

## Notice of Meeting:

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

**Date:** Tuesday 16 February 2021  
**Time:** 9.30am  
**Meeting Room:** Council Chamber and Audio-visual Link  
**Venue:** Municipal Building, Garden Place, Hamilton

Richard Briggs  
Chief Executive

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## Finance Committee

### *Komiti Tahua*

### OPEN AGENDA

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#### Membership

**Chairperson** Cr R Pascoe  
*Heamana*

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

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

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

**Meeting Frequency:** Six weekly

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Becca Brooke  
Governance Manager  
*Menetia Mana Whakahaere*

**5 February 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:** 16 February 2021  
**Author:** Narelle Waite **Authoriser:** Becca Brooke  
**Position:** Governance Advisor **Position:** Governance Manager  
**Report Name:** Confirmation of the Finance Committee Open Minutes of 2 December 2020

|                      |             |
|----------------------|-------------|
| <b>Report Status</b> | <i>Open</i> |
|----------------------|-------------|

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

That the Finance Committee confirms the Open Minutes of the Finance Committee Meeting held on 2 December 2020 as a true and correct record.

## Attachments - *Ngaa taapirihanga*

Attachment 1 - Finance Committee Open Minutes - 2 December 2020

## Finance Committee *Komiti Tahua* OPEN MINUTES

Minutes of a meeting of the Finance Committee held in Council Chamber, Municipal Building, Garden Place, Hamilton and Audio-visual Link on Wednesday 2 December 2020 at 9:32am.

### PRESENT

**Chairperson** Cr R Pascoe  
*Heamana*

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

**Members** Mayor P Southgate (Audio-visual Link)  
Deputy Mayor G Taylor (Audio-visual Link)  
Cr M Forsyth  
Cr M Gallagher  
Cr R Hamilton  
Cr D Macpherson  
Cr A O’Leary (Audio-visual Link)  
Cr S Thomson (Audio-visual Link)  
Cr E Wilson (Audio-visual Link)  
Maangai H Rau

**In Attendance** Richard Briggs – Chief Executive  
Eeva-Liisa Wright – General Manager Infrastructure Operations  
Chris Allen – General Manager Development  
Lance Vervoort – General Manager Community  
Sean Murray – General Manager Venues, Tourism and Major Events  
Sean Hickey – General Manager Strategy and Communication  
Tracey Musty – Financial Controller  
Iain Anderson – Capital Financial Lead  
Rebecca Whitehead – Unit Director Business and Planning  
Julie Sanderson – Group Business Manager City Growth  
Julie Clausen – Unit Manager Strategy and Corporate Planning  
Katy Nudd – Business Planning Analyst  
Stephen Pennruscoe – Libraries Director  
Gail Clark – Koorero/Content Manager Libraries

**Governance Staff** Becca Brooke – Governance Manager  
Amy Viggers – Governance Team Leader  
Narelle Waite and Carmen Fortin – Governance Advisors

1. **Apologies – *Tono aroha***

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

That the apologies for absence from Crs Naidoo-Rauf and Bunting, and for early departure from Cr Gallagher (Council Business) were accepted.

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

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

That the agenda is confirmed.

3. **Declarations of Interest – *Tauaakii whaipaaanga***

No members of the Council declared a Conflict of Interest.

4. **Public Forum – *Aatea koorero***

No members of the public wished to speak.

5. **Confirmation of the Open Finance Committee Minutes - 6 October 2020**

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

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

6. **Chair's Report**

The Chair took the report as read and responded to questions from Members concerning the National Policy Statement: Urban Development, the Long Term Plan, and Waipa District Council boundary discussions.

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

That the Finance Committee receives the report.

*Mayor Southgate joined the meeting (9.33am) during discussion of the above item. She was present when the matter was voted upon.*

*Cr Thomson joined the meeting (9.34am) during discussion of the above item. She was present when the matter was voted upon.*

7. **Capital Portfolio Monitoring Report**

The Capital Financial Lead outlined the report and noted the request to increase the contract sum for the Rotokauri Transport Hub was budgeted. He responded to questions from Members concerning the National Policy Statement: Fresh Water, and the Rotokauri Transport Hub contract.

**Staff Action:** *Staff undertook to provide Members with information concerning contract sum increases over the past twelve months, both within and outside of budget.*

**Resolved:** (Cr Wilson/Mayor Southgate)

That the Finance Committee:

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

## 8. Annual Monitoring Report to 31 October 2020

The Financial Controller spoke to the report outlining the noting the accounting results as at end of October 2020, current debt and interest rates. She responded to questions from Members concerning the Rotokauri Park and Ride project, Treasury breaches, investment options, and personnel costs.

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

That the Finance Committee receives the report.

*Mayor Southgate left the meeting (10.24am) during discussion of the above item. She was not present when the matter was voted on.*

## 9. Financial Strategy Monitoring Report - Recommendation to the Council

The Financial Controller introduced the report noting the update to the tables presented in the report. She responded to questions from Members concerning debt to revenue, endowment funds, and cash assets.

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

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

## 10. Non-Financial Service Performance Report Quarter one 2018-28 Long Term Plan

The Unit Manager Strategy and Corporate Planning and the Business Planning Analyst spoke to the report noting key performance measures that would not be meet, largely due to the impacts of Covid-19. She responded to questions from Members concerning gross domestic product growth, the Rubbish and Recycling performance measure, customer service standards, 2021-31 Long Term Plan measures, city growth and development, and animal control service levels.

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

That the Finance Committee receives the report.

*Cr Thomson left the meeting (10.57am) during discussion of the above item. She was not present when the matter was voted on.*

## 11. Contract 15216 Supply of Library Collection Materials Variation of contract sum

The Libraries Director and the Koorero/Content Manager Libraries introduced the report noting that the requested increase to the contract sum is budgeted. They responded to questions from Members regarding the Libraries' expenditure, membership, book-borrowing, and Covid-19 Libraries funding.

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

That the Finance Committee:

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

*Cr Thomson re-joined the meeting (11.04am) during discussion of the above item. She was present when the matter was voted on.*

## 12. Resolution to Exclude the Public

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

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

The following motion is submitted for consideration:

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

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

| General subject of each matter to be considered                                    | Reasons for passing this resolution in relation to each matter   | Ground(s) under section 48(1) for the passing of this resolution |
|--|--|--|
| C1. Confirmation of the Public Excluded Finance Committee Minutes - 6 October 2020 | ) Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987 | Section 48(1)(a)   |
| C2. Report on overdue debtors as at 31 October 2020 & Debt write-offs 2020/21      | )  |  |

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

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

**The meeting went into Public Excluded session at 11.13pm.**

**The meeting was declared closed at 12.01pm.**

# Council Report

Item 6

**Committee:** Finance Committee

**Date:** 16 February 2021

**Author:** Narelle Waite

**Authoriser:** Becca Brooke

**Position:** Governance Advisor

**Position:** Governance Manager

**Report Name:** Chair's Report

|                      |             |
|----------------------|-------------|
| <b>Report Status</b> | <i>Open</i> |
|----------------------|-------------|

## **Recommendation - *Tuutohu***

That the Finance Committee receives the report.

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

Attachment 1 - Chair's Report Finance Committee Meeting - 16 February 2021



## Chair's Report

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Welcome to 2021.

I hope all Elected Members and staff have taken the opportunity to have a well-earned holiday and gain some respite from the unexpected events of 2020.

2021 will be a significant year for Council on the finance front. The City has major financial challenges not only in responding to growth, but also the increasing compliance challenges being imposed on local government and their communities, often with little conversation and mostly with no offer to resource and fund the significant resulting added costs. These costs eventually fall to ratepayers.

In addition to this impost, we have before us our largest work stream of this term – the Long-Term Plan (LTP).

In approving the LTP, there is an opportunity for city residents to have a say on the proposals put forward by Elected Members, to tell us if there are positive benefits for the city and if they are prepared to fund the cost of the various projects being mooted.

I have participated with the Mayor, Deputy Mayor, and Cr Gallagher along with staff over the holiday period in the preparation of a consultation document. One that needs to be open, easy to follow, and has “no surprises”.

There are challenges and we will face pushback from residents on the increase in rates revenue being sought to fund increased expenditure for the next 10 years. Rates affordability will become a major concern for many city ratepayers when considered in the context of the economic uncertainty in the period ahead.

I am hopeful that many residents after reading the consultation document will challenge and provide robust feedback giving Councillors the direction for a clear pathway forward to the final plan which will be decided in June 2021.

Rob Pascoe  
**Chair of Finance**



# Council Report

Item 7

**Committee:** Finance Committee

**Date:** 16 February 2021

**Author:** Iain Anderson

**Authoriser:** Chris Allen

**Position:** Capital Financial Lead

**Position:** General Manager  
Development

**Report Name:** Capital Portfolio Monitoring Report

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

## 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*

1. That the Finance Committee receives the report.

## Executive Summary - *Whakaraapopototanga matua*

3. This report is to be read in conjunction with the:
  - 30 November 2020 (16 February 2021 meeting) Annual Monitoring Report; and
  - 30 November 2020 (16 February 2021 meeting) Financial Strategy Monitoring report
2. This report reflects the capital portfolio results for the five months ending 30 November 2020.
3. 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

4. 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;
  - Project: refers to the individual project under a particular programme. These projects may have funding from multiple activities and occur across multiple years.
5. **Attachment 1** contains an overview of the Capital Portfolio.

6. **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.
7. **Attachment 3** – 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.
8. **Attachment 4** – 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 30 November 2020.

#### Capital Expenditure Forecast Groups

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

## Capital Forecast

10. The following section summarises the changes to the capital portfolio since the adoption of the 2020-21 Annual Plan.
11. This report only includes changes since the 2 December 2020 Finance Committee. A 2020-21 summary schedule of the changes for the current year are contained in **Attachment 3**.
12. 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.
13. The following tables list the changes to expenditure and revenue since the previous report to the Finance Committee on 2 December 2020.
14. Expenditure – Annual Forecast changes

|  |          |
|--|----------|
| 2020/21 Capital Expenditure Budget – 2 December 2020         | \$290.3m |
| Less New Deferrals   | \$ 6.9m  |
| 2020/21 Revised Capital Expenditure Budget – 2 December 2020 | \$283.4m |

15. Revenue – Annual Forecast changes

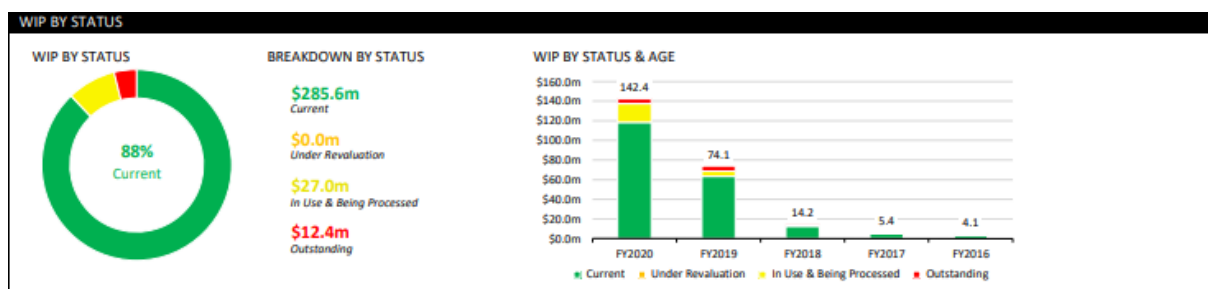
|   |         |
|---|---------|
| 2020/21 Annual Plan Capital Revenue Budget – 6 October 2020         | \$62.2m |
| Less New Deferrals  | \$ 2.2m |
| 2020/21 Revised Annual Capital Expenditure Budget – 2 December 2020 | \$60.0m |

## Capital Actual

16. The actual capital expenditure for the five months ended 30 November 2020 is \$84.8m (\$72.9m) with associated capital revenue of \$21.4m (\$14.7m). The amounts in the brackets are comparatives from the previous financial year.
17. The capital programme is significantly greater this year than was delivered in the previous year. The total spend last year was \$190.8m while this year the target spend through the forecast budget is \$283.4m.
18. The Cost Saving Report from the 2018-28 10 Year Plan identified a savings target for 2020-21 of \$14.2m. This target need to be met to ensure the consequential savings in interest and depreciation are met, these savings are values at \$1.3m. This report reflects five months actuals and no savings have been confirmed. As we move through the year and more certainly starts to emerge these savings will be identified and reported to future Finance Committee meetings.
19. Net deferrals identified for the five months ended are \$24.0m. Net deferral refers to project budgets that are either moved out to a future year or approved project budgets that are being brought forward from future years.

## Work in Progress (WIP)

20. The balance of WIP as at 30 November 2020 is \$325.0m, this excludes the value of vested assets.
21. The breakdown by status is:
- Current - \$285.6m (88%): this is legitimate WIP and reflects the assets that cannot be capitalised until they are in use; and
  - Outstanding \$39.4m (12%): 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.
22. The following table includes the status along with the WIP age.



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

## Project Risks

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

### Wairere Drive Extension – Cambridge to Cobham

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

### Transport Centre Rejuvenation

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

### Gordonton/Puketaha Intersection Upgrade

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

### Hamilton Gardens Stage 1

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

### Zoo/Waiwhakareke Shared Entry Precinct

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

### Rototuna Village Transport – Stage 1

30. The extension of Turakina Rise through to Bourn Brook Ave is on delayed 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 of Freshwater.

### Newcastle Water Reservoir and Supply Network Upgrade

31. This project has entered the procurement phase, cost risk exists until the market price is understood through the tender process.

### **Ruakura Stage 1 - Key Transport Connection Funding Agreement**

32. Council has entered into a funding agreement with the Ministry of Business, Innovation and Employment (MBIE) for the construction of the Stage 1 transport connections, this work will assist unlocking the Inland Port. To this end Tainui Group Holding Limited (TGHL) are also contributing.
33. The total funding package is worth \$33.6m. The HCC share is \$5.0m. As at 31 December 2020 Council has invoiced the first instalments with a value of \$9.0m. This funding will be held in a separate account and only applied once the projects begins, in the meantime it does have a positive impact on Councils financing.
34. The impact of this revenue has yet to be included within the Financial Strategy metrics for the current Annual Plan and 2021-31 LTP.

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

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

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

36. 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').
37. 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.
38. The recommendations set out in this report are consistent with that purpose.

### **Social**

39. 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**

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

### Environmental

41. Across the capital portfolio, environmental consideration is integrated throughout the project life cycle, including through design, procurement and construction.
42. 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.
43. 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

44. 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*

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

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

#### Significance

46. 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

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

### Attachments - *Ngaa taapirihanga*

Attachment 1 - Capital Portfolio - Summary

Attachment 2 - Eight Programme Summaries

Attachment 3 - Summary of Changes to Capital Budgets

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

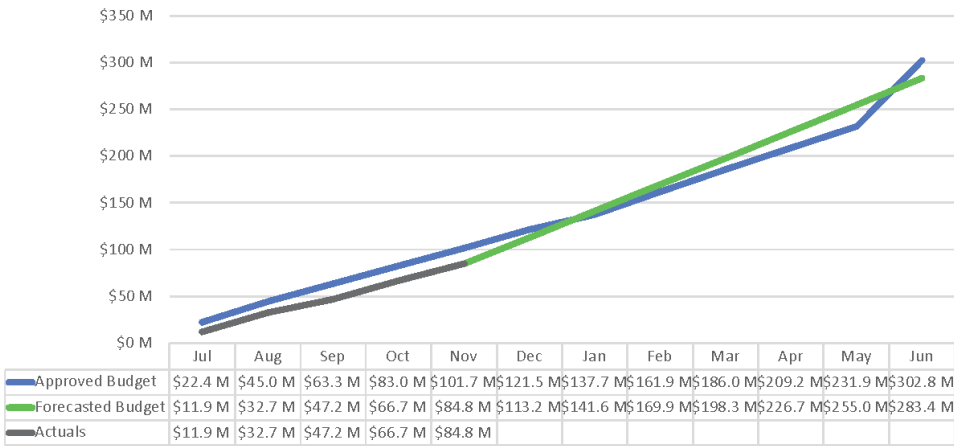
With limited existing industrial/commercial land available (Te Rapa industrial zone almost at capacity), Ruakura is the city's next planned major employment area. In collaboration with Tainui Group Holdings and with Crown Stimulus Funding, provision for the major transport links and strategic 3-waters 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 commissioned. The procurement stage (tendering) for the subsequent sedimentation and filtration upgrade is nearing completion with physical works planned to commence in February 2021.

**Pukete Wastewater Treatment Plant:** This project is progressing towards completion of the new chemical storage facility, bioreactor and clarifier by March 2021 with the majority of all physical works now substantively complete and the focus now on commissioning activities.



### WATER

**Newcastle Water Reservoir and Supply**

**Network Upgrade:** Procurement is underway, with construction starting in early to mid-2021.



### STORMWATER

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



### WASTEWATER

**Western Wastewater Interceptor:** The project is making good progress with pipe installation alongside Mangaharakeke Drive. The Forest Lake Road pipe installation works is nearly complete and the installation along and crossing Lincoln Street has commenced.

### Hillsborough Wastewater Pump Station

**Upgrade:** The pump station is currently going through final commissioning and reinstatement works. Expected completion February 2021. The retaining wall mural work is substantially complete.

Hillsborough Pump Station

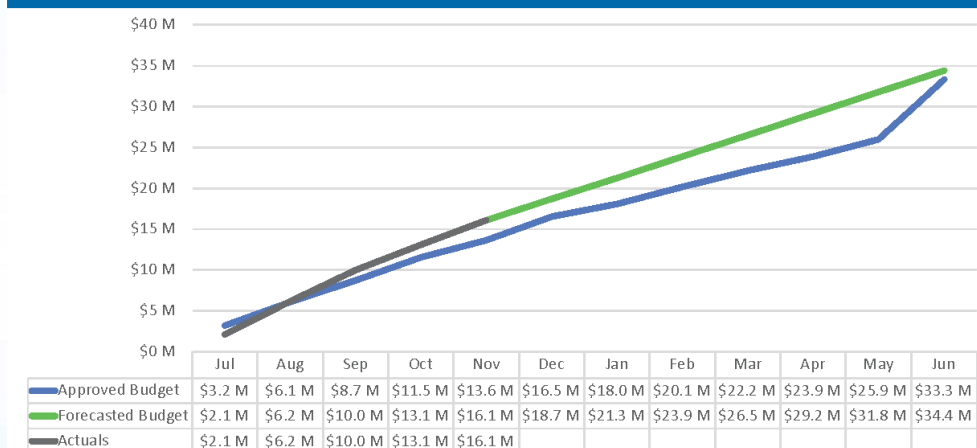


Hillsborough Pump Station

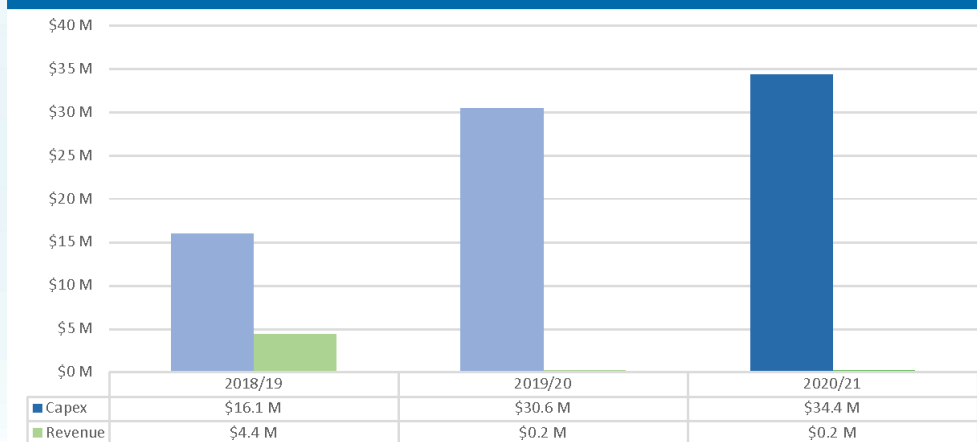


## FINANCIAL PERFORMANCE

### Capital Expenditure 2020-21







### 3 Year Forecasted Budget





# CITY WIDE WATERS PROGRAMME CAPITAL REPORT

## KEY PROJECTS

| Project Name  | Project Description  | Project Status | Total Project Budget | Actual Spend to Date | Forecast Total Cost | 2019/20 | 2020/21 | 2021/22 |
|---|--|----------------|----------------------|----------------------|---------------------|---------|---------|---------|
|  <b>Pukekoe Wastewater Treatment Plant Capacity Upgrade</b>    | Major capacity upgrade on the wastewater treatment plant.  | On Track       | \$36.6 M             | \$30.0 M             | \$36.6 M            | Design  | Design  | Design  |
|  <b>Western Wastewater Interceptor Capacity Upgrade</b>        | A large wastewater pipe being installed underground along Mangaharakeke Drive which will connect to our Pukekoe Wastewater Treatment Plant. Savings of \$1.44m already realised in 2018/19.  | On Track       | \$22.5 M             | \$13.3 M             | \$21.0 M            | Design  | Design  | Design  |
|  <b>Hillsborough Wastewater Pump Station Upgrade</b>         | A major renewal project which will increase the size and capacity of the wastewater pump station.  | On Track       | \$4.8 M              | \$4.5 M              | \$4.8 M             | Design  | Design  | Design  |
|  <b>Waiora Water Treatment Plant Upgrade</b>                 | Major capacity upgrade on the water treatment plant including upgrading the chemical facility and replacing the clarifiers, sand filters, balancing tank and pump station.   | On Track       | \$32.4 M             | \$10.6 M             | \$32.4 M            | Design  | Design  | Design  |
|  <b>Newcastle Water Reservoir and Supply Network Upgrade</b> | Installing new water pipes and upgrading the reservoir pump station to improve functionality, network operations and resilience. Currently in procurement process and cost risks will be further understood when market pricing is confirmed. Staff will report back to the strategic growth committee meeting in March. | On Track       | \$10.7 M             | \$1.1 M              | \$10.7 M            | Design  | Design  | Design  |

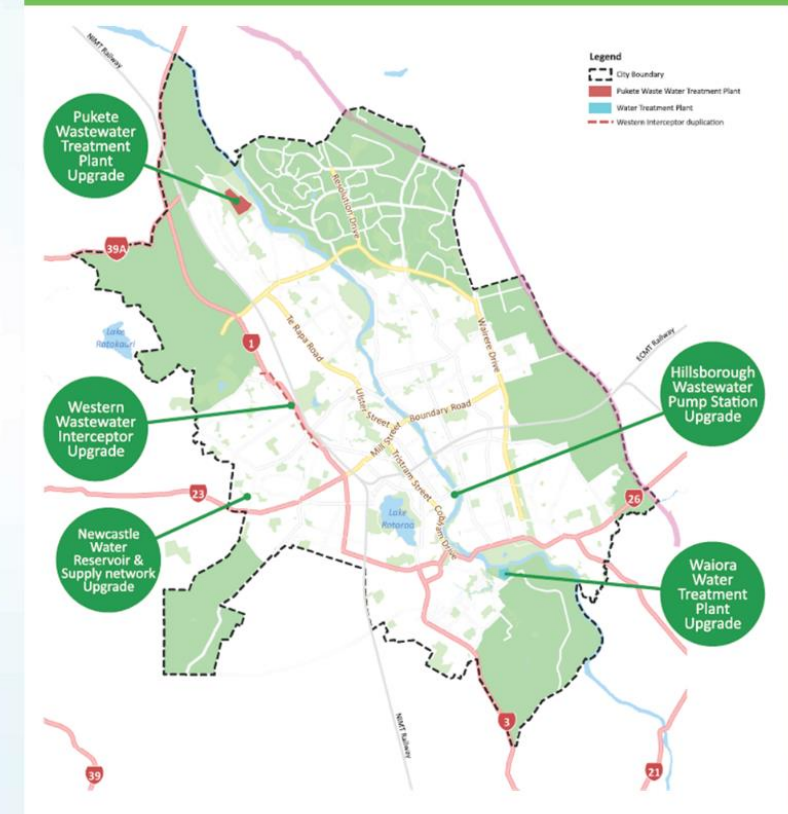
### Project status

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

### KEY

-  Business Case / Investigation
-  Design
-  Procurement
-  Construction

## MAP



Hillsborough Pump Station



**Hamilton City Council**  
Te kaunihera o Kirikiriroa

# 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 Hamilton Club Summerhouse is completed with excellent feedback received to date. After some delays reported previously, the contractor for the Ancient Egyptian Garden was back on site mid January. The Palm Court construction can't start until the Egyptian Garden is completed. A deferral of some works to complete the Egyptian Garden and Palm Court to 2021/22 has been reported.



### PLAYGROUNDS

The Nawton/Elliott Skatepark is completed and the opening celebration went well. Glenview park construction has started. Hammond Park is currently in the engagement phase and construction of Hayes Paddock will begin once consent has been granted.



### CENTRAL CITY JETTY

Heavy rain has been experienced within the catchment during December, leading to high river flows and minor construction delays. The opening date has been shifted to end of February 2021.



### ZOO/WAIWHAKAREKE SHARED ENTRY PRECINCT

Request For Tender has been completed for stage 1 and the contract is currently being evaluated. The stage 1 construction of the Shared Entry Precinct is planned to commence in February 2021 avoiding the high public visitation time over Christmas and the January school holidays. Stage 2 of the Entry Precinct in alignment with the Brymer Road Urban Upgrade construction is planned to commence in the next financial year.



### TE AWA CYCLEWAY ENHANCEMENT

The major enhancement construction works are completed and the cycleway is open. There are some final elements to be carried out by the external contractors (lighting and asphalt) due to a delay in the light fitting supply. These works are anticipated to be completed by end of April 2021. This is a project funded via MBIE / Provincial Growth Unit (PGU).



