

Notice of Meeting:

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

Date: Thursday 13 May 2021
Time: 9.30am
Meeting Room: Council Chamber / Audio-visual Link
Venue: Municipal Building, Garden Place, Hamilton

Richard Briggs
Chief Executive

Finance Committee *Komiti Tahua* OPEN AGENDA

Membership

Chairperson Cr R Pascoe
Heamana

Deputy Chairperson Cr Maxine van Oosten
Heamana Tuarua

Members	Mayor P Southgate	Cr A O'Leary
	Deputy Mayor G Taylor	Cr S Thomson
	Cr M Bunting	Cr E Wilson
	Cr M Gallagher	Cr D Macpherson
	Cr R Hamilton	Vacancy
	Cr K Naidoo-Rauf	Vacancy

Quorum: A majority of members (including vacancies)

Meeting Frequency: Six weekly

Becca Brooke
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Menetia Mana Whakahaere

5 May 2021

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Purpose:

The Finance Committee is responsible for:

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

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

Terms of Reference:

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

The Committee is delegated the following powers to act:

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

The Committee is delegated the following recommendatory powers:

- To set the direction of Council's Financial Strategy.

- The Committee may make recommendations to Council.
- The Committee may make recommendations to other Committees.

Recommendatory Oversight of Policies and Bylaws:

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

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1 Apologies – *Tono aroha*

2 Confirmation of Agenda – *Whakatau raarangi take*

The Committee to confirm the agenda.

3 Declaration of Interest – *Tauaakii whaipanga*

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

4 Public Forum – *Aatea koorero*

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

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

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

If you have any questions regarding Public Forum please contact Governance by telephoning 07 838 6727.

Council Report

Committee: Finance Committee

Date: 13 May 2021

Author: Narelle Waite

Authoriser: Becca Brooke

Position: Governance Advisor

Position: Governance Manager

Report Name: Confirmation of the Finance Committee Open Minutes of 23 March 2021

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

That the Finance Committee confirm the Open Minutes of the Finance Committee Meeting held on 23 March 2021 as a true and correct record.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Finance Committee Minutes 23 March 2021

Finance Committee

Komiti Tahua

OPEN MINUTES

Minutes of a meeting of the Finance Committee held in Council Chamber, Municipal Building, Garden Place, Hamilton and Audio-visual Link on Tuesday 23 March 2021 at 9.32am.

PRESENT

Chairperson	Cr R Pascoe
<i>Heamana</i>	
Deputy Chairperson	Cr M van Oosten
<i>Heamana Tuarua</i>	
Members:	Mayor P Southgate
	Deputy Mayor G Taylor (via audio-visual link)
	Cr M Bunting
	Cr M Forsyth (via audio-visual link)
	Cr M Gallagher
	Cr R Hamilton
	Cr K Naidoo-Rauf (via audio-visual link)
	Cr A O'Leary
	Cr S Thomson (via audio-visual link)
	Cr E Wilson
	Cr D Macpherson
	Maangai H Rau

In Attendance:	Richard Briggs – Chief Executive
	Lance Vervoort – General Manager Community
	David Bryant – General Manager People and Organisational Performance
	Chris Allen – General Manager Development
	Sean Murray – General Manager Venues, Tourism and Major Events
	Murray Heke – Chief Transformation Officer
	Iain Anderson – Capital Financial Lead
	Tracey Musty – Financial Controller
	Dann Finn – People Safety and Wellness Manager
	Robyn Denton – Operations Team Leader
	Maire Porter – City Waters Manager
	Julie Clausen – Unit Manager Strategy and Corporate Planning
	Katy Nudd – Business Planning Analyst
	Gail Clark – Koorero/Content Manager
	Stephen Pennruscoe – Libraries Director
	Candice Swanepoel – Business Performance Accountant
	Andrew Michl – Local Government Funding Agency (LGNZ)
	Sumitha Kaluarachi – Local Government Funding Agency (LGNZ)

1. **Apologies – *Tono aroha***
Resolved: (Cr Pascoe/Cr Wilson)
That the apologies for lateness from Crs Hamilton and O’Leary, and for early departure from Cr Naidoo-Rauf are accepted.
2. **Confirmation of Agenda – *Whakatau raarangi take***
Resolved: (Cr Wilson/Cr Bunting)
That the agenda is confirmed.
3. **Declarations of Interest – *Tauaakii whaipaaanga***
During discussion of Item 12 (Contract CON635/2020 Supply of Physical Collections to City Libraries) Cr Wilson noted that he had an interest in the matter. He noted he was not conflicted and would participate in discussion and vote on the matter.
4. **Public Forum – *Aatea koorero***
No members of the public wished to speak.
5. **Confirmation of the Finance Committee Open Minutes - 16 February 2021**
Resolved: (Cr Bunting/Cr van Oosten)
That the Finance Committee confirm the Open Minutes of the Finance Committee Meeting held on 16 February 2021 as a true and correct record.
6. **Chair's Report**

The Chair took the report as read. The Deputy Chair provided Members with an updated on personnel resourcing and procurement. Along with staff, they responded to questions from Members concerning Member requests, staff workloads and resourcing, contractors, environmental impact consideration in the Procurement Policy, LGOIMA resourcing, media requests, procurement processes, and prioritisation of requests.
Resolved: (Cr Pascoe/Cr van Oosten)
That the Finance Committee receives the report.

Item 13 (Steel Performance Solutions Contract Extension) was taken after Item 6 (Chair’s Report) to accommodate staff availability.

13. Steel Performance Solutions Contract Extension

The Chief Executive introduced the report outlining the background of the Steel Performance Solutions contract and reasoning for the requested extension relative to the Chief Executive Review.

Resolved: (Cr Pascoe/Cr Wilson)

That the Finance Committee:

- a) receives the report; and
- b) approves a 1-year contract extension with Steel Performance Solutions Ltd from 1 March 2021 to 28 February 2022 at a budgeted sum of \$160,000.

Cr Hamilton joined the meeting (9.37am) during discussion of the above item. He was present when the matter was voted on.

7. Capital Portfolio Monitoring Report

The Capital Financial Lead outlined the report noting the Summary of Changes to the Capital Budget, the Capital Programme, deferrals, work in progress, capitalisation risk and mitigation, and significant funding agreements. He responded to questions from Members concerning project timing and interim solutions, the Capital Programme, outstanding work in progress particularly renewals, project risks concerning Rototuna Village Transport – Stage 1 and Newcastle Water Reservoir and Supply Network Upgrade, and deferrals.

Resolved: (Cr Pascoe/Cr Hamilton)

That the Finance Committee receives the report.

Cr O’Leary joined the meeting (10.25am) during discussion of the above item. She was present when the matter was voted on.

The meeting was adjourned from 10.54am to 11.13am.

Item 10 (New Zealand Local Government Funding Agency - Half Year Report 31 December 2020 and Statement of Intent 2021/22) was taken after Item 7 (Capital Portfolio Monitoring Report) to accommodate speaker availability.

10. New Zealand Local Government Funding Agency - Half Year Report 31 December 2020 and Statement of Intent 2021/22

Andrew Michl and Sumitha Kaluarachi (New Zealand Local Government Funding Agency representatives) updated members on recent activities and the 2021-22 draft Statement of Intent. They responded to questions from Members concerning Central Government initiatives, green and sustainable lending, interest rates, debt to revenue, borrowing capacity, organisational structure of water entities and risk monitoring concerning compliance breaches of local authorities.

Staff Action: *Staff undertook to provide further information to Members prior to the Three Waters Reform workshop of 26 March 2021 concerning funding mechanisms for Three Waters.*

Resolved: (Cr Pascoe/Cr van Oosten)

That the Finance Committee:

- a) receives the half year report; and
- b) approves the New Zealand Local Government Funding Agency draft Statement of Intent 2021/22.

8. Annual Monitoring Report to 31 January 2021

The Financial Controller took the report as read and noted personnel and consultancy costs. She responded to questions from Members concerning revenue and offset sections of the report.

Resolved: (Cr Pascoe/Cr Wilson)

That the Finance Committee receives the report.

9. Financial Strategy Monitoring Report (Recommendation to the Council)

The Financial Controller took the report as read noting forecasting and balancing the books. She responded to questions from Members concerning depreciation adjustments.

Resolved: (Cr Pascoe/Cr van Oosten)

That the Finance Committee receives the report.

That the Finance Committee recommends that the Council:

- a) approves the capital movement as identified in paragraph 20 and 21 of the 23 March 2021 Capital Portfolio Monitoring Report;
- b) approves the significant forecast adjustments as set out in paragraphs 19 and 20 of the staff report; and
- c) approves the revised Financial Strategy position for Debt to Revenue, Net Debt and Balancing the Books as set out in paragraphs 21 to 23 of the staff report.

Cr Naidoo-Rauf retired from the meeting (11.59am) at the conclusion of the above item. She was present when the matter was voted on.

11. Non-Financial Service Performance Report quarter two 2018-28 Long-Term Plan

The Unit Manager Strategy and Corporate Planning and the Business Planning Analyst spoke to the report noting the six outstanding Service Performance Measures that will not meet year-end targets. They responded to questions from Members concerning waste reduction, impact of Covid-19, and customer service.

Resolved: (Cr Pascoe/Cr Bunting)

That the Finance Committee receives the report.

Cr Macpherson Dissenting.

During discussion of the below item 12 (Contract CON635/2020 Supply of Physical Collections to City Libraries) Cr Wilson declared interest in the matter. He noted he was not conflicted and would participate in the discussion and vote on the matter.

12. Contract CON635/2020 Supply of Physical Collections to City Libraries

The Libraries Director and the Koorero/Content Manager spoke to the contract and tender process and proposed outcome. They responded to questions from Members concerning printed and digital collections, evaluation measures, and tender price-grading.

Resolved: (Cr Bunting/Cr Gallagher)

That the Finance Committee:

- a) receives the report;
- b) approves the contract CON635/2020: Supply of Physical Collections to City Libraries to Wheeler's Books noting the following:
 - i) the Contract Term is to be set at three years with a right of renewal of three years at the discretion of Hamilton City Council; and
 - ii) the Contract Sum of Two Million Seven Hundred and Ninety-Three Thousand, Three Hundred and Eighty-Seven Dollars (\$2,793,387) being the maximum total spend over the first three years of the contract.

14. Human Resources Information Services Contract Award *(Recommendation to the Council)*

The Chief Transformation Officer took the report as read noting the short-notice decommissioning of the current Human Resources Information System and Payroll Systems, and the requirement to seek a new software provider including time pressures. He responded to questions from Members concerning economies of scale, total contract sum and litigation opportunities.

Resolved: (Cr Pascoe/Cr Hamilton)

That the Finance Committee recommends the Council:

- a) approves the direct appointment of Lagom Group as delivery consultant for the implementation of Council's HRIS solution noting the following:
 - i) that the project term is a period of eleven; and
 - ii) that the approved contract sum is set no greater than \$2,145,000;
- b) approves the direct appointment of Ceridian as HRIS software provider noting the following:
 - i) that the contract term is a period of five years; and
 - ii) that the approved contract sum is set no greater than \$1,895,000; and
- c) delegates authority to the General Manager People and Organisational Performance Group to finalise and execute contracts with Lagom Group and Ceridian.

Mayor Southgate left the meeting (12.24pm) during discussion of the above item. She was not present when the matter was voted on.

15. Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

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

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Finance Committee Public Excluded Minutes - 16 February 2021) Good reason to withhold) information exists under) Section 7 Local Government) Official Information and) Meetings Act 1987	Section 48(1)(a)
C2. Report on overdue debtors as at 28 February 2021 and Debt write-offs 2020/21)	

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

the proceedings of the meeting in public, as follows:

- | | | |
|----------|---|------------------------|
| Item C1. | to prevent the disclosure or use of official information for improper gain or improper advantage | Section 7 (2) (j) |
| Item C2. | to protect the privacy of natural persons | Section 7 (2) (a) |
| | to maintain the effective conduct of public affairs through protecting persons from improper pressure or harassment | Section 7 (2) (f) (ii) |

The meeting went into public excluded at 12.30pm.

The meeting was declared closed at 12.46pm.

Council Report

Item 6

Committee: Finance Committee

Date: 13 May 2021

Author: Iain Anderson

Authoriser: Chris Allen

Position: Capital Financial Lead

Position: General Manager
Development

Report Name: Capital Portfolio Monitoring Report

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

1. To inform the Finance Committee on the progress of the capital portfolio against the 2020-21 Annual plan.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Finance Committee receives the report.

Executive Summary - *Whakaraapopototanga matua*

3. This report is to be read in conjunction with the:
 - 31 March 2021 (13 May 2021 meeting) Annual Monitoring Report; and
 - 31 March 2021 (13 May 2021 meeting) Financial Strategy Monitoring report
4. Capital expenditure for the nine months ended is \$158.0m. The annual forecast has been revised through deferrals, brought forwards and changes to \$268.9m.
5. The value of deferrals and brought forwards has increased by \$7.5m to \$41.4m for the nine months ended 31 March 2021. The year-end projection is estimated to be \$65.0m
6. Savings of \$3.8m have been identified. The annual impact on the operating position of these savings is approximately \$120k.
7. Capital work in progress (WIP) is \$402.5m, within this amount is \$73.8m of assets that are in service but have not yet been capitalised. These assets are being processed with priority to ensure no impact on the 30 June 2021 financial operating result for Council.
8. Five projects across the portfolio have been flagged as having a risk(s) that are being brought to the attention of the Finance Committee. Risks are generally considered to be associated with cost, timing, or scope.
9. As per a Private Development Agreement with Kirkdale Investments Limited, Council has chosen to accept the opportunity to purchase a strategic land parcel within the Rototuna Village precinct. This is funded from the approved 2020-21 Annual Plan budget.

10. The impacts of the National Policy statement on Freshwater continue to be understood. While it is a national issue, staff continue to work with the Regional Council to better understand the implication on how the requirements of the statement are to be applied. To date Council has had to delay one project and the potential exists for both delays and cost increases to impact on others. Staff are intending to report to the Strategic Growth committee on the wider implications.
11. Staff consider the matters to be of low significance and that the recommendations comply with Council's legal requirements.

Discussion – *Matapaki*

Programme Summary and Significant Highlights

12. The following definitions are relevant:
 - Portfolio: refers to the total organisational capital work budget for 2020-21. As per the approved Annual Plan the portfolio is \$302.8m. This is subsequently modified through the Forecast;
 - Programme: refers to the eight programmes that are referred to in this report, which when added together equal the portfolio; and
 - Project: refers to the individual project under a particular programme. These projects may have funding from multiple activities and occur across multiple years.
13. **Attachment 1** contains an overview of the Capital Portfolio.
14. **Attachment 2** contains an overview of the eight programmes. Each overview contains a summary of the key achievements and a graphical representation of the financial performance. The eight programmes are:
 - i. City Wide Community,
 - ii. City Wide Waters,
 - iii. Peacocke,
 - iv. Rotokauri,
 - v. Rototuna,
 - vi. Ruakura,
 - vii. Transport Improvement, and
 - viii. Renewal and Compliance.
15. **Attachment 3** is a summary table of changes to the 2020-21 capital expenditure and capital revenue. This table tracks the changes approved at each Finance Committee meeting.
16. **Attachment 4** is a full capital project listing. This reports the overall capital budget for the 2020/21 financial year. It tracks the budget changes from the approved 10 Year plan through to the approved Annual plan and then the budget changes through to the current forecast position as at 31 March 2021.

Capital Expenditure Forecast Groups

17. For the purposes of this Capital Portfolio Monitoring report, there are six main types of capital budget movement that will impact on the forecasted total spend for this financial year. They are:
- I. **Re-phasing Deferrals**: this is where the project has started, or there is confidence that the project will start and finish on time, but the expenditure across the years of the project is forecast to be different than budgeted. In general, this refers to projects where staff have received construction programmes from the contractors, and with them the forecasts of expenditure have been rephrased.
 - II. **Delay Deferrals**: this is where a movement of capital expenditure is required due to delays and will result in a shift of the project end date. Some of these delays will be 020-21 due to third party issues outside Council control, the more usual reason being that a developer is not ready to partner with Council as anticipated when the 2018-28 10-Year Plan was developed.
 - III. **Renewal and Compliance Deferrals**: this is for projects that are classified Renewals and Compliance. This programme is being managed as a 3-year programme. Any unspent funds within any year are carried forward. Ultimately, any budgets unspent at the end of the 3-year cycle will be returned to Council as a saving. Staff are authorised to use their discretion to manage projects within the 3-year programme to ensure that Council is looking after its assets.
 - IV. **Capital Savings**: this is for the recording of efficiencies and capital savings that can be attributed to the capital savings target. At times capital cost increases will also occur that erode any savings.
 - V. **Capital Expenditure Brought Forward**: this is where a project has been brought forward to align with other projects or to enable work ahead of schedule to achieve the outcomes required in the timeframes set.
 - VI. **Other Changes**: these changes are likely to be either new projects or amendments to existing projects to ensure the budget reflects up to date data.

Capital Actual

18. The actual capital expenditure for the nine months ended 31 March 2021 is \$158.0m (\$141.6m) with associated capital revenue of \$44.6m (\$28.8m). The amounts in the brackets are comparatives from the previous financial year.
19. The capital programme is significantly greater this year than was delivered in the previous year. The total spend last year was \$190.8m while this year the forecast target as at 31 March 2021 is \$268.9m.

Capital Forecast

20. The following section summarises the expenditure and revenue budget changes to the capital portfolio since the adoption of the 2020-21 Annual Plan. The changes are grouped into 3 general areas:
 - i. Deferrals and Brought forwards – These are approved budgets where a time changed has been identified. The changes is ether pushing the budget out to a future year or bringing a future budget forward into the current year.
 - ii. Savings – these are permanent reduction in budget. The savings are tied back the to the Organisation savings targets established by the CE at the start of the 2018-28 10YP.
 - iii. Other – these are either new budgets that did not previously exist or amendments to existing approved budget.

21. This section only includes changes since the previous report to the Finance Committee on 23 March 2021.
22. The following table starts with the opening forecast as per the previous Finance Committee meeting and shows the additional movements through each area.

	Expenditure	Revenue
Forecast Budget as at 31 January 21	286,807	72,951
less Deferrals & b/fwds	(7,535)	0
less Savings	(3,882)	0
less Changes	(6,450)	(404)
Forecast Budget as at 31 March 2021	268,940	72,547

23. A summary table with all changes made this financial year is contained in **Attachment 3**. This table starts with the approved budget as per the 2020-21 Annual plan and moves through the changes disclosed at each Finance Committee meeting.
24. A full capital schedule is contained in **Attachment 4**. This listing follows the same layout as the approved 2020-21 Annual Plan. It tracks the approved changes for the original 10-Year Plan through to the current forecast position.

Capital Savings

25. The Cost Saving Report from the 2018-28 10 Year Plan identified a capital savings target for 2020-21 of \$14.2m. The impact of this amount on the savings targets is the consequential savings in interest and depreciation. In other words, by not spending there is no depreciation and no interest expense.
26. This is the first report where savings are being reported and to date \$3.8m has been identified. This equates to approximately \$120K in depreciation and interest.

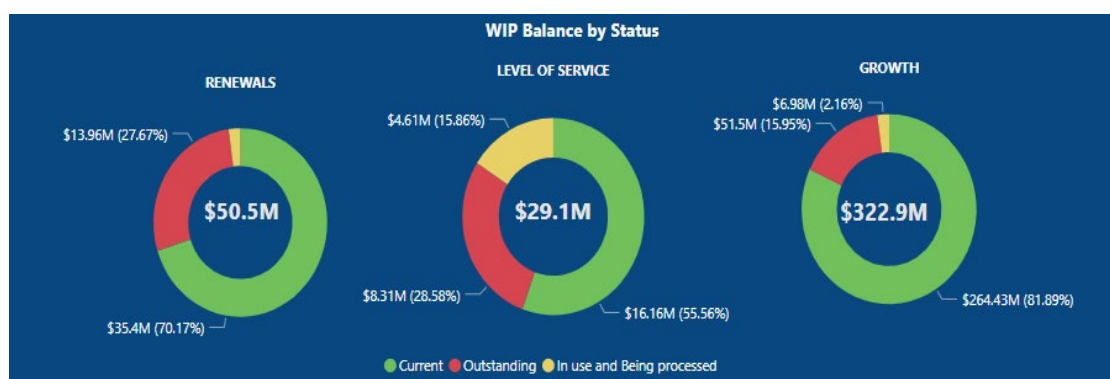
Capital Deferrals

27. The net value of deferrals and brought forwards has increase by \$7.5m, the total value for the financial year is now \$41.4m. The end of year estimate remains at \$65.0m. This position continues to be reviewed based on actual progress to date. Any change will be reported to next Finance Committee meeting.

Work in Progress (WIP)

28. The total value of WIP as at 31 March 2021 is \$402.5m, inclusive of vested assets.
29. The breakdown by status is:
- i. Current - \$316.0m (78.5%): this is legitimate WIP and reflects the assets that cannot be capitalised until they are complete and in use;
 - ii. In use and being processed - \$12.7m (3.2%);
 - iii. Outstanding \$73.8m (18.3%): these are assets are in service, but the capitalisation process has not yet been completed. This group is treated with priority. Depreciation is applicable but not yet charged.
30. As reported previously, WIP is simply an accounting disclosure of capital expenditure. It reflects fixed assets that are not yet fully operational. Until they are complete and operational the expenditure remains classified as WIP. However, once the asset is fully operational it is required to be capitalised, it is at this point the depreciation begins.

31. Therefore, the focus is the WIP amount that is classified as outstanding. It is this balance that is getting priority to resolve before the end of the financial year. In the meantime, to ensure that we do not understate the amount of depreciation an assessment has been made and recorded as an expense on the Statement of Comprehensive Revenue and Expense.
32. The value of Outstanding WIP has remained constant since the last report to the Finance Committee. This value will begin decrease as we enter the final quarter of the year.
33. The following table includes the status along with split between the different asset categories: Renewal, Level of Service and Growth.



Project Risks - update

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

Wairere Drive Extension – Cambridge to Cobham

35. Timing and costs risks. This is a large complex contract with a number of significant risks that need monitoring and managing, as such this project will remain orange throughout the construction period. The significant remaining risks include bridge structure works, traffic management and contract time costs.

Te Awa Cycleway Extension

36. This is a timing risk. The construction contract has been awarded, the project has an estimated completion date of October 2021. The project is currently tracking behind and staff are working with the contractor to seek assurances completion will be achieved as per contract agreement.

Rototuna Village Transport – Stage 1

37. This is both a timing and cost risk. The extension of Turakina Rise through to Bourn Brook Ave is on hold as staff work with Waikato Regional Council on the Resource Consent approval with the focus on stormwater compliance with the recently updated National Policy Statement on Freshwater.

Resolution Drive Extension

38. This is a cost risk. The extension work is being done by Waka Kotahi NZ Transport Agency under a fixed price contract. They are advising that since that contract was agreed they believe that there have been some scope changes. These changes are likely to lead to a request for additional funds from Council. Staff continue to work with Waka Kotahi NZ Transport Agency to ensure a suitable outcome.

Ruakura Road Urban Upgrade

39. The contract has now been awarded. Over the coming months there will be need for significant traffic management including staged road closures in the second half of the 2021 year. Project has been classified orange with staff actively monitoring traffic impact on the network.

Rototuna Land Purchase Agreement

40. Council entered into an agreement with Kirkdale Investments Ltd in December 2019 in regard a partnership approach for required infrastructure provision that enables the Rototuna Village.
41. Part of the agreement secured the opportunity for Council to acquire 2400 m² of land required for necessary transport logistics in a strategic village location, at an agreed cost (\$1.092m) plus a consumer price index (CPI) adjustment since the date of signing of the Agreement. The adjusted cost with CPI is estimated to be \$1,130m.
42. The agreement allows Council to take this opportunity up prior to September 2021.
43. Funding is available now in the current year 2020/21 under CE 19058 Mass Transit. Purchase of the land will not attract a Waka Kotahi NZ Transport Agency subsidy, but the opportunity will exist to seek a retrospective subsidy at the time of land development if the development work meets their funding criteria.
44. This is an opportunity to secure strategic land at a price indexed to 2019 and which is only likely to increase in value. Any development of the land will be a future matter for Council to determine.
45. Staff have initiated the land purchase utilising 2020/21 funding allocated for this general purpose under Chief Executive delegation.

Emerging Risks

46. Staff reported to 2 December 2020 Finance Committee on potential impacts of the National Policy Statement on Fresh Water.

The National Policy Statement: Fresh Water (NPS FW) came into force on 3 September 2020. This requires that all projects that are interacting with any body of water, (drain, wetland, stream) and require Resource consents will be assessed by the Waikato Regional Council for compliance. The impact is that any consents already lodged but not yet granted will be re-assessed by Waikato Regional Council and therefore may be subject to change. Aside from project delays this could include increase in costs to ensure compliance.

47. The impacts are still being tested and understood nationally. Currently the only impact to Council is the delay to the Turakina Rise transportation project. However, if the policy statement is strictly applied then Council would need to undertake a new design to meet the new compliance standard and this invariably will lead to cost increases and further delays.
48. The City Planning Manager in conjunction with the Development Group are planning a report to the Strategic Growth Committee that will cover the wider implications.

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

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

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

50. 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').

51. 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.
52. The recommendations set out in this report are consistent with that purpose.

