



PALMERSTON NORTH CITY COUNCIL

AGENDA

FINANCE & AUDIT COMMITTEE

9AM, WEDNESDAY 28 APRIL 2021

COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING
32 THE SQUARE, PALMERSTON NORTH



MEMBERSHIP

Susan Baty (Chairperson)

Karen Naylor (Deputy Chairperson)

Grant Smith (The Mayor)

Stephen Armstrong

Leonie Hapeta

Vaughan Dennison

Lorna Johnson

Renee Dingwall

Bruno Petrenas

Lew Findlay QSM

Aleisha Rutherford

Patrick Handcock ONZM

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

Palmerston North City Council

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Private Bag 11034, 32 The Square, Palmerston North



FINANCE & AUDIT COMMITTEE MEETING

28 April 2021

ORDER OF BUSINESS

1. Apologies

2. Notification of Additional Items

Pursuant to Sections 46A(7) and 46A(7A) of the Local Government Official Information and Meetings Act 1987, to receive the Chairperson's explanation that specified item(s), which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded, will be discussed.

Any additions in accordance with Section 46A(7) must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

Any additions in accordance with Section 46A(7A) may be received or referred to a subsequent meeting for further discussion. No resolution, decision or recommendation can be made in respect of a minor item.

3. Declarations of Interest (if any)

Members are reminded of their duty to give a general notice of any interest of items to be considered on this agenda and the need to declare these interests.

4. Public Comment

To receive comments from members of the public on matters specified on this Agenda or, if time permits, on other Committee matters.

(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

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“That the minutes of the Finance & Audit Committee meeting of 24 March 2021 Part I Public be confirmed as a true and correct record.”

6. Ashhurst Domain - Scout Hall Lease Proposal

Page 17

Report, presented by Kathy Dever-Tod, Manager - Parks and Reserves and Bryce Hosking, Manager - Property.

7. Otira Park - Palmerston North Pony Club Branch Lease Proposal

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Report, presented by Bryce Hosking, Manager - Property and Kathy Dever-Tod, Manager - Parks and Reserves.

8. Business Continuity Update

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Memorandum, presented by Jason McDowell, Head of Risk & Resilience.

9. Treasury Report - 9 months ending 31 March 2021

Page 85

Memorandum, presented by Stuart McKinnon, Chief Financial Officer.

10. Quarterly Performance and Financial Report - Quarter Ending 31 March 2021

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Memorandum, presented by Stuart McKinnon, Chief Financial Officer & Andrew Boyle, Head of Community Planning.

11. Committee Work Schedule

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12. 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
13.	Minutes of the Finance & Audit Committee meeting - Part II Confidential - 24 March 2021	For the reasons setout in the Finance & Audit Committee minutes of 24 March 2021, held in public present.	
14.	Tamakuku Terrace Expressions of Interest Response - Affordable Housing Options	Third Party Commercial and Negotiations	s7(2)(b)(ii) and 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 24 March 2021, commencing at 9.02am

- Members Present:** Councillor Susan Baty (in the Chair) and Councillors Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Bruno Petrenas, and Mr Stephen Armstrong.
- Non Members:** Councillors Rachel Bowen, Zulfiqar Butt, Billy Meehan and Orphée Mickalad.
- Apologies:** The Mayor and Councillor Brent Barrett (late arrival, on Council business) and Councillor Aleisha Rutherford (absent on Council business).

Councillor Brent Barrett entered the meeting at 11.02am during consideration of clause 20. He was not present for clauses 16-19 inclusive.

Councillor Lew Findlay was not present when the meeting resumed at 2.27pm. He entered the meeting again at 2.45pm during discussion of clause 22. He was not present when the meeting resumed at 3.48pm. He was not present for clauses 23 to 25 inclusive.

Councillor Rachel Bowen left the meeting at 3.04pm during discussion of clause 22. She was not present for clauses 22 to 25 inclusive.

Councillor Leonie Hapeta was not present when the meeting resumed at 3.48pm. She was not present for clauses 23 to 25 inclusive.

Councillor Billy Meehan was not present when the meeting resumed at 3.48pm. He was not present for clauses 23 to 25 inclusive.

16-21 Apologies

Moved Susan Baty, seconded Leonie Hapeta.

The COMMITTEE RESOLVED

1. That the Committee receive the apologies.

Clause 16-21 above was carried 14 votes to 0, the voting being as follows:

For:

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

17-21

Presentation - Café Esplanade

Mr Mark Tregoweth, owner of Café Esplanade and Ms Rachel Graham, Duty Manager, provided an overview of café operations, changes implemented in the six years of Mr Tregoweth's ownership, and future plans for the café.

Mr Tregoweth stated when he purchased the business six years ago that he spoke to Council Officers about the possibility of lease renewals past 2023 and was assured that this would not be an issue; he was therefore surprised to discover last year that this may not be the case. He commented that he had always been a loyal, honest tenant, paying his rent on time and keeping up with licensing and food and safety requirements. Mr Tregoweth employs 15 staff, and in a time of pandemic that has seen many hospitality businesses having to close, Café Esplanade has survived.

The café offers something that caters for every age, budget and taste, with an emphasis on affordability and accessibility. He and his team have worked hard to market the business, establishing a following with specialty dietary meals and cabinet food, and inviting key groups and associations to hold meetings at the café. It was important to him and his team that customers were always made welcome, and that they had a place where they can enjoy what the team have created.

Mr Tregoweth noted concerns that had been raised relating to mobile vendors, and having food available in the miniature golf area. He noted there are a number of mobile vendors present in the Esplanade but he has preferred to focus on building up his business, and only made Council aware of vendors that members of the public had complained about.

It was noted the Officer's report mentions the lease being discussed at a user group meeting in February. Mr Tregoweth stated that he was not present at this meeting due to illness, and did not realise until seeing the Minutes of this meeting that the lease had been discussed. He stated that he was shocked the lease had been discussed publicly as in his opinion it was commercially sensitive at that point.

Moved Susan Baty, seconded Patrick Handcock ONZM.

The COMMITTEE RESOLVED

1. That the Finance & Audit Committee receive the presentation for information.

Clause 17-21 above was carried 14 votes to 0, the voting being as follows:

For:

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

18-21

Victoria Esplanade - Café lease extension proposal

Report, presented by Kathy Dever-Tod, Manager - Parks and Reserves and Bryce Hosking, Manager - Property.

After discussion Elected Members were of the opinion that the decision regarding the café lease extension proposal should be deferred until completion of a strategic review of provision of hospitality services in the Esplanade.

Elected Members requested that findings of the strategic review be reported back to Finance & Audit Committee by November 2021, and that negotiations with the café tenant be entered into to vary the terms and conditions of the lease with a view to extending it for a further three years, and that this also be reported back to the Committee.

Moved Susan Baty, seconded Karen Naylor.

The COMMITTEE RECOMMENDS

1. That Council defer the decision on the request from the café tenant, Esplanade Enterprises Limited, to extend their lease of the café premises within the Victoria Esplanade until the completion of the strategic review is reported to Committee by November 2021.

Clause 18.1 above was carried 9 votes to 5, the voting being as follows:

For:

Councillors Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Patrick Handcock ONZM, Leonie Hapeta, Billy Meehan, Bruno Petrenas and Mr Stephen Armstrong.

Against:

Councillors Renee Dingwall, Lew Findlay QSM, Lorna Johnson, Karen Naylor and Orphée Mickalad.

Moved Susan Baty, seconded Karen Naylor.

2. That Council note that the findings of a strategic review of the provision of hospitality services in the Victoria Esplanade will be reported back to Finance & Audit Committee by November 2021.

Clause 18.2 above was carried 14 votes to 0, the voting being as follows:

For:

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

Moved Vaughan Dennison, seconded Karen Naylor.

3. That the Chief Executive enter into negotiations with Esplanade Café tenant to vary the terms and conditions, with a view to extend the lease

for a further three years, and that this is reported to the Finance & Audit Committee.

Clause 18.3 above was carried 14 votes to 0, the voting being as follows:

For:

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

The meeting adjourned at 10.36am.

The meeting resumed at 10.53am.

19-21 Confirmation of Minutes

Moved Susan Baty, seconded Vaughan Dennison.

The COMMITTEE RESOLVED

1. That the minutes of the Finance & Audit Committee meeting of 24 February 2021 Part I Public be confirmed as a true and correct record.

Clause 19-21 above was carried 13 votes to 0, with 1 abstention, the voting being as follows:

For:

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

Abstained:

Councillor Orphée Mickalad.

20-21 Palmerston North Airport Ltd - Interim Report for 6 months to 31 December 2020

Memorandum, presented by Steve Paterson, Strategy Manager - Finance.

Councillor Brent Barrett entered the meeting at 11.02am.

Moved Susan Baty, seconded Leonie Hapeta.

The COMMITTEE RECOMMENDS

1. That the Interim Report and Financial Statements of Palmerston North Airport Ltd for the period ended 31 December 2020, presented to the Finance & Audit Committee on 24 March 2021, be received.

Clause 20-21 above was carried 15 votes to 0, 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, Billy Meehan, Karen Naylor, Bruno Petrenas, Orphée Mickalad and Mr Stephen Armstrong.

21-21 Palmerston North Airport Ltd - Draft Statement of Intent for 2021/22
Memorandum, presented by Steve Paterson, Strategy Manager - Finance.

Moved Leonie Hapeta, seconded Billy Meehan.

The **COMMITTEE RECOMMENDS**

1. That the Palmerston North Airport Ltd (PNAL) draft Statement of Intent for 2021/22, presented to the Finance & Audit Committee on 24 March 2021, be received and PNAL be advised that the Council supports the proposed direction and implementation strategy.

Clause 21-21 above was carried 15 votes to 0, 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, Billy Meehan, Karen Naylor, Bruno Petrenas, Orphée Mickalad and Mr Stephen Armstrong.

Moved Karen Naylor, seconded Brent Barrett.

Note:

On a motion that the following words be added: 'subject to amending the Statement of Intent to include reinstating a dividend of 20% net profit after tax by Year 2 and 40% net profit after tax by Year 3' the motion was lost 2 votes to 13, the voting being as follows:

For:

Councillors Brent Barrett and Karen Naylor.

Against:

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

The meeting adjourned at 11.57am.

The meeting resumed at 2.27pm.

Councillor Lew Findlay was not present when the meeting resumed.

22-21 Papaioea Place - Stage 3 Options
Report, presented by Bryce Hosking, Manager - Property.

Councillor Lew Findlay entered the meeting at 2.45pm.

Councillor Rachel Bowen left the meeting at 3.04pm.

Moved Lorna Johnson, seconded Lew Findlay QSM.

The **COMMITTEE RECOMMENDS**

1. That Council considers the report titled 'Papaioea Place – Stage 3 Options' presented to the Finance & Audit Committee on 24 March 2021 and amends the associated current budget provision of \$5,000,000 incl. GST in Programme 1743 in the 2021-31 LTP, to proceed with:

a) Option 2

- Build 7 Additional Units and a Tenant Lounge within the complex; and
- Reduce the capital new budget to \$3,688,965 incl. GST with a financial year split of \$2,000,000 incl. GST in 2021/22 (Year 1) and \$1,688,965 incl. GST (plus inflation) in 2022/23 (Year 2).

Clause 22-21 above was carried 9 votes to 4, with 1 abstention, the voting being as follows:

For:

Councillors Brent Barrett, Zulfiqar Butt, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas and Orphée Mickalad.

Against:

Councillors Susan Baty, Vaughan Dennison, Renee Dingwall and Leonie Hapeta.

Abstained:

Mr Stephen Armstrong.

Moved Susan Baty, seconded Karen Naylor.

Note:

On a motion: 'That Council considers the report titled 'Papaioea Place – Stage 3 Options' presented to the Finance & Audit Committee on 24 March 2021 and amends the associated current budget provision of \$5,000,000 incl. GST in Programme 1743 in the 2021-31 LTP, to proceed with:

Option 1

- Build 10 Additional Units within the complex.
- Reduce the capital new budget to \$3,843,070 incl. GST with a financial year split of \$2,000,000 incl. GST in 2021/22 (Year 1) and \$1,843,070 incl. GST (plus inflation) in 2022/23 (Year 2)'

the motion was lost 3 votes to 10, with 1 abstention, the voting being as follows:

For:

Councillors Susan Baty, Vaughan Dennison and Karen Naylor.

Against:

Councillors Brent Barrett, Zulfiqar Butt, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Bruno Petrenas and Orphée Mickalad.

Abstained:

Mr Stephen Armstrong.

The meeting adjourned at 3.36pm.

The meeting resumed at 3.48pm.

Councillors Lew Findlay, Leonie Hapeta and Billy Meehan were not present when the meeting resumed.

23-21

Fees and Charges Review

Report, presented by Steve Paterson, Strategy Manager - Finance.

During discussion Elected Members requested that the free one hour parking

at Hancock House King Street Car Park be retained.

Moved Renee Dingwall, seconded Lorna Johnson.

The **COMMITTEE RECOMMENDS**

1. That the report titled 'Fees and Charges Review', presented to the Finance & Audit Committee on 24 March 2021, be received, and that the current status of fees and charges be noted.

Trade Waste

2. That the proposal to adopt updated fees and charges for Trade Waste services effective from 1 July 2021 as attached in Appendix 2, be approved for public consultation and the Chief Executive be authorised to undertake the necessary consultative process under sections 82 and 150 of the Local Government Act 2002.

Planning & Miscellaneous

3. That the Statement of Proposal (and the associated summary) to adopt updated fees and charges for Planning Services and Miscellaneous Services effective from 1 July 2021 as attached in Appendix 3, be approved for public consultation and the Chief Executive be authorised to undertake the necessary consultative process under sections 83 and 150 of the Local Government Act 2002.

Building

4. That the fees and charges for Building Services, as proposed in Appendix 4 be adopted and following public notification take effect from 1 July 2021.

Environmental Health

5. That the fees and charges for Environmental Health Services (in terms of regulation 7 of the Health (Registration of Premises) Regulations 1966) as proposed in Appendix 5 (as per updated version tabled), be adopted and following public notification, take effect from 1 July 2021.

Animal Control

6. That the fees and charges for the Impounding of Animals (in terms of section 14 of the Impounding Act 1955) and for Dog Registration and Dog Impounding (in terms of sections 37 and 68 of the Dog Control Act 1996) as proposed in Appendix 6 be adopted, and following public notification, take effect from 1 July 2021.

Burial & Cremation

7. That the fees and charges for Burial and Cremation, as proposed in Appendix 7 be adopted and following public notification, take effect from 1 July 2021.

Service Connections

8. That the fees and charges for Service Connections, as proposed in Appendix 8 be adopted and take effect from 1 July 2021.

Waste Management

9. That the fees and charges for Waste Management as proposed in Appendix 9, including an increase in the maximum retail price for rubbish bags, increases in charges for the Ashhurst Transfer Station and a new charge for recycling of tyres, be adopted and take effect from 1 July 2021.

Sportsfields

10. That the fees and charges for Sportsfields as proposed in Appendix 10 be adopted and take effect from 1 July 2021.

Backflow Prevention

11. That the fees and charges for Backflow Prevention testing and maintenance as proposed in Appendix 11 be adopted and take effect from 1 July 2021.

Corridor Access Request

12. That the fees and charges for Corridor Access Requests as proposed in Appendix 12 be adopted and take effect from 1 July 2021.

Parking

13. That the fees and charges for Parking as proposed in Appendix 13 be adopted and take effect from 1 July 2021 subject in the case of the increase to the Gold card permit fee to any public consultative process that is required under section 82 of the Local Government Act 2002.
14. Retain the free one hour parking at Hancock House King Street Car Park.

Clause 23-21 above was carried 11 votes to 0, the voting being as follows:

For:

Councillors Susan Baty, Brent Barrett, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Lorna Johnson, Karen Naylor, Bruno Petrenas, Orphée Mickalad and Mr Stephen Armstrong.

24-21

Committee Work Schedule

Elected Members requested that Rates Review be added to the work schedule, and that attendance approved and expenditure of the Elected Member Development & Training budget be provided quarterly to the Finance & Audit Committee.

Moved Lorna Johnson, seconded Brent Barrett.

The **COMMITTEE RESOLVED**

1. That the Finance & Audit Committee receive its Work Schedule dated March 2021, and add Rates Review to be brought in September 2021.

Clause 24.1 above was carried 11 votes to 0, the voting being as follows:

For:

Councillors Susan Baty, Brent Barrett, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Lorna Johnson, Karen Naylor, Bruno Petrenas, Orphée Mickalad and Mr Stephen Armstrong.

Moved Karen Naylor, seconded Lorna Johnson.

2. That attendance approved, and expenditure of the Elected Member Development & Training budget is provided quarterly to the Finance & Audit Committee.

Clause 24.2 above was carried 11 votes to 0, the voting being as follows:

For:

Councillors Susan Baty, Brent Barrett, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Lorna Johnson, Karen Naylor, Bruno Petrenas, Orphée Mickalad and Mr Stephen Armstrong.

EXCLUSION OF PUBLIC

25-21 Recommendation to Exclude Public

Moved Susan Baty, seconded Vaughan Dennison.

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
14.	Assurance Report on Review of Information Technology Disaster Recovery Plan	Third Party Commercial, Health Safety and Gain Advantage	s7(2)(b)(ii), s7(2)(d) and s7(2)(j)

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

PALMERSTON NORTH CITY COUNCIL

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

Clause 25-21 above was carried 11 votes to 0, the voting being as follows:

For:

Councillors Susan Baty, Brent Barrett, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Lorna Johnson, Karen Naylor, Bruno Petrenas, Orphée Mickalad and Mr Stephen Armstrong.

The public part of the meeting finished at 4.35pm

Confirmed 28 April 2021

Chairperson

REPORT

TO: Finance & Audit Committee

MEETING DATE: 28 April 2021

TITLE: Ashhurst Domain - Scout Hall Lease Proposal

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

APPROVED BY: Sarah Sinclair, Chief Infrastructure Officer

RECOMMENDATION(S) TO COUNCIL

1. That Council approve the lease to The Scouts Association of New Zealand for the Ashhurst Scouts to operate from the Ashhurst Domain, attached as Appendix 1 of the report titled 'Ashhurst Domain – Scout Hall Lease Proposal' presented to the Finance & Audit Committee on 28 April 2021.
2. That Council, being satisfied that the functions and purposes of the Reserves Act have been considered, that the statutory processes have been met, and being satisfied that the decision is a reasonable one, exercise the authority delegated by the Minister of Conservation to grant consent for the lease at Ashhurst Domain to The Scout Association of New Zealand.

SUMMARY OF OPTIONS ANALYSIS FOR

ITEM 6

Problem or Opportunity	<p>The Ashhurst Scouts requested a land lease at the Ashhurst Domain. They will then build a new Scout Hall on this lease site.</p> <p>As a lease to the Ashhurst Scouts would not meet the criteria for leases under Ashhurst Domain Development and Management Plan 1997, it was therefore subject to the Reserves Act 1977 process.</p> <p>The Reserves Act 1977 requires new leases to be subject to public consultation and a subsequent decision by Council, having first considered any community feedback.</p> <p>The public consultation process has been completed and the results of this was presented to, and accepted by, the Finance & Audit Committee in February 2021.</p> <p>This report considers the matters raised in the submissions and seeks a resolution to proceed with entering a lease with The Scouts Association of New Zealand.</p>
OPTION 1:	Approve the proposed lease within Ashhurst Domain to The Scouts Association of New Zealand, for the Ashhurst Scouts
Community Views	<ul style="list-style-type: none"> Most submitters supported the proposal to lease land to Ashhurst Scouts. Of the 34 submissions, 28 were in support, 2 were neutral, and 4 opposed the proposed lease. The points raised from these submissions are summarised in Section 4 of this report.
Benefits	<ul style="list-style-type: none"> The lease provides the opportunity for the Scouts to develop a facility for their activities and the construction is at their cost. The proposed building is to be owned and maintained (and ultimately, demolished) by the Scouts at their cost. The lease will support the wider reserve in terms of facilities available and Scout activities in the reserve.
Risks	<ul style="list-style-type: none"> The Scouts are unable to raise the appropriate funding to proceed. The hall has a negative visual impact on the surrounding area. There is an impractical increase in the car parking requirements within Ashhurst Domain. The new hall is not operated appropriately.
Financial	<ul style="list-style-type: none"> Council will receive an annual rental of \$150 + GST. <p>(Note: the final rental amount is subject to change given the review of the Community Support Policy which is under development.)</p>

	<ul style="list-style-type: none"> There will no on-going operational costs to Council associated with this lease. As it is a land lease only, Ashhurst Scouts will be responsible for their own repairs and maintenance.
OPTION 2:	Decline the proposed lease within Ashhurst Domain to The Scouts Association of New Zealand, for the Ashhurst Scouts
Community Views	<ul style="list-style-type: none"> Most submitters supported the proposal to lease land to Ashhurst Scouts. Of the 34 submissions, 28 were in support, 2 were neutral, and 4 opposed the proposed lease. The points raised from these submissions are summarised in Section 4 of this report.
Benefits	<ul style="list-style-type: none"> There are no additional benefits arising from this option.
Risks	<ul style="list-style-type: none"> Council is criticised for not supporting Ashhurst Scouts despite most of the feedback being in support of the proposal.
Financial	<ul style="list-style-type: none"> The rental of \$150 + GST per annum would not be received.

RATIONALE FOR THE RECOMMENDATIONS

1. OVERVIEW OF THE PROBLEM OR OPPORTUNITY

- 1.1 The Ashhurst Scouts have requested a land lease at the Ashhurst Domain. They will then build a new Scout hall on the lease site, at their expense.
- 1.2 The location of the proposed lease area is shown below in Figure One:

ITEM 6



Figure One: Scout lease proposal location and extent

- 1.3 As a lease to the Ashhurst Scouts did not meet the criteria for leases under Ashhurst Domain Development and Management Plan 1997 the lease proposal is subject to the Reserves Act 1977 process.
- 1.4 The Reserves Act 1977 requires new leases to be subject to public consultation and a subsequent decision by Council, having first considered any community feedback.
- 1.5 The public consultation process has been completed and the results of this was presented to, and accepted by, the Finance & Audit Committee in February 2021.
- 1.6 This report now considers the matters raised in the submissions and seeks a resolution to proceed with a lease with Ashhurst Scouts.

2. BACKGROUND AND PREVIOUS COUNCIL DECISIONS

Ashhurst Scouts Deputation

- 2.1 Council received a deputation from the Ashhurst Scouts, outlining their desire for a new hall on parks and reserve land in Ashhurst, at the Sport & Recreation Committee

meeting on 16 September 2019. The Committee resolved to receive the deputation for information.

- 2.2 Following the meeting Officers met with the Ashhurst Scouts, initially considering the possibility of the Works Pit on Cambridge Avenue, then expanded to look at other possible locations.

Initial Assessment Report

- 2.3 Council received an initial assessment report on the proposed lease at the Finance & Audit Committee on 21 October 2020. The report assessed the proposal against the:

- Policy for the Use of Public Space;
- Ashhurst Domain Development and Management Plan 1997; and
- The Reserves Act 1977.

- 2.4 In addition, the report also considered the impact on the park operations including the locality, aesthetics, security, litter, vegetation and car parking.

- 2.5 The report also included feedback on the proposal from Rangitāne o Manawatū, Central Football and the neighbouring grazing lease tenant. All parties were comfortable or supportive of the proposal.

- 2.6 After considering this report Council approved the recommendation to proceed to community consultation on the proposal.

- 2.7 Consultation with the community was subsequently carried out from 4 November 2020 to 7 December 2020.

Reserves Act 1977 Consultation Requirements

- 2.8 The consultation undertaken met the requirements of the Reserves Act 1977, having:

- Consulted with Rangitāne o Manawatū as required of administering bodies under the Reserves Act to give effect to the principles of the Treaty of Waitangi. Rangitāne expressed comfort with the proposal;
- Given Public Notice on lease proposal required by Section 119 of the Act;
- Provided the opportunity for submitters to be heard required by Section 120 (1) (c) of the Act; and
- Considered any objections and submissions required by Section 120 (1) (d) of the Act.

- 2.9 As such Council now can exercise the powers delegated by the Minister of Conservation to approve the lease if they choose to.

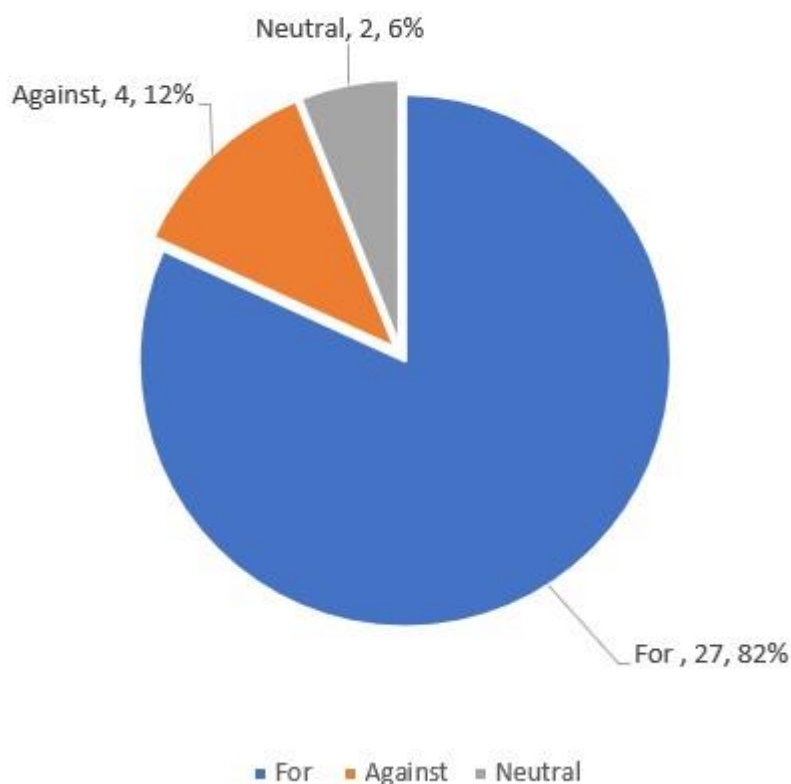
Consultation Feedback Report

- 2.10 Following the consultation process a report was presented to the February 2021 Finance & Audit Committee detailing the consultation process and feedback from the community.
- 2.11 A summary of the process, feedback and points raised from the submissions is detailed below in Sections 3 and 4.

3. CONSULTATION PROCESS AND SUMMARY OF SUBMISSIONS

- 3.1 A report to the 24 February 2021 Finance & Audit Committee detailed the consultation process and tools used to gather feedback from the community.
- 3.2 The report also summarised the submissions and the points raised in them.
- 3.3 Thirty-four submissions were received. The breakdown of the submissions in support vs. against the proposal is shown in the chart below:

Ashhurst Domain - Scout hall lease proposal
Submission responses



4. CONSIDERATION OF POINTS RAISED IN SUBMISSIONS AND HEARINGS

- 4.1 The points raised in submissions, and Officer responses to them, are summarised below:

Submissions in Support	
Point Raised	Officer Response
Several submitters supported for more youth activities.	Noted. This is consistent with actions in the Active Community Plan 2018.
Many submitters supported the Scouts generally.	Noted. Several Scout groups are supported by Council through land lease provision.
Several submitters thought the hall fits well with the Domain and activities in it.	Noted. The Officers reviewing the Ashhurst Domain Development and Management Plan 1997 are of the view that the Scout hall will fit within the Domain and any plans that may arise for it.
One submitter caveats their support, making it conditional on limiting non-Scout/personal events.	<p>The Scouts will need to apply for a resource consent if any activities would not meet the requirements of the District Plan. If the consent were required, then that would consider the risks and mitigations and appropriate conditions – typically a management plan that is required to be adhered to.</p> <p>There is some potential no consent would be required.</p> <p>There have been challenges with the management of some Council halls and facilities where celebration events have involved alcohol. Some halls will not accept bookings for specific age groups that have a history of creating nuisance and issues with neighbours.</p> <p>Recommendation: A condition of the lease be developed that requires a hall hire policy and/or management plan be approved by Manager - Parks and Reserves. Such a policy to be superseded by any Resource Consent requirements, if any, that might address the same matters.</p>
Submissions in Opposition	
Point Raised	Officer Response
Two submitters were	Officers consider the effects acceptable and minor.

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<p>concerned with the visual impacts.</p>	<p>The location of the proposed hall is in a quiet area of the Domain, set behind trees, and controls for the building's aesthetics can be set in place.</p> <p>A specialist visual effect report could be required of the applicants. In order to do this conceptual architectural drawing may also be required. Such an exercise could cost \$5,000 to \$10,000.</p> <p>Recommendation: <i>A condition of the lease be included that the Senior Urban Designer and the Manager – Parks and Reserves approve the building design before any application for building consent is made.</i></p>
<p>Two submitters believe there will be car parking effects.</p>	<p>The existing car parking provision will be maintained. The existing overflow parking area, using the grazing lease area, can be maintained by moving the fence as shown in the October 2020 report.</p> <p>Scouts activities are largely weeknights in the evenings and not in conflict with the sports field car parking.</p> <p>Central Football, the principle users of the sports fields, are supportive of the proposal.</p> <p>A specialist traffic and car parking report could be prepared. This could cost in the order of \$2,000.</p> <p>Officers believe that the risk is low and that management measures could be put in place if it arose through discussions.</p> <p>Recommendation: <i>A special lease clause be implemented requiring the Scouts to pay for moving the overflow carpark fence if requested by Council.</i></p>
<p>Two submitters recommend the old café location as more suitable.</p>	<p>The café location was considered by the Scouts. It is not their preferred location.</p> <p>If Council wished to see a successful café option in this location in the future it would be better retained for that possible future activity.</p> <p>There are excellent views from that location that would be impacted by a building the size of a hall. It is suggested it would be better to retain that space for activities that would benefit substantially from or contribute to the enjoyment of the views than have a hall type activity in that space.</p> <p>Recommendation: <i>No action be taken.</i></p>

Two submitters raised noise from the Scout activities as an issue.	<p>The Scouts would need to comply with the noise requirements for the recreation zone.</p> <p>Any activities after 10.30pm Sunday to Thursday, or after 12am Friday or Saturday, would require a resource consent. The resource consent process would manage any potential negative effects.</p> <p>The Scouts are viewed as a positive and responsive community activity and any issues with noise raised by the community are likely to be very low risk of being unable to be managed through discussion and negotiation.</p> <p>A specialist noise report could be prepared, costing something in the order of \$2,000.</p> <p>Recommendation: <i>No action be taken.</i></p>
One submitter thought the Scout activities will disrupt family and children activities.	<p>The activities in the vicinity of the proposed hall location are a walking path and sports field. The sports field formal users, Central Football, are comfortable with the proposal. The proposed location will not restrict or prevent walking activity.</p> <p>The overflow carpark size would be retained.</p> <p>Scouts may well provide community activities in the Domain that enhance and provide new opportunities for community recreation.</p> <p>Any disruption, if any at all, is likely to be of a very minor nature.</p> <p>Recommendation: <i>No action be taken.</i></p>
Suggestions made were:	
Point Raised	Officer Response
One submitter suggested the use of murals on the walls.	<p>The appearance of the hall will be addressed during the building design stages and its control made a condition of the lease.</p> <p>Recommendation: <i>No action be taken.</i></p>
One submitter requested a modern look to the building.	<p>Landscape/urban design considerations to date have recommended a building that is in keeping with other buildings in the Domain. The detail will be addressed during the building design stages and its control made a condition of the lease.</p> <p>Recommendation: <i>Condition of the lease is included that the Senior Urban Designer and the Manager - Parks and Reserves approve the building design before</i></p>

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	<i>any application for building consent is made.</i>
One submitter requested Council financially support the Scouts.	<p>Council will be consulting on its draft 10 Year Plan and that is the opportunity for community requests to be considered.</p> <p>Recommendation: No action be taken.</p>
One submitter recommended the removal of trees to make the proposed hall less likely to be vandalised.	<p>Council will balance the policy to retain trees with the crime prevention needs for the Scouts.</p> <p>The preference will be to prune the trees up and remove some shrubs and bushes. Any tree removal requires the approval of the Manager – Parks and Reserves.</p> <p>The Scouts have been alerted to the vandalism risk of the location including the feedback from the grazing lease tenant.</p> <p>Recommendation: No action be taken.</p>

5. DESCRIPTION AND ANALYSIS OF OPTIONS

OPTION 1: Approve the proposed lease within Ashhurst Domain to Scouts Association of New Zealand, for the Ashhurst Scouts

- 5.1 Council would enter a land lease with the Scouts Association of New Zealand, to enable the Ashhurst Scouts to operate within Ashhurst Domain.
- 5.2 The land lease will be for the designated land area on which they will build a new Scout hall at the sole cost of Ashhurst Scouts. Over and above this, the Scouts will be able to use the balance of the Ashhurst Domain to undertake their scouting activities.

Community Views

- 5.3 Most submitters supported the proposal to lease land to Ashhurst Scouts. Of the 34 submissions, 28 were in support, 2 were neutral, and 4 opposed the proposed lease.
- 5.4 The community views and the points raised from these submissions are summarised in Section 4 of this report.

Benefits

- 5.5 There are several benefits identified for Option 1. They are:
 - The lease provides the opportunity for the Scouts to develop a facility for their activities and the construction is at their cost;

- The proposed building is to be owned, maintained and removed by the Scouts at their cost; and
- The lease will support the wider reserve in terms of facilities available and Scout activities in the reserve.

Risks

5.6 There are several risks that have been identified for Option 1. The risks, consequences, and potential mitigations are highlighted below:

5.7 Operational

- Risk: The new hall is not operated appropriately.
- Consequence: Disruption is caused to the wider Domain and other users.
- Mitigation: Clause 39 in the Deed of Lease require Council approval of hall rules and Clause 18 requires the tenant to avoid nuisance, disturbance or annoyance.

