



**PAPAIOEA**  
PALMERSTON  
NORTH  
CITY

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# **PALMERSTON NORTH CITY COUNCIL**

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AGENDA

## **STRATEGY & FINANCE COMMITTEE**

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9:00 AM, WEDNESDAY 21 FEBRUARY 2024

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

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# MEMBERS

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**Vaughan Dennison (Chair)**  
**Karen Naylor (Deputy Chair)**  
**Grant Smith (The Mayor)**

**Mark Arnott**  
**Brent Barrett**  
**Low Findlay (QSM)**  
**Patrick Handcock**  
**(ONZM)**  
**Leonie Hapeta**

**Lorna Johnson**  
**Orphée Mickalad**  
**William Wood**  
**Kaydee Zabelin**

AGENDA ITEMS, IF NOT ATTACHED, CAN BE VIEWED AT

[pncc.govt.nz](http://pncc.govt.nz) | Civic Administration Building, 32 The Square  
City Library | Ashhurst Community Library | Linton Library

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**Waid Crockett**

**Chief Executive | PALMERSTON NORTH CITY COUNCIL**

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Te Marae o Hine | 32 The Square  
Private Bag 11034 | Palmerston North 4442 | New Zealand  
[pncc.govt.nz](http://pncc.govt.nz)

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CITY

# STRATEGY & FINANCE COMMITTEE MEETING

21 February 2024

## ORDER OF BUSINESS

**1. Karakia Timatanga**

**2. Apologies**

**3. 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.

**4. 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.

**5. 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.)

**6. Hearing of Submissions: Draft Palmerston North Dog Control Policy 2024** Page 7

**7. Hearing of Submissions: Draft Palmerston North Animals and Bees Bylaw 2024** Page 11

**8. Confirmation of Minutes** Page 15  
 "That the minutes of the Strategy & Finance Committee meeting of 15 November 2023 Part I Public be confirmed as a true and correct record."

**9. Quarterly Performance and Financial Report - period ending 31 December 2023** Page 27

Memorandum, presented by Scott Mancer, Finance Manager, John Aitken, Manager - Project Management Office and Andrew Boyle, Head of Community Planning.

**10. Treasury Report - quarter ending 31 December 2023** Page 83

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

**11. Elected Member Expenditure 2022/23** Page 97

Memorandum, presented by Scott Mancer, Finance Manager.

**12. Speed Management Plan - process update** Page 103

Memorandum, presented by Peter Ridge, Senior Policy Analyst.

**13. Committee Work Schedule** Page 117

**14. Karakia Whakamutunga**

**15. 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

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].



## SUBMISSION FROM CONSULTATION

**TO:** Strategy & Finance Committee

**MEETING DATE:** 21 February 2024

**TITLE:** Hearing of Submissions: Draft Palmerston North Dog Control Policy 2024

### RECOMMENDATION(S) TO STRATEGY & FINANCE COMMITTEE

1. That the Strategy & Finance Committee hear submissions from presenters who indicated their wish to be heard in support of their submission.
2. That the Committee note the Procedure for Hearing of Submissions, as described in the procedure sheet.

### SUBMITTERS WISHING TO BE HEARD IN SUPPORT OF THEIR SUBMISSION

Submission No.	Submitter
43	Tone of the Gods
58	Paul Godbaz
62	Maurice Job
69	Kelvin Grove Community Association
73	Heather Meikle
74	Kathryn Dixon

### ATTACHMENTS

1. Submissions (circulated separately) [⇒](#)
2. Procedure Sheet [↓](#) 



## Procedure Sheet Hearing of Submissions

<b>Presenting your submission</b>	<p>You have indicated a wish to present your submission before a Committee of Councillors; you can do this either in-person or online. You may speak to your submission yourself or, if you wish, arrange for some other person or persons to speak on your behalf.</p> <p>We recommend that you speak to the main points of your submission and then answer any questions. It is not necessary to read your submission as Committee members have a copy and will have already read it.</p> <p>Questions are for clarifying matters raised in submissions. Questions may only be asked by Committee members, unless the Chairperson gives permission.</p>
<b>Time Allocation</b>	<p>10 minutes (including question time) will be allocated for the hearing of each submission. If more than one person speaks to a submission, the time that is allocated to that submission will be shared between the speakers.</p>
<b>Who will be there?</b>	<p>The Strategy &amp; Finance Committee will hear the submissions. The Committee comprises of elected members as identified on the frontispiece of the Agenda.</p> <p>There will also be other people there who are presenting their submission. The Hearing is open to the media and the public.</p>
<b>Agenda</b>	<p>An Agenda for the meeting at which you will be speaking will be publicly available at least two working days prior to the meeting. It will be published on the Palmerston North City Council website (<a href="#">Agendas and minutes</a>) and available to view at the Customer Service Centre. The Agenda lists the submissions in the order they will be considered by the Committee, although there may be some variation to this.</p>
<b>Venue</b>	<p>The meeting will be held in the Council Chamber, First Floor, Civic Administration Building, Te Marae o Hine, 32 The Square, Palmerston North.</p> <p>The Council Chamber will be set out with tables arranged appropriately. You will be invited to sit at the table with the Councillors when called.</p>

<b>Tikanga Maori</b>	You may speak to your submission in Maori if you wish. If you intend to do so, please contact us no later than four days before the date of the meeting (refer to the 'Further Information' section below). This is to enable arrangements to be made for a certified interpreter to attend the meeting. You may bring your own interpreter if you wish.
<b>Visual Aids</b>	A whiteboard, and computer with PowerPoint will be available for your use. We prefer you notify us before the day if you will require these.
<b>Final Consideration of Submissions</b>	Final consideration of submissions will be at the ordinary meeting of the Strategy & Finance Committee on 8 May 2024. The media and public can attend these meetings, but it will not be possible for you to speak further to your submission or participate in the Committee deliberations.
<b>Changes to this Procedure</b>	The Committee may, in its sole discretion, vary the procedure set out above if circumstances indicate that some other procedure would be more appropriate.
<b>Further Information</b>	If you have any questions about the procedure outlined above please contact Natalya Kushnirenko, Democracy & Governance Administrator, phone 06 356 8199 extension 7106 or email <a href="mailto:natalya.kushnirenko@pncc.govt.nz">natalya.kushnirenko@pncc.govt.nz</a> .

## SUBMISSION FROM CONSULTATION

**TO:** Strategy & Finance Committee

**MEETING DATE:** 21 February 2024

**TITLE:** Hearing of Submissions: Draft Palmerston North Animals and Bees Bylaw 2024

### RECOMMENDATION(S) TO STRATEGY & FINANCE COMMITTEE

1. That the Strategy & Finance Committee hear submissions from presenters who indicated their wish to be heard in support of their submission.
2. That the Committee note the Procedure for Hearing of Submissions, as described in the procedure sheet.

### SUBMITTERS WISHING TO BE HEARD IN SUPPORT OF THEIR SUBMISSION

Submission No.	Submitter
12	James Beard
23	Royal Forest & Bird Protection Society of New Zealand Incorporated (via Teams)
24	Palmerston North Youth Council
29	Environment Network Manwatū

### ATTACHMENTS

1. Submissions (circulated separately) [⇒](#)
2. Procedure Sheet [↓](#) 



## Procedure Sheet Hearing of Submissions

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## PALMERSTON NORTH CITY COUNCIL

### Minutes of the Strategy & Finance Committee Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 15 November 2023, commencing at 9.03am

**Members Present:** Councillor Vaughan Dennison (in the Chair), The Mayor (Grant Smith) and Councillors Karen Naylor, Mark Arnott, Brent Barrett, Patrick Handcock, Leonie Hapeta, Orphée Mickalad, William Wood and Kaydee Zabelin.

**Non Members:** Councillors Debi Marshall-Lobb and Billy Meehan.

**Apologies:** Councillor Lew Findlay; Councillor Lorna Johnson (late arrival).

Councillor Lorna Johnson entered the meeting at 9.07am during consideration of clause 65. She was not present for clause 64.

Councillor William Wood left the meeting at 11.47am during consideration of clause 69. He was present when the meeting resumed at 1.02pm. He was not present for clauses 69.2 and 70.

Councillor Orphée Mickalad was not present when the meeting resumed at 1.02pm. He entered the meeting again at 1.17pm. He was present for all clauses.

#### **Karakia Timatanga**

Councillor Debi Marshall-Lobb opened the meeting with karakia.

#### **64-23 Apologies**

Moved Vaughan Dennison, seconded Karen Naylor.

#### The **COMMITTEE RESOLVED**

1. That the Committee receive the apologies.

Clause 64-23 above was carried 12 votes to 0, the voting being as follows:

#### **For:**

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Patrick Handcock, Leonie Hapeta, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

### **Declarations of Interest**

Councillor Debi Marshall-Lobb declared a conflict of interest in item 17 (clause 76): 119 Highbury Avenue (part of Tui Park) - Proposal to grant a lease on Council land to Te Whatu Raranga o Highbury Weavers.

Councillor Billy Meehan declared a conflict of interest in Item 16 (clause 75): 154 Centennial Drive - Proposal to continue supporting the Palmerston North Canoe Club Incorporated by notifying the intention to grant occupancy via a commercial lease of Council land and building.

**65-23**

### **Confirmation of Minutes**

Councillor Lorna Johnson entered the meeting at 9.07am.

Moved Vaughan Dennison, seconded Karen Naylor.

#### The **COMMITTEE RESOLVED**

1. That the minutes of the Strategy & Finance Committee meeting of 20 September 2023 Part I Public be confirmed as a true and correct record.

Clause 65-23 above was carried 12 votes to 0, with 1 abstention, the voting being as follows:

#### **For:**

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Patrick Handcock, Leonie Hapeta, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

#### **Abstained:**

Councillor Lorna Johnson.

**66-23**

### **Quarterly Performance and Financial Report - Period Ending 30 September 2023**

Memorandum, presented by Scott Mancer, Finance Manager and Andrew Boyle, Head of Community Planning.

Moved Vaughan Dennison, seconded Karen Naylor.

#### The **COMMITTEE RESOLVED**

1. That the Committee receive the memorandum titled 'Quarterly Performance and Financial Report – Period Ending 30 September 2023', and related attachments, presented on 15 November 2023.

Clause 66-23 above was carried 13 votes to 0, the voting being as follows:

#### **For:**

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

67-23

**Treasury Report - quarter ending 30 September 2023**

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

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee note the performance of Council's treasury activity for the quarter ending 30 September 2023.

Clause 67-23 above was carried 13 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

68-23

**Panako Park - Decision on Reserve Classification and Future of the Girl Guiding New Zealand Hall**

Report, presented by Aaron Phillips, Activity Manager - Parks.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RECOMMENDS**

1. That Council note, but set aside, the objections to the classification of Panako Park for the following reasons:
  - a. The matters of noise, safety, parking and alcohol consumption will be managed through lease provisions or physical road treatments.
  - b. There are overall community benefits from making the land available to a broader range of community uses.
2. That Council approve the classification of Panako Park, being Lots 1 and 2 DP 29836 contained in Certificate of Title WN9B/622, as Local Purpose (Community) Reserve, under delegation from the Minister of Conservation under Section 16(1) of the Reserves Act 1977.
3. That Council adopt Option 1A - 'Proceed with classifying Panako Park as Local Purpose (Community) Reserve and purchase the Girl Guiding hall' and approve unbudgeted capital expenditure of \$45,000 in 2023/24 to purchase the Panako Park hall from Girl Guiding New Zealand and undertake repairs and maintenance, including removal of the derelict shed.
4. That Council approve the lease of the hall and land to Girl Guiding New Zealand on a temporary, month to month basis until the Awapuni Library and Community Hub proposed developments are determined.
5. That Council note, if the proposed Awapuni Library and Community Hub development does not proceed and/or require use of Panako Park, the Chief Executive will pursue options to sell the Panako Park

hall to a community group and report back to Council on the associated land lease under the provisions of the Reserves Act 1977.

Clause 68-23 above was carried 13 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

The meeting adjourned at 10.35am.

The meeting resumed at 10.49am.

**69-23**

**Waterloo Park – Land Exchange Proposal Decision**

Report, presented by Aaron Phillips, Activity Manager - Parks.

Councillor William Wood left the meeting at 11.47am.

After discussion Elected Members chose to decline the land exchange, as this addressed the majority of community views submitted during the consultation process. This would allow for the enhancement of the space by way of a community orchard or similar and would provide an additional river entrance at a cost of \$161,000 maximum.

Moved Lorna Johnson, seconded Brent Barrett.

The **COMMITTEE RECOMMENDS**

1. That Council decline the land exchange and develop the existing reserve as an accessway/community orchard.

Clause 69.1-23 above was carried 10 votes to 2, with 1 abstention, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Mark Arnott, Brent Barrett, Patrick Handcock, Leonie Hapeta, Lorna Johnson, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

**Against:**

Councillors Vaughan Dennison and Karen Naylor.

**Abstained:**

Councillor Orphée Mickalad.

Moved Vaughan Dennison, seconded Karen Naylor.

2. That Council note that regardless of the decision on the exchange, a budget for additional car parking and a path connecting the new river entrance to the existing Manawatū River Shared Path has been forwarded to the draft 2024/34 Ten Year Plan.

Clause 69.2-23 above was carried 12 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Patrick Handcock, Leonie Hapeta, Lorna Johnson,

Orphée Mickalad, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

**Not adopted by Council on 18 December 2023**  
**Clause 220.2-23**

Moved Vaughan Dennison, seconded Karen Naylor.

**Note:**

On a motion:

"1. That Council note, but sets aside, the objections to the exchange of part of Waterloo Park for the following reasons:

- a. The matters of privacy, traffic, flooding and contamination will be dealt with through the plan change process.
- b. The green space provision in the area is significant.
- c. There is an alternative space for the establishment of a community orchard in Waterloo Park.
- d. There is no loss of green space as the area of reserve received in the exchange will be equal in size to the existing reserve and carparking will not be established on the land received in the exchange.
- e. The land received in the exchange would have a wider community benefit than retaining the existing strip of Waterloo Park.

2. That Council approve an application to the Minister of Conservation to exchange 1,300m<sup>2</sup> of Waterloo Park, being part of Part Lot 44 DP 22620 held in title WN8C/884, for new reserve land in the Roxburgh Crescent area.

3. That Council note that the exchange would only be given effect if the Minister's approval is received and the rezoning of the Roxburgh Crescent area is approved."

the motion was lost 5 votes to 8, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Karen Naylor, Patrick Handcock and Debi Marshall-Lobb.

**Against:**

Councillors Mark Arnott, Brent Barrett, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin and Billy Meehan.

**70-23**

**2023 Housing and Business Development Capacity Assessment**

Memorandum, presented by Tara Lennard, Planner and Sam Dowse, Senior Planner.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RECOMMENDS**

1. That Council adopt the '2023 Palmerston North Housing and Business Development Capacity Assessment' presented to Council on 15 November 2023, included as Attachment 1 of this memorandum, and make it publicly available.

2. That Council adopt the housing bottom lines in the 2023 Palmerston North Housing and Business Development Capacity Assessment, and insert these into Section 1 of the Palmerston North District Plan.

Clause 70-23 above was carried 12 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

The meeting adjourned at 11.59am.

The meeting resumed at 1.02pm.

Councillor William Wood was present when the meeting resumed.

Councillor Orphée Mickalad was not present when the meeting resumed.

**71-23**

**Indicator framework for the Long Term Plan 2024-2034**

Memorandum, presented by Kian Lee, Policy Analyst and Julie Macdonald, Strategy & Policy Manager.

Councillor Orphée Mickalad entered the meeting at 1.17pm.

Moved Vaughan Dennison, seconded Lorna Johnson.

The **COMMITTEE RESOLVED**

1. That the report be laid on the table and referred to the Council meeting of 6 December 2023.

Clause 71-23 above was carried 13 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

**72-23**

**Procurement Policy**

Memorandum, presented by Paul Hollis, Procurement Manager.

For the purposes of clarity, and to allow for flexibility, Elected Members requested the wording change detailed in recommendation 3.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RECOMMENDS**

1. That Council adopt the Procurement Policy (Attachment 1), noting that the Delegations Manual will need to be updated to reflect the new procurement principles.
2. That Council rescind the Local Impact Procurement Policy.

Clauses 72.1-23 and 72.2-23 above were carried 13 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

Moved Brent Barrett, seconded Lorna Johnson.

3. For the Fostering Local Business and Upholding Te Tiriti Principles of the Procurement Policy, replace the word 'include' with the words 'consider including' in the 'How Can We Achieve This' section.

Clause 72.3-23 above was carried 13 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

**73-23**

**Opie Reserve - Proposal to support Te Kōhanga Reo O Ngāti Hineaute Ki Rangitaane O Manawatū Trust by notifying the intention to grant community occupancy via a lease of Council land**

Report, presented by Bryce Hosking, Group Manager - Property and Resource Recovery.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee support Te Kōhanga Reo O Ngāti Hineaute Ki Rangitaane O Manawatū Trust by notifying the intention to grant community occupancy via a lease at Opie Reserve and part of Tui Park, Palmerston North, in accordance with the Support and Funding Policy 2022 and Section 54 of the Reserves Act 1977.
2. That the Committee note the land affected by the community occupancy lease to Te Kōhanga Reo O Ngāti Hineaute Ki Rangitaane O Manawatū Trust is described as Lot 81 DP 24258 and Sec 1 SO 452061.

Clause 73-23 above was carried 13 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

**74-23**

**21 Havelock Avenue (part of Bill Brown Park) - Proposal to support Papaioea Pasifika Community Trust by notifying the intention to grant a Licence Agreement of Council land**

Report, presented by Bryce Hosking, Group Manager - Property and Resource Recovery.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee notify the public of its intention to support a proposed community garden activity to be coordinated by Papaioea Pasifika Community Trust in addition to their existing activities at 21 Havelock Avenue (part of Bill Brown Park), Palmerston North. This will be in accordance with the Support and Funding Policy 2022 and Section 54 of the Reserves Act 1977.
2. That the Committee note the land affected by the Licence Agreement to Papaioea Pasifika Community Trust is described as Lot 1 DP 40097.

Clause 74-23 above was carried 13 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

**75-23**

**154 Centennial Drive - Proposal to continue supporting the Palmerston North Canoe Club Incorporated by notifying the intention to grant occupancy via a commercial lease of Council land and building**

Report, presented by Bryce Hosking, Group Manager - Property and Resource Recovery.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee propose to continue to support Palmerston North Canoe Club Incorporated by notifying the public of its intention to grant occupancy of Council land and building at 154 Centennial Drive, Palmerston North, in accordance with Section 54 of the Reserves Act 1977.
2. That the Committee note that the land affected by the occupancy of Palmerston North Canoe Club Incorporated is described as Part Lot 3 DP 1332.

Clause 75-23 above was carried 12 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin and Debi Marshall-Lobb.

**Note:**

Councillor Billy Meehan declared a conflict of interest, withdrew from the discussion and sat in the gallery.

76-23

**119 Highbury Avenue (part of Tui Park) - Proposal to grant a lease on Council land to Te Whatu Raranga o Highbury Weavers**

Memorandum, presented by Bryce Hosking, Group Manager - Property and Resource Recovery.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee grant a lease of the land and part building at 119 Highbury Avenue (part of Tui Park), Palmerston North described as Sec 1 SO 452061 to Te Whatu Raranga o Highbury Weavers, in accordance with Council's Support and Funding Policy and Section 54 of the Reserves Act 1997.

Clause 76-23 above was carried 12 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin and Billy Meehan.

**Note:**

Councillor Debi Marshall-Lobb declared a conflict of interest, withdrew from the discussion and sat in the gallery.

77-23

**279 Albert Street (part of Hokowhitu Domain) - Proposal to grant a lease to Hokowhitu Bowling Club Incorporated**

Memorandum, presented by Bryce Hosking, Group Manager - Property and Resource Recovery.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee grant a lease of the land at 279 Albert Street (part of Hokowhitu Domain), Palmerston North described as Lot 18 DP 32630, and part of Lots 214, 215, 216, and 217 DP 791 to Hokowhitu Bowling Club Incorporated, in accordance with Council's Support and Funding Policy and Section 54 of the Reserves Act 1977.
2. That the new lease to Hokowhitu Bowling Club Incorporated have an initial term of five (5) years with a right of renewal for a further five (5) years.

Clause 77-23 above was carried 13 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

**78-23 309 Main Street - Proposal to grant a lease on Council land to Senior Citizens Association Palmerston North Incorporated**

Memorandum, presented by Bryce Hosking, Group Manager - Property and Resource Recovery.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee grant a lease of the land at 309 Main Street, Palmerston North described as Lot 2 DP 40465 to Senior Citizens Association Palmerston North Incorporated, in accordance with Support and Funding Policy 2022.

Clause 78-23 above was carried 13 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

**79-23 Vautier Park - Proposal to grant a lease on Council land to Netball Manawatū Centre Incorporated**

Memorandum, presented by Bryce Hosking, Group Manager - Property and Resource Recovery.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee grant a lease of the land and part building at Vautier Park, Palmerston North described as Part Section 248 TN of Palmerston North WN 16B/1168 to Netball Manawatū Centre Incorporated, in accordance with Council's Support and Funding Policy and Section 54 of the Reserves Act 1977.

Clause 79-23 above was carried 13 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

**80-23 Pioneer Reserve - Proposal to grant an easement on Council land to Powerco Limited**

Memorandum, presented by Bryce Hosking, Group Manager - Property and Resource Recovery.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RECOMMENDS**

1. That Council grant an easement to convey electricity to Powerco.

2. That Council note that the requirements of Sections 119 and 120 of the Reserves Act 1977 have been satisfied in relation to public notification prior to the resolution to grant an easement to convey electricity over Pioneer Reserve.

Clause 80-23 above was carried 13 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

**Amended by Council on 18 December 2023**

**Clause 220.1-23**

**81-23 Committee Work Schedule**

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Strategy & Finance Committee receive its Work Schedule dated November 2023.

Clause 81-23 above was carried 13 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

**Deferral of item to the next Council meeting**

The Chair advised the following item on the Agenda would be deferred to the Council meeting to be held on 6 December 2023:

- Deliberations on submissions - draft Interim Speed Management Plan (School Speed Limits)

**Karakia Whakamutunga**

Councillor Debi Marshall-Lobb closed the meeting with karakia.

The meeting finished at 2.13pm.

Confirmed 21 February 2024

**Chair**



## MEMORANDUM

**TO:** Strategy & Finance Committee

**MEETING DATE:** 21 February 2024

**TITLE:** Quarterly Performance and Financial Report - period ending 31 December 2023

**PRESENTED BY:** Scott Mancer, Finance Manager, John Aitken, Manager - Project Management Office and Andrew Boyle, Head of Community Planning

**APPROVED BY:** Cameron McKay, Chief Financial Officer  
David Murphy, Chief Planning Officer  
Chris Dyhrberg, Chief Infrastructure Officer

### RECOMMENDATION TO COMMITTEE

1. That the Committee receive the memorandum titled 'Quarterly Performance and Financial Report – period ending 31 December 2023', and related attachments, presented on 21 February 2024.

#### 1. ISSUE

To provide an update on the performance and financial achievements of the Council for the period ending 31 December 2023.

#### 2. BACKGROUND

Details of operating and financial performance are included in the attached report, with further information provided through the appendices to the report.

#### 3. NEXT STEPS

The March 2024 quarterly report will be presented to Council after the completion of that quarter.

