

Notice of Meeting:

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

Date: Tuesday 11 February 2020

Time: 9.30am

Meeting Room: Council Chamber

Venue: Municipal Building, Garden Place, Hamilton

Richard Briggs Chief Executive

Finance Committee OPEN AGENDA

Membership

Chairperson Cr R Pascoe

Deputy Chairperson Cr Maxine van Oosten Members Mayor P Southgate

Deputy Mayor G Taylor

Cr M Bunting
Cr M Forsyth
Cr M Gallagher
Cr R Hamilton
Cr D Macpherson
Cr K Naidoo-Rauf
Cr A O'Leary
Cr S Thomson
Cr E Wilson

Maangai Bella Takiari-Brame

Quorum: A majority of members (including vacancies)

Meeting Frequency: Six weekly

Becca Brooke Governance Manager

4 February 2020

Telephone: 07 838 6439 Becca.Brooke@hcc.govt.nz www.hamilton.govt.nz

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
- Revenue and Financing Policy

1.

ITEM	TABLE OF CONTENTS	PAGE
1	Apologies	5
2	Confirmation of Agenda	5
3	Declarations of Interest	5
4	Public Forum	5
5	Finance Committee Draft Schedule of reports 2020	6
6	Capital Portfolio Monitoring Report	9
7	Annual Monitoring Report to 31 December 2019	30
8	Financial Strategy Monitoring Report	55
9	Quarter one - Service Performance Measure 2019-20	64
10	Resolution to Exclude the Public	102

1 Apologies

2 Confirmation of Agenda

The Committee to confirm the agenda.

3 Declaration of Interest

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

4 Public Forum

As per Hamilton City Council's Standing Orders, a period of up to 30 minutes has been set aside for a public forum. Each speaker during the public forum section of this meeting may speak for 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 6439.

Item 5

Council Report

Committee: Finance Committee **Date:** 11 February 2020

Author: Rebecca Watson **Authoriser:** Amy Viggers

Position: Committee Advisor **Position:** Governance Team Leader

Report Name: Finance Committee Draft Schedule of reports 2020

Report Status	Open
---------------	------

Purpose

1. To inform the Finance Committee regarding the draft 2020 Schedule of Reports.

Staff Recommendation

- 2. That the Finance Committee:
 - a) receives the draft 2020 Schedule of Reports; and
 - b) notes that the Schedule of Reports is intended to be a living document that will be updated as necessary and will be made available to Elected Members on Diligent.

Background

- The Chief Executive undertook to provide Elected Members with schedules for the tasks and responsibilities to be undertaken each calendar year by the Council and the Council Committees.
- 4. The purpose of the schedules is to provide Elected Members with oversight of the planned and upcoming activities for which they are responsible as members of the Finance Committee. The schedules set out the key reports and pieces of work assigned to the Finance Committee as well as the intended meeting dates where these will be presented.
- 5. The schedules have been developed by the Principal Advisors and Chair of the Committee in conjunction with key staff, the Strategy Unit, and the Governance Unit. Content covers:
 - Standing agenda items and regular reports;
 - The development, review, and status reporting of strategic plans and policies;
 - Anticipated submissions and legislative reports;
 - Items relating to the Annual Plan and 10 Year Plan;
 - Reporting of joint organisations, stakeholder groups, and established taskforces; and
 - Business as usual matters identified by staff as requiring governance decisions or oversight.

- 6. In order for Elected Members to have a current view of Finance Committee activities throughout the year, the schedules will need to be updated when new items arise or when timing or circumstances change. Elected Members will have access to the updated schedules on Diligent.
- 7. The Governance Unit and the Principal Advisors' Executive Assistants will take responsibility for maintaining up-to-date documents.
- 8. 2020 Report Schedules for all Committees will be presented at each of their first meetings of 2020.

Attachments

Attachment 1 - Finance Committee 2020 Draft Schedule of Reports .

Finance Committee 2020 Schedule of Reports							
Standard Reports	11-Feb-20	21-Apr-20	16-Jun-20	11-Aug-20	24-Sep-20	3-Nov-20	Future
Capital Portfolio Monitoring Report							
Annual Monitoring Report	31-Dec-19	31-Mar-20	31-May-20	30-Jun-20	31-Aug-20	30-Sep-20	
inancial Strategy Monitoring Report	31-Dec-19	31-Mar-20	31-May-20	30-Jun-20	31-Aug-20	30-Sep-20	
Weathertight Buildings Update - Financial							
Summary							
Overdue Debtors/Bad Debt Writeoffs (PX)							
Annual Plan/LTP Reports	11-Feb-20	21-Apr-20	16-Jun-20	11-Aug-20	24-Sep-20	3-Nov-20	Future
CE Savings Report		Q2 Oct - Dec		Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	
TP Performance Measures							
Policies	11-Feb-20	21-Apr-20	16-Jun-20	11-Aug-20	24-Sep-20	3-Nov-20	Future
Funding Needs Analysis Policy							
nvestment and Liability Management Policy							
Rates Remissions and Postponements Policy							
Rating Policy							
Revenue and Financing Policy							

Council Report

Committee: Finance Committee **Date:** 11 February 2020

Author: Iain Anderson **Authoriser:** Chris Allen

Position: Business Support Team Leader **Position:** General Manager

Development

Report Name: Capital Portfolio Monitoring Report

Report Status	Open

Purpose

1. To inform the Finance Committee on the progress of the capital portfolio delivery against the 2019/20 Annual Plan for the six-months ending 31 December 2019.

Staff Recommendation

2. That the Finance Committee receives the report.

Executive Summary

- 3. This report is to be read in conjunction with the Annual Monitoring Report and Financial Strategy Monitoring Report.
- 4. This report reflects the capital portfolio delivery results for the 6 months ended 31 December 2019. The last capital portfolio monitoring report to the Finance Committee was on 10 September 2019 which summarised the 2019/20 results to 31 July 2019.
- 5. At the end of December 2019, the Capital Expenditure result is \$86.2M which is \$9.5M favourable to forecast. The comparative from December 2018 was \$53.8m, indicating a significant step up in expenditure this year.
- 6. The report forecasts an annual spend of \$225.0M and indicates \$92.7M of anticipated deferrals and \$4.8M of anticipated savings. This forecast is based on the information available for the period to 31 December 2019.
- 7. Of the current anticipated deferrals of \$92.7M;
 - \$57.0M is related to projects which are on track to be completed in accordance with the 2018-28 10-Year Plan timeframes.
 - \$35.7M is related to projects which are delayed with the majority being dependent on the timing of third-party actions outside of the Councils control.
- 8. A significant contributor to the level of deferrals is the Peacocke Programme. While the overall project remains on track and on budget, re-phasing is required. This is largely related to the land purchase budget.

- 9. Deferrals associated with the Renewals and Compliance Programme are identified separately as these are managed under the 3-year programme approach that Council approved 23 May 2019. As at 31 December 2019, \$10.4m in renewal and compliance work has been identified to be undertaken next year. Staff will report back to the 31 March 2020 Finance Committee on the status of the Renewal and Compliance Programme.
- 10. Further consideration will be given to the likely Year 3 (2020/21) expenditure for the pending 2020/21 Annual Plan.
- 11. Savings of \$4.8M for the 2019/20 year have been identified to date.
- 12. Staff consider the low significance and that the recommendations comply with the Council's legal requirements.

Programme Summary

- 13. The following definitions are relevant:
 - <u>Portfolio:</u> refers to the total organisational capital work budget. A summary table of the year 2 portfolio is below;
 - <u>Programme:</u> refers to the 8 programmes that are referred to in this report, which when added together equal the portfolio;
 - <u>Project:</u> refers to an individual identified project under a particular programme which may have funding from multiple activities and across multiple year.

2019/20 Capital Expenditure Budget as per Annual Plan	\$323.6M
Plus Deferrals from 2019-20 (approved September 2019)	\$6.0M
Total Capital Expenditure Budget	\$329.6M

- 14. **Attachment 1** contains an overview of the key achievements across the total organisation capital portfolio.
- 15. **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
 - VIII. Renewal and Compliance
- 16. We are now half way through the delivery of the 3-year portfolio and a significant amount of work has gone into the award of contracts that are multi-year to allow for the successful delivery of the 3-year portfolio of works.
- 17. Significant highlights since the last report to the Finance Committee include:
 - I. Completion and Opening of the new Waiwhakareke walking track
 - II. Completion and opening of the new Innes Common playground
 - III. The Picturesque Garden opened in November 2019

- IV. Completion of the FMG Stadium Turf January 2020
- V. Completion of the upgrade to the Crematorium Building
- VI. First stage of North City Road Upgrade complete
- VII. Rototuna Sports Park complete
- VIII. Borman Road West extension to Kaye Road complete
- IX. First stage Melville Park playground and skate bowl opened
- X. Award of the Rotokauri Transport Hub contract
- XI. Award of the Peacocke SH3 Dixon Road Intersection Upgrade contract
- XII. Award of the Hillsborough Pump Station Upgrade contact
- XIII. Award of the North Ridge Drive Urban Upgrade contract

Capital Expenditure to end of December 2020

- 18. For purposes of this Capital Portfolio Monitoring report there are 5 main types of capital budget movement that will impact on the forecasted total spend for this financial year. They are:
 - I. <u>Re-phasing Deferrals</u> this is where the project has started or there is confidence that the project will start <u>and</u> 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 we have now received construction programmes from the contractors and with them the forecasts of expenditure have been rephrased.
 - II. <u>Delay Deferrals</u> 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 our control the more usual reason being that a developer is not ready to partner with HCC as anticipated when the 2018-28 10-Year Plan was developed.
 - III. <u>Renewal and Compliance Deferrals</u> this is 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 if any budgets remain unspent at the end of the 3 year cycle will be returned to Council as a saving.
 - IV. <u>Capital Savings</u> this is for the recording of efficiencies and capital savings that can be attributed to the capital savings target. The capital saving target for 2019/20 is \$16.8M, in 2018/19 \$8.0M of capital savings was achieved. The capital savings translate into operating savings through consequential opex, interest and depreciation savings. The contribution of the capital savings to operating savings are established through the six-monthly Business Transformation Report, this report will be presented at the Finance Committee, 31 March 2020.
 - V. <u>Capital Expenditure Brought Forward</u> this is where a project has been bought forward to align with other projects or to enable work ahead of schedule to achieve the outcomes required in the timeframes set.
- 19. The forecasted capital expenditure to 30 June 2020 is made up as follows:

2019/20 Capital Expenditure Budget (including deferrals from 2018/19)	\$329.6M
Less Forecasted re-phasing deferrals	\$57.0M

Less Forecasted delay deferrals	\$35.7M
Less Forecasted Renewals and Compliance deferral	\$10.3M
Plus, Capital expenditure brought forward from 2020/21	\$3.2M
Less Capital savings forecasted in 2019/20	\$4.8M
Total forecasted capital expenditure 2019/20	\$225.0M

20. **Attachment 3** contains a full list of the rephrasing and delay deferrals, expenditure brought forward and emerging savings by project.

Revenue to end of December 2019

- 21. At the end of December 2019, the capital revenue result was \$17.3M. This was \$1.6m favourable to budget.
- 22. The forecasted revenue to 30 June 2020 is made up as follows;

2019/20 Capital Revenue Budget	\$69.7M
Less Forecasted rephrasing deferrals	\$2.9M
Less Forecasted delay deferrals	\$4.7M
Less Forecasted Renewals and Compliance deferral	\$2.7M
Additional revenue forecasted in 2019/20	\$0M
Total forecasted revenue 2019/20	\$59.4M

23. The deferrals in revenue are directly related to the capital expenditure deferrals outlined in **Attachment 3**.

Work in Progress (WIP)

29. WIP is not being reported at this time as staff are actively engaged with the implementation of the new Authority Fixed Asset module. However, the fixed assets capitalisation process within the organisation continues. Once the module is live and updated with current capitalisations WIP reporting will resume.

Council Decisions Required

30. This report is information only. It does not require a Council decision.

Emerging Risks

Arthur Porter Drive

- 31. The Council have previously been informed about issues with the road pavement at Arthur Porter Drive. In Particular it has previously been advised that unplanned renewal funding of up to \$8.035M would be required over the 3-year period (2018-21) which could be offset against the additional revenue received from Waka Kotahi NZ Transport Agency for footpath renewals (recognised in budgets at 4 December 2018 Finance Committee meeting).
- 32. A section of Arthur Porter Drive was renewed in 2018/19 at a final cost of \$1.42m and in 2019/20 further sections have been repaired to date at a cost of \$3.57M. A further section is programmed to be renewed between February 2020 and April 2020.
- 33. Staff have not yet requested that the \$8.035M of unexpected cost be offset against the additional renewal budget as at this point in time the cost is being managed within the 2018-21 Renewals and Compliance Programme budget as mandated by the delegation given to the Chief Executive at the 23 May 2019 meeting.
- 34. Additional funding from the footpath offset will only be requested when it is looking likely that Programme renewals across all activities can't be completed within the 2018/21 budgets.

Combined Treatment Plant Upgrades

- 35. The Council has previously received reports on a combined approach for the physical works upgrade to the two city treatment plants which have funding of \$66.666M allocated in the 2018-28 10-Year Plan.
- 36. The Growth and Infrastructure Committee received a report on 4 September 2018 which identified the upgrade sequence was to:
 - I. Complete the Hamilton South water Pipeline Project Complete
 - II. Upgrade the Pukete Waste Water Treatment Plant in progress Contract 16296
 - III. Upgrade the Chemical Storage at the Water Treatment Station in progress Contract 16296
 - IV. Upgrade the Water Treatment Station commence 2020
- 37. The Growth and Infrastructure Committee also awarded Contract 16296 at its September 2018 meeting and set an Approved Contract Sum of \$28.850M.
- 38. There have been some unforeseen costs in Contract 16296 and a report will tabled at the 16 April 2020 Infrastructure Operations Committee to increase the Approved Contract Sum. It is expected that these additional costs will be met from the overall funding allocated for the treatment plants and/or bring forward funding allocated for Pukete 4 the next waste water treatment plant upgrade.

Transport Projects

- 39. In developing its 2018/28 10-Year Plan, council was optimistic about the level of funding it would receive through NZ Transport Agency subsidy and the time it would take to seek project approvals.
- 40. A report will be brought to the Infrastructure Operations Committee providing a status of all transport projects together with options for the remainder of the 2018-21 period.

Legal and Policy Considerations

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

Wellbeing Considerations

- 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 well-beings').
- 43. 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.
- 44. The recommendations set out in this report are consistent with that purpose.

Social

45. 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

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

Environmental

- 47. Across the capital portfolio environmental consideration is integrated throughout the project life cycle, including through design, procurement and construction.
- 48. 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.
- 49. Across the portfolio a number of our works projects and programmes are specifically focussed on enhancing our natural environment or ensuring effects of city development are not at the detriment of our natural environment.

Cultural

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

Risks

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

Significance & Engagement Policy Significance

52. 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

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

Attachments

- Attachment 1 Capital Monitoring Summary Dec 2019
- Attachment 2 Capital Programme Summaries Dec 2019
- Attachment 3 Forecast Deferrals, Savings and Brought Forwards Dec 2019.

Hamilton City Council Capital Portfolio Report

As at 31 December 2019

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. Opportunities to progress development of the Rotokauri area is in advance of current 10YP timeframes in collaboration with central government and developers are also underway.

Infill and intensification development also continues to put increasing pressure on capacity of existing infrastructure. The financial implications to address this pressure on our existing networks could be significant in future AMPs and network Master Plans.

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 Spine Road) 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.

Delivery of some key transportation projects (ie. School Link, Transport Centre Upgrade and Mass Transit) are currently delayed from original programme due to prolonged Business Case development and associated issues indicate that we are unlikely to receive anticipated implementation funding.

Key milestones across the portfolio reached within the last 2 months include completion and opening of the new Lake Waiwhakareke walking track and Innes Common playground, as well as the award of significant construction contracts for the Rotokauri Transport Hub, Hillsborough Pump Station Upgrade, the new Peacocke SH3 intersection and the North Ridge Drive urban upgrade.

Risk 1: Health and Safety

Lack of appropriate Health and Safety practice associated with project delivery, resulting in injury, serious harm or death.

<u>Treatmen</u>t Plan

- Engaging suitably qualified and experienced contractors.
- Ensure appropriate project/contract management resourcing with appropriate awareness of H&S risks.
- Systems, processes and reporting in accordance with work safe best practice guidelines for contract management across the project lifecycle.

Risk 2: Waka Kotahi NZTA

Waka Kotahi NZTA have advised that some projects will not receive funding assistance as anticipated in 10 YP and financial strategy. As a result of not achieving assumed Waka Kotahi NZTA funding assistance, some projects may be delayed, some may not be delivered or alternatively if progressed without subsidy will require additional HCC funding or scope reduction.

Treatment Plan

- Financial modelling for scenario forecasts
- Prioritise Business Case and design efforts to 'likely' subsided works.
- Ensure quality and timeliness of Business Case submissions.
- Communication and partnering with Waka Kotahi NZTA regarding Access Hamilton priority projects.

Key Risks

Risk 3: Investment Priority

Lack of alignment of investment with benefits, resulting in benefits or wellbeing outcomes not being realised/maximised – i.e. development not being appropriately enabled and/or sub optimal investment.

Hamilton City Council

Te kaunihera o Kirikiriroa

<u>Treatment Plan</u>

- Agile in delivery programme.
- Clear definition of programme/project benefits.
- Promotion of Private Development Agreements in accordance with just-in-time delivery philosophy.

Risk 4: Cost Certainty

Lack of cost certainty at the time of 10-Year Plan budget allocation, resulting in variance against budget.

Treatment Plan

- Robust estimation and budget estimates in 10YP (including escalation).
- Agile in delivery programme. Adhere to project management and governance structures. Portfolio management to apply robust change management process.

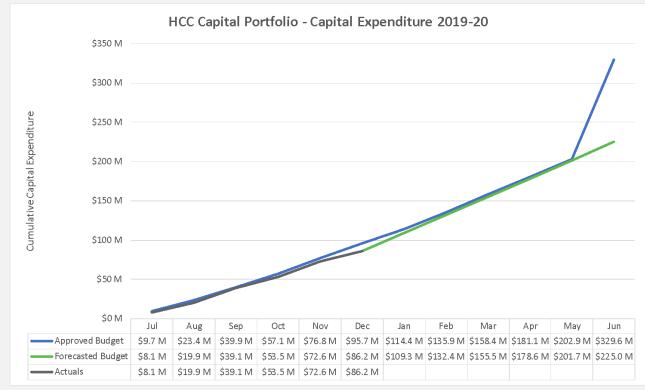
Risk 5: Supply Chain Resources

High demand for contractor and professional service resources, resulting in lack of price tension and associated cost escalation.

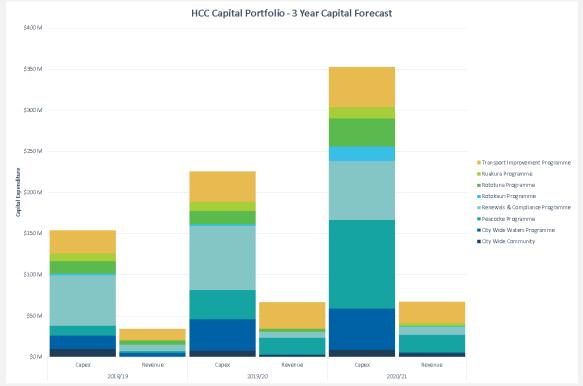
<u>I reatment Plan</u>

- Pipeline visibility and market briefings.
- Regular discussions with CCNZ and ACENZ.
- Recent tendering of the Professional Services Panel to secure professional service resource priority.

Financial Performance



Although a large proportion of the 2019/20 programme is already contractually committed, with a number of existing multi-year contracts in place and a strong pipeline of procurement, current forecasts are indicating a significant underspend against budget this FY. Primary reasons for deferrals are alignment with development timing, 3rd party dependencies including timing of land purchase, funding approvals, and some contract cashflows which are delayed from initial 10YP budget phasing estimates.



2018/19 is actual spend, 2019/20 and 2020/21 includes forecasted deferrals.

Total Capital Expenditure and Revenue at 31 December 2019

Programme	Actuals YTD	Budget YTD	Total Approved Budget	Forecast end of 2019/20	Revenue Actuals YTD	Revenue Budget YTD	Revenue Approved Budget	Revenue Forecast Budget
City Wide Community	\$1.9M	\$2.9M	\$6.8M	\$7.7M	\$0.0M	\$0.4M	\$2.1M	\$2.5M
City Wide Waters	\$18.4M	\$20.0M	\$56.5M	\$37.8M	\$0.4M	\$0.1M	\$0.5M	\$0.5M
Peacocke	\$13.3M	\$17.3M	\$73.8M	\$35.4M	\$4.6M	\$4.6M \$3.4M		\$20.1M
Renewals & Compliance	\$30.8M	л \$29.3M \$88.1M		\$77.6M	\$4.6M	\$3.3M	\$10.8M	\$7.3M
Rotokauri	\$1.3M	\$2.1M	\$6.4M	\$2.5M	\$0.2M	\$0.0M	\$0.5M	\$0.4M
Rototuna	\$3.1M	\$2.5M	\$25.6M	\$15.7M	\$0.0M	\$0.2M	\$3.4M	\$3.4M
Ruakura	\$5.4M	\$8.5M	\$14.5M	\$11.0M	\$0.0M	\$0.2M	\$0.4M	\$0.1M
Transport Improvement	\$12.1M	\$13.2M	\$57.9M	\$37.4M	\$7.4M	\$8.3M	\$31.4M	\$17.4M
Total Portfolio	\$86.2M	\$95.7M	\$329.6M	\$225.0M	\$17.3M	\$15.7M	\$69.7M	\$51.6M

Citywide 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

The civil works contract for Stage 1 of the Hamilton Gardens Development programme is well advanced with scheduled completion in February 2020. The contract for the Hamilton Club Summerhouse has been tendered and the successful tenderer notified. The proposed Visitor Centre extension and associated forecourt development has been put on hold until the Hamilton Gardens Management Plan has been confirmed. Contract documentation and structural design for the next stage of the Ancient Egyptian Garden is currently being prepared with a contract due to go out for tender early in the new year. The Picturesque Garden opened on 4 November 2019 and the Surrealist Garden will open early February 2020.