Social

53. 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

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

Environmental

55. Across the capital portfolio, environmental consideration is integrated throughout the project life cycle, including through design, procurement and construction.
56. 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.
57. Across the portfolio several works projects and programmes are specifically focussed on enhancing Hamilton's natural environment or ensuring effects of city development are not at the detriment of the natural environment.

Cultural

58. Across the portfolio, engagement and partnership with iwi is continuing at a project level, and work is underway to further align and partner at programme and portfolio levels to identify opportunities for enhanced partnership and shared outcomes. This is particularly in regard to alignment with objectives of the Waikato Tainui Environmental Plan – Tai Tumu Tai Pari Tai Ao.

Risks - *Tuuraru*

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

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

Significance

60. 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

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

Attachments - *Ngaa taapirihanga*

Attachment 1 - Portfolio Summary

Attachment 2 - Eight Programme Summaries

Attachment 3 - 2020-21 Summary Budget Changes

Attachment 4 - Full Capital Project Listing

HAMILTON CITY COUNCIL CAPITAL PORTFOLIO REPORT

PORTFOLIO COMMENTARY/HIGHLIGHTS

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

Looking after our existing assets

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

Enabling and supporting residential growth and development

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

Enabling and supporting industrial and employment growth and development

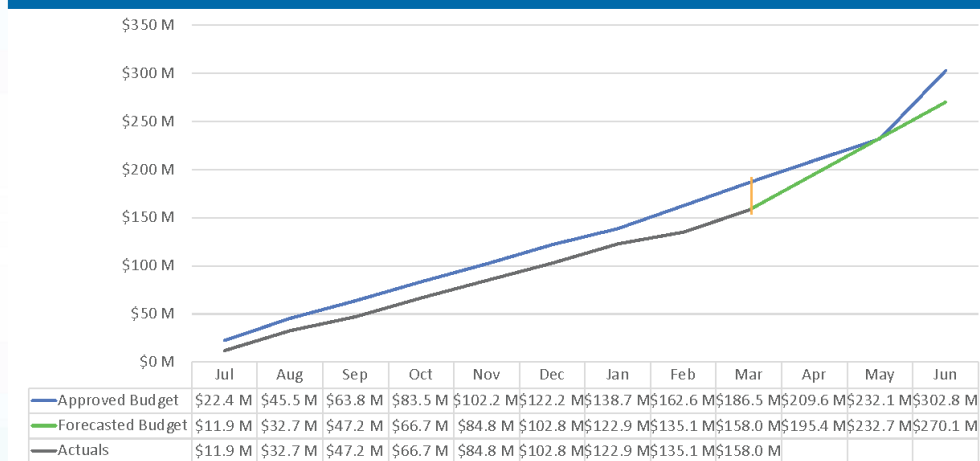
With limited existing industrial/commercial land available (Te Rapa industrial zone almost at capacity), Ruakura is the city's next planned major employment area. In collaboration with Tainui Group Holdings and with Crown Stimulus Funding, provision for the major transport links and strategic 3-waters infrastructure is well advanced.

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

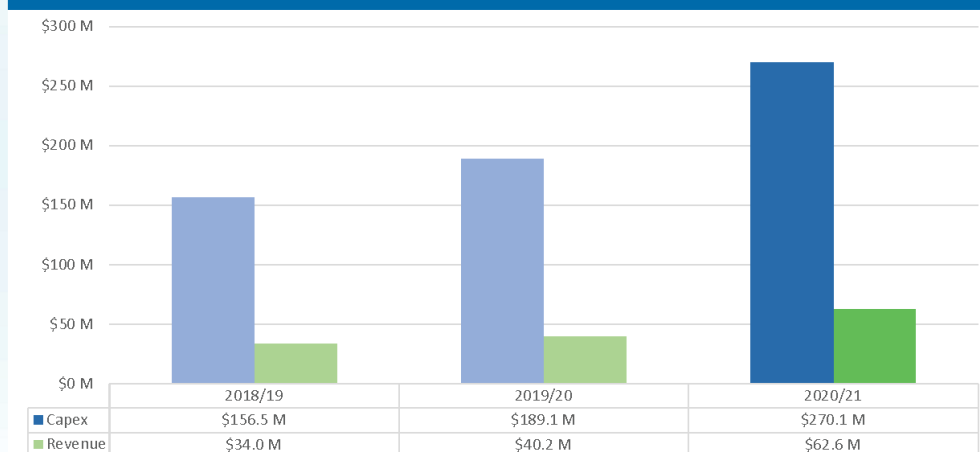
Development of new playgrounds, sports parks and Rototuna village are progressing well with positive community feedback.

FINANCIAL PERFORMANCE

Capital Expenditure 2020-21



3 Year Forecasted Budget



CITY WIDE WATERS PROGRAMME CAPITAL REPORT

PROGRAMME OUTCOME

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

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



TREATMENT PLANTS

Waioira Water Treatment Plant: Construction of the new chemical storage facility is now complete and has been commissioned. The procurement stage (tendering) for the sedimentation and filtration upgrade is now complete and physical works underway. Design has started for the new process plant.

Pukete Wastewater Treatment Plant: Works on the chemical storage facility, bioreactor and clarifier is now substantively complete, and we are working on commissioning these. The bioreactor retrofits will start once commissioning of the new bioreactor and clarifier has been completed (summer 2021/22).



WATER

Newcastle Water Reservoir and supply network upgrade: The tender for the physical works has been awarded. The contractor is currently starting works on site. Pump station procurement is planned over the next three months.



STORMWATER

Erosion control works: Planning work is underway to deliver a programme of erosion control activities through gullies, streams and other watercourses across the city. Construction work is currently underway in the Waitawhiriwhiri gully.



WASTEWATER

Western Wastewater Interceptor: The project is making good progress with pipe installation work alongside Mangaharakeke Drive is complete and works adjacent to the medical centre is about to start. The Forest Lake Road pipe installation work is complete and installation works for the remaining pipeline is underway, including the southern chamber.

Hillsborough Wastewater Pump Station upgrade: The pump station has been commissioned and final reinstatement works are underway.



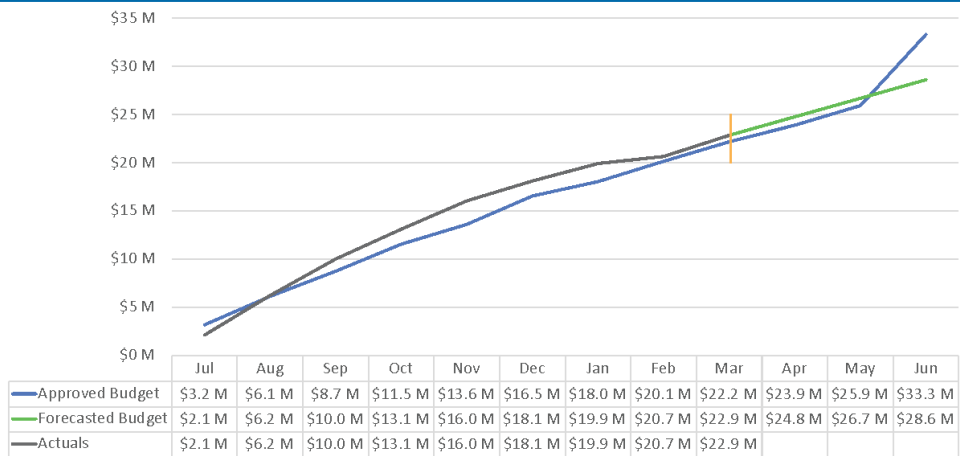
Pukete 3



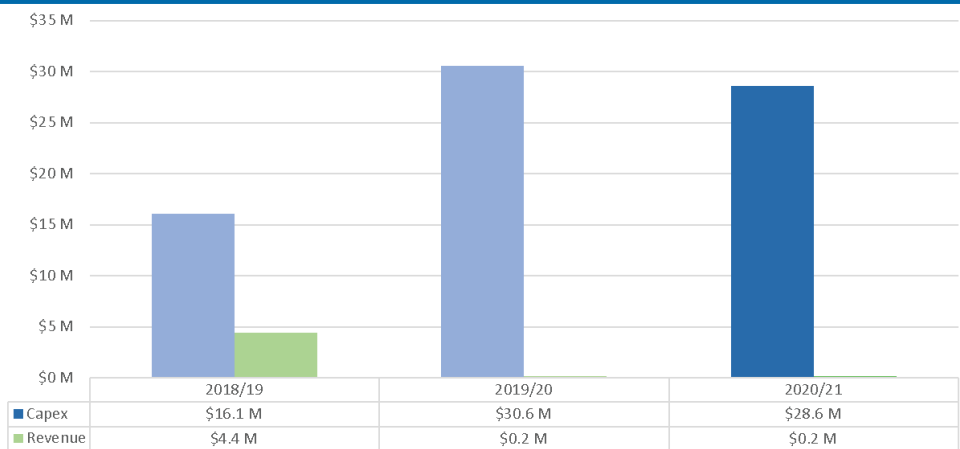
Erosion control works

FINANCIAL PERFORMANCE

Capital Expenditure 2020-21



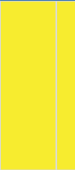
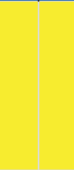














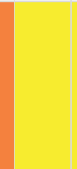




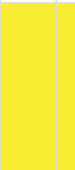
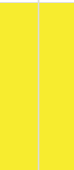


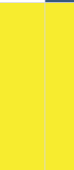






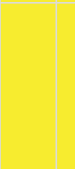
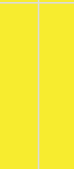

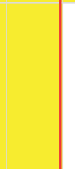











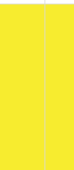

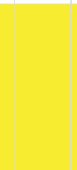







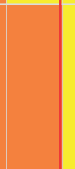
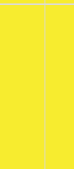

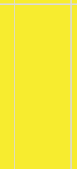




3 Year Forecasted Budget






CITY WIDE WATERS




PROGRAMME CAPITAL REPORT

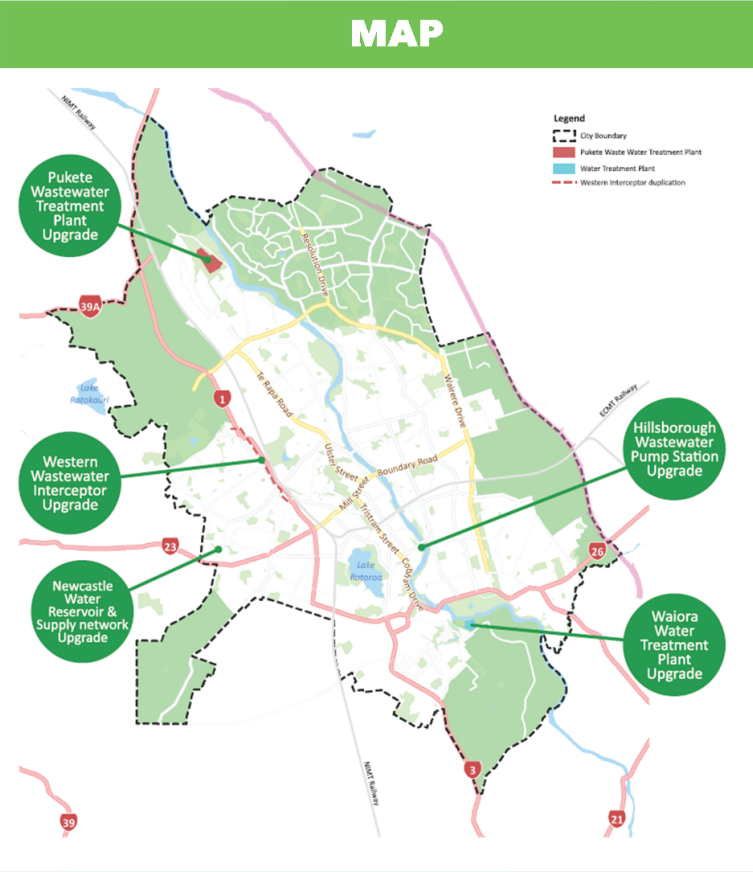
KEY PROJECTS																
Project Name		Project Description	Project Status	Total Project Budget	Actual Spend to Date	Forecast Total Cost	2019/20		2020/21			2021/22				
	Pukete 3 Wastewater Treatment Plant Capacity Upgrade - Stage 1	Major capacity upgrade on the wastewater treatment plant including new chemical storage facility, interstage pump station, bioreactor and clarifier.		\$32.4 M	\$31.9 M	\$32.4 M										
	Pukete 3 Wastewater Treatment Plant Capacity Upgrade - Stage 2	Retrofit of existing bioreactors.		\$4.2 M	\$0.0 M	\$4.2 M										
	Western Wastewater Interceptor Capacity Upgrade	A large wastewater pipe being installed underground along Mangaharakeke Drive which will connect to our Pukete Wastewater Treatment Plant. Savings of \$1.44m already realised in 2018/19.		\$22.5 M	\$14.8 M	\$21.0 M										
	Hillsborough Wastewater Pump Station Upgrade	A major renewal project which will increase the size and capacity of the wastewater pump station. Additional costs have been incurred.		\$4.8 M	\$5.2 M	\$5.3 M										
	Waioara Water Treatment Plant Upgrade	Major capacity upgrade on the water treatment plant including upgrading the chemical facility and replacing the clarifiers, sand filters, balancing tank and pump station.		\$32.4 M	\$10.6 M	\$32.4 M										
	Newcastle Water Reservoir and Supply Network Upgrade	Installing new water pipes and upgrading the reservoir pump station to improve functionality, network operations and resilience.		\$10.7 M	\$1.4 M	\$10.7 M										

Project status

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

KEY

-  Business Case / Investigation
-  Design
-  Procurement
-  Construction



Pukete 3 Upgrade

CITY WIDE COMMUNITY PROGRAMME CAPITAL REPORT

PROGRAMME OUTCOME

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



HAMILTON GARDENS

The Egyptian Garden is on track for completion in August 2021. Palm Court construction is scheduled for completion in October 2021 (following completion of the Egyptian Garden). Enabling works on the Medieval Garden continue and are on track to be completed by June 2021.



ZOO/WAIWHAKAREKE SHARED ENTRY PRECINCT

Construction for Stage 1A continues. Stage 2 and Brymer Road have been amalgamated into one project within this programme. Stage 2 concept design was approved in February 2021. Planning and developed design continue with the intention to have detailed design by end July 2021.



PLAYGROUNDS

Engagement has been completed for Hammond Park with feedback currently being analysed. Construction continues for Glenview Park and Hayes Paddock, both on track for completion in April 2021. Construction for Tauhara Park is underway and scheduled for completion in June 2021.



CENTRAL CITY JETTY

Jetty landing was completed in the first week of April 2021. Interpretative signage is almost complete. A low-key opening/unveiling being planned for May 2021.

Glenview
Playground



Central City
Jetty

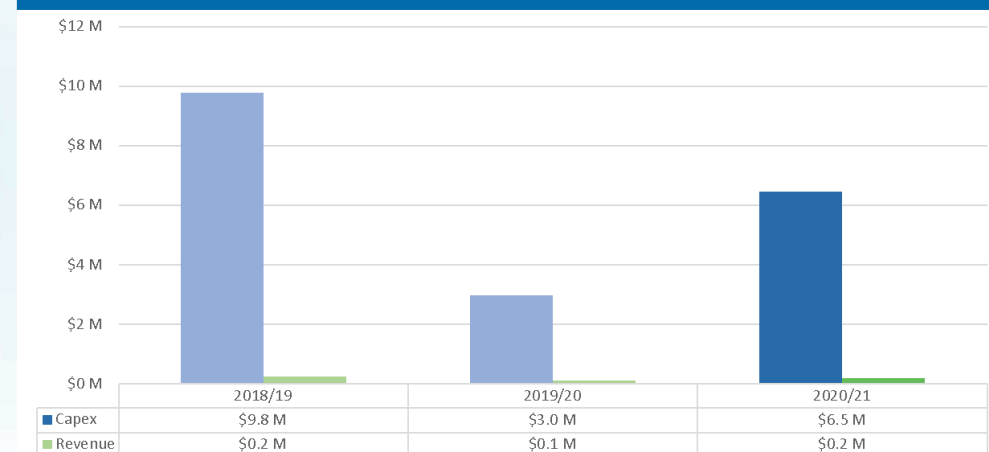


FINANCIAL PERFORMANCE

Capital Expenditure 2020-21



3 Year Forecasted Budget



CITY WIDE COMMUNITY PROGRAMME CAPITAL REPORT

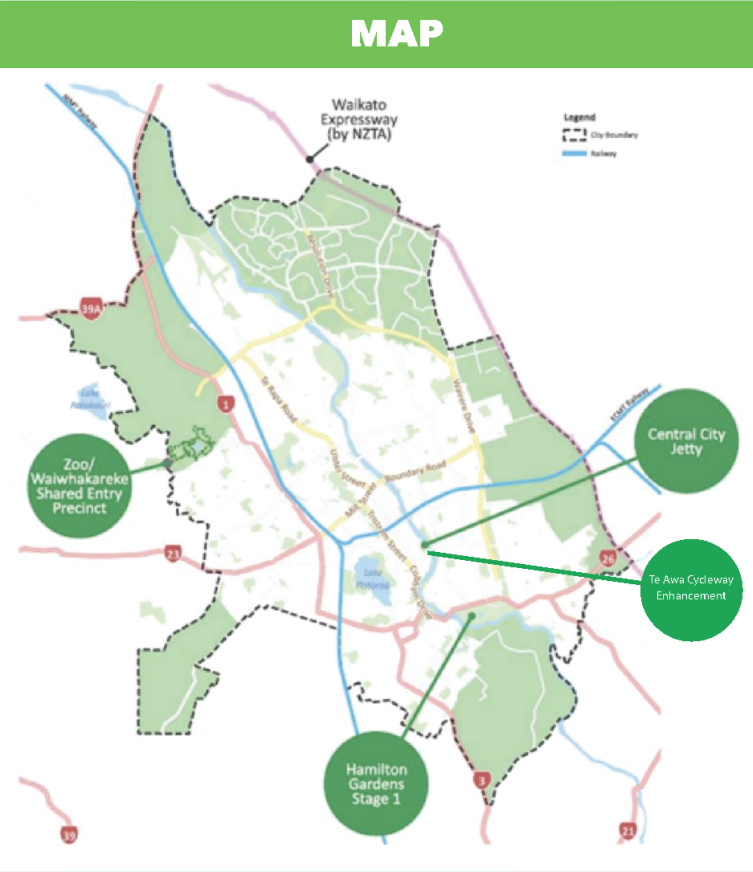
KEY PROJECTS														
Project Name		Project Description	Project Status	Total Project Budget	Actual Spend to Date	Forecast Total Cost	2019/20		2020/21			2021/22		
	Hamilton Gardens Stage One	Completion of the theme gardens at the western end of the site and the extension of the visitor retail space. The project also includes the following new gardens: - Baroque Garden - Medieval Garden - Pasifika Garden - Ancient Egyptian Garden and Courtyard Civil works have been completed for these four gardens.		\$9.9 M	\$4.1 M	\$9.9 M								
	Zoo/Waiwhakareke Shared Entry Precinct	Creating a shared entry precinct with Hamilton Zoo and Waiwhakareke Natural Heritage Park. This project includes Stage 1 / Stage 2 and Brymer Road projects.		\$13.1 M	\$1.7 M	\$13.1 M								
	Playground Development Programme	The renewal and upgrade of playgrounds across the City (budget shown for 2018/19 to 2020/21). This budget includes playground upgrades and renewals.		\$4.9 M	\$3.4 M	\$4.9 M								
	Central City Jetty	The upgrade the current central city jetty to provide a safe location for boats to dock close to the central business district.		\$1.1 M	\$0.8 M	\$1.1 M								

Project status

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

KEY

- Business Case / Investigation
- Design
- Procurement
- Construction



PEACOCKE PROGRAMME CAPITAL REPORT

PROGRAMME OUTCOME

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

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



INFRASTRUCTURE

Overall, the network infrastructure programme remains on track or ahead of the original Business Case and approved HIF agreement. Approximately \$230M of Peacocke's \$360M 10 year infrastructure programme (LTP including HIF) is now complete or contractually committed on time or ahead of schedule. The team continue to explore value engineering and risk reduction opportunities and are refining cost forecasts. Developer-initiated variations are being considered and incorporated where practicable without compromising contract objectives.

Ohaupo Road (SH3) Intersection construction is substantially complete, with the roundabout operational 6 months ahead of schedule. Processes for final safety audit and handover to the asset owners are under way.

The Waikato bridge and associated roads contract is progressing well with bulk earthworks and utility diversions and bridge foundation works under way. This includes part of the Peacockes Road Urban Upgrade. Impacts on time and cost relating to current supply chain impacts on materials for utility service diversions have been mitigated using alternative construction sequencing/methods.

The Northern Transfer Main project is approaching 50% complete and is likely to be completed ahead of schedule.

Peacocke's main wastewater pump station Registrations of Expressions of Interest have been evaluated. Tendering of this final infrastructure component needed to open up Peacocke will commence in May 2021 for construction to commence at the end of this year.

Design is under way for the Peacocke East-West minor arterial and the North-South Wastewater Pipelines.

Land acquisition for network infrastructure is progressing in accordance with the business case and PWA processes. Council has secured 36 of the 39 properties required for construction with 29 by agreement and has licenses to occupy in place for two of the remaining three. An Environment Court hearing is set for May 2021 the one objecting landowner remaining. The process is shifting towards resolution of key compensation issues including the Land Valuation Tribunal.

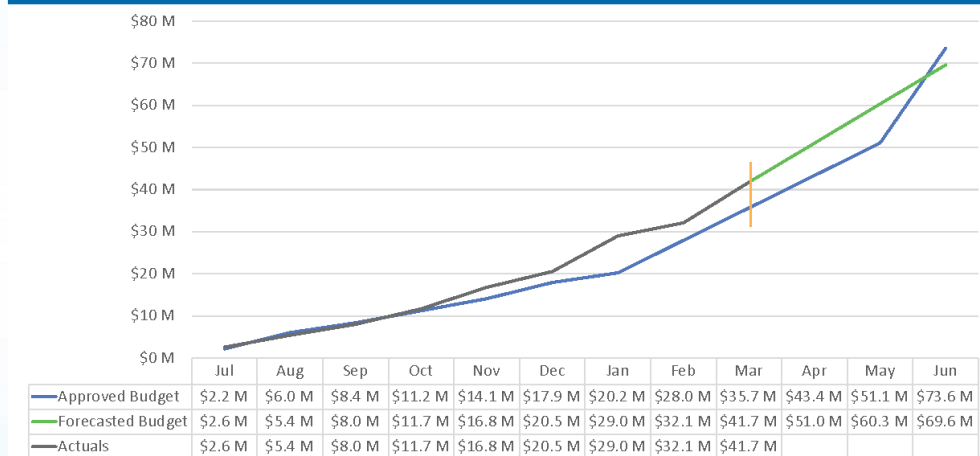


PARKS

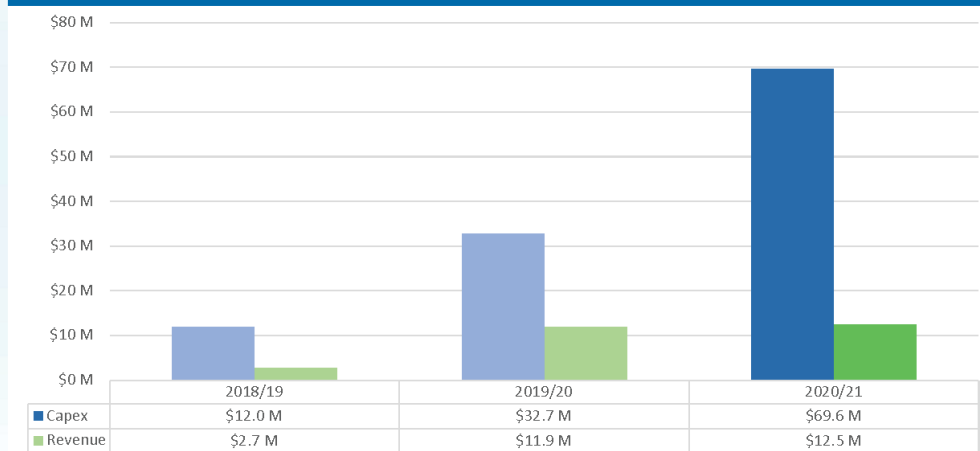
A Notice of Requirement for the approximately 14.5ha northern sports park has been lodged. Discussions with submitters continues and a deferred hearing is planned for mid-2021.