#### 4. COMPLIANCE AND ADMINISTRATION

Does the Council have delegated authority to decide?	<b>Yes</b>
Are the decisions significant?	<b>No</b>
If they are significant do they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>

Does this decision require consultation through the Special Consultative procedure?		<b>No</b>
Is there funding in the current Annual Plan for these actions?		<b>No</b>
Are the recommendations inconsistent with any of Council's policies or plans?		<b>No</b>
The recommendations contribute to Goal 5: A Driven & Enabling Council		
The recommendations contribute to the achievement of action/actions in (Not Applicable)  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**

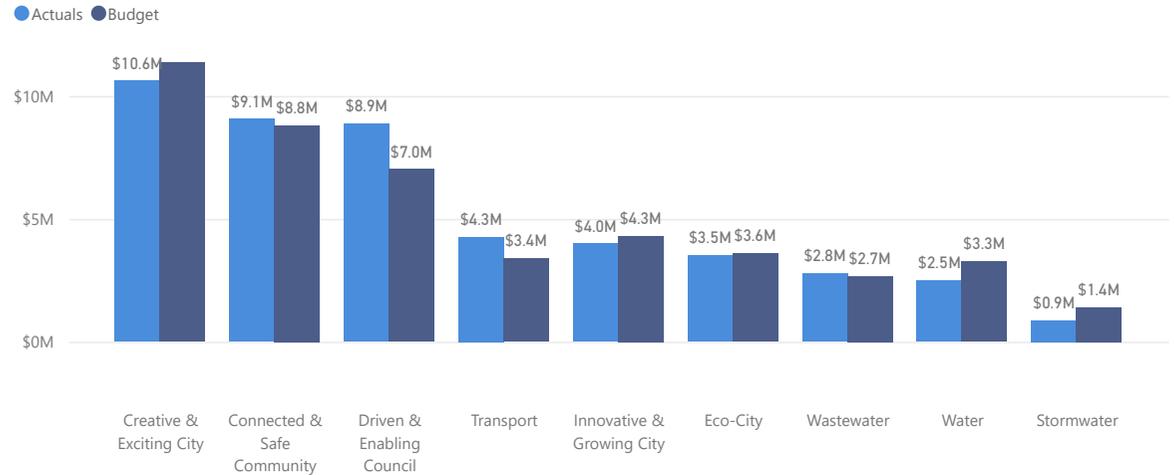
1. December month end financial dashboard [↓](#) 
2. FY 2024 Quarterly Report to Strategy & Finance Committee December 2023 [↓](#) 
3. FY2024 Quarterly Report - Appendix 1 Performance Measures December v2 [↓](#) 
4. FY2024 Appendix to Report to Strategy & Finance Committee December 2023 [↓](#) 

# December Financial Dashboard - Profit and Loss

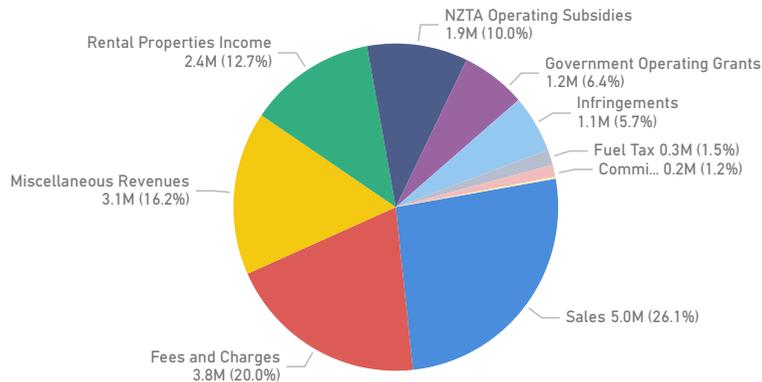
YTD operating position - Council

Category	Actual	Budget	Variance
<b>Operating Revenue</b>	<b>(19.1M)</b>	<b>(20.3M)</b>	<b>(1.1M)</b>
Fees and charges	(3.8M)	(4.4M)	(0.5M)
Grants and subsidies received	(3.2M)	(3.3M)	(0.1M)
Other revenues	(12.1M)	(12.6M)	(0.5M)
<b>Operating Expenditure</b>	<b>65.6M</b>	<b>66.1M</b>	<b>0.5M</b>
Contractors	12.0M	11.1M	(0.9M)
Grants and subsidies paid	5.1M	5.4M	0.3M
Materials	2.0M	2.4M	0.4M
Net Internal Expenses	(5.6M)	(5.1M)	0.5M
Other operating expenses	10.0M	10.9M	0.9M
Professional Services	10.0M	9.8M	(0.2M)
Remuneration	30.2M	30.1M	(0.2M)
Utilities	1.9M	1.5M	(0.4M)
<b>Other operating</b>	<b>(57.9M)</b>	<b>(57.3M)</b>	<b>0.6M</b>
Net Interest	4.6M	4.9M	0.2M
Rates Revenue	(62.5M)	(62.2M)	0.3M
<b>Total</b>	<b>(11.5M)</b>	<b>(11.5M)</b>	<b>(0.1M)</b>

YTD operating position - by Group of Activity



Non-rates revenue YTD by resource

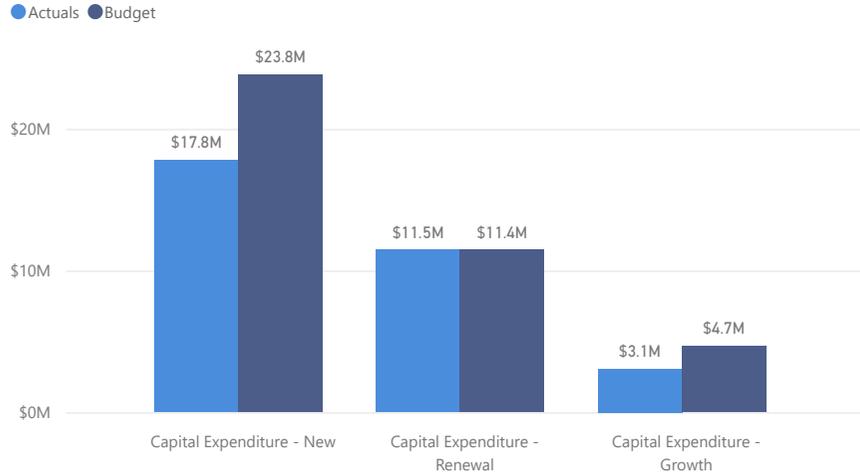


Operating position:

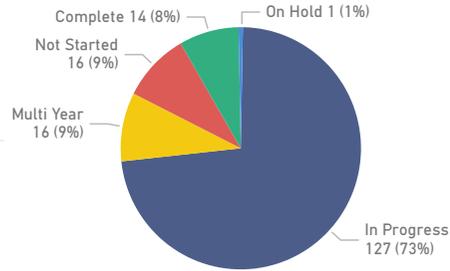
- The net operating position at the end of December is 0.6M unfavourable. This has shifted from 0.1M unfavourable at the end of November
- From a revenue perspective, key deviations from budget are:
  - Fees and charges are unfavourable by 0.5M related to Building Consents, this is partially offset by savings in related expenditure (professional services)
  - Other revenues are unfavourable by 0.5M predominantly related to Roothing and Strategic Investments. The revenue variance for Strategic Investments is partially offset by savings in expenditure
- From an expenditure perspective, key deviations from budget are:
  - Contractors are unfavourable by 0.9M Council wide predominantly related to timing of maintenance work for Roothing
  - Unfavourable variance for remuneration of 0.2M related to accrued holiday pay
  - Other operating expenses are favourable by 0.9M largely related to Economic Development & Strategic Investments and due to timing of expenditure
- Miscellaneous Revenue as shown in the pie chart is made up of the following amounts (MDC Building Contract 0.7M, Windfarm Royalties 0.5M, Catering Cost Recoveries 0.8M and Commercial Waste Minimisation 0.3M [2.3M of 3.1M])

# December Financial Dashboard - Balance sheet

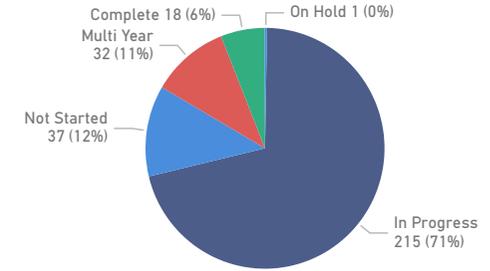
## YTD capital spend



## Capital programme - FY24 only (Infrastructure)



## Full capital programme (Infrastructure)



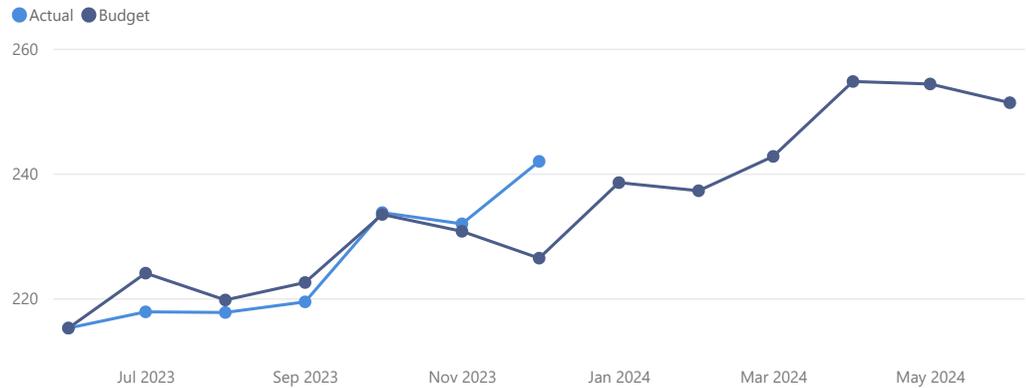
## YTD capital spend - all Council

Category	Actual	Budget	Variance	FY budget	Percentage spend
Capital Expenditure - Growth	3.1M	4.7M	1.6M	11.0M	27.9%
Capital Expenditure - New	17.8M	23.8M	6.0M	63.6M	28.0%
Capital Expenditure - Renewal	11.5M	11.4M	-	27.3M	42.0%
<b>Total</b>	<b>32.3M</b>	<b>39.9M</b>	<b>7.6M</b>	<b>101.8M</b>	<b>31.7%</b>

## Capital programme:

- A December capital spend of 3.7M brings the capital programme spend to 32.3M for the first half of the year. The YTD spend for the previous financial year was 25.4M for the equivalent period.
- The YTD capital spend equates to 31.7% of the full year capital programme budget
- Most projects captured in the 'not started' category are expected to commence in the third quarter of FY2024
- One project is currently on hold for the capital programme:
  - 2923-Bill Brown Additional Carparking (deferred to the Long-Term Plan)
- At 31 December 2023, initial advice received is that the City-wide - Urban Cycle Infrastructure Network improvements programme is likely to be put on hold
- Net debt is tracking above budget with a current position of 241.9M, relating to timing of borrowing.

## Net debt by month



# Performance and Financial Report to Council

December 2023

## Contents

Chief Executive's Summary .....	2
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## Chief Executive's Summary

This report covers the second quarter of the 2023/24 financial year outlining operating performance, capital delivery, and non-financial performance of Council.

At the end of December Council's net operating position is 0.6M unfavourable against the revised budget with some key variances across operating revenue and expenditure. The largest variances in operating revenue are in fees and charges (unfavourable by 0.5M) and in other revenues (unfavourable by 0.5M across various activities), both revenue variances are at least partially offset with savings in expenditure. For operating expenditure, the largest variance is contractors (unfavourable by 0.9M) and other operating expenses (favourable by 0.9M). Further information outlining operating variances is provided in the subsequent sections of this report. There are minor variances across all expenditure items, all offsetting each other. Capitalised labour is currently favourable by 0.5M as a result of settled weather enabling good progress of the capital works programme being made to date.

Through February we will be undertaking a forecasting exercise to further understand the expected end of year financial position.

For the Capital Programme, delivery momentum has continued from the first quarter. Capital spend for the first two quarters of FY2024 reached 32.3M, compared to a 25.4M spend for the equivalent period of FY2023. Of the 315 total capital projects, 253 projects are in progress (single or multiyear), 42 not started, and 19 are complete.

### **New financial and regulatory systems transition**

Over the first six months FY2024, officers have been working hard to implement Authority Altitude (AA), the new finance and regulatory system, as well as a new reporting and planning tool.

It was expected that with such a major change of software, that issues with the implementation and as the system was started to be used widely were likely to arise. This is often in the form of system bugs or process change issues. Officers have been working through these issues with the system providers (Civica) and learning how it is designed to operate. Some of the functionality that we were accustomed to in our previous system does not feature in this new tool, and a number of the transactional processes have more steps.

Officers are reviewing the issues and the performance of the system that our staff are experiencing and are developing an action plan on how these could be improved. We are also pushing the software vendor to commit to improving some of the functionality in the solution.

## Operating Performance

Summary of Financial Performance	2023/24 (\$M)			
	Year to Date			FY
For the period to 31 December 2023	Actual	Budget	Variance	Budget
Fees and charges	3.8	4.4	(0.5)	8.0
Grants and subsidies received	3.2	3.3	(0.1)	8.0
Other revenues	12.1	12.6	(0.5)	25.1
<b>Operating Revenue</b>	<b>19.1</b>	<b>20.3</b>	<b>(1.1)</b>	<b>41.2</b>
Other operating expenses	10.0	10.9	0.9	17.1
Contractors	12.0	11.1	(0.9)	22.6
Grants and subsidies paid	5.1	5.4	0.3	10.2
Materials	2.0	2.4	0.4	4.7
Professional Services	10.0	9.8	(0.2)	19.2
Remuneration	30.2	30.1	(0.2)	61.2
Utilities	1.9	1.5	(0.4)	3.0
Net Internal Expenses	(5.6)	(5.1)	0.5	(10.3)
<b>Operating expenses</b>	<b>65.6</b>	<b>66.1</b>	<b>0.5</b>	<b>127.7</b>
<b>Net Operating Surplus/(Deficit)</b>	<b>(46.4)</b>	<b>(45.8)</b>	<b>(0.6)</b>	<b>(86.5)</b>
Rates Revenue	62.5	62.2	0.3	124.2
Net Interest	(4.6)	(4.9)	0.2	(9.7)
<b>Operating Controllable Surplus/ (Deficit)</b>	<b>11.5</b>	<b>11.5</b>	<b>(0.1)</b>	<b>28.0</b>
Depreciation and amortisation	(21.5)	(21.5)	0.0	(43.0)
Non-operating revenues	5.0	11.4	(6.4)	23.8
Non-operating expenses	(3.1)	0.0	(3.1)	0.0
<b>Net result</b>	<b>(8.2)</b>	<b>1.4</b>	<b>(9.7)</b>	<b>8.7</b>

The net operating position at the end of December is unfavourable by 0.6M, with some key deviations from budget to highlight:

- Operating revenue
  - Fees and charges revenue is unfavourable YTD by 0.5M, predominantly related to building services driven by lower demand. This is partially offset by savings in operating expenditure (professional services).
  - Other revenues are unfavourable YTD by 0.5M predominantly related to Roding and Strategic Investments. For Strategic Investments, this mainly relates to income that has offsetting savings in expenditure.
- Operating expenditure
  - Contractors are unfavourable YTD by 0.9M related to Roding. This is a result of the timing of maintenance works.

- Utilities are unfavourable YTD by 0.4M. This relates predominantly to the BioGas generator being offline for a period of time. This has since been repaired and the variance remains stable.
- Other operating expenses are favourable by 0.9M predominantly related to Economic Development & Strategic Investments and due to timing of expenditure.
- Net internal expenses (capitalised labour) are favourable by 0.5M, largely related to settled whether enabling high levels of capital work.

For further information on YTD performance see:

- Appendix 1 - Detailed Non-Financial Performance Measures
- Appendix 2 – Activities Net Operating Cost
- Appendix 3 – Operating Programme Reporting
- Appendix 7 – Financial Statements
- Appendix 8 – Approved variations to Annual Budget
- Appendix 9 – Financial dashboard

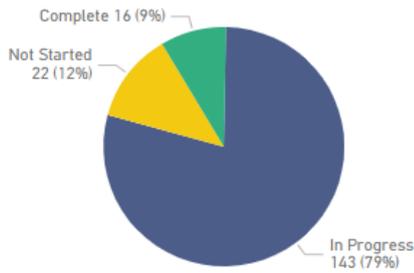
## Capital Delivery Status

### Current Delivery Status

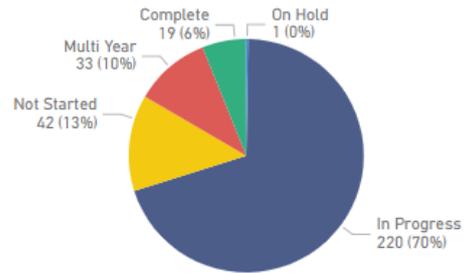
The quarter two spend of 15.6M reflects the delivery momentum that has continued from the first quarter. The YTD capital spend of 32.3M is encouraging when compared to 25.4M for the same period in FY2023. Settled weather is a key factor which has enabled steady progress particularly for capital renewal projects.

Of the 315 total capital projects, 253 projects are in progress (across both single and multiple year projects), with 19 projects complete. Programme deliverability confidence is high, the more integrated project delivery approach and the pending project management software will further support deliverability. The one project on hold is the Bill Brown Park car park extension which has been deferred to the Long-term Plan. It's anticipated that another Programme will be placed on hold during January (City-wide - Urban Cycle Infrastructure Network improvements) as we await further direction from the Government regarding the funding of this work.

**Capital programme - FY24 only (Infrastructure)**



**Full capital programme (Infrastructure)**



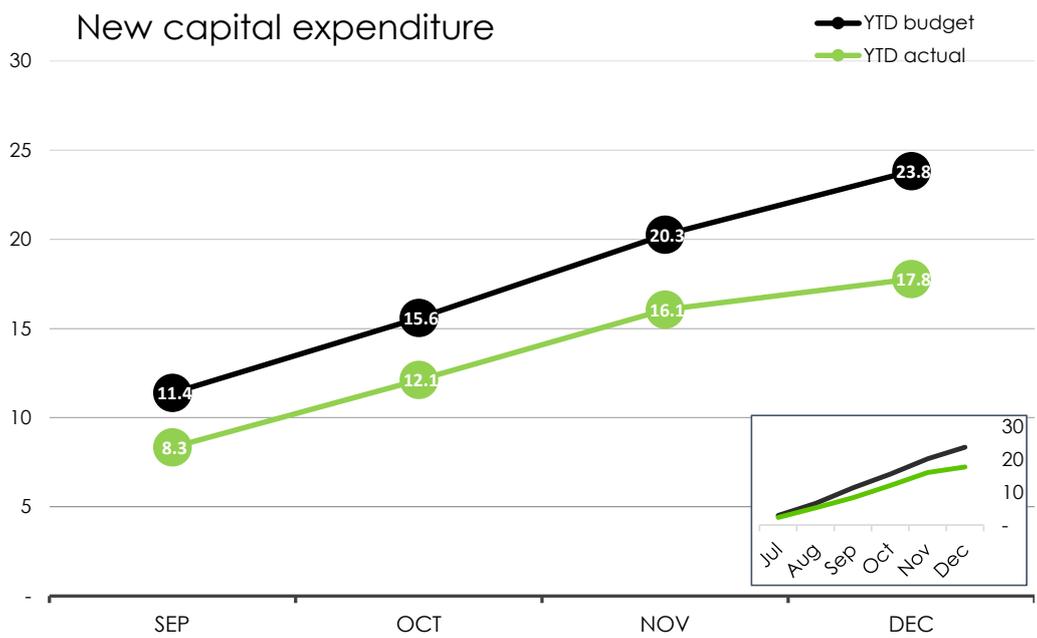
- Not Started** Project has not commenced.
- In Progress** Planning, design, or construction is underway.
- Complete** Project is complete.
- Multi year** Project spans multi years and will not complete in FY2024
- On Hold** Project unable to be progressed

Throughout quarter two there was substantial progress on several significant projects:

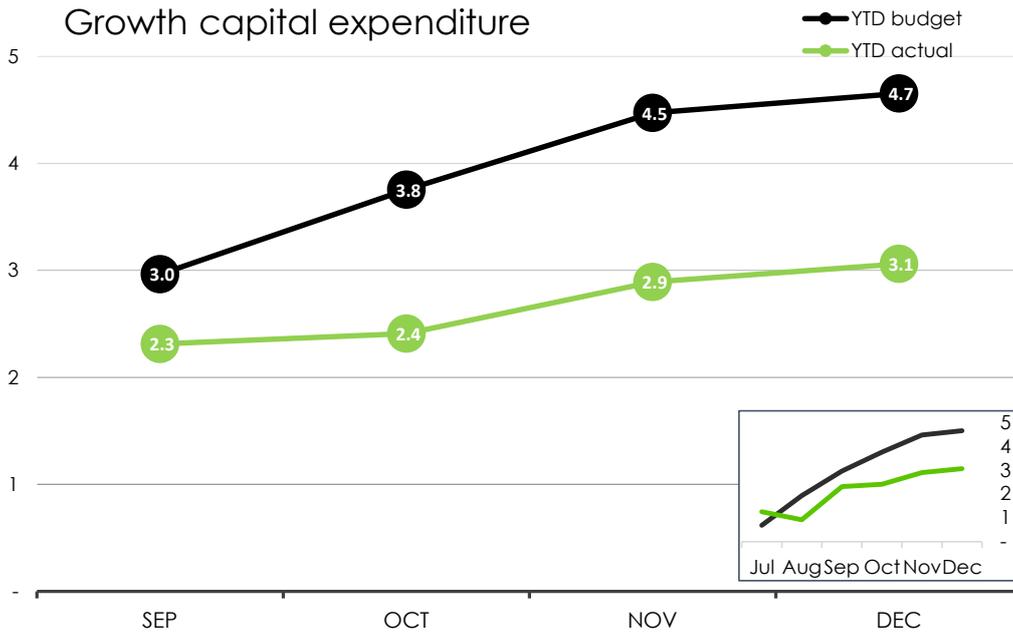
- The new Animal Shelter – ongoing construction.
- Crematorium seismic strengthening – ongoing construction, on track for May completion.
- North-East Industrial Zone upgrade – ongoing construction, Setters Line in progress.
- Turitea Water Treatment Plant seismic strengthening – Complete.
- Papaioea Place Stage 3 – complete, blessing occurred 21<sup>st</sup> December. Public Opening 31<sup>st</sup> Jan.
- Glenburn Retainer Wall – under contract with construction to commence late January 2024.
- Featherston Street Cycle Way – in action, site setup underway with construction to commence late January 2024.
- Bus Shelter Development - in action, site preparation underway. Shelters are being assembled at PNCC Depot.

Please see below for a breakdown of the capital programme spends and variances to date.

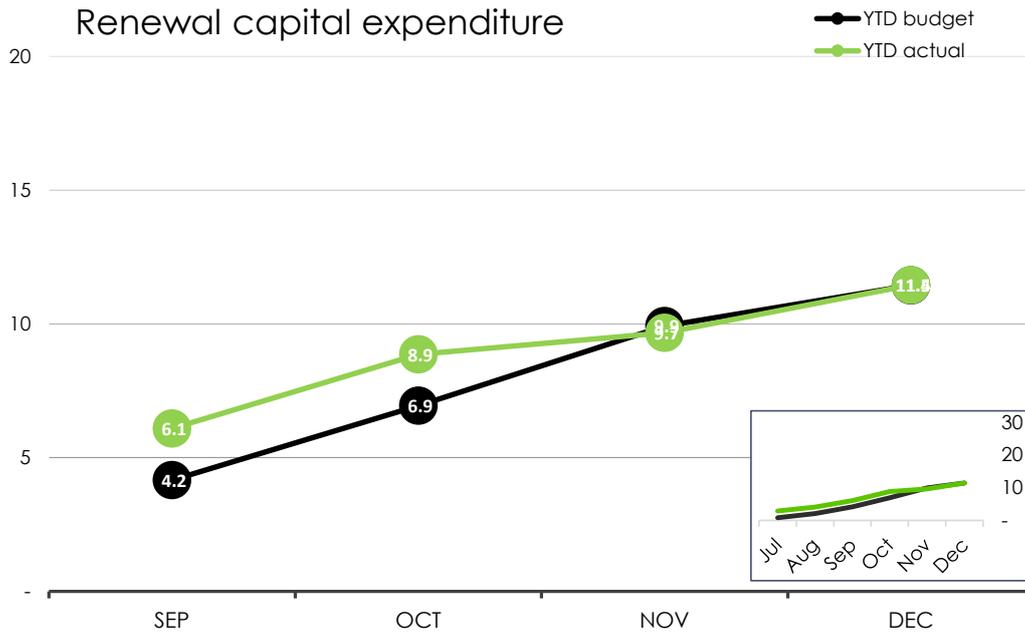
	Council wide actuals YTD	Council wide budget YTD	Variance	Council wide AP budget	Council wide revised budget	% YTD spend to revised budget
Capital New	17.8	23.8	6.0	52.4	63.6	28%
Capital Growth	3.1	4.7	1.6	13.0	11.0	28%
Capital Renewal	11.5	11.4	(0.0)	27.9	27.3	42%
<b>Total Capital</b>	<b>32.3</b>	<b>39.9</b>	<b>7.6</b>	<b>93.3</b>	<b>101.8</b>	<b>32%</b>



Programmes with the largest variance against budget include City-wide - Transport Choices - Public Transport (1.9M), City-wide - Urban Cycle Infrastructure Network improvements (0.8M), and City-wide - Minor Transport Improvements (0.6M).



