



PALMERSTON NORTH CITY COUNCIL

AGENDA

FINANCE & AUDIT COMMITTEE

9AM, WEDNESDAY 25 AUGUST 2021
COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING
32 THE SQUARE, PALMERSTON NORTH

MEMBERS

Susan Baty (Chairperson)
Karen Naylor (Deputy Chairperson)
Grant Smith (The Mayor)

Vaughan Dennison
Renee Dingwall
Lew Findlay QSM
Patrick Handcock ONZM
Leonie Hapeta

Lorna Johnson
Bruno Petrenas
Aleisha Rutherford
Stephen Armstrong

AGENDA ITEMS, IF NOT ATTACHED, CAN BE VIEWED AT

pncc.govt.nz | Civic Administration Building, 32 The Square
City Library | Ashhurst Community Library | Linton Library

Heather Shotter

Chief Executive | PALMERSTON NORTH CITY COUNCIL

To Mārae o Hine | 32 The Square
Private Bag 11034 | Palmerston North 4442 | New Zealand
pncc.govt.nz

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CITY

(NOTE: If the Committee wishes to consider or discuss any issue raised that is not specified on the Agenda, other than to receive the comment made or refer it to the Chief Executive, then a resolution will need to be made in accordance with clause 2 above.)

5. **Confirmation of Minutes** Page 7
 "That the minutes of the Finance & Audit Committee meeting of 23 June 2021 Part I Public be confirmed as a true and correct record."

6. **Victoria Esplanade - Mini Golf Course Lease Proposal** Page 13
 Report, presented by Bryce Hosking, Manager - Property and Kathy Dever-Tod, Parks & Reserves Manager.

7. **Quarterly Performance and Financial Report - Quarter Ending 30 June 2021** Page 25
 Memorandum, presented by Stuart McKinnon, Chief Financial Officer and Andrew Boyle, Head of Community Planning.

8. **Treasury Report - 12 months ending 30 June 2021** Page 109
 Memorandum, presented by Steve Paterson, Strategy Manager - Finance.

9. **Clearview Reserve - Easement Proposal to Powerco** Page 121
 Report, presented by Bryce Hosking, Manager - Property and Kathy Dever-Tod, Parks & Reserves Manager.

10. **Committee Work Schedule** Page 129

11. **Exclusion of Public**

To be moved:

"That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

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 are as follows:

General subject of each matter to be considered		Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution
12.	Minutes of the Finance & Audit Committee meeting - Part II Confidential - 23 June 2021	For the reasons setout in the Finance & Audit Committee minutes of 23 June 2021, held in public present.	
13.	Assurance Report on Review of Health & Safety	Safety and Health Safety	s6(b) and s7(2)(d)
14.	Tamakuku Terrace - Negotiations with Affordable Housing Providers	Negotiations	s7(2)(i)

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 the relevant part of the proceedings of the meeting in public as stated in the above table.

Also that the persons listed below be permitted to remain after the public has been excluded for the reasons stated.

[Add Third Parties], because of their knowledge and ability to assist the meeting in speaking to their report/s [or other matters as specified] and answering questions, noting that such person/s will be present at the meeting only for the items that relate to their respective report/s [or matters as specified].

PALMERSTON NORTH CITY COUNCIL

Minutes of the Finance & Audit Committee Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 23 June 2021, commencing at 9.01am

Members Present: Councillor Susan Baty (in the Chair), The Mayor (Grant Smith) and Councillors Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Mr Stephen Armstrong.

Non Members: Councillors Brent Barrett, Rachel Bowen, Zulfiqar Butt, Billy Meehan and Orphée Mickalad.

Apologies: Councillor Orphée Mickalad (early departure on Council business).

Councillor Vaughan Dennison entered the meeting at 9.03am after consideration of clause 47. He was not present for clause 47.

Councillor Orphée Mickalad left the meeting at 11.18am during consideration of clause 53. He was not present for clauses 53 to 55 inclusive.

47-21 Apologies

Moved Susan Baty, seconded Karen Naylor.

The COMMITTEE RESOLVED

1. That the Committee receive the apologies.

Clause 47-21 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Susan Baty, Brent Barrett, Rachel Bowen, Zulfiqar Butt, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Billy Meehan, Orphée Mickalad, Bruno Petrenas, Aleisha Rutherford and Mr Stephen Armstrong.

Councillor Vaughan Dennison entered the meeting at 9.03am.

48-21 Petition: PNCC – Keep the parking times as they are

Mr Gerry Keating presented a petition signed by 2,547 residents of Palmerston North, and a further 168 people residing in the surrounding area (Foxton, Levin, Bulls, Feilding).

Mr Keating spoke to the petition focusing on his concerns regarding parking meter times being extended into late-week evenings and weekends, and the effect this could have on people attending events and shows at local theatres and venues.

Moved Susan Baty, seconded Rachel Bowen.

The **COMMITTEE RESOLVED**

1. That the Finance & Audit Committee receive the petition from Gerry Keating for information.

Clause 48-21 above was carried 17 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Susan Baty, Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Billy Meehan, Orphée Mickalad, Bruno Petrenas, Aleisha Rutherford and Mr Stephen Armstrong.

49-21

Confirmation of Minutes

Moved Susan Baty, seconded Vaughan Dennison.

The **COMMITTEE RESOLVED**

1. That the minutes of the Finance & Audit Committee meeting of 26 May 2021 Part I Public be confirmed as a true and correct record.

Clause 49-21 above was carried 17 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Susan Baty, Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Billy Meehan, Orphée Mickalad, Bruno Petrenas, Aleisha Rutherford and Mr Stephen Armstrong.

50-21

Palmerston North Airport Limited - Final Statement of Intent for 2021/22

Memorandum, presented by Steve Paterson, Strategy Manager – Finance, David Lanham, Palmerston North Airport Limited (PNAL) Chief Executive and Murray Georgel, PNAL Board Chair.

Moved Grant Smith, seconded Patrick Handcock ONZM.

The **COMMITTEE RECOMMENDS**

1. That the Statement of Intent for Palmerston North Airport Limited for 2021/22, presented to the Finance & Audit Committee on 23 June 2021, be agreed.

Clause 50-21 above was carried 17 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Susan Baty, Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Billy Meehan, Orphée Mickalad, Bruno Petrenas, Aleisha Rutherford and Mr Stephen Armstrong.

51-21

Health, Safety and Wellbeing Report January to March 2021

Memorandum, presented by Alan Downes, Health, Safety and Wellbeing Manager and Patrick Watson, Chief People & Performance Officer.

Moved Brent Barrett, seconded Aleisha Rutherford.

The COMMITTEE RESOLVED

1. That the memorandum titled 'Health, Safety and Wellbeing Report January to March 2021', presented to the Finance & Audit Committee on 23 June 2021, be received for information.

Clause 51-21 above was carried 17 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Susan Baty, Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Billy Meehan, Orphée Mickalad, Bruno Petrenas, Aleisha Rutherford and Mr Stephen Armstrong.

The meeting adjourned at 10.47am.

The meeting resumed at 11.05am.

The Mayor (Grant Smith) and Councillors Vaughan Dennison and Billy Meehan were not present when the meeting resumed.

52-21

Assurance Report on Review of Council Policy Framework

Memorandum, presented by Masooma Akhter, Business Assurance Manager and Julie Macdonald, Strategy & Policy Manager.

Councillor Billy Meehan entered the meeting at 11.07am.

The Mayor (Grant Smith) entered the meeting at 11.12am.

Councillor Vaughan Dennison entered the meeting at 11.13am.

Moved Karen Naylor, seconded Leonie Hapeta.

The COMMITTEE RESOLVED

1. That the memorandum titled 'Assurance Report on Review of Council Policy Framework' and its attachment, presented to the Finance & Audit Committee on 23 June 2021, be received for information.

Clause 52-21 above was carried 16 votes to 0, with 1 abstention, the voting being as follows:

For:

Councillors Susan Baty, Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Billy Meehan, Orphée Mickalad, Bruno Petrenas, Aleisha Rutherford and Mr Stephen Armstrong.

Abstained:

The Mayor (Grant Smith).

53-21

Business Assurance Accountability Report

Memorandum, presented by Masooma Akhter, Business Assurance Manager.

Councillor Orphée Mickalad left the meeting at 11.18am.

Moved Susan Baty, seconded Leonie Hapeta.

The **COMMITTEE RESOLVED**

1. That the memorandum titled 'Business Assurance Accountability Report' presented to the Finance & Audit Committee on 23 June 2021, be received for information.

Clause 53-21 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Susan Baty, Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Billy Meehan, Bruno Petrenas, Aleisha Rutherford and Mr Stephen Armstrong.

54-21

Committee Work Schedule

Moved Susan Baty, seconded Aleisha Rutherford.

The **COMMITTEE RESOLVED**

1. That the Finance & Audit Committee receive its Work Schedule dated June 2021.

Clause 54-21 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Susan Baty, Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Billy Meehan, Bruno Petrenas, Aleisha Rutherford and Mr Stephen Armstrong.

EXCLUSION OF PUBLIC

55-21

Recommendation to Exclude Public

Moved Susan Baty, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

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 are as follows:

General subject of each matter to be considered		Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution
13.	Minutes of the Finance & Audit Committee meeting - Part II Confidential - 26 May 2021	For the reasons set out in the Finance & Audit Committee minutes of 26 May 2021, held in public present.	
14.	Business Assurance Accountability Report - Confidential Items	Third Party Commercial, Health Safety and Gain Advantage	s7(2)(b)(ii), s7(2)(d) and s7(2)(j)
15.	Award of Contract 4058 - Supply of Pipes and Fittings - 2021-22	Third Party Commercial	s7(2)(b)(ii)

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 the relevant part of the proceedings of the meeting in public as stated in the above table.

Clause 55-21 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Susan Baty, Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Billy Meehan, Bruno Petrenas, Aleisha Rutherford and Mr Stephen Armstrong.

The public part of the meeting finished at 11.25am

Confirmed 25 August 2021

Chairperson

CONFIDENTIAL REPORTPORT

TO: Finance & Audit Committee

MEETING DATE: 25 August 2021

TITLE: Victoria Esplanade - Mini Golf Course Lease Proposal

PRESENTED BY: Bryce Hosking, Manager - Property and Kathy Dever-Tod, Parks & Reserves Manager

APPROVED BY: Sarah Sinclair, Chief Infrastructure Officer

RECOMMENDATION(S) TO COUNCIL

1. That Council agrees to:

- a) Approve the extended lease term of ten (10) years for The Lions Club of Middle Districts Incorporated to enable development of an 18-hole mini golf course within the Play Zone of the Victoria Esplanade, and remove the early termination clause within the Lease;
- or
- b) Approve the extended lease term of ten (10) years for The Lions Club of Middle Districts Incorporated to enable development of an 18-hole mini golf course within the Play Zone of the Victoria Esplanade, and retain the early termination clause within the Lease.

SUMMARY OF OPTIONS ANALYSIS FOR

Problem or Opportunity	<p>The Victoria Esplanade Masterplan 2018 has provision for an 18-hole mini golf course to be located within the Play Zone of the Victoria Esplanade.</p> <p>The Lions Club of Middle Districts Incorporated ("the Lions") provided a submission as part of the 2018-28 Ten Year Plan to develop and operate the mini golf facilities at their cost. This was approved by Council.</p> <p>Once the Lions had obtained the resource consent in early 2021, negotiations commenced to determine the proposed lease terms.</p> <p>Council's policy for leasing land within reserves directs that the length of the lease term is no longer than five (5) years with a single right of renewal of another five (5) years. It is also standard practise for an early termination clause to be included in all recreational leases.</p> <p>Given the Lions' level of capital investment in the Project, they have requested a ten (10) year lease term with a right of renewal of another ten (10) years. In addition, they have also requested that the early termination clause be removed from the lease documentation.</p> <p>As the Lion's request differs from Council's policy and standard practice, this report seeks approval from Council of these extended terms, so a lease can be formally entered into.</p>
OPTION 1:	Approve the extended lease term and remove the early termination clause within the Lease
Benefits	<p>This is the Lion's preferred Option.</p> <ul style="list-style-type: none"> • A 20-year lease term will provide security to the Lions and will support their internal fund-raising efforts for the project. • The longer lease term will support the Lions to continue to invest in the project through ongoing maintenance expenses for the operation of the mini golf facilities.
Risks	<ul style="list-style-type: none"> • Should the mini golf course not be operating in accordance with the consent conditions or the general principles of the proposal consented upon, or the course not be operating in a way that meets Council's expectations and these matters cannot be resolved through arbitration, Council would not be able to bring the Lease to an end without the agreement of the Lions. • The lease term of 20 years may limit Council's strategic options around the future use of the lease area. However,

	the risk is low as this proposal has been consulted and approved by Council in the Long Term Plan and the Esplanade Master Plan.
Financial	<ul style="list-style-type: none"> Council will receive an annual rental of \$150 + GST.
OPTION 2:	Approve the extended lease term but retain the early termination clause within the Lease
Benefits	<ul style="list-style-type: none"> The Lions are still provided with considerable lease security and can continue to invest in the project through ongoing maintenance expenses for the operation of the mini golf facilities with confidence. In the event that the mini golf is not operated in accordance with the resource consent conditions or the general principles of the proposal consented upon, or the course is not operating in a way that meets Council's expectations and these matters cannot be resolved through arbitration, the inclusion of the early termination clause helps to mitigate Council's risk to enable Council to bring the lease to an end.
Risks	<ul style="list-style-type: none"> The lease term of 20 years may limit Council's strategic options around the future use of the lease area. The inclusion of a termination clause will be viewed negatively by the Lions as they consider it reduces their lease security moving forward.
Financial	<ul style="list-style-type: none"> Council will receive an annual rental of \$150 + GST.
OPTION 3:	Decline the current proposed lease terms, with Council Officers entering back into negotiations to determine new lease terms in line with Council's policy and standard practice
Benefits	<ul style="list-style-type: none"> Council Officers will negotiate the lease terms in accordance with existing policy and standard practice, consistent with the approach taken for other community groups.
Risks	<ul style="list-style-type: none"> The Lions may not agree with the terms in line with Council's policy and standard practice which may delay or jeopardise the project. The Lions may perceive Council as being difficult to deal with and causing unnecessary delays.
Financial	<ul style="list-style-type: none"> As negotiations would be recommencing, no rental income will be received until terms have been reached. It is likely that the final rental received will remain the

	same at \$150 + GST as this is already in line with Council's policy.
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RATIONALE FOR THE RECOMMENDATIONS

1. OVERVIEW OF THE PROBLEM OR OPPORTUNITY

- 1.1 The Victoria Esplanade Masterplan 2018 has provision for an 18-hole mini golf course to be located within the Play Zone of the Victoria Esplanade.
- 1.2 The Lions Club of Middle Districts Incorporated ("the Lions") provided a submission as part of the 2018-28 Long Term Plan to develop and operate the mini golf facilities at their cost. This was approved by Council.
- 1.3 Once the Lions had obtained the resource consent in early 2021, negotiations commenced to determine the proposed lease terms.
- 1.4 The proposed location and site plan approved under the resource consent is shown in Figure 1.



Figure 1: Mini golf course plan as per Resource Consent

- 1.5 Council's policy for leasing land within reserves directs that the length of the lease term is no longer than five (5) years with a single right of renewal of another five (5) years. It is also standard practise for an early termination clause to be included in all recreational leases.
- 1.6 Given the Lions' level of capital investment in the Project, they have requested a ten (10) year lease term with a right of renewal of another ten (10) years. In addition, they have also requested that the early termination clause be removed from the lease documentation.

- 1.7 As the Lion's request differs from Council's policy and standard practice, this report seeks approval from Council of these extended terms, so a lease can be formally entered into.

2. BACKGROUND

- 2.1 The Victoria Esplanade Masterplan was developed in 2017 and 2018 to guide the development of the Victoria Esplanade.
- 2.2 It identified the Lions' mini golf as a development project within the Play Zone, as per Figure Two.

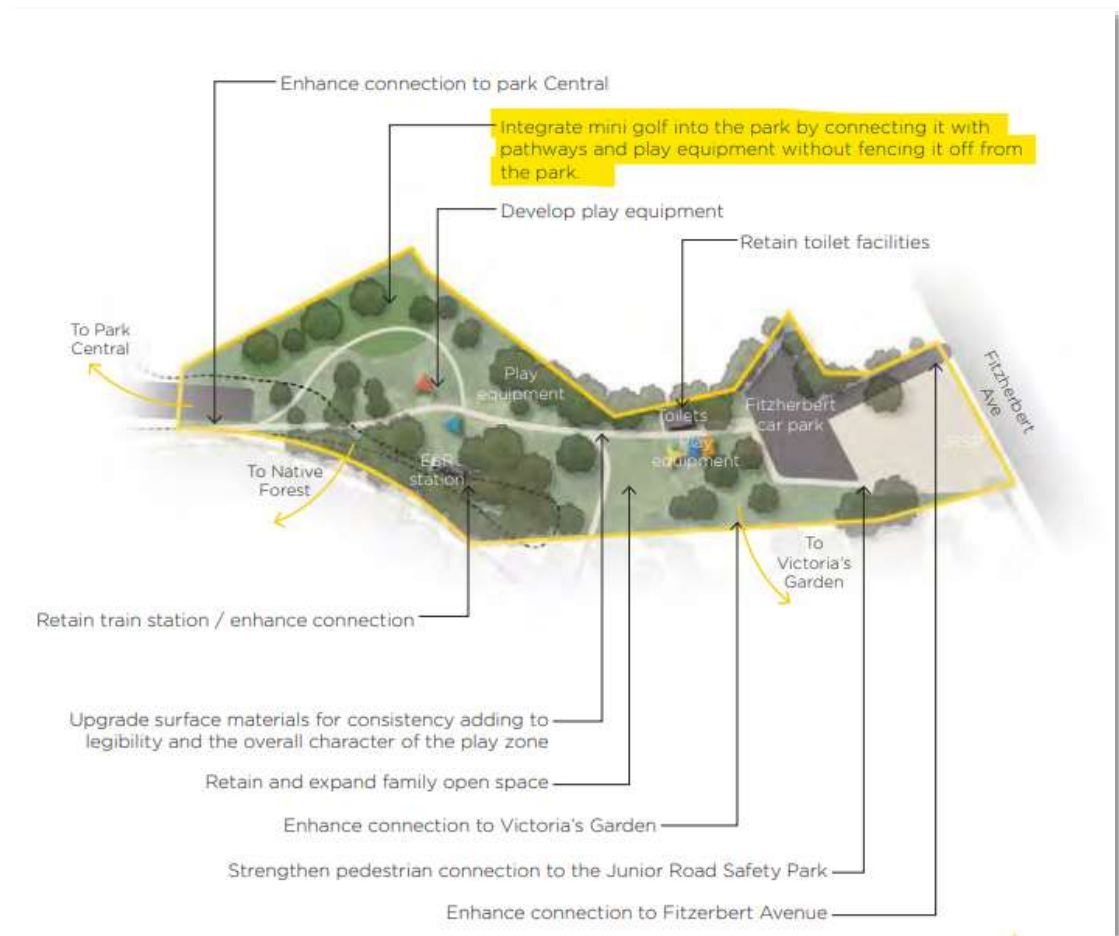


Figure 2: Mini golf in the Victoria Esplanade Masterplan - page 89

- 2.3 The Masterplan was consulted with the Victoria Esplanade User Group and community, and the mini golf proposal was well received.

Extended Lease Terms

- 2.4 For most of Council's existing recreation leases, the lease terms are capped to no more than ten (10) years in accordance with the existing Council Policy, ie. a 5-year term with a right of renewal of another 5 years.

- 2.5 There are seven (7) approved leases that have lease terms longer than 10 years. These leases are:

Tenant	Location	Lease Term
Manawatu Smallbore Rifle Association	Totara Road	15 Years
Manawatu Cricket Association	Practice-wicket, Park Road	15 Years
Palmerston North Golf Club	Brightwater Terrace	30 Years
Menzshed Manawatu	Rangitāne Pavilion	25 Years
Palmerston North Esplanade Scenic Railway	The Esplanade	20 Years
YMCA Central	Park Road	31 Years
The Scout Association NZ	Ashhurst Domain	20 Years

- 2.6 The above leases were granted extended lease terms to provide additional security of lease term to reflect the organisation's considerable financial investment into their respective facilities.

3. LEASE TERMINATION

- 3.1 Within Council's standard lease documentation for recreational leases or leases on reserves there are two clauses that enable Council to terminate a lease early; a clause for a breach of lease conditions, and a more broadened early termination clause. These are explored below.

Lease Termination – Breach of Lease

- 3.2 If a tenant is breaching the lease conditions such as not paying rent or not using a lease area for the use prescribed/ agreed to within the lease, Council can terminate the lease through Clause 9.2. This clause reads:

"If the Landlord after making such enquiries as it thinks fit and giving the Tenant the opportunity of explaining the usage of the property is satisfied that the property is not being used or being sufficiently used for the Prescribed Use then the Landlord may terminate this lease on such terms as it thinks fit but without prejudice to any antecedent right or action which the Landlord may have against the Tenant however it arose."

- 3.3 In the situation where a breach of lease had occurred, prior to any termination of the lease being sought, the two parties would always look to engage in a thorough arbitration process to try to resolve the issues. However, should the issue/s not be able to be resolved, the legal process to terminate the lease can begin.
- 3.4 This clause will remain in all lease documentation, including the proposed lease discussed in this report with the Lions.

- 3.5 However, providing a tenant is not breaching the terms of a lease, this clause does not allow Council to terminate a lease should the operation of that facility not meet Council's expectations, ie. providing poor service, not being opened for desired hours, not upkeeping the facility to Council's desired standards, etc.

Early Termination Clause

- 3.6 To reduce Council's risk in relation to the operation of the facility not meeting Council's expectations, it is standard practice for Council to also include a more broadened early termination clause in its lease documentation, in addition to Clause 9.2, for recreational leases or leases on reserves. This is Clause 47 which reads:

"Notwithstanding any other provision in this Lease, the Landlord may terminate this Lease by giving three (3) months' notice in writing to the Tenant. Termination pursuant to this clause shall not give the Tenant any right or claim whatsoever against the Landlord."

- 3.7 For clarity, an arbitration process like that mentioned above to resolve lease issues would still be undertaken in this instance, however, should a resolution of issues that do not constitute a breach of lease not be able to be reached, Council will have the ability to terminate a lease. If this clause is not included in the lease, these types of issues are very difficult to address.
- 3.8 Whilst this clause is included in leases to help mitigate Council's risk, Council does have two (2) approved leases which have had this clause removed. They are:

Tenant	Location	Lease Term
Manawatu Cricket Association	Practice-wicket, Park Road	15 Years
YMCA Central	Park Road	31 Years

- 3.9 As with the extended lease terms, the early termination clause was removed from these leases to reflect the considerable financial investment from the organisations into their respective facilities.

4. DESCRIPTION OF OPTIONS

- 4.1 Council has three (3) options to consider:
- Approve the extended lease term and remove the early termination clause within the Lease;
 - Approve the extended lease term but retain the early termination clause with the Lease; or
 - Decline the current proposed lease terms, with Council Officers entering back into negotiation to determine new lease terms in line with Council's policy and standard practice.

5. ANALYSIS OF OPTIONS

OPTION 1: Approve the extended lease term and remove the early termination clause with the Lease

- 5.1 Option 1 sees Council enter a lease with the Lions within the Victoria Esplanade.
- 5.2 The lease is proposed to be for a ten (10) year lease term with a right of renewal of another ten (10) years. In addition, the Lions have requested that the standard early termination clause be removed from the lease documentation.
- 5.3 This is the Lion's preferred option.
- 5.4 Note: The benefits and risks within this report relate to the options being considered, not in relation to having a mini golf course within the Victoria Esplanade.

Benefits

- 5.5 Option 1 has the following benefits:
 - A 20-year lease term clause will provide security to the Lions and will support their internal fund-raising efforts for the project.
 - The added security of the lease will support the Lions to continue to invest in the project through ongoing maintenance expenses for the operation of the mini golf facilities with confidence.
 - The Lions perceive that the removal of the early termination clause will give them more security of the Lease.

Risks

- 5.6 The risks identified for Option 1 are:
 - Should the mini golf course not be operating in accordance with the consent conditions or the general principles of the proposal consented upon, or the course not be operating in a way that meets Council's expectations and these matters cannot be resolved through arbitration, Council would not be able to bring the Lease to an end without the agreement of the Lions.
 - The lease term of 20 years may limit Council's strategic options around the future use of the lease area. However, the risk is low as this proposal has been consulted and approved by Council in the Long Term Plan and the Esplanade Master Plan.

Financial

- 5.7 Council will receive an annual rental of \$150 + GST.

- 5.8 There will be no ongoing operational costs to Council associated with the lease as it is a land lease only. The club will be responsible for their own repair and maintenance of the mini golf facilities.

OPTION 2: Approve the extended lease term but retain the early termination clause with the Lease.

- 5.9 As with Option 1, Option 2 sees Council enter a lease with the Lions within the Victoria Esplanade.
- 5.10 Again, the lease is proposed to be for a ten (10) year lease term with a right of renewal of another ten (10) years. However, this option will retain the early termination clause in the lease documentation in line with Council's standard practice.

Benefits

- 5.11 Option 2 has the following benefits:
- The Lions are still provided considerable lease security and can continue to invest in the project through ongoing maintenance expenses for the operation of the mini golf facilities with confidence.
 - In the event that the mini golf is not operated in accordance with the resource consent conditions or the general principles of the proposal consented upon, or the course was not operating in a way that meets Council's expectations and these matters cannot be resolved through arbitration, the inclusion of the early termination clause helps to mitigate Council's risk to enable Council to bring the lease to an end.

Risks

- 5.12 The risks identified for Option 2 are:
- Given the proposed lease will be potentially 20 years, this may limit Council's strategic options around the future use of the lease area.
 - The inclusion of a termination clause will be viewed negatively by the Lions as they consider it to reduce their lease security moving forward.

Financial

- 5.13 Council will receive an annual rental of \$150 + GST.
- 5.14 As with Option 1, there will be no ongoing operational costs to Council associated with the lease as it is a land lease only. The club will be responsible for their own repair and maintenance of the mini golf facilities.

OPTION 3: Decline the current proposed lease terms, with Council Officers entering back into negotiations to determine new lease terms in line with Council's policy and standard practice

- 5.15 Option 3 sees Council decline the current proposed lease terms and directs Council Officers to go back to the Lions and renegotiate terms that are in line with Council's policy and standard practice.
- 5.16 This would be the least favourable option for the Lions and will at minimum cause delays to the project.

Benefits

- 5.17 Council Officers will negotiate the lease terms in accordance with existing policy and standard practice.

Risks

- 5.18 The risks identified for Option 3 are:
- The Lions may not agree with the terms in line with Council's policy and standard practice which may delay or jeopardise the project.
 - The wider public and the Lions may perceive Council as being difficult to deal with and causing unnecessary delays.

Financial

- 5.19 As negotiations would be recommencing, no rental income will be received until terms have been reached.
- 5.20 It is likely that the final rental received will remain the same at \$150 + GST as this is already in line with Council's policy.

6. CONCLUSION

Options 1 and 2

- 6.1 Despite the extended lease term limiting Council's future use of the site upon which it will sit, given the mini golf course was included in the 2018 Victoria Esplanade Masterplan, this is considered a low and unlikely risk to Council.
- 6.2 The removal of the early termination clause increases Council's risk should the venture not be operated in a way that meets Council's expectations. Whilst this is also considered an unlikely risk, Council will need to decide whether they are willing to accept this risk.

Option 3

- 6.3 Unlike the risks for Options 1 and 2, the risks associated with Option 3 are considerably more likely to occur and will potentially have a much higher impact.

- 6.4 The risks around delay, straining Council's relationship with the Lions, and even jeopardising the project altogether if terms cannot be reached, are considered to far outweigh the benefits of this option.
- 6.5 Considering the above, it is recommended that Council proceed with either Option 1 or 2 depending on their risk appetite around the removal of the early termination clause.

7. NEXT ACTIONS

- 7.1 Proceed with signing a Deed of Lease between Council and The Lions for the mini golf course land within Victoria Esplanade.

8. OUTLINE OF COMMUNITY ENGAGEMENT PROCESS

- 8.1 The Victoria Esplanade is subject to the Palmerston North Reserves Act 1922 and has its own Reserve Management Plan and therefore is not subject to the consultation requirements of the Reserves Act 1977.
- 8.2 Given this the lease proposal was not required to be publicly notified.
- 8.3 The Esplanade Steering Group was consulted on this lease proposal and there were no objections.
- 8.4 Council Officers presented the Club's proposal in the bimonthly meeting with Rangitāne o Manawatu on 28 June 2019 and Iwi representatives were supportive of the lease term and suggested that the signage have dual English and Te Reo wording to be consistent with new signage across the city. This recommendation was adopted as a condition of the resource consent.
- 8.5 Iwi were further consulted on this matter in July 2021 as part of the July 2021 bimonthly meeting with Council Officers. They had no objections to either option 1 or option 2.

COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	No
Are the decisions significant?	No
If they are significant do, they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 2: A Creative and Exciting City	
The recommendations contribute to the achievement of action/actions in Active	

Communities	
The action is: To carry out recreation and reserves planning functions under the Palmerston North Reserves Act 1922 and Local Government Act including the preparation of Reserve Management and Development Plans and Master Plans.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	This aligns will with the direction to create a city that has great places for all people, particularly families, and have the most active community in New Zealand (Priorities 1 and 5, Creative Land Liveable Strategy).