The upgrade to the Innes Common playground is complete and the playground now open to the public. It has been well received by the community and features exercise equipment and a parkour area (the first of its kind in New Zealand). Construction on the Melville Park playground and skate bowl is underway with the first stage now open to the public, with the second stage to be open in April 2020. Site investigations are complete for Lake Domain and a draft concept is underway. Community engagement on the draft plan is forecast for early in the New Year.

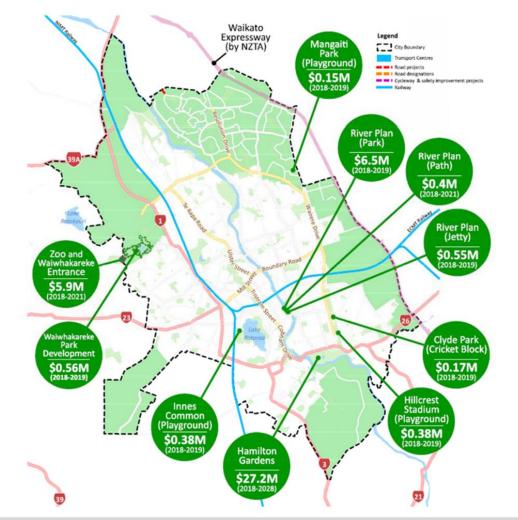
The central city jetty is now operational with a temporary solution to allow use over summer. To create efficiencies and improve competitiveness the central city jetty tender has been bundled with two other river-related projects. Tender is due for release to the market late January with award anticipated late March. Construction timing to be determined by the successful tenderer with a contracted requirement to complete by 30 lune 2020.

After consultation and approval by the River Users Forum and THaWK, a new gate on the Hamilton Gardens
Jetty has been installed to address swimming safety concerns at Hamilton Gardens. How effective this lower cost
solution is in resolving safety concerns is being monitored over the summer months. If unsuccessful the capital
funds will be required, however consenting and design may push delivery into the next financial year.

Waiwhakareke Natural Heritage Park upgrade project has now been completed and was opened to the public on 16 November. There have been 3,727 visitors to the park between opening day and 9 January 2020.

A concept design has been completed for the Zoo/Waiwhakareke Shared Entry Precinct project, and a recent quantity survey has been completed to give some certainty to cost estimates at the concept design. Due to being unsuccessful in external funding applications (PGF, TIF and Lotteries) a business case is being developed to assess priorities, staging and external funding opportunities.

See Attachment 3 for details of the forecasted deferrals.



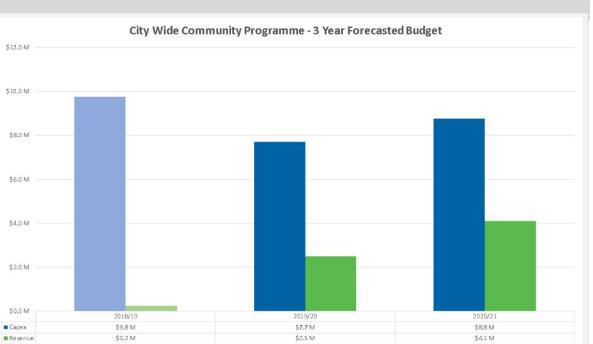


Melville Park Development



Waiwhakareke – Karaka Jetty

Financial Performance City Wide Community Programme - Capital Expenditure 2019-20 Note: The Approved \$9.0 M Budget excludes: \$500,000 approved by \$8.0 M Council on 17 September 2019 for the \$7.0 M Central City Jetty: and - \$412,000 that was incorrectly coded to \$5.0 M Alternative Weed Control (part of the Renewals and Compliance Programme) \$3.0 M in the 2019/20 Annual Plan \$2.0 M \$10 M \$0.0 M \$3.3 M \$3.4 M \$4.3 M Approved Budget \$2.0 M \$2.3 M \$2.6 M \$2.9 M \$3.5 M \$3.8 M \$6.8 M \$19 M \$2.9 M \$3.8 M \$4.8 M \$5.8 M \$6.7 M \$7.7 M \$14 M \$16 M \$12 M \$14 M \$16 M



Citywide Waters Programme Capital Report



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

Key physical works currently underway include the Pukete 3 Wastewater Treatment Plant upgrade, Wairoa 2 Water Treatment Plant upgrade (chemical storage facility), the upgrade of the Western Wastewater Interceptor, Hillsborough Wastewater Pump Station upgrade, and works to implement water network demand zone from the Fairfield reservoir.

Projects currently in the design phase include a wastewater network upgrade associated with the Snell Drive Pump Station, the detailed design of the Waiora 2 Water Treatment Plant upgrade, and works to improve water network supply from the Newcastle Reservoir.

The budgeted revenue across this programme in 2019/20 and 2020/21 primarily relates to revenue assumptions made by HCC for cost sharing stormwater network improvements with Waikato Regional Council (WRC) through Project Watershed. The revenue we are likely to get from WRC is less than our assumptions and the work programme is being prioritised to match the available budget .

See Attachment 3 for details of the forecasted deferrals.





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 attactive and sustainable community in the
Peacocke growth area.

Land acquisition is tracking well in accordance with the business case, however remains a risk to the programme with several difficult conversations with landowners currently under way.

Investigation and design for the lead network infrastructure is under way and on track, with the projects entering into procurement for construction.

Investigation and design is on track for the new bridge over the Waikato River, with Council approving the design concept in June 2019. The construction tender process has started and the contract is expected to be awarded late 2020.

SH3/Ohaupo Rd intersection enabling works have been completed and construction contract is underway.

East-West Arterial road design is continuing.

Land has been purchased for Stage 1 Neighbourhood Park, as per the 10 Year Plan (refer point A on map). Design is under way with construction expected to be completed mid-2020.

A Notice of Requirement for approximately 14ha northern sports park is being prepared (refer point B on map)

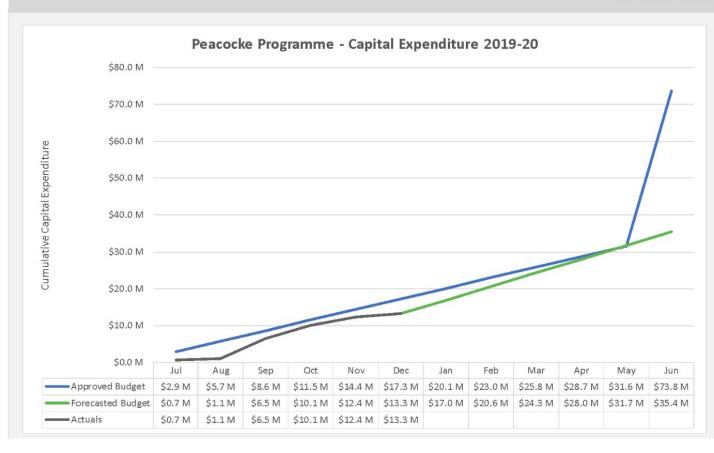
See Attachment 3 for details of the forecasted deferrals.

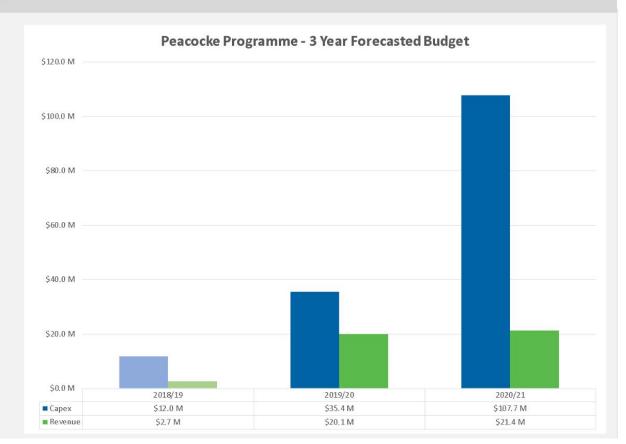




SH3/Ohaupo Road roundabout enabling works

Financial Performance





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 attactive and sustainable community in the Rotokauri growth area.

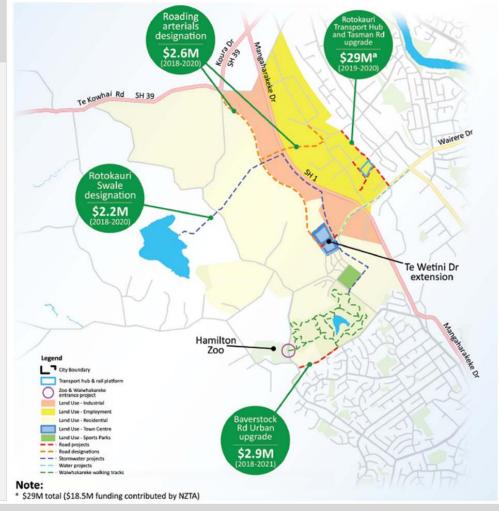
Current projects in Rotokauri are progressing well.

The urban upgrades (taking the roads from looking like a country road to one with kerbs and footpaths that looks like it fits within an urban setting) of Baverstock Road and Rotokauri Road are due to commence within the next two months.

Planning for key transport and stormwater corridors is progressing, with designation projects (looking at where these roads and stormwater devices will go) is underway.

The Rotokauri Transport Hub contract has been awarded and work is underway.

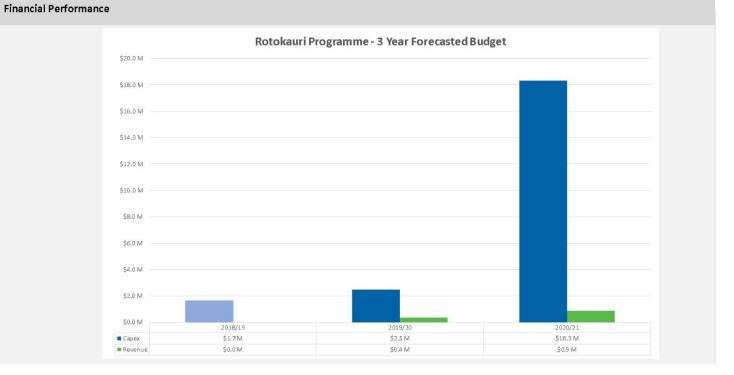
See Attachment 3 for details of the forecasted deferrals.





Aerial of Arthur Porter connection and the Rotokauri Arterial Designation project

| St. 0 M | St.



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

Construction of the new Borman Road stormwater pond and North Ridge Drive urbanisation is underway.

The first section of the North City Road upgrade is now complete and will be opening soon. This upgrade is the first step in changing the road from a rural environment and setting the foundations for creating a vibrant town centre.

The Rototuna Sports Park is completed and due to be officially opened 21 Feb. Park Lane (the unofficial name of the road which adjoins the park to Kimbrae Dr) is open.

We are working with schools in the area, both secondary and primary, to understand their alternative transport needs align with our ongoing projects in the area.

The extension of Borman Road West to connect to Kay Road is now complete.

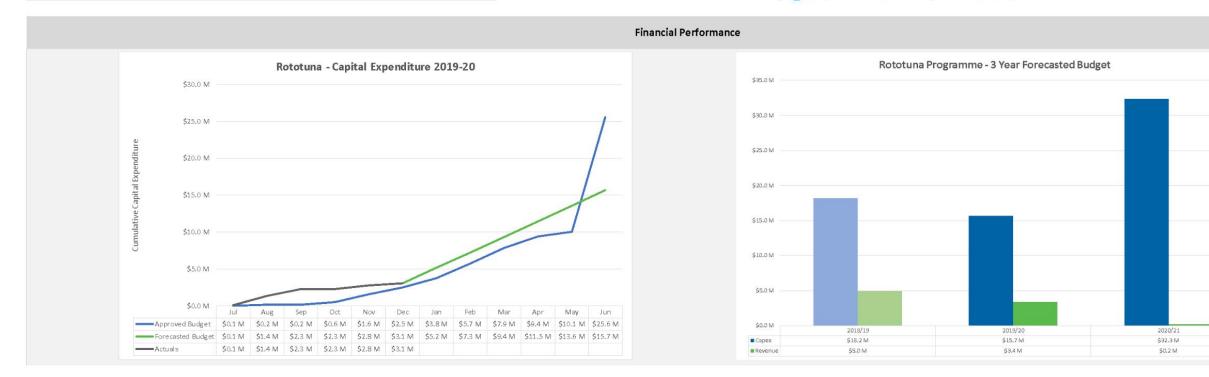
Resolution Drive construction is underway, this project is being delivered by City Edge Alliance on behalf Waka Kotahi NZTA. Expected completion is 2021 in line with the Waikato section of the expressway opening.

See Attachment 3 for details of the forecasted deferrals.





The Cobham Drive / Wairere Drive Ring road.



Ruakura Programme Capital Report



Programme Outcome:

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

Key water and wastewater projects to support development in Ruakura are progressing well. This includes the completion of the wastewater interceptor (large wastewater pipe) in the north which will service the first stage development. The new Ruakura Water Reservoir is on track for completion by mid-2020.

Transportation upgrades are subject to Waka Kotahi NZTA funding assistance and development timing alignment.

Business case Development is underway for the Ruakura Road upgrade project and the future Ruakura Spine Road which will determine project timing. There are some risks to the delivery of the realignment of Ruakura Road to connect the new Waikato Expressway interchange with the city network which is the subject of separate reporting to Council.

See Attachment 3 for details of the forecasted deferrals.







Construction progress of the Ruakura Reservoir

Transport Improvement Programme Capital Report Transport Transp

Programme Outcome:

Kia tika ano te hanga rori maa;

- Aahienga whakatupu
- Whakapai atu haumaru, me
- Whakawhaanui atu ngaa koowhiringa waka

Delivering a balanced transport system through;

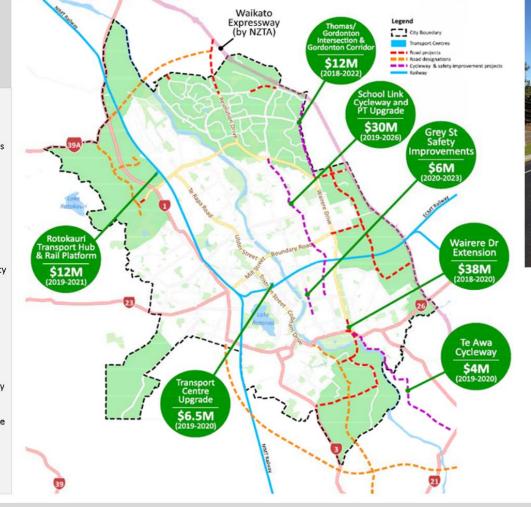
- Enabling growth
- Improving safety, and
- Improving transport choice

The status of the major projects are as follows:

- Planning for the Mass Transit Programme (the overall transportation plan for the Auckland to Hamilton corridor) is underway as part of the Metro Spatial Plan (Hamilton's plan for transportation).
- Construction of the Claudelands Road cycle way is complete. The Gordonton Rd cycle way project is programmed to get underway in May 2020.
- Biking Connectivity Programme business case is progressing and key sites for where these paths should go are being identified across the city.
- Discretionary Transport Programme is in place for this financial year and safety improvements around the city are underway.
- Rotokauri Transport Hub construction is progressing well.
- Eastern Pathway and Waikato University link is progressing through the business case phase.
- Detailed design for the Te Awa Cycle Path project is nearing completion and construction is expected to start mid-2020 subject to Waka Kotahi NZTA funding approval.
- Transport Centre rejuvenation project is progressing through business case phase. The driver facility (mobile office unit) is currently being procured and implementation is planned for March 2020.
- Ring Road Wairere Drive Extension is progressing well. The 2+1 (two lanes for Hamilton-bound vehicles and one lane for south-bound vehicles) lane change is expected to start early in the New Year. The project team is working through some complex issues and challenges on site which has incurred some additional costs.
- Te Awa Cycle Way remediation project is awaiting Waka Kotahi NZTA funding approval.
- Bryce Street/Anglesea Street intersection safety upgrade is in progress with construction commencing at the end of January. The intersection will be closed for three weeks from approximately 28 January to 16 February 2020.
- Thomas Rd/Gordonton Rd intersection improvement minor remediation work on the raised safety platform is in progress.

Timing of business case development and funding assistance from Waka Kotahi NZTA impose risks to the full delivery of the Transport Programme. This will be the subject of a separate report to Council.

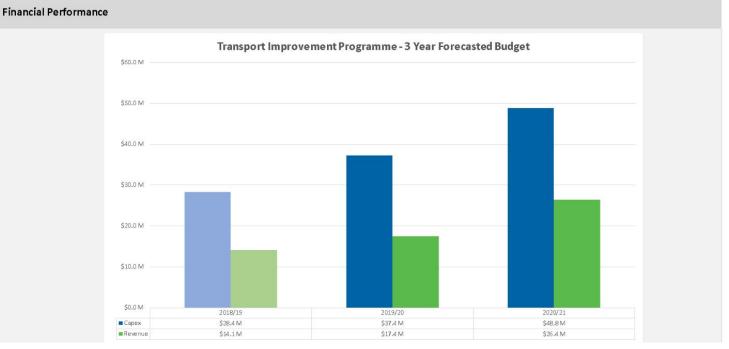
See Attachment 3 for details of the forecasted deferrals.





Thomas/Gordonton Road Intersection

Transport Improvement Programme - Capital Expenditure 2019-20 \$70.0 M \$60.0 M \$50.0 M \$30.0 M \$10.0 M \$10.0 M \$10.0 M Approved Budget \$1.0 M \$2.2 M \$4.4 M \$7.5 M \$10.8 M \$13.2 M \$16.0 M \$18.8 M \$22.9 M \$28.0 M \$3.1 M \$57.9 M Forecasted Budget \$0.9 M \$2.3 M \$4.9 M \$6.6 M \$11.8 M \$12.1 M \$16.3 M \$20.5 M \$28.9 M \$33.1 M \$37.4 M Actuals



Renewals & Compliance Programme Capital Report <a>Tamilton City Council



Programme Outcome: Ko te tiaki aa taatou hua hei tika moo toona whainga. 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 programme with a total budget of \$207.5M. Half way through the 3 year period we have spent \$89.6M and we are still anticipating to spend the total budget by the end of 2020/21.

Water, wastewater and stormwater pipe renewals are progressing well for the year. Some Wastewater and Water Treatment Plant renewal works are under contract. The Eastern Bulk Water Main project is reliant on access to a barge through the jetty project (see the Citywide Community Programme).

The chimpanzee exhibit renewal started at the end of January. The Glenview Library renewal, Central Library Frontage and Makerspace projects are now completed. The sports field renewals programme are making good progress with Galloway and Mahoe Parks completed and currently in "grow-in" phase. Stage One of the Melville Park playground renewal is completed and open to the public with Stage Two is due to open in April.

The Crematorium building renewal has been completed and the Municipal building level one renewal is currently underway.

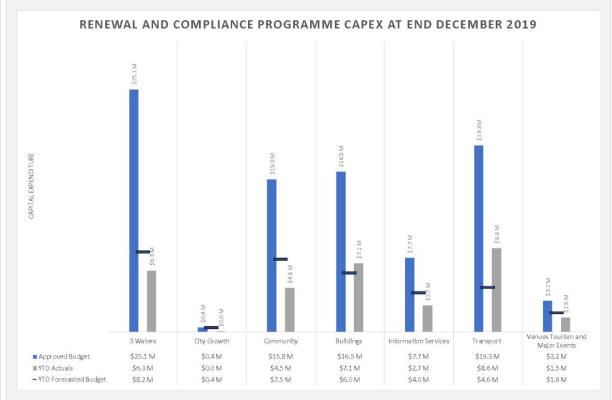
The IS programme is on track with over 20 projects underway across the organisation.

Due to the unplanned renewal of Arthur Porter Drive the transportation renewals programme for the next 18 months is under review to ensure that the highest priority renewals are undertaken within the approved budget.

The FMG Waikato Stadium turf replacement has been completed.