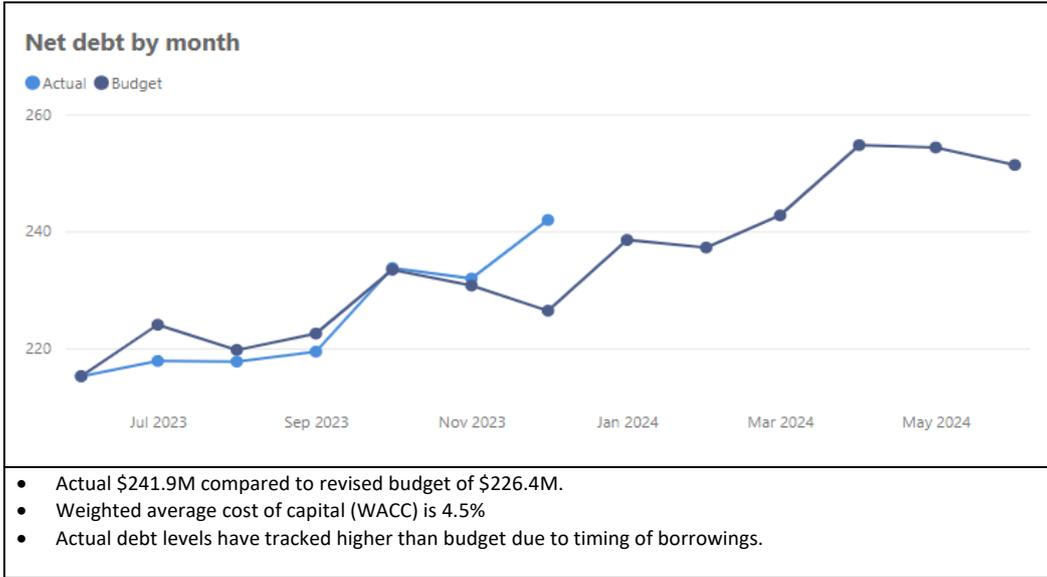
Work for capital growth is usually affected by external factors which impacts the timing of work.



Accelerated work in the Three Waters space – good weather and changes in operational processes have improved performance in capital renewal delivery. Main variances against budget include - Wastewater Pipe Renewal (0.3M favourable) and Footpath Renewals (unsubsidised – 0.3M favourable). These favourable variances are fully offset by other renewal programmes which are currently tracking ahead of budget due to timing of work.

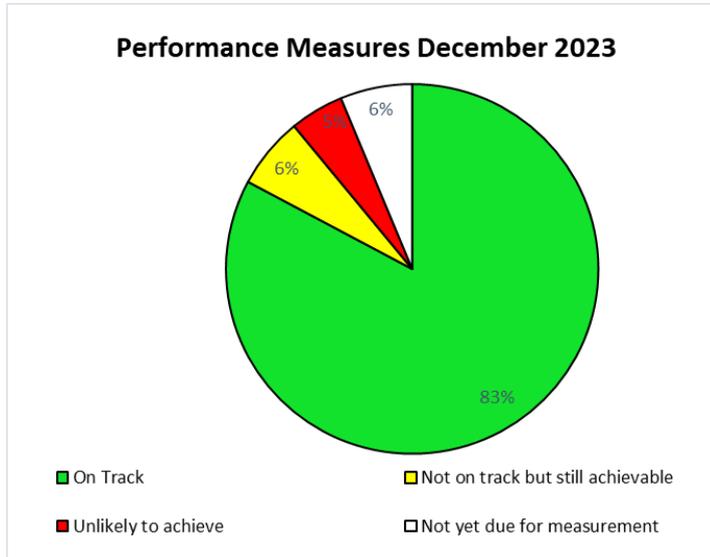
For additional information on capital delivery see:

- Appendix 4 – Capital expenditure by Group of Activities
- Appendix 5 – Capital expenditure by Programme (over \$1,000,000)
- Appendix 6 – Capital expenditure by Programme (under \$1,000,000)
- Appendix 8 – Approved variations to Annual Budget



## Performance Measures

At the end of December 2023, 53 (83%) of performance measures were on track, 4 (6%) are not yet due for measurement, 4 (6%) were not on track but still achievable, and 3 (5%) are unlikely to be achieved.



For additional information on performance measures see:

- Appendix 1 – Detailed performance measures

## Resourcing

The information provided around resourcing is being reviewed after recognising a disparity between systems about the number of vacancies held by the organisation. We are working to rectify this information and will provide an update in the Quarter 3 report. Officers have experienced the recruitment market improving in recent times, with a high proportion of the vacancies going to market being filled in a timely manner. This combined with a lower turnover rate than previously experienced by Council has resulted in pressures for the FY2024 remuneration budget.

## Quarterly Performance and Financial Report - December

Performance Measures	Comments	Sep	Dec	Mar	Jun
<b>Goal 1: An Innovative and Growing City</b>					
<b>City Growth</b> (Page 32 of the 10 Year Plan)					
<p><b>01. Measure:</b> Enough land is zoned, infrastructure enabled and feasible to develop, to meet growth demand. <b>Target:</b> At least three years of housing and business land with services is immediately available.</p>	<p>The 2023 Housing and Business Needs Assessment has been completed, from this assessment we need to provide 9883 dwellings over the next 30 years to meet demand.</p> <p>Infill - there is capacity for approximately 1,200 new dwellings if all properties with space for additional dwellings were to be developed. There is capacity for an additional approximately 6500 dwellings if all properties over 700m2 were to demolish existing houses and develop new. Projected supply in the short term is reliant on infill subdivision continuing at historical levels to hedge any delivery risk for greenfield areas.</p> <p>Greenfield: we anticipate capacity for approximately 9600 dwellings in greenfield growth areas, predominately in the medium and long term as these areas have significant infrastructure servicing needs. This timing is likely to work out well to meet a slowing future supply of infill development as the easy lots all get developed, and will also hedge risk if stormwater ponding risk becomes a significant constraint to medium density.</p> <p>There is sufficient redevelopment potential within the existing business zones for the short and medium term, and we expect that the Te Utanganui Central New Zealand Distribution Hub will consolidate more logistics companies looking to upscale. This will consequentially free up more land within existing business zones for small-medium business.</p> <p>Note: Aokautere hearings have been held in December last year so should free up resources to progress three waters and transport assessments for plan changes such as Kākātangiata and Medium Density.</p>	R	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
<p><b>02. Measure:</b> Resource consent applications are processed within statutory frameworks.<b>Target:</b> At least 95%</p>	<p>142 resource consents have been determined through the first two quarters of the 2023/24 Financial Year with 72% (102) processed within statutory timeframes. When compared to the same period in the previous 2022/23 Financial Year it is noted while the output is well down (199 consents were issued at the time) the percentage on time has increased markedly (from 56% at that time). This is because we have received a lower amount of consents through the first two quarters (214 vs 265) which has afforded greater capacity to get the consents issued at a quicker rate. However, it is noted that there are a significant number of large size and complex consents (predominately related to Kainga Ora) that are affecting both output and processing speed. Overall, our expectation is that the number of consents lodged, and hence issued, will continue to track lower than the 2022/23 Financial Year, reflecting a less buoyant economy in general with relatively high interest rates persisting. This leads to a final observation that we expect to continue to achieve a good level of processing speed and potentially some improvement on 72% as the year rolls on. However, it is very unlikely that the 95% target will be achieved due to the nature of the work and ongoing industry resourcing issues. In the 2024 LTP we will be recommending that this target be amended to 80% processed on time to reflect the complexity of resource consents.</p>	Y	R		

Performance Measures	Comments	Sep	Dec	Mar	Jun
<b>03. Measure:</b> Building consent applications are processed within statutory frameworks. <b>Target:</b> At least 95%	Of the 222 building consent applications processed for the quarter, 209 (94%) were processed within the statutory timeframe. This quarter's total of 222 building consent applications represents a slight decrease compared to the previous quarters (230), a trend affected by a number of factors such as the downturn in the economy.	G	G		
<b>04. Measure:</b> City-wide urban design principles are reflected in planning advice and decision-making. <b>Target:</b> Narrative measure outlining how urban design principles are being implemented.	Urban design expertise is informing Council-led District Plan Changes under development including residential intensification to meet the National Policy Statement on Urban Development and other greenfield growth in Aokautere, Kākātangiata, and Roxburgh Cres. Aokautere Urban Growth (Plan Change G) hearings have recently been held and a decision expected by mid 2024. Urban design expertise continues to support and guide most medium-density housing proposals through a pre-application proposal to gain resource consent. The 'Delivering Change' fund still provides support to this process where needed as well as other strategic developments seeking consent such as 83 Victoria Ave, 34 Linton St, and The Former Post Office Building. There is a higher level of integrated transport and land use planning (movement and place) underway at different scales that will greatly improve urban structure, form, function, and safety for the city. At the macro level projects include Te Utanganui, the PN Strategic Networks Plan, and the PN Parking Framework. He Ara Kotahi, CET Arena and recent additions to Cuba St continue to have a positive city image impact on users and the quality of the places and spaces they experience. Commercial developments within the Business Zone and housing intensification continues to deliver positive urban design outcomes around enhancing public/private edges relationships and compact urban form, increased transport mode share integration, increased visual interest, amenity and play opportunities. The physical expression of city heritage and vegetation still appears to be a gap and not well addressed in public space design outcomes. The CET Arena review is now complete with identity, wayfinding, heritage and increased public facing relationship to wider urban form being some key urban design principles to deliver on.	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
<p><b>05. Measure:</b> There is an increase in range of building types being built in the city centre and local neighbourhoods (eg different densities, cohousing, CBD residential, green buildings). <b>Target:</b> Narrative measure outlining trends in the range of building types.</p>	<p>There continues to be low interest in city centre commercial properties by developers. Some city centre sites are seeking resource consent for development but retaining traditional retail activities. The Former Post Office is an exception seeking to convert the majority of this heritage building into a hotel and accommodation. Housing remains focused on infill and medium-density developments across the residential zone with a couple of medium-density housing developments commencing and nearing completion within the Outer Business Zone - 34 Linton St and 18 Linton St. A six townhouse multi-unit development at Adesanya Close is now complete while other multi unit developments at North St, Ruahine St and Balrickard Way continue construction and near completion. Resource consent has been issued for up to 18 apartments in the T&amp;G building, but the work will not be able to start until strengthening is investigated, designed, and constructed. We understand there may be some indicative interest in redevelopment of 23 Princess St to apartments and interest from a community housing provider to plan for a community housing development in the city centre (no land or proposal as of yet). Recent feedback from the development community is that with property prices as they currently are, multi-unit development has been less attractive to buyers compared to standard residential. This has led to some developers slowing down multi-unit development, but they are still positive about multi-unit in the future when the timing in the market works for them.</p>	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
<b>Economic Development Activity</b> (Page 37 of the 10 Year Plan)					
<b>01. Measure:</b> Funding is distributed and the key objectives achieved. <b>Target:</b> Narrative measure outlining outcomes achieved by the funded organisations.	CEDA funding allocated and they are due to present their 6 month report in early 2024. CEDA annual report for 22/23 was well received and addressed key objectives. Highlights from the year include:- Te Utanganui Central NZ Distribution Hub grows adding two port partners. - Manawatū Regional Food Strategy stage two draft completed.- Manawatū 2.0 campaign PR reach of 2.7M.- Manawatū Destination Management Plan refreshed.- 3140 people attended the NZ Careers Expo.- \$193,182 in capability development support issued through the Regional Business Partners Program.- \$957,940 in Callaghan Innovation Research and Development grants issues.- 444 unique business supported (including 39 Māori businesses).(The full report is on the Council's Economic Growth Committee Agenda for 25 October 2023.)	G	G		
<b>02. Measure:</b> Achieve a positive city reputation. <b>Target:</b> 3x narrative measures: Increases in positive sentiment, increase in levels of engagement, and formal survey/research	Over this past two-and-a-half-month period, Council has had just over 40 media queries, did more than 45 interviews and issued 33 media releases. Engagement included: Featherston St engagement on final design and construction, engagement with Summerhill design with shopping centre businesses, Speed Limits consultation, Te Utanganui engagement, Vogel St consultation, Bus shelter consultation round 2, Bill Brown- community garden consultation and the Palmerston North to Feilding shared pathway engagement. We communicated with our public on many topics, such as Library summer reading programme, Te Marae o Hine construction around the clocktower, Shakeout, pride events, campaign to get Wildbase volunteers, Diwali event, play week and play fest, summer water use, recycling week, Park Right campaign, new river entrances opening, Remembrance Day, charity stores rubbish disposal reimbursement, and swim safety campaign. Over these 2.5 months, more than 107,000 people visited our website, more than 207,000 times – of these 178,000 (85%) were what we call “engaged sessions” (ie when people download a document, or scroll at least 90% of the page). The total number of pages viewed this quarter is 738K. The most visited pages are Rubbish and recycling days (43K views) and Property and rates search (27K views).The three main ways people visit our website are organically, from a search engine like Google (69%), coming directly (13%) and via our social media channels (11%). In this quarter, 5,800 visitors used our website as the gateway to the Altitude payment platform for a total of 8,200 times – 6,300 of these were to pay a parking ticket. Across Facebook, Instagram and LinkedIn almost 2.9 million people saw our content. More than 181,000 people actively engaged through comments/likes/shares etc. More than 11,000 people clicked through to our website to learn more. On TikTok our content was viewed nearly 776,000 times and actively engaged through comments/likes/shares more than 18,528 times.	W	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
<b>Transport</b> (Page 42 of the 10 Year Plan)					
<b>01. Measure:</b> The change in the number of fatal and serious injury crashes from the previous year on the city's local road network. Fewer than the previous year. <b>Target:</b> Narrative measure outlining long-term accident trends and causes.	In the 12-month period ending November 2023, there were 5 fatal and 38 serious injury crashes in Palmerston North. 2 of these involved cyclists and 7 involved pedestrians. The 12 months prior there was 6 fatal crashes, and 26 serious injury crashes. 7 of those crashes involved pedestrians and 1 involving cyclists. NOTE: Some crash data may not have been uploaded to Waka Kotahi's Crash Analysis system at the time of review. Fatal crashes tend to occur in the rural parts of the network, typically on the fringes of the urban area.	Y	Y		
<b>02. Measure:</b> The average quality of ride on the sealed local road network, measured by smooth travel exposure. <b>Target:</b> Greater than 80%.	The smooth travel exposure for the city is calculated at 84% for the 2022/23 financial year.	G	G		
<b>03. Measure:</b> The percentage of the sealed local road network that is resurfaced. <b>Target:</b> More than 3.5%	2% of the network was resealed. A combination of high requirements for the prerequisite pre-reseal repairs plus price escalations in materials and labour have resulted in less resurfacing being able to be delivered.	Y	Y		
<b>04. Measure:</b> The percentage of footpaths that meet Council standard. <b>Target:</b> Greater than 93% rated 3 or above.	93% of the networks footpaths is rated 1-3 (Excellent - Average). We note that standard approaches such as grinding and tree root pruning to enable path replacement is becoming less effective as the street tree stock grows. Footpath renewals are becoming increasingly difficult and requires wider strategic consideration alongside our street trees.	G	G		
<b>05. Measure:</b> Percentage of requests for service relating to roads and footpaths responded to (with at least an initial response) within three working days. <b>Target:</b> Greater than 95% of safety and critical requests.	100% of requests have been responded to within 3 working days in second quarter, with 87% in the first quarter. (Majority of the incidents where this measure was not met initially was due to either contractor or internal staff capacity. Recruitment of staff has lifted the timeliness of the response rate.)	Y	Y		

Performance Measures	Comments	Sep	Dec	Mar	Jun
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**Goal 2: Creative and Exciting City**

**Active Communities** (Page 54 of the 10 Year Plan)

<b>01. Measure:</b> Increase in use of parks, sports fields and playgrounds. <b>Target:</b> Narrative measure outlining Parks Check Survey results.	The Park Check Survey is undertaken between December and March each year. The survey results will be reported at the end of the 3rd Quarter.	W	W		
<b>02. Measure:</b> Increase in use of aquatic facilities. <b>Target:</b> Usage numbers at Lido, Freyberg and Ashhurst Pools.	The number of users at all three pools has dropped by 2298 compared to the first 6 months of last year. Within this, the number of users at the Lido Aquatic Centre for the six-month period was 188,192 (up 1,968 users compared with the same period last year). The number of the Under 5 users was 19% lower than last year. The number of users of the Freyberg Community Pool for the six-month period was 94,953, (up 1,481 users). The number of Under 5 users 27% higher than the same period last year. The number of users for the Splashhurst Community Pool for the six-month period was 11,582, (down 2298 users), largely due a reduction in school bookings. The number of Under 5 users was 1.6% lower than last year.	Y	Y		
<b>03. Measure:</b> Increase in use of Central Energy Trust Arena for community sport and active recreation. <b>Target:</b> Narrative measure outlining number of community events and hours.	At the end of the second quarter of the year, the number of Community Sport events at Central Energy Trust Arena is 1,370 compared to 1,315 at the same stage last year. This is an increase of 4%. Hours of use are 4,756 compared to 4,873 last year, a decrease of 2.5%. 92,464 people has taken part in Community Sport compared to 100,111 at the same stage last year, a decrease of 7.5%. Overall everything is on track with the number of events slightly up but hours of use slightly down.	Y	G		
<b>04. Measure:</b> Increase in satisfaction of Council's sport and recreation facilities. <b>Target:</b> Narrative measure outlining trends in user and resident feedback and surveys.	The Park Check Survey is undertaken between December and March each year. The survey results will be reported at the end of the 3rd Quarter.	W	W		
<b>05. Measure:</b> Council works in partnership with external organisations. <b>Target:</b> Narrative measure outlining partnership initiatives designed to increase participation and their outcomes.	The Council's funding agreement with Sport Manawatū is now in its second year. In the past 6 months its work has focussed on a co-ordinated approach to the planning of regional sports facilities and encouraging people in the City to be more active. Specific actions include: PNGHS Let's Move it programme, the 'Activating rangatahi network', regional leadership of the revised Manawatū-Whanganui Regional Sport Facility Plan, discussions with national sports organisations on multiyear partnerships to deliver national grade events on the City, and the Active Summer campaign. More	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
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**Arts and Heritage** (Page 63 of the 10 Year Plan)

<p><b>01. Measure:</b> Increase in patronage of Council-owned cultural facilities (Te Manawa, Globe Theatre, Regent Theatre, and Square Edge), as measured by reports provided by operators. <b>Target:</b> Annual patronage numbers for the CCOs increase.</p>	<p>This information will not be supplied to Council officers until February 2024, as the LGA does not require CCOs to provide this information until 28 February. Patronage data will be presented as part of the CCOs' (Te Manawa, Globe Theatre and Regent Theatre) 6 month report to the Culture &amp; Sport Committee in March 2024.</p>	W	W		
<p><b>02. Measure:</b> Funding is distributed and the key objectives achieved. <b>Target:</b> Narrative measure outlining outcomes achieved by the CCOs.</p>	<p>The LGA does not require CCOs to provide this information to Council officers until 28 February. Progress of performance measures will be presented as part of the CCOs' (Te Manawa, Globe Theatre and Regent Theatre) 6 month report to the Culture &amp; Sport Committee in March 2024</p>	W	W		
<p><b>03. Measure:</b> Sites of significance to Rangitāne o Manawatū are identified, protected or acknowledged. <b>Target:</b> Narrative measure outlining the number and description of sites.</p>	<p>The new river entrance linking Hokowhitu Lagoon to the river through the Centennial Park subdivision is now complete. Phase I of the Albert Street entrance is now complete, and the second phase (bollards and new driveway) will be completed once Horizons Regional Council complete river protection rock work. Development of Ruahine Reserve is now well underway. The Pataka Kai and Rangitane lighting sculptures are both complete and ready for installation.</p>	G	G		
<p><b>04. Measure:</b> Increase in investment of earthquake-prone heritage buildings. <b>Target:</b> Narrative measure outlining investment in buildings and its outcomes.</p>	<p>The Former Post Office has now been granted consent. Funding has been approved for detailed seismic assessments for the former Kilwinning Masonic Lodge and Former Union Baptist Church. Funding was declined for an incomplete application for strengthening and repair works for the T&amp;G Building, but we are working with the owner to advise them on how to prepare a complete application to support strengthening works. We are working with the Hoffman Kiln Trust on advising them to prepare an application for strengthening the main kiln structure.</p>	G	G		
<p><b>05. Measure:</b> Heritage is part of the multidisciplinary approach to working on Council projects. <b>Target:</b> Narrative measure outlining the projects and their multi-disciplinary nature.</p>	<p>Advice is being given to Palmy BID on enhanced heritage signage in the city centre, currently as an idea being explored by both the Heritage Trust and Palmy BID. No funding currently exists for incorporating heritage interpretation into Cuba Street and the Natural and Cultural Heritage Fund has been oversubscribed since August - funding has been prioritised to support repair work on two residential heritage buildings and roof replacements for the former Kilwinning Masonic Lodge and Union Baptist Church. Advice has been given to St Andrews Church regarding how to maximise both their frontage and surrounding footpath space to provide public value.</p>	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
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**City Shaping** (Page 63 of the 10 Year Plan)

<p><b>01. Measure:</b> City Centre Streetscape Plan is successfully implemented. <b>Target:</b> Narrative measure outlining progress on implementing the Plan.</p>	<p>The City Centre Streetscape Plan is now incorporated into the wider City Centre Transformation programme of work. No further physical development of these streets has occurred. An Indicative Business Case (IBC) for the City Centre is now underway to identify the preferred option for an urban transit hub and secure co-funding from Waka Kotahi with the Project Steering Group is now participating in this process. This is due for completion in early 2024.</p>	G	G		
<p><b>02. Measure:</b> A wide range of public space projects are implemented. <b>Target:</b> Narrative measure outlining the public space projects, their multi stakeholder / multidisciplinary nature, and their outcomes.</p>	<p>The Manawatū River access at Albert St is now complete and open to the public, as is the public reserve and river access at Centennial Park linking Hokowhitu Lagoon to the Manawatū River. These entrances, developed in partnership with Rangitāne, are providing enhanced identity, recreation amenity and connection into the wider river environment, increasing links with other significant sites (Ruahine Pā) as well as surrounding residential neighbourhoods. Featherston St Cycleway and associated pedestrian upgrades between Aroha St and North St is set to commence construction from mid-January 2024. These will be delivered in two phases with Aroha St to Rangitikei St commencing first and Rangitikei St to North St scheduled to commence mid-February. The changes being the result of extensive community engagement with majority funding from Waka Kotahi 'Streets for People Fund'. This will further increase the urban cycling network, as identified under the Urban Cycle Masterplan. A new city centre artwork honouring Rangitāne ancestor Ereni Te Awe Awe has been completed around the base of the Hopwood Clock in Te Marae O Hine The Square. Developed with Rangitāne, the ground pattern represents the taniko of the kaitaka (finely woven cloak) once worn by Ereni and further extends the whakatauki of He Aho Tangata (the human threads that binds us) across our city. A public mural is currently being installed on the Pak n Save wall on Linton St paid for by funding Council received from the Woman's Football World Cup. A new mural on the Tui Park toilet block has been completed. A replacement mural has been commissioned for the one on the CAB wall facing Main St to replace the vandalised mural. Initial planning for the second phase of the Highbury Shops Revitalisation Project is underway, to enhance Te Reo Māori, safety, bi-cultural elements, and play elements into the space. City Centre Play : Installation of a basketball court next to the skatepark is due for completion in March. A range of interactive musical instruments are planned for installation around the duckpond quarter of Te Marae o Hine early this year and a miniature nature play trail is planned for along Cuba Street outside Briscoes.</p>	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
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**Goal 3: Connected & Safe Community**