ATTACHMENTS

Nil

MEMORANDUM

TO: Finance & Audit Committee

MEETING DATE: 25 August 2021

TITLE: Quarterly Performance and Financial Report - Quarter Ending 30 June 2021

PRESENTED BY: Stuart McKinnon, Chief Financial Officer and Andrew Boyle, Head of Community Planning

APPROVED BY: Stuart McKinnon, Chief Financial Officer

RECOMMENDATION(S) TO COUNCIL

1. That the memorandum entitled 'Quarterly Performance and Financial Report - Quarter Ending 30 June 2021', presented to the Finance & Audit Committee on 25 August 2021, be received.
2. That Council note that the capital expenditure carry forward values in the 2021/22 Long Term Plan Budget will be increased by \$2.44M, capital revenue will be increased by \$562K and operational expenditure will be increased by \$131K as per the details in Appendix 4 of this report.
3. That Council note that capital expenditure carry forward values in the 2021/22 Long Term Plan Budget relating to the three water reform funding will be increased by \$1.74M, capital revenue will be increased by \$1.74M, operational expenditure will be increased by \$744K and operational revenue will be increased by \$744K as per the details in Appendix 4 of this report.

1. ISSUE

To provide an update on the performance and financial achievements of the Council for the period ending 30 June 2021.

2. BACKGROUND

Details of operating and financial performance are included in the following sections. Reports are against the goals as detailed in the 10 Year Plan 2018-28.

3. NEXT STEPS

The next performance and financial report will be provided after the end of the September 2021 quarter.

4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	No
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 5: A Driven and Enabling Council	
The recommendations contribute to the outcomes of the Driven and Enabling Council Strategy.	
The recommendations contribute to the achievement of action/actions in a plan under the Driven and Enabling Council Strategy	
The action is: to enable Council to exercise governance by reviewing financial performance and operating performance and provide accountability for these to the public.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	As above.

ATTACHMENTS

1. Quarterly Performance and Financial Report - Quarter Ending 30 June 2021 - CE and Catalyst Report [↓](#) 
2. Quarterly Performance and Financial Report - Quarter Ending 30 June 2021 - Performance Measures [↓](#) 
3. Quarterly Performance and Financial Report - Quarter Ending 30 June 2021 - Supplementary Material [↓](#) 
4. Quarterly Performance and Financial Report - Quarter Ending 30 June 2021 - Revision to carry forwards 2021-22 [↓](#) 

Quarterly Report to Council – June 2021

Chief Executive's Quarterly Report to Council

For June 2021

Introduction

It has been an extraordinary year with the advent of COVID-19 and the world wide effect of this virus. Our budgets were adjusted based on predictions coming out of a nation-wide lockdown without knowledge of how the economy or our own finances would be affected and as such it has been a year of two halves. With a 1.9% rates increase for the year and some early predicted budget overruns, we took a precautionary approach to our expenditure repressing salary increases and holding vacancies until we had a clearer picture of what lay ahead. The economy bounced back more strongly than anticipated, including our revenue. The fact that we have remained at Alert Level 1 has enabled our venues to operate at a capacity not predicted and development in the City is thriving. The labour market across all highly skilled workforces and supply chains in the construction industry have been affected as demand has far exceeded supply. The second half of the year has been one of readjusting to a much more dynamic market which has resulted in an uplift in expenditure including a greater investment into safety as we work to keep pace with these increasing demands.

Financial

For the 2021 financial year, our net operating position is \$4M favourable against budget. This year operating revenue has exceeded predictions of the COVID-19 pandemic effect, increased revenue has come from; city development consenting, venues, parking, roading and recycling. City development consenting, venues and roading revenue is \$4.5M higher than anticipated, although this increased revenue has been met with \$4.1M of increased expenditure.

In the final quarter, expenditure was accelerated following a precautionary approach in the first half of the year. This resulted in increased delivery of services in the final quarter. There was a large uptake of contracted services in roading, property, reserves and sports fields. Internally, increased expenditure was focused on addressing; digital strategic planning, staff training, remuneration and substantial safety improvements.

During the financial year the capital budget was increased by \$13.9M (20%) from the annual plan. This significant increase to the revised budget is primarily due to three waters stimulus funding. The capital new programme delivered 107 projects over the course of the financial year. This resulted in expenditure of \$39.9M against a revised budget of \$55.5M. This outcome led to 72% of the capital new revised budget being spent compared with 46% the previous year. The capital renewal programme delivered 101 projects over the course of the financial year, resulting in expenditure of \$23.3M (81%) spent against a revised budget of \$28.8M.

Carry forward capital works (excluding three water reform funded programmes) is requested to be increased by \$2.44M, based on programmed works not able to be completed within the financial year. Growth programmes, which rely on third party development to occur contribute \$2.1M of the carry forward total. Three water reform funded capital programme carry forwards are requested to be increased by \$1.74M and operational expenditure to be increased by \$744K.

Covid-19 recovery in New Zealand and ongoing global impacts particularly in supply chain and labour market pressures, continues to impact the deliverability of both the capital new programme and renewal programme. This can be seen in the financial results for the year and the programmes requiring carry forwards. The Capital Programme Deliverability Review presented by the Infrastructure Unit as part of the 10 Year Plan deliberations has given a roadmap for changes in delivery mechanisms. This aims to minimise as much as possible the ongoing Covid related risks and issues such as supply chain, professional services and contractor availability.

Safety and Health

The quarter included two potential incident investigation due to gas line strikes (May and June) with the report finding shared with management and civil construction. The Arena, City Library, MRF and Wastewater Treatment plant all received ELT health and safety focused visits. This affords an opportunity for the business unit leaders to provide operational clarify and highlight what is going well and where they face challenges. Review and development work included permit to work, housekeeping checklists, lone worker assessment and standard operating procedures. Additional training over the period covered: PeopleSafe, Mental Wellbeing, permit to work and behavioural observation training for the ELT. The SafePlus safety culture audit occurred over the span of a week in June, with auditor visiting multiple sites, including interviews with groups and individuals. Recruitment interviews for a Safety and Health Advisor was successful and the additional team member will start on the 23rd of August, bringing the total team number to four.

Three Waters Reform

The Government's Three Waters Reform grant funding allocation, and our associated programme of works, is included in the above financial results across operational and capital renewal/new programmes. To date \$4.94 (53%) of the work has been delivered against the grant funded allocation of \$9.34M, required to be spent by 31 March 2022. Spending against the year to date budget is 62%, due to investigations and design work taking longer than expected. It is requested that carry forward of capital works be increased by \$1.74M and operational expenditure be increased by \$744K. This increase in capital and operational expenditure will be fully offset with additional capital revenue of \$1.74M and operational revenue of \$744K.

External Fundraising

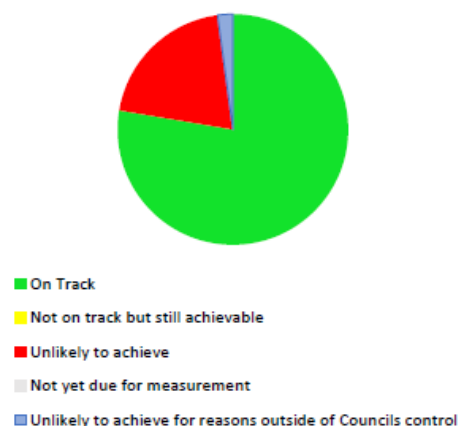
Three sponsors for the 150th year celebrations were confirmed, contributing a total of \$30,000. There has been an additional \$18,000 confirmed as sponsorship for the 150th Gala Dinner from five businesses. \$9,930 has been secured for the Youth Space Longboard and Skateboard making project through Tu Manawa (Sport Manawatu). This project will take place in October 2021.

10 Year Plan KPIs

The graph shows that Council successfully achieved nearly 80% of its 10 Year Plan KPIs this year.

The predominant reason for this increase is external contractor shortages, overseas supply chain issues and staff vacancies. These affected our ability to achieve the capital new and renewal work programmes. Despite this we increased our achievement of the capital new budget from 46% to 72%.

Extra funding for 3 waters reform work was delivered primarily within existing staff resources added to the pressures on achieving



existing work programmes. These pressures are part of wider national and international trends expressed in other sections of this report.

In order to address these issues Council is making improvements such as bundling together contracts to make them more attractive, ensuring that overseas materials are ordered early, and recruiting for staff vacancies.

Catalyst projects

Catalyst Projects are those that will make major contributions to our 10 Year Plan. Recent progress includes:

- Work on the Entrance Plaza, Pits Relocation, and Southern & Western Embankment at the Central Energy Trust Arena is complete and a report on the project, including an independent audit report, is being prepared for Committee in August. The Culture and Heritage / Signage and Fly Palmy Arena (Arena 2) works are also complete.
- Work upgrading the Park Road Entrance at the Esplanade is progressing well and will be completed in July 2021, although the pedestrian overlay may be slightly delayed.
- Officers are preparing the final draft of the Te Apiti – Gorge Masterplan for the Governance Group by the end of the calendar year.
- A lot of work is underway so that a decision on the Wastewater BPO can be made in August. This decision is needed to comply with the statutory requirements of resource consent conditions. The work includes engagement with Iwi, peer review studies, and comparative cost assessments.
- The resource consent for the Whakarongo stormwater discharge has been lodged with Horizons. Agreement was reached with all landowners on the design concept and no objections were raised about development contributions. Now detailed design work is underway.
- Central Government has released its preferred option for the makeup of the proposed three waters entities. PN would be in an entity encompassing the east coast from Gisborne to Wellington, plus Horowhenua, Manawatu and the top of the South Island. The Government also announced a \$2.5B funding package to support the reforms, plus a further \$500M to ensure no Council is worse off after the reforms.

Now that the 2021 10 Year Plan has been adopted we will update the projects covered in the Catalyst Projects report.

Heather Shotter
Chief Executive

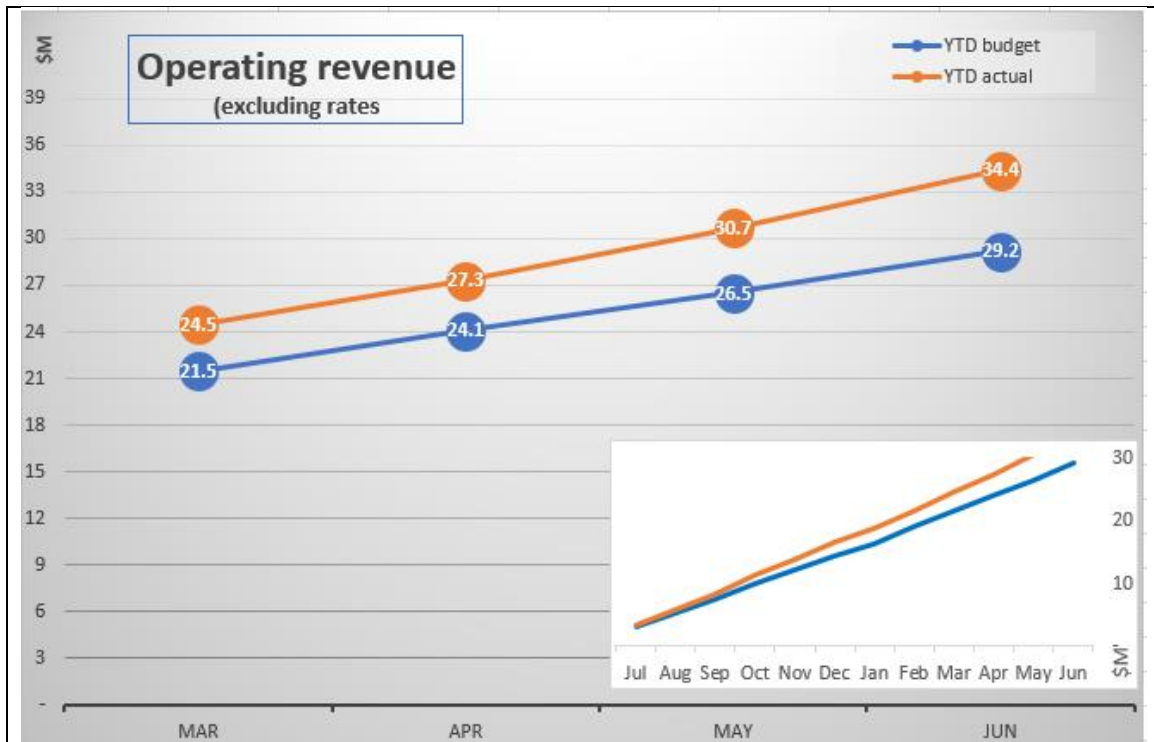
Financial Summary to Budget

The following table of operating financial performance and graphs are compared to revised budget.

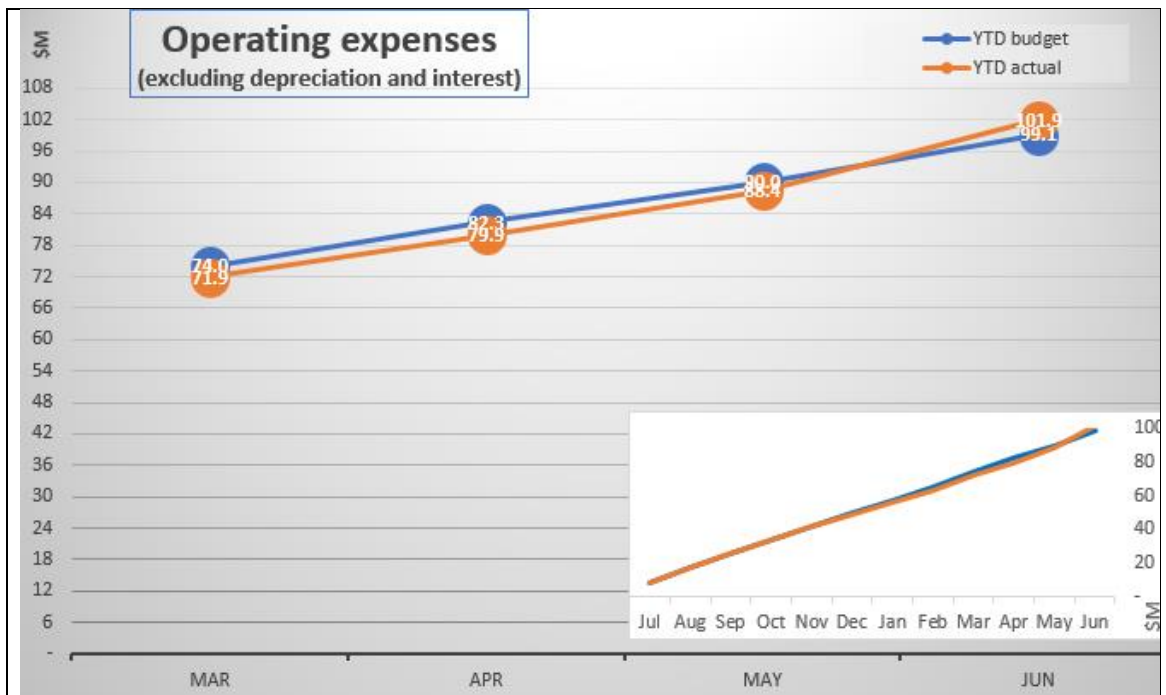
Summary of Financial Performance For the period to 30 June 2021	2020/21 \$000's					
	Year to Date		Variance		Full Year Revised Budget	Full Year Annual Budget
	Actual	Budget	\$000's	%		
Operating revenue	(34,424)	(29,170)	5,255	18.0%	(29,170)	(28,129)
Rates	(101,100)	(100,812)	288	0.3%	(100,812)	(100,782)
Total Revenue	(135,524)	(129,981)	5,543	4.3%	(129,981)	(128,911)
Operating Expenses	103,338	101,060	(2,345)	(2.3%)	101,060	99,794
Net Interest	4,705	5,540	835	15.1%	5,540	5,540
Total Expenses	108,043	106,600	(1,510)	(1.4%)	106,600	105,333
Operating Controllable (Surplus) / Deficit	(27,482)	(23,381)	4,033	17.2%	(23,381)	(23,578)
Depreciation	36,784	40,428	3,644		40,428	40,428
Non-operating revenue	(16,620)	(20,772)	(4,085)		(20,772)	(13,243)
Non-operating expenses	(7,201)	-	7,201		-	-
Net Result	(14,518)	(3,725)	10,793		(3,725)	3,607

Highlights:

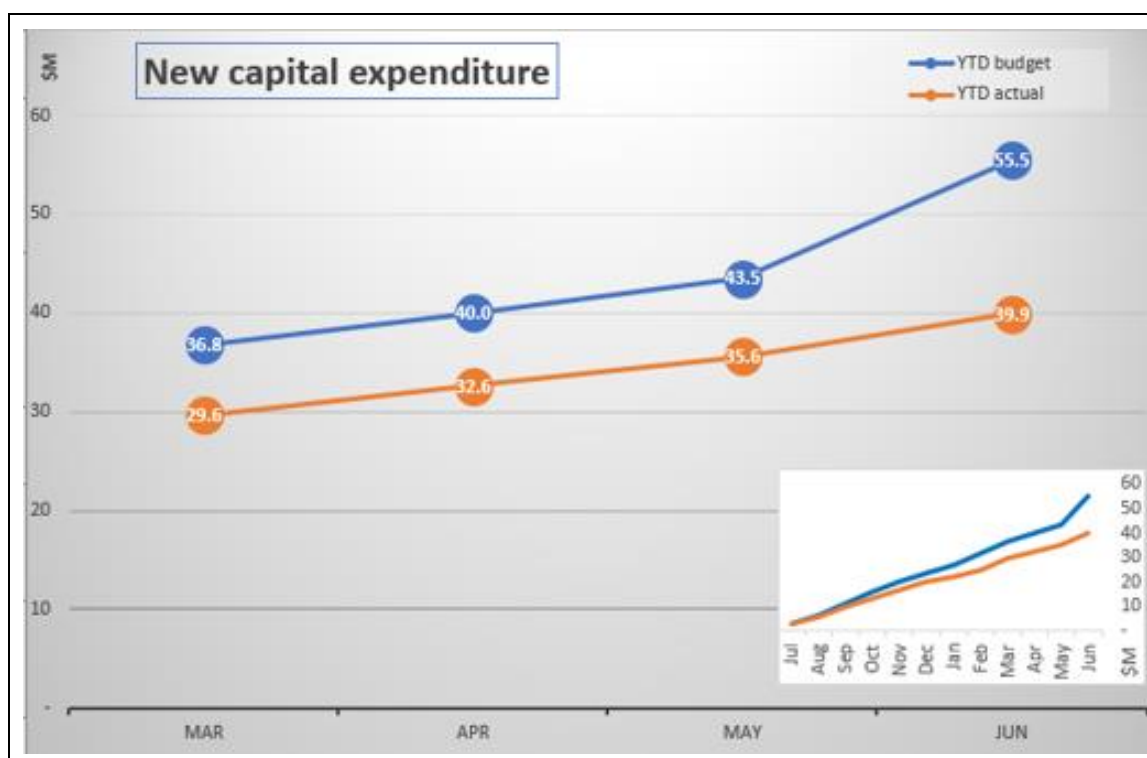
- Overall operating surplus was \$4M favourable against revised budget.
- The following variances contribute to the operating surplus:
 - City development consenting, venues and roading revenue \$4.5M favourable
 - City development consenting, venues and roading expenditure \$4.1M unfavourable
 - Parking, recycling and animal control revenue \$1.4M favourable
 - Te Huringa expenditure \$2.1M favourable
 - Net interest expenditure \$835K favourable
 - Three waters reform operational spending is \$820K behind, which results in revenue being \$820K lower than anticipated
- Accelerated expenditure within the final quarter includes:
 - Significant contracted services on roading, property, reserves and sports fields
 - Digital strategic planning and software licencing
 - Substantial safety improvement and staff training
 - Remuneration increases in some areas
- Non-operating expenses are significantly favourable due to a change in the valuation of swaps.



- Higher revenue comes from building services, planning services, NZTA, venues, parking, waste management and dog registration fees.
- Building services, planning services, venues and NZTA increased revenue has additional expenditure attached.

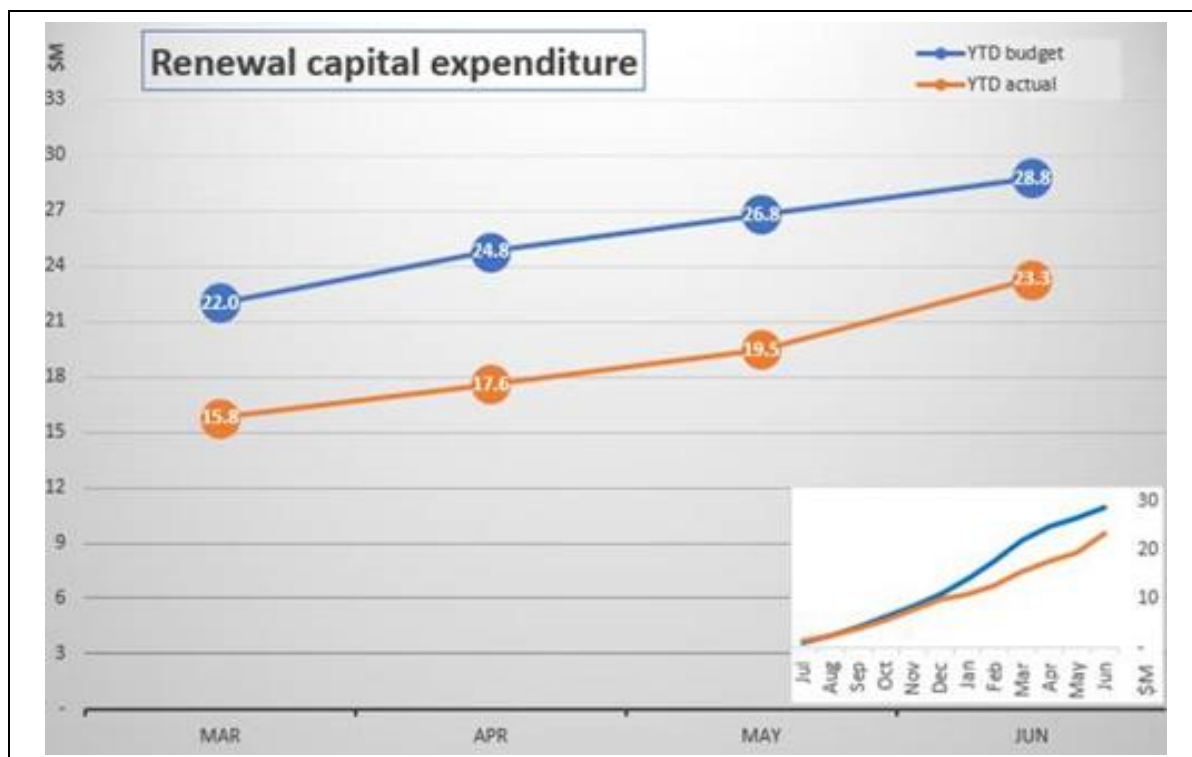


- Expenses overbudget due to increased expenditure associated with higher revenue



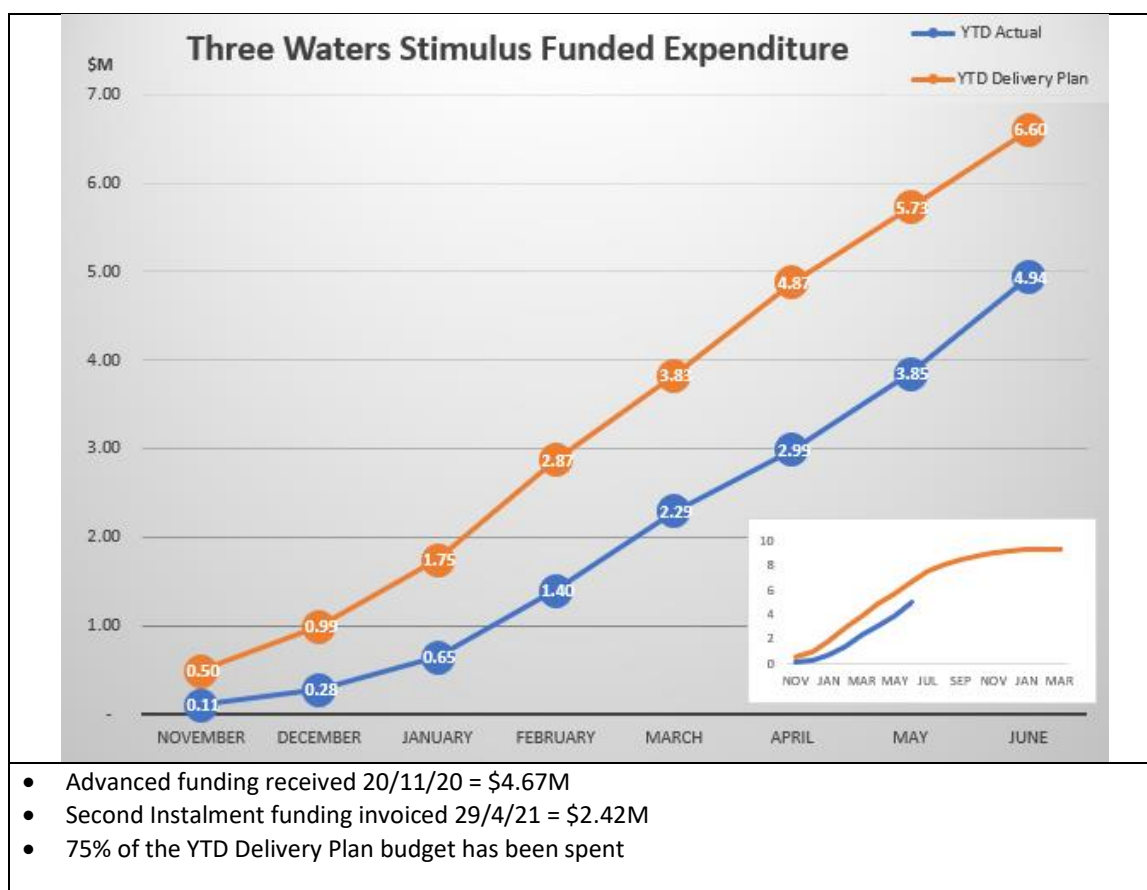
Major Capital New Programmes Behind Budget

Programme Name	Reason for Delay	Variance to Budget	Comments
902-Property - Seismic Strengthening of Council Properties	Contractor	\$1,630K	The contractor development of the design for the Crematorium has taken longer than anticipated, which has led to a delay to the starting of tender process. The Tender report is to be presented to Council in August, with construction to commence thereafter.
91-Turitea Water Treatment Plant - Construction of Duplicate Water Pipeline	Scope change	\$1,390K	New main and rider main has been installed, disinfected and pressure tested. The commissioning plan to be commenced with project on track for completion mid August. Programme expected to be achieved under budget.
651-City-wide - Water Supply Resilience - Seismic Strengthening	Contractor	\$1,060K	Design delay and contractor availability means expected construction start is mid-September.
1559-City-wide - Urban Cycle Infrastructure Network Improvements	Extended stakeholder engagement	\$770K	Due to extended stakeholder engagement in 20/21 has meant that it is proposed to carry forward the programme budget to enable construction to occur 21/22.
144-Urban Growth - Whakarongo - Reserves Land Purchases	Development Dependant	\$650K	Growth Programme. Due to the delay in forecast subdivision development, the purchase of reserves planned for the area has not proceeded.
1413-Bunnythorpe Community Facility	Commencement of construction	\$590K	Delay in the commencement of construction has meant that facility now expected to be complete in first quarter 2021.



Major Capital Renewal Programmes Behind Budget

Programme Name	Reason for Delay	Variance to Budget	Comments
115-City-wide - Sealed Pavement Renewals (Waka Kotahi Subsidies)	Contractor Availability	\$1,000K	The progress of this programme was dependent on both favourable weather conditions and contractor availability. Unfortunately, due to the wetter than expected weather, several projects could not be completed in the 20/21 year. The Fulton Hogan contract is now in place. They plan to complete this work early this financial year.
207-Turitea WTP - Equipment and Facility Renewals	Internal Resourcing	\$720K	Pressure on internal resourcing delayed the start and progress of this programme. This has now been addressed and physical work is progressing.
54-City-wide - Wastewater Pipe Renewal	Contractor Availability	\$460K	Due to contractor equipment failure earlier in the year, the realigning contract was delayed while this was rectified. Unsuitable weather also delayed completion; however, the contractors are onsite, and work is nearing an end.
179-Totara Road Wastewater Treatment Plant - Minor Equipment Renewals	Contractor Availability	\$320K	A number of the projects planned in this programme conflicted with the seismic work being undertaken on the pre-sedimentation tanks. The seismic work is now complete. Work on the sedimentation tank recommenced in June.
199-City-wide - Water Supply Bore and Network Facility Renewals	Internal Resourcing	\$300K	After initial internal resourcing issues caused delays, work has commenced on this programme of work
1620-Totara Road Wastewater Treatment Plant - High Voltage Power renewals	Rescope	\$300K	Project required rescope and redesign due to requirement for structural support in the existing boiler room. Design has now been completed.