- Approved Budget

\$2.7 M



Graph includes \$1.6m of break in projects that will be funded through savings across this portfolio that will be identified before year end



Crematorium Building



Blessing of new FMG Stadium Turf

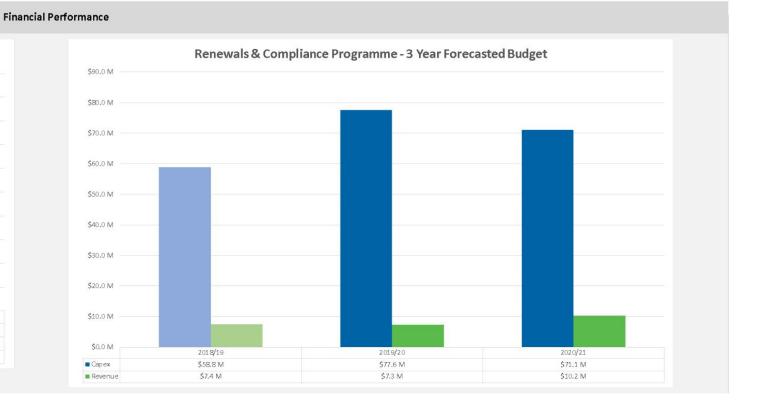
HCC Capital Portfolio - Capital Expenditure 2019-20 \$90 M \$80 M \$30 M \$20 M

Note: The Approved Budget includes \$412,000 that was incorrectly coded to Alternative Weed Control in the 2019/20 Annual Plan. This has been moved to Citywide Community.

\$2.5 M \$8.5 M \$15.4 M \$20.0 M \$26.6 M \$30.8 M

\$6.5 M \$11.5 M \$16.9 M \$23.1 M \$29.3 M \$36.6 M \$44.5 M \$51.9 M \$59.1 M \$65.9 M \$88.1 M

\$8.5 M \$15.4 M \$20.0 M \$26.6 M \$30.8 M \$38.5 M \$46.2 M \$53.9 M \$61.7 M \$69.4 M \$77.6 M



Forecast		

19/20 Forec	ast Capital Expenditure Deferrals								
ogramme	Project	Associated Revenue Deferred	Deferral 2019/20	Deferral 2020/21	Deferral 2021/22	Deferral 2022/23	Commentary	Туре	
	Peacocke Land Acquisition Programme	\$0	-\$25,020	\$0	\$10,000	\$15,020	The land acquisition programme is progressing and requires cashflow rephasing in accordance with PWA process timing.	Rephasing	
Peacocke	Peacocke Roading Arterials - Walkato River Bridge, North-South Arterial and East-West Arterial	\$1,507	-\$6,000	\$5,716	\$0	\$284	Design and construction is on track, including the SH3/Ohaupo Rd intersection, and procurement is under way for the river bridge and northern arterials. Requires cashflow rephasing to meet the contractor programme and procurement liming.	Rephasing	
	PeacockeStrategicWastewater-Storage, Pump Station & PipeInstallation	\$0	-\$9,638	\$9,638	\$0	\$0	The overall project is on track. Design is mostly complete and procurement is under way for the pump station and pipework installation. Requires cashflow rephasing to meet procurement timing.	Rephasing	
	Total forecast Peacocke deferral	\$1,507	-\$40,658	\$15,364	\$10,000	\$15,304	Total 2019/20 Peacocke Programme Budget - \$73.8M		
	Rototuna Village (Roading Upgrades and Community Facilities)	\$0	-\$3,000	\$3,000	\$0	\$0	The village development is on track for completion in 2022. We've entered into an agreement with the land owner to ensure they develop in-line with the village vision. We are also in negotiations with a potential pool partner. We have to defer to align road construction and land purchase with the village development and adjacent developer timing.	Rephasing	
	Rototuna Network - Neighbourhood Park	\$0	-\$2,400	\$2,400	\$0		Deferral required in alignment with development timing (third party dependency).	Delay	
Rototuna	Borman/Horsham Urban Upgrade	\$184	-\$1,700	\$1,700	\$0	\$0	Deferral is required to align with current Waka Kotahi NZTA business case and design development timing. Design anticipated to be complete in 2020 - business case dependant but noting construction funding in the current 2018-28 10 PC commences in 2025.	ng in the Rephasing	
Receding	Rototuna Development Upsizing	\$0	-\$395	\$190	\$205		Deferral required to align with development timing (third party dependency). Construction underway and on track. Deferral forecast in accordance with updated contractor programme.	Delay	
	North Ridge Road Urban Upgrade	\$0	-\$295	\$295	\$0	\$0	and anticipated cashflow.	Rephasing	
	Borman Road Western Extension (to Kay Road)	\$0	-\$195	\$195	\$0		Construction complete. Deferral forecast to align with anticipated residual third party land purch as etiming.	Rephasing	
	Rototuna walking/cycling network	\$0	-\$123	\$123	\$0		Deferral required to align timing of path connection from Landsdale subdivision to Kimbrae Drive with Walkato Expressway programme for opening underpass (third party dependency).	Delay	
	Total forecast Rototuna deferral	\$184	-\$8,108	\$7,903	\$205	\$0	Total 2019/20 Rototuna Programme Budget - \$25.6M		
	Ruakura Water Reservoir & Watermains Installation	\$0	-\$1,000	\$1,000	\$0		Ruakura Reservoir construction on track for completion by June 2020. Deferral to align remaining trunk watermain installation with associated development timing (third party dependency) and in agreement with contractor programme for final reservoir commissioning.	Delay	
Ruakura	Ruakura Transport Network Upgrades	\$332	-\$650	\$650	\$0		Waka Kotali NZ Transport Agency business case underway to progress Ruskura Road urban upgrade and connection to the Wakato Expressway. Oferral required to align with Wakato Expressway timing, business case development timing and funding Ruskura Road construction identified by NZ Transport Agency as 'unlikely' for construction funding assistance as businged edit our 2018 28 10 MP in this three year period.	Delay	
	Total forecast Ruakura deferral	\$332	-\$1,650	\$1,650	\$0	\$0	Total 2019/20 Ruskura Programme Budget - \$14.5M		
	Baverstock Road Urban Upgrade	\$0	-\$1,600	\$1,600	\$0	\$0	antidipated contractors programme and outstanding third-party land purchase timing.	Delay	
Rotokauri	Roading Arterial Designations	\$153	-\$490	\$490	\$0	ŞU	accordance with updated cashflow forecast. For upsizing contribution to developer constructed roads, pipes and stormwater management devices.	Rephasing	
	Rotokauri Development Upsizing	\$0	-\$1,660	\$1,660	\$0	ŞU	Deferral required in alignment with development timing (third party dependency).	Delay	
	Total forecast Rotokauri deferral	\$153	-\$3,750	\$3,750	\$0	\$0	Total 2019/20 Rotokauri Programme Budget - \$6.4M		
	Eastern Pathways - School Link	\$0	-\$7,500	\$0	\$7,500	\$0	NZTA business case and concept development progressing. Deferral required to align with anticipated construction programme. Note project has been identified by NZTA as 'unlikely' for construction funding assistance in It's Jewa period as buggeted in our 2018-28 10/PC.	Rephasing	
	Transport Centre Upgrade	\$2,550	-\$5,500	\$2,000	\$3,500	\$0	NZTA business case and concept development progressing. Deferral required to align with anticipated construction programme. Note project has been identified by NZTA as 'unlikely' for construction funding assistance in this 3 year period as budgeted in our 2018-28 107P.	Delay	
	Te Awa Path - Hamilton Gardens to City Boundary	\$1,538	-\$3,015	\$3,015	\$0	\$0	Design substantively complete, anticipate contract award and construction works commencement in March. Deferral forecast in accordance with anticipated contractors programme.	Delay	
Transp <i>o</i> rt nprovement	Mass Transit	\$1,102	-\$2,162	\$2,162	\$0	60	Mass transit planning being progressed as part of H2A and metro spatial planning work. Deferral of some early stage implementation/construction funding required in alignment with anticipated implementation programme. Note project has been identified by NZTA's unlikely! for emplementation or construction funding assistance in this 3 year period as budgeted in our 2018 28 10/P.	Rephasing	
	Rotokauri Transport Hub	\$0	-\$1,000	\$1,000	\$0	\$0	Construction underway and on track. Deferral forecast in accordance with updated contractor programme and anticipated cashflow.	Rephasing	
	Intersection Safety and Capacity Upgrades	\$230	-\$699	\$699	\$0	\$0	Intersection capacity upgrade programme has been identified by NZTA as 'unlikely' for funding assistance in this 3 year period as budgeted in our 2018-28 100°P. Programme being reviewed and re-prioritised- with associated deferral required in alignment with anticipated construction timing.	Delay	
	Total forecast Transport Improvement deferral	\$5,420	-\$19,876	\$8,876	\$11,000	\$0	Total 2019/20 Transport Improvement Programme Budget - \$57.9M		
Citywide	Wastewater Network Strategic Capacity Upgrades	\$0	-\$13,668	\$13,668	\$0	\$0	Contractually committed die grain required for completion of the Western Wastewater Interceptor (large wastewater pipe) upgradien in accordance with the updated construction programme (\$3.3M), plus forecast deferral required for Dinsdale Pump Station upgrade (\$2.8M) Snell Pump Station rising main diversion (\$1.6M) due to work programme optimisation and re-prioritisation. Programme on track to deliver the outcomes of enabling growth and reducing network capacity issues.	Delay	
Waters	Waiora 2 WTP Upgrade	\$0	-\$260	\$260	\$0		Delays in Waiora 2 project. Detailed design stage will see 50% completed this financial year.	Delay	
	Water Network Strategic Improvements	\$0	-\$4,700	\$4,700	\$0	\$0	Deferral of Hillcrest demand management pressure boost and zone implementation (\$0.5MV) to align with timing of adjacent Ruskura zone implementation, and Newcastle zone implementation (\$3.8MV) in alignment with anticipated construction timing.	Delay	
	Total forecast Otywide Waters deferral	\$0	-\$18,628	\$18,628	\$0	\$0	Total 2019/20 Citywide Waters Programme Budget - \$56.5M		
	Total forecast deferrals across capital works portfolio	\$7,596	-\$92,670	\$56,161	\$21,205	\$15,304	Total 2019/20 Capital Portfolio Budget - \$329.6M		

	Deferral 2019/20	Deferral 2020/21	Deferral 2021/22	Deferral 2022/23
Type of Deferral	000fs	000's	000's	000/s
Rephasing	-\$57,000	\$24,196	\$17,500	\$15,304
Delay	-\$35,670	\$31,965	\$3,705	\$0
Total forecast defemals across capital works portfolio	-\$92,670	\$56,161	\$21,205	\$15,304

tal forecast Renewals and Compliance deferral						
Sanagad as a 2 year programma	\$2,689	-\$10,355	\$7,692	\$2,663	\$0 Total 2019/20 Renewals and Compliance Programme Budget - \$88.1M	

2019/20 Forecast Capital Expenditure Savings

ogramme	Project	2019/20	Associated Revenue	Commentary
Rototuna	North Ridge Drive Upgrade	\$2,000,000	\$0	We've made significant savings with the design and procurement of the urban upgrade and stormwater pond by coordinating with developers on reusing excavated materials (maximising cheaper and more sustainable stockpiling instead of carting to waste) and attractive market pricing.
	Rototuna Development Upsizing	\$45,000	1 50	Roading upsize is being undertaken by a private developer. The Council has entered a private developer agreement (PDA) negotiation to achieve this.
	Total forecast Rototuna savings	\$2,045,000	\$0	
		_		
	Ruakura Water Reservoir & Watermains Installation	\$1,000,000	\$0	We forecast savings based off working collaboratively with the contractor throughout construction phase and through robust risk and contract management.
Ruakura	Ruakura Development Upsizing	\$505,000	1	Water upsizing (making water pipes bigger) not required because of alternative servicing arrangements as part of Ruakura PDA and associated reservoir and watermain projects.
	Ruakura Wastewater Pipeline - Far Eastern Interceptor Stage 1	\$348,000	\$0	Realised construction savings on now complete installation - leveraged through collaborative procurement and delivery with developers via Ruakura PDA, and maximising installation during the summer construction season.
	Total forecast Ruakura savings	\$1,853,000	\$0	
	Rotokauri Wastewater Upgrade - Ruffell Road	\$155,000	\$0	Project successfully completed in 2018/19 - residual project funding not required.
Rotokauri	Rotokauri Development Upsizing	\$68,000	\$0	Wastewater upsizing (making wastewater pipes bigger) not required because of alternative servicing arrangements done as part of previous development works done and the Baverstock Road upgrade project.
	Total forecast Rotokauri savings	\$223,000	\$0	
		•	1	
Transport Improvement	Te Awa Cycleway - CBD Remediation	\$710,000		We are forecast to deliver this project with significant savings because of value engineering as working with the contractor on the design.
improvement	Total forecast Transport Improvement savings	\$710,000	\$576,300	

2019/20 Forecast Capital Expenditure Bring Forward

Total forecast Rototuna bring forward

Programme	Project	2019/20	20/21	21/22	2022/23	Commentary
Peacocke	Peacocke East/West Arterial	\$2,300	\$0	\$0	-\$2,300	Project design has been brought forward.
	Total forecast Peacocke bring forward	\$2,300	\$0	\$0		
Rototuna	Park Lane Roading	\$472	-\$472	\$0	\$0	Funds required this year due to rephasing of the project.

Total forecast deferrals across capital works portfolio	\$2,772	-\$472	\$0	-\$2,300	

-\$472

\$472

\$0

\$0

Council Report

Committee: Finance Committee **Date:** 11 February 2020

Author: Tracey Musty **Authoriser:** David Bryant

Position: Financial Controller **Position:** General Manager Corporate

Report Name: Annual Monitoring Report to 31 December 2019

Report Status	Open
---------------	------

Purpose

1. To inform the Finance Committee on the Council's financial performance against the 2019/20 Annual Plan YTD ended 31 December 2019.

Staff Recommendation

2. That the Finance Committee receives the report.

Executive Summary

- 3. This report is to be read in conjunction with the:
 - December 2019 (11 February 2020 meeting) Capital Portfolio Monitoring report; and
 - December 2019 (11 February 2020 meeting) Financial Strategy Monitoring report
- 4. December 2019 financial results shows positive variances on both the accounting result and balancing the books result.
- 5. Staff consider the matters in this report have low significance and that the recommendations comply with the Council's legal requirements.

Discussion

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 YTD ended 31 December 2019 is a surplus of \$50.4M. This is \$16M favourable against a forecast surplus of \$34.4M. This is primarily due to an increase in capital revenue and timing of spend.

Accounting Result						
YTD Actual	YTD Forecast	Variance				
\$50.4M	\$34.4M	\$16M				

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

Annual Accounting Result						
Annual Forecast Annual Budget Variance						
\$110.3M	\$110.4M	(\$0.1M)				

Balancing the books result

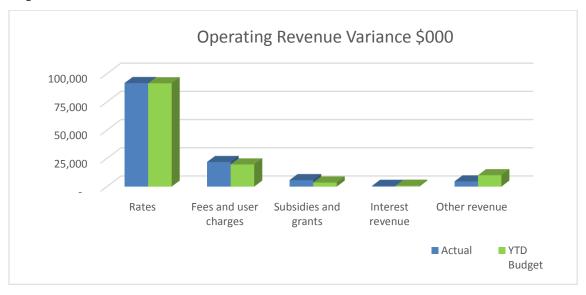
9. The balancing the books result for the month ended 31 December 2019 is \$1.5M. This is \$8.7M favourable against the December 2019 forecast of \$(7.2M).

Balancing the Books							
YTD Actual	YTD Forecast	Variance					
\$1.5M	(\$7.2M)	\$8.7M					

Understanding the variances

- 10. The Statement of Comprehensive Revenue and Expense, Statement of Financial Position, and accompanying notes are contained in **Attachment 1**.
- 11. Individual Everyday Revenue and Expense statements for each of the Council's 12 activities, overheads and general expenses are contained in **Attachment 2**.
- 12. The Annual Forecast evaluation is on track and all potential adjustments are being assessed.
- 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



Revenue	YTD Variance \$000
Rates	227
Fees and user charges	2,196
Subsidies and grants	2,145
Interest revenue	(123)
Other revenue	(5,445)
Total YTD variance	(1,001)

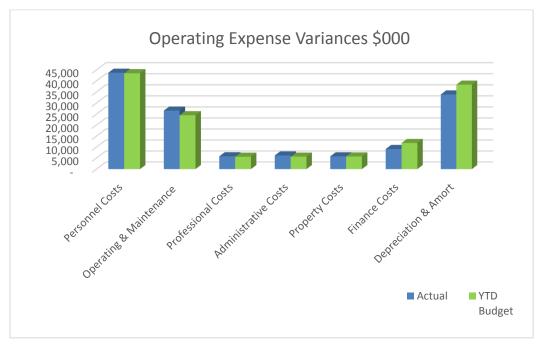
14. Total Operating revenue is \$1M lower than budgeted. This is attributable to the non-cash benefit associated with the HIF (Housing Infrastructure Fund) draw down that has yet to occur.

Other offsetting variances worth noting:

- Fees and user charges are in a favourable position as a result of the mix and volume of events in Venues, Tourism and Major Events (VTME), as well as a higher than expected level of building consent activity in Planning & Development.
- Subsidies and grants boosted by an operational subsidy received from NZTA (New Zealand Transport Agency), towards the painting of Victoria Bridge project completed earlier in the financial year. The Rotokauri Park & Ride project being managed by Council on behalf of KiwiRail with a 100% NZTA subsidy received on expenditure.

Please refer to the activity statements for variance explanations.

Expenditure



Expense	YTD Variance \$000
Personnel costs	234
Operating & maintenance	2,079
Professional costs	180
Administration expenses	540
Property costs	54
Finance costs	(2,742)
Depreciation & amort	(4,463)
Total YTD variance	(4,118)

- 15. An increase in Operating, Maintenance and Administrative costs were offset as a result of decreased expenditure in:
 - **Finance costs**: overall debt for the Council is lower than budgeted.
 - **Depreciation & amortisation**: capital projects within various Council activities not completed within expected timeframes. Currently being reassessed to identify correct phasing and/or savings. The increase in vested assets has not offset the reduction in depreciation.

Please refer to the activity statements for variance explanations.

Assets/Loss on sale

- 16. Loss on sale of assets consists of asset residual values that have been written off as these assets have been replaced.
- 17. Gain on sale also includes the December 2019 adjustment on non-cash revaluation of Council's Financial borrowing instruments.

Capital Revenue

- 18. Capital Revenue contributed predominantly to the overall favourable accounting position, as reflected:
 - Development contributions are ahead of YTD budget by \$1.6M. Council continue to experience high growth activity.
 - New connections to the water infrastructure resulted in increased capital revenue. The
 effect of projects progressing faster than anticipated has had the same outcome and
 NZTA subsidies are tracking above budget.
 - Council have more vested assets than predicted. The effect is a revenue of \$25.2M which is \$9.6 higher than budgeted. This budget is broken down by class of asset on page 99 of the 10-Year Plan.

Asset class	YTD Actual \$000	Annual Budget \$000	Life Range (Years)	Estimated Annual Depreciation \$000
Wastewater	1,750	3,160	15-100	21
Stormwater	1,983	5,297	30-100	25
Water Supply	1,276	1,846	50-80	16
Roading	7,989	8,320	12-140	160
Land		12,607		
Land – Under Roads	9,946	1		-
Land – Local Purpose Reserves*	2,241	1		-
Land – Restricted⁺		-		-
Total	25,185	31,230		222

^{*} Local Purpose Reserves is a legal description defined by the Reserves Act 1977. This type of land is invariably land that is used for drainage purposes.

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.

Emerging Issues

19. There are currently no emerging issues.

Debt and Treasury Management

Treasury Management

20. Council is fully compliant with all treasury policy measures as at 31 December 2019. Treasury Report in Attachment 3.

Debt and Cash Investments

Debt and Cash Investments									
	YTD Actual	Annual Budget	Variance						
External Debt	\$434M	\$642M	\$208M						
Cash Investments	(\$66M)	(\$55M)	\$11M						
Net Debt	\$368M	\$587M	\$219M						

21. Net debt at 31 December 2019 is \$219M lower than the annual budget, affected by both the timing of capital program spending and increased Fees & User charges and Development contribution revenues.

^{*} Restricted Land is land that provides a benefit or serves to the community and cannot be disposed of due to legal or other restrictions

22. Cash investments are higher than budgeted due to LGFA borrowing in July 2019 to fund forecasted capital expenditure. Surplus immediate funds are placed on term deposit.

Interest Rate Risk Management

- 23. 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.
- 24. As at 31 December 2019 our net unrealised loss on revaluation of interest rate swaps was \$17.4M and our liability balance was \$44.3M. The liability balance is decreasing due to the impact of the market swap rate increasing against our fixed swap rate.

Legal and Policy Considerations

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

Risks

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

Wellbeing Considerations

- 27. 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').
- 28. 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. The recommendations set out in this report are consistent with that purpose.
- 29. There are no known social, economic, environmental or cultural considerations associated with this matter.