**Connected Communities Activity** (Page 74 of the 10 Year Plan)

<p><b>01. Measure:</b> Library users are satisfied with the services and programmes provided. More than 800,000 visits a year. Average use per item per year is at least 4 (physical items). <b>Target:</b> Narrative measure outlining the development and use of digital collections. Narrative measure outlining the results of user and residents' satisfaction surveys.</p>	<p>Physical visitor numbers increased by 15% with 276,675 visits across the eight City Library locations, compared to 240,401 for the same period last year. Of note Ashhurst Library had a 23% increase in visitor numbers; Central Library had a 15% increase; and Youth Space had a 90% increase with 13,209 more visitors than the same period last year. Annual visits per capita sits at 5.87 compared to 4.57 for the same period last year - an increase of 28%. The collection continues to work hard with the average use per item being 4.53 (compared to a national average of 2.62) and 'virtual' visits included Enterprise with 368,673 page views; the City Library website with 188,509 page views; and Manawatū Heritage with 145,862 page views and the Tour App was used 144 times. Our libraries hosted 34,670 PC sessions and 75,820 Wi-Fi sessions for the six months to the end of December. There were 332 heritage inquiries; 1266 digital help sessions; and 1673 people were assisted with reference enquiries. Our eBook &amp; eAudio collections had 74,285 items issued in the first six months of the year which is 15.8% of total issues. The number of permanent Home Service users increased to 115 customers at the end of December.</p>	G	G		
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Performance Measures	Comments	Sep	Dec	Mar	Jun
<p><b>02. Measure:</b> Library programmes reflect the changing needs of communities.</p> <p><b>Target:</b> Narrative measure number and description of programmes and their outcomes.</p>	<p>Library programming has nearly returned to pre-Covid levels. For the first six months of the year, 1363 programmes were delivered with 31,601 attendees with programme attendance increasing by 9.3% compared to the same period last year. Book launches included Maria Fernanda Loureiro (Molecada Batucada), Lael Chisholm, an evening with the Randell Cottage French writer in Residence Caroline Laurent and Versions Tuawha, a City Library initiative that supports new writers to become published. Community celebrations included the Tuvalu, Fijian and Niuean language weeks and Pride Month. Highlights from the October school holiday programme included clean-up days, a gorge walk, canine friends and seed sowing with the Let's Grow kaumatua. The Book Buds reading programme was successfully completed by 750 children. The Summer Reading programme commenced in December, this year including the first ever book chats in NZ Sign Language as well as English, Te Reo and nine other languages. Highlights at our community libraries included Ashhurst Library celebrating their 30th year in their current location and the team played a major role in the Ashhurst Food Drive again this year. The team at Awapuni Library featured in an article by Sport NZ with the sports kit initiative; and community craft groups and morning teas were highly attended at each location. Highlights from Youth Space programming included budgeting workshops, Ara Poutama wananga sessions, Pride Month, Friday Feeds and a Talent quest. The Youth Space and Governance teams re-energized the active citizenship space for rangatahi with Youth Council reviewing their Terms of Reference, Code of Conduct and Elected Member handbook as well as delivering a number of events including Pizza and Politics, a Head Students hui and a stall at Palmy Playfest. In addition, the Youth Council scholarships opened for applications and two rangatahi were selected for the Tuia Te Here Tangata leadership programme. Outreach initiatives included attending the PPCT (Papaioea Pasifika Community Trust) open day, the Play Festival and the Reading in Mind book group for those affected by stroke, Alzheimer's and other forms of dementia.</p>	G	G		
<p><b>03. Measure:</b> Accessible and genderneutral toilets are provided throughout the city, and especially in places where there is the most community activity. <b>Target:</b> Narrative measure outlining number, type and location of toilets, plus annual satisfaction survey results</p>	<p>There are 56 public toilet blocks located throughout the city. The refurbishment of the toilets located at Guilford Street, Ashhurst was completed in November 2023. The refurbishment works included ensuring that the toilet blocks were accessible and gender neutral as appropriate. Additional new public toilets are being installed at the river-end of Albert Street and along the He Ara Kotahi pathway by the Urban Eels platform. This will be complete by 31 December 2023. In the latest 2022 survey most of the respondents signaled that they were either neutral (34%) or satisfied (50%) with the public toilets in the city.</p>	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
<b>04. Measure:</b> Community centres are well used. <b>Target:</b> Narrative measure outlining use of centres and range of use with them	Community centres continue to experience high demand for bookings from both regular and casual users. Data available through the Skedda booking system indicates that all centres are averaging around 25-40 hours per week use, with the exception of Bunnythorpe and the Leisure Centre, which tend to be higher, and Bunnythorpe, which is lower but still in the establishment phase. Officers brought the centre Committees together for an end of year hui in November, to acknowledge their volunteer efforts throughout the year, and also to share learnings and experiences across the centres.	G	G		
<b>05. Measure:</b> Visitors to cemeteries are satisfied with the services provided. <b>Target:</b> Narrative measure outlining user and residents survey trends.	Cemetery visitors are not formally surveyed, due to the sensitive nature of their visit. Feedback received from visitors - (emails, Kbase), indicate a high level of satisfaction with services provided by Council staff.	W	G		
<b>06. Measure:</b> Council's social housing tenants are satisfied with the social housing service they receive. <b>Target:</b> Narrative measure outlining survey results and tenant feedback.	The overall satisfaction rate in the 2023 survey was 97%. Of the 143 tenants who answered question 4 (overall, how satisfied are you living in a PNCC housing unit?) 139 gave a rating of 3 or 4 out of 5. This survey is conducted every two years.	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
<b>07. Measure:</b> Council's social housing is warm and safe, as shown by compliance with the Otago Medical School He Kainga Oranga Rental Housing Warrant of Fitness Standard. <b>Target:</b> Standards met.	Council has circa 430 units in its housing portfolio. As of 30 September 2023, all units have been upgraded to meet the Healthy Homes and the WOF standards.	G	G		
<b>08. Measure:</b> More community-led projects are supported by Council. <b>Target:</b> Narrative measure outlining description of activities funded and their outcomes.	Many community-led initiatives have been supported by Council through this period, through funding support, planning advice, and other support such as marketing. Event highlights of this quarter have included partnering with a number of rainbow community groups to celebrate PRIDE events in October, Moon Festival and Diwali Mela celebrations, Christmas events at Awapuni and Farnham Parks, the first community movie night of the summer series at Savage Park, an open day at the Pasifika Centre hosted by Papaioea Pasifika Community Trust, and the multicultural Palmy Play Festival during National Play Week. Project highlights have included the Epic Music Academy, which is providing music lessons for students at local primary schools.	G	G		
<b>09. Measure:</b> There are increases in: participation in community and city centre events, satisfaction with the annual programme of events, the range and diversity of community-led events in the city. <b>Target:</b> Narrative measure outlining number and range of events, plus participation and satisfaction with events.	Public attendance at community events in the city continue to grow with weather impacting final numbers at a range of activations. Satisfaction on the diversity of council delivered events remains high (70%) as indicated by recent resident satisfaction survey results. Highlights for council this quarter include Diwali Mela, Remembrance Day, New Year's Eve in The Square and Christmas Events - A Very Palmy Christmas Concert and Parade.	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
<b>Safe Communities Activity</b> (Page 84 of the 10 Year Plan)					
<b>01. Measure:</b> The SAB carries out a range of successful initiatives. <b>Target:</b> Narrative measure (outlining description of SAB initiatives and their outcomes).	SAB (Safety Advisory Board) is continuing to collaborate on approaches to improve the sense of safety in the CBD. The SAB have been supportive of planning with police to ensure community safety during Pride month, White Ribbon Day planning (though the event was postponed to early 2024 due to bad weather), retail workshops delivered in partnership with Palmy BID and police, and the roll out of the rainbow Safe Spaces initiative with MALGRA.	G	G		
<b>02. Measure:</b> Increasing preparedness for emergencies in Palmerston North. <b>Target:</b> Narrative measure outlining Manawatu Wanganui CDEM preparedness 2- yearly survey trends and description of initiatives.	The Council's Emergency Management team regularly interacts with community groups and at community events. Our regular interactions with key stakeholders at local and regional meetings ensure relationships are well established before an emergency. Council Emergency Management teams' water tank project continues to be popular with the community with high regular sales. Council is refreshing our emergency Civil Defence Centre processes and engaging with Rangitāne to create a fit-for-purpose model to support our community during an emergency. The Council will continue to interact with the community to be prepared for all emergencies and meet objectives from the Manawatu Whanganui CDEM group plan. Council Emergency Management regularly engage with the community to increase preparedness.	G	G		
<b>03. Measure:</b> Bylaws are reviewed on legal timeframe and enforced. <b>Target:</b> Narrative measure outlining description of programme to develop and review bylaws and their outcomes.	Work has begun on reviews of the Dog control policy (and bylaw) and the Animals and bees bylaw. Significant new work in speed management (development of a Speed Management Plan, rather than the current Bylaw) have continued, with hearings and decisions being made by Council this and next quarter. This work is subject to the Government's coalition agreements.	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
<b>Goal 4: Eco-City</b>					
<b>Climate Change</b> (Page 89 of the 10 Year Plan)					
<b>01. Measure:</b> Increase in sustainable practices. <b>Target:</b> Narrative measure outlining projects and initiatives that foster sustainable practices / behaviours and their impacts.	The Low Carbon Fund has been utilised to increase sustainable practices by purchasing new electric vehicles, installing solar panels, and upgrading to heat pumps to enable the reduction of the organisation's emissions.	G	G		
<b>02. Measure:</b> Decrease in Council's total organisational emissions. <b>Target:</b> Narrative measure outlining greenhouse gas reduction initiatives and their impacts.	Reported to the Sustainability Committee in October the total organisational emissions have dropped 31.5% since the baseline year. This means we have achieved the target set in the 2021-31 LTP.	G	G		
<b>03. Measure:</b> Work with iwi and community groups to re-establish bush, particularly along waterways, and to control introduced predators. <b>Target:</b> Measured through Manawatū River level of service.	Council and Massey University have planted two hectares into native trees adjacent to the He Ara Kotahi walkway. Council continues to work with Rāngitane and private contractors to manage predators.	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
<b>Environmental Sustainability</b> (Page 93 of the 10 Year Plan)					
<b>01. Measure:</b> Increase in sustainable practices. <b>Target:</b> Narrative measure outlining projects and initiatives that foster sustainable practices / behaviours and their impacts.	Council continues to support and fund the Future Living Skills (Sustainable Living Programme), which are well attended. Staff meet with representatives of Environment Network Manawatu regularly.	G	G		
<b>02. Measure:</b> Work with iwi and community groups to re-establish bush, particularly along waterways, and to control introduced predators. <b>Target:</b> Measured through Manawatū River level of service.	Council and Massey University have planted two hectares into native trees adjacent to the He Ara Kotahi walkway. Council continues to work with Rāngitane and private contractors to manage predators.	G	G		
<b>Manawatu River</b> (Page 97 of the 10 Year Plan)					
<b>01. Measure:</b> Increase in the public use of the river environment. Increase in native planting and observed biodiversity improvements in suitable locations in the river environment. Greater connectivity of features within the Manawatū River Park. <b>Target:</b> Narrative measure outlining public use the river, biodiversity and native plantings, and connectivity of features.	Observations indicate public use of the river path remains high. Completion of the Albert Street River entrance has improved accessibility to the river. The Turitea Pa site continues to attract users to venture further into the park. A river user survey was completed last year providing Council with a baseline to compare to user numbers in future years. The survey collected basic demographic information which asked users how often they visited the River Park, why they visited, if they exercised at the river more often than before its redevelopment, and for an indication of other features they would like to see developed in the River Park in the future. The next survey will occur in the 3rd quarter.	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
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**Resource Recovery** (Page 101 of the 10 Year Plan)

<p><b>01. Measure:</b> Compliance with resource consents for the Resource Recovery Activity measured by the number of abatement notices, infringement notices, enforcement orders and convictions. <b>Target:</b> 100% compliance</p>	<p>100% Compliant. We continue to monitor operations to ensure compliance with our resource consent conditions, along with producing reporting as required to Horizons Regional Council.</p>	G	G		
<p><b>02. Measure:</b> Decrease in per capita volume of waste sent to landfill. <b>Target:</b> Narrative measure outlining Council initiatives to decrease waste sent to landfill.</p>	<p>The 2019 Waste Management and Minimisation Plan (WMMP) sets a target of increasing waste diversion from 38% to 48% by 2025. Reducing the amount of material sent to landfills is to be achieved via the 26 actions that were set out in the WMMP. Initiatives and actions currently being undertaken include but are not limited to: reinstating tours of the Materials Recovery Facility (MRF) to provide education, continued engagement with the community, administering the Resource Recovery Fund to support community waste reduction initiatives, and actively working with existing and new commercial customers to maximise the number of resources that are recovered.</p>	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
<b>Stormwater Activity</b> (Page 107 of the 10 Year Plan)					
<b>01. Measure:</b> The number of flood event per year resulting in stormwater from the Council's stormwater system entering a habitable floor in an urban area. <b>Target:</b> Less than 5	0	G	G		
<b>02. Measure:</b> The number of habitable floors per 1,000 properties within urban stormwater service areas affected by a flood event. <b>Target:</b> Less than 2	0	G	G		
<b>03. Measure:</b> Median time to attend a flooding event. (note: a flooding event is one resulting in stormwater entering a habitable building) <b>Target:</b> Less than 2 hours	N/A = 0 flooding issues	G	G		
<b>04. Measure:</b> The number of complaints received about the performance of Council's stormwater system per 1,000 properties connected. <b>Target:</b> Less than 15	0.8	G	G		
<b>05. Measure:</b> Compliance with resource consents for discharge from Council's stormwater system as measured by the number of abatement notices, infringement notices, enforcement notices and convictions received by Council in relation to resource consents. <b>Target:</b> 100% Compliance	0	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
<b>Wastewater Activity</b> (Pages 107 of the 10 Year Plan)					
<b>01. Measure:</b> Number of dry weather wastewater overflows from Council's wastewater system per 1,000 connections per year. <b>Target:</b> Less than 1	Zero. Target Met.	G	G		
<b>02. Measure:</b> Complaints per 1,000 connections about wastewater odour, system faults, system blockages and Council's response to issues with the wastewater system. <b>Target:</b> Less than 15	1.92 complaints per 1,000 connections	G	G		
<b>03. Measure:</b> Median time for attending to overflows resulting from blockages or other faults. <b>Target:</b> Less than 1.5 hours	0.97 Hrs	G	G		
<b>04. Measure:</b> Median time for resolution of overflows resulting from blockages or other faults. <b>Target:</b> Less than 8 hours	3.2 Hrs	G	G		
<b>05. Measure:</b> Compliance with resource consents for discharge from Council's wastewater system as measured by the number of abatement notices, infringement notices, enforcement notices and convictions received by Council in relation to resource consents. <b>Target:</b> 100% compliance	100%	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
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**Water Activity** (Pages 107 of the 10 Year Plan)

<b>01. Measure:</b> Compliance with Drinking Water Quality Assurance Rules 2022: T3 Bacteria Rules. <b>Target:</b> 100% compliance	New Drinking Water Quality Assurance Rules took effect from November 2022. The "compliance goalposts" have shifted and the requirements to achieve compliance have increased. Under the old rules we were 100% compliant; under the new rules we are 89% compliant. Significant capital upgrades are required to achieve 100% compliance. These are scheduled in the LTP over the next several years.	R	R		
<b>02. Measure:</b> Compliance with Drinking Water Quality Assurance Rules 2022: S3 Protozoa Rules. <b>Target:</b> 100% compliance	100%	G	G		
<b>03. Measure:</b> The number of complaints per 1,000 connections relating to clarity, taste, odour, continuity of supply, drinking water pressure or flow, and Council's response to any of these. <b>Target:</b> Less than 40	5.6 complaints per 1,000 connections	G	G		
<b>04. Measure:</b> Average consumption of drinking water per day per resident. <b>Target:</b> Met - Less than 360 litres	272 Litres/P/D	G	G		
<b>05. Measure:</b> Median response time for urgent call out attendance. <b>Target:</b> Less than 2 hours	0.21 Hrs	G	G		
<b>06. Measure:</b> Median response time for resolution of urgent call outs. <b>Target:</b> Less than 7 hours	0.84	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
<b>07. Measure:</b> Median response time for non-urgent call out attendance. <b>Target:</b> Less than 10 hours	3.03 Hrs	G	G		
<b>08. Measure:</b> Median response time for resolution of non-urgent call outs. <b>Target:</b> Less than 75 hours	6.02 Hrs	G	G		
<b>09. Measure:</b> Percentage of real water loss from the water reticulation network. <b>Target:</b> Less than 20%	15%	G	G		

Performance Measures	Comments	Sep	Dec	Mar	Jun
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**Goal 5: Driven & Enabling Council**

**Leadership Activity** (Page 128 of the 10 Year Plan)

Performance Measures (Page 128 of the 10 Year Plan)	Comments	Sep	Dec	Mar	Jun
<b>01. Measure:</b> More than two out of every three residents (in the Residents Survey) are 'satisfied' with both the 'opportunity to have a say' and the 'ease of having a say'. <b>Target:</b> Narrative measure outlining satisfaction trends.	The 2023 Residents Survey shows that 31% of residents are satisfied with "the ease of having a say in Council decision making. 42% are Neutral and 27% are Dissatisfied. For "opportunities to have a say", 38% are Satisfied, 39% are Neutral and 23% Dissatisfied. These figures are similar to 2022, but a drop from years prior to that. The 2024 results are due in June.Council encourages people to have their say by offering a range of easy-to-use techniques. It is also working to ensure residents understand the breadth and relevance of Council's services so they are more motivated to have their say.	W	R		

# Appendix for December 2023 Report

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## Appendix 2 – Activities Net Operating Cost

Activities Net Result Statement	2023/24		\$000s		Full Year Revised Budget	Variance explanation (10% of YTD budget or 30% of specified sum)
	Year to Date Actual	Budget	Bud. Var. \$000's	%		
<b>For the period to 31 December 2023</b>						
<b>Operating Result by Activities</b>						
<b>Connected &amp; Safe Community</b>	<b>9,059</b>	<b>8,797</b>	<b>(262)</b>	<b>-3%</b>	<b>17,651</b>	
Connected Communities	8,807	8,609	(198)	-2%	16,516	
Safe Communities	252	188	(64)	-34%	1,135	Predominantly related to higher contractor spend for Animal Control
<b>Creative &amp; Exciting City</b>	<b>10,613</b>	<b>11,364</b>	<b>751</b>	<b>7%</b>	<b>21,404</b>	
Active Communities	6,667	7,174	507	7%	13,448	
Arts and Heritage	3,723	3,936	214	5%	7,440	
City Shaping	224	254	30	12%	516	Favourable variance largely related to Contractor spend for City Centre
<b>Driven &amp; Enabling Council</b>	<b>8,862</b>	<b>7,016</b>	<b>(1,846)</b>	<b>-26%</b>	<b>11,099</b>	
Governance and Active Citizenship	5,535	5,100	(434)	-9%	10,046	
Organisational performance	3,003	2,236	(768)	-34%	1,839	This variance relates to cross activity allocations which are being refined following the transition to the new finance system
Strategic Investments	324	(320)	(644)	-201%	(786)	This variance relates to cross activity allocations which are being refined following the transition to the new finance system
<b>Eco-City</b>	<b>3,507</b>	<b>3,591</b>	<b>84</b>	<b>2%</b>	<b>7,143</b>	
Environmental sustainability	303	423	120	28%	798	Favourable related to contractor spend for Biodiversity and professional services for Sustainable Practices. We anticipate the variance will reduce over the remainder of the financial year.
Manawatu River	55	132	77	58%	263	Variance predominantly related to contractors and materials for Manawatu River
Resource Recovery	3,003	2,927	(77)	-3%	5,862	
Climate change mitigation and adaptation	146	110	(36)	-33%	220	This variance relates to cross activity allocations which are being refined following the transition to the new finance system
<b>Innovative &amp; Growing City</b>	<b>3,990</b>	<b>4,308</b>	<b>318</b>	<b>7%</b>	<b>8,231</b>	
City Growth	2,204	2,350	146	6%	4,432	
Economic Development	1,786	1,958	172	9%	3,798	
<b>Stormwater</b>	<b>860</b>	<b>1,391</b>	<b>531</b>	<b>38%</b>	<b>2,624</b>	Favourable variance due to higher levels of capitalised labour in the first two quarters than planned, as well as favourable results for contractors and professional services related to Stormwater Collection and Disposal
<b>Wastewater</b>	<b>2,772</b>	<b>2,663</b>	<b>(108)</b>	<b>-4%</b>	<b>5,113</b>	
<b>Water</b>	<b>2,483</b>	<b>3,269</b>	<b>786</b>	<b>24%</b>	<b>6,311</b>	Insurance and utilities charges are favourable, largely for water distribution
<b>Transport</b>	<b>4,262</b>	<b>3,392</b>	<b>(870)</b>	<b>-26%</b>	<b>6,954</b>	
Active and Public Transport	800	840	39	5%	1,737	
Roading	3,461	2,552	(909)	-36%	5,218	Unfavourable variance is related to Contractor spend on Roads. Officers are reviewing the coding of costs to ensure these are accurate given the new Finance System.
<b>Activities Controllable Surplus/ (Deficit)</b>	<b>46,408</b>	<b>45,791</b>	<b>(617)</b>	<b>-1%</b>	<b>86,531</b>	

## Appendix 3 – Operating Programme Reporting

Activities Net Result Statement	2023/24 \$000s						
	Activity	Year to Date		Bud. Var.		FY Bud	Variance explanation
For the period to 31 December 2023		Actual	Budget	\$000's	%		
1520 - Digital Transformation	Organisational performance	2,552	2,160	(392)	-18%	4,302	The digital transformation programme is progressing well, with 58% of the full year being spent to date. Although the programme is showing slightly ahead of the year to date budget this is related to timing of expenditure and the programme is still on track to deliver within the full year budget.
1572 - Enterprise Resource Planning (ERP) System Replacement	Organisational performance	1,673	1,746	73	4%	1,896	Minor variance. The programme is on track to meet budget by the end of January (conclusion of the programme).
1506 - Community Events	Connected Communities	282	306	24	8%	629	Variance is small and related to timing of events
2139 - Delivering Residential and Industrial Growth Planning	Governance and Active Citizenship	0	165	165	100%	491	This programme was added as additional consultancy budget for the City Shaping team to increase the level of service for residential and industrial growth. The budget has been incorporated within the broader direction setting budget within City Shaping. Costs have not been identified separately in this programme.
1614 - Open Channels and Drainage clearing	Stormwater	152	150	(2)	-1%	350	Not material

## Appendix 4 – Capital expenditure by Group of Activities

Group of Activities - Capital Expenditure	2023/24 \$000's				
	Year to Date		Variance \$000's	% YTD Budget Spent	Full Year Revised Budget
For the period to 31 December 2023	Actual	Budget			
<b>Capital New</b>	<b>17,774</b>	<b>23,822</b>	<b>6,048</b> ✓	<b>75%</b>	<b>63,585</b>
Connected & Safe Community	4,023	4,230	207	95%	6,950
Creative & Exciting City	3,196	3,073	(122)	104%	7,178
Driven & Enabling Council	314	284	(30)	111%	500
Eco-City	871	1,115	244	78%	2,331
Innovative & Growing City	-	-	-	-	-
Stormwater	1,588	1,736	148	91%	5,547
Transport	4,476	8,777	4,301	51%	27,768
Wastewater	921	1,261	340	73%	6,651
Water	2,385	3,346	961	71%	6,661
<b>Capital Renewal</b>	<b>11,451</b>	<b>11,445</b>	<b>(7)</b> ✓	<b>100%</b>	<b>27,272</b>
Connected & Safe Community	1,029	1,056	27	97%	2,651
Creative & Exciting City	1,509	1,501	(8)	101%	4,804
Driven & Enabling Council	1,097	731	(366)	150%	3,478
Eco-City	103	252	149	41%	547
Innovative & Growing City	205	178	(27)	115%	617
Stormwater	134	117	(18)	115%	230
Transport	2,409	1,588	(821)	152%	5,097
Wastewater	1,697	2,339	643	73%	4,468
Water	3,268	3,682	414	89%	5,380
<b>Capital Growth</b>	<b>3,060</b>	<b>4,653</b>	<b>1,593</b> ✓	<b>66%</b>	<b>10,700</b>
Connected & Safe Community	64	18	(46)	350%	118
Creative & Exciting City	212	144	(68)	147%	1,554
Driven & Enabling Council	-	-	-	-	-
Eco-City	385	384	(1)	100%	911
Innovative & Growing City	568	562	(6)	101%	955
Stormwater	4	217	213	2%	217
Transport	1,839	3,279	1,440	56%	6,187
Wastewater	(11)	48	59	-24%	759
Water					

## Appendix 5 – Capital expenditure by Programme (programmes over \$1,000,000)

Activity-Programme Name	YTD Actuals (\$000)	YTD Budget (\$000)	Variance (\$000)	FY Budget (\$000)	Status
<b>Capital NEW</b>					
<b>Active and Public Transport</b>					
2231-City-wide - Transport Choices - Public Transport	\$661	\$2,605	\$1,944	\$5,350	Site work for the new locations is underway. Shelters have begun to be delivered and are being assembled at the Depot for installation. On track for infrastructure to be in place to support the new bus service. Horizons have had delays with delivery of new buses relieving some time pressures.
2207-City-wide - Urban Cycle Infrastructure Network improvements	\$688	\$1,465	\$777	\$4,843	At 31 December 2023, initial advice received is that this programme is likely to be put on hold.
2233-City-Wide - Urban Cycle Infrastructure Improvements - Streets for People	\$51	\$105	\$54	\$1,636	Tender awarded in December with construction to begin in January.
<b>Active Communities</b>					
2209-Arena 3 Upgrade	\$1,157	\$1,060	(\$98)	\$1,970	Work on the roof upgrade is progressing well.
<b>Arts and Heritage</b>					
902-Property - Seismic Strengthening of Council Properties	\$1,469	\$1,597	\$128	\$3,384	Works at Crematorium progressing well. On track to complete in May.
<b>Climate change mitigation and adaption</b>					
1888-Low Carbon Fund	\$40	\$300	\$260	\$1,049	Programme allocation is ongoing and is on track to be fully allocated by the end of the financial year
<b>Connected Communities</b>					
1743-Social Housing - Papaioea Place Redevelopment - Stage 3	\$796	\$800	\$4	\$1,211	Work has been completed with public opening on the 31st of January.
1459-Social Housing - Additional Social Housing Units	-	-	-	\$1,063	Programme to be used to fund Council's contribution to the Summerhays development. Work to date is being funded from the Better off Funding Programme first.
<b>Roading</b>					
2124-Urban Growth - Ashhurst - Transport	\$922	\$1,658	\$736	\$4,348	Stage 1 of Custom Street is progressing well with preparations for stage 2 underway.

