data integrity to be able us to confidently report the number of complaints received and the amount of time taken to resolve them. With any transition of services in a contract of this size there will always be issues associated with winding down the incumbent contractor and implementation of the service by the new contractor. Whilst significant planning is undertaken for this transition there will always be unexpected issues that arise. EnviroWaste has experienced challenges from the outset associated with greater than expected food waste volumes. Staffing and fleet for food waste were unable to keep up with demand and resources were required to be reallocated. This led to a higher volume of missed collections for rubbish and recycling, in addition to the missed collections for food waste, during the early weeks of implementation.</p> <p>There are slightly under 60,000 households who receive a kerbside collection on a weekly basis. Based on the number of missed collections recorded since the new service started, approximately 1% of households are making a complaint about uncollected kerbside rubbish and recycling on a weekly basis. It is anticipated that the number of complaints will reduce as the service is adequately resourced and optimised.</p> <p>Due to the challenges experienced as a result of the implementation of the new kerbside rubbish and recycling contract, the annual target of zero weeks with more than 20 complaints about uncollected kerbside rubbish and recycling will not be met.</p>			

\*Measures required by the Department of Internal Affairs

**You can expect:** A timely response if there is a problem with rubbish and recycling.

Measure	2020/21 target	YTD result	Forecast year-end result
The percentage of customer complaints about uncollected kerbside rubbish and recycling resolved within 24 hours.	At least 95%	20.38% 	
<b>What's behind the results</b>			
<p>This result reflects the performance of the rubbish and recycling service from 31 August 2020, since the start of the contract with EnviroWaste Services Limited. Hamilton City Council has been unable to obtain accurate results from the previous contractor for July and August. The information provided by the previous contractor did not have sufficient data integrity to be able us to confidently report the number of complaints received and the amount of time taken to resolve them.</p> <p>With any transition of services in a contract of this size there will always be issues associated with winding down the incumbent contractor and implementation of the service by the new contractor. Whilst significant planning is undertaken for this transition there will always be unexpected issues that arise. EnviroWaste has experienced challenges from the outset associated with greater than expected food waste volumes. Staffing and fleet for food waste were unable to keep up with demand and resources were required to be reallocated. This led to a higher volume of missed collections for rubbish and recycling, in addition to the missed collections for food waste, during the early weeks of implementation - which then impacted on the amount of time taken to resolve the missed collections.</p> <p>Due to the challenges experienced as a result of the implementation of the new kerbside rubbish and recycling contract, the annual target of at least 95% of complaints being resolved within 24 hours will not be met. In addition, the service specification for the new contract requires EnviroWaste to collect any missed collections no later than the end of the next business day from the point in time at which they are notified. This enables complaints to be resolved outside the 24 hour timeframe that is specified for this measure.</p>			

## QUARTERLY HIGHLIGHTS

The new kerbside rubbish and recycling service started on 31 August 2020, following the delivery of 170,000 bins between June and mid-August. A significant education campaign in the lead up to the beginning of the new service ensured residents were well prepared for the changes that the new service brought with it.

Aspects of the new service have shown promising signs in the early weeks. 527 tonnes of food scraps were collected in September, contributing to 58% of waste being recovered for recycling through the kerbside collection. These early results are encouraging when compared to Hamilton City Council's 10-year goal of diverting more than 150,000 tonnes of anticipated waste from landfill. The reopening of the Lincoln Street Reuse Centre under Habitat for Humanity also provides an opportunity for Hamiltonians to divert reusable items at the point of landfill. All funds raised from items sold go towards Habitat for Humanity's work focusing on housing need.

\*Measures required by the Department of Internal Affairs

Preparation was completed in September to allow for applications to open for the Waste Minimisation Fund in early October. The Waste Minimisation Fund allocates \$50,000 annually from money Hamilton City Council receives via the Government's national waste levy. The aim of the fund is to encourage projects championing long-term waste minimisation and behaviour change, in line with our Waste Management and Minimisation Plan.

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\*Measures required by the Department of Internal Affairs

# Council Report

Item 11

**Committee:** Finance Committee

**Date:** 02 December 2020

**Author:** Stephen Pennruscoe

**Authoriser:** Lance Vervoort

**Position:** Libraries Director

**Position:** General Manager Community

**Report Name:** Contract 15216 Supply of Library Collection Materials Variation of contract sum

<b>Report Status</b>	Open
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## Purpose - *Take*

1. To inform the Finance Committee on Contract 15216: Supply of Library Materials with Wheelers Book Club LTD.
2. To seek approval from the Finance Committee to spend up to an additional \$300,000 with Wheeler's Book Club LTD through contract 15216: Supply of Library Materials with Wheelers Book Club LTD.

## Staff Recommendation - *Tuutohu-aa-kaimahi*

3. That the Finance Committee:
  - a) receives the report; and
  - b) approves up to an additional \$300,000 to be spent for contract 15216: Supply of Library Materials with Wheelers Book Club LTD.

## Executive Summary - *Whakaraapopototanga matua*

4. Contract No. 15216: Supply of Library Collection Materials with Wheelers Book Club LTD provides shelf-ready books and e-content to Hamilton City Libraries. The outsourcing contract provides around 70 percent of new material to Libraries each year.
5. The existing contract sum with Wheelers is \$3,900,000 (spread over 5 years). The request to spend up to an additional \$300,000 over the total value of the contract, will bring the total to \$4,200,000. This additional funding would allow the Libraries to spend up to the maximum contracted 70% of the collection budget with Wheelers. This exceeds Chief Executive delegation and requires committee approval.
6. This expenditure is all within Libraries' existing budget levels. Staff are not asking for an increase in the current budget but rather permission to spend more with an existing supplier.
7. Staff recommend the Finance Committee approve the additional expenditure up to the value of \$300,000.