5.8 Reputational

- Risk: The new hall has a negative visual impact on the surrounding area.
- Consequence: Council is criticised for allowing a building to be designed and built that is an 'eye-sore'.
- Mitigation: Clause 16 in the Deed of Lease requires approval of all building works prior to their construction. This approval will be given by the Senior Urban Designer and Manager – Parks and Reserves.

5.9 Strategic

- Risk: There is an impractical increase in the car parking requirements within Ashhurst Domain.
- Consequence: There are new pressures created in terms of car parking within the Domain.
- Mitigation: Clause 40.2 is inserted in the Deed of Lease requiring the relocation of the overflow carpark fence at Scout's cost, if required by Council.

5.10 External Funding

- Risk: The Scouts are unable to raise the appropriate funding to proceed.
- Consequence: Scouts are unable or do not want to proceed with the lease.
- Mitigation: Clause 47 allows for the leases to be terminated through mutual agreement.

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- 5.11 The above risks are assessed by Council Officers to be medium risks; however, they all have effective mitigations. The overall residual risk is then reduced to low.

Financial Impact

- 5.12 Council will receive an annual rental of \$150 + GST.
- 5.13 The final rental amount is subject to change, given the review of the Community Support Policy which will be brought to council for consideration in May 2021.
- 5.14 There will no on-going operational costs to Council associated with this lease. As it is a land lease only, Ashhurst Scouts will be responsible for their own outgoings including building repairs and maintenance.

OPTION 2: Decline the proposed lease within Ashhurst Domain to The Scouts Association of New Zealand

- 5.15 Council would decline to enter a lease within Ashhurst Domain with Scouts Association of New Zealand, thus not enabling the Ashhurst Scouts to operate within Ashhurst Domain.

The proposed lease site will continue to be used for grazing, and occasional overflow carparking.

Benefits

- 5.16 As this option is essentially a 'do nothing' option, there are no additional benefits identified.

Risks

- 5.17 There is one risk that has been identified for Option 2. The risk, consequence and potential mitigation is highlighted below:
- 5.18 Reputational
- Risk: Council is criticised for not supporting Ashhurst Scouts despite most of the feedback being in support of the proposal.
 - Consequence: Council is criticised for poor decision making.
 - Mitigation: None.
- 5.19 The above risk is assessed by Council Officers to be a medium risk.

Financial Impact

- 5.20 The rental of \$150 + GST per annum would not be received.

6. CONCLUSION

- 6.1 Council has met the requirements of the Reserves Act in considering a lease that was not contemplated in the Ashhurst Domain Development and Management Plan.
- 6.2 The matters raised in submission points are either considered unlikely to have a material effect on the enjoyment of the reserve or can be managed through lease clauses that reduce and mitigate risk.
- 6.3 The Ashhurst Scouts will add recreation value to the reserve.
- 6.4 It is recommended that Council proceeds with option 1 and grants a lease to The Scout Association of New Zealand for the Ashhurst Scouts.

7. NEXT ACTIONS

- 7.1 Proceed with the signing of the lease.

8. OUTLINE OF COMMUNITY ENGAGEMENT PROCESS

- 8.1 The community engagement process undertaken was detailed in the report to the Finance & Audit Committee on 24 February 2021. This can be summarised as:
- Public notice – published in the Manawatu Standard on 4 November 2020;
 - Signs – Two on-site, one facing the carpark and one facing the walkway/sports field space, and a sign at Ashhurst Domain Office noticeboard;
 - Media release on 4 November 2020;
 - Ashhurst Village Voice – article in the November edition;
 - Display in Ashhurst Library;
 - Two posts on the Council’s Facebook page, the first on 4 November and the second on 30 November 2020;
 - Direct mail to neighbours – a letter was hand delivered to neighbouring properties; and
 - The opportunity to be heard, required by Section 120 of Reserves Act 1977, was provided.

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

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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?	Yes
The recommendations contribute to Goal 2: A Creative and Exciting City	
The recommendations contribute to the outcomes of the Creative and Liveable Strategy	
The recommendations contribute to the achievement of action/actions in the Active Community Plan	
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 (Page 10)	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	<p>The Ashhurst Scouts will provide new recreation opportunity in the Ashhurst Domain and add value to other activities such as those on the sports fields.</p> <p>This aligns 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).</p>

ATTACHMENTS

1. Draft Proposed Ashhurst Scout Lease [↓](#) 

DEED OF LEASE OF PALMERSTON NORTH CITY COUNCIL LAND

DATED:

20

PARTIES

1. THE PALMERSTON NORTH CITY COUNCIL ("the Landlord")
2. THE SCOUT ASSOCIATION OF NEW ZEALAND ("the Tenant")
3. _____ ("the Guarantor")

BACKGROUND

- A The Landlord is the owner of the property described in the First Schedule hereto and more particularly shown on the plan attached hereto ("the property").
- B The Landlord has agreed to lease to the Tenant the property subject to the covenants, conditions and restrictions contained herein.

NOW THIS DEED RECORDS

1. The Landlord leases to the Tenant and the Tenant takes on the property described in the First Schedule for the term from the commencement date and at the annual rent (subject to review if applicable as set out in the First Schedule).
2. The Landlord and Tenant covenant as set out in the said Second Schedule.
3. ~~The Guarantor covenants with the Landlord as set out in clause 36 herein.~~

The Common Seal of the **PALMERSTON**)
NORTH CITY COUNCIL was hereto)
affixed as Landlord in the presence of:)

Mayor

Legal Counsel

THE COMMON SEAL of)
THE SCOUT ASSOCIATION OF NEW ZEALD)
was hereto affixed as Tenant in the)
presence of:)

Signed by THE SCOUT ASSOCIATION OF NEW ZEALD)
as Tenant in the presence of:)

SIGNED by)
as Guarantor in the presence of:)

FIRST SCHEDULE

PROPERTY:	Part Lot 1 on Deposited Plan 55676 and being part of the land contained and comprised in Certificate of Title WN14A/25 as more particularly shown on the plan attached hereto		
TERM:	Ten (10) Years		
COMMENCEMENT DATE:	Subject to Council approval date		
RIGHT OF RENEWAL:	One (1) right of renewal of ten (10) years		
RENEWAL DATE:	TBD		
FINAL EXPIRY DATE: (in the event any right of renewal is exercised)	TBD		
ANNUAL RENT: (Subject to review if applicable)	\$100.00 plus GST		
RENT PAYMENT DATES:	The	day of	20
	commencing on the	day of	20
DEFAULT INTEREST RATE:	15 % per annum		
PRESCRIBED USE:	Scouting related activities		



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SECOND SCHEDULE

TENANTS' PAYMENTS

Rent

- 1.1 The Tenant shall pay the rent annually plus Goods and Services Tax in advance on the rent payment dates. The first annual payment (together with rent calculated on a daily basis for any period from the commencement date of the term to the first rent payment date) shall be payable on the first rent payment date.
- 1.2 All rent shall be paid without any deduction by direct payment to the Landlord or as the Landlord may direct and the Tenant shall not advance as a reason for non payment of rental any right of set off.

Rental Increases

2. The Landlord and the Tenant acknowledge that the annual rental has been determined on the basis of the Palmerston North City Council's Recreation and Community Asset Rental Policy. The Landlord may, at the Landlord's sole discretion, and by giving no less than three (3) month's written notice to the Tenant, increase the annual rental in accordance with any review or amendment of the Palmerston North City Council's Recreation and Community Asset Rental Policy. The Tenant shall pay the increased annual rental on the date which is three (3) months from the date of the Landlord's notice under this clause.

Outgoings

- 3.1 The Tenant shall pay the outgoings in respect of the property which are specified in the Third Schedule attached hereto. Where any outgoing is not separately assessed the Tenant shall pay such a fair proportion as shall be agreed upon or failing agreement determined by arbitration.
- 3.2 The outgoings shall be payable by the Tenant on demand.
- 3.3 The Tenant shall still be liable to pay an outgoing where the outgoing is levied by the Landlord in its capacity as territorial authority.

GST

- 4.1 The Tenant shall pay to the Landlord or as the Landlord shall direct the GST payable by the Landlord in respect of the rental and other payments payable by the Tenant under this lease. The GST in respect of the rental shall be payable on each occasion when any rental payment falls due for payment and in respect of any other payment shall be payable upon demand.
- 4.2 If the Tenant shall make default in payment of the rental or other moneys payable under this lease and the Landlord becomes liable to pay default GST then the Tenant shall on demand pay to the Landlord the default GST in addition to interest payable on the unpaid GST under clause 5.

Interest on unpaid money

5. If the Tenant defaults in payment of the rent or other monies payable hereunder for ten (10) working days then the Tenant shall pay on demand interest at the default interest rate on the monies unpaid from the due date for payment down to the date of payment.

Costs

6. Each party will pay their own costs of the negotiation and preparation of this lease and any deed recording a rent review or renewal. The Tenant shall also pay the Landlord's reasonable costs incurred in considering any request by the Tenant for the Landlord's consent to any matter contemplated by this Lease and the Landlord's legal costs (as between Solicitor and client) of and incidental to the enforcement or attempted enforcement of the Landlord's rights remedies and powers under this Lease.

Indemnity

7. The Tenant shall indemnify the Landlord against all damage or loss resulting from any act or omission on the part of the Tenant or the Tenant's employees, agents, invitees or contractors. The Tenant shall recompense the Landlord for all expenses incurred by the Landlord in making good any damage to the property resulting from any such act or omission. The Tenant shall be liable to indemnify only to the extent that the Landlord is not fully indemnified under any policy of insurance.

Insurance

- 8.1 The Tenant shall at all times during the term keep and maintain any buildings on the property owned by the Tenant insured under a full replacement policy and if required by the Landlord provide evidence to the Landlord that such insurance's are in place.
- 8.2 The Landlord and Tenant expressly acknowledge that the Landlord has not insured any of the buildings or improvements on the property. The Landlord and Tenant expressly agree that the Tenant will meet the cost of making good any destruction or damage to the buildings and improvements on the property or will indemnify the Landlord against the cost of making good the destruction or damage of any buildings or improvements on the property caused by fire, flood, explosion, lightning, storm, earthquake or volcanic activity.

Prescribed Use Of The Property

- 9.1 The Tenant will use the property solely for the purposes of the Tenant and its general activities as set out under the heading "Prescribed Use" in the First Schedule and for no other purposes including however not limited to any commercial purpose. For the purpose of clarification a commercial purpose, for the purpose of this clause, shall be deemed the sale of any goods and services except for minor commercial activities to support scout education and development.
- 9.2 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.

- 9.3 Notwithstanding clauses 9.1 and 9.2 above the Landlord may at the entire discretion of the Landlord consent to the property being used for a use other than the prescribed use.

Tenant's Obligations

- 10.1 The Tenant shall keep and maintain any buildings or improvements on the property in good order and repair and shall comply with any reasonable requirements of the Landlord in respect to any such buildings or improvements.
- 10.2 Without in any way limiting the Landlord's rights pursuant to clause 10.1 above the Tenant shall comply with any reasonable requirement of the Landlord to repair all glass breakage's and any electrical fittings, paint and decorate any part of the exterior of any buildings or improvements on the property and repair and keep in good order any storm or wastewater drainage system.
- 10.3 The Tenant shall in a proper and workmanlike manner and to the reasonable requirements of the Landlord:
- (a) **Maintain Yards**
Keep and maintain any carparks, pavings and other sealed or surface areas in good order and repair.
 - (b) **Care of Grounds**
Keep any grounds, yards and surfaced areas in a tidy condition and maintain any garden or lawn areas in a tidy and cared for condition.
 - (c) **Other Works**
Carry out such works to the property as the Landlord may require in respect of which outgoings are payable by the Tenant.

Rubbish Removal

11. The Tenant shall regularly remove to an appropriate disposal site all rubbish and garbage generated from the property and will keep any rubbish bins or containers in a clean and tidy condition. The Tenant will also at the Tenant's own expense cause to be removed all trade waste boxes and other goods or rubbish not removable in the ordinary course by the local authority.

Landlord's Right of Inspection

12. The Landlord and its employees, agents and contractors may at all reasonable times during business hours enter upon the property to view the condition of any buildings or improvements on the property to view the condition thereof and may give notice in writing to the Tenant of all defects and wants of repair and the Tenant will with all reasonable despatch after receipt of such notice repair and make good the same according to such matters so far as the Tenant is liable so to do.

Landlord May Repair

- 13.1 If default is made by the Tenant in the due and punctual compliance with any notice given by the Landlord relating to repair or maintenance pursuant to clause 10.1 or clause 12 herein, the Landlord without prejudice to the Landlord's other rights and remedies shall at the Landlord's option without suit or further notice be entitled by its employees, agents and contractors with all necessary equipment and material at all reasonable times to enter upon the property to execute any works as may be specified in the notice.
- 13.2 All moneys expended by the Landlord by reason of the Tenant's default shall be payable by the Tenant to the Landlord upon demand together with interest at the default interest from the date of expenditure down to the date of payment.

Access for Repair

14. The Tenant shall permit the Landlord and the Landlord's employees, agents and contractors at all reasonable times to enter the property to carry out repairs pursuant to clause 13 hereof to the property and to install inspect repair renew or replace any services where the same are not the responsibility of the Tenant all such repairs. All such repairs and work shall be carried out as far as reasonably possible with the least inconvenience to the Tenant.

Signs and Painting

- 15.1 The Tenant will not erect or display or permit to be erected or displayed either on the outside of any building on the property or upon any part of the property any advertising matter of any description or any sign displaying the name of the Tenant without the prior consent of the Landlord who may grant its consent subject to such reasonable conditions as the Landlord may decide, which shall include compliance with the Local Authority's district plan.
- 15.2 The Tenant will not paint or repaint the exterior of any building or improvements on the property without the written consent of the Landlord to any colour scheme and the type of paint intended to be used.

Building Work and Alterations

- 16.1 The parties acknowledge that the Tenant intends to carry out certain building work on the property, however, the Tenant shall not carry out any such building work nor make any alterations or additions to any buildings or improvements erected on the property without first producing to the Landlord on every occasion plans and specifications and obtaining the written consent of the Landlord (not to be unreasonably or arbitrarily withheld or delayed) for that purpose.
- 16.2 The Tenant will at all times including when undertaking any "building work" on the property (as that term is defined in the Building Act 2004), comply with all statutory requirements including the obtaining of building consents and code compliance certificates pursuant to the Act and agrees to indemnify the Landlord for any claims made against the Landlord arising under the Building Act by virtue of the Tenant failing to comply with the Act.

Compliance with Statutes and Regulations

- 17.1 The Tenant shall comply with the provisions of all statutes, ordinances, regulations and by-laws relating to the use of the property by the Tenant or other occupant and will also comply

with the provisions of all licences, requisitions and notices issued by any competent authority in respect of the property or their use by the Tenant or other occupant.

- 17.2 In the event that the Tenant shall not comply with the provisions of all statutes, ordinances, regulations and by-laws relating to the use of the property by the Tenant as required by clause 17.1 herein the Landlord may without limiting its powers pursuant to clause 13 herein enter upon the property to execute such works to provide that all statutes, ordinances, regulations and by-laws are complied with and any monies expended by the Landlord in executing such works shall be payable by the Tenant to the Landlord upon demand together with interest thereon at the default interest rate from the date of expenditure down to the date of payment.
- 17.3 The Tenant shall not allow any building or structure owned or constructed on the property by the Tenant to be open to members of the public or allow the use of any such building or structure by members of the public if that would be in breach of section 363 of the Building Act 2004.

No Noxious Use

18. The Tenant shall not:

- (a) Bring upon or store within the property nor allow to be brought upon or stored nor allowed to be brought upon the property or stored within any building on the property any machinery goods or things of an offensive noxious illegal or dangerous nature, or of such weight size or shape as is likely to cause damage to the building or any surfaced area.
- (b) Contaminate the property and shall undertake all works necessary to remove any contamination of the property other than contamination not caused by the Tenant or which took place prior to the commencement date of the lease term. Contamination means any change to the physical, chemical or biological condition of the property by a "contaminant" as that word is defined in the Resource Management Act 1991.
- (b) Use the property or allow them to be used for any noisome noxious illegal or offensive trade or business.
- (c) Allow any act or thing to be done which may be or grow to be a nuisance disturbance or annoyance to the Landlord, other tenants of the Landlord, or any other person, and generally the Tenant shall conduct the Tenant's business upon the property in a clean quiet and orderly manner free from damage nuisance disturbance or annoyance to any such persons but the carrying on by the Tenant in a reasonable manner of the Prescribed Use or any use to which the Landlord has consented shall be deemed not to be a breach of this clause.

Cancellation

19. The Landlord may (in addition to the Landlord's right to apply to the Court for an order for possession) cancel this Lease by re-entering the property at the time or at any time thereafter:
- (a) if the rent shall be in arrears for not less than ten working days after any of the rent payment dates and the Tenant has failed to remedy that breach within 10 working

days after service on the Tenant of a notice in accordance with section 245 of the Property Law Act 2007.

- (b) in case of breach by the Tenant of any Covenant or agreement on the Tenant's part herein expressed or implied (other than the covenant to pay rent) after the Tenant has failed to remedy that breach within the period specified in a notice served on the Tenant in accordance with section 246 of the Property Law Act 2007.
- (c) if the Tenant shall make or enter into or attempt to make or enter into any composition assignment or other arrangement with or for the benefit of the Tenant's creditors;
- (d) in the event of the insolvency bankruptcy or liquidation of the Tenant; or
- (e) if the Tenant shall suffer distress or execution to issue against the Tenant's property goods or effects under any judgement against the Tenant in any Court for a sum in excess of five thousand dollars (\$5,000.00);

and the term shall terminate on such cancellation but without prejudice to the rights of either party against the other.

Loss on Cancellation

- 20. Upon cancellation the Landlord may remove from the property or any buildings or improvements erected thereon any chattels in the apparent possession of the Tenant and place them outside the property and the Landlord shall not be answerable for any loss resulting from the exercise of the power of re-entry.

Essentiality of Payments

- 21.1 Failure to pay rent or other moneys payable hereunder on the due date shall be a breach going to the essence of the Tenant's obligations under the Lease. The Tenant shall compensate the Landlord and the Landlord shall be entitled to recover damages from the Tenant for such breach. Such entitlement shall subsist notwithstanding any determination of the lease and shall be in addition to any other right or remedy which the Landlord may have.
- 21.2 The acceptance by the Landlord of arrears of rent or other moneys shall not constitute a waiver of the essentiality of the Tenant's continuing obligation to pay rent and other moneys.

Repudiation

- 22. The Tenant shall compensate the Landlord and the Landlord shall be entitled to recover damages for any loss or damage suffered by reason of any acts or omissions of the Tenant constituting a repudiation of the lease or the Tenant's obligations under the lease. Such entitlement shall subsist notwithstanding any determination of the lease and shall be in addition to any other right or remedy which the Landlord may have.

Quiet Enjoyment

- 23. The Tenant paying the rent and performing and observing all the covenants and agreements herein expressed and implied shall quietly hold and enjoy the property throughout the term without any interruption by the Landlord or any person claiming under the Landlord.

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Renewal of Lease

24. If the Tenant has given to the Landlord written notice to renew the Lease at least three (3) calendar months before the end of the term and it is not at the date of the giving of such notice in breach of this Lease then the Landlord will grant a new lease for a further term from the renewal date as follows:
- (a) The new lease shall be upon and subject to the covenants and agreements herein expressed and implied except that the term of this Lease plus all further terms shall expire on or before the final expiry date; and
 - ~~(d) The Landlord, as a condition of granting a new lease shall be entitled to have the new lease guaranteed by any guarantor who has guaranteed this Lease on behalf of the Tenant who has given notice.~~

Assignment or Subletting

25. The Tenant shall not assign sublet or otherwise part with the possession of the property or any part thereof without first obtaining the written consent of the Landlord.

Holding Over

26. If the Landlord permits the Tenant to remain in occupation of the property after the expiration or sooner determination of the term, such occupation shall be a monthly tenancy only terminable by twenty (20) working days written notice at the rent then payable and otherwise on the same covenants and agreements (so far as applicable to a monthly tenancy) as herein expressed or implied.

Access for Re-letting

27. The Tenant will at all reasonable times during the period of three months immediately preceding expiration of the term permit intending tenants and others with written authority from the Landlord or the Landlord's agents at all reasonable times to view the property.

Suitability

28. No warranty or representation expressed or implied has been or is made by the Landlord that the property is now suitable or will remain suitable or adequate for use by the Tenant or that any use of the property by the Tenant will comply with the by-laws or ordinances or other requirements of any authority having jurisdiction.

Waiver

29. No waiver or failure to act by the Landlord in respect of any breach by the Tenant shall operate as a waiver of another breach.

Tenant to Indemnify the Landlord

30. The parties acknowledge that the Landlord shall not be liable for any claims including but not limited in respect of accident, injury or damage suffered by any person or property as a result of the Tenant's use of the property, and the Tenant shall indemnify the Landlord for any such claims.

Health and Safety

- 31.1 The Tenant voluntarily accepts all risks, known and unknown of entering onto the property and releases the Landlord from all liability arising from the Tenant's use of the property and the Tenant shall indemnify the Lessor against all damage, loss and liability arising from the Tenant's use of the property including, but not limited to, any liability, fine or penalty imposed pursuant to the Health and Safety at Work Act 2015. Any damage, loss and liability referred to in this clause shall also include any damage, loss or liability arising due to any harm suffered to any employee, invitee, occupier, contractor or agent of the Tenant which occurs on the property.
- 31.2 The Tenant shall ensure that the provisions and obligations imposed on an employer or on an occupier of a place of work by the Health and Safety at Work Act 2015 are fully complied with and if required by law or by the Landlord shall have its own health and safety plan which must be consistent with the Landlord's and be approved by the Landlord.

Notices

- 32.1 All notices must be in writing and must be served by one of the following means:
- (a) In the case of a notice under sections 245 or 246 of the Property Law Act 2007 in accordance with the requirements of section 353 of that Act; and
 - (b) In all other cases, unless otherwise required by sections 352 to 361 of the Property Law Act 2007;
 - (i) using the procedure outlined in sections 354 to 361 of the Property Law Act 2007, or
 - (ii) by personal delivery, or by posting by registered or ordinary mail, or by facsimile, or by email.
- 32.2 In respect of the means of service specified in clause 32.1(b)(ii), a notice is deemed to have been served:
- (a) in the case of personal delivery, when received by the addressee;
 - (b) in the case of posting by mail, on the second working day following the date of posting to the addressee's last known address in New Zealand;
 - (c) in the case of facsimile transmission, when sent to the addressee's facsimile number; or
 - (d) in the case of email, when acknowledged by the addressee by return email or otherwise in writing.
- 33.3 In the case of a notice to be served on the Tenant, if the Landlord is unaware of the Tenant's last known address in New Zealand or the Tenant's facsimile number, any notice affixed conspicuously on any part of the property shall be deemed to have been served on the Tenant on the day on which it is affixed.
- 33.4 A notice shall be valid if given by any director, general manager, solicitor or other authorised representative of the party giving the notice.

Arbitration

34. If any dispute as to the terms or interpretation of this Deed or any part of it arises or as to the obligations of any party to this Deed then the parties at dispute shall enter into negotiations in good faith to resolve such dispute. If the dispute is not resolved within one (1) month of the date on which the parties begin their negotiations the parties shall submit their dispute to the arbitration of an independent arbitrator appointed jointly by the parties and if one cannot be agreed upon within ten (10) working days, to an independent arbitrator appointed by the representative for the time being of the Manawatu District Solicitors on the Board of the New Zealand Law Society, or to the President for the time being of the Manawatu District Lawyers Standards Committee, or in either case their nominee and such arbitration shall be carried out in accordance with the Arbitration Act 1996 or any then statutory provisions relating to arbitration.

Interpretation

35. In this lease
- (a) the Landlord and the Tenant means where appropriate the executors, administrators, successors and permitted assigns of the Landlord and the Tenant.
 - (b) "the property" means the land leased by the Tenant pursuant to this Deed of Lease and where the context requires or admits means any buildings or improvements erected on the property.
 - (c) "working day" means a day of the week other than:
 - (i) Saturday, Sunday, Waitangi Day, Good Friday, Easter Monday, Anzac Day, The Sovereign's Birthday and Labour Day and;
 - (ii) A day in the period commencing with 25th December and ending with 2nd January in the following year and;
 - (iii) The day observed as the anniversary of any province in which an act is to be done.
 - (d) whenever words appear in this lease that also appear in the First Schedule then those words shall mean and include the details supplied after them in the First Schedule.
 - (e) Where the context requires or admits, words importing the singular shall import the plural and vice versa.

Guarantee

- ~~36. In consideration of the Landlord entering into the Lease at the Guarantor's request the Guarantor:~~
- ~~(a) Guarantees payment of the rent and the performance by the Tenant of the covenants in the Lease; and~~
 - ~~(b) Indemnifies the Landlord against any loss the Landlord might suffer should the Lease be lawfully disclaimed or abandoned by any liquidator, receiver or other person.~~
 - ~~(c) Covenants with the Landlord that:~~

- (i) ~~No release, delay or other indulgence given by the Landlord to the Tenant or to the Tenant's successors or assigns or any other thing whereby the Guarantor would have been released had the Guarantor been merely a surety shall release, prejudice or affect the liability of the Guarantor as a guarantor or indemnifier;~~
- (ii) ~~As between the Guarantor and the Landlord the Guarantor may for all purposes be treated as the Tenant and the Landlord shall be under no obligation to take proceedings against the Tenant before taking proceedings against the Guarantor.~~
- (d) ~~The Guarantee is for the benefit of and may be enforced by any person entitled for the time being to receive the rent.~~
- (e) ~~Any assignment of the Lease and any rent review in accordance with this Lease shall not release the Guarantor from liability.~~
- (f) ~~Should there be more than one Guarantor their liability under this Guarantee shall be joint and several.~~
- (g) ~~The Guarantee shall extend to any holding over by the Tenant.~~

FURTHER TERMS

Sale of Alcohol

37. In the event that the Tenant wishes to sell alcohol on the property, or from any building or improvement erected on the property, permission must first be obtained in writing from the Recreation and Community Development Manager of the Landlord before a licence may be applied for from the Liquor Licensing Agency.

Early Childhood Care

38. ~~In the event that the Tenant wishes to use the property for the purposes of early childhood education the Tenant shall be required to comply with all requirements in respect to the property as determined by the Ministry of Education.~~

Tenant May Make Rules

- 39.1 The Tenant may make rules for management and control of the property and for the conduct of persons using them which are necessary and not inconsistent with this lease.
- 39.2 Before any rules come into force they must have the written consent of the Landlord.
- 39.3 All such rules when approved and adopted shall be displayed in a conspicuous place on the property for the information and guidance of all persons entering upon the property.

Fences

- 40.1 In the event that the Landlord requires fencing to be erected upon the property then the Landlord may provide instructions to the Tenant requiring the fence to be so erected including

the location and type of fence required and the Tenant shall erect such fence at the sole cost of the Tenant forthwith.

- 40.2 In the event that the Landlord requires the overflow carpark fence to be relocated then the Landlord will provide instructions to the tenant requiring the fence to be relocated at the sole cost of the Tenant forthwith.

Tenant's Acknowledgement

41. The Tenant acknowledges that the Tenant will preserve and protect any natural, scientific, historical, cultural, archaeological, biological, geographical or other scientific feature or indigenous flora or fauna on the property.

Landlord's Option to Purchase Buildings or Improvements

42. At the expiration or sooner determination of the within lease then the following shall apply:

- (a) The Landlord shall be entitled within three months of the date of expiration or sooner determination of the lease by notice in writing to the Tenant, to purchase any buildings or improvements on the property, at a price to be agreed upon between the parties or failing agreement to be determined by arbitration in accordance with clause 34 hereof and the purchase price so agreed upon or determined by arbitration shall be paid in cash by the Landlord to the Tenant within twenty (20) working days of the date of such determination or the day after the end of the term of the Lease whichever date shall be the earlier.
- (b) If the Landlord shall not exercise the right to purchase within the period specified above, or shall give notice that it does not desire to exercise the right of purchase, then the Tenant shall within three months of the date of expiration of the period of option to purchase or within three months of the date of the Landlord giving notice that it does not desire to exercise the option to purchase, whichever date shall first occur, be entitled to remove from the property all buildings and improvements erected on the property by the Tenant and shall leave the property in a clean and tidy condition.
- (c) If the Tenant fails or neglects to remove any buildings or improvements on the property within the period described above then such buildings or improvements shall be deemed to have been abandoned and then become the property of the Landlord, which shall be under no liability in such case to account to the Tenant for any payment by way of compensation, damages or otherwise.
- (d) Notwithstanding clause 42(c) above if the Landlord shall not exercise the right to purchase any buildings or improvements on the property as provided in clause 42(a) above the Landlord shall be entitled within three (3) months of the date of expiration or sooner determination of the Lease by notice in writing to the Tenant to require the Tenant to remove at the cost of the Tenant any buildings or improvements on the property by the Tenant as directed by the Landlord. In the event that the Tenant is requested by the Landlord to remove any buildings or improvements erected on the property in accordance with this clause 42(d) then the Tenant shall do so and leave the property in a good tidy condition within two (2) months of the Landlord giving the Tenant notice in accordance with this clause 42(d). In the event the Tenant does not

remove such buildings or improvements on the property within such time period then the Landlord may:

- (i) arrange for the removal of the buildings and improvements on the property together with their disposal; and
- (ii) arrange for the property to be left in a clean and tidy condition; and
- (iii) charge the Tenant for the cost of doing so which shall be payable upon demand together with interest thereon at the default interest rate as provided in this Lease.

Third Party's Use of the Property

43. The Tenant shall be entitled to allow third persons to utilise the property from time to time, however, in the event that the Tenant enters into an arrangement to allow a third party to utilise the property on an ongoing basis, the Tenant shall first notify the Landlord of the proposal. The Tenant shall provide such information in respect to the proposal as the Landlord requires, including but not limited to the amount of any sum to be paid to the Tenant by the third party for the right to use the property and in the event that the Landlord is not satisfied with the proposal the Landlord may require it to be terminated or require the terms of it to be amended in which case the Tenant shall strictly comply with the Landlord's request.

Graffiti

44. If during the term of the Lease any graffiti occurs on the exterior of any building or improvements on the property then the Tenant shall forthwith remove the graffiti at the sole cost of the Tenant and, if required by the Landlord, repaint the affected area in keeping with the balance of such buildings or improvements to a standard acceptable to the Landlord.

Overnight Occupation

45. The Tenant shall only permit any person or persons to reside on the property overnight or reside in any building or improvement on the property overnight for the purpose as set out under the heading "Prescribed Use" in the First Schedule if all statutes, ordinances, regulations and by-laws are complied with.

Reporting Standard

46. The Tenant, when requested by the Landlord, shall provide to the Landlord a report in relation to the Tenant's occupation of the property in accordance with this Lease with such information to contain information and to be in a format as required by the Landlord.

Termination by Notice

47. 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.

Reserves Act 1977

48. It is agreed that this lease has been entered into pursuant to section 54(1)(a), (b), (c), or (d) of the Reserves Act 1977.

DRAFT

THIRD SCHEDULE

1. Rates or levies payable to any local or territorial authority.
2. Charges for water gas electricity telephones and other utilities or services, including line charges.
3. Rubbish collection charges.
4. New Zealand Fire Service charges and the maintenance charges in respect of all fire detection and fire fighting equipment.
5. Service contract charges for air conditioning, lifts, other building services and security services.
6. Cleaning maintenance and repair charges including charges for repainting, decorative repairs and the maintenance and repair of building services to the extent that such charges do not comprise part of the cost of a service maintenance contract, but excluding charges for structural repairs to the building (minor repairs to the roof of the building shall not be a structural repair).
7. The provisioning of toilets and other shared facilities.
8. The cost of ground maintenance i.e. lawns, gardens and planted areas including plant hire and replacement, and the cost of repair of fences.
9. Yard and car parking area maintenance and repair charges but excluding charges for structural repairs to any car parking area of the building.
10. ~~Body Corporate charges for insurance premiums and related valuation fees and management administration expenses.~~
11. ~~Management expenses.~~
12. The costs incurred and payable by the Landlord in supplying to the territorial authority a building warrant of fitness and obtaining reports as required by Section 45 of the Building Act 2004.

REPORT

TO: Finance & Audit Committee

MEETING DATE: 28 April 2021

TITLE: Otira Park - Palmerston North Pony Club Branch Lease Proposal

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

APPROVED BY: Sarah Sinclair, Chief Infrastructure Officer

RECOMMENDATION(S) TO COUNCIL

1. That Council approve the lease to Palmerston North Pony Club Branch Incorporated at Otira Park, attached as Appendix 1 of the report titled 'Otira Park – Palmerston North Pony Club Branch Lease Proposal' presented to the Finance & Audit Committee on 28 April 2021.
2. That Council, being satisfied that the functions and purposes of the Reserves Act have been considered, that the statutory processes have been met, and being satisfied that the decision is a reasonable one, exercise their authority to approve as delegated by the Minister of Conservation, to grant consent for the lease at Otira Park to Palmerston North Pony Club Branch.

