

Agenda for a meeting of the Strategy & Finance Committee to be held in the Council Chambers, District Office, 15 Galileo Street, Ngaruawahia on **WEDNESDAY, 16 FEBRUARY 2022** commencing at **9.30am**.

1. APOLOGIES AND LEAVE OF ABSENCE

2. CONFIRMATION OF STATUS OF AGENDA

3. DISCLOSURES OF INTEREST

4. CONFIRMATION OF MINUTES

Meeting held on Monday, 29 November 2021 Y

5. ACTION REGISTER Y

6. REPORTS

6.1 Financial Performance Summary Y

6.2 Treasury Risk Management Policy – Compliance Report Y

6.3 2021/22 Second Quarter Non-Financial Performance Results Y

6.4 Update on District Valuation Objections Y

6.5 Civic Financial Services Statement of Intent for 2022 Y

6.6 Resident Perception Survey – Half Yearly Results Y

6.7 Submission on the WEL Energy Trust Draft 2022/2023 Annual Plan Y

6.8 Approval for consultation on Raglan Food Waste Collection *Circulated under separate cover*

7. EXCLUSION OF THE PUBLIC

GJ ION

CHIEF EXECUTIVE

TERMS OF REFERENCE AND DELEGATION

Reports to:	The Council
Chairperson:	Cr Janet Gibb
Deputy Chairperson:	Cr Aksel Bech
Membership:	The Mayor, all Councillors and Mrs Maxine Moana-Tuwhangai (Maangai Maaori)
Meeting frequency:	Six-weekly
Quorum:	Majority of members (including vacancies)

Purpose:

The Strategy & Finance Committee is responsible for:

1. Monitoring of Council's strategy, and performance (both financial and non-financial) against the Long Term Plan and Annual Plan.
2. Setting the broad vision and direction of the District, determine specific outcomes that need to be met to deliver on that vision, and develop and monitor strategies to achieve those goals.
3. Determining financial matters within its delegations and Terms of Reference and making recommendations to Council on financial matters outside its authority.
4. Guiding and monitoring Council's interests in Council Controlled Organisations (CCOs), Council Organisations (COs) and subsidiaries.

In addition to the common delegations on page 10, the Strategy & Finance Committee is delegated the following Terms of Reference and powers:

Terms of Reference - Strategy:

1. Develop and agree strategy and plans for the purposes of consultation.
2. Recommend to Council strategy and plans for adoption, including community plans (e.g Blueprints).
3. Monitor and review adopted strategies and plans.
4. To monitor and provide advice on the development and implementation of growth and development strategies, land use, and spatial plans in line with national policy requirements.

5. To enhance the District's economic position by promoting it as a business-friendly and business-enabled location and providing direction on strategic initiatives, plans, projects and potential major developments relating to economic and business development.
6. To monitor and provide direction on engagement with the District's communities in relation to the Council's strategies and plans.
7. To monitor and make decisions on environmental management and sustainability within the District.
8. To receive and consider presentations and reports from stakeholders, government departments, organisations and interest groups on development and wellbeing issues and opportunities within the District.

Terms of Reference – Finance:

9. To monitor Council's financial strategy, and performance against that strategy.
10. To provide clear direction to Council's CCOs and COs on Council's expectations, including feedback on draft statements of intent.
11. To receive six-monthly reports of Council's CCOs and COs, including on board performance.
12. To undertake any reviews of CCOs and agree CCO-proposed changes to their governance arrangements, except where reserved for full Council's approval.
13. To monitor Council's investments and Local Government Funding requirements in accordance with Council policy and applicable legislation.

The Committee is delegated the following powers to act:

- Approval of:
 - a. appointments to, and removals from, CCO and CO boards; and
 - b. a mandate on Council's position in respect of remuneration proposals for CCO and CO board members to be presented at Annual General Meetings.
- Approval of letters of expectation for each CCO and CO.
- Approval of statements of intent for each CCO and CO.
- Approval of proposed major transactions of CCOs and COs.
- Approval or otherwise of any proposal to establish, wind-up or dispose of any holding in, a CCO or CO.
- Monitor work on Future Proof, Waikato Plan, Growth & Economic Development Strategy and cross-boundary issues.
- Approval of any process for making decisions where additional opex or capex funding, or deferred capex, is required.
- Review and make recommendations to Council in relation to Fees & Charges (after consultation with relevant community boards or committees).