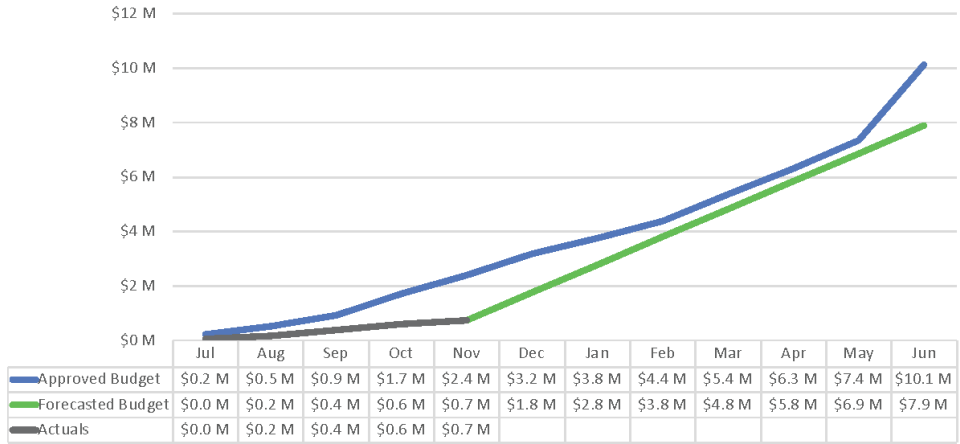
Nawton Skate Park



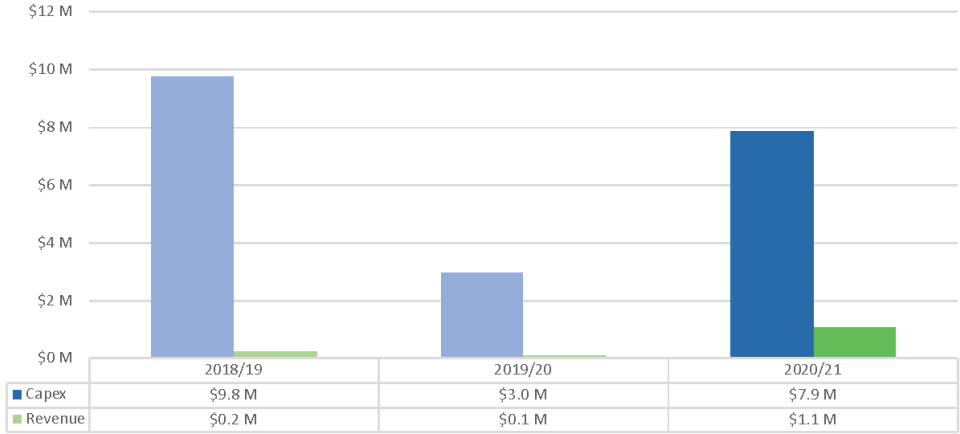
Te Awa Cycleway Enhancement

## FINANCIAL PERFORMANCE

### Capital Expenditure 2020-21








### 3 Year Forecasted Budget



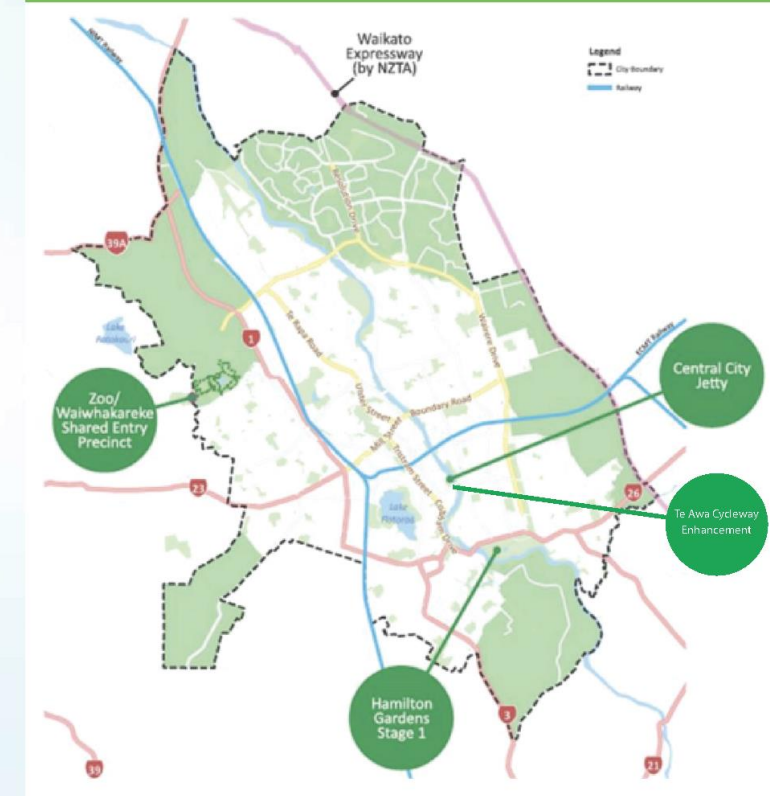


# CITY WIDE COMMUNITY PROGRAMME CAPITAL REPORT

## KEY PROJECTS

| Project Name   | Project Description   | Project Status  | Total Project Budget | Actual Spend to Date | Forecast Total Cost | 2019/20 | 2020/21 | 2021/22 |
|--|---|---|----------------------|----------------------|---------------------|---------|---------|---------|
|  <b>Hamilton Gardens Stage One</b>              | 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:<br>- Baroque Garden<br>- Medieval Garden<br>- Pasifika Garden<br>- Ancient Egyptian Garden and Courtyard<br>Civil works have been completed for these four gardens.  |    | \$9.9 M              | \$3.9 M              | \$9.9 M             |         |         |         |
|  <b>Zoo/Waiwhakareke Shared Entry Precinct</b> | Creating a shared entry precinct with Hamilton Zoo and Waiwhakareke Natural Heritage Park. This major project will be done in stages and includes developing a new function and education space at the zoo. Staff are in the process of merging the Stage 1 / Stage 2 and Brymer Road projects into one project. This will be reported as one project from the March finance committee. |   | \$7.6 M              | \$0.7 M              | \$7.6 M             |         |         |         |
|  <b>Playground Development Programme</b>      | The renewal and upgrade of playgrounds across the City (budget shown for 2018/19 to 2020/21). This budget includes playground upgrades and renewals.  |  | \$4.9 M              | \$2.8 M              | \$4.9 M             |         |         |         |
|  <b>Central City Jetty</b>                    | 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              | \$0.3 M              | \$1.1 M             |         |         |         |

## MAP



### 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 is on track or ahead of the original Business Case and approved HIF agreement. Approximately \$230M of Peacocke’s \$360M 10 year infrastructure programme (LTP including HIF) is now contractually committed on time or ahead of schedule. The team continue to explore value engineering and risk reduction opportunities and are refining cost forecasts.

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 with bulk earthworks and utility diversions and will be commencing bridge foundation works in February 2021. This includes part of the Peacockes Road Urban Upgrade.

Peacocke’s main wastewater pump station procurement is under way, with Registration of Expressions of Interest for contractor shortlisting closing in early March.

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. Environment Court assisted mediation continues with one landowner with a hearing set for May 2021. Three objections have been resolved by agreement. The process is shifting towards resolution of key compensation issues including the Land Valuation Tribunal.

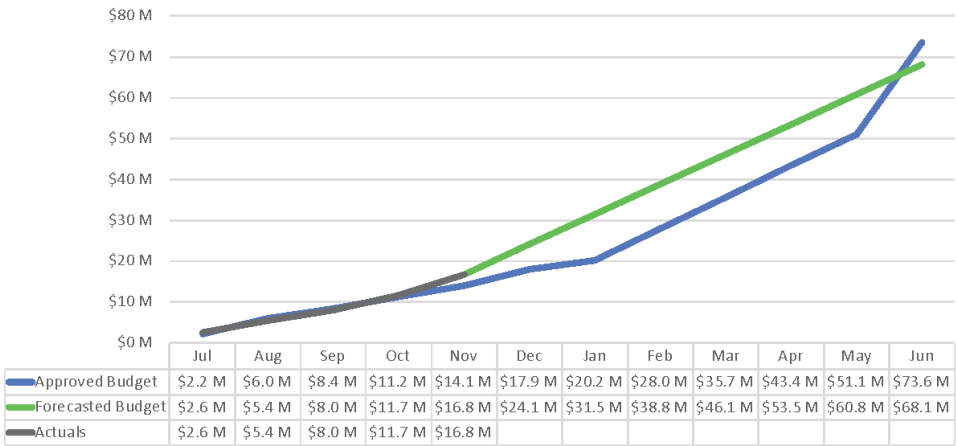


### PARKS

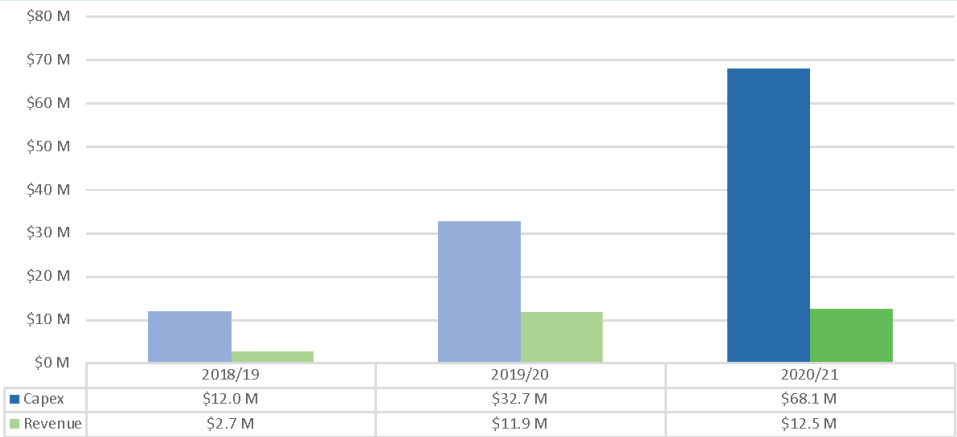
A Notice of Requirement for the approximately 14.5ha northern sports park has been lodged. Discussions with submitters continues and a deferred hearing is planned for mid-2021.

## FINANCIAL PERFORMANCE

### Capital Expenditure 2020-21



### 3 Year Forecasted Budget







SH3/Ohaupo Rd  
Roundabout



# 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.   | On Track       | \$18.3 M             | \$14.4 M             | \$18.3 M            | 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            | \$14.4 M             | \$136.5 M           | 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             | \$9.7 M              | \$59.9 M            | Design  | Design  | Design  |
|  East/West Roading 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             | \$0.9 M              | \$35.1 M            | Design  | Design  | Design  |
|  Land Acquisition   | The purchase of land to allow for the construction of infrastructure.   | On Track       | \$66.5 M             | \$15.4 M             | \$66.5 M            | 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 2021/22 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  |

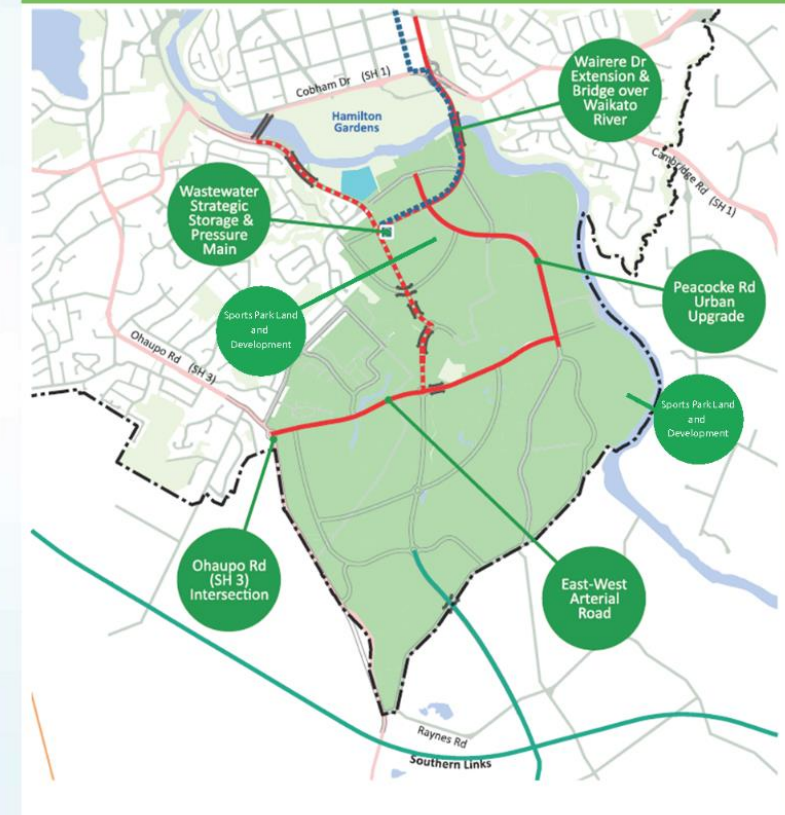
### Project status

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

### KEY

-  Business Case / Investigation
-  Design
-  Procurement
-  Construction

## MAP



**Hamilton  
City Council**  
Te kaunihera o Kirikiriroa

# ROTOKAURI PROGRAMME CAPITAL REPORT

## PROGRAMME OUTCOME

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



### BAVERSTOCK ROAD UPGRADE

Construction is underway and progressing well with works scheduled to be complete in March 2021.



### 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 key stakeholder engagement underway.



### 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 March 2021.



### TE WETINI DRIVE EXTENSION

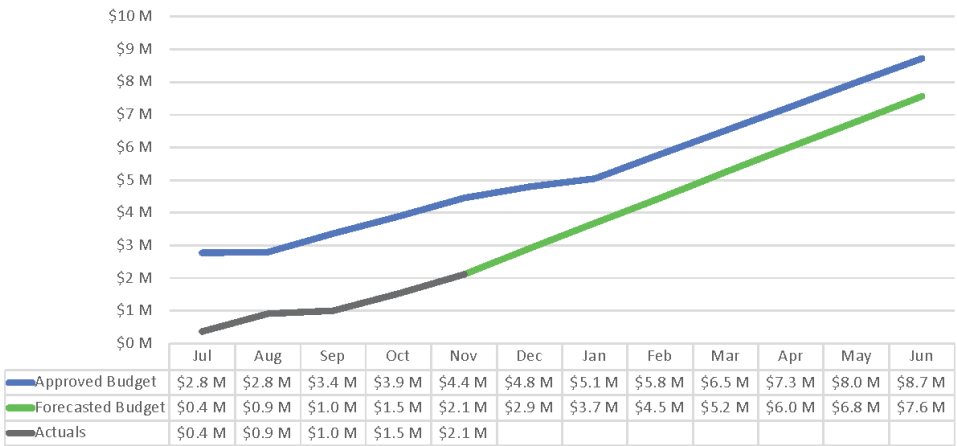
A private development agreement (PDA) is now in place to progress this extension and construction is underway.



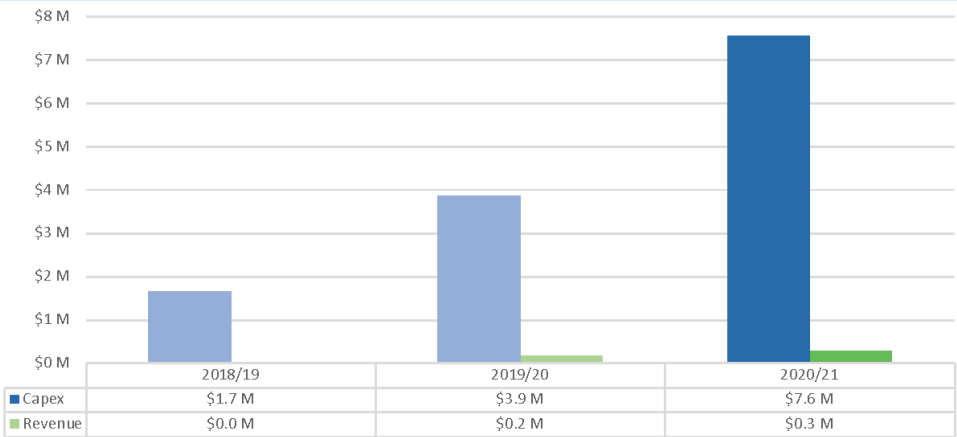
Rotokauri Road Upgrade

## FINANCIAL PERFORMANCE

### Capital Expenditure 2020-21








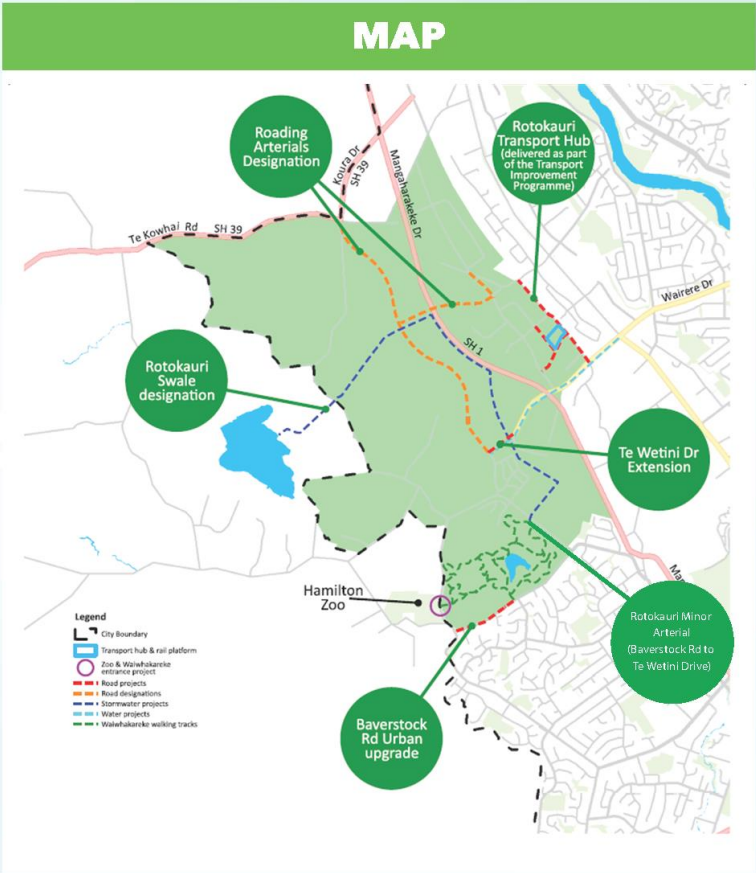
### 3 Year Forecasted Budget








# ROTOKAURI PROGRAMME CAPITAL REPORT

| KEY PROJECTS  |   |   |                |                      |                      |                     |         |        |         |        |        |         |        |        |
|---|---|---|----------------|----------------------|----------------------|---------------------|---------|--------|---------|--------|--------|---------|--------|--------|
| Project Name  |   | Project Description   | Project Status | Total Project Budget | Actual Spend to Date | Forecast Total Cost | 2019/20 |        | 2020/21 |        |        | 2021/22 |        |        |
|    | Baverstock Road Urban Upgrade                               | Urban upgrade (taking the road from rural to one which fits within an urban setting) of Baverstock Road.  | On Track       | \$2.8 M              | \$1.0 M              | \$2.8 M             | Design  | Design | Design  | Design | Design |         |        |        |
|    | Rotokauri Swale Designation                                 | Protecting land corridors required for stormwater mitigation for future development.  | On Track       | \$1.4 M              | \$1.4 M              | \$1.4 M             | Design  | Design |         |        |        |         |        |        |
|  | Rotokauri Arterial Transport Designation                    | Protecting land corridors required for future roading development.  | On Track       | \$3.2 M              | \$1.9 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              | \$0.0 M              | \$1.2 M             |         |        |         | Design | Design | Design  | Design | Design |
|  | Rotokauri Minor Arterial (Baverstock Rd to Te Wetini Drive) | Urban upgrade of existing Rotokauri Road from Baverstock Road to new development area, plus new minor arterial extension to Te Wetini Drive. \$1.5M to savings realised in 2018/19.   | On Track       | \$3.3 M              | \$1.8 M              | \$1.8 M             | Design  | Design | Design  | Design |        |         |        |        |



Rotokauri Road Urban Upgrade

## 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

# 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 underway for the library and open space areas. Construction is scheduled to start this coming financial year (2021/22).

Work to extend Turakina Rise and Bourn Brook Avenue have been put on hold due to consenting challenges following the recently updated National Policy Statement for freshwater.

The remaining roading network to support the village development are planned to be delivered with the open space construction this coming financial year (2021/22).



### SPORTS PARKS

Planning work and procurement for our preferred tenderer is progressing well for the basic development of Hare Puke Park, Mangaiti Park and Te Manatu Park.



### RESOLUTION DRIVE EXTENSION

Waka Kotahi NZ Transport Agency is contracted to Council to construct the extension of Resolution Drive (from Borman Road to the new expressway interchange) as part of the Hamilton section of the Waikato Expressway. It is anticipated Resolution Drive will be complete and opened at the same time as the expressway, which is scheduled for late 2021.



### BORMAN HORSHAM URBAN UPGRADE

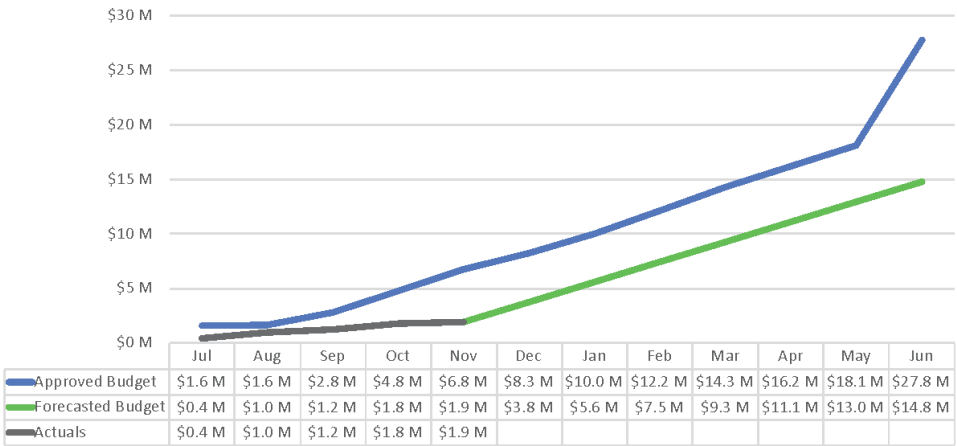
A single stage business case has been submitted to Waka Kotahi NZ Transport Agency for pre-implementation funding.



North Ridge Drive

## FINANCIAL PERFORMANCE

### Capital Expenditure 2020-21























### 3 Year Forecasted Budget







# ROTOTUNA PROGRAMME CAPITAL REPORT

| KEY PROJECTS  |  |   |                      |                      |                     |         |         |         |  |
|---|--|---|----------------------|----------------------|---------------------|---------|---------|---------|--|
| Project Name  | Project Description  | Project Status  | Total Project Budget | Actual Spend to Date | Forecast Total Cost | 2019/20 | 2020/21 | 2021/22 |  |
|  Borman Road Western Extension to Kay Road   | Construction of the final piece of road which connects Borman Road to Kay Road. Physical works to connect Borman Road to Kay Road has completed under a PDA. A land purchase agreement is still outstanding due to misalignment of values between valuers. |    | \$2.1 M              | \$1.3 M              | \$2.1 M             |         |         |         |  |
|  Borman Road Extension - Kimbrae Drive to Horsham Downs Road                       | Design development for the extension of this key piece of road which will include associated urban upgrades and a new intersection at Horsham Downs Road. 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              | \$3.2 M              | \$3.4 M             |         |         |         |  |
|  Rototuna Village - Community Facilities   | Development of new library, community hub, play spaces, village square and car parks.  |    | \$19.6 M             | \$0.9 M              | \$19.6 M            |         |         |         |  |
|  Rototuna Village Transport - Stage 1 North City (Borman to Fergy) and Park Lane | Roading upgrades to support the Rototuna Village development.  |  | \$3.7 M              | \$3.7 M              | \$3.7 M             |         |         |         |  |
|  Rototuna Village Transport - Stage 2 North City (Fergy to Bourn Brook)          | Transport network upgrades through the Rototuna Village area including Turakina/Bourn Brook extensions   |  | \$10.9 M             | \$2.1 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.   |  | \$0.6 M              | \$0.3 M              | \$0.6 M             |         |         |         |  |
|  North City Road Upgrade - Bourn Brook to Kay                                    | Preliminary design and land acquisition for future urban upgrade   |  | \$1.7 M              | \$0.02 M             | \$1.7 M             |         |         |         |  |
|  Resolution Drive Extension  | The extension of Resolution Drive (north) to connect to the new Waikato Expressway. Waka Kotahi is constructing this as part of the Waikato Expressway.  |  | \$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              | \$0.1 M              | \$2.6 M             |         |         |         |  |



Korikori Park Facilities

## 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

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



### RUAKURA ROAD URBAN UPGRADE

As reported to Strategic Growth Committee on the 12 November 2020, the design and procurement is progressing to enable construction commencement in April 2021.



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

This is being developed as a partnership project between Council, Tainui Group Holdings and MBIE Provincial Development Unit. Construction is now underway with work anticipated to finish early 2022.



### RUAKURA WASTEWATER INTERCEPTOR

The Chedworth Properties Limited portion of the Far Eastern Interceptor (large wastewater pipe) project has been completed under a Private Developer Agreement (PDA). The next stage is also being done under a PDA with Tainui Group Holdings. Timing on completion is dictated by the developer.



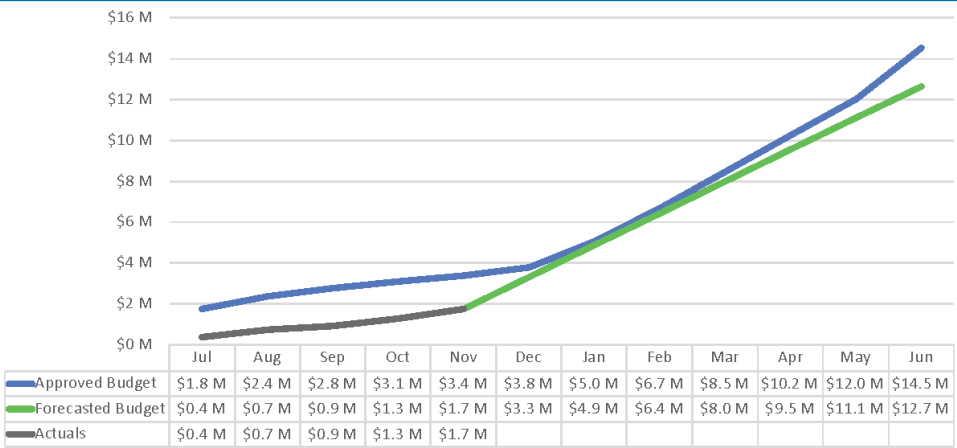
Ruakura Reservoir



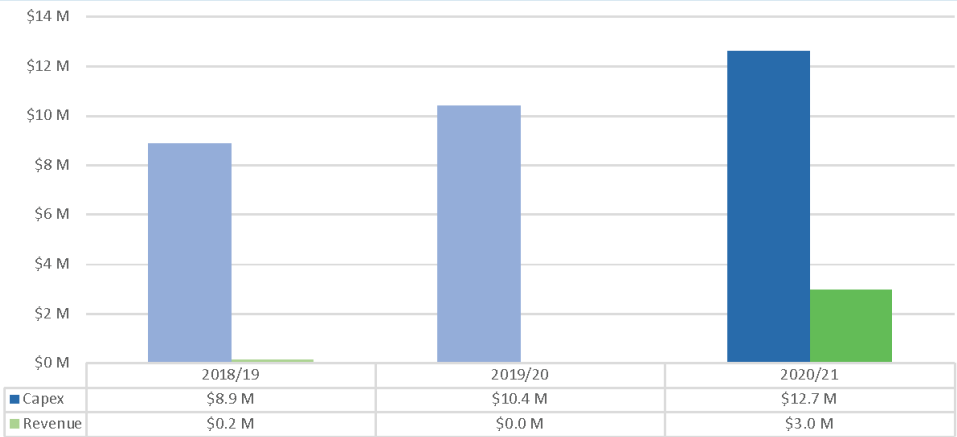
Ruakura Reservoir

## FINANCIAL PERFORMANCE

### Capital Expenditure 2020-21







### 3 Year Forecasted Budget







# RUAKURA PROGRAMME CAPITAL REPORT

| KEY PROJECTS  |  |   |                |                      |                      |                     |           |           |           |           |        |         |        |        |  |
|---|--|---|----------------|----------------------|----------------------|---------------------|-----------|-----------|-----------|-----------|--------|---------|--------|--------|--|
| Project Name  |  | Project Description   | Project Status | Total Project Budget | Actual Spend to Date | Forecast Total Cost | 2019/20   |           | 2020/21   |           |        | 2021/22 |        |        |  |
|    | Ruakura Water Reservoir and Water Supply   | Construction of a new 12ML water reservoir, associated pumphouse, and bulk mains (large water pipes) to service development in Ruakura. Detail required for bulk main funding which will be delivered by Tainui Group Holdings.   | On Track       | \$19.1 M             | \$17.0 M             | \$19.1 M            | Yellow    | Yellow    | Yellow    | Yellow    |        |         |        |        |  |
|   | 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.   | On Track       | \$9.9 M              | \$2.5 M              | \$8.5 M             | Yellow    | Yellow    |           |           |        |         | Yellow | Yellow |  |
|  | Ruakura Road Urban Upgrade   | Urban upgrade (taking the road from rural to one which fits within an urban setting) of Ruakura Road from the Wairere Drive/Ruakura Road intersection and up to the Ruakura Road and Silverdale Road intersection. Additional funding secured from Crown Infrastructure Partners to complete project. | On Track       | \$12.3 M             | \$0.8 M              | \$12.3 M            | Blue      | Blue      | Dark Blue | Dark Blue | Orange | Yellow  | Yellow | Yellow |  |
|  | Ruakura Eastern Transport Corridor (Spine Road Stage 1) - Expressway to Ruakura/Silverdale | Jointly funded by HCC, TGL and PDU the construction of a new road from Silverdale Road/Ruakura Road intersection to the Waikato Expressway Ruakura Interchange to allow the development of the Ruakura Inland Port.   | On Track       | \$40.9 M             | \$0.5 M              | \$40.9 M            | Dark Blue | Dark Blue | Dark Blue | Orange    | Yellow | Yellow  | Yellow | Yellow |  |





Ruakura Reservoir

## Project status

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

## KEY

-  Business Case / Investigation
-  Design
-  Procurement
-  Construction

# TRANSPORT IMPROVEMENT PROGRAMME CAPITAL REPORT

## PROGRAMME OUTCOME

*Kia tika ano te hanga rori maa; Aahienga whakatupu, whakapai atu haumarū, me whakawhaanui atu ngā koowhiringa waka*

Delivering a balanced transport system through; Enabling growth, improving safety, and improving transport choice



### TRANSPORT HUB

Works on the Rotokauri Transport Hub are nearing completion with the Hub open for buses early February. Work underway to organise an opening ceremony with Waikato Regional Council for commencement of the Te Huia passenger rail service.



### TE AWA CYCLE EXTENSION

Construction is commencing February 2021. This project is being funded by Waka Kotahi NZTA and the MBIE Provincial Development Unit as part of the "shovel ready" central government stimulus investment.