SUMMARY OF OPTIONS ANALYSIS FOR

Problem or Opportunity	<p>Palmerston North Pony Club Branch Incorporated has been operating their club activities at Otira Park, 22 Totara Road, on a month-to-month tenancy since 1990.</p> <p>Palmerston North Pony Club approached Council and requested a lease for the land they currently occupy.</p> <p>The Reserves Act 1977 requires new leases of reserves to be subject to public consultation and a subsequent decision by Council, having first considered any community feedback.</p> <p>The public consultation process has been completed and the results of this was presented to, and accepted by, the Finance & Audit Committee in February 2021.</p> <p>This report considers the matters raised in the submissions and seeks a resolution to proceed with entering a lease with Palmerston North Pony Club Branch Incorporated.</p>
OPTION 1:	Approve the proposed lease at Otira Park to Palmerston North Pony Club Branch Incorporated.
Community Views	<ul style="list-style-type: none"> Most submitters supported the proposal to lease land to the Pony Club. Of the 206 submissions, 193 were in support, 3 were neutral, and 10 opposed the proposed lease. Submitters' points raised are summarised in Section 4 of this report.
Benefits	<ul style="list-style-type: none"> The lease will provide security for the Pony Club to carry out the existing activities on the reserve and allow the Pony Club to plan to upkeep the club's facility. The lease will support the Pony Club to continue providing community engagement with the club's activities on the reserve.
Risks	<ul style="list-style-type: none"> The land may be required to be used for another use as an outcome of the National Policy Statement on Biodiversity during the lease term.
Financial	<ul style="list-style-type: none"> Council will continue receiving an annual rental of \$1,000 + GST. (Note: the rental amount is subject to change given the review of the Community Support Policy which is under development). There will be no ongoing operational costs to Council associated with this lease. As it is a land lease only, the Pony Club will be responsible for their own repairs and

	maintenance.
OPTION 2:	Decline the proposed lease at Otira Park to Palmerston North Pony Club Branch and continue the existing month-by-month arrangement.
Community Views	<ul style="list-style-type: none"> Most submitters supported the proposal to lease land to the Pony Club. Of the 206 submissions, 193 were in support, 3 were neutral, and 10 opposed the proposed lease. Submitters' points raised are summarised in Section 4 of this report.
Benefits	<ul style="list-style-type: none"> None – a new lease is not being granted.
Risks	<ul style="list-style-type: none"> Council is criticised for not supporting the Pony Club despite most of the feedback being in support of the proposal. The Pony Club continues to have no security of tenure.
Financial	<ul style="list-style-type: none"> Council will continue receiving an annual rental of \$1,000 + GST. (Note: the rental amount is subject to change given the review of the Community Support Policy which is under development). There will be no ongoing operational costs to Council associated with this lease. As it is a land lease only, the Pony Club will be responsible for their own repairs and maintenance.

RATIONALE FOR THE RECOMMENDATIONS

1. OVERVIEW OF THE PROBLEM OR OPPORTUNITY

- 1.1 The Palmerston North Branch of the New Zealand Pony Club ('the Pony Club') has been operating on the land at 22 Totara Road, Palmerston North since the 1970s.
- 1.2 The last tenancy agreement with the Palmerston North Branch of the New Zealand Pony Club was signed in 1990 on a month-by-month basis.
- 1.3 Council Officers had been communicating with the Pony Club to enter a lease based on Council's Recreation and Community Asset Rental Policy. However, the lease was never executed.
- 1.4 The Pony Club has recently obtained legal status and requested a lease for the land at 22 Totara Road, Palmerston North.
- 1.5 The location of the proposed lease area is shown below in Figure One:



Figure One: Proposed lease area

- 1.6 The Reserves Act 1977 requires new leases to be subject to public consultation and a subsequent decision by Council, having first considered any community feedback.
- 1.7 The public consultation process has been completed and the results of this was presented to, and accepted by, the Finance & Audit Committee in February 2021.
- 1.8 This report considers the matters raised in the submissions and seeks a resolution to proceed with entering a lease with Palmerston North Pony Club Branch Incorporated.

2. BACKGROUND AND PREVIOUS COUNCIL DECISIONS

Background

- 2.1 The Pony Club had been requesting a lease since 1997. No lease was ever executed due to ongoing discussion of possible development of the reserve land and due to legal entity of the club not being confirmed.
- 2.2 The Pony Club recently obtained its Certificate of Incorporation, and as such, has requested a lease for the reserve land at Otira Park.

National Policy Statement of Indigenous Biodiversity (NPSIB)

- 2.3 The Draft NPSIB is expected to be delivered later this year.
- 2.4 Under Section 3.17 of the draft NPSIB a regional biodiversity strategy will be prepared. In the current draft this will include a target of having 10% of urban areas in indigenous vegetation.
- 2.5 Palmerston North's urban area is approximately 4,561 hectares. According to the Manaaki Whenua land cover database, the indigenous vegetation area in Palmerston North is short of the 10% target by roughly 322 hectares.
- 2.6 Assessment of how Council will give effect to the NPSIB will be required once it has been approved and its requirements understood.

National Policy Statement of Freshwater Management (Freshwater NPS)

- 2.7 The National Policy Statement for Freshwater Management 2020 (Freshwater NPS) provides local authorities with direction on how to manage freshwater under the Resource Management Act 1991.
- 2.8 One of the requirements of the Freshwater NPS is to avoid any further loss or degradation of wetlands and encourage their restoration.
- 2.9 Rangitāne have indicated aspirations of wetland development at Otira Park through submission detailed in Section 4 of this report.

Initial Assessment Report

- 2.10 Council received an initial assessment report on the proposed lease at the Finance & Audit Committee meeting on 21 October 2020. The report assessed the proposal against the Policy for the Use of Public Space and the Reserves Act 1977.
- 2.11 In addition, the report considered the impact on the park operations including the locality, aesthetics, security, litter, vegetation and car parking.

- 2.12 The report also included feedback on the proposal from Rangitāne o Manawatū who were comfortable or supportive of the proposal provided that the lease was of a two to three year term.
- 2.13 After considering this report, Council approved the recommendation to proceed to community consultation on the proposal.
- 2.14 Consultation with the community was subsequently carried out from 4 November 2020 to 7 December 2020.

Reserves Act 1977 Consultation Requirements

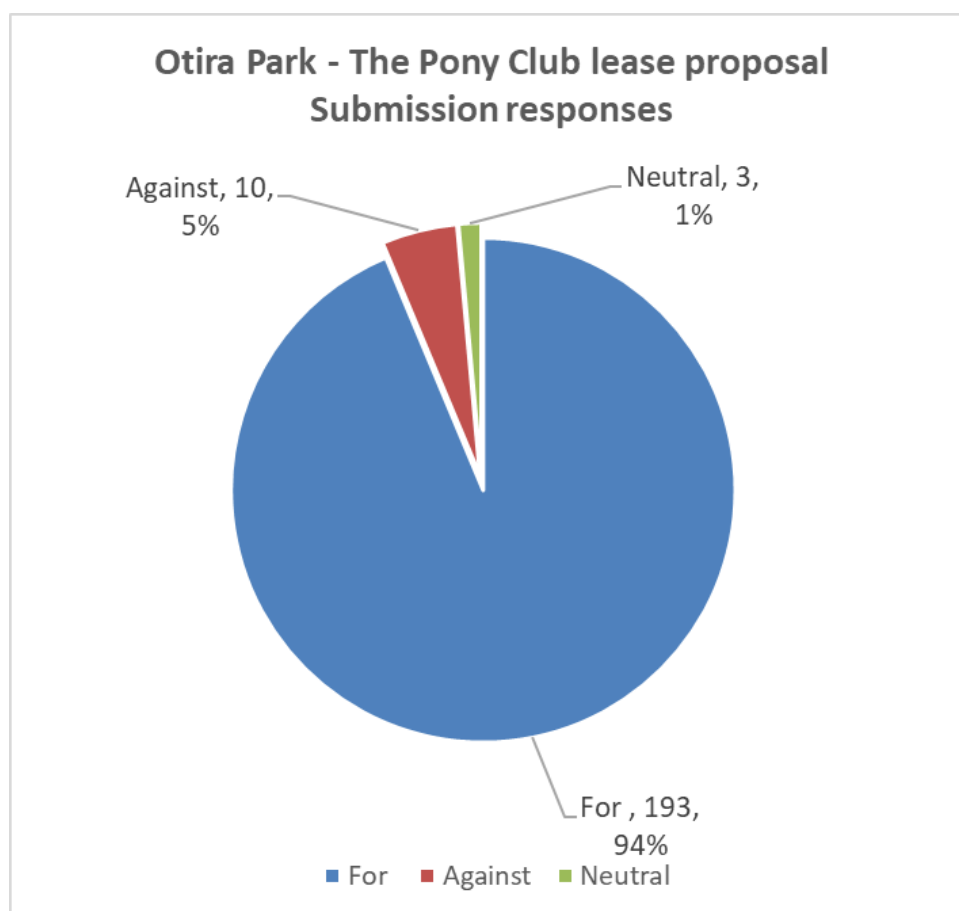
- 2.15 The consultation undertaken met the requirements of the Reserves Act 1977, having:
- Consulted with Rangitāne o Manawatū as required of administering bodies under the Reserves Act to give effect to the principles of the Treaty of Waitangi. Rangitāne expressed comfort with the proposal;
 - Given Public Notice on lease proposal required by Section 119 of the Act;
 - Provided the opportunity for submitters to be heard required by Section 120 (1) (c) of the Act; and
 - Considered any objections and submissions required by Section 120 (1) (d) of the Act.
- 2.16 As such Council now can exercise the powers delegated by the Minister of Conservation to approve the lease if they choose to.

Consultation Feedback Report

- 2.17 Following the consultation process a report was presented to the February 2021 Finance & Audit Committee detailing the consultation process and feedback from the community.
- 2.18 A summary of the process, feedback and points raised from the submissions is detailed below in Sections 3 and 4.

3. CONSULTATION PROCESS AND SUMMARY OF SUBMISSIONS

- 3.1 A report to the 24 February 2021 Finance & Audit Committee detailed the consultation process and tools used to gather feedback from the community.
- 3.2 The report also summarised the submissions and the points raised in them.
- 3.3 Two hundred and six (206) submissions were received. The breakdown of the submissions in support vs. against the proposal is shown in the chart below:



4. CONSIDERATION OF POINTS RAISED IN SUBMISSIONS AND HEARINGS

- 4.1 The points raised in submissions, and Officer responses to them, are summarised below:

Submissions in support	
Point raised	Officer response
Forty submitters supported for outdoor youth activities / development	Noted. This is consistent with actions in the Active Community Plan 2018.
Thirty-seven submitters supported the Pony Club generally	Noted. Three pony clubs are supported by Council through land lease provision.
Thirty submitters supported the current use of the space by the Pony Club & green space	Noted. This is consistent with actions in the Active Community Plan 2018.
Twenty-four submitters asked to grant a longer lease term to the Pony Club	Council typically grants 5 plus 5 years for recreation leases. However, in this case Rangitāne have indicated aspirations of wetland development and Council is aware the draft National Policy Statement on

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	Biodiversity may require significant increases in ecological planting within the urban area. Officers recommend that Council should take a cautious approach to the lease length until there is more certainty around these matters.
Twenty-two submitters expressed their enjoyment of the walk, sightseeing and engagement of the Pony Club activities	Noted. This is consistent with actions in the Active Community Plan 2018.
Nineteen submitters opposed to the idea of housing or other development of the land	Otira Park forms part of the stormwater network and is subject to flooding in high rainfall events. Approximately 75% of the Pony Club lease area is within the Horizons Regional Council Flood Zone. Approximately 1 ha is not in the flood zone. Council has no plans for housing development in Otira Park.
Eighteen submitters liked the location of the Pony Club where it is, close to town or racecourse	Noted. This is consistent with actions in the Active Community Plan 2018.
Twelve submitters commented that the Pony Club is an asset to the community	Noted. This is consistent with actions in the Active Community Plan 2018.
Eight submitters asked Council to provide safe places for horse riding	Council provides 3 pony club land leases, including at Otira Park, and there are several walkways which allow for horse riding.
Eight submitters supported the Pony Club to stay where they are considering the history and background	Noted.
Seven submitters noted the land was necessary for the club to continue to exist.	Noted.
Five submitters commented on the Pony Club providing opportunities for family activities	Noted.
Five submitters mentioned that the land is a flood zone	Otira Park forms part of the stormwater network and is subject to flooding in high rainfall events. Approximately 75% of the Pony Club lease area is within the Horizons Regional Council Flood Zone. Approximately 1 ha is not in the flood zone. Council has no plans for housing development in Otira Park.

Three submitters requested a lower rent or no rent increase for the Pony Club	<p>The rent is set according to current policy based on land area.</p> <p>The policy is under review and will be presented to Council for consideration in May 2021.</p>
One submitter commented: stop removing all the riding areas for horses	Not relevant to the lease.
One submitter requested the Pony Club was open for all ages of horse riders	A matter for the Pony Club to consider.
One submitter requested Pony Club to tidy and maintain their clubrooms better	<p>Council currently has no lease provisions that set the standard for the tenant's buildings and improvements. This is currently managed through discussion with the tenant. Council could include a clause reserving some right to manage the aesthetics of the tenant's facilities.</p> <p>Recommendation: No action be taken in the lease and discussion about appearance of facilities be had, if required.</p>
One submitter requested trees be planted in this area	Noted. Planting could be considered in the future.
Submissions in opposition	
Point raised	Officer response
Seven submitters recommended the land to be utilised as housing development	<p>Otira Park forms part of the stormwater network and is subject to flooding in high rainfall events.</p> <p>Approximately 75% of the Pony Club lease area is within the Horizons Regional Council Flood Zone. Approximately 1 ha is not in the flood zone.</p> <p>Council has no plans for housing development in Otira Park.</p> <p>Recommendation: No action be taken.</p>
Four submitters believed that the land is not used frequently / used by few individuals	<p>The club notes only 10 riders, with their families involved as well.</p> <p>Recommendation: No action be taken.</p>
Three submitters would like to see the land used by more of the community	<p>There are extensive reserves in the area including Rangitāne Park, along the Mangaone Stream and it is a short distance to the Manawatu River Park including Ahimate Park and Paneiri Park.</p> <p>Biodiversity developments may influence the</p>

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	land use in the future. Recommendation: No action be taken.
Two submitters commented on the low lease rent	The rent is set according to current policy based on land area. The policy is under review and will be presented to Council for consideration in April 2021. Recommendation: Lease rent will be reviewed when the Community Support Policy is approved.
One submitter commented that owning horses and horse riding is for people with higher level of income	Noted – no research confirming or denying this claim has been undertaken. Recommendation: No action be taken.
One submitter commented on the poor behaviour of some of their riders – language used and leaving the horse droppings on the river path and playground	Council encourages all park users to behave responsibly. Recommendation: No action be taken.
One submitter commented that the income of selling the land can be used to reduce the rates	Otira Park forms part of the stormwater network and is subject to flooding in high rainfall events. Approximately 75% of the Pony Club lease area is within the Horizons Regional Council Flood Zone. Approximately 1 ha is not in the flood zone. Council has no plans for any land sales at Otira Park. Recommendation: No action be taken.
One submitter commented that Pony Club within city boundary has outlived its suitability of this reserve	Rangitāne has indicated aspirations of wetland development and Council is aware the draft National Policy Statement on Biodiversity may require significant increases in ecological planting within the urban area. Council should take a cautious approach to the lease length until there is more certainty around these matters. Recommendation: No action be taken.
Neutral submissions	
Point raised	Officer response
One submitter commented that the land is a significant site for Tangata Whenua Rangitāne O Manawatu and would like to explore the opportunity of restoring it	Rangitāne lease length request could be accommodated through the lease termination clause.

back to wetland. A year-by year lease would allow the Pony Club to explore other areas to move in time	<p>A 12-month notice period for lease termination would allow the flexibility to reconsider the position on the lease if circumstances required.</p> <p>Recommendation: A lease termination clause requiring 12 months' notice be included. This is reflected in Clause 47 of the draft Deed of Lease document.</p>
One submitter commented that the land is a valuable flood relief zone and is not suitable for housing development	<p>Otira Park forms part of the stormwater network and is subject to flooding in high rainfall events.</p> <p>Approximately 75% of the Pony Club lease area is within the Horizons Regional Council Flood Zone. Approximately 1 ha is not in the flood zone.</p> <p>Council has no plans for housing development in Otira Park.</p>

- 4.2 James Good and Rachel Robertson (submitter no. 95 and no. 34) appeared before the Finance & Audit Committee on 24 February 2021 and made oral statements in support of their submission and replied to questions from Elected Members.

5. DESCRIPTION AND ANALYSIS OF OPTIONS

OPTION ONE: Approve the proposed lease at Otira Park to Palmerston North Pony Club Branch Incorporated.

- 5.1 Option 1 sees Council enter a land lease at Otira Park with Palmerston North Pony Club Branch Incorporated for the existing activities of the Pony Club.

Community Views

- 5.2 Most submitters supported the proposal to lease land to the Pony Club. Of the 206 submissions, 193 were in support, 3 were neutral, and 10 opposed the proposed lease.
- 5.3 Submitters' points raised are summarised in Section 4 of this report.

Benefits

- 5.4 The benefits identified for Option 1 are as below:
- The lease will provide the security for the Pony Club to carry out the existing activities on the reserve and allow the Pony Club to plan to upkeep the club's facility; and

- The lease will support the Pony Club to continue providing the community engagement with the club's activities on the reserve.

Risks

5.5 There is one risk that has been identified for Option 1. The risk, consequence and potential mitigation is highlighted below:

5.6 Strategic

- Risk: The land may be required to be used for another use as an outcome of the National Policy Statement for Indigenous Biodiversity or National Policy Statement for Freshwater Management during the lease term.
- Consequence: The tenant's lease would need to be terminated early and they would need to vacate the site.
- Mitigation: A clause is inserted in the Deed of Lease allowing early termination of the lease. This is reflected in Clause 47 of the draft Deed of Lease. This would be extended from the standard 3-month period to 12-months to give the Pony Club enough time to find an alternative venue should it need to relocate, if there is a decision made for the change of use of the reserve.

Financial Impact

5.7 Council will continue receiving an annual rental of \$1,000 + GST.

Note: the rental amount is subject to change given the review of the Community Support Policy which is under development.

5.8 There will no ongoing operational costs to Council associated with this lease. As it is a land lease only, the Pony Club will be responsible for their own repairs and maintenance.

OPTION TWO: Decline the proposed lease at Otira Park to Palmerston North Pony Club Branch and continue the existing month-by-month arrangement.

5.9 Option 2 sees Council decline to enter a lease at Otira Park with Palmerston North Pony Club Branch and leave the Pony Club on the month-by-month lease arrangements.

Benefits

5.10 As this option is essentially a 'do nothing' option, there are no benefits identified.

Risks

- 5.11 There is one risk that has been identified for Option 2. The risk, consequence and potential mitigation is highlighted below:
- 5.12 Reputational
- Risk: Council is criticised for not supporting the Pony Club despite most of the feedback being in support of the proposal.
 - Consequence: Council is criticised for poor decision making.
 - Mitigation: None.
- 5.13 The above risk is assessed by Council Officers to be a medium risk.

Financial Impact

- 5.14 Council will continue receiving an annual rental of \$1,000 + GST as the existing month-by-month arrangement will continue.
- Note: the rental amount is subject to change given the review of the Community Support Policy which is under development.
- 5.15 There will no ongoing operational costs to Council associated with this lease. As it is a land lease only, the Pony Club will be responsible for their own repairs and maintenance.

6. CONCLUSION

- 6.1 Council has met the requirements of the Reserves Act in considering a lease.
- 6.2 The matters raised in submission points are considered unlikely to have a material effect on the enjoyment of the reserve.
- 6.3 It is recommended that Council proceeds with Option 1 and grants a lease to Palmerston North Pony Club Branch Incorporated.

7. NEXT ACTIONS

- 7.1 Proceed with signing of the lease.

8. OUTLINE OF COMMUNITY ENGAGEMENT PROCESS

- 8.1 The community engagement process undertaken was detailed in the report to the Finance & Audit Committee on 24 February 2021. This can be summarised as:
- Public notice – published in the Manawatu Standard on 4 November 2020.

PALMERSTON NORTH CITY COUNCIL

- Two posts on the Council's Facebook page, the first on 4 November and the second on 30 November 2020.
- Direct mail to neighbours – a letter was hand delivered to the properties shown in orange in Figure one and mailed to any landowners not residing at those locations.
- The opportunity to be heard, required by Section 120 of Reserves Act 1977, was provided.

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 outcomes of the Creative and Liveable Strategy	
The recommendations contribute to the achievement of action/actions in the Active Community Plan	
The action is: To carry out recreation and reserves planning functions under the Reserves Act 1977 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

1. Draft Proposed Palmerston North Pony Club Branch Incorporated Lease



DEED OF LEASE OF PALMERSTON NORTH CITY COUNCIL LAND

DATED:

20

PARTIES

1. THE PALMERSTON NORTH CITY COUNCIL ("the Landlord")
2. PALMERSTON NORTH PONY CLUB BRANCH INCORPORATED ("the Tenant")
3. _____ ("the Guarantor")

BACKGROUND

- A The Landlord is the owner of the property described in the First Schedule hereto and more particularly shown on the plan attached hereto ("the property").
- B The Landlord has agreed to lease to the Tenant the property subject to the covenants, conditions and restrictions contained herein.

NOW THIS DEED RECORDS

1. The Landlord leases to the Tenant and the Tenant takes on the property described in the First Schedule for the term from the commencement date and at the annual rent (subject to review if applicable as set out in the First Schedule).
2. The Landlord and Tenant covenant as set out in the said Second Schedule.
3. ~~The Guarantor covenants with the Landlord as set out in clause 36 herein.~~

The Common Seal of the **PALMERSTON**)
NORTH CITY COUNCIL was hereto)
affixed as Landlord in the presence of:)

Mayor

Legal Counsel

THE COMMON SEAL of)
PALMERSTON NORTH PONY CLUB BRANCH INCORPORATED)
was hereto affixed as Tenant in the)
presence of:)

Signed by)
PALMERSTON NORTH PONY CLUB BRANCH INCORPORATED)
as Tenant in the presence of:)

SIGNED by _____)
as Guarantor in the presence of: _____)

FIRST SCHEDULE

PROPERTY:	Part of Section 1732 Town of Palmerston North, part of Section 1737 Town of Palmerston North and part of Section 1 SO 27741; being part of the land contained and comprised in Certificate of Title WN10B/1328 and WN9B/931 as more particularly shown on the plan attached hereto		
TERM:	Three (3) Years		
COMMENCEMENT DATE:	Subject to Council approval date		
RIGHT OF RENEWAL:	No right of renewal		
RENEWAL DATE:	TBD		
FINAL EXPIRY DATE: (in the event any right of renewal is exercised)	TBD		
ANNUAL RENT: (Subject to review if applicable)	\$1,000.00 plus GST		
RENT PAYMENT DATES:	The	day of	20
	commencing on the	day of	20
DEFAULT INTEREST RATE:	15 % per annum		
PRESCRIBED USE:	Pony club grounds and grazing		



PNCC Map



AJM-132940-1077-4-V1

SECOND SCHEDULE

TENANTS' PAYMENTS

Rent

- 1.1 The Tenant shall pay the rent annually plus Goods and Services Tax in advance on the rent payment dates. The first annual payment (together with rent calculated on a daily basis for any period from the commencement date of the term to the first rent payment date) shall be payable on the first rent payment date.
- 1.2 All rent shall be paid without any deduction by direct payment to the Landlord or as the Landlord may direct and the Tenant shall not advance as a reason for non payment of rental any right of set off.

Rental Increases

2. The Landlord and the Tenant acknowledge that the annual rental has been determined on the basis of the Palmerston North City Council's Recreation and Community Asset Rental Policy. The Landlord may, at the Landlord's sole discretion, and by giving no less than three (3) month's written notice to the Tenant, increase the annual rental in accordance with any review or amendment of the Palmerston North City Council's Recreation and Community Asset Rental Policy. The Tenant shall pay the increased annual rental on the date which is three (3) months from the date of the Landlord's notice under this clause.

Outgoings

- 3.1 The Tenant shall pay the outgoings in respect of the property which are specified in the Third Schedule attached hereto. Where any outgoing is not separately assessed the Tenant shall pay such a fair proportion as shall be agreed upon or failing agreement determined by arbitration.
- 3.2 The outgoings shall be payable by the Tenant on demand.
- 3.3 The Tenant shall still be liable to pay an outgoing where the outgoing is levied by the Landlord in its capacity as territorial authority.

GST

- 4.1 The Tenant shall pay to the Landlord or as the Landlord shall direct the GST payable by the Landlord in respect of the rental and other payments payable by the Tenant under this lease. The GST in respect of the rental shall be payable on each occasion when any rental payment falls due for payment and in respect of any other payment shall be payable upon demand.
- 4.2 If the Tenant shall make default in payment of the rental or other moneys payable under this lease and the Landlord becomes liable to pay default GST then the Tenant shall on demand pay to the Landlord the default GST in addition to interest payable on the unpaid GST under clause 5.

Interest on unpaid money

5. If the Tenant defaults in payment of the rent or other monies payable hereunder for ten (10) working days then the Tenant shall pay on demand interest at the default interest rate on the monies unpaid from the due date for payment down to the date of payment.

Costs

6. Each party will pay their own costs of the negotiation and preparation of this lease and any deed recording a rent review or renewal. The Tenant shall also pay the Landlord's reasonable costs incurred in considering any request by the Tenant for the Landlord's consent to any matter contemplated by this Lease and the Landlord's legal costs (as between Solicitor and client) of and incidental to the enforcement or attempted enforcement of the Landlord's rights remedies and powers under this Lease.

Indemnity

7. The Tenant shall indemnify the Landlord against all damage or loss resulting from any act or omission on the part of the Tenant or the Tenant's employees, agents, invitees or contractors. The Tenant shall recompense the Landlord for all expenses incurred by the Landlord in making good any damage to the property resulting from any such act or omission. The Tenant shall be liable to indemnify only to the extent that the Landlord is not fully indemnified under any policy of insurance.

Insurance

- 8.1 The Tenant shall at all times during the term keep and maintain any buildings on the property owned by the Tenant insured under a full replacement policy and if required by the Landlord provide evidence to the Landlord that such insurance's are in place.
- 8.2 The Landlord and Tenant expressly acknowledge that the Landlord has not insured any of the buildings or improvements on the property. The Landlord and Tenant expressly agree that the Tenant will meet the cost of making good any destruction or damage to the buildings and improvements on the property or will indemnify the Landlord against the cost of making good the destruction or damage of any buildings or improvements on the property caused by fire, flood, explosion, lightning, storm, earthquake or volcanic activity.

Prescribed Use Of The Property

- 9.1 The Tenant will use the property solely for the purposes of the Tenant and its general activities as set out under the heading "Prescribed Use" in the First Schedule and for no other purposes including however not limited to any commercial purpose. For the purpose of clarification a commercial purpose, for the purpose of this clause, shall be deemed the sale of any goods and services except for the sale of any food or beverages to be consumed on the property.
- 9.2 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.

- 9.3 Notwithstanding clauses 9.1 and 9.2 above the Landlord may at the entire discretion of the Landlord consent to the property being used for a use other than the prescribed use.

Tenant's Obligations

- 10.1 The Tenant shall keep and maintain any buildings or improvements on the property in good order and repair and shall comply with any reasonable requirements of the Landlord in respect to any such buildings or improvements.
- 10.2 Without in any way limiting the Landlord's rights pursuant to clause 10.1 above the Tenant shall comply with any reasonable requirement of the Landlord to repair all glass breakage's and any electrical fittings, paint and decorate any part of the exterior of any buildings or improvements on the property and repair and keep in good order any storm or wastewater drainage system.
- 10.3 The Tenant shall in a proper and workmanlike manner and to the reasonable requirements of the Landlord:
- (a) **Maintain Yards**
Keep and maintain any carparks, pavings and other sealed or surface areas in good order and repair.
 - (b) **Care of Grounds**
Keep any grounds, yards and surfaced areas in a tidy condition and maintain any garden or lawn areas in a tidy and cared for condition.
 - (c) **Other Works**
Carry out such works to the property as the Landlord may require in respect of which outgoings are payable by the Tenant.

Rubbish Removal

11. The Tenant shall regularly remove to an appropriate disposal site all rubbish and garbage generated from the property and will keep any rubbish bins or containers in a clean and tidy condition. The Tenant will also at the Tenant's own expense cause to be removed all trade waste boxes and other goods or rubbish not removable in the ordinary course by the local authority.

Landlord's Right of Inspection

12. The Landlord and its employees, agents and contractors may at all reasonable times during business hours enter upon the property to view the condition of any buildings or improvements on the property to view the condition thereof and may give notice in writing to the Tenant of all defects and wants of repair and the Tenant will with all reasonable despatch after receipt of such notice repair and make good the same according to such matters so far as the Tenant is liable so to do.

Landlord May Repair

- 13.1 If default is made by the Tenant in the due and punctual compliance with any notice given by the Landlord relating to repair or maintenance pursuant to clause 10.1 or clause 12 herein, the Landlord without prejudice to the Landlord's other rights and remedies shall at the Landlord's option without suit or further notice be entitled by its employees, agents and contractors with all necessary equipment and material at all reasonable times to enter upon the property to execute any works as may be specified in the notice.
- 13.2 All moneys expended by the Landlord by reason of the Tenant's default shall be payable by the Tenant to the Landlord upon demand together with interest at the default interest from the date of expenditure down to the date of payment.

Access for Repair

14. The Tenant shall permit the Landlord and the Landlord's employees, agents and contractors at all reasonable times to enter the property to carry out repairs pursuant to clause 13 hereof to the property and to install inspect repair renew or replace any services where the same are not the responsibility of the Tenant all such repairs. All such repairs and work shall be carried out as far as reasonably possible with the least inconvenience to the Tenant.

Signs and Painting

- 15.1 The Tenant will not erect or display or permit to be erected or displayed either on the outside of any building on the property or upon any part of the property any advertising matter of any description or any sign displaying the name of the Tenant without the prior consent of the Landlord who may grant its consent subject to such reasonable conditions as the Landlord may decide, which shall include compliance with the Local Authority's district plan.
- 15.2 The Tenant will not paint or repaint the exterior of any building or improvements on the property without the written consent of the Landlord to any colour scheme and the type of paint intended to be used.

Building Work and Alterations

- 16.1 The parties acknowledge that the Tenant intends to carry out certain building work on the property, however, the Tenant shall not carry out any such building work nor make any alterations or additions to any buildings or improvements erected on the property without first producing to the Landlord on every occasion plans and specifications and obtaining the written consent of the Landlord (not to be unreasonably or arbitrarily withheld or delayed) for that purpose.
- 16.2 The Tenant will at all times including when undertaking any "building work" on the property (as that term is defined in the Building Act 2004), comply with all statutory requirements including the obtaining of building consents and code compliance certificates pursuant to the Act and agrees to indemnify the Landlord for any claims made against the Landlord arising under the Building Act by virtue of the Tenant failing to comply with the Act.

Compliance with Statutes and Regulations

- 17.1 The Tenant shall comply with the provisions of all statutes, ordinances, regulations and by-laws relating to the use of the property by the Tenant or other occupant and will also comply

with the provisions of all licences, requisitions and notices issued by any competent authority in respect of the property or their use by the Tenant or other occupant.

- 17.2 In the event that the Tenant shall not comply with the provisions of all statutes, ordinances, regulations and by-laws relating to the use of the property by the Tenant as required by clause 17.1 herein the Landlord may without limiting its powers pursuant to clause 13 herein enter upon the property to execute such works to provide that all statutes, ordinances, regulations and by-laws are complied with and any monies expended by the Landlord in executing such works shall be payable by the Tenant to the Landlord upon demand together with interest thereon at the default interest rate from the date of expenditure down to the date of payment.
- 17.3 The Tenant shall not allow any building or structure owned or constructed on the property by the Tenant to be open to members of the public or allow the use of any such building or structure by members of the public if that would be in breach of section 363 of the Building Act 2004.

No Noxious Use

18. The Tenant shall not:

- (a) Bring upon or store within the property nor allow to be brought upon or stored nor allowed to be brought upon the property or stored within any building on the property any machinery goods or things of an offensive noxious illegal or dangerous nature, or of such weight size or shape as is likely to cause damage to the building or any surfaced area.
- (b) Contaminate the property and shall undertake all works necessary to remove any contamination of the property other than contamination not caused by the Tenant or which took place prior to the commencement date of the lease term. Contamination means any change to the physical, chemical or biological condition of the property by a "contaminant" as that word is defined in the Resource Management Act 1991.
- (b) Use the property or allow them to be used for any noisome noxious illegal or offensive trade or business.
- (c) Allow any act or thing to be done which may be or grow to be a nuisance disturbance or annoyance to the Landlord, other tenants of the Landlord, or any other person, and generally the Tenant shall conduct the Tenant's business upon the property in a clean quiet and orderly manner free from damage nuisance disturbance or annoyance to any such persons but the carrying on by the Tenant in a reasonable manner of the Prescribed Use or any use to which the Landlord has consented shall be deemed not to be a breach of this clause.

Cancellation

19. The Landlord may (in addition to the Landlord's right to apply to the Court for an order for possession) cancel this Lease by re-entering the property at the time or at any time thereafter:
- (a) if the rent shall be in arrears for not less than ten working days after any of the rent payment dates and the Tenant has failed to remedy that breach within 10 working

days after service on the Tenant of a notice in accordance with section 245 of the Property Law Act 2007.

- (b) in case of breach by the Tenant of any Covenant or agreement on the Tenant's part herein expressed or implied (other than the covenant to pay rent) after the Tenant has failed to remedy that breach within the period specified in a notice served on the Tenant in accordance with section 246 of the Property Law Act 2007.
- (c) if the Tenant shall make or enter into or attempt to make or enter into any composition assignment or other arrangement with or for the benefit of the Tenant's creditors;
- (d) in the event of the insolvency bankruptcy or liquidation of the Tenant; or
- (e) if the Tenant shall suffer distress or execution to issue against the Tenant's property goods or effects under any judgement against the Tenant in any Court for a sum in excess of five thousand dollars (\$5,000.00);

and the term shall terminate on such cancellation but without prejudice to the rights of either party against the other.

Loss on Cancellation

- 20. Upon cancellation the Landlord may remove from the property or any buildings or improvements erected thereon any chattels in the apparent possession of the Tenant and place them outside the property and the Landlord shall not be answerable for any loss resulting from the exercise of the power of re-entry.