- Review and recommend to Council the adoption of the Annual Report.
- Review and recommend to Council the approval of Development Agreements.
- Approval of transactions in relation to investments in accordance with Council policy.
- Approval of contractual and other arrangements for supply and services, and revenue generating contracts, which exceed the Chief Executive's delegations, but exclude contracts or arrangements that are reserved for the Council or another committee's approval.
- Approval of rating issues where these exceed the delegated authority of officers, or are an appeal against officer decisions. For clarity, this excludes decisions that are required, by law, to be made by the Council.
- Approval to write-off outstanding accounts that exceed officer delegations.
- Approval of funding applications for the Heritage Assistance Fund and Conservation Fund as recommended to the committee by officers or relevant assessment bodies.

To | **Strategy and Finance Committee**
Report title | **Confirmation of Minutes**

1. Purpose of the report
Te Take moo te puurongo

To confirm the minutes for the meeting of the Strategy and Finance Committee held on Monday, 29 November 2021.

2. Staff recommendations
Tuutohu-aa-kaimahi

THAT the minutes for the meeting of the Strategy and Finance Committee held on Monday, 29 November 2021 be confirmed as a true and correct record.

3. Attachments
Ngaa taapirihanga

Attachment 1 – S&F Minutes, Monday, 29 November 2021

Date:	8 February 2022
Report Author:	Grace Shaw
Authorised by:	Gaylene Kanawa Democracy Team Leader

Minutes for the meeting of the Strategy & Finance Committee of the Waikato District Council held via Audio Visual Conference on **MONDAY, 29 NOVEMBER 2021** commencing at **9:31 am**

Present:

Cr JM Gibb (Chairperson)
His Worship the Mayor, Mr AM Sanson
Cr AD Bech
Cr JA Church
Cr CA Eyre
Cr SL Henderson
Cr SD Lynch
Cr FM McNally
Ms M Moana-Tuwhangai
Cr RC McGuire
Cr EM Patterson
Cr JD Sedgwick
Cr NMD Smith
Cr LR Thomson
Cr CT Woolerton

Attending:

Mr G Ion (Chief Executive)
Mr T Whittaker (Chief Operating Officer)
Ms A Diaz (Chief Financial Officer)
Mr R MacCulloch (General Manager Service Delivery)
Mrs S O’Gorman (General Manager Customer Support)
Mr C Morgan (General Manager Community Growth)
Mr V Ramduny (Strategic Projects Manager)
Mr J Ebenhoh (Planning & Policy Manager)
Mr V Ramduny (Strategic Projects Manager)
Mr C Bailey (Finance Manager)
Ms M Russo (Corporate Planning Team Leader)
Ms L Hood (Corporate Planner)
Ms E Symes (Reserves Planner)
Ms R Law (Reserves Planner)
Ms J de Abreu (Financial Accountant)
Ms S Wilson (Communications Advisor)
Mr M Horsfield (Democracy Advisor)

APOLOGIES AND LEAVE OF ABSENCE

All members were present.

CONFIRMATION OF STATUS OF AGENDA ITEMS

Resolved: (Crs McInally/Cr Eyre)

THAT the agenda for a meeting of the Strategy & Finance Committee held on Monday, 29 November 2021 be confirmed and all items therein be considered in open meeting with the exception of those items detailed at agenda item 8 which shall be considered with the public excluded;

AND THAT all reports be received.

CARRIED

S&F2111/01

DISCLOSURES OF INTEREST

There were no disclosures of interest.

CONFIRMATION OF MINUTES

Resolved: (Crs Thomson/Woolerton)

THAT the minutes for the meeting of the Strategy & Finance Committee held on Monday, 18 October 2021 be confirmed as a true and correct record.

CARRIED

S&F2111/02

REPORTS

Action Register – November 2021
Agenda Item 5

The report was received [*S&F2111/02 refers*] and no discussion was held.

Blueprint Implementation Reporting and New Local Area for Gordonton and Port Waikato
Agenda Item 6.1

The report was received [*S&F2111/02 refers*] and the following discussion was held:

- Port Waikato and Gordonton currently do not have local area blueprints. Council was about to launch into the blueprint programme next year. There will be a soft launch, with posters and online information, with timing, surveying and an explanation of what is a blueprint.