### WAIRERE DRIVE EXTENSION

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



### MANGAITI PARK WALKING/CYCLING

Construction of the Mangaiti pedestrian bridge and boardwalk commencing early February with connecting walking and cycling networks between St James and Huntington to be constructed in late March.



### EASTERN PATHWAYS

Public consultation with commencement in February to further inform the School Link and University Link Business Cases. Council endorsement of preferred options for these corridors is planned for the 27 April 2021 Infrastructure Operations Committee. Planning and design for associated biking connectivity and intersection safety projects are also progressing including works on Anzac Parade and cycle network improvements on Crosby Road.



### TE AWA PATH CBD REMEDIATION

Construction is now complete with the path open to the public after a successful opening held in December.

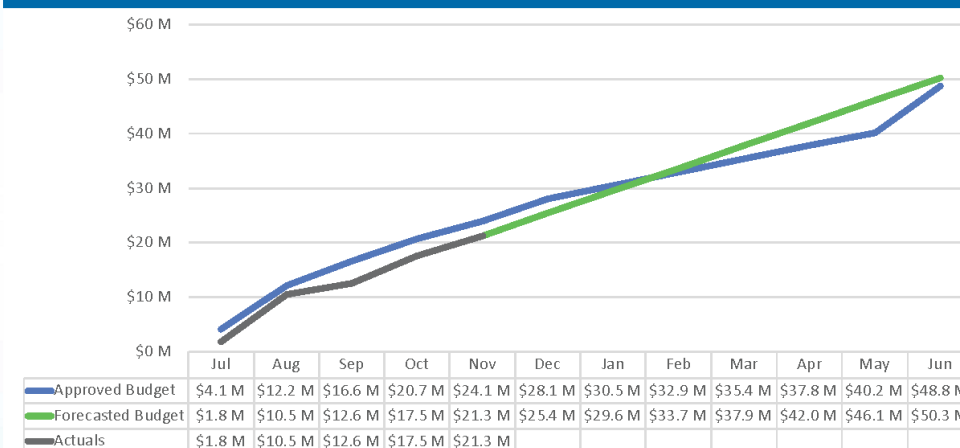
Transport Hub



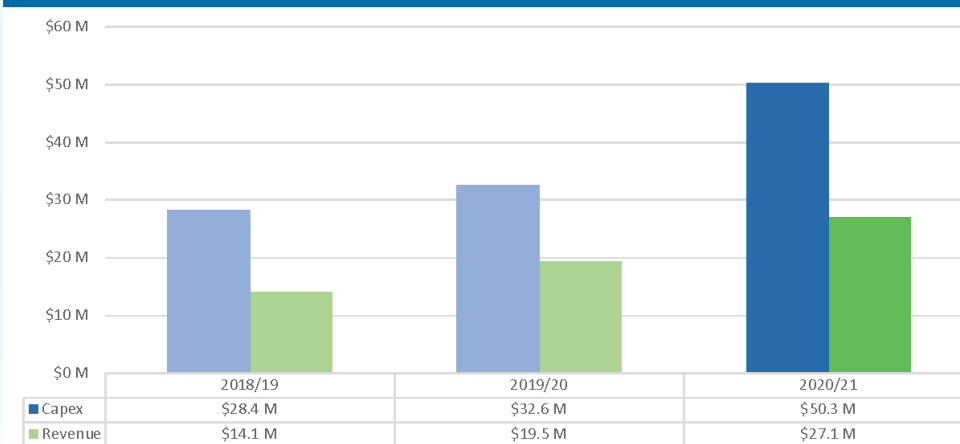
Mangaiti Gully  
Bridge Site  
Blessing

## FINANCIAL PERFORMANCE

### Capital Expenditure 2020-21






### 3 Year Forecasted Budget



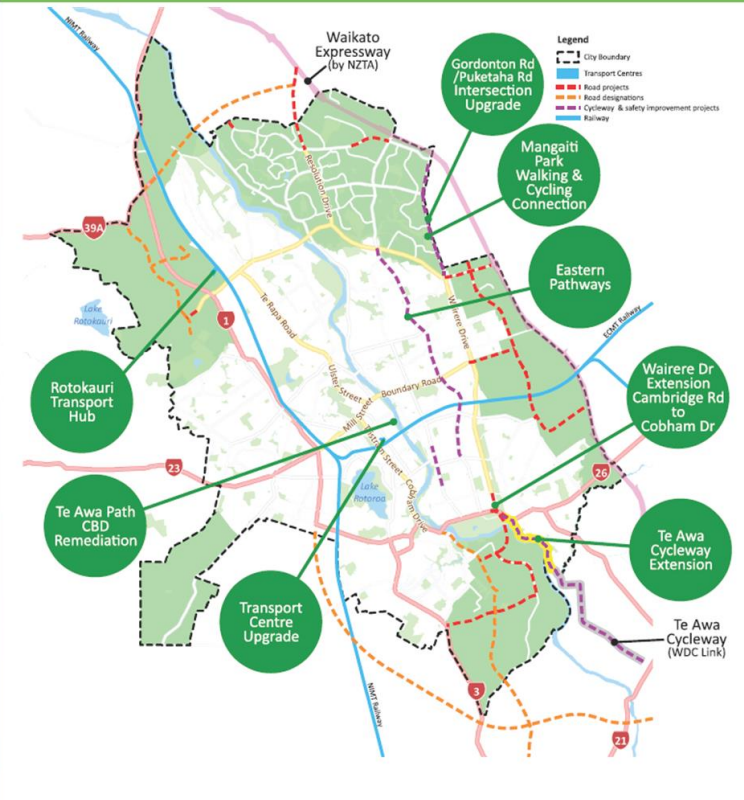


# TRANSPORT IMPROVEMENT PROGRAMME CAPITAL REPORT


## 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. The project still has a number of significant risks to manage.   |    | \$59.1 M             | \$38.5 M             | \$59.1 M            |         |         |         |
|  Rotokauri Transport Hub                                      | The Hub is a park and ride, rail station, bus interchange and includes a pedestrian connection to The Base. It includes improvements essential to the city's public transport network and will improve the intercity connections between Hamilton and Auckland.   |    | \$28.9 M             | \$25.6 M             | \$28.9 M            |         |         |         |
|  Te Awa Path CBD - Remediation                                | Specialist slip repair between London Street and Bryce Street to make this section of river path safe again for users.  |    | \$1.1 M              | \$0.8 M              | \$1.1 M             |         |         |         |
|  Mangaiti Park Walking/Cycling Network Connection            | Will connect existing walking/cycling paths between St James and Huntington areas in Rototuna, including a new pedestrian bridge across Mangaiti gully.   |    | \$1.0 M              | \$0.1 M              | \$1.0 M             |         |         |         |
|  Te Awa Cycle Extension - Hamilton Gardens to City Boundary | The Hamilton section of the Te Awa River Ride from Mangaonua Stream — in Riverlea — to Hamilton Gardens.  |  | \$5.8 M              | \$1.0 M              | \$5.8 M             |         |         |         |
|  Eastern Pathways   | Will make it easier and safer for people on the east of our city to get around their neighbourhoods by bike, on foot, or by bus. The budget and actuals shown is for 2018/19 to 2020/21.  |  | \$5.1 M              | \$1.0 M              | \$5.1 M             |         |         |         |
|  Transport Centre Upgrade                                   | Upgrading the existing transport centre in the central city and will include platform upgrades and the recently completed driver facilities upgrade. 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.  |  | \$6.4 M              | \$0.2 M              | \$6.4 M             |         |         |         |
|  Gordonton/Puketaha Intersection Upgrade                    | The 10 Year Plan budgeted for an upgrade of the Puketaha Rd/Gordonton Rd intersection, including connection of St James Dr to Gordonton Rd. At the Infrastructure Operations Committee on 8th October 2020, the Committee delegated authority to the Chief Executive to purchase land for the future long-term upgrade of the Puketaha/Gordonton intersection this financial year. Designs and costings for short-term safety improvements at Puketaha/Gordonton and Darjon/Gordonton intersections will be reported back to the Infrastructure Operations Committee in early 2021. |  | \$2.7 M              | \$0.04 M             | \$2.7 M             |         |         |         |

## MAP



### Project status

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

### KEY

-  Business Case / Investigation
-  Procurement
-  Design
-  Construction





# RENEWALS & COMPLIANCE PROGRAMME CAPITAL REPORT

## PROGRAMME OUTCOME

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

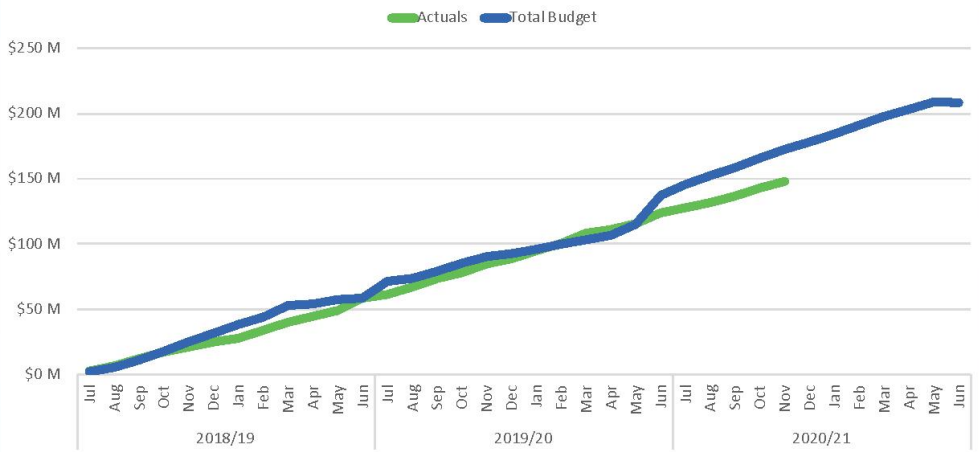
**Looking after the assets we have and making sure they are fit for purpose**

As approved by Council, the Renewals and Compliance programme is now managed as a 3-year (36 month) programme with a total budget of \$211.7M. Over the last 28 months we have spent \$148.1M (70%). In November a total of \$5.0M was expended leaving a balance for the remainder of the financial year and 3 year programme of \$63.6M.

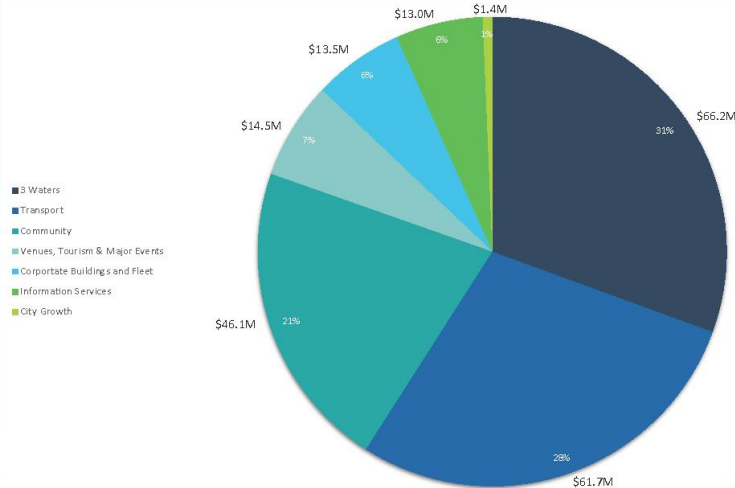


## FINANCIAL PERFORMANCE

### Capital Expenditure Y1-Y3



### Total Budget Y1-Y3



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

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

| Expenditure in 000's                         | Finance Committee Meeting Dates |                |                |                | Total           |
|--|---------------------------------|----------------|----------------|----------------|-----------------|
|  | 1/07/2020                       | 6/10/2020      | 2/12/2020      | 16/02/2021     |                 |
| Opening Budget                               | 302,844                         | 302,844        | 311,453        | 290,273        |                 |
| Deferrals & b/fwds                           |                                 | 4,072          | (21,180)       | (6,905)        | (24,014)        |
| Changes                                      |                                 | 4,538          |                | 10             | 4,548           |
| Savings                                      |                                 |                |                |                |                 |
| <b>Closing Expenditure Budget (Forecast)</b> | <b>302,844</b>                  | <b>311,453</b> | <b>290,273</b> | <b>283,378</b> | <b>(19,466)</b> |

| Revenue in 000's                         | Finance Committee Meeting Dates |               |               |               | Total        |
|--|---------------------------------|---------------|---------------|---------------|--------------|
|  | 1/07/2020                       | 6/10/2020     | 2/12/2020     | 16/02/2021    |              |
| Opening Budget                           | 58,634                          | 58,634        | 62,237        | 62,237        |              |
| Deferrals & b/fwds                       |                                 | 3,130         |               | (2,159)       | 971          |
| Changes                                  |                                 | 473           |               |               | 473          |
| Savings                                  |                                 |               |               |               |              |
| <b>Closing Revenue Budget (Forecast)</b> | <b>58,634</b>                   | <b>62,237</b> | <b>62,237</b> | <b>60,077</b> | <b>1,443</b> |

Item 7

Attachment 3

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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 November 2020 |                  |         |                |
|-------------------------------------|---|------|------|---------------------|--------------------------------------|---|------------------|---------|----------------|
|                                     |   | Type | Note | Annual Plan 2020/21 | Revised Budget as at 31 October 2020 | Deferrals and B/fwds                            | Approved Changes | Savings | Revised Budget |
|                                     |   |      |      | \$000               | \$000                                | \$000   | \$000            | \$000   | \$000          |
| Arts and Culture                    |   |      |      |                     |                                      |   |                  |         |                |
| CE10005                             | CE10005 - Library collection purchases                          | R    |      | 1,229               | 1,292                                | -   | -                | -       | 1,292          |
| CE10006                             | CE10006 - Library asset renewal                                 | R    |      | 147                 | 273                                  | -   | -                | -       | 273            |
| CE10007                             | CE10007 - Library building asset renewal programme              | R    |      | 893                 | 989                                  | -   | -                | -       | 989            |
| CE10013                             | CE10013 - Technical services equipment renewals                 | R    |      | 422                 | 467                                  | -   | -                | -       | 467            |
| CE19015                             | CE19015 - Libraries facilitation plan                           | LOS  |      | -                   | -                                    | -   | -                | -       | -              |
| CE19016                             | CE19016 - Libraries strategic plan                              | LOS  |      | -                   | -                                    | -   | -                | -       | -              |
| CE19017                             | CE19017 - Rototuna community facilities                         | G    | 1    | 9,500               | 1,697                                | (142)   | -                | -       | 1,556          |
| CE19070                             | CE19070 - Community Facilities building renewals                | R    |      | 128                 | 250                                  | -   | -                | -       | 250            |
| Total Arts and Culture              |   |      |      | 12,320              | 4,968                                | (142)   | -                | -       | 4,826          |
| City Planning and Development       |   |      |      |                     |                                      |   |                  |         |                |
| CE10037                             | CE10037 - CCTV renewals and development                         | R    |      | 54                  | 45                                   | -   | -                | -       | 45             |
| Total City Planning and Development |   |      |      | 54                  | 45                                   | -   | -                | -       | 45             |
| Corporate Services                  |   |      |      |                     |                                      |   |                  |         |                |
| CE10053                             | CE10053 - Tenancy inducement renewals                           | R    |      | 109                 | 115                                  | -   | -                | -       | 115            |
| CE10151                             | CE10151 - Renewals program                                      | R    |      | 2,271               | 1,998                                | -   | -                | -       | 1,998          |
| CE10152                             | CE10152 - Network and infrastructure                            | R    |      | 2,023               | 1,888                                | -   | -                | -       | 1,888          |
| CE10153                             | CE10153 - Core business applications                            | R    |      | 1,498               | 1,470                                | -   | -                | -       | 1,470          |
| CE10154                             | CE10154 - Minor applications                                    | R    |      | 64                  | 121                                  | -   | -                | -       | 121            |
| CE10156                             | CE10156 - Lease funding of equipment                            | R    |      | 1,578               | 1,578                                | -   | -                | -       | 1,578          |
| CE10158                             | CE10158 - Replacement of fleet vehicles                         | R    |      | 2,372               | 2,552                                | -   | -                | -       | 2,552          |
| CE15155                             | CE15155 - Mobility and eservices                                | R    |      | 564                 | 551                                  | -   | -                | -       | 551            |
| CE17001                             | CE17001 - Customer Service Projects                             | R    |      | 51                  | 51                                   | -   | -                | -       | 51             |
| CE19024                             | CE19024 - IS major upgrades                                     | R    |      | 1,467               | 1,470                                | -   | -                | -       | 1,470          |
| CE19025                             | CE19025 - Smart Hamilton Initiatives                            | LOS  |      | 271                 | 262                                  | -   | -                | -       | 262            |
| CE19032                             | CE19032 - Civic Square upgrade project                          | R    |      | 541                 | 541                                  | -   | -                | -       | 541            |
| CE19033                             | CE19033 - Duke Street workshop replacement                      | R    |      | 60                  | 187                                  | -   | -                | -       | 187            |
| CE19034                             | CE19034 - Key Control project                                   | R    |      | -                   | -                                    | -   | -                | -       | -              |
| CE19035                             | CE19035 - Building Management Systems Council upgrade project   | R    |      | -                   | -                                    | -   | -                | -       | -              |
| Total Corporate Services            |   |      |      | 12,869              | 12,786                               | -   | -                | -       | 12,786         |
| Parks and Recreation                |   |      |      |                     |                                      |   |                  |         |                |
| CE10001                             | CE10001 - Aquatic facilities building renewals                  | R    |      | 320                 | 444                                  | -   | -                | -       | 444            |
| CE10003                             | CE10003 - Waterworld operational asset renewals                 | R    |      | 410                 | 413                                  | -   | -                | -       | 413            |
| CE10004                             | CE10004 - Gallagher Aquatic Centre operational asset renewal    | R    |      | 57                  | 75                                   | -   | -                | -       | 75             |
| CE10021                             | CE10021 - Building renewals cemeteries                          | R    |      | -                   | -                                    | -   | -                | -       | -              |
| CE10022                             | CE10022 - Renewal of crematorium assets                         | R    |      | 137                 | 129                                  | -   | -                | -       | 129            |
| CE10023                             | CE10023 - Hamilton Park east and west cemeteries renewals       | R    |      | 282                 | 304                                  | -   | 10               | -       | 314            |
| CE10029                             | CE10029 - Toilet and changing room renewals                     | R    |      | 113                 | 355                                  | -   | -                | -       | 355            |
| CE10030                             | CE10030 - Building renewals parks and open spaces               | R    |      | 124                 | 1                                    | -   | -                | -       | 1              |
| CE10031                             | CE10031 - Sports area renewals                                  | R    |      | 1,668               | 1,483                                | -   | -                | -       | 1,483          |
| CE10032                             | CE10032 - Parks and open spaces assets and playgrounds renewals | R    |      | 1,850               | 3,282                                | -   | -                | -       | 3,282          |
| CE15024                             | CE15024 - Hamilton Park cemetery, burial and ash lawn extension | G    |      | 97                  | 97                                   | -   | -                | -       | 97             |
| CE15033                             | CE15033 - Land purchase future reserves                         | G    |      | -                   | 406                                  | -   | -                | -       | 406            |
| CE15035                             | CE15035 - Rototuna Park development                             | G    |      | 699                 | 731                                  | -   | -                | -       | 731            |
| CE15036                             | CE15036 - Playground development programme                      | LOS  |      | 700                 | -                                    | -   | -                | -       | -              |
| CE17004                             | CE17004 - River Plan  | LOS  |      | 935                 | 902                                  | -   | -                | -       | 902            |
| CE19001                             | CE19001 - Hamilton Park cemetery accessible toilet block        | LOS  |      | -                   | -                                    | -   | -                | -       | -              |
| CE19002                             | CE19002 - Cemetery land acquisition                             | G    |      | -                   | -                                    | -   | -                | -       | -              |
| CE19003                             | CE19003 - Parks Toilets development/upgrade                     | LOS  |      | 2,068               | 2,303                                | -   | -                | -       | 2,303          |
| CE19004                             | CE19004 - Destination Parks Renewals                            | R    |      | 4,426               | 4,454                                | -   | -                | -       | 4,454          |
| CE19005                             | CE19005 - Sports Park development                               | G    |      | 2,166               | 2,163                                | -   | -                | -       | 2,163          |
| CE19006                             | CE19006 - Te Rapa Sportsdrome building renewals                 | R    |      | -                   | -                                    | -   | -                | -       | -              |
| CE19007                             | CE19007 - Peacocke Parks development                            | G    |      | 9,994               | 10,004                               | -   | -                | -       | 10,004         |
| CE19009                             | CE19009 - Rototuna Parks development                            | G    |      | -                   | -                                    | -   | -                | -       | -              |
| CE19010                             | CE19010 - Te Manatu Park development                            | G    |      | 402                 | 402                                  | -   | -                | -       | 402            |
| CE19012                             | CE19012 - Day's Park erosion remediation                        | LOS  |      | -                   | -                                    | -   | -                | -       | -              |
| CE19013                             | CE19013 - Pooches and Parks                                     | LOS  |      | 95                  | 87                                   | -   | -                | -       | 87             |
| CE19014                             | CE19014 - Waiwhakareke Natural Heritage Park development        | LOS  |      | -                   | 5                                    | -   | -                | -       | 5              |
| CE19022                             | CE19022 - Alternative Weed Control                              | LOS  |      | -                   | -                                    | -   | -                | -       | -              |
| CE19071                             | CE19071 - Sports Park Drainage                                  | LOS  |      | 1,361               | 1,318                                | -   | -                | -       | 1,318          |
| Total Parks and Recreation          |   |      |      | 27,901              | 29,360                               | -   | 10               | -       | 29,370         |
| Rubbish and Recycling               |   |      |      |                     |                                      |   |                  |         |                |
| CE10054                             | CE10054 - Replacement of closed landfill assets                 | R    |      | 1,144               | 1,143                                | -   | -                | -       | 1,143          |
| CE10056                             | CE10056 - Replacement of RTS & HOC assets                       | R    |      | 239                 | 300                                  | -   | -                | -       | 300            |
| CE15055                             | CE15055 - Closed landfill management                            | LOS  |      | 77                  | 80                                   | -   | -                | -       | 80             |
| CE19027                             | CE19027 - Refuse drop off points                                | G    |      | 43                  | 43                                   | -   | -                | -       | 43             |
| Total Rubbish and Recycling         |   |      |      | 1,503               | 1,567                                | -   | -                | -       | 1,567          |
| Sewerage                            |   |      |      |                     |                                      |   |                  |         |                |
| CE10100                             | CE10100 - Replacement of wastewater pump stations               | R    |      | 806                 | 816                                  | -   | -                | -       | 816            |
| CE10101                             | CE10101 - Replacement of wastewater assets                      | R    |      | 4,751               | 4,693                                | -   | -                | -       | 4,693          |
| CE10115                             | CE10115 - Replacement of wastewater treatment plant assets      | R    |      | 2,042               | 1,779                                | -   | -                | -       | 1,779          |
| CE15103                             | CE15103 - Increase capacity of wastewater pump stations         | LOS  |      | 1,473               | 1,657                                | -   | -                | -       | 1,657          |
| CE15104                             | CE15104 - Wastewater pipe upgrade - growth                      | G    |      | 325                 | 632                                  | -   | -                | -       | 632            |
| CE15105                             | CE15105 - Increase capacity of wastewater network - Rototuna    | G    | 2    | 625                 | 733                                  | (105)   | -                | -       | 628            |
| CE15106                             | CE15106 - Wastewater network upgrades to allow development      | G    |      | 87                  | 119                                  | -   | -                | -       | 119            |