Essentiality of Payments

- 21.1 Failure to pay rent or other moneys payable hereunder on the due date shall be a breach going to the essence of the Tenant's obligations under the Lease. The Tenant shall compensate the Landlord and the Landlord shall be entitled to recover damages from the Tenant for such breach. Such entitlement shall subsist notwithstanding any determination of the lease and shall be in addition to any other right or remedy which the Landlord may have.
- 21.2 The acceptance by the Landlord of arrears of rent or other moneys shall not constitute a waiver of the essentiality of the Tenant's continuing obligation to pay rent and other moneys.

Repudiation

- 22. The Tenant shall compensate the Landlord and the Landlord shall be entitled to recover damages for any loss or damage suffered by reason of any acts or omissions of the Tenant constituting a repudiation of the lease or the Tenant's obligations under the lease. Such entitlement shall subsist notwithstanding any determination of the lease and shall be in addition to any other right or remedy which the Landlord may have.

Quiet Enjoyment

- 23. The Tenant paying the rent and performing and observing all the covenants and agreements herein expressed and implied shall quietly hold and enjoy the property throughout the term without any interruption by the Landlord or any person claiming under the Landlord.

Renewal of Lease

24. If the Tenant has given to the Landlord written notice to renew the Lease at least three (3) calendar months before the end of the term and it is not at the date of the giving of such notice in breach of this Lease then the Landlord will grant a new lease for a further term from the renewal date as follows:
- (a) The new lease shall be upon and subject to the covenants and agreements herein expressed and implied except that the term of this Lease plus all further terms shall expire on or before the final expiry date; and
 - ~~(d) The Landlord, as a condition of granting a new lease shall be entitled to have the new lease guaranteed by any guarantor who has guaranteed this Lease on behalf of the Tenant who has given notice.~~

Assignment or Subletting

25. The Tenant shall not assign sublet or otherwise part with the possession of the property or any part thereof without first obtaining the written consent of the Landlord.

Holding Over

26. If the Landlord permits the Tenant to remain in occupation of the property after the expiration or sooner determination of the term, such occupation shall be a monthly tenancy only terminable by twenty (20) working days written notice at the rent then payable and otherwise on the same covenants and agreements (so far as applicable to a monthly tenancy) as herein expressed or implied.

Access for Re-letting

27. The Tenant will at all reasonable times during the period of three months immediately preceding expiration of the term permit intending tenants and others with written authority from the Landlord or the Landlord's agents at all reasonable times to view the property.

Suitability

28. No warranty or representation expressed or implied has been or is made by the Landlord that the property is now suitable or will remain suitable or adequate for use by the Tenant or that any use of the property by the Tenant will comply with the by-laws or ordinances or other requirements of any authority having jurisdiction.

Waiver

29. No waiver or failure to act by the Landlord in respect of any breach by the Tenant shall operate as a waiver of another breach.

Tenant to Indemnify the Landlord

30. The parties acknowledge that the Landlord shall not be liable for any claims including but not limited in respect of accident, injury or damage suffered by any person or property as a result of the Tenant's use of the property, and the Tenant shall indemnify the Landlord for any such claims.

Health and Safety

- 31.1 The Tenant voluntarily accepts all risks, known and unknown of entering onto the property and releases the Landlord from all liability arising from the Tenant's use of the property and the Tenant shall indemnify the Lessor against all damage, loss and liability arising from the Tenant's use of the property including, but not limited to, any liability, fine or penalty imposed pursuant to the Health and Safety at Work Act 2015. Any damage, loss and liability referred to in this clause shall also include any damage, loss or liability arising due to any harm suffered to any employee, invitee, occupier, contractor or agent of the Tenant which occurs on the property.
- 31.2 The Tenant shall ensure that the provisions and obligations imposed on an employer or on an occupier of a place of work by the Health and Safety at Work Act 2015 are fully complied with and if required by law or by the Landlord shall have its own health and safety plan which must be consistent with the Landlord's and be approved by the Landlord.

Notices

- 32.1 All notices must be in writing and must be served by one of the following means:
- (a) In the case of a notice under sections 245 or 246 of the Property Law Act 2007 in accordance with the requirements of section 353 of that Act; and
 - (b) In all other cases, unless otherwise required by sections 352 to 361 of the Property Law Act 2007;
 - (i) using the procedure outlined in sections 354 to 361 of the Property Law Act 2007, or
 - (ii) by personal delivery, or by posting by registered or ordinary mail, or by facsimile, or by email.
- 32.2 In respect of the means of service specified in clause 32.1(b)(ii), a notice is deemed to have been served:
- (a) in the case of personal delivery, when received by the addressee;
 - (b) in the case of posting by mail, on the second working day following the date of posting to the addressee's last known address in New Zealand;
 - (c) in the case of facsimile transmission, when sent to the addressee's facsimile number; or
 - (d) in the case of email, when acknowledged by the addressee by return email or otherwise in writing.
- 33.3 In the case of a notice to be served on the Tenant, if the Landlord is unaware of the Tenant's last known address in New Zealand or the Tenant's facsimile number, any notice affixed conspicuously on any part of the property shall be deemed to have been served on the Tenant on the day on which it is affixed.
- 33.4 A notice shall be valid if given by any director, general manager, solicitor or other authorised representative of the party giving the notice.

Arbitration

34. If any dispute as to the terms or interpretation of this Deed or any part of it arises or as to the obligations of any party to this Deed then the parties at dispute shall enter into negotiations in good faith to resolve such dispute. If the dispute is not resolved within one (1) month of the date on which the parties begin their negotiations the parties shall submit their dispute to the arbitration of an independent arbitrator appointed jointly by the parties and if one cannot be agreed upon within ten (10) working days, to an independent arbitrator appointed by the representative for the time being of the Manawatu District Solicitors on the Board of the New Zealand Law Society, or to the President for the time being of the Manawatu District Lawyers Standards Committee, or in either case their nominee and such arbitration shall be carried out in accordance with the Arbitration Act 1996 or any then statutory provisions relating to arbitration.

Interpretation

35. In this lease
- (a) the Landlord and the Tenant means where appropriate the executors, administrators, successors and permitted assigns of the Landlord and the Tenant.
 - (b) "the property" means the land leased by the Tenant pursuant to this Deed of Lease and where the context requires or admits means any buildings or improvements erected on the property.
 - (c) "working day" means a day of the week other than:
 - (i) Saturday, Sunday, Waitangi Day, Good Friday, Easter Monday, Anzac Day, The Sovereign's Birthday and Labour Day and;
 - (ii) A day in the period commencing with 25th December and ending with 2nd January in the following year and;
 - (iii) The day observed as the anniversary of any province in which an act is to be done.
 - (d) whenever words appear in this lease that also appear in the First Schedule then those words shall mean and include the details supplied after them in the First Schedule.
 - (e) Where the context requires or admits, words importing the singular shall import the plural and vice versa.

Guarantee

- ~~36. In consideration of the Landlord entering into the Lease at the Guarantor's request the Guarantor:~~
- ~~(a) Guarantees payment of the rent and the performance by the Tenant of the covenants in the Lease; and~~
 - ~~(b) Indemnifies the Landlord against any loss the Landlord might suffer should the Lease be lawfully disclaimed or abandoned by any liquidator, receiver or other person.~~
 - ~~(c) Covenants with the Landlord that:~~

- (i) ~~No release, delay or other indulgence given by the Landlord to the Tenant or to the Tenant's successors or assigns or any other thing whereby the Guarantor would have been released had the Guarantor been merely a surety shall release, prejudice or affect the liability of the Guarantor as a guarantor or indemnifier;~~
- (ii) ~~As between the Guarantor and the Landlord the Guarantor may for all purposes be treated as the Tenant and the Landlord shall be under no obligation to take proceedings against the Tenant before taking proceedings against the Guarantor.~~
- (d) ~~The Guarantee is for the benefit of and may be enforced by any person entitled for the time being to receive the rent.~~
- (e) ~~Any assignment of the Lease and any rent review in accordance with this Lease shall not release the Guarantor from liability.~~
- (f) ~~Should there be more than one Guarantor their liability under this Guarantee shall be joint and several.~~
- (g) ~~The Guarantee shall extend to any holding over by the Tenant.~~

FURTHER TERMS

Sale of Alcohol

37. In the event that the Tenant wishes to sell alcohol on the property, or from any building or improvement erected on the property, permission must first be obtained in writing from the Recreation and Community Development Manager of the Landlord before a licence may be applied for from the Liquor Licensing Agency.

Early Childhood Care

38. ~~In the event that the Tenant wishes to use the property for the purposes of early childhood education the Tenant shall be required to comply with all requirements in respect to the property as determined by the Ministry of Education.~~

Tenant May Make Rules

- 39.1 The Tenant may make rules for management and control of the property and for the conduct of persons using them which are necessary and not inconsistent with this lease.
- 39.2 Before any rules come into force they must have the written consent of the Landlord.
- 39.3 All such rules when approved and adopted shall be displayed in a conspicuous place on the property for the information and guidance of all persons entering upon the property.

Fences

40. In the event that the Landlord requires fencing to be erected upon the property then the Landlord may provide instructions to the Tenant requiring the fence to be so erected including

the location and type of fence required and the Tenant shall erect such fence at the sole cost of the Tenant forthwith.

Tenant's Acknowledgement

41. The Tenant acknowledges that the Tenant will preserve and protect any natural, scientific, historical, cultural, archaeological, biological, geographical or other scientific feature or indigenous flora or fauna on the property.

Landlord's Option to Purchase Buildings or Improvements

42. At the expiration or sooner determination of the within lease then the following shall apply:
- (a) The Landlord shall be entitled within three months of the date of expiration or sooner determination of the lease by notice in writing to the Tenant, to purchase any buildings or improvements on the property, at a price to be agreed upon between the parties or failing agreement to be determined by arbitration in accordance with clause 34 hereof and the purchase price so agreed upon or determined by arbitration shall be paid in cash by the Landlord to the Tenant within twenty (20) working days of the date of such determination or the day after the end of the term of the Lease whichever date shall be the earlier.
 - (b) If the Landlord shall not exercise the right to purchase within the period specified above, or shall give notice that it does not desire to exercise the right of purchase, then the Tenant shall within three months of the date of expiration of the period of option to purchase or within three months of the date of the Landlord giving notice that it does not desire to exercise the option to purchase, whichever date shall first occur, be entitled to remove from the property all buildings and improvements erected on the property by the Tenant and shall leave the property in a clean and tidy condition.
 - (c) If the Tenant fails or neglects to remove any buildings or improvements on the property within the period described above then such buildings or improvements shall be deemed to have been abandoned and then become the property of the Landlord, which shall be under no liability in such case to account to the Tenant for any payment by way of compensation, damages or otherwise.
 - (d) Notwithstanding clause 42(c) above if the Landlord shall not exercise the right to purchase any buildings or improvements on the property as provided in clause 42(a) above the Landlord shall be entitled within three (3) months of the date of expiration or sooner determination of the Lease by notice in writing to the Tenant to require the Tenant to remove at the cost of the Tenant any buildings or improvements on the property by the Tenant as directed by the Landlord. In the event that the Tenant is requested by the Landlord to remove any buildings or improvements erected on the property in accordance with this clause 42(d) then the Tenant shall do so and leave the property in a good tidy condition within two (2) months of the Landlord giving the Tenant notice in accordance with this clause 42(d). In the event the Tenant does not remove such buildings or improvements on the property within such time period then the Landlord may:
 - (i) arrange for the removal of the buildings and improvements on the property together with their disposal; and

- (ii) arrange for the property to be left in a clean and tidy condition; and
- (iii) charge the Tenant for the cost of doing so which shall be payable upon demand together with interest thereon at the default interest rate as provided in this Lease.

Third Party's Use of the Property

43. The Tenant shall be entitled to allow third persons to utilise the property from time to time, however, in the event that the Tenant enters into an arrangement to allow a third party to utilise the property on an ongoing basis, the Tenant shall first notify the Landlord of the proposal. The Tenant shall provide such information in respect to the proposal as the Landlord requires, including but not limited to the amount of any sum to be paid to the Tenant by the third party for the right to use the property and in the event that the Landlord is not satisfied with the proposal the Landlord may require it to be terminated or require the terms of it to be amended in which case the Tenant shall strictly comply with the Landlord's request.

Graffiti

44. If during the term of the Lease any graffiti occurs on the exterior of any building or improvements on the property then the Tenant shall forthwith remove the graffiti at the sole cost of the Tenant and, if required by the Landlord, repaint the affected area in keeping with the balance of such buildings or improvements to a standard acceptable to the Landlord.

No Overnight Occupation

45. The Tenant shall not permit any person or persons to reside on the property overnight or reside in any building or improvement on the property overnight.

Reporting Standard

46. The Tenant, when requested by the Landlord, shall provide to the Landlord a report in relation to the Tenant's occupation of the property in accordance with this Lease with such information to contain information and to be in a format as required by the Landlord.

Termination by Notice

47. Notwithstanding any other provision in this Lease the Landlord may terminate this Lease by giving twelve (12) 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.

Reserves Act 1977

48. It is agreed that this lease has been entered into pursuant to section 54(1)(a), (b), (c), or (d) of the Reserves Act 1977.

THIRD SCHEDULE

1. Rates or levies payable to any local or territorial authority.
2. Charges for water gas electricity telephones and other utilities or services, including line charges.
3. Rubbish collection charges.
4. New Zealand Fire Service charges and the maintenance charges in respect of all fire detection and fire fighting equipment.
5. Service contract charges for air conditioning, lifts, other building services and security services.
6. Cleaning maintenance and repair charges including charges for repainting, decorative repairs and the maintenance and repair of building services to the extent that such charges do not comprise part of the cost of a service maintenance contract, but excluding charges for structural repairs to the building (minor repairs to the roof of the building shall not be a structural repair).
7. The provisioning of toilets and other shared facilities.
8. The cost of ground maintenance i.e. lawns, gardens and planted areas including plant hire and replacement, and the cost of repair of fences.
9. Yard and car parking area maintenance and repair charges but excluding charges for structural repairs to any car parking area of the building.
10. ~~Body Corporate charges for insurance premiums and related valuation fees and management administration expenses.~~
11. ~~Management expenses.~~
12. The costs incurred and payable by the Landlord in supplying to the territorial authority a building warrant of fitness and obtaining reports as required by Section 45 of the Building Act 2004.

MEMORANDUM

TO: Finance & Audit Committee

MEETING DATE: 28 April 2021

TITLE: Business Continuity Update

PRESENTED BY: Jason McDowell, Head of Risk & Resilience

APPROVED BY: Chris Dyhrberg, Chief Customer Officer

RECOMMENDATION(S) TO FINANCE & AUDIT COMMITTEE

1. That the memorandum titled 'Business Continuity Update', presented to the Finance & Audit Committee on 28 April 2021, be received for information.
2. That the Finance & Audit Committee receive Business Continuity updates on a three-monthly basis.

1. BACKGROUND

Resilience Organisations completed a review of our Business Continuity Plans and Practices in January 2020, followed by an organisation wide debrief from COVID19. Recommendations have been reported to Council on 16 September 2020 and 18 November 2020, respectively.

The Finance & Audit Committee requested regular updates on the process to update Council's business continuity programme and meet the recommendations from Resilience Organisations.

The Risk & Resilience Division was formed January 2020, following the Positioning for Performance realignment in December 2019. The division is responsible for Business Continuity, Emergency Management, Risk Management & Security practices across the Council. The COVID19 lockdown March – May 2020 disrupted the recruitment process of vacancies in this division and delayed the start of the improvement work required in these areas of Council.

Following the appointment of officers in the Risk & Resilience division, good progress has taken place, including preparing the organisation for a resurgence in COVID19, taking into account recommendations of the Stage 1 review of Business Continuity, and lessons learnt from COVID19 1.0.

Resilience Organisations' recommendations have been accepted and expanded on to meet the requirements of Palmerston North City Council. The following table identifies the improvement recommendations from Resilience Organisations and the progress made to date.

Stage 1 – Business Continuity Report Recommendations

Business Continuity Improvement	Priority	Owner	Target Completion Date	Status
Business Continuity Plans to be enhanced and made more useful and relevant	Med	HoRR	Jun 2021	In Progress

Officer Comments: In progress.

Review crisis management response structures, roles and responsibilities	High	HoRR	Aug 2020	Complete
--------------------------------------------------------------------------	------	------	----------	----------

Officer Comments: Reviewed during planning for COVID19 resurgence, new response structure developed and continues to be refined.

Continue to develop and apply adaptive leadership styles	Low	ELT	Ongoing	In Progress
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Officer Comments: N/A

Relationships with key external partners should be established in advance	Med	HoRR	Aug 2020	Complete
---------------------------------------------------------------------------	-----	------	----------	----------

Officer Comments: Civil Defence Emergency Management team continues to develop and build on existing relationships with external partners.

Contact Centre – review Business Continuity plan against a range of scenarios	High	HoRR & Manager Call centre	Nov 2020	Complete
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Officer Comments: N/A

Looking after staff – Contact details of staff in multiple locations to ensure managers or team leaders can contact staff	Med	HoRR	Oct 2020	Complete & Ongoing reviews
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Officer Comments: N/A

Looking after staff – Develop telephone trees to ensure managers, team leaders and staff can contact each other in an emergency	Med	HoRR	Aug 2020	Complete & Ongoing reviews
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Officer Comments: N/A

Business Continuity Improvement	Priority	Owner	Target Completion Date	Status
Looking after staff – Training managers and team leaders on their immediate response to emergency events	Med	HoRR	Ongoing	In Progress

Officer Comments: Emergency Response Plan under development and will be implemented as part of the updated BCPs.

Plan what staff may be required where and backfilling plans (delegations / training)	Med	HoRR	Aug 2020	Complete
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Officer Comments: Our business response team have coordinated role allocation and understanding the impact these staff will have on the business. It also has emphasised the need to have the right people in the right place at the right time, to ensure our responsibilities are being met.

Confirming roles and responsibilities of external partners, and what is expected of them during an emergency. We need to ensure our BCPs are aligned, to meet our obligations under all relevant acts	Med	HoRR	Oct 2020	In progress & Overdue
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Officer Comments: This recommendation will be completed for individual functions' Business Continuity Plans when they are updated, to ensure we align with each other. It is expected this is completed by June 2021.

Review of Service restoration times in the context of a crisis event	Low	HoRR	Mar 2021	In progress & Overdue
----------------------------------------------------------------------	-----	------	----------	-----------------------

Officer Comments: This recommendation can only be completed once updated Business Continuity Plans have been completed. A quick review has taken place to update the interim IT disaster recovery plan. It is expected a thorough review is completed by June 2021.

That exercises are run across the Council at least annually using a range of scenarios	Med	HoRR	June 2021	In progress and ongoing
----------------------------------------------------------------------------------------	-----	------	-----------	-------------------------

Officer Comments: Two COVID19 activation events have taken place. The organisation responded well to these events. Further testing will take place following the completion of the updates and sign off from management team.

COVID19 Alert Level changes over the past 7 months have impacted the improvement of Business Continuity for the organisation, including the establishment of the Risk & Resilience division.

Most of these recommendations have been taken into account during Resurgence Planning for COVID19.

2. NEXT STEPS

Officers will continue to collect data and create updated, useful and purposeful business continuity plans for divisions.

Following the creation of these plans, data will flow into our unit, IT disaster recovery and crisis management plans.

These plans will be made available to all staff in various formats and testing of these plans will take place following a proposal to management team. We will continue to refine, test and improve our plans as the organisation works towards our strategic goals.

Council will be provided a progress update in three months' time.

3. 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	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Ensuring Council understands how to operate and meet its obligations under the CDEM Act 2002 during an emergency or business disruption event which means Council can continue to operate effectively.

ATTACHMENTS

Nil

MEMORANDUM

TO: Finance & Audit Committee

MEETING DATE: 28 April 2021

TITLE: Treasury Report - 9 months ending 31 March 2021

PRESENTED BY: Stuart McKinnon, Chief Financial Officer

APPROVED BY: Heather Shotter, Chief Executive

RECOMMENDATIONS TO FINANCE & AUDIT COMMITTEE

1. That the performance of Council's treasury activity for the 9 months ending 31 March 2021 be noted.

1. ISSUE

To provide an update on the Council's treasury activity for the 9 months ending 31 March 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. There was no change to the additional debt that was authorised for either of these changes. Progress against the approved capital expenditure programme will be monitored during the year and authorisation for additional debt will be sought if required.

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.

3. PERFORMANCE

Following the annual review published on 20 April 2020 Council's S&P Global Rating's credit rating remained unchanged at AA / A-1+, although the outlook was revised from positive to stable. The latest review is under way and the outcome is expected before the end of April.

Schedule 1 attached shows the details of Council's debt as at 31 March 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:

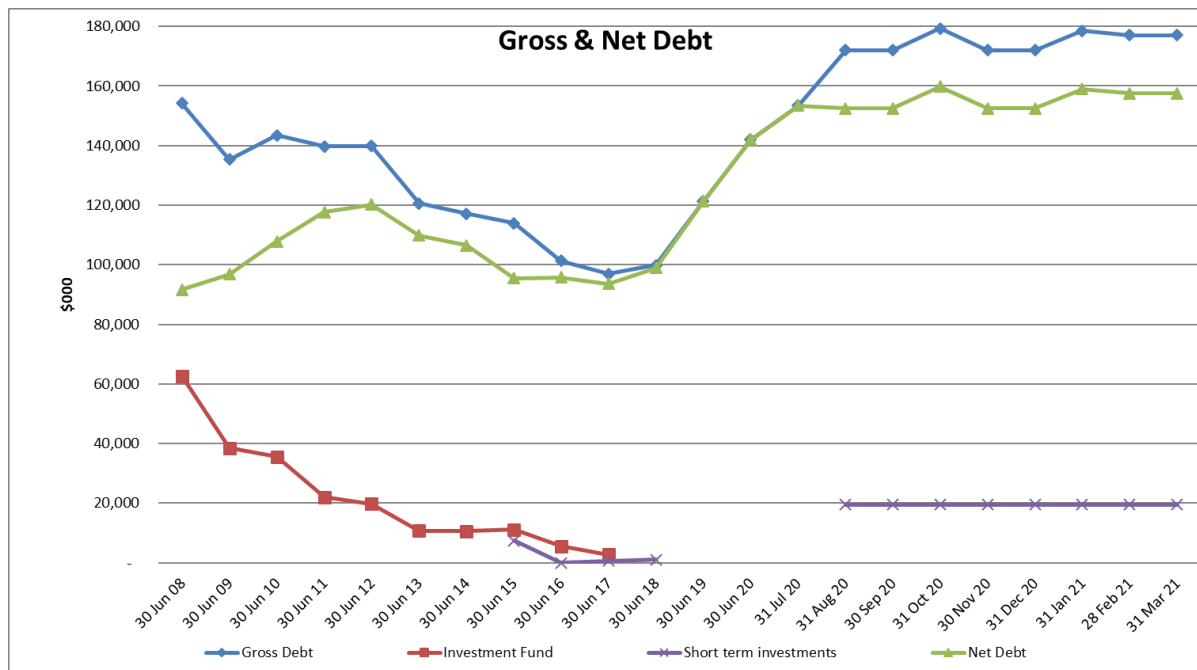
	Annual Budget for year (2020/21) \$000	Actual – 3 months (2020/21) \$000	Actual – 6 months (2020/21) \$000	Actual – 9 months (2020/21) \$000
Debt Balance at 1 July 2020	142,597	142,000	142,000	142,000
New Debt #	35,643	30,000	30,000	35,000
Debt repayments #				
Closing Balance	178,240	172,000	172,000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

A portion of the Council's debt is drawn on a daily basis – daily drawdowns & 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 31 March 2021 was \$177m compared with \$142m at 1 July 2020. \$20m of this was raised in advance to refinance debt maturing in May 2021. The sum raised in advance has been invested short term at rates that more than cover the borrowing costs.

Movements in recent years are shown in the following graph:

PALMERSTON NORTH CITY COUNCIL



Actual finance costs incurred during the 9 months (including interest, line fees & the effects of payments relating to swaps) amounted to \$3.714m compared with the budget for the year of \$5.557m. The effective average interest rate for the year to date was 2.9% compared with the budgetary assumption of 3.4% and this translated to a saving of approximately \$645k.

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 31 March 2021 and show a reduction in the book value liability of \$4.675m for the quarter and \$6.797m for the year to date.

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 maturing in May 2021 is covered through sums raised in advance and temporarily invested.

The interest risk position is more complex to explain but is basically about 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 3 waters.
- For the purposes of this report we have assumed debt will increase from \$142m at 1 July 2020 to \$388m at 30 June 2028 – the 2018-28 10 Year Plan assumes \$367m by this date. These figures significantly understate the likely debt especially if the latest forecasts for the wastewater project are included. The proposed 2021-31 10 Year Plan projects total debt of \$860m by 30 June 2031 but indicates such debt levels are unsustainable under the current local government funding framework. Excluding water and wastewater the projected debt level at 30 June 2031 is \$363m.
- 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 31 March. This approach is kept under constant review.

As at 31 March 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 2023).

4. CONCLUSION & NEXT STEPS

Finance costs for the quarter (including interest, line fees & the effect of swaps) was \$3.714m compared with budget for the year of \$5.557m. This was slightly lower than the year to date budget principally due to lower average interest rates.

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.

A further performance report will be provided after the end of the June 2021 quarter.

5. COMPLIANCE AND ADMINISTRATION

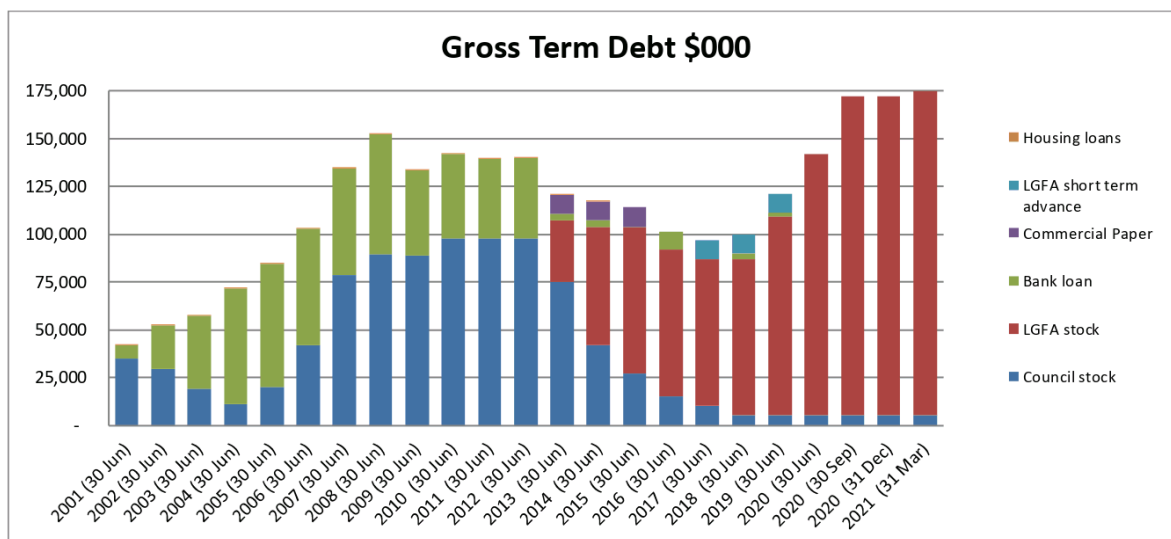
Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	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 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 Not Applicable	
This report outlines the outcomes of a fundamental administrative activity of the Council.	
Contribution to strategic direction	Managing the Council's treasury activity is a fundamental component of day to day administration of the Council.

ATTACHMENTS

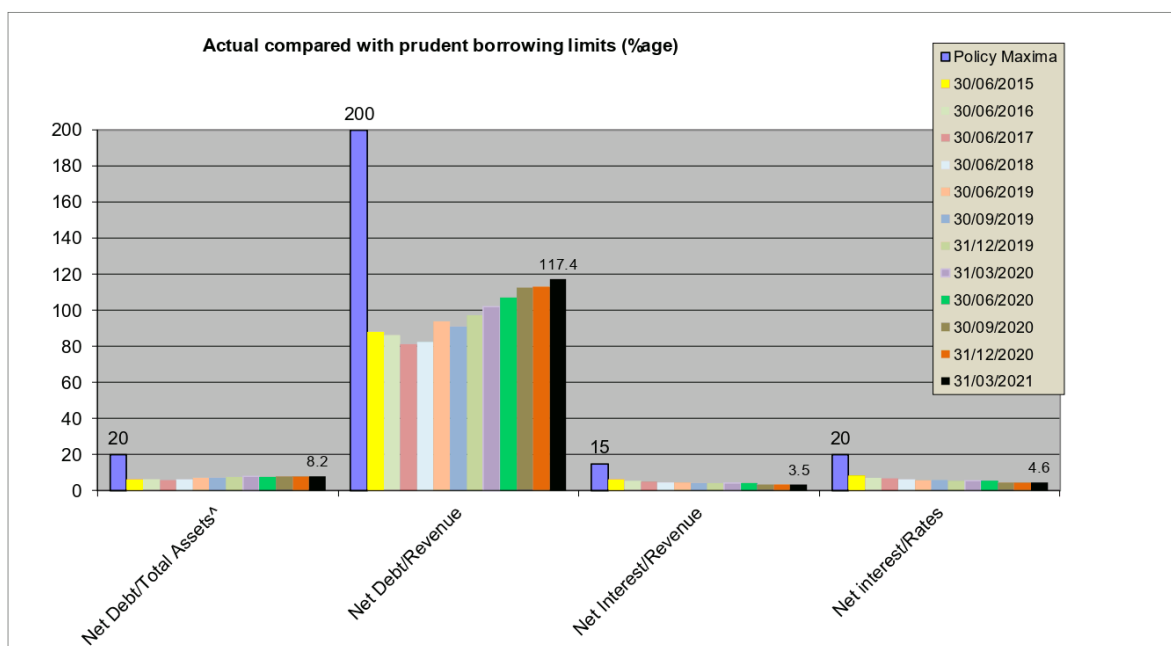
- Schedules 1 - 3 [↓](#) 

Schedule 1 - Debt levels & Prudent Borrowing Ratios

Palmerston North City Council							
Term Debt as at 31 March 2021							
1. Loan Stock on Issue - Council debentures						Current	
Issue Date	Term	Principal	Margin over BKBM	Interest Rate	Maturity Date	as at 31/03/2021	Interest Rate
FRN 5 Aug 16	6	5,000,000	0.6300%	0.9100%	5-Aug-2022		Floating Qtrly
		5,000,000					
2. Loan Stock on Issue - Borrowed from LGFA							
LGFA 20 May 13	8	5,000,000	0.6425%	0.9425%	15-May-2021	5,000,000	Floating Qtrly
LGFA 24 Feb 14	7	10,000,000	0.5525%	0.8525%	15-May-2021	10,000,000	Floating Qtrly
LGFA 19 May 14	7	5,000,000	0.6000%	0.9000%	15-May-2021	5,000,000	Floating Qtrly
LGFA 13 Apr 15	7	10,000,000	0.3300%	0.6000%	5-Apr-2022		Floating Qtrly
LGFA 18 Aug 14	9	10,000,000	0.6325%	0.9125%	15-Apr-2023		Floating Qtrly
LGFA 15 Apr 20	3	10,000,000	0.7350%	1.0150%	17-Apr-2023		Floating Qtrly
LGFA 23 Jul 18	6	15,000,000	0.5525%	0.8325%	15-Apr-2024		Floating Qtrly
LGFA 15 Apr 20	4	5,000,000	0.7850%	1.0650%	15-Apr-2024		Floating Qtrly
LGFA 6 Sep 17	7	6,000,000	0.6000%	0.9200%	15-Sep-2024		Floating Qtrly
LGFA 6 Sep 17	8	6,000,000	0.6600%	0.9400%	15-Apr-2025		Floating Qtrly
LGFA 28 Jan 20	5	8,000,000	0.5400%	0.8200%	15-Apr-2025		Floating Qtrly
LGFA 13 Jul 20	5	5,000,000	0.6700%	0.9500%	15-Apr-2025		Floating Qtrly
LGFA 22 Mar 18	8	5,000,000	0.7250%	1.0050%	15-Apr-2026		Floating Qtrly
LGFA 17 Jun 19	7	7,000,000	0.6525%	0.9325%	15-Apr-2026		Floating Qtrly
LGFA 11 May 20	6	5,000,000	0.6600%	0.9400%	15-Apr-2026		Floating Qtrly
LGFA 13 Jul 20	6	5,000,000	0.7225%	1.0025%	15-Apr-2026		Floating Qtrly
LGFA 16 Mar 15	12	5,000,000	0.4575%	0.7375%	15-Apr-2027		Floating Qtrly
LGFA 8 Jun 15	12	5,000,000	0.4525%	0.7325%	15-Apr-2027		Floating Qtrly
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%	1.0675%	15-Apr-2028		Floating Qtrly
LGFA 7 Oct 19	9	5,000,000	0.7100%	0.9900%	18-Apr-2028		Floating Qtrly
LGFA 11 Aug 20	8	10,000,000	0.8300%	1.1100%	15-Apr-2028		Floating Qtrly
LGFA 17 Dec 18	11	10,000,000	0.8225%	1.1025%	15-Apr-2029		Floating Qtrly
		172,000,000					
3. Bank facilities							
ANZ (\$25m)		-			31-Mar-2023		Reset at any time
				* plus line fee of 0.22%			
Westpac (\$18m)	On call			1.330%	31-Jul-2022		Reset at any time
				* plus line fee of 0.27%			
4. Short term facility from LGFA							
		-					
Total as at 31 March 2021							
		177,000,000				20,000,000	



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.