FINANCIAL PERFORMANCE

Capital Expenditure 2020-21



3 Year Forecasted Budget









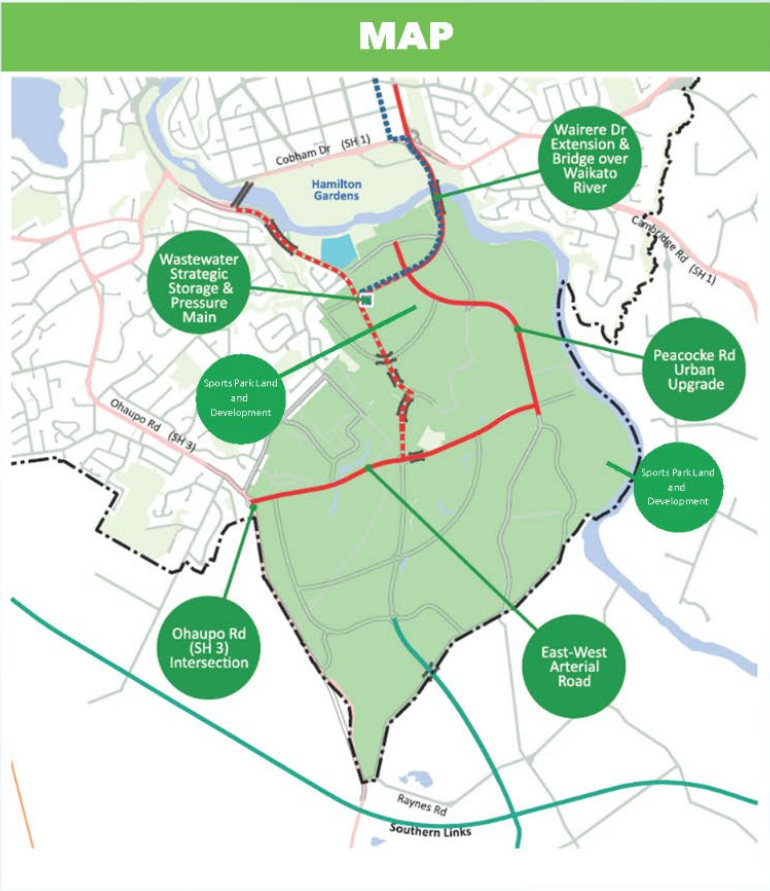
Peacocke
bridge
site



**Hamilton
City Council**
Te kaunihera o Kirikiriroa

PEACOCKE PROGRAMME CAPITAL REPORT

Key Projects														
Project Name		Project Description	Project Status	Total Project Budget	Actual Spend to Date	Forecast Total Cost	2019/20		2020/21			2021/22		
	Ohaupo Road (SH3) Intersection	Construction of a new roundabout, including separated walking/cycling facilities, will serve as a gateway to Peacocke from the south. Land budget previously separated now included in total project budget.	On Track	\$22.8 M	\$18.5 M	\$22.8 M	Design	Design	Design	Design	Design	Design	Design	
	Wairere Drive Extension and Bridge over Waikato River to Peacocke North-South Arterial	Construction of a new major arterial roading connection into Peacocke, including a bridge across the Waikato River.	On Track	\$136.5 M	\$27.9 M	\$136.5 M	Design	Design	Design	Design	Design	Design	Design	
	Wastewater Strategic Pumpstation, Storage and Pressure Main	Construction of a new major pump station, associated storage and installation of 7.5km new wastewater pressure pipelines to connect to the city's existing wastewater network.	On Track	\$59.9 M	\$15.9 M	\$59.9 M	Design	Design	Design	Design	Design	Design	Design	
	East/West Rooding Arterial	This major arterial roading connection will connect Peacockes Road in the east with Ohaupo Rd/State Highway 3 (SH3) in the west.	On Track	\$35.1 M	\$1.2 M	\$35.1 M	Design	Design	Design	Design	Design	Design	Design	
	Land Acquisition	The purchase of land to allow for the construction of infrastructure.	On Track	\$62.0 M	\$16.4 M	\$62.0 M	Design	Design	Design	Design	Design	Design	Design	
	Sports Park Land Acquisition and Development	The land purchase and basic development of two sports parks in Peacocke. Currently the budget sits in 2020/21 for the purchase of the northern park and in 2027/28 for the southern park. The budget for this programme of work will be reviewed as part of the 2021-31 long term plan.	On Track	\$33.9 M	\$0.3 M	\$33.9 M	Design	Design	Design	Design	Design	Design	Design	



Peacocke bridge site

Project status

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

KEY

-  Business Case / Investigation
-  Design
-  Procurement
-  Construction

ROTOKAURI PROGRAMME CAPITAL REPORT

PROGRAMME OUTCOME

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



BAVERSTOCK ROAD UPGRADE

Construction works are complete. The stormwater wetland works are being delivered by developer, this work has not started.



ARTERIAL ROADING DESIGNATION

As reported to the Strategic Growth Committee on 12 November 2020, the designation for the strategic transport corridors in the Rotokauri area is progressing with site investigation, concept development and stakeholder engagement underway. Engagement with the directly affected land-owners has commenced with positive feedback at the public open day held in April 2021.



ROTOKAURI ROAD UPGRADE

Construction is almost complete for the upgrade between Baverstock Road and the new development area. Works are expected to be complete by end of April.



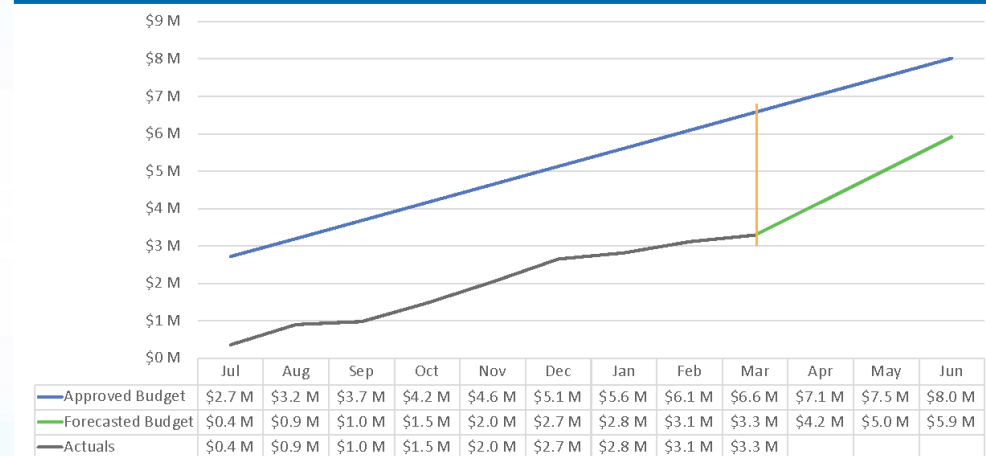
TE WETINI DRIVE EXTENSION

A private development agreement (PDA) is now in place and construction work has started.

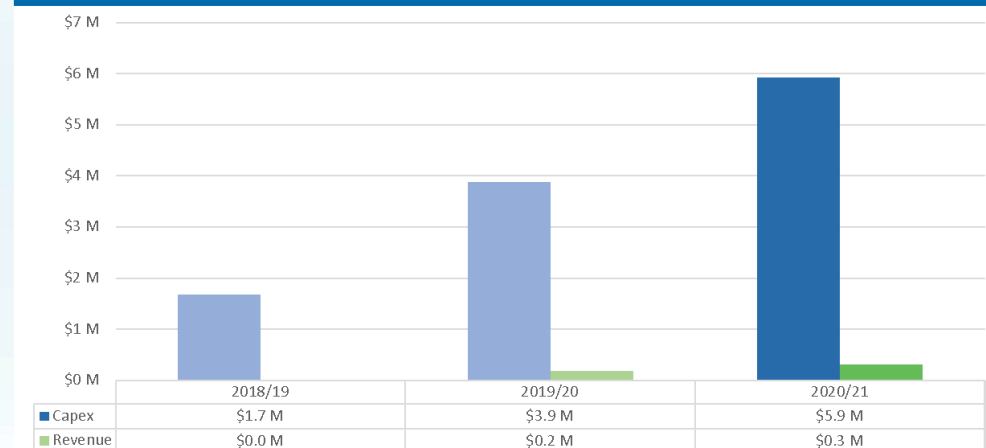


FINANCIAL PERFORMANCE






Capital Expenditure 2020-21

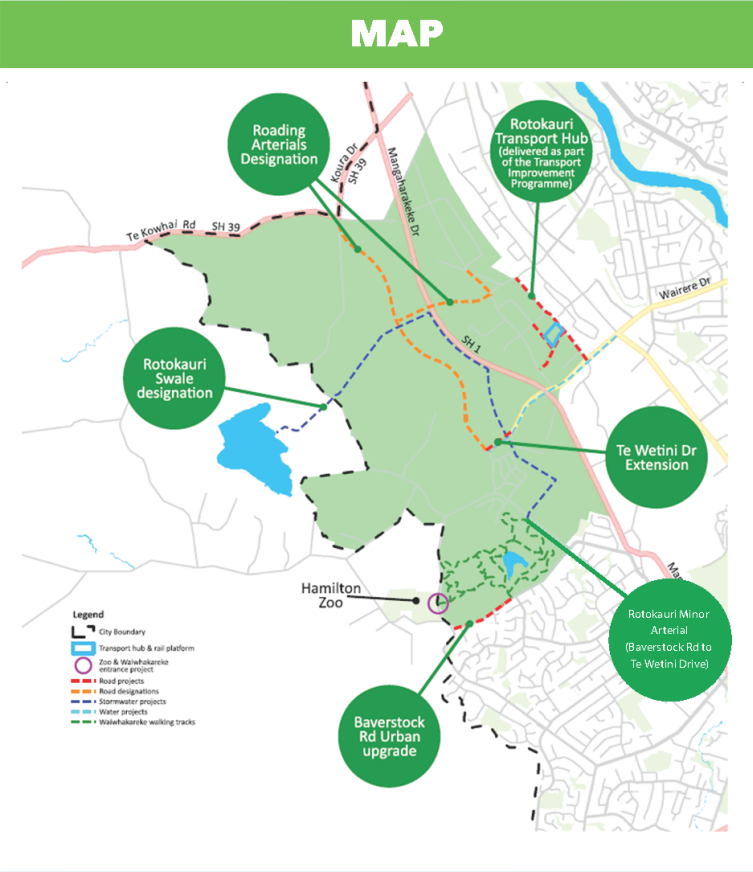


3 Year Forecasted Budget



ROTOKAURI PROGRAMME CAPITAL REPORT

KEY PROJECTS														
Project Name		Project Description	Project Status	Total Project Budget	Actual Spend to Date	Forecast Total Cost	2019/20		2020/21			2021/22		
	Baverstock Road Urban Upgrade	Urban upgrade (taking the road from rural to one which fits within an urban setting) of Baverstock Road. Upside contribution to stormwater wetland being delivered by developer is outstanding and subject to developer timing.	On Track	\$2.8 M	\$1.7 M	\$2.8 M	Procurement	Procurement	Construction	Construction				
	Rotokauri Swale Designation	Protecting land corridors required for stormwater mitigation for future development .	On Track	\$1.4 M	\$1.4 M	\$1.4 M	Design	Design						
	Rotokauri Arterial Transport Designation	Protecting land corridors required for future roading development.	On Track	\$3.2 M	\$2.2 M	\$3.2 M		Design	Design	Design	Design	Design	Design	
	Te Wetini Drive Extension	To extend Te Wetini Drive from Akoranga Road to the new Rotokauri north-south minor arterial being delivered by the developer via PDA agreement. This will better connect the Rotokauri Rise Community to the road network and improve public transport efficiency to the Base.	On Track	\$1.2 M	\$0.2 M	\$1.2 M			Construction	Construction	Construction	Construction	Construction	
	Rotokauri Minor Arterial (Baverstock Rd to Te Wetini Drive)	Urban upgrade of existing Rotokauri Road from Baverstock Road to new development area, plus new minor arterial extension to Te Wetini Drive. Additional costs required to complete the project which have been addressed via re-prioritisation within the Rotokauri programme. (Note: \$1.5M of savings realised in previous financial years).	On Track	\$2.2 M	\$2.2 M	\$2.2 M	Construction	Construction	Construction	Construction				



Rotokauri Road Urban Upgrade

Project status

On Track

Project has significant risks that are being monitored and managed

Project has significant risks that will require Council decision

KEY

Business Case / Investigation

Design

Procurement

Construction

ROTOTUNA PROGRAMME CAPITAL REPORT

PROGRAMME OUTCOME

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

ROTOTUNA VILLAGE
Design development is progressing for the library and open spaces. Planned construction is due to start in the 2021/22 financial year.

Work is underway to progress delivery of the next sections of the roading network (extensions of Turakina Rise and Bourn Brook Avenue) with design and consultation with Waikato Regional Council to approve Resource Consents underway.

Remaining roading networks are planned to be delivered with the open spaces programme in 2021/22 financial year.

SPORTS PARKS
Construction works across all three sites is underway for the basic development of future sports fields at Hare Puke Park, Mangaiti Park and Te Manatu. Some works at Hare Puke will be finished next financial year to align with grass growing season.

BORMAN HORSHAM URBAN UPGRADE
Waka Kotahi NZ Transport Agency has recently approved pre-implementation funding. Detailed design is progressing well as programmed. Construction timing will be determined by LTP decisions.

RESOLUTION DRIVE EXTENSION
Waka Kotahi NZ Transport Agency are contracted to Council to construct the extension of Resolution Drive from Borman Road to the new expressway interchange as part of the Waikato Expressway construction contract. Waka Kotahi NZTA continue to signal scope changes and additional Council contributions. It is anticipated Resolution Drive will be complete and opened at the same time as the expressway, which is currently scheduled for late 2021.



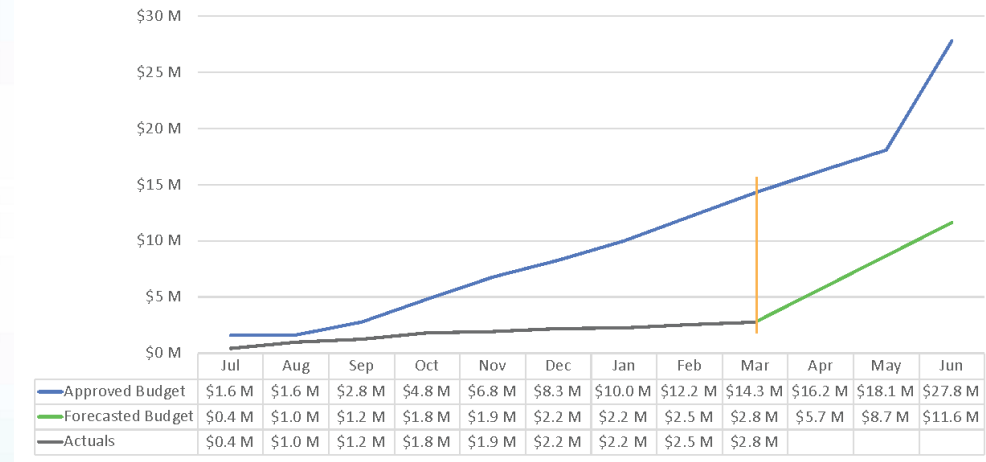
Rototuna Village



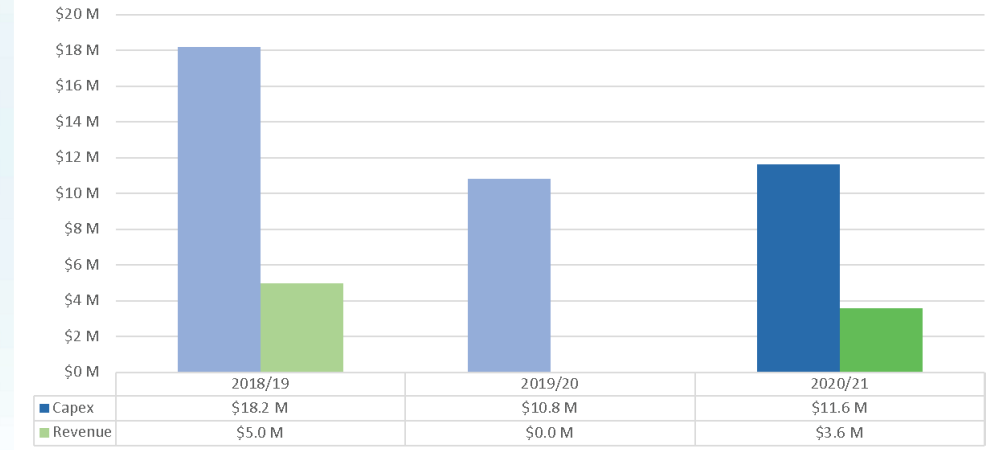
Te Manatu basic sports park

FINANCIAL PERFORMANCE





















Capital Expenditure 2020-21




3 Year Forecasted Budget





ROTOTUNA PROGRAMME CAPITAL REPORT

KEY PROJECTS									
Project Name	Project Description	Project Status	Total Project Budget	Actual Spend to Date	Forecast Total Cost	2019/20	2020/21	2021/22	
 Borman Road Western Extension to Kay Road	Construction of the final piece of road which connects Borman Road to Kay Road. Physical works to connect Borman Road to Kay Road has completed under a PDA. A land purchase agreement is still outstanding due to misalignment of values between valuers.		\$2.1 M	\$1.3 M	\$2.1 M				
 Borman Road Extension - Kimbrae Drive to Horsham Downs Road	Design development for the extension of this key piece of road which will include associated urban upgrades and a new intersection at Horsham Downs Road. Construction timing to be determined by 2021/31 LTP.		\$2.2 M	\$0.4 M	\$2.2 M				
 North Ridge Drive Upgrade	Urban upgrade (taking the road from rural to one which fits within an urban setting) of Northridge Road and construction of a new stormwater wetland to support land development in the area.		\$5.4 M	\$3.3 M	\$3.4 M				
 Rototuna Village - Community Facilities	Development of new library, community hub, play spaces, village square and carparks.		\$19.6 M	\$1.3 M	\$19.6 M				
 Rototuna Village Transport - Stage 1 North City (Borman to Ferry) and Park Lane	Roading upgrades to support the Rototuna Village development.		\$3.7 M	\$3.7 M	\$3.7 M				
 Rototuna Village Transport - Stage 2 North City (Ferry to Bourn Brook)	Transport network upgrades through the Rototuna Village area including Turakina/Bourn Brook extensions. The extension of Turakina Rise is delayed as staff work with Waikato Regional Council on the Resource Consent approval.		\$10.9 M	\$2.2 M	\$10.9 M				
 Expressway to Kimbrae Dr - Walking/Cycling Connection	A pedestrian and cycling connection under the Waikato Expressway adjacent to Rototuna High School. Remaining budget will be used for connecting the Rototuna Village with existing walking and cycling connections.		\$0.6 M	\$0.4 M	\$0.6 M				
 North City Road Upgrade - Bourn Brook to Kay	Preliminary design and land acquisition for future urban upgrade		\$1.7 M	\$0.02 M	\$1.7 M				
 Resolution Drive Extension	The extension of Resolution Drive (north) to connect to the new Waikato Expressway. Waka Kotahi is constructing this as part of the Waikato Expressway. Waka Kotahi NZTA continue to signal scope changes and additional Council contributions.		\$10.3 M	\$5.1 M	\$10.3 M				
 Rototuna Park & Reserve Upgrades	Development of Hare Puke Park and Mangaiti Park into sports parks. Improving walking/cycling networks, playground and recreational space at Te Manatu Park.		\$2.6 M	\$0.2 M	\$2.6 M				


Project status


 Project is on track


 Project has significant risks that are being monitored and managed


 Project has significant risks that will require Council decision

KEY

 Business Case / Investigation

 Design

 Procurement

 Construction



Korikori Park Facilities

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 attractive and sustainable community in the Ruakura growth area



RUAKURA WATER RESERVOIR

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



RUAKURA STAGE ONE - KEY TRANSPORT CONNECTIONS

This is being developed as a partnership project between Hamilton City Council, Tainui Group Holdings and the MBIE Provincial Development Unit. Construction is now underway with work expected to be complete early 2022.



RUAKURA WASTEWATER INTERCEPTOR

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



RUAKURA ROAD URBAN UPGRADE

A construction contract has been awarded to Schick for this project, with enabling works and service relocations underway. This project is amber as in the coming months there will be significant traffic management required, including staged road closures in the second half of 2021.



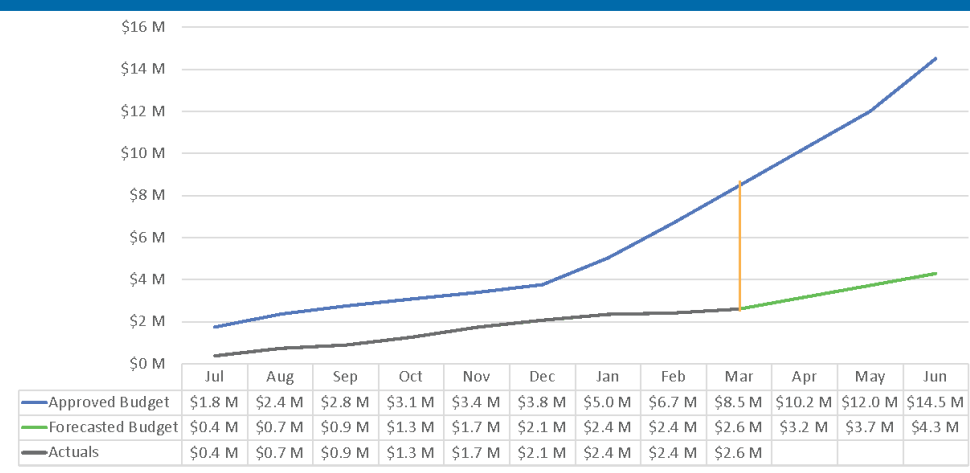
Ruakura Reservoir



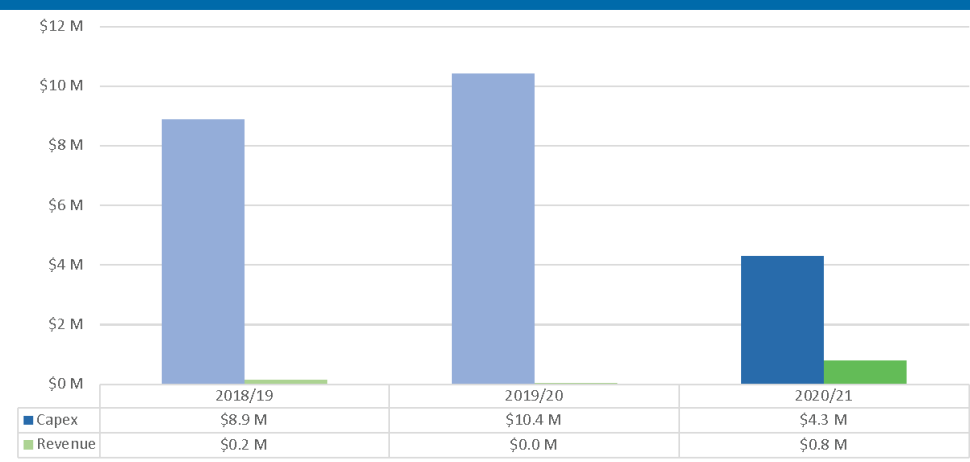
Ruakura Reservoir

FINANCIAL PERFORMANCE






Capital Expenditure 2020-21



3 Year Forecasted Budget



RUAKURA PROGRAMME CAPITAL REPORT

KEY PROJECTS															
Project Name			Project Description	Project Status	Total Project Budget	Actual Spend to Date	Forecast Total Cost	2019/20		2020/21			2021/22		
	Ruakura Water Reservoir	Construction of a new 12ML water reservoir, associated pumphouse, and some bulk mains (large water pipes) to service development in Ruakura.		\$17.1 M	\$17.1 M	\$17.1 M									
	Ruakura Trunk Watermains	Remaining strategic networks to service development areas - planned to be delivered by Tainui Group Holdings.		\$2.0 M	\$0.0 M	\$2.0 M									
	Ruakura Wastewater Interceptor	HCC contribution to new wastewater pipe to service development. Northern section has been completed. Deferral required for Southern Interceptor funding which will be delivered by Tainui Group Holdings.		\$9.9 M	\$2.5 M	\$8.5 M									
	Ruakura Road Urban Upgrade	Urban upgrade (taking the road from rural to one which fits within an urban setting) of Ruakura Road from the Wairere Drive/Ruakura Road intersection and up to the Ruakura Road and Silverdale Road intersection. Additional funding secured from Crown Infrastructure Partners to complete project. This is amber due to the impact of the road closures to the public.		\$12.3 M	\$1.1 M	\$12.3 M									
	Ruakura Eastern Transport Corridor (Spine Road Stage 1) - Expressway to Ruakura/Silverdale	Jointly funded by HCC, TGL and PDU the construction of a new road from Silverdale Road/Ruakura Road intersection to the Waikato Expressway Ruakura Interchange to allow the development of the Ruakura Inland Port.		\$40.9 M	\$1.1 M	\$40.9 M									
Project status						KEY									

- Project is on track

Project has significant risks that are being monitored and managed

Project has significant risks that will require Council decision

- Business Case / Investigation

Design

Procurement

Construction



TRANSPORT IMPROVEMENT PROGRAMME CAPITAL REPORT

PROGRAMME OUTCOME

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



ROTOKAURI TRANSPORT HUB

The Hub is now operating and the Te Huia rail service has begun. The contractor is finishing minor works and will start demobilising the site.



TE AWA CYCLE EXTENSION

A construction contract has been awarded. Planning and early construction works are underway and anticipated to be completed by the end of the year. Staff are working closely with the contractor around work methodology and construction programme. This project is partly being funded from the central government stimulus investment.



WAIRERE DRIVE EXTENSION

Works are progressing well on site. The on and off ramps construction is complete, and traffic has been moved onto these. Now, the team is focusing on the Cobham Drive overbridge construction and preparing for the landscaping season.



TRANSPORT CENTRE REJUVENATION

At the 27 April 2021 Infrastructure Operations Committee the final draft business case and preferred option was approved for submission to Waka Kotahi NZ Transport Agency to seek funding approval.



EASTERN PATHWAYS

Business cases were presented to 27 April 2021 Infrastructure Operations Committee. The School Link final draft was approved for submission to Waka Kotahi NZ Transport Agency to seek business case approval. The University Link Business case will be resubmitted to the 8 June 2021 Infrastructure Operations Committee after further review of options.