Attachment 4

Item 7

|                                       |   |      |      | 2020-21 Annual Plan | 2020-21 Forecast Changes as at 31    | 2020-21 Forecast Changes as at 30 November 2020 |                  |         |                |
|---------------------------------------|---|------|------|---------------------|--------------------------------------|---|------------------|---------|----------------|
|                                       |   | Type | Note | Annual Plan 2020/21 | Revised Budget as at 31 October 2020 | Deferrals and B/fwds                            | Approved Changes | Savings | Revised Budget |
|                                       |   |      |      | \$000               | \$000                                | \$000   | \$000            | \$000   | \$000          |
| CE15107                               | CE15107 - Increase capacity of network in Rotokauri stage 1     | G    |      | 949                 | 834                                  | -   | -                | -       | 834            |
| CE15109                               | CE15109 - Increase capacity of network in Peacocke stage 1      | G    |      | 559                 | 449                                  | -   | -                | -       | 449            |
| CE15111                               | CE15111 - Increase capacity of network throughout the city      | G    |      | -                   | -                                    | -   | -                | -       | -              |
| CE15117                               | CE15117 - Upgrade wastewater treatment plant (Pukete 3)         | G    |      | 8,170               | 7,595                                | -   | -                | -       | 7,595          |
| CE15120                               | CE15120 - Wastewater treatment plant compliance                 | LOS  |      | 3,253               | 3,472                                | -   | -                | -       | 3,472          |
| CE15121                               | CE15121 - Wastewater customer connections to the network        | G    |      | 54                  | 54                                   | -   | -                | -       | 54             |
| CE15160                               | CE15160 - Wastewater model                                      | R    |      | 623                 | 1,051                                | -   | -                | -       | 1,051          |
| CE15161                               | CE15161 - Wastewater master plan                                | G    |      | 163                 | 140                                  | -   | -                | -       | 140            |
| CE19029                               | CE19029 - Wastewater seismic strengthening                      | LOS  |      | 108                 | 138                                  | -   | -                | -       | 138            |
| CE19040                               | CE19040 - Increase capacity network Peacocke Stage 2            | G    |      | 13,022              | 12,933                               | -   | -                | -       | 12,933         |
| CE19041                               | CE19041 - Increase capacity WW far east network                 | G    |      | 2,956               | -                                    | -   | -                | -       | -              |
| CE19042                               | CE19042 - Increase capacity WW south network                    | G    |      | 10,283              | 6,798                                | -   | -                | -       | 6,798          |
| CE19043                               | CE19043 - Increase capacity WW west network                     | G    |      | 11,285              | 11,006                               | -   | -                | -       | 11,006         |
| CE19044                               | CE19044 - Increase capacity WW east network                     | G    |      | 3,085               | 3,063                                | -   | -                | -       | 3,063          |
| CE19050                               | CE19050 - Increase capacity WW central network                  | G    |      | 1,935               | 1,913                                | -   | -                | -       | 1,913          |
| CE19072                               | CE19072 - Increase capacity of network in Te Rapa               | G    |      | -                   | -                                    | -   | -                | -       | -              |
| Total Sewerage                        |   |      |      | 66,553              | 59,874                               | (105)   | -                | -       | 59,769         |
| Stormwater                            |   |      |      |                     |                                      |   |                  |         |                |
| CE10058                               | CE10058 - Replacement of stormwater assets                      | R    |      | 587                 | 633                                  | -   | -                | -       | 633            |
| CE15059                               | CE15059 - Rototuna stormwater infrastructure                    | G    | 3    | 3,691               | 3,437                                | (3,397)   | -                | -       | 40             |
| CE15060                               | CE15060 - Rotokauri stormwater infrastructure stage 1           | G    |      | 773                 | 773                                  | -   | -                | -       | 773            |
| CE15062                               | CE15062 - Peacocke stormwater infrastructure stage 1            | G    |      | 927                 | 702                                  | -   | -                | -       | 702            |
| CE15063                               | CE15063 - Peacocke stormwater infrastructure stage 2            | G    |      | 8,277               | 9,993                                | -   | -                | -       | 9,993          |
| CE15064                               | CE15064 - Stormwater pipe upgrade - growth                      | G    |      | 163                 | 319                                  | -   | -                | -       | 319            |
| CE15066                               | CE15066 - Existing network improvements in new areas            | G    |      | 114                 | 195                                  | -   | -                | -       | 195            |
| CE15067                               | CE15067 - Comprehensive stormwater consent implementation       | LOS  |      | 74                  | 81                                   | -   | -                | -       | 81             |
| CE15068                               | CE15068 - Stormwater customer connections to the network        | G    |      | 54                  | 54                                   | -   | -                | -       | 54             |
| CE15162                               | CE15162 - Integrated catchment management plan                  | G    |      | 951                 | 762                                  | -   | -                | -       | 762            |
| CE19026                               | CE19026 - Erosion control works                                 | LOS  | 4    | 2,200               | 2,732                                | 3,734   | -                | -       | 6,466          |
| Total Stormwater                      |   |      |      | 17,811              | 19,680                               | 337   | -                | -       | 20,017         |
| Transport                             |   |      |      |                     |                                      |   |                  |         |                |
| CE10069                               | CE10069 - Resurfacing off street carparks                       | R    |      | -                   | -                                    | -   | -                | -       | -              |
| CE10070                               | CE10070 - Replacement of parking enforcement equipment          | R    |      | 414                 | 440                                  | -   | -                | -       | 440            |
| CE10071                               | CE10071 - Parking building renewal                              | R    |      | 60                  | 379                                  | -   | -                | -       | 379            |
| CE10072                               | CE10072 - Replacement of footpath                               | R    |      | 5,079               | 5,543                                | -   | -                | -       | 5,543          |
| CE10074                               | CE10074 - Replacement of drainage (kerb and channel)            | R    |      | 1,708               | 857                                  | -   | -                | -       | 857            |
| CE10075                               | CE10075 - Replacement of road base                              | R    |      | 1,330               | 1,789                                | -   | -                | -       | 1,789          |
| CE10076                               | CE10076 - Road resurfacing                                      | R    |      | 5,563               | 6,620                                | -   | -                | -       | 6,620          |
| CE10077                               | CE10077 - Replacement of bridges and culverts                   | R    |      | 2,548               | 2,894                                | -   | -                | -       | 2,894          |
| CE10080                               | CE10080 - Replacement of lighting                               | R    |      | 2,860               | 2,327                                | -   | -                | -       | 2,327          |
| CE10081                               | CE10081 - Replacement of traffic equipment                      | R    |      | 402                 | 305                                  | -   | -                | -       | 305            |
| CE10098                               | CE10098 - Building and property renewals                        | R    |      | 13                  | -                                    | -   | -                | -       | -              |
| CE15085                               | CE15085 - Minor improvements to transport network               | LOS  |      | 2,166               | 2,882                                | -   | -                | -       | 2,882          |
| CE15086                               | CE15086 - Bus stop infrastructure                               | LOS  |      | 704                 | 1,060                                | -   | -                | -       | 1,060          |
| CE15087                               | CE15087 - Network upgrades to allow new development             | G    |      | 190                 | 238                                  | -   | -                | -       | 238            |
| CE15088                               | CE15088 - Roading upgrades and development in Peacocke stage 1  | G    |      | 2,907               | 1,701                                | -   | -                | -       | 1,701          |
| CE15089                               | CE15089 - Roading upgrades and development in Peacocke stage 2  | G    |      | 25,742              | 23,708                               | -   | -                | -       | 23,708         |
| CE15090                               | CE15090 - Roading upgrades and development in Rotokauri stage 1 | G    | 5    | 12,659              | 9,174                                | (547)   | -                | -       | 8,627          |
| CE15092                               | CE15092 - Roading upgrades and development in Rototuna          | G    | 6    | 11,899              | 14,463                               | (3,872)   | -                | -       | 10,591         |
| CE15093                               | CE15093 - Roading upgrades and development in Ruakura           | G    |      | 8,854               | 8,238                                | -   | -                | -       | 8,238          |
| CE15095                               | CE15095 - Integrated transport initiatives                      | G    |      | 2,475               | 2,805                                | -   | -                | -       | 2,805          |
| CE15096                               | CE15096 - Cross city connector                                  | G    |      | -                   | -                                    | -   | -                | -       | -              |
| CE15097                               | CE15097 - Northern river crossing                               | G    |      | -                   | -                                    | -   | -                | -       | -              |
| CE19036                               | CE19036 - Ring Road   | G    |      | 13,977              | 13,156                               | -   | -                | -       | 13,156         |
| CE19037                               | CE19037 - Hamilton transport model                              | G    |      | 500                 | 500                                  | -   | -                | -       | 500            |
| CE19038                               | CE19038 - Rotokauri rail platform                               | G    |      | 500                 | 7,090                                | -   | -                | -       | 7,090          |
| CE19052                               | CE19052 - Intersection safety upgrade programme                 | LOS  |      | 1,881               | -                                    | -   | -                | -       | -              |
| CE19054                               | CE19054 - Bridge safety improvements                            | LOS  |      | 3,764               | 3,763                                | -   | -                | -       | 3,763          |
| CE19057                               | CE19057 - Biking plan implementation                            | G    |      | 10,450              | 10,747                               | -   | -                | -       | 10,747         |
| CE19058                               | CE19058 - Mass transit  | G    |      | 5,877               | 5,278                                | -   | -                | -       | 5,278          |
| CE19062                               | CE19062 - Bridge resilience programme                           | LOS  |      | -                   | -                                    | -   | -                | -       | -              |
| CE19063                               | CE19063 - Intersection capacity upgrade programme               | G    |      | 452                 | 1,175                                | -   | -                | -       | 1,175          |
| CE19064                               | CE19064 - Transport Centre rejuvenation                         | LOS  | 7    | 1,407               | 1,448                                | (1,300)   | -                | -       | 148            |
| CE19065                               | CE19065 - Modal access on bridges programme                     | G    |      | -                   | -                                    | -   | -                | -       | -              |
| Total Transport                       |   |      |      | 126,380             | 128,580                              | (5,719)   | -                | -       | 122,861        |
| Venues Tourism and Major Events       |   |      |      |                     |                                      |   |                  |         |                |
| CE10040                               | CE10040 - Business administration plant and equipment           | R    |      | 33                  | 74                                   | -   | -                | -       | 74             |
| CE10041                               | CE10041 - Claudelands plant and equipment                       | R    |      | 503                 | 423                                  | -   | -                | -       | 423            |
| CE10042                               | CE10042 - Seddon Park plant and equipment                       | R    |      | -                   | -                                    | -   | -                | -       | -              |
| CE10043                               | CE10043 - Waikato Stadium plant and equipment                   | R    |      | 356                 | 416                                  | -   | -                | -       | 416            |
| CE10044                               | CE10044 - Turf services plant and equipment                     | R    |      | 54                  | 54                                   | -   | -                | -       | 54             |
| CE10046                               | CE10046 - Seddon Park property renewals                         | R    |      | 314                 | 851                                  | -   | -                | -       | 851            |
| CE10047                               | CE10047 - Waikato Stadium property renewals                     | R    |      | 579                 | 634                                  | -   | -                | -       | 634            |
| CE10048                               | CE10048 - Stadia building renewals                              | R    |      | 1,319               | 1,383                                | -   | -                | -       | 1,383          |
| CE10049                               | CE10049 - Claudelands building renewals                         | R    |      | 774                 | 571                                  | -   | -                | -       | 571            |
| CE15050                               | CE15050 - Claudelands capital improvement programme             | LOS  |      | 49                  | 204                                  | -   | -                | -       | 204            |
| CE15051                               | CE15051 - Stadia capital improvement function                   | LOS  |      | 429                 | 818                                  | -   | -                | -       | 818            |
| CE19031                               | CE19031 - i-Site building renewals                              | R    |      | -                   | -                                    | -   | -                | -       | -              |
| Total Venues Tourism and Major Events |   |      |      | 4,408               | 5,428                                | -   | -                | -       | 5,428          |
| Visitor Attractions                   |   |      |      |                     |                                      |   |                  |         |                |

|   |   | 2020-21 Annual Plan | 2020-21 Forecast Changes as at 31    | 2020-21 Forecast Changes as at 30 November 2020 |                  |         |                |
|---|---|---------------------|--------------------------------------|---|------------------|---------|----------------|
|   |   | Annual Plan 2020/21 | Revised Budget as at 31 October 2020 | Deferrals and B/fwds                            | Approved Changes | Savings | Revised Budget |
| Type  | Note  |                     |                                      |   |                  |         |                |
|   |   | \$000               | \$000                                | \$000   | \$000            | \$000   | \$000          |
| CE10008   | CE10008 - Museum asset renewal                                    | 52                  | 22                                   | -   | -                | -       | 22             |
| CE10009   | CE10009 - ArtsPost earthquake strengthening                       | -                   | -                                    | -   | -                | -       | -              |
| CE10010   | CE10010 - Public art support fund                                 | 132                 | 99                                   | -   | -                | -       | 99             |
| CE10011   | CE10011 - Museum activity building renewals                       | 533                 | 893                                  | -   | -                | -       | 893            |
| CE10015   | CE10015 - Zoo animal enclosure renewals                           | 312                 | 559                                  | -   | -                | -       | 559            |
| CE10016   | CE10016 - Zoo building renewals                                   | 13                  | 21                                   | -   | -                | -       | 21             |
| CE10017   | CE10017 - Property renewals                                       | 18                  | 40                                   | -   | -                | -       | 40             |
| CE10020   | CE10020 - Zoo animal replacement                                  | 161                 | 102                                  | -   | -                | -       | 102            |
| CE10026   | CE10026 - Hamilton Gardens renewals                               | 168                 | 180                                  | -   | -                | -       | 180            |
| CE10028   | CE10028 - Hamilton Gardens building renewals                      | 12                  | 112                                  | -   | -                | -       | 112            |
| CE19018   | CE19018 - Museum loading bay                                      | -                   | -                                    | -   | -                | -       | -              |
| CE19019   | CE19019 - Zoo safety improvements                                 | 1,014               | 981                                  | -   | -                | -       | 981            |
| CE19020   | CE19020 - Hamilton Zoo improvement programme                      | 81                  | -                                    | -   | -                | -       | -              |
| CE19021   | CE19021 - Water and stormwater reticulation                       | 193                 | 207                                  | -   | -                | -       | 207            |
| CE19023   | CE19023 - Hamilton Gardens development                            | 3,014               | 3,138                                | (1,150)   | -                | -       | 1,988          |
| CE19028   | CE19028 - Collection acquisition fund                             | 97                  | 130                                  | -   | -                | -       | 130            |
| CE19030   | CE19030 - Zoo and Waiwhakareke Entrance Precinct                  | 5,477               | 4,587                                | -   | -                | -       | 4,587          |
| Total Visitor Attractions   |   | 11,278              | 11,071                               | (1,150)   | -                | -       | 9,921          |
| Water Supply  |   |                     |                                      |   |                  |         |                |
| CE10123   | CE10123 - Replacement of watermain                                | 2,292               | 1,888                                | -   | -                | -       | 1,888          |
| CE10124   | CE10124 - Replacement of water meters, valves and hydrants        | 2,097               | 2,647                                | -   | -                | -       | 2,647          |
| CE10138   | CE10138 - Replacement of treatment plant and reservoir assets     | 2,969               | 2,943                                | -   | -                | -       | 2,943          |
| CE10145   | CE10145 - Tools of trade renewals                                 | 54                  | 74                                   | -   | -                | -       | 74             |
| CE15126   | CE15126 - Upgrade or build new watermain in Rototuna              | 1,526               | 1,528                                | (126)   | -                | -       | 1,402          |
| CE15127   | CE15127 - Water pipe upgrade - growth                             | 325                 | 631                                  | -   | -                | -       | 631            |
| CE15128   | CE15128 - Upgrade/build new watermain in Rotokauri stage 1        | 61                  | 61                                   | -   | -                | -       | 61             |
| CE15130   | CE15130 - Upgrade/build new watermain in Peacocke stage 1         | -                   | -                                    | -   | -                | -       | -              |
| CE15132   | CE15132 - Water network upgrades to allow new development         | 87                  | 164                                  | -   | -                | -       | 164            |
| CE15133   | CE15133 - Water demand management - network water loss            | -                   | -                                    | -   | -                | -       | -              |
| CE15134   | CE15134 - Water demand management - Pukete reservoir zone         | -                   | -                                    | -   | -                | -       | -              |
| CE15135   | CE15135 - Upgrade/build distribution watermain in Peacocke        | 623                 | 577                                  | -   | -                | -       | 577            |
| CE15137   | CE15137 - Water demand management - Newcastle reservoir zone      | 2,313               | 2,282                                | -   | -                | -       | 2,282          |
| CE15139   | CE15139 - Water treatment plant compliance - minor upgrades       | 2,089               | 2,238                                | -   | -                | -       | 2,238          |
| CE15141   | CE15141 - Water demand management - Hillcrest reservoir zone      | -                   | 256                                  | -   | -                | -       | 256            |
| CE15144   | CE15144 - Upgrade water treatment plant                           | 2,058               | 1,979                                | -   | -                | -       | 1,979          |
| CE15146   | CE15146 - Water customer connections                              | 54                  | 54                                   | -   | -                | -       | 54             |
| CE15148   | CE15148 - Upgrade or build new watermain in Ruakura               | 217                 | -                                    | -   | -                | -       | -              |
| CE15158   | CE15158 - Water model   | 585                 | 597                                  | -   | -                | -       | 597            |
| CE15159   | CE15159 - Water master plan                                       | -                   | 27                                   | -   | -                | -       | 27             |
| CE16004   | CE16004 - Eastern Bulk Main Slip                                  | 658                 | 978                                  | -   | -                | -       | 978            |
| CE19045   | CE19045 - Ruakura reservoir & associated bulk mains               | 2,486               | 1,419                                | -   | -                | -       | 1,419          |
| CE19046   | CE19046 - Upgrade/build new watermain in Peacocke Stage 2         | 1,272               | 1,280                                | -   | -                | -       | 1,280          |
| CE19047   | CE19047 - Water Demand Management - Maeroa reservoir zone         | -                   | -                                    | -   | -                | -       | -              |
| CE19048   | CE19048 - Water Demand Management - Hamilton South reservoir zone | -                   | -                                    | -   | -                | -       | -              |
| CE19049   | CE19049 - Water Demand Management - Fairfield reservoir zone      | -                   | -                                    | -   | -                | -       | -              |
| CE19073   | CE19073 - Upgrade/build new watermain in Te Rapa                  | -                   | -                                    | -   | -                | -       | -              |
| Total Water Supply  |   | 21,768              | 21,625                               | (126)   | -                | -       | 21,499         |
| Renewals and Compliance Movements - will be found through programme reprioritisation by 30 June 2021* |   | -                   | (4,709)                              |   |                  | -       | (4,709)        |
| Grand Total   |   | 302,844             | 290,275                              | (6,905)   | 10               | -       | 283,380        |

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.



Comments to be read in conjunction with the Capital Projects Listing

| Note  | CE Code | Project Name  | Amount -<br>000's | Deferral Type | Description  |
|-------|---------|---|-------------------|---------------|--|
| 1     | CE19017 | Rototuna Village Carparks                             | 142               | Rephasing     | Align with Village programme   |
| 2     | CE15105 | North City Road Upgrade                               | 105               | Rephasing     | Align with Rototuna Village programme  |
| 3     | CE15059 | Upgrade/new stormwater device SW180 Rototuna          | 3,397             | Delay         | Align with developer timing  |
| 4     | CE19026 | Erosion Control Works                                 | -3,734            | bfwd          | This is the Mangaonoa Stream work. This project is associated with The Ruakura Spine Road funding agreement  |
| 5     | CE15090 | Gilchrist Road collector Rotokauri                    | 547               | Rephasing     | Align with developer timing  |
| 6     | CE15092 | Roading Upgrades and Development in Rototuna          | 3,872             | Delay         | This deferral is largely the Turakina Rise extensions which has been delayed pending resolving stormwater consent issues arising from the National Policy Statement on Freshwater. In addition there are other delays required to align with the Rototuna Village Programme.   |
| 7     | CE19064 | Transport Centre Rejuvenation                         | 1,300             | Rephasing     | The reasons for the deferral are two fold; firstly, the necessary Waka Kotahi business case process has taken longer than expected. Secondly, we have also spent longer on our stakeholder engagement than anticipated, this is due to the complexities of the project and the large number of stakeholders involved. These two matters have impacted on timing getting formal sign off from the appropriate Regional and Hamilton City council committees, which has led to the deferral request. |
| 8     | CE19023 | Hamilton Gardens - Development & Trust                | 1,150             | Rephasing     | Decision has been made in the beginning of the financial year to limit programme scope in 20/21 to completion of Egyptian Garden, Summerhouse and Palm Court due to uncertainty related to Covid and until high cost confidence could be achieved and direction has been given on the programme going forward through the 21-31 LTP.   |
| 9     | CE15126 | North City Rd Upgrade Borman to Bornebrook WTR/1124.2 | 126               | Rephasing     | Align with Rototuna Village programme.   |
| Total |         |   | 6,905             |               |  |

# Council Report

**Committee:** Finance Committee **Date:** 16 February 2021  
**Author:** Tracey Musty **Authoriser:** David Bryant  
**Position:** Financial Controller **Position:** General Manager Corporate  
**Report Name:** Annual Monitoring Report to 30 November 2020

|                      |             |
|----------------------|-------------|
| <b>Report Status</b> | <i>Open</i> |
|----------------------|-------------|

## Purpose - *Take*

1. To inform the Finance Committee on Council's financial performance for the five months ended 30 November 2020.

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

2. That the Finance Committee receives the report.

## Executive Summary - *Whakaraapopototanga matua*

3. This report is to be read in conjunction with the:
  - 30 November 2020 (16 February 2021 meeting) Capital Portfolio Monitoring Report
  - 30 November 2020 (16 February 2021 meeting) Financial Strategy Monitoring Report
4. The 30 November 2020 financial results show a positive variance against the year to date (YTD) budget in the accounting result.
5. Staff consider the matters in this report have low significance and that the recommendations comply with the Council's legal requirements.

## Discussion - *Matapaki*

### Operating Results

#### The accounting results

6. The Statement of Comprehensive Revenue and Expense discloses the accounting result in accordance with accounting standards.
7. The accounting result for the five months ended 30 November 2020 is a surplus of \$41.4M. This is \$13.5M favourable against the YTD budget surplus of \$27.9M.

| Accounting Result |                |                |
|-------------------|----------------|----------------|
| YTD Actual        | YTD Budget     | Variance       |
| <b>\$41.4M</b>    | <b>\$27.9M</b> | <b>\$13.5M</b> |

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

| Annual Accounting Result |                |               |
|--------------------------|----------------|---------------|
| Annual Forecast          | Annual Budget  | Variance      |
| <b>\$66.6M</b>           | <b>\$66.1M</b> | <b>\$0.5M</b> |

#### Balancing the books result

9. The balancing the books result for the five months ended 30 November 2020 is (\$2M). This is \$3.7M favourable against a YTD budget of (\$5.7M).

| Balancing the Books |                 |               |
|---------------------|-----------------|---------------|
| YTD Actual          | YTD Budget      | Variance      |
| <b>(\$2.0M)</b>     | <b>(\$5.7M)</b> | <b>\$3.7M</b> |

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

| Annual Balancing the Books |                 |               |
|----------------------------|-----------------|---------------|
| Annual Forecast            | Annual Budget   | Variance      |
| <b>(\$5.4M)</b>            | <b>(\$4.4M)</b> | <b>(\$1M)</b> |

#### Understanding material variances

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

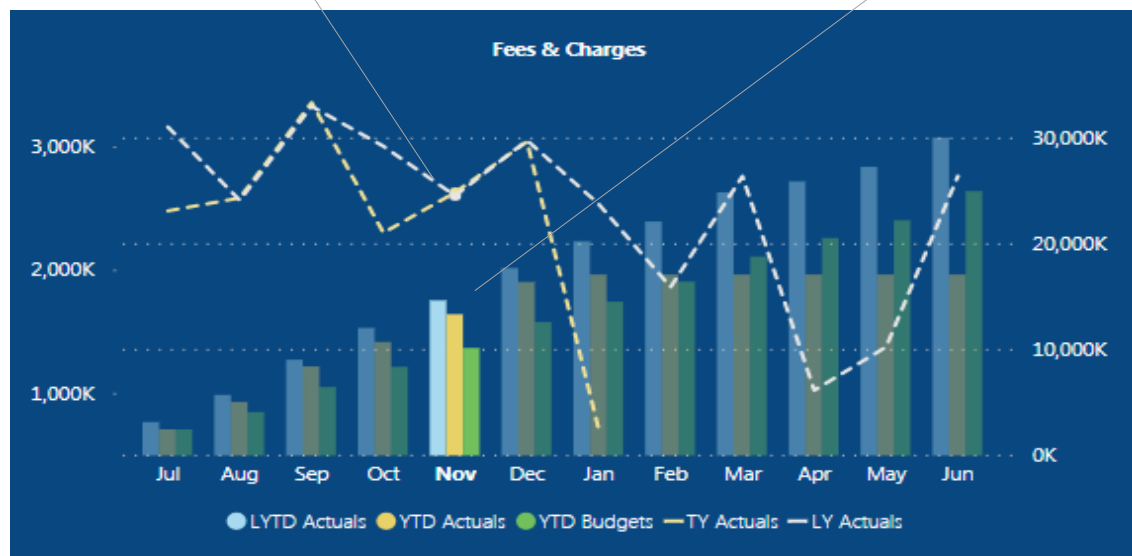
#### Operating Revenue

14. Total Operating Revenue is \$5M higher than YTD budgeted. This is attributable to Fees & Charges as explained below.
15. Fees & Charges contribute the largest share of the favourable variance in Operating Revenue and exceeds YTD budget by \$4.8M.

## Item 8

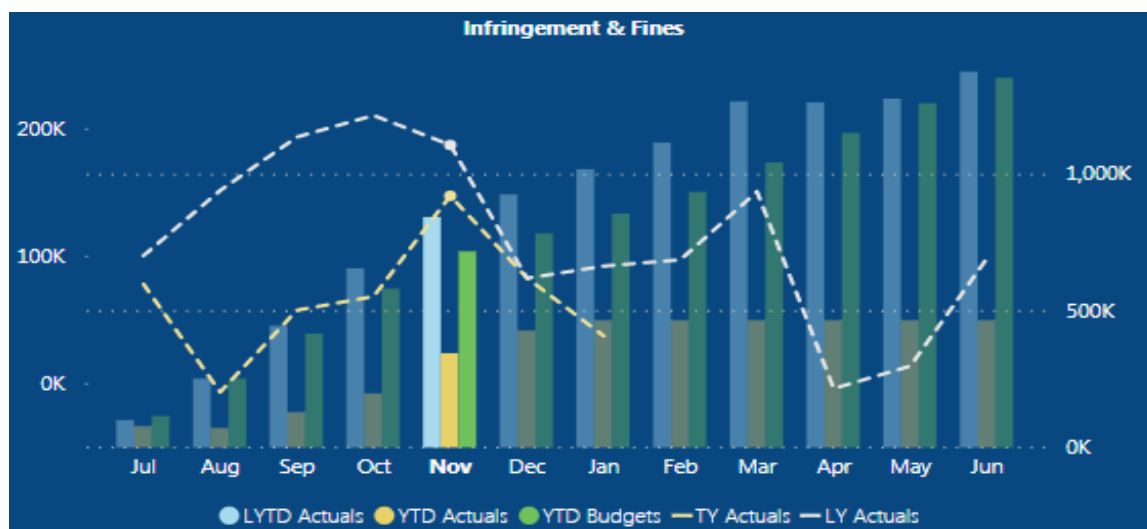
Line graph is monthly: axis values on the left-hand side

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.

16. As at 30 November 2020, the YTD actual for Fees & User Charges was \$18.3M and is tracking above the YTD budget by \$4.8M. This favourable result is due to increased event activity in Venues, tourism and major events, attractive visitor numbers at the zoo and museum and lastly, revenue from building consents has remained consistent despite an anticipated downturn as reflected in the budget.
17. Operating contributions also contributed \$1.5M 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 our shovel ready project upgrade of the Te Awa Cycleway. This revenue offsets the cost of the project as the expenditure is incurred.
18. The positive variance in Fees & Charges helped to offset negative variances in Other Revenue. Infringement & Fines revenue is tracking below budget, as reflected:





The YTD actual for Infringement & Fines at 30 November 2020 was \$0.3M. This is well below a YTD budget of \$0.7M, and a YTD comparable for last year of \$0.4M. The Covid-19 impact was felt in this area where the issuing of fines for traffic infringements only resumed in October 2020. Monthly revenue for November 2020 is \$40k below last year actuals.

19. Please refer to the activity statements (**Attachment 2**) for material variance explanations.

### Capital Revenue

20. Total Capital Revenue is \$6.3M favourable to budget. This is attributable to Development Contributions (DCs).
21. DCs are ahead of budget by \$5M. 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. To date two retirement home developments and a large residential subdivision paid significant DCs.
22. Capital subsidies and contributions are favourable to budget by \$4.5M. Projects attracting NZTA subsidies have progressed faster than anticipated and resulted in a favourable variance to budget of \$3.2M. The favourable variance in capital contributions are due to NZTA contributing to the construction cost of the Ring Road. Council received capital contributions for the instalment of new water and wastewater connections, this exceeded the YTD budget by \$1.3M.
23. Vested assets were unfavourable to budget by \$3.1M. The vested asset budget is broken down by class of asset on page 99 of the 10-Year Plan. Vested Assets are outlined in the table that follows.
24. The addition of vested assets increases the operating and maintenance costs for Council, as well as depreciation. An estimate of operating and maintenance costs and depreciation expense has been made in the 10-Year Plan to support the annual vested assets budget.

| Asset class               | YTD Actual<br>\$000 | Annual<br>Budget<br>\$000 | Life Range<br>(Years) | Estimated<br>Annual<br>Depreciation<br>\$000 |
|---------------------------|---------------------|---------------------------|-----------------------|--|
| Wastewater                | 718                 | 3,287                     | 15-100                | 9  |
| Stormwater                | 591                 | 5,508                     | 30-100                | 7  |
| Water Supply              | 316                 | 1,920                     | 50-80                 | 4  |
| Roading                   | 1,284               | 21,764                    | 12-140                | 26   |
| Parks and Recreation      | 220                 | -                         |                       | -  |
| Land                      |                     |                           |                       |  |
| Land – Under Roads        | 3,799               | -                         |                       | -  |
| Land – Recreation Reserve | 703                 | -                         |                       | -  |
| Land - Infrastructure     | 2,760               | -                         |                       | -  |
| <b>Total</b>              | <b>10,392</b>       | <b>32,479</b>             |                       | <b>46</b>                                    |

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

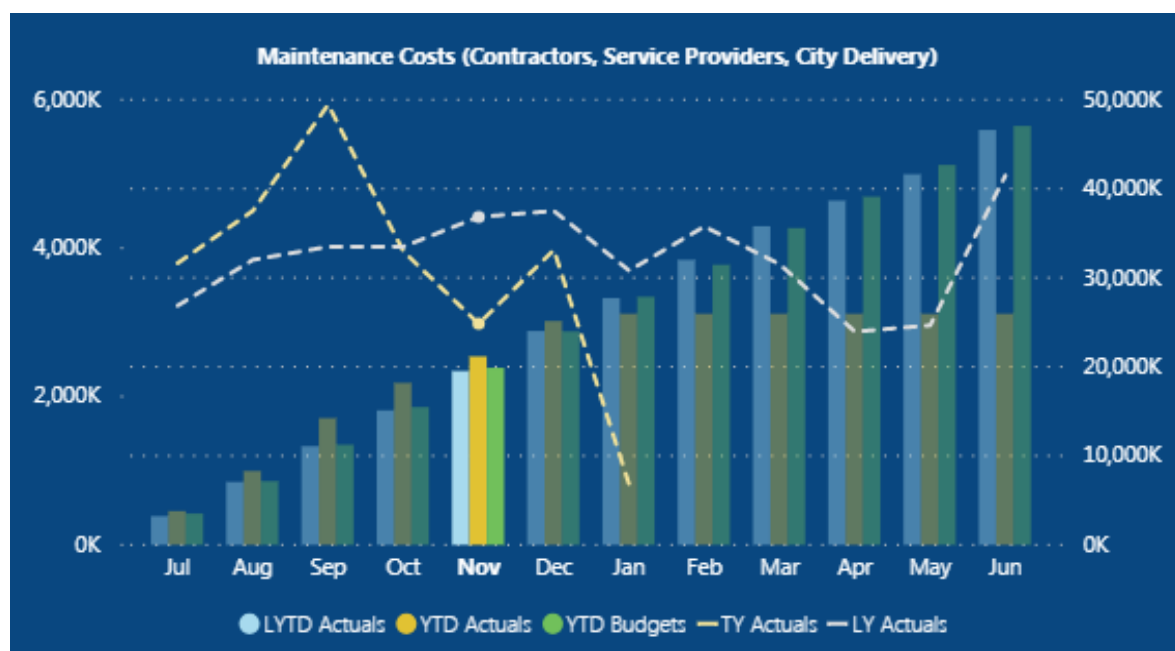
## Operating Expenditure

26. Total Operating Expenditure is unfavourable to budget by \$1M. This is attributable to Personnel Costs, Operating & Maintenance Costs and Professional Costs as explained below.
27. Personnel Costs are unfavourable to budget by \$1.3M. This is mainly due to a leave accrual of \$0.7M and an increase of \$0.3M in externally contracted staff, who cover vacancies and deliver organisation wide projects. We expect the leave accrual figure to reduce as staff take leave over the December and January months.