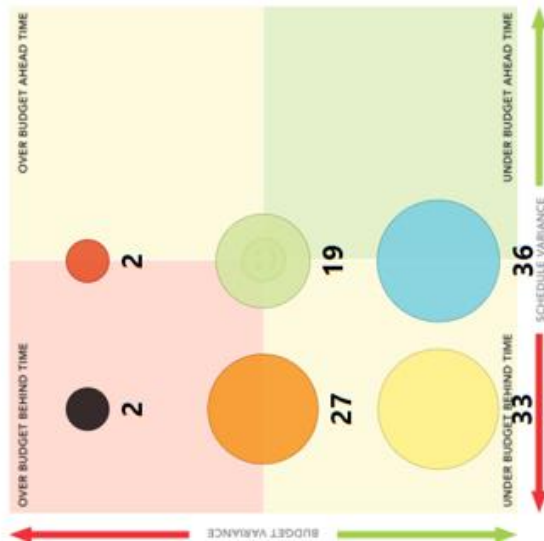


Programme Name	Reason for delay	Comments
2169 Totara Road WWTP - Replacement of Inlet Pumps	Manufacturer Issue	No.1 pump sent back to manufacturers. Once resolved and commissioned, removal and replacement of No 4 pump should take 3 weeks
2043 Turitea WTP Actuator Project	Long lead time for order	Actuators due on site 15 July. Redesign of cabinets following SID visit to fit space available
2428 Turitea WTP Clearwater Roof Replacement	Contractor's Capacity	Contractor to start with design July 2021: 8 - 10 weeks for completion

Capital New

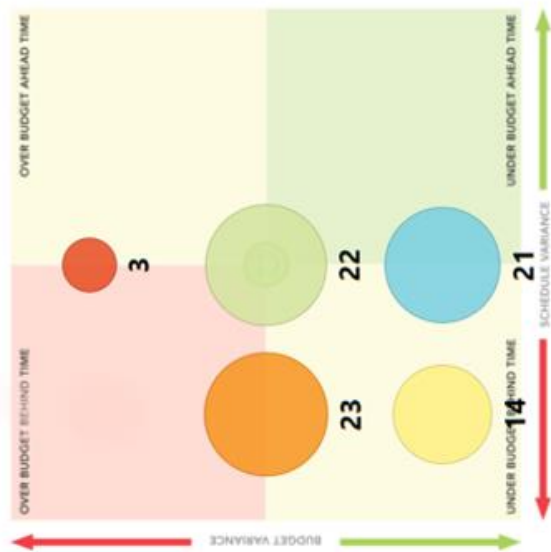
Description	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
	R											
Not Started	36	21	16	10	10	10	12	8	6	5	6	
On Budget Ahead of Schedule	2		2	2	2	1	1	2	1	1	1	
On Budget Behind Schedule	5	7	5	6	6	3	6	4	6	8	15	27
On Track	29	14	16	12	13	13	8	10	14	17	14	19
Over Budget Ahead of Schedule	1	2	2	9	6	8	7	4	3	2	1	
Over Budget Behind Schedule	1	10	6	5	5	3	2	2	6	4	10	2
Over Budget On Schedule	18	22	21	11	13	12	15	14	14	11	7	2
Under Budget Ahead of Schedule			2	4								
Under Budget Behind Schedule	1	23	24	29	32	40	46	47	47	50	46	33
Under Budget On Schedule	19	13	18	24	27	25	23	29	23	22	20	34
Total	112	112	112	112	114	115	120	120	120	120	120	117

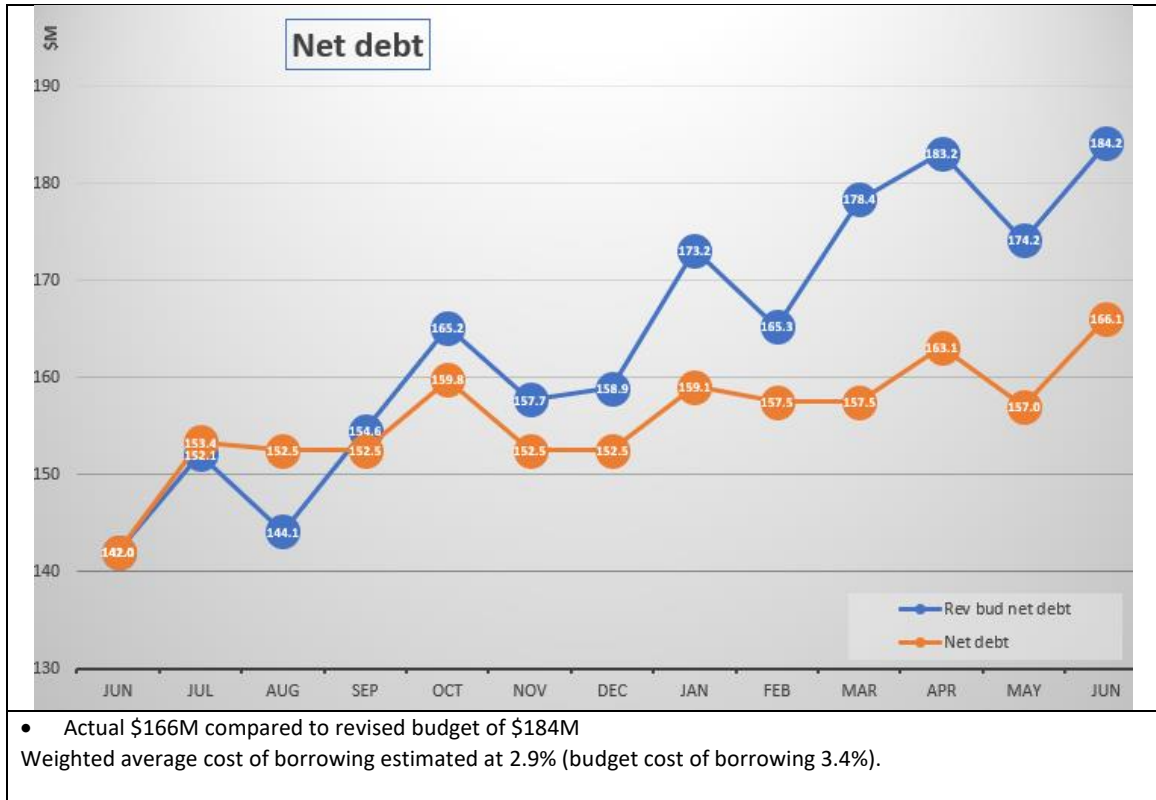
Programme	Comment
1410 Recycling - Recycling Bins and Crates to Non Residential Properties	The bins and crates have been purchased in advance, to allow for service request to be provided promptly. This is pre-emptive because of importation risk. There has been higher uptake of this service than anticipated this financial year.
1196 - Cemeteries - Kelvin Grove - New Staff Facility	The 2021 programme budget was for design, which has now been completed. Costs were higher than budgeted as the design required additional rework to accommodate the changes made to the administration functions of the cemetery. Construction will form part of programme 902 - Seismic Strengthening of the Crematorium.



Capital Renewal

Description	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
	R											
Not Started	30	21	17	11	10	9	5	2	2	1	1	
On Budget Ahead of Schedule	1		1	1	1	1	3	4	3	2	3	
On Budget Behind Schedule		3	5	4	3	4	5	2	4	9	16	23
On Track	21	11	8	8	12	12	11	12	14	14	15	22
Over Budget Ahead of Schedule	1		2	4	4	6	3	2	1	1	1	
Over Budget Behind Schedule	2	4	6	4	3	3	2	1	1	2	1	
Under Budget On Schedule	15	15	13	10	8	9	9	5	6	4	2	3
Under Budget Ahead of Schedule				1	1	3		1			1	
Under Budget Behind Schedule	12	18	21	21	21	24	27	33	34	31	29	14
Under Budget On Schedule	10	14	10	15	18	11	16	19	16	17	13	20
Total	80	80	80	79	81	81	81	81	81	81	81	83





10 Year Plan Catalyst Projects Monthly Update to 30 June 2021

City Centre Transformation Catalyst Projects			
	What happened in June	Alerts (if any)	What's Next
'Streets for People' (City Centre Streetscape Plan and Redesign)	Quantity Surveyor (QS) high level costing report complete for all remaining streets. Technical concept design reviewed by PNCC technical officers. Co-design with Rangitāne initiated.		Wider stakeholder engagement in remaining areas. Consider QS report. Continue co-design of streetscape / landscape with Rangitāne designer.
Te Manawa 2025 Redevelopment/ Central Library (Civic Master Plan)	ARUP appointed as preferred supplier for masterplan.		Develop civic and cultural precinct masterplan.
Central Energy Trust Arena Masterplan and projects	<p>Entrance Plaza, Pits Relocation, and Southern & Western Embankment: The project is now complete.</p> <p>Culture and Heritage/ Signage: The project is now complete.</p> <p>Fly Palmy Arena (Arena 2): The project works are complete and the venue is fully operational. Council Officers now are awaiting the final sign-off report from the external fire engineer.</p>	Grandstand Funding: This project is reliant on external funding. Fund raising is currently on hold, but the project is in the adopted 10 YP in years 3-6.	<p>Entrance Plaza, Pits Relocation, and Southern & Western Embankment: The project close-out and financial report is being finalised and is to be presented to Council, along with an independent audit report for the project, in August 2021.</p> <p>Final minor defect works are being completed.</p>
Heritage Protection Package	Funding provided for protecting 158 The Square (new roof).		Continue to promote the fund.

Manawatu River Network Catalyst Projects			
	What happened in June	Alerts (if any)	What's Next
Victoria Esplanade Masterplan and projects	<p>Park Road Entrance: The construction on site is progressing well.</p> <p>Wayfinding: Wayfinding Strategy work progressed, aligned to Palmy branding, and is close to completion.</p> <p>Note: Construction of the Shade/Bonsai House and replacement of Exotic Aviaries have been deferred to year 4 of the 10 Year Plan.</p>	Park Road entrance: A small carry forward into 2021/22 as not all works were completed in the financial year.	<p>Park Road entrance: The construction works are expected to be completed by the end of July 2021. There is some risk of the pedestrian overlay being delayed.</p> <p>Wayfinding strategy: Begin the roll out of new wayfinding signs.</p> <p>Victoria Esplanade Masterplan Implementation Communication Plan: Review the development programme.</p> <p>Propagation glasshouses renewal (in yard behind conservatory/ Wildbase Recovery): Initiate project with replacement to span 21/22 and 22/23 years.</p> <p>Manawaroa St Pedestrian Entrance enhancement: initiate project.</p>

Manawatū River Shared Pathway (Ashhurst to City)	An Elected Member briefing will be held in August		
Te Apiti Biodiversity and Recreation	<p>Working on a draft of the Masterplan.</p> <p>Technical workshop completed with Health Research Council, Manawatu District Council, Tararua District Council & Department of Conservation staff.</p>		<p>Final draft of Masterplan to be considered by Te Apiti Manawatu Gorge Governance Group by December 2021.</p> <p>NZTA work is ongoing into the future use of the old Gorge Road.</p>
Manawatu River Framework (including Ahimate Park)	<p>Cultural: The old shed on site at Marae Tarata will be leased to as to Rangitāne, to accommodate a carving workshop, subject to them obtaining resource consent.</p> <p>Riverside cycle activities: Planning underway for more track development, and another skills area.</p> <p>Exercise equipment: The design work progressed. There are now three full concepts deployed in computer-aided design for construction.</p> <p>Victoria Esplanade river entranceway: Concrete is complete up to the Rail ticket booth, pagoda is up, all drainage is in place.</p> <p>Turitea Pa site: Fabrication is underway.</p> <p>Wayfinding: All 'slow down' signs are made and ready to install. Subway maps being finalised. Stencils are in production.</p> <p>Albert Street Tree Forts: New forts design is now complete.</p>		<p>Cultural: Property Group engaged to complete a resource consent application.</p> <p>Riverside cycle activities: Finalise plan.</p> <p>Exercise equipment: Complete the design work.</p> <p>Victoria Esplanade river entranceway: To be completed and blessed at same time as Cook St/Park Rd intersection upgrade.</p> <p>Turitea Pa site: Complete all fabrication work ready for installation.</p> <p>Wayfinding: Installation of a map system trial and the ground markings.</p> <p>Albert Street Tree Forts: Ready for building in the new financial year</p>
Te Motu o Poutoa	Development of the design scope has progressed at pace, via the working group		Briefing planned to bring Council up to speed on the preliminary thinking of the working group to date. Assessment of the design process to identify key briefing points for both partners – Rangitāne and Council.

Sustainable Growth Catalyst Projects			
	What happened in June	Alerts (if any)	What's Next
Wastewater Treatment Plant Upgrade	Project Steering Group (PSG) and Project Technical Team meetings occurred as scheduled.	A decision by Council on the BPO is required in August in order to meet statutory requirements of resource consent conditions.	Prepare summary report of the review feedback for land-based discharge, outlining a final outcome & next steps document.
	Engagement with Iwi continued. Including hui with Rangitāne and Raukawa, occurring to support the delivery of Maori Values Assessment & MCA.		Ongoing testing of trade waste discharges in wastewater network.
	BPO Assessment criteria further refined with peer review from Simpson Grierson (legal advisors).		Finalise the Planning Assessment with input from Rangitāne values assessment.
	Objectives Assessment and Eco-Strategy Assessment completed.		Incorporate Māori values assessment (Rangitāne) and MCA (Raukawa), Iwi into the BPO assessment process.
	Carbon Analysis Complete and peer reviewer appointed to review this.		Assess potential BPO options against the BPO Criteria to identify preferred option.
	Peer review for the land-based discharge options progressed to completion.		Peer review of all BPO assessment reports and BPO Recommendation Report (by legal advisors).
	Peer Review of costs for shortlist options completed and subsequently the shortlist options updated for the BPO Assessment process.		Council workshops as part of BPO recommendation process.
	Comparative cost assessment completed (to inform BPO assessment)		Report to Council on final Recommended BPO.
	Stakeholder and Community Engagement Assessment report completed.		Stakeholder engagement and communications material to be prepared to report on BPO outcome.
	Council briefing on the BPO Assessment process undertaken.		Develop Budget for new Financial Year. To be confirmed upon decision on BPO.
	Liaison with Horizons Regional Council regarding extension of time/variation to BPO decision.		Performance review of technical consultants to determine if the next phase of project will be awarded (extension of contract), to continue with Stantec.
	Feedback received from legal advisors on Local Government Act consultation requirements received.		
	Testing for emerging contaminants in wastewater continued.		

Sustainable Growth Catalyst Projects			
	What happened in June	Alerts (if any)	What's Next
Regional Ringroad, Rail, Airport and multi-modal infrastructure to enable Longburn and NEIZ industrial growth	<p>Council evidence lodged for KiwiRail Freight Hub Hearing.</p> <p>Finalising Central NZ Distribution Hub (CNZDH) Strategy.</p> <p>Confirmed CNZDH and PNITI reference and steering groups.</p>	<p>Gaps in KiwiRail proposal that will need to be addressed by KiwiRail at the hearing.</p>	<p>Hold KiwiRail Notice of Requirement hearing.</p> <p>Confirm CNZDH strategy.</p> <p>First meeting of CNZDH and PNITI reference and steering groups</p>
Infrastructure for Residential Growth: Whakarongo, Aokautere, City West Urban Intensification, Ashhurst	<p>Tamakuku Terrace, Whakarongo: Earthworks and civil works progressing well and to plan and programme.</p> <p>Aokautere: Finalising structure plan. Hearing on designation to secure Abbey Road connection to Johnstone Drive approved – and then appealed.</p> <p>Kakatangiata: Investigation stage completed. Preferred option released to landowners.</p> <p>Ashhurst: Technical analysis to inform District Plan Change.</p> <p>Roxburgh Crescent: Technical analysis to inform District Plan Change.</p>	<p>Tamakuku Terrace, Whakarongo: Council is working with Horizons to obtain a global consent for stormwater for the entire Whakarongo growth area. Obtaining resource consent for Stage 2 of the development cannot proceed until the required global consent is approved.</p> <p>Aokautere: Abbey Road connection to Johnstone Drive has been appealed.</p>	<p>Tamakuku Terrace, Whakarongo: A public open day proposed in September 2021. The public section sales process will also begin in September 2021.</p> <p>Aokautere: Finalise Plan Change and report to Council in September 2021.</p> <p>Kakatangiata Analysis continues</p> <p>Ashhurst: Technical analysis and consultation to inform District Plan Change. Report to Council in October 2021.</p> <p>Roxburgh Crescent: Finalise Plan Change and report to Council in October 2021.</p>
City-wide Stormwater Management	<p>Whakarongo: Resource Consent for stormwater discharge lodged with Horizons on 12th July 2021. Agreement has been reached with all landowners on concept design. No objection was received in relation to development contribution that was distributed to all stakeholders.</p> <p>Stormwater Management Framework: Work on the framework is revived. A new engagement been finalised to kick-start the continuation of the final phase.</p>		<p>Whakarongo: A work programme for detailed design will be advanced immediately. Site visit to refine the alignment and soil investigation works for the downstream channel improvement works are on-going.</p> <p>Stormwater Management Framework: Review and finalise the draft document and proceed with stakeholder consultation. This will be reported to Council</p>

Sustainable Growth Catalyst Projects			
	What happened in June	Alerts (if any)	What's Next
	<p>Stormwater Capital and Renewal: Programme of works for 21/22 is finalised, working together with the design team on design briefs and deliverables. Stormwater renewal of Botanical Rd is on-going.</p> <p>Pump stations: Some of the carry forwards works from last financial year is close to completion.</p>		<p>once completed in the 2nd quarter of the 21/22 FY.</p> <p>Stormwater Capital and Renewal: Some big improvement projects such as Gasworks Dr improvement and piping of the Jamiesons Dr will be tendered out.</p> <p>Pump station: Investigation Engineers are investigating the scope of the programme for this financial year. The procurement plan is being advanced for pumps and other mechanical equipment.</p>
City-wide water supply, source and storage development	<p>Turitea Duplicate Water Main: The final 250 metres of pipe has been installed. Pressure testing is complete. Rider main connections are being completed prior to the last cross connection to the existing main.</p> <p>Papaioea Park Bore 3: Installation and commissioning of the UV is complete. Compliance reporting has been set up and the format approved by the Drinking Water Assessor. Inspection of the bore has revealed some damage which is likely to be causing sand ingress.</p> <p>Railway Road Bore: Construction of the walls for the Pump Station and Chemical Building completed. Pumps have been installed in the Pump Station building. A draft plan was received from KiwiRail proposing a land swap with Council at the bore site to facilitate access for trains past the bore site.</p> <p>Ashhurst Rising Main Renewal Stage 3A: Physical works complete. Reinstatement and as-built drawings only remaining work to be done.</p>		<p>Turitea Duplicate Water Main: Commissioning of the new duplicate main.</p> <p>Papaioea Park Bore 3: Visual inspection and construction records will be reviewed prior to discussion with the company that drilled the bore.</p> <p>Railway Road Bore: Re-design for gravity sewer without using pump chamber underway. Preparations being made for roofing and equipping of buildings. Need final designs and costs for access road and fencing to enable site to be fully commissioned. Continue discussions with KiwiRail about site and land swaps and offsets.</p> <p>Ashhurst Rising Main Renewal Stage 3A: Finish reinstatement, create as-built drawings and close out finances.</p>

Major Internal Projects			
	What happened in June	Alerts (if any)	What's Next
Three Waters Model	<p>Following consultation across the country with local government and iwi, and analysis of RFI submissions across the country, the Government released its preferred option for multi-region public owned 3 water service delivery entities. High level decisions about the number of entities, the boundaries, their organisation form and governance have been provided.</p> <p>Palmerston North is proposed to be in one of 4 entities encompassing the east coast from Gisborne to Wellington Region, Horowhenua, Manawatu and Palmerston North, and the top of the South Island.</p> <p>Participation in the reform process to date, enabled a \$9.34M grant to Council for 3 Waters infrastructure investment (Nov 2020 to 31 March 2022). The programme of work for expenditure of this grant funding is progressing well – as outlined separately in this report.</p> <p>All information on the reform process and associated reports are available on the DIA website (Three Waters Reform Programme - dia.govt.nz)</p>		<p>Release of Government's decision on future direction for 3 Waters Reform and a \$2.5B support package was outlined at LGNZ Conference in Blenheim mid-July 2021. A total of \$500M is allocated to ensure no Council is worse off as a result of the reforms, and \$2B for Councils to invest in the future for local government, urban development, and the wellbeing of communities. The \$2B allocation is based on population (75%), relative deprivation (20%) and land area (5%), of which Palmerston North's allocation is \$32.63M.</p> <p>The Manawatu-Whanganui Regional Service Delivery Review work has been discontinued as a result of the reform process.</p>

Quarterly Performance and Financial Report - June 2021

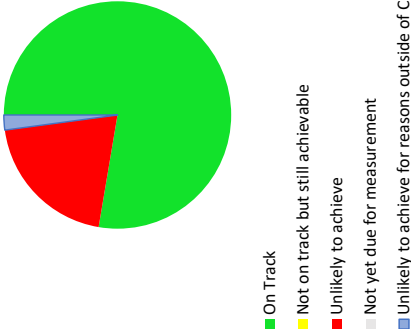
10 Year Plan KPIs

This part of the report looks at how well the Council is delivering on the performance measures, and whether services and projects are being provided within budget.

The report is organised by Activities. Each Activity page has "traffic lights" to show progress towards the 10 Year Plan:

	W
Not yet due for measurement	G
On track	Y
Not on track but still achievable	R
Unlikely to achieve	B
Unlikely to achieve for reasons outside of Councils control	

Annual Budget Performance Measure Summary



Performance Measure Summary by Activity										Total
Goal 1 - An Innovative & Growing City										
City Development	4	-	3	-	1	-	-	-	-	8
Strategic Transport (Roading)	5	-	3	-	-	-	-	-	-	8
Economic Development	2	-	-	-	-	-	-	-	-	2
Goal 2 - Creative & Exciting City										
Active Public Space	6	-	-	-	-	-	-	-	-	6
Arts, Culture and Heritage	5	-	-	-	-	-	-	-	-	5
Active Community	5	-	-	-	-	-	-	-	-	5
Goal 3 - Connected & Safe Community										
Connected Communities	15	-	1	-	-	-	-	-	-	17
Safe Communities	7	-	-	-	-	-	-	-	-	7
Goal 4 - Eco-City										
Rubbish and Recycling	4	-	-	-	-	-	-	-	-	4
Biodiversity and Sustainable Practices	4	-	-	-	-	-	-	-	-	4
Stormwater	5	-	2	-	-	-	-	-	-	7
Wastewater	3	-	4	-	-	-	-	-	-	7
Water Supply	5	-	6	-	-	-	-	-	-	11
Goal 5 - Driven & Enabling Council										
Leadership	3	-	-	-	-	-	-	-	-	3
Total Measures										94
% of measures able to be measured										78%

Goal 1: An Innovative and Growing City

City Development Activity

Performance Measures (Page 44 of the 10 Year Plan)		Comments	Sept	Dec	March	June
01. There is a continual supply of land for at least 1,900 greenfield residential sections.		There are 1320 greenfield sections available, as identified in the 2021 Housing Capacity Assessment. While capacity is lower than the target set, housing supply is being provided primarily through infill/intensification, which places a lower emphasis on greenfield supply needing to be as high. New targets for 2022 require only a rolling supply of 200 lots per year for the next 3 years. Therefore, greenfield supply will be sufficient to meet central government requirements for at least the next 3 years.	G	R	R	R
02. Ratio of lower quartile home price to median household income. (This measures whether a household that is renting can afford to buy a home. It is part of the MBIE set of indicators and will allow comparisons with other Councils. It is a new measure so Council has no target set yet.)		The ratio of lower quartile price to median household income was 67.5% in the December 2018 quarter. The housing affordability indicator was last updated by the Ministry of Housing and Urban Development in July 2019.	B	B	W	B
03. At least 95% of resource consent applications are processed within statutory timeframes.		86% of consents (376 of 436) were processed within statutory timeframes compared to last years result which was 65%. Communication with the development community about potential delays will continue. Consent numbers and enquiries for development remain very high and analysis of resourcing requirements are regularly assessed.	Y	Y	R	R
04. At least 95% of building consent applications are processed within statutory timeframes.		Of the 419 building consent applications processed for the quarter, 385 (92%) were processed within the statutory timeframe. Year to date: Of 1,413 consents processed, 1,321 (93%) were within the statutory timeframe. This year has seen an increase in both building consent volume and complexity while recruitment and retention of staff has become difficult.	G	Y	R	R
05. Council keeps its status as an accredited building consent authority.		PNCC was re-assessed as a Building Consent Authority April 2021. Following successful completion of the current non-compliance action plan, re-accreditation is likely to be offered from July 2021.	G	G	G	G

06. At least three years of housing and business land with services is immediately available.	Housing will increasingly need to be accommodated through infill/intensification. More commercial land will need to be rezoned in 2023 to ensure ongoing supply matches demand needs.	G	G	Y	G
07. Council development projects reflect principles of good urban design. (Narrative measure)	Streets for people is giving effect to strategic direction regarding urban design. For example, Square East between the Plaza and bus depot and	G	G	G	G
08. Major services and projects are provided within budget.	Major services and projects have been delivered within budget.	G	G	G	G

Strategic Transport (Roading) Activity

Performance Measures (Page 48 of the 10 Year Plan)	Comments	Sept	Dec	March	June
01. Percentage of requests for service relating to roads and footpaths responded to (with at least an initial formal response) within three working days. (greater than 95%)	4520 of the 6265 requests for service received (72.14%) were responded to within the 3 working day time frame. Achievement of this target is not considered achievable given most RFS relate to non-urgent work requests. Activity Managers will identify the subset of all RFS which should be responded to in three days based on urgency and criticality and seek an amendment to the KPI to reflect this.	R	R	R	R
02. The average quality of ride on the sealed local road network, measured by smooth travel exposure. (STE greater than 80%)	The average quality of ride on the sealed local road network is 85% .	G	W	G	G
03. The change in the number of fatal and serious injury crashes from the previous financial year on the city's local roading network. (Decline)	A total of 29 fatal and serious injury crashes have occurred in the 12 months to 30 June 2021, compared to 43 recorded in the 12 month period to 30 June 2020.	G	G	G	G
04. A decline in the five-year rolling average number of fatal and serious injury accidents.	A total of 32.8 fatal and serious injuries on average per year were recorded for the 5 year period ending 30 June 2021, compared with 32.8 fatal and serious injuries per annum for the 5 year period ending 31st March 2021.	G	G	B	G
05. Percentage of sealed roads that are resurfaced each year. (Greater than 3.5%)	The total sealed network is 523.3km. Resurfaced network total for 20/21 is 28 km (3.5% of the network is 18.3km).	R	R	G	G
06. The percentage of footpaths that meet Council standard. (Note: Council is developing an improved system for monitoring footpath standards. It is based on IPWEA (Institute of Public Works Engineering Australasia). Footpath Condition Rating Standard, and will be a much more robust way of measuring and prioritizing footpath maintenance and renewals. The results in the first year of its use will be used to set new targets for subsequent years.)	A repeat survey of footpath condition has just been completed which confirms that 95.5% of footpaths meet council standard, with a condition score of grade 1, 2 or 3. The total length of faults with a condition grading of 4 or 5 is 25.5km, which equates to 3,133 individual faults captured.	G	W	G	G
07. A 30-year Asset Management Plan is in place for strategic transport and roading, and major AMP projects approved in the 10 Year Plan are achieved. [Specific projects will be listed in the Plan] (Renewals as a group: see note in 10 Year Plan pg. 48)	The 30 Year Asset Management Plan (2017-2047) for the 2018-21 LTP was adopted in 2018. Road pavement renewals for 2020/21 were not achieved. Contractor capacity and constraint on resources affected delivery.	G	G	G	R

<p>08. Strategic Transport (Roading) and Active and Public Transport: Major services and projects provided within budget.</p>	<p>Routine maintenance and renewals for footpaths and sealed road resurfacing were delivered within budget. However, road pavement renewals were not delivered against budget, with Council's share (49%) of excess budget now carried forward into FY 2021/22. Contractor capacity and constraints on resources affected tendering and procurement of delivery. Community engagement and consultation on some programmes (Urban Cycle Network Development, Aokautere Drive Pedestrian Cycle Improvements, Summerhill Drive Pedestrian Cycle Improvement) and pending announcements on Kiwi Rail Hub led to delays in progressing works.</p>	<p>G</p>	<p>G</p>	<p>R</p>	<p>R</p>
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Economic Development Activity

Performance Measures (Page 58 of the 10 Year Plan)	Comments	Sept	Dec	March	June
01. Funding is distributed and the contract deliverables achieved with the funding will be described. (Narrative measure)	Funding and deliverables in accordance with approved statement of intent. Eg CEDA worked on Central New Zealand Distribution Hub Draft Strategy and Regional AgriTech Strategy. AgriFood Week involved 17 events, attended by over 1200 people. Multi-regional partnership to support the NZ Defence Force with the relocation of their Whenuapai workforce to Ohakea. 345 Palmerston North businesses (including 13 Māori businesses) received support through engagement with CEDA and the Regional Business Partner Programme. \$902,955 vouchers were issued to these businesses through government COVID-19 support, the Tourism Transition Fund and NZTE capability funding.	G	G	G	G
02. Major services and projects are provided within budget.	Services are provided within budget. Capital projects are on track on budget.	G	G	G	G