MANGAITI PARK WALKING/CYCLING

The footbridge across Mangaiti Gully has been installed and construction of the approaches and off-road path through Mangaiti Park has begun. This work is expected to be finished by May 2021. Once completed this will provide a safe connection for pedestrians and cyclists between St James Drive and Darjon Drive.



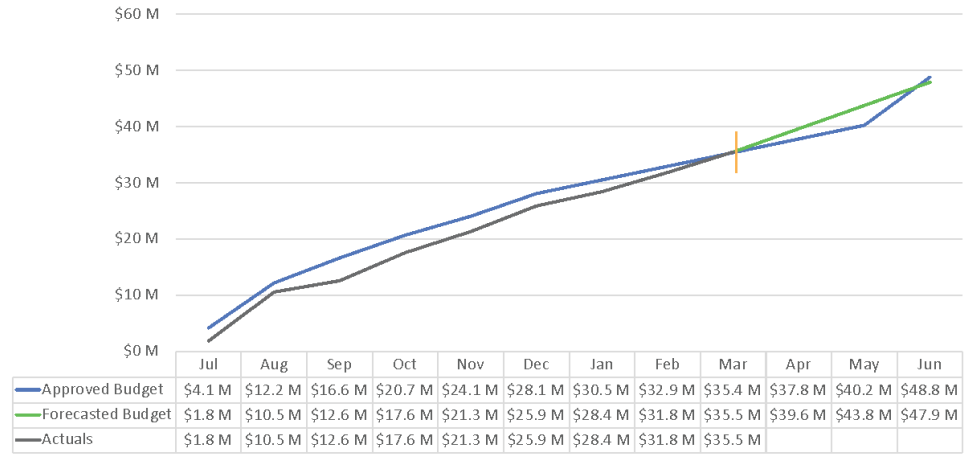
Mangaiti Park Walking/Cycling



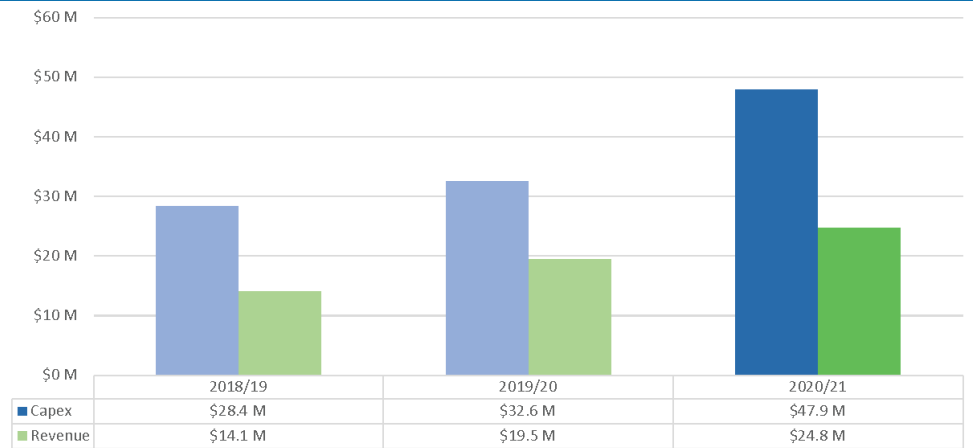
Transport Hub

FINANCIAL PERFORMANCE









Capital Expenditure 2020-21

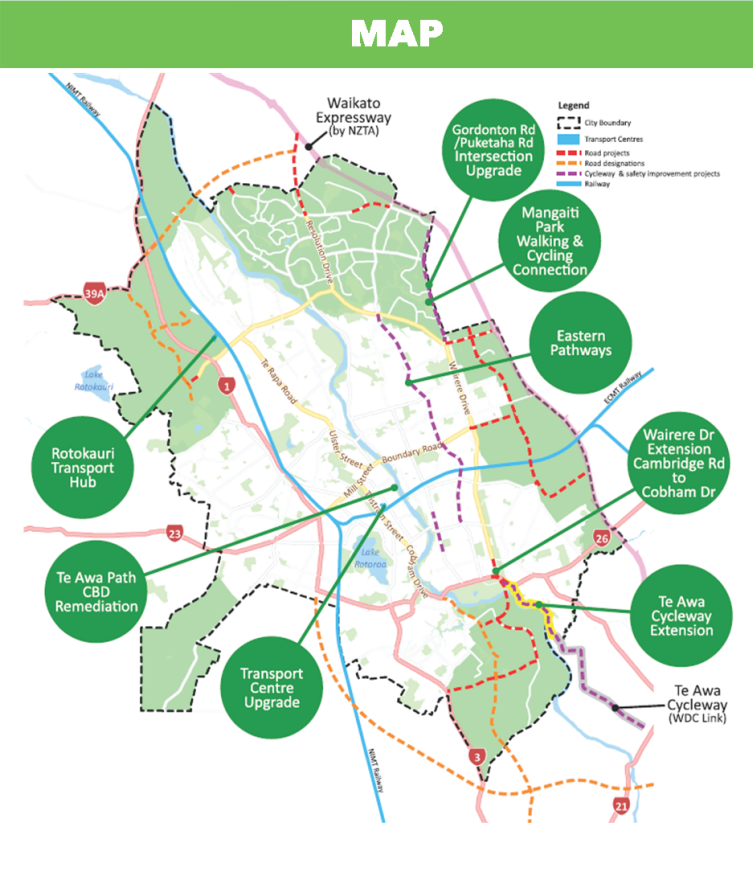


3 Year Forecasted Budget






TRANSPORT IMPROVEMENT PROGRAMME CAPITAL REPORT

KEY PROJECTS														
Project Name		Project Description	Project Status	Total Project Budget	Actual Spend to Date	Forecast Total Cost	2019/20		2020/21			2021/22		
	Wairere Drive Extension - Cambridge Road to Cobham Drive	The final connection of the Hamilton Ring Road will see Cobham Drive raised to allow the four-laned Wairere Drive to pass underneath it. It will also include extensions of shared walking and biking paths. This is a large complex contract with a number of significant risks that need monitoring and managing, as such this project will remain orange throughout the construction period.	On Track	\$59.1 M	\$44.1 M	\$59.1 M								
	Rotokauri Transport Hub	The Hub is a park and ride, rail station, bus interchange and includes a pedestrian connection to The Base. It includes improvements essential to the city's public transport network and will improve the intercity connections between Hamilton and Auckland.	On Track	\$28.9 M	\$28.9 M	\$28.9 M								
	Te Awa Path CBD - Remediation	Specialist slip repair between London Street and Bryce Street to make this section of river path safe again for users.	On Track	\$1.1 M	\$0.9 M	\$1.1 M								
	Mangaiti Park Walking/Cycling Network Connection	Will connect existing walking/cycling paths between St James and Huntington areas in Rototuna, including a new pedestrian bridge across Mangaiti gully.	On Track	\$1.0 M	\$0.1 M	\$1.0 M								
	Te Awa Cycle Extension - Hamilton Gardens to City Boundary	The Hamilton section of the Te Awa River Ride from Mangaonua Stream — in Riverlea — to Hamilton Gardens. Currently tracking behind baseline and seeking further clarification from Contractor around due dates for completion.	On Track	\$5.8 M	\$1.3 M	\$5.8 M								
	Eastern Pathways	Will make it easier and safer for people on the east of our city to get around their neighbourhoods by bike, on foot, or by bus. The budget and actuals shown is for 2018/19 to 2020/21.	On Track	\$5.1 M	\$2.0 M	\$5.1 M								
	Transport Centre Rejuvenation	Upgrading the existing transport centre in the central city and will include platform upgrades and the recently completed driver facilities upgrade. Funding to complete construction is subject to decisions of the 2021/31 LTP. The budget shown here does not include additional funds identified in Business Case and draft 2021/31 LTP.	On Track	\$6.4 M	\$0.3 M	\$6.4 M								
	Gordonton/Puketaha Intersection Upgrade	The 10 Year Plan budgeted for an upgrade of the Puketaha Rd/Gordonton Rd intersection, including connection of St James Dr to Gordonton Rd. At the Infrastructure Operations Committee on 27th April 2021 the macroscope for Puketaha/Gordonton insection was approved. The budget shown here does not include additional funds identified in the draft 2021/31 LTP.	On Track	\$2.7 M	\$0.18 M	\$2.7 M								





Mangaiti Park

Project status

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

KEY

-  Business Case / Investigation
-  Design
-  Procurement
-  Construction

RENEWALS & COMPLIANCE PROGRAMME CAPITAL REPORT

PROGRAMME OUTCOME

Ko te tiaki aa taatou hua hei tika moo toona whainga

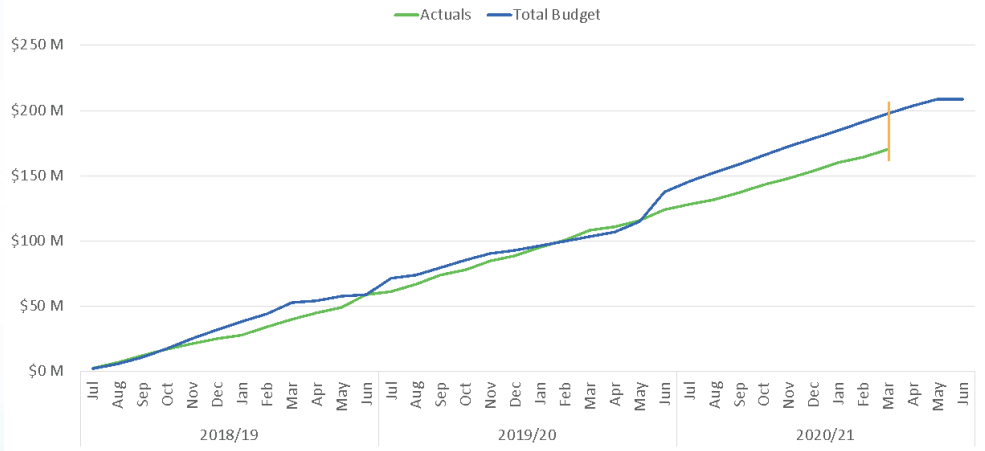
Looking after the assets we have and making sure they are fit for purpose

As approved by Council, the Renewals and Compliance programme is now managed as a three year (36 month) programme with a total budget of \$211.7 million. Over the last 33 months we have spent \$170.3 million (80%). In February and March a total of \$10.2 million was expended leaving a balance for the remainder of the financial year and three year programme of \$41.4 million.

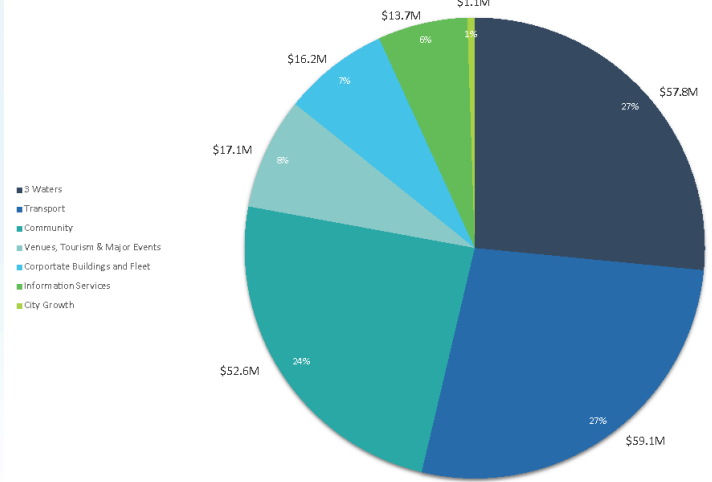


FINANCIAL PERFORMANCE

Capital Expenditure Y1-Y3



Total Budget Y1-Y3



Graph shows \$5.9M is still to be found across the programme from reprioritisation and savings. Total forecast budget over the 3 years is \$211.7M

Summary of Changes to the Capital Budget
for the 2020-21 Financial Year

		Finance Committee Meeting Dates					
Expenditure in 000's	1/07/2020	6/10/2020	2/12/2020	16/02/2021	23/03/2021	13/05/2021	Total
Opening Budget	302,844	302,844	311,453	290,273	283,378	286,807	
Deferrals & b/fwds		4,072	(21,180)	(6,905)	(9,833)	(7,535)	(41,381)
Savings						(3,882)	(3,882)
Changes		4,538		10	13,262	(6,450)	11,360
Closing Expenditure Budget (Forecast)	302,844	311,453	290,273	283,378	286,807	268,940	(33,904)
Revenue in 000's	1/07/2020	6/10/2020	2/12/2020	16/02/2021	23/03/2021	13/05/2021	Total
Opening Budget	58,634	58,634	62,237	62,237	60,077	72,951	
Deferrals & b/fwds		3,130		(2,159)	(2,179)		(1,208)
Savings							
Changes		473			15,052	(404)	15,121
Closing Revenue Budget (Forecast)	58,634	62,237	62,237	60,077	72,951	72,547	13,913

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LIST OF CAPITAL PROJECTS

For the 2020-21 Financial Year

		2020-21 Annual Plan	2020-21 Forecast Changes as at 31	2020-21 Forecast Changes as at 30	2020-21 Forecast Changes as at 31	2020-21 Forecast Changes as at 31 March 2021			
Type		Annual Plan 2020/21	Revised Budget as at 31 October 2020	Revised Budget as at 30 November 2020	Revised Budget as at 31 January 2021	Deferrals and B/fwds	Approved Changes	Savings	Revised Budget as at 31 March 2021
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Arts and Culture									
CE10005 - Library collection purchases	R	1,229	1,292	1,292	1,292	-	-	-	1,292
CE10006 - Library asset renewal	R	147	273	273	273	-	-	-	273
CE10007 - Library building asset renewal programme	R	893	989	989	989	-	-	-	989
CE19015 - Libraries facilitation plan	LOS	-	-	-	-	-	-	-	-
CE19016 - Libraries strategic plan	LOS	-	-	-	-	-	-	-	-
CE19017 - Rototuna community facilities	G	9,500	1,697	1,556	1,556	(450)	-	-	1,106
CE19070 - Community Facilities building renewals	R	128	250	250	250	-	-	-	250
Total Arts and Culture		11,898	4,501	4,359	4,359	(450)	-	-	3,909
City Planning and Development									
CE10037 - CCTV renewals and development	R	54	45	45	45	-	51	-	96
Total City Planning and Development		54	45	45	45	-	51	-	96
Corporate Services									
CE10053 - Tenancy inducement renewals	R	109	115	115	115	-	-	-	115
CE10151 - Renewals program	R	2,271	1,998	1,998	2,460	-	(290)	-	2,170
CE10152 - Network and infrastructure	R	2,023	1,888	1,888	1,888	-	-	-	1,888
CE10153 - Core business applications	R	1,498	1,470	1,470	1,470	-	-	-	1,470
CE10154 - Minor applications	R	64	121	121	121	-	-	-	121
CE10156 - Lease funding of equipment	R	1,578	1,578	1,578	1,578	-	-	-	1,578
CE10158 - Replacement of fleet vehicles	R	2,372	2,552	2,552	2,552	-	-	-	2,552
CE15155 - Mobility and eservices	R	564	551	551	551	-	-	-	551
CE17001 - Customer Service Projects	R	51	51	51	51	-	(51)	-	-
CE19024 - IS major upgrades	R	1,467	1,470	1,470	1,470	-	-	-	1,470
CE19025 - Smart Hamilton Initiatives	LOS	271	262	262	262	-	-	-	262
CE19032 - Civic Square upgrade project	R	541	541	541	541	-	-	-	541
CE19033 - Duke Street workshop replacement	R	60	187	187	187	-	-	-	187
CE19034 - Key Control project	R	-	-	-	-	-	-	-	-
CE19035 - Building Management Systems Council upgrade project	R	-	-	-	-	-	-	-	-
Total Corporate Services		12,869	12,786	12,786	13,248	-	(341)	-	12,907
Parks and Recreation									
CE10001 - Aquatic facilities building renewals	R	320	444	444	444	-	58	-	502
CE10003 - Waterworld operational asset renewals	R	410	413	413	413	-	31	-	444
CE10004 - Gallagher Aquatic Centre operational asset renewal	R	57	75	75	75	-	-	-	75
CE10021 - Building renewals cemeteries	R	-	-	-	-	-	-	-	-
CE10022 - Renewal of crematorium assets	R	137	129	129	129	-	-	-	129
CE10023 - Hamilton Park east and west cemeteries renewals	R	282	304	314	314	-	-	-	314
CE10029 - Toilet and changing room renewals	R	113	355	355	355	-	-	-	355
CE10030 - Building renewals parks and open spaces	R	124	1	1	1	-	-	-	1
CE10031 - Sports area renewals	R	1,668	1,483	1,483	1,483	-	(160)	-	1,323
CE10032 - Parks and open spaces assets and playgrounds renewals	R	1,850	3,282	3,282	3,282	-	-	-	3,282
CE15024 - Hamilton Park cemetery, burial and ash lawn extension	G	97	97	97	97	-	-	-	97
CE15033 - Land purchase future reserves	G	-	406	406	406	-	-	-	406
CE15035 - Rototuna Park development	G	699	731	731	731	-	-	-	731
CE15036 - Playground development programme	LOS	700	-	-	-	-	-	-	-
CE17004 - River Plan	LOS	935	902	902	902	-	-	-	902
CE19001 - Hamilton Park cemetery accessible toilet block	LOS	-	-	-	-	-	-	-	-
CE19002 - Cemetery land acquisition	G	-	-	-	-	-	-	-	-
CE19003 - Parks Toilets development/upgrade	LOS	2,068	2,303	2,303	2,303	-	-	-	2,303
CE19004 - Destination Parks Renewals	R	4,426	4,454	4,454	4,454	-	-	-	4,454
CE19005 - Sports Park development	G	2,166	2,163	2,163	2,163	(800)	-	-	1,363
CE19006 - Te Rapa Sportsdrome building renewals	R	-	-	-	-	-	-	-	-
CE19007 - Peacocke Parks development	G	9,994	10,004	10,004	10,004	-	-	-	10,004
CE19009 - Rototuna Parks development	G	-	-	-	-	-	-	-	-
CE19010 - Te Manatu Park development	G	402	402	402	402	-	-	-	402
CE19012 - Day's Park erosion remediation	LOS	-	-	-	-	-	-	-	-
CE19013 - Pooches and Parks	LOS	95	87	87	87	-	-	-	87
CE19014 - Waikwhakareke Natural Heritage Park development	LOS	-	5	5	5	-	-	-	5
CE19022 - Alternative Weed Control	LOS	-	-	-	-	-	-	-	-
CE19071 - Sports Park Drainage	LOS	1,361	1,318	1,318	1,318	-	160	-	1,478
Total Parks and Recreation		27,901	29,360	29,370	29,370	(800)	89	-	28,659
Rubbish and Recycling									
CE10054 - Replacement of closed landfill assets	R	1,144	1,143	1,143	1,143	-	-	-	1,143
CE10056 - Replacement of RTS & HOC assets	R	239	300	300	300	-	(20)	-	280
CE15055 - Closed landfill management	LOS	77	80	80	80	-	-	-	80
CE19027 - Refuse drop off points	G	43	43	43	43	-	-	-	43
Total Rubbish and Recycling		1,503	1,567	1,567	1,567	-	(20)	-	1,547
Sewerage									
CE10100 - Replacement of wastewater pump stations	R	806	816	816	816	-	-	-	816
CE10101 - Replacement of wastewater assets	R	4,751	4,693	4,693	5,293	-	(100)	-	5,193
CE10115 - Replacement of wastewater treatment plant assets	R	2,042	1,779	1,779	1,779	-	-	-	1,779
CE15103 - Increase capacity of wastewater pump stations	LOS	1,473	1,657	1,657	1,706	-	-	-	1,706
CE15104 - Wastewater pipe upgrade - growth	G	325	632	632	632	-	-	-	632
CE15105 - Increase capacity of wastewater network - Rototuna	G	625	733	628	628	(346)	-	-	281
CE15106 - Wastewater network upgrades to allow development	G	87	119	119	119	-	-	-	119
CE15107 - Increase capacity of network in Rotokauri stage 1	G	949	834	834	1,854	-	-	-	1,854
CE15109 - Increase capacity of network in Peacocke stage 1	G	559	449	449	449	-	-	-	449
CE15111 - Increase capacity of network throughout the city	G	-	-	-	-	-	-	-	-
CE15117 - Upgrade wastewater treatment plant (Pukete 3)	G	8,170	7,595	7,595	7,595	-	-	-	7,595
CE15120 - Wastewater treatment plant compliance	LOS	3,253	3,472	3,472	3,472	-	-	-	3,472
CE15121 - Wastewater customer connections to the network	G	54	54	54	54	-	-	-	54
CE15160 - Wastewater model	R	623	1,051	1,051	1,051	-	-	-	1,051
CE15161 - Wastewater master plan	G	163	140	140	140	-	-	-	140
CE19029 - Wastewater seismic strengthening	LOS	108	138	138	138	-	-	-	138
CE19040 - Increase capacity network Peacocke Stage 2	G	13,022	12,933	12,933	12,933	-	-	-	12,933
CE19041 - Increase capacity WW far east network	G	2,956	-	-	-	-	-	-	-
CE19042 - Increase capacity WW south network	G	10,283	6,798	6,798	6,798	-	-	-	6,798
CE19043 - Increase capacity WW west network	G	11,285	11,006	11,006	9,039	(536)	-	(210)	8,293