8. The Community Committee Chair supports this matter being brought directly to the Finance Committee for approval due to timing.
9. Staff consider the decision in this report has low significance and that the recommendations comply with the Council's legal requirements.

### **Background - *Koorero whaimaarama***

10. At the 21 April 2016 Finance Committee [[Agenda](#), [Minutes](#)] the following was resolved relating to Contract 15216 for Supply of Library Collection Material:

*Resolved: (Her Worship the Mayor Hardaker/Cr Chesterman) That:*

*a) the report be received;*

*b) the tender submitted by Wheeler Book Club Limited for Contract 15216 for Supply of Library Collection Material is accepted by Hamilton City Council;*

*c) The Chief Executive is delegated to negotiate and approve final contract terms with Wheeler Book Club Limited based on the Hamilton City Council Request for Proposal;*

*d) the Approved Contract Term is set at three years with a right of renewal of two years at Councils sole discretion; and*

*e) the Approved Contract Sum for the first three years of the contract is set One Million Nine Hundred Thousand Dollars (\$1,950,000) being the estimated total spend over the first three years of the contract*

11. In 2018/2019 a variation to increase the value of the contract to \$2,400,000 to cover increased vendor supply was approved by the Chief Executive.
12. In May 2019 Finance Committee approved the right of renewal for two years until 30 June 2021. This increased the value of the contract to \$3,900,000.
13. The current contract for the supply of books is due to expire on 30 June 2021. The libraries team are currently preparing the RFP documentation to go out for tender for a new supply agreement.

### **Discussion - *Matapaki***

14. Contract No. 15216: Supply of Library Collection Materials is a contract for the provision of outsourced shelf-ready books and e-content for Hamilton City Libraries. The current contractor is Wheelers Book Club LTD.
15. Wheelers Book Club LTD is performing the duties required under this contract to a high standard and a good working relationship has been developed with the Hamilton City Libraries team.
16. The contract represents good value for money for Council. The discounts and shelf ready costs received through the contract could not be achieved, at this time, by Libraries if services were delivered in-house.
17. Staff recommend the Finance Committee approve the additional expenditure of up to an additional \$300,000 which will bring the total of the contract over the five-year period to \$4,200,000.
18. If the recommendation is not approved, we would be unable to supply sufficient new materials to our libraries for five months.



19. **A. City Strategic Framework**

- *Social Well-being*
- *Active Communities*
- *Creativity & Identity*
- *Economic Development*
- *City Scope*
- *Urban Growth*
- *Environmental Sustainability*
- *Access Hamilton*

*The submission supports Council's Social Well-being strategy priorities to create and maintain a safe city.*

**B. Community Outcomes**

- *Sustainable and Well-planned*
- *Vibrant and Creative*
- *Unique Identity*
- *Safety and Community Spirit*
- *Health and Happy*
- *Intelligent and Progressive City*
- *Working Together*

**Financial Considerations - *Whaiwhakaaro Puutea***

20. This is a regular operating activity funded through the Long Term Plan.

Year	Total Budget	Contract Expenditure	Other Collections Expenditure
2020/2021	\$1,229,200	\$750,000	\$479,200

The total budget available for Libraries collection renewals for the 2020/2021 financial year is included in the table above. The Wheelers contract represents \$750,000 annually and is budgeted within the 10 Year Plan. The balance of the expenditure will be through other specialist suppliers

**Legal and Policy Considerations - *Whaiwhakaaro-aa-ture***

21. Staff confirm that the matters in this report complies with the Council's legal and policy requirements.

**Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga***

22. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
23. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.
24. The recommendations set out in this report are consistent with that purpose.

**Social**

25. Hamilton City Libraries provides collections that promote literacy and learning through our network of six libraries.

### **Economic**

26. Hamilton City Libraries provides a free and accessible resource for our Community

### **Environmental**

27. Hamilton City Libraries provides a wealth of information and resources through collections that help people to live more sustainably.

### **Cultural**

28. The Contract meets the values set out in the Libraries Bicultural Commitment.
29. The selection and acquisition of Maaori Collections are outlined in the Libraries' Collection Profile.

### **Risks - *Tuuraru***

30. There are no risks associated with the decisions required in this report.

### **Significance & Engagement Policy - *Kaupapa here whakahira/anganui***

#### **Significance**

31. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the matter(s) in this report has/have a low level of significance.

#### **Engagement**

32. Given the low level of significance determined, the engagement level is low. No engagement is required.

### **Attachments - *Ngaa taapirihanga***

There are no attachments for this report.

## 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. Confirmation of the Public Excluded Finance Committee Minutes - 6 October 2020	) Good reason to withhold information exists under Section 7 Local Government	Section 48(1)(a)
C2. Report on overdue debtors as at 31 October 2020 & Debt write-offs 2020/21	) Official Information and Meetings Act 1987	

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 prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to protect the privacy of natural persons	Section 7 (2) (a)
	to maintain the effective conduct of public affairs through protecting persons from improper pressure or harassment	Section 7 (2) (f) (ii)