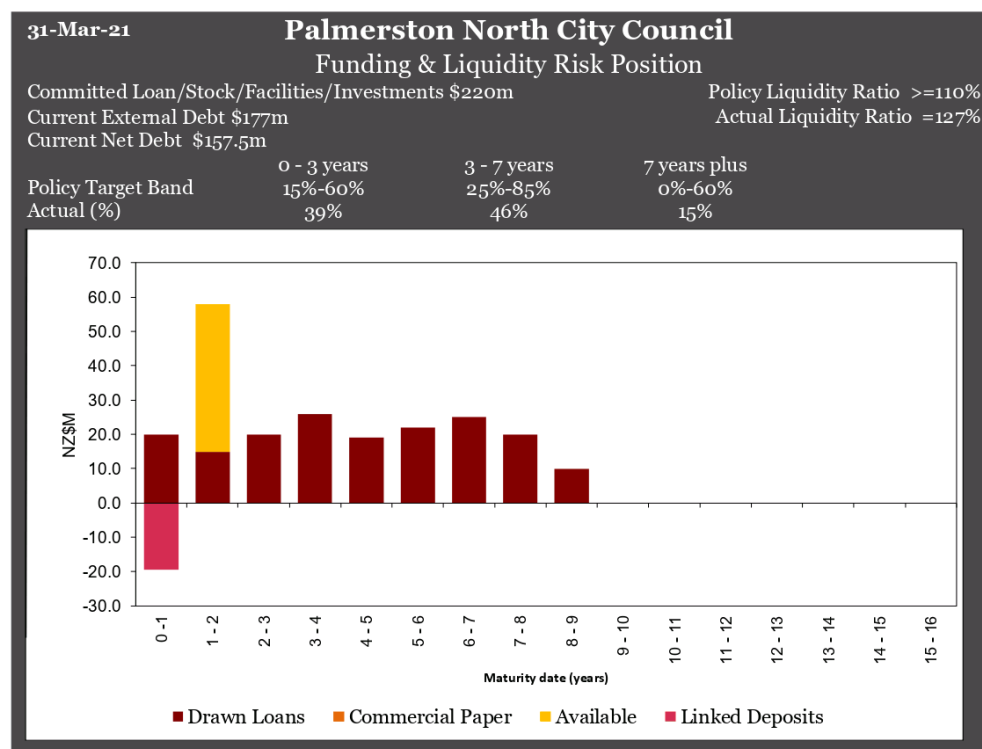
[^] The Net Debt/Total Assets ratio became effective from 1 July 2015. Previously the ratio used was Net Debt/Equity and the actuals for the previous ratio are shown in this report for information.

Schedule 2 – Interest Rate Swaps

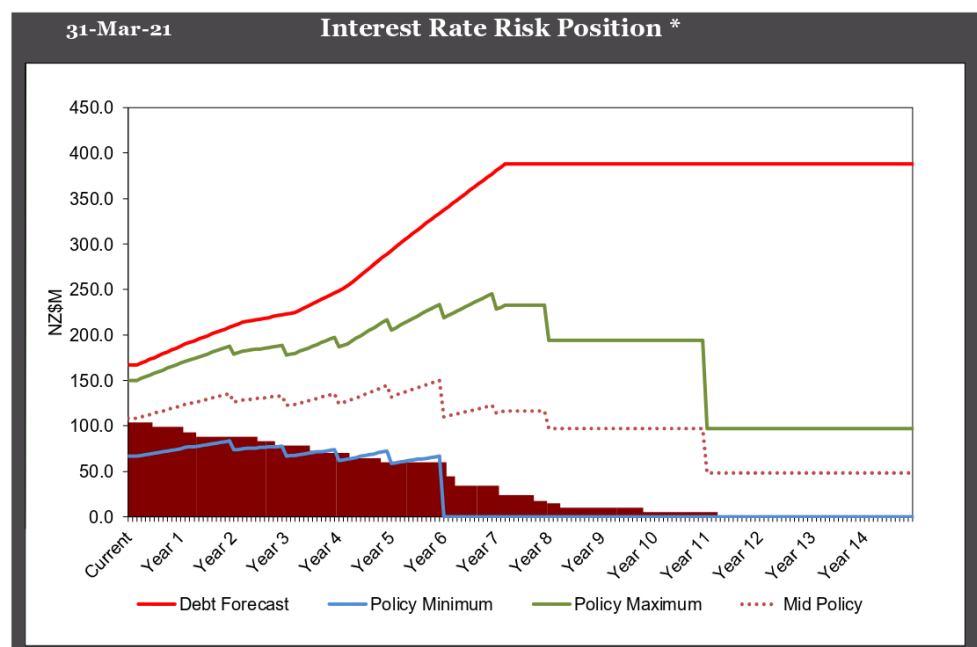
Palmerston North City Council									
Interest Rate Swaps as at 31 March 2021									
Council pays fixed & receives floating on a monthly basis							Current		Hedgebook
Bank	Trade Date	Deal No	Amount	Start Date	Maturity	Fixed Interest	Floating	Reset date	Value at
			\$m			rate	rate		31-Mar-21
Westpac	12-Feb-13	2882838	5.0	11-Mar-13	9-Dec-20	4.61%		Matured 9 Dec 20	
Active total at 31 Mar 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	Floating	Reset date	31-Mar-21
			\$m			rate	rate		
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%	8-Jun-21	(143,508)
Westpac	8-May-14	3672892	5.0	10-Jul-14	11-Apr-22	5.690%	0.265%	12-Apr-21	(332,916)
Westpac	8-May-14	3672895	5.0	6-Jun-14	8-Jun-21	5.820%	0.320%	8-Jun-21	(69,272)
ANZ	20-Jun-14	9572093	5.0	15-Dec-14	15-Jun-23	4.840%	0.320%	15-Jun-21	(485,388)
Westpac	18-Jul-14	3787822	6.0	29-Sep-15	29-Sep-23	4.850%	0.340%	29-Jun-21	(640,005)
ANZ	28-Nov-14	10730910	5.0	15-Dec-17	15-Jun-24	4.500%	0.320%	15-Jun-21	(612,971)
ANZ	28-Nov-14	10730993	5.0	10-Apr-18	10-Oct-24	4.515%	0.265%	12-Apr-21	(698,570)
ANZ	3-May-17	15995740	6.0	22-Jul-19	21-Apr-22	3.350%	0.280%	21-Apr-21	(224,242)
BNZ	10-Jul-19	384538896	5.0	31-Jul-19	21-Jul-22	1.345%	0.280%	21-Apr-21	(72,998)
ANZ	29-Nov-18	18984011	5.0	6-Dec-19	6-Sep-23	2.555%	0.320%	8-Jun-21	(249,641)
Westpac	28-Nov-14	4040149	5.0	10-Jan-20	10-Jan-24	4.585%	0.265%	12-Apr-21	(594,195)
ANZ	29-Nov-18	18984258	2.0	6-Mar-20	6-Mar-29	3.095%	0.320%	8-Jun-21	(215,531)
Westpac	28-Nov-14	4040489	7.0	8-Jun-20	8-Dec-22	4.5675%	0.320%	8-Jun-21	(506,549)
Westpac	25-Feb-15	4218128	5.0	7-Sep-20	9-Sep-24	3.990%	0.320%	9-Jun-21	(561,754)
ANZ	25-Feb-15	11281075	3.0	16-Nov-20	15-Nov-24	3.990%	0.300%	17-May-21	(356,541)
Westpac	18-Jan-16	4910927	5.0	9-Dec-20	9-Jun-25	3.970%	0.320%	9-Jun-21	(638,188)
Active total at 31 Mar 21			79.0						(6,402,269)
Westpac	25-Feb-15	4218131	5.0	8-Jun-21	10-Jun-24	3.990%	0.27857	8-Jun-21	(485,469)
Westpac	26-Feb-16	5013577	5.0	11-Apr-22	12-Jan-26	3.635%	0.44743	11-Apr-22	(433,254)
ANZ	27-Nov-17	17029213	5.0	15-Jun-23	15-Jun-27	3.7675%	0.94788	15-Jun-23	(359,772)
ANZ	27-Nov-17	17029223	6.0	29-Sep-23	29-Jun-27	3.7875%	1.12971	29-Sep-23	(389,924)
ANZ	27-Mar-18	17670250	5.0	15-Jun-24	15-Jun-29	3.840%	1.48299	15-Jun-24	(322,993)
ANZ	27-Mar-18	17670276	5.0	10-Oct-24	10-Jan-31	3.920%	1.67521	10-Oct-24	(355,147)
ANZ	27-Mar-18	17670295	5.0	10-Jun-24	10-Jun-32	3.935%	1.47256	10-Jun-24	(440,944)
BNZ	27-Feb-20	384575543	7.0	8-Dec-22	8-Dec-28	1.3375%	0.72575	8-Dec-22	270,764
ANZ	13-Oct-20	22956802	10.0	15-Apr-22	15-Apr-28	0.4025%	0.46385	15-Apr-22	780,491
Forward start total at 31 Dec 20			53.0						(1,736,248)
									(8,138,517)
								Current	(2,900,005)
								Term	(5,238,512)
									(8,138,517)

Schedule 3 - Risk Exposure Position

Funding & Liquidity Risk Position – proportions of Debt within pre-set maturity bands



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



*Based on
trimmed
forecast of
requirements
– see report

MEMORANDUM

TO: Finance & Audit Committee

MEETING DATE: 28 April 2021

TITLE: Quarterly Performance and Financial Report - Quarter Ending 31 March 2021

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

APPROVED BY: Stuart McKinnon, Chief Financial Officer
David Murphy, Acting General Manager - Strategy and Planning

RECOMMENDATION(S) TO FINANCE & AUDIT COMMITTEE

1. That the memorandum entitled 'Quarterly Performance and Financial Report - Quarter Ending 31 March 2021' presented to the Finance & Audit Committee on 28 April 2021, be received.

1. ISSUE

To provide an update on the performance and financial achievements of the Council for the period ending 31 March 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 June 2021 quarter.




4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
Can this decision only be made through a 10 Year Plan?	No

ITEM 10

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. March 2021 Performance and Financial Report - CE overview and financial summary [↓](#) 
2. March 2021 Performance and Financial Report - Performance Measures [↓](#) 
3. March 2021 Performance and Financial Report - Supplementary Materials [↓](#) 

Quarterly Report to Council – March 2021

Chief Executive's Quarterly Report to Council For March 2021

Introduction

The financial result (outlined below) to the end of March continues to be positive for Council, with better than anticipated income across parking and development services against our covid budget assumptions. This is a strong reflection of the city's positive economic indicators. We are now focused on the final quarter of the year to ensure delivery of budgets, fill crucial roles across the organisation, and accelerate some programmes of work that were put on hold in the first half of the year.

Navigating a growing and economic resilient city alongside increased government investments and external contracting constraints is now a significant challenge for us. This requires consideration of a different approach to the way we deliver programmes of work. Over the next quarter a deliverability review will be undertaken which will consider how we plan for emerging higher external costs in our budgets, bundle programmes of work, streamline approval processes, and enable smarter models for procurement and contract management to be implemented.

Financial

For March year to date, our net operating position is \$4.1M favourable against the year to date budget, *excluding* rates, interest and Te Huringa (Ozone replacement project). A significant factor contributing to this result is net revenue being substantially favourable across parking, roading, recycling and city development services, against budgets that were decreased in these areas as a result of the Covid-19 pandemic. This is a reflection of the local economy bouncing back more quickly than was anticipated. Operating expenditure is \$591K favourable, this is in the main due to difficulty in delivering contracted services. It is anticipated that expenditure will increase in the final quarter, reducing this favourable variance.

Our capital programme is progressing, although the rate of completion against budget has slowed over this quarter. The capital new programme has delivered \$29.6M (80%) of work to date against a budget of \$36.8M, while the capital renewal expenditure has delivered \$15.8M (72%) of completed work in the year to date against a budget of \$22M.

March has seen an uplift in the delivery of both the Capital New and Capital Renewal programmes. Construction activity continues at pace on several large projects across the city including Papaioea Social Housing, Esplanade & Park Road Entrance, the Turitea Duplicate Watermain and the replacement of the inlet pumps at the Totara Road Wastewater Treatment Plant. Government's 3 Waters Reform grant funding has enabled the increase in the scope of a few of these programmes for the benefit of the City. April will see the completion of the Arena Embankment Project and opening to the public. While March has been a positive month, the programme remains under pressure and officers continue to investigate and implement options to procure services to deliver the program outcomes.

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. This

programme of work continues to track well with \$2.32M (29%) delivered against the financial year budget, and 25% against the full grant funded allocation of \$9.34M. Only one project is delayed being the Water Treatment Plant Clear Water Roof Replacement. This is due to the inability to secure a structural engineer for which we are currently working through a solution. A project manager has been appointed to manage the delivery of the individual projects across this programme of works, including attention to mitigating risks to ensure delivery of agreed expenditure.

In exchange for this injection of funding from government, we cooperated with the reform programme to share information on our Three Water assets, operations, programmes and funding. As a result, we participated in a full information request (RfI) which was submitted to Government at the end of January. Analysis of this information across the country is being completed and Government will be considering potential Three Waters service delivery models over the next quarter. A release of the aggregated data analysis of the RfI's, and council-specific package to support community discussion and decision, is expected mid-2021.

External Fundraising

The Environmental Network Manawatu (ENM) submission to the Covid-19 Wellbeing fund, for their Food Resilience Project, has received \$90,000. We assisted them with this submission in December.

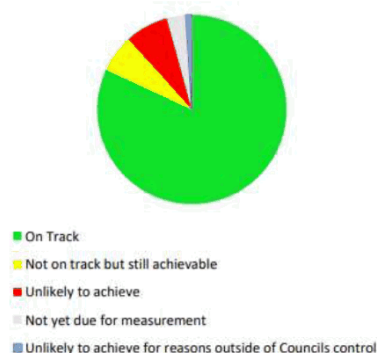
Working alongside the Mayor, 6 sponsors have been identified and contacted for the 150th Business Dinner Sponsorship, with 5 confirmations received to date.

Representatives from Lion Foundation visited the Splash Pad at Memorial Park to view progress, with very positive feedback received. Central Energy Trustees were equally pleased following a tour of the new developments at CET Arena.

10 Year Plan KPIs

Our 10 Year Plan KPIs monitor our delivery of major services for the city, including safe, reliable and interconnected transport systems; accessible and well-maintained sports facilities; funding and support for arts and culture organisations; and safe drinking water - all of which are relied on by residents and businesses across the City.

At the end of our third quarter, 72 of our 94 Key Performance Indicators (KPIs) are on track to be achieved for this financial year. A total of 11 (11.7%) have not been achieved this quarter, due to timing of rezoning land for housing supply; planning/building consent applications not completed within required timeframes; resolution of urgent and non-urgent requests for service; contractor capacity, supply chain constraints and consultation delays for some capital programmes; and some non-compliance events for wastewater disposal and water supply. Full information is attached.



Catalyst projects

Catalyst Projects are those that will make major contributions to our 10 Year Plan. Commentary on progress of catalyst projects include:

- A significant economic development for the city, the redevelopment of Central Energy Trust Arena Entrance Plaza, Pits Relocation and Southern & Western embankments, was substantially completed at the end of March, ready for a dawn blessing and public opening early in April. Smart project

management enabled the Speedway Pits to be operational for a very successful ENZED Stockcars Team Championships in February, which saw over 16,000 people attending, eighty percent of these were visitors.

- Waka Kotahi confirmed approval of the programme business case for the Palmerston North Integrated Transport Initiative (PNITI) in March. This is a significant milestone for the city and the region enabling the development of the regional freight ring road. While the works are phased over a number of years, we can now begin work to create a more liveable city and a modern integrated transport network for all users.
- Upgrades to the Park Road entrance to Victoria Esplanade progressed with award of tender and commencement of construction during March. Due for completion in June 2021, this work will provide an enhanced entrance gateway while ensuring the safety of people through an improved intersection design.
- The Victoria Esplanade river entranceway upgrade is well underway with installation of fencing, concreting nib and electrical conduit now completed. Future works will see the construction of the pagoda, rain gardens and decking work underway.
- The old shed at Marae Tarata has been improved to a basic standard, with a report prepared for Council to consider the use of this shed by Iwi to develop a carving and arts hub. Design work and contract documentation was also completed for the Turitea Pa site development, with construction works planned over the next quarter.
- Some projects are affected by a shortage of contractors lodging tenders for work and – consequentially – higher than expected tender costs are being realised. In light of this, scope and funding options will be sought from Council to decide the best way forward for the Bonsai / Lath House, with the upgrade of the Exotic Aviary now forming part of the 10 Year Plan consultation process.
- Staff are considering the next steps for progressing land acquisition for the Manawatū River Shared pathway to Ashhurst. Although discussions have continued with landowners, to date these have not resulted in any mutually acceptable resolution.
- Council's Tamakuku Terrace subdivision in Whakarongo has seen earthworks and civil enabling works progress on site over the last quarter. Council will be considering detailed feedback from affordable housing providers in April, and sale public sections will begin.
- Progress is also being made on a variety of crucial water supply development works for the city. Stage 2 of the Turitea Duplicate Main is nearing completion, with installation of the final section occurring over the next quarter. Papaioea Park Bore 3 UV installation has been completed but sand production from the bore now requires investigation before the bore can be brought into service. Development of the Railway Road Bore continues with construction of new buildings for installation of water treatment plant. Government Three Waters Reform grant funding has enabled the Stage 3A of the Ashhurst Rising Main renewal work to proceed, with procurement of construction works now underway.
- Council will also be consulting on the Wastewater BPO alongside the 10 Year Plan consultation.

Full updates on all the Catalyst projects are outlined later in this 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	2020/21 \$000's					
	Year to Date		Variance		Full Year	Full Year
For the period to 31 March 2021	Actual	Budget	\$000's	%	Revised Budget	Annual Budget
Operating revenue	(24,475)	(20,956)	3,519	16.8%	(28,130)	(28,129)
Rates	(75,819)	(75,641)	178	0.2%	(100,812)	(100,782)
Total Revenue	(100,294)	(96,598)	3,697	3.8%	(128,941)	(128,911)
Operating Expenses	71,889	72,480	591	0.8%	97,056	96,860
Net Interest	3,494	4,021	526	13.1%	5,540	5,540
Total Expenses	75,383	76,500	1,117	1.5%	102,596	102,399
Operating Controllable (Surplus) / Deficit	(24,911)	(20,097)	4,814	24.0%	(26,345)	(26,512)
Te Huringa	765	2,192	1,427		2,900	2,900
Three Water Reform Revenue	(28)	(532)	(505)		(1,040)	-
Three Water Reform Expenses	31	532	501		1,040	-
Depreciation	30,321	30,321	1		40,428	40,428
Non-operating revenue	(8,269)	(9,009)	(740)		(20,608)	(13,209)
Non-operating expenses	(6,739)	-	6,739		-	-
Net Result	(8,830)	3,407	12,237		(3,625)	3,607

Highlights:

- Overall operating surplus was \$4,814K favourable against revised budget.
- Excluding rates, interest and Te Huringa the net operating position is a surplus of \$4,110K.
- Accrued annual leave is \$670K favourable against budget. Although this is a significant year to date favourable variance it will likely decrease by the end of the financial year.
- Increased revenue mainly comes from city development services, recycling, parking and NZTA although this has been partly offset by increased expenditure.
- The following favourable variances contribute to the year to date surplus for March:

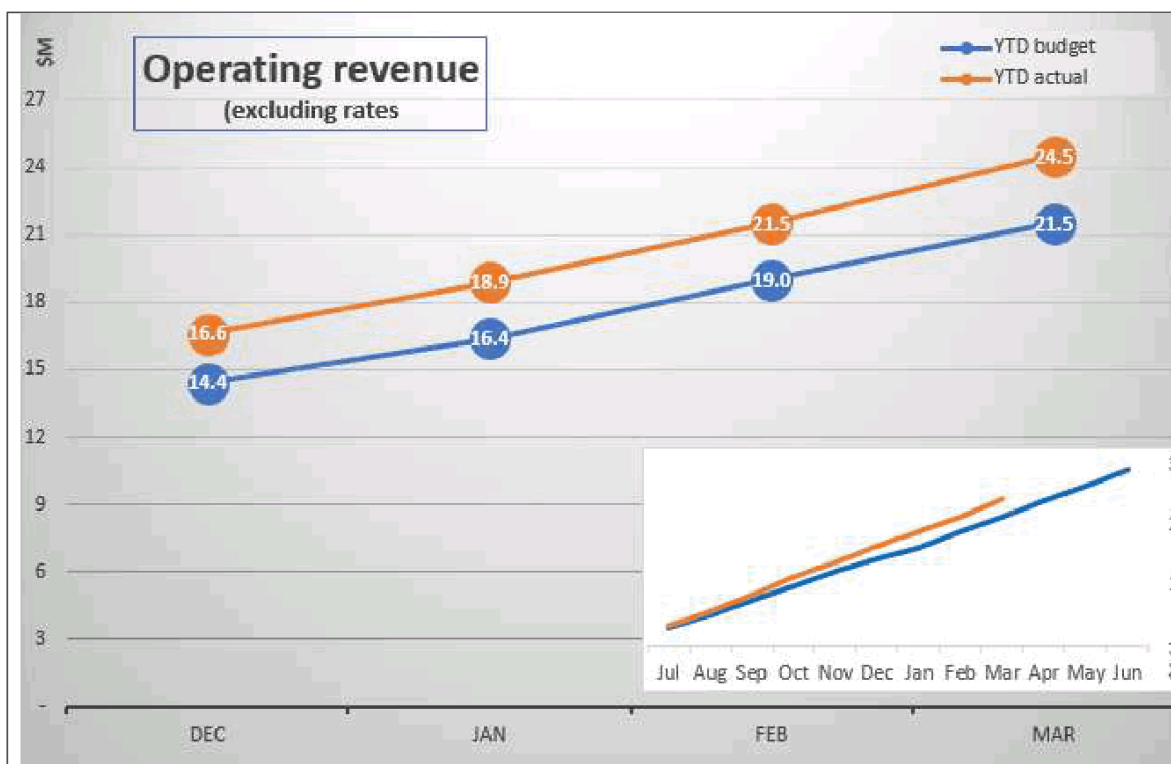
Higher net revenue:

- Parking revenue \$510K
- Net City Development Revenue \$440K
- Rooding Revenue \$215
- Recycling and processing revenue \$344K
- Animal Control Revenue \$110K

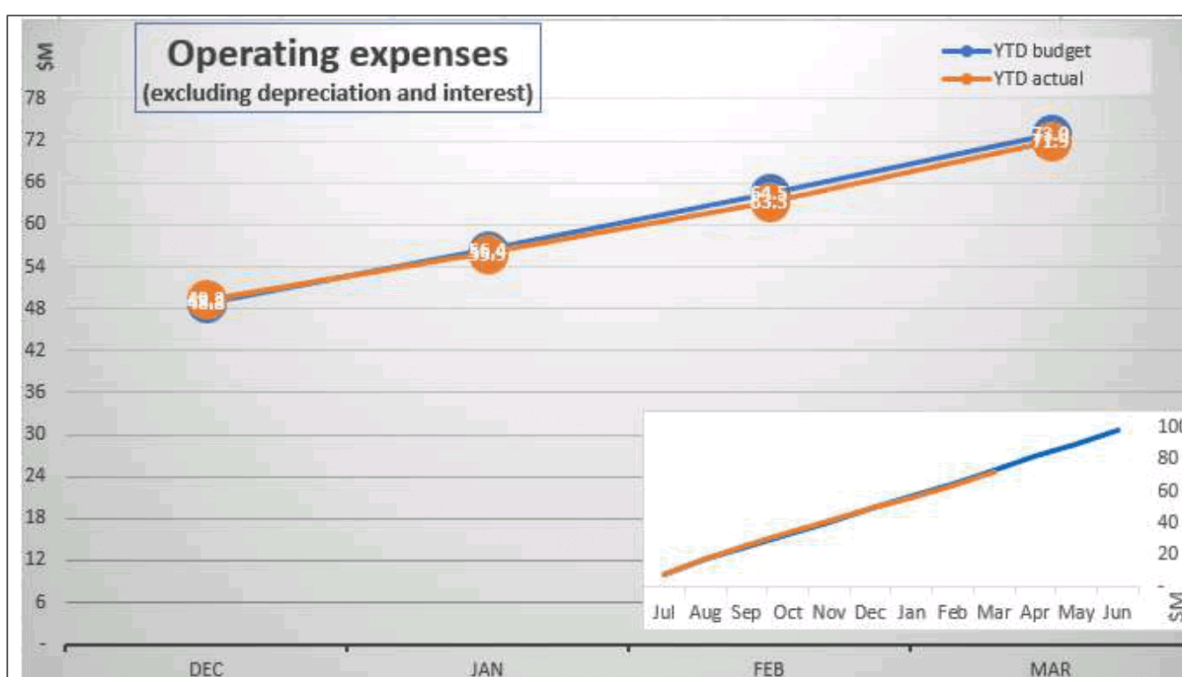
Lower expenditure:

- Contracted Services \$1.3M
- Accrued annual leave \$670K
- Training \$390K
- Grants \$278K (Covid19 relief fund \$113K favourable against YTD budget)

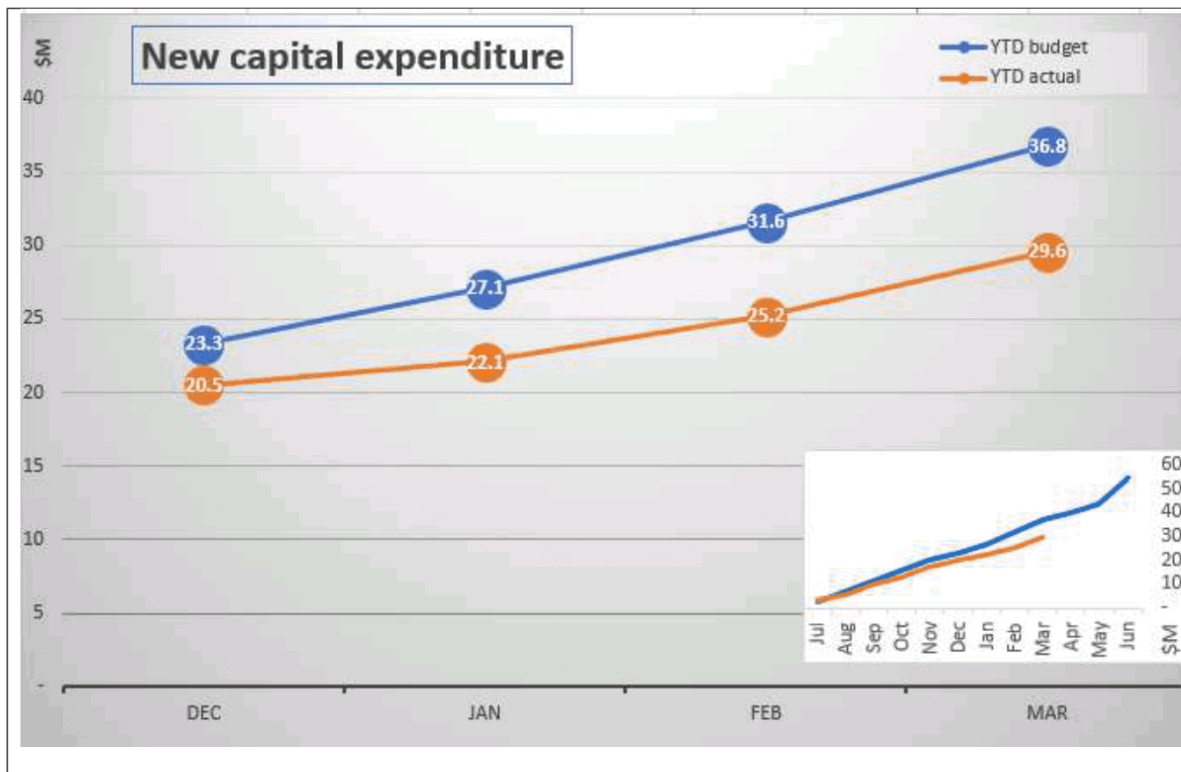
- Non-operating expenses are significantly favourable due to a change in the valuation of swaps. This is likely to fluctuate throughout the year.



- Higher revenue comes from building services, planning services, NZTA, venues, parking, waste management, dog registration fees and Covid19 welfare related claimable expenditure.
- Building services, planning services and NZTA increased revenue has additional expenditure attached.

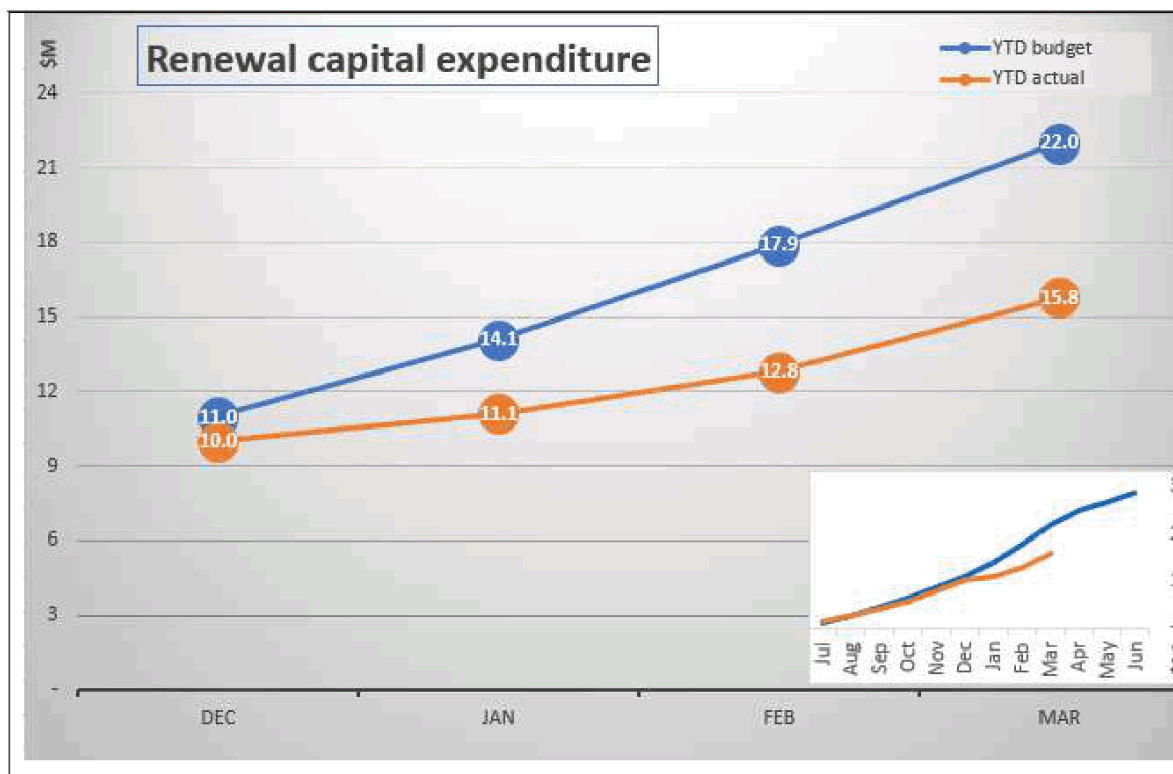


- Expenses tracking below budget, mainly due to contracted services, annual leave and vacancies.



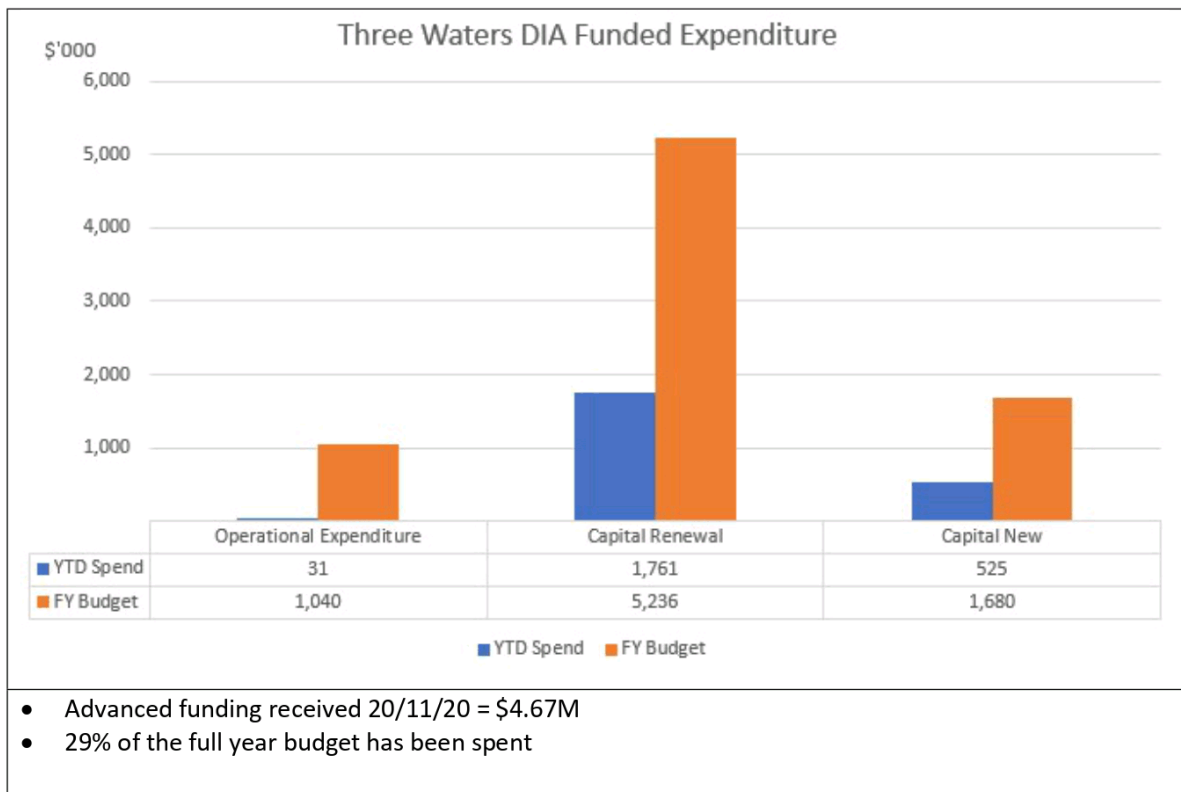
Major Capital New Programmes Behind Budget

Programme Name	Reason for Delay	Comments
91-Turitea Water Treatment Plant - Construction of Duplicate Water Pipeline from Lower Dam to Harts Road Reservoirs	Contractor delay	Stage 2 is now progressing well and remains on track for completion this financial year. There has been less call on contingency than planned.
244-City Centre Streetscape Plan - Square East (Plaza to ANZ)	Internal Resourcing	Some delays have occurred with staff resourcing and the procurement process taking longer than expected. Project is now underway. A carry forward will be required.
279-City-wide - Minor transport improvements	Tender exceeds budget	Benmore Ave, Pioneer/Lyndhurst Intersection and Ruapehu Drive are delayed due to the late contract award as the tender price exceeded the budget. The programme of work still to be completed by end of this financial year.
1559-Urban Cycle Network Development	Extended investigation	College Street upgrade complete except for minor road marking changes (options for remediation currently under investigation) and some additional separation barriers. Maxwells Line has been indicated as a proposed carry forward to the 2021/22 financial year.
144-Urban Growth - Whakarongo - Reserves Land Purchases	Growth Programme	This programme funds Council's contribution for roading improvements associated with private development works. Progress and expenditure is subject to the status of the development work.
1081-City Reserves -Victoria Esplanade - Park Road Entrance and Parking Reconfiguration	Tender exceeds budget	Report to Council for additional budget approved and tender awarded. Construction on site to commence in April and is due to be completed in July.