Attachment 4

Item 6

		2020-21 Annual Plan	2020-21 Forecast Changes as at 31	2020-21 Forecast Changes as at 30	2020-21 Forecast Changes as at 31	2020-21 Forecast Changes as at 31 March 2021			
		Annual Plan 2020/21	Revised Budget as at 31 October 2020	Revised Budget as at 30 November 2020	Revised Budget as at 31 January 2021	Deferrals and B/fwds	Approved Changes	Savings	Revised Budget as at 31 March 2021
Type									
CE19044 - Increase capacity WW east network	G	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
CE19050 - Increase capacity WW central network	G	3,085	3,063	3,063	1,278	(436)	-	(182)	660
CE19072 - Increase capacity of network in Te Rapa	G	1,935	1,913	1,913	2,413	-	-	-	2,413
		-	-	-	-	-	-	-	-
Total Sewerage		66,553	59,874	59,769	58,187	(1,318)	(100)	(392)	56,376
Stormwater									
CE10058 - Replacement of stormwater assets	R	587	633	633	2,120	-	(300)	-	1,820
CE15059 - Rototuna stormwater infrastructure	G	3,691	3,437	40	40	-	-	-	40
CE15060 - Rotokauri stormwater infrastructure stage 1	G	773	773	773	2,093	(407)	-	-	1,685
CE15062 - Peacocke stormwater infrastructure stage 1	G	927	702	702	702	-	-	-	702
CE15063 - Peacocke stormwater infrastructure stage 2	G	8,277	9,993	9,993	9,993	-	-	-	9,993
CE15064 - Stormwater pipe upgrade - growth	G	163	319	319	319	-	-	-	319
CE15066 - Existing network improvements in new areas	G	114	195	195	195	-	-	-	195
CE15067 - Comprehensive stormwater consent implementation	LOS	74	81	81	130	-	-	-	130
CE15068 - Stormwater customer connections to the network	G	54	54	54	54	-	-	-	54
CE15162 - Integrated catchment management plan	G	951	762	762	762	-	-	-	762
CE19026 - Erosion control works	LOS	2,200	2,732	6,466	6,466	(400)	-	(600)	5,466
Total Stormwater		17,811	19,680	20,017	22,874	(807)	(300)	(600)	21,166
Transport									
CE10069 - Resurfacing off street carparks	R	-	-	-	-	-	-	-	-
CE10070 - Replacement of parking enforcement equipment	R	414	440	440	440	-	-	-	440
CE10071 - Parking building renewal	R	60	379	379	379	-	-	-	379
CE10072 - Replacement of footpath	R	5,079	5,543	5,543	5,543	-	-	-	5,543
CE10074 - Replacement of drainage (kerb and channel)	R	1,708	857	857	857	-	-	-	857
CE10075 - Replacement of road base	R	1,330	1,789	1,789	1,789	-	-	-	1,789
CE10076 - Road resurfacing	R	5,563	6,620	6,620	6,620	-	-	-	6,620
CE10077 - Replacement of bridges and culverts	R	2,548	2,894	2,894	2,894	-	-	-	2,894
CE10080 - Replacement of lighting	R	2,860	2,327	2,327	2,327	-	-	-	2,327
CE10081 - Replacement of traffic equipment	R	402	305	305	305	-	-	-	305
CE10098 - Building and property renewals	R	13	-	-	-	-	-	-	-
CE15085 - Minor improvements to transport network	LOS	2,166	2,882	2,882	2,882	-	-	-	2,882
CE15086 - Bus stop infrastructure	LOS	704	1,060	1,060	1,060	-	-	-	1,060
CE15087 - Network upgrades to allow new development	G	190	238	238	238	(170)	-	-	68
CE15088 - Roading upgrades and development in Peacocke stage 1	G	2,907	1,701	1,701	1,701	-	1,500	-	3,201
CE15089 - Roading upgrades and development in Peacocke stage 2	G	25,742	23,708	23,708	23,708	1,500	(1,500)	-	23,708
CE15090 - Roading upgrades and development in Rotokauri stage 1	G	12,659	9,174	8,627	8,433	207	-	(554)	8,085
CE15092 - Roading upgrades and development in Rototuna	G	11,899	14,463	10,591	9,694	80	-	(523)	9,251
CE15093 - Roading upgrades and development in Ruakura	G	8,854	8,238	8,238	10,007	(1,700)	(6,450)	(1,320)	537
CE15095 - Integrated transport initiatives	G	2,475	2,805	2,805	2,805	-	-	-	2,805
CE15096 - Cross city connector	G	-	-	-	-	-	-	-	-
CE15097 - Northern river crossing	G	-	-	-	-	-	-	-	-
CE19036 - Ring Road	G	13,977	13,156	13,156	13,156	-	-	-	13,156
CE19037 - Hamilton transport model	G	500	500	500	500	-	-	-	500
CE19038 - Rotokauri rail platform	G	500	7,090	7,090	7,090	-	-	-	7,090
CE19052 - Intersection safety upgrade programme	LOS	1,881	-	-	-	-	-	-	-
CE19054 - Bridge safety improvements	LOS	3,764	3,763	3,763	3,763	-	-	-	3,763
CE19057 - Biking plan implementation	G	10,450	10,747	10,747	10,747	(2,350)	-	-	8,397
CE19058 - Mass transit	G	5,877	5,278	5,278	5,278	-	-	-	5,278
CE19062 - Bridge resilience programme	LOS	-	-	-	-	-	-	-	-
CE19063 - Intersection capacity upgrade programme	G	452	1,175	1,175	1,175	-	-	-	1,175
CE19064 - Transport Centre rejuvenation	LOS	1,407	1,448	148	148	-	-	-	148
CE19065 - Modal access on bridges programme	G	-	-	-	-	-	-	-	-
Total Transport		126,380	128,580	122,861	123,540	(2,433)	(6,450)	(2,397)	112,259
Venues Tourism and Major Events									
CE10040 - Business administration plant and equipment	R	33	74	74	74	-	-	-	74
CE10041 - Claudelands plant and equipment	R	503	423	423	423	-	-	-	423
CE10042 - Seddon Park plant and equipment	R	-	-	-	-	-	-	-	-
CE10043 - Waikato Stadium plant and equipment	R	356	416	416	416	-	-	-	416
CE10044 - Turf services plant and equipment	R	54	54	54	54	-	-	-	54
CE10046 - Seddon Park property renewals	R	314	851	851	851	-	(41)	-	810
CE10047 - Waikato Stadium property renewals	R	579	634	634	634	-	290	-	924
CE10048 - Stadia building renewals	R	1,319	1,383	1,383	1,383	-	20	-	1,403
CE10049 - Claudelands building renewals	R	774	571	571	571	-	-	-	571
CE15050 - Claudelands capital improvement programme	LOS	49	204	204	204	-	-	-	204
CE15051 - Stadia capital improvement function	LOS	429	818	818	818	-	21	-	839
CE19031 - i-Site building renewals	R	-	-	-	-	-	-	-	-
CE10013 - Technical services equipment renewals	R	422	467	467	467	-	-	-	467
Total Venues Tourism and Major Events		4,830	5,428	5,895	5,895	-	290	-	6,185
Visitor Attractions									
CE10008 - Museum asset renewal	R	52	22	22	22	-	200	-	222
CE10009 - ArtsPost earthquake strengthening	LOS	-	-	-	-	-	-	-	-
CE10010 - Public art support fund	R	132	99	99	99	-	-	-	99
CE10011 - Museum activity building renewals	R	533	893	893	893	-	-	-	893
CE10015 - Zoo animal enclosure renewals	R	312	559	559	559	-	-	-	559
CE10016 - Zoo building renewals	R	13	21	21	21	-	-	-	21
CE10017 - Property renewals	R	18	40	40	40	-	-	-	40
CE10020 - Zoo animal replacement	R	161	102	102	102	-	-	-	102
CE10026 - Hamilton Gardens renewals	R	168	180	180	180	-	-	-	180
CE10028 - Hamilton Gardens building renewals	R	12	112	112	112	-	-	-	112
CE19018 - Museum loading bay	LOS	-	-	-	-	-	-	-	-
CE19019 - Zoo safety improvements	LOS	1,014	981	981	981	-	-	-	981
CE19020 - Hamilton Zoo improvement programme	LOS	81	-	-	-	-	125	-	125
CE19021 - Water and stormwater reticulation	R	193	207	207	207	-	-	-	207
CE19023 - Hamilton Gardens development	LOS	3,014	3,138	1,988	1,988	80	-	-	2,068
CE19028 - Collection acquisition fund	R	97	130	130	130	-	-	-	130
CE19030 - Zoo and Waiwhakareke Entrance Precinct	LOS	5,477	4,587	4,587	4,587	(2,200)	-	-	2,387
Total Visitor Attractions		11,278	11,071	9,921	9,921	(2,120)	325	-	8,126
Water Supply									
CE10123 - Replacement of watermain	R	2,292	1,888	1,888	2,488	-	2,850	-	5,338
CE10124 - Replacement of water meters, valves and hydrants	R	2,097	2,647	2,647	2,647	-	(2,450)	-	197
CE10138 - Replacement of treatment plant and reservoir assets	R	2,969	2,943	2,943	2,943	-	(290)	-	2,653
CE10145 - Tools of trade renewals	R	54	74	74	74	-	-	-	74

		2020-21 Annual Plan	2020-21 Forecast Changes as at 31	2020-21 Forecast Changes as at 30	2020-21 Forecast Changes as at 31	2020-21 Forecast Changes as at 31 March 2021			
		Annual Plan 2020/21	Revised Budget as at 31 October 2020	Revised Budget as at 30 November 2020	Revised Budget as at 31 January 2021	Deferrals and B/fwds	Approved Changes	Savings	Revised Budget as at 31 March 2021
Type									
CE15126 - Upgrade or build new watermains in Rototuna	G	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
CE15127 - Water pipe upgrade - growth	G	1,526	1,528	1,402	1,251	178	-	(276)	1,152
CE15128 - Upgrade/build new watermains in Rotokauri stage 1	G	325	631	631	1,366	-	-	-	1,366
CE15130 - Upgrade/build new watermains in Peacocke stage 1	G	61	61	61	61	-	-	-	61
CE15130 - Upgrade/build new watermains in Peacocke stage 1	G	-	-	-	-	-	-	-	-
CE15132 - Water network upgrades to allow new development	G	87	164	164	164	-	-	-	164
CE15133 - Water demand management - network water loss	LOS	-	-	-	952	-	-	-	952
CE15134 - Water demand management - Pukete reservoir zone	G	-	-	-	-	-	-	-	-
CE15135 - Upgrade/build distribution watermains in Peacocke	G	623	577	577	577	-	-	-	577
CE15137 - Water demand management - Newcastle reservoir zone	G	2,313	2,282	2,282	2,282	-	-	-	2,282
CE15139 - Water treatment plant compliance - minor upgrades	LOS	2,089	2,238	2,238	2,238	-	-	-	2,238
CE15141 - Water demand management - Hillcrest reservoir zone	G	-	256	256	256	-	-	-	256
CE15144 - Upgrade water treatment plant	G	2,058	1,979	1,979	1,979	-	310	-	2,289
CE15146 - Water customer connections	G	54	54	54	54	-	-	-	54
CE15148 - Upgrade or build new watermains in Ruakura	G	217	-	-	-	217	-	(217)	-
CE15158 - Water model	R	585	597	597	597	-	-	-	597
CE15159 - Water master plan	G	-	27	27	27	-	-	-	27
CE16004 - Eastern Bulk Main Slip	G	658	978	978	978	-	-	-	978
CE19045 - Ruakura reservoir & associated bulk mains	G	2,486	1,419	1,419	761	-	-	-	761
CE19046 - Upgrade/build new watermains in Peacocke Stage 2	G	1,272	1,280	1,280	1,280	-	-	-	1,280
CE19047 - Water Demand Management - Maeroa reservoir zone	G	-	-	-	-	-	-	-	-
CE19048 - Water Demand Management - Hamilton South reservoir zone	G	-	-	-	-	-	-	-	-
CE19049 - Water Demand Management - Fairfield reservoir zone	G	-	-	-	-	-	-	-	-
CE19073 - Upgrade/build new watermains in Te Rapa	G	-	-	-	-	-	-	-	-
Total Water Supply		21,768	21,625	21,499	22,976	394	420	(493)	23,297
Renewals and Compliance Movements - will be found through programme reprioritisation by 30 June 2021*		-	(4,709)	(4,709)	(5,171)	(414)		-	(5,585)
Grand Total		302,844	290,275	283,380	286,810	(7,535)	(6,450)	(3,882)	268,942

Note numbers correspond to explanatory comments. These are found following this statement.

*The renewals and compliance programme is being managed as a 3 year programme. This approach allows staff to activity manage the required works and where appropriate undertake projects previously not part of the programme. The \$4.7m represents the value of new projects undertaken in the previous year, this balance will need to be found from savings throughout the remainder of 2020-21.

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Council Report

Item 7

Committee: Finance Committee

Date: 13 May 2021

Author: Tracey Musty

Authoriser: David Bryant

Position: Financial Controller

Position: General Manager People and Organisational Performance

Report Name: Annual Monitoring Report to 31 March 2021

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

1. To inform the Finance Committee on Council's financial performance for the nine months ended 31 March 2021.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Finance Committee receives the report.

Executive Summary - *Whakaraapopototanga matua*

3. This report is to be read in conjunction with the:
 - 31 March 2021 (13 May 2021 meeting) Capital Portfolio Monitoring Report
 - 31 March 2021 (13 May 2021 meeting) Financial Strategy Monitoring Report
4. The 31 March 2021 financial results show a positive variance against the year to date (YTD) budget in the accounting result and a favourable balancing the books result.
5. Forecast adjustments have been brought in to reflect our anticipated year end position.
6. There continues to be positive results in the fees and charges space, due to both increased consenting and an increased number of visitors to Council's visitor destinations.
7. Development Contribution (DC) revenue is continuing to track favourably against budget. The domestic housing market bounce back has resulted in Council reforecasting the year end result in line with the 2018-28 LTP budget.
8. Additional operational revenue received offsets the overspend in expenditure in areas such as the Te Awa cycleway remediation and in the planning area where fees and charges offset increased expenditure on personnel and consultants.
9. Unbudgeted water reform stimulus projects are being funded by the Department of Internal Affairs (DIA), which offsets the expenditure.
10. An increase in forecast personnel costs, as a result of the Te Awa Cycleway remediation, is offset by the increased forecast operational contributions from the Ministry of Business, Innovation and Employment.

11. A key area to note is a change in forecast in administration expense. \$12M of the Waikato Regional Theatre grant has been re-phased to years 2022 and 2023 as part of the draft 2021-2031 Long Term Plan.
12. Depreciation is favourable against budget as the team works on capitalising projects that have been completed. A favourable forecast of \$0.3M is due to a delay in the completion of the transportation revaluation.
13. Finance costs have been reforecast to better reflect the impact of reduced interest rates and the fact that debt is lower than budgeted. A savings of \$1.8M is expected in this area.
14. Council's treasury position remains favourable. There has been no need for further borrowing and debt remains well below budget. This is a result of the favourable cash position held at the end of the last financial year and the increase in the DC and fees and charges area.
15. Council's fixed rate hedging has increased to 37% as at 31 March 2021. This is due to a new swap transaction in March 2021. A second new swap was transacted in April 2021 which will see Council meet the minimum limit of 40% as set out in the Investment and Liability Management Policy. In reviewing Council's interest rate risk position, and in consultation with PwC Treasury Advisors, there is no requirement to amend the Investment and Liability Management Policy.
16. Council continues to see gains on the revaluation of our swaps. This is not a cash gain, but rather an accounting/book entry and reflects the market swap rate movement as reflected in **Attachment 3**. This reflects the benefits of the hedging decisions made over the last few years.
17. Staff consider the matters in this report have low significance and that the recommendations comply with Council's legal requirements.

Discussion - *Matapaki*

Operating Results

The accounting results

18. The Statement of Comprehensive Revenue and Expense discloses the accounting result in accordance with accounting standards.
19. The accounting result for the nine months ended 31 March 2021 is a surplus of \$105.8M. This is \$50.3M favourable against the YTD budget surplus of \$55.5M.

Accounting Result		
YTD Actual	YTD Budget	Variance
\$105.8M	\$55.5M	\$50.3M

20. The Annual Forecast has been adjusted to reflect the forecasting adjustments.

Annual Accounting Result		
Annual Forecast	Annual Budget	Variance
\$122.3M	\$66.1M	\$56.2M

Balancing the books result

21. The balancing the books result for the nine months ended 31 March 2021 is \$8.1M. This is \$10.9M favourable against a YTD budget of (\$2.8M).

Balancing the Books		
YTD Actual	YTD Budget	Variance
\$8.1M	(\$2.8M)	\$10.9M

22. The annual forecast is favourable to budget by \$3.9M. Detail on this to follow under the Operating Expenditure section of this report.

Annual Balancing the Books		
Annual Forecast	Annual Budget	Variance
(\$0.5M)	(\$4.4M)	\$3.9M

Understanding material variances

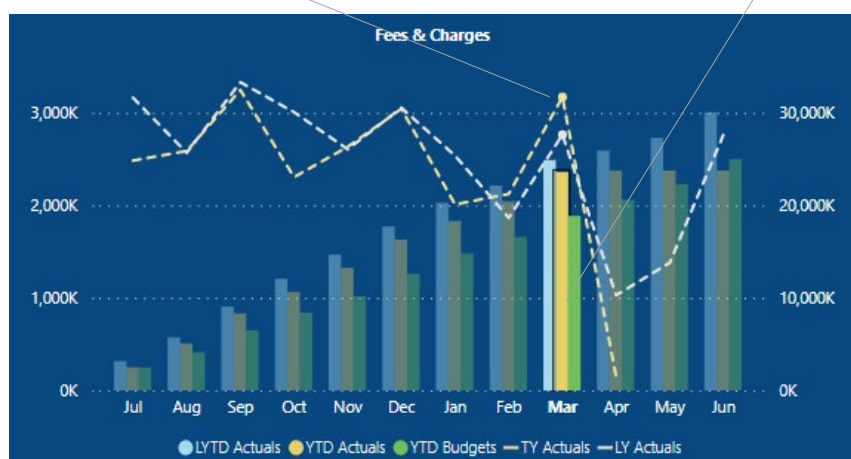
23. The Statement of Comprehensive Revenue and Expense is contained in **Attachment 1**.
24. Individual Everyday Revenue and Expense statements for each of the Council's twelve activities, overheads and general expenses are contained in **Attachment 2**.
25. A reconciliation of the accounting result to the balancing the books result is provided after the Statement of Comprehensive Revenue and Expense.

Operating Revenue

26. Total Operating Revenue is \$8.2M higher than YTD budget.
27. Rates revenue is favourable to YTD budget by \$0.4M. This is due to the covid-19 rebate that was budgeted for, but not taken up.
28. Fees & Charges contribute the largest share of the favourable variance in Operating Revenue and exceeds YTD budget by \$7.8M.

Line graph is monthly: axis values on the left-hand side

Bar graph is YTD: axis values on the right-hand side



The bar chart compares Last Year to Date Actuals (LYTD Actuals), Year to Date Actuals (YTD Actuals) and Year To Date Budgets (YTD Budgets). These values are reflected on the vertical axis to the right-hand side. The line chart above compares This Year Actuals (TY Actuals) and Last Year Actuals (LY Actuals) at each month. These values are reflected on the vertical axis to the left-hand side.

29. At 31 March 2021, the YTD actual for Fees & User Charges was \$32.1M and is tracking above the YTD budget by \$7.8M (above last year actuals by \$1.2M). This favourable result is due to increased event activity in Venues, Tourism and Major Events and attractive visitor numbers at Council's visitor destinations. Revenue from building consents has remained consistent despite an anticipated downturn as reflected in the budget.
30. Operating contributions contributed \$2.5M towards the favourable variance in Fees & Charges. This is due to an unbudgeted grant received from the Ministry of Business, Innovation and Employment (MBIE) for the shovel ready project upgrade of the Te Awa Cycleway. This revenue offsets the cost of the project as the expenditure is incurred. Funds received from the Department of Internal Affairs (DIA) are also included, and offset expenditure on the Water Reform Stimulus projects.
31. Other Revenue is favourable by \$0.3M. The favourable variance of Rental income and Petrol Tax income is offset by an unfavourable variance in Infringement & Fines. Infringement & Fines revenue tracks below YTD budget and shows an increase on monthly revenue compared to last year (line graph), as reflected:



- The YTD actual for Infringement & Fines at 31 March 2021 was \$0.9M. This is still below a YTD budget of \$1M, and a YTD comparable for last year of \$1.3M. The Covid-19 impact was felt in this area where the issuing of fines for traffic infringements only resumed in October 2020.
33. Please refer to the activity statements (**Attachment 2**) for material variance explanations.

Capital Revenue

34. Total Capital Revenue is \$22.3M favourable to budget.
35. DCs are ahead of budget by \$6.1M. Large developments (especially residential subdivisions and non-residential) do not pay required DCs in a smooth, linear fashion but in large amounts when development milestones are met. Therefore, the quantum of DCs will vary significantly year on year and quarter by quarter. DCs have been reforecast in line to better reflect the improvement in the domestic housing market.
36. Capital subsidies and contributions are favourable to budget by \$15.2M. Projects attracting NZTA subsidies have progressed faster than anticipated and resulted in a favourable variance to budget of \$11.2M. The favourable variance in capital contributions of \$4M is due to NZTA contributing to the construction cost of the Ring Road, DIA funding for Water Reform Stimulus project and Council receiving capital contributions for the instalment of new water and wastewater connections.

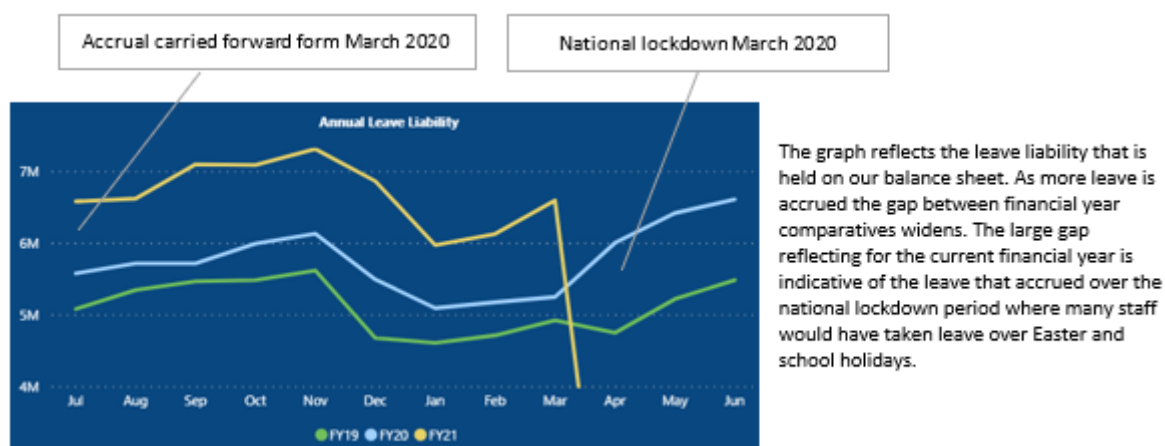
37. Vested assets are favourable to budget by \$1M.
38. The addition of vested assets increases the operating and maintenance costs for Council, as well as depreciation. An estimate of operating and maintenance costs and depreciation expense has been made in the 10-Year Plan to support the annual vested assets budget.

Asset class	YTD Actual \$000	Annual Budget \$000	Life Range (Years)	Estimated Annual Depreciation \$000
Wastewater	1,843	3,287	15-100	23
Stormwater	3,822	5,508	30-100	48
Water Supply	959	1,920	50-80	12
Roading	7,995	21,764	12-140	160
Parks and Recreation	343	-		-
Land – Under Roads	5,751	-		-
Land – Recreation Reserve	872	-		-
Land – Infrastructure	3,762	-		-
Total	25,349	32,479		243

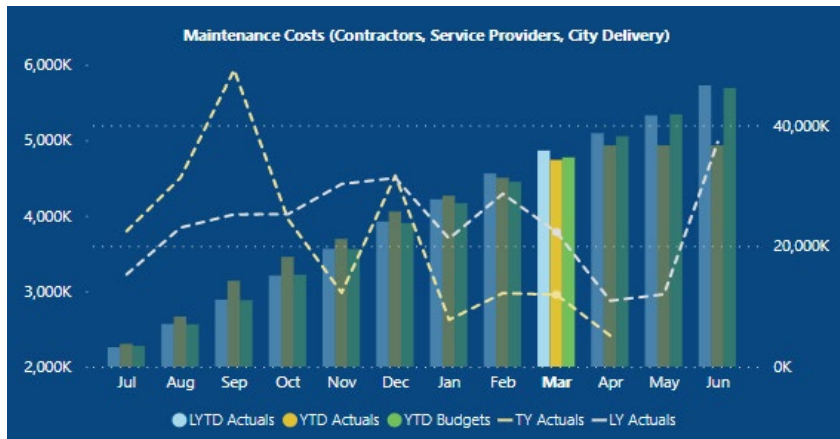
39. Through the 2018-28 10-Year Plan, increased funding was made available for maintenance on new vested assets for three waters and transportation activities. The nature of vested infrastructure assets are that they have a long useful life and generally do not require significant direct maintenance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

Operating Expenditure

40. Total Operating Expenditure is favourable to budget by \$0.9M. Unfavourable variances are due to Personnel Costs, Operating & Maintenance Costs and Professional Costs as explained below.
41. Personnel Costs are unfavourable to budget by \$1.5M. This is mainly due to recruitment and other personnel costs being unfavourable to budget by \$0.4M. Staff remuneration budgets of \$0.5M relating to the Te Awa Cycleway project is offset by funding received from the Ministry of Business, Innovation and Employment (MBIE).
42. Leave accruals are reflected below:



43. Operating & Maintenance Costs are unfavourable to budget by \$0.6M (January \$2M). Increased expenditure on contractors as reflected:



44. The YTD actual for Contractors and Service Providers is \$30.9M. This is \$0.2M unfavourable against a YTD budget of \$31.1M. This is due to unbudgeted expenditure incurred on the Te Awa Cycleway remediation, which is funded by the MBIE. This is offset by the revenue as mentioned in paragraph 30.
45. Professional Costs are unfavourable to budget by \$1.8M. Part of this consists of an overspend in the Planning Guidance Unit related to an increase in workload. This is offset by an underspend in Personnel Costs in Planning & Development. Unbudgeted Water reform stimulus projects makes up \$1.4M of the spend to date. This is offset by contributions received from the Department of Internal Affairs (DIA).
46. Operational expenditure forecasts include:
- the annual forecast for Professional Costs has been increased by \$5M to allow for additional expenditure on expert consultants and additional legal fees. This is due to the Development Contributions Judicial Review and the additional expenditure on the water reform stimulus projects, which is offset by increased Fees & Charges forecasts;
 - \$0.6M of funding for the Wastewater Metro Spatial Plan project was initially made available through the re-prioritisation of 2019/20 consultation budgets, however this project will now be funded by the Water Reform Stimulus grant. These funds can now be repurposed to the Transportation activity to assist with the Transportation Metro Spatial Plan business case;
 - the Waikato Theatre Grant has been re-phased to align with the funding deed, which was approved by Council in February 2021; and
 - finance costs reflect the effect of reduced interest rates as well as lower than budgeted debt.
47. Please refer to the activity statements (**Attachment 2**) for material variance explanations.

Gains and Losses

48. The 31 March 2021 adjustment on non-cash revaluation of Council's Financial borrowing instruments resulted in a \$20.9M gain. See **Attachment 3** for swap interest rate movement.

Treasury Management

49. Council's compliance with its treasury policy measures at 31 March 2021 is as follows:

Counterparty credit risk	Max	\$75m per bank	Achieved	✓
Liquidity ratio	Min	110%	128%	✓
Funding maturity	0 - 3 years	15% - 60%	34%	✓
	3 - 5 years	15% - 60%	22%	✓
	5 years +	10% - 60%	44%	✓
Fixed rate debt maturity	All years	Within annual parameters	Not achieved	✗

Interest Rate Risk Management

50. 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.
51. At 31 March 2021 Council's fixed rate hedging is 37%. This falls outside our debt interest rate policy parameters which requires a minimum fixed rate of 40% and a maximum fixed rate of 95%. PwC Treasury Advisors have recommended two new \$20M, five-year swaps, in order to regain policy compliance. One of these new swaps is reflected in the fixed rate hedging of 37%, which has since increased by 5%. The second swap will be reflected in the 30 April 2021 results.
52. Our gross cost of funds over a 12-month rolling average is 2.4%.

Debt and Cash Investments

53. The Debt Forecast and the Debt to Revenue ratio form part of our Financial Strategy and is addressed within the Financial Strategy Monitoring Report.

Treasury Performance			
	YTD Actual	Annual Budget	Variance
Cash Investments	\$151.6M	\$86.1M	\$65.5M
Total External Debt	\$575M	\$716.8M	(\$141.8M)
Finance Cost on Borrowings	\$9.4M	\$14.6M	(\$5.2M)

Legal and Policy Considerations - Whaiwhakaaro-aa-ture

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

Wellbeing Considerations - Whaiwhakaaro-aa-oranga tonutanga

55. 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').
56. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.
57. The recommendations set out in this report are consistent with that purpose.