Significance and Engagement Policy

Significance

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

Engagement

31. 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 December 2019

Attachment 2 - Council Activities December 2019

Attachment 3 - Treasury Report December 2019.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Attachment 1

FOR THE MONTH ENDED 31 DECEMBER 2019

	MONTH ENDED 31 DECEMBER 2013						1 .	
\$000		\$000	\$000	\$000	\$000	\$000	5000	\$000
YTD			YTD Budget	YTD	Annual	% Annual	Annual	Annual
2018/19		YTD Actual	(Approved)	Variance	Approved	Budget	Forecast	Variance
	B			Fav/(Unfav)	Budget	Spent		Fav/(Unfav)
	perating Revenue						404 550	
87,900	Rates	91,788		227	191,659	48%	191,659	
21,342	Fees & Charges	21,834	19,639	2,196	38,180	57%	38,380	200
3,407	Subsidies & Grants	5,758	3,613	2,145	6,958	83%	6,958	
2,227	Interest Revenue	702	826	(123)	1,650	43%	1,650	
3,720	Other Revenue	4,645	10,089	(5,445)	19,972	23%	19,972	
118,596 TO	DTAL OPERATING REVENUE	124,727	125,728	(1,001)	258,420	48%	258,620	200
	pital Revenue							
9,953	Development Contributions	14,312	12,694	1,619	25,387	56%	25,387	
11,343	Capital Revenue	17,296	15,665	1,631	69,690	25%	69,690	
12,931	Vested Assets	25,185	15,615	9,570	31,230	81%	31,230	
34,226 TO	OTAL CAPITAL REVENUE	56,793	43,974	12,819	126,307	45%	126,307	
152,823 TO	OTAL REVENUE	181,520	169,702	11,818	384,726	47%	384,926	200
Ex	penditure							
38,497	Personnel Costs	43,717	43,483	(234)	86,425	51%	86,014	(411)
22,527	Operating & Maintenance Costs	26,565	24,486	(2,079)	50,413	53%	50,366	(47)
3,148	Professional Costs	5,813	5,633	(180)	12,236	48%	13,163	927
6,335	Administration Expenses	6,205	5,664	(540)	13,566	46%	13,566	0
4,533	Property Costs	5,798	5,744	(54)	10,816	54%	10,698	(118)
9,988	Finance Costs	9,141	11,883	2,742	24,862	37%	24,862	
34,734	Depreciation & Amortisation Expense	33,864	38,327	4,463	76,564	44%	76,564	
119,761 TO	OTAL EXPENDITURE	131,102	135,219	4,118	274,882	48%	275,233	351
33,061 O	PERATING SURPLUS/(DEFICIT)	50,418	34,483	15,936	109,844	46%	109,693	(151)
G	ains and Losses							
		2 4 5 4		2 454				
(3,497)	Net gain/(loss) on revaluation of interest rate swaps	3,151		3,151	579	0%	579	
(450)	Gain on fair value of investment properties	(2.222)		(2.222)	5/9	U%	5/9	
(153)	Property, plant and equipment net gain/(loss)	(2,233)		(2,233)	F70	1500/	F70	
(3,650) 10	DTAL GAINS AND LOSSES	918		918	579	159%	579	
29,411 TOTAL SURPLUS/(DEFICIT)		51,336	34,483	16,854	110,423	46%	110,272	(151)

Refer to Activity Statements for variances against budget.

BALANCING THE BOOKS RESULT

FOR THE MONTH ENDED 31 DECEMBER 2019

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
29,411 9	urplus/(Deficit)	51,336	34,483	16,854	110,423	46%	110,272	(151)
F	Remove capital revenue							
(12,931)	Vested assets	(25,185)	(15,615)	(9,570)	(31,230)	81%	(31,230)	
(6,237)	Part of Development and Financial contributions	(9,966)	(8,347)	(1,619)	(16,694)	60%	(16,694)	
(4,299)	Capital Subsidy (excluding subsidy on transport renewals)	(10,696)	(9,253)	(1,443)	(49,358)	22%	(49,358)	
(3,200)	Other Capital Contributions	(2,617)	(2,391)	(226)	(11,146)	23%	(11,146)	
(115)	Other items not considered everyday operating revenue	(471)	(6,706)	6,234	(13,412)	4%	(13,412)	
F	Remove (gains)/losses							
3,650	All (Gains)/Losses	(918)		(918)	(579)	159%	(579)	
F	Remove other expenses							
3	Other items not considered everyday operating expenses	55	580	(525)	1,160	5%	1,160	
6,283 E	VERYDAY SURPLUS/(DEFICIT)	1,539	(7,249)	8,788	(10,835)	-14%	(10,986)	(151)

LOCAL GOVERNMENT BALANCING THE BOOKS MEASURE

FOR THE MONTH ENDED 31 DECEMBER 2019

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
29,411 S	urplus/(deficit)	51,336	34,483	16,854	110,423	46%	110,272	(151)
Д	djustments for the Local Government Regulations measure							
	Gains excluding gains on investment properties				(579)	0%	(579)	
(3,497)	Losses	3,151		3,151	0			
(9,953)	Development and Financial contributions	(14,312)	(12,694)	(1,619)	(25,387)	56%	(25,387)	
(12,931)	Vested assets	(25,185)	(15,615)	(9,570)	(31,230)	81%	(31,230)	
(26,381) T	otal adjustments	(36,346)	(28,309)	(8,038)	(57,196)		(57,196)	
3,031 L	G Regulations balancing the books surplus/(deficit)	14,990	6,174	8,816	53,227	28%	53,076	(151)

Attachment 2 DEMOCRACY

Governance and Public Affairs | Partnership with Maaor

FOR THE MONTH ENDED 31 DECEMBER 2019

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
	Everyday Revenue							
	Rates							
12	Fees & Charges	8	6	2	12	64%	12	
	Subsidies & Grants							
	Interest Revenue							
	Other Revenue	5		5				
12	Total Everyday Revenue	13	6	7	12	108%	12	
	Everyday Expenditure							
107	Personnel Costs	180	365	185	711	25%	711	
107		60			62	25% 96%	62	
156	Operating & Maintenance Costs Professional Costs			(24) 396		24%	992	
		241			992			
717	Administration Expenses	735	806	72	1,593	46%	1,593	
	Property Costs							
	Finance Costs							
	Depreciation & Amortisation Expense							
	Gains & Losses							
993	Total Everyday Expenditure	1,216	1,844	629	3,358	36%	3,358	
(981)	Everyday Surplus/(Deficit)*	(1,203)	(1,838)	635	(3,347)	36%	(3,347)	
	Capital Revenue							
	Capital Revenue							
	Total Capital Revenue							
(981)	Operating Surplus/(Deficit)	(1,203)	(1,838)	635	(3,347)	36%	(3,347)	

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

The comments below explain the variance between year-to-date actual results and annual budget where they exceed \$100k.

Personnel Costs is \$185k favourable.

The favourable variance is due to a budget increase for Councillor remuneration that was incorrectly applied to Personnel Costs instead of Administration Costs. This will be adjusted through the forecasting process.

Professional Costs is \$396k favourable.

The favourable variance relates to the timing of expenditure incurred relating to the 2019 Elections. Prepayment for election services to be released in the current financial year.

The comments below explain the variance between annual approved budget and annual forecast where they exceed \$100k.

VENUES, TOURISM AND MAJOR EVENTS

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

FOR THE MONTH ENDED 31 DECEMBER 2019

	TOK THE MONTH ENDED ST DECEMBER 2015									
\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000		
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)		
	Everyday Revenue									
85	Rates	97	59	38	118	82%	118			
3,364	Fees & Charges	3,801	3,049	752	5,189	73%	5,189			
	Subsidies & Grants	4		4						
216	Interest Revenue	69	62	7	124	56%	124			
310	Other Revenue	412	388	24	800	51%	800			
3,974	Total Everyday Revenue	4,382	3,558	825	6,230	70%	6,230			
	Everyday Expenditure									
2,770		3,019	3,038	19	6,049	50%	6,049			
2,139	Operating & Maintenance Costs	2,595		(613)	4,370	59%	4,370			
112	Professional Costs	58	131	74	263	22%	263			
768	Administration Expenses	969	1,430	460	1,889	51%	1,889			
514	Property Costs	542	511	(31)	1,019	53%	1,019			
981	Finance Costs	888	822	(66)	1,643	54%	1,643			
2,620	Depreciation & Amortisation Expense	2,706	2,749	43	5,498	49%	5,498			
36	Gains & Losses			()						
	Internal Capital Recoveries	15								
9,940	Total Everyday Expenditure	10,792	10,663	(129)	20,732	52%	20,732			
						/				
(5,966)	Everyday Surplus/(Deficit)*	(6,410)	(7,105)	696	(14,502)	44%	(14,502)			
	0. 11.15									
2	Capital Revenue			(50)	400	00/	400			
2			50	(50)	100	0%	100			
2	Total Capital Revenue		50	(50)	100	0%	100			
(5,963)	Operating Surplus/(Deficit)	(6,410)	(7,055)	646	(14,402)	45%	(14,402)			

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

The comments below explain the variance between year-to-date actual results and annual budget where they exceed \$100k.

Fees & Charges is \$752k favourable.

Fees & Charges is \$752k favourable due to increased event volumes, with associated revenue higher than budgeted.

Operating & Maintenance Costs is \$613k unfavourable.

Event Costs are higher than budget due to the corresponding increase in revenue.

Administration Expenses is \$460k favourable.

The Administration Expenses variance is due to the timing of costs. Event Sponsorship funding is committed however not yet spent.

The comments below explain the variance between annual approved budget and annual forecast where they exceed \$100k.

VISITOR ATTRACTIONS

Hamilton Gardens | Waikato Museum | Hamilton Zoo

FOR THE MONTH ENDED 31 DECEMBER 2019

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
	Everyday Revenue							
319	Rates	359	339	20	678	53%	678	
1,448	Fees & Charges	1,484	1,441	44	3,348	44%	3,348	
51	Subsidies & Grants	38	42	(4)	85	44%	85	
20	Interest Revenue	6	6	1	11	57%	11	
23	Other Revenue	27	42	(14)	84	33%	84	
1,861	Total Everyday Revenue	1,914	1,869	46	4,205	46%	4,205	
	Everyday Expenditure							
3,866	Personnel Costs	4,216	4,048	(168)	7,998	53%	7,998	
1,277	Operating & Maintenance Costs	1,325	1,294	(31)	2,872	46%	2,872	
199	Professional Costs	128	131	3	259	50%	259	
273	Administration Expenses	277	268	(9)	599	46%	599	
210	Property Costs	244	272	27	543	45%	543	
89	Finance Costs	80	75	(5)	150	53%	150	
984	Depreciation & Amortisation Expense	1,022	1,315	293	2,617	39%	2,617	
	Gains & Losses	8		(8)				
(1)	Internal Capital Recoveries							
6,897	Total Everyday Expenditure	7,300	7,404	104	15,037	49%	15,037	
(5,035)	Everyday Surplus/(Deficit)*	(5,386)	(5,535)	149	(10,832)	50%	(10,832)	
	Capital Revenue							
	Capital Revenue				1,862		1,862	
	Total Capital Revenue				1,862	0%	1,862	
	Total Capital Revenue				1,862	U%	1,862	
(5,035)	Operating Surplus/(Deficit)	(5,386)	(5,535)	149	(8,970)	60%	(8,970)	

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

The comments below explain the variance between year-to-date actual results and annual budget where they exceed \$100k.

Personnel Costs is \$168k unfavourable.

This area is currently tracking unfavourably with leave accrual costs and costs associated with employment resolution impacting on the vacancy factor savings target. Leave accrual balances are expected to reduce as leave is taken over the summer months.

Depreciation & Amortisation Expense is \$254k favourable.

The favourable result relates to capital projects not completed for capitalisation and capitalised as expected. The budgeted timeframe is currently being reassessed to identify correct phasing and/or savings.

The comments below explain the variance between annual approved budget and annual forecast where they exceed \$100k.

Libraries | Community Development | Arts Promotion | Theatre

FOR THE MONTH ENDED 31 DECEMBER 2019

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Ev	veryday Revenue							
(5)	Rates	(4)	(9)	5	(18)	22%	(18)	
286	Fees & Charges	238	149	90	294	81%	494	200
	Subsidies & Grants	1	1	1	2	72%	2	
	Interest Revenue		14	(14)	28	0%	28	
	Other Revenue							
281 To	otal Everyday Revenue	236	155	81	306	77%	506	200
Ev	veryday Expenditure							
2,665	Personnel Costs	2,819	2,788	(31)	5,522	51%	5,522	
368	Operating & Maintenance Costs	405	476	72	909	45%	909	
171	Professional Costs	222	202	(20)	389	57%	507	(118)
1,277	Administration Expenses	1,382	1,405	23	8,181	17%	8,181	
144	Property Costs	134	153	18	305	44%	187	118
2	Finance Costs	2	203	202	406	0%	406	
1,306	Depreciation & Amortisation Expense	1,423	1,297	(126)	2,575	55%	2,575	
1	Gains & Losses	3		(3)				
5,934 To	otal Everyday Expenditure	6,390	6,524	134	18,286	35%	18,286	
5,653 Ev	veryday Surplus/(Deficit)*	(6,154)	(6,370)	215	17,980	-34%	17,780	200
5,653 O	perating Surplus/(Deficit)	(6,154)	(6,370)	215	17,980	-34%	17,780	200

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

The comments below explain the variance between year-to-date actual results and annual budget where they exceed \$100k.

Finance Costs is \$202k favourable.

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

The comments below explain the variance between annual approved budget and annual forecast where they exceed \$100k.

Fees and User charges are expected to be \$200k favourable.

 $Income\ to\ be\ received\ from\ Waikato\ District\ Council\ for\ rate payer\ use\ of\ Hamilton\ Libraries.$

Professional and Other costs.

 $Budgets\ misalignment\ of\ \$118k\ due\ to\ error\ in\ the\ budget\ upload\ process.\ This\ has\ been\ corrected\ in\ the\ forecast.$

PARKS AND RECREATION

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

FOR THE MONTH ENDED 31 DECEMBER 2019

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
	Everyday Revenue							
(59)	Rates	(50)	(104)	54	(208)	24%	(208)	
3,139	Fees & Charges	3,430	3,349	81	7,139	48%	7,139	
7	Subsidies & Grants	2	7	(5)	7	22%	7	
254	Interest Revenue	80	86	(6)	171	47%	171	
102	Other Revenue	102	98	4	196	52%	196	
3,442	Total Everyday Revenue	3,564	3,437	127	7,306	49%	7,306	
	Everyday Expenditure							
5,663	Personnel Costs	6,102	5,989	(113)	11,948	51%	11,948	
2,903	Operating & Maintenance Costs	3,586	3,514	(73)	8,180	44%	8,180	
301	Professional Costs	511	341	(170)	682	75%	682	
445	Administration Expenses	374	390	16	787	48%	787	
421	Property Costs	542	546	5	1,095	49%	1,095	
1,154	Finance Costs	1,042	1,161	120	2,305	45%	2,305	
2,768	Depreciation & Amortisation Expense	2,919	3,710	790	7,364	40%	7,364	
15	Gains & Losses	8		(8)				
(28)	Internal Capital Recoveries	(16)		16				
13,642	Total Everyday Expenditure	15,069	15,652	583	32,361	47%	32,361	
(10,200)	Everyday Surplus/(Deficit)*	(11,505)	(12,215)	711	(25,056)	46%	(25,056)	
	Capital Revenue							
9	Capital Revenue	14		14	271	5%	271	
9	Total Capital Revenue	14		14	271	5%	271	
(10,190)	Operating Surplus/(Deficit)	(11,490)	(12,215)	725	(24,785)	46%	(24,785)	

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

The comments below explain the variance between year-to-date actual results and annual budget where they exceed \$100k.

Personnel Costs is \$113k unfavourable.

Higher than expected visitation in recent months has required additional lifeguards on to be duty. This has resulted in unfavourable remuneration expenditure, this cost is offset by increased revenue. Leave accrual balances are also unfavourable but will reduce as leave is taken over upcoming months.

Professional Costs is \$170k unfavourable.

This relates to the consultant costs associated with the Municipal Pool demolition project. The budget for this work was included in Operating and Maintenance budget line in error, unfavourable costs are offset from there.

Finance Costs is \$120k favourable.

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

Depreciation & Amortisation Expense is \$790k favourable.

The favourable result relates to capital projects not completed for capitalisation and capitalised as expected. The budgeted timeframe is currently being reassessed to identify correct phasing and/or savings.

The comments below explain the variance between annual approved budget and annual forecast where they exceed \$100k.

\$000 \$000 \$000 \$000 \$000 \$000 Annual Annual Annua Annual YTD Budget YTD Actual Budget 2018/19 Fav/(Unfav) Fav/(Unfav) Everyday Revenue () () Rates () Fees & Charges 1,638 1,500 1,474 164 2.045 80% 2.045 26 Subsidies & Grants 24 26 (1) 51 47% 51 Interest Revenue Other Revenue 1,537 Total Everyday Revenue 1,678 1,515 162 2,127 2,127 79% **Everyday Expenditure** 1,728 2,017 1,904 (113)3,745 40 Personnel Costs 3,785 53% Operating & Maintenance Costs 525 1.212 43% 1.212 544 612 87 **Professional Costs** 67 83 39% 67 87 19 173 106 85 Administration Expenses 229 164 (66)238 96% 238 Property Costs 13 13 27 46% 27 Finance Costs 32 47 15 35 Depreciation & Amortisation Expense 94 34% 94 Gains & Losses Internal Capital Recoveries 2,883 2,827 (56) 5,529 52% 5,422 107 2,484 Total Everyday Expenditure 1,678 1,515 (947) Everyday Surplus/(Deficit)* 107 (3,402) 35% (3,295) 107 (1,205)(1,312)Capital Revenue Capital Revenue **Total Capital Revenue** (947) Operating Surplus/(Deficit) (3,402)107 (1,205) (1,312) (3,295)

The comments below explain the variance between year-to-date actual results and annual budget where they exceed \$100k.

Fees & Charges is \$164k favourable.

Fees & charges are higher than budget due to funding received for Personal Hire Devices and higher than budgeted revenue for Liquor Licencing and Environental Health Control.

Personnel Costs is \$113k unfavourable.

This is largely due to staff receiving higher duties allowance. Additionally there has been an FTE employed as a result of the Personal Hire Devices which is offset by the increase in revenue.

The comments below explain the variance between annual approved budget and annual forecast where they exceed \$100k.

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

PLANNING AND DEVELOPMENT

City Planning | Planning Guidance | Building Contro

FOR THE MONTH ENDED 31 DECEMBER 2019

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
	Everyday Revenue							
	Rates							
6,197	Fees & Charges	6,298	5,385	913	10,588	59%	10,588	
	Subsidies & Grants							
81	Interest Revenue	26	23	3	46	55%	46	
1	Other Revenue	5		5				
6,279	Total Everyday Revenue	6,328	5,408	920	10,634	60%	10,634	
	Everyday Expenditure							
3,930		4,411		164	9,140	48%	9,140	
88	, 9	260		(27)	466	56%	466	
827		1,557	976	(581)	1,942	80%	1,942	
490	•	376	1,199	823	2,386	16%	2,386	
17		17	16	(1)	32	52%	32	
369	Finance Costs	333	305	(28)	610	55%	610	
2	Depreciation & Amortisation Expense		1	1	2	0%	2	
	Gains & Losses							
(52)	· · · · · · · · · · · · · · · · · · ·	(9)						
5,672	Total Everyday Expenditure	6,944	7,305	361	14,578	48%	14,578	
607	Everyday Surplus/(Deficit)*	(615)	(1,897)	1,282	(3,944)	16%	(3,944)	
	Capital Revenue							
	Capital Revenue							
	Total Capital Revenue							
607	Operating Surplus/(Deficit)	(615)	(1,897)	1,282	(3,944)	16%	(3,944)	

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

The comments below explain the variance between year-to-date actual results and annual budget where they exceed \$100k.

Fees & Charges is \$913k favourable.

Building Consent and Resource Consent revenue is higher than budget due to increased activity and demand for services.

Personnel Costs is \$164k favourable.

Personnel costs are less than budget due to unfilled vacancies in the Planning Guidance and City Planning business units.

Professional Costs is \$581k unfavourable.

Professional costs are unfavourable due to consultancy expenditure incurred to offset vacant positions. There is also an overspend in Lega expenditure due to increased limited notified consents which add complexity. Increased legal costs have also been incurred in plan changes. These costs will be on-charged, however there is a timing delay between incurring the cost and on-charging.

Administration Expenses is \$823k favourable.

The favourable budget variance is due to the timing of Grant expenditure incurred. Grant expenditure will be incurred in the second half of the financial year.

The comments below explain the variance between annual approved budget and annual forecast where they exceed \$100k.

FOR THE MONTH ENDED 31 DECEMBER 2019

							1	
\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD			YTD Budget	YTD	Annual	% Annual	Annual	Annual
2018/19		YTD Actual	(Approved)	Variance	Approved	Budget	Forecast	Variance
2010, 15			(, при отом)	Fav/(Unfav)	Budget	Spent	Torcease	Fav/(Unfav)
	Everyday Revenue							
4,262		4,290	4,017	273	8,285	52%	8,285	
14	5	23	(95)	118	(167)	-14%	(167)	
	Subsidies & Grants							
440	Interest Revenue	139	149	(10)	298	46%	298	
	Other Revenue							
4,717	Total Everyday Revenue	4,452	4,071	381	8,416	53%	8,416	
	Everyday Expenditure							
1,888	Personnel Costs	2,160	2,173	14	4,327	50%	4,327	
1,619	Operating & Maintenance Costs	1,625	1,729	103	3,475	47%	3,475	
64	Professional Costs	169	171	2	833	20%	833	
41	Administration Expenses	10	5	(5)	11	93%	11	
800	Property Costs	982	1,144	162	2,076	47%	2,076	
2,003	Finance Costs	1,808	2,018	210	4,036	45%	4,036	
6,165	Depreciation & Amortisation Expense	4,888	4,834	(53)	9,668	51%	9,668	
1	Gains & Losses	240		(240)				
(886)	Internal Capital Recoveries	(850)	(946)	(96)	(1,867)	46%	(1,867)	
11.695	Total Everyday Expenditure	11,032	11,128	96	22,558	49%	22,558	
•	, , ,	•	•		•			
(6,978)	Everyday Surplus/(Deficit)*	(6,580)	(7,057)	477	(14,141)	47%	(14,141)	
	, , , , , ,						. , ,	
	Capital Revenue							
509	•	369	27	342	52	709%	52	
	Vested Assets	749		749				
509	Total Capital Revenue	1,118	27		52	2148%	52	
300		-,	_,	2,002	32	10,0		
(6,469)	Operating Surplus/(Deficit)	(5,462)	(7,030)	1,568	(14,089)	39%	(14,089)	
	· · · · · · · · · · · · · · · · · · ·			•				

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

The comments below explain the variance between year-to-date actual results and annual budget where they exceed \$100k.