2058-Urban Growth - NEIZ - Transport	\$907	\$1,621	\$715	\$1,621	Some costs for Setters Line incorrectly coded to the wrong programme. Work on site progressing well.
2119-Road to Zero - Transport Safety Improvements	\$228	\$194	(\$35)	\$2,261	Designs for Cook Street roundabouts in progress. Speed management plan paused awaiting direction from central government. Planning for bringing forward other projects should the speed management funding need to be reprioritised.
2206-Storm Damage - August 2022 Rooding	\$388	\$517	\$129	\$2,976	Greens Road and Kahuterawa Road have been completed. Glenburn Road construction to commence at end of January and Mountain View Road in April.
2526-Amberly Avenue Bridge Improvement	-	-	-	\$2,475	Recently added Programme. Currently progressing contract negotiations.
<b>Safe Communities</b>					
1552-Animal Shelter - New Building	\$2,970	\$3,262	\$292	\$4,109	Progressing well with majority of external work completed. On track to complete in March.
<b>Stormwater</b>					
1001-Urban Growth - Whakarongo - Stormwater	\$164	\$98	(\$66)	\$2,500	Tender for construction of attenuation pond has been awarded with works set to begin in January.
1060-City-wide - Stormwater Network Improvement Works	\$840	\$789	(\$51)	\$1,945	Programme of work is progressing well.
<b>Wastewater</b>					
628-Totara Road Wastewater Treatment Plant - Consent Renewal Upgrade	\$557	\$477	(\$80)	\$3,000	On track to respond to section 92 requests as required by Horizons Regional Council. Other work is progressing to schedule.
2229-City-wide - Wastewater Pipe Improvement	\$55	-	(\$55)	\$1,000	Major project due to commence in February
<b>Water</b>					
1841-Urban Growth - Ashhurst - Water Supply	\$944	\$1,355	\$411	\$1,359	Programme progressing well. Slight delays leading to a later start than forecast.
2228-City-wide - Water Main Improvement	\$251	\$229	(\$22)	\$1,300	Projects shuffled in response to shifting priorities. Construction and designs are progressing well.
<b>Capital RENEWAL</b>					
<b>Active Communities</b>					
1837-Swimming Pools - Pool Renewals	\$125	\$182	\$57	\$1,145	Procurement plan for changing rooms in progress with works expected to begin in March. Other renewals progressing well.
<b>Rooding</b>					
115-City-wide - Sealed Pavement Renewals (Waka Kotahi Subsidies)	\$923	\$1,149	\$225	\$2,473	Ferguson / Pitt completed and open. Majority of Programme funds to be spent in Railway Road rehab which is set to commence in March.
139-City-wide - Sealed Road Resurfacing	\$753	\$600	(\$153)	\$2,797	Programme progressing well.
<b>Strategic Investments</b>					

1879-Council's Plant and Vehicle - Replacements	\$332	\$0	(\$332)	\$1,015	Programme fully committed. Costs will be realised as vehicles arrive.
<b>Wastewater</b>					
54-City-wide - Wastewater Pipe Renewal	\$1,338	\$1,640	\$302	\$2,918	Programme of work is progressing well. Reduced scope for one of the early projects reflected in lower spend. Majority of work planned for second half of FY.
<b>Water</b>					
218-City-wide - Water Main Renewals	\$2,418	\$2,371	(\$48)	\$2,728	Physical works completed. Remainder of Programme will be designs with a number already completed ready for construction in the next FY.

## Appendix 6 – Capital expenditure by Programme (programmes under \$1,000,000)

The following table highlights spend against budget of the programmes with budgets less than \$1,000,000.

Activity-Programme Name	YTD Actuals (\$'000)	YTD Budget (\$'000)	Variance (\$'000)	FY Budget (\$'000)
<b>Capital NEW</b>				
<b>Active and Public Transport</b>				
2057-Regional Shared Path Network Improvements	\$34	\$295	\$261	\$604
1559-City-wide - Urban Cycle Infrastructure Network improvements	\$144	\$88	(\$56)	\$400
1803-Neighborhood Streetscape Improvements	\$166	\$106	(\$60)	\$106
2120-City-wide - Off Road Shared Path Network Improvements	\$78	\$35	(\$43)	\$100
<b>Active Communities</b>				
1847-City Growth - City Reserves - Victoria Esplanade - Capital New	\$38	\$9	(\$29)	\$308
1853-Local Reserves - Development of Existing Reserves - Capital New	\$59	\$70	\$11	\$300
1846-City Growth - City Reserves - Walkway Extensions - Capital New	\$16	\$60	\$44	\$363
1862-Urban Growth - Kakatangiata - Reserves Purchase and Development	-	-	-	\$514
1560-Sportsfields - Bill Brown Park - Additional Carparking	-	-	-	\$206
2006-City Centre Play - Fixed Play Development	\$126	\$45	(\$81)	\$151
1838-City Growth - City Reserves - Victoria Esplanade - Exotic Aviaries	\$7	\$30	\$23	\$135
1884-Local Reserves - Accessibility and Safety Improvements	\$21	\$42	\$21	\$107
1099-Parks and Reserves - Shade Development	\$35	\$24	(\$11)	\$62
697-Clearview Reserve Development	-	\$0	\$0	\$41
111-Local Reserves - Roslyn - Edwards Pit Park Development	\$6	\$11	\$5	\$38
1133-Sportsfields - Artificial Football Field (subject to part external funding)	-	-	-	\$199
708-Urban Growth - Aokautere - Reserves Land Purchase	-	-	-	\$34
1850-City Growth - City Reserves - Memorial Park - Capital New	(\$24)	\$1	\$25	\$8
165-Outdoor Adventure Reserves - Arapuke Forest Park/Kahuterawa Development	\$1	\$6	\$5	\$6
967-City-wide - Edibles Planting	-	-	-	\$6
<b>Arts and Heritage</b>				
2210-Regent Roof Upgrade	-	\$150	\$150	\$400
<b>City Shaping</b>				
2122-CBD Streets for People	\$237	\$114	(\$123)	\$403
1473-City Centre Lighting and Projection Demonstration Project	-	-	-	\$86
<b>Connected Communities</b>				
161-Public Toilets - New City-wide Toilets	\$235	\$154	(\$81)	\$415
1196-Cemeteries - Kelvin Grove - Replacement & enhancement of staff facilities	\$21	\$14	(\$7)	\$144
1833-City Growth - Cemeteries - Extensions to burial and ashes areas to meet demand	\$64	\$18	(\$46)	\$118
2234-BOF - Construction of Summerhays	\$568	\$562	(\$6)	\$955
<b>Environmental sustainability</b>				
1451-Property - LED Lighting Upgrades	\$5	\$54	\$49	\$80
1077-Citywide - Biodiversity Enhancement Through Native Planting	\$1	-	(\$1)	\$33
<b>Manawatu River</b>				
2239-BOF - Te Motu o Poutoa	\$246	\$191	(\$55)	\$250

1844-City Growth - City Reserves - Manawatu River Park - Capital New	\$126	\$64	(\$62)	\$200
1895-City Growth - City Reserves - Manawatu River Park - Te Motu o Poutoa Development Plan - Implementation	(\$17)	-	\$17	-
1894-City Growth - City Reserves - Manawatu River Park - Marae Tarata Development Plan - Implementation	\$12	\$93	\$81	\$108
1892-City Growth - City Reserves - Manawatu River Park - Hokowhitu Lagoon Development Plan	-	\$4	\$4	\$78
<b>Resource Recovery</b>				
2227-Resource Recovery Centre Power and Data Resilience	\$460	\$349	(\$111)	\$500
1783-Rubbish and Recycling Buildings - Staff Welfare and Health and Safety Improvements	\$299	\$300	\$1	\$300
1371-Closed Landfills and Transfer Stations - Safety, Security and Development	\$16	\$64	\$48	\$86
657-Urban Growth - Recycling - City-wide Wheelie Bins and Crates	\$19	\$33	\$14	\$76
1810-City-wide - Diversion of Waste from Landfill - New Materials Development	-	-	-	\$70
721-Awapuni Closed Landfill - Landscaping Development	\$13	\$13	\$1	\$52
1410-Recycling - City-wide Recycling Services to Commercial/organisational Properties Development	\$3	\$22	\$18	\$43
1373-City-wide - Recycling Drop Off Facilities - Development	\$10	\$8	(\$2)	\$41
506-City-wide - Public Space Rubbish & Recycling Bins Development	\$18	\$6	(\$12)	\$35
<b>Roading</b>				
1367-City-wide - Street Light Infill	\$522	\$561	\$39	\$923
279-City-wide - Minor transport improvements	\$16	\$576	\$560	\$900
2059-Urban Transport Improvements - Enabling PNITI	\$369	\$368	(\$1)	\$368
1807-City-wide - Car park infrastructure improvements	\$18	\$2	(\$16)	\$352
1808-City-wide - Street amenity improvements	\$11	-	(\$11)	\$50
201-Urban Growth - Development Contributions - Transport	\$6	-	(\$6)	\$217
1003-Whakarongo - Intersection Upgrades	\$249	\$201	(\$48)	\$201
684-Longburn Rongotea Road/No. 1 Line - Intersection Safety Upgrade	\$381	\$197	(\$184)	\$197
1804-Road drainage improvements	\$25	\$16	(\$9)	\$169
167-James Line (Schnell Dr to Kelvin Grove Rd) - Improvements	\$294	\$152	(\$142)	\$152
2123-Urban Growth - Kakatangiata - Transport	\$11	-	(\$11)	\$901
2254-Safety Improvements at College Street/Botanical Road Intersection	-	\$120	\$120	\$120
1615-City-wide - Parking and Traffic Signs and Marking	\$69	-	(\$69)	\$54
2204-Address Street Racer Issues	\$19	-	(\$19)	\$50
2142-Physical deterrent (installation of speed humps) at additional locations	(\$1)	\$25	\$26	\$25
<b>Stormwater</b>				
2034-Urban Growth - Ashhurst - Stormwater	\$488	\$550	\$62	\$572
1372-City-wide Stormwater Pump Stations Improvement	\$18	\$94	\$76	\$300
1708-City-wide - Stormwater Flood Mitigation	\$107	\$205	\$98	\$230
51-Urban Growth - Development Contributions - Stormwater	(\$26)	\$217	\$243	\$217
<b>Strategic Investments</b>				
99-New Vehicles and Plant to enable the delivery of improved Council services	\$41	\$0	(\$41)	\$157
<b>Wastewater</b>				
1617-Totara Road Wastewater Treatment Plant - Biogas System Improvements	\$41	\$221	\$180	\$927
66-Totara Road Wastewater Treatment Plant - Resilience Programme	\$152	\$201	\$49	\$719
1711-Industrial Growth - Longburn Industrial Park - Wastewater	\$9	\$48	\$39	\$651
1074-Totara Road Wastewater Treatment Plant - Earthquake Strengthening of Civil Structures	\$89	\$139	\$50	\$360
1616-City-wide - Wastewater Pump Station - Capacity Upgrade	\$85	\$161	\$76	\$250

1821-City-wide Wastewater Pipeline Realignment of at-risk mains	\$33	\$53	\$19	\$151
1535-City-wide - Campervan Dump Stations	-	\$11	\$11	\$214
73-Urban Growth - Development Contributions - Wastewater	-	-	-	\$108
1619-Totara Road Wastewater Treatment Plant - Inlet Screens	(\$49)	-	\$49	\$30
<b>Water</b>				
1697-Turitea WTP - Water Supply Resilience - Upgrades	\$553	\$747	\$194	\$920
1384-City-wide - Water Supply Resilience - Additional Reservoirs	\$25	\$76	\$51	\$669
1389-City-wide - Water Supply Resilience - Security of Supply	\$63	\$59	(\$5)	\$500
2048-City-wide - Water Toby and Manifold enhancements	\$329	\$187	(\$142)	\$500
1054-Ashhurst - Water Quality Improvements	\$72	\$246	\$174	\$400
124-Turitea WTP - Drinking Water Standards Upgrades	\$115	\$229	\$114	\$300
246-Urban Growth - Development Contributions - Water Supply	-	-	-	\$271
2226-Urban Growth - Terrace End Bore	\$5	\$104	\$98	\$200
2060-City-wide - Commercial Water Meters	-	\$15	\$15	\$174
1864-Longburn Extension - Water Supply	\$3	-	(\$3)	\$120
1170-Urban Growth - Kakatangiata - Water Supply	\$34	\$100	\$66	\$100
986-Turitea Dams - Aeration Upgrade	\$13	-	(\$13)	\$60
1883-Water Operations -Small Plant & Equipment - New	\$16	-	(\$16)	\$59
<b>Capital RENEWAL</b>				
<b>Active and Public Transport</b>				
64-City-wide - Footpath Renewals (Waka Kotahi Subsidies)	\$416	\$300	(\$116)	\$705
2110-City-wide - Footpath Renewals (No Subsidy)	-	\$344	\$344	\$344
181-City-wide - Public Transport Infrastructure Renewals	-	-	-	\$33
648-City-wide - Supporting Cycle Infrastructure Renewals	-	-	-	\$22
<b>Active Communities</b>				
1827-Local Reserves - Renewals	\$155	\$231	\$76	\$539
1786-Recreational Buildings - Sports Pavilion and Changing Room Renewals	\$527	\$479	(\$49)	\$440
1051-CET Arena - Arena Renewals	\$213	\$186	(\$27)	\$400
1830-City Reserves - Memorial Park - Renewals	\$20	\$103	\$84	\$157
1834-City Reserves - Walkways - Renewals	\$61	\$50	(\$11)	\$117
1829-Sportsfields and Artificial Turfs - Renewals	\$7	\$35	\$28	\$100
1831-City Reserves - Te Marae o Hine - The Square - Renewals	\$21	\$20	(\$1)	\$95
1832-City Reserves - Ashhurst Domain - Renewals	\$60	\$8	(\$52)	\$89
1840-City Reserves - Victoria Esplanade- Renewals	\$2	\$0	(\$2)	\$75
1759-CET Arena - Grounds Renewals	\$8	-	(\$8)	\$49
1835-City Reserves - Linklater Reserve - Renewals	\$2	\$3	\$1	\$19
<b>Arts and Heritage</b>				
213-Cultural Facilities - Renewals	\$199	\$146	(\$54)	\$538
<b>Connected Communities</b>				
180-Social Housing - Renewals	\$235	\$270	\$35	\$381
186-Public Toilets - Renewals	\$12	\$21	\$9	\$275
563-Cemeteries - Kelvin Grove - Crematorium Office reconfiguration to address health and safety issues	-	\$0	\$0	\$265
1775-Central Library - Renewals	\$144	\$49	(\$95)	\$164
1136-CET Wildbase Recovery Centre - Renewals	\$82	\$108	\$26	\$108
1120-Community Libraries - Renewals	\$26	\$65	\$39	\$104
1828-Cemeteries - Non-Building Asset Renewals	\$2	\$9	\$7	\$102
1796-Cemeteries - Building Renewals	\$45	\$4	(\$41)	\$93
265-Community Centres - Renewals	\$1	\$10	\$9	\$86
567-Cemeteries - Crematorium Chapel Interior Renewals	\$46	\$66	\$20	\$66
1769-Community Agency Facilities - Renewals	\$22	\$3	(\$19)	\$22

<b>Economic Development</b>				
270-Holiday Park - Renewals	\$100	\$74	(\$26)	\$300
664-Conference & Function Centre - Renewals	\$41	\$32	(\$9)	\$138
1730-Information Centre - Building Renewals	\$8	\$16	\$8	\$16
<b>Manawatu River</b>				
1825-City Reserves - Manawatu River Park - Renewals	-	\$13	\$13	\$29
<b>Organisational Performance</b>				
281-CAB - Renewals	\$113	\$143	\$30	\$620
<b>Resource Recovery</b>				
649-Recycling - Materials Recovery Facility Renewals	(\$2)	\$141	\$143	\$232
612-Recycling - City-wide Wheelie Bin and Crate Renewals	\$31	\$47	\$16	\$100
1784-Rubbish and Recycling Buildings - Renewals	\$70	\$19	(\$51)	\$76
1368-City-wide - Public Space Rubbish & Recycling Bins Renewals	\$15	\$15	\$0	\$49
185-Closed Landfills and Transfer Stations - Site Renewals	(\$23)	\$12	\$35	\$42
1374-City-wide - Recycling Drop Off Facilities - Renewals	\$9	\$6	(\$2)	\$11
1721-Composting Activity Site Renewals	\$5	\$0	(\$4)	\$9
<b>Roading</b>				
122-City-wide - Road Drainage Renewals	\$310	\$165	(\$145)	\$408
1805-City-wide - Transport structure component renewal	\$20	\$24	\$4	\$163
162-City-wide - Vehicle Crossing Renewals	-	\$65	\$65	\$130
74-City-wide - Street Light Renewals	\$75	\$90	\$15	\$469
82-Off-street Parking Renewals	-	-	-	\$81
2109-City-wide - Sealed Pavement Renewals (No Subsidy)	\$19	-	(\$19)	\$27
<b>Stormwater</b>				
20-City-wide - Stormwater Pump Station Renewals	\$78	\$117	\$39	\$179
1062-City-wide - Stormwater Network Renewal Works	\$56	-	(\$56)	\$51
<b>Strategic Investments</b>				
2022-Property - Hard Surfaces Renewals	\$211	\$35	(\$176)	\$294
80-Council Small Mobile Plant and Equipment - Replacement	(\$35)	\$0	\$35	\$239
1753-Investment Properties - Building Renewals	\$132	\$6	(\$126)	\$77
85-Depot - Buildings and Structures Renewals	\$49	\$106	\$57	\$106
1791-Parks Depot - Building Renewals	\$138	\$178	\$41	\$296
<b>Wastewater</b>				
65-City-wide - Wastewater Pump Station Renewal	\$118	\$181	\$63	\$497
179-Totara Road Wastewater Treatment Plant - Minor Equipment Renewals	\$23	\$177	\$155	\$469
1380-Totara Rd WWTP - Biogas Generator Major Overhauls	\$52	\$98	\$47	\$200
1714-City-wide Wastewater Trunk Mains Renewal	\$94	\$83	(\$11)	\$193
1068-Totara Road Wastewater Treatment Plant - Replacement of Inlet Pumps	\$10	\$70	\$60	\$100
1799-Wastewater Treatment Plant - Buildings Renewals	\$63	\$91	\$27	\$91
<b>Water</b>				
199-City-wide - Water Supply Bore and Network Facility Renewals	\$446	\$647	\$201	\$910
214-City-wide - Water Toby and Manifold Renewals	\$65	\$200	\$135	\$542
207-Turitea WTP - Equipment and Facility Renewals	\$121	\$289	\$168	\$404
1700-City-wide - Water Meter Renewals	\$156	\$125	(\$31)	\$349
1701-City-wide - Water Supply Valve & Hydrant Renewals	\$20	-	(\$20)	\$217
88-Turitea WTP - Falling Main Rehabilitation	\$11	\$28	\$17	\$108
2042-Turitea WTP - Raw Water Main Renewal	-	-	-	\$71
1797-Water Treatment Plant - Building Renewals	\$2	\$4	\$2	\$33
1822- Water Pump Stations - Building Renewals	\$22	\$19	(\$4)	\$19

## Appendix 7 – Financial Statements

Palmerston North City Council  
 Summary of Financial Performance  
 For the period to 31 December 2023

	Year to Date			Full Year	
	Actual	Budget	Actual Prior Year	Revised Budget	Annual Budget
	\$M	\$M	\$M	\$M	\$M
<b>OPERATING REVENUE</b>					
Rates revenue	62.5	62.2	58.0	124.2	124.2
Finance revenue	0.9	0.1	0.6	0.2	0.2
Other revenue	15.9	17.0	16.7	33.2	33.2
Operating subsidies and grants	3.2	3.3	3.3	8.0	7.9
<b>TOTAL OPERATING REVENUE</b>	<b>82.5</b>	<b>82.6</b>	<b>78.6</b>	<b>165.6</b>	<b>165.5</b>
<b>CAPITAL REVENUE</b>					
Capital subsidies and grants	2.7	8.8	1.9	18.5	17.7
Development contributions	2.3	1.6	3.0	3.2	3.2
Vested assets	0.0	1.0	0.0	2.0	2.0
<b>TOTAL CAPITAL REVENUE</b>	<b>5.0</b>	<b>11.4</b>	<b>4.9</b>	<b>23.7</b>	<b>22.9</b>
<b>TOTAL REVENUE</b>	<b>87.5</b>	<b>94.0</b>	<b>83.5</b>	<b>189.3</b>	<b>188.4</b>
<b>EXPENSES</b>					
Employee remuneration	30.1	30.0	(0.2)	60.9	59.9
Elected member remuneration	0.5	0.6	0.5	1.1	1.1
Depreciation and amortisation	21.5	21.5	20.3	43.0	43.0
Finance costs	5.6	4.9	3.8	9.9	9.9
Professional service costs	10.0	9.8	(0.2)	19.2	11.5
Other expenses	28.0	25.8	19.2	46.5	54.4
<b>TOTAL EXPENSES</b>	<b>95.7</b>	<b>92.6</b>	<b>43.4</b>	<b>180.6</b>	<b>179.8</b>
<b>NET SURPLUS/(DEFICIT) BEFORE TAX</b>	<b>(8.2)</b>	<b>1.4</b>	<b>40.1</b>	<b>8.7</b>	<b>8.6</b>