Goal 2: Creative and Exciting City

Active Public Space Activity

Performance Measures (Pages 65-66 of the 10 Year Plan)	Comments	Sept	Dec	March	June
01. Projects from the City Centre Streetscape Plan are implemented on time and budget. (Narrative measure)	This years work focused on design with a draft technical concept design for Streets for People completed. Stakeholder engagement will commence during the next quarter along with the development strategic procurement strategy with a view of mitigating impacts of delays incurred to date.	G	R	R	G
02. Projects from the Manawatū River Framework are implemented on time and budget. (Narrative measure)	Overall the Manawatū River Framework programme is ahead of time and on budget. Cultural: The old shed at Maraetara will be leased to Rangitāne to accommodate a carving workshop, subject to them obtaining resource consent. Riverside Cycle Activities: Planning is underway for more track development and another skills area. Exercise Equipment: The design work has progressed. There are now three full concepts deployed in computer-aided design for construction. Victoria Esplanade River Entranceway: Concrete is completed up to the rail ticket booth, the pagola is up, and all drainage in place. Turitea Pa site: Fabrication is underway. Wayfinding: All slow-down signs are made and ready for installation. Subway maps are being finalised. Albert Street Tree Forts: The new forts design is now complete. Te Motu o Poutoa: Development of the design scope has progressed at pace, via the working group.	G	G	G	G

<p>03. Description of the range of public space projects and their outcomes. (Narrative measure)</p>	<p>The innovating streets programme delivered the Main Street Cycleway, Sunday's on George Street car free days, Square Edge activation and Ruha Street traffic calming. These projects have utilised tactical urbanism approaches to creating safer environments for active transport. Square East was opened. This finalised the first stage of the Streets for People programme. Central Energy Trust Arena gateway entrance onto Cuba Street and Waldegrave Street was opened. This connection provided an inviting entrance way into the arena and helps activate Cuba Street as part of the wider Cuba Street renewal programme, which seeks to create a pedestrian friendly place experience between the CBD and Arena. Construction of the new Esplanade entrance on Park Road and Cook Street began. Once completed, this new entrance way will provide a safer environment for visitors to access the Victoria Esplanade. It will also provide a safer environment for users of the Lido.</p>	<p>G</p>	<p>G</p>	<p>G</p>	<p>G</p>
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Performance Measures (Pages 65-66 of the 10 Year Plan)		Comments		Sept	Dec	March	June
04. Description of the range of community events and initiatives. (Narrative measure)			Community events and initiatives were impacted at the beginning of the year due to Covid-19 restrictions on gathering sizes. A range of large Community events were hosted throughout the year including relaunching Passport to Play, Streets for People Party, Spring Films, Koanga Bonfire, Fireworks over the River, Festival of Arts, A Very Palmy Christmas, Lunar New Year, Gravel and Tar and the rescheduled Explore Esplanade Day and Anzac Day commemorations. A diverse range of culturally lead events continue to be developed, partially funded and provided with operational support including Eid Fitr and Diwali. The 150th Event Seed Fund was well subscribed with additional sponsorship money being sourced to allow for a total of \$28,850 grant funding - up from initial amount of \$20,000.	G	G	G	G
05. Funding for economic events is distributed and the contract deliverables achieved with the funding are described. (Narrative measure)			This year funds from the Major Event Fund went to Manawatu Cycling Spree (Gravel and Tar), Armageddon, Jazz Festival, National Young Performer Awards and the Rural Games. In spite of Covid-19 restrictions on events, these major events contributed to the vibrancy of the city and delivered significant economic benefit and visitation.	G	G	G	G
06. Major services and projects are provided within budget.			Services are provided on budget. Capital projects are on track and on budget.	G	G	G	G

Arts, Culture & Heritage Activity

Performance Measures (Page 71 of the 10 Year Plan)	Comments	Sept	Dec	March	June
01. Funding is distributed and the key objectives achieved with the funding are described. (Narrative measure)	Creative Communities Scheme funding was completed for the year with 62 applicants of which 42 were successful in receiving funding. Successful application was made in partnership with Square Edge Community Arts to the Creative New Zealand Local Government Arts Fund to engage community members in arts leadership and mentoring programmes for \$49,300 in funding. Whanau Day programme in the Papaioea Festival of the Arts 2021 received support from Arts Initiatives to ensure activities could be offered to the community free of charge. PNCC, Square Edge Community Arts and Massey University resolved to continue the Artist in Residence programme. Launch of Falling Water was planned in association with project partners Te Manawa Museum and the Palmerston North Public Sculpture Trust.	G	G	G	G
02. Sites of significance to Rangitāne are identified, protected or acknowledged. (Narrative measure)	The District Plan continues to protect all the sites requested to be protected by Rangitāne. A review of the District Plan in 2022 will provide an opportunity to identify additional sites for protection	G	G	G	G
03. Increase in the number of scheduled heritage features contained in the District Plan. (Current numbers are 7 Sites of Significance to Tangata Whenua, 89 Buildings & Objects, 2 Heritage Areas, 117 Notable Tree and Groups of Tree, and 15 Habitats of Local Significance).	This will be considered in a future plan change (scheduled for 2022)	W	G	W	G
04. Increase in investment in earthquake-prone heritage buildings. (Narrative measure)	Heritage fund is continuing to assist landowners to strengthen their buildings, eg All Saints Church	G	G	G	G
05. Major services and projects are provided within budget.	Operational expenses were overbudget by 1%. Capital expenditure was within budget.	G	G	G	G

Active Community Activity

Performance Measures (Page 76 of the 10 Year Plan)		Comments	Sept	Dec	March	June
01. A 30-year Asset Management Plan is in place for sports facilities and major AMP projects approved in the 10 Year Plan are achieved. [Specific projects will be listed in the Plan.] (Renewals as a group and Central Energy Trust Arena projects.)		The 30 Year Asset Management Plan (2017-2047) for the 2018-21 LTP was adopted in 2018 for sports facilities. All major AMP projects approved in the 10-Year Plan were achieved including reconstruction of cricket blocks at Fitzherbet, Manawaroa and Ongley Parks. Synthetic court refurbishments at Vautier and Takaro Parks and Recreation Ground changing room replacements are now underway in Bunnythorpe.	G	G	G	G
02. Sports fields are available for weekend organised use. (At least 85%)		Sports field grounds were available for organised weekend use, 100% of the year	G	G	G	G
03. Swimming pool annual usage: Lido - more than 330,000 people; Freyberg - more than 110,000 people. Include figures on under 5s, plus comparative to when free swimming under 5s was implemented (last financial year)		The overall recorded attendance improved significantly at all swimming pool facilities in 2020/21. The total number of users recorded 12 months to June 2021 at the Lido was 379,020, an increase of 29% from 2020 and the total under 5's for the year recorded 13,918, also an increase of 22% from last year. Freyberg achieved a total attendance figure of 191,282, up 28% from last year, citing a significant increase in attendance due to hosting a number of large swimming carnivals throughout 2020/2021. The total under 5's attendance reached 5,055, an increase of 35% from this time last year. Splashhurst recorded a total of 36,923 attendances for the last 12 months, a significant increase of 49% compared to this time last year. Attendance figures for the under 5's group reached 740, which also was an increase from the same period last year of 10%. Please note that the previous year 2019/2020 was impacted by Covid-19.	G	G	G	G

<p>04. Funding is distributed (for external recreation organisations to help increase levels of participation in sport and active recreation) and the key objectives achieved with the funding are described. (Narrative measure)</p>	<p>Sport Manawatu receives Council funds to assist the community's participation in play, active recreation and sport through various activities and programmes. It also allocates funds on Council's behalf (such as the Active Communities Fund). Sport Manawatu hosted a 10-year plan sector forum in April with many attending organisations going on to make submissions on the Council's active communities activity. In preparation for a number of proposed 10-year plan sport facility research reports Sport Manawatu have also been involved with Council on a 'sport readiness project'. Sport Manawatu continued to assist the local sport and recreation sector through its wide range of activities. Their annual report for 2020/21 will be presented to the Play, Sport and Recreation Committee in October.</p>	G	G	G	G
<p>05. Major services and projects are provided within budget.</p>	<p>Services are provided on budget. Capital projects are on track on budget.</p>	G	G	G	G

Goal 3: Connected & Safe Community

Connected Communities Activity

Performance Measures (Pages 93-94 of the 10 Year Plan)	Comments	Sept	Dec	March	June
01. Library visitor numbers. (More than 800,000 connections a year)	On track. Year to date there have been 729,012 physical visits to the 8 City Library locations. Visitors to Blueprint: The City Library Makerspace continues to grow with 21,830 makers using the space this year versus 13,771 last year. This year there has been 834,141 City Library website page views and 185,560 City Library website sessions; Manawatu Heritage had 342,881 website page views and 74,900 website sessions; the library hosted 64,329 PC sessions and 202,500 Wi-Fi sessions. There was also an increase in the uptake of digital help sessions (5983 this year versus 4877 last year) and heritage enquiries (1443 this year versus 760 last year). Please note opening hours for both this year and the previous year were impacted by Covid-19.	G	G	G	G
02. Use of physical collections. (Average use per item per year is at least 4)	On Track. Physical item use has significantly increased (915,731 this year versus 756,061 last year). Items are used an average of 4.93 times per year. For comparison, the national average is 3.42 times per year. Please note that the previous year 2019/2020 was impacted by Covid-19.	G	G	G	G
03. Use of digital collections. (Narrative measure)	Ebook and eAudiobook use continues to increase as the range of collections and offerings continue to expand (99,791 this year compared to 90,799 last year). The use of digital databases, eResources and streaming services continues to increase month on month. Use of the streaming services Beamafilm and Kanopy increased significantly: Beamafilm (3149 films versus 810 last year) and Kanopy (13,049 films versus 7853 last year). PressReader (titles read) increased to 25,245 versus 5819 last year and Ancestry was used 56,851 times this year versus 34,708 last year. The Library App continues to have great uptake with 63,778 sessions this year versus 12,530 last year.	G	G	G	G

04. Description of the range of programmes and events. (Narrative measure)	<p>2026 activities, programmes, events, celebrations, and commemorations (attended by 67,082 people) were delivered by the City Library this year all aligned to the following categories: Creative Expression, Cultural Expression, Digital Inclusion, Heritage, Informational Literacy, Lifelong Learning, Literacy, Social Connectivity, Employment, and Health & Wellbeing. Key programmes this year were Off the Page (a partnership with Massey University); the Manawatu Writers Hub; Game Changers; the Sustainability workshop series; and Local History Week. Blueprint was used by 21,380 makers and actively supports a growing maker community across the city. This year 548 children completed the ECREAD Summer Read Programme, with 140 children completing book chats across fourteen languages. Youth Space programmes specifically looked to reduce social isolation, increase resilience, increase employability and encourage active citizenship. Highlights include supporting youth leadership programmes; partnering with home school and alt-ed; and supporting the Youth Council to engage their peers in the 10-Year Plan process. This year, for the first time in the 50-year history of Home Service, the total number of customers receiving regular scheduled long-term deliveries exceeded 100. A key factor in the success of the Home Service was the extensive promotion of service options across the wider community through networking with key stakeholders such as rest homes, retirement village administrators, health professionals and whanau. This is supported by regular outreach programming – on average around 35 visits per month. Alongside Welcoming Communities, the City Library team also supported the Festival of Cultures, the Lunar New Year programme and He Kupu Rangatira - the proverbs pathway.</p>	B	G	G	G	G	G
05. Public toilets are accessible, appropriately located and gender neutral. (Narrative measure)	<p>Upgrades to the Ladies Rest and Square public toilets were completed and the new toilet block on the Linton pathway is now open, fully accessible and gender neutral. All planned public toilet refurbishments and any new toilet builds are determined by the area of most need. When undertaking these works it is ensured toilets are accessible and gender neutral if appropriate.</p>	G	G	G	G	G	G

06. A 30-year Asset Management Plan is in place for community centres and hubs and major AMP projects approved in the 10 Year Plan are achieved. (Renewals as a group)	Asset Management Plans were adopted by Council in June 2018 and are being implemented as per 2018-2028 10 Year Plan. The Draft 2020-2050 AMP is currently underway, and will be finalised after LTP consultation and Council decision making on asset management funding.	G	G	G	G
07. Levels of community centre use. (Narrative measure, including use of at least 1400 hours per centre per year)	Total community centre use for 2020/21 as follows; Ashhurst 1707, Awapuni 3813, Highbury Whānau Centre 1666, Kelvin Grove 2270, Milson 4811, PN Community Leisure Centre 4407, Pasifika/Westbrook 2467, Rangiora 2506. Hall user hours have exceeded expected numbers. In particular Milson, Papaioea Pasifika Community Trust, Kelvin Grove and Palmerston North Community Leisure Centre have had a considerable increase in usage numbers; a contributing factor is their strong cohesive committee membership with newer members. Awapuni continues to demonstrate consistently high usage, Rangiora also has consistent usage across quarters (both centres due to high number of regular user groups). Ashhurst has had a considerable increase since repairs to the centre earlier in the year. Highbury Whānau Centre continues to be well supported by the community providing social service support.	G	G	G	G
08. A 30-year Asset Management Plan is in place for the cemeteries and major AMP projects approved in the 10 Year Plan are achieved. (Renewals as a group)	The 30 Year Asset Management Plan (2017-2047) for the 2018-21 LTP was adopted in 2018 for cemeteries. All major AMP projects approved in the 10 Year Plan were achieved including Terrace End Cemetery site enhancements. Construction of additional burial berms, Niche walls and roading and footpath refurbishments at Kelvin Grove Cemetery.	G	G	G	G
09. Cemetery provision meets legislative requirements.	The operation of Palmerston North Cemeteries meets all requirements of the Burial and Cremation Act and resource consent conditions.	G	G	G	G
10. Council housing is tenanted. (At least 95%, excluding units not available due to renovations)	Average occupancy rate for the year is 98%	G	G	G	G
11. Council tenants are satisfied with the standard of housing (two-yearly survey). (At least 90%)	Overall tenant satisfaction level from this year's survey is 98%	G	W	W	G

12. Units meet the Otago Medical School He Kainga Oranga Rental Warrant of Fitness Standard.	At least 95% of our housing portfolio meet the requirements of the WOF standards in 2020/21, however, these requirements have since increased considerably with the new healthy homes standards legislation. Planned works are in place in the 2021/22 and 2022/23 financial years to address all components that no longer meet these WOF standards or the healthy homes standards.	G	G	Y	R
13. A 30-year Asset Management Plan is in place for community housing and major AMP projects approved in the 10 Year Plan are achieved. (Renewals as a group, see note in 10 Year Plan, pg 94)	Asset Management Plans were adopted by Council in June 2018 and are being implemented as per 2018-2028 10 Year Plan. The Draft 2020-2050 AMP is currently underway, and will be finalised after LTP consultation and Council decision making on asset management funding.	G	G	G	G
14. Funding is distributed according to Council's Community Funding Policy and the key objectives achieved with the funding are described. (Narrative measure)	Celebrating Communities Funding supported 27 events this year. Covid-19 Relief fund supported 18 organisations this year, with a total of \$68,953 distributed to date. Planning has commenced for Strategic Priority Grants 2022-2025, with applications opening in September 2021.	G	G	G	G
15. Positive feedback from residents on Council's community engagement. (Narrative measure)	The Residents' Survey (of 400 randomly selected residents annually) includes questions on satisfaction with Council's community engagement. Most people are satisfied (44%) or neutral (40%). 16% are dissatisfied. There has been an increase in the number of people who are satisfied with the ease of having a say in Council's decision making. The other figures have been fairly constant over the three years of the survey.	G	G	G	G

16. Description of the range of engagement techniques used by Council. (Narrative measure)	<p>Many people prefer online engagement so Council has been emphasising this. An online engagement hub is available on pncc.govt.nz for people to locate projects and issues Council is seeking feedback on. Although online engagement is a focus, Council still ensures that people have a wide range of online and non-online ways in which they can become involved in decisions. For example, Council's engagement on the 2021 Proposed 10 Year Plan included: partnership meetings with Rangitāne o Manawatu; meetings on social media, economic, environmental and cultural wellbeing cohosted with sector groups; working with schools; providing online and printed information; supporting community groups and networks to run their own 10 Year Plan meetings; sending a summary document to all households; holding a 10 Year Plan stall at community markets; running Facebook live and social media discussions; and promoting the Plan on radio, print, social media, billboards and movie theatres.</p>	G	G	G	G
17. Major services and projects are provided within budget.	<p>Operating spending has exceeded the budget by 3% due to Covid-19 related cleaning costs on public amenities. Capital projects are on track and on budget.</p>	G	G	G	B

Safe Communities Activity

Performance Measures (Page 101 of the 10 Year Plan)		Comments	Sept	Dec	March	June
01. The range of SAB initiatives and the outcomes they achieve. (Narrative measure)		Completion of the safety advisory board (SAB) strategic outcomes framework, and launch event held with stakeholders. Key stakeholder group established to address issues related to begging and street people in the CBD. A local initiatives map has been established to track what is happening across the city and who is working in key areas relating to the SAB.	G	G	G	G
02. Palmerston North retains its accreditation as a Safe City.		Accreditation remains valid and reporting requirements are up to date.	G	G	G	G
03. Council works with local communities to get people prepared for emergencies. (Narrative measure)		Council regularly engages with community groups, providing strategies to prepare themselves and those they engage with for emergencies. Our water tank promotion is ongoing and has good engagement at community events and sales online.	G	G	G	G
04. Three dog education campaigns and / or community events attended.		The following were attended; Esplanade Open day, Rural Games (multiple days), Linton Family / Community days (3), Wakey water day, School Education programmes (6 Schools) and Internal training for Building Services.	G	G	G	G
05. Council is an accredited Food Act verifier. (99% of verifications are conducted within statutory timeframes)		Council has maintained accreditation as a Food Act verifier. Due to Covid-19, verifications of non-essential food businesses were delayed. MPI has introduced legislation with a 6 month extension period, verifications are being completed within this timeframe.	G	G	G	G
06. Description of healthy lifestyle initiatives. (Narrative measure)		Sun Protection Policy - Planting of shade trees were implemented during the last financial year as per 2018-2028 10-Year Plan. Smokefree Outdoors Policy - Smokefree signage is displayed in all playgrounds.	G	G	G	G
07. Major services and projects are provided within budget.		Major services and projects have been delivered within budget.	G	G	G	G

Goal 4: Eco-City

Rubbish & Recycling Activity

Performance Measures (Page 108 of the 10 Year Plan)		Comments	Sept	Dec	March	June
01. Rubbish and recycling placed in Council's official bags or bins are collected on the stated day. (At least 98%)		99.98% rubbish and recycling placed in Council's official bags and bins were collected on the stated day. There were a total of 147 missed recycling bins and crates, and 169 total missed rubbish bags.	G	G	G	G
02. Compliance with resource consents for the Rubbish and Recycling Activity measures by the number of:- Abatement notices (zero)- Infringement notices (zero)- Enforcement orders (zero)- Convictions (zero)		Complete compliance with resource consent conditions during the period.	G	G	G	G
03. A 30-year Asset Management Plan is in place for rubbish and recycling and major AMP projects approved in the 10 Year Plan are achieved. (Renewals as a group)		Asset Management Plans are in place for Rubbish and Recycling service and major AMP projects approved in the 10 Year Plan are on schedule. Major AMP projects completed included a new truck wash down bay and a new falling main from Awapuni to the Waste Water Treatment Plant.	G	G	G	G
04. Major services and projects are provided within budget.		Services are provided on budget. Capital projects are on track on budget.	G	G	G	G

Biodiversity and Sustainable Practices Activity

Performance Measures (Page 113 of the 10 Year Plan)	Comments	Sept	Dec	March	June
01. 15,000 green corridors trees planted per year. (at least 15,000 on average over three years)	over 15,000 trees have been planted.	G	G	G	G
02. Number and description of sustainable practices campaigns. (Narrative measure)	<p>The community-lead zero waste action group continued efforts to plan for activities. Key members (namely by Environment Network Manawatu (ENM), Just Zilch, and PNCC) were involved in co-developing an expression of interest for an application to Waste Minimisation Fund 2021. The application is lead by ENM and is related to food rescue / waste. Participation of Sustainable Living Programme offered by PNCC has been positive and sustained. This eight weekly 2-hour sessions (covering the topics on gardening, waste, water, eco-building, energy, food choices, transport and resilience) are facilitated based on materials and structure developed by the Sustainable Living Education Trust. The Sustainable Living Programme received 38 registrations. PNCC is one of two city councils participating in the MOATA Carbon Portal for local council use. This portal by Mott McDonald allows detailed embodied carbon accounting and planning at all stages of the project. PNCC delivered a 2-hour workshop on "Sustainability Working for Community Group" designed to help community organisations identify practical ways to be more sustainable, focusing on waste, water, transport, and energy. Informal collaboration meetings with Massey University have occurred. As of mid-June, food waste collection trial at student accommodation had commenced to assist in diverting waste to landfill.</p>	G	G	G	G
03. Number and description of Eco Design home consultations. (Narrative measure)	<p>This year has seen 155 in-home consultations taking place. In addition, there were 31 community workshops/presentations and professional participation in six service provider meetings. Media activities undertaken have consisted of a continuation of the weekly show on Manawatu People's Radio, plus four other general media engagements.</p>	G	G	G	G

04. Major services and projects provided within budget.	Services are provided on budget. Capital projects are on track on budget.	G	G	G	G
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Stormwater Activity

Performance Measures (Page 117 of the 10 Year Plan)		Comments					Sept	Dec	March	June
01. The number of flood events per year resulting in stormwater from Council's stormwater system entering a habitable floor in an urban area. (No more than 5)		There have been no recorded flood events resulting in stormwater entering a habitable floor in the 2020/2021 FY.					G	G	G	G
02. The number of habitable floors per 1,000 properties within urban stormwater service areas affected by a flood event. (No more than 2)		There have been no recorded flood events resulting in stormwater entering a habitable floor in the 2020/2021 FY.					G	G	G	G
03. Median time to attend a flooding event. (Less than 2 hours) (Note: A flooding event is one resulting in stormwater entering a habitable building.)		There have been no recorded flood events resulting in stormwater entering a habitable floor in the 2020/2021 FY.					G	G	G	G
04. The number of complaints received about the performance of Council's stormwater system per 1,000 properties connected. (No more than 15)		In the 2020/2021 financial year, a total of 560 complaints have been received for the year or 16.7 complaints per 1000 properties connected. The complaints include 76 complaints relating to storm water events, 49 related to sump/grate problems, 97 associated with pipe/underground services damage, 34 cases of on-property flooding or drainage problems, 284 cases of roadside ponding and 20 complaints related to waterway or open drain problems. The KPI was not achieved for this financial year.					G	Y	Y	R
05. Compliance with resource consents for discharge from Council's stormwater system measured by the number of:- Abatement notices (zero)- Infringement notices (zero)- Enforcement orders (zero)- Convictions (zero) in relation to stormwater resource consents		All stormwater consent conditions have been fully complied with, such that no convictions, abatement, infringement or enforcement orders have been received.					G	G	G	G

Performance Measures (Page 117 of the 10 Year Plan)		Comments	Sept	Dec	March	June
06. A 30-year Asset Management Plan is in place for stormwater and major AMP projects approved in the 10 Year Plan are achieved. (Renewals as a group. City-wide Stormwater Improvement Works (programme 1060)		The 30 Year Asset Management Plan (2017-2047) for the 2018-21 LTP was adopted in 2018. The major network renewal programmes of work have been largely completed as planned with the exception of pump stations where progress is delayed by contractor and equipment availability.	G	G	G	R
07. Major services and projects are provided within budget.		Routine maintenance and programmed renewal and capital improvement works are delivered within budget	G	G	G	G

Wastewater Activity

Performance Measures (Page 123 of the 10 Year Plan)		Comments	Sept	Dec	March	June
01. Number of dry weather wastewater overflows from Council's wastewater system per 1,000 connections per year. (No more than 1)		There were 34 recorded incidents of a dry weather wastewater overflow during the 2020/21 financial year, which is equivalent to 1.03 overflows per 1000 connections. This KPI has been exceeded this financial year	G	G	Y	R
02. Complaints per 1,000 connections about:- Wastewater odour (No more than 1)- Wastewater system faults (No more than 3)- Wastewater system blockages (No more than 10)- Council's response to issues with the wastewater system. (No more than 1). (total target: no more than 15)		480 complaints or RFS were received during the 2020/21 FY or an average of 14.59 complaints per 1000 connections. Complaints included 27 for wastewater odour (0.8 per 1000 connections), 94 manhole faults (2.85 per 1000 connections) and 345 relating to network blockages or wastewater leaks (10.9 per 1000 connections).	G	Y	G	G
03. Median time for attending to overflows resulting from blockages or other faults. (Less than 1.5 hours)		Median time for attending to an overflow resulting from a blockage is 0.67 hours. Maximum time for attending to an overflow resulting from a blockage is 1008.7 hours. Following AuditNZ's advice, response time and resolution time now includes after hours and weekends (non-business hours).	G	G	G	G
04. Median time for resolution of overflows resulting from blockages or other faults. (Less than 8 hours) (Attendance and resolution is less than 9.5 in total)		The median time for resolution of an overflow resulting from blockages or other faults is 6.01 hours. The maximum time for resolution of overflows resulting from blockages or other faults 1657.5 hours. Following AuditNZ's advice, response time and resolution time now includes after hours and weekends (non-business hours).	G	G	G	G
05. Compliance with resource consents for discharge from Council's wastewater system as measured by the number of:- Abatement notices (zero)- Infringement notices (zero)- Enforcement notices (zero)- Convictions received by Council in relation to resource consents (zero)		During the third and fourth quarter of the financial year, there has been three incidents of resource consent non compliance. Ammonia in the river exceeded the consent limit. The non-compliance is a result of extremely low flow in the Manawatu River which resulted in insufficient mixing of discharge with the Manawatu River downstream of the treatment plant discharge point. Remedial work to increase mixing during low flow period has been proposed to the Horizons Regional Council. PNCC is currently working through practicable options with HRC River Management Team.	G	R	R	R

06. A 30-year Asset Management Plan is in place for wastewater and major AMP projects approved in the 10 Year Plan are achieved. (Renewals as a group)	The 30 Year Asset Management Plan (2017-2047) for the 2018-21 LTP was adopted in 2018. The major network renewal programmes of work have been completed as planned with the exception of pump stations and telemetry renewals where progress has been delayed by contractor and equipment availability. The major wastewater treatment plant renewal projects are also only partially complete for similar reasons.	G	G	G	R
07. Major services and projects are provided within budget.	Operations and maintenance expenditure exceeded budget due to significant additional expenditure required on the Wastewater BPO Consent Project as well as higher investigation and planning work required to advance Council's programme of work. Key capital new and renewal programmes of work were only partly completed due to internal and external project and contract management resourcing gaps, long delays to procurement of materials and equipment particularly from overseas suppliers and significant project scope changes. Significant additional funding from DIA added to the work delivery pressures.	Y	Y	R	R

Water Supply Activity

Performance Measures (Pages 130-131 of the 10 Year Plan)	Comments	Sept	Dec	March	June
01. Compliance with Part 4 (bacteria compliance criteria) of the Public Health Act 1956 (as amended by the Health (Drinking Water) Amendment Act 2007). (100%)	A bacterial non-compliance occurred on the 30th December 2020 as a result of a plant fault. An overdose of hydrated lime occurred, causing the pH to rise in the clear well tank. This resulted in elevated pH in the equivalent free available chlorine (FAC) levels in the treated water falling below 0.2ppm for 4% of the monitoring period. The standard restricts supply of non-compliant water to not more than 2% of the monitoring period. To prevent a recurrence of this type of transgression, training with staff to understand the issue and ensure critical controls take place immediately after any incident. A refresher session is being planned, and the Standard Operating Procedure is being finalised. The compliance assessment report is not due until Q2 of the 2021/2022 year.	G	R	R	R
02. Compliance with Part 5 (protozoal compliance criteria) of the Public Health Act 1956 (as amended by the Health (Drinking Water) Amendment Act 2007). (100%)	All monitoring data received to date indicates full compliance with protozoal compliance criteria included in the New Zealand Drinking Water Standards. However, PNCC has missed residence time sampling for Bunynthorpe and Longburn bores. This will require a change to the sampling frequency. The missed sampling time has resulted in non-compliance for the 2020/21 financial year.	G	G	R	R
03. The number of complaints per 1,000 connections relating to clarity, taste, odour, continuity of water supply, drinking water pressure or flow, and Council's response to any of these issues (no more than 40).	A total of 1352 complaints were received for the last twelve months or 41 complaints per 1000 connections. The 1352 complaints included 57 mains bursts, 35 low pressure issues, 62 issues associated with continuity of supply, 52 for meter faults, 669 toby faults, 8 for bad smell, 74 for discoloured water, and 6 for bad taste.	G	Y	Y	R
04. Average consumption of drinking water per day per resident. (no more than 360 litres per person per day)	Average consumption of drinking water per day per resident is estimated at 186.3L, below well below the 360 litre target.	G	G	G	G

05. Median response time for urgent call-out attendance. (2 hours or less)	The median response time for urgent call-outs during the quarter for which a response time is recorded was 0.23 hours. The maximum response time was 48.15 hours. Following AuditNZ's advice, response time and resolution time are now includes after hours and weekends (non-business hours).	G	G	G	G
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Performance Measures (Pages 130-131 of the 10 Year Plan)		Comments	Sept	Dec	March	June
06. Median response time for resolution of urgent call-outs. (7 hours or less)		The median resolution time for urgent call-outs during the quarter for which a response time is recorded was 19.78 hours. The maximum response time was 191.3 hours. Following AuditNZ's advice, response time and resolution time now includes after hours and weekends (non-business hours). The performance measures and target is no longer realistic.	G	R	R	R
07. Median response time for non-urgent call-out attendance. (10 hours or less)		The median response time for non urgent call-outs during the quarter for which a response time is recorded was 2.47 hours. The maximum response time was 1653.783 hours. Following AuditNZ's advice, response time and resolution time now includes after hours and weekends (non-business hours).	G	G	G	G
08. Median response time for resolution of non-urgent call-outs. (75 hours or less)		The median resolution time for non-urgent call-outs during the quarter for which a response time is recorded was 52.45 hours. The maximum response time was 5177.75 hours. Following AuditNZ's advice, response time and resolution time now includes after hours and weekends (non-business hours).	G	G	G	G
09. Percentage of real water loss from the water reticulation network. (Less than 20%)		Real water loss from the water reticulation network is calculated at 25%, more than the targeted 20%. The calculation for real water loss was revised this year with more accuracy due to updated census data and more representative survey metering.	G	G	W	R
10. A 30-year Asset Management Plan is in place for water and major AMP projects approved in the 10 Year Plan are achieved. (Renewals as a group)		The 30 Year Asset Management Plan (2017-2047) for the 2018-21 LTP was adopted in 2018. The major network renewal programmes of work have been completed as planned.	G	G	G	G