Rates is \$273k favourable.

Water by meter revenue is favourable due to a higher than anticipated level of water use year to date.

Fees & Charges is \$118k favourable.

Favourable variance due to higher than anticipated revenue from water take points due to increasing volumes of tankered water for pool and water tank filling as well as construction dust suppression.

Operating & Maintenance Costs is \$103k favourable.

Water Treatment Plant expenditure on chemicals and general maintenance are tracking as expected for this time of year.

Property Costs is \$162k favourable.

Electricity costs are below budget due to underspent in the early part of the year. External rates charged by the Waikato Regional Council was also below budget.

Finance Costs is \$210k favourable.

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

Capital Revenue is \$342k favourable.

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

Vested Assets is \$749k favourable.

More vested assets have been received than budgeted.

The comments below explain the variance between annual approved budget and annual forecast where they exceed \$100k.

Attachment 2 WASTEWATER

Wastewater Collection | Wastewater Treatment | Wastewater Disposa

FOR THE MONTH ENDED 31 DECEMBER 2019

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
	Everyday Revenue							
(1)	Rates	(13)	(21)	8	(43)	30%	(43)	
2,593	Fees & Charges	2,414	2,502	(88)	4,992	48%	4,992	
	Subsidies & Grants							
496	Interest Revenue	156	201	(45)	402	39%	402	
	Other Revenue							
3,088	Total Everyday Revenue	2,557	2,682	(125)	5,352	48%	5,352	
	Everyday Expenditure							
2,109	Personnel Costs	2,458	2,607	148	5,184	47%	5,184	
3,449	Operating & Maintenance Costs	3,182	3,119	(63)	6,580	48%	6,580	
193	Professional Costs	271	270	(1)	792	34%	792	
80	Administration Expenses	29	29	()	76	38%	76	
879	Property Costs	1,175	1,291	116	2,346	50%	2,346	
2,256	Finance Costs	2,036	2,763	727	5,526	37%	5,526	
3,957	Depreciation & Amortisation Expense	5,453	6,617	1,164	13,235	41%	13,235	
	Gains & Losses	269		(269)				
(92)	Internal Capital Recoveries	(63)	(229)	(166)	(637)	10%	(637)	
12,831	Total Everyday Expenditure	14,809	16,466	1,657	33,103	45%	33,103	
(9,743)	Everyday Surplus/(Deficit)*	(12,252)	(13,784)	1,532	(27,751)	44%	(27,751)	
	Capital Revenue							
627	Capital Revenue	598	27	570	52	1148%	52	
	Vested Assets	1,005		1,005				
627	Total Capital Revenue	1,602	27	1,575	52	3078%	52	
(9,117)	Operating Surplus/(Deficit)	(10,650)	(13,757)	3,107	(27,699)	38%	(27,699)	

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

The comments below explain the variance between year-to-date actual results and annual budget where they exceed \$100k.

Personnel Costs is \$148k favourable.

The favourable variance is mainly due to short term staff vacancies across strategic development and operational teams.

Property Costs is \$116k favourable.

Electricity and Gas costs are below budget due to underspent in the early part of the year. It is expected that the budget will be spent by year-end.

Finance Costs is \$727k favourable.

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

Depreciation & Amortisation Expense is \$1,164k favourable.

The favourable result from capital projects not completed for capitalisation at the expected and budgeted timeframe is currently being reassessec to identify correct phasing and/or savings.

Internal Capital Recoveries is \$166k unfavourable.

Timecost recoveries are down on expectations, largely due to staff vacancies.

Capital Revenue is \$570k favourable.

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

Vested Assets is \$1,005k favourable.

More vested assets received than budgeted.

The comments below explain the variance between annual approved budget and annual forecast where they exceed \$100k.

STORMWATER Attachment 2

Stormwater Network

FOR THE MONTH ENDED 31 DECEMBER 2019

YTD Budget Variance Approved Budget Variance Approved Budget Forecast Variance	\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
Rates			YTD Actual		Variance	Approved	Budget		Annual Variance Fav/(Unfav)
173 Fees & Charges 149 125 24 241 62% 241 Subsidies & Grants 36 Interest Revenue 43 65 (22) 130 33% 130 Other Revenue 191 190 1 370 52% 370 Everyday Expenditure 1,517 1,599 81 3,186 48% 3,186 474 Operating & Maintenance Costs 545 508 (36 1,008 54% 1,008 (73) Professional Costs 101 161 59 351 29% 351 27 Administration Expenses 8 4 (4 9 94% 9 186 Property Costs 395 323 (71 446 89% 446 617 Finance Costs 556 907 351 1,815 31% 1,815 4,810 Depreciation & Amortisation Expense 4,901 5,142 241 10,285 48% 10,285 Gains & Losses 228 (228 (692) Internal Capital Recoveries (652) (822) (170) (1,828 36% (1,828 6,701 Total Everyday Expenditure 7,601 7,824 223 15,271 50% 15,271 Capital Revenue 364 Capital Revenue 121 119 2 1,279 9% 1,279 Vested Assets 572 572 572 572 572 572 572 572 572 572 572 572 572 572 575 574 574 574 574 574 574 575 575 574 574 575 575 575 574 575		Everyday Revenue							
Subsidies & Grants 136 Interest Revenue 43 65 (22) 130 33% 130		Rates				(1)	0%	(1)	
136 Interest Revenue	173	Fees & Charges	149	125	24	241	62%	241	
Other Revenue 191 190 1 370 52% 370 Everyday Expenditure 1,353 Personnel Costs 1,517 1,599 81 3,186 48% 3,186 474 Operating & Maintenance Costs 545 508 (36) 1,008 54% 1,008 (73) Professional Costs 101 161 59 351 29% 351 27 Administration Expenses 8 4 (4) 9 94% 9 186 Property Costs 395 323 (71) 446 89% 446 617 Finance Costs 556 907 351 1,815 31% 1,815 4,810 Depreciation & Amortisation Expense 4,901 5,142 241 10,285 48% 10,285 Gains & Losses 228 (228) (228) (228) (228) (28) (49) 10,285 48% 10,285 48% 10,285 48% <td< td=""><td></td><td>Subsidies & Grants</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>		Subsidies & Grants							
Superior Superior	136	Interest Revenue	43	65	(22)	130	33%	130	
Everyday Expenditure 1,353 Personnel Costs 1,517 1,599 81 3,186 48% 3,186 474 Operating & Maintenance Costs 545 508 (36) 1,008 54% 1,008 (73) Professional Costs 101 161 59 351 29% 351 29% 351 27 Administration Expenses 8 4 (4) 9 94% 9 94% 9 466 617 Finance Costs 395 323 (71) 446 89% 446 617 Finance Costs 556 907 351 1,815 31% 1,815 4,810 Depreciation & Amortisation Expense 4,901 5,142 241 10,285 48% 10,285 Gains & Losses 228 (228) (692) Internal Capital Recoveries (652) (822) (170) (1,828) 36% (1,828) (6,392) Everyday Expenditure 7,601 7,824 223 15,271 50% 15,271 (6,392) Everyday Surplus/(Defidt)* (7,410) (7,634) 225 (14,901) 50% (14,901)		Other Revenue							
1,353 Personnel Costs 1,517 1,599 81 3,186 48% 3,186 474 Operating & Maintenance Costs 545 508 (36) 1,008 54% 1,008 (73) Professional Costs 101 161 59 351 29% 351 27 Administration Expenses 8 4 (4) 9 94% 9 186 Property Costs 395 323 (71) 446 89% 446 617 Finance Costs 556 907 351 1,815 31% 1,815 4,810 Depreciation & Amortisation Expense 4,901 5,142 241 10,285 48% 10,285 Gains & Losses 228 (228) (692) Internal Capital Recoveries (652) (822) (170) (1,828) 36% (1,828) 6,701 Total Everyday Expenditure 7,601 7,824 223 15,271 50% 15,271 Capital Revenue 364 Capital Revenue 121 119 2 <	309	Total Everyday Revenue	191	190	1	370	52%	370	
1,353 Personnel Costs 1,517 1,599 81 3,186 48% 3,186 474 Operating & Maintenance Costs 545 508 (36) 1,008 54% 1,008 (73) Professional Costs 101 161 59 351 29% 351 27 Administration Expenses 8 4 (4) 9 94% 9 186 Property Costs 395 323 (71) 446 89% 446 617 Finance Costs 556 907 351 1,815 31% 1,815 4,810 Depreciation & Amortisation Expense 4,901 5,142 241 10,285 48% 10,285 Gains & Losses 228 (228) (692) Internal Capital Recoveries (652) (822) (170) (1,828) 36% (1,828) 6,701 Total Everyday Expenditure 7,601 7,824 223 15,271 50% 15,271 Capital Revenue 364 Capital Revenue 121 119 2 <		Francisco Physics							
474 Operating & Maintenance Costs 545 508 (36) 1,008 54% 1,008 (73) Professional Costs 101 161 59 351 29% 351 27 Administration Expenses 8 4 (4) 9 94% 9 186 Property Costs 395 323 (71) 446 89% 446 617 Finance Costs 556 907 351 1,815 31% 1,815 4,810 Depreciation & Amortisation Expense 4,901 5,142 241 10,285 48% 10,285 Gains & Losses 228 (228) (692) Internal Capital Recoveries (652) (822) (170) (1,828) 36% (1,828) 6,701 Total Everyday Expenditure 7,601 7,824 223 15,271 50% 15,271 Capital Revenue 364 Capital Revenue 121 119 2 1,279 9% 1,279 Vested Assets 572 572 572 <			1 517	1 500	0.1	2 100	400/	2.100	
(73) Professional Costs 101 161 59 351 29% 351 27 Administration Expenses 8 4 (4) 9 94% 9 186 Property Costs 395 323 (71) 446 89% 446 617 Finance Costs 556 907 351 1,815 31% 1,815 4,810 Depreciation & Amortisation Expense 4,901 5,142 241 10,285 48% 10,285 Gains & Losses 228 (228) (692) Internal Capital Recoveries (652) (822) (170) (1,828) 36% (1,828) 6,701 Total Everyday Expenditure 7,601 7,824 223 15,271 50% 15,271 Capital Revenue Capital Revenue 364 Capital Revenue 121 119 2 1,279 9% 1,279 Vested Assets 572 572	•							1 '	
27 Administration Expenses 8 4 (4) 9 94% 9 186 Property Costs 395 323 (71) 446 89% 446 617 Finance Costs 556 907 351 1,815 31% 1,815 4,810 Depreciation & Amortisation Expense 4,901 5,142 241 10,285 48% 10,285 Gains & Losses 228 (228) (228) (228) (228) (170) (1,828) 36% (1,828) 6,701 Total Everyday Expenditure 7,601 7,824 223 15,271 50% 15,271 Capital Revenue 364 Capital Revenue 121 119 2 1,279 9% 1,279 Vested Assets 572 572 572 572 572		. •							
186 Property Costs 395 323 (71) 446 89% 446 617 Finance Costs 556 907 351 1,815 31% 1,815 4,810 Depreciation & Amortisation Expense 4,901 5,142 241 10,285 48% 10,285 Gains & Losses 228 (228) (692) Internal Capital Recoveries (652) (822) (170) (1,828) 36% (1,828) 6,701 Total Everyday Expenditure 7,601 7,824 223 15,271 50% 15,271 (6,392) Everyday Surplus/(Deficit)* (7,410) (7,634) 225 (14,901) 50% (14,901) Capital Revenue 364 Capital Revenue 121 119 2 1,279 9% 1,279 Vested Assets 572 572								1	
617 Finance Costs 556 907 351 1,815 31% 1,815 4,810 Depreciation & Amortisation Expense 4,901 5,142 241 10,285 48% 10,285 Gains & Losses 228 (228) (228) (328) (4,828) (4,828) (5,701 Total Everyday Expenditure 7,601 7,824 223 15,271 50% 15,271 (6,392) Everyday Surplus/(Deficit)* (7,410) (7,634) 225 (14,901) 50% (14,901) Capital Revenue 364 Capital Revenue 121 119 2 1,279 9% 1,279 Vested Assets 572 572 572 572 572		•		-					
4,810 Depreciation & Amortisation Expense 4,901 5,142 241 10,285 48% 10,285 Gains & Losses 228 (228) (225) (218) (225) (214) (214) (214) (228) (228) (228) (228) (228) (228) (228) (228) (228) (228) (228) (229) (241) (229) (241) (241) <td></td> <td>. ,</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>		. ,							
Gains & Losses 228 (228) (280								1	
(692) Internal Capital Recoveries (652) (822) (170) (1,828) 36% (1,828) 6,701 Total Everyday Expenditure 7,601 7,824 223 15,271 50% 15,271 (6,392) Everyday Surplus/(Deficit)* (7,410) (7,634) 225 (14,901) 50% (14,901) Capital Revenue 364 Capital Revenue 121 119 2 1,279 9% 1,279 Vested Assets 572 572 572 572	4,810	·				10,285	48%	10,285	
6,701 Total Everyday Expenditure 7,601 7,824 223 15,271 50% 15,271 (6,392) Everyday Surplus/(Deficit)* (7,410) (7,634) 225 (14,901) 50% (14,901) Capital Revenue 364 Capital Revenue 121 119 2 1,279 9% 1,279 Vested Assets 572 572								l	
Capital Revenue 121 119 2 1,279 9% 1,279 Vested Assets 572 572 572		· · · · · · · · · · · · · · · · · · ·							
Capital Revenue 364 Capital Revenue 121 119 2 1,279 9% 1,279 Vested Assets 572 572	6,701	Total Everyday Expenditure	7,601	7,824	223	15,271	50%	15,271	
364 Capital Revenue 121 119 2 1,279 9% 1,279 Vested Assets 572 572	(6,392)	Everyday Surplus/(Deficit)*	(7,410)	(7,634)	225	(14,901)	50%	(14,901)	
364 Capital Revenue 121 119 2 1,279 9% 1,279 Vested Assets 572 572		Comitted Devices							
Vested Assets 572 572		•	101	110	2	1 270	00/	1 270	
	364	•		119		1,279	9%	1,279	
364 Total Capital Revenue 693 119 573 1.279 54% 1.279	264			110		1 270	F 4.0/	1 270	
	364	Total Capital Revenue	693	119	5/3	1,279	54%	1,2/9	
(6,028) Operating Surplus/(Deficit) (6,717) (7,515) 798 (13,622) 49% (13,622)	(6,028)	Operating Surplus/(Deficit)	(6,717)	(7,515)	798	(13,622)	49%	(13,622)	

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

The comments below explain the variance between year-to-date actual results and annual budget where they exceed \$100k.

Finance Costs is \$351k favourable.

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

Depreciation & Amortisation Expense is \$241k favourable.

The favourable result from capital projects not completed for capitalisation at the expected and budgeted timeframe is currently being reassessed to identify correct phasing and/or savings.

Gains & Losses is \$228k unfavourable.

Unfavourable variance is due to the disposal of various low value assets.

Internal Capital Recoveries is \$170k unfavourable.

Timecost recoveries are down on expectations, largely due to staff vacancies.

Vested Assets is \$572k favourable.

More vested assets received than budgeted.

The comments below explain the variance between annual approved budget and annual forecast where they exceed \$100k.

Attachment 2 TRANSPORT

Transport Network | Transport Centre | Parking Managemen

FOR THE MONTH ENDED 31 DECEMBER 2019

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
E	veryday Revenue							
18	Rates	11	(15)	26	(30)	-38%	(30)	
2,189	Fees & Charges	1,821	1,677	144	3,346	54%	3,346	
2,977	Subsidies & Grants	5,267	3,250	2,016	6,238	84%	6,238	
574	Interest Revenue	181	217	(36)	434	42%	434	
1,465	Other Revenue	1,684	1,299	385	2,473	68%	2,473	
7,222 T	otal Everyday Revenue	8,965	6,429	2,536	12,461	72%	12,461	
E	veryday Expenditure							
2,521	Personnel Costs	3,386	3,473	87	6,891	49%	6,891	
6,155	Operating & Maintenance Costs	8,418	6,527	(1,891)	11,928	71%	11,928	
214	Professional Costs	567	689	122	1,655	34%	1,655	
614	Administration Expenses	850	475	(375)	951	89%	951	
1,009	Property Costs	1,170	1,057	(113)	2,100	56%	2,100	
2,613	Finance Costs	2,358	2,970	612	5,941	40%	5,941	
9,290	Depreciation & Amortisation Expense	7,992	9,047	1,056	18,095	44%	18,095	
224	Gains & Losses	1,503		(1,503)				
(646)	Internal Capital Recoveries	(1,104)	(1,384)	(279)	(2,951)	37%	(2,951)	
21,995 T	otal Everyday Expenditure	25,139	22,854	(2,285)	44,610	56%	44,610	
(14,773) E	veryday Surplus/(Deficit)*	(16,174)	(16,425)	251	(32,149)	50%	(32,149)	
C	apital Revenue							
9,832	Capital Revenue	16,194	15,442	752	66,074	25%	66,074	
	Vested Assets	10,100		10,100				
9,832 T	otal Capital Revenue	26,294	15,442	10,853	66,074	40%	66,074	
(4,941) C	perating Surplus/(Deficit)	10,120	(984)	11,103	33,925	30%	33,925	

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

The comments below explain the variance between year-to-date actual results and annual budget where they exceed \$100k.

Fees & Charges is \$144k favourable.

The favourable variance is due to additional revenue received for Corridor Access Requests, recoveries for State Highway works as well as higher than budgeted income from Bus Shelter advertising. It also includes higher than budgeted revenue for parking.

Subsidies & Grants is \$2,016k favourable.

Operational subsidies received from NZTA is favourable due to large operational project (Victoria Bridge Painting) being completed in the early part of the financial year and the Rotokauri Park & Ride project being managed by Council on behalf of Kiwirail with a 100% NZTA subsidy received or expenditure.

Other Revenue is \$385k favourable.

The favourable variance is due to Petrol Tax being higher than budget and a higher than budgeted recovery of parking infringements and fines.

Operating & Maintenance Costs is \$1,891k unfavourable.

Planned Major Bridge Maintenance work on Victoria Bridge (ANZAC Parade) was budgeted in the 2018/19 financial year but, due to ensuring compliance requirements and discovered maintenance, the project was delayed and not completed until the early part of this financial year. The Rotokauri Park and Ride project is managed by Council on behalf of Kiwirail as mentioned above.

Professional Costs is \$122k favourable.

The underspend is due to the re-prioritisinf of projects as a result of staff resourcing shortage. Phasing of this activity has now taken place.

Administration Expenses is \$375k unfavourable.

Debt Collection Fees and Bad Debts for the Parking activity are higher than budget. This is offset by Other Revenue.

Property Costs is \$113k unfavourable.

Electricity costs are above budget due to an increase in electricity contract rates. Due to the change to LED lighting in 2018/19 the cost of the increase is less than what is would have been if Council have not changed to LED lighting.

Finance Costs

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

Depreciation & Amortisation Expense is \$1,056k favourable.

The favourable result from capital projects not completed for capitalisation at the expected and budgeted timeframe is currently being reassessed to identify correct phasing and/or savings.

Gains & Losses is \$1,503k unfavourable.

The variance is due to the disposal of streetlights replaced with LED lighting.

Internal Capital Recoveries is \$279k unfavourable.

Timecost recoveries are down on expectations, largely due to staff vacancies.

Capital Revenue is \$752k favourable.

Revenue from NZTA subsidies are tracking above budget due to projects progressing faster than anticipated.

Vested Assets is \$10,100k favourable.

More vested assets received than budgeted.

The comments below explain the variance between annual approved budget and annual forecast where they exceed \$100k.

RUBBISH AND RECYCLING

Refuse Collection | Waste Minimisation | Landfill Site Managemen

FOR THE MONTH ENDED 31 DECEMBER 2019

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Actual YTD Budget (Approved)		Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
	Everyday Revenue							
	Rates							
(55)	Fees & Charges	(78)	(33)	(45)	(66)	119%	(66)	
308	Subsidies & Grants	347	288	60	575	60%	575	
11	Interest Revenue	3	3		6	56%	6	
222	Other Revenue	221	222	(1)	444	50%	444	
486	Total Everyday Revenue	494	480	14	959	51%	959	
	Everyday Expenditure							
729	Personnel Costs	785		30	1,621	48%	1,621	
2,626	Operating & Maintenance Costs	2,418	3,112	693	6,243	39%	6,243	
113		135		(17)	252	54%	252	
12	Administration Expenses	16	8	(8)	(1,769)	-1%	(1,769)	
23	Property Costs	33	44	11	80	41%	80	
49	Finance Costs	44	42	(2)	1,200	4%	1,200	
285	Depreciation & Amortisation Expense	286	328	42	657	44%	657	
	Gains & Losses							
(227)	Internal Capital Recoveries	(239)	(119)	120	(256)	93%	(256)	
3,609	Total Everyday Expenditure	3,479	4,348	869	8,028	43%	8,028	
(3,123)	Everyday Surplus/(Deficit)*	(2,985)	(3,868)	883	(7,069)	42%	(7,069)	
	Capital Revenue							
	Capital Revenue							
	Total Capital Revenue							
(3,123)	Operating Surplus/(Deficit)	(2,985)	(3,868)	883	(7,069)	42%	(7,069)	

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

The comments below explain the variance between year-to-date actual results and annual budget where they exceed \$100k.