- Council had been working on learnings from the initial rounds of blueprints. It was important that councillors received progress briefings.
- Noted that it was an exciting opportunity for the Port Waikato and Gordonton communities.
- Communities with existing blueprints will be engaged to ensure they are fit for purpose before proceeding with the planning of the next Long Term Plan.
- Community-Led Development & Funding Review – Funding for the blueprint and community aspirations budget was approved in October 2021. Staff were working on the structure for funding initiatives.
- Structured reporting will be provided regarding the progress of blueprints.
- Important not to imply that everything in the blueprint initiative will be council led and funded. Future blueprint report will have a section for Council led project versus Community led projects.

2021/22 First Quarter Non-Financial Performance Results

Agenda Item 7.1

The report was received [*S&F2111/02 refers*] and the following discussion was held:

- Environmental Health Key Performance Indicators (KPI) – The KPI “*The percentage of medium or higher risk category licensed premises inspected annually*” was not achieved. This was due to the KPI only being measured in the fourth quarter.
- Blueprint initiatives do not follow a specific KPI. Blueprints will have their own separate reporting. Important that blueprints KPI’s were presented formally. The integrated way that blueprint are developed and implemented make it difficult to capture within non-financial performance reporting.
- Staff had taken learnings on how to achieve KPI’s under COVID.
- Discussion held regarding remote inspections for food operations. Council was also reviewing how to remotely undertake building inspections.

ACTION: Staff to check whether the KPI “*The percentage of food operations that are required to be verified annually that are verified*” that were undertaken remotely related to the number of businesses or the quality of the businesses.

- Perception of high value rates – The KPI’s were presented against the residents surveys. The data from the survey was summarised in the report. There will be a new residents survey conducted by a new contractor. There will be more in depth analysis from the survey to notice trends and issues.
- Service requests – Progress had been made regarding the breakdown in the system and it is reflected in the KPI’s.

- Food premises – Question raised if inspections were taking place if the premises were open under the alert level system.

ACTION: General Manager Customer Support to check if inspections were being undertaken if food premises were open under alert level restrictions.

Financial Performance Summary for the Period Ending 31 October 2021

Agenda Item 7.2

The report was received [*S&F211102 refers*] and the following discussion was held:

- Financial position was as forecasted, other than revenue, due to the delay in vesting assets from Waka Kotahi, notably sections of SH1. It was anticipated to be vested on the 30th June 2021 but had not occurred.
- GST error – The sum equalled \$29,000. The error was highlighted in finance expenses. Unfortunately due to staff changes, a formula had been overwritten in Microsoft Excel and the figure stayed the same. The error was noticed later on and Council self-declared the issue to IRD and paid the penalty. The system will now be thoroughly peer-reviewed. Staff were confident that the issue will not reoccur. Questions raised why Council was still using Excel spreadsheets and not commercial systems. Staff noted that the process was being reviewed, including the option of using commercial systems. Many large businesses use Excel spreadsheets.
- Fringe Benefit Tax – The processing system will be reviewed by Price Waterhouse Cooper in February 2021.
- There will be further assets that are expected to be vested in the next financial year.
- Watercare – Watercare activity levels were below expectations. This was due to the inability to get into areas where work needed to be done, particularly for maintenance caused by alert level restrictions and lockdowns. Watercare were looking to catch up outstanding work before the end of the year. Further information will be provided at the Infrastructure Committee meeting on Wednesday 1st December 2021.
- Personnel costs were higher than previous years due to wage inflation and an increased number of staff. There had been a number of vacancies filled and budgeted new roles. There were 26 new roles budgeted in the Long Term Plan (LTP) for the current year.
- Rates income above forecasts levels – Capital values had increased more than initially thought when the LTP was set. This impacts general rates and funds the operating costs at council. There will likely be a small surplus this year but staff cannot say how this will impact services that are not general rate funded. Council still waiting for the final recommendations for the rate process. Council was still waiting for the outcomes of the valuations objections process.

Once the outcomes had been received there may be an adjustment to the rates on the dollar. Council had made an assumption of how many properties were built but Council did not accurately assume the capital value estimates.