11. Major services and projects are provided within budget.	<p>Operations and maintenance expenditure exceeded budget due to additional unbudgeted and unavoidable expenditure in investigation and planning, subdivision consent processing and pest management in the Turitea water catchment. Key capital programmes of work were not completed due to longer than anticipated procurement phases in a tight contractor market, internal project and contract management gaps and construction delays on tendered projects ie Duplicate Water Main and Railway Road Bore upgrades. Significant additional funding from DIA added to the work delivery pressures.</p>	G	G	Y	R
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Goal 5: Driven & Enabling Council

Leadership Activity

Performance Measures (Page 138 of the 10 Year Plan)	Comments	Sept	Dec	March	June
01. Positive feedback from residents on Council's community engagement. (Narrative measure)	The Residents' Survey (of 400 randomly selected residents annually) includes questions on satisfaction with Council's community engagement. Most people are satisfied (44%) or neutral (40%). (16%) are dissatisfied. There has been an increase in the number of people who are satisfied with the ease of having a say in Council's decision making. The other figures have been fairly constant over the three years of the survey.	G	G	G	G
02. Description of the range of engagement techniques used by Council. (Narrative measure)	Many people prefer online engagement so Council has been emphasising this. We have an online engagement hub on our website for people to locate projects and issues we are seeking feedback on. Although online engagement is a focus, Council still ensures that people have a wide range of online and non-online ways in which they can become involved in decisions. For example, Council's engagement on the 2021 Proposed 10 Year Plan included: partnership meetings with Rangitāne o Manawatu; meetings on social, economic, environmental and cultural wellbeing cohosted with sector groups; working with schools; providing online and printed information; supporting community groups and networks to run their own 10 Year Plan meetings; sending a summary document to all households; holding a 10 Year Plan stall at community markets; running Facebook live and social media discussions; and promoting the Plan on radio, print, social media, billboards and movie theatres.	G	G	G	G
03. Strategies, Plans and Policies are in place, monitored and reviewed. (Narrative measure)	Council has now reviewed and adopted a new strategic direction, comprising of four goals and a corresponding suite of plans. These plans contain all the actions to be carried out by Council over the next three years (including the review of bylaws and policies) which will be reported in various ways through governance processes. Citywide monitoring is reported on the publicly available City Dashboards on Councils website.	G	G	G	G

Supplementary Material for June 2021 Quarterly Report

1. Groups of activities net result statement
2. Capital expenditure by funding source and Group of Activities
3. Capital expenditure by Programme (Programmes over \$200,000)
4. Capital expenditure by Programme (Programmes under \$200,000)
5. Financial Statements
 - a. Summary of financial performance
 - b. Statement of financial position
 - c. Statement of cash flows
6. Approved variations to Annual Budget
7. Personnel
8. Councillor Training

Attachment 1 – Groups of Activities Net Result Statement

Group of Activities Net Result Statement	2020/21		\$000's		Full Year Revised Budget	Full Year Annual Budget
	Year to Date Actual	Budget	Bud. Var. \$000's	%		
For the period to 30 June 2021						
Operating Result by Group of Activities						
Innovative & Growing City	5,413	6,273	860	14%	6,273	6,273
Revenue	(6,872)	(4,815)	2,057	43%	(4,815)	(4,815)
Expenses	12,285	11,088	(1,198)	-11%	11,088	11,088
Creative & Exciting City	20,285	20,649	364	2%	20,649	20,704
Revenue	(3,042)	(1,529)	1,513	99%	(1,529)	(1,529)
Expenses	23,326	22,178	(1,148)	-5%	22,178	22,233
Connected & Safe Community	12,827	12,565	(263)	-2%	12,565	12,565
Revenue	(5,526)	(5,176)	350	7%	(5,176)	(5,176)
Expenses	18,353	17,740	(613)	-3%	17,740	17,740
Eco-City	4,627	4,676	49	1%	4,676	4,676
Revenue	(3,051)	(2,697)	354	13%	(2,697)	(2,697)
Expenses	7,678	7,373	(305)	-4%	7,373	7,373
Transport	5,821	7,984	1,994	25%	7,984	8,079
Revenue	(8,987)	(7,045)	1,772	25%	(7,045)	(7,045)
Expenses	14,807	15,029	221	1%	15,029	15,123
Water	3,901	4,097	196	5%	4,097	4,097
Revenue	(43)	(37)	6	16%	(37)	(37)
Expenses	3,945	4,134	190	5%	4,134	4,134
Wastewater	5,537	4,581	(957)	-21%	4,581	4,580
Revenue	(1,550)	(2,376)	(826)	-35%	(2,376)	(1,336)
Expenses	7,087	6,957	(130)	-2%	6,957	5,917
Stormwater	1,983	1,937	(46)	-2%	1,937	1,930
Revenue	(24)	(2)	22	959%	(2)	(2)
Expenses	2,007	1,939	(68)	-3%	1,939	1,932
Driven & Enabling Council	8,519	9,063	543	6%	9,063	8,694
Revenue	(5,330)	(5,493)	(163)	-3%	(5,493)	(5,492)
Expenses	13,849	14,555	706	5%	14,555	14,186
Group of Activities Controllable Surplus/ (Deficit)	68,913	71,823	2,910	4%	71,823	71,596
Rates	(101,100)	(100,812)	288	0%	(100,812)	(100,782)
Net Interest	4,705	5,540	835	15%	5,540	5,540
Operating Controllable (Surplus) / Deficit	(27,482)	(23,449)	4,033	17%	(23,449)	(23,646)
Depreciation	36,784	40,428	3,644	9%	40,428	40,428
Non-operating revenue	(16,620)	(20,704)	(4,085)	-20%	(20,704)	(13,175)
Non-operating expenses	(7,201)	0	7,201	-100%	0	0
Net Result (Surplus) / Deficit	(14,518)	(3,725)	10,793	290%	(3,725)	3,607

Group of Activities Budget variance explanations (net \$600k or more)

- Innovative and Growing City has significantly increased revenue in building and planning services. The has also caused an increase in expenditure.
- Transport has favourable net revenue within parking and roading.
- Wastewater has decreased revenue due to slower progress than anticipated in the operational programs of the three-water reform funding. Increased expenditure due to additional work required on consent renewals.
- Driven & Enabling Council has significantly lower expenditure due to slower progress than anticipated on Te Huringa.

Group of Activities Budget variance explanations (revenue and expenses \$800k or more)

- Creative & Exciting City has increased revenue coming from venues although this is offset by increased expenditure.

Attachment 2 – Capital expenditure by funding source and Group of Activities

Capital Expenditure For the period to 30 June 2021	2020/21		\$000's			
	YTD Actual	Budget	Variance \$000's	%	Full Year Revised Budget	Full Year Annual Budget
Capital New	39,921	55,522	(15,601)	(28.1%)	55,522	46,754
Funded by:						
Borrowing	29,732	46,293	(14,640)	(31.6%)	46,451	40,247
External revenue	10,189	9,228	(961)	(10.4%)	9,071	6,507
Capital Renewal	23,310	28,846	(5,536)	(19.2%)	28,846	23,711
Funded by:						
Rates	17,299	21,176	(7,195)	(34.0%)	14,990	19,955
External revenue	6,011	7,670	1,659	21.6%	7,670	2,705
Three year averaging					1,051	1,051
Borrowing					5,135	
TOTAL CAPITAL	63,231	84,368	(21,137)		84,368	70,466

Group of Activities - Capital Expenditure For the period to 30 June 2021	2020/21		\$000's			
	Year to Date Actual	Budget	Variance \$000's	%	Full Year Revised Budget	Full Year Annual Budget
Capital New	39,921	55,522	(15,601)	(28.1%)	55,522	46,754
Innovative & Growing City	-	-	-	-	-	-
Creative & Exciting City	17,942	20,751	(2,808)	(13.5%)	20,751	20,075
Connected & Safe Community	5,443	7,119	(1,676)	(23.5%)	7,119	6,451
Eco-City	511	459	52	11.4%	459	328
Transport	8,128	12,902	(4,774)	(37.0%)	12,902	9,064
Water	4,274	7,559	(3,285)	(43.5%)	7,559	5,906
Wastewater	2,257	4,315	(2,058)	(47.7%)	4,315	2,813
Stormwater	1,159	2,111	(952)	(45.1%)	2,111	1,761
Driven & Enabling Council	207	306	(99)	(32.4%)	306	356
Capital Renewal	23,310	28,846	(5,536)	(19.2%)	28,846	23,711
Innovative & Growing City	266	300	(34)	(11.5%)	300	300
Creative & Exciting City	3,957	3,944	13	0.3%	3,944	3,815
Connected & Safe Community	1,735	2,070	(334)	(16.2%)	2,070	2,276
Eco-City	130	176	(46)	(26.0%)	176	176
Transport	4,530	5,613	(1,083)	(19.3%)	5,613	5,613
Water	3,959	5,259	(1,300)	(24.7%)	5,259	3,277
Wastewater	4,851	7,004	(2,153)	(30.7%)	7,004	3,642
Stormwater	744	860	(116)	(13.5%)	860	860
Driven & Enabling Council	3,137	3,621	(484)	(13.4%)	3,621	3,752

Attachment 3 –Capital expenditure by Programme (programmes over \$200,000)

The following table highlights the spending of the programmes with budgets in excess of \$200,000 with commentary.

Capital Programme Details (Values are in \$1000)						
Description						
Not Started						
On Budget Ahead of Schedule						
On Budget Behind Schedule						
On Track						
Over Budget Behind Schedule						
Over Budget On Schedule						
Under Budget Behind Schedule						
Under Budget On Schedule						

Activity-Programme Name	YTD Actuals(\$000)	Total Budget(\$000)	Variance (\$000)	Status	Comments
CAPITAL NEW					
Transport					
636-Aokautere Drive Pedestrian Cycle Improvements(1631-C/fwd - Aokautere Drive Pedestrian)	\$27	\$564	\$537		Due to scope complexity against available budget, the work has been reprogrammed to Year 4 of 10 Year Plan (design 25/26, construction in 26/27). Alternative design options are being investigated alongside Waka Kotahi to discuss short term and speed management options.
732-Summerhill Drive - Pedestrian and Cycle Improvements(1657-C/fwd - Summerhill Drive - Pedestri)	\$76	\$248	\$172		Programme construction commenced following engagement/consultation. Expected completion in first quarter 21/22. This is a proposed carry forward.

1358-City-wide - Footpath extension(1605-C/fwd - Footpath extensions city wi)	\$716	\$741	\$25		Limited contractor capability and capacity has resulted in one project unable to be completed by end of FY. This project will be completed as part of the new Roading Contract in 2021-22 once Waka Kotahi funding is confirmed.
1444-City-wide - Shared path resilience(1648-C/fwd - Shared path resilience impr)	\$190	\$314	\$124		Further engagement and consultation on specific treatments and locations has not identified any sites.
1559-City-wide - Urban Cycle Infrastructure Network improvements(1633-C/fwd - Urban Cycle Network Develo)	\$230	\$1,000	\$770		Extended stakeholder engagement in 20/21 has meant that it is proposed to carry forward the programme budget to enable construction to occur 21/22.
1694-Summerhill Drive - On-Street Parking Infrastructure	\$185	\$234	\$49		The on-street parking improvements included in the Summerhill Cycleway Project are currently being constructed. They are now scheduled for completion in the first quarter of 21/22.
201-Urban Growth - Development Contributions - Transport	\$322	\$490	\$168		Growth Programme. Two private developments did not proceed according to expectation meaning Council Contributions were not required.
244-City Centre Streetscape Plan - Square East (900-C/fwd - The Square East Side - Stree)	\$1,374	\$1,929	\$555		Delay in procuring the design consultants delayed the programme start. Draft concept design for all streets in programme complete. Engagement plan being finalised. Construction planned for late third quarter 21/22. This is a proposed carry forward.
279-City-wide - Minor transport improvements(1656-C/fwd - City-wide - Minor Road Proj)	\$1,066	\$1,101	\$35		Slower contractor progress resulted in one project remaining uncomplete at year end.
324-Park Road / Cook Street - Intersection Improvements	\$735	\$1,209	\$474		Tight contractor market extended the procurement process and delayed the contract start. Construction nearing completion with official opening occurring in August. This is a proposed carry forward.
1362-Roberts/Railway Road North Intersection Safety Realignment(1595-C/fwd - Roberts/Railway Road North)	\$32	\$293	\$261		Original intersection safety improvements rescope in favour of closing the railway crossing. Closure process still being progressed.
1367-City-wide - Street Light Infill	\$923	\$918	(\$5)		Programme scope of work completed.
1488-Seal extension Rural Unsealed Road	\$257	\$291	\$34		Saving. Full scope of seal extension work completed with a small budget surplus
1578-Monrad Pencarrow Roundabout installation(1655-C/fwd - Monrad Pencarrow Roundabout)	\$824	\$1,219	\$395		Tight contractor market and need to negotiate on price and scope extended the tender process and contract start. Construction now underway, with completion in first quarter of 21/22. This is a proposed carry forward.
1623-College Street Upgrade Parking Mitigation(1644-C/fwd - College Street Upgrade Park)	\$240	\$353	\$113		Saving. Project scope of work completed resulting in a budget surplus.
Creative & Exciting City					

94-Walkways and Shared Path - Purchase of Land to Extend Network(1584-C/fwd - Walkways and Shared Path -)	\$224	\$529	\$305	Land negotiations are underway, however this is taking longer than anticipated. This is a proposed carry forward.
140-Neighbourhood Reserves-Aokautere - Peace Tree Reserve Development	\$192	\$310	\$118	The programme was delayed by contractor availability and weather. On track to be completed by end of first quarter of 21/22.
144-Urban Growth - Whakarongo - Reserves Land Purchases	\$9	\$659	\$650	Growth Programme. Due to the delay in forecast subdivision development, the purchase of reserves planned for the area has not proceeded.
752-City Reserves - Manawatu River - Framework Implementation	\$1,012	\$1,078	\$65	Turitea Pa has progressed ahead of the original programme. The balance of the programme has been completed including the Esplanade entranceway which will be opened in August 2021.
1081-City Reserves -Victoria Esplanade - Park Road Entrance and Parking Reconfiguration	\$500	\$936	\$436	Tight contractor market extended the procurement process and delayed the contract start. Construction nearing completion with official opening occurring in August. This is a proposed carry forward.
1534-Central Energy Trust Arena Manawatu - Embankment Redevelopment(1650-C/fwd - Central Energy Trust Arena)	\$14,163	\$13,300	(\$863)	The project is complete with the final financial accounts being completed in June 2021. The total life-to-date project cost is \$17.6 million against an approved budget of \$17.1 million as previously confirmed with Council. The variance shown includes the \$409k of early project costs that were not included in the requested project budgets and a small project overspend which equates to less than 0.5% of the total project cost. This was previously signalled to Council in March 2021.
1473-City Centre Lighting and Projection Demonstration Project(1638-C/fwd - City Centre Lighting and Pr)	\$97	\$201	\$104	There are 2 projects within this programme. The first project, purchasing of projectors to be used at events has been completed. The second project - Projection Lights is currently in scope development and is on track to be delivered as part of the Cuba Street Upgrade, Programme 1440. This is a proposed carry forward.
902-Property - Seismic Strengthening of Council Properties(1016-C/fwd - Seismic Strengthening of Co)	\$524	\$2,157	\$1,633	The development of the design for the Crematorium has taken longer than anticipated, which has led to a delay to the starting of tender process. The Tender report is to be presented to Council in August, with construction to commence thereafter. This is a proposed carry forward.
Connected & Safe Community				
161-Public Toilets - New City-wide Toilets	\$91	\$202	\$111	There are two projects within this programme. The new Linton toilet block was completed as planned. The new changing rooms and toilets within Memorial Park are on track to be completed in 21/22. This is a proposed carry forward.
1219-Social Housing - Papaioea Place Redevelopment - Stage 2(1639-C/fwd - Social Housing - Papaioea S)	\$4,271	\$4,953	\$682	Project is proceeding to programme. Stage 2 is due for completion by the end of the first quarter of 21/22 as planned.
1413-Bunnythorpe Community Facility(1581-C/fwd - Bunnythorpe Community Facil)	\$814	\$1,392	\$579	Delay in commencement of construction has meant that facility is now due for completion by the end of the first quarter of 21/22 as planned.

1552-Animal Shelter - New Building	\$77	\$300	\$223		The design of the new Animal Shelter is progressing as planned and due for completion in first quarter of 21/22. Construction of the new facility will commence in 21/22 be completed in 22/23 as planned.
Stormwater					
1001-Urban Growth - Whakarongo - Stormwater(1284-C/fwd - Urban Growth - Whakarongo -)	\$152	\$250	\$98		Resource Consent delayed by protracted negotiations with Horizons Regional Council. Work packages and programmes are planned for the end of second quarter 21/22.
1060-City-wide - Stormwater Network Improvement Works	\$920	\$1,300	\$380		Piping of Jamiesons Dr and Gas Works Drain improvement has been proposed to be a carry forward in 21/22, as work can only be safely undertaken in the summer months.
1372-City-wide Stormwater Pump Stations Improvement	\$53	\$310	\$257		Contractor availability and weather disruptions has delayed the commencement of this programme. The works will be completed by end of first quarter of 21/22. This is a proposed carry forward.
Wastewater					
1055-Urban Growth - Kakatangiata - Wastewater(1597-C/fwd - Urban Growth - City West -)	\$5	\$350	\$345		Growth Programme. Development has not occur at the rate forecast. This is a proposed carry forward.
1074-Totara Road Wastewater Treatment Plant - Earthquake Strengthening of Civil Structures(1626-C/fwd - Totara Road Wastewater Trea)	\$845	\$1,000	\$155		The first phase of seismic upgrades was completed. Construction to be completed in the first quarter 21/22. This is a proposed carry forward.
1579-WWTP - Health and Safety Upgrades	\$218	\$379	\$161		Delay with steel suppliers and long lead times in respect of preferred galvanizing suppliers has delayed work commencement. Work now to be completed in first quarter of new financial year. This is a proposed carry forward.
1618-Totara Road Wastewater Treatment Plant - High Voltage Power resilience upgrades	\$138	\$400	\$262		Design nearing completion. Scope change in response to building seismic assessment and structural modifications of the existing floor has delayed project. Scheduled to tender for construction in the first quarter of 21/22. This is a proposed carry forward.
1619-Totara Road Wastewater Treatment Plant - Inlet Screens	\$427	\$760	\$333		The inlet screens programme was divided into three stages. Stage 1 is complete. Stage 2 comprising the mechanical modifications of the screen room, has been delayed by the delay to the lift pump project. Additional diesel pumps were hired to provide standby pumping capacity for when the lift pumps are upgraded. The intake pipes take up significant space in the screen room and cannot be removed until the second lift pump is installed.
1621-Totara Road Wastewater Treatment Plant - New Storage Shed for critical equipment.	\$113	\$270	\$157		Long processing time for the building consent has delayed the ordering of the steel by the contractor. Construction due to commence first quarter of 21/22. This is a proposed carry forward.

Water						
91-Turitea WTP - Falling Main Duplication(1544-C/fwd - Turitea Water Treatment Pla)	\$3,270	\$4,440	\$1,170			New main and rider main installed, pressure tested and disinfected. Commissioning plan to be commenced and a carry forward has been requested. Completion mid August. Programme expected to be achieved under budget.
246-Urban Growth - Development Contributions - Water Supply	-	\$205	\$205			Growth Programme. No call on programme budget in 20/21 due to private subdivision development not occurring as forecast.
651-City-wide - Water Supply Resilience - Seismic Strengthening(1289-C/fwd - City-wide - Seismic Strengt)	\$157	\$1,219	\$1,062			Extended procurement period due to limited contractor interest. Following Council approval to award Phases 1-3 over multiple years as one contract, negotiations are on-going with the single tender submitter to secure an acceptable contract price. This is a proposed carry forward.
1384-City-wide - Water Supply Resilience - Additional Reservoirs(1608-C/fwd - Citywide - New water supply)	\$530	\$930	\$400			Works are more than 50% complete although design issues and delays to equipment supply have pushed back completion into second quarter 21/22. This is a proposed carry forward.
1388-Palmerston North - District Metering Areas for Water Supply(1663-C/fwd - Citywide Water Conservation)	\$44	\$262	\$218			Extended negotiations with PN Airport Ltd required to reach a 50/50 cost share for Airport Dr pressure release valve (PRV). Work is now underway. Discovery of a gas main under the preferred location is requiring re-design of the new PRV to be located at the Crown Research Campus. This is a proposed carry forward.
CAPITAL RENEWAL						
Transport						
64-City-wide - Footpath Renewals (Waka Kotahi Subsidies)	\$1,030	\$1,023	(\$7)			Minor overspend on programme budget.
115-City-wide - Sealed Pavement Renewals (Waka Kotahi Subsidies)	\$186	\$1,187	\$1,001			Contractor was unable to mobilise resources to complete 90% of the pavement renewals work programme. Budget was reallocated sealed road resurfacing to ensure NZTA subsidy was utilised elsewhere in the network. Council share of unspent budget \$490,000 proposed to be carried forward.
122-City-wide - Road Drainage Renewals	\$292	\$358	\$66			Contractor capacity prevented full scope of drainage renewal work from being completed.
139-City-wide - Sealed Road Resurfacing	\$2,692	\$2,594	(\$98)			Additional AC pavement resurfacing work was undertaken to compensate in part for the underspend in pavement renewals.
1440-Cuba Street urban streetscape improvements - Rangitikei to George Street(1643-C/fwd - Cuba Street urban streetsca)	\$173	\$620	\$446			Programme delayed due to extended engagement and consultation on final solution. Tender process to be completed in first quarter of 21/22 with construction anticipated to commence over summer. This is a proposed carry forward.
Creative & Exciting City						
98-Citywide Reserves - Renewals (Victoria Esplanade,	\$586	\$668	\$82			The Lath House replacement did not proceed this financial year. The project has been moved into Year 4 of the 10 Year Plan.

Memorial Park, Ashhurst Domain and Te Marae o Hine)						
173-City-wide - Playground Renewals	\$345	\$354	\$9			The Savage Reserve Playground renewal project is in progress - delayed by contractor availability
596-Aquatics - Lido Pool - Asset Renewals	\$432	\$469	\$37			The replacement pump for the Lido did not arrive until late June, due to international shipping delays. Installation of the pump to occur in early 21/22. This is a proposed carry forward.
1051-CET Arena - Arena Renewals	\$1,205	\$1,065	(\$140)			All planned works were completed. The unexpected structural works at Arena 2 that had to be completed were originally forecast to be around \$400k. The cost of these works only came in at \$140k so a better than expected result.
1108-Cultural/Heritage Reserve - Hokowhitu Lagoon - Bank Renewal(1531-C/fwd - Cultural/Heritage Reserve -)	\$199	\$201	\$1			Stage 2 of the project has been completed
213-Cultural Facilities - Renewals (1645-C/fwd - Cultural Facilities - Repla)	\$649	\$650	\$0			All planned projects throughout the portfolio completed
Driven & Enabling Council						
63-Council's Vehicle and Large Plant - Renewals	\$1,491	\$1,492	\$1			The vehicle renewals programme for 20/21 has been completed
53-Computer Replacement - Rolling Replacements	\$91	\$273	\$182			Decision to purchase additional computer equipment was postponed due to the supplier's inability to deliver within the 2021 financial year. Carry forward of remaining budget has been proposed and equipment purchases are to be made within Q1 of 2022 financial year.
281-CAB - Renewals(1673-C/fwd - Operational Property - Civi)	\$1,093	\$1,130	\$37			Stage 3 of the CAB Fire Safety Upgrades is due for completion first quarter of 21/22. All other works completed.
Connected & Safe Community						
188-City Library Replacement and Purchase of Library Materials	\$728	\$725	(\$3)			All expected renewals completed
202-Central Library Interior Design Renewals(1591-C/fwd - Central Library Interior De)	\$265	\$257	(\$8)			All expected renewals completed
1575-Seismically brace the HVAC piping(1667-C/fwd - Seismically brace the HVAC)	\$140	\$291	\$152			Due to supply chain issues with international purchases of HVAC and LED lighting, programme has been delayed. It is proposed to carry forward this budget to enable completion of this work early in first quarter of 21/22.
Stormwater						
20-City-wide - Stormwater Pump Station Renewals	\$21	\$230	\$209			Limited contractor availability means that the programme is proposed to be carried forward into 21/22. Work is to be completed within first quarter of new financial year.

1062-City-wide - Stormwater Network Renewal Works	\$724	\$630	(\$94)		The Hospital stormwater renewal is 90% completed, delayed due to resourcing constraints, services clashes and wet weather. Final completion is scheduled for end of July 2021. Expenditure in current year planned to offset by an equivalent decrease in expenditure in 21/22
Wastewater					
54-City-wide - Wastewater Pipe Renewal	\$3,075	\$3,531	\$457		A portion of the relining contract has been deferred until after winter due to wet ground conditions and having to arrange access to private property. Internal staffing resource constraints delayed scoping and design of several renewal projects requiring them to be deferred to 21/22. This is a proposed carry forward.
65-City-wide - Wastewater Pump Station Renewal	\$104	\$367	\$263		Staffing and resource constraints have delayed scoping and design of many of the projects. All projects are now being designed for procurement and delivery in 21/22. This is a proposed carry forward.
179-Totara Road Wastewater Treatment Plant - Minor Equipment Renewals	\$719	\$1,040	\$321		DIA funding enabled additional scope. Some contractor capacity constraints and overseas supply chain delays means that this is a proposed carry forward and the programme is on track to be completed third quarter 21/22.
1059-Totara Road Wastewater Treatment Plant - Replacement of Grit Removal Systems(1630-C/fwd - Totara Road Wastewater Trea)	\$115	\$315	\$200		Investigations determined a more cost effective way to upgrade existing equipment to improve efficiency. The remaining budget is a saving.
1068-Totara Road Wastewater Treatment Plant - Replacement of Inlet Pumps(1665-C/fwd - Totara Road Wastewater Trea)	\$811	\$1,008	\$197		DIA Funded. A bearing defect on the first lift pump that was installed delayed final commissioning. Both suppliers and manufacturers are working on a modification which will be implemented before the installation of pump two proceeds.
1620-Totara Road Wastewater Treatment Plant - High Voltage Power renewals	\$2	\$300	\$298		Work funded from two separate programmes. This programme is proposed to be carried forward.
1685-Replacement of potable water service in WWTP	\$9	\$250	\$241		DIA Funded. Increased complexity of scope has delayed design. Construction to be completed by third quarter 21/22.
Water					
199-City-wide - Water Supply Bore and Network Facility Renewals	\$141	\$443	\$302		DIA funding enabled additional scope. Some contractor capacity constraints and overseas supply chain delays means that this is a proposed carry forward and the programme is on track to be completed third quarter 21/22.
207-Turitea WTP - Equipment and Facility Renewals(1646-	\$239	\$945	\$707		DIA funding enabled additional scope. Some contractor capacity constraints and overseas supply chain delays means that this is a proposed carry forward and the programme is on track to be completed third quarter 21/22.

C/fwd - Turitea Water Treatment Pla)					
214-City-wide - Water Toby and Manifold Renewals	\$244	\$350	\$106		Scope complexity led to design delays. Programme now ready to go to tender for two year implementation period.
218-City-wide - Water Main Renewals	\$2,288	\$2,495	\$207		DIA funding has added to the scope of this programme. Work on this project was unable to be completed in this financial year, and will be finalised by end of first quarter of 21/22
663-Ashhurst - Water Supply Rising Main Renewal - Stage 3(1664-C/fwd - Ashhurst - Bore to Reservoir)	\$964	\$881	(\$84)		Project completed. Slightly over budget due to higher costs for traffic management and pipe jacking under the culvert crossing.

Attachment 4 –Capital expenditure by Programme (programmes under \$200,000)

The following table highlights spend against budget of the programmes with budgets less than \$200,000.