Operating & Maintenance Costs is \$693k favourable.

Operational costs are below budget due to Waste Minimisation Education and Engagement activities that will be started in the second half of this year. The cost of collecting waste and recycling is also below budget due to the timing of invoicing. It is expected that the budget will be fully spent by year end.

Internal Capital Recoveries is \$120k favourable.

Timecost recoveries are above budget largely due to staff engaged in capital projects.

The comments below explain the variance between annual approved budget and annual forecast where they exceed \$100k.

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
	Everyday Revenue							
(126)	Rates	(134)	(148)	14	(296)	45%	(296)	
482	Fees & Charges	607	609	(2)	1,218	50%	1,218	
38	Subsidies & Grants	75		75				
	Interest Revenue							
1,455	Other Revenue	1,347	1,215	133	3,009	45%	3,009	
1,848	Total Everyday Revenue	1,896	1,676	220	3,930	48%	3,930	_
	Everyday Expenditure							
9,168	Personnel Costs	10,646	10,107	(539)	20,064	53%	19,693	371
873	Operating & Maintenance Costs	1,665	1,347	(318)	3,108	54%	3,061	47
790	Professional Costs	1,786	1,718	(68)	3,652	49%	4,528	(876)
4,492	Administration Expenses	4,888	4,447	(441)	9,120	54%	9,120	
316	Property Costs	552	374	(178)	747	74%	747	
30	Finance Costs	23	35	12	70	33%	70	
2,510	Depreciation & Amortisation Expense	2,242	3,238	996	6,475	35%	6,475	
81	Gains & Losses	28		(28)				
(231)	Internal Capital Recoveries	(1,036)	(171)	866	(341)	304%	(341)	
18,029	Total Everyday Expenditure	20,793	21,094	301	42,896	48%	43,354	(458)
(16,181)	Everyday Surplus/(Deficit)*	(18,897)	(19,419)	521	(38,965)	48%	(39,423)	(458)
	Capital Revenue							
	Capital Revenue							
	Total Capital Revenue							
	, otal dapital hardinad							
(16,181)	Operating Surplus/(Deficit)	(18,897)	(19,419)	521	(38,965)	48%	(39,423)	(458)

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

The comments below explain the variance between year-to-date actual results and annual budget where they exceed \$100k.

Other Revenue is \$133k favourable.

This is attributable to an increase in rental income in strategic property and in the area of customer services for LIM reports.

Personnel Costs is \$539k unfavourable.

Peronnel costs are over budget due to increased expenditure on externally contracted staff to cover vacancies, as well as the adjustment of remuneration to better reflect roles and responsibilities.

Operating & Maintenance Costs is \$318k unfavourable.

Operating & Maintanance costs are unfavourable to budget due to a number of factors, including IS system upgrades, condition assessment surveys for Council facilities and increased expenditure on contractors.

Administration Expenses is \$441k unfavourable.

Administration Expenses are unfavourable to budget due to increased software licences arising from the implementation of new software programmes across the organisation. Software is a service.

Property Costs is \$178k unfavourable.

Insurance expenditure is over budget due to an unbudgeted payment to Civic Insurance Ltd.

Depreciation & Amortisation Expense is \$996k favourable.

The favourable result from capital projects not completed for capitalisation at the expected and budgeted timeframe is currently being reassessec to identify correct phasing and/or savings.

The comments below explain the variance between annual approved budget and annual forecast where they exceed \$100k.

Personnel costs are \$371k favourable.

This is due to internal movements of budget between CE office, City Growth and Strategy and Communications. Additionally there has been a redistribution of the Infrastructure and Financing (IFF) budget between personnel and consultants.

Attachment 2 GENERAL

FOR THE MONTH ENDED 31 DECEMBER 2019

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
	Everyday Revenue							
83,408	Rates	87,232	87,444	(212)	183,174	48%	183,174	
	Fees & Charges							
	Subsidies & Grants							
	Interest Revenue							
336	Other Revenue	877	6,810	(5,933)	13,516	6%	13,516	
83,744	Total Everyday Revenue	88,110	94,254	(6,144)	196,690	45%	196,690	
	Everyday Expenditure							
	Personnel Costs							
	Operating & Maintenance Costs							
	Professional Costs							
	Administration Expenses		(1,313)	(1,313)	(2,626)	0%	(2,626)	
	Property Costs							
(173)	Finance Costs	(30)	580	610	1,160	-3%	1,160	
	Depreciation & Amortisation Expense							
3,497	Gains & Losses	(3,151)		3,151				
3,324	Total Everyday Expenditure	(3,180)	(733)	2,447	(1,466)	217%	(1,466)	_
80,420	Everyday Surplus/(Deficit)*	91,290	94,987	(3,697)	198,155	46%	198,155	
	Capital Revenue	44.040	40.004	4.640	25.227	E60/	25.227	
9,953	Development Contributions	14,312	12,694	1,619	25,387	56%	25,387	
42.024	Capital Revenue Vested Assets	12.750	45.645	(0.056)	24 220	41%	24 222	
12,931		12,759	15,615	(2,856)	31,230	41%	31,230 56,617	
22,884	Total Capital Revenue	27,071	28,309	(1,237)	56,617	48%	36,617	
103,304	Operating Surplus/(Deficit)	118,361	123,295	(4,934)	254,772	46%	254,772	

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

The comments below explain the variance between year-to-date actual results and annual budget where they exceed \$100k.

Rates is \$212k unfavourable.

Rates revenue invoiced will be different to budget due to the rates strike being lower than anticipated.

Other Revenue is \$5,933k unfavourable.

Other revenue is unfavourable to budget as a result of the fair value benefit not being realised on the Housing Infrastructure Fund (HIF) due to their being less HIF loans.

Administration Expenses is \$1,313k unfavourable.

Finance Costs is \$610k favourable.

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

Gains & Losses is \$3,151k favourable.

There has been a favourable movement in market interest rates which has resulted in a gain in the fair value of interest rates swaps.

Development Contributions is \$1,619k favourable.

Council are experiencing high growth activity.

Vested Assets is \$2,856k unfavourable.

More vested assets received than budgeted.

The comments below explain the variance between annual approved budget and annual forecast where they exceed \$100k.

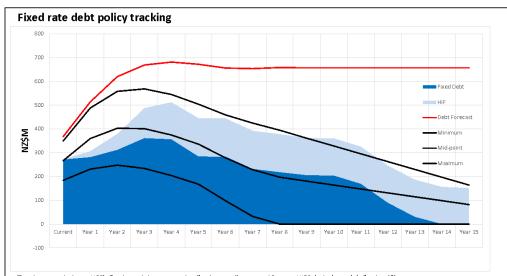
TREASURY REPORT

for the six months ended 31st December 2019

Internal Treasury Factors									
			Result @	Policy					
Policy Compliance		Policy	31-Dec-19	Compliance					
Fixed rate debt maturity	all years	within annual	achieved for all	✓					
rixed race debt instantly	ali years	parameters	years						
Funding maturity	0 - 3 y ears	15% - 60%	32%	✓					
	3 - 5 y ears	15% - 60%	30%	✓					
	5 y ears plus	10% - 60%	38%	✓					
Liquidity ratio	minimum	110%	126%	✓					
Counterparty credit risk	maximum	\$75m per bank	Achieved	✓					

Comments on policy breaches

There are no policy breaches



The above graph shows HCC's fixed rate debt compared to fixed rate policy across 15 years. HIF is inclusive as it is fixed at 0%. Our fixed debt is currently 71% and compliant with policy.

	Result @	Budget @	Variance
Debt and Cash Investments (\$000's)	31-Dec-19	30-Jun-20	Fav. / (Unfav.)
External debt	434,147	642,535	208,388
less Cash investments	(65,794)	(55,000)	10,794
Net debt	368,353	587,535	219,182
Gross cost of funds (12 month rolling average)	4.48%	4.16%	-0.32%
Debt to Revenue	128%	165%	36.75%

	Result @	Budget @	Variance
Interest (\$000's)	31-Dec-19	31-Dec-19	Fav. / (Unfav.)
Interest expense	9,060	9,389	329
Interest revenue	620	687	(67)
Interest Commentary:			

Interest expense - We are favourable against budget as the interest rate has comes down and debt levels have remained consistent.

Interest revenue - This is down against budget due to reduced interest rates and reducing overall cash funds as capital spend takes place.

	Result @	Budget @	Variance
Cash Investments (\$000's)	31-Dec-19	31-Dec-19	Fav. / (Unfav.)
On Call Cash	29,595	not apportioned	not apportioned
Term Cash	30,000	not apportioned	not apportioned
Cash at Bank	39	not apportioned	not apportioned
LGFA Borrower Notes	6,160	not apportioned	not apportioned
Total cash investments	65,794	55,000	10,794

Commen

Surplus immediate funds have been placed on term deposits maturing on payment run dates.

Treasury Emerging Issues

Swaps & Interest

Our current fixed rate policy is at 71%, which has decreased from last month's 73%. External debt increased marginally in December 2019 due to a HIF draw down of \$1.7M. The total value of swaps was \$250.5M at 31 December 2019, with \$10M due to roll off within the financial year. We will let swaps drop off and compare fixed term loans with swaps as required with changing debt levels and swap interest rates.

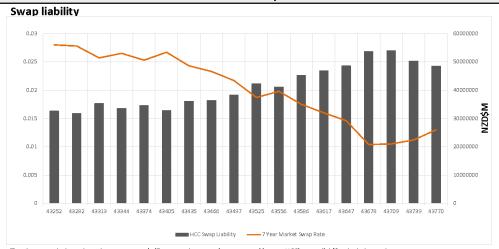
Swaps & Interest

Nisk of lowering our fixed rate policy is that if we do not need to take out swaps, but the market rates suddenly increases, the swaps will be at a higher % than currently. The market is at record lows with indications it will move lower. Swap extensions of older, higher cost swaps has been executed to achieve a lower interest rate, but this has extended the term of the swaps. Our position is regularly reviewed based on the market and advice from our consultants.

Pre-funding

There has not been any recent prefunding.

External Treasury Factors



The above graph shows how the movements in '7 year market swap interest rates' impact HCC's swap liability the balance sheet. If swap interest rates increase, the swap liability decreases.

We use the 7 year market swap rate to compare against as our average swap maturity is 5.96 years at an average cost of 4.64%.

Definitions:

Fixed rate debt maturity - This is a 15 year forward looking policy that guides our fixed and floating rate mix and shows how we are tracking.

Funding maturity - This is a policy that guides our debt maturity and the purpose is to spread our debt maturities. There are three policy tranches. Liquidity ratio - This is a measure to show that in an event that we will need short term cash we will be sufficiently covered.

Counterparty credit risk - This measure acts to spread all our treasury transactions across banks to reduce risk of having all our eggs in one basket. External debt - This is all debt held externally with LGFA, banks, MBIE and lease liabilities.

Gross cost of funds - This shows our actual interest expense over average debt.

On Call Cash - This is cash that is held in our treasury account which has slightly higher interest rate than our general day to day account.

Term Cash - This is money that has been put out on term deposit for a certain period with a bank.

Cash at Bank - This is money that is in our general day to day account.

LGFA Borrower Notes - When we take out a loan with LGFA they hold onto 1.6% of the loan and it is invested and matures on maturity of the loan.

Debt replacement - This a term we use when we take out a loan to replace the maturity of another loan.

Pre-funding - This is a term we use when we take out a loan before it needs to be taken and put it on term deposit.

Swaps - These are financial instruments that basically swap a floating rate for a fixed rate (vice versa). We use these to provide us certainty in fixing interest rates.

Swap liability - This is our unrealised loss on swaps and totals each swap difference between deal date rate and market value for a certain period. Can only be realised if a swap is broken.

OCR - The official cash rate (OCR) is the term used in Australia and New Zealand for the bank rate and is the rate of interest which the homogeneous central bank charges on overnight loans to commercial banks. This system indirectly influences the term structure of interest rates in the whole economy.

Council Report

Committee: Finance Committee **Date:** 11 February 2020

Author: Christie Harger **Authoriser:** David Bryant

Position: Corporate Business Manager **Position:** General Manager Corporate

Report Name: Financial Strategy Monitoring Report

Report Status	Open

Purpose

1. To inform the Finance Committee of the status of the 2018-28 10-Year Plan Financial Strategy as at 31 December 2019.

Staff Recommendation (Recommendation to Council)

- 2. That the Finance Committee receives the report.
- 3. That the Finance Committee recommends the Council:
 - a) approves the rephrasing and delay deferrals of an additional \$92.7M capital projects from 2019/20 to future years and savings of \$4.8M as identified in the December 2019 (11 February 2020 meeting) Capital Portfolio Monitoring Report;
 - b) approves the significant forecast adjustments as set out in paragraphs 17 to 20 of this report; and
 - c) approves the revised forecast Financial Strategy position for Debt to Revenue, Net Debt and Balancing the Books as set out in paragraphs 21 to 28 of this report.

Executive Summary

- 1. This report is to be read in conjunction with the:
 - a) December 2019 (11 February 2020 meeting) Annual Monitoring Report; and
 - a) December 2019 (11 February 2020 meeting) Capital Portfolio Monitoring Report.
- 2. This report provides a forecast update of the key 10-Year Plan Financial Strategy metrics.
- 3. One key goal of the 10-Year Plan Financial Strategy is to maintain or better the balancing the books result so that the need to borrow to fund everyday expenses is eliminated.
- 4. Not borrowing to fund everyday expenses maintains Council's borrowing capacity to fund investment in community and infrastructure initiatives.
- 5. 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.
- 6. Staff consider the matters in this report have low significance and that the recommendations comply with the Council's legal requirements.

Background

Financial Strategy

- Item 8
- 7. 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,
 - e) fund investments from debt.
- 8. The key outcomes are:
 - a) balancing the books after four years (2023/24). This was updated in the 2019/20 Annual Plan
 - b) maintaining a Debt to Revenue Ratio of less than 230%.
 - c) setting rates increases for existing ratepayers at 9.7% (2018/19) and 3.8% per annum thereafter for existing ratepayers.
- 9. 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.
- 10. Forecasting changes made since the adoption of the 10-Year Plan show an improvement in the Financial Strategy measures.

Significant Forecasting assumptions

- 11. Any changes in significant forecasting assumptions (pages 72-81, 2018-28 10-Year Plan) will result in changes to the Financial Strategy outcomes.
- 12. The following forecasting assumptions directly impact the Financial Strategy. An adverse change would have a material impact.
 - Growth
 - i. 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.
 - Interest on borrowing
 - Inflation
 - ii. 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.
- 13. These assumptions will be considered and if necessary adjusted in each Annual Plan.

Financial Strategy Significant Forecast Adjustments

14. This report forecasts the debt to revenue measure and balancing the books measure compared with the 10-Year Plan budget.

- 15. 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.
 - d. recommended to Council (but not yet approved) by other Council Committees.
- 16. All significant changes made since the 10-Year Plan and up to the last Finance Committee Meeting on 10 September 2019 are listed in Attachment 1.

Significant forecasting adjustments since the 10 September 2019 Council meeting:

Discussion

The only significant changes to the forecast are the \$4.8M capital savings, re-phasing and delay deferrals of \$92.7M from 2019/20 to future years as detailed in the as identified in the 11 February 2020 Capital Portfolio Monitoring Report.

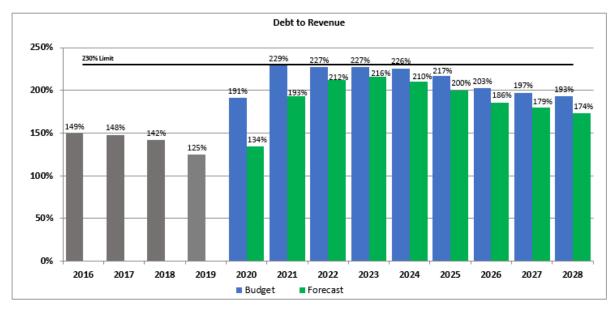
Financial S	Financial Strategy Impact										
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	
Balancing the Books \$(000)	-	4,894	1,781	565	(123)	(129)	(133)	(139)	(146)	(153)	
Net Debt \$(000)	-	104,122	37,894	12,027	(2,625)	(2,754)	(2,887)	(3,026)	(3,172)	(3,325)	

Numbers in brackets represent an adverse outcome.

Financial Strategy Graphs

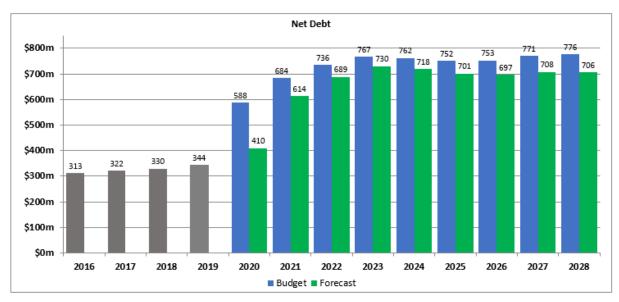
- 17. The following graphs show the 10-Year Plan budgets (in blue) and the total of all Council approved changes listed in Attachment 1 as well as the significant forecast adjustments as set out in paragraph 20 above (in green).
- 18. Forecast changes include matters contained in this agenda and subject to decision by the:
 - a) Finance Committee; or
 - b) Council.

Debt to Revenue



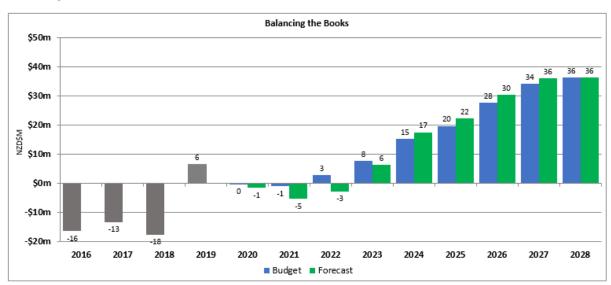
19. The Debt to Revenue graph includes all adjustments identified in this report and shows that the forecast debt to revenue is favourable against the 10-Year Plan budget. In 2022/23, the forecast is to reach 216% debt to revenue ratio. The financial strategy limit is currently 230%.

Net Debt



20. The Net Debt graph shows a decrease in net debt against the 10-Year Plan. With the indication of capital deferrals, net debt forecast for 2019/20 has reduced to \$410M.

Balancing the Books



21. The 2019/20 budget was to balance the books. Current 2019/20 forecast is for \$1m unfavourable result. Forecast remains on track to balance the books again in 2022/23.

Risks to the Financial Strategy

22. The forecast adjustments above lead to improved Financial Strategy metrics. However emerging issues reported in the December 2019 (11 February 2020 meeting) Annual and Capital Portfolio Monitoring Reports indicate unfavourable movements could put these improvements at risk.

23. The debt to revenue margin on debt capacity of \$49M in three years' time (2022/23) provides some resilience. This is an improvement from the 10-Year plan budget but should be considered in the context of the extent of change that has occurred already since the plan was adopted and the amount of spending budgeted to occur before the end of 2022/23.

Emerging Issues

- 24. The December 2019 (11 February 2020 meeting) Annual Monitoring Report has no new emerging issues. Previously listed and future emerging issues could impact the balancing the books result and consequentially debt across the 10-Year Plan.
- 25. The December 2019 (11 February 2020 meeting) 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.
- 26. There are no new emerging issues additional to and not included in the above reports.

Other Matters

Legal and Policy Considerations

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

Cultural Considerations

28. No cultural considerations have been identified relevant to the matters in this report.

Sustainability Considerations

29. This report addresses matter of financial sustainability. No other considerations have been identified relevant to the matters in this report.

Risks

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

Significance & Engagement Policy

Significance

37. 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

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

Attachments

Attachment 1 - Register of Significant Forecast Changes February 2020

Register of Significant Forecast Changes

The follow significant forecasting changes have previously been approved.