The graph reflects the leave liability that is held on our balance sheet. As more leave is accrued the gap between financial year comparatives widens. The large gap reflecting for the current financial year is indicative of the leave that accrued over the national lockdown period where many staff would have taken leave over Easter and school holidays.

28. Operating & Maintenance Costs are unfavourable to budget by \$2.5M (Oct \$3.4M). Increased expenditure on contractors as reflected:



The YTD actual for Contractors and Service Providers is \$19.2M. This is \$1.3M unfavourable against a YTD budget of \$17.9M. This is due to unbudgeted expenditure incurred on the Te Awa Cycleway works, which is funded by the MBIE. This is offset by the revenue as mentioned in paragraph 17. Please refer to the activity statements for further material variance explanations.

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

### Gains and Losses

30. The 30 November 2020 adjustment on non-cash revaluation of Council's Financial borrowing instruments resulted in a \$2M loss.

### Treasury Management

31. Council's compliance with its treasury policy measures as at 30 November 2020 is as follows:

|                                 |             |                          |              |   |
|---------------------------------|-------------|--------------------------|--------------|---|
| <b>Counterparty credit risk</b> | max         | \$75m per bank           | Not achieved | ✗ |
| <b>Liquidity ratio</b>          | min         | 110%                     | 140%         | ✓ |
| <b>Funding maturity</b>         | 0 - 3 years | 15% - 60%                | 34%          | ✓ |
|                                 | 3 - 5 years | 15% - 60%                | 22%          | ✓ |
|                                 | 5 years +   | 10% - 60%                | 44%          | ✓ |
| <b>Fixed rate debt maturity</b> | All years   | Within annual parameters | Not achieved | ✗ |

32. Our Treasury Management Policy sets out counterparty credit limits which are spread amongst several counterparties to avoid concentrations of credit exposure. At 30 November 2020 we breached our limit with BNZ. This is due to a higher than usual closing bank balance as a term deposit matured. We did not place these funds back on term deposit as interest rates have not been favourable and more interest was earned by leaving these funds in our BNZ account. We are fully compliant at 30 December 2020.

### Debt and Cash Investments

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

| Treasury Performance              |                 |                 |                   |
|-----------------------------------|-----------------|-----------------|-------------------|
|                                   | YTD Actual      | Annual Budget   | Variance          |
| <b>Cash Investments</b>           | <b>\$169.1M</b> | <b>\$86.1M</b>  | <b>\$83M</b>      |
| <b>Total External Debt</b>        | <b>\$575M</b>   | <b>\$716.8M</b> | <b>(\$141.8M)</b> |
| <b>Finance Cost on Borrowings</b> | <b>\$5.4M</b>   | <b>\$14.6M</b>  | <b>(\$9.2M)</b>   |

### Interest Rate Risk Management

34. 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.

35. As at 30 November 2020 our fixed rate hedging is 39%. This falls outside our debt interest rate policy parameters which requires a minimum fixed rate of 40% and a maximum fixed rate of 95%. PwC Treasury Advisors currently recommend that Council clients maintain minimums of fixed rate policy limits and they continue to monitor our treasury position closely. Monthly meetings are prescheduled with PwC Treasury Advisors to ensure regular review.
36. Our gross cost of funds over a 12-month rolling average is 2.94%.

### **Emerging Issues**

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

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

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

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

39. 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').
40. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.
41. The recommendations set out in this report are consistent with that purpose.

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

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

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

#### **Significance**

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

#### **Engagement**

44. 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

Attachment 2 - Council Activities

Attachment 3 - Treasury Position

**STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE**  
**FOR THE MONTH ENDED 30 NOVEMBER 2020**

Attachment 1

| \$'000                   |   | \$'000         |                          | \$'000                         |                              | \$'000                      |  | \$'000             |                                   | \$'000 |  |
|--------------------------|---|----------------|--------------------------|--------------------------------|------------------------------|-----------------------------|--|--------------------|-----------------------------------|--------|--|
| YTD<br>2019/20           |   | YTD Actual     | YTD Budget<br>(Approved) | YTD<br>Variance<br>Fav/(Unfav) | Annual<br>Approved<br>Budget | % Annual<br>Budget<br>Spent |  | Annual<br>Forecast | Annual<br>Variance<br>Fav/(Unfav) |        |  |
| <b>Operating Revenue</b> |   |                |                          |                                |                              |                             |  |                    |                                   |        |  |
| 75,024                   | Rates   | 77,139         | 76,962                   | 177                            | 200,066                      | 39%                         |  | 200,066            |                                   |        |  |
| 18,073                   | Fees & Charges  | 18,319         | 13,567                   | 4,752                          | 32,260                       | 57%                         |  | 32,260             |                                   |        |  |
| 3,896                    | Subsidies & Grants                                    | 3,179          | 3,087                    | 92                             | 7,227                        | 44%                         |  | 7,227              |                                   |        |  |
| 621                      | Interest Revenue                                      | 527            | 521                      | 7                              | 1,250                        | 42%                         |  | 1,250              |                                   |        |  |
| 3,937                    | Other Revenue   | 3,310          | 3,345                    | (36)                           | 10,298                       | 32%                         |  | 10,298             |                                   |        |  |
| <b>101,552</b>           | <b>TOTAL OPERATING REVENUE</b>                        | <b>102,474</b> | <b>97,483</b>            | <b>4,991</b>                   | <b>251,101</b>               | <b>41%</b>                  |  | <b>251,101</b>     |                                   |        |  |
| <b>Capital Revenue</b>   |   |                |                          |                                |                              |                             |  |                    |                                   |        |  |
| 11,006                   | Development Contributions                             | 14,383         | 9,377                    | 5,005                          | 22,504                       | 64%                         |  | 22,504             |                                   |        |  |
| 15,740                   | Capital Revenue                                       | 21,466         | 16,981                   | 4,485                          | 58,634                       | 37%                         |  | 60,077             | 1,443                             |        |  |
| 21,350                   | Vested Assets   | 10,392         | 13,534                   | (3,142)                        | 32,479                       | 32%                         |  | 32,479             |                                   |        |  |
| <b>48,096</b>            | <b>TOTAL CAPITAL REVENUE</b>                          | <b>46,241</b>  | <b>39,892</b>            | <b>6,348</b>                   | <b>113,617</b>               | <b>41%</b>                  |  | <b>115,060</b>     | <b>1,443</b>                      |        |  |
| <b>149,648</b>           | <b>TOTAL REVENUE</b>                                  | <b>148,714</b> | <b>137,375</b>           | <b>11,339</b>                  | <b>364,717</b>               | <b>41%</b>                  |  | <b>366,161</b>     | <b>1,443</b>                      |        |  |
| <b>Expenditure</b>       |   |                |                          |                                |                              |                             |  |                    |                                   |        |  |
| 35,016                   | Personnel Costs                                       | 35,960         | 34,654                   | (1,307)                        | 83,802                       | 43%                         |  | 83,802             |                                   |        |  |
| 20,844                   | Operating & Maintenance Costs                         | 24,661         | 22,194                   | (2,467)                        | 52,927                       | 47%                         |  | 52,927             |                                   |        |  |
| 4,402                    | Professional Costs                                    | 5,110          | 4,018                    | (1,093)                        | 13,820                       | 37%                         |  | 14,745             | (925)                             |        |  |
| 8,352                    | Administration Expenses                               | 6,209          | 6,702                    | 493                            | 36,367                       | 17%                         |  | 36,367             |                                   |        |  |
| 4,255                    | Property Costs  | 4,506          | 4,481                    | (25)                           | 10,017                       | 45%                         |  | 10,017             |                                   |        |  |
| 7,681                    | Finance Costs   | 5,410          | 6,228                    | 818                            | 17,124                       | 32%                         |  | 17,124             |                                   |        |  |
| 28,748                   | Depreciation & Amortisation Expense                   | 28,849         | 31,140                   | 2,292                          | 74,727                       | 39%                         |  | 74,727             |                                   |        |  |
| <b>109,299</b>           | <b>TOTAL EXPENDITURE</b>                              | <b>110,707</b> | <b>109,417</b>           | <b>(1,289)</b>                 | <b>288,785</b>               | <b>38%</b>                  |  | <b>289,710</b>     | <b>(925)</b>                      |        |  |
| <b>40,349</b>            | <b>OPERATING SURPLUS/(DEFICIT)</b>                    | <b>38,007</b>  | <b>27,957</b>            | <b>10,050</b>                  | <b>75,932</b>                | <b>50%</b>                  |  | <b>76,451</b>      | <b>519</b>                        |        |  |
| <b>Gains and Losses</b>  |   |                |                          |                                |                              |                             |  |                    |                                   |        |  |
| (1,750)                  | Net gain/(loss) on revaluation of interest rate swaps | 4,109          |                          | 4,109                          |                              |                             |  |                    |                                   |        |  |
|                          | Gain on fair value of investment properties           |                |                          |                                | 593                          | 0%                          |  | 593                |                                   |        |  |
| (2,555)                  | Property, plant and equipment net gain/(loss)         | (709)          |                          | (709)                          | (10,457)                     | 7%                          |  | (10,457)           |                                   |        |  |
| <b>(4,305)</b>           | <b>TOTAL GAINS AND LOSSES</b>                         | <b>3,400</b>   |                          | <b>3,400</b>                   | <b>(9,864)</b>               | <b>-34%</b>                 |  | <b>(9,864)</b>     |                                   |        |  |
| <b>36,044</b>            | <b>TOTAL SURPLUS/(DEFICIT)</b>                        | <b>41,408</b>  | <b>27,957</b>            | <b>13,450</b>                  | <b>66,068</b>                | <b>63%</b>                  |  | <b>66,587</b>      | <b>519</b>                        |        |  |

Refer to Activity Statements for variances against budget.

Item 8

Attachment 1

## BALANCING THE BOOKS RESULT

### FOR THE MONTH ENDED 30 NOVEMBER 2020

| \$000          |   | \$000          | \$000                    | \$000                          | \$000                        | \$000                       | \$000              | \$000                             |
|----------------|---|----------------|--------------------------|--------------------------------|------------------------------|-----------------------------|--------------------|-----------------------------------|
| YTD<br>2019/20 |   | YTD Actual     | YTD Budget<br>(Approved) | YTD<br>Variance<br>Fav/(Unfav) | Annual<br>Approved<br>Budget | % Annual<br>Budget<br>Spent | Annual<br>Forecast | Annual<br>Variance<br>Fav/(Unfav) |
| <b>36,044</b>  | <b>Surplus/(Deficit)</b>                                  | <b>41,408</b>  | <b>27,957</b>            | <b>13,450</b>                  | <b>66,068</b>                | <b>63%</b>                  | <b>66,587</b>      | <b>519</b>                        |
|                | <b>Remove capital revenue</b>                             |                |                          |                                |                              |                             |                    |                                   |
| (21,350)       | Vested assets   | (10,392)       | (13,534)                 | 3,142                          | (32,479)                     | 32%                         | (32,479)           |                                   |
| (7,384)        | Part of Development and Financial contributions           | (11,101)       | (6,095)                  | (5,005)                        | (14,627)                     | 76%                         | (14,627)           |                                   |
| (8,221)        | Capital Subsidy (excluding subsidy on transport renewals) | (13,304)       | (9,755)                  | (3,550)                        | (37,736)                     | 35%                         | (38,787)           | (1,051)                           |
| (2,574)        | Other Capital Contributions                               | (4,640)        | (3,662)                  | (978)                          | (12,496)                     | 37%                         | (12,888)           | (392)                             |
| (295)          | Other items not considered everyday operating revenue     | (681)          | (681)                    |                                | (4,217)                      | 16%                         | (4,217)            |                                   |
|                | <b>Remove (gains)/losses</b>                              |                |                          |                                |                              |                             |                    |                                   |
| 4,305          | All Gains/(Losses)  | (3,400)        |                          | (3,400)                        | 9,864                        | -34%                        | 9,864              |                                   |
|                | <b>Remove other expenses</b>                              |                |                          |                                |                              |                             |                    |                                   |
| 43             | Other items not considered everyday operating expenses    | 106            | 115                      | (9)                            | 21,189                       | 0%                          | 21,189             |                                   |
| <b>568</b>     | <b>EVERYDAY SURPLUS/(DEFICIT)</b>                         | <b>(2,005)</b> | <b>(5,654)</b>           | <b>3,650</b>                   | <b>(4,433)</b>               | <b>45%</b>                  | <b>(5,358)</b>     | <b>(925)</b>                      |

## LOCAL GOVERNMENT BALANCING THE BOOKS MEASURE

### FOR THE MONTH ENDED 30 NOVEMBER 2020

| \$000           |   | \$000           | \$000                    | \$000                          | \$000                        | \$000                       | \$000              | \$000                             |
|-----------------|---|-----------------|--------------------------|--------------------------------|------------------------------|-----------------------------|--------------------|-----------------------------------|
| YTD<br>2019/20  |   | YTD Actual      | YTD Budget<br>(Approved) | YTD<br>Variance<br>Fav/(Unfav) | Annual<br>Approved<br>Budget | % Annual<br>Budget<br>Spent | Annual<br>Forecast | Annual<br>Variance<br>Fav/(Unfav) |
| <b>36,044</b>   | <b>Surplus/(deficit)</b>  | <b>41,408</b>   | <b>27,957</b>            | <b>13,450</b>                  | <b>66,068</b>                | <b>63%</b>                  | <b>66,587</b>      | <b>519</b>                        |
|                 | <b>Adjustments for the Local Government Regulations measure</b> |                 |                          |                                |                              |                             |                    |                                   |
|                 | Gains excluding gains on investment properties                  |                 |                          |                                | (593)                        | 0%                          | (593)              |                                   |
| 1,750           | Net (Gain)/Loss on derivative financial instruments             | (4,109)         |                          | (4,109)                        | 0                            |                             |                    |                                   |
| (11,006)        | Development and Financial contributions                         | (14,383)        | (9,377)                  | (5,005)                        | (22,504)                     | 64%                         | (22,504)           |                                   |
| (21,350)        | Vested assets   | (10,392)        | (13,534)                 | 3,142                          | (32,479)                     | 32%                         | (32,479)           |                                   |
| <b>(30,606)</b> | <b>Total adjustments</b>  | <b>(28,884)</b> | <b>(22,911)</b>          | <b>(5,972)</b>                 | <b>(55,576)</b>              |                             | <b>(55,576)</b>    |                                   |
| <b>5,438</b>    | <b>LG Regulations balancing the books surplus/(deficit)</b>     | <b>12,524</b>   | <b>5,046</b>             | <b>7,478</b>                   | <b>10,493</b>                | <b>119%</b>                 | <b>11,012</b>      | <b>519</b>                        |

## FOR THE MONTH ENDED 30 NOVEMBER 2020

| \$000                       |                                       | \$000          | \$000                    | \$000                          | \$000                        | \$000                       | \$000              | \$000                             |
|-----------------------------|---------------------------------------|----------------|--------------------------|--------------------------------|------------------------------|-----------------------------|--------------------|-----------------------------------|
| YTD<br>2019/20              |                                       | YTD Actual     | YTD Budget<br>(Approved) | YTD<br>Variance<br>Fav/(Unfav) | Annual<br>Approved<br>Budget | % Annual<br>Budget<br>Spent | Annual<br>Forecast | Annual<br>Variance<br>Fav/(Unfav) |
| <b>Everyday Revenue</b>     |                                       |                |                          |                                |                              |                             |                    |                                   |
| 75,024                      | Rates**                               | 77,139         | 76,962                   | 177                            | 200,066                      | 39%                         | 200,066            |                                   |
| 18,073                      | Fees & Charges                        | 18,319         | 13,567                   | 4,752                          | 32,260                       | 57%                         | 32,260             |                                   |
| 3,896                       | Subsidies & Grants                    | 3,179          | 3,087                    | 92                             | 7,227                        | 44%                         | 7,227              |                                   |
| 621                         | Interest Revenue                      | 527            | 521                      | 7                              | 1,250                        | 42%                         | 1,250              |                                   |
| 3,937                       | Other Revenue                         | 3,310          | 3,345                    | (36)                           | 10,298                       | 32%                         | 10,298             |                                   |
| <b>101,552</b>              | <b>Total Everyday Revenue</b>         | <b>102,474</b> | <b>97,483</b>            | <b>4,991</b>                   | <b>251,101</b>               | <b>41%</b>                  | <b>251,101</b>     |                                   |
| <b>Everyday Expenditure</b> |                                       |                |                          |                                |                              |                             |                    |                                   |
| 35,016                      | Personnel Costs                       | 35,960         | 34,654                   | (1,307)                        | 83,802                       | 43%                         | 83,802             |                                   |
| 20,844                      | Operating & Maintenance Costs         | 24,661         | 22,194                   | (2,467)                        | 52,927                       | 47%                         | 52,927             |                                   |
| 4,402                       | Professional Costs                    | 5,110          | 4,018                    | (1,093)                        | 13,820                       | 37%                         | 14,745             | (925)                             |
| 8,352                       | Administration Expenses               | 6,209          | 6,702                    | 493                            | 36,367                       | 17%                         | 36,367             |                                   |
| 4,255                       | Property Costs                        | 4,506          | 4,481                    | (25)                           | 10,017                       | 45%                         | 10,017             |                                   |
| 7,681                       | Finance Costs**                       | 5,410          | 6,228                    | 818                            | 17,124                       | 32%                         | 17,124             |                                   |
| 28,748                      | Depreciation & Amortisation Expense** | 28,849         | 31,140                   | 2,292                          | 74,727                       | 39%                         | 74,727             |                                   |
| 4,305                       | Gains & Losses                        | (3,400)        |                          | 3,400                          | 9,864                        | -34%                        | 9,864              |                                   |
| <b>113,604</b>              | <b>Total Everyday Expenditure</b>     | <b>107,306</b> | <b>109,417</b>           | <b>2,111</b>                   | <b>298,649</b>               | <b>36%</b>                  | <b>299,574</b>     | <b>(925)</b>                      |
| <b>(12,052)</b>             | <b>Everyday Surplus/(Deficit)*</b>    | <b>(4,833)</b> | <b>(11,935)</b>          | <b>7,102</b>                   | <b>(47,548)</b>              | <b>10%</b>                  | <b>(48,473)</b>    | <b>(925)</b>                      |
| <b>Capital Revenue</b>      |                                       |                |                          |                                |                              |                             |                    |                                   |
| 11,006                      | Development Contributions**           | 14,383         | 9,377                    | 5,005                          | 22,504                       | 64%                         | 22,504             |                                   |
| 15,740                      | Capital Revenue                       | 21,466         | 16,981                   | 4,485                          | 58,634                       | 37%                         | 60,077             | 1,443                             |
| 21,350                      | Vested Assets**                       | 10,392         | 13,534                   | (3,142)                        | 32,479                       | 32%                         | 32,479             |                                   |
| <b>48,096</b>               | <b>Total Capital Revenue</b>          | <b>46,241</b>  | <b>39,892</b>            | <b>6,348</b>                   | <b>113,617</b>               | <b>41%</b>                  | <b>115,060</b>     | <b>1,443</b>                      |
| <b>36,044</b>               | <b>Operating Surplus/(Deficit)</b>    | <b>41,408</b>  | <b>27,957</b>            | <b>13,450</b>                  | <b>66,068</b>                | <b>63%</b>                  | <b>66,587</b>      | <b>519</b>                        |

**Material variances as explained below:**

**Finance Costs\*\*:** \$818k favourable.

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

**Depreciation & Amortisation Expense\*\*:** \$2,292k favourable.

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

**Development Contributions\*\*:** \$5,005k 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\*\*:** (\$3,142k) unfavourable.

Fewer vested assets have been received than budgeted.

## Attachment 2

## DEMOCRACY

Governance and Public Affairs | Partnership with Māori

## FOR THE MONTH ENDED 30 NOVEMBER 2020

| \$000                       |                                       | \$000        | \$000                    | \$000                          | \$000                        | \$000                       | \$000              | \$000                             |
|-----------------------------|---------------------------------------|--------------|--------------------------|--------------------------------|------------------------------|-----------------------------|--------------------|-----------------------------------|
| YTD<br>2019/20              |                                       | YTD Actual   | YTD Budget<br>(Approved) | YTD<br>Variance<br>Fav/(Unfav) | Annual<br>Approved<br>Budget | % Annual<br>Budget<br>Spent | Annual<br>Forecast | Annual<br>Variance<br>Fav/(Unfav) |
| <b>Everyday Revenue</b>     |                                       |              |                          |                                |                              |                             |                    |                                   |
| 1,126                       | Rates**                               | 1,160        | 1,163                    | (3)                            | 3,021                        | 38%                         | 3,021              |                                   |
| 6                           | Fees & Charges                        | 5            | 1                        | 4                              | 2                            | 220%                        | 2                  |                                   |
|                             | Subsidies & Grants                    |              |                          |                                |                              |                             |                    |                                   |
|                             | Interest Revenue                      |              |                          |                                |                              |                             |                    |                                   |
| 5                           | Other Revenue                         |              |                          |                                |                              |                             |                    |                                   |
| <b>1,137</b>                | <b>Total Everyday Revenue</b>         | <b>1,165</b> | <b>1,164</b>             | <b>1</b>                       | <b>3,023</b>                 | <b>39%</b>                  | <b>3,023</b>       |                                   |
| <b>Everyday Expenditure</b> |                                       |              |                          |                                |                              |                             |                    |                                   |
| 149                         | Personnel Costs                       | 178          | 266                      | 88                             | 696                          | 26%                         | 696                |                                   |
| 32                          | Operating & Maintenance Costs         | 12           | 17                       | 4                              | 41                           | 31%                         | 41                 |                                   |
| 213                         | Professional Costs                    | 165          | 165                      |                                | 402                          | 41%                         | 402                |                                   |
| 603                         | Administration Expenses               | 674          | 706                      | 32                             | 1,693                        | 40%                         | 1,693              |                                   |
|                             | Property Costs                        |              |                          |                                |                              |                             |                    |                                   |
|                             | Finance Costs**                       |              |                          |                                |                              |                             |                    |                                   |
|                             | Depreciation & Amortisation Expense** |              |                          |                                |                              |                             |                    |                                   |
|                             | Gains & Losses                        |              |                          |                                |                              |                             |                    |                                   |
| <b>997</b>                  | <b>Total Everyday Expenditure</b>     | <b>1,028</b> | <b>1,153</b>             | <b>125</b>                     | <b>2,832</b>                 | <b>36%</b>                  | <b>2,832</b>       |                                   |
| <b>140</b>                  | <b>Everyday Surplus/(Deficit)*</b>    | <b>137</b>   | <b>11</b>                | <b>126</b>                     | <b>191</b>                   | <b>72%</b>                  | <b>191</b>         |                                   |
| <b>Capital Revenue</b>      |                                       |              |                          |                                |                              |                             |                    |                                   |
|                             | Capital Revenue                       |              |                          |                                |                              |                             |                    |                                   |
|                             | Total Capital Revenue                 |              |                          |                                |                              |                             |                    |                                   |
| <b>140</b>                  | <b>Operating Surplus/(Deficit)</b>    | <b>137</b>   | <b>11</b>                | <b>126</b>                     | <b>191</b>                   | <b>72%</b>                  | <b>191</b>         |                                   |

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

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

## Material variances as explained below:

No material variances have been identified.



## Attachment 2

## VENUES, TOURISM AND MAJOR EVENTS

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

## FOR THE MONTH ENDED 30 NOVEMBER 2020

| \$000                       |                                       | \$000        |                          | \$000                          |                              | \$000                       |  | \$000              |                                   | \$000 |  |
|-----------------------------|---------------------------------------|--------------|--------------------------|--------------------------------|------------------------------|-----------------------------|--|--------------------|-----------------------------------|-------|--|
| YTD<br>2019/20              |                                       | YTD Actual   | YTD Budget<br>(Approved) | YTD<br>Variance<br>Fav/(Unfav) | Annual<br>Approved<br>Budget | % Annual<br>Budget<br>Spent |  | Annual<br>Forecast | Annual<br>Variance<br>Fav/(Unfav) |       |  |
| <b>Everyday Revenue</b>     |                                       |              |                          |                                |                              |                             |  |                    |                                   |       |  |
| 5,853                       | Rates**                               | 6,040        | 6,033                    | 7                              | 15,664                       | 39%                         |  | 15,664             |                                   |       |  |
| 3,527                       | Fees & Charges                        | 1,998        | 1,199                    | 800                            | 2,803                        | 71%                         |  | 2,803              |                                   |       |  |
| 4                           | Subsidies & Grants                    |              |                          |                                |                              |                             |  |                    |                                   |       |  |
| 61                          | Interest Revenue                      | 51           | 33                       | 18                             | 79                           | 65%                         |  | 79                 |                                   |       |  |
| 343                         | Other Revenue                         | 306          | 286                      | 21                             | 742                          | 41%                         |  | 742                |                                   |       |  |
| <b>9,788</b>                | <b>Total Everyday Revenue</b>         | <b>8,395</b> | <b>7,550</b>             | <b>846</b>                     | <b>19,288</b>                | <b>44%</b>                  |  | <b>19,288</b>      |                                   |       |  |
| <b>Everyday Expenditure</b> |                                       |              |                          |                                |                              |                             |  |                    |                                   |       |  |
| 2,581                       | Personnel Costs                       | 2,368        | 2,391                    | 23                             | 5,731                        | 41%                         |  | 5,731              |                                   |       |  |
| 2,303                       | Operating & Maintenance Costs         | 1,778        | 1,158                    | (620)                          | 3,067                        | 58%                         |  | 3,067              |                                   |       |  |
| 30                          | Professional Costs                    | 40           | 104                      | 64                             | 296                          | 13%                         |  | 296                |                                   |       |  |
| 942                         | Administration Expenses               | 602          | 638                      | 36                             | 1,793                        | 34%                         |  | 1,793              |                                   |       |  |
| 454                         | Property Costs                        | 432          | 388                      | (44)                           | 886                          | 49%                         |  | 886                |                                   |       |  |
| 747                         | Finance Costs**                       | 519          | 615                      | 96                             | 1,477                        | 35%                         |  | 1,477              |                                   |       |  |
| 2,254                       | Depreciation & Amortisation Expense** | 2,130        | 2,285                    | 155                            | 5,480                        | 39%                         |  | 5,480              |                                   |       |  |
| 4                           | Gains & Losses                        | 160          |                          | (160)                          |                              |                             |  |                    |                                   |       |  |
| <b>9,313</b>                | <b>Total Everyday Expenditure</b>     | <b>8,030</b> | <b>7,579</b>             | <b>(450)</b>                   | <b>18,729</b>                | <b>43%</b>                  |  | <b>18,729</b>      |                                   |       |  |
| <b>474</b>                  | <b>Everyday Surplus/(Deficit)*</b>    | <b>366</b>   | <b>(30)</b>              | <b>395</b>                     | <b>560</b>                   | <b>65%</b>                  |  | <b>560</b>         |                                   |       |  |
| <b>Capital Revenue</b>      |                                       |              |                          |                                |                              |                             |  |                    |                                   |       |  |
|                             | Capital Revenue                       | 59           |                          | 59                             | 200                          | 30%                         |  | 200                |                                   |       |  |
|                             | <b>Total Capital Revenue</b>          | <b>59</b>    |                          | <b>59</b>                      | <b>200</b>                   | <b>30%</b>                  |  | <b>200</b>         |                                   |       |  |
| <b>474</b>                  | <b>Operating Surplus/(Deficit)</b>    | <b>425</b>   | <b>(30)</b>              | <b>455</b>                     | <b>760</b>                   | <b>56%</b>                  |  | <b>760</b>         |                                   |       |  |

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

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

**Material variances as explained below:****Fees & Charges: \$800k favourable.**

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

**Operating & Maintenance Costs: (\$620k) 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 improved event activity. An increase in maintenance costs will continue to be challenged.

**Gains & Losses: (\$160k) unfavourable.**

An unfavourable variance related to the loss on disposal of carpet at Claudelands. The carpet was replaced as part of the renewals and compliance programme.