- Penalties Revenue – Penalties revenue had tripled with 20% higher write offs. Collections had been good but they are taking longer to receive. There had been a higher number of remissions for individuals with a good history of payment, and the remissions system was automatic for those individuals.

Treasury Risk Management Policy – Compliance Report on 31 October 2021

Agenda Item 7.3

The report was received [S&F2111/02 refers] and the following discussion was held:

- There were two areas of non-compliance costs. Firstly, the year to date borrowing costs which were slightly above budget due to the unbudgeted interest payment due to the GST return error. Secondly, external debt which was outside the fixed/floating interest rate limits.
- In November 2021, Council entered into new borrowing, with \$5 million in new borrowing and \$5 million reinvested in a new term deposit.
- Council will be participating in the December tender for a further \$10 million for further borrowing.
- 90 day bill rate – When the budgets were set Council expected the rate to remain steady and did not expect the recent changes in the rate. Council receives thorough data from Price Waterhouse Cooper regarding interest rates, which Council can use for modelling and assessing what the interest rate will look like moving forward.
- Staff were in the process of reviewing the Treasury Risk Management Policy with the assistance from Price Waterhouse Cooper and which will be presented to the committee when completed. The current reporting charts will not be removed from further reporting. New policy was meant to be in place in December 2021 but there will be another workshop in the new year before being presented to the committee.
- Council had a number of interest rate swaps in place, however the swaps were in place based on a capital expenditure programme that has changed significantly due to COVID.
- Accountability for the GST issue – No more borrowing had been taken to resolve the issue. There had been an interest charge but its not from borrowing.
- Forward Planning Cover – Question raised regarding interest rate swap cover for forward planning. There was forward momentum for project management. Cash flows were genuine for what costs were expected however COVID has caused disruption. The interest rate swaps rolled for 18 months. Council will take advice from Price Waterhouse Cooper for advice on how to manage disruptions from COVID.
- Staff were working on how the three waters reform will work regarding interest rate swaps.

Ruawaro Tennis Court Funding Solution

Agenda Item 7.4

The report was received [*S&F2111/02 refers*] and discussion was held.

- The standard of the tennis court has deteriorated. When Council took over the courts, the astroturfs were already aged. Volunteer organisations had taken care of the courts and they had lasted longer than expected.
- The courts were well supported by Ruawaro Tennis Club. The courts were well patronized. The courts were used in a inter-club circuit. The facilities are locked and only available to members, but also available to the Ruawaro School next door.

ACTION: The reserve planner to check that goals are not to be placed on the tennis court.

- Question raised regarding how many tennis courts in the district were open to the public. Noted that the courts were locked due to theft and damage. The astroturf courts need to be protected. There are also courts available nearby in Huntly for public access.
- Question raised what will be the impact on other LTP projects by bringing the project budgeting forward. The Open Spaces team will bring together smaller projects and no other projects will be disadvantaged with the addition of bringing forward this project.
- Noted that Council needs to look at documenting for who is responsible for paying for equipment and maintenance of club facilities such as court surfaces and nets.

ACTION: Staff to look at developing a policy or guidelines for what clubs can expect in regard to maintenance assistance.

Resolved: (Cr Smith/His Worship the Mayor)

THAT \$200,000 of the District Wide Parks and Reserves budget IRG-10000-C0-0000-0424 from year 3 (2023-24) of the 2021-31 Long-term Plan, be made available to undertake the capital improvements at Ruawaro Tennis Courts in the current financial year (2021-22).

CARRIED

S&F2111/03

Recovery of Pokeno and Tuakau Water and Wastewater Service Connection and Authorisation Fees
Agenda Item 7.5

The report was received [S&F2111/02 refers] and the following discussion was held:

- Wastewater infrastructure growth charges from Watercare were pre-purchased to support 2,000 new homes in Pokeno and Tuakau in 2017. This was taken as a capital cost. Council has now exhausted the 2,000 infrastructure growth charges and Council cannot capitalise on the costs any longer. Staff were now looking to amend the fees and charges to include the infrastructure growth charges.
- Question raised regarding the certainty whether the additional costs that will go into fees and charges will remain stable with Watercare or the costs will continue to increase for connection costs. Noted in 2021-22, the costs will be fixed but Watercare reviews the connections costs annually.
- The timings for the charge will be changed.
- Noted that the Water Governance Board needs to have a conversation with Watercare, as Council now has to find mechanisms to recover connection fees due to Watercare being unwilling to honour the arrangement that was in place. The Chief Executive noted that Council took the initiative to pre-buy capacity and that the situation has changed as growth has accelerated. Watercare has pressures due to Auckland's growth aspirations.