Activity-Programme Name	YTD Actuals(\$000)	Total Budget(\$000)	Variance(\$000)	Status
CAPITAL NEW				
Transport				
114-City-wide - New Cycle Stands and Shelters	\$10	\$18	\$8	
148-City-wide - Bus Stop Improvements	\$66	\$64	(\$2)	
235-Manawatu River (Ashhurst to Riverside Drive) - Cycle/Pedestrian Pathway(1225-C/fwd - Manawatu River (Ashhurst to)	\$122	\$150	\$29	
1039-Shared Path Connection - Riverside Drive to Railway Road	-	\$33	\$33	
1095-Palmerston North to Bunnythorpe Shared Path	\$12	\$102	\$91	
1125-Park Road (from Fitzherbert Avenue to Katene Street) - Cycle/Pedestrian Improvements	\$5	\$53	\$48	
1155-City-wide - Street Seats	\$11	\$11	\$1	
1216-City-wide - Additional Cycle Lanes(1652-C/fwd - City-wide - Additional Cycl)	\$83	\$104	\$22	
1257-City-wide - Cycle Phases at Intersections(1653-C/fwd - City-wide - Cycle Phases at)	-	\$42	\$42	
1361-Turitea Road - Pedestrian Path/Steps(1647-C/fwd - Turitea Road - Pedestrian P)	\$84	\$84	(\$0)	
163-City-wide - New Street Tree Planting	\$85	\$90	\$5	
167-James Line (Schnell Dr to Kelvin Grove Rd) - Improvements (1651-C/fwd - Urban Growth - Whakarongo -)	\$28	\$119	\$91	
719-College Street - Implementation Plan for Transport Upgrade	\$17	\$37	\$20	
910-Ferguson Street (Linton Street to Pitt Street) - Road Widening and Traffic Signal Installation	\$110	\$150	\$40	
1003-Whakarongo - Intersection Upgrades(1641-C/fwd - Urban Growth - Whakarongo -)	-	\$100	\$100	
1089-NEIZ - Richardsons Line Upgrade(1603-C/fwd - Industrial Growth - NEIZ -)	\$60	\$150	\$90	
1183-Stoney Creek Road (School) Safety Upgrade(1658-C/fwd - Stoney Creek Road (School))	\$39	\$34	(\$5)	
1615-City-wide - Parking and Traffic Signs and Marking(1674-C/fwd - City Wide - Parking and Tra)	\$27	\$40	\$13	
Active Community				
93-City Reserves - Memorial Park Reserve Development Plan Implementation(1583-C/fwd - City Reserves - Memorial Pa)	\$166	\$149	(\$17)	
95-Walkways and Shared Path - Construction	\$69	\$72	\$3	
111-Local Reserves - Roslyn - Edwards Pit Park Development	\$30	\$31	\$0	
158-City-wide - Safety Improvements to Reserves	\$35	\$35	-	
160-City-wide - Improved Access to Reserves for Persons with Disabilities	\$38	\$38	-	
165-Outdoor Adventure Reserves - Arapuke Forest Park/Kahuterawa Development	\$73	\$65	(\$8)	
196-Caccia Birch - Lagoon Embankment Upgrade(1649-C/fwd - Caccia Birch - Lagoon Emban)	\$88	\$88	\$0	
558-Urban Growth - Local Reserves - Takaro - Oriana Reserve Development(1634-C/fwd - Neighbourhood Reserves - Ta)	-	\$80	\$80	

560-Cultural/Heritage Reserves - Te Motu o Poutoa / Anzac Park Reserve Development(925-C/fwd - Cultural/Heritage Reserves -)	\$64	\$60	(\$4)	
587-Neighbourhood Reserves - Kelvin Grove - Linklater Reserve Development	\$112	\$113	\$0	
697-Clearview Reserve Development(761-C/fwd - Clearview Reserve Developmen)	-	\$31	\$31	
708-Urban Growth - Aokautere - Reserves Land Purchase	-	\$34	\$34	
716-Urban Growth - Whakarongo - Walkways Land Purchases	\$2	\$150	\$148	
967-City-wide - Edibles Planting	\$5	\$5	(\$0)	
1097-Sportsfields - Drainage to Increased Capacity	\$88	\$89	\$0	
1099-Parks and Reserves - Shade Development	\$26	\$28	\$2	
1127-City Reserves - Victoria Esplanade - Bonsai & Shade House	\$9	\$80	\$72	
1175-City-wide - Shade Trees	\$10	\$10	\$0	
1182-City-wide - Recreation spaces - Improved Lighting	\$21	\$21	-	
1407-Vacated Bowling Club Land - Conversion to Other Uses	-	\$10	\$10	
1439-Culture/Heritage - Urban Eels Project Contribution	(\$9)	-	\$9	
1454-City Reserves - Victoria Esplanade Development Plan	\$62	\$61	(\$1)	
1523-Ashhurst Pool Enhancements	\$147	\$145	(\$2)	
1622-Central Energy Trust Arena Manawatu - New Truss	\$101	\$100	(\$1)	
Creative & Exciting City				
1330-Placemaking Co-created Project (capital)	\$14	\$15	\$1	
1476-City Centre Laneways Programme	\$71	\$70	(\$0)	
Connected & Safe Community				
107-Cemeteries - Kelvin Grove - Ash Plot developments and Childrens area extension	\$62	\$68	\$6	
133-Cemeteries - Kelvin Grove - New Burial Sections Footpaths and Roding Extension	\$53	\$44	(\$9)	
147-Cemeteries - Kelvin Grove, Ashhurst and Bunnythorpe - New Burial Berms	\$42	\$125	\$83	
1196-Cemeteries - Kelvin Grove - Renewal of staff facilities	\$7	\$5	(\$1)	
Driven & Enabling Council				
60-Information Management Strategic Plan Project - New Software Applications	\$1	\$16	\$15	
1187-PNCC Website Customisation	\$12	\$25	\$14	
1676-Improve participation in Council and Committee meetings	\$4	\$80	\$76	
99-New Vehicles and Plant to enable the delivery of improved Council services	\$190	\$185	(\$6)	
Eco-City				
506-City-wide - Public Space Rubbish & Recycling Bins Development	\$38	\$40	\$2	
657-Urban Growth - Recycling - City-wide Wheelie Bins and Crates	\$66	\$57	(\$9)	
721-Awapuni Closed Landfill - Landscaping Development	\$15	\$17	\$2	
1371-Closed Landfills and Transfer Stations - Safety, Security and Development	\$199	\$151	(\$47)	
1373-City-wide - Recycling Drop Off Facilities - Development	\$71	\$78	\$7	
1077-Citywide - Biodiversity Enhancement Through Native Planting	\$18	\$21	\$2	
1451-Property - LED Lighting Upgrades	\$63	\$61	(\$1)	
1410-Recycling - City-wide Recycling Services to Commercial/organisational Properties Development	\$41	\$32	(\$8)	
Stormwater				

51-Urban Growth - Development Contributions - Stormwater	\$35	\$151	\$116	
197-Urban Growth - NEIZ - Stormwater (1602-C/fwd - Urban Growth - North East I)	-	\$100	\$100	
Wastewater				
73-Urban Growth - Development Contributions - Wastewater	-	\$103	\$103	
210-Urban Growth - NEIZ - Wastewater(1625-C/fwd - Urban Growth - Installation)	\$19	\$100	\$81	
1000-Urban Growth - Whakarongo - Wastewater(1659-C/fwd - Urban Growth - Whakarongo -)	(\$39)	-	\$39	
1043-Totara Road Wastewater Treatment Plant - Inlet Main Duplication(1624-C/fwd - Totara Road Wastewater Trea)	-	\$160	\$160	
1048-Totara Road Wastewater Treatment Plant - Construction of New Food Waste Facilities(1660-C/fwd - Totara Road Wastewater Trea)	\$193	\$173	(\$20)	
1412-Urban Growth - Ashhurst - Wastewater(1627-C/fwd - Urban Growth - Ashhurst - W)	\$20	\$20	(\$0)	
1616-City-wide - Wastewater Pump Station - Capacity Upgrade	\$87	\$100	\$13	
1617-Totara Road Wastewater Treatment Plant - Biogas System Improvements	\$98	\$150	\$52	
1677-Upsizing of Kairanga Bunnythorpe Road Sewer and Storage	\$0	\$50	\$50	
1688-Three Waters Resilience - Installing Telemetry	\$4	\$140	\$136	
1689-Three Waters Data Centre Upgrade	\$128	\$160	\$32	
Water				
124-Turitea WTP - Drinking Water Standards Upgrades	-	\$50	\$50	
1004-Urban Growth - Whakarongo - Water Supply(1285-C/fwd - Urban Growth - Whakarongo -)	-	\$100	\$100	
1005-Urban Growth - NEIZ - Water Supply(1286-C/fwd - Urban Growth - Installation)	\$20	\$100	\$80	
1386-MOVED - Ashhurst - Water Supply Upgrade	\$60	\$63	\$3	
1607-City-wide - Health & Safety - Water Treatment Chemical Handling	\$60	\$60	\$0	
CAPITAL RENEWAL				
Transport				
648-City-wide - Supporting Cycle Infrastructure Renewals	\$9	\$11	\$2	
74-City-wide - Street Light Renewals	\$96	\$141	\$45	
82-Off-street Parking Renewals	\$8	\$15	\$7	
155-City-wide - Street Tree Renewals	\$64	\$61	(\$3)	
162-City-wide - Vehicle Crossing Renewals	\$101	\$100	(\$1)	
1443-City-wide - Road Drainage Replacements (Unsubsidised)	\$53	\$123	\$70	
Creative & Exciting City				
174-City-wide - Replacement of Furniture on Reserves	\$86	\$83	(\$3)	
177-City-wide - Replacement of Gardens on Reserves	\$31	\$32	\$1	
182-City-wide - Restoration of Waterways on Reserves	\$10	\$10	-	
184-Walkways and Shared Paths - Refurbishments and Replacements	\$43	\$47	\$4	
190-City-wide - Replacement of Trees on Reserves	\$25	\$13	(\$12)	
195-City-wide - Renewal of Hardsurface Areas on Reserves	\$142	\$142	(\$0)	
257-Sportsfields and Outdoor courts - Fitzherbert/Manawaroa/Ongley Parks - Cricket Block Replacements	\$32	\$32	\$0	
258-City-wide - Refurbishment and Replacement of Boundary Fences on Reserves	\$36	\$47	\$11	

267-Sportsfields and Outdoor Courts - Fitzherbert/Manawaroa/Ongley Parks - Cricket Wicket Renovations	\$17	\$13	(\$4)	
269-Sportsfields and Outdoor Courts - Vautier Park - Synthetic Court Refurbishments (Plexipave)	\$45	\$46	\$1	
598-Aquatics - Freyberg Community Pool - Asset Renewals	\$20	\$20	\$0	
819-Central Energy Trust Arena - Replacement of Equipment	\$43	\$45	\$2	
1474-City-wide - Renewal of park buildings and structures	\$14	\$8	(\$6)	
1490-I-Site LED screen renewal	(\$2)	-	\$2	
Connected & Safe Community				
37-Cemeteries - Terrace End - Site Enhancements	\$17	\$19	\$2	
178-City Library (all sites) Replacement of Shelving, Furniture and Equipment(1671-C/fwd - Central Library Replacement)	\$117	\$90	(\$27)	
180-Social Housing - Renewals	\$114	\$148	\$35	
186-Public Toilets - Renewals	\$30	\$121	\$90	
203-Community Libraries, Youth Space, Blueprint and Mobile Library Interior Design Renewals(1670-C/fwd - Interior Design of Communit)	\$63	\$62	(\$1)	
278-Cemeteries - Kelvin Grove - Roading and Footpath Refurbishment	\$26	\$38	\$12	
567-Cemeteries - Crematorium Chapel Interior Renewals	-	\$66	\$66	
1138-Digital Technology to Support 21st Century Citizens and Service (Renewal)	\$15	\$15	\$0	
1151-City Libraries - Building Security System Renewal	\$33	\$31	(\$1)	
1269-Bylaw Signage - Replacement	-	\$6	\$6	
Driven & Enabling Council				
58-Network Additions and Upgrades	\$32	\$42	\$9	
68-Aerial Photography	\$22	\$28	\$6	
86-Property - Furniture Replacements	\$139	\$138	(\$1)	
272-Staff Cafeteria - Replacement of Equipment	\$6	\$6	(\$0)	
318-Telecommunications Replacement - Council Buildings	\$11	\$156	\$146	
784-Replacement of Council's Photocopiers/Printers(1672-C/fwd - Replacement of Council's Ph)	\$22	\$61	\$40	
1512-CCTV replacements	-	\$31	\$31	
80-Council Small Mobile Plant and Equipment - Replacement	\$173	\$174	\$1	
85-Depot - Buildings and Structures Renewals	\$39	\$90	\$51	
Innovative & Growing City				
251-Conference & Function Centre - Replacement of Equipment	\$34	\$36	\$2	
270-Holiday Park - Renewals	\$156	\$180	\$24	
664-Conference & Function Centre - Renewals	\$5	\$13	\$8	
1166-Conference & Function Centre - Equipment Purchases	\$71	\$71	\$0	
Eco-City				
185-Closed Landfills and Transfer Stations - Site Renewals	\$53	\$92	\$39	
612-Recycling - City-wide Wheelie Bin and Crate Renewals	\$58	\$60	\$2	
1368-City-wide - Public Space Rubbish & Recycling Bins Renewals	\$15	\$15	\$0	
1374-City-wide - Recycling Drop Off Facilities - Renewals	\$4	\$8	\$4	
Wastewater				
1351-Eastern Trunk Main - Hokowhitu Campus Renewal	\$16	\$142	\$126	

1693-PS Telemetry unit compatibility upgrade	\$0	\$50	\$50	
Water				
1058- City-wide - Groundwater Bores Renewal	\$10	\$60	\$50	
1063- Turitea WTP - SCADA Renewals	\$73	\$86	\$13	
1385-Water Telemetry Disaster Resilience Additional Microwave Link(1662-C/fwd - Water Telemetry Disaster Re)	\$133	\$129	(\$4)	

Attachment 5 – Financial Statements
Palmerston North City Council
Summary of Financial Performance
For the period to 30 June 2021

	Year to Date			Full Year	
	Actual	Budget	Actual	Revised	Annual
	\$000	\$000	Prior Year \$000	Budget \$000	Budget \$000
OPERATING REVENUE					
Rates revenue	101,100	100,812	98,853	100,812	100,782
Interest and dividends	273	17	1,042	17	17
Other revenue	30,615	28,782	28,832	28,782	28,782
Operating subsidies and grants	3,967	4,383	3,589	4,383	3,343
TOTAL OPERATING REVENUE	135,954	133,993	132,317	133,993	132,923
CAPITAL REVENUE					
Capital subsidies and grants	13,978	14,850	6,808	14,850	7,321
Development contributions	2,187	1,891	2,993	1,891	1,891
Vested assets	294	2,000	2,841	2,000	2,000
TOTAL CAPITAL REVENUE	16,459	18,741	12,641	18,741	11,212
TOTAL REVENUE	152,414	152,734	144,958	152,734	144,135
EXPENSES					
Employee remuneration	46,911	48,337	47,462	48,337	48,076
Elected member remuneration	990	1,022	975	1,022	1,022
Depreciation and amortisation	36,784	40,428	36,483	40,428	40,428
Interest	4,975	5,557	5,535	5,557	5,557
Professional service costs	14,224	11,739	13,125	11,739	9,516
Other expenses	41,214	41,926	41,888	41,926	43,143
Financial instrument valuation	(7,201)	-	2,594	-	-
TOTAL EXPENSES	137,896	149,009	148,061	149,009	147,742
NET SURPLUS/(DEFICIT) BEFORE TAX	14,518	3,725	(3,103)	3,725	(3,607)

Palmerston North City Council
Statement of Financial Position
For the period to 30 June 2021

	2020/21		As at 30 June 2020
	As at 30 June 2021	Full Year	
	Actual \$000s	Rev Budget \$000s	
Current Assets			
Cash & Short Term Deposits	1,522	2,039	2,039
Trade and other receivables	17,218	12,808	12,845
Inventory	6,713	386	386
Total Current Assets	25,453	15,233	15,269
Non-Current Assets			
Property, plant and equipment	2,013,159	1,881,354	1,835,362
Inventory-Non-current	2,778	5,104	5,104
Intangible Assets	1,162	1,281	1,281
Biological Assets	1,430	1,419	1,419
Investment Properties	4,550	4,550	4,550
Investments & Advance	14,500	13,925	13,925
Total Non-Current Assets	2,037,580	1,907,633	1,861,641
Total Assets	2,063,033	1,922,865	1,876,910
Current Liabilities			
Trade and other payables	27,642	23,489	23,489
Provisions	889	754	754
Current Employee Entitlements	5,492	6,001	6,001
Current Portion - Term Liab	10,000	20,000	20,000
Derivative financial instruments	2,719	2,925	2,925
Total Current Liabilities	46,743	53,169	53,169
Non-Current Liabilities			
Provisions	574	631	631
Term Employee Entitlements	1,196	1,298	1,298
Term Liabilities	156,125	164,176	122,000
Derivative financial instruments	5,645	11,636	11,636
Total Non-Current Liabilities	163,540	177,741	135,565
Total Liabilities	210,283	230,910	188,734
Assets less Liabilities	1,852,750	1,691,955	1,688,177
Public Equity			
Retained earnings	1,060,826	1,050,086	1,046,308
Other reserves	791,923	641,869	641,869
Total Public Equity	1,852,750	1,691,955	1,688,177

Palmerston North City Council
Statement of Cash Flows
For the period to 30 June 2021

	Year to Date	Full Year	
	Actual	Revised	Annual Budget
	\$000s	Budget	\$000s
Cash Flows From Operating Activities			
Receipts from rates revenues	100,544	100,812	100,782
Interest received	247	17	17
Dividends received	4	-	-
Operating subsidies and grants	6,519	4,383	3,343
Receipts from other revenue	27,514	28,782	28,782
Capital subsidies and grants	14,360	14,850	7,321
Development contributions	2,187	1,891	1,891
Receipts from tax losses	41	-	-
Interest paid	(4,975)	(5,557)	(5,557)
Payments to suppliers and employees	(107,119)	(102,987)	(101,757)
Goods and Services Tax (net)	(429)	-	-
Net Cash From Operating Activities	38,893	42,191	34,822
Cash Flows From Investing Activities			
Proceeds from sale of property	175	-	-
Proceeds from sale of biological assets	-	-	-
Purchase of property, plant and equipment - new	(39,771)	(58,488)	(49,663)
Purchase of property, plant and equipment - renewal	(23,403)	(25,880)	(20,803)
Net other advances repayment received/(made)	(497)	-	-
Net increase in investments	(39)	-	-
Net Cash From Investing Activities	(63,535)	(84,368)	(70,466)
Cash Flows From Financing Activities			
Investment fund reductions	-	-	-
Net borrowing proceeds/(repaid)	24,125	42,176	35,643
Repayment of borrowings	-	-	-
Repayment of leases	-	-	-
Net Cash From Financing Activities	24,125	42,176	35,643
Net Increase/(decrease)	(517)	(1)	(1)
Cash at beginning of year	2,039	500	500
Cash at Month End	1,522	499	499

Attachment 7 – Approved variations to Annual Budget

After the 2020/21 Annual Budget was approved, the following changes were authorised by Council. These also impacted the debt levels.

Profit and Loss	\$000
Annual Budget Net Surplus/(Deficit) Before Tax	(3,607)
Changes authorised by Council:	
Adjust budget for capital revenue as a result of carry forwards	384
S17A Review of Economic Development	(15)
Bi Election	(151)
Three waters DIA funded projects Revenue	7,956
Three waters DIA funded projects Expenditure	(1,040)
Additional Funding Revenue – Programme 1534	130
Additional Expenditure – Maori Wards Option	(30)

Capital Expenditure	Programme	\$000
Annual Budget total capital expenditure		70,465
Changes authorised by Council:		
Adjust budget carry forwards to actual		3,822
Three Waters DIA funded projects		6,916
Greens Road land acquisition	94 Walkways and Shared Path - Purchase of Land to Extend Network	27
Bunnythorpe Community Facility	234 - Sportsfields and Outdoor Courts - Changing Room Refurbishments	(258)
Bunnythorpe Community Facility	1413 - Bunnythorpe Community Facility	365
Additional funding required	201 - City-wide - Roadway Subdivision Contributions	320
Additional funding required	51 - City-wide - Stormwater Subdivision Contributions	100
Additional funding required	1005 - Industrial Growth - Installation of Water Supply Systems to an Expanded North East Industrial Zone	100
Additional funding required	210 - Urban Growth - Installation of Wastewater Systems for New Industrial Areas - NEIZ Extension Area	100
Additional funding required	197 - Urban Growth - North East Industrial Park Stormwater	100
Additional funding required	1089 - Industrial Growth - NEIZ - Richardsons Line Upgrade	150
Additional funding required	1001 - Urban Growth - Whakarongo - Installation of Stormwater Systems	100
Additional funding required	1055 - Urban Growth – City West Installation of Wastewater Systems	300
Reallocation of surplus funds	1488 - Seal Extension Unsealed Roads	(220)
Reallocation of surplus funds	1578 – Monrad/Pencarrow Roundabout Installation	385
Additional funding required	1694-Summerhill Drive - On-Street Parking Infrastructure	234
Additional external funding	1534 – Central Energy Trust Arena Manawatu – Embankment Redevelopment	130
Additional funding required	324-Park Road / Cook Street - Intersection Improvements	541

Additional funding required	1074-Totara Road Wastewater Treatment Plant - Earthquake Strengthening of Civil Structures	400
Additional funding required	1081-City Reserves -Victoria Esplanade - Park Road Entrance and Parking Reconfiguration	190

Variations to Annual Budgets approved by Chief Executive

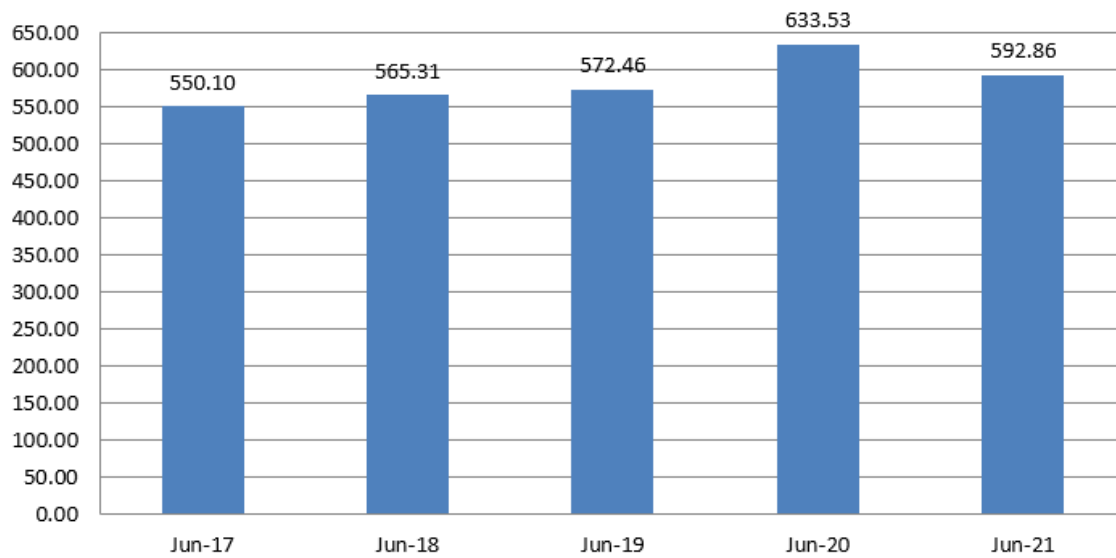
The Delegations Manual provides that the Chief Executive may approve transfers of budgets where this will best achieve the outcome intended and savings can be made to offset the authorised increase. Where the amounts authorised cross activities, these are required to be reported quarterly to the Finance and Performance Committee.

Profit and Loss	Budget change
Activity	\$000
Corporate Support offsetting increase in both revenue and expenses due to Warm up Palmy	Corporate Support: 30 Revenue Corporate Support: (30) Expense
Movement of NZTA revenue budget from commercial or Strategic Investments to Roothing to align with nature of revenue	Commercial or Strategic Investments (308) Revenue Roothing 308 Revenue
Recognition of capital revenue associated to clocktower insurance revenue	Creative & Exciting City 99 Non-Operating Revenue

Capital Renewal	Programme	\$000
Activity		
Water Distribution	663 Ashhurst - Bore to Reservoir Pipe Replacement	157
Water Distribution	218 City-wide - Water Pipe Replacements	(139)
Creative & Exciting City	98-City Reserve Renewals	142
Active Community	174-Citywide Replacement of furniture on reserves	(43)
Roads	115-City-wide - Sealed Pavement Renewals	(780)
Roads	139-City-wide - Sealed Road Resurfacing	780
Wastewater treatment and disposal	1059 - Totara Road Wastewater Treatment Plant - Replacement of Grit Removal Systems	(45)
Local Reserves	1108-Cultural/Heritage Reserve - Hokowhitu Lagoon - Bank Renewal	43
Rubbish and Recycling	1374-City-wide - Recycling Drop Off Facilities - Renewals	27
Local Reserves	1474-City-wide - Renewal of park buildings and structures	(43)

Capital New	Programme	\$000
Activity		
Roads	1183 Stoney Creek Road (School) Safety Upgrade	10
Footpaths	1361 Turitea Road - Pedestrian Path/Steps	35
Water Distribution	1386 Ashhurst water supply upgrade to address fire fighting shortfalls and cater for growth	55
Wastewater treatment and disposal	1048 Totara Road Wastewater Treatment Plant - Construction of New Food Waste Facilities	100
Wastewater treatment and disposal	1621 Totara Road Wastewater Treatment Plant - New Storage Shed for critical equipment.	120
Sport and Recreation	1523 -Ashurst pool enhancements	60
Roads	719 College Street - Implementation Plan for Transport Upgrade	(40)
Wastewater collection	1043 Totara Road Wastewater Treatment Plant - Inlet Main Duplication	(395)
Social Housing	1219-Social Housing - Papaioea Place Redevelopment - Stage 2	(133)

Rubish and Recycling	1371- Landfills and Transfer Stations - Safety, Security and Development	61
Community Halls and Facilities	1413-Bunnythorpe Community Facility	133
Rubish and Recycling	1373-City-wide - Recycling Drop Off Facilities - Development	(6)

Attachment 8 – Personnel**Average FTE Count across Council - incl OT**

The decrease in FTE from 2020 to 2021 is due to the high number of vacancies within the organisation. It is anticipated that the FTE will increase as vacancies are filled.

Attachment 9 - Councillor Training

June year to date spend is \$24,871 against a full year budget of \$34,656.

Deputy Mayor Aleisha Rutherford
NZ Planning Institute Conference
Nelson
24-26 March 2021

Councillor Brent Barrett
2Walk & Cycle Conference
Dunedin
16-19 March 2021

Councillor Orphee Mickalad
Sister Cities Conference
Wellington
15-16 April 2021

The Mayor Grant Smith
Deputy mayor Aleisha Rutherford
Councillor Leonie Hapeta
Councillor Renee Dingwall
Councillor Orphee Mickalad
Councillor Rachel Bowen
Economic Development Conference
Palmerston North
16-18 May 2021

Revision to capital programme carry forward budgets requested

As part of the adoption of the Long Term Plan Budget 2021/22, estimates for budgets to be carried forward from 2020/21 were included totalling \$15.8M. These were based on the anticipated works that were unable to be completed by year end, that were considered still needing progress in 2021/22, with consideration to Covid-19 recovery in New Zealand and supply chain impacting on deliverability.

With the 2020/21 financial year now complete, a more complete picture of carry forward requirements has now been analysed, and a revised carry forward budget increase of \$2.44M is requested, with an increase of \$562K to capital revenue and an increase of \$131K to operational expenditure.

For three water reform funded programmes, it is requested capital and operational expenditure carry forward budget is increased by \$2.48M and revenue is increased by \$2.48M.