58. Economic wellbeing is managed through the efficient monitoring of Council's financial results. Diligent management of Council's budget and regular review of forecasts is required to ensure Council is operating effectively and policy compliance is met.
59. The environmental, social and cultural wellbeings are not directly impacted by the annual monitoring report. However, the efficient review and management of Council's financial position supports the wider business in their delivery of key objectives that enhance these wellbeings.

Risks - *Tuuraru*

60. There are no known risks associated with the decisions of this report.

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

Significance

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

Engagement

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

Attachments - *Ngaa taapirihanga*

Attachment 1 - Statement of Comprehensive Revenue and Expense 31 March 2021

Attachment 2 - Council Activities 31 March 2021

Attachment 3 - Treasury Position 31 March 2021

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
FOR THE MONTH ENDED 31 MARCH 2021

Attachment 1

\$000		\$000		\$000		\$000		\$000		\$000	
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent		Annual Forecast	Annual Variance Fav/(Unfav)		
Operating Revenue											
142,094	Rates	147,857	147,474	383	200,066	74%		200,066			
30,834	Fees & Charges	32,081	24,271	7,810	32,260	99%		43,160	10,900		
8,307	Subsidies & Grants	5,030	5,220	(191)	7,227	70%		7,227			
1,024	Interest Revenue	884	938	(54)	1,250	71%		1,250			
6,299	Other Revenue	5,525	5,264	261	10,298	54%		10,317	19		
188,557	TOTAL OPERATING REVENUE	191,376	183,167	8,209	251,101	76%		262,019	10,918		
Capital Revenue											
26,051	Development Contributions	22,996	16,878	6,118	22,504	102%		29,909	7,405		
30,406	Capital Revenue	44,596	29,391	15,205	58,634	76%		72,547	13,913		
34,686	Vested Assets	25,347	24,359	988	32,479	78%		32,479			
91,144	TOTAL CAPITAL REVENUE	92,939	70,628	22,311	113,617	82%		134,935	21,318		
279,701	TOTAL REVENUE	284,315	253,795	30,520	364,717	78%		396,954	32,237		
Expenditure											
61,404	Personnel Costs	64,244	62,742	(1,502)	83,802	77%		85,202	(1,400)		
39,028	Operating & Maintenance Costs	39,933	39,366	(567)	52,927	75%		55,510	(2,583)		
9,013	Professional Costs	9,664	7,857	(1,807)	13,820	70%		18,776	(4,956)		
15,121	Administration Expenses	12,661	13,347	687	36,367	35%		24,367	12,000		
8,182	Property Costs	7,625	7,654	29	10,017	76%		10,201	(184)		
13,620	Finance Costs	9,487	11,287	1,800	17,124	55%		15,324	1,800		
51,058	Depreciation & Amortisation Expense	53,735	56,049	2,314	74,727	72%		74,431	296		
197,426	TOTAL EXPENDITURE	197,349	198,302	953	288,785	68%		283,811	4,974		
82,274	OPERATING SURPLUS/(DEFICIT)	86,967	55,493	31,473	75,932	115%		113,143	37,211		
Gains and Losses											
(8,574)	Net gain/(loss) on revaluation of interest rate swaps	20,860		20,860				20,860	20,860		
	Gain on fair value of investment properties				593	0%		593			
(2,908)	Property, plant and equipment net gain/(loss)	(2,068)		(2,068)	(10,457)	20%		(12,267)	(1,810)		
(11,482)	TOTAL GAINS AND LOSSES	18,792		18,792	(9,864)	(191%)		9,186	19,050		
70,792	TOTAL SURPLUS/(DEFICIT)	105,759	55,493	50,265	66,068	160%		122,329	56,260		

Refer to Activity Statements for variances against budget.

Item 7

Attachment 1

BALANCING THE BOOKS RESULT FOR THE MONTH ENDED 31 MARCH 2021

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
70,792	Surplus/(Deficit)	105,759	55,493	50,265	66,068	160%	122,329	56,260
	Remove capital revenue							
(34,686)	Vested assets	(25,347)	(24,359)	(988)	(32,479)	78%	(32,479)	
(20,980)	Part of Development and Financial contributions	(15,594)	(10,970)	(4,623)	(14,627)	107%	(22,032)	(7,405)
(18,980)	Capital Subsidy (excluding subsidy on transport renewals)	(27,646)	(16,711)	(10,935)	(37,736)	73%	(44,848)	(7,113)
(5,520)	Other Capital Contributions	(9,810)	(5,858)	(3,952)	(12,496)	79%	(19,296)	(6,800)
(471)	Other items not considered everyday operating revenue	(681)	(681)		(4,217)	16%	(4,217)	
	Remove (gains)/losses							
11,482	All Gains/(Losses)	(18,792)		(18,792)	9,864	(191%)	(9,186)	(19,050)
	Remove other expenses							
91	Other items not considered everyday operating expenses	214	285	(71)	21,189	1%	9,189	(12,000)
1,727	EVERYDAY SURPLUS/(DEFICIT)	8,103	(2,802)	10,904	(4,433)	(183%)	(540)	3,893

LOCAL GOVERNMENT BALANCING THE BOOKS MEASURE FOR THE MONTH ENDED 31 MARCH 2021

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
70,792	Surplus/(deficit)	105,759	55,493	50,265	66,068	160%	122,329	56,260
	Adjustments for the Local Government Regulations measure							
	Gains excluding gains on investment properties				(593)	0%	(593)	
8,574	Net (Gain)/Loss on derivative financial instruments	(20,860)		(20,860)	0		(20,860)	(20,860)
(26,051)	Development and Financial contributions	(22,996)	(16,878)	(6,118)	(22,504)	102%	(29,909)	(7,405)
(34,686)	Vested assets	(25,347)	(24,359)	(988)	(32,479)	78%	(32,479)	
(52,163)	Total adjustments	(69,203)	(41,237)	(27,966)	(55,576)		(83,841)	(28,265)
18,629	LG Regulations balancing the books surplus/(deficit)	36,556	14,256	22,299	10,493	348%	38,488	27,996

FOR THE MONTH ENDED 31 MARCH 2021

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
142,094	Rates**	147,857	147,474	383	200,066	74%	200,066	
30,834	Fees & Charges	32,081	24,271	7,810	32,260	99%	43,160	10,900
8,307	Subsidies & Grants	5,030	5,220	(191)	7,227	70%	7,227	
1,024	Interest Revenue	884	938	(54)	1,250	71%	1,250	
6,299	Other Revenue	5,525	5,264	261	10,298	54%	10,317	19
188,557	Total Everyday Revenue	191,376	183,167	8,209	251,101	76%	262,019	10,918
Everyday Expenditure								
61,404	Personnel Costs	64,244	62,742	(1,502)	83,802	77%	85,202	(1,400)
39,028	Operating & Maintenance Costs	39,933	39,366	(567)	52,927	75%	55,510	(2,583)
9,013	Professional Costs	9,664	7,857	(1,807)	13,820	70%	18,776	(4,956)
15,121	Administration Expenses	12,661	13,347	687	36,367	35%	24,367	12,000
8,182	Property Costs	7,625	7,654	29	10,017	76%	10,201	(184)
13,620	Finance Costs**	9,487	11,287	1,800	17,124	55%	15,324	1,800
51,058	Depreciation & Amortisation Expense**	53,735	56,049	2,314	74,727	72%	74,431	296
11,482	Gains & Losses	(18,792)		18,792	9,864	(191%)	(9,186)	19,050
208,908	Total Everyday Expenditure	178,557	198,302	19,745	298,649	60%	274,625	24,024
(20,351)	Everyday Surplus/(Deficit)*	12,819	(15,135)	27,954	(47,548)	(27%)	(12,606)	34,942
Capital Revenue								
26,051	Development Contributions**	22,996	16,878	6,118	22,504	102%	29,909	7,405
30,406	Capital Revenue	44,596	29,391	15,205	58,634	76%	72,547	13,913
34,686	Vested Assets**	25,347	24,359	988	32,479	78%	32,479	
91,144	Total Capital Revenue	92,939	70,628	22,311	113,617	82%	134,935	21,318
70,792	Operating Surplus/(Deficit)	105,759	55,493	50,265	66,068	160%	122,329	56,260

Material variances as explained below:

Finance Costs:** \$1,800k favourable.

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

Depreciation & Amortisation Expense:** \$2,314k favourable.

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

Development Contributions:** \$6,118k favourable.

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

Vested Assets:** \$988k favourable.

More vested assets have been received than budgeted.

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

Finance Costs:** \$1,800k favourable.

Finance cost on external debt for Council is favourable. This is due to the debt being lower than budget.

Depreciation & Amortisation Expense:** \$296k favourable.

The favourable variance is due to the postponement of the Transportation valuation from 1 July 2020 to 30 June 2021 during this financial year.

Development Contributions:** \$7,504k favourable.

The budget for the current financial year was adjusted to include the impact of Covid-19. The domestic housing market has proven to be stronger than anticipated and, as a result, DC revenue is tracking ahead of budget. We forecast our DC revenue to be in line with the original 2018-28 LTP budget at year end.

Attachment 2

DEMOCRACY

Governance and Public Affairs | Partnership with Māori

FOR THE MONTH ENDED 31 MARCH 2021

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
2,131	Rates**	2,225	2,225	1	3,021	74%	3,021	
164	Fees & Charges	5	2	3	2	220%	2	
	Subsidies & Grants							
	Interest Revenue							
()	Other Revenue							
2,295	Total Everyday Revenue	2,230	2,226	4	3,023	74%	3,023	
Everyday Expenditure								
297	Personnel Costs	336	512	176	696	48%	696	
69	Operating & Maintenance Costs	28	31	2	41	69%	41	
802	Professional Costs	297	302	5	402	74%	402	
1,138	Administration Expenses	1,219	1,270	51	1,693	72%	1,693	
	Property Costs							
	Finance Costs**							
	Depreciation & Amortisation Expense**							
	Gains & Losses							
2,306	Total Everyday Expenditure	1,880	2,114	234	2,832	66%	2,832	
(11)	Everyday Surplus/(Deficit)*	350	113	237	191	183%	191	
Capital Revenue								
	Capital Revenue							
	Total Capital Revenue							
(11)	Operating Surplus/(Deficit)	350	113	237	191	183%	191	

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

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

Material variances as explained below:

Personnel Costs: \$176k favourable.

The favourable variance is due to a vacancy held in the Mayoral Support Services Office and an underspend on Elected Members' training and development budget.

Attachment 2

VISITOR ATTRACTIONS

Hamilton Gardens | Waikato Museum | Hamilton Zoo

FOR THE MONTH ENDED 31 MARCH 2021

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
11,136	Rates**	11,665	11,630	35	15,787	74%	15,787	
2,212	Fees & Charges	2,518	1,262	1,256	1,563	161%	2,863	1,300
50	Subsidies & Grants	61	64	(3)	85	72%	85	
9	Interest Revenue	8	9	(1)	12	65%	12	
130	Other Revenue	88	65	23	87	101%	87	
13,537	Total Everyday Revenue	14,339	13,030	1,310	17,534	82%	18,834	1,300
Everyday Expenditure								
6,306	Personnel Costs	6,606	6,302	(304)	8,407	79%	8,757	(350)
2,075	Operating & Maintenance Costs	1,886	2,019	133	3,068	61%	3,068	
237	Professional Costs	229	165	(64)	231	99%	231	
438	Administration Expenses	352	424	72	565	62%	565	
339	Property Costs	322	359	37	471	69%	471	
119	Finance Costs**	82	100	18	133	62%	118	15
1,546	Depreciation & Amortisation Expense**	1,664	1,649	(15)	2,199	76%	2,389	(190)
9	Gains & Losses	20		(20)				
11,069	Total Everyday Expenditure	11,162	11,019	(143)	15,073	74%	15,599	(525)
2,468	Everyday Surplus/(Deficit)*	3,177	2,011	1,166	2,461	129%	3,236	775
Capital Revenue								
	Capital Revenue	159	145	14	1,000		620	(380)
	Total Capital Revenue	159	145	14	1,000	16%	620	(380)
2,468	Operating Surplus/(Deficit)	3,336	2,156	1,181	3,461	96%	3,856	395

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

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

Material variances as explained below:**Fees & Charges: \$1,256k favourable.**

One of the assumptions included in the 2020/21 budget was that Council facilities would remain at Covid-19 level 2 until December 2020. Revenue budgets were reduced accordingly. An earlier than expected exit from level 2 to level 1 has resulted in Visitor Attractions revenue tracking well in advance of budget.

Personnel Costs: (\$304k) unfavourable.

Staff vacancies are below levels experienced in previous years. The workforce has been more stable than envisaged and savings from vacancies will not be achieved.

Operating & Maintenance Costs: \$133k favourable.

Exhibition and maintenance costs at the Museum track below budget but are expected to be spent by year end.

The comments below explain the material variance between annual approved budget and annual forecast.**Fees & Charges: \$1,300k favourable.**

Higher income received due to an earlier exit from Covid-19 level 2 to level 1 than expected.

Personnel costs: (\$350k) unfavourable.

Staff vacancies are below levels experienced in previous years. The workforce has been more stable than envisaged and savings from vacancies will not be achieved.

Capital Revenue - (\$380k) Unfavourable

Zoo Waiwhakareke Entrance third party contributions of \$900k will be received 2021/22, as work will not be completed this year. This is partially offset by \$520k received for the Hamilton Gardens Summer House and the Tuatara House at the Zoo.

Attachment 2

VENUES, TOURISM AND MAJOR EVENTS

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

FOR THE MONTH ENDED 31 MARCH 2021

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
11,065	Rates**	11,542	11,548	(6)	15,664	74%	15,664	()
5,213	Fees & Charges	3,424	2,183	1,241	2,803	122%	5,142	2,339
4	Subsidies & Grants							
101	Interest Revenue	86	59	27	79	109%	79	
621	Other Revenue	586	559	27	742	79%	761	19
17,004	Total Everyday Revenue	15,638	14,349	1,289	19,288	81%	21,646	2,358
Everyday Expenditure								
4,489	Personnel Costs	4,215	4,305	90	5,731	74%	5,731	
4,172	Operating & Maintenance Costs	3,251	2,359	(892)	3,067	106%	5,149	(2,083)
110	Professional Costs	93	218	125	296	31%	266	30
1,518	Administration Expenses	1,384	1,497	112	1,793	77%	1,793	
807	Property Costs	781	674	(107)	886	88%	1,070	(184)
1,321	Finance Costs**	912	1,108	196	1,477	62%	1,312	165
4,010	Depreciation & Amortisation Expense**	3,895	4,113	218	5,480	71%	5,456	24
4	Gains & Losses	330		(330)			330	(330)
16,431	Total Everyday Expenditure	14,862	14,273	(589)	18,729	79%	21,107	(2,378)
572	Everyday Surplus/(Deficit)*	776	76	701	560	139%	539	(20)
Capital Revenue								
	Capital Revenue	59		59	200	30%	296	96
	Total Capital Revenue	59		59	200	30%	296	96
572	Operating Surplus/(Deficit)	836	76	760	760	110%	836	76

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

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

Material variances as explained below:**Fees & Charges: \$1,241k favourable.**

A continued favourable variance due to a conservative budget as a result of the Covid-19 environment. Event activity remains better than expected year to date. This favourability will continue through to financial year end.

Operating & Maintenance Costs: (\$892k) unfavourable.

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

Professional Costs: \$125k favourable.

Favourable variance due to tight management of costs in this area to drive savings. Forecasting to have savings in this area at year end.

Administration Expenses: \$112k favourable.

A favourable variance due to the timing of event activation funding being released. On track to spend in the fourth quarter.

Property Costs: (\$107k) unfavourable.

Venue electricity budgets were reduced as part of the Covid-19 revised budget. Expected downtime did not eventuate due to better than expected event activity.

Gains & Losses: (\$330k) unfavourable.

An unfavourable variance related to the loss on disposal of carpet at Claudelands and loss on disposal of passenger lift at FMG Stadium. The carpet was replaced as part of the renewals and compliance programme. Further work is required to line asset valuations up with replacement programmes.

The comments below explain the material variance between annual approved budget and annual forecast.**Fees & Charges: \$2,339k favourable.**

Higher than expected event activity given Covid-19 environment.

Operating & Maintenance: (\$2,083k) unfavourable.

Additional costs incurred in correlation with higher than expected event activity.

Property Costs: (\$184k) unfavourable

Property costs were reduced as part of the Covid-19 revised budget.

Gains & Losses: (\$330k) unfavourable

Losses incurred due to earlier than expected disposal.

ARTS AND COMMUNITY
 Libraries | Community Development | Arts Promotion | Theatres
FOR THE MONTH ENDED 31 MARCH 2021

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
12,296	Rates**	12,843	12,826	17	17,424	74%	17,424	
402	Fees & Charges	502	377	125	501	100%	601	100
1	Subsidies & Grants	26	2	24	2	1300%	2	
	Interest Revenue		50	(50)	66	0%	66	
	Other Revenue	1		1				
12,699	Total Everyday Revenue	13,372	13,254	119	17,992	74%	18,092	100
Everyday Expenditure								
4,200	Personnel Costs	4,601	4,370	(232)	5,828	79%	6,078	(250)
554	Operating & Maintenance Costs	565	722	157	1,041	54%	941	100
328	Professional Costs	149	155	6	191	78%	191	
1,430	Administration Expenses	3,433	3,525	92	23,932	14%	11,932	12,000
233	Property Costs	195	210	15	279	70%	279	
3	Finance Costs**	2	2		3	62%	3	
2,076	Depreciation & Amortisation Expense**	2,065	2,180	114	2,906	71%	2,715	191
3	Gains & Losses	37		(37)				
8,827	Total Everyday Expenditure	11,049	11,163	115	34,180	32%	22,139	12,041
3,872	Everyday Surplus/(Deficit)*	2,324	2,090	234	(16,188)	(14%)	(4,047)	12,141
3,872	Operating Surplus/(Deficit)	2,324	2,090	234	(16,188)	(14%)	(4,047)	(12,141)

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

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

Material variances as explained below:

Fees & Charges: \$125k favourable.

Third party contributions received in Community Development to fund the Welcoming Communities project, and to fund an increase in the payment to Waikato Lands Trust.

Operating & Maintenance Costs: \$157k favourable.

The 2020/21 budget included \$100k to cope with cleaning of facilities expected due to Covid-19. This amount is no longer required due to earlier exit from level 3.

Personnel Costs: (\$232k) unfavourable.

Staff vacancies are below levels experienced in previous years. The workforce has been more stable than envisaged and savings from vacancies will not be achieved.

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

Personnel costs: (\$250k) unfavourable.

Staff vacancies are below levels experienced in previous years. The workforce has been more stable than envisaged and savings from vacancies will not be achieved.

Operating and Maintenance Costs: \$100k favourable.

The 2020/21 budget included \$100k to cope with expected cleaning requirements due to Covid-19. This amount is no longer required due to earlier exit from Covid level 3.

Administration Expenses: \$12,000k favourable.

The deferral of part of the Waikato Regional Theatre grant is recognised in the revised forecast. The grant has been re-phased as part of the draft 2021-2031 Long Term Plan.

Attachment 2

PARKS AND RECREATION

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

FOR THE MONTH ENDED 31 MARCH 2021

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
20,757	Rates**	21,603	21,579	24	29,325	74%	29,325	
5,022	Fees & Charges	6,322	4,811	1,511	6,297	100%	7,897	1,600
2	Subsidies & Grants	6	5	1	7	86%	7	
117	Interest Revenue	101	107	(6)	142	71%	142	
154	Other Revenue	119	57	62	76	156%	76	
26,051	Total Everyday Revenue	28,151	26,560	1,591	35,848	79%	37,448	1,600
Everyday Expenditure								
9,244	Personnel Costs	10,038	9,163	(874)	12,257	82%	13,057	(800)
5,415	Operating & Maintenance Costs	6,229	5,671	(558)	7,579	82%	8,179	(600)
675	Professional Costs	666	426	(240)	726	92%	826	(100)
508	Administration Expenses	466	458	(7)	697	67%	697	
746	Property Costs	725	790	65	1,051	69%	1,051	
1,551	Finance Costs**	1,075	1,303	228	1,738	62%	1,544	194
4,239	Depreciation & Amortisation Expense**	4,591	4,460	(131)	5,947	77%	6,348	(401)
147	Gains & Losses	484		(484)			484	(484)
22,524	Total Everyday Expenditure	24,275	22,272	(2,002)	29,994	81%	32,185	(2,191)
3,527	Everyday Surplus/(Deficit)*	3,876	4,288	(411)	5,854	66%	5,262	(591)
Capital Revenue								
994	Development Contributions**	1,098	897	200	1,196	92%	1,590	394
14	Capital Revenue	193	100	93	100	193%	372	272
	Vested Assets**	1,708		1,708				
1,009	Total Capital Revenue	2,998	997	2,001	1,296	231%	1,962	666
4,536	Operating Surplus/(Deficit)	6,874	5,285	1,590	7,150	96%	7,225	75

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

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

Material variances as explained below:

Fees & Charges: \$1,511k favourable.

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

Personnel Costs: (\$874k) unfavourable.

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

Operating & Maintenance Costs: (\$558k) unfavourable.

The unfavourable Parks variance includes Te Awa Cycleway costs that are funded by the Ministry of Business, Innovation and Employment (MBIE).

The unfavourable Aquatics variance includes \$300k required to remedy plant defects, part of which will be recovered from Council's insurer.

Professional Costs: (\$240k) unfavourable.

The unfavourable Parks variance includes Te Awa Cycleway costs that are funded by the Ministry of Business, Innovation and Employment (MBIE).

Expenditure at Waterworld tracks \$105k ahead of YTD budget and includes costs to remedy plant defects, part of which will be recovered from Council's insurer.

Gains & Losses: (\$484k) unfavourable.

Unfavourable variance is due to the disposal of various assets.

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

Fees & Charges: \$1,600k favourable.

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

Personnel Costs: (\$800k) unfavourable.

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

Operating & Maintenance Costs: (\$600k) unfavourable.

Te Awa Cycleway costs that are funded received from the Ministry of Business, Innovation and Employment.

Professional Costs: (\$100k) unfavourable.

Te Awa Cycleway costs that are funded received from the Ministry of Business, Innovation and Employment.

Gains & Losses: (\$484k) unfavourable.

Gains and Losses associated with the disposal of various assets.

Capital Revenue: \$272k favourable

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

FOR THE MONTH ENDED 31 AUGUST 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
2,854	Rates**	2,980	2,978	2	4,047	74%	4,047	
1,928	Fees & Charges	1,859	1,684	176	1,938	96%	1,938	
37	Subsidies & Grants	38	39	(2)	53	72%	53	
	Interest Revenue							
30	Other Revenue	46	23	23	31	150%	31	
4,848	Total Everyday Revenue	4,923	4,724	199	6,068	81%	6,068	
Everyday Expenditure								
3,005	Personnel Costs	2,999	3,002	3	4,004	75%	4,004	
785	Operating & Maintenance Costs	791	928	137	1,238	64%	1,238	
76	Professional Costs	96	73	(23)	97	99%	97	
271	Administration Expenses	217	220	3	293	74%	293	
27	Property Costs	19	24	5	33	58%	33	
	Finance Costs**							
48	Depreciation & Amortisation Expense**	61	53	(9)	70	88%	85	(15)
	Gains & Losses							
4,211	Total Everyday Expenditure	4,184	4,300	116	5,735	73%	5,750	(15)
638	Everyday Surplus/(Deficit)*	739	424	314	333	222%	318	(15)
Capital Revenue								
	Capital Revenue							
	Total Capital Revenue							
638	Operating Surplus/(Deficit)	739	424	314	333	222%	318	(15)

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

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

Material variances as explained below:

Fees & Charges: \$176k favourable.

Revenue is higher than budget in the Environmental Control and Liquor Licensing units due to increases in demand. Specifically there have been more applications for manager certificates and remote liquor licenses. The increase in remote liquor licenses is a result of the Covid-19 lockdowns and businesses reshaping how they operate in order to continue operations through lockdowns.

Operating & Maintenance Costs: \$137k favourable.

A large portion of this favourable variance is due to underspend in the Waikato Regional Council Civil Defence and Emergency Management contract areas. There are also a number of smaller underspends across Animal Control and City Safety Operations.

Attachment 2

PLANNING AND DEVELOPMENT

City Planning | Planning Guidance | Building Control

FOR THE MONTH ENDED 31 MARCH 2021

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
4,249	Rates**	4,431	4,427	3	6,010	74%	6,010	
8,504	Fees & Charges	8,681	6,197	2,484	8,474	102%	10,074	1,600
	Subsidies & Grants	70						
37	Interest Revenue	32	22	10	30	109%	30	
8	Other Revenue	1		1				
12,798	Total Everyday Revenue	13,215	10,647	2,568	14,513	91%	16,113	1,600
Everyday Expenditure								
6,427	Personnel Costs	6,862	7,709	847	10,272	67%	10,272	
324	Operating & Maintenance Costs	144	306	162	408	35%	408	
2,491	Professional Costs	2,424	1,677	(748)	2,236	108%	2,236	
912	Administration Expenses	749	962	213	1,378	54%	1,378	
57	Property Costs	33	48	15	64	51%	64	
496	Finance Costs**	343	416	74	555	62%	493	62
	Depreciation & Amortisation Expense**	3		(3)				
	Gains & Losses							
10,707	Total Everyday Expenditure	10,557	11,117	561	14,912	71%	14,850	62
2,092	Everyday Surplus/(Deficit)*	2,658	(470)	3,129	(399)	(666%)	1,263	1,662
Capital Revenue								
	Capital Revenue							
	Total Capital Revenue							
2,092	Operating Surplus/(Deficit)	2,658	(470)	3,129	(399)	(666%)	1,263	1,662

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

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

Material variances as explained below:**Fees & Charges: \$2,484k favourable.**

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

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

Personnel Costs: \$847k favourable.