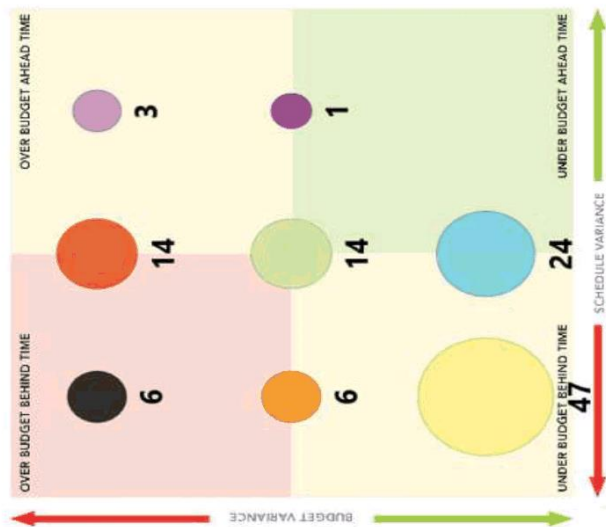
Major Capital Renewal Programmes Behind Budget

Programme Name	Reason for Delay	Comments
115-City-wide - Sealed Pavement Renewals	Scope	The originally identified sites could not proceed due to budget constraints for the stormwater network upgrades. Alternative locations were identified and have been scoped. Detailed investigation and design for the new sites is nearing completion. A more limited package of work is now envisaged with completion of construction now scheduled for June depending on weather.
54-City-wide - Wastewater Pipe Renewal	External contractor	Contractor had substantial equipment failure which has delayed the completion of the relining contract. Work due to recommence mid-April. Will be completed this financial year.
1068-Totara Road Wastewater Treatment Plant - Replacement of Inlet Pumps	Scope	Increased investigation and modelling delayed the award of the tender. The contract has now been awarded, physical work to commence April with completion by end of this financial year.
207-Turitea Water Treatment Plant - Equipment and Facility Renewals	External resource	Delay to the Clear Water Roof Replacement due to inability to secure a structural engineer. Currently working through a solution to this. Tender awarded for the actuator project which is due for completion in September 2021.
179-Totara Road Wastewater Treatment Plant - Minor Equipment Renewals	Contractor availability	The DIA funding enabled an increase in the scope of the programme. Internal resources and contractor availability constraints have delayed engaging of contractors to complete the work. Work is still scheduled to be completed by end of financial year.



Three Water Reform, Major Projects Behind Budget

Project Name	Reason for Delay	Comments
2428-DIA - Turitea WTP - Clear Water Roof Replacement	External resource	Delay to the Clear Water Roof Replacement due to inability to secure a structural engineer. Currently working through a solution to this. Tender awarded for the actuator project which is due for completion in September 2021.

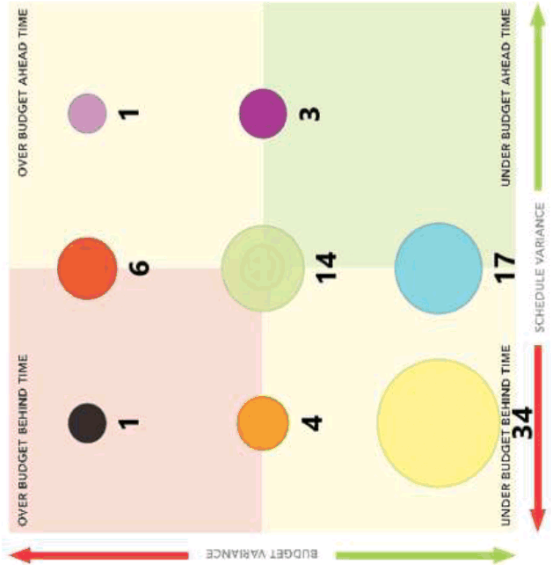


Capital New

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

Programme	Comment
1454-City Reserves - Victoria Esplanade Development Plan	There will be a report on the Shade House to the Finance and Audit Committee in April with options for consideration. A furniture palette and development of the wayfinding plan will be progressed before the end of the financial year.
1523 - Ashurst Pool Enhancements	The heating component of this programme was delayed as price exceeded budget. Review of other projects allowed commencement of the work which is anticipated to be completed within full year budget.
1089 - Industrial Growth - NEIZ - Richardsons Line Upgrade	The external consultant has now been engaged for the detailed design phase - this was the only planned work for this year. The tender documents will be completed by end of the financial year to allow construction to start in 21/22.
1196 - Cemeteries - Kelvin Grove - New Staff Facility	The funding for this current FY is for the design only. As the crematorium is about to be earthquake strengthened, the physical works will be delivered in conjunction with this by the same contractor. As a result this has been delayed to better align
201-City-wide - Roading Subdivision Contributions	This programme funds Council's contribution for roading improvements associated with private development works. Progress and expenditure is subject to the status of the development work.
1005 - Industrial Growth - Installation of Water Supply Systems to North East Industrial	Contract for design awarded. Concept designs will be completed ahead of detailed design to allow tender documents to be completed by end of June. Contract award and construction commencement to begin in early 21/22.

Capital Renewal



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

Programme	Comment
1351-Eastern Trunk Main - Hokowhitu Campus Renewal	The developer has confirmed all plans and Council has approved in principle. Council officers are still waiting for final over-pumping plans and resilience options for discussion with the operational teams before formal approval of the final plans. Officers require assurance that the pumps can handle the full peak wet weather flow (PWVWF) from the Hokowhitu catchment with enough resilience if needed.



- Actual \$157.5M compared to revised budget of \$178.4M
- Weighted average cost of borrowing estimated at 2.9% (budget cost of borrowing 3.4%).

10 Year Plan Catalyst Projects Quarterly Update to 31 March 2021

City Centre Transformation Catalyst Projects			
	What happened in the March quarter	Alerts (if any)	What's Next
'Streets for People' (City Centre Streetscape Plan and Redesign)	Design process has continued with the inclusion of internal stakeholders (subject matter experts).		Review of the Communication and Engagement Strategy prior to further stakeholder engagement.
Te Manawa 2025 Redevelopment/ Central Library	Request for Proposal process initiated.	Now looking to start this financial year.	Assess proposals.
Central Energy Trust Arena Masterplan and projects	<p>Entrance Plaza, Pits Relocation, and Southern & Western Embankment: This project is now 99% complete with the practical completion inspection undertaken on 29 March. Completion is expected although there will be a list of defects or deferred items to complete, however these are deemed relatively minor. Code of compliance documentation/ application is underway.</p> <p>The programme is 99% complete and budget 87% spent.</p> <p>Culture and Heritage input: This project is finalised with excellent engagement and input from stakeholders having taken place. All signage/ etchings are currently being installed.</p> <p>Fly Palmy Arena (Arena 2): Work on the two projects associated with Fly Palmy Arena, the installation of LED lighting and enhanced sprinkler protection system as well as the replacement of cladding on the front and back of the venue, is now totally completed and the venue back in full operation.</p>	<p>Budget: Current forecasts for the Entrance Plaza, Pits Relocation, and Southern & Western Embankment project anticipates exceeding budget by \$46K, with risk also remaining in final contractor accounts revealing additional costs. This is a \$17.11m project.</p> <p>Grandstand Funding: This project is reliant on external funding. Fund raising is currently on hold, but the project is in the proposed 2021 10 YP to allow fund raising to start.</p> <p>Fly Palmy Arena (Arena 2): Although previously touted as potentially \$400k, it appears the budget overruns will be in the vicinity of \$150-\$200K. This will be finalised now the works have concluded. This was due to significant unexpected repairs uncovered once the work started and was highlighted through a Property division report.</p>	<p>The blessing of the new developments is due to be undertaken at dawn on Friday 9 April followed by a public "Open Day" including the formal opening and community activities on Saturday 10 April between 10am and 3pm.</p> <p>Culture and Heritage/ Signage: Production of design elements will be completed in early April as well as all way finding signage which is designed in line with "Palmy" branding.</p>
Heritage Protection Package	Continue to assess applications for grants.		Continue to promote the fund.

Manawatu River Network Catalyst Projects			
	What happened in the March quarter	Alerts (if any)	What's Next
Victoria Esplanade Masterplan and projects	Park Road entrance: Tender awarded. Construction site set up.		Construction is now underway. To be completed June 2021.
	Bonsai/Lath House: Quantity Surveyor (QS) estimate considerably higher than the budget provision. A report has been prepared for the April Finance and Audit meeting – presenting options for scope and funding.	Bonsai/Lath House: Cost estimate is higher than expected. Level of external fundraising needed to fully close budget gap is unrealistic. Councillor direction required.	Bonsai/Lath House: Report to Council in April seeking direction on scope and funding options - Carry forward signalled.
	Wayfinding strategy: re-engaged consultants to continue with work. Commissioned preliminary work to develop a furniture palette to guide renewals and future development.		Wayfinding strategy: Complete the strategy.
	Exotic aviary replacement design: Detailed design on one aviary to inform QS estimate. QS draft estimate completed.	Exotic aviary replacement design: QS cost is higher than draft 10 Year Plan budget provision. Decision on scope and funding required.	Exotic aviary replacement design: Revise the options and seek direction on the programme scope as part of the LTP process.
	Exotic aviary temporary improvements.	Budget constraints meant shelter improvements not completed. No price received for shelter provision (contractor availability issue).	Exotic aviary temporary improvements: Scoping options for funding the shelter improvements. User Forum: Next quarterly meeting 17 May 2021.
Manawatū River Shared Pathway (Ashhurst to City)	Contact has been made with all affected landowners to progress discussions about the construction of the shared pathway. Some meetings and discussions have taken place.	Informal negotiations have been ongoing with the remaining landowners. Council has not yet reached agreements with four of the five affected landowners. Binding arrangements with the fifth landowner are expected within the next three months.	Officers are considering the next steps including the use of the Public Works Act (PWA) to obtain compulsory acquisition of the land to complete the pathway alignment. A report will come to Council in the next quarter on this matter. Once initiated there is a minimum 3-month period statutorily mandated for negotiations. Council Officers will continue to communicate with affected landowners and pursue negotiated agreements prior

			to the commencement of the PWA process.
Te Apiti Biodiversity and Recreation	<p>Working on a draft of the Masterplan.</p> <p>Two stakeholder workshops and Governance Group meeting. Direction to formally seek PNCC, TDC and MDC views on the project.</p>	<p>NZTA are currently tendering for an investigation into the safety and future use of the old Gorge Road. It is understood this work will begin in early 2021.</p>	<p>The intention is to finalise the Masterplan by June 2021.</p>
Manawatu River Framework (including Ahimate Park)	<p>Cultural: The old shed at Marae Tarata is now at a basic standard enabling it to be used. Report prepared for Finance and Audit Committee - proposing Council gives the shed to Iwi to develop a carving and arts hub. Iwi can then seek external funding to complete the rest of the work required to meet their needs.</p> <p>Riverside cycle activities: Cycle track development completed for this financial year. Approximately 1km of additional off-path track has been delivered.</p> <p>Exercise equipment: Work is progressing on the design.</p> <p>Victoria Esplanade river entranceway: The new fence is now installed, and the concrete nib poured. All the electrical conduit for lighting is installed.</p> <p>Turitea Pa site: All design work is complete, and contractors have been identified. Contract documentation being completed.</p> <p>Wayfinding: Esplanade river entrance River Park sign completed.</p> <p>Albert Street Tree Forts: Forts are now compliant with all building and certification standards.</p>		<p>Cultural: Council to determine whether to enable the development of a Carving and Arts Hub at Marae Tarata, through gifting the shed on site to Iwi. This will be reported to Council in April.</p> <p>Riverside cycle activities: Planning next year's programme.</p> <p>Exercise equipment: complete design.</p> <p>Victoria Esplanade river entranceway: The pagoda will be installed and the two rain gardens, then concrete work and decking.</p> <p>Turitea Pa site: Will begin the accessway to site in the next two weeks while weather is good. Steel fabrication will begin in 2 weeks.</p> <p>Wayfinding: Installation of a map system trial. Begin planning the ground markings and identifying the location for three more seats to be installed in the new financial year.</p> <p>Albert Street Tree Forts: Annual assessment of the structures.</p>
Te Motu o Poutoa	<p>The stakeholder and neighbour workshops completed.</p>		<p>The workshop engagement results are with the Rangitāne Committee.</p>

Sustainable Growth Projects Catalyst Projects			
	What happened in the March quarter	Alerts (if any)	What's Next
Wastewater Treatment Plant Upgrade	<p>Project Steering Group (PSG) and Project Technical Team meetings occurred as scheduled.</p> <p>Engagement with iwi has continued.</p> <p>Testing for emerging contaminants in wastewater has continued.</p> <p>Carbon Analysis to be advanced to assist in the final stage of refining the options and determining a Best Practicable Option (BPO).</p> <p>Review of Growth assumptions.</p> <p>Preparation of stakeholder and community engagement material. Organising community and stakeholder events.</p>		<p>Planning Assessment, Objectives Assessment, BPO Assessment and Eco-Strategy Assessment.</p> <p>Undertake Multi-Criteria Analysis process with Iwi to inform Council's decision-making process.</p> <p>Finalising peer review feedback for land based discharge.</p> <p>Attending stakeholder and community engagement events through April.</p> <p>Plan Change 2 Decision from Horizons Regional Council expected.</p> <p>Ongoing budget refinement.</p> <p>Ongoing testing of trade waste discharges in wastewater network.</p>
Regional Ringroad, Rail, Airport and multi-modal infrastructure to enable Longburn and NEIZ industrial growth	<p>NZTA has approved the PNITI (Ring Road) business case.</p> <p>Horizons Regional Council has identified PNITI as the number one priority for the region in the preliminary work on the Draft Regional Land Transport Plan.</p> <p>Submissions closed on KiwiRail Freight Hub Notice of Requirement.</p> <p>CEDA finalising Central NZ Distribution Hub Strategy</p>	KiwiRail hearing scheduled for August 2021	<p>Continue to work with Waka Kotahi and KiwiRail.</p> <p>Prepare for KiwiRail Notice of Requirement for hearing.</p> <p>Confirm Reference and Steering Groups for PNITI and Central NZ Distribution Hub</p>
Infrastructure for Residential Growth: Whakarongo, Aokautere, City West Urban Intensification, Ashhurst	<p>Tamakuku Terrace, Whakarongo: Earthworks and civil works are proceeding as planned.</p> <p>Consented plans submitted to the PNCC Development Engineering Team for review and partial approval has been granted. Engineering approval of all outstanding elements is anticipated in March 2021.</p>	<p>Tamakuku Terrace, Whakarongo: Council's Stormwater Team is working with Horizons to obtain a global consent for stormwater for the entire Whakarongo growth area.</p> <p>Obtaining resource consent for Stage 2 of the development cannot proceed until the global consent is approved.</p>	<p>Tamakuku Terrace, Whakarongo: Engineering approval of all outstanding elements to be granted.</p> <p>Report detailing the feedback from affordable housing providers to be presented to Council in April 2021.</p> <p>Begin public section sales process.</p>

Sustainable Growth Projects Catalyst Projects			
	What happened in the March quarter	Alerts (if any)	What's Next
	<p>Kikiwhenua: Plan change made operative.</p> <p>Aokautere: Finalising structure plan and preparing for hearing on designation to secure Abbey Road connection to Johnstone Drive.</p> <p>Kakatangiata: Investigation stage completed.</p> <p>Ashhurst: Technical analysis to inform District Plan Change.</p> <p>Roxburgh Crescent: Technical analysis to inform District Plan Change.</p> <p>Napier Road: Decision on plan change issued in December. No appeals received.</p>		<p>Aokautere: Finalise Plan Change and report to Council in June 2021.</p> <p>Kakatangiata: Preferred option to be identified by this financial year.</p> <p>Ashhurst: Technical analysis and consultation to inform District Plan Change. Report to Council in August 2021.</p> <p>Roxburgh Crescent: Finalise Plan Change and report to Council in September 2021.</p> <p>Napier Road: Make plan operative in April.</p>
City-wide Stormwater Management	<p>Whakarongo: Second round of consultation was successful; an agreement has been reached with effected landowners downstream. Topographical survey completed.</p> <p>Stormwater Management Framework: Working on comments on the final draft.</p> <p>Stormwater Capital and Renewal: Renewal of Hospital Line progress is slow, completion end of May 20. Pump stations works are being progressed.</p>	<p>Whakarongo: Delay of 2 months in the overall programme and date for submission and lodgement of consent due to latest development in the concept design, changes demanded by landowners.</p>	<p>Whakarongo: Work on the development contribution for Option 1 is being worked out. This will be discussed with all affected parties to ensure an agreement is reached before lodging a consent with Horizons.</p> <p>Stormwater Management Framework: Review and finalise the draft document and proceed with stakeholder consultation. This will be reported to Council once completed.</p> <p>Stormwater Capital and Renewal: Identify what work can be completed by the inhouse Depot Team and what work will potentially need to be delivered by external contractors.</p> <p>To go out for tendering at the end of April 2021.</p>
City-wide water supply, source and storage development	<p>Turitea Duplicate Water Main: The road closure with limited resident access was successfully implemented and work in the</p>		<p>Turitea Duplicate Water Main: The first completed section of stage 2 (approximately 600m) will be pressure tested early April and</p>

Sustainable Growth Projects Catalyst Projects			
	What happened in the March quarter	Alerts (if any)	What's Next
	<p>narrow stretch completed in 4 days (rather than 5-6 days as anticipated).</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. Issues with sand production from the bore are being investigated prior to putting the bore into service.</p> <p>Keith Street Bore Site Reservoir: It is unlikely at the current point in time that neighbouring land could be purchased at a reasonable cost. This project has been deferred and budget requested in the LTP.</p> <p>Railway Road Bore: Contract has been issued to contractor and site possession confirmed. A draft plan has been received from KiwiRail proposing a land swap with PNCC at the bore site to facilitate access for trains past the bore site. Land levelling details submitted to contractor. Contractor has started the buildings foundation work.</p> <p>Ashhurst Rising Main Renewal: Funding has been received from the DIA to enable Stage 3A to proceed. Design has been completed. Procurement and planning are underway.</p>		<p>the 2nd part mid -April. Welding of the final 430m of pipe will occur in April for installation May/June.</p> <p>Papaioea Park Bore 3: Testing has been carried out relating to the presence of sand to confirm that it is from Bore 3. A contractor has been approached to camera the inside of the bore. We're investigating purchase of our own equipment that can be used without removing pumps.</p> <p>Railway Road Bore: Continue the construction of new buildings and installation of water treatment plants. Obtain final 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: First portion to be constructed will be the section under a culvert prior to winter.</p>

Major Internal Projects			
	What happened in the March quarter	Alerts (if any)	What's Next
Digital Transformation	<p>Te Huringa Programme</p> <p>1) The Ozone Replacement Project team have been undertaking an assessment of business readiness initiatives that may be suitable to progressed whilst the next phases of the project are being considered.</p>	<p>Te Huringa Programme</p> <p>The replacement of the Ozone system with the Authority Altitude (AA) system remains paused due to the ongoing impact of Covid & the border restrictions with Australia,</p>	<p>Te Huringa Programme</p> <p>PNCC and the vendor continue to work together to identify how to best progress with AA implementation.</p>

	<p>2) The Enterprise Electronic Document and Records Management System needs are likewise being included in the above considerations.</p> <p>3) Planning for the Procurement Transformation activity, using the Portt & POSI Projects (software package), has been receiving further preparation for a workshop with senior stakeholders.</p> <p>IM Strategic Plan Following the IMSP (IM Strategic Plan) to help lift IM's service delivery capabilities to provide PNCC with more consistent, appropriate and responsive functions; IM are planning improvements to the way they operate. Incorporating IM's Engagement and Operating Model and current state architecture, these will provide specific, measurable outcomes which the IM Team can use to improve the delivery of their services.</p>	<p>preventing Vendor (Civica) consulting personnel from being onsite.</p>	<p>IM Strategic Plan The IMSP has been drafted with a focus on providing direction, advice and guidance to drive and enable strategically aligned initiatives. This and now further awaits presentation to the Executive Leadership Team for comment.</p>
Three Waters Model	<p>Council confirmed its participation and agreement to the 3 Waters Reform MOU and funding allocation (\$9.34M) on 26th August 2020.</p> <p>A Delivery Plan and Funding Agreement for expenditure of the \$9.34M grant was subsequently approved by DIA, and 50% of this grant funding was paid to Council.</p> <p>Work is now well underway on the Delivery Plan water and wastewater projects, which are required to be delivered by 31 March 2022.</p> <p>As part of the MOU we committed to openly share information and analysis on the state of our system for delivering three water services and the quality of our asset base. This 3 Waters Request for Information (RFI), was completed by staff over a 2month period and</p>		<p>Government are now analysing all RFI submissions from across the country. This work will inform proposed options for multi-region public owned 3 water service delivery entities.</p> <p>Decisions with regional partners on how we pivot the existing Manawatu-Whanganui Regional Service Delivery Review work is currently being reassessed considering the reform work government is undertaking. At this point in time co-funding of this work is still on the table with DIA, in addition to the reform funding allocations.</p> <p>Cabinet decision on reform options are due in May 2021.</p> <p>Council consultation with respective communities on 3 Waters Reform options are planned to occur around the country in the later part of 2021 (September to December).</p>

	submitted to DIA on 1 st February 2021.		
	Consultation with Local Government and Iwi on reform proposals occurred across the country in March 2021.		

Quarterly Performance and Financial Report - March 2021

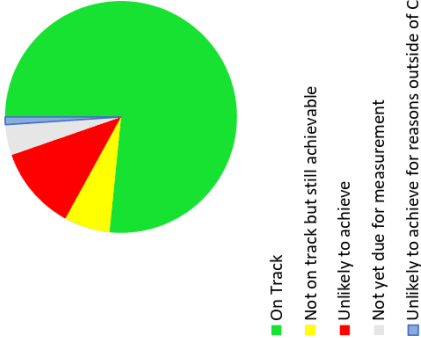
10 Year Plan KPIs

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

Annual Budget Performance Measure Summary



Performance Measure Summary by Activity										Total
	G	Y	R	W	B					
Goal 1 - An Innovative & Growing City										
City Development	3	1	3	1	-	-				8
Strategic Transport (Roading)	5	-	2	-	1	-				8
Economic Development	2	-	-	-	-	-				2
Goal 2 - Creative & Exciting City										
Active Public Space	5	-	1	-	-	-				6
Arts, Culture and Heritage	4	-	-	1	-	-				5
Active Community	5	-	-	-	-	-				5
Goal 3 - Connected & Safe Community										
Connected Communities	15	1	-	1	-	-				17
Safe Communities	7	-	-	-	-	-				7
Goal 4 - Eco-City										
Rubbish and Recycling	4	-	-	-	-	-				4
Biodiversity and Sustainable Practices	4	-	-	-	-	-				4
Stormwater	6	1	-	-	-	-				7
Wastewater	4	1	2	-	-	-				7
Water Supply	5	2	3	1	-	-				11
Goal 5 - Driven & Enabling Council										
Leadership	3	-	-	-	-	-				3
Total Measures										
% of measures able to be measured										
	72	6	11	4	1					94
	76.6%	6.4%	11.7%	4.3%	1.1%					

arterly Performance and Financial Report - March 2021

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.	Supply of greenfield residential sections is less than 1,900. However, up to 7,000 additional sections will be rezoned shortly as part of three upcoming (June 2021 and Sept 2021) plan changes for Aokautere, Ashhurst and Kakatangiata.	G	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 MBI-E set of indicators and will allow comparisons with other Councils. It is a new measure so Council has no target set yet.)	The share of potential first home buyer households with below average incomes after housing costs decreased from 68.7 percent in December 2017 to 66.0 percent in December 2018.	B	B	W	
03. At least 95% of resource consent applications are processed within statutory timeframes.	85% of resource consents (287 of 338) have been processed within timeframes, an increase of 5% from the last quarter. This continues the encouraging upward trend since the beginning of the year.	Y	Y	R	
04. At least 95% of building consent applications are processed within statutory timeframes.	Of the 323 building consent applications processed for the quarter, 296 (92%) were processed within the statutory timeframe. Year to date: Of 994 consents processed, 936 (94%) were within the statutory timeframe. This quarter has seen a significant increase in building consent volumes. Adequate staff resourcing has been a factor for performance in the past quarter, and is likely to continue to have an impact for the remainder of the FY. Recruitment in the current remuneration model is not attracting and retaining appropriately skilled officers.	G	Y	R	
05. Council keeps its status as an accredited building consent authority.	PNCC was re-accredited as a Building Consent Authority on 28 August 2019. The next reassessment will be undertaken 13-16 April 2021.	G	G	G	

06. At least three years of housing and business land with services is immediately available.	Business land is sufficient, but additional greenfield land for housing will need to be rezoned to accommodate future growth. Projected housing growth is being accommodated within the existing urban area, via infill development and redevelopment.	G	G	Y	
07. Council development projects reflect principles of good urban design. (Narrative measure)	A collaborative, multi-disciplinary approach to city development demonstrates a core and fundamental principle of good urban design. Council continues to improve in this area though it is yet not embedded in our everyday DNA and further improvement is required. Cuba St Stage 2 and Papaioea Place Housing are examples where further improvements are required. However we are also having success in this area, for example, the Civic and Cultural Precinct Plan brief, Tamakuku Terrace and CET Arena - Stage 1.	G	G	G	
08. Major services and projects are provided within budget.	City development projects are within budget	G	G	G	

Strategic Transport (Roding) 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%)	3245 of the 4112 requests for service received (78.91%) were responded to within the 3 working days time frame in the first quarter. Achievement of this target is not considered achievable given most of RFSs relate to non-urgent work requests. Activity Managers will identify the subset of all RFSs 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	
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	
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 28 fatal and serious injury crashes have occurred in the 12 months to 29 March 2021, compared to 34 recorded in the 12 month period to 31 Dec 2020.	G	G	G	
04. A decline in the five-year rolling average number of fatal and serious injury accidents.	A total of 32.6 fatal and serious injuries on average per year were recorded for the 5 year period ending 29 Mar 2020, compared with 31.8 fatal and serious injuries per annum for the 5 year period ending 31 Dec 2020.	G	G	B	
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 24.5km (3.5% of the network is 18.3km).	R	R	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 being meeting a condition score of 1, 2 or 3.	G	W	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 Roding Asset Management Plan was adopted by Council in June 2018 following approval of the 2018-28 LTP. 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	

<p>08. Strategic Transport (Roading) and Active and Public Transport: Major services and projects provided within budget.</p>	<p>Routine maintenance and renewals (footpaths, sealed pavement, sealed road resurfacing) are on track to be delivered. Contractor capacity constraints on resources are affecting tenders and procurement of delivery. Emergency budget impacts and community engagement and consultation on some programmes (Urban Cycle Network Development, Aokautere Drive Pedestrian Cycle Improvements) and pending announcements on Kiwi Rail Hub have led to delays in progressing works.</p>	<p>G</p>	<p>G</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)	CEDA 6 month report presented to Joint Strategic Planning Committee	G	G	G	
02. Major services and projects are provided within budget.	Services and capital projects are being delivered within budget.	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)	The outline design of the remaining portions of the Streets for People programme of work has commenced and is on track to be substantially completed by 30 June 2021, at which will be followed with extensive engagement with communities. Cuba Street Stage 2 has been delayed to resolve concerns for a few affected businesses, so will not now be constructed until FY 2021. Learnings from this process are being fed into the Streets for People approach, which will slow initial elements of the programme whilst ensuring deliverability at later stages	G	R	R	
02. Projects from the Manawatu River Framework are implemented on time and budget. (Narrative measure)	The Victoria Esplanade River Entranceway has commenced and construction will continue for the duration of approximately five (5) weeks. Works at the Turitea Pa site will begin once the River Entranceway has been completed. All projects will be completed for this year. Planning phases for the next financial year projects have started. These include: Lighting on Fitzherbert Bridge, Albert Street Entranceway	G	G	G	
03. Description of the range of public space projects and their outcomes. (Narrative measure)	Innovating streets - George Street was pedestrianised on Sunday the 24th of January 2021 as part of an event to encourage residents to brunch at local cafes, listen to live music and attend a local craft market. Further "Sunday on George" activations are planned	G	G	G	

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)		Palmy Unleashed enabled the continuation of the Social Volleyball Festival every month throughout the quarter. The festival focussed on engaging women and girls and Māori and Pasifika communities with support in growing and running volleyball events, leadership, coaching, and refereeing development within their niche or targeted community. The Events team supported the following Council events: Lunar New Year, Caccia Birch Summer Season Concert and Papaioea, Festival of the Arts. All were very well received by the community with great feedback. Community events delivered by Council for the quarter included the finish line village for Gravel & Tar and the Festival of Cultures (Lantern Parade and World Fair Day). Explore Esplanade Day was postponed due to COVID Level 2 restrictions				G	G	G	
						G	G	G	
05. Funding for economic events is distributed and the contract deliverables achieved with the funding are described. (Narrative measure)		In the quarter to March 2021, the Major Events Fund received funding applications from; the Armageddon Expo, National Young Performer Awards, and The Celebration of Jet Sprints and Jet Boats. Funding was approved for 3-year contracts for Armageddon, and the National Young Performer Awards. The quarter saw the delivery of the Manawatu Cycling Spree and Rural Games. Post event reports and assessments are due early April.				G	G	G	
						G	G	G	
06. Major services and projects are provided within budget.		Services and capital projects are being delivered within budget.				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)		The second and final round of the 2020-21 Creative Communities Scheme funding was completed. There were 41 applicants requesting \$183,496.19 in funding and \$76,525.82 in funding available. 30 of the projects received full or partial funding. He Kupu Rangitira, the Proverb Pathway project completed by PNCC Welcoming Communities and Arts staff, Massey University, with the support of Rangitane and local engineers was opened on Sunday 21 March. Discussions have been held between PNCC, Square Edge Community Arts and Massey University to secure the future of the Artist in Residence programme. Launch of Falling Water dependent on the completion of the water supply restoration that awaits Council building permit exemption to be granted.				G	G	G	
02. Sites of significance to Rangitane are identified, protected or acknowledged. (Narrative measure)		In addition to the current protections in the District Plan, opportunities to identify, protect or acknowledge additional sites of significance to Rangitane are being explored through district plan changes. Recent examples in this quarter include the recognition of the Kikiwhenua waahi tapu site in the Kikiwhenua Residential Growth plan change which was adopted in February.				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).		PNCC is continually taking feedback from heritage enquiries, which can be incorporated into future district plan updates. A formal review will not be undertaken until 2023 at the earliest.				W	G	W	
04. Increase in investment in earthquake-prone heritage buildings. (Narrative measure)		A funding request for the Cosmopolitan Building for an earthquake strengthening feasibility report has been approved. This will assist in future strengthening of the building to meet Building Act requirements. We held an event with owners to provide advice on strengthening.				G	G	G	
05. Major services and projects are provided within budget.		Services and capital projects are being delivered within budget.				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.)	A 30-Year Asset Management Plan is currently in place for sports facilities and major AMP projects. The final Draft of the 2020-2050 AMP is currently underway, and will be finalised after LTP consultation and feedback, and Council decision making on asset management funding.					G	G	G	
02. Sports fields are available for weekend organised use. (At least 85%)	All sportsfields were available 100% for organized weekend use. There were no sportsfield closures during this period.					G	G	G	
03. Swimming pool annual usage:Lido - more than 330,000 peopleFreyberg - more than 110,000 people.Include figures on under 5s, plus comparative to when free swimming under 5s was implemented (last financial year)	The number of users of the Lido to the end of March 2021 was 293,808. This is up 12% in comparison to the same period last year. Under 5's numbers were recorded at 11,176. The number using the Freyberg pool was 143,470, a 1% increase in comparison to last year's figures, and with Under 5's numbers were recorded at 3,997 at the end of March 2021. The number using the Splashhurst pool was 26,233, this is up by 63% from last year of 16,061, and the Under 5's number had a decreased usage of 10% with 573 recorded at the same period.					G	G	G	
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)	Sport Manawātū receives Council funds to assist the community's participation in play, active recreation and sport through various activities, programmes. It also allocates funds on Council's behalf (such as the Active Communities Fund). Sport Manawātū's six-month report was presented to the February 2021 meeting covering the period July-Dec 2020. This report highlighted that sixty-one residents received support to overcome financial barriers to being more active through the Active Communities Fund. In the third quarter Sport Manawātū continued to assist the local sport and recreation sector through its wide range of activities.					G	G	G	
05. Major services and projects are provided within budget.	Services and capital projects are being delivered within budget.					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. YTD there have been 536,215 physical visits to the 8 Library locations. The month of March 2021 was the biggest month to date for Blueprint: The City Library Makerspace who had 2988 makers use the space over the 17 days that it was open. There have been 630,977 City Library website page views and 138,372 City Library website sessions; Manawatū Heritage has had 247,118 website page views and 52,527 website sessions; the library has hosted 47,578 PC sessions; data for Wi-Fi sessions not available at the time of reporting.	G	G	G	
02. Use of physical collections. (Average use per item per year is at least 4)	On Track. Physical item use has increased (685,119 this year versus 661,480 last year). Items are used an average of 4.22 times per year. For comparison, the national average is 3.42 times per year.	G	G	G	
03. Use of digital collections. (Narrative measure)	Ebook and eAudiobook use continues to increase (74,109 year to date compared to 60,648 last year - an increase of 22%) as the range of collections and offerings are expanded. The use of digital databases, eResources and streaming services (Beamfilm and Kanopy) continue to increase. eBook and eAudiobook accounts for 8.39% of collection use (electronic and physical collections combined). The Library App continues to have great uptake.	G	G	G	