ACTION: Chief Executive to discuss the issue with the Water Governance Board.

- Concern that Council was a minor customer to Watercare's main shareholder (Auckland Council) and whether Waikato District Council had priority to deliver the services for water in the northern area of the Waikato District.
- Watercare did not anticipate more than one wet industry in Pokeno, and Watercare has been a good partner for delivering wastewater in the district.
- Developers will pay the fees and charges that will incorporate the service connections.

Resolved: (His Worship the Mayor/Cr Bech)

THAT the Strategy & Finance Committee recommend that Council approve the inclusion of the Pokeno and Tuakau water and wastewater service connection and authorisations fees as follows:

Pokeno and Tuakau Service Connection and Authorisation Fees

The purpose of the service connection and authorisation fees is to recover the costs of connections to the water and wastewater treatment infrastructure from those persons undertaking development that the costs relate to.

Description	Charge 2021/2022 (\$ (incl. GST)	Charge 2022/2023 (\$ (incl. GST)	Charge 2023/2024 (\$ (incl. GST)
Pokeno and Tuakau service connection and authorisation fee - Water	\$2,666.72	\$2,880.00	\$3,110.00
Pokeno and Tuakau service connection and authorisation fee -	\$4,016.00	\$4,337.00	\$4,684.00

CARRIED

S&F2111/04

Library Agreement with Hamilton City Council

Agenda Item 7.6

The report was received [S&F2111/02 refers] and the following discussion was held:

- Increased uptake was 23%. There was a cost increase for membership that had been locked in for the remainder of the 2021-2031 LTP. The increased cost was budgeted within the current LTP.
- The debate for regional libraries had been re-energised and staff will start discussing this with the Hamilton City Council.
- There had been better reporting from Hamilton City Council for attendance by Waikato District Council ratepayers. The relationship between the Hamilton City Council and Waikato District Council libraries teams had been strengthened.

ACTION: An outline be provided to Cr Eyre regarding who was eligible to access Hamilton City Council libraries and the zoning within Waikato District Council for who is eligible.

Annual Plan 2022/23 Assumptions
Agenda Item 7.7

The report was received [S&F2111/02 refers] and the following discussion was held:

- Staff were not anticipating any of the content in the report would result in consultation.
- Key assumptions include funding changes from Waka Kotahi, costs for the Hamilton-Metro Wastewater Business Case and water backflow devices. Waka Kotahi had in the past confirmed funding for the LTP, but they had bulk funded and work needs to be undertaken to confirm where the funding is allocated. Council does not have local share of aspects of what Waka Kotahi had proposed and staff were working through those issues.
- Concern noted regarding supply issues, and how this will impact the budget going forward and how it will impact the LTP.
- Delivering of Capital Works – Council needs to communicate optimistically and honestly regarding expectations for delivering capital works.

EXCLUSION OF THE PUBLIC

Agenda Item 8

The report was received [S&F2111/02 refers] and no discussion was held.

Resolved: (Ms Moana-Tuwhangai/Cr Patterson)

THAT the public be excluded from the following parts of the proceedings of this meeting.

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 the passing of this resolution
Item number 1 – Confirmation of Public Excluded Minutes	Good reason to withhold exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)

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

Item No.	Section	Interest
Item 1 Confirmation of Minutes		Refer to the previous Public Excluded reason in the agenda for this meeting.
<u>CARRIED</u>		S&F2111/05

There being no further business the meeting was declared closed at 11:15am.

Minutes approved and confirmed this day of 2021

Cr J Gibb
CHAIRPERSON

To | **Strategy and Finance Committee**
Report title | **Action Register – February 2022**

1. Purpose of the report
Te Take moo te puurongo

Update on actions arising from the previous meeting and works underway.

2. Staff recommendations
Tuutohu-aa-kaimahi

THAT the Action Register – February 2022 be received.