## Attachment 2

## VISITOR ATTRACTIONS

Hamilton Gardens | Waikato Museum | Hamilton Zoo

## FOR THE MONTH ENDED 30 NOVEMBER 2020

| \$000                       |                                       | \$000        | \$000                    | \$000                          | \$000                        | \$000                       | \$000              | \$000                             |
|-----------------------------|---------------------------------------|--------------|--------------------------|--------------------------------|------------------------------|-----------------------------|--------------------|-----------------------------------|
| YTD<br>2019/20              |                                       | YTD Actual   | YTD Budget<br>(Approved) | YTD<br>Variance<br>Fav/(Unfav) | Annual<br>Approved<br>Budget | % Annual<br>Budget<br>Spent | Annual<br>Forecast | Annual<br>Variance<br>Fav/(Unfav) |
| <b>Everyday Revenue</b>     |                                       |              |                          |                                |                              |                             |                    |                                   |
| 5,906                       | Rates**                               | 6,106        | 6,078                    | 27                             | 15,787                       | 39%                         | 15,787             |                                   |
| 1,137                       | Fees & Charges                        | 1,428        | 713                      | 716                            | 1,563                        | 91%                         | 1,563              |                                   |
| 22                          | Subsidies & Grants                    | 34           | 35                       | (1)                            | 85                           | 40%                         | 85                 |                                   |
| 6                           | Interest Revenue                      | 5            | 5                        | ( )                            | 12                           | 39%                         | 12                 |                                   |
| 75                          | Other Revenue                         | 56           | 36                       | 19                             | 87                           | 64%                         | 87                 |                                   |
| <b>7,145</b>                | <b>Total Everyday Revenue</b>         | <b>7,629</b> | <b>6,868</b>             | <b>761</b>                     | <b>17,534</b>                | <b>44%</b>                  | <b>17,534</b>      |                                   |
| <b>Everyday Expenditure</b> |                                       |              |                          |                                |                              |                             |                    |                                   |
| 3,477                       | Personnel Costs                       | 3,628        | 3,488                    | (140)                          | 8,407                        | 43%                         | 8,407              |                                   |
| 1,013                       | Operating & Maintenance Costs         | 1,107        | 1,106                    | (1)                            | 3,068                        | 36%                         | 3,068              |                                   |
| 107                         | Professional Costs                    | 158          | 79                       | (79)                           | 231                          | 69%                         | 231                |                                   |
| 225                         | Administration Expenses               | 188          | 235                      | 47                             | 565                          | 33%                         | 565                |                                   |
| 199                         | Property Costs                        | 181          | 193                      | 12                             | 471                          | 39%                         | 471                |                                   |
| 67                          | Finance Costs**                       | 47           | 56                       | 9                              | 133                          | 35%                         | 133                |                                   |
| 842                         | Depreciation & Amortisation Expense** | 912          | 916                      | 5                              | 2,199                        | 41%                         | 2,199              |                                   |
| 8                           | Gains & Losses                        | 2            |                          | (2)                            |                              |                             |                    |                                   |
| <b>5,938</b>                | <b>Total Everyday Expenditure</b>     | <b>6,223</b> | <b>6,074</b>             | <b>(150)</b>                   | <b>15,073</b>                | <b>41%</b>                  | <b>15,073</b>      |                                   |
| <b>1,207</b>                | <b>Everyday Surplus/(Deficit)*</b>    | <b>1,406</b> | <b>794</b>               | <b>611</b>                     | <b>2,461</b>                 | <b>57%</b>                  | <b>2,461</b>       |                                   |
| <b>Capital Revenue</b>      |                                       |              |                          |                                |                              |                             |                    |                                   |
|                             | Capital Revenue                       | 27           | 25                       | 2                              | 1,000                        |                             | 1,120              | 120                               |
|                             | <b>Total Capital Revenue</b>          | <b>27</b>    | <b>25</b>                | <b>2</b>                       | <b>1,000</b>                 | <b>3%</b>                   | <b>1,120</b>       | <b>120</b>                        |
| <b>1,207</b>                | <b>Operating Surplus/(Deficit)</b>    | <b>1,433</b> | <b>819</b>               | <b>613</b>                     | <b>3,461</b>                 | <b>41%</b>                  | <b>3,581</b>       | <b>120</b>                        |

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

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

**Material variances as explained below:****Fees & Charges: \$716k favourable.**

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

**Personnel Costs: (\$140k) unfavourable.**

Increased visitor numbers has resulted in fewer vacant positions.

**The comments below explain the material variance between annual approved budget and annual forecast.****Capital Revenue - \$120k favourable**

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

**ARTS AND COMMUNITY**  
Libraries | Community Development | Arts Promotion | Theatres  
**FOR THE MONTH ENDED 30 NOVEMBER 2020**

| \$000                       |                                       | \$000        | \$000                    | \$000                          | \$000                        | \$000                       | \$000              | \$000                             |
|-----------------------------|---------------------------------------|--------------|--------------------------|--------------------------------|------------------------------|-----------------------------|--------------------|-----------------------------------|
| YTD<br>2019/20              |                                       | YTD Actual   | YTD Budget<br>(Approved) | YTD<br>Variance<br>Fav/(Unfav) | Annual<br>Approved<br>Budget | % Annual<br>Budget<br>Spent | Annual<br>Forecast | Annual<br>Variance<br>Fav/(Unfav) |
| <b>Everyday Revenue</b>     |                                       |              |                          |                                |                              |                             |                    |                                   |
| 6,498                       | Rates**                               | 6,699        | 6,689                    | 10                             | 17,424                       | 38%                         | 17,424             |                                   |
| 116                         | Fees & Charges                        | 201          | 192                      | 9                              | 501                          | 40%                         | 501                |                                   |
|                             | Subsidies & Grants                    |              | 1                        | (1)                            | 2                            | 18%                         | 2                  |                                   |
|                             | Interest Revenue                      |              | 28                       | (28)                           | 66                           | 0%                          | 66                 |                                   |
|                             | Other Revenue                         |              |                          |                                |                              |                             |                    |                                   |
| <b>6,614</b>                | <b>Total Everyday Revenue</b>         | <b>6,901</b> | <b>6,910</b>             | <b>(9)</b>                     | <b>17,992</b>                | <b>38%</b>                  | <b>17,992</b>      |                                   |
| <b>Everyday Expenditure</b> |                                       |              |                          |                                |                              |                             |                    |                                   |
| 2,357                       | Personnel Costs                       | 2,572        | 2,420                    | (152)                          | 5,828                        | 44%                         | 5,828              |                                   |
| 337                         | Operating & Maintenance Costs         | 299          | 398                      | 99                             | 1,041                        | 29%                         | 1,041              |                                   |
| 190                         | Professional Costs                    | 33           | 23                       | (10)                           | 191                          | 17%                         | 191                |                                   |
| 1,321                       | Administration Expenses               | 1,269        | 1,365                    | 96                             | 23,932                       | 5%                          | 23,932             |                                   |
| 127                         | Property Costs                        | 109          | 114                      | 5                              | 279                          | 39%                         | 279                |                                   |
| 1                           | Finance Costs**                       | 1            | 1                        |                                | 3                            | 35%                         | 3                  |                                   |
| 1,203                       | Depreciation & Amortisation Expense** | 1,108        | 1,211                    | 103                            | 2,906                        | 38%                         | 2,906              |                                   |
| 3                           | Gains & Losses                        | 37           |                          | (37)                           |                              |                             |                    |                                   |
| <b>5,540</b>                | <b>Total Everyday Expenditure</b>     | <b>5,428</b> | <b>5,533</b>             | <b>105</b>                     | <b>34,180</b>                | <b>16%</b>                  | <b>34,180</b>      |                                   |
| <b>1,075</b>                | <b>Everyday Surplus/(Deficit)*</b>    | <b>1,473</b> | <b>1,377</b>             | <b>96</b>                      | <b>(16,188)</b>              | <b>(9%)</b>                 | <b>(16,188)</b>    |                                   |
| <b>1,075</b>                | <b>Operating Surplus/(Deficit)</b>    | <b>1,473</b> | <b>1,377</b>             | <b>96</b>                      | <b>(16,188)</b>              | <b>(9%)</b>                 | <b>(16,188)</b>    |                                   |

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

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

**Material variances as explained below:**

**Personnel Costs: (\$152k) unfavourable.**

Staff vacancies are below levels experienced in previous years. The variance also includes a \$74k unfavourable leave balance that will reduce as leave is taken.

## Attachment 2

## PARKS AND RECREATION

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

## FOR THE MONTH ENDED 30 NOVEMBER 2020

| \$000                       |                                       | \$000         | \$000                    | \$000                          | \$000                        | \$000                       | \$000              | \$000                             |
|-----------------------------|---------------------------------------|---------------|--------------------------|--------------------------------|------------------------------|-----------------------------|--------------------|-----------------------------------|
| YTD<br>2019/20              |                                       | YTD Actual    | YTD Budget<br>(Approved) | YTD<br>Variance<br>Fav/(Unfav) | Annual<br>Approved<br>Budget | % Annual<br>Budget<br>Spent | Annual<br>Forecast | Annual<br>Variance<br>Fav/(Unfav) |
| <b>Everyday Revenue</b>     |                                       |               |                          |                                |                              |                             |                    |                                   |
| 11,001                      | Rates**                               | 11,254        | 11,230                   | 24                             | 29,325                       | 38%                         | 29,325             |                                   |
| 2,870                       | Fees & Charges                        | 3,834         | 2,381                    | 1,453                          | 6,297                        | 61%                         | 6,297              |                                   |
| 1                           | Subsidies & Grants                    | 6             | 3                        | 3                              | 7                            | 81%                         | 7                  |                                   |
| 71                          | Interest Revenue                      | 60            | 59                       | 1                              | 142                          | 42%                         | 142                |                                   |
| 89                          | Other Revenue                         | 67            | 32                       | 35                             | 76                           | 87%                         | 76                 |                                   |
| <b>14,031</b>               | <b>Total Everyday Revenue</b>         | <b>15,220</b> | <b>13,706</b>            | <b>1,515</b>                   | <b>35,848</b>                | <b>42%</b>                  | <b>35,848</b>      |                                   |
| <b>Everyday Expenditure</b> |                                       |               |                          |                                |                              |                             |                    |                                   |
| 5,035                       | Personnel Costs                       | 5,586         | 4,990                    | (596)                          | 12,257                       | 46%                         | 12,257             |                                   |
| 2,983                       | Operating & Maintenance Costs         | 4,461         | 3,204                    | (1,257)                        | 7,579                        | 59%                         | 7,579              |                                   |
| 423                         | Professional Costs                    | 559           | 268                      | (291)                          | 726                          | 77%                         | 726                |                                   |
| 323                         | Administration Expenses               | 310           | 308                      | (2)                            | 697                          | 45%                         | 697                |                                   |
| 440                         | Property Costs                        | 408           | 429                      | 21                             | 1,051                        | 39%                         | 1,051              |                                   |
| 876                         | Finance Costs**                       | 611           | 724                      | 113                            | 1,738                        | 35%                         | 1,738              |                                   |
| 2,436                       | Depreciation & Amortisation Expense** | 2,581         | 2,478                    | (103)                          | 5,947                        | 43%                         | 5,947              |                                   |
| 50                          | Gains & Losses                        | 52            |                          | (52)                           |                              |                             |                    |                                   |
| <b>12,567</b>               | <b>Total Everyday Expenditure</b>     | <b>14,569</b> | <b>12,401</b>            | <b>(2,168)</b>                 | <b>29,994</b>                | <b>49%</b>                  | <b>29,994</b>      |                                   |
| <b>1,464</b>                | <b>Everyday Surplus/(Deficit)*</b>    | <b>652</b>    | <b>1,304</b>             | <b>(653)</b>                   | <b>5,854</b>                 | <b>11%</b>                  | <b>5,854</b>       |                                   |
| <b>Capital Revenue</b>      |                                       |               |                          |                                |                              |                             |                    |                                   |
|                             | Development Contributions**           | 629           | 499                      | 130                            | 1,196                        | 53%                         | 1,196              |                                   |
| 12                          | Capital Revenue                       | 3             | 33                       | (30)                           | 100                          | 3%                          | 372                | 272                               |
|                             | Vested Assets**                       | 553           |                          | 553                            |                              |                             |                    |                                   |
| <b>12</b>                   | <b>Total Capital Revenue</b>          | <b>1,184</b>  | <b>532</b>               | <b>652</b>                     | <b>1,296</b>                 | <b>91%</b>                  | <b>1,568</b>       | <b>272</b>                        |
| <b>1,476</b>                | <b>Operating Surplus/(Deficit)</b>    | <b>1,836</b>  | <b>1,836</b>             | <b>(1)</b>                     | <b>7,150</b>                 | <b>26%</b>                  | <b>7,422</b>       | <b>272</b>                        |

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

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

**Material variances as explained below:****Fees & Charges: \$1,453k favourable.**

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

**Personnel Costs: (\$596k) unfavourable.**

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

**Operating & Maintenance Costs: (\$1,257k) unfavourable.**

Parks maintenance is \$880k unfavourable against budget and includes \$700k Te Awa Cycleway works that are funded by MBIE. Streetscape and Sports Park maintenance also exceed budget by \$180k but are expected to meet year end budget. The Aquatics maintenance spend is \$340k unfavourable and includes \$125k costs to remedy plant defects, part of which will be recovered from Council's insurer.

**Professional Costs: (\$291k) unfavourable.**

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

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

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

## FOR THE MONTH ENDED 31 AUGUST 2020

| \$000                       |                                       | \$000        |                          | \$000                          |                              | \$000                       |  | \$000              |                                   |
|-----------------------------|---------------------------------------|--------------|--------------------------|--------------------------------|------------------------------|-----------------------------|--|--------------------|-----------------------------------|
| YTD<br>2019/20              |                                       | YTD Actual   | YTD Budget<br>(Approved) | YTD<br>Variance<br>Fav/(Unfav) | Annual<br>Approved<br>Budget | % Annual<br>Budget<br>Spent |  | Annual<br>Forecast | Annual<br>Variance<br>Fav/(Unfav) |
| <b>Everyday Revenue</b>     |                                       |              |                          |                                |                              |                             |  |                    |                                   |
| 1,508                       | Rates**                               | 1,554        | 1,552                    | 3                              | 4,047                        | 38%                         |  | 4,047              |                                   |
| 1,547                       | Fees & Charges                        | 1,386        | 1,346                    | 40                             | 1,938                        | 72%                         |  | 1,938              |                                   |
| 20                          | Subsidies & Grants                    | 21           | 22                       |                                | 53                           | 40%                         |  | 53                 |                                   |
|                             | Interest Revenue                      |              |                          |                                |                              |                             |  |                    |                                   |
| 12                          | Other Revenue                         | 21           | 13                       | 9                              | 31                           | 70%                         |  | 31                 |                                   |
| <b>3,088</b>                | <b>Total Everyday Revenue</b>         | <b>2,982</b> | <b>2,932</b>             | <b>50</b>                      | <b>6,068</b>                 | <b>49%</b>                  |  | <b>6,068</b>       |                                   |
| <b>Everyday Expenditure</b> |                                       |              |                          |                                |                              |                             |  |                    |                                   |
| 1,698                       | Personnel Costs                       | 1,679        | 1,662                    | (18)                           | 4,004                        | 42%                         |  | 4,004              |                                   |
| 313                         | Operating & Maintenance Costs         | 262          | 436                      | 173                            | 1,238                        | 21%                         |  | 1,238              |                                   |
| 64                          | Professional Costs                    | 68           | 41                       | (28)                           | 97                           | 70%                         |  | 97                 |                                   |
| 109                         | Administration Expenses               | 84           | 122                      | 38                             | 293                          | 29%                         |  | 293                |                                   |
| 9                           | Property Costs                        | 9            | 14                       | 5                              | 33                           | 27%                         |  | 33                 |                                   |
|                             | Finance Costs**                       |              |                          |                                |                              |                             |  |                    |                                   |
| 26                          | Depreciation & Amortisation Expense** | 35           | 29                       | (6)                            | 70                           | 50%                         |  | 70                 |                                   |
|                             | Gains & Losses                        |              |                          |                                |                              |                             |  |                    |                                   |
| <b>2,219</b>                | <b>Total Everyday Expenditure</b>     | <b>2,137</b> | <b>2,303</b>             | <b>166</b>                     | <b>5,735</b>                 | <b>37%</b>                  |  | <b>5,735</b>       |                                   |
| <b>869</b>                  | <b>Everyday Surplus/(Deficit)*</b>    | <b>845</b>   | <b>629</b>               | <b>216</b>                     | <b>333</b>                   | <b>254%</b>                 |  | <b>333</b>         |                                   |
| <b>Capital Revenue</b>      |                                       |              |                          |                                |                              |                             |  |                    |                                   |
|                             | Capital Revenue                       |              |                          |                                |                              |                             |  |                    |                                   |
|                             | Total Capital Revenue                 |              |                          |                                |                              |                             |  |                    |                                   |
| <b>869</b>                  | <b>Operating Surplus/(Deficit)</b>    | <b>845</b>   | <b>629</b>               | <b>216</b>                     | <b>333</b>                   | <b>254%</b>                 |  | <b>333</b>         |                                   |

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

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

#### Material variances as explained below:

##### Operating & Maintenance Costs: \$173k favourable.

This is due to late invoicing of the Waikato Regional Council's Civil Defence and Emergency Management payment. Q1 and Q2 payments were both made in December 2020.

## Attachment 2

## PLANNING AND DEVELOPMENT

City Planning | Planning Guidance | Building Control

## FOR THE MONTH ENDED 30 NOVEMBER 2020

| \$000                       |                                       | \$000        | \$000                    | \$000                          | \$000                        | \$000                       | \$000              | \$000                             |
|-----------------------------|---------------------------------------|--------------|--------------------------|--------------------------------|------------------------------|-----------------------------|--------------------|-----------------------------------|
| YTD<br>2019/20              |                                       | YTD Actual   | YTD Budget<br>(Approved) | YTD<br>Variance<br>Fav/(Unfav) | Annual<br>Approved<br>Budget | % Annual<br>Budget<br>Spent | Annual<br>Forecast | Annual<br>Variance<br>Fav/(Unfav) |
| <b>Everyday Revenue</b>     |                                       |              |                          |                                |                              |                             |                    |                                   |
| 2,251                       | Rates**                               | 2,318        | 2,314                    | 4                              | 6,010                        | 39%                         | 6,010              |                                   |
| 5,128                       | Fees & Charges                        | 4,798        | 3,393                    | 1,405                          | 8,474                        | 57%                         | 8,474              |                                   |
|                             | Subsidies & Grants                    | 70           |                          |                                |                              |                             |                    |                                   |
| 23                          | Interest Revenue                      | 19           | 12                       | 7                              | 30                           | 65%                         | 30                 |                                   |
| 5                           | Other Revenue                         |              |                          |                                |                              |                             |                    |                                   |
| <b>7,406</b>                | <b>Total Everyday Revenue</b>         | <b>7,206</b> | <b>5,720</b>             | <b>1,486</b>                   | <b>14,513</b>                | <b>50%</b>                  | <b>14,513</b>      |                                   |
| <b>Everyday Expenditure</b> |                                       |              |                          |                                |                              |                             |                    |                                   |
| 3,713                       | Personnel Costs                       | 3,859        | 4,255                    | 396                            | 10,272                       | 38%                         | 10,272             |                                   |
| 155                         | Operating & Maintenance Costs         | 81           | 170                      | 88                             | 408                          | 20%                         | 408                |                                   |
| 1,360                       | Professional Costs                    | 1,385        | 932                      | (454)                          | 2,236                        | 62%                         | 2,236              |                                   |
| 395                         | Administration Expenses               | 480          | 583                      | 103                            | 1,378                        | 35%                         | 1,378              |                                   |
| 13                          | Property Costs                        | 13           | 27                       | 14                             | 64                           | 20%                         | 64                 |                                   |
| 280                         | Finance Costs**                       | 195          | 231                      | 36                             | 555                          | 35%                         | 555                |                                   |
|                             | Depreciation & Amortisation Expense** | 1            |                          | (1)                            |                              |                             |                    |                                   |
|                             | Gains & Losses                        |              |                          |                                |                              |                             |                    |                                   |
| <b>5,916</b>                | <b>Total Everyday Expenditure</b>     | <b>6,015</b> | <b>6,197</b>             | <b>182</b>                     | <b>14,912</b>                | <b>40%</b>                  | <b>14,912</b>      |                                   |
| <b>1,490</b>                | <b>Everyday Surplus/(Deficit)*</b>    | <b>1,190</b> | <b>(477)</b>             | <b>1,668</b>                   | <b>(399)</b>                 | <b>(298%)</b>               | <b>(399)</b>       |                                   |
| <b>Capital Revenue</b>      |                                       |              |                          |                                |                              |                             |                    |                                   |
|                             | Capital Revenue                       |              |                          |                                |                              |                             |                    |                                   |
|                             | Total Capital Revenue                 |              |                          |                                |                              |                             |                    |                                   |
| <b>1,490</b>                | <b>Operating Surplus/(Deficit)</b>    | <b>1,190</b> | <b>(477)</b>             | <b>1,668</b>                   | <b>(399)</b>                 | <b>(298%)</b>               | <b>(399)</b>       |                                   |

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

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

**Material variances as explained below:****Fees & Charges: \$1,405k 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.

**Administration Expenses: \$103k favourable.**

This is due to timing of grant payments.

**Personnel Costs: \$396k 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 contracted out to consultants.

**Professional Costs: (\$454k) unfavourable.**

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

## Attachment 2

## WATER SUPPLY

Water Treatment | Water Storage | Water Distribution

## FOR THE MONTH ENDED 30 NOVEMBER 2020

| \$000                       |                                       | \$000         | \$000                 | \$000                    | \$000                  | \$000                 | \$000           | \$000                       |
|-----------------------------|---------------------------------------|---------------|-----------------------|--------------------------|------------------------|-----------------------|-----------------|-----------------------------|
| YTD 2019/20                 |                                       | YTD Actual    | YTD Budget (Approved) | YTD Variance Fav/(Unfav) | Annual Approved Budget | % Annual Budget Spent | Annual Forecast | Annual Variance Fav/(Unfav) |
| <b>Everyday Revenue</b>     |                                       |               |                       |                          |                        |                       |                 |                             |
| 11,025                      | Rates**                               | 11,146        | 11,164                | (18)                     | 28,695                 | 39%                   | 28,695          |                             |
| 4                           | Fees & Charges                        | (132)         | (65)                  | (68)                     | (155)                  | 85%                   | (155)           |                             |
|                             | Subsidies & Grants                    | 0             |                       | 0                        |                        |                       |                 |                             |
| 123                         | Interest Revenue                      | 133           | 91                    | 43                       | 218                    | 61%                   | 218             |                             |
|                             | Other Revenue                         |               |                       |                          |                        |                       |                 |                             |
| <b>11,152</b>               | <b>Total Everyday Revenue</b>         | <b>11,147</b> | <b>11,190</b>         | <b>(44)</b>              | <b>28,758</b>          | <b>39%</b>            | <b>28,758</b>   |                             |
| <b>Everyday Expenditure</b> |                                       |               |                       |                          |                        |                       |                 |                             |
| 1,471                       | Personnel Costs                       | 1,293         | 1,211                 | (81)                     | 2,904                  | 45%                   | 2,904           |                             |
| 1,023                       | Operating & Maintenance Costs         | 1,011         | 1,183                 | 173                      | 3,332                  | 30%                   | 3,332           |                             |
| 145                         | Professional Costs                    | 199           | 175                   | (24)                     | 1,024                  | 19%                   | 1,024           |                             |
| 34                          | Administration Expenses               | 34            | 28                    | (5)                      | 68                     | 50%                   | 68              |                             |
| 667                         | Property Costs                        | 879           | 900                   | 21                       | 1,974                  | 45%                   | 1,974           |                             |
| 1,520                       | Finance Costs**                       | 1,060         | 1,257                 | 197                      | 3,016                  | 35%                   | 3,016           |                             |
| 4,166                       | Depreciation & Amortisation Expense** | 3,388         | 3,543                 | 154                      | 8,502                  | 40%                   | 8,502           |                             |
| 301                         | Gains & Losses                        | 192           |                       | (192)                    |                        |                       |                 |                             |
| <b>9,326</b>                | <b>Total Everyday Expenditure</b>     | <b>8,055</b>  | <b>8,298</b>          | <b>243</b>               | <b>20,821</b>          | <b>39%</b>            | <b>20,821</b>   |                             |
| <b>1,825</b>                | <b>Everyday Surplus/(Deficit)*</b>    | <b>3,092</b>  | <b>2,892</b>          | <b>199</b>               | <b>7,938</b>           | <b>39%</b>            | <b>7,938</b>    |                             |
| <b>Capital Revenue</b>      |                                       |               |                       |                          |                        |                       |                 |                             |
|                             | Development Contributions**           | 3,441         | 1,816                 | 1,625                    | 4,359                  | 79%                   | 4,359           |                             |
| 323                         | Capital Revenue                       | 363           | 23                    | 340                      | 54                     | 670%                  | 54              |                             |
| 897                         | Vested Assets**                       | 294           | 800                   | (506)                    | 1,920                  | 15%                   | 1,920           |                             |
| <b>1,220</b>                | <b>Total Capital Revenue</b>          | <b>4,098</b>  | <b>2,639</b>          | <b>1,459</b>             | <b>6,333</b>           | <b>65%</b>            | <b>6,333</b>    |                             |
| <b>3,045</b>                | <b>Operating Surplus/(Deficit)</b>    | <b>7,189</b>  | <b>5,531</b>          | <b>1,658</b>             | <b>14,270</b>          | <b>50%</b>            | <b>14,270</b>   |                             |

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

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

**Material variances as explained below:****Operating & Maintenance Costs: \$173k favourable.**

The favourable variance is mainly due to less than anticipated reactive maintenance needed on the reticulation and treatment plant to date.

**Gains & Losses: (\$192k) unfavourable.**

Unfavourable variance is due to the disposal of various assets.

**Capital Revenue: \$340k favourable.**

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

## Attachment 2

## WASTEWATER

Wastewater Collection | Wastewater Treatment | Wastewater Disposal

## FOR THE MONTH ENDED 30 NOVEMBER 2020

| \$000                       |                                       | \$000         | \$000                    | \$000                          | \$000                        | \$000                       | \$000              | \$000                             |
|-----------------------------|---------------------------------------|---------------|--------------------------|--------------------------------|------------------------------|-----------------------------|--------------------|-----------------------------------|
| YTD<br>2019/20              |                                       | YTD Actual    | YTD Budget<br>(Approved) | YTD<br>Variance<br>Fav/(Unfav) | Annual<br>Approved<br>Budget | % Annual<br>Budget<br>Spent | Annual<br>Forecast | Annual<br>Variance<br>Fav/(Unfav) |
| <b>Everyday Revenue</b>     |                                       |               |                          |                                |                              |                             |                    |                                   |
| 11,479                      | Rates**                               | 11,810        | 11,785                   | 24                             | 30,639                       | 39%                         | 30,639             |                                   |
| 1,651                       | Fees & Charges                        | 2,392         | 2,253                    | 139                            | 5,546                        | 43%                         | 5,546              |                                   |
|                             | Subsidies & Grants                    | (0)           |                          | (0)                            |                              |                             |                    |                                   |
| 138                         | Interest Revenue                      | 117           | 113                      | 4                              | 271                          | 43%                         | 271                |                                   |
|                             | Other Revenue                         |               |                          |                                |                              |                             |                    |                                   |
| <b>13,269</b>               | <b>Total Everyday Revenue</b>         | <b>14,319</b> | <b>14,151</b>            | <b>168</b>                     | <b>36,456</b>                | <b>39%</b>                  | <b>36,456</b>      |                                   |
| <b>Everyday Expenditure</b> |                                       |               |                          |                                |                              |                             |                    |                                   |
| 2,449                       | Personnel Costs                       | 2,429         | 2,464                    | 35                             | 5,959                        | 41%                         | 5,959              |                                   |
| 1,969                       | Operating & Maintenance Costs         | 2,757         | 2,535                    | (221)                          | 5,231                        | 53%                         | 5,231              |                                   |
| 130                         | Professional Costs                    | 890           | 862                      | (28)                           | 2,318                        | 38%                         | 2,318              |                                   |
| 50                          | Administration Expenses               | 59            | 64                       | 5                              | 200                          | 29%                         | 200                |                                   |
| 822                         | Property Costs                        | 913           | 919                      | 5                              | 2,087                        | 44%                         | 2,087              |                                   |
| 1,712                       | Finance Costs**                       | 1,193         | 1,415                    | 222                            | 3,396                        | 35%                         | 3,396              |                                   |
| 4,426                       | Depreciation & Amortisation Expense** | 4,801         | 5,302                    | 501                            | 12,723                       | 38%                         | 12,723             |                                   |
| 456                         | Gains & Losses                        | 14            |                          | (14)                           |                              |                             |                    |                                   |
| <b>12,013</b>               | <b>Total Everyday Expenditure</b>     | <b>13,056</b> | <b>13,561</b>            | <b>505</b>                     | <b>31,914</b>                | <b>41%</b>                  | <b>31,914</b>      |                                   |
| <b>1,256</b>                | <b>Everyday Surplus/(Deficit)*</b>    | <b>1,263</b>  | <b>590</b>               | <b>673</b>                     | <b>4,542</b>                 | <b>28%</b>                  | <b>4,542</b>       |                                   |
| <b>Capital Revenue</b>      |                                       |               |                          |                                |                              |                             |                    |                                   |
| (0)                         | Development Contributions**           | 5,058         | 3,074                    | 1,983                          | 7,378                        | 69%                         | 7,378              |                                   |
| 582                         | Capital Revenue                       | 882           | 23                       | 859                            | 54                           | 1629%                       | 54                 |                                   |
| 2,366                       | Vested Assets**                       | 706           | 1,370                    | (663)                          | 3,287                        | 21%                         | 3,287              |                                   |
| <b>2,948</b>                | <b>Total Capital Revenue</b>          | <b>6,646</b>  | <b>4,467</b>             | <b>2,179</b>                   | <b>10,719</b>                | <b>62%</b>                  | <b>10,719</b>      |                                   |
| <b>4,205</b>                | <b>Operating Surplus/(Deficit)</b>    | <b>7,909</b>  | <b>5,057</b>             | <b>2,851</b>                   | <b>15,261</b>                | <b>52%</b>                  | <b>15,261</b>      |                                   |

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

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

## Material variances as explained below:

## Fees &amp; Charges: \$139k favourable.

The favourable variance is due to funds received from a third party for work completed on the Metro Spatial plan.