04. Description of the range of programmes and events. (Narrative measure)	<p>Programmes delivered are aligned to the following categories: Creative Expression, Cultural Expression, Digital Inclusion, Heritage, Informational Literacy, Lifelong Learning, Literacy, Social Connectivity, Employment, Health & Wellbeing. Key programmes this quarter were: collaboration with the Manawatu Camera Club, visiting authors included Mikaela Nyman, book launches included Generation 20/20 Agents for Change and Cristina Sanders was hosted in collaboration with Cuba Press and Bruce McKenzie Booksellers Ltd. This year 548 children completed the ECREAD Summer Read Programme, with 140 children completing book chats across fourteen languages;</p> <p>Celebrations included Neighbours' Day in collaboration with Manawatu Food Action Network and NZ Red Cross; Race Relation's Day with speeches, performances and a shared lunch organized by MMC, English Language Partners and English teaching college; and the City Library team participated in neighbourhood days. Youth Space programmes have specifically looked to reduce social isolation, increase resilience, increase employability and encourage active citizenship. Highlights include supporting the TUJA leadership programme; partnering with YMCA alt-ed; and supporting the development of a project plan for the Youth Council to engage their peers in the LTP process. 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
05. Public toilets are accessible, appropriately located and gender neutral. (Narrative measure)	The new toilet block on the Linton pathway is now open is 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.	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)	Hall bookings are generally running on target: Ashhurst 1002, Awapuni 2790, Highbury Whanau Centre 1666, Kelvin Grove 1359, PN Community Leisure 3027, Milson 2918, Pasifika / Westbrook 1689, Rangiora 1851.	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)	A 30-Year Asset Management Plan is currently in place for cemeteries and major AMP projects, and is being implemented. 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
09. Cemetery provision meets legislative requirements.	The Council has operated the cremator in full compliance with the conditions of its consent. The cemetery has been administered in accordance with the provisions of the Burial and Cremation Act.	G	G	G	G
10. Council housing is tenanted. (At least 95%, excluding units not available due to renovations)	Average occupancy rate over last three months is 98%.	G	G	G	G
11. Council tenants are satisfied with the standard of housing (two-yearly survey). (At least 90%)	Survey due is in the process of being prepared for sending out.	G	W	W	W
12. Units meet the Otago Medical School He Kainga Oranga Rental Warrant of Fitness Standard.	On track and meeting requirements of the WOF standards. Planned works are in place to address any components that no longer meet these standards.	G	G	G	Y
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 has supported one event in this quarter, a total of \$94,905 has been distributed to date. Covid-19 Relief fund has funded two organisations in this quarter, a total of \$55,436 has been distributed to date.	G	G	G	G
15. Positive feedback from residents on Council's community engagement. (Narrative measure)	The 2020 Residents Survey (of 500 randomly selected residents) shows that 44% are satisfied with the opportunities for them to have a say in Council decisions, 42% are neutral and 13% are dissatisfied. The corresponding figures for the ease of having a say are 34%, 46% and 19%. These levels are similar to the 2019 Survey.	G	G	G	G

16. Description of the range of engagement techniques used by Council. (Narrative measure)	Council's main focus is on online engagement, as this is how most people say they would like to be involved in Council decision making. Facebook is a particularly popular method. Council also uses more traditional methods, such as community meetings, flyers to affected residents, and Elected Member drop-in sessions. These are all co-ordinated through the Participate Palmy Engagement Hub on our website	G	G	G	
17. Major services and projects are provided within budget.	Major services and projects are on track to be provided within budget.	G	G	G	

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)		The city ambassador programme ran over 2020/2021 Summer and has now come to an end. The programme went well with, on average, the ambassadors interacting with 100 people per day. When the iSite was closed the Ambassadors became an extension of the information centre promoting what was happening around Palmerston North. External supplementary funding enabled the ambassadors to also support the events and library teams.		G	G	G	
02. Palmerston North retains its accreditation as a Safe City.		Accreditation has been retained. (Current focus is Strategic Outcomes Plan for 2019-2024. This has been endorsed by Rangitaane and Council).		G	G	G	
03. Council works with local communities to get people prepared for emergencies. (Narrative measure)		Council is regularly engaging with community groups, providing strategies to prepare themselves for emergencies. Our water tank promotion is ongoing and has good engagement at community events and sales online.		G	G	G	
04. Three dog education campaigns and / or community events attended.		Education provided to Whakarongo , Our Lady of Lourdes, Russell Street and Bunnythorpe Schools. Attended Wacky Water Day, Ford Ranger Rural Games, Kelvin Grove Community Family Fun Day		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 restriction, verifications of non-essential food businesses were delayed. MPI has introduced legislation introducing a 6 month extension period, verifications are being completed within this timeframe.		G	G	G	
06. Description of healthy lifestyle initiatives. (Narrative measure)		Sun Protection Policy - the Events team has purchased 8 dual sunscreen and sanitiser stands for use during Council events (previously hired from Cancer Society). Smokefree Outdoors Policy - dual-language Smokefree signage is available for use at all Council events. Sugar-Sweetened Beverages Policy - actively encouraging food and beverage vendors to make available non-sugary drinks at Council events.		G	G	G	
07. Major services and projects are provided within budget.		Major services and projects are provided within budget.		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%)	99.96% rubbish and recycling placed in Council's official bags and bins were collected on the stated day.	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	
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)	AMP in place for Rubbish and Recycling service and major AMP projects approved in the 10 Year Plan are on schedule. 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	
04. Major services and projects are provided within budget.	Services and capital projects are being delivered within budget.	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)	12,000 trees have been planted this year. At least 15,000 are expected to be planted by the end of the year, once planting season commences in May.	G	G	G	
02. Number and description of sustainable practices campaigns. (Narrative measure)	<p>Efforts to establish a community-lead zero waste action group continued with the development of a working version of its Vision ("Interested parties working together for Palmerston North moving towards zero waste and circular economy") and Mission ("Collaborate, encourage and share information and knowledge to work towards achieve zero waste and circular economy"). After trialing the "Sustainable Living Programme" among PNCC staff in February 2021 and November 2020, a public version was offered in Palmerston North in March and April 2021. The programme consists of eight weekly 2-hour sessions (covering the topics on gardening, waste, water, eco-building, energy, food choices, transport and resilience) that are facilitated based on materials and structure developed by Sustainable Living Education Trust. These are held at and in collaboration with the Central Library. PNCC is one of two councils that are participating in the MOATA Carbon Portal for local council use. Offered by EQUIP LGNZ in partnership with Mott MacDonald, this collaborative initial trial (over 6 months) provides PNCC with the opportunity to understand, and estimate embodied carbon emissions ('capital carbon') of projects or asset programmes, and eventually compare different options. It will also make it easy and intuitive to 'talk carbon', hence facilitating organisation-wide approach in the future.</p>	G	G	G	

03. Number and description of Eco Design home consultations. (Narrative measure)	<p>This third quarter has seen 31 in-home consultations taking place. In addition, there were eight community workshops/presentations. Media activities undertaken this quarter have consisted in continuation of a regular weekly show on Manawatū People's Radio. This quarter saw the completion of the 'pilot' Sustainable Living Skills course in-house and roll-out of the second offering open to the public which is already fully subscribed. There were a trickle of consults for new builds, renovations and rental properties. A highlight on media was a journalist provided feedback that the EDA had delivered her the clearest and best explanation on 'why NZ homes are so damp' she had ever heard in her career.</p>		G	G	G
04. Major services and projects provided within budget.	Services and capital projects are being delivered within budget.		G	G	G

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 first three quarters of 2020/2021.				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 first three quarters of 2020/2021.				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 first three quarters of 2020/2021.				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)		To date, a total of 383 complaints have been received for the year or 11.5 complaints per 1000 properties connected. The complaints to date include 16 complaints relating to storm water events, 39 related to sump/grate problems, 70 associated with pipe/underground services damage, 31 cases of on-property flooding or drainage problems, 210 cases of roadside ponding and 17 complaints related to waterway or open drain problems. If complaints continue at the current rate, then the KPI target will be exceeded by the end of the financial year.				G	Y	Y	
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	

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 Stormwater Asset Management Plan was adopted by Council in June 2018 following approval of the 2018-28 LTP. 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	
07. Major services and projects are provided within budget.	Routine maintenance and programmed renewal and capital improvement works are on track to be completed by year end.	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 26 recorded incidents of a dry weather wastewater overflow so far during the 2020/21 financial year, which is equivalent to 0.79 overflows per 1000 connections. Based on the numbers of overflows recorded to date this KPI may be exceeded by the end of the financial year.				G	G	Y	
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)		356 complaints or RFS were received during the first three quarters of 2020/21 or an average of 10.8 complaints per 1000 connections. Complaints included 21 for wastewater odour (0.63 per 1000 connections), 75 manhole faults (2.28 per 1000 connections) and 260 relating to network blockages or wastewater leaks (7.9 per 1000 connections).				G	Y	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 0.66 hours. Maximum time for attending to an overflow resulting from a blockage is 980.7 hours. Following AuditNZ's advice, response time and resolution time now includes after hours and weekends (non-business hours).				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 5 hours. The maximum time for resolution of overflows resulting from blockages or other faults 988 hours. Following AuditNZ's advice, response time and resolution time now includes after hours and weekends (non-business hours).				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)		On 8th December, Council was issued an abatement notice for a wastewater spill from the Reserve Road WWPS in Longburn. Some urgent renewal work at the pump station has been undertaken to mitigate the risk of this recurring, however further upgrade work is required rising main to prevent backflow. PNCC has met with Fonterra and developed a standard operating procedure to improve communications between PNCC, Goodman Fielder and Fonterra should a similar incident resulting in a wastewater spill onto their site occur in future.				G	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 Wastewater Asset Management Plan was adopted by Council in June 2018 following approval of the 2018-28 LTP. 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	
07. Major services and projects are provided within budget.	Operations and maintenance expenditure is tracking close to budget. The Wastewater BPO Consent Project has required additional budget to undertake additional technical investigations, technical peer review, legal advice and prepare material and publicity to support further stakeholder engagement and another round of public consultation. A number of renewal projects have been delayed due to long delays on the procurement of equipment from overseas suppliers and project scope changes.	Y	Y	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. The resulting elevated pH resulted in the equivalent FAC (FACE) 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. A Standard Operating Procedure is in development as well as further staff training to prevent a recurrence of this type of transgression.	G	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 Bunnythorpe and Longburn bores. This will require a change to the sampling frequency and may result in non-compliance for the 2020/21 financial year.	G	G	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 1058 complaints were received for the last twelve months or 32 complaints per 1000 connections. The 1058 complaints included 46 mains bursts, 25 low pressure issues, 45 issues associated with continuity of supply, 47 for meter faults, 526 toby faults, 7 for bad smell, 59 for discoloured water, and 3 for bad taste. While complaints for the year are still below the annual target if complaints continue at current levels the KPI target will be exceeded.	G	Y	Y	
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 197L, well below the 360 litre target.	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 0.26 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	

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 18.7 hours. The maximum response time was 144.3 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	
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 2.625 hours. The maximum response time was 1365.56 hours. Following AuditNZ's advice, response time and resolution time now includes after hours and weekends (non-business hours).	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 49.96 hours. The maximum response time was 1538.217 hours. Following AuditNZ's advice, response time and resolution time now includes after hours and weekends (non-business hours).	G	G	G	
09. Percentage of real water loss from the water reticulation network. (Less than 20%)	Real water losses for 2020/21 will be calculated during the 4th quarter. The 2019/20 financial year real water loss from the water reticulation network was calculated at 18.2%, less than the targeted 20% but slightly higher than the real water loss during 2018/19 which was calculated at 18%.	G	G	W	
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 Water Asset Management Plan was adopted by Council in June 2018 following approval of the 2018-28 LTP. 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	

<p>11. Major services and projects are provided within budget.</p>	<p>Operations and maintenance expenditure are tracking to budget. Capital renewals and new programmes of work are still within budget, however significant contractor capacity constraints and long equipment lead times put at risk the completion of a number of projects and in particular the Duplicate Water Pipeline and Seismic Strengthening Work at Turitea Water Treatment Plant.</p>	<p>G</p>	<p>G</p>	<p>Y</p>	
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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 2020 Residents Survey (of 500 randomly selected residents) shows that 44% are satisfied with the opportunities for them to have a say in Council decisions, 42% are neutral and 13% are dissatisfied. The corresponding figures for the ease of having a say are 34%, 46% and 19%. These levels are similar to the 2019 Survey.		G	G	G	
02. Description of the range of engagement techniques used by Council. (Narrative measure)		Council's main focus is on online engagement, as this is how most people say they would like to be involved in Council decision making. Facebook is a particularly popular method. Council also uses more traditional methods, such as community meetings, flyers to affected residents, and Elected Member drop-in sessions. These are all co-ordinated through the Participate Palmy Engagement Hub on our website.		G	G	G	
03. Strategies, Plans and Policies are in place, monitored and reviewed. (Narrative measure)		The strategies and plans have been reviewed and updated to form the basis for the first three years of the consultation on the 2021-31 10 year plan. All policies have been incorporated into actions in the new plans to ensure that they are reviewed in a timely manner.		G	G	G	

Supplementary Material for March 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 31 March 2021						
Operating Result by Group of Activities						
Innovative & Growing City	4,004	4,670	666	14%	6,273	6,273
Revenue	(5,119)	(3,582)	1,537	43%	(4,815)	(4,815)
Expenses	9,123	8,252	(871)	-11%	11,088	11,088
Creative & Exciting City	14,543	15,837	1,294	8%	20,649	20,704
Revenue	(2,108)	(1,103)	1,005	91%	(1,529)	(1,529)
Expenses	16,651	16,939	289	2%	22,178	22,233
Connected & Safe Community	8,935	9,365	431	5%	12,565	12,565
Revenue	(4,282)	(4,072)	210	5%	(5,176)	(5,176)
Expenses	13,217	13,438	221	2%	17,740	17,740
Eco-City	3,378	3,573	195	5%	4,676	4,676
Revenue	(2,393)	(2,023)	370	18%	(2,697)	(2,697)
Expenses	5,771	5,596	(175)	-3%	7,373	7,373
Transport	3,712	5,282	1,570	30%	7,587	7,990
Revenue	(5,822)	(5,123)	699	14%	(7,045)	(6,737)
Expenses	9,535	10,405	871	8%	14,632	14,727
Water	2,837	3,028	191	6%	4,097	4,097
Revenue	(52)	(28)	24	85%	(37)	(37)
Expenses	2,889	3,056	167	5%	4,134	4,134
Wastewater	4,037	3,319	(715)	-22%	4,581	4,580
Revenue	(1,044)	(1,017)	(1)	0%	(1,336)	(1,336)
Expenses	5,082	4,336	(714)	-16%	5,917	5,917
Stormwater	1,441	1,412	(28)	-2%	1,937	1,930
Revenue	(21)	(2)	19	1120%	(2)	(2)
Expenses	1,461	1,414	(47)	-3%	1,939	1,932
Driven & Enabling Council	4,530	5,036	506	10%	6,563	5,916
Revenue	(3,662)	(4,007)	(345)	-9%	(5,493)	(5,800)
Expenses	8,192	9,043	851	9%	12,056	11,717
Group of Activities Controllable (Surplus)/ Deficit	47,417	51,523	4,109	8%	68,927	68,730
Rates	(75,819)	(75,641)	178	0%	(100,812)	(100,782)
Net Interest	3,494	4,021	526	13%	5,540	5,540
Operating Controllable (Surplus) / Deficit	(24,908)	(20,097)	4,814	24%	(26,345)	(26,512)
Three Water Reform Revenue	(28)	(532)	(505)		(1,040)	0
Three Water Reform Expenses	31	532	501		1,040	0
Te Huringa	765	2,192	1,427		2,900	2,900
Depreciation	30,321	30,321	1	0%	40,428	40,428
Non-operating revenue	(8,269)	(9,009)	(740)	-8%	(20,608)	(13,209)
Non-operating expenses	(6,739)	0	6,739	-100%	0	0
Net Result	(8,827)	3,407	12,237	359%	(3,625)	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.
- Creative & Exciting City has increased revenue coming from venues although this is offset by increased expenditure. There has been lower expenditure than anticipated on outwork for services, this is due to less conversion of sport fields required as a result of Covid19.
- Transport has favourable net revenue within parking and roading. Expenditure is lower than budgeted in contracted services.
- Wastewater has increased expenditure due to additional work required on consent renewals.

Group of Activities Budget variance explanations (revenue and expenses \$400k or more)

- Driven & Enabling Council has lower expenditure than anticipated on remuneration and professional services. Expenditure within this activity is likely to increase in the final quarter.

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

Capital Expenditure For the period to 31 March 2021	2020/21		\$000's		Full Year Revised Budget	Full Year Annual Budget
	YTD Actual	Budget	Variance \$000's	%		
Capital New	29,620	36,773	(7,153)	(19.5%)	54,261	46,754
Funded by:						
Borrowing	24,598	31,287	(7,618)	(24.4%)	45,320	40,247
External revenue	5,022	5,487	465	8.5%	8,941	6,507
Capital Renewal	15,836	22,039	(6,204)	(28.1%)	28,846	23,711
Funded by:						
Rates	12,889	19,860	(5,437)	(27.4%)	14,990	19,955
External revenue	2,947	2,180	(767)	(35.2%)	7,670	2,705
Three year averaging					1,051	1,051
Borrowing					5,135	
TOTAL CAPITAL	45,455	58,813	(13,357)		83,106	70,466

Group of Activities - Capital Expenditure For the period to 31 March 2021	2020/21		\$000's		Full Year Revised Budget	Full Year Annual Budget
	Year to Date Actual	Budget	Variance \$000's	%		
Capital New	29,620	36,773	(7,153)	(19.5%)	54,261	46,754
Innovative & Growing City	-	-	-	-	-	-
Creative & Exciting City	15,630	15,499	131	0.8%	20,431	20,040
Connected & Safe Community	3,713	3,359	354	10.5%	7,119	6,451
Eco-City	390	331	59	17.8%	459	328
Transport	4,625	8,891	(4,267)	(48.0%)	12,361	9,100
Water	2,950	4,693	(1,743)	(37.1%)	7,559	5,906
Wastewater	1,107	2,048	(941)	(46.0%)	3,915	2,813
Stormwater	1,046	1,745	(699)	(40.1%)	2,111	1,761
Driven & Enabling Council	159	206	(47)	(22.6%)	306	356
Capital Renewal	15,836	22,039	(6,204)	(28.1%)	28,846	23,711
Innovative & Growing City	61	195	(133)	(68.5%)	300	300
Creative & Exciting City	2,814	3,593	(780)	(21.7%)	3,944	3,815
Connected & Safe Community	1,103	1,403	(299)	(21.3%)	2,070	2,276
Eco-City	89	159	(69)	(43.8%)	176	176
Transport	3,312	4,333	(1,021)	(23.6%)	5,613	5,613
Water	2,618	3,665	(1,047)	(28.6%)	5,059	3,277
Wastewater	2,876	4,919	(2,043)	(41.5%)	7,204	3,642
Stormwater	253	812	(559)	(68.8%)	860	860
Driven & Enabling Council	2,708	2,961	(253)	(8.5%)	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)	YTD Budget(\$000)	Variance(\$000)	Total Budget(\$000)	Status	Comments	
CAPITAL NEW							
Creative & Exciting City							
94-Walkways and Shared Path - Purchase of Land to Extend Network(1584-C/fwd - Walkways and Shared Path -)	\$43	\$361	\$317	\$529		Two land purchases are nearing completion. Agreement in principle has been obtained for land at the end of Kahuterawa Road.	
140-Neighbourhood Reserves- Aokautere - Peace Tree Reserve Development	\$89	\$310	\$221	\$310		Path work is complete, planting to start late April. Delay in construction of playground externally, but expected to be complete in June.	
144-Urban Growth - Whakarongo - Reserves Land Purchases	\$9	\$494	\$485	\$659		This programme is dependent on the pace of private development which is slower than anticipated.	
752-City Reserves - Manawatu River - Framework Implementation	\$727	\$730	\$3	\$878		Natural play, gyms and mountain bike trails are complete. Work is ongoing at the Esplanade River Entranceway. Contractor access to the Turitea Pa site is due to be constructed in April.	
1081-City Reserves -Victoria Esplanade - Park Road Entrance and Parking Reconfiguration	\$118	\$588	\$471	\$746		Report to Council for additional budget approved and tender awarded. Construction on site commenced in	

							April and is due to be completed in July. Linked to programme 324.
1534-Central Energy Trust Arena Manawatu - Embankment Redevelopment(1650-C/fwd - Central Energy Trust Arena)	\$13,394	\$11,176	(\$2,217)	\$13,170			This project is now complete. Contractors are working through all defect works that were identified as part of Practical Completion. These will be remedied over the coming 2 months 2021.
1473-City Centre Lighting and Projection Demonstration Project(1638-C/fwd - City Centre Lighting and Pr)	\$78	\$146	\$68	\$201			Project delayed due to requirement for external funding. This has now been confirmed. Projector has been procured, construction linked to Cuba Street, so will likely be delayed due to uncertainty of timeframe on that project.
902-Property - Seismic Strengthening of Council Owned Buildings(1016-C/fwd - Seismic Strengthening of Co)	\$369	\$463	\$94	\$2,157			DSA reports for all areas of CAB which identified several areas that require strengthening. A strengthening scheme and design for CAB is now being progressed. Detailed designs for the strengthening of the Crematorium are progressing and will be lodged for consent in April-June quarter and procurement of a construction contractor will be undertaken at the same time. Strengthening options are currently being explored for the Square Edge building.
Connected & Safe Community							
161-Public Toilets - Citywide programme	\$86	\$64	(\$23)	\$202			The new Linton pathway toilet block is now open. Planning and design work for the new toilet block at Memorial Park is underway. Programme will be within budget by financial year end.
1219-Social Housing - Papaioea Stage 2(1639-C/fwd - Social Housing - Papaioea S)	\$3,040	\$2,106	(\$935)	\$5,086			The first 18 of the 28 units are tracking as planned and will be completed in May 2021. The remaining 10 units are currently tracking 5 weeks behind due to delays in materials as a direct impact of Covid-19 and will now be completed in September 2021. All units will be delivered within programme budget.
1413-Bunnythorpe Community Facility(1581-C/fwd - Bunnythorpe Community Facil)	\$402	\$618	\$216	\$1,259			Construction is underway and progressing to revised plan including the installation of the new transformer. Additional ground works under the location of the building were required which has now been completed and additional costs were accommodated within project contingency. It is anticipated similar grounds remedial works with be required in the new carpark area of the site.
Transport							
201-City-wide - Roading Subdivision Contributions	\$5	-	(\$5)	\$490			This programme funds Council's contribution for roading improvements associated with private development works. Progress and expenditure is subject to the status of the development work.

244-City Centre Streetscape Plan - Square East (Plaza to ANZ)(900-C/fwd - The Square East Side - Stree)	\$1,062	\$1,653	\$591	\$1,929		There was a delay in securing the external consultant. Design process is continuing with the inclusion of internal stakeholders (subject matter experts).
279-City-wide - Minor Road Projects(1656-C/fwd - City-wide - Minor Road Proj)	\$437	\$1,023	\$586	\$1,101		Te Awe Awe/ Albert intersection upgrade on hold pending investigations into signalisation of the intersection. Construction has commenced on other programmed minor safety projects.
324-Park Road / Cook Street - Intersection Upgrade	\$118	\$346	\$228	\$668		Construction is commenced at end of March on the entranceway. Due for completion July 2021. Linked to programme 1081.
1362-Roberts/Railway Road North Intersection Safety Realignment(1595-C/fwd - Roberts/Railway Road North)	\$28	\$288	\$260	\$293		Waiting on legal advice on road closure process. Further survey work may be required to inform the closure process. Following receipt of legal advice, communications to Council and local residents will be undertaken. Any site works will not occur until next financial year.
1367-Street Light Infill Improvements	\$901	\$918	\$16	\$918		Package 5, 6 and 7 are now complete. Preparation of programme of work for the 21/22 financial year is underway.
1440-Cuba Street urban streetscape improvements - Rangitikei to George Street(1643-C/fwd - Cuba Street urban streetsca)	\$132	\$385	\$253	\$620		Further consultation will be undertaken with affected businesses and reported back to Council.
1488-Seal extension Rural Unsealed Road	\$285	\$298	\$12	\$291		Davis Road and School Road are complete. Worchester Street scheduled to commence in April which is later than anticipated. Will be completed prior to end of financial year.
1578-Monrad Pencarrow Roundabout installation(1655-C/fwd - Monrad Pencarrow Roundabout)	\$392	\$760	\$367	\$1,219		Site work commenced in early March with construction scheduled to finish in June.
1623-College Street Upgrade Parking Mitigation(1644-C/fwd - College Street Upgrade Park)	\$233	\$353	\$119	\$353		Construction is complete and under budget.
636-Aokautere Drive Pedestrian Cycle Improvements(1631-C/fwd - Aokautere Drive Pedestrian)	\$27	\$317	\$290	\$564		Complex engineering elements of this project require higher levels of investment than originally budgeted. Project is proposed to be carried forward to the next LTP to enable further investigation into alternative better value option/s.
732-Summerhill Drive - Pedestrian and Cycle Improvements(1657-C/fwd - Summerhill Drive - Pedestri)	\$36	\$229	\$192	\$248		Additional survey work is being undertaken to address issues with levels and drainage in the proposed bus and parking bays. Options for separation barriers are being finalised and will be completed by June.

1358-Footpath extensions city wide(1605-C/fwd - Footpath extensions city wi)	\$306	\$601	\$295	\$741	Ashurst footpath upgrades underway; Napier Road footpath upgrade complete; Mulgrave Street in Ashurst and Paradise Place starting late in April.
1444-Shared path resilience improvements - Limestone to concrete(1648-C/fwd - Shared path resilience impr)	\$182	\$314	\$131	\$314	Contractors have been approached for indicative availability and pricing of construction work. Currently consulting with stakeholders prior to the sealing work to proceeding.
1559-Urban Cycle Network Development (1633-C/fwd - Urban Cycle Network Development)	\$79	\$618	\$539	\$1,000	College Street upgrade complete except for minor road marking changes (options for remediation currently under investigation) and some additional separation barriers. Maxwells Line is proposed as a carry forward to the 2021/22 financial year to allow for sufficient investigation.
1694-Summerhill Drive - On-Street Parking Infrastructure	-	-	-	\$234	Additional survey work is being undertaken to address issues with levels and drainage in the proposed bus and parking bays. Linked to programme 732.
Connected & Safe Community					
1552-Council Pound Development	\$44	\$300	\$256	\$300	Detailed designs for the new animal shelter are being progressed and due to be lodged for consent early next financial year. Once consented, procurement of a construction contractor will commence.
Stormwater					
1001-Urban Growth - Whakarongo - Installation of Stormwater Systems(1284-C/fwd - Urban Growth - Whakarongo -)	\$137	\$150	\$13	\$250	Draft report for resource consent application is ready. Landowner consultation is in progress, remaining budget to be spent on detailed design of the infrastructure.
1060-City-wide - Stormwater Improvement Works	\$874	\$1,285	\$411	\$1,249	Churchill Crescent and Kent Crescent improvements are complete. Botanical Road work to commence in May depending on contractor availability. On track to be spent in this financial year.
1372-City-Wide SW Pump Stations	-	\$302	\$302	\$310	Upgrade work involving the installation of 2 new pumps in Sutton Place are scheduled to be undertaken in April. Reduced scope of work will result in savings which may be carried forward into next financial year. Tender documents for the pump station upgrades to be delivered this year are currently being compiled.
Wastewater					

1055-Urban Growth - City West - Installation of Wastewater Systems(1597-C/fwd - Urban Growth - City West -)	-	-	-	\$350	Consultant engaged to undertake design of best option to ensure new city west development is connected to the Council network. Further network capacity assessments to be completed.
1074-Totara Road Wastewater Treatment Plant - Earthquake Strengthening of Civil Structures(1626-C/fwd - Totara Road Wastewater Trea)	\$123	\$399	\$276	\$600	Consultant is engaged for seismic design. Four earthquake prone areas are identified. Initial work will be on the pre-sedimentation tank. Design, consent and tender is complete. Construction planned for April - August 21.
1579-WWTP - Health and Safety Upgrades	\$90	\$264	\$175	\$379	Contract has been awarded and work is due to start in mid April. Current project programme supplied by the contractor indicates that all work will be completed before the end of FY.
1618-Totara Road Wastewater Treatment Plant - High Voltage Power resilience upgrades	\$132	\$211	\$79	\$400	Consultant submitted structural assessment report. Existing boiler room will need to have structural support added with the main switchboard location there and the number of coring holes for cabling. PNCC requested updated structural design costing from consultant. Delay was due to consultant engagement.
1619-Totara Road Wastewater Treatment Plant - Inlet Screens	\$480	\$543	\$63	\$760	Contract awarded for design, supply and installation of a 5 ton gantry crane. Project must be completed to allow commencement of screen room modifications.
1621-Totara Road Wastewater Treatment Plant - New Storage Shed for critical equipment.	\$22	\$130	\$108	\$270	Contract awarded and building consent applied for. Shed scheduled to be built in May.
Water					
91-Turitea Water Treatment Plant - Construction of Duplicate Water Pipeline from Lower Dam to Harts Road Reservoirs(1544-C/fwd - Turitea Water Treatment Pla)	\$2,493	\$3,537	\$1,044	\$4,440	Stage 2 is progressing well and remains on track for completion this financial year. There has been less call on contingency than planned.
246-City-wide - Water Subdivision Contributions	-	-	-	\$205	This programme is dependent on private development. No call on budget at this stage.
651-City-wide - Seismic Strengthening of Water Structures(1289-C/fwd - City-wide - Seismic Strengt)	\$105	\$220	\$114	\$1,219	Detailed design was delayed but is now complete and consent application made. Single tender was received and is currently under evaluation.
1384-Citywide - New water supply reservoirs to replace an earthquake prone reservoir and enhance supply storage through out the city(1608-C/fwd - Citywide - New water supply)	\$177	\$494	\$316	\$930	Design rescoped complete which delayed the work. Contractor is now on site but progressing slower than anticipated. Proposed carry forward as completion now not expected until September 21.
1388-Citywide Water Conservation Management - New pressure zone and District Meter Area Implementation(1663-C/fwd - Citywide Water Conservation)	\$37	\$211	\$174	\$262	PNCC awaiting approval from Horizons for earthworks as location of new pressure release valve station needs some backfilling as part of construction. Final location of pressure release valve also subject to final design confirmation.