Palmerston North City Council  
Statement of Financial Position  
For the period to 31 December 2023

	2023/24			As at 30 June 2023
	As at 31 December 2023		Full Year	
	Actual \$M	Budget \$M	Rev Budget \$M	
<b>Current Assets</b>				
Cash & Short Term Deposits	10	2	2	2
Trade and other receivables	11	14	18	18
Inventories	5	5	5	5
Derivative financial instruments	3	4	4	4
Other financial assets	20	-	-	-
<b>Total Current Assets</b>	<b>49</b>	<b>25</b>	<b>29</b>	<b>29</b>
<b>Non-Current Assets</b>				
Property, plant and equipment	2,280	2,267	2,307	2,248
Inventories (NCA)	-	1	1	1
Intangible Assets	1	1	1	1
Forestry Assets	2	2	2	2
Investment Properties	5	5	5	5
Investments & Advances	18	16	16	16
Derivative financial instruments	6	8	8	8
Other Financial Assets	8	5	5	5
<b>Total Non-Current Assets</b>	<b>2,320</b>	<b>2,305</b>	<b>2,345</b>	<b>2,286</b>
<b>Total Assets</b>	<b>2,369</b>	<b>2,330</b>	<b>2,374</b>	<b>2,315</b>
<b>Current Liabilities</b>				
Trade and other payables	42	30	26	26
Provisions	1	1	1	1
Current Employee Entitlements	7	7	7	7
Current Portion - Term Liab	26	20	20	20
<b>Total Current Liabilities</b>	<b>76</b>	<b>58</b>	<b>54</b>	<b>54</b>
<b>Non-Current Liabilities</b>				
Provisions	-	-	-	-
Employee benefit liabilities	1	1	1	1
Borrowings	243	211	236	200
Derivative financial instruments	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>244</b>	<b>212</b>	<b>237</b>	<b>201</b>
<b>Total Liabilities</b>	<b>320</b>	<b>270</b>	<b>291</b>	<b>256</b>
<b>Assets less Liabilities</b>	<b>2,049</b>	<b>2,060</b>	<b>2,083</b>	<b>2,059</b>
<b>Public Equity</b>				
Retained earnings	1,088	1,099	1,116	1,098
Other reserves	961	961	967	961
<b>Total Public Equity</b>	<b>2,049</b>	<b>2,060</b>	<b>2,083</b>	<b>2,059</b>

Palmerston North City Council  
 Statement of Cash Flows  
 For the period to 31 December 2023

	Year to Date		Full Year
	Actual \$M	Revised Budget \$M	Revised Budget \$M
<b>Cash Flows From Operating Activities</b>			
Receipts from rates revenues	62.8	62.2	124.2
Interest received	0.9	0.1	0.2
Dividends received	-	-	-
Operating subsidies and grants	3.2	3.3	8.0
Receipts from other revenue	17.3	16.0	33.2
Capital subsidies and grants	2.7	9.8	18.5
Development contributions	2.3	1.6	3.2
Receipts from tax losses	-	-	-
Interest paid	(5.6)	(4.7)	(9.9)
Payments to suppliers and employees	(67.5)	(62.0)	(127.7)
Goods and Services Tax (net)	(0.6)	1.0	-
<b>Net Cash From Operating Activities</b>	<b>15.5</b>	<b>27.3</b>	<b>49.7</b>
<b>Cash Flows From Investing Activities</b>			
Proceeds from sale of property	-	-	7.5
Proceeds from sale of biological assets	-	-	-
Investment in property development	-	-	-
Purchase of property, plant and equipment	(34.2)	(38.5)	(101.8)
Net other advances repayment received/(made)	-	-	-
Net increase in investments	(21.8)	-	-
<b>Net Cash From Investing Activities</b>	<b>(56.0)</b>	<b>(38.5)</b>	<b>(94.3)</b>
<b>Cash Flows From Financing Activities</b>			
Short term investments (4-12 months)	-	-	-
Net borrowing proceeds/(repaid)	48.6	11.2	44.6
Repayment of leases	-	-	-
<b>Net Cash From Financing Activities</b>	<b>48.6</b>	<b>11.2</b>	<b>44.6</b>
<b>Net Increase/(decrease)</b>	<b>8.1</b>	<b>-</b>	<b>-</b>
Cash at beginning of year	1.7	1.7	1.7
<b>Cash at Month End</b>	<b>9.8</b>	<b>1.7</b>	<b>1.7</b>

## Appendix 8 – Approved variations to Annual Budget

After the Annual Budget 2023/24 was approved, the following changes were authorised by Council for the 2023/24 financial year. These also impacted the debt, or capital expenditure if it relates to capital revenue.

### Variations to Annual Budget 2023/24 approved by Council

Profit and Loss	\$000	New in quarter
<b>Annual Budget 2023/24 Net Surplus/(Deficit)</b>	<b>8,629</b>	
<b>Changes authorised by Council:</b>		
Carry forward adjustments:		
1572-Enterprise Resource Planning (ERP) System Replacement (Carry Forward Adjustment)	(756)	
1520-Digital Transformation	24	
115-City-wide - Sealed Pavement Renewals (Waka Kotahi Capital Subsidies)	238	
2059-Urban Transport Improvements - Enabling PNITI (Waka Kotahi Capital Subsidies)	187	
2057-Regional Shared Path Network Improvements (Waka Kotahi Capital Subsidies)	153	
2119-Road to Zero - Transport Safety Improvements (Waka Kotahi Capital Subsidies)	105	
Other budget adjustments authorised by Council:		
1535-City-wide Campervan Dump Stations (Capital revenue)	100	
Ashhurst Te Apiti Three Bridges Loop Track Investigations (Waka Kotahi Operating Subsidies)	157	
Ashhurst Te Apiti Three Bridges Loop Track Investigations	(157)	
Investigation and analysis of investment options for Palmerston North Airport Limited (\$50k offset from existing budgets)	0	Yes
<b>Revised Budget 2023/24 Net Surplus/(Deficit) Before Tax</b>	<b>8,680</b>	

Capital Expenditure	\$000	New in Quarter
<b>Annual Budget 2023/24 Capital Expenditure</b>	<b>93,344</b>	
Changes authorised by Council:		
Net carry forward adjustments (approved Sep-23)	2,811	
1535-City-wide Campervan Dump Stations (approved Oct-23)	100	
74-City-wide - Street Light Renewals (approved Nov-23)	350	Yes
1846-City Growth - City Reserves - Walkway Extensions - Capital New (approved Dec-23)	150	Yes
1862-Urban Growth - Kakatangiata - Reserves Purchase and Development (approved Dec-23)	470	Yes
2123-Urban Growth - Kakatangiata – Transport (approved Dec-23)	750	Yes
139-City-wide - Sealed Road Resurfacing (approved Dec-23)	356	Yes
2233-City-Wide - Urban Cycle Infrastructure Improvements - Streets for People (approved Dec-23)	178	Yes
2206-Storm Damage – August 2022 Roding (approved Dec-23)	800	Yes
2526-Amberley Ave Culvert Replacement (approved Dec-23)	2,475	Yes
Changes authorised by Chief Executive:		
1862-Urban Growth - Kakatangiata - Reserves Purchase and Development (authorised Dec-23)	44	Yes
<b>Revised Budget 2022/23 Capital Expenditure</b>	<b>101,828</b>	

### Variations to Annual Budget 2023/24 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.

Below are the changes approved through the Chief Executive

Activity	Programme	(\$000s)	New in Quarter
<b>Operating</b>			
Water	No programme - Remuneration	515	Yes
Water	No programme – Net Internal Expenditure*	(515)	Yes
Roading	No programme - Remuneration	220	Yes
Roading	No programme – Net Internal Expenditure*	(220)	Yes
Organisational Performance	Digital Transformation – Remuneration	250	Yes
Organisational Performance	Digital Transformation – Professional Services	(250)	Yes
<b>Net movement</b>			
		<b>0</b>	
<b>Capital New</b>			
Transport	2124-Urban Growth - Ashhurst - Transport	650	Yes
Transport	2058-Urban Growth - NEIZ - Transport	(650)	Yes
<b>Net movement</b>			
		<b>0</b>	
Activity	Programme	(\$000s)	New in Quarter
<b>Capital Renewal</b>			
Connected Communities	180-Social Housing - Renewals	(150)	Yes
Strategic Investments	1753-Investment Properties - Building Renewals	(50)	Yes
Strategic Investments	1791-Parks Depot - Building Renewals	200	Yes
<b>Net movement</b>			
		<b>0</b>	

\* These movements increase the internal labour recovery budget to recognise the portion of the remuneration budget that is funded through capital budgets.

## Appendix 9 – Elected Member training

Name	Training	Cost	Details
Rachel Bowen	Essentials of Engagement, IAP2	\$927	Online course registration
Orphee Mickalad	Young Elected Members, LGNZ conference	\$900 \$716	In person course registration Travel
Orphee Mickalad	Law paper	\$154	Tuition fees



## MEMORANDUM

**TO:** Strategy & Finance Committee

**MEETING DATE:** 21 February 2024

**TITLE:** Treasury Report - quarter ending 31 December 2023

**PRESENTED BY:** Steve Paterson, Strategy Manager - Finance

**APPROVED BY:** Cameron McKay, Chief Financial Officer

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### RECOMMENDATION TO COMMITTEE

1. That the Committee note the performance of Council's treasury activity for the quarter ending 31 December 2023.

### RECOMMENDATIONS TO COUNCIL

2. That Council note that at its meeting on 14 June 2023 it authorised the Chief Executive to borrow up to \$37 million of additional term debt to fund the approved 2023/24 annual budget.
  3. That to reflect the subsequent resolutions approving additional expenditure Council increase the authorisation to the Chief Executive to borrow, in accordance with delegated authority, up to \$47 million ("the Borrowing") of additional term debt by way of bank loan or loans or credit facilities or other facilities or the issue of stock for the Borrowing secured by the Debenture Trust Deed.
- 

### 1. ISSUE

- 1.1 To provide an update on the Council's treasury activity for the quarter ending 31 December 2023.

### 2. BACKGROUND

- 2.1 The Council's Annual Budget 2023/24 forecast additional debt requirements of \$36.2m would need to be raised during the year to fund the \$65.4m of new capital expenditure programmes (including assumed carry forwards from 2022/23). In June 2023 the Council resolved to specifically authorise the raising of up to \$37m of additional debt.
- 2.2 Since then there have been a number of resolutions approving additional expenditure that will be funded from debt. Some of these have resolutions specifically approving increased debt, others do not (see clause 3.6 below).

2.3 Council's Financial Strategy (updated version adopted 7 July 2021) 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%

2.4 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

3.1 Following the annual review published on 4 May 2023 Council's S&P Global Rating's credit rating remained unchanged at AA / A-1+.

3.2 **Schedule 1** attached shows the details of Council's debt as at 31 December 2023. Debt levels were within the policy parameters outlined in section 2 of this report.

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

	Annual Budget for year (2023/24) \$000	Actual – 3 months (2023/24) \$000	Actual – 6 months (2023/24) \$000
Debt Balance at 1 July 2023	220,000	220,228	220,228
Plus New Debt #	36,193	33,077	58,077
Less Debt repayments #		(3,200)	(8,100)
Closing Gross Debt Balance	256,193	250,105	270,205
<u>Comprising:</u>			
Bank advance (on call)		4,900	0
LGFA stock		245,205	270,025
<u>Less:</u>			
Deposits held for debt repayment	(5,000)	(19,500)	(19,500)
Sum advanced to PN Airport Ltd		(8,000)	(8,000)
<b>Net Council related term debt</b>	<b>\$251,193</b>	<b>\$222,605</b>	<b>\$242,705</b>

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

3.4 Gross debt at 31 December 2023 was \$270.2m compared with \$220.2m at 1 July 2023.

3.5 The debt raised in the 6 months to 31 December is explained further in the following table:

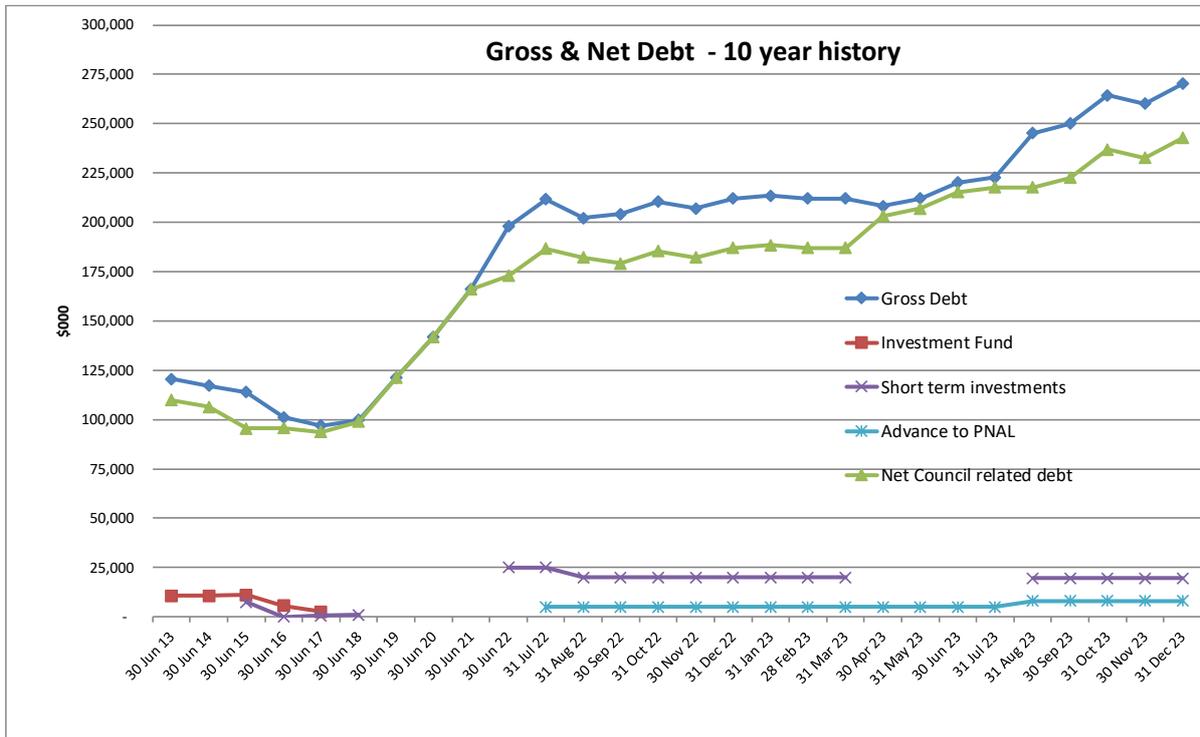
	<b>Position as at 1 July 2023 \$m</b>	<b>Position as 31 December 2023 \$m</b>	<b>Change YTD \$m</b>
Gross debt	220.2	270.2	50.0
Less portion relating to PNAL	(5.0)	(8.0)	(3.0)
Gross debt relating to Council	215.2	262.2	47.0
Less term deposit held to repay maturing debt	0	(19.5)	(19.5)
Net Council related debt	215.0	242.7	27.5

This shows net additional term debt of \$27.5m was raised during the 6 months. This compares with the authorised total sum for the year of \$37m mentioned in clause 2.1.

3.6 Although some of the Council resolutions approving additional expenditure have specifically referred to the need to authorise additional debt they have not all done so.

To ensure the Council has funds available when required it is necessary to confirm the Chief Executive has the authority required. It is recommended the Chief Executive's delegation be increased by \$10m to \$47m.

3.7 A 10-year history of the gross & net debt is shown in the following graph:



- 3.8 Actual finance costs incurred by the Council depend on the actual debt levels and the interest rate. During the 6 months finance costs (including interest, line fees and the effects of payments relating to swaps) amounted to \$5.59m compared with the budget for the year of \$9.9m.
- 3.9 \$472k of this expense relates to \$20m raised on 14 August 2023 to prefund debt maturing on 17 April 2024. This was offset by unbudgeted interest income of \$494k received from short term investment of \$19.5m. A further \$169k of this expense relates to the \$8m of loans raised on behalf of Palmerston North Airport Limited (PNAL) and this was offset by \$171k received from PNAL for the advance.
- 3.10 The effective weighted average interest rate for the year to date was 4.5% compared with the budgetary assumption of 4.2%.
- 3.11 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', i.e. 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 December 2023. The latest valuation is an asset of \$8.9m compared with an asset of \$11.7m as at 30 June 2023.

- 3.12 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, e.g. < 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.
- 3.13 The position compared to the policy is illustrated in the graphs in **Schedule 3 attached**.
- 3.14 The funding and liquidity risk position can be summarised as follows:
- Council's liquid position complies with policy.
  - Since 30 June 2023 \$55m of term debt has been raised and \$8.1m of bank debt has been repaid. In addition, \$3.1m was raised on behalf of PNAL and \$3m on-lent to them.
- 3.15 The interest rate risk position describes the portion of the overall forecast debt that is fixed versus floating and can be summarised as follows:
- There is significant uncertainty about forecast levels of future debt – this very much depends on a number of factors including future Council decisions on the proposed capital expenditure programme and Government decisions on the future structure of the provision of three waters. This means it has been prudent to consider various debt scenarios (including one that excludes waters related debt) when assessing interest rate risk exposure.
  - Because the future debt levels are so uncertain our risk management strategy has been to use the forecast debt figures from 2021-31 Long-Term Plan, as updated through the 2022/23 & 2023/24 Annual Budgets but reduce them by 30%. This reduction is a mechanism to ensure the Council's portfolio does not become over-hedged.
  - More recently the Council has been considering its debt forecasts for the draft of the Long-term Plan. In the light of this the debt forecasts currently assume the debt will not exceed LGFA's 280% debt/revenue ratio limit and the interest rate risk position is being managed within this framework.
- 3.16 The Treasury Policy also contains requirements in relation to counterparty credit risk – this relates to investments and financial risk management instruments.
- The position as at 31 December 2023 is shown in **Schedule 4 attached**.
- 3.17 The schedule shows that the short term BNZ investment of \$19.5m (in place to fund maturing debt in April 2024) exceeds the policy sub-limit of \$15m. The investment was entered because of the favourable interest rate obtained. As the Council has only a small BNZ exposure for derivatives the total exposure to the bank does not exceed the total limit. It is proposed to remove the sub-

limits when the policy is next reviewed as they are, on reflection, of no particular value.

Council's credit lines with the banks include a \$18m three-year credit facility with Westpac Bank (maturing 31 October 2025) and a revolving \$25m three-year facility with ANZ Bank (maturing 31 March 2026).

**4. CONCLUSION AND NEXT STEPS**

- 4.1 Gross finance costs for the quarter (including interest, line fees and the effect of swaps) was \$5.59m compared with budget for the year of \$9.9m. The net finance cost (after considering the interest income from term investments and the advance to Palmerston North Airport Ltd) is \$4.65m.
- 4.2 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.
- 4.3 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.
- 4.4 A further performance report will be provided after the March 2024 quarter.

**5. COMPLIANCE AND ADMINISTRATION**

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

being	
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**ATTACHMENTS**

1. Schedules 1 to 4 [↓](#) 

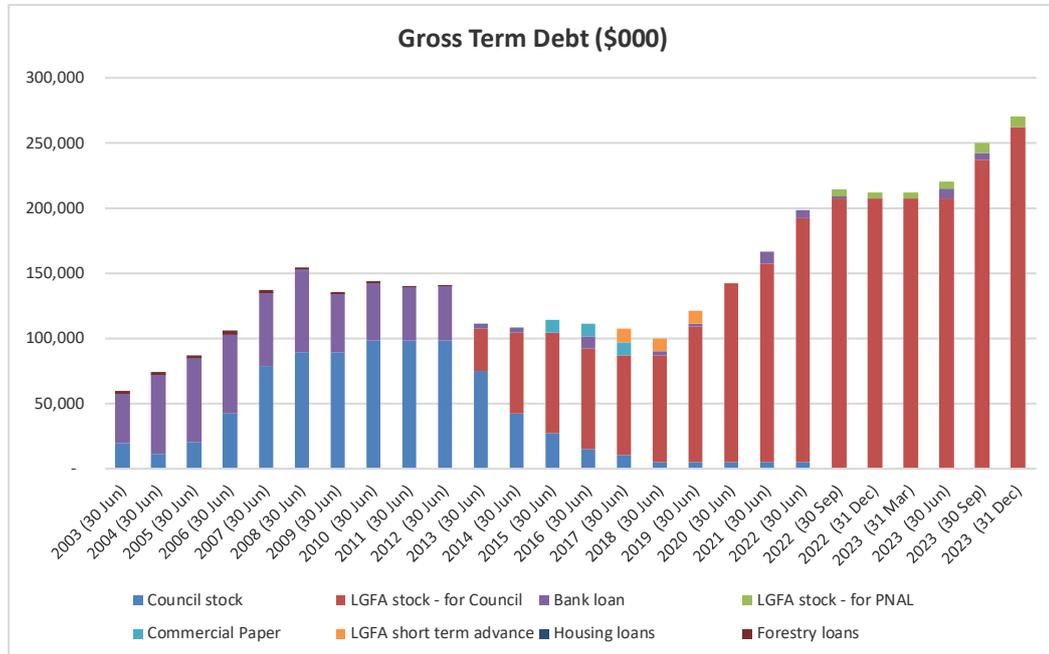


## Schedule 1 - Debt levels & Prudent Borrowing Ratios

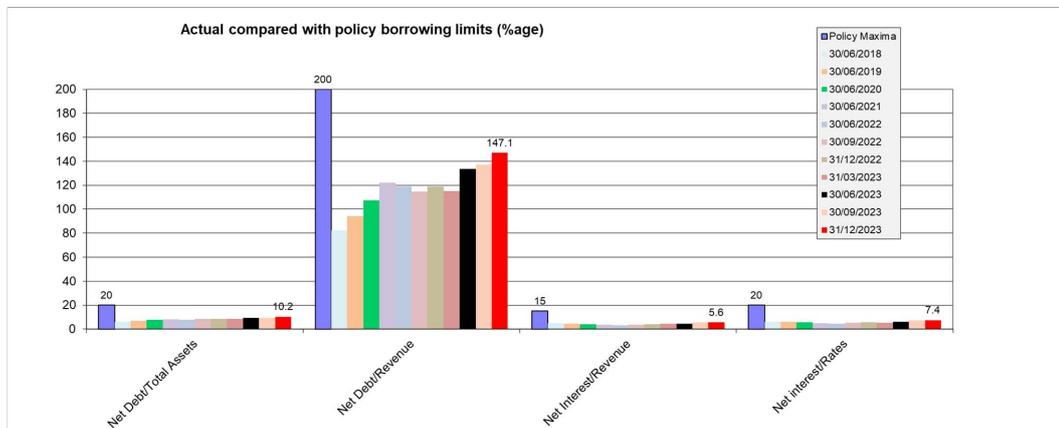
The following table shows the details of the tranches of debt on issue as at 31 December 2023:

Palmerston North City Council									
Term Debt as at 31 December 2023									
Issue Date	Term	Principal	Margin over BKBM	Interest Rate	Maturity Date	Current as at 30/09/2023	Interest Rate	Reset Date	
<b>1. Loan Stock on Issue - Borrowed from LGFA</b>									
LGFA 23 Jul 18	6	15,000,000	0.5525%	6.2625%	15-Apr-2024	15,000,000	Floating Qtrly	15-Jan-24	
LGFA 15 Apr 20	4	5,000,000	0.7850%	6.4950%	15-Apr-2024	5,000,000	Floating Qtrly	15-Jan-24	
LGFA 6 Sep 17	7	6,000,000	0.6000%	6.2150%	15-Sep-2024	6,000,000	Floating Qtrly	15-Mar-24	
LGFA 6 Sep 17	8	6,000,000	0.6600%	6.3700%	15-Apr-2025		Floating Qtrly	15-Jan-24	
LGFA 28 Jan 20	5	8,000,000	0.5400%	6.2500%	15-Apr-2025		Floating Qtrly	15-Jan-24	
LGFA 13 Jul 20	5	5,000,000	0.6700%	6.3800%	15-Apr-2025		Floating Qtrly	15-Jan-24	
LGFA 22 Mar 18	8	5,000,000	0.7250%	6.4350%	15-Apr-2026		Floating Qtrly	15-Jan-24	
LGFA 17 Jun 19	7	7,000,000	0.6525%	6.3625%	15-Apr-2026		Floating Qtrly	15-Jan-24	
LGFA 11 May 20	6	5,000,000	0.6600%	6.3700%	15-Apr-2026		Floating Qtrly	15-Jan-24	
LGFA 13 Jul 20	6	5,000,000	0.7225%	6.4325%	15-Apr-2026		Floating Qtrly	15-Jan-24	
LGFA 27 Apr 23	3	10,000,000	0.5000%	6.2100%	15-Oct-2026		Floating Qtrly	15-Jan-24	
LGFA 13 Nov 23	3	10,000,000	0.4600%	6.0625%	15-Oct-2026		Floating Qtrly	15-Jan-24	
LGFA 16 Mar 15	12	5,000,000	0.4575%	6.1675%	15-Apr-2027		Floating Qtrly	15-Jan-24	
LGFA 8 Jun 15	12	5,000,000	0.4525%	6.1625%	15-Apr-2027		Floating Qtrly	15-Jan-24	
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 14 Aug 23	4	10,000,000	0.4900%	6.2000%	15-Jul-2027		Floating Qtrly	15-Jan-24	
LGFA 28 Jul 22	5	5,000,000	0.5000%	6.2100%	15-Oct-2027		Floating Qtrly	15-Jan-24	
LGFA 30 May 23	4	10,000,000		5.2300%	15-Oct-2027		Fixed		
LGFA 13 Nov 23	4	5,000,000	0.5890%	6.1915%	15-Oct-2027		Floating Qtrly	15-Jan-24	
LGFA 17 Dec 18	10	5,000,000	0.7875%	6.4975%	18-Apr-2028		Floating Qtrly	15-Jan-24	
LGFA 7 Oct 19	9	5,000,000	0.7100%	6.4200%	18-Apr-2028		Floating Qtrly	15-Jan-24	
LGFA 11 Aug 20	8	10,000,000	0.8300%	6.5400%	18-Apr-2028		Floating Qtrly	15-Jan-24	
LGFA 10 Jul 23	5	10,000,000	0.6680%	6.3780%	15-Jul-2028		Floating Qtrly	15-Jan-24	
LGFA 14 Aug 23	5	10,000,000	0.6120%	6.3220%	15-Jul-2028		Floating Qtrly	15-Jan-24	
LGFA 28 Jul 22	6	5,000,000	0.5500%	6.2600%	15-Oct-2028		Floating Qtrly	15-Jan-24	
LGFA 14 Nov 22	6	5,000,000	0.6170%	6.3270%	15-Oct-2028		Floating Qtrly	15-Jan-24	
LGFA 11 Dec 23	5	10,000,000	0.6730%	6.2468%	15-Oct-2028		Floating Qtrly	15-Jan-24	
LGFA 17 Dec 18	11	10,000,000	0.8225%	6.5325%	15-Apr-2029		Floating Qtrly	15-Jan-24	
LGFA 12 Jul 21	8	10,000,000	0.3950%	6.0600%	20-Apr-2029		Floating Qtrly	23-Jan-24	
LGFA 19 Dec 22	7	5,000,000	0.6590%	6.3690%	15-Oct-2029		Floating Qtrly	15-Jan-24	
LGFA 12 Jul 21	9	10,000,000	0.4350%	6.1450%	15-Apr-2030		Floating Qtrly	15-Jan-24	
LGFA 18 Oct 21	9	5,000,000	0.4590%	6.1690%	15-Apr-2030		Floating Qtrly	15-Jan-24	
LGFA 14 Mar 22	9	10,000,000	0.5700%	6.2100%	15-May-2031		Floating Qtrly	15-Feb-24	
LGFA 14 Mar 22	9	10,000,000	0.5950%	6.3050%	15-Oct-2031		Floating Qtrly	15-Jan-24	
		262,000,000							
<b>2. Loan Stock on Issue - Borrowed from LGFA to on-lend to PNAL</b>									
LGFA 11 Jul 22	5	5,128,205		4.1100%	15-Apr-2027		Fixed		
LGFA 14 Aug 23	5	3,076,923		5.4467%	15-Jul-2028		Fixed		
		8,205,128							
<b>3. Bank facilities</b>									
ANZ (\$25m)				6.650%	31-Mar-2026		Reset at any time		
				* plus line fee of 0.22%					
Westpac (\$18m)	On call			6.650%	31-Oct-2025		Reset at any time		
				* plus line fee of 0.3%					
<b>4. Short term facility from LGFA</b>									
		-							
<b>Total as at 31 December 2023</b>		<b>270,205,128</b>				<b>26,000,000</b>			

The following graph shows the changing nature of the structure of the debt portfolio over the last 20 years:



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 2017/18 compared to those ratios.



## Schedule 2 – Interest Rate Swaps

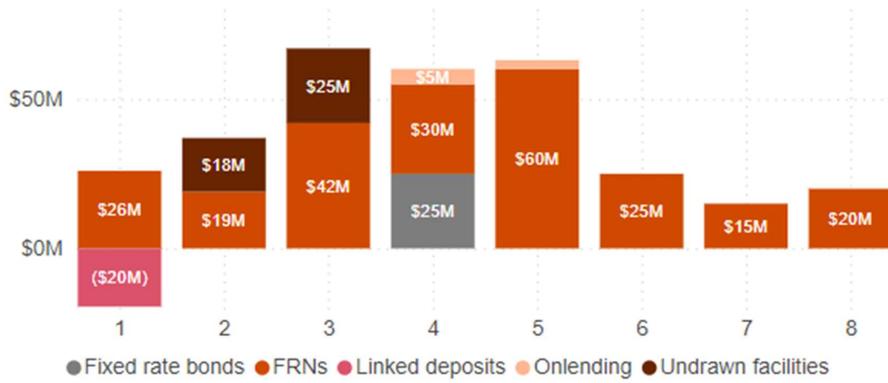
The following table schedules the swap financial instruments in place as at 31 December 2023:

Palmerston North City Council									
Interest Rate Swaps as at 31 December 2023									
Council pays fixed & receives floating on a quarterly basis							Current		Value at
Bank	Trade Date	Deal No	Amount	Start Date	Maturity	Fixed Interest rate	Floating rate	Reset date	31-Dec-23
ANZ	28-Nov-14	10730910	5.0	15-Dec-17	15-Jun-24	4.500%	5.615%	15-Mar-24	26,423
ANZ	28-Nov-14	10730993	5.0	10-Apr-18	10-Oct-24	4.515%	5.68%	10-Jan-24	47,447
ANZ	29-Nov-18	18984011	5.0	6-Dec-19	6-Sep-23	2.555%	5.69%	matured 6 Sep 23	
ANZ	29-Nov-18	18984258	2.0	6-Mar-20	6-Mar-29	3.095%	5.64%	6-Mar-24	111,431
Westpac	25-Feb-15	4218128	5.0	7-Sep-20	9-Sep-24	3.990%	5.630%	11-Mar-24	55,590
ANZ	25-Feb-15	11281075	3.0	16-Nov-20	15-Nov-24	3.990%	5.640%	15-Feb-24	41,646
Westpac	18-Jan-16	4910927	5.0	9-Dec-20	9-Jun-25	3.970%	5.63%	11-Mar-24	80,390
Westpac	25-Feb-15	4218131	5.0	8-Jun-21	10-Jun-24	3.990%	5.630%	11-Mar-24	38,667
ANZ	20-Jun-14	25213652	5.0	15-Dec-21	15-Jun-29	3.425%	5.615%	15-Mar-24	226,178
Westpac	16-Nov-21	9251755	7.0	8-Dec-21	8-Dec-28	3.190%	5.630%	8-Mar-24	346,420
Westpac	16-Nov-21	9251762	6.0	29-Dec-21	28-Sep-29	3.410%	5.64%	28-Mar-24	257,506
Westpac	16-Nov-21	9251772	5.0	10-Jan-22	10-Jan-30	3.380%	5.68%	10-Jan-24	254,297
Westpac	26-Feb-16	5013577	5.0	11-Apr-22	12-Jan-26	3.635%	5.680%	11-Jan-24	130,788
ANZ	13-Oct-20	22956802	10.0	15-Apr-22	15-Apr-28	0.4025%	5.71%	15-Jan-24	1,627,314
Westpac	25-Jun-21	9002142	10.0	15-Jun-22	15-Jun-28	1.8200%	5.615%	15-Mar-24	1,014,339
Westpac	25-Jun-21	9002154	10.0	15-Sep-22	15-Sep-28	1.9000%	5.615%	15-Mar-24	1,024,064
BNZ	27-Feb-20	384575543	7.0	8-Dec-22	8-Dec-28	1.3375%	5.630%	8-Mar-24	924,868
Westpac	25-Jun-21	9002127	10.0	15-Mar-23	15-Mar-28	1.9400%	5.615%	15-Mar-24	924,741
ANZ	27-Nov-17	17029213	5.0	15-Jun-23	15-Jun-27	3.7675%	5.615%	15-Mar-24	107,778
Westpac	25-Jun-21	9002104	10.0	15-Jun-23	15-Sep-27	1.9325%	5.615%	15-Mar-24	846,095
ANZ	27-Nov-17	17029223	6.0	29-Sep-23	29-Jun-27	3.7875%	5.64%	28-Mar-24	121,962
Active total at 31 Dec 23			126.0						8,207,944
ANZ	27-Mar-18	17670250	5.0	15-Jun-24	15-Jun-29	3.840%		15-Jun-24	62,617
ANZ	27-Mar-18	17670276	5.0	10-Oct-24	10-Jan-31	3.920%		10-Oct-24	42,325
ANZ	27-Mar-18	17670295	5.0	10-Jun-24	10-Jun-32	3.935%		10-Jun-24	82,444
Westpac	8-Jul-22	9735255	10.0	15-Apr-25	15-Apr-30	3.775%		15-Apr-25	90,864
Westpac	8-Jul-22	9735291	10.0	15-Jan-25	15-Sep-30	3.790%		15-Jan-25	116,949
ANZ	27-Apr-23	48752826	20.0	15-Apr-27	15-Apr-31	3.905%		15-Apr-27	102,938
ANZ	27-Apr-23	48752829	20.0	15-Jul-25	15-Jul-30	3.8025%		15-Jul-25	151,015
Forward start total at 31 Dec 23			75.0						649,152
								Total value	8,857,096

Schedule 3 - Risk Exposure Position

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

Funding and liquidity risk timeline



Funding summary

Bucket (years)	Policy	Actual
0 - 3	15% - 60%	38%
3 - 7	25% - 85%	56%
7 - 15	0% - 60%	7%
<b>Total</b>		<b>100%</b>

Liquidity Ratio

Policy: >= 110%  
Actual at 31 Dec 2023 117%

<b>Gross external debt at 31 Dec 2023:</b>	<b>\$270,205,128</b>
(Net debt i.e. Gross debt less pre-funding)	\$250,705,128)
(Net debt less PNAL related debt)	\$242,500,000)
<b>Undrawn bank facilities at 31 Dec 2023:</b>	<b>\$43,000,000</b>

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

As at 31 Dec 2023

**Current fixed rate hedging**  
62%

**Total fixed rate instruments**  
\$151,000,000

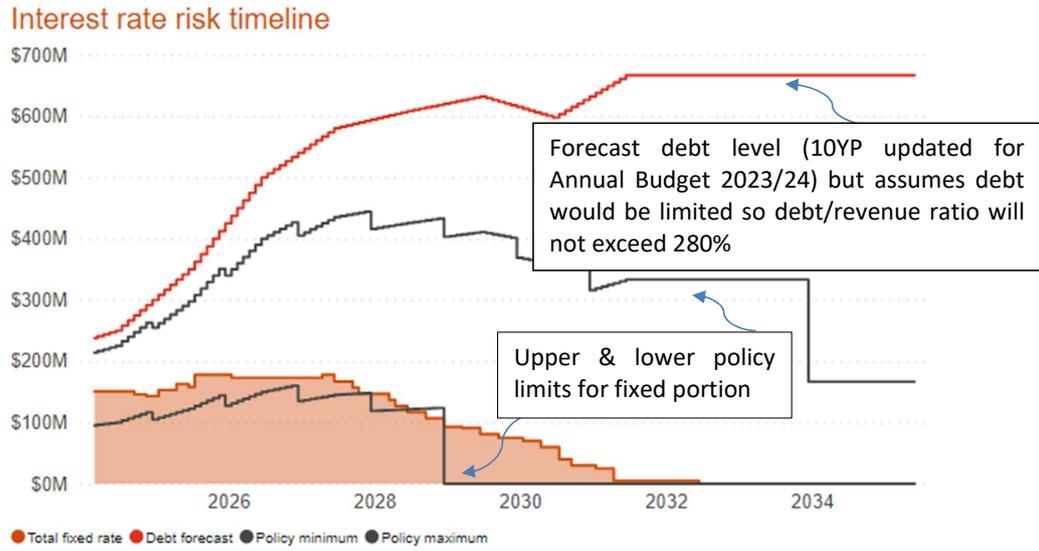
**Weighted average fixed rate of fixed rate instruments**  
2.76%

**Weighted average term of fixed rate instruments**  
4.36 years

Fixed proportions each year compared with policy – based on 10YP debt forecast – updated via 2023/24 Annual Budget (but assuming debt will be limited so Debt/Revenue ratio will not exceed 280%)

Interest rate summary

#	Bucket	Min	Max	Actual
1	0 - 12	40%	90%	59%
2	12 - 24	35%	85%	47%
3	24 - 36	30%	80%	36%
4	36 - 48	25%	75%	29%
5	48 - 60	20%	70%	21%
6	60 - 72	0%	65%	14%
7	72 - 84	0%	60%	9%
8	84 - 96	0%	50%	2%
9	96 - 108	0%	50%	0%
10	108 - 120	0%	50%	0%



The shaded portion reflects the fixed portion of the forecast debt based on the 10YP (updated as per Annual budget 2023/24) with debt limited so debt/revenue ratio does not exceed 280%

**Schedule 4 – Counterparty credit limits**

**Counterparty credit limits**

Counterparty	Investments exposure	Investment limit	MtM	Derivatives exposure	Derivatives limit	Total exposure	Total limit	Compliant?
Westpac	\$0	\$15,000,000	\$8,471,548	\$12,689,610	\$20,000,000	\$12,689,610	\$35,000,000	✓
BNZ	\$19,500,000	\$15,000,000	\$1,227,848	\$1,037,207	\$20,000,000	\$20,537,207	\$35,000,000	✗
ANZ	\$0	\$15,000,000	\$5,620,518	\$15,262,423	\$20,000,000	\$15,262,423	\$35,000,000	✓

Note: Although the counterparty credit limit for the BNZ is described as being non-compliant, it is only the investment sub-portion of the limit which is exceeded, rather than the total limit. It is intended at the next policy review to delete the sub-limits in the policy as they serve no useful purpose.



## MEMORANDUM

**TO:** Strategy & Finance Committee

**MEETING DATE:** 21 February 2024

**TITLE:** Elected Member Expenditure 2022/23

**PRESENTED BY:** Scott Mancer, Finance Manager

**APPROVED BY:** Cameron McKay, Chief Financial Officer

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### RECOMMENDATION(S) TO STRATEGY & FINANCE COMMITTEE

1. That the Committee receive the memorandum titled 'Elected Member Expenditure 2022/2023', presented to the Strategy & Finance Committee on 21 February 2024.
- 

#### 1. ISSUE

- 1.1 This report is presented annually in accordance with the Elected Member Expenses Policy. Section 10 states: *Reporting of Expenses: All expenses (including the cost of taxis) claimed by Elected Members are to be reported annually to the Strategy & Finance Committee (or equivalent committee). This will include all discretionary expenditure of the Mayor and Deputy Mayor, including credit card expenses.*
- 1.2 This report covers the financial year from 1 July 2022 to 30 June 2023.

#### 2. BACKGROUND

- 2.1 At its meeting of 16 November 2022, Council gave delegation to the Chairperson of the Strategy & Finance Committee or the Chair of Risk & Assurance Committee to approve expenses, including credit card transactions incurred by the Mayor. Credit card expenses are approved retrospectively.
- 2.2 Furthermore, the expenditure reported here is subject to audit undertaken by Audit NZ through the audit of the annual report. Their scope includes reviewing the effectiveness and efficiency, and testing for a lack of probity or financial prudence. Findings are then reported to the Risk & Assurance Committee. These findings are due to be presented to committee on 6 March 2024. There are no findings in relation to sensitive expenditure, or internal controls in relation to items contained within this report.
- 2.3 This report, therefore, adds a level of good practice by providing a summary of the expenses of the Mayor and Deputy Mayor to the Strategy & Finance Committee in a regular and timely manner.

**3. EXPENDITURE**

- 3.1 In Table 1 below is a summary of relevant expenditure from the Mayoral Office, Mayor’s Discretionary, Mayor’s Relief Fund and Elected Member Support. The Mayoral Office budget includes items for Citizenship Ceremonies and Civic Awards. The summary presents only the controllable expenditure for these budget lines for the 2022/23 financial year.
- 3.2 Uncontrollable expenditure includes overheads and internal staff time.
- 3.3 Table 1 includes expenditure from Tables 2 & 3. It also includes only some expenditure from Tables 4 & 5, as some expenditure is covered from other budgets such as Governance, Events or International Relations when Elected Members are on official Council business.
- 3.4 Even though expenditure items are over budget in Tables 2 & 3, overall expenditure has remained under budget. Overall total controllable expenditure was \$145k versus a budget of \$160k for the year.
- 3.5 The comparative figures for the 2020/21 and 2021/22 financial years in Table 1 below have been restated. This has been due to an inconsistency in applying of the filters for ‘controllable’ expenditure. In error, Internal Expenditure was accidentally included in previous reports. The correct figures are presented below.

**Table 1: Comparative totals for the previous three financial years**

Financial year	Total controllable expenditure	Budget
2020/21	128,272	143,405
2021/22	90,685	156,216
2022/23	145,142	160,125

**Table 2: Mayor’s Office budgets (sensitive expenditure only)**

	22/23 Actual	22/23 Budget	21/22 Actual
Hospitality	22,451	23,880	17,949
Training	6,650	8,460	4,300
Travel and Accommodation	27,595	22,860	6,362
Gifts	6,490	Not separately budgeted	5,884
Taxi Charges	3,597	Not separately budgeted	-
<b>SUB - TOTAL</b>	<b>\$66,784</b>	<b>\$55,200</b>	<b>\$34,495</b>
Other Expenses*	78,358	104,925	56,190
<b>GRAND TOTAL</b>	<b>\$145,142</b>	<b>\$160,125</b>	<b>\$90,685</b>

\* Other Expenses includes items related to the running of the Mayor's Office activity and covers expenditure items like consultancy, media support, venue hire (Citizenship/Civic Awards/Duke of Ed. Awards, etc.) as well as discretionary fund grants and donations

**Table 3: Discretionary Fund budgets (Mayor)**

	22/23 Actual	22/23 Budget	21/22 Actual
Mayoral Discretionary Fund	16,458	11,076	11,223
Mayoral Relief Fund	8,292	4,940	4,931
(Donations received)	(3,352)	-	(8,732)
<b>TOTAL</b>	<b>\$21,398</b>	<b>\$16,016</b>	<b>\$7,422</b>

**4. SENSITIVE EXPENDITURE**

4.1 Tables 4 & 5 provide a summary of the sensitive expenditure as the policy for both non-credit card and credit card transactions respectively.

**Table 4: Sensitive expenditure (by Mayor, Deputy Mayor) excluding credit card transactions**

	GRANT SMITH	ALEISHA RUTHERFORD [to Oct 2022]	DEBI MARSHALL-LOBB [from Oct 2022]
Hospitality	19,218	15	-
Travel and accommodation	27,435	83	-
Training	4,650	-	550
Gifts	5,796	-	-
Internet	25	438	-
Taxi Charges	3,343	264	-
<b>TOTAL</b>	<b>\$60,467</b>	<b>\$800</b>	<b>\$550</b>

**Table 5: Credit card (by Mayor, Deputy Mayor)**

	GRANT SMITH	ALEISHA RUTHERFORD [to Oct 2022]	DEBI MARSHALL-LOBB [from Oct 2022]
Hospitality	7,304	-	-
Travel and accommodation	4,796	148	-
Gifts	4,081	62	-
Training	286	639	-
<b>TOTAL</b>	<b>\$16,467</b>	<b>\$849</b>	<b>-</b>

**5. EXPENSE CLAIMS**

5.1 Below is a summary of all expense claims made by all Elected Members. There is an overlap with expenses stated in tables above.

**Table 6: Reimbursements (all Elected Members)**

	TRAVEL & ACCOMODATION	HOSPITALITY	INTERNET/PHONE	TAXI CHARGES	TOTAL
Aleshia Rutherford	83	15	438	-	\$536
Karen Naylor	48	-	-	-	\$48
Billy Meehan	-	-	-	283	\$283
Brent Barrett	-	36	-	-	\$36
Orphée Mickalad	414	-	-	-	\$414
Patrick Handcock	223	-	-	-	\$223
Rachel Bowen	193	54	-	-	\$247
Roly Fitzgerald	583	-	-	37	\$620
William Wood	832	-	-	-	\$832

**Table 7: Elected Member taxi use – invoiced to Council**

	TAXI CHARGES
Aleisha Rutherford	\$264
Brent Barrett	\$82
Patrick Handcock	\$11
Rachel Bowen	\$321

**6. NEXT STEPS**

Annual reporting to the Committee will continue next year.

**7. COMPLIANCE AND ADMINISTRATION**

Does the Committee have delegated authority to decide?		<b>Yes</b>
Are the decisions significant?		<b>No</b>
If they are significant do they affect land or a body of water?		<b>No</b>
Can this decision only be made through a 10 Year Plan?		<b>No</b>
Does this decision require consultation through the Special Consultative procedure?		<b>No</b>
Is there funding in the current Annual Plan for these actions?		<b>No</b>
Are the recommendations inconsistent with any of Council's policies or plans?		<b>No</b>
The recommendations contribute to Goal 5: A Driven & Enabling Council		
The recommendations contribute to the achievement of action/actions in Governance and Active Citizenship		
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Open and transparent governance contributes to trust and reputation of the Council.	

**ATTACHMENTS**

NIL

## MEMORANDUM

**TO:** Strategy & Finance Committee

**MEETING DATE:** 21 February 2024

**TITLE:** Speed Management Plan - process update

**PRESENTED BY:** Peter Ridge, Senior Policy Analyst

**APPROVED BY:** David Murphy, Chief Planning Officer

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### RECOMMENDATION(S) TO STRATEGY & FINANCE COMMITTEE

#### Interim Speed Management Plan (school speed limits)

1a. That the Committee request the Chief Executive provide a report outlining the options for using the \$833K budget originally provided for implementing the interim Speed Management Plan (school speed limits).

Or

1b. That the Committee note that the \$833K budget originally provided for implementing the interim Speed Management Plan (school speed limits) will not be spent.

#### Full Speed Management Plan

2a. That the Committee proceed with the development of the full Speed Management Plan and determine that the hearing of submissions on the draft full Speed Management Plan be set for 10 April 2024 (Option 1).

Or

2b. That the Committee determine that work on the draft full Speed Management Plan remains on hold, pending a staff report to the Committee on the details of changes to the Setting of Speed Limits Rule (Option 2).

Or

2c. That the Committee:

- determine that work on the draft full Speed Management Plan remains on hold, pending a staff report to the Committee on the details of changes to the Setting of Speed Limits Rule; and
- subject to staff obtaining confirmation that the approach is legally compliant, direct the Chief Executive to install active warning signage at the intersections of Valley Views/Turitea Road and No. 1 Line/Longburn-Rongotea Road in lieu of proceeding with the proposals for establishing intersection speed zones at those locations (Option 3).

## **1. ISSUE**

- 1.1 The purpose of this memorandum is to provide the Committee with a summary of the current state of work for developing a speed management plan, the impact of the recent decisions by the Government, and options for next steps.
- 1.2 While there is little new information about the upcoming changes to the Speed Limits Rule since the letter from the Minister of Transport in December 2023, there are opportunities for the Council to make progress with some aspects of the proposals. This memorandum sets out options for the Committee to consider.