The changes to carry forward requested have been broken down into five categories:

- Increase to existing carry forwards
- Reduction or no change to existing carry forwards
- Carry forwards not identified in the Long-Term Plan with existing commitments
- Carry forwards not identified in the Long-Term Plan without firm commitments currently in place
- Three water reform funded carry forward programmes

	New \$000	Renewal \$000	Operational \$000	Total \$000
Carry forward included in 2021/22 Long Term Plan (including DIA funded programmes)	12,022	3,792	0	15,814
Adjustments (including DIA)	2,377	1,667	876	4,920
Total carry forward (including DIA)	14,399	5,459	876	20,734

External Funding (included in Long Term Plan)	1,781	1,707	0	3,488
Adjustment to external funding	1,118	1,182	744	3,045
Total external funding	2,899	2,890	744	6,534

	New \$000	Renewal \$000	Operational \$000	Total \$000
Carry forward included in 2021/22 Long Term Plan (excluding DIA funded programmes)	11,953	3,333	0	15,286
Adjustment to actual carry forward available for those programmes included in the 2021/22 Long Term Plan:				
- Increases to budget	1,912	796	0	2,708
- Reductions to budget	-1,019	-564	0	-1,584
Additional carry forward required for programmes unable to be completed by 30 June 2021:				
Works with existing commitments	649	400	0	1,049
Works without existing commitments	131	0	131	263
Total change to carry forward budgets	1,673	632	131	2,436
Total to be carried forward to 2021/22	13,626	3,965	131	17,722

Carry forward DIA funded programmes included in 2021/22 Long Term Plan	69	459	0	528
Adjustment to DIA funded programmes	653	1,086	744	2,484
Total DIA funded programmes to be carried forward to 2021/22	722	1,545	744	3,012

Table 1. Increase to existing carry forwards

Programme	10YP 2021-31 Carry Forward	Requested Carry Forward Amount	Change in Carry Forward Requested
Capital New			
1362-Roberts/Railway Road North Intersection Safety Realignment	223	261	38
1413-Bunnythorpe Community Facility	344	579	234
1578-Monrad Pencarrow Roundabout installation	196	395	199
732-Summerhill Drive - Pedestrian and Cycle Improvements	103	172	69
161-Public Toilets - New City-wide Toilets	96	111	14
902-Property - Seismic Strengthening of Council Properties	1,618	1,633	16
140-Neighbourhood Reserves- Aokautere - Peace Tree Reserve Development	60	118	58
1081-City Reserves -Victoria Esplanade - Park Road Entrance and Parking Reconfiguration	159	436	277
244-City Centre Streetscape Plan - Square East	351	555	205
1089-NEIZ - Richardsons Line Upgrade	15	90	75
324-Park Road / Cook Street - Intersection Improvements	200	474	274
1615-City-wide - Parking and Traffic Signs and Marking	5	13	8
910-Ferguson Street (Linton Street to Pitt Street) - Road Widening and Traffic Signal Installation	9	40	31
1004-Urban Growth - Whakarongo - Water Supply	50	100	50
1005-Urban Growth - NEIZ - Water Supply	58	80	22
1055-Urban Growth - Kakatangiata - Wastewater	315	345	30
1388-Palmerston North - District Metering Areas for Water Supply	201	218	17
1618-Totara Road Wastewater Treatment Plant - High Voltage Power resilience upgrades	162	262	100
1619-Totara Road Wastewater Treatment Plant - Inlet Screens	252	324	72
91-Turitea WTP - Falling Main Duplication	1,046	1,170	125
Capital New Total	5,463	7,375	1,912
Capital Renewal			
65-City-wide - Wastewater Pump Station Renewal	193	263	70
1351-Eastern Trunk Main - Hokowhitu Campus Renewal	40	126	86
98-Citywide Reserves - Renewals (Victoria Esplanade, Memorial Park, Ashhurst Domain and Te Marae o Hine)	54	82	28
186-Public Toilets - Renewals	67	90	23
115-City-wide - Sealed Pavement Renewals (Waka Kotahi Subsidies)	841	971	130
122-City-wide - Road Drainage Renewals	8	66	59
54-City-wide - Wastewater Pipe Renewal	240	446	206
214-City-wide - Water Toby and Manifold Renewals	71	106	35
185-Closed Landfills and Transfer Stations - Site Renewals	16	39	23
1620-Totara Road Wastewater Treatment Plant - High Voltage Power renewals	162	298	136
Capital Renewal Total	1,692	2,489	796
Total increase in existing carry forwards	7,156	9,864	2,708

Table 2. Reduction or no change in existing carry forwards

Programme	10YP 2021-31 Carry Forward	Requested Carry Forward Amount	Change in Carry Forward Requested
Capital New			
1257-City-wide - Cycle Phases at Intersections	42	42	(0)
1575-Seismically brace the HVAC piping	260	101	(159)
235-Manawatu River (Ashhurst to Riverside Drive) - Cycle/Pedestrian Pathway	45	29	(16)
697-Clearview Reserve Development	31	31	(0)
94-Walkways and Shared Path - Purchase of Land to Extend Network	349	305	(44)
1473-City Centre Lighting and Projection Demonstration Project	118	104	(14)
1039-Shared Path Connection - Riverside Drive to Railway Road	33	33	(0)
1579-WWTP - Health and Safety Upgrades	152	152	0
1676-Improve participation in Council and Committee meetings	80	(0)	(80)
144-Urban Growth - Whakarongo - Reserves Land Purchases	639	639	0
1127-City Reserves - Victoria Esplanade - Bonsai & Shade House	66	66	0
1219-Social Housing - Papaioea Place Redevelopment - Stage 2	686	682	(4)
558-Urban Growth - Local Reserves - Takaro - Oriana Reserve Development	80	80	0
1552-Animal Shelter - New Building	220	220	0
716-Urban Growth - Whakarongo - Walkways Land Purchases	148	148	0
279-City-wide - Minor transport improvements	16	16	0
1440-Cuba Street urban streetscape improvements - Rangitikei to George Street (Stage 2)	478	446	(32)
1003-Whakarongo - Intersection Upgrades	100	100	0
1358-City-wide - Footpath extension	38	25	(13)
1444-City-wide - Shared path resilience	125	(0)	(125)
1559-City-wide - Urban Cycle Infrastructure Network improvements	843	770	(73)
1095-Palmerston North to Bunnythorpe Shared Path	90	90	0
1694-Summerhill Drive - On-Street Parking Infrastructure	50	49	(1)
651-City-wide - Water Supply Resilience - Seismic Strengthening	1,032	696	(335)
1001-Urban Growth - Whakarongo - Stormwater	99	98	(1)
210-Urban Growth - NEIZ - Wastewater	75	75	0
1384-City-wide - Water Supply Resilience - Additional Reservoirs	391	271	(120)
1621-Totara Road Wastewater Treatment Plant - New Storage Shed for critical equipment.	153	153	0
124-Turitea WTP - Drinking Water Standards Upgrades	50	50	0
Capital New Total	6,490	5,470	(1,019)

Programme	10YP 2021-31 Carry Forward	Requested Carry Forward Amount	Change in Carry Forward Requested
Capital Renewal			
179-Totara Road Wastewater Treatment Plant - Minor Equipment Renewals	316	164	(151)
278-Cemeteries - Kelvin Grove - Roading and Footpath Refurbishment	13	12	0
784-Replacement of Council's Photocopiers/Printers	40	40	0
1269-Bylaw Signage - Replacement	6	6	0
53-Computer Replacement - Rolling Replacements	191	174	(17)
1512-CCTV replacements	31	31	0
258-City-wide - Refurbishment and Replacement of Boundary Fences on Reserves	18	11	(7)
270-Holiday Park - Renewals	45	24	(21)
281-CAB - Renewals	36	36	0
567-Cemeteries - Crematorium Chapel Interior Renewals	66	66	0
1443-City-wide - Road Drainage Replacements (Unsubsidised)	65	65	0
207-Turitea WTP - Equipment and Facility Renewals	579	249	(331)
199-City-wide - Water Supply Bore and Network Facility Renewals	188	152	(37)
85-Depot - Buildings and Structures Renewals	47	47	0
Capital Renewal Total	1,641	1,076	(564)
Total reductions in existing carry forwards	8,131	6,547	(1,584)

Table 3. Carry forwards not identified in the Long-Term Plan with existing commitments

These carry forwards were not identified in the Long-Term Plan but were unable to be completed before year-end mainly due to either goods not arriving prior to 30-June or a shortage of contractors as a result of a limited labour market.

Programme	10YP 2021-31 Carry Forward	Requested Carry Forward Amount	Change in Carry Forward Requested	Reason for carry forward budget being required
Capital New				
1074-Totara Road Wastewater Treatment Plant - Earthquake Strengthening of Civil Structures	0	155	155	Work temporarily put on hold to allow for tank replacement to be completed. Work is underway currently.
719-College Street - Implementation Plan for Transport	0	20	20	To complete minor issues identified in safety audit.
708-Urban Growth - Aokautere - Reserves Land Purchase	0	34	34	Agreement for the purchase of the land has been reached. When the carry forwards were first signalled, we had expected to have a signed agreement, but as at 30 June 2021, there was no signed sale and purchase agreement.
1060-City-wide - Stormwater Network Improvement Works	0	380	380	Resourcing constraints for the detailed design of an upgrade, resulted in a delay to finalising the procurement processes.
1372-City-wide Stormwater Pump Stations Improvement	0	60	60	Several pump station upgrades were delayed due to long leads times for procuring overseas sourced equipment.
Capital New Total	0	649	649	
Capital Renewal				
173-City-wide - Playground Renewals	0	9	9	Contractor availability to install Savage Cres playground equipment.
596-Aquatics - Lido Pool - Asset Renewals	0	37	37	Carry forward for pump at Lido which didn't arrive prior to year end.
1374-City-wide - Recycling Drop Off Facilities - Renewals	0	31	31	Timing of contractor availability.
20-City-wide - Stormwater Pump Station Renewals	0	209	209	Delayed due to Contractor availability. Work will be done in July- Aug 21
1058-City-wide - Groundwater Bores Renewal	0	50	50	Investigation took longer than expected.
1063-Turitea WTP - SCADA Renewals	0	13	13	Timing of contractor availability.
178- Central Library Replacement of Shelving, Furniture and equipment	0	51	51	Supplier delay.
Capital Renewal Total	0	400	400	
Total new carry forwards with commitments in place	0	1,049	1,049	

Table 4. Carry forwards not identified in the Long-Term Plan without firm commitments currently in place

These budgets were not identified as needing to be carried forward to 2021/22. Explanations for these are provided against each programme for further context.

Programme	10YP 2021-31 Carry Forward	Requested Carry Forward Amount	Change in Carry Forward Requested	Reason for carry forward budget being required
Capital New				
147-Cemeteries - Kelvin Grove, Ashhurst and Bunnythorpe - New Burial Berms	0	83	83	Delayed due to Contractor availability and unfavourable weather conditions.
1125-Park Road (from Fitzherbert Avenue to Katene Street) - Cycle/Pedestrian Improvements	0	48	48	Design is commencing next year Mid July
Capital New Total	0	131	131	
Operating Jobs				
1675-Support for community relief efforts post COVID-19	0	131	131	Council resolution to carry over any unspent money at 30 June 2021.
Operating Jobs Total	0	131	131	
Grand Total	0	263	263	

Table 5. Three water reform funded carry forward programmes

These programmes have unspent balances at year-end at a required to be carried over in order to complete necessary works. These are fully funded from DIA subsidies.

Programme	10YP 2021-31 Carry Forward	Requested Carry Forward Amount	Change in Carry Forward Requested
Capital New			
651-City-wide - Water Supply Resilience - Seismic Strengthening	0	366	366
1384-City-wide - Water Supply Resilience - Additional Reservoirs	0	129	129
1619-Totara Road Wastewater Treatment Plant - Inlet Screens	0	9	9
1688-Three Waters Resilience - Installing Telemetry	69	136	67
1677-Upsizing of Kairanga Bunnythorpe Road Sewer and Storage	0	50	50
1689-Three Waters Data Centre Upgrade	0	32	32
Capital New Total	69	722	653
Capital Renewal			
1068-Totara Road Wastewater Treatment Plant - Replacement of Inlet Pumps	217	259	43
179-Totara Road Wastewater Treatment Plant - Minor Equipment Renewals	0	156	156
207-Turitea WTP - Equipment and Facility Renewals	0	458	458
54-City-wide - Wastewater Pipe Renewal	0	10	10
199-City-wide - Water Supply Bore and Network Facility Renewals	0	151	151
1685-Replacement of potable water service in WWTP	220	241	21
1693-PS Telemetry unit compatibility upgrade	22	50	28
218-City-wide - Water Main Renewals	0	223	223
663-Ashhurst - Water Supply Rising Main Renewal - Stage 3	0	(4)	(4)
Capital Renewal Total	459	1,545	1,086
Operating Jobs			
609-Totara Road Wastewater Treatment Plant - Desludging of Sludge Lagoons	0	154	154
1681-Flow filling large diameter abandoned sewers	0	300	300
1682-Pioneer Highway - Improvements	0	150	150
1683-Totara Rd WWTP - Migrate data collection and plant performance data to cloud based system	0	(15)	(15)
1687-Project management for delivery programme	0	35	35
1690-Condition assessment of critical 3 waters assets	0	0	0
1691-Regional 3 Waters Collaboration Study	0	71	71
1692-Turitea Dams - Catchment Protection	0	50	50
Operating Jobs Total	0	744	744
Total increase in DIA funded 3 Waters	528	3,012	2,484

MEMORANDUM

TO: Finance & Audit Committee

MEETING DATE: 25 August 2021

TITLE: Treasury Report - 12 months ending 30 June 2021

PRESENTED BY: Steve Paterson, Strategy Manager - Finance

APPROVED BY: Stuart McKinnon, Chief Financial Officer

RECOMMENDATION(S) TO COUNCIL

1. That the performance of Council's treasury activity for the 12 months ending 30 June 2021 be noted.
-

1. ISSUE

To provide an update on the Council's treasury activity for the 12 months ending 30 June 2021.

2. BACKGROUND

The Council's Annual Budget for 2020/21 forecast additional debt of \$35.643m would need to be raised during the year to fund the \$46.754m of new capital expenditure programmes (including assumed carry forwards from 2019/20). In June 2020 the Council resolved to specifically authorise the raising of up to \$36m of additional debt. In August 2020 the Council approved increasing the new capital expenditure programme for the year by a further \$3.8m due to a revised assessment of the level of carry forwards from 2019/20. In December 2020 the Council approved further additional capital expenditure of approx. \$1.27m. As there was a high likelihood the full capital expenditure programme for the year would not be achieved there was no change to the additional debt that was authorised for either of these changes.

Council's Financial Strategy (updated version adopted 25 June 2018) contains the following ratios which the Council has determined to be prudent maxima:

- Net debt as a percentage of total assets not exceeding 20%
- Net debt as a percentage of total revenue not exceeding 200%
- Net interest as a percentage of total revenue not exceeding 15%
- Net interest as a percentage of annual rates income not exceeding 20%

An updated version of the Treasury Policy (embracing the Liability Management and Investment Policy), adopted by the Council in August 2020, also contains a number of other criteria regarding debt management. On 7 July 2021 Council adopted its updated Financial Strategy for 2021-31. No changes were made to these prudent debt ratios.

3. PERFORMANCE

Following the annual review published on 3 May 2021 Council's S&P Global Rating's credit rating remained unchanged at AA / A-1+.

Schedule 1 attached shows the details of Council's debt as at 30 June 2021. Debt levels were within the policy parameters outlined in section 2 of this report.

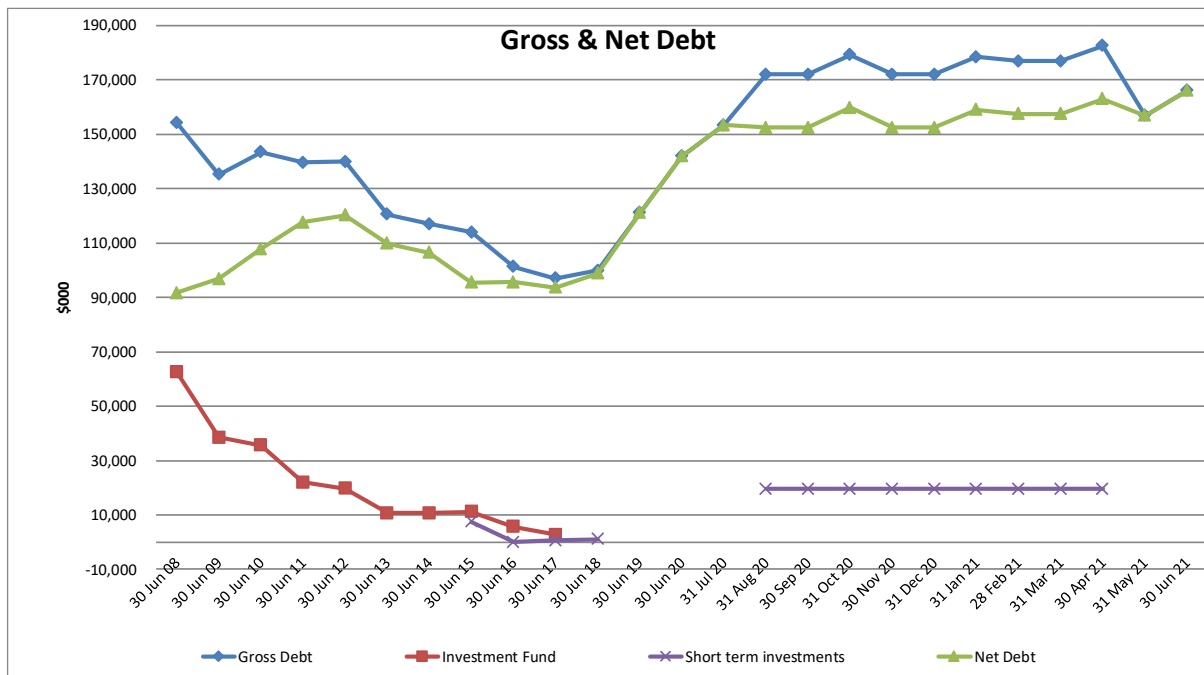
The summarised gross term debt movements are shown in the following table:

	Annual Budget for year (2020/21) \$000	Actual – 3 months (2020/21) \$000	Actual – 6 months (2020/21) \$000	Actual – 9 months (2020/21) \$000	Actual – 12 months (2020/21) \$000
Debt Balance at 1 July 2020	142,597	142,000	142,000	142,000	142,000
New Debt #	35,643	30,000	30,000	35,000	44,125
Debt repayments #					(20,000)
Closing Balance	178,240	172,000	172,000	177,000	166,125
<u>Comprising:</u>					
Bank advance (on call)					9,125
LGFA short term advance					0
LGFA & Council stock		172,000	172,000	177,000	157,000

A portion of the Council's debt is drawn on a daily basis – daily drawdowns and repayments are not included in these figures but the net draw or repayment for the year to date is shown as part of new debt or debt repayment as appropriate.

Gross debt at 30 June 2021 was \$166.125m compared with \$142m at 1 July 2020.

Movements in recent years are shown in the following graph:



Actual finance costs incurred during the 12 months (including interest, line fees and the effects of payments relating to swaps) amounted to \$4.975m compared with the budget for the year of \$5.557m. \$168k of this expense related to \$20m of new loans raised in August 2020 to prefund debt maturing on 15 May 2021. This cost was more than offset by unbudgeted interest income of \$242k received from short term investment of this \$20m. The effective average interest rate for the year was 2.9% compared with the budgetary assumption of 3.4% and this translated to a saving of approximately \$825k.

The Council has entered financial instruments related to its debt portfolio utilising swap trading lines established with Westpac, ANZ and BNZ. The details of these are shown in **Schedule 2** attached.

The value of these instruments is measured in terms of its 'mark-to-market', ie. the difference between the value at which the interest rate was fixed and the current market value of the transaction. Each of these transactions was valued at the date they were fixed and again at the reporting date. Financial reporting standards require the movement in values to be recorded through the Council's Statement of Comprehensive Income (Profit & Loss Account). They have been revalued as at 30 June 2021 and show a reduction in the book value liability of \$779k for the quarter and \$7.575m for the year.

Swaps with a notional value of \$18m matured during the year and new forward start swaps with a notional value of \$40m (maturing in 2027 and 2028) were entered in June 2021. These new swaps were entered to ensure the Council remained within its interest rate risk policy framework.

The Council's Treasury Policy contains guidelines regarding the measurement of treasury risk as follows:

- Funding and liquidity risk is managed by the Council maintaining a pre-set portion of its debt in a range of maturity periods, eg. < 3 years, 3 - 7 years, 7 years +.
- Interest rate risk is managed by the Council maintaining the ratio of debt that is subject to floating versus fixed interest rates within pre-set limits.

The position compared to the policy is illustrated in the graphs in **Schedule 3** attached.

The funding & liquidity risk position can be summarised as follows:

- Council's liquid position complies with policy, and debt that matured in May 2021 was repaid using sums raised in advance and temporarily invested.
- Since 30 June \$20m of term debt has been raised. \$10m of this is to pre-fund debt maturing in April 2022 and has been invested in the meantime at a rate that more than covers the cost of the interest expense. The remainder is funding activity in the 2021/22 year.

The interest rate risk position describes the portion of the overall forecast debt that is fixed versus floating and can be summarised as follows:

- Changes to the Treasury Policy adopted in August 2020 mean the calculations are no longer based on the rolling debt forecast for the next 12 months but rather the rolling debt forecasts for up to 11 years plus.
- There is significant uncertainty about forecast levels of future debt – this very much depends on a number of factors including future Council decisions on the proposed capital expenditure programme and Government decisions on the future structure of the provision of three waters.
- At the present time the strategy being adopted is to use the forecast debt figures from the recently adopted 2021-31 10 Year Plan but reducing them by 30% each year. Past experience is the Council has struggled to deliver its full programme of budgeted work so it is prudent to assume this reduced requirement. Failing to do this would likely lead to the Council's portfolio becoming over hedged.
- At the present time projected debt levels that exclude debt assigned for three waters programmes are also being considered to make sure the Council is not over hedged if water related debt is effectively transferred (or paid off) on 30 June 2024.
- At the present time interest rates are being fixed at or near policy minimums based on the debt forecasts mentioned above and that is the position as at 30 June. This approach is kept under constant review in the light of changing market conditions.

As at 30 June 2021 all policy targets had been met.

Council's credit lines with the banks include a \$18m four-year credit facility with Westpac Bank (maturing 31 July 2022) and a revolving \$25m three-year facility with ANZ Bank (maturing 31 March 2024).

4. CONCLUSION & NEXT STEPS

Finance costs for the year (including interest, line fees and the effect of swaps) was \$4.975m compared with budget for the year of \$5.557m. The variances from budget were due to a variety of factors including prefunding of maturing debt, actual interest rates lower than the budget assumption, capital expenditure and consequentially debt being lower than budget.

In conjunction with Council's treasury advisors hedging instruments are regularly reviewed in an effort to ensure the instruments are being utilised to best advantage as market conditions change. The level of hedging cover is also reviewed as the forecasts of future debt levels are revised.

Council's borrowing strategy is continually reviewed, in conjunction with Council's treasury advisors, to ensure best advantage is taken of Council's quality credit rating. In recent weeks there has been upward market movement in NZ short term interest rates (90 Bank bill rates) and these will be reflected in the 90 interest rate resets for Council's floating rate borrowing. However margins for present borrowing are fixed. Council's hedging strategy is based on the use of forward start swaps. These are influenced by international market movements for long term bonds and there has been little movement in these – if anything they have reduced in recent months.

A further performance report will be provided after the September 2021 quarter.

5. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 5: A Driven & Enabling Council This report outlines the outcomes of a fundamental administrative activity of the Council.	
Contribution to strategic direction and to	Managing the Council's treasury activity is a fundamental component of day to day administration of the Council.

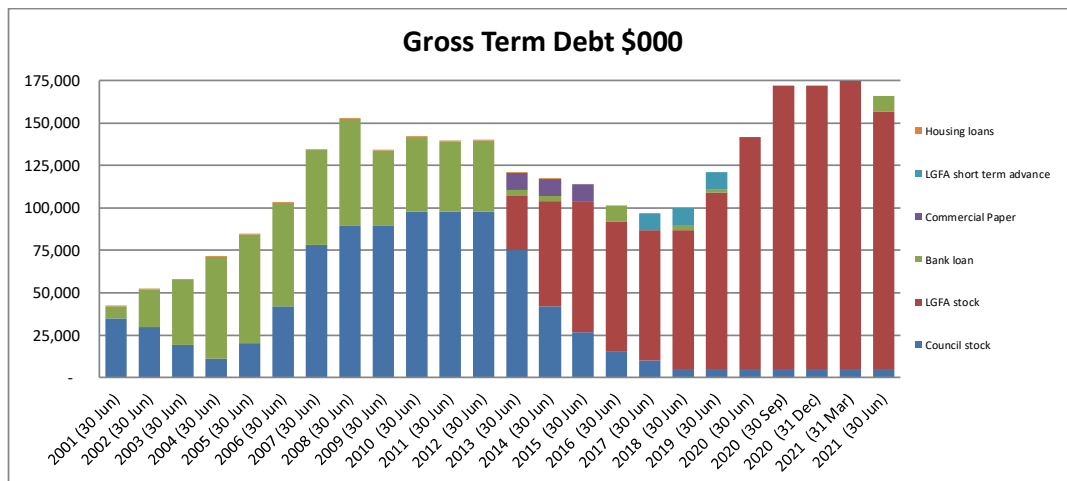
social, economic, environmental and cultural well- being	
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ATTACHMENTS

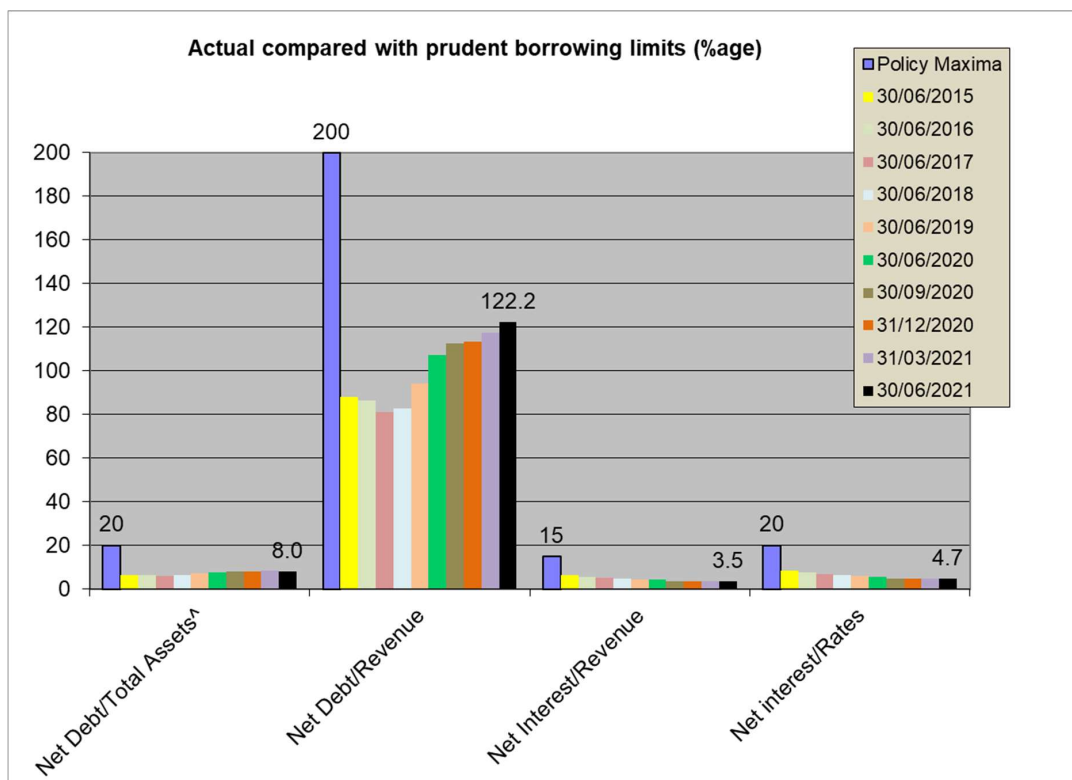
1. Schedules 1 to 3 [↓](#) 

Schedule 1 - Debt levels & Prudent Borrowing Ratios

Palmerston North City Council								
Term Debt as at 30 June 2021								
1. Loan Stock on Issue - Council debentures						Current		
Issue Date	Term	Principal	Margin over BKBM	Interest Rate	Maturity Date	as at 30/06/2021	Interest Rate	Reset Date
FRN 5 Aug 16	6	5,000,000	0.6300%	0.9900%	5-Aug-2022		Floating Qtrly	5-Aug-21
		5,000,000						
2. Loan Stock on Issue - Borrowed from LGFA								
LGFA 13 Apr 15	7	10,000,000	0.3300%	0.6750%	5-Apr-2022	10,000,000	Floating Qtrly	5-Jul-21
LGFA 18 Aug 14	9	10,000,000	0.6325%	0.9725%	17-Apr-2023		Floating Qtrly	15-Jul-21
LGFA 15 Apr 20	3	10,000,000	0.7350%	1.0750%	17-Apr-2023		Floating Qtrly	15-Jul-21
LGFA 23 Jul 18	6	15,000,000	0.5525%	0.8925%	15-Apr-2024		Floating Qtrly	15-Jul-21
LGFA 15 Apr 20	4	5,000,000	0.7850%	1.1250%	15-Apr-2024		Floating Qtrly	15-Jul-21
LGFA 6 Sep 17	7	6,000,000	0.6000%	0.9200%	15-Sep-2024		Floating Qtrly	15-Sep-21
LGFA 6 Sep 17	8	6,000,000	0.6600%	1.0000%	15-Apr-2025		Floating Qtrly	15-Jul-21
LGFA 28 Jan 20	5	8,000,000	0.5400%	0.8800%	15-Apr-2025		Floating Qtrly	15-Jul-21
LGFA 13 Jul 20	5	5,000,000	0.6700%	1.0100%	15-Apr-2025		Floating Qtrly	15-Jul-21
LGFA 22 Mar 18	8	5,000,000	0.7250%	1.0650%	15-Apr-2026		Floating Qtrly	15-Jul-21
LGFA 17 Jun 19	7	7,000,000	0.6525%	0.9925%	15-Apr-2026		Floating Qtrly	15-Jul-21
LGFA 11 May 20	6	5,000,000	0.6600%	1.0000%	15-Apr-2026		Floating Qtrly	15-Jul-21
LGFA 13 Jul 20	6	5,000,000	0.7225%	1.0625%	15-Apr-2026		Floating Qtrly	15-Jul-21
LGFA 16 Mar 15	12	5,000,000	0.4575%	0.7975%	15-Apr-2027		Floating Qtrly	15-Jul-21
LGFA 8 Jun 15	12	5,000,000	0.4525%	0.7925%	15-Apr-2027		Floating Qtrly	15-Jul-21
LGFA 11 Aug 20	7	10,000,000		1.1200%	15-Apr-2027		Fixed	
LGFA 9 Feb 21	6	5,000,000		1.3579%	15-Apr-2027		Fixed	
LGFA 17 Dec 18	10	5,000,000	0.7875%	1.1275%	18-Apr-2028		Floating Qtrly	15-Jul-21
LGFA 7 Oct 19	9	5,000,000	0.7100%	1.0500%	18-Apr-2028		Floating Qtrly	15-Jul-21
LGFA 11 Aug 20	8	10,000,000	0.8300%	1.1700%	18-Apr-2028		Floating Qtrly	15-Jul-21
LGFA 17 Dec 18	11	10,000,000	0.8225%	1.1625%	15-Apr-2029		Floating Qtrly	15-Jul-21
		152,000,000						
3. Bank facilities								
ANZ (\$25m)		-			31-Mar-2024		Reset at any time	
				* plus line fee of 0.22%				
Westpac (\$18m)	On call	9,125,000		1.330%	31-Jul-2022		Reset at any time	
				* plus line fee of 0.27%				
4. Short term facility from LGFA								
		-						
Total as at 30 June 2021		166,125,000				10,000,000		



The Financial Strategy contains a series of ratios that the Council has determined to be prudent maxima. The chart below shows the actual results for since 2014/15 compared to those ratios.