CAPITAL RENEWAL						
Creative & Exciting City						
98-Citywide Reserves - Renewals (Victoria Esplanade, Memorial Park, Ashhurst Domain and The Square)	\$543	\$643	\$100	\$810		Pou have been installed in Te Marae o Hine. Ashhurst domain sewage system upgrade and clock tower glasswall replacement completed.
173-Citywide - Playground Renewals	\$80	\$338	\$258	\$354		Memorial Park components are in place. Community engagement is underway for Savage Crescent Playground with budget this year to be spent on components for playground. Installation expected early in 21/22 financial year.
596-Aquatics - Lido Pool - Asset Renewals	\$216	\$270	\$54	\$469		Work on the lighting renewals has commenced now that demand for the facility is beginning to decline due to the cooling weather.
1051-Central Energy Trust Arena Manawatu - Combined Asset Refurbishment	\$1,102	\$1,050	(\$53)	\$1,065		The exterior cladding replacement and Arena 2 interiors upgrade projects are now complete. Turf Renewals is the only remaining project and work is underway.
213-Cultural Facilities - Replacement of Structures, Internal Fit Out and Services(1645-C/fwd - Cultural Facilities - Repla)	\$411	\$512	\$101	\$650		The Caccia Birch House service extension project is on track and due for completion in April as planned. The carpet replacement and 'green room' upgrade at the Regent Theatre is on track and due for completion in April. The first stage of the fire safety upgrades within Square Edge continues and is due for completion in April. Detailed design and consent for the bathroom upgrade at Globe Theatre is underway and on track to have a consented design by 30 June for works to commence next financial year.
Connected & Safe Community						
178-Central Library Replacement of Shelving, Furniture and equipment(1671-C/fwd - Central Library Replacement)	\$17	\$110	\$93	\$220		Minor shelving and fitting expenditure have all ready taken place. Limited expenditure is likely to take place for the remainder of the financial year.
188-City Library Replacement and Purchase of Library Materials	\$558	\$555	(\$3)	\$725		On track
202-Central Library Interior Design Renewals(1591-C/fwd - Central Library Interior De)	\$106	\$126	\$20	\$257		On track
Driven & Enabling Council						
53-Computer Replacement - Rolling Replacements	\$89	\$60	(\$29)	\$273		Spending occurred earlier than orginally planned. On track to be on budget by finaical year end.
281-CAB - Renewals(1673-C/fwd - Operational Property -Civi)	\$884	\$1,089	\$205	\$1,130		Stage 3 of the CAB fire safety upgrades are nearing completion. Expected to be completed in April. Preparation and designs for the 4th and final stage of the CAB fire upgrades is now underway with physical works to be completed next financial year. The planned ceiling and lighting replacement in 3rd floor

									south has been delayed as Officers work with the tenant to vacate the premises. This replacement will now likely be likely completed next financial year as a result.
63-Council's Plant and Vehicles - Replacements		\$1,397	\$1,282	(\$115)	\$1,492				The fabrication of the body for the glass recycling trucks is underway. All other items have been ordered. A small contingency was held over for unexpected breakdowns but is now currently being reviewed.
Transport									
115-City-wide - Sealed Pavement Renewals		\$67	\$1,431	\$1,365	\$1,937				The originally identified sites could not proceed due to budget constraints for the stormwater network upgrades. Alternative locations were identified and have been scoped. Detailed investigation and design for the new sites is nearing completion. A more limited package of work is now envisaged with completion of construction now scheduled for June depending on weather.
122-City-wide - Road Drainage Replacements		\$124	\$356	\$232	\$358				Drainage renewals in Moheke Avenue are due to start mid April which is slightly later than anticipated. Design for Ruahine Street upgrades are in progress to enable construction in the 21/22 year.
139-City-wide - Sealed Road Resurfacing		\$1,928	\$1,413	(\$515)	\$1,844				Programme is ahead of schedule due to good weather allowing work to happen earlier than originally anticipated. Will be completed on budget, but ahead of time.
64-City-wide - Footpath Renewals and Replacements		\$902	\$772	(\$131)	\$1,023				Asphalt footpath renewal projects are 82% complete.
Stormwater									
20-City-wide - Stormwater Pump Station Renewals		\$9	\$224	\$215	\$230				Paisley Pump Station was delayed due to internal resourcing and change in scope. Wikirwhi Crescent Pump Station renewal is due to commence in April. Vautier Park Pump Station renewal is currently being tendered.
1062-City-wide - Stormwater Renewal Works		\$244	\$588	\$344	\$630				The Hospital Line Renewal commenced later than planned, and has encountered several technical delays but is expected to be completed in May. Botanical Rd renewal is expected to start end of May resulting in the budget being largely spent in the current financial year.
Wastewater									

54-City-wide - Wastewater Pipe Renewal	\$1,897	\$2,622	\$725	\$3,531		Contractor had substantial equipment failure which has delayed the completion of the relining contract. Work due to recommence mid April. Will be completed this financial year.
65-City-wide - Wastewater Pump Station Renewal	\$46	\$325	\$279	\$367		Due to internal staff vacancies there have been delays to the procurement of the works. Project electrical scopes are currently being drafted and equipment has been ordered for the Roy Street pump station upgrade. Jickell Street Pump Station internal pipework request for quote has been issued and a contract should be signed by the end of April. There is continuing risk to the delivery of the programme due to resourcing constraints particularly in relation to construction.
179-Totara Road Wastewater Treatment Plant - Minor Equipment Renewals	\$490	\$730	\$240	\$1,040		The DIA funding enabled an increase in the scope of the programme. Internal resources and contractor availability constraints have delayed engaging of contractors to complete the work. Work is still scheduled to be completed by end of FY.
1059-Totara Road Wastewater Treatment Plant - Replacement of Grit Removal Systems(1630-C/fwd - Totara Road Wastewater Trea)	\$17	\$105	\$88	\$315		Grit pumps and air blowers have been ordered and should be installed before end of April. Blowers procured locally and pumps freighted from Australia, still in transit.
1068-Totara Road Wastewater Treatment Plant - Replacement of Inlet Pumps(1685-C/fwd - Totara Road Wastewater Trea)	\$408	\$840	\$432	\$1,208		Construction has commenced. This is a high risk project due to the confined space nature of the work zone. Estimated date for project completion is June.
1620-Totara Road Wastewater Treatment Plant - High Voltage Power renewals	\$1	\$155	\$154	\$300		Consultant has submitted structural assessment report. Existing boiler room will need additional structural support given the main switchboard is located her and following installation of additional coring holes for new cabling. Consultant to complete the additional structural design work.
1685-Replacement of potable water service in WWTP	\$0	\$125	\$125	\$250		Design and water supply capacity are being investigated. Delivery will now not occur until next financial year.
Water						
199-City-wide - Water Bore Headworks and stations Renewal	\$133	\$357	\$224	\$443		Internal resourcing issues caused a delay in some of the renewals in this programme. Roberts Line Bore 2 pump replaced, and critical spare ordered. Door replacements at Roberts Line and Papaioea Park completed. Papaioea Park Bore 2 pumps and VSDs replaced. Ashurst flow meter replaced and pressure transducer work completed. Proposed carry forward likely.

207-Turitea Water Treatment Plant - Equipment and Facility Renewals(1646-C/fwd - Turitea Water Treatment Pla)	\$42	\$341	\$298	\$945		Delay to the clear water roof Replacement due to inability to secure a structural engineer. Options to secure a suitable resource are being considered. The tender for the actuator upgrade project has been awarded.
214-City-wide - Water Toby and Meter Replacements	\$164	\$280	\$116	\$350		Budget used for reactive work. Used as required.
218-City-wide - Water Pipe Replacements	\$1,838	\$2,073	\$235	\$2,289		Programme of works is on track to be completed as planned. Design work underway for some of the 21/22 works.
663-Ashhurst - Bore to Reservoir Pipe Replacement(1664-C/fwd - Ashhurst - Bore to Reservoir)	\$394	\$466	\$72	\$881		Design work complete. Work has started on portion 3A for which DIA funding has been provided. The project will not be completed until the next FY.

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)	YTD Budget(\$000)	Variance(\$000)	Total Budget(\$000)	Status
CAPITAL NEW					
Creative & Exciting City					
93-City Reserves - Memorial Park Reserve Development Plan Implementation(1583-C/fwd - City Reserves - Memorial Pa)	\$133	\$149	\$16	\$149	
95-Walkways and Shared Path - Construction	\$48	\$72	\$24	\$72	
111-Neighbourhood Reserves - Roslyn - Edwards Pit Park Development	\$30	\$31	\$0	\$31	
158-Citywide - Safety Improvements to Reserves	-	\$35	\$35	\$35	
160-Citywide - Improved Access to Reserves for Persons with Disabilities	\$38	\$38	-	\$38	
165-Outdoor Adventure Reserves - Arapuke Forest Park/Kahuterawa Development	\$71	\$32	(\$39)	\$65	
196-Caccia Birch - Lagoon Embankment Upgrade(1649-C/fwd - Caccia Birch - Lagoon Embar)	\$16	\$46	\$31	\$88	
558-Neighbourhood Reserves - Takaro - Oriana Reserve Development(1634-C/fwd - Neighbourhood Reserves - Ta)	-	\$60	\$60	\$80	
560-Cultural/Heritage Reserves - Te Motu o Poutoa / Anzac Park Reserve Development(925-C/fwd - Cultural/Heritage Reserves -)	\$31	\$40	\$9	\$60	
587-Neighbourhood Reserves - Kelvin Grove - Linklater Reserve Development	\$102	\$105	\$3	\$113	
697-Clearview Reserve Development(761-C/fwd - Clearview Reserve Developmen)	-	\$23	\$23	\$31	
708-Urban Growth - Aokautere - Reserves Land Purchase	-	\$25	\$25	\$34	
716-Urban Growth - Whakarongo - Walkways Land Purchases	-	\$113	\$113	\$150	
967-Citywide - Edibles Planting	\$1	-	(\$1)	\$5	
1097-Sportsfields - Drainage to Increased Capacity	\$33	\$50	\$17	\$89	
1099-Parks and Reserves - Shade Development	\$20	\$28	\$8	\$28	
1127-City Reserves - Victoria Esplanade - Bonsai House	\$9	\$80	\$72	\$80	
1175-Citywide - Shade Trees	-	-	-	\$10	
1182-Citywide - Recreation spaces - Improved Lighting	-	\$21	\$21	\$21	
1407-Sports fields - Vacated Bowling Club Land Conversion to Other Uses	-	\$8	\$8	\$10	
1439-Culture/Heritage - Urban Eels Project Contribution	-	-	-	\$0	
1454-City Reserves - Victoria Esplanade Development Plan	\$38	\$31	(\$7)	\$61	
1523-Ashhurst Pool Enhancements	\$122	\$85	(\$37)	\$145	

1622-Central Energy Trust Arena Manawatu - New Truss	\$97	\$100	\$3	\$100	
1330-Placemaking Co-created Project	\$14	\$15	\$1	\$15	
1476-City Centre Laneways Programme	\$1	\$42	\$41	\$70	
Connected & Safe Community					
107-Cemeteries - Kelvin Grove - Ash Plot developments and Childrens area extension	\$46	\$68	\$22	\$68	
133-Cemeteries - Kelvin Grove - New Burial Sections Footpaths and Roading Extension	\$48	\$44	(\$4)	\$44	
147-Cemeteries - Kelvin Grove, Ashhurst and Bunnythorpe - New Burial Berms	\$26	\$125	\$100	\$125	
1196-Cemeteries - Kelvin Grove - New Staff Facility	\$7	\$5	(\$1)	\$5	
1513-New emergency operations centre (EOC) Fit Out	\$15	\$30	\$15	\$30	
Driven & Enabling Council					
60-Information Management Strategic Plan Project - New Software Applications	-	\$16	\$16	\$16	
1187-PNCC Website Customisation	\$4	-	(\$4)	\$25	
1676-Improve participation in Council and Committee meetings	\$4	\$80	\$76	\$80	
99-Council's Service Development - New Technology and Programmes	\$141	\$110	(\$31)	\$185	
Transport					
163-City-wide - New Street Tree Planting	\$45	\$23	(\$23)	\$90	
167-Urban Growth - Whakarongo - James Line Upgrade - Stage 4(1651- C/fwd - Urban Growth - Whakarongo -)	\$28	\$86	\$58	\$119	
719-College Street - Implementation Plan for Transport Upgrade	\$10	\$77	\$67	\$37	
910-Ferguson Street (Linton Street to Pitt Street) - Road Widening and Traffic Signal Installation	\$22	\$66	\$44	\$150	
1003-Urban Growth - Whakarongo - Intersection Upgrades(1641-C/fwd - Urban Growth - Whakarongo -)	-	-	-	\$100	
1089-Industrial Growth - NEIZ - Richardsons Line Upgrade(1603- C/fwd - Industrial Growth - NEIZ -)	\$14	-	(\$14)	\$150	
1183-Stoney Creek Road (School) Safety Upgrade(1658-C/fwd - Stoney Creek Road (School))	\$33	\$24	(\$9)	\$34	
1615-City Wide - Parking and Traffic Signs and Marking(1674-C/fwd - City Wide - Parking and Tra)	\$11	\$28	\$17	\$40	
114-City-wide - New Cycle Stands and Shelters	\$7	\$13	\$6	\$18	
148-City-wide - Bus Stop Improvements	\$19	\$64	\$46	\$64	
235-Manawatu River (Ashhurst to Riverside Drive) - Cycle/Pedestrian Pathway(1225-C/fwd - Manawatu River (Ashhurst to)	\$58	\$66	\$8	\$150	
1039-Shared Path Connection - Riverside Drive to Railway Road	-	\$33	\$33	\$33	
1095-Palmerston North to Bunnythorpe - Cycle/Pedestrian Pathway	\$1	\$102	\$101	\$102	

1125-Park Road (from Fitzherbert Avenue to Katene Street) - Cycle/Pedestrian Improvements	-	\$53	\$53	\$53	
1155-City-wide - Street Seats	\$1	\$11	\$10	\$11	
1216-City-wide - Additional Cycle Lanes(1652-C/fwd - City-wide - Additional Cycl)	\$82	\$73	(\$9)	\$104	
1257-City-wide - Cycle Phases at Intersections(1653-C/fwd - City-wide - Cycle Phases at)	-	\$24	\$24	\$42	
1361-Turitea Road - Pedestrian Path/Steps(1647-C/fwd - Turitea Road - Pedestrian P)	\$70	\$49	(\$22)	\$84	
Eco-City					
506-City Wide Public Space Rubbish & Recycling Bins	\$38	\$28	(\$10)	\$40	
657-Recycling - City Wide Wheelie Bins and Crates to Additional Properties	\$50	\$43	(\$7)	\$57	
721-Awapuni Landfill - Landscaping	(\$5)	\$7	\$12	\$17	
1371-Closed Landfills and Transfer Stations - Site Infrastructure	\$135	\$88	(\$47)	\$151	
1373-City Wide Public Recycling Facilities	\$70	\$61	(\$9)	\$78	
1410-Recycling - Recycling Bins and Crates to Non Residential Properties	\$30	\$24	(\$6)	\$32	
1077-Citywide - Biodiversity Enhancement Through Native Planting	\$8	\$19	\$11	\$21	
1451-Council Facilities LED Lighting Upgrades	\$63	\$61	(\$1)	\$61	
Stormwater					
51-City-wide - Stormwater Subdivision Contributions	\$35	\$8	(\$27)	\$151	
197-Urban Growth - North East Industrial Park Stormwater(1602-C/fwd - Urban Growth - North East I)	-	-	-	\$100	
Wastewater					
73-City-wide - Wastewater Subdivision Contributions	-	-	-	\$103	
210-Urban Growth - Installation of Wastewater Systems for New Industrial Areas - NEIZ Extension Area(1625-C/fwd - Urban Growth - Installation)	\$2	-	(\$2)	\$100	
1000-Urban Growth - Whakarongo - Installation of Wastewater Systems(1659-C/fwd - Urban Growth - Whakarongo -)	(\$39)	-	\$39	\$0	
1043-Totara Road Wastewater Treatment Plant - Inlet Main Duplication(1624-C/fwd - Totara Road Wastewater Trea)	-	-	-	\$160	
1048-Totara Road Wastewater Treatment Plant - Construction of New Food Waste Facilities(1660-C/fwd - Totara Road Wastewater Trea)	\$138	\$73	(\$64)	\$173	
1412-Urban Growth - Ashhurst - Wastewater - North St Network Upgrade(1627-C/fwd - Urban Growth - Ashhurst - W)	\$9	\$8	(\$2)	\$20	
1616-City Wide Wastewater Pump Station - Capacity Upgrade	\$57	\$106	\$49	\$100	
1617-Totara Road Wastewater Treatment Plant - Biogas System Improvements	\$67	\$150	\$83	\$150	

1677-Upsizing of Kairanga Bunnythorpe Road Sewer and Storage	\$0	\$20	\$20	\$50	
1688-Three Waters Resilience - Installing Telemetry	\$4	\$64	\$60	\$140	
1689-Three Waters Data Centre Upgrade	\$22	\$80	\$58	\$160	
Water					
124-Turitea Water Treatment Plant - Upgrade to Respond to Review of Drinking Water Standards	-	\$35	\$35	\$50	
1004-Urban Growth - Whakarongo - Installation of Water Supply Systems(1285-C/fwd - Urban Growth - Whakarongo -)	-	-	-	\$100	
1005-Industrial Growth - Installation of Water Supply Systems to an Expanded North East Industrial Zone(1286-C/fwd - Urban Growth - Installation)	\$2	-	(\$2)	\$100	
1385-Water Telemetry Disaster Resilience Additional Microwave Link(1662-C/fwd - Water Telemetry Disaster Re)	\$75	\$129	\$54	\$129	
1386-Ashhurst water supply upgrade to address fire fighting shortfalls and cater for growth	\$60	\$8	(\$52)	\$63	
1607-Water Safety and Security Mitigation	\$0	\$60	\$60	\$60	
CAPITAL RENEWAL					
Creative & Exciting City					
174-Citywide - Replacement of Furniture on Reserves	\$56	\$9	(\$47)	\$40	
177-Citywide - Replacement of Gardens on Reserves	\$1	\$16	\$15	\$32	
182-City Wide - Restoration of Waterways on Reserves	-	\$10	\$10	\$10	
184-Walkways and Shared Paths - Refurbishments and Replacements	\$23	\$47	\$24	\$47	
190-Citywide - Replacement of Trees on Reserves	-	-	-	\$13	
195-Citywide - Renewal of Hardsurface Areas on Reserves	\$100	\$120	\$20	\$142	
257-Sportsfields and Outdoor courts - Fitzherbert/Manawaroa/Ongley Parks - Cricket Block Replacements	-	\$32	\$32	\$32	
258-Citywide - Refurbishment and Replacement of Boundary Fences on Reserves	\$24	\$36	\$12	\$47	
267-Sportsfields and Outdoor Courts - Fitzherbert/Manawaroa/Ongley Parks - Cricket Wicket Renovations	\$17	\$13	(\$4)	\$13	
269-Sportsfields and Outdoor Courts - Vautier Park - Synthetic Court Refurbishments (Plexipave)	\$23	\$46	\$23	\$46	
598-Aquatics - Freyberg Community Pool - Asset Renewals	\$6	\$20	\$14	\$20	
819-Central Energy Trust Arena - Replacement of Equipment	\$43	\$40	(\$4)	\$45	
1108-Cultural/Heritage Reserve - Hokowhitu Lagoon - Bank Renewal(1531-C/fwd - Cultural/Heritage Reserve -)	\$164	\$158	(\$6)	\$158	
1474-City-wide - Renewal of park buildings and structures	\$8	\$30	\$22	\$51	
1490-I-Site LED screen renewal	(\$2)	-	\$2	\$0	
Connected & Safe Community					

37-Cemeteries - Terrace End - Site Enhancements	\$17	\$19	\$2	\$19	
180-Social Housing - Citywide - Community Housing Refurbishments	\$72	\$98	\$25	\$148	
186-Public Toilets - Refurbishments and Replacements	\$7	\$66	\$59	\$121	
203-Interior Design of Community Libraries, Youth Space, and Mobile Library(1670-C/fwd - Interior Design of Communit)	\$12	\$31	\$19	\$62	
278-Cemeteries - Kelvin Grove - Roading and Footpath Refurbishment	\$26	\$38	\$13	\$38	
567-Crematorium - Chapel Interior Renewals	-	\$3	\$3	\$66	
1138-Digital Technology to Support 21st Century Citizens and Service (Renewal)	\$15	\$8	(\$7)	\$15	
1151-City Libraries - Building Security System Renewal	\$31	\$16	(\$16)	\$31	
1575-Seismically brace the HVAC piping(1667-C/fwd - Seismically brace the HVAC)	\$90	\$134	\$44	\$161	
1269-Bylaw Signage - Replacement	-	-	-	\$6	
Driven & Enabling Council					
58-Network Additions and Upgrades	\$32	\$33	\$0	\$42	
68-Aerial Photography	\$22	\$28	\$6	\$28	
86-Council Wide - Furniture Replacements	\$125	\$55	(\$70)	\$138	
272-Staff Cafeteria - Replacement of Equipment	-	\$3	\$3	\$6	
318-Telecommunications Replacement - Council Buildings	\$13	\$111	\$98	\$156	
784-Replacement of Council's Photocopiers/Printers(1672-C/fwd - Replacement of Council's Ph)	(\$2)	\$36	\$38	\$61	
80-Council's Plant and Equipment - Replacement	\$114	\$174	\$59	\$174	
85-Council's Depot Buildings and Structures	\$33	\$90	\$57	\$90	
Innovative & Growing City					
251-Conference & Function Centre - Replacement of Equipment	\$2	\$36	\$34	\$36	
270-Investment Properties - Holiday Park - Renewals	\$8	\$84	\$76	\$180	
664-Conference & Function Centre - Renewals	\$6	\$13	\$7	\$13	
1166-Conference & Function Centre - Equipment Purchases	\$46	\$63	\$17	\$71	
Transport					
74-City-wide - Street Light Replacements	\$84	\$107	\$23	\$141	
82-City-wide - Off Street Parking Resurfacing, Remarketing and Signage Replacement	\$4	\$11	\$7	\$15	
155-City-wide - Street Tree Replacements	\$63	\$61	(\$2)	\$61	
162-City-wide - Vehicle Crossing Replacements	\$101	\$95	(\$6)	\$100	
1443-City-wide - Road Drainage Replacements (Unsubsidised)	\$35	\$75	\$40	\$123	
648-City-wide - Replacement of Deteriorating Cycle Stands	\$4	\$11	\$7	\$11	
Eco-City					
185-Closed Landfills and Transfer Stations - Site Infrastructure Renewals	\$29	\$92	\$63	\$92	

612-Recycling - City Wide Wheelie Bin and Crate Renewals	\$44	\$46	\$2	\$60	
1368-City Wide Public Space Rubbish & Recycling Bins Renewals	\$14	\$13	(\$2)	\$15	
1374-City Wide Public Recycling Facilities Renewals	\$2	\$8	\$6	\$8	
Wastewater					
1351-Eastern Trunk Main - Hokowhitu Campus Renewal	\$16	-	(\$16)	\$142	
1693-PS Telemetry unit compatibility upgrade	\$0	\$17	\$17	\$50	
Water					
1058-City-wide - Groundwater Bores Renewal	-	\$60	\$60	\$20	
1063-Turitea Water Treatment Plant - Replacement of SCADA System Hardware and Software	\$48	\$86	\$38	\$86	

Attachment 5 – Financial Statements

Palmerston North City Council
Summary of Financial Performance
For the period to 31 March 2021

	Year to Date			Full Year	
	Actual \$000	Budget \$000	Actual Prior Year \$000	Revised Budget \$000	Annual Budget \$000
OPERATING REVENUE					
Rates revenue	75,819	75,641	74,228	100,812	100,782
Interest and dividends	223	13	1,161	17	17
Other revenue	22,097	18,623	21,170	26,785	26,784
Operating subsidies and grants	2,443	2,866	2,275	4,383	3,343
TOTAL OPERATING REVENUE	100,583	97,143	98,834	131,996	130,926
CAPITAL REVENUE					
Capital subsidies and grants	6,325	6,090	4,552	14,720	7,321
Development contributions	1,608	1,418	2,269	1,891	1,891
Vested assets	294	1,500	2,464	2,000	2,000
TOTAL CAPITAL REVENUE	8,227	9,009	9,286	18,611	11,212
TOTAL REVENUE	108,810	106,151	108,120	150,606	142,137
EXPENSES					
Employee remuneration	34,746	36,306	34,827	48,337	48,076
Elected member remuneration	738	767	721	1,022	1,022
Depreciation and amortisation	30,321	30,321	27,548	40,428	40,428
Interest	3,714	4,033	4,172	5,557	5,557
Professional service costs	8,923	7,871	8,669	11,709	9,516
Other expenses	21,538	30,260	32,267	39,928	41,145
TOTAL EXPENSES	99,980	109,558	108,204	146,982	145,745
NET SURPLUS/(DEFICIT) BEFORE TAX	8,830	(3,407)	(85)	3,625	(3,607)

Palmerston North City Council
Statement of Financial Position
For the period end 31 March 2021

	2020/21			as at 30 June 2020
	as at 31 March 2021		Full Year	
	Actual \$000s	YTD Rev Budget \$000s	Rev Budget \$000s	
Current Assets				
Cash & Short Term Deposits	21,898	2,039	2,039	2,039
Trade and other receivables	9,827	13,101	12,808	12,845
Inventory	294	386	386	386
Total Current Assets	32,019	15,526	15,233	15,269
Non-Current Assets				
Property, plant and equipment	1,852,704	1,864,972	1,880,039	1,835,362
Inventory-Non-current	7,070	5,401	5,104	5,104
Intangible Assets	1,281	1,281	1,281	1,281
Biological Assets	1,419	1,419	1,419	1,419
Investment Properties	4,550	4,550	4,550	4,550
Investments & Advance	14,812	13,925	13,925	13,925
Total Non-Current Assets	1,881,836	1,891,548	1,906,318	1,861,641
Total Assets	1,913,855	1,907,074	1,921,550	1,876,910
Current Liabilities				
Trade and other payables	24,483	20,641	23,489	23,489
Provisions	789	754	754	754
Current Employee Entitlements	4,924	6,011	6,001	6,001
Current Portion - Term Liab	20,000	20,000	20,000	20,000
Derivative financial instruments	2,583	2,925	2,925	2,925
Total Current Liabilities	52,779	50,331	53,169	53,169
Non-Current Liabilities				
Provisions	596	631	631	631
Term Employee Entitlements	1,235	1,297	1,297	1,297
Term Liabilities	157,000	158,394	163,015	122,000
Derivative financial instruments	5,239	11,636	11,636	11,636
Total Non-Current Liabilities	164,069	171,958	176,579	135,564
Total Liabilities	216,848	222,289	229,748	188,733
Assets less Liabilities	1,697,007	1,684,785	1,691,802	1,688,177
Public Equity				
Retained earnings	1,055,139	1,042,917	1,049,933	1,046,308
Other reserves	641,869	641,869	641,869	641,869
Total Public Equity	1,697,007	1,684,785	1,691,802	1,688,177

Palmerston North City Council
Statement of Cash Flows
For the period to 31 March 2021

	Year to Date		Full Year	
	Actual	Revised Budget	Revised Budget	Annual Budget
Cash Flows From Operating Activities				
Receipts from rates revenues	77,371	72,720	100,812	100,782
Interest received	219	13	17	17
Dividends received	4	-	-	-
Operating subsidies and grants	7,113	7,536	4,383	3,343
Receipts from other revenue	22,443	13,870	26,785	26,784
Capital subsidies and grants	6,325	10,760	14,720	7,321
Development contributions	1,608	1,418	1,891	1,891
Receipts from tax losses	-	-	-	-
Interest paid	(3,714)	(4,033)	(5,557)	(5,557)
Payments to suppliers and employees	(69,591)	(80,154)	(100,960)	(99,760)
Goods and Services Tax (net)	437	288	-	-
Net Cash From Operating Activities	42,215	22,418	42,091	34,821
Cash Flows From Investing Activities				
Proceeds from sale of property	-	-	-	-
Proceeds from sale of biological assets	-	-	-	-
Purchase of property, plant and equipment - net	(31,856)	(37,006)	(57,227)	(49,663)
Purchase of property, plant and equipment - re	(15,836)	(21,807)	(25,880)	(20,803)
Net other advances repayment received/(made)	(886)	-	-	-
Net increase in investments	(342)	-	-	-
Net Cash From Investing Activities	(48,920)	(58,813)	(83,107)	(70,466)
Cash Flows From Financing Activities				
Investment fund reductions	-	-	-	-
Net borrowing proceeds/(repaid)	9,103	36,394	41,015	35,643
Repayment of borrowings	-	-	-	-
Repayment of leases	-	-	-	-
Net Cash From Financing Activities	9,103	36,394	41,015	35,643
Net Increase/(decrease)	2,398	(1)	(1)	(2)
Cash at beginning of year	2,039	2,039	2,039	2,039
Cash at Month End	4,437	2,038	2,038	2,037

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 ad 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

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 - Roading 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	220
Additional funding required	1694-Summerhill Drive - On-Street Parking Infrastructure	234

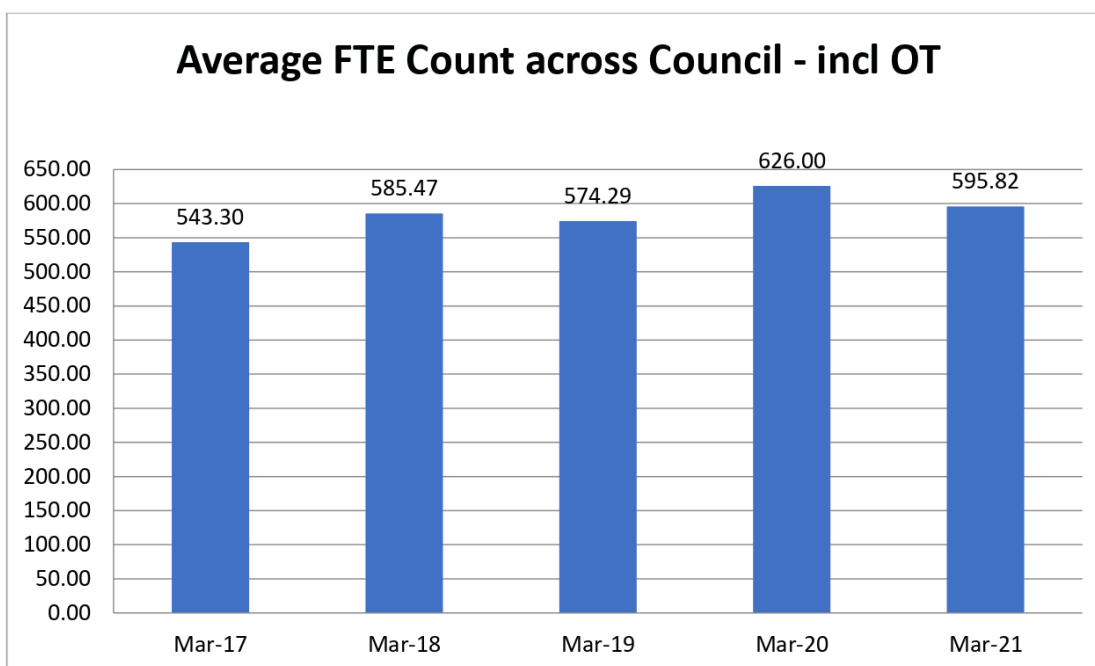
Variations to Annual Budgets approved by Chief Executive

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	(157)
Creative & Exciting City	98-City Reserve Renewals	142
Active Community	174-Citywide Replacement of furniture on reserves	(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	(340)

Attachment 8 – Personnel**FTE Count Across Council – As at March 2021**

Average FTE count has slightly increased from the previous quarter. There is a catch up in recruitment taking place.

Attachment 9 - Councillor Training

March year to date spend is \$15,946 against a full year budget of \$34,656.

Zulfiqar Butt
Building for Zero Carbon
Wellington
16 February 2021

Zulfiqar Butt
National Freshwater Conference
Wellington
17-18 February 2021

Lorna Johnson
Urban Futures Conference
Auckland
22-23 February 2021

Zulfiqar Butt
Urban Futures Conference
Auckland
22-23 February 2021

Susan Baty
Urban Futures Conference
Auckland
22-23 February 2021

Rachel Bowen
Urban Futures Conference
Auckland
22 February 2021
Heritage Place & Identity
Auckland
23 February 2021

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

Aleisha Rutherford
NZPI Conference
Nelson
24-26 March 2021

COMMITTEE WORK SCHEDULE

TO: Finance & Audit Committee

MEETING DATE: 28 April 2021

TITLE: Committee Work Schedule

RECOMMENDATION(S) TO FINANCE & AUDIT COMMITTEE

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

ATTACHMENTS

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

ITEM 11

FINANCE & AUDIT COMMITTEE

COMMITTEE WORK SCHEDULE – APRIL 2021

Item No.	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction/ Point of Origin
1.	April 2021	Annual Report	Chief Financial Officer	Report going to Council meeting on 7 April 2021	
2.	April 2021	Business Continuity preparedness quarterly update	Head of Risk & Resilience	Due to the Covid19 BCP response the week of 15 February 2021, the report will be presented to the F&A Committee in April.	18 November 2020 Clause 57.2
3.	April 2021	Quarterly Performance & Finance Report (quarter ending 31 March 2021)	Chief Financial Officer		
4.	April 2021	Attendance approved, and expenditure of the Elected Member Development & Training budget reported quarterly	Chief Financial Officer	To be included in Quarterly Performance & Finance Report going forward	24 March 2021 Clause 24.2
5.	April May 2021	COVID-19 Expenditure Review Report	Business Assurance Manager		
6.	May 2021	Council Policy Framework Review	Business Assurance Manager		16 December 2020 Clause 67.2
7.	May 2021 September 2021 December 2021	Health & Safety Quarterly Update	Health, Safety & Wellbeing Manager		
8.	May 2021	Review of Elected Members' Expenses and Allowances Policy	Democracy & Governance Manager	Workshop scheduled for March.	19 February 2020 Clause 3
9.	May 2021	Review of Community Development and Events Funding	Business Assurance Manager		16 December 2020 Clause 67.2

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Item No.	Estimated Date	Report	Subject	Officer Responsible	Current Position	Date of Instruction/ Point of Origin
10.	June 2021 December 2021		Business Assurance Accountability Report	Business Assurance Manager		16 December 2020 Clause 68.2
11.	August 2021		Quarterly Performance & Finance Report (quarter ending 30 June 2021)	Chief Financial Officer		
12.	August 2021		Asset Management Planning Review	Business Assurance Manager		16 December 2020 Clause 67.2
13.	August 2021		Health & Safety Review	Business Assurance Manager		16 December 2020 Clause 67.2
14.	August 2021		Internal audit on the Arena Development Project	Business Assurance Manager		Infrastructure 24 March 2021 Clause 5.1
15.	September 2021		Rates Review	Chief Financial Officer		24 March 2021 Clause 24.1
16.	October 2021		Quarterly Performance & Finance Report (quarter ending 30 September 2021)	Chief Financial Officer		
17.	November 2021		Review of Property Asset Renewals	Business Assurance Manager		16 December 2020 Clause 67.2
18.	November 2021		Procurement Review	Business Assurance Manager		16 December 2020 Clause 67.2
19.	November 2021		Victoria Esplanade – Café lease extension negotiations	Chief Infrastructure Officer		24 March 2021 Clauses 18.1, 18.3
20.	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
21.	2022		Financial Delegation of Authority Policy Review Review of Project Planning and Budgeting Enterprise Risk Management Framework Review	Business Assurance Manager		16 December 2020 Clauses 67.2 and 68.2

Item No.	Estimated Date	Report	Subject	Officer Responsible	Current Position	Date of Instruction/ Point of Origin
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			Benefits Realisation Framework and Strategic Prioritisation Review Sustainable Practices Review Financial Processes Analytics (FPA) Six-monthly Business Assurance Accountability Report			
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CONFIDENTIAL DECISIONS RELEASED

Meeting date	Title	Released	Not Released