## **2. BACKGROUND**

- 2.1 Council began developing a speed management plan in September 2022 in response to the Setting of Speed Limits Rule 2022. This Rule gave effect to the previous Government's *Road to Zero* road safety strategy, which set targets for road controlling authorities to reduce speed limits on roads around schools. The Rule required road controlling authorities to prepare a speed management plan (as part of a regional approach) by 30 June 2024.
- 2.2 We developed a parallel approach to meet these targets. The first stream of work set out proposals for reducing speed limits on roads around schools using a combination of variable and permanent speed limit reductions (in accordance with the Speed Management Guide published by NZTA Waka Kotahi).
- 2.3 The second stream of work identified a selection of speed limit changes to be included in the first full Speed Management Plan (full SMP). These changes were focussed on roads where a speed limit change would likely achieve an improved safety outcome without significant infrastructural interventions. We also included two high-risk intersections where an intersection speed zone would produce a safer environment.
- 2.4 We staggered the development and consultation for each stream, with the interim Speed Management Plan (interim SMP (school speed limits)) released for consultation in May 2023. The full SMP followed with consultation starting in September 2023.
- 2.5 In December 2023, the Minister of Transport advised road controlling authorities that the Government intends to develop a new Government Policy Statement on Land Transport and replace the current Setting of Speed Limits Rule. This work will be started as part of its 100-day plan, and consequently the Minister has encouraged the Council to consider the details of the new Rule before making any final decisions on its draft Speed Management Plan. The Minister has also revoked the deadlines set by NZTA Waka Kotahi, removing the requirement to reduce speed limits on roads

around schools by 30 June 2024, and to produce a full speed management plan for certification by 29 March 2024.

- 2.6 A copy of the December 2023 letter from the Minister is included as Attachment 1. The letter indicates the Minister considers it undesirable for councils to apply public money and resources in developing speed management plans at this time. We also received a letter from NZTA Waka Kotahi, which is included as Attachment 2.
- 2.7 The Council intended to deliberate on submissions to the interim SMP (school speed limits) at its meeting on 18 December 2023. However, after receiving the correspondence from the Minister of Transport and the Chief Executive of NZTA Waka Kotahi, the Council decided to reconsider the deliberations in 2024 once more information about the changes to the Rule was received. The Council had planned to hear submissions on the full SMP at an extraordinary meeting of the Strategy & Finance Committee on 8 February 2024. However, the Chair of the Committee made the decision to defer those hearings for the same reason.
- 2.8 This memorandum is provided to the Committee as an opportunity to review the current state of work, and to decide if part of the work on the speed management plans should resume, or if all work on the speed management plans should remain on hold.

### **3. CURRENT STATE OF WORK**

#### Government direction

- 3.1 At the time of writing this report, the Government has made no further public announcements about its work in this space since December 2023. NZTA Waka Kotahi has not provided further detail about the planned changes to the Setting of Speed Limits Rule.

#### Staff reporting and analysis

- 3.2 Staff are not actively working on the development of the speed management plans, or on further analysis of the submissions.

#### Budget and programmes

- 3.3 The Council has a budget of \$833K allocated to the implementation of the proposed school speed limits. This is comprised of \$425K funding from NZTA Waka Kotahi with the balance coming from the Council. If not spent by 30 June 2024, the funding from Waka Kotahi will expire and be forfeit.
- 3.4 Initial indications from NZTA Waka Kotahi suggest that projects with a focus on pedestrian safety are likely to be approved for this funding. For example, raised pedestrian crossings at school entrances which are designed to improve safety for students travelling to and from school may be approved by Waka Kotahi.

## **4. ANALYSIS**

### **Interim Speed Management Plan (School Speed Limits)**

- 4.1 The Government has removed the targets and the deadlines for school speed limits (40% of schools covered by slower speed limits by 30 June 2024, and 100% by December 2027). While this alters the timeframes that were driving the development of the interim SMP (school speed limits), the proposals are valid recommended speed limits that could still be implemented.
- 4.2 However, the Government has indicated that changes to the Speed Limits Rule will introduce new or additional criteria, such as considering economic impacts. The Government may also impose different requirements or remove the need to address speed limits around schools or set different expectations for addressing road safety around schools. The scope of potential changes to the process for setting speed limits around schools is quite broad and could affect the speed limits that staff recommend. However, details of these changes have not yet been released.
- 4.3 The Council decided on 18 December 2023 to pause work on the interim SMP (school speed limits) until the new Speed Limit Rule was released. With no new information at this stage, the Council's decision remains in effect and staff will undertake no further work on the interim SMP (school speed limits) until the details of the new Speed Limits Rule are known and have been reported back to the Committee.
- 4.4 As noted in paragraph 3.4 above, it may be possible to redirect the existing funding that was set aside for implementation of the school speed limits to new road safety programmes such as raised pedestrian platforms. We have provided two possible recommendations.
- 4.4.1 If the Committee wishes to see this funding used for implementing alternative road safety treatments such as raised pedestrian platforms, then recommendation 1a will request staff to provide an options report for how this budget could be spent.
- 4.4.2 If the Committee does not want the implementation funding to be used for alternative road safety treatments, then recommendation 1b will direct staff to not spend this budget. The funding from Waka Kotahi will most likely expire at the end of this financial year.

### **Full Speed Management Plan**

- 4.5 While the Government has removed the targets that apply to speed limit changes around schools, it is not clear what impact the changes signalled by the Government will have on other speed limit changes.
- 4.6 In public statements and the December 2023 letter, the Minister has indicated that the new Speed Limits Rule will require road controlling authorities to have

regard to economic impacts – including travel times – and the views of road users and local communities are taken into account when setting speed limits. However, from these statements, we expect much of the existing process to develop SMPs will remain.

- 4.7 The December 2023 letter from the Minister included a specific expectation of councils (as RCAs):

*I consider it is undesirable for RTCs and RCAs to apply public money and resources in developing speed management plans only to have to revisit the plans when the new Rule takes effect. Given this, if you have not already finalised your speed management plan, I encourage you to consider the new Rule before making final decisions.*

- 4.8 There are three options for the Committee with regard to the full SMP:

- 4.8.1 It can choose to proceed with the development of the full SMP (2a); or
- 4.8.2 It can leave this work on hold until more information is known about the upcoming changes to the Speed Limits Rule (2b).
- 4.8.3 It has the opportunity to implement some aspects of the full SMP in an alternative manner such as the installation of intersection speed zone (ISZ) signs at Valley Views/Turitea Road, and No. 1 Line/Longburn-Rongotea Road as active warning signs (2c).

#### **Option 1 – Proceed with the development of the full SMP**

- 4.9 If the Committee chooses to proceed with the development of the full SMP, then it would begin by continuing with the hearing of submissions. The Committee could decide to defer deliberating on the submissions until the detail of changes to the Speed Limits Rule are known.

4.9.1 The advantage of this approach is that the Council would be in a good position to decide about the proposed speed limit changes once the Government has developed its revised Speed Limits Rule, because it would have heard from submitters. Proceeding with hearings would not commit the Council to making any specific decision until the new Speed Limits Rule is released, but it could raise expectations amongst submitters that Council will be making a decision after the hearing.

4.9.2 The disadvantage of this approach is that the Government may require the Council to restart the entire process to make a new speed management plan. If the new Speed Limits Rule is substantially different from the current process, then we may be required to restart our process. The Government has not given any indication that it is planning to fundamentally replace the speed management plan process, albeit they will be looking for different outcomes.

4.9.3 There is a risk that different submissions may have been made on the proposal if the Rule was different, or if the community were aware that it was to be changed. The details of the changes may also not be released until after the hearings, meaning submitters presenting at the hearings may be unaware of how those changes would affect their views. It is possible the hearing could become dominated by a conversation about the direction of the new Speed Limits Rule and its impact on the decisions to be made by the Council, as opposed to the merits or otherwise of the Council's draft SMP.

4.9.4 This option could mean the Council is seen as ignoring the direction of the Minister, given the content of the December 2023 letter.

**Option 2 – Leave the full SMP on hold**

4.10 If the Committee chooses to leave this work on hold, then staff would not resume preparation for the hearing of submissions, and would await further information from NZTA Waka Kotahi. While no announcement dates have been shared, there is an expectation that a draft Government Policy Statement may be released late February or early March. This would likely provide some indication of the changes being proposed to the process for setting speed limits. However, it is still unclear when specific details may be known, or the timeframe for implementing the new Speed Limits Rule.

4.10.1 The advantage of this approach is that the Council would avoid undertaking work that may be either unnecessary or non-compliant with a changed Speed Limits Rule. It would also avoid a hearing while there is uncertainty about the future of the new Rule.

4.10.2 This option would ensure the Council is seen to be responding to the direction of the Minister, given the content of the December 2023 letter.

4.10.3 The disadvantage of this approach is that it would add further delay to introducing speed limit changes. Many of the proposed speed limit changes were for safety reasons, and those safety risks will continue to be present if the speed limit changes are deferred longer.

**Option 3 – Leave the full SMP on hold and implement Intersection Speed Zone signs for Valley Views/Turitea Road and No. 1 Line/Longburn-Rongotea Road as active warning signs**

4.11 If the Committee decides to leave the development of the full SMP on hold, we may still be able to implement some elements of the proposals in an alternative way. The draft full SMP proposed ISZs for Valley Views/Turitea Road, and No. 1 Line/Longburn-Rongotea Road. It might be possible to install these same signs, but, instead of implementing them as legal speed limits, they could be implemented as active warning signs.

- 4.12 ISZs are designed to improve safety at high-speed intersections, by legally reducing the speed limit on the main road when traffic is waiting to enter or leave the intersection from the side roads. An ISZ implemented in this way is a legal speed limit which can be enforced by Police.
- 4.13 If the ISZ signs were instead installed as an active warning sign, they would not be a legal speed limit and the Police would not be able to enforce any speeding infringements issued if drivers did not comply with the speed limit on the electronic sign. However, they could achieve a similar outcome in prompting drivers to reduce their speed.
- 4.13.1 The advantage of this option is that the safety of the intersections could be improved by providing a clear signal to drivers to reduce their speed. It would also make use of the existing 2023/2024 funding for the installation of the ISZs.
- 4.13.2 The disadvantage of this option is that it is an unconventional use of this type of signage, and there is some uncertainty whether such an approach would be compliant with the Traffic Control Devices Rule. If the signs were installed and they were later found to be non-compliant then NZTA Waka Kotahi could direct the Council to remove the signs.
- 4.13.3 Advice from NZTA Waka Kotahi on this matter is inconclusive. A legal opinion may be appropriate to provide confidence that this option is compliant. This would reduce the risk that the signs are found to be non-compliant and give assurance that this approach is valid.
- 4.14 The diaram below provides a visual summary of the options discussed above:

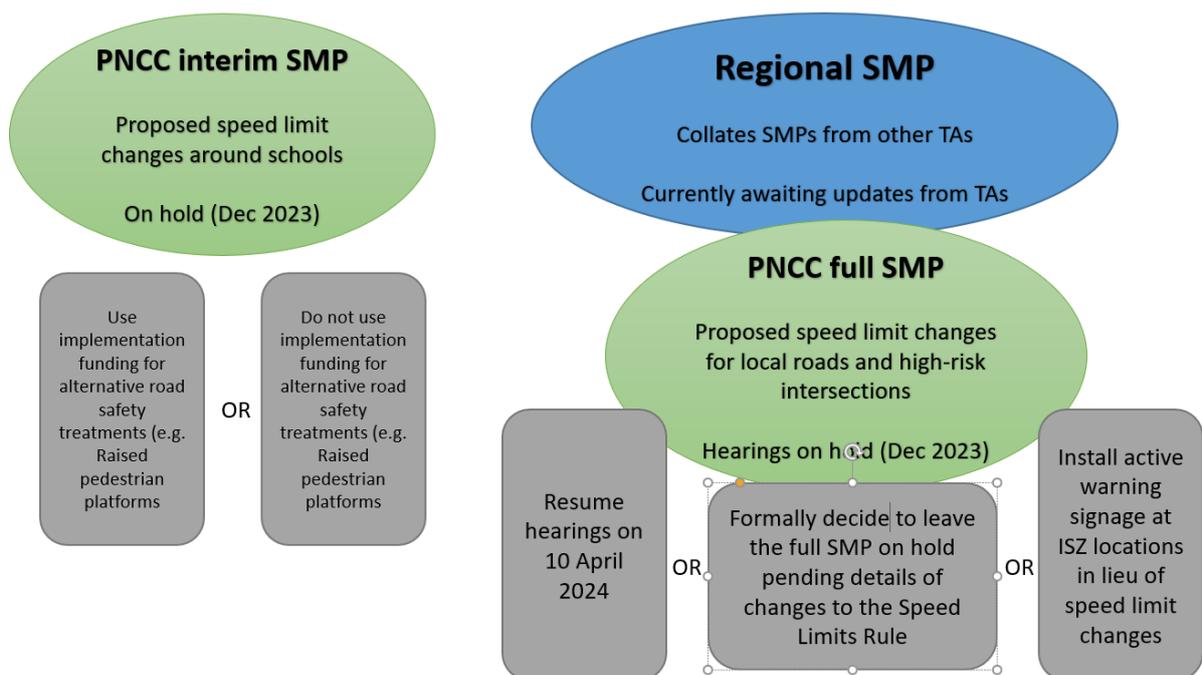


Figure 1: Visual summary of the options for both interim SMP and full SMP

**5. RECOMMENDATIONS**

- 5.1 If the Committee would like more information about the options for using the funding that was set aside for implementation of the interim SMP (school speed limits), then it should move recommendation 2a to request a report from staff on those options and costs. Alternatively, the Committee could move recommendation 2b if it wishes to direct staff not to spend the funding on alternative road safety treatments for the interim SMP (school speed limits).
- 5.2 There are three possible recommendations for the Committee to choose from with regards to the draft full SMP. These are provided in an 'either/or' format for the Committee to consider and move accordingly.

**6. NEXT STEPS**

- 6.1 Staff will continue to liaise with NZTA Waka Kotahi and the Ministry of Transport. We will provide updates to Elected Members on any changes to the Speed Limits Rule. Once we have more clarity on the changes to the Rule, we will report to the Committee with advice on how to proceed with the draft interim SMP (school speed limits).
- 6.2 If the Committee decides to proceed with the development of the full SMP (option 1), then hearings for oral submissions will be scheduled for 10 April 2024 (the next ordinary meeting of the Committee).
- 6.3 If the Committee decides to leave the full SMP on hold (option 2), then staff will await further information from NZTA Waka Kotahi and the Ministry of Transport on the changes to the Speed Limits Rule. Once we have more clarity on the changes to the Rule, we will report back to the Committee with advice on how to proceed with the draft full SMP.
- 6.4 If the Committee decides to proceed with installing active warning signage at the intersections of Valley Views/Turitea Road, and No. 1 Line/Longburn-Rongotea Road (as indicated by option 3), then staff will first get confirmation that this type of sign can be legally operated as an active warning sign. If that confirmation is received, then staff will proceed with the installation of the signs using the existing budget.

**7. COMPLIANCE AND ADMINISTRATION**

Does the Committee have delegated authority to decide?	<b>Yes</b>
Are the decisions significant?	<b>No</b>
If they are significant do they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>Yes</b>

Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>
The recommendations contribute to Goal 1: An Innovative and Growing City	
The recommendations contribute to the achievement of action/actions in Transport	
The action is: progressively review speed limits throughout the City on a staged basis	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	This report sets out the latest information about the development of the speed management plans and provides advice for the Committee on how it can proceed with the development of those plans. This information is intended to put the Council in the best possible position to make decisions about speed limits in a timely manner.

**ATTACHMENTS**

1. Letter from Minister of Transport Speed Limits Rule [!\[\]\(0c32a6bdc6f2bd58430896cb9dac05bd\_img.jpg\)](#) 
2. Letter from NZTA Waka Kotahi Speed Limits Rule [!\[\]\(051c0e714cd6874659a4eacfe53dcae2\_img.jpg\)](#) 



**Hon Simeon Brown**

MP for Pakuranga

Minister for Energy  
Minister of Local Government  
Minister of TransportMinister for Auckland  
Deputy Leader of the HouseGrant Smith  
Palmerston North City Council  
**[Grant.smith@pncc.govt.nz](mailto:Grant.smith@pncc.govt.nz)**

Dear Grant,

As you will be aware, a new Government has taken office with a comprehensive transport programme that will see Kiwis get to where they want to go, quickly and safely. The Government is writing a new Government Policy Statement on Land Transport to focus on reducing travel times and to create a more productive and resilient transport network that drives economic growth to boost incomes and unlock land for houses.

I am writing to inform you of recent changes made to the Land Transport Rule: Setting of Speed Limits 2022 (the Rule).

I am aware Regional Transport Committees (RTCs) and Road Controlling Authorities (RCAs) are currently developing, or have developed, speed management plans in line with the Rule and deadlines set by the New Zealand Transport Agency Waka Kotahi (NZTA).

The Rule has been amended to revoke the deadlines set by the NZTA, including the 29 March 2024 deadline for submitting the final draft speed management plans for certification. The deadlines and targets for reviewing speed limits, including around schools, have also been revoked. The Rule no longer requires RTCs and RCAs to develop speed management plans, and instead allows them to choose to do so.

As part of the Government's 100-day commitments, I intend to replace the current Rule.

This new Rule will ensure that when speed limits are set, economic impacts – including travel times – and the views of road users and local communities are taken into account, alongside safety.

The new Rule will also implement requirements for variable speed limits on roads approaching schools during pick up and drop off times, rather than permanent reductions, to keep young New Zealanders safe when they are arriving at, or leaving, school.

I consider it is undesirable for RTCs and RCAs to apply public money and resources in developing speed management plans only to have to revisit the plans when the new Rule takes effect. Given this, if you have not already finalised your speed management plan, I encourage you to consider the new Rule before making final decisions.

I also note the policies within the previous Government's so-called 'Road to Zero' strategy, in relation to speed limits, are no longer the Government road safety strategy for the purpose of the Rule. The Government is committed to road safety and will be publishing new objectives for road safety along with the new Rule next year.

Private Bag 18041, Parliament Buildings, Wellington 6160 New Zealand  
+64 4 817 6804 | [s.brown@ministers.govt.nz](mailto:s.brown@ministers.govt.nz) | [www.beehive.govt.nz](http://www.beehive.govt.nz)

I am working with officials on the timeline for replacing the current Rule and I expect them to keep you updated on progress.

In addition, I understand that some local authorities have been developing programmes with NZTA and other stakeholders to reduce vehicle kilometres travelled (VKT) by the light vehicle fleet, using funding from the Climate Emergency Response Fund. I have given notice to NZTA to end its work on these programmes, and to not commit any further funding to local authorities (beyond existing contractual obligations) to develop these programmes.

Thank you for your understanding as we work through these changes.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Simeon Brown'.

Hon Simeon Brown  
**Minister of Transport**

**Copy to:** Waid Crockett, [waid.crockett@pncc.govt.nz](mailto:waid.crockett@pncc.govt.nz)

13 December 2023

Kia ora koutou,

**Re: Amendments to the Land Transport Rule: Setting of Speed Limits 2022**

I am writing about changes made by the Minister of Transport to the Land Transport Rule: Setting of Speed Limits 2022 (The Rule) announced on Tuesday 12 December.

The changes to the Rule progress the Coalition Government's 100-day plan in relation to speed management.

I understand the Minister has provided a written update outlining the intent of the changes, which are as follows:

- The requirement to develop speed management plans is now discretionary rather than mandatory
- The Minister of Transport, rather than the NZ Transport Agency Waka Kotahi (NZTA), now has the authority to set a deadline for any of the steps involved in developing, varying or replacing Speed Management Plans (SMPs)
- Any previous deadlines for RCAs to prepare SMPs are revoked
- Regional Transport Committees (RTCs) and Road Controlling Authorities (RCAs) no longer need to meet the previous deadlines associated with setting speed limits outside schools as set out in the Rule.

These amendments to the Rule do not change the function of the Director of Land Transport to certify Speed Management Plans which RCAs choose to submit, however RTCs and RCAs should note the intention from the Minister to develop a new Rule. The Minister has encouraged RCAs to wait for this new Rule before developing or completing SMPs.

I acknowledge the implications of these changes may raise some questions around the progression of speed management plans, including those already submitted for certification. I have provided key information on how these changes may affect you and will provide more details as they become available.

This information along with any further updates will also be made available on the NZTA and Ministry of Transport websites.

**Key information**

- The Minister intends to replace the Rule and has encouraged RTCs and RCAs to wait until the new Rule is in place before developing or submitting SMPs;
- An RCA can choose to submit a SMP to the Director of Land Transport for certification.
- If a SMP has been submitted, but not yet certified, the RCA can withdraw the SMP prior to certification.
- Implementation of certified SMPs can continue.

- Speed limits which have migrated into the National Speed Limit Register remain valid.
- RTCs and RCAs retain the ability to target harm reduction through safety management responses including SMPs and infrastructure improvements;
- Work on the new Rule has commenced. The expectation is that further information on the scope and process for the new Rule will be available in early 2024.

If you have any concerns, please get in touch with your NZTA Area Programme Manager or Director of Regional Relationships for guidance and support.

Ngā mihi nui,



Brent Alderton  
Director of Land Transport

## COMMITTEE WORK SCHEDULE

TO: Strategy & Finance Committee

MEETING DATE: 21 February 2024

TITLE: Committee Work Schedule

### RECOMMENDATION TO STRATEGY & FINANCE COMMITTEE

1. That the Strategy & Finance Committee receive its Work Schedule dated February 2024.

COMMITTEE WORK SCHEDULE – FEBRUARY 2024					
Item No.	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction/ Clause number
1.	February 2024	Quarterly Performance & Financial Report (quarter 2 ending 31 December 2023)	Chief Financial Officer		Terms of Reference
2.	February 2024	Treasury Report (quarter 2 ending 31 December 2023)	Chief Financial Officer		Treasury Policy
3.	February 2024	Elected Member Expenditure 22/23 Financial Year	Chief Financial Officer		Elected Members Expenses Policy 2022
4.	February 2024	Treasury Policy Review	Chief Financial Officer	To Council meeting on 14 February	Treasury Policy
5.	February 2024	Rates review	Chief Financial Officer	To Council meeting on 14 February as	Terms of Reference

				part of LTP consideration	
6.	February 2024	<del>Draft Palmerston North Animals and Bees Bylaw 2024 – Hearings</del>	<del>Chief Planning Officer</del>		<del>Council 18 December 2023 Clause 227</del>
7.	February 2024	<del>Draft Palmerston North Dog Control Policy 2024 – Hearings</del>	<del>Chief Planning Officer</del>		<del>Council 18 December 2023 Clause 226</del>
8.	May 2024	Draft Palmerston North Dog Control Policy 2024 – Deliberations	Chief Planning Officer		
9.	May 2024	Draft Palmerston North Animals and Bees Bylaw 2024 – Deliberations	Chief Planning Officer		
10.	May 2024	Quarterly Performance & Financial Report (quarter 3 ending 31 March 2024)	Chief Financial Officer		Terms of Reference
11.	May 2024	Treasury Report (Quarter 3)	Chief Financial Officer		Treasury Policy
12.	14 August 2024	Quarterly Performance & Financial Report (quarter 4 ending 30 June 2024)	Chief Financial Officer		Terms of Reference
13.	14 August 2024	Treasury Report (Quarter 4)	Chief Financial Officer		Treasury Policy
14.	August 2024	Draft Waste Management	Chief Planning		11 August 2021

		and Minimisation Bylaw – Approval for Consultation	Officer		Clause 21
15.	November 2024	Quarterly Performance & Financial Report (quarter 1 ending 30 September 2024)	Chief Financial Officer		Terms of Reference
16.	November 2024	Treasury Report (Quarter 1)	Chief Financial Officer		Treasury Policy
17.	November 2024	Vegetation Framework to include a Tree Policy focused on Council administered streets and public spaces	Chief Planning Officer		Committee of Council 9 June 2021 Clause 31.8
18.	TBC	Report back at the conclusion of the Te Apiti Three Bridges Loop Track investigations and design work with a view to applying to Te Ahu a Turanga Recreation Fund for implementation works	Chief Infrastructure Officer		20 September 2023 Clause 58.3

**ATTACHMENTS**

NIL