\$000's BB= Balancing the books impact Numbers in brackets have an adv ND = Net Debt impact

						Numbersi	n brackets	have an ac	lverse imp	act.		
Date	Change		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
16-Oct-18	Additional Rates revenue from Growth	BB	599	663	733	808	890	978	1,067	1,168	1,276	1,393
		ND	599	1,262	1,995	2,803	3,693	4,670	5,737	6,905	8,181	9,575
	Defered Capital 2017/18 to 2018/19	BB ND	257 -									
Date 4-Dec-18	Change Library revenue adjustment 2018/19		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
4-Dec-18	Library revenue adjustment 2018/19	BB ND	(163) (163)	(8) (171)	(8) (179)	(9) (188)	(9) (197)	(10) (207)	(10) (217)	(10) (228)	(11) (239)	(12) (250)
	Footpath new revenue 2018-2028	BB	542	655	829	1,040	1,238	1,452	1,599	1,813	2,042	2,252
		ND	2,858	5,955	9,362	12,927	16,786	20,961	24,906	29,159	33,744	38,646
	Thomas - Gordonton Road Project additional revenue - enhance subsidy		40	41	43	45	47	49	50	53	55	58
	Capital rephasing and delay deferrals from 2018/19 to future	ND BB	822 1,147	863 11	906	950 12	997 13	1,046	1,097	1,150	1,205	1,263
	years	ND	23,647	235	247	259	272	285	299	314	329	345
	Increase capacity WW West Network (Western Interceptor	BB	41	367	375	465	485	505	516	538	560	584
	Duplication)	ND	841	7,598	7,973	8,366	8,778	9,211	9,655	10,121	10,609	11,121
	Te Awa Cycleway Remediation (new project)	BB	(19)	(43)	(80)	(83)	(85)	(87)	(89)	(91)	(94)	(97)
		ND	(399)	(920)	(965)	(1,013)	(1,063)	(1,116)	(1,169)	(1,226)	(1,285)	(1,347)
Date	Change		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
21-Feb-19	Housekeeping adjustments	BB	-	-	-	-	-	-	-	-	-	-
	Capital rephasing and delay deferrals from 2018/19 to future	ND BB	168	2	2	2	2	2	- 2	2	2	2
	years	ND	3,468	35	36	38	40	42	44	46	48	51
	Capital savings	BB	160	163	171	179	188	198	203	212	223	233
	Advisor and the 1992 November of Physics and Indianastics	ND BB	3,303	3,466	3,637	3,816	4,005	4,202	4,405	4,617	4,840	5,073
	Adjustment to WW West Network (Western Interceptor Duplication)	ND.	210	(305) (6,495)	(320) (6,815)	(397) (7,152)	(414) (7,504)	(431) (7,874)	(441) (8,254)	(459) (8,652)	(478) (9,069)	(498) (9,506)
		110	210	(0,430)	(0,015)	(7)132)	(1,50-1)	(1,014)	(0,254)	(0,002)	(5,500)	(5,500)
Date	Change		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
26-Feb-19	Capital and NZTA capital subsidy deferred from 2018/19 to 2019/20	BB	-	-	-	-	-	-	-	-	-	-
	Reduction in libraries revenue due to Walkato DC contract cease	ND ed no	(36)	(322)	net	24.79	20.7%	21.01	(19)	1001	1011	
		ND ND	-	(322)	(16) (338)	(17) (354)	(17) (372)	(18) (390)	(409)	(20) (429)	(21) (449)	(22) (471)
	Cleaning contract increase to be advised at Finance Committee	BB	-	(578)	(29)	(30)	(31)	(33)	(34)	(35)	(37)	(39)
	on 21 February 2019	ND	-	(578)	(607)	(636)	(668)	(701)	(736)	(770)	(807)	(846)
	Insurance premiums 30% increase from November 2018 plus another 20% unbudgeted increase	BB ND	-	(912) (912)	(45) (956)	(47) (1,004)	(49) (1,053)	(52) (1,105)	(53) (1.158)	(56) (1,214)	(5.9) (1.273)	(61) (1,334)
	Increased Corporate personnel budget (Maangai Maaori)	BB	-	(77)	(4)	(4)	(4)	(4)	(4)	(5)	(5)	(5)
		ND		(77)	(80)	(84)	(88)	(93)	(97)	(102)	(107)	(112)
	Demolition of Founders Theatre costs transferred from 2018/19 to 2019/20		850	(826)		-	-	-	-	-	-	-
	Operating costs to maintain Founders Theatre until demolition	ND BB	850	(48)	26	27	28	30	31	33	34	36
	operating costs to maintain realises meatre with demonstrati	ND	-	(48)	(51)	(53)	(56)	(59)	(61)	(64)	(67)	(71)
	Reduced WRC revenue at Transport Centre (G&I Committee	BB	-	(59)	-	-	-		-		-	-
	resolution 6 December 2018) Chief Executive budget items - net zero impact, resolving within	ND BB	-	(59)	(62)	(65)	(68)	(72)	(75)	(79)	(82)	(86)
	existing budgets	ND										
	GM budget items - net 'zero' impact, resolving within existing	BB	-	(24)	-			-	-	-	-	
	bu dgets	ND	-	(252)	(264)	(277)	(291)	(305)	(320)	(335)	(351)	(368)
Date	Change		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
9-Apr-19	Electricity savings 2020/21 and 2021/22	BB			344	662	50	52	53	56	59	62
		ND	-	-	344	1,006	1,056	1,108	1,161	1,217	1,276	1,338
	Elected Members Remuneration Increase	BB ND	-	(161) (161)	(172) (333)	(184) (518)	(197) (715)	(211) (926)	(225) (1,151)	(240) (1,391)	(25.6) (1,64.7)	(273) (1,920)
	Insurance 20% increase from Y3-10	BB	-	(101)	(566)	(721)	(915)	(1,154)	(1,445)	(1,810)	(2,260)	(2,818)
		ND	-		(566)	(1,287)	(2,202)	(3,356)	(4,801)	(6,610)	(8,870)	(11,688)
	Capital Deferrals and NZTA capital subsidy deferred	BB	927	1,955	(57)	(59)	26	27	28	29	31	32
	Capital savings	ND BB	19,117	41,586 34	(1,205)	(1,264)	551 39	578 41	606 42	635 44	665 47	698 49
	p	ND	690	724	760	797	837	878	920	965	1,011	1,060
	Depreciation Y1 Update	BB	(2,206)		-	-	-			-		
	Foundary Theotre Demalities	ND	-	-		-	-	-		-	-	
	Founders Theatre Demolition	BB ND		868 868	(844) 24	25	26	27	29	30	32	33
	Municipal Pools Demolition deferral from 2018/19 to 2019/20	BB	788	(765)		-	-	-	-	-	-	-
		ND	788	23	24	25	26	28	29	90	32	33
	Chief Executive budget items	BB	4,689	231	243	255	267	280	288	302	316	331
		ND	4,689	4,921	5,163	5,418	5,685	5,966	6,253	6,555	6,871	7,202

Date	Change		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
23-May-19	Chief Executive budget items - Annual Plan net zero impact,	BB			-		-	-				
	resolving within existing budgets				-	-	-		-	-		
	Children than the second Dian wet leaved in continuous to second in a critical	ND	19	10071								
	GM budget items - Annual Plan net 'zero' impact, resolving withi existing budgets	ND ND	395	(397)								
	Chief Executive budget items - forecast changes from Annual	BB	858	60	62	66	69	72	74	78	81	85
	Monitoring report 23/5/19		1,208									
		ND		1,267	1,330	1,395	1,464	1,536	1,610	1,688	1,769	1,855
	Capital Deferrals	BB ND	937	(148)	8 171	170	9	9 197	10 207	10 217	10 227	11 238
	Capital NZTA capital subsidy deferred	BB	19,314	(3,153)	279	179 292	188	322	330	346	363	380
	ospital like the same and a contact the same	ND	26,079	22,618	5,928	6,220	6,527	6,849	7,179	7,526	7,888	8,269
	Capital savings	BB	(668)	(615)	186	195	204	214	220	231	242	253
		ND	(13,783)	(13,092)	3,947	4,142	4,346	4,561	4,781	5,011	5,253	5,506
	Capital Consequential Opex adjustment	ВВ	1,027	51	53	56	59	61	63	66	69	73
	Cemeteries Software System (new capex project, switched from	ND	1,027	1,077	1,131	1,186	1,245	1,306	1,369	1,435	1,504	1,577
	existing opex 10YP budget)	BB	250	-	-					-	-	-
		ND		-	-	-		-	-	-	-	-
	Depreciation Y2-10	BB	-	(4,260)	(6,051)	(8,744)	(3,692)	(621)	363	807	(518)	(2,393)
	Alternate Infrastructure Financing Project (SPV) Support Costs	ND BB	-	(820)	(40)	(42)	(45)	(47)	(48)	(50)	(5.3)	(55)
	Arternate infrastructure Financing Project (SPV) Support Costs	ND		(820)	(861)	(903)	(948)	(995)	(1,043)	(1,093)	(1,146)	(1,201)
	Corporate Resources: LGOIMA and Risk Security	BB	-	(273)	(13)	(14)	(15)	(16)	(16)	(17)	(18)	(18)
		ND		(273)	(287)	(301)	(316)	(332)	(348)	(364)	(382)	(400)
	Corporate Governance elections cost increase	BB	-	(107)	(5)	(6)	(6)	(6)	(6)	(7)	(7)	(7)
		ND	-	(107)	(113)	(118)	(124)	(130)	(136)	(143)	(150)	(157)
	Seismic strengthening work	BB	-	(51)	(54)	(57)	(59)	(62)	(64)	(67)	(70)	(74)
	Alkana akina alakéana és nina anima ana ana Hamilka Candana	ND	-	(1,092)	(1,146)	(1,203)	(1,262)	(1,324)	(1,388)	(1,455)	(1,525)	(1,599)
	Alternative platform for river swimmers near Hamilton Gardens Jetty	BB ND	-	(8) (164)	(8) (172)	(8) (180)	(9) (189)	(9) (199)	(10) (208)	(10) (218)	(11) (229)	(11) (240)
	Citysafe extension to suburbs	BB		(252)	(12)	(13)	(14)	(14)	(15)	(15)	(16)	(17)
		ND	-	(252)	(264)	(277)	(291)	(305)	(320)	(335)	(351)	(368)
	Greenwood Street/Kahikatea Road roundabout option	BB	-	(161)	(8)	(8)	(9)	(9)	(9)	(10)	(10)	(11)
		ND	-	(161)	(169)	(177)	(186)	(195)	(204)	(214)	(225)	(235)
	Social Housing funding provision change	BB	-	(643)	(689)	382	411	442	(5)	(5)	(5)	(5)
		ND	-	(643)	(1,333)	(950)	(539)	(97)	(101)	(106)	(111)	(117)
	DC Revenue projection - Both Additional CAPEX & CBD Remission for 2020 Annual Plan	n BB	-	1,165	1,637	1,655	1,762	1,809	2,086	2,292	2,274	2,943
		ND		3,062	7,118	10,896	14,652	18,229	22,286	26,565	30,459	35,809
	Central City Plan proposal	BB	-	(214)	(11)	(11)	(12)	(12)	(13)	(13)	(14)	(14)
	Cat desexing	ND BB		(214)	(225)	(236)	(248)	(260)	(273)	(286)	(299)	(314)
	cat desexing	ND		(107)	(222)	(345)	(477)	(617)	(767)	(927)	(1,098)	(1,280)
	Community Grant funds increase	BB		(107)	(115)	(123)	(132)	(141)	(150)	(160)	(171)	(182)
	,	ND		(107)	(222)	(345)	(477)	(617)	(767)	(927)	(1,098)	(1,280)
Date	Change		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
1-Aug-19	Central City Jetty additional funding	BB	-	(26)	(27)	(28)	(30)	(31)	(32)	(33)	(35)	(37)
		ND	-	(546)	(573)	(601)	(631)	(662)	(694)	(728)	(763)	(799)
	Capital Deferrals and NZTA capital subsidy deferred	BB	-	(26)	(27)	(28)	(30)	(31)	(32)	(33)	(35)	(37)
		ND	-	(546)	(573)	(601)	(631)	(662)	(694)	(728)	(763)	(799)
Date	Change		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
1-Sep-19	Capital Deferrals and NZTA capital subsidy deferred	BB	-	(123)	(420)	(578)	(766)	(804)	(825)	(864)	(906)	(950)
	Adjustment in Libraries revenue - reinstatement of rental	ND BB	-	(2,612)	(8,927)	(12,302)	(16,299)	(17,103)	(17,928)	(18,792)	(19,699)	(20,648)
	agreement for Walkato DC ratepayers to use HCC Libraries	ВВ	-	214	(99)	(106)	(114)	(122)	(131)	(140)	(150)	(161)
		ND	-	214	115	9	(105)	(227)	(358)	(498)	(648)	(809)
	Forecast changes from Annual Monitoring report	BB	-	134	7	7	7	8	8	8	9	9
		ND	-	134	141	148	155	163	171	179	187	197

^{* (}Annual Plan budget proposals approved 21st May at Council Meeting)

Item 9

Council Report

Committee: Finance Committee **Date:** 11 February 2020

Author: Katy Nudd **Authoriser:** Sean Hickey

Position: Business Planning Analyst **Position:** General Manager Strategy

and Communications

Report Name: Quarter one - Service Performance Measure 2019-20

Report Status	Open

Purpose

1. To inform the Finance Committee of the Quarter 1 (July-September 2019) Non-Financial Service Performance results from Year 2 of the 2018-28 10-Year Plan.

Staff Recommendation

2. That the Finance Committee receives the report.

Executive Summary

- 3. This report is to update the Finance Committee on the results from quarter one of the Service Performance Measures.
- 4. 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.
- 5. The Service Performance Measures (KPIs) set in the 2018-28 10-Year Plan are reported against for three years. The process of forming the 2018-28 Performance Measures began in 2017. Extensive discussion took place surrounding the purpose of the 10-Year Plan measures and a change in approach, to move the performance measures away from operational measures to community outcome measures.
- 6. This report is to update the Finance Committee on the results from year two, quarter one of the Service Performance Measures. The 2018-28 10-Year Plan Performance Measures will be reported quarterly to the Finance Committee. Quarter two will be presented to the 31 March 2020 Finance Committee meeting.

- 7. Each measure is assigned a status and commentary is made for its 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' (blue).
- 8. The quarters are;

Quarter one: July 2019 – September 2019
 Quarter two: October 2019 – December 2019
 Quarter three: January 2020 – March 2020

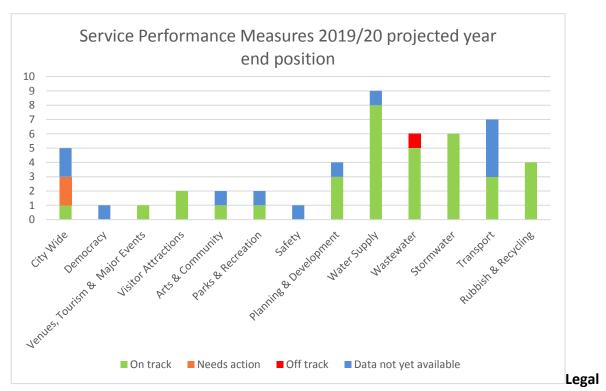
Quarter four: April 2020 – June 2020

9. Staff consider the matters in this report have low significance and that the recommendations comply with the Council's legal requirements.

Discussion

10. There are 50 KPIs contained in the 2018-28 10-Year Plan.

A summary of the projected year end position of each 10-Year Plan Activity is shown in the graph below.



and Policy Considerations

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

Wellbeing Considerations

- 12. 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').
- 13. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.

Risks

Item (

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

Significance & Engagement Policy

Significance

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

Engagement

16. Community views and preferences are already known to the Council through the consultation process undertaken during the 2018-28 Long Term Plan.

Attachments

Attachment 1 - Service Performance Measures - Quarter One 2019-20.

DELIVERING ON OUR COMMUNITY OUTCOMES

All the activities we carry out contribute to the overall achievement of our community 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	2019/20 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%)	The next survey will take place in May 2020. The results will be available in August 2020.	
Percentage of residents who are proud of how Hamilton looks and feels.	Maintain or increase from the previous rating (53%)	The next survey will take place in May 2020. The results will be available in August 2020.	

What's behind the results

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 next one occurring in May 2020.

People views will 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.

Based on the December Pulse survey, overall, 73% agree that Hamilton is a great place to live, this is similar to official Quality of life result of 75%. Agreement increases with age. Residents aged under 25 years have the lowest level of agreement (57%) while those aged

65+ are most likely to agree (82%).

50% of Residents have pride in Hamilton, this is similar to official Quality of life result of 53%. Those aged under 25 years remain the age group with the highest level of disagreement. Beautiful scenery/street plantings (20%) and cleanliness (20%), of the city are the primary reasons residents have pride in the way Hamilton looks and feels.

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

Measure	2019/20 target	YTD result	Forecast year-end result
The annual average percentage change in the GDP growth for Hamilton.	Positive growth (2018/19 result = 3.1%)	2.6%	•

What's behind the results

Hamilton GDP is growing above the national rate of 2.5% but remains below last year's result. New Zealand's economic growth has increased slowly over the first half of 2019 as global unease and uncertainty has impacted New Zealand.

It is possible that GDP will remain below the prior years result. We do not yet have GDP data for the 2019/20 financial year (this data lags by three months) and as such growth could change as Hamilton, national and global conditions evolve.

Note the result of 2.6% represents the annual GDP to June 2019, due to GDP being a lag indicator.

We will be financially responsible.

Measure	2019/20 target	YTD result	Forecast year-end result
We will stay within the debt and rating limits, as described in the Financial Strategy.	Achieved	Achieved	

What's behind the results

Our 2018-28 10-Year Plan financial strategy states that our annual average rates increase for existing ratepayers for 2019/20 would be 3.8%. This was confirmed during our Annual Plan process.

Our 2018-28 10-Year Plan financial strategy also states that our net debt to revenue ratio will remain below 230%. Our budget net debt to revenue ratio for 2019/20 (as set in the Annual Plan) is 167%. Our net debt ratio for the first quarter was 122%.

We expect to remain within the Financial Strategy limits for the 2019/20 financial year.

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

Measure	2019/20 target	YTD result	Forecast year-end result
We are rated positively when asked how easy we are to do business with.	55%	50%	•

What's behind the results

Respondents raised concerns regarding a lack of confidence when a generic response is received without any further follow-up calls to advise them on who the query is directed to and what happens next. Difficulty navigating the website and finding relevant information was also raised as an opportunity for improvement.

There are process improvement discussions underway for when a query / issue is passed on to different units and how they keep the customer in the loop. This work is continuing across the organisation, with customer journey mapping and additional process improvements being identified.

There are a number of initiatives beginning across the organisation which should impact positively on this result, however these are still in the early stages and until they are fully implemented it is unclear if they will be reflected here by the end of the year.

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	2019/20 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%)	The next survey will take place in May 2020. The results will be available in August 2020.	

What's behind the results

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 next one occurring in May 2020.

People views will 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.

Based on the December Pulse survey, one in four who have confidence in the Council, believe that they do a great job (25%) and a similar proportion trust them to do what is best for the city.

QUARTERLY HIGHLIGHTS

July signalled the official start to the 2019 council election period. To encourage people to be better informed and engage with the election process a number of election activities took place. They included a Hamilton City Council Elections website and video series and the 'all in' mayoral debate and candidate cafe. We also released our pre-election report 'Shape Your City', outlining the states of the city's finances, major projects planned and the challenges facing the city.

September saw the adoption of the Annual Report. The Annual Report reviews the Council's financial position, as well as how it has delivered on 50 community services set out in the 2018-28 10-Year Plan.

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	2019/20 target	YTD result	Forecast year-end result
The number of people attending events at the stadia (FMG Stadium Waikato and Seddon Park) and Claudelands.	440,000	127,592 (Claudelands: 86,472; Stadia 41,120)	

What's behind the results

Quarter one is traditionally a busy time for the business and the first quarter saw over 127,500 people attend events at H3 Venues. H3 attracted and delivered a total of 314 events, spread across various event types including business events, exhibitions, performances and sports.

The numbers of events hosted this quarter were lower than the previous year (368) but hire days and attendance was higher when compared to the previous year. This is primarily due to several high-profile events taking place at FMG Stadium Waikato and Claudelands.

We expect to exceed the target with a forecast of 533,000 attendees. The forecast is based on the H3 Venue bookings in the system which indicate estimated attendance of 495,000 (based on YTD actuals, forecast attendees entered and a cancellation probability factored in) and the additional attendees (38,000) forecasted on expected future bookings which have been modelled off historical data and may adjust throughout the year.

QUARTERLY HIGHLIGHTS

H3 has delivered events that support local business opportunities, stimulate our economy and promote our city.

In August, Claudelands was the host venue for Disney on Ice's Mickey and Friends ice skating show, with over 24,000 people attending across 10 shows. In September, FMG Stadium Waikato hosted the All Blacks vs Tonga, with over 22,900 people attending the match.

September also saw the citywide Your Neighbourhood event followed by the Mayoral debate at Claudelands Event Centre.

In 2019/20, 15 events were approved to receive funding from the Event Sponsorship Fund totalling \$392,500 from an available budget of \$392,846. In quarter one, two sponsored events took place proudly supported by Council as a funding partner;

- NZ Brass Band Championships 2019 (July)
- NZ Secondary Schools Swimming Championships 2019 (September).

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	2019/20 target	YTD result	Forecast year-end result
Maintain or increase visitation to the Hamilton Enclosed Gardens.	Equal or greater than 440,000	78,477	

What's behind the results

Hamilton Gardens welcomed 78,477 visitors to the Enclosed Gardens during quarter one, 8.3% less than the same period last year, this is due to unfavourable weather compared to the same period last year.

Visitor numbers are expected to increase over the next quarter as warmer weather and summer holiday period approaches. With the opening of the new Picturesque Garden on November 4th and the Surrealist Garden set to open in February 2020, the Hamilton Gardens are on track to achieve their annual target.

Measure	2019/20 target	YTD result	Forecast year-end result
Maintain or increase visitation to the Waikato Museum and Hamilton Zoo.	At least 250,000	60,242 (Waikato Museum: 30,136; Hamilton Zoo: 30,106)	

What's behind the results

Combined visitation to the Hamilton Zoo and Waikato Museum for quarter one is 10% below the same period last year. Unfavourable weather conditions affected visitor numbers at Hamilton Zoo, including the closure of the Zoo for one day. During quarter one the Waikato Museum implemented a new visitor counter system, which has resulted in a more accurate number of visitors.

Combined visitor numbers are expected to increase over the next quarter with 1,300 students booked in with the Hamilton Zoo education team for term four, and a number of events are planned for the school holidays, such as the Buslt Treasure Hunt.