## Operating &amp; Maintenance Costs: (\$221k) unfavourable.

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

## Capital Revenue: \$859k favourable.

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



## FOR THE MONTH ENDED 30 NOVEMBER 2020

| \$000                       |                                       | \$000          | \$000                    | \$000                          | \$000                        | \$000                       | \$000              | \$000                             |
|-----------------------------|---------------------------------------|----------------|--------------------------|--------------------------------|------------------------------|-----------------------------|--------------------|-----------------------------------|
| YTD<br>2019/20              |                                       | YTD Actual     | YTD Budget<br>(Approved) | YTD<br>Variance<br>Fav/(Unfav) | Annual<br>Approved<br>Budget | % Annual<br>Budget<br>Spent | Annual<br>Forecast | Annual<br>Variance<br>Fav/(Unfav) |
| <b>Everyday Revenue</b>     |                                       |                |                          |                                |                              |                             |                    |                                   |
| 2,570                       | Rates**                               | 2,649          | 2,644                    | 5                              | 6,897                        | 38%                         | 6,897              |                                   |
| 85                          | Fees & Charges                        | 180            | 90                       | 90                             | 289                          | 62%                         | 289                |                                   |
|                             | Subsidies & Grants                    | (0)            |                          | (0)                            |                              |                             |                    |                                   |
| 38                          | Interest Revenue                      | 32             | 48                       | (16)                           | 116                          | 28%                         | 116                |                                   |
|                             | Other Revenue                         |                |                          |                                |                              |                             |                    |                                   |
| <b>2,694</b>                | <b>Total Everyday Revenue</b>         | <b>2,861</b>   | <b>2,782</b>             | <b>79</b>                      | <b>7,301</b>                 | <b>39%</b>                  | <b>7,301</b>       |                                   |
| <b>Everyday Expenditure</b> |                                       |                |                          |                                |                              |                             |                    |                                   |
| 873                         | Personnel Costs                       | 835            | 821                      | (13)                           | 1,965                        | 42%                         | 1,965              |                                   |
| 249                         | Operating & Maintenance Costs         | 246            | 154                      | (92)                           | 312                          | 79%                         | 312                |                                   |
| 82                          | Professional Costs                    | 59             | 28                       | (31)                           | 458                          | 13%                         | 458                |                                   |
| 20                          | Administration Expenses               | 14             | 17                       | 3                              | 41                           | 34%                         | 41                 |                                   |
| 90                          | Property Costs                        | 344            | 276                      | (69)                           | 374                          | 92%                         | 374                |                                   |
| 468                         | Finance Costs**                       | 326            | 387                      | 61                             | 928                          | 35%                         | 928                |                                   |
| 4,082                       | Depreciation & Amortisation Expense** | 3,877          | 4,063                    | 186                            | 9,752                        | 40%                         | 9,752              |                                   |
| 256                         | Gains & Losses                        |                |                          |                                |                              |                             |                    |                                   |
| <b>6,119</b>                | <b>Total Everyday Expenditure</b>     | <b>5,701</b>   | <b>5,746</b>             | <b>45</b>                      | <b>13,829</b>                | <b>41%</b>                  | <b>13,829</b>      |                                   |
| <b>(3,426)</b>              | <b>Everyday Surplus/(Deficit)*</b>    | <b>(2,840)</b> | <b>(2,963)</b>           | <b>124</b>                     | <b>(6,528)</b>               | <b>43%</b>                  | <b>(6,528)</b>     |                                   |
| <b>Capital Revenue</b>      |                                       |                |                          |                                |                              |                             |                    |                                   |
|                             | Development Contributions**           | 1,316          | 1,189                    | 127                            | 2,854                        | 46%                         | 2,854              |                                   |
| 119                         | Capital Revenue                       | 219            | 43                       | 175                            | 104                          | 210%                        | 104                |                                   |
| 3,045                       | Vested Assets**                       | 3,469          | 2,295                    | 1,174                          | 5,508                        | 63%                         | 5,508              |                                   |
| <b>3,164</b>                | <b>Total Capital Revenue</b>          | <b>5,004</b>   | <b>3,528</b>             | <b>1,477</b>                   | <b>8,466</b>                 | <b>59%</b>                  | <b>8,466</b>       |                                   |
| <b>(262)</b>                | <b>Operating Surplus/(Deficit)</b>    | <b>2,165</b>   | <b>565</b>               | <b>1,600</b>                   | <b>1,938</b>                 | <b>112%</b>                 | <b>1,938</b>       |                                   |

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

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

#### Material variances as explained below:

**Capital Revenue: \$175k favourable.**

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

## Attachment 2

## TRANSPORT

Transport Network | Transport Centre | Parking Management

## FOR THE MONTH ENDED 30 NOVEMBER 2020

| \$000                       |                                       | \$000         | \$000                    | \$000                          | \$000                        | \$000                       | \$000              | \$000                             |
|-----------------------------|---------------------------------------|---------------|--------------------------|--------------------------------|------------------------------|-----------------------------|--------------------|-----------------------------------|
| YTD<br>2019/20              |                                       | YTD Actual    | YTD Budget<br>(Approved) | YTD<br>Variance<br>Fav/(Unfav) | Annual<br>Approved<br>Budget | % Annual<br>Budget<br>Spent | Annual<br>Forecast | Annual<br>Variance<br>Fav/(Unfav) |
| <b>Everyday Revenue</b>     |                                       |               |                          |                                |                              |                             |                    |                                   |
| 13,275                      | Rates**                               | 13,704        | 13,663                   | 42                             | 35,634                       | 38%                         | 35,634             |                                   |
| 1,514                       | Fees & Charges                        | 1,718         | 1,621                    | 96                             | 4,016                        | 43%                         | 4,016              |                                   |
| 3,427                       | Subsidies & Grants                    | 2,821         | 2,735                    | 86                             | 6,498                        | 43%                         | 6,498              |                                   |
| 160                         | Interest Revenue                      | 136           | 130                      | 6                              | 312                          | 44%                         | 312                |                                   |
| 1,397                       | Other Revenue                         | 943           | 1,224                    | (281)                          | 2,568                        | 37%                         | 2,568              |                                   |
| <b>19,772</b>               | <b>Total Everyday Revenue</b>         | <b>19,321</b> | <b>19,373</b>            | <b>(52)</b>                    | <b>49,027</b>                | <b>39%</b>                  | <b>49,027</b>      |                                   |
| <b>Everyday Expenditure</b> |                                       |               |                          |                                |                              |                             |                    |                                   |
| 2,149                       | Personnel Costs                       | 1,941         | 2,076                    | 134                            | 5,281                        | 37%                         | 5,281              |                                   |
| 6,346                       | Operating & Maintenance Costs         | 6,160         | 5,976                    | (184)                          | 12,910                       | 48%                         | 12,910             |                                   |
| 328                         | Professional Costs                    | 235           | 237                      | 1                              | 1,183                        | 20%                         | 1,183              |                                   |
| 674                         | Administration Expenses               | 382           | 353                      | (28)                           | 716                          | 53%                         | 716                |                                   |
| 967                         | Property Costs                        | 931           | 937                      | 6                              | 2,120                        | 44%                         | 2,120              |                                   |
| 1,983                       | Finance Costs**                       | 1,382         | 1,639                    | 257                            | 3,934                        | 35%                         | 3,934              |                                   |
| 7,199                       | Depreciation & Amortisation Expense** | 7,554         | 8,505                    | 952                            | 20,411                       | 37%                         | 20,411             |                                   |
| 1,503                       | Gains & Losses                        |               |                          | ( )                            | 10,457                       | 0%                          | 10,457             |                                   |
| <b>21,149</b>               | <b>Total Everyday Expenditure</b>     | <b>18,585</b> | <b>19,723</b>            | <b>1,137</b>                   | <b>57,013</b>                | <b>33%</b>                  | <b>57,013</b>      |                                   |
| <b>(1,377)</b>              | <b>Everyday Surplus/(Deficit)*</b>    | <b>736</b>    | <b>(349)</b>             | <b>1,085</b>                   | <b>(7,986)</b>               | <b>-9%</b>                  | <b>(7,986)</b>     |                                   |
| <b>Capital Revenue</b>      |                                       |               |                          |                                |                              |                             |                    |                                   |
| ( )                         | Development Contributions**           | 3,939         | 2,799                    | 1,140                          | 6,717                        | 59%                         | 6,717              |                                   |
| 14,705                      | Capital Revenue                       | 19,914        | 16,834                   | 3,080                          | 57,122                       | 35%                         | 58,173             | 1,051                             |
| 15,042                      | Vested Assets**                       | 5,369         | 9,069                    | (3,700)                        | 21,764                       | 25%                         | 21,764             |                                   |
| <b>29,746</b>               | <b>Total Capital Revenue</b>          | <b>29,222</b> | <b>28,702</b>            | <b>520</b>                     | <b>85,602</b>                | <b>34%</b>                  | <b>86,654</b>      | <b>1,051</b>                      |
| <b>28,369</b>               | <b>Operating Surplus/(Deficit)</b>    | <b>29,958</b> | <b>28,353</b>            | <b>1,606</b>                   | <b>77,617</b>                | <b>39%</b>                  | <b>78,668</b>      | <b>1,051</b>                      |

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

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

**Material variances as explained below:****Other Revenue: (\$281k) unfavourable.**

The unfavourable variance is due to a lower than budgeted recovery of traffic infringements as a result of Covid-19. During Covid-19 NZTA temporarily put a hold on renewals of registration meaning that the issuing of traffic infringements was also on hold until October 2020.

**Personnel Costs: \$134k favourable.**

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

**Operating & Maintenance Costs: (\$184k) unfavourable.**

The unfavourable variance is due to a previous year capital project in Rototuna not progressing and the cost was reclassified as operational expenditure.

**Capital Revenue: \$3,080k 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.****Capital Revenue - \$1,051k favourable**

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

## RUBBISH AND RECYCLING

Refuse Collection | Waste Minimisation | Landfill Site Management

## FOR THE MONTH ENDED 30 NOVEMBER 2020

| \$000                       |                                       | \$000      | \$000                    | \$000                          | \$000                        | \$000                       | \$000              | \$000                             |
|-----------------------------|---------------------------------------|------------|--------------------------|--------------------------------|------------------------------|-----------------------------|--------------------|-----------------------------------|
| YTD<br>2019/20              |                                       | YTD Actual | YTD Budget<br>(Approved) | YTD<br>Variance<br>Fav/(Unfav) | Annual<br>Approved<br>Budget | % Annual<br>Budget<br>Spent | Annual<br>Forecast | Annual<br>Variance<br>Fav/(Unfav) |
| <b>Everyday Revenue</b>     |                                       |            |                          |                                |                              |                             |                    |                                   |
| 2,684                       | Rates**                               | 2,766      | 2,761                    | 5                              | 7,200                        | 38%                         | 7,200              |                                   |
| (66)                        | Fees & Charges                        | (50)       | (29)                     | (22)                           | (69)                         | 73%                         | (69)               |                                   |
| 347                         | Subsidies & Grants                    | 227        | 292                      | (64)                           | 583                          | 39%                         | 583                |                                   |
| 3                           | Interest Revenue                      | 3          | 2                        | 1                              | 4                            | 67%                         | 4                  |                                   |
| 214                         | Other Revenue                         | 152        | 185                      | (33)                           | 444                          | 34%                         | 444                |                                   |
| 3,182                       | <b>Total Everyday Revenue</b>         | 3,097      | 3,210                    | (113)                          | 8,162                        | 38%                         | 8,162              |                                   |
| <b>Everyday Expenditure</b> |                                       |            |                          |                                |                              |                             |                    |                                   |
| 457                         | Personnel Costs                       | 548        | 570                      | 22                             | 1,371                        | 40%                         | 1,371              |                                   |
| 2,255                       | Operating & Maintenance Costs         | 3,262      | 3,352                    | 90                             | 8,213                        | 40%                         | 8,213              |                                   |
| 61                          | Professional Costs                    | 189        | 153                      | (36)                           | 293                          | 64%                         | 293                |                                   |
| 12                          | Administration Expenses               | (2)        | 7                        | 9                              | (1,152)                      | 0%                          | (1,152)            |                                   |
| 24                          | Property Costs                        | 15         | 26                       | 11                             | 57                           | 27%                         | 57                 |                                   |
| 37                          | Finance Costs**                       | 26         | 31                       | 5                              | 339                          | 8%                          | 339                |                                   |
| 238                         | Depreciation & Amortisation Expense** | 233        | 235                      | 2                              | 564                          | 41%                         | 564                |                                   |
|                             | Gains & Losses                        |            |                          |                                |                              |                             |                    |                                   |
| 3,084                       | <b>Total Everyday Expenditure</b>     | 4,272      | 4,373                    | 101                            | 9,686                        | 44%                         | 9,686              |                                   |
| 98                          | <b>Everyday Surplus/(Deficit)*</b>    | (1,174)    | (1,163)                  | (12)                           | (1,524)                      | 77%                         | (1,524)            |                                   |
| <b>Capital Revenue</b>      |                                       |            |                          |                                |                              |                             |                    |                                   |
|                             | Capital Revenue                       |            |                          |                                |                              |                             |                    |                                   |
|                             | <b>Total Capital Revenue</b>          |            |                          |                                |                              |                             |                    |                                   |
| 98                          | <b>Operating Surplus/(Deficit)</b>    | (1,174)    | (1,163)                  | (12)                           | (1,524)                      | 77%                         | (1,524)            |                                   |

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

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

## Material variances as explained below:

No material variances have been identified.

## Attachment 2

## OVERHEADS

CE's Office | Corporate | Strategy and Communications | Strategic Property  
**FOR THE MONTH ENDED 30 NOVEMBER 2020**

| \$000                       |                                       | \$000           | \$000                    | \$000                          | \$000                        | \$000                       | \$000              | \$000                             |
|-----------------------------|---------------------------------------|-----------------|--------------------------|--------------------------------|------------------------------|-----------------------------|--------------------|-----------------------------------|
| YTD<br>2019/20              |                                       | YTD Actual      | YTD Budget<br>(Approved) | YTD<br>Variance<br>Fav/(Unfav) | Annual<br>Approved<br>Budget | % Annual<br>Budget<br>Spent | Annual<br>Forecast | Annual<br>Variance<br>Fav/(Unfav) |
| <b>Everyday Revenue</b>     |                                       |                 |                          |                                |                              |                             |                    |                                   |
| (124)                       | Rates**                               | (68)            | (115)                    | 47                             | (277)                        | 25%                         | (277)              |                                   |
| 554                         | Fees & Charges                        | 561             | 471                      | 90                             | 1,055                        | 53%                         | 1,055              |                                   |
| 75                          | Subsidies & Grants                    |                 |                          |                                |                              |                             |                    |                                   |
|                             | Interest Revenue                      |                 |                          |                                |                              |                             |                    |                                   |
| 1,097                       | Other Revenue                         | 1,018           | 845                      | 173                            | 2,029                        | 50%                         | 2,029              |                                   |
| <b>1,602</b>                | <b>Total Everyday Revenue</b>         | <b>1,511</b>    | <b>1,201</b>             | <b>310</b>                     | <b>2,808</b>                 | <b>54%</b>                  | <b>2,808</b>       |                                   |
| <b>Everyday Expenditure</b> |                                       |                 |                          |                                |                              |                             |                    |                                   |
| 8,607                       | Personnel Costs                       | 9,045           | 8,456                    | (589)                          | 20,405                       | 44%                         | 20,405             |                                   |
| 1,866                       | Operating & Maintenance Costs         | 3,225           | 2,944                    | (281)                          | 7,539                        | 43%                         | 7,539              |                                   |
| 1,269                       | Professional Costs                    | 1,129           | 1,161                    | 32                             | 4,865                        | 23%                         | 5,790              | (925)                             |
| 3,840                       | Administration Expenses               | 2,156           | 2,204                    | 48                             | 6,066                        | 36%                         | 6,066              |                                   |
| 442                         | Property Costs                        | 271             | 259                      | (12)                           | 621                          | 44%                         | 621                |                                   |
| 25                          | Finance Costs**                       | 12              | 29                       | 17                             | 70                           | 17%                         | 70                 |                                   |
| 1,875                       | Depreciation & Amortisation Expense** | 2,229           | 2,300                    | 72                             | 5,520                        | 40%                         | 5,520              |                                   |
| (25)                        | Gains & Losses                        | 252             |                          | (252)                          | (593)                        | (43%)                       | (593)              |                                   |
| <b>17,900</b>               | <b>Total Everyday Expenditure</b>     | <b>18,318</b>   | <b>17,353</b>            | <b>(964)</b>                   | <b>44,494</b>                | <b>41%</b>                  | <b>45,419</b>      | <b>(925)</b>                      |
| <b>(16,298)</b>             | <b>Everyday Surplus/(Deficit)*</b>    | <b>(16,807)</b> | <b>(16,152)</b>          | <b>(655)</b>                   | <b>(41,686)</b>              | <b>40%</b>                  | <b>(42,611)</b>    | <b>(925)</b>                      |
| <b>Capital Revenue</b>      |                                       |                 |                          |                                |                              |                             |                    |                                   |
|                             | Capital Revenue                       |                 |                          |                                |                              |                             |                    |                                   |
|                             | <b>Total Capital Revenue</b>          |                 |                          |                                |                              |                             |                    |                                   |
| <b>(16,298)</b>             | <b>Operating Surplus/(Deficit)</b>    | <b>(16,807)</b> | <b>(16,152)</b>          | <b>(655)</b>                   | <b>(41,686)</b>              | <b>40%</b>                  | <b>(42,611)</b>    | <b>(925)</b>                      |

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

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

**Material variances as explained below:****Other Revenue: \$173k 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: (\$589k) unfavourable.**

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

**Operating & Maintenance Costs: (\$281k) unfavourable.**

Operating & Maintenance costs are unfavourable due to unbudgeted costs associated with the Covid-19 response, including additional cleaning and personal protective equipment purchases.

**Gains & Losses: (\$252k) unfavourable.**

Gains & Losses are unfavourable due to losses incurred in the sale of property, plant & equipment.

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

This is attributable to 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 30 NOVEMBER 2020

| \$000                       |                                       | \$000          | \$000                    | \$000                          | \$000                        | \$000                       | \$000              | \$000                             |
|-----------------------------|---------------------------------------|----------------|--------------------------|--------------------------------|------------------------------|-----------------------------|--------------------|-----------------------------------|
| YTD<br>2019/20              |                                       | YTD Actual     | YTD Budget<br>(Approved) | YTD<br>Variance<br>Fav/(Unfav) | Annual<br>Approved<br>Budget | % Annual<br>Budget<br>Spent | Annual<br>Forecast | Annual<br>Variance<br>Fav/(Unfav) |
| <b>Everyday Revenue</b>     |                                       |                |                          |                                |                              |                             |                    |                                   |
| (28)                        | Rates**                               |                |                          |                                |                              |                             |                    |                                   |
|                             | Fees & Charges                        |                |                          |                                |                              |                             |                    |                                   |
|                             | Subsidies & Grants                    |                |                          |                                |                              |                             |                    |                                   |
|                             | Interest Revenue                      | (29)           |                          | (29)                           |                              |                             |                    |                                   |
| 701                         | Other Revenue                         | 746            | 724                      | 22                             | 4,321                        | 17%                         | 4,321              |                                   |
| <b>673</b>                  | <b>Total Everyday Revenue</b>         | <b>717</b>     | <b>724</b>               | <b>(7)</b>                     | <b>4,321</b>                 | <b>17%</b>                  | <b>4,321</b>       |                                   |
| <b>Everyday Expenditure</b> |                                       |                |                          |                                |                              |                             |                    |                                   |
|                             | Personnel Costs                       |                | (415)                    | (415)                          | (1,000)                      | 0%                          | (1,000)            |                                   |
|                             | Operating & Maintenance Costs         |                | (438)                    | (438)                          | (1,052)                      | 0%                          | (1,052)            |                                   |
|                             | Professional Costs                    |                | (208)                    | (208)                          | (500)                        | 0%                          | (500)              |                                   |
|                             | Administration Expenses               |                | (83)                     | (83)                           | (200)                        | 0%                          | (200)              |                                   |
|                             | Property Costs                        |                |                          |                                |                              |                             |                    |                                   |
| (34)                        | Finance Costs**                       | 38             | (158)                    | (195)                          | 1,535                        | 2%                          | 1,535              |                                   |
|                             | Depreciation & Amortisation Expense** |                | 273                      | 273                            | 654                          | 0%                          | 654                |                                   |
| 1,750                       | Gains & Losses                        | (4,109)        |                          | 4,109                          |                              |                             |                    |                                   |
| <b>1,716</b>                | <b>Total Everyday Expenditure</b>     | <b>(4,071)</b> | <b>(1,031)</b>           | <b>3,041</b>                   | <b>(563)</b>                 | <b>723%</b>                 | <b>(563)</b>       |                                   |
| <b>(1,043)</b>              | <b>Everyday Surplus/(Deficit)*</b>    | <b>4,788</b>   | <b>1,755</b>             | <b>3,034</b>                   | <b>4,884</b>                 | <b>98%</b>                  | <b>4,884</b>       |                                   |
| <b>Capital Revenue</b>      |                                       |                |                          |                                |                              |                             |                    |                                   |
| 11,006                      | Development Contributions**           |                |                          |                                |                              |                             |                    |                                   |
|                             | Capital Revenue                       |                |                          |                                |                              |                             |                    |                                   |
|                             | Vested Assets**                       |                |                          |                                |                              |                             |                    |                                   |
| <b>11,006</b>               | <b>Total Capital Revenue</b>          |                |                          |                                |                              |                             |                    |                                   |
| <b>9,963</b>                | <b>Operating Surplus/(Deficit)</b>    | <b>4,788</b>   | <b>1,755</b>             | <b>3,034</b>                   | <b>4,884</b>                 | <b>98%</b>                  | <b>4,884</b>       |                                   |

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

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

**Material variances as explained below:**

**Gains & Losses: \$4,109k favourable.**

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

**Note: negative budgets**

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

## TREASURY REPORT

### Year to date 30 November 2020

Attachment 3

### Investment and Cash Position

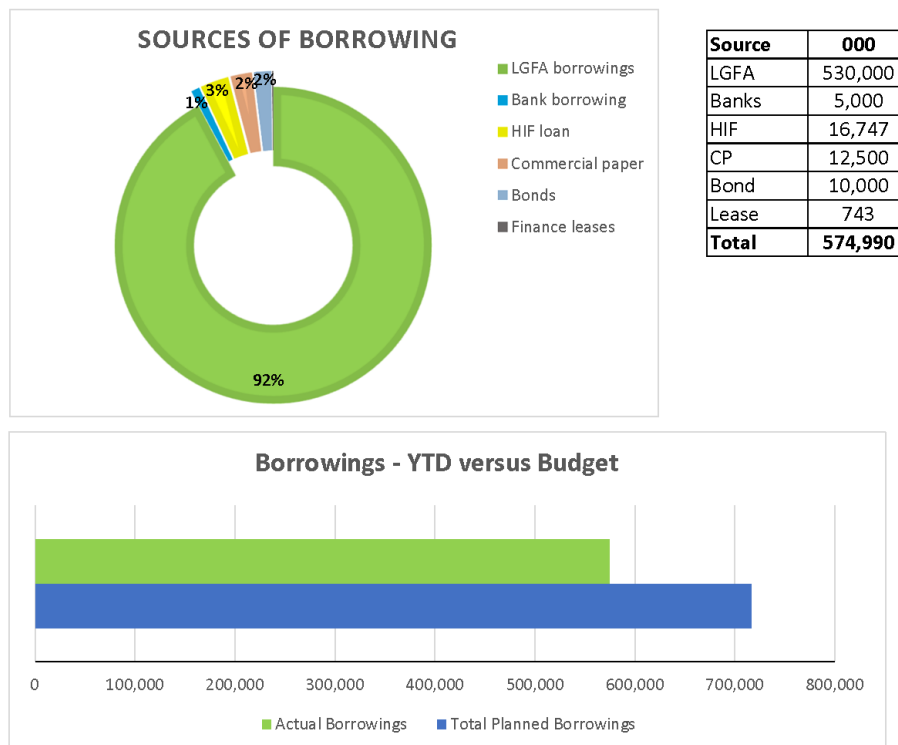
Treasury cash investments consist of:

| Cash Investments              | Actual<br>\$000<br>Oct-20 | Budget<br>\$000<br>Jun-21 | Variance<br>\$000<br>Fav/ (Unfav) |
|-------------------------------|---------------------------|---------------------------|-----------------------------------|
| Cash on call                  | 68,270                    | not apportioned           | not apportioned                   |
| Term deposit                  | 85,000                    | not apportioned           | not apportioned                   |
| Closing bank balances         | 6,938                     | not apportioned           | not apportioned                   |
| LGFA borrower notes           | 8,930                     | not apportioned           | not apportioned                   |
| <b>Total cash investments</b> | <b>169,138</b>            | <b>86,144</b>             | <b>82,994</b>                     |

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

### Borrowing Position

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



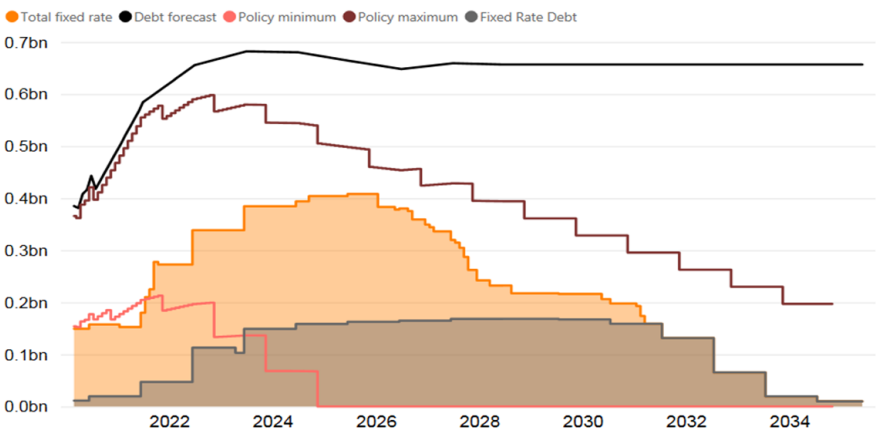
Borrowing debt remains unchanged at 30 November 2020. Loan repayments to the LGFA of \$50M are due on 15 May 2021. This repayment will be covered by a term deposit with maturity dates set a few days prior to the 15 May 2021 debt maturities.

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

Interest Rates

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

Interest rate risk timeline



Our fixed rate debt is compared to the fixed rate policy over 15 years. This includes HIF as it is fixed at 0%. Our fixed debt is currently 39%.