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

Operating & Maintenance Costs: \$162k favourable.

A large portion of this underspend is due to the drive for savings in digitisation in the Building Control unit. The unit has been encouraging online consent applications over hard copy, which saves in scanning and documentation management. Covid-19 also contributed to more online applications. Additionally the unit has recently moved more of their processes online, such as Code of Compliance Certificate applications. The budget for digitisation has been decreased in the 2021-31 LTP to reflect the above savings.

Additionally there was budget in the 2020/21 financial year for further improvements to the building control online system. This has been put on hold due to resourcing constraints.

Professional Costs: (\$748k) unfavourable.

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

There has also been a higher than budgeted spend in Building Control's legal expenses due to ongoing legal claims.

Administration Expenses: \$213k favourable.

Higher than budgeted internal recoveries in the Planning Guidance unit for Resource Consents issued internally.

The comments below explain the material variance between annual approved budget and annual forecast.**Fees & Charges: \$1,600k favourable.**

Revenue from building and planning has been reforecast to reflect the higher levels of activity in this area.

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
21,091	Rates**	21,489	21,302	187	28,695	75%	28,695	
125	Fees & Charges	361	(116)	477	(155)	(233%)	1,199	1,354
	Subsidies & Grants	()		()				
215	Interest Revenue	226	164	63	218	104%	218	
	Other Revenue							
21,431	Total Everyday Revenue	22,075	21,349	727	28,758	77%	30,112	1,354
Everyday Expenditure								
2,490	Personnel Costs	2,374	2,178	(195)	2,904	82%	2,904	
2,060	Operating & Maintenance Costs	1,895	2,556	662	3,332	57%	3,332	
218	Professional Costs	528	698	170	1,024	52%	2,378	(1,354)
70	Administration Expenses	53	51	(1)	68	77%	68	
1,541	Property Costs	1,504	1,530	26	1,974	76%	1,974	
2,692	Finance Costs**	1,861	2,262	401	3,016	62%	2,680	336
6,918	Depreciation & Amortisation Expense**	6,261	6,376	115	8,502	74%	8,400	102
412	Gains & Losses	253		(253)			253	(253)
16,402	Total Everyday Expenditure	14,728	15,652	924	20,821	71%	21,990	(1,169)
5,029	Everyday Surplus/(Deficit)*	7,348	5,697	1,651	7,938	93%	8,122	184
Capital Revenue								
5,738	Development Contributions**	5,315	3,269	2,046	4,359	122%	5,793	1,434
516	Capital Revenue	1,018	41	977	54	1880%	2,325	2,271
1,750	Vested Assets**	936	1,440	(504)	1,920	49%	1,920	
8,004	Total Capital Revenue	7,268	4,750	2,519	6,333	115%	10,037	3,705
13,033	Operating Surplus/(Deficit)	14,616	10,447	4,169	14,270	102%	18,160	3,889

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

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

Material variances as explained below:

Fees & Charges: \$477k favourable.

The favourable variance is due to funds received from the Department of Internal Affairs for the Water Reform Stimulus project to offset operational expenditure, including professional costs.

Operating & Maintenance Costs: \$662k favourable.

The favourable variance is predominantly due to less reactive maintenance works required on the reticulation network as well as the Water Treatment Plant to date. This favourable variance will partly offset the unfavourable variance in the wastewater activity resulting from a higher level of reactive maintenance work required on the wastewater network and plant.

Professional Costs: \$170k favourable.

The favourable variance is due to reprioritisation of work programmes to accommodate water reform stimulus and LTP workloads.

Gains & Losses: (\$253k) unfavourable.

Unfavourable variance is due to the disposal of various assets.

Capital Revenue: \$977k favourable.

Contributions toward new water connections exceed budget due to increased applications. This revenue will offset capital installation costs.

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

Fees & Charges: \$1,354k favourable

Unbudgeted funding received from the Department of Internal Affairs (DIA) for operational projects related to water reform stimulus.

Professional Costs: (\$1,354k) unfavourable

Unbudgeted expenditure fully funded by the DIA relating to the water reform stimulus projects underway.

Capital Revenue: \$2,271k favourable

Unbudgeted funding received from the Department of Internal Affairs (DIA) for capital projects related to water reform stimulus. Refer to Capital Monitoring Report.

Gains & Losses: (\$253k) unfavourable

Losses incurred due to earlier than expected disposal.

Attachment 2

WASTEWATER

Wastewater Collection | Wastewater Treatment | Wastewater Disposal
FOR THE MONTH ENDED 31 MARCH 2021

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
21,672	Rates**	22,588	22,566	22	30,639	74%	30,639	
3,748	Fees & Charges	4,354	4,106	247	5,546	78%	7,323	1,777
	Subsidies & Grants	0		0				
228	Interest Revenue	197	203	(7)	271	73%	271	
	Other Revenue							
25,648	Total Everyday Revenue	27,138	26,876	262	36,456	74%	38,233	1,777
Everyday Expenditure								
4,243	Personnel Costs	4,495	4,401	(94)	5,959	75%	5,959	
4,051	Operating & Maintenance Costs	4,429	3,853	(575)	5,231	85%	5,231	
344	Professional Costs	1,388	612	(776)	2,318	60%	3,435	(1,117)
143	Administration Expenses	163	138	(25)	200	82%	200	
1,583	Property Costs	1,500	1,604	105	2,087	72%	2,087	
3,031	Finance Costs**	2,095	2,547	452	3,396	62%	2,918	479
8,502	Depreciation & Amortisation Expense**	8,766	9,542	776	12,723	69%	11,848	875
646	Gains & Losses	164		(164)			164	(164)
22,544	Total Everyday Expenditure	22,999	22,697	(301)	31,914	72%	31,841	73
3,104	Everyday Surplus/(Deficit)*	4,139	4,178	(39)	4,542	91%	6,392	1,850
Capital Revenue								
10,317	Development Contributions**	8,089	5,533	2,555	7,378	110%	9,806	2,428
888	Capital Revenue	1,447	41	1,406	54	2673%	2,325	2,271
4,815	Vested Assets**	3,343	2,465	877	3,287	102%	3,287	
16,019	Total Capital Revenue	12,879	8,039	4,839	10,719	120%	15,418	4,699
19,123	Operating Surplus/(Deficit)	17,018	12,217	4,800	15,261	112%	21,810	6,548

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

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

Material variances as explained below:**Fees & Charges: \$247k favourable.**

The favourable variance is due to funds received from the Department of Internal Affairs for the Water Reform Stimulus project to offset operational expenditure including professional costs.

Operating & Maintenance Costs: (\$575k) unfavourable.

The unfavourable variance is predominantly due to increased frequency of reactive wastewater maintenance and inspections required to reduce the risk of overflows to sensitive environments. Costs partially offset by underspent in Water activities.

Professional Costs: (\$776k) unfavourable.

The unfavourable variance is due to Water Reform Stimulus projects underway and is 100% offset by funds received from the Department of Internal Affairs. (See Fees & Charges above)

Property Costs: \$105k favourable.

The favourable variance is due to lower than budgeted spend on electricity and gas charges.

Gains & Losses: (\$164k) unfavourable.

Unfavourable variance is due to the disposal of various assets.

Capital Revenue: \$1,406k favourable.

Contributions toward new wastewater connections exceed budget due to increased applications. This revenue will offset capital installation costs. Funds received from the DIA to offset Water Reform Stimulus capital expenditure is also part of the favourable variance.

The comments below explain the material variance between annual approved budget and annual forecast.**Fees & Charges: \$1,777k favourable**

Unbudgeted funding received from the Department of Internal Affairs (DIA) for operational projects related to water reform stimulus.

Professional Costs: (\$1,117k) unfavourable

An unfavourable variance of \$1,777k in unbudgeted expenditure, which has been fully funded by the DIA, relates to the water reform stimulus project. This is slightly offset by a favourable variance of \$660k in funding for the Wastewater Metro Spatial Plan project (unfunded).

Capital Revenue: \$2,271k favourable

Unbudgeted funding received from the Department of Internal Affairs (DIA) for capital projects related to water reform stimulus. Refer to Capital Monitoring Report.

FOR THE MONTH ENDED 31 MARCH 2021

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
4,865	Rates**	5,080	5,076	4	6,897	74%	6,897	
190	Fees & Charges	477	217	260	289	165%	1,118	830
	Subsidies & Grants	()		()				
62	Interest Revenue	54	87	(33)	116	47%	116	
	Other Revenue							
5,117	Total Everyday Revenue	5,611	5,379	231	7,301	77%	8,131	830
Everyday Expenditure								
1,444	Personnel Costs	1,479	1,474	(5)	1,965	75%	1,965	
708	Operating & Maintenance Costs	403	194	(209)	312	129%	312	
181	Professional Costs	260	186	(74)	458	57%	1,287	(830)
34	Administration Expenses	31	31	(1)	41	77%	41	
431	Property Costs	403	332	(71)	374	108%	374	
829	Finance Costs**	573	696	123	928	62%	824	104
7,201	Depreciation & Amortisation Expense**	7,400	7,314	(86)	9,752	76%	9,725	27
267	Gains & Losses	579		(579)			579	(579)
11,094	Total Everyday Expenditure	11,128	10,226	(901)	13,829	80%	15,108	(1,278)
(5,977)	Everyday Surplus/(Deficit)*	(5,517)	(4,847)	(670)	(6,528)	85%	(6,977)	(449)
Capital Revenue								
1,195	Development Contributions**	1,963	2,140	(178)	2,854	69%	3,793	939
265	Capital Revenue	413	78	335	104	397%	2,375	2,271
4,474	Vested Assets**	5,873	4,131	1,742	5,508	107%	5,508	
5,934	Total Capital Revenue	8,248	6,349	1,899	8,466	97%	11,676	3,210
(43)	Operating Surplus/(Deficit)	2,731	1,503	1,229	1,938	141%	4,699	2,761

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

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

Material variances as explained below:

Fees & Charges: \$260k favourable.

The favourable variance is due to funds received from the Department of Internal Affairs for the Water Reform Stimulus project. This offsets operational expenditure for approved projects and costs.

Operating & Maintenance Costs: (\$209k) unfavourable.

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

Gains & Losses: (\$579k) unfavourable.

The unfavourable result is due to a developer initiated replacement of the stormwater assets to accommodate increased run off from the area. While the write off is significant Council will be receiving a greater valued asset as a result of the upsize.

Capital Revenue: \$335k favourable.

Contributions towards new stormwater connections exceed budget due to higher than budgeted applications. This revenue will offset capital installation costs. Funds received from the DIA to offset Water Reform Stimulus capital expenditure is also part of the favourable variance.

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

Fees & Charges: \$830k favourable

Unbudgeted funding received from the Department of Internal Affairs (DIA) for operational projects related to water reform stimulus.

Professional Costs: (\$830k) unfavourable

Unbudgeted expenditure fully funded by the DIA relating to the water reform stimulus projects underway.

Capital Revenue: \$2,271k favourable

Unbudgeted funding received from the Department of Internal Affairs (DIA) for capital projects related to water reform stimulus. Refer to Capital

Gains & Losses: (\$579k) unfavourable

Losses incurred due to earlier than expected disposal.

Attachment 2

TRANSPORT

Transport Network | Transport Centre | Parking Management

FOR THE MONTH ENDED 31 MARCH 2021

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
25,137	Rates**	26,234	26,226	8	35,634	74%	35,634	
2,543	Fees & Charges	2,838	2,790	47	4,016	71%	4,016	
7,653	Subsidies & Grants	4,452	4,673	(222)	6,498	69%	6,498	
264	Interest Revenue	228	234	(6)	312	73%	312	
2,349	Other Revenue	1,924	1,954	(30)	2,568	75%	2,568	
37,945	Total Everyday Revenue	35,675	35,878	(203)	49,027	73%	49,027	
Everyday Expenditure								
3,957	Personnel Costs	3,514	3,751	237	5,281	67%	5,281	
12,574	Operating & Maintenance Costs	9,723	9,788	64	12,910	75%	12,910	
662	Professional Costs	575	673	98	1,183	49%	1,843	(660)
1,038	Administration Expenses	633	557	(75)	716	88%	716	
1,688	Property Costs	1,597	1,573	(24)	2,120	75%	2,120	
3,511	Finance Costs**	2,427	2,950	523	3,934	62%	3,495	438
12,847	Depreciation & Amortisation Expense**	14,494	16,289	1,795	21,719	67%	21,160	559
1,503	Gains & Losses	1		(1)	10,457	0%	10,457	
37,780	Total Everyday Expenditure	32,963	35,581	2,618	58,321	57%	57,984	337
165	Everyday Surplus/(Deficit)*	2,712	296	2,416	(9,294)	(29%)	(8,957)	337
Capital Revenue								
7,902	Development Contributions**	6,532	5,038	1,495	6,717	97%	8,927	2,210
28,723	Capital Revenue	41,307	28,987	12,320	57,122	72%	64,234	7,113
23,648	Vested Assets**	13,488	16,323	(2,835)	21,764	62%	21,764	
60,273	Total Capital Revenue	61,327	50,347	10,980	85,602	72%	94,925	9,323
60,437	Operating Surplus/(Deficit)	64,039	50,644	13,396	76,309	84%	85,968	9,660

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

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

Material variances as explained below:**Subsidies & Grants: (\$222k) unfavourable.**

The unfavourable variance is as a result of Road Safety Promotion and Travel Demand Management projects not progressing as planned due to the impacts of Covid-19 on event and education programme delivery.

Personnel Costs: \$237k favourable.

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

Capital Revenue: \$12,320k favourable.

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

The comments below explain the material variance between annual approved budget and annual forecast.**Professional Costs: (\$660k) unfavourable**

\$660k of funding for the Wastewater Metro Spatial Plan project was initially made available through the re-prioritisation of 2019/20 consultation budgets, however this project will now be funded by the Water Reform Stimulus grant. The \$660k of re-prioritised funding will now be utilised within the Transportation activity.

Capital Revenue - \$7,113k favourable

Unbudgeted funding received from the Ministry of Business, Innovation and Employment (MBIE) for capital projects related to the Te Away Cycleway and Ruakura stage 1. Refer to Capital Monitoring Report.

RUBBISH AND RECYCLING

Refuse Collection | Waste Minimisation | Landfill Site Management

FOR THE MONTH ENDED 31 MARCH 2021

	\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20	YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue							
5,080 Rates**	5,304	5,299	5	7,200	74%	7,200	
(118) Fees & Charges	(55)	(51)	(4)	(69)	81%	(69)	
483 Subsidies & Grants	377	437	(60)	583	65%	583	
5 Interest Revenue	4	3	1	4	112%	4	
338 Other Revenue	295	333	(38)	444	66%	444	
5,788 Total Everyday Revenue	5,925	6,021	(96)	8,162	73%	8,162	
Everyday Expenditure							
838 Personnel Costs	962	1,028	66	1,371	70%	1,371	
3,838 Operating & Maintenance Costs	5,146	6,291	1,144	8,213	63%	8,213	
251 Professional Costs	231	231		293	79%	293	
56 Administration Expenses	26	62	36	(1,152)	(2%)	(1,152)	
44 Property Costs	31	44	13	57	55%	57	
66 Finance Costs**	45	55	10	339	13%	330	8
417 Depreciation & Amortisation Expense**	416	423	7	564	74%	564	
Gains & Losses							
5,510 Total Everyday Expenditure	6,858	8,134	1,277	9,686	71%	9,678	8
278 Everyday Surplus/(Deficit)*	(933)	(2,114)	1,181	(1,524)	61%	(1,516)	8
Capital Revenue							
Capital Revenue							
Total Capital Revenue							
278 Operating Surplus/(Deficit)	(933)	(2,114)	1,181	(1,524)	61%	(1,516)	8

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

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

Material variances as explained below:

Operating & Maintenance Costs: \$1,144k favourable.

The favourable result is due to a slightly lower costs than expected with Waste Management during their contract extension. Kerbside refuse tonnage is lower than modelled for the new service, bin maintenance costs are lower than modelled and some billing was delayed due to contractor processes.

OVERHEADS

CE's Office | Corporate | Strategy and Communications | Strategic Property

FOR THE MONTH ENDED 31 MARCH 2021

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
(210)	Rates**	(201)	(207)	6	(277)	73%	(277)	
901	Fees & Charges	797	810	(13)	1,055	76%	1,055	
76	Subsidies & Grants							
	Interest Revenue							
1,793	Other Revenue	1,717	1,522	195	2,029	85%	2,029	
2,559	Total Everyday Revenue	2,313	2,125	188	2,808	82%	2,808	
Everyday Expenditure								
15,233	Personnel Costs	15,763	15,295	(468)	20,405	77%	20,405	
2,402	Operating & Maintenance Costs	5,442	5,438	(5)	7,539	72%	7,539	
2,636	Professional Costs	2,728	2,817	89	4,865	56%	5,790	(925)
7,753	Administration Expenses	3,984	4,054	70	6,066	66%	6,066	
688	Property Costs	513	466	(47)	621	83%	621	
39	Finance Costs**	19	53	34	70	27%	70	
3,254	Depreciation & Amortisation Expense**	4,118	4,140	22	5,520	75%	5,741	(221)
(83)	Gains & Losses	201		(201)	(593)	(34%)	(593)	
31,922	Total Everyday Expenditure	32,767	32,263	(505)	44,494	74%	45,640	(1,146)
(29,362)	Everyday Surplus/(Deficit)*	(30,454)	(30,138)	(316)	(41,686)	73%	(42,832)	(1,146)
Capital Revenue								
	Capital Revenue							
	Total Capital Revenue							
(29,362)	Operating Surplus/(Deficit)	(30,454)	(30,138)	(316)	(41,686)	73%	(42,832)	(1,146)

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

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

Material variances as explained below:**Other Revenue: \$195k favourable.**

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

Personnel Costs: (\$468k) unfavourable.

Personnel costs are unfavourable due to expenditure on externally contracted staff to cover vacancies and deliver organisation wide projects. Additionally, the workforce has been more stable and therefore savings from vacancies are not being achieved.

Gains & Losses: (\$201k) unfavourable.

Unfavourable variance is due to the disposal of various assets.

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

This is attributable to the judicial review proceedings in respect of the Development Contributions regime. The applicants include a range of Hamilton's largest developers.

Staff have engaged the necessary legal and expert consultant support required to respond to the proceedings appropriately. The hearing is scheduled in the High Court for 20-22 April 2021.

FOR THE MONTH ENDED 31 MARCH 2021

	\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20	YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue							
(29) Rates**	75		75				
Fees & Charges							
Subsidies & Grants							
(13) Interest Revenue	(52)		(52)				
877 Other Revenue	746	750	(4)	4,321	17%	4,321	
836 Total Everyday Revenue	769	750	19	4,321	18%	4,321	
Everyday Expenditure							
Personnel Costs		(750)	(750)	(1,000)	0%	(1,000)	
Operating & Maintenance Costs		(789)	(789)	(1,052)	0%	(1,052)	
Professional Costs		(375)	(375)	(500)	0%	(500)	
Administration Expenses		(150)	(150)	(200)	0%	(200)	
Property Costs							
(36) Finance Costs**	53	(206)	(259)	1,535	3%	1,535	
Depreciation & Amortisation Expense**		(490)	(490)	(654)	0%		(654)
8,574 Gains & Losses	(20,860)		20,860			(20,860)	20,860
8,538 Total Everyday Expenditure	(20,807)	(2,760)	18,046	(1,871)	1112%	(22,077)	20,206
(7,702) Everyday Surplus/(Deficit)*	21,576	3,510	18,066	6,192	348%	26,398	20,206
Capital Revenue							
(94) Development Contributions**							
Capital Revenue							
Vested Assets**							
(94) Total Capital Revenue							
(7,797) Operating Surplus/(Deficit)	21,576	3,510	18,066	6,192	348%	26,398	20,206

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

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

Material variances as explained below:

Gains & Losses: \$20,860k favourable.

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

Note: negative budgets

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

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

Gains & Losses: \$20,860k favourable.

Forecast movement in fair value of interest rate swaps aligned with movement in market interest rates.

TREASURY REPORT

Year to date 31 March 2021

Attachment 3

Investment and Cash Position

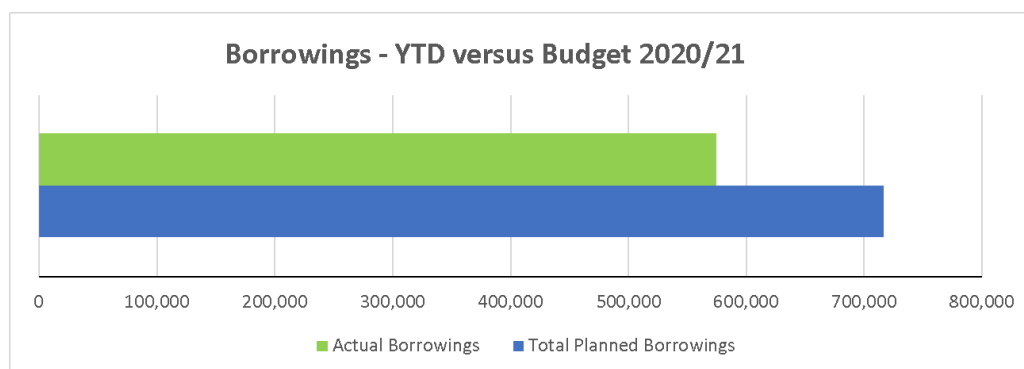
Treasury cash investments consist of:

Cash Investments	Actual \$'000 Mar-21	Budget \$'000 Jun-21	Variance \$'000 Fav/ (Unfav)
Cash on call	50,075	not apportioned	not apportioned
Term deposit	90,000	not apportioned	not apportioned
Closing bank balances	2,606	not apportioned	not apportioned
LGFA borrower notes	8,930	not apportioned	not apportioned
Total cash investments	151,611	86,144	65,467

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

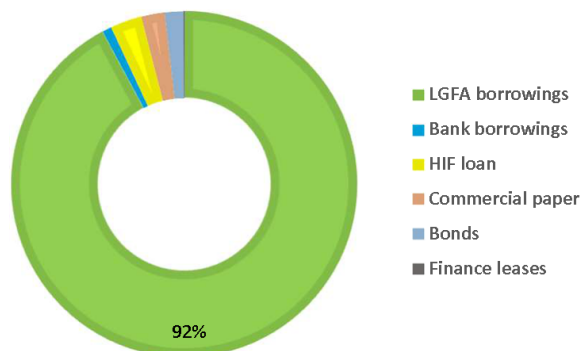
Borrowing Position

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



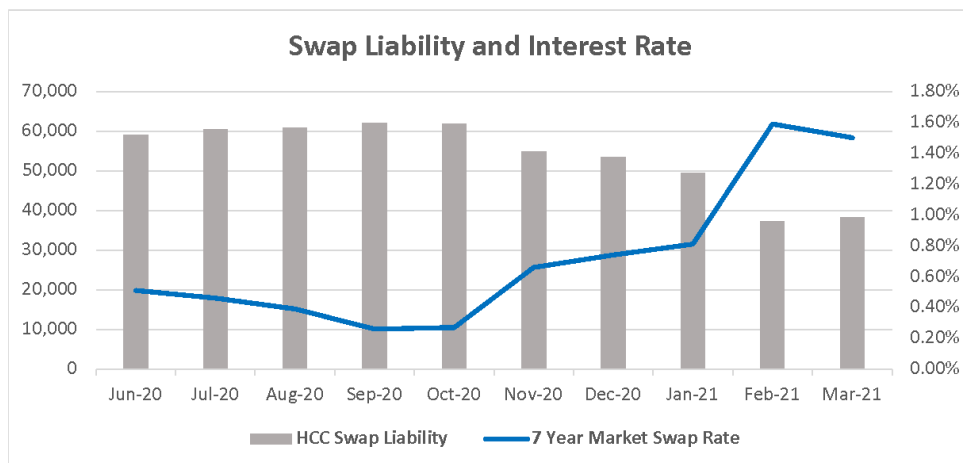
Borrowing debt remains unchanged at 31 March 2021. Loan repayments to the LGFA of \$50M are due on 15 May 2021. This repayment will be covered by a term deposit with maturity dates set a few days prior to the 15 May 2021 debt maturities.

The LGFA remains our most favoured and low cost source of funding.



Interest Rates

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



There is an inverse relationship between the HCC swap liability and the market swap interest rate. As the market swap interest rate increases the HCC swap liability decreases and a gain is then recognised on the interest rate swap. Conversely, a decrease in the market swap interest rate results in an increase in the HCC swap liability and a loss is then recognised on the interest rate swap.

The effect of the change in the 7 year market swap rate on the monthly movement of the HCC swap liability is indicated below:

Month	7 Year Market Swap Rate	Movement in Swaps \$000 Fav/ (Unfav)
Jun-20	0.51%	(545)
Jul-20	0.46%	(1,479)
Aug-20	0.39%	(432)
Sep-20	0.26%	(1,152)
Oct-20	0.27%	204
Nov-20	0.66%	6,968
Dec-20	0.74%	1,378
Jan-21	0.81%	4,069
Feb-21	1.59%	12,251
Mar-21	1.50%	(948)

Council Report

Committee: Finance Committee

Date: 13 May 2021

Author: Candice Swanepoel

Authoriser: David Bryant

Position: Business Performance Accountant

Position: General Manager People and Organisational Performance

Report Name: Financial Strategy Monitoring Report

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

1. To inform the Finance Committee on the status of the 2018-28 10-Year Plan Financial Strategy at 31 March 2021.
2. To seek a recommendation from the Finance Committee that the Council approves the capital movement as set out in the Capital Portfolio Monitoring Report and the significant forecast adjustments as set out in the Annual Monitoring Report.