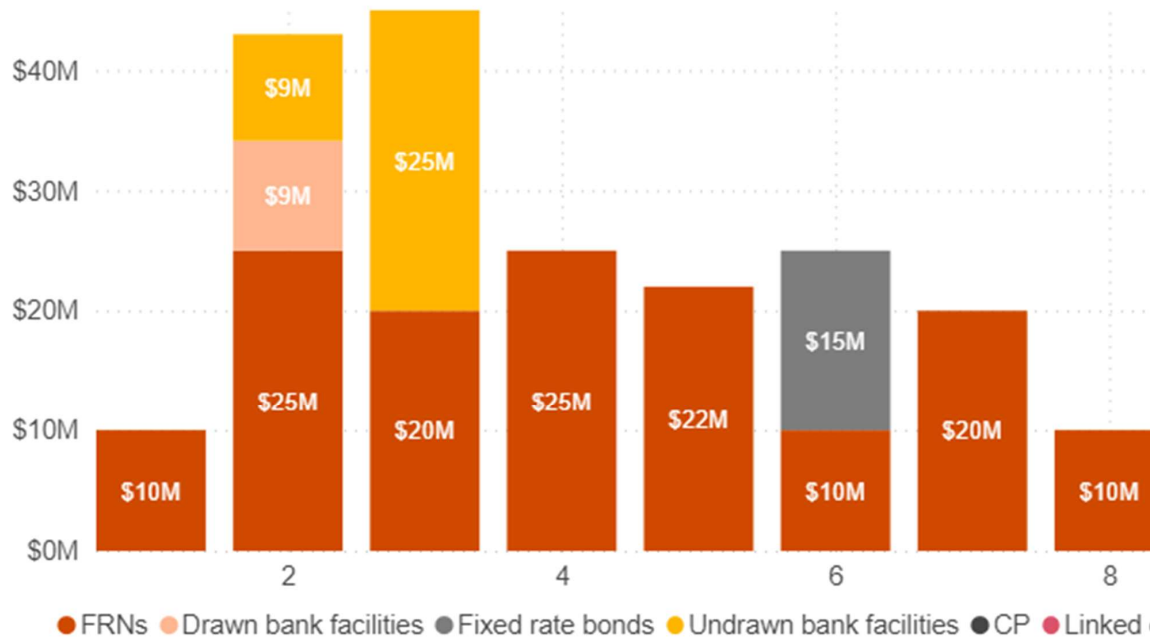
^ The Net Debt/Total Assets ratio became effective from 1 July 2015. Previously the ratio used was Net Debt/Equity and the actuals for the previous ratio are shown in this report for information. This figure is provisional as at 30 June 2021 as it awaits finalisation of the calculation of the total assets figure.

Schedule 2 – Interest Rate Swaps

Palmerston North City Council									
Interest Rate Swaps as at 30 June 2021									
Council pays fixed & receives floating on a monthly basis							Current		Hedgebook
Bank	Trade Date	Deal No	Amount	Start Date	Maturity	Fixed Interest rate	Floating rate	Reset date	Value at 30-Jun-21
			\$m						
Westpac	12-Feb-13	2882838	5.0	11-Mar-13	9-Dec-20	4.61%		Matured 9 Dec 20	
Active total at 30 Jun 21			-						0
								Current	0
								Term	0
Council pays fixed & receives floating on a quarterly basis							Current		Value at
Bank	Trade Date	Deal No	Amount	Start Date	Maturity	Fixed Interest rate	Floating rate	Reset date	30-Jun-21
			\$m						
Westpac	19-Aug-10	1656928	5.0	10-Oct-10	10-Jul-20	5.9350%		Matured 10 Jul 20	
ANZ	17-Dec-13	8539285	3.0	17-Feb-14	15-Nov-20	4.92%		Matured 15 Nov 20	
Westpac	21-Feb-14	3540565	5.0	7-Mar-14	7-Sep-20	6.295%		Matured 7 Sep 20	
Westpac	8-May-14	3673014	5.0	9-Jun-14	7-Sep-21	6.060%	0.320%	7-Sep-21	(71,509)
Westpac	8-May-14	3672892	5.0	10-Jul-14	11-Apr-22	5.690%	0.315%	12-Jul-21	(262,837)
Westpac	8-May-14	3672895	5.0	6-Jun-14	8-Jun-21	5.820%		Matured 8 Jun 21	
ANZ	20-Jun-14	9572093	5.0	15-Dec-14	15-Jun-23	4.840%	0.320%	15-Sep-21	(405,166)
Westpac	18-Jul-14	3787822	6.0	29-Sep-15	29-Sep-23	4.850%	0.340%	29-Sep-21	(537,160)
ANZ	28-Nov-14	10730910	5.0	15-Dec-17	15-Jun-24	4.500%	0.320%	15-Sep-21	(521,767)
ANZ	28-Nov-14	10730993	5.0	10-Apr-18	10-Oct-24	4.515%	0.315%	12-Jul-21	(603,850)
ANZ	3-May-17	15995740	6.0	22-Jul-19	21-Apr-22	3.350%	0.340%	21-Jul-21	(175,023)
BNZ	10-Jul-19	384538896	5.0	31-Jul-19	21-Jul-22	1.345%	0.340%	21-Jul-21	(53,320)
ANZ	29-Nov-18	18984011	5.0	6-Dec-19	6-Sep-23	2.555%	0.320%	6-Sep-21	(194,189)
Westpac	28-Nov-14	4040149	5.0	10-Jan-20	10-Jan-24	4.585%	0.315%	12-Jul-21	(507,048)
ANZ	29-Nov-18	18984258	2.0	6-Mar-20	6-Mar-29	3.095%	0.320%	6-Sep-21	(208,713)
Westpac	28-Nov-14	4040489	7.0	8-Jun-20	8-Dec-22	4.5675%	0.320%	8-Sep-21	(413,755)
Westpac	25-Feb-15	4218128	5.0	7-Sep-20	9-Sep-24	3.990%	0.320%	9-Sep-21	(474,842)
ANZ	25-Feb-15	11281075	3.0	16-Nov-20	15-Nov-24	3.990%	0.350%	16-Aug-21	(303,333)
Westpac	18-Jan-16	4910927	5.0	9-Dec-20	9-Jun-25	3.970%	0.320%	9-Sep-21	(548,602)
Westpac	25-Feb-15	4218131	5.0	8-Jun-21	10-Jun-24	3.990%	0.315%	10-Sep-21	(446,329)
Active total at 30 Jun 21			79.0						(5,727,443)
Westpac	26-Feb-16	5013577	5.0	11-Apr-22	12-Jan-26	3.635%		11-Apr-22	(394,617)
ANZ	27-Nov-17	17029213	5.0	15-Jun-23	15-Jun-27	3.7675%		15-Jun-23	(362,479)
ANZ	27-Nov-17	17029223	6.0	29-Sep-23	29-Jun-27	3.7875%		29-Sep-23	(400,423)
ANZ	27-Mar-18	17670250	5.0	15-Jun-24	15-Jun-29	3.840%		15-Jun-24	(384,960)
ANZ	27-Mar-18	17670276	5.0	10-Oct-24	10-Jan-31	3.920%		10-Oct-24	(457,531)
ANZ	27-Mar-18	17670295	5.0	10-Jun-24	10-Jun-32	3.935%		10-Jun-24	(571,824)
BNZ	27-Feb-20	384575543	7.0	8-Dec-22	8-Dec-28	1.3375%		8-Dec-22	232,242
ANZ	13-Oct-20	22956802	10.0	15-Apr-22	15-Apr-28	0.4025%		15-Apr-22	772,772
Westpac	25-Jun-21	9002142	10.0	15-Jun-22	15-Jun-28	1.8200%		15-Jun-22	(11,216)
Westpac	25-Jun-21	9002154	10.0	15-Sep-22	15-Sep-28	1.9000%		15-Sep-22	(18,353)
Westpac	25-Jun-21	9002127	10.0	15-Mar-23	15-Mar-28	1.9400%		15-Mar-23	(18,574)
Westpac	25-Jun-21	9002104	10.0	15-Jun-23	15-Sep-27	1.9325%		15-Jun-23	(17,320)
Forward start total at 30 Jun 21			88.0						(1,632,283)
									(7,359,726)
								Current	(2,719,281)
								Term	(4,640,445)
									(7,359,726)

Schedule 3 - Risk Exposure Position**Funding & Liquidity Risk Position – proportions of Debt within pre-set maturity bands**

Funding and liquidity risk timeline



Funding summary

Bucket (years)	Maturing in period (\$)	Policy	Actual
0 - 3	98,000,000	15% - 60%	49%
3 - 7	92,000,000	25% - 85%	46%
7 - 15	10,000,000	0% - 60%	5%
Total	200,000,000		100%

Liquidity Ratio
 Policy: $\geq 110\%$
 Actual at 30 June 2021 120%

Gross external debt at 30 June 2021:
 \$166,125,000

Undrawn bank facilities at 30 June 2021:
 \$33,875,000

Interest Rate Risk Position – proportions of forecast Debt subject to floating versus fixed interest rates within pre-set policy limits

As at 30 June 2021

Total fixed rate instruments
\$94,000,000

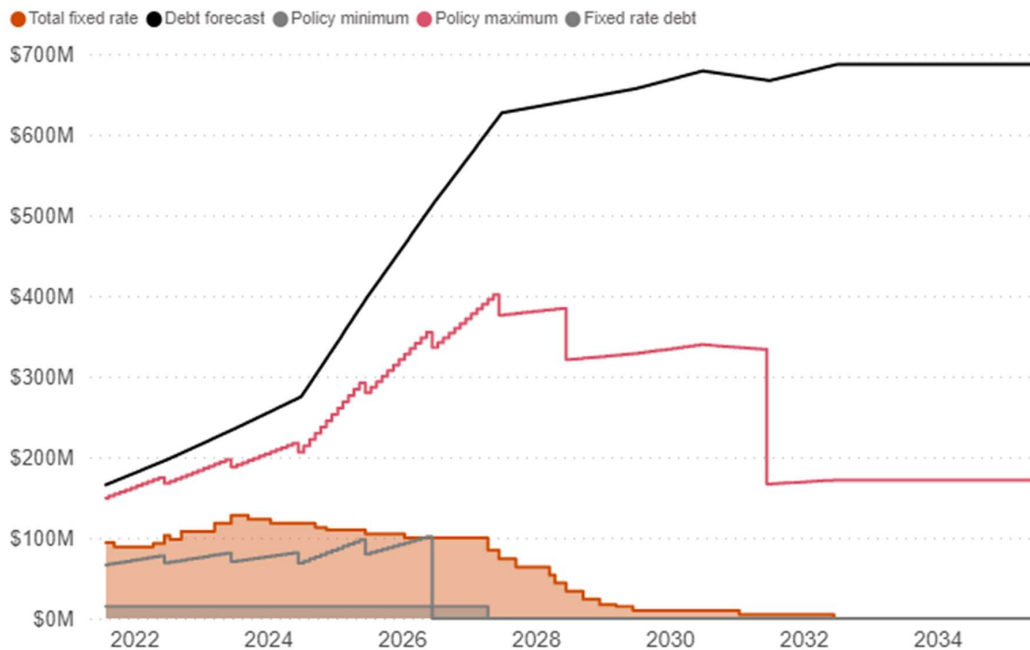
Weighted average fixed rate of fixed rate instruments
3.66%

Weighted average term of fixed rate instruments
5.4 years

Fixed proportions each year compared with policy – based on 10YP debt forecast with 30% haircut

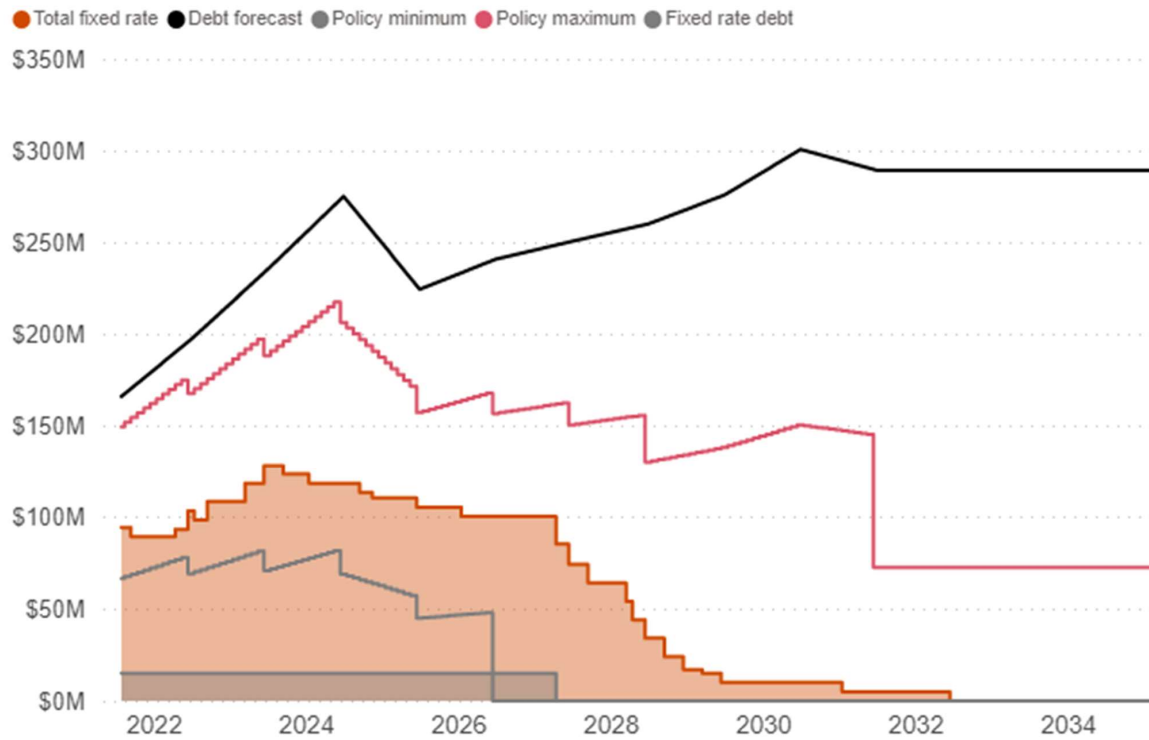
#	Bucket	Min	Max	Actual
1	0 - 12	40%	90%	51%
2	12 - 24	35%	85%	51%
3	24 - 36	30%	80%	48%
4	36 - 48	25%	75%	34%
5	48 - 60	20%	70%	23%
6	60 - 72	0%	65%	17%
7	72 - 84	0%	60%	10%
8	84 - 96	0%	50%	3%
9	96 - 108	0%	50%	1%
10	108 - 120	0%	50%	1%
11	120 - 132	0%	25%	1%
12	132 - 144	0%	25%	0%
13	144 - 156	0%	25%	0%
14	156 - 168	0%	25%	0%

Interest rate risk timeline



The shaded portion reflects the fixed portion of the forecast debt based on 10YP with 30% haircut

Interest rate risk timeline



The shaded portion reflects the fixed portion of the forecast debt (excluding three waters) based on 10YP with 30% haircut

REPORT

TO: Finance & Audit Committee

MEETING DATE: 25 August 2021

TITLE: Clearview Reserve - Easement Proposal to Powerco

PRESENTED BY: Bryce Hosking, Manager - Property and Kathy Dever-Tod, Parks & Reserves Manager

APPROVED BY: Sarah Sinclair, Chief Infrastructure Officer

RECOMMENDATION(S) TO COUNCIL

1. That Council, as the administering body of Clearview Reserve (legally described as Part of Lot 1 DP 69185), authorise the granting of an easement to convey electricity, to Powerco.
2. That Council, in exercise of the powers conferred on it by delegation under the Reserves Act 1977, authorise the granting of an easement to convey electricity, to Powerco.
3. That Council note that the requirements of Section 4 of the Conservation Act 1987 have been satisfied in relation to consultation with Iwi over granting an easement to convey electricity at Clearview Reserve.
4. That Council note that the requirements of Sections 119 and 120 of the Reserves Act 1977 have been satisfied in relation to public notification prior to the resolution to grant an easement to convey electricity over Clearview Reserve.

SUMMARY OF OPTIONS ANALYSIS FOR

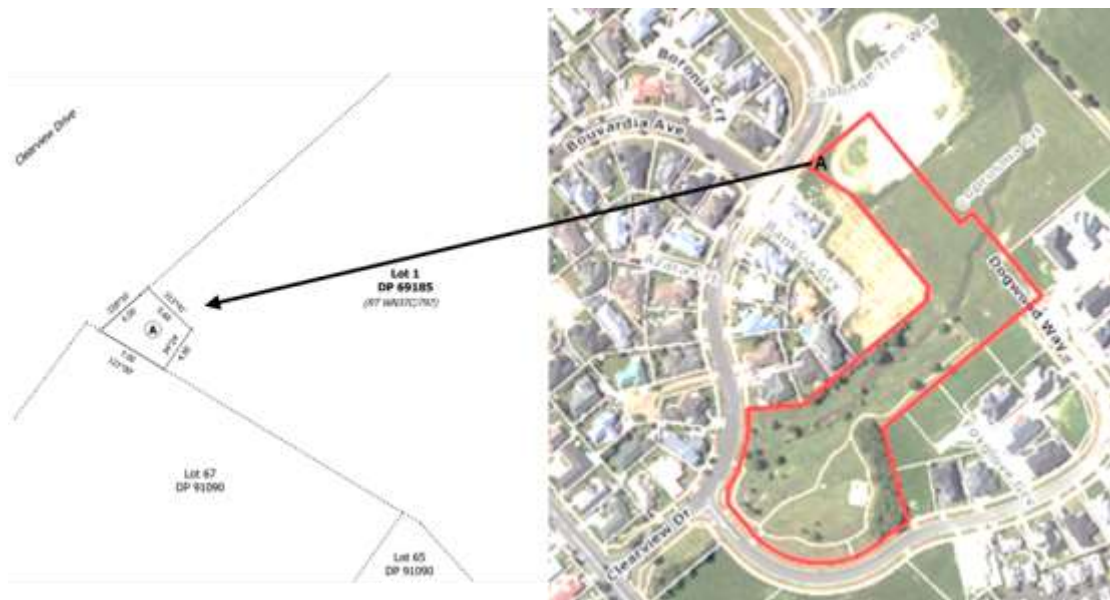
Problem or Opportunity	<p>Powerco has existing transformer and associated services within Clearview Reserve for the supply of electricity to Clearview Drive. These utility services were established within the reserve land in 2003 as part of the Clearview Drive Subdivision.</p> <p>The Reserves Act 1977 requires utility services on reserve land to be covered by an easement, however, there is currently no easement registered for this matter within Clearview Reserve.</p> <p>Powerco has identified this matter during their recent upgrade work and has requested an easement be created to ensure the legal status of these utilities align with the Reserves Act.</p> <p>The public consultation process has been completed in accordance with Section 48 of the Reserves Act 1977. There were no submissions received.</p> <p>This report seeks approval from Council to grant the formal easement for this matter.</p>
Community Views	<ul style="list-style-type: none"> • The transformer has physically been in place since its establishment in 2003. Council has never received any feedback in relation to this transformer during this time. • The public consultation process was completed and there were no submissions received. • Iwi were consulted and were in support of the easement being granted.
OPTION 1:	Approve the proposed easement at Clearview Reserve to Powerco
Benefits	<ul style="list-style-type: none"> • Registering an easement within Clearview Reserve is considered good governance and ensures the activity is compliant with the requirements of the Reserves Act 1977.
Risks	<ul style="list-style-type: none"> • None.
Financial	<ul style="list-style-type: none"> • There are no financial implications with this easement as all costs are met by Powerco as the owner of the services as per Council's Easements Policy.
OPTION 2:	Decline the proposed easement to Powerco at Clearview Reserve and require the services to be relocated
Benefits	<ul style="list-style-type: none"> • None.
Risks	<ul style="list-style-type: none"> • If a formal easement is not granted Powerco will need to relocate the transformer which will cause disruption to the

	<p>surrounding residents.</p> <ul style="list-style-type: none"> Declining an easement may be perceived as causing unnecessary disruption.
Financial	<ul style="list-style-type: none"> None.

RATIONALE FOR THE RECOMMENDATIONS

1. OVERVIEW OF THE PROBLEM OR OPPORTUNITY

- 1.1 Powerco has existing transformer and associated services within Clearview Reserve for the supply of electricity to Clearview Drive.
- 1.2 The location of the transformer within Clearview Reserve is shown below:



- 1.3 The Reserves Act 1977 requires any form of utility for services on reserve land to be covered by an easement, however, there is currently no easement registered for this utility within Clearview Reserve.
- 1.4 Powerco identified this matter during their recent upgrade work to connect a new cable from Dogwood Way to the transformer and have requested an easement be created to ensure the legal status of these utilities align with the Reserves Act.
- 1.5 The public consultation process has been completed in accordance with Section 48 of the Reserves Act 1977. There were no submissions received.
- 1.6 This report seeks approval from Council to grant the formal easement for this matter.

2. BACKGROUND AND PREVIOUS COUNCIL DECISIONS

- 2.1 Powerco's utility services at Clearview Reserve include a transformer and associated services such as underground cables. These utility services were established within the reserve land in 2003 as part of the Clearview Drive Subdivision.
- 2.2 In general Council encourages, wherever possible, service companies to locate their services in the road corridor. Road corridors are often increased in new subdivisions to include 'alcoves' that will house transformers. This allows service companies to operate under a standard roading corridor right-of-way.
- 2.3 This is not always possible or an appropriate outcome however, hence on occasion these utility services are required to be located within reserve land.
- 2.4 In these situations, Council encourages companies to situate these utility services underground. In this case the transformer needed to be located above ground for access, so the best outcome was to set this back off the road or footpath and to be located 'out of the way'.

Requirement for Easements

- 2.5 In 1968 the Electricity Act provided the legal basis for utilising land for the purposes of conveying electricity. In 1977 this method of utilising land in reserves for the purposes of conveying electricity was superseded by the Reserves Act 1977.
- 2.6 In recent years Powerco has been bringing the legal status of all their electricity conveyance utilities in line with the Reserves Act, including the establishment of easements when required.
- 2.7 The easements proposed cover the transformer site and the recent upgrade works area.

Previous Council Decisions

- 2.8 The Finance and Audit Committee received a report on the proposed easement at their meeting on 24 February 2021.
- 2.9 Council subsequently approved the proposal to proceed to community consultation.
- 2.10 Community consultation occurred during the period 28 April to 27 May 2021. There were no submissions received.

3. DESCRIPTION AND ANALYSIS OF OPTIONS

Community Views

- 3.1 The transformer has physically been in place since its establishment in 2003. Council has never received any feedback in relation to this transformer during this time.
- 3.2 The public consultation process was completed and there were no submissions received.
- 3.3 Iwi were consulted and were in support of the easement being granted.

Option 1: Approve the proposed easement at Clearview Reserve to Powerco

- 3.4 Option 1 sees Council authorise the granting of an easement to convey electricity to Powerco within Clearview Reserve.

Benefits

- 3.5 The registration of an easement is an administrative matter. As such registering this easement within Clearview Reserve is considered good governance and ensures the activity is compliant with the requirements of the Reserves Act 1977.

Risks

- 3.6 No risks have been identified for this option.

Financial Implications

- 3.7 There are no financial implications with this easement as all costs are met by Powerco as the owner of the services as per Council's Easements Policy.

Option 2: Decline the proposed easement to Powerco at Clearview Reserve and require the services to be relocated

- 3.8 Option 2 would see Council declining the proposed easement and require Powerco to relocate the transformer and its associated services off Clearview Reserve.

Benefits

- 3.9 No benefits have been identified for this option.

Risks

- 3.10 If a formal easement is not granted Powerco will need to relocate the transformer which will cause disruption to the surrounding residents.

- 3.11 Given the transformer and its services have been in place since 2003, declining an easement may be perceived as causing unnecessary disruption by both Powerco and the general public.

Financial Implications

- 3.12 No costs will be incurred.

4. CONCLUSION

- 4.1 As this is an administrative matter, Option 1 is considered good governance and will ensure the activity is compliant with the requirements of the Reserves Act 1977.
- 4.2 Council has met the requirements of the Reserves Act and Conservation Act in considering the easement.
- 4.3 There was no submission in support or opposition received from the community consultation and no concerns raised by Rangitāne.
- 4.4 It is recommended that Council proceeds with Option 1 and grants an easement to Powerco at Clearview Reserve.

5. NEXT ACTIONS

- 5.1 The easement instrument will be entered between Council and Powerco and added to the relevant property title.

6. OUTLINE OF COMMUNITY ENGAGEMENT PROCESS

- 6.1 Public notification was undertaken through an advertisement in the Manawatu Standard and on the Palmerston North City Council website from 28 April 2021 until 27 May 2021.
- 6.2 No submissions or objections were received.
- 6.3 Iwi were consulted on this matter both in January 2021 and as part of the July 2021 bimonthly meeting with Council Officers. They were in support of the easement being granted.

COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	No
Are the decisions significant?	No
If they are significant do, they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No

Is there funding in the current Annual Plan for these actions?		No
Are the recommendations inconsistent with any of Council's policies or plans?		No
The recommendations contribute to Goal 3: A Connected and Safe Community		
The recommendations contribute to the achievement of action/actions in Economic Development		
The action is: Carry out recreation and reserves planning functions under the Reserves Act 1977 and LGA including the preparation of Reserve Management and Development Plans and Master Plans.		
Contribution to strategic direction and to social, economic, environmental and cultural well-being	This action ensures Council meets its legal obligations under the Reserves Act 1977 with regards to reserves planning and legislative requirements for utilities sited in reserves.	

ATTACHMENTS

Nil

COMMITTEE WORK SCHEDULE

TO: Finance & Audit Committee

MEETING DATE: 25 August 2021

TITLE: Committee Work Schedule

RECOMMENDATION(S) TO FINANCE & AUDIT COMMITTEE

1. That the Finance & Audit Committee receive its Work Schedule dated August 2021.

ATTACHMENTS

1. Committee Work Schedule_August 2021 [↓](#) 

FINANCE & AUDIT COMMITTEE

COMMITTEE WORK SCHEDULE – AUGUST 2021

Item No.	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction/ Point of Origin
1.	August 2021	Tamakuku Terrace Affordable Housing Options – report back following negotiations for the terms to be agreed by Council (confidential)	Chief Infrastructure Officer		28 April 2021 Clause 37.2
2.	August 2021	Quarterly Performance & Finance Report (quarter ending 30 June 2021)	Chief Financial Officer		
3.	August 2021	Health & Safety Review	Business Assurance Manager		16 December 2020 Clause 67.2
4.	August September 2021	Asset Management Planning Review	Business Assurance Manager		16 December 2020 Clause 67.2
5.	September 2021	Internal audit on the Arena Development Project	Business Assurance Manager		Infrastructure 24 March 2021 Clause 5.1
6.	September 2021	CET Arena Redevelopment Project Close Out Report	Chief Infrastructure Officer	Transferred from Infrastructure Committee Work Schedule; to be presented along with the Internal Audit on the Arena Development Project report	Council 7 October 2019 Clause 127.2
7.	September 2021	Health & Safety Quarterly Update	Health, Safety &		

Oasis # 13972985

Item No.	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction/ Point of Origin
	November 2021		Wellbeing Manager		
8.	September 2021	Rates review progress update	Chief Financial Officer		24 March 2021 Clause 24.1
9.	October 2021	Quarterly Performance & Finance Report (quarter ending 30 September 2021)	Chief Financial Officer		
10.	November 2021	Review of Property Asset Renewals	Business Assurance Manager		16 December 2020 Clause 67.2
11.	November 2021	Procurement Review	Business Assurance Manager		16 December 2020 Clause 67.2
12.	November 2021	Victoria Esplanade – Café lease extension negotiations	Chief Infrastructure Officer		24 March 2021 Clauses 18.1, 18.3
13.	November 2021	Report re findings of a strategic review of the provision of hospitality services in the Victoria Esplanade	Chief Infrastructure Officer		24 March 2021 Clause 18.2
14.	December 2021	Business Assurance Accountability Report	Business Assurance Manager		16 December 2020 Clause 68.2
15.	2022	Financial Delegation of Authority Policy Review Review of Project Planning and Budgeting Enterprise Risk Management Framework Review Benefits Realisation Framework and Strategic Prioritisation Review Sustainable Practices Review Financial Processes Analytics (FPA)	Business Assurance Manager		16 December 2020 Clauses 67.2 and 68.2

Item No.	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction/ Point of Origin
		Six-monthly Business Assurance Accountability Report			

CONFIDENTIAL DECISIONS RELEASED

Meeting date	Title	Released	Not Released
16 December 2020	Tender Award - Contract 3791 - Junction and Road Safety Improvement	Redacted report, decision and division	N/A

More information on the decisions released can be found on [released decisions](#)