Overall the Hamilton Zoo and Waikato Museum are on track to achieve their annual target of 250,000 combined visitors.

QUARTERLY HIGHLIGHTS

The Hamilton Zoo education team were busy this quarter with 2,991 students participating in education sessions, and ten low decile schools benefited from the Zoofari programme, enabling over 500 students to visit.

The Zoo featured positively in the Waikato Times with 'a day in the life of a Hamilton vet'. The new collaboration between the zoo and Wintec's Certificate in Animal Care was highlighted on Wintec's and Hamilton Zoo's websites.

The Zoo's contribution to the Rhino Breeding programme continues with Auckland Zoo announcing the pregnancy of Jamila, who was transferred from Hamilton to Auckland last year.

Waikato Museum saw a 27% increase in public programme attendances compared to the same period last year.

i-SITE relocated to the ArtsPost building and the Waikato Museum welcomed All Blacks captain, Kieran Reid as part of the 'Hard on the Heels – Peter Bush capturing the All Blacks' exhibition. The 'E Hina e! E Hine e!' exhibition opened to rave reviews and the Waikato Museum facilitated taonga repatriation to Ngaati Tahinga.

Hamilton Gardens received a Qualmark Gold Award, and a Green Flag award – an international award scheme recognising and rewarding well managed parks and green spaces.

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	2019/20 target	YTD result	Forecast year-end result
The percentage of customers satisfied with libraries.	Maintain or increase from the previous year (85%)	88%	

What's behind the results

We are tracking above target and expect to be on track throughout the year with several projects such as the opening of the Maker Space at Central Library, and the RFID upgrade which aims to increase user experience and service delivery.

Common customer highlights noted during the quarter include the variety and availability of books, and the friendly and helpful staff who go the extra mile to ensure customers have an enjoyable experience.

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

Measure	2019/20 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%)	The next survey v May 2020. The re available in Augus	esults will be

What's behind the results

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 next one occurring in May 2020.

People views will 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

Based on the December Pulse survey, 39% of residents feel a sense of community which is a decrease on the official Quality of life result of 48%. Nearly two-thirds (62%) of those who don't feel a sense of community with other in their neighbourhood say that everyone keeps to themselves/they have no interaction with their neighbours or don't have much in common.

QUARTERLY HIGHLIGHTS

Quarter one saw the reroofing completed for the southern end of the Central Library building, and the Ngaa Koorero Tukulho/Heritage and Archives team began the four-year extended digitisation project.

The Libraries held a 'Harry Potter in the Library' event which was hugely popular with adults and children alike. There were also a number of events held as part of 'Te Wiki o te Reo Maori' week.

The Community Event fund allocated \$50,000 to 17 community organisations. The fund supports not-for-profit community organisations hosting inclusive, free or low-cost events with a high profile in our community, offering up to \$5,000 per event.

Council's community advisors were heavily involved in creating opportunities to raise awareness and participation in the lead up to the October elections.

Council approved the draft Trust Deed of the Waikato Community Lands Trust. The primary purpose of this Trust is to provide funding for programmes which provide safe, secure and long term affordable housing to working people and their households, who are unable to access meaningful government or other assistance.

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	2019/20 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%	Data is next expe	cted in June 2020

What's behind the results

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 next be completed in June 2020.

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

Measure	2019/20 target	YTD result	Forecast year-end result
The percentage of customers satisfied with pools and community facilities.	Maintain or increase from the previous rating (70%)	81%	

What's behind the results

We are tracking above target and expect to be on track throughout the year with the renewal of pool equipment and the Splashpad at Waterworld to open for the summer months.

Common customer highlights for pools included friendly and helpful staff, clean facilities and great instructors. Customers making park bookings highlighted the ease of communicating with Council staff while making their booking.

QUARTERLY HIGHLIGHTS

Year two of the Sports Field Renewals programme began this quarter with Mahoe Park, Galloway Park and Gower Park confirmed as the sites for drainage renewals and improvements.

The Mahoe Park project will activate a previously unused sports park and includes two baseball diamonds and football fields, increasing the capacity of our playing surface network across the city.

Year two of the Playgrounds Renewals and Upgrade programme is also underway with work beginning at Melville Park for the renewal and upgrade of the skate park and playground. Designs for Discovery Park, Lake Domain and Jansen playgrounds renewals are all underway.

This quarter also saw the New Zealand Secondary School Swimming Championships return to Waterworld for 2019. The event was the largest one yet with 734 swimmers attending from over 160 schools. Spectator numbers were high with five of the six sessions selling out, and for the first time the events were live streamed also returning great numbers.

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	2019/20 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%	Data is next expe	cted in June 2020

What's behind the result

This measure indicates the community's perception of safety during the day. The survey will be undertaken in May 2020.

The 2018/2019 Perceptions of Safety survey ran from June to July 2019. In the 2018/19 Annual Report an interim result of 86% was reported, with a final result of 86% of users surveyed reporting they felt very safe or reasonably safe in the central city during daytime.

QUARTERLY HIGHLIGHTS

The Suburban Response Team trial (City Safe extension) started in July 2019, there have been an additional 6,787 proactive interactions with members of the public and business owners by the Safety Officers.

Quarter one saw:

- 100% (43/43) of urgent dog control requests responded to within 60 minutes
- 100% (859/859) of reported graffiti removal requests acted on within 2 days
- 96% (1,343/1,289) of noise complaints responded to in less than 30 minutes

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	2019/20 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	3.5 years	

What's behind the results

Council is working to ensure there is a plentiful supply of land, serviced by infrastructure, for residential development so that land availability is not limited by delays in coming to the market. A plentiful supply of land promotes competition in the market and can help play a part in keeping house price growth down.

It is estimated that there is currently 3.5 years of capacity for residential land zoned and supplied with development infrastructure in place.

Measure	2019/20 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	Data is next expended	cted in December

What's behind the results

Council is working to ensure there is a plentiful supply of land, serviced by infrastructure, for business development. The capacity of business zoned land supplied is assessed every six months.

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

Measure	2019/20 target	YTD result	Forecast year-end result
Average processing days for building consents. ¹	18 working days	17.46 working days	

What's behind the results

513 building consents where granted in quarter one this compares to 549 consents with the average number of processing days of 17.12 for the same period last year.

We expect to have consistent numbers of Building Consents granted for quarter two and we estimate average processing times to follow the same trend

Measure	2019/20 target	YTD result	Forecast year-end result
Average processing days for non-notified land use and subdivision resource consents. ¹	18 working days	18.40 working days	

What's behind the results

269 consents where granted in quarter one compared to 236 consents during the same period last year with the average number of processing days of 17.6 working days. The increase in processing days is due to higher workloads and the complexity of the consents in this quarter, with an increase in discretionary and non-complying consents which require more complex planning.

During the 2018/19 Annual Report audit, Audit NZ were unable to confirm the average processing days for a resource consent due to some errors found in the audit sample. A targeted programme of improvements has been put in place to address these findings. This project, which supports the findings of the Audit NZ report, is underway and will ensure changes are made to how documentation is recorded and stored. We have also instigated a monthly internal audit process.

Management is committed ensuring the resource consent process is as timely and transparent as possible and are investigating opportunities to move to an online consenting system sooner than planned.

It is expected to be on track to meet target of 18 working days by year end, this is predominantly due to new online application processes which will be put in place.

¹ "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.

QUARTERLY HIGHLIGHTS

In the first half of 2019, the number of new dwellings granted by HCC (760) was the third highest in the country after Auckland (7,443) and Christchurch (1,317). It is higher than the traditional competitors Tauranga (602 - 5th) and Selwyn (555 - 7th). Queenstown granted 671 dwellings and ranks 4th in the country.

The 12 month extrapolation shows 1,562 new dwellings will be granted by the end of 2019.

The last two months have seen two major subdivision consents lodged of 155 lots and 110 lots.

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	2019/20 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	

What's behind the results

Based on an internal assessment of Waiora Treatment Plant data Hamilton City Council met the quarterly requirements of the drinking water standards for Bacterial compliance and Protozoa compliance for quarter one.

An unplanned plant shutdown occurred on 19 August 2019. The Drinking Water Assessor (DWA) was notified and provided with an Incident report and additional data to provide reassurance that drinking-water safety was not compromised. The DWA has verbally acknowledged on 8 October 2019 that compliance will not be compromised, with written confirmation expected mid October.

Based on internal assessment, Hamilton City Council is on track to achieve Annual compliance with the drinking water standards for period 1 July 2019 - 30 June 2020. Annual compliance will be formally assessed by the Drinking-Water Assessor (DWA) in September/October 2020.

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

Measure	2019/20 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%	Data is next expected in June 2020	

What's behind the results

This measure is undertaken annually and reported in June/July. 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.

In the 2018/19 annual report we reported the result as 9.6%. After identifying a calculation error for this result, it has been revised to 12.3%. This calculation error was due to one type of un-metered connection being incorrectly categorised. To ensure future results are calculated correctly there will be a peer review process implemented. We will also have this result calculated independently on a biennial basis to ensure the robustness of our assumptions and final result.

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

Measure	2019/20 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	310 litres per resident, per day	

What's behind the results

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.

The average water use per Hamilton resident in quarter one is at a similar level to same period last year of 316 litres per resident, per day.

We will continue to complete water demand management works throughout the year, including the creation of water supply areas in the Maeroa and Fairfield areas. These works allow our operational teams to better monitor water use across the city and will assist in prioritising and targeting our education, infrastructure renewals and water loss programmes.

Quarterly result:

Q1	Q2	Q3	Q4	Year to date
310				310

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

Measure	2019/20 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	0.55 per 1,000 connections	

What's behind the results

During quarter one a total of 33 complaints were received. This is similar to the 35 complaints received during the same period last year and well below the annual target of no more than 5 complaints per 1,000 connections.

Of the 33 complaints received, 18 were related to loss of service, 14 related to low-pressure events and one regarding colour. The loss of service and pressure complaints

were mainly associated with water related capital and renewals work being undertaken in the network and the impact of valves in the vicinity of those works being in the incorrect open or shut position.

Improvements to procedures for the tracking of water valve changes and management of network shutdowns have been identified and are to be implemented with the aim of reducing the the occurrence of loss of service and low pressure events arising from planned capital works. End of year target is expected to be achieved.

Q1	Q2	Q3	Q4	Year to date
0.55 per 1,000				0.55 per 1,000
connections				connections

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

Measure	2019/20 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	38 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	3 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	4 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	

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 in quarter one was 38 minutes. This result is above the median of 34 minutes achieved in the same period last year due to a higher level of urgent calls received.

The median resolution time for urgent call outs in quarter one was three hours. This result is above the median of 1.8 hours achieved in the same period last year due to a higher level of urgent calls received.

The median attendance time for non-urgent call outs in quarter one was four working days. This result is an increase on the median response time of three days achieved in the same

Measure	2019/20 target	YTD result	Forecast year-end
			result

period last year and is due to a higher number of water leaks being identified and reported by the community.

The resolution time for non-urgent water requests was four days. This is the same as for this quarter last year. This comparison of attendance times indicates that issues are being rectified on the first attendance.

The results for quarter one are within the annual target times. 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.

	Q1	Q2	Q3	Q4	Year to date
Urgent					
Attendance	38 minutes				38 minutes
Resolution	3 hours				3 hours
Non-urgent					
Attendance	4 days				4 days
Resolution	4 days				4 days

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	2019/20 target	YTD results	Forecast year-end result
The number of overflows in dry weather.	No more than 5 overflows per 1,000 connections	0.20 per 1,000 connections	

What's behind the results

The number of dry weather overflows recorded in the system for this quarter was 12. This quarter's result is lower than the 33 dry weather overflow events or 0.57 overflows per 1,000 connections reported for the same period last year.

Of the 12 overflows that occurred, five were attributed to fat within the network, four to rags and three events were caused by other blockages. There were no dry weather overflows that occurred from wastewater pumping stations.

New methods of monitoring the spatial distribution of service requests are allowing us to target areas where targeted education, 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.

Q1	Q2	Q3	Q4	Year to date
0.20 per 1,000				0.20 per 1,000
connections				connections

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

Measure	2019/20 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	2.79 per 1,000 connections	

What's behind the results

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.

We received a total of 173 complaints during quarter one which is equivalent to 2.79 complaints per thousand connections. This result is lower than the 262 complaints received in the same period last year.

Of the 173 complaints received 138 were related to overflows and blockages within the reticulated network. Of the remaining 35 complaints three were odour related, two related to missing lids and 30 were general enquiries.

The reduction of overflow and blockage events is a specific area of focus for this 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.

Q1	Q2	Q3	Q4	Year to date
2.79 per 1,000				2.79 per 1,000
connections				connections

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

Measure	2019/20 target	YTD results	Forecast year-end result
The number of abatement notices, infringement notices, enforcement orders and	No more than 1 abatement notice	0	
convictions issued for spillage from the wastewater system.	0 infringement, enforcement or conviction actions	0	•

What's behind the results

No abatement notices have been received by Council in relation to spillages from the wastewater system.

Waikato Regional Council filed a charging document against Hamilton City Council under Section 15(1)(a) of the Resource Management Act for a discharge of wastewater from the Bridge Street wastewater pumping station into the Waikato River that occurred in February 2018. At the end of quarter one the matter was still before the court with an outcome expected in November 2019. Since the closure of the quarter one results we have been sentenced in the Hamilton District Court in relation to the February 2018 wastewater discharge. As part of the sentencing the Judge noted that we entered a guilty plea at the first reasonable opportunity, had shown considerable remorse, and had identified several corrective actions to prevent similar discharge events recurring. We also participated in two positive and productive restorative justice meetings with representatives from Waikato-Tainui and Te Haa o Te Whenua o Kirikiriroa.

As a result of this sentencing decision the year end result for this performance measure will be not achieved.

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

Measure	2019/20 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	34 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	3 hours	
What's behind the results			

The median attendance time for wastewater call outs in quarter one was 34 minutes. This result is an improvement on the median of 39 minutes achieved in the same quarter last year and is due to an increased focus and optimisation of operational maintenance programmes.

The median resolution time for wastewater call outs in quarter one was three hours. This result is higher than the median of 2.2 hours achieved in the same period last year and reflects the increase in call-outs during the period, particularly those arising because of fat build-up in the reticulation network.

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.

	Q1	Q2	Q3	Q4	Year to date
Attendance	34 minutes				34 minutes
Resolution	3 hours				3 hours

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	2019/20 target	YTD result	Forecast year-end result
The number of flooding events ² that occur within the city.	No more than 1 flooding event	0	
For each flooding event, the number of habitable floors ² affected.	No more than 1 per 1,000 properties	0 per 1,000 properties	

What's behind the results

A total of 218 reports of flooding events were received in quarter one. 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 areas within private property, however none of these events resulted in stormwater entering a habitable building which is the same result as achieved in the same period last year.

Continued implementation of preventative maintenance programmes and compliance with the Regional Technical Specifications for construction of new stormwater infrastructure will ensure that the stormwater system is constructed, operated and maintained to minimise flooding events and that we remain on track to achieve the annual target of no more than 1 flooding event that results in stormwater entering a habitable building.

² 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)

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

Measure	2019/20 target	YTD result	Forecast year-end result
The number of abatement notices, infringement notices, enforcement orders and	No more than 1 abatement notice	0	
convictions related to the management of the stormwater system.	0 infringement, enforcement or conviction actions	0	

What's behind the results

No abatement notices have been received by Council in relation to the management of the stormwater system during quarter one.

No enforcement action has been taken against Council in the quarter one.

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

Measure	2019/20 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.	No more than 60 minutes	0 minutes	

What's behind the results

There were no reports of stormwater flooding of any habitable floors in quarter one

Continued implementation of preventative maintenance programmes and compliance with the Regional Technical Specifications for construction of new storm water infrastructure will ensure that the stormwater system is constructed, operated and maintained to minimise flooding events.

Q1	Q2	Q3	Q4	Year to date
0				0

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

Measure	2019/20 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	3.64 per 1,000 properties	•

What's behind the results

A total of 218 complaints in relation to the performance of the stormwater system were received in quarter one which equates to 3.6 complaints per 1,000 properties connected.

The quarter one result is under the annual target of 10 complaints per 1,000 properties connected, however the actual number of complaints received is higher than the 49 complaints received during the same period last year. This is due to the use of data from a second database now being included to ensure a more accurate picture of stormwater system performance within Hamilton is achieved.

This quarter is traditionally the wettest period of the year when the performance of the stormwater system may be challenged. The majority of complaints received were due to flooding of road surfaces or stormwater catch pits being blocked by leaves.

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 storm water system is constructed, operated and maintained to minimise flooding events and that we remain on track to achieve the target of less than 10 complaints per 1,000 properties connected.

Q1	Q2	Q3	Q4	Year to date
3.64 per 1,000 properties connected				3.64 per 1,000 properties connected

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	2019/20 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 nonpeak.	No more than 50%	Data is next expe	cted in early 2020

What's behind the results

This measure is surveyed twice a year, in November and May. The measure shows whether we are providing consistent, reliable travel times for daily journeys that contribute to an efficient and enjoyable travel experience. This measure will be reported in quarter two and four for 2019/20.

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

Measure	2019/20 target	YTD results	Forecast year-end result
The number of cyclists biking into the central city.	At least 1,500	Data is next expected in June 2020	

What's behind the results

This is a measure that is completed annually. The 2019/20 assessment will be completed in March 2020 and the result will be reported in quarter four.

Historically, the count is completed at 22 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.

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

Measure	2019/20 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	8	

What's behind the results

Safety is a top priority as we create the future transport system for Hamilton. We have a safety vision (Vision Zero) that states there will be no deaths and a decreasing trend of serious injuries 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. The measure is an indication of the impact of safety improvements on reducing death and serious harm on Hamilton roads.

The interim result for quarter one 2019/20 shows there has been 0 deaths and 8 serious injuries on record for a total of 8 fatal and serious injuries year to date. The result for the same period last year was 3 fatalities and 17 serious injuries.

In recent years the numbers of fatalities and serious injuries on Hamilton's local road network have been recorded as follows:

	2019/20 Year to date	2018/19	2017/18	2016/17	2015/16
Fatalities	0	5	4	1	7
Serious injuries	8	53	52	47	27
Total	8	58	56	48	34

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

Measure	2019/20 target	YTD result	Forecast year-end result
The average smooth travel exposure rating across the sealed road network.	At least 86% smooth travel exposure	Data is next expe	cted in June 2020

What's behind the results

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 2019/20 assessment is expected to be completed in April 2020.

Measure	2019/20 target	YTD result	Forecast year-end result
The percentage of Hamilton's sealed local road network that is resurfaced each year.	At least 4%	0.5%	

What's behind the results

We have a current programme of works that will achieve 4.1% of the total roading network being resurfaced. For the first quarter 0.5% (of the total network) has been resurfaced.

The majority of road resurfacing will take place in quarter two and quarter three and we are on track to achieve our programme target.

You can expect: Foothpaths to be kept in good condition.

Measure	2019/20 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%	Data is next expe	cted in June 2020

What's behind the results

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.

A review of footpath fault data is being undertaken to provide a clearer picture of faults to ensure we have the faults accurately categorised and prioritised for repair. This review is expected to be completed by November 2019. The 2019/20 assessment will be completed by June 2020 and the result will be reported in quarter four.

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

Measure	2019/20 target	YTD result	Forecast year-end result
The percentage of customer service requests relating to roads and footpaths responded to within five working days. ³	At least 96%	97.19%	

What's behind the results

Of the 1955 service requests received in quarter one we responded to 1900 within five working days. This is slightly lower than the same period last year, where we received 1327 service requests and responded to 1322 within five working days.

We expect to continue to exceed the target each quarter moving forward.

³ 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.

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	2019/20 target	YTD result	Forecast year-end result
The percentage of waste recovered for recycling through the kerbside collection.	At least 30%	33.49%	
The amount of waste received at Council operated waste facilities that is diverted from landfill.	At least 16,000 tonnes per annum.	5,589	

What's behind the results

The quarter one result is an increase on the 27.23% of waste recovered during the same period last year, and an increase on the 3,641 tonnes of waste diverted from landfill. These are the result of targeted education around kerbside recycling and a general increase in public awareness and enthusiasm regarding waste minimisation as a result of national and international debate and discussion on this topic.

Ongoing targeted educational programmes will continue over the next nine months leading into the new waste contract going live on 1 July 2020, which will introduce a wider range of recycling streams and is expected to further increase the level of kerbside diversion and ensure the annual target of 16,000 tonnes of diverted waste is exceeded.

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

Measure	2019/20 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	0 weeks	

What's behind the results

This result is consistent with the same period last year and is due to continued proactive complaint management and communication in conjunction with our contractor.

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

Measure	2019/20 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%	97.22%	

What's behind the results

In quarter one, 140 of the 144 complaints were resolved within 24 hours. This is an improvement on the same period last year where five complaints were not resolved within 24 hours.

Staff will continue to work in conjunction with our contractor to proactively manage and respond to complaints in a timely manner and ensure transparent and accurate reporting throughout the year to enable the end of year target of at least 95% of complaints being resolved within 24 hours to be achieved.

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. Report on overdue debtors as at 31 December 2019 & Debt write-offs 2019/20) Good reason to withhold) information exists under) Section 7 Local Government) Official Information and) Meetings Act 1987) 	Section 48(1)(a)

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

to protect the privacy of natural persons
to maintain the effective conduct of public
affairs through protecting persons from
improper pressure or harassment
Section 7 (2) (a)
Section 7 (2) (f) (ii)