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

3. That the Finance Committee receives the report.
4. That the Finance Committee recommends that the Council:
 - a) approves the capital movement as identified in paragraph 22 of the 13 May 2021 Capital Portfolio Monitoring Report;
 - b) approves the significant forecast adjustments as set out in paragraphs 19 and 20 of the staff report; and
 - c) approves the revised Financial Strategy position for Debt to Revenue, Net Debt and Balancing the Books as set out in paragraphs 22 to 24 of the staff report.

Executive Summary - *Whakaraapopototanga matua*

5. This report is to be read in conjunction with the:
 - 31 March 2021 (13 May 2021 meeting) Annual Monitoring Report; and
 - 31 March 2021 (13 May 2021 meeting) Capital Portfolio Monitoring Report.
6. This report provides a forecast update of the key 10-Year Plan Financial Strategy metrics.
7. Forecasting changes made since the adoption of the 10-Year Plan show an improvement in the Financial Strategy measures.
 - Debt to revenue is 179% and favourable against a budget of 229%
 - Net debt is \$590M and favourable against a budget of \$684M
 - Balancing the books is (\$1M) and is in line with budget.

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

Background - *Koorero whaimaarama*

Financial Strategy

9. One key goal of the 10-Year Plan Financial Strategy is to maintain or better the balancing the books result, so the need to borrow to fund everyday expenses is eliminated. Not borrowing to fund everyday expenses maintains Council's borrowing capacity to fund investment in community and infrastructure initiatives.
10. The Financial Strategy (pages 67-71, 2018-28 10-Year Plan) is designed to:
 - a) fund everyday expenses from everyday revenues;
 - b) maintain service levels and assets;
 - c) create surpluses to repay debt;
 - d) support investment in community, infrastructure and growth initiatives; and
 - e) fund investments from debt.
11. The key outcomes are:
 - a) balancing the books in 2023/24 (this was updated in the 2020/21 Annual Plan);
 - b) maintaining a Debt to Revenue Ratio of less than 230%; and
 - c) setting rates increases for existing ratepayers at 9.7% (2018/19) and 3.8% per annum thereafter for existing ratepayers.

Significant Forecasting assumptions

12. Any changes in significant forecasting assumptions (pages 72-81, 2018-28 10-Year Plan) will result in changes to the Financial Strategy outcomes.
13. The following forecasting assumptions directly impact the Financial Strategy:
 - a) **Growth:** revenue budgets for rates, development contributions, building and resource consents are linked to growth assumptions based on the National Institute of Demographic and Economic Analysis (NIDEA) Low projections;
 - b) **Interest on borrowing;** and
 - c) **Inflation:** 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.
14. These assumptions will be considered and, if necessary, adjusted in each Annual Plan.

Financial Strategy Significant Forecast Adjustments

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

Discussion – *Matapaki*

17. Significant forecasting adjustments since the 23 March 2021 Council meeting, outlined below, as compared to the 10-Year Plan budget.
18. Numbers in brackets represent an adverse outcome.
19. Capital revenue, capital savings, re-phasing, and delay deferrals from 2020/21 to future years as detailed in the Capital Portfolio Monitoring Report, paragraph 24 and 25.

Capital Adjustments – Financial Strategy Impact								
\$000	2021	2022	2023	2024	2025	2026	2027	2028
Balancing the Books	881	925	970	1,018	1,044	1,095	1,148	1,203
Net Debt	18,748	19,673	20,643	21,661	22,706	23,800	24,948	26,151

20. Favourable forecast adjustments to operating revenue and expenditure as detailed in Attachment 2 of the Annual Monitoring Report.

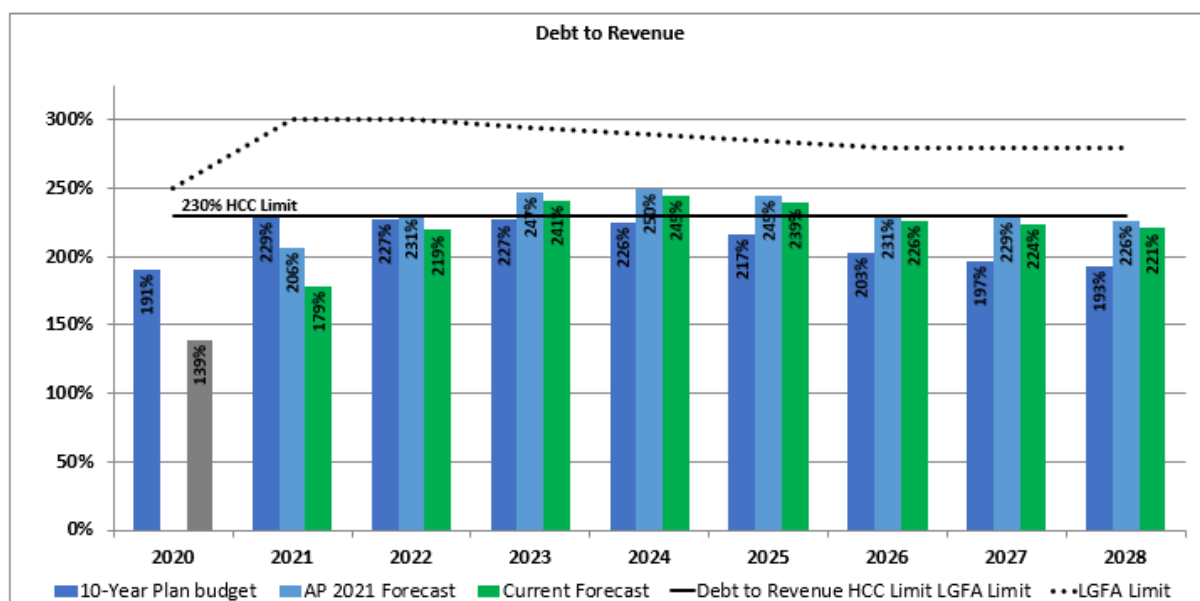
Operating Adjustments – Financial Strategy Impact								
\$000	2021	2022	2023	2024	2025	2026	2027	2028
Balancing the Books	703	15	15	16	17	17	18	19
Net Debt	299	314	329	346	362	380	398	417

Financial Strategy Graphs

21. The following graphs show the 10-Year Plan budgets, annual plan forecast, the total of all Council approved changes listed in **Attachment 1** and the significant forecast adjustments as set out in paragraph 20 and 21. These significant forecast adjustments are subject to decision by the Finance Committee or Council.

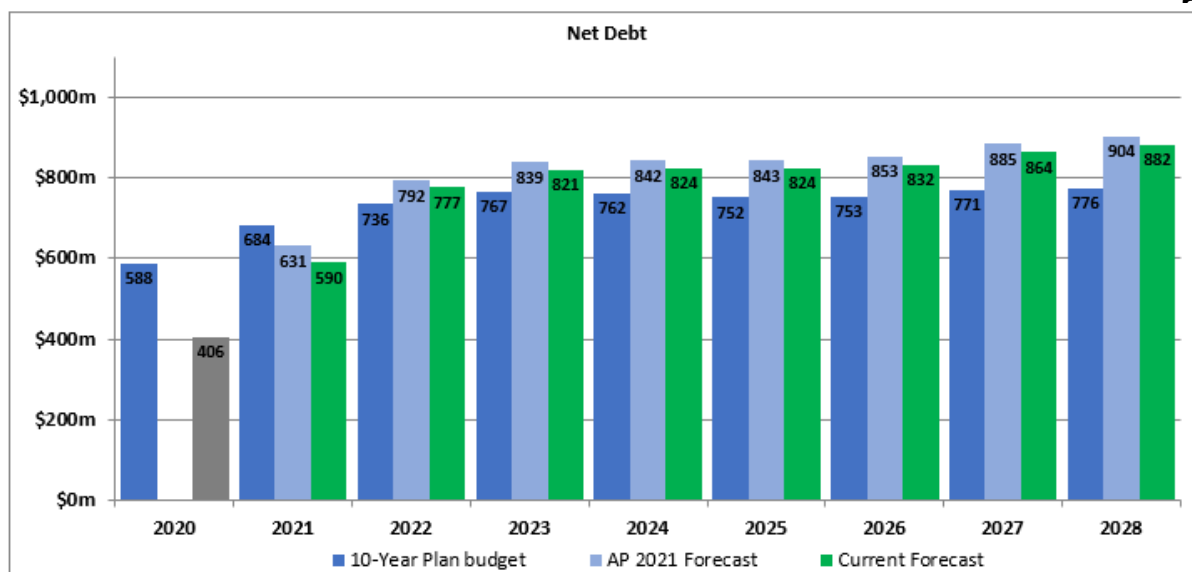
Debt to Revenue

22. The Debt to Revenue graph includes all adjustments identified in this report and shows that the forecast debt to revenue of 179% is favourable against the 10-Year Plan budget of 229%.



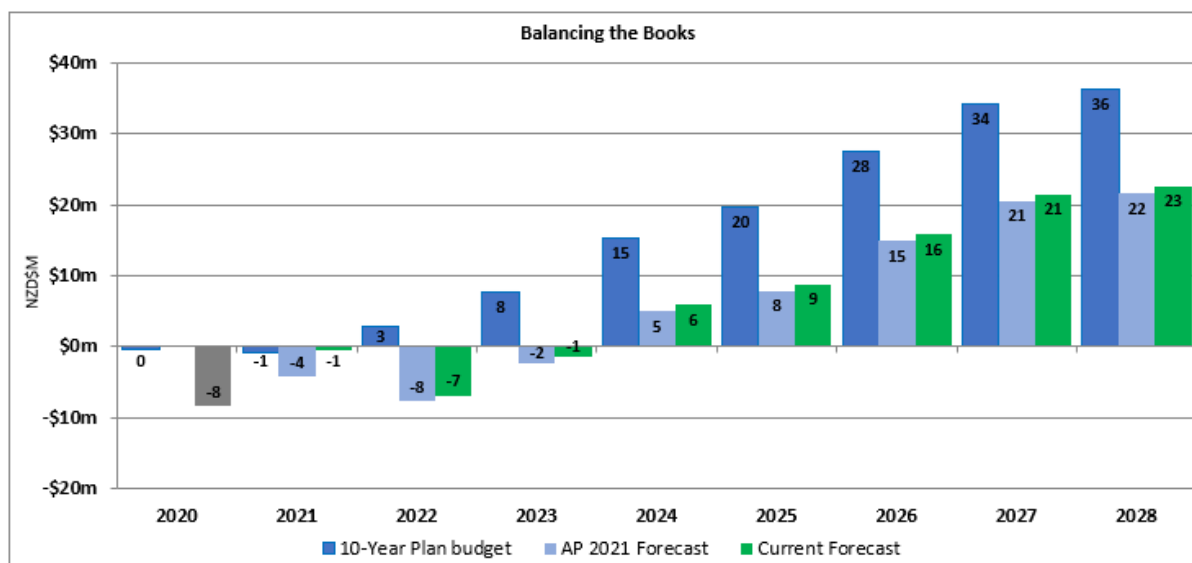
Net Debt

23. The Net Debt graph shows a decrease in net debt against the 10-Year Plan. Net debt for 2020/21 is forecast at \$590M.



Balancing the Books

24. The 2020/21 forecast balancing the books result is unfavourable at (\$1M). Forecast shows to balance the books in 2023/24.



Risks to the Financial Strategy

25. The debt to revenue margin on debt capacity has built up some resilience since the national lockdown period. Annual plan budgets for 2020/21 included the anticipated impacts of Covid-19 which have not been as severe as expected. It should be considered in the context of the extent of change that has occurred already since the plan was adopted, the impact on expected revenue and the amount of spending budgeted to occur.

Emerging Issues

26. The Annual and Capital Portfolio Monitoring Report lists emerging issues that could impact the capital portfolio and consequently debt and the balancing the books result across the remainder of the 10-Year Plan.

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

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

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

28. 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').
29. The subject matter of this report has been evaluated in terms of the 4 well-beings during the process of developing this report.
30. The recommendations set out in this report are consistent with that purpose.
31. This report addresses matters of financial sustainability. No other considerations have been identified relevant to the matters in this report.

Risks - *Tuuraru*

32. There are no risks associated with the recommendations in this report, noting the recommendations are based on decisions that have been made in the context of assumptions that may change.

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

Significance

33. 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

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

Attachments - *Ngaa taapirihanga*

Attachment 1 - Register of Significant Forecast Changes

Register of Significant Forecast Changes

The following significant forecasting changes have previously been approved.

\$'000's

BB= Balancing the books impact.

ND = Net Debt impact.

Numbers in brackets have an adverse impact.

Date	Change	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
2018/19 Financial Year	Balancing the books	11,551	(4,596)	(4,875)	(5,236)	(1,589)	1,587	2,533	2,969	1,575	(485)
	Net Debt	95,525	65,083	29,322	34,362	40,886	45,823	50,346	54,953	59,596	64,160
Date	Change	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
2019/20 Financial Year	Balancing the books	-	4,736	3,561	(466)	(1,473)	(1,806)	(2,100)	(2,442)	(2,903)	(3,287)
	Net Debt	-	116,725	85,362	6,756	(13,783)	(19,904)	(25,722)	(32,048)	(40,928)	(48,069)
Date	Change	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
23-Jul-20	Annual Plan Budget Adjustments	BB	-	-	(17,201)	3,099	(1,359)	(4,715)	(5,943)	(6,703)	(4,185)
		ND	-	-	(32,528)	(38,173)	(43,223)	(48,559)	(54,138)	(60,034)	(66,259)
	Infrastructure Operations Staff Remuneration - additional resources	BB	-	-	(1,337)	(1,354)	(1,359)	(1,454)	(1,548)	(1,655)	(1,768)
		ND	-	-	(1,337)	(2,691)	(4,050)	(5,504)	(7,052)	(8,708)	(10,475)
	Infrastructure Operations Staff Remuneration - revenue recovery	BB	-	-	427	468	491	525	559	598	639
		ND	-	-	427	885	1,376	1,901	2,460	3,058	3,697
	Growth Programmes Funding	BB	-	-	(575)	(28)	(30)	(31)	(32)	(34)	(35)
		ND	-	-	(575)	(604)	(634)	(665)	(697)	(730)	(766)
	Living Wage	BB	-	-	(387)	(467)	(500)	(536)	(571)	(610)	(652)
		ND	-	-	(387)	(854)	(1,354)	(1,890)	(2,461)	(3,071)	(3,723)
	Suburban Response Team Funding	BB	-	-	(260)	(13)	(13)	(14)	(14)	(15)	(16)
		ND	-	-	(260)	(273)	(286)	(300)	(315)	(330)	(346)
	Council owned dwellings	BB	-	-	(55)	(3)	(3)	(3)	(3)	(3)	(4)
		ND	-	-	(55)	(58)	(60)	(63)	(66)	(70)	(73)
	Community welfare package	BB	-	-	(483)	(3)	(3)	(3)	(3)	(3)	(4)
		ND	-	-	(60)	(62)	(66)	(69)	(72)	(76)	(79)
	Rent relief to community groups	BB	-	-	(79)	(4)	(4)	(4)	(4)	(5)	(5)
		ND	-	-	(79)	(83)	(87)	(91)	(96)	(100)	(105)
	Rate relief to community groups	BB	-	-	(35)	(2)	(2)	(2)	(2)	(2)	(2)
		ND	-	-	(35)	(37)	(39)	(41)	(42)	(45)	(47)
	Business response centre	BB	-	-	(110)	(5)	(6)	(6)	(6)	(7)	(7)
		ND	-	-	(110)	(115)	(121)	(127)	(133)	(139)	(146)
	Business support fund	BB	-	-	(274)	(14)	(14)	(15)	(15)	(16)	(17)
		ND	-	-	(274)	(288)	(302)	(317)	(332)	(348)	(365)
	Capital Programme deferrals	BB	-	-	2,740	460	563	703	751	1,029	1,008
		ND	-	-	58,306	9,778	11,981	14,956	16,318	22,369	21,910
	Postpone Municipal Pool demolition by one year	BB	-	-	658	(640)	1	1	1	1	1
		ND	-	-	658	18	19	20	21	22	23
	Close public display houses at Hamilton Garden Nursery	BB	-	-	88	4	5	5	5	5	6
		ND	-	-	88	92	97	101	106	111	117
	Stop digitisation of Library heritage collection	BB	-	-	274	14	14	15	15	16	17
		ND	-	-	274	288	302	317	332	348	365
	CBD parking trial to cease from 1 January 2021	BB	-	-	438	22	23	24	24	26	27
		ND	-	-	438	460	483	507	531	557	583
	Extend resourcing for civic/city events	BB	-	-	(44)	(2)	(2)	(2)	(2)	(3)	(3)
		ND	-	-	(44)	(46)	(48)	(51)	(53)	(56)	(58)
Date	Change	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
11-Aug-20	Capital Deferrals and NZTA capital subsidy deferred	BB	-	-	(12)	(175)	(184)	(193)	(198)	(208)	(218)
		ND	-	-	(363)	(3,733)	(3,917)	(4,111)	(4,309)	(4,517)	(4,734)
	Forecast changes from Annual Monitoring report	BB	-	-	89	94	98	103	106	111	116
		ND	-	-	1,902	1,996	2,095	2,198	2,304	2,415	2,531
Date	Change	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
6-Oct-20	Capital Deferrals and NZTA capital subsidy deferred	BB	-	-	49	(71)	(75)	(78)	(81)	(84)	(88)
		ND	-	-	(1,446)	(1,517)	(1,592)	(1,670)	(1,751)	(1,835)	(1,923)
	Forecast changes from Annual Monitoring report	BB	-	-	-	-	-	-	-	-	-
		ND	-	-	-	-	-	-	-	-	-
Date	Change	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
2-Dec-20	Capital Deferrals and NZTA capital subsidy deferred	BB	-	-	1,043	(14)	49	52	53	56	58
		ND	-	-	22,194	(300)	1,049	1,101	1,154	1,209	1,268
	Forecast changes from Annual Monitoring report	BB	-	-	(1,014)	(50)	(52)	(55)	(56)	(59)	(62)
		ND	-	-	(1,014)	(1,064)	(1,116)	(1,171)	(1,228)	(1,287)	(1,348)
	Municipal Endowment Fund	BB	-	-	(1,834)	(1,924)	(2,019)	(2,118)	(2,219)	(2,323)	(2,430)
		ND	-	-	(39,013)	(40,937)	(42,956)	(45,074)	(47,248)	(49,526)	(51,914)
Date	Change	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
16-Feb-21	Capital Deferrals and NZTA capital subsidy deferred	BB	-	-	235	247	259	271	278	292	306
		ND	-	-	4,999	5,245	5,504	5,776	6,054	6,346	6,652
Date	Change	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
23-Mar-21	Capital Deferrals and NZTA capital subsidy deferred	BB	-	-	466	469	513	558	552	579	607
		ND	-	-	9,911	10,400	10,913	11,451	12,003	12,582	13,189
	Forecast changes from Annual Monitoring report	BB	-	-	25,713	1,491	1,564	1,642	1,684	1,765	1,850
		ND	-	-	30,229	31,720	33,284	34,926	36,610	38,375	40,225
2020/21	Change	2021	2022	2023	2024	2025	2026	2027	2028		
	Balancing the books	8,516	1,607	(2,045)	(5,352)	(6,625)	(7,208)	(6,339)	(4,864)		
	Net Debt	51,948	(29,952)	(32,750)	(36,450)	(42,100)	(48,479)	(51,803)	(58,644)		

Council Report

Committee: Finance Committee **Date:** 13 May 2021
Author: Stephen Pennruscoe **Authoriser:** Lance Vervoort
Position: Libraries Director **Position:** General Manager Community
Report Name: Libraries RFID (Radio Frequency Identification) Service Level Agreement

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

1. To inform the Finance Committee on Contract 18157 – Hamilton Libraries RFID Implementation.
2. To seek approval from the Finance Committee to award the RFID Service Level Agreement under Contract 18157 – Hamilton Libraries RFID Implementation.

Staff Recommendation - *Tuutohu-aa-kaimahi*

3. That the Committee:
 - a) receives the report; and
 - b) approves the RFID Service Level Agreement under Contract 18157 – Hamilton Libraries RFID Implementation noting the following:
 - (i) the Service Level Agreement term is to be set at ten years; and
 - (ii) the Sum of Six Hundred Thousand Dollars (\$600,000) being the maximum total spend over the full term of the Agreement.

Executive Summary - *Whakaraapopototanga matua*

4. Through Contract 18157 – Hamilton Libraries RFID Implementation, Hamilton City Libraries appointed Bibliotheca to install a comprehensive RFID solution including hardware and software for Hamilton City Libraries.
5. The contract considered Service Level Agreement costs which were included in the 2018-2028 10 Year Plan budget, however, were not included as part of the final Goods Supply Contract.
6. The warranty period for the contract has now been completed and a formalised Service Level Agreement is required for ongoing vendor support.
7. Procurement have recommended a 10 Year contract duration to align with the useful life of the assets.
8. Finance Committee approval is required for the Service Level Agreement due to the contract duration of ten (10) years.
9. This is a regular operational activity funded through the Long Term plan.

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

Background - *Koorero whaimaarama*

11. There is no prior Service Level Agreement in place for Contract 18157 – Hamilton Libraries RFID Implementation.
12. In January 2019 Council issued a public request for proposal for Contract 18157 – Hamilton Libraries RFID Implementation. This contract was appointed to Bibliotheca. A comprehensive RFID solution including hardware and software was installed across all six Hamilton City Library sites.
13. Service Level Agreement costs were considered as part of the Contract Tender for Contract 18157 – Hamilton Libraries RFID Implementation and included in the 2018-28 10 Year Plan budget, but not incorporated into the final Goods Supply Contract as specific terms were to be negotiated on completion of the warranty period.
14. The contract included a warranty of 12 months from the date of issue of practical completion certificate which was approved on the 2nd of March 2020.
15. A formalised Service Level Agreement is now required for ongoing asset and system vendor support.

Discussion - *Matapaki*

16. The Service Level Agreement provides licensing and support to the specialist RFID equipment that was installed under Contract 18157 – Hamilton Libraries RFID Implementation. The Service Level Agreement defines the obligations of Bibliotheca (the provider) and Hamilton City Libraries (the customer) and KPIs.
17. Which include:
- i. service levels and target resolution times;
 - ii. excluded services;
 - iii. intellectual property rights;
 - iv. liability; and
 - v. termination terms.

Options

18. The two options available are to approve the RFID Service Level Agreement or not to approve. Not approving the RFID Service Level Agreement carries risks of lapsing software, no vendor support and unbudgeted repair expenses.
19. Staff therefore recommend that the RFID SLA is approved for Bibliotheca, as the one reasonable and viable option for consideration. This assessment reflects the level of significance and the prior appointment of Bibliotheca through the RFP process.

Financial Considerations - *Whaiwhakaaro Puutea*

20. This is a regular operating activity funded through the Libraries operational budgets and is included in the 2018-28 10 Year Plan and provisioned for in the draft 2021-31 Long-Term Plan.

Libraries Operational budget - 0454 - Software Licenses		
Year	Draft LTP budget	SLA Fee
2021-22	\$55,000	\$53,598.60
2022-23	\$55,000	\$53,598.60
2023-24	\$55,000	\$53,598.60
2024-25	\$55,000	\$53,598.60
2025-26	\$55,000	\$53,598.60
2026-27	\$55,000	\$53,598.60
2027-28	\$55,000	\$53,598.60
2028-29	\$55,000	\$53,598.60
2029-30	\$55,000	\$53,598.60
2030-31	\$55,000	\$53,598.60
Total	\$550,000	\$535,986.00

21. The structure of the Service Level Agreement allows for Consumer Price Index (CPI) increases to be applied.

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

22. Staff confirm that matters discussed in this report comply with council's legal and policy requirements.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

23. 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).
24. 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.
25. The recommendations set out in this report are consistent with that purpose.

Social

26. The implementation of RFID delivers on the Libraries Strategic Plan by providing a modern library service for Hamilton and delivers on the Libraries Digital Plan by implementing full self-service and returns functionality at all libraries.

Economic

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

Environmental

28. The Libraries Strategic plan and overall work of the Libraries contributes to the Environmental wellbeing in the following ways:
- I. Hamilton City Libraries provides a wealth of information and resources through collections that help people to live more sustainably; and
 - II. adoption of more sustainable work practices.

Cultural

29. The Service Level Agreement meets the Cultural wellbeing values by ensuring that Libraries Branches are places the community feels proud of.

Risks - *Tuuraru*

30. The risks of not taking out an SLA for the RFID solution are:
- a. the software will not be updated;
 - b. there is no vendor support for equipment failure; and
 - c. any repairs would be an unbudgeted expense.

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

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

Engagement

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

Attachments - *Ngaa taapirihanga*

There are no attachments for this report.

Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

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

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Finance Committee Public Excluded Minutes of 23 March 2021) Good reason to withhold) information exists under) Section 7 Local Government) Official Information and) Meetings Act 1987)	Section 48(1)(a)
C2. Report on overdue debtors as at 31 March 2021 and Debt write-offs 2020/21		
C3. Waikato Innovation Park Claim		
C4. Techonology Service Contract Renewal		

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

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