# Council Report

**Committee:** Finance Committee **Date:** 16 February 2021  
**Author:** Candice Swanepoel **Authoriser:** David Bryant  
**Position:** Business Performance Accountant **Position:** General Manager Corporate  
**Report Name:** Financial Strategy Monitoring Report

|                      |             |
|----------------------|-------------|
| <b>Report Status</b> | <i>Open</i> |
|----------------------|-------------|

## Purpose - *Take*

1. To inform the Finance Committee on the status of the 2018-28 10-Year Plan Financial Strategy at 30 November 2020.

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

2. That the Finance Committee receives the report.
3. That the Finance Committee recommends that the Council:
  - a) approves the capital movement as identified in paragraph 14 and 15 of the 16 February 2021 Capital Portfolio Monitoring Report;
  - b) approves the significant forecast adjustments as set out in paragraphs 20 to 21 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 25 of the staff report.

## Executive Summary - *Whakaraapopototanga matua*

4. This report is to be read in conjunction with the:
  - 30 November 2020 (16 February 2021 meeting) Annual Monitoring Report; and
  - 30 November 2020 (16 February 2021 meeting) Capital Portfolio Monitoring Report.
5. This report provides a forecast update of the key 10-Year Plan Financial Strategy metrics.
6. One key goal of the 10-Year Plan Financial Strategy is to maintain or better the balancing the books result, so the need to borrow to fund everyday expenses is eliminated.
7. Not borrowing to fund everyday expenses maintains Council's borrowing capacity to fund investment in community and infrastructure initiatives.
8. If there are negative variances from either the operating and/or capital budgets, Council may need to consider increasing revenue and/or reducing expenditure in other budgets.
9. Staff consider the matters in this report have low significance and that the recommendations comply with Council's legal requirements.

## Background - *Koorero whaimaarama*

### Financial Strategy

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

### Significant Forecasting assumptions

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

### Financial Strategy Significant Forecast Adjustments

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

19. All significant changes made since the 10-Year Plan and up to the last Finance Committee Meeting on 2 December 2020 are listed in **Attachment 1**.

## Significant forecasting adjustments

20. Significant forecasting adjustments since the 2 December 2020 Council meeting are outlined below.

### Capital adjustment

21. Numbers in brackets represent an adverse outcome.

Capital revenue, capital savings, re-phasing, and delay deferrals from 2020/21 to future years as detailed in the 16 February 2021 Capital Portfolio Monitoring Report, paragraph 14 and 15.

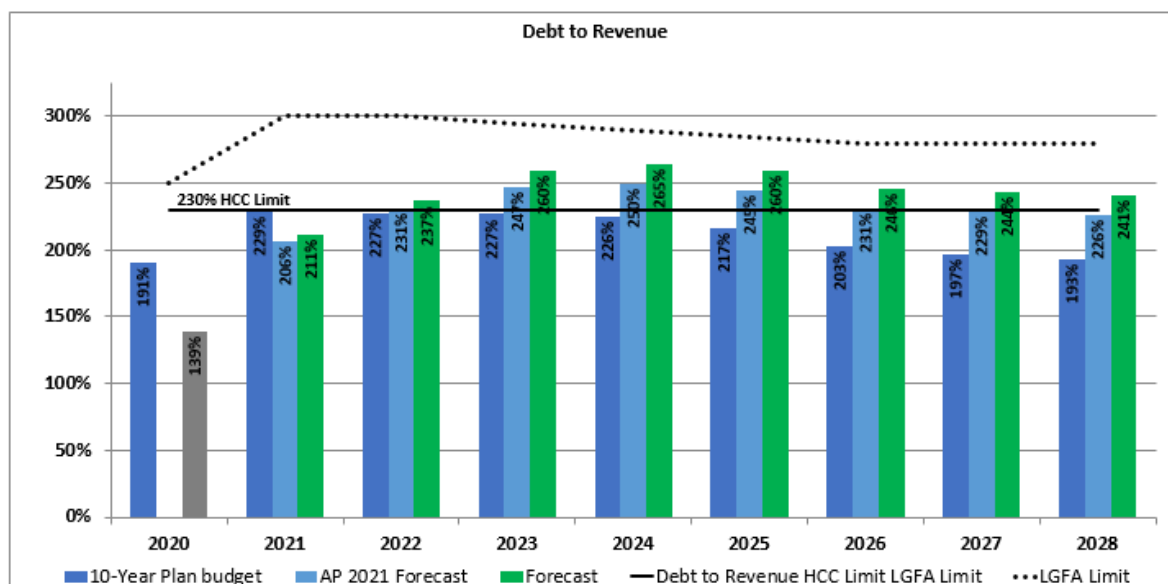
| Financial Strategy Impact |      |      |       |       |       |       |       |       |       |       |
|---------------------------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|
| \$(000)                   | 2019 | 2020 | 2021  | 2022  | 2023  | 2024  | 2025  | 2026  | 2027  | 2028  |
| Balancing the Books       | -    | -    | 235   | 247   | 259   | 271   | 278   | 292   | 306   | 321   |
| Net Debt                  | -    | -    | 4,999 | 5,245 | 5,504 | 5,776 | 6,054 | 6,346 | 6,652 | 6,973 |

## Financial Strategy Graphs

22. The following graphs show the 10-Year Plan budgets (in blue) and the total of all Council approved changes listed in **Attachment 1** as well as the significant forecast adjustments as set out in paragraph 20 above (in green), which are subject to decision by the Finance Committee or Council.

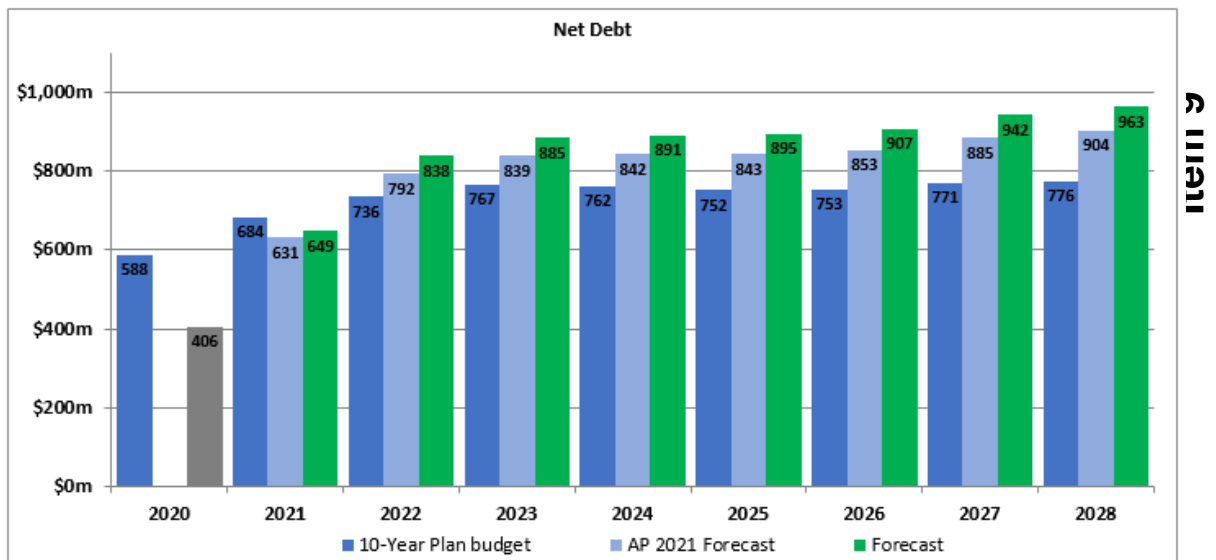
### Debt to Revenue

23. The Debt to Revenue graph includes all adjustments identified in this report and shows that the forecast debt to revenue of 211% is favourable against the 10-Year Plan budget of 229%.



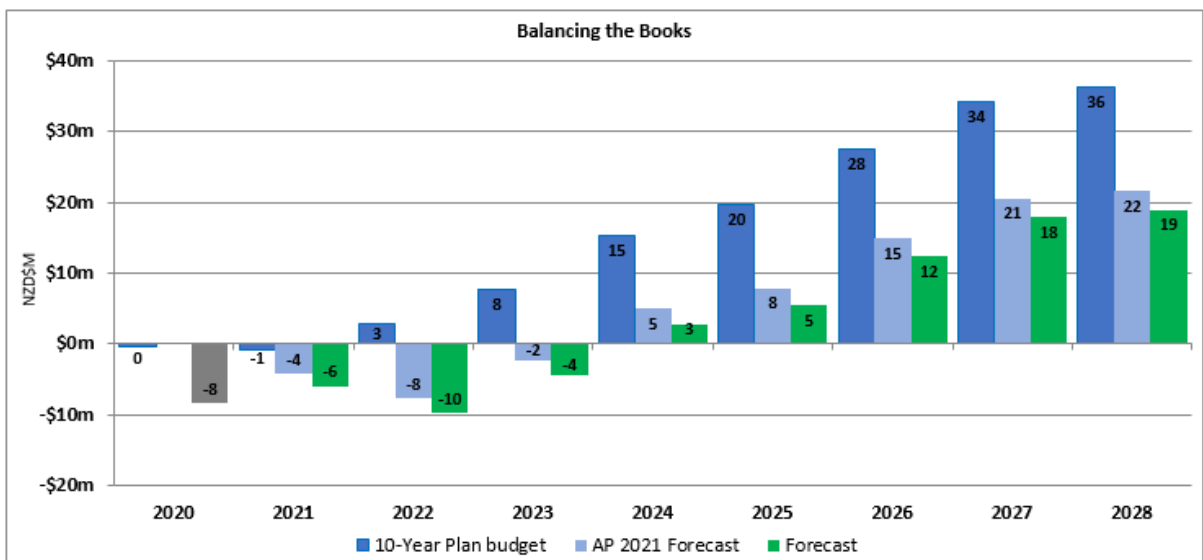
### Net Debt

24. The Net Debt graph shows a decrease in net debt against the 10-Year Plan. Net debt for 2020/21 is forecast at \$649M.



### Balancing the Books

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



### Risks to the Financial Strategy

26. The debt to revenue margin on debt capacity has lost the resilience built up before the national lockdown period. It should be considered in the context of the extent of change that has occurred already since the plan was adopted, the impact on expected revenue and the amount of spending budgeted to occur.

### Emerging Issues

27. 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.
28. There are no new emerging issues additional to and not included in the above reports.

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

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

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

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

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

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

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

#### **Significance**

35. 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**

36. 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 November 2020 .

## 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)  | (6,236)  | (1,589)  | 1,587    | 2,533    | 2,969     | 1,575     | (485)     |
|                        | Net Debt  |    | 95,525 | 65,083  | 29,322   | 34,362   | 40,886   | 45,823   | 50,346   | 54,953    | 59,596    | 64,160    |
| Date                   | Change  |    | 2019   | 2020    | 2021     | 2022     | 2023     | 2024     | 2025     | 2026      | 2027      | 2028      |
| 2019/20 Financial Year | Balancing the books   |    | -      | 4,736   | 3,561    | (466)    | (1,473)  | (1,806)  | (2,100)  | (2,442)   | (2,903)   | (3,287)   |
|                        | Net Debt  |    | -      | 116,725 | 85,362   | 6,756    | (13,783) | (15,904) | (25,722) | (32,048)  | (40,928)  | (48,069)  |
| Date                   | Change  |    | 2019   | 2020    | 2021     | 2022     | 2023     | 2024     | 2025     | 2026      | 2027      | 2028      |
| 23-Jul-20              | Annual Plan Budget Adjustments                                      | BB | -      | -       | (17,201) | 3,099    | (1,359)  | (4,715)  | (5,943)  | (6,703)   | (5,706)   | (4,185)   |
|                        |   | ND | -      | -       | (32,528) | (38,173) | (43,223) | (48,559) | (54,138) | (60,034)  | (66,259)  | (72,837)  |
|                        | Infrastructure Operations Staff Remuneration - additional resources | BB | -      | -       | (1,337)  | (1,354)  | (1,359)  | (1,454)  | (1,548)  | (1,655)   | (1,768)   | (1,888)   |
|                        |   | ND | -      | -       | (1,337)  | (2,691)  | (4,050)  | (5,504)  | (7,052)  | (8,708)   | (10,475)  | (12,364)  |
|                        | Infrastructure Operations Staff Remuneration - revenue recovery     | BB | -      | -       | 427      | 468      | 491      | 525      | 559      | 598       | 639       | 682       |
|                        |   | ND | -      | -       | 427      | 885      | 1,376    | 1,901    | 2,460    | 3,058     | 3,697     | 4,379     |
|                        | Growth Programmes Funding   | BB | -      | -       | (575)    | (28)     | (30)     | (31)     | (32)     | (34)      | (35)      | (37)      |
|                        |   | ND | -      | -       | (575)    | (604)    | (634)    | (665)    | (697)    | (730)     | (766)     | (803)     |
|                        | Living Wage   | BB | -      | -       | (387)    | (467)    | (500)    | (536)    | (571)    | (610)     | (652)     | (697)     |
|                        |   | ND | -      | -       | (387)    | (854)    | (1,354)  | (1,890)  | (2,461)  | (3,071)   | (3,723)   | (4,420)   |
|                        | Suburban Response Team Funding                                      | BB | -      | -       | (260)    | (13)     | (13)     | (14)     | (14)     | (15)      | (16)      | (17)      |
|                        |   | ND | -      | -       | (260)    | (273)    | (286)    | (300)    | (315)    | (330)     | (346)     | (362)     |
|                        | Council owned dwellings   | BB | -      | -       | (55)     | (3)      | (3)      | (3)      | (3)      | (3)       | (3)       | (4)       |
|                        |   | ND | -      | -       | (55)     | (58)     | (60)     | (63)     | (66)     | (70)      | (73)      | (76)      |
|                        | Community welfare package   | BB | -      | -       | (488)    | (3)      | (3)      | (3)      | (3)      | (3)       | (4)       | (4)       |
|                        |   | ND | -      | -       | (60)     | (62)     | (66)     | (69)     | (72)     | (76)      | (79)      | (83)      |
|                        | Rent relief to community groups                                     | BB | -      | -       | (79)     | (4)      | (4)      | (4)      | (4)      | (5)       | (5)       | (5)       |
|                        |   | ND | -      | -       | (79)     | (83)     | (87)     | (91)     | (96)     | (100)     | (105)     | (110)     |
|                        | Rate relief to community groups                                     | BB | -      | -       | (35)     | (2)      | (2)      | (2)      | (2)      | (2)       | (2)       | (2)       |
|                        |   | ND | -      | -       | (35)     | (37)     | (39)     | (41)     | (42)     | (45)      | (47)      | (49)      |
|                        | Business response centre  | BB | -      | -       | (110)    | (5)      | (6)      | (6)      | (6)      | (6)       | (7)       | (7)       |
|                        |   | ND | -      | -       | (110)    | (115)    | (121)    | (127)    | (133)    | (139)     | (146)     | (153)     |
|                        | Business support fund   | BB | -      | -       | (274)    | (14)     | (14)     | (15)     | (15)     | (16)      | (17)      | (18)      |
|                        |   | ND | -      | -       | (274)    | (288)    | (302)    | (317)    | (332)    | (348)     | (365)     | (382)     |
|                        | Capital Programme deferrals   | BB | -      | -       | 2,740    | 460      | 563      | 703      | 751      | 1,029     | 1,008     | 1,077     |
|                        |   | ND | -      | -       | 58,306   | 9,778    | 11,981   | 14,956   | 16,318   | 22,369    | 21,910    | 23,403    |
|                        | Postpone Municipal Pool demolition by one year                      | BB | -      | -       | 658      | (640)    | 1        | 1        | 1        | 1         | 1         | 1         |
|                        |   | ND | -      | -       | 658      | 18       | 19       | 20       | 21       | 22        | 23        | 24        |
|                        | Close public display houses at Hamilton Garden Nursery              | BB | -      | -       | 88       | 4        | 5        | 5        | 5        | 5         | 5         | 6         |
|                        |   | ND | -      | -       | 88       | 92       | 97       | 101      | 106      | 111       | 117       | 122       |
|                        | Stop digitisation of Library heritage collection                    | BB | -      | -       | 274      | 14       | 14       | 15       | 15       | 16        | 17        | 18        |
|                        |   | ND | -      | -       | 274      | 288      | 302      | 317      | 332      | 348       | 365       | 382       |
|                        | CBD parking trial to cease from 1 January 2021                      | BB | -      | -       | 438      | 22       | 23       | 24       | 24       | 26        | 27        | 28        |
|                        |   | ND | -      | -       | 438      | 460      | 483      | 507      | 531      | 557       | 583       | 612       |
|                        | Extend resourcing for civic/city events                             | BB | -      | -       | (44)     | (2)      | (2)      | (2)      | (2)      | (3)       | (3)       | (3)       |
|                        |   | ND | -      | -       | (44)     | (46)     | (48)     | (51)     | (53)     | (56)      | (58)      | (61)      |
| 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)    | (384)    | (193)    | (198)    | (208)     | (228)     | (228)     |
|                        |   | ND | -      | -       | (263)    | (3,733)  | (3,517)  | (4,111)  | (4,309)  | (4,517)   | (4,734)   | (4,963)   |
|                        | Forecast changes from Annual Monitoring report                      | BB | -      | -       | 89       | 94       | 98       | 103      | 106      | 111       | 116       | 122       |
|                        |   | ND | -      | -       | 1,902    | 1,996    | 2,095    | 2,198    | 2,304    | 2,415     | 2,531     | 2,653     |
| Date                   | Change  |    | 2019   | 2020    | 2021     | 2022     | 2023     | 2024     | 2025     | 2026      | 2027      | 2028      |
| 6-Oct-20               | Capital Deferrals and NZTA capital subsidy deferred                 | BB | -      | -       | 48       | (71)     | (75)     | (78)     | (81)     | (84)      | (88)      | (93)      |
|                        |   | ND | -      | -       | (1,445)  | (1,517)  | (1,592)  | (1,670)  | (1,751)  | (1,835)   | (1,923)   | (2,016)   |
|                        | 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)     | 48       | 52       | 53       | 56        | 58        | 61        |
|                        |   | ND | -      | -       | 22,194   | (300)    | 1,048    | 1,101    | 1,154    | 1,209     | 1,268     | 1,329     |
|                        | Forecast changes from Annual Monitoring report                      | BB | -      | -       | (1,014)  | (50)     | (52)     | (55)     | (56)     | (59)      | (62)      | (65)      |
|                        |   | ND | -      | -       | (1,014)  | (1,064)  | (1,116)  | (1,171)  | (1,228)  | (1,287)   | (1,348)   | (1,414)   |
|                        | Municipal Endowment Fund  | BB | -      | -       | (1,834)  | (1,924)  | (2,019)  | (2,118)  | (2,173)  | (2,278)   | (2,388)   | (2,503)   |
|                        |   | ND | -      | -       | (39,013) | (40,937) | (42,956) | (45,074) | (47,248) | (49,526)  | (51,914)  | (54,417)  |
| 2020/21                | Change  |    |        |         | 2021     | 2022     | 2023     | 2024     | 2025     | 2026      | 2027      | 2028      |
|                        | Balancing the books   |    |        |         | (17,898) | (619)    | (4,382)  | (7,803)  | (9,139)  | (9,844)   | (9,102)   | (7,760)   |
|                        | Net Debt  |    |        |         | 6,809    | (77,317) | (82,451) | (88,503) | (96,767) | (100,782) | (111,869) | (121,606) |



# Council Report

**Committee:** Finance Committee **Date:** 16 February 2021  
**Author:** Aileen Carlisle **Authoriser:** Sean Hickey  
**Position:** Transformation Manager **Position:** General Manager Strategy and Communications

**Report Name:** Progress Update on Cost Savings for 20/21

|                      |             |
|----------------------|-------------|
| <b>Report Status</b> | <i>Open</i> |
|----------------------|-------------|

## Purpose - *Take*

1. To inform the Finance Committee on progress with the cost savings in the 20-21 financial year and proposed approach to deliver savings in going forward.

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

2. That the Finance Committee receives the report.

## Executive Summary - *Whakaraapopototanga matua*

3. This report provides an update on progress towards Council's 20/21 savings target of \$7.3m. This is part of a wider savings programme in the 2018-2028 Long Term Plan to deliver \$94.5m over 10 years.
4. As at 30 November 2020, staff forecast that we are on track to achieve the 2020/21 savings although there are some risks about delivery of some savings elements.
5. As noted in the Draft Budget for the 2021-2031 Long Term Plan on 9 December 2019, we have limited depth to execute our transformation proposals and we need to invest in process and technology change to achieve a step change in the delivery of our long term savings goals.
6. Work is also underway to deliver long term sustainable savings aligned with the Council's priorities, freeing up staff time to do the things that matter and respond to growth within our existing staffing envelope where possible.
7. The next six months will be focused on developing a programme of work that reflects the Council's wellbeing priorities and positions us to respond to wider changes that will impact us as a City such as three waters reform, changes in planning (consenting, sub-regional planning).
8. Staff recommend that the Finance Committee receive this report.
9. Staff consider the matters in this report have low significance and that the recommendations comply with the Council's legal requirements.

## Background - *Koorero whaimaarama*

10. As part of the 2018-28 10-Year Plan, the Council budgeted to save \$94.5M in operating savings over 10 years (**Table 1**). The target for this 2020/21 is \$7.3m.

**Table 1: 10-year Plan Savings Target**

| 2018/2028 10 Year Plan Council Savings Target (\$000) | Year 1<br>18/19 | Year 2<br>19/20 | Year 3<br>20/21 | Year 4<br>21/22 | Year 5<br>22/23 | Year 6<br>23/24 | Year 7<br>24/25 | Year 8<br>25/26 | Year 9<br>26/27 | Year 10<br>27/28 | 10 Year Total |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|---------------|
| Annual savings in operating expenses (un-inflated)    | \$4,000         | \$2,000         | \$1,000         | \$1,000         | \$1,000         | \$1,000         | \$0             | \$0             | \$0             | \$0              |               |
| Annual savings in operating expenses (inflated)       | \$4,000         | \$2,044         | \$1,044         | \$1,067         | \$1,092         | \$1,117         | \$0             | \$0             | \$0             | 0                |               |
| Cumulative Savings (un-inflated)                      | \$4,000         | \$6,000         | \$7,000         | \$8,000         | \$9,000         | \$10,000        | \$10,000        | \$10,000        | \$10,000        | \$10,000         | \$84,000      |
| Cumulative Savings (inflated)                         | \$4,000         | \$6,132         | \$7,312         | \$8,536         | \$9,828         | \$11,170        | \$11,440        | \$11,730        | \$12,020        | \$12,330         | \$94,498      |

## Discussion - *Matapaki*

11. As reported to the Finance Committee on 11 August 2020, the 2020/21 savings were targeted to be delivered through a number of key initiatives or categories, as shown in **Table 2**.

**Table 2: Breakdown of Estimated Savings for 20/21 Financial Year**

| Savings Category  | Saving \$(000) |
|---|----------------|
| Capital programme optimisation  | 1308           |
| Transformation (business led efficiencies and digital transformation) | 3750           |
| Other savings (wage freeze, reduced travel and training costs)        | 1450           |
| Further savings   | 800            |
| <b>TOTAL</b>  | <b>7308</b>    |

12. Whilst there are risks associated with the delivery of some savings, overall, staff consider that the savings for this financial year are deliverable and on track.
13. Delivery of savings will be reflected through multiple streams, but for the purposes of financial reporting, staff have allocated the cost savings to specific cost lines as shown in **Table 3**.

**Table 3: YTD Tracking of savings for 2020/21 Financial Year**

| Savings Category               | Cost Line (Budget allocation)       | YTD Savings Target \$(000) | YTD Budget Variance \$(000) | YTD Savings Actual \$(000) |
|--------------------------------|-------------------------------------|----------------------------|-----------------------------|----------------------------|
| Capital programme optimisation | Interest Expense                    | (273)                      | 723                         | (996)                      |
|                                | Depreciation & Amortisation Expense | (273)                      | 2,292                       | (2,564)                    |
| Transformation                 | Vacancy Factor                      | (1,511)                    | (1,511)                     | 0                          |
|                                | Consultants                         | (208)                      | (782)                       | 574                        |
| Other savings                  | Travel & Accommodation              | (83)                       | (0)                         | (83)                       |
|                                | Staff Remuneration                  | (417)                      | 1,031                       | (1,448)                    |
| Further savings                | Contractors                         | (438)                      | (1,685)                     | 1,247                      |
| <b>TOTAL</b>                   |                                     | <b>(3,203)</b>             | <b>68</b>                   | <b>(3,271)</b>             |

14. As can be seen in **Table 3**:

- Year to Date Savings has been calculated (at 30 November 2020) to reflect five months of the full year savings target – a total of \$3.20m.
- The Budget Variance column shows the YTD budget variance for the relevant cost line – a total of \$68k
- The YTD Savings Actual column shows the difference between these two amounts for *indicative* YTD Savings – a total of \$3.33m.

15. The Capital Portfolio Report to this Committee sets out our position on capital programme optimisation and notes favourable YTD variances for interest and depreciation costs. Whilst these cannot be 'banked' as savings at this stage in the year staff are confident that the targeted capital savings will be achieved and likely exceeded.

16. A total of \$3.75m was allocated to Business transformation, with savings expected to be realised primarily through personnel costs (vacancy factor) and consultancy costs.

17. A savings tracker is in place to monitor progress with the delivery of these savings. To date, savings examples include:

- 35k animal control salary resulting from the implementation of new ways of working;
- 90k in infrastructure placement insurance premiums;
- 15k from the Chamber's Diligent rollout;
- 60k from the use of the Council owned drone rather than use of consultants; and
- 15k from management of facebook enquiries through customer services.

18. The 'Other' savings noted in the table above are also on track to be delivered from the wage freeze for staff earning more than \$70,000 and the reduction in travel and training.

19. However, as noted in the [Draft Budget for the 2021-2031 Long Term Plan](#) that went to Council on 9 December 2019, we have limited depth to execute our transformation proposals and investment in process and technology change is required to achieve a step change in the delivery of our long-term savings goals.

20. The first six months of the year have been focused on positioning ourselves for this change:

- Establishing a transformation team to guide services to deliver change using a design led approach. Work is underway in several areas (e.g. service level requests, connections to the network, commercial water billing, hospitality consents). Primary focus to date has been on discovery work (data analysis, process mapping) as well as gaining employee and customer insights. The next phase will identify and deliver potential savings;
- Establishing governance arrangements and working groups that align 'enabling services' to support transformation;
- Continuing with innovation projects that will accelerate improvements including digital twin, data warehouse and data governance and briefcam;
- Implementing a flexible by choice programme to improve employee well-being, provide more flexible working arrangements and enable the effective management of a distributed workforce. This programme is integral to the implementation of the outcome from the corporate property review;
- Identifying changes needed in Information services under the new CIO to enable the delivery of cost savings with an initial focus on getting the basics right (data, process, systems, people). The CIO has also identified requirements for digital transformation and subsequent proposals for investment in technology through the Long Term Plan process.

21. A key focus for the remainder of this year is on planning for the delivery of our digital transformation programme. Funding has been included in the Draft Long Term Plan and, based on experience elsewhere, it is anticipated that the programme will deliver savings of between \$2m and \$4m in 21/22 financial year.
22. However, the delivery of these savings in the short term will need to be balanced against the risk of impact on service delivery and there is significant pressure on overall personnel costs.
23. During the next quarter, the focus will be on developing a programme of work that reflect the Council's priorities and positions us to deliver improved outcomes in response to wider changes that will impact us as a City. Given the level of change being proposed by the Government in areas like 3 waters, planning and consenting as well as a stronger focus on delivering well-being outcomes at a local level, this initial work will be focused on an analysis of options for future service delivery. This will provide a basis for sustainable change and a prioritised programme of work for the delivery of long term cost savings.

#### **Financial Considerations - *Whaiwhakaaro Puutea***

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

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

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

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

26. 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').
27. The subject matter of this report has been evaluated in terms of the 4 well-beings during the process of developing this report.
28. The recommendations set out in this report are consistent with that purpose.
29. No known social, economic, environmental or cultural considerations were identified in the development of this report.

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

30. Non-delivery of cost savings will impact the delivery of the annual plan budget, unless alternative savings are found. The introduction of the cost savings tracker enables us to check progress and identify alternative savings where we can balance against the risk to service delivery.

#### **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 2 December 2020 | ) Good reason to withhold<br>) information exists under<br>) Section 7 Local Government<br>) Official Information and<br>) Meetings Act 1987<br>) | Section 48(1)(a)   |
| C2. Report on overdue debtors as at 31 December 2020 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<br>to maintain the effective conduct of public affairs through protecting persons from improper pressure or harassment | Section 7 (2) (a)<br>Section 7 (2) (f) (ii) |