3. Attachments
Nгаа тааpирihanga

Attachment 1 – Strategy and Finance Committee’s Action Register – February 2022

Date:	16 February 2022
Report Author:	Sandy Mason Personal Assistant to Clive Morgan
Authorised by:	Clive Morgan General Manager Community Growth

Strategy and Finance Committee's Action Register – February 2022

Meeting Date	Item and Action	Person / Team Responsible	Status Update
29 November 2021	<p>Agenda Item 7.1 2021/22 First Quarter Non-Financial Performance Results</p> <p>Discussion held regarding remote inspections for food operations. Council was also reviewing how to remotely undertake building inspections.</p> <p>Food premises – Question raised if inspections were taking place if the premises were open under the alert level system.</p> <p>Actions</p> <ol style="list-style-type: none"> 1. Staff to check whether the KPI <i>“The percentage of food operations that are required to be verified annually that are verified”</i> that were undertaken remotely related to the number of businesses or the quality of the businesses. 2. General Manager Customer Support to check if inspections were being undertaken if food premises were open under alert level restrictions. 	Anthony Pipe – Environmental Team Leader	<ol style="list-style-type: none"> 1. Food businesses were required to comply with the appropriate COVID restrictions at the time which may have included operating either online, providing pick up only, open with restricted numbers and precautions or closed, depending on the level at the time and type of operation. 2. While in levels 2 and 3 the Ministry of Primary Industries (MPI) directed all verifiers nationally to not physically verify food operations. Training and processes were provided by MPI in 2020 to enable ‘remote checks’. MPI directed remote checks be undertaken using laptops and phones to enable audio and visual communication. Paperwork was requested online prior to the check so verifiers could look at records etc. <p>A significant number of verifications/checks could not be undertaken remotely for a variety of reasons, including premises not operating or technology not being available or working for businesses and it was accepted by MPI that there would be delays in completing the verification backlog created over coming months.</p>

			<p>Recently, in line with COVID developments, MPI has reviewed the position of verification/check process and on-site verifications are now approved. Under current conditions the Environmental Team is working hard to clear the backlog.</p>
	<p>Agenda Item 7.4 Ruawaro Tennis Court Funding Solution</p> <p>The courts were well supported by Ruawaro Tennis Club. The courts were well patronised. The courts were used in an inter-club circuit. The facilities are locked and only available to members, but also available to the Ruawaro School next door.</p> <p>Noted that Council needs to look at documenting who is responsible for paying for equipment and maintenance of club facilities such as court surfaces and nets.</p> <p>Actions</p> <ol style="list-style-type: none"> 1. The reserve planner to check that goals are not to be placed on the tennis court. 2. Staff to look at developing a policy or guidelines for what clubs can expect in regard to maintenance assistance. 	<p>Rebecca Law – Reserve Planning Team Leader</p>	<ol style="list-style-type: none"> 1. Confirmed that the courts are to be resurfaced for the purpose of tennis. Quotes have been received and the works scheduled to be completed this financial year (2021-2022). <p>Council is awaiting on a confirmed timeline from the contractor. Due to COVID there is a significant delay in materials being supplied. Once we have a confirmed timeline, the Ruawaro Tennis club, school and neighbouring property will be advised.</p> <p>No goal posts are being installed; the court will only facilitate tennis. Council will be installing new tennis net poles; the current poles will be used at another tennis court within the district.</p> <ol style="list-style-type: none"> 2. Recruitment of a Halls Officer is currently underway. Role scope includes identifying opportunity to agree on a maintenance schedule of tennis courts, which can be incorporated into the Reserve Management Plans. On 13 February 2022 applications close, with recruitment to be completed late February

			and onboarding to commence mid to late March.
	<p>Agenda Item 7.5 Recovery of Pokeno and Tuakau Water and Wastewater Service Connection and Authorisation Fees</p> <p>Noted that the Water Governance Board needs to have a conversation with Watercare, as Council now has to find mechanisms to recover connection fees due to Watercare being unwilling to honour the arrangement that was in place. The Chief Executive noted that Council took the initiative to pre-buy capacity and that the situation has changed as growth has accelerated. Watercare has pressures due to Auckland's growth aspirations.</p> <p>Action Chief Executive to discuss the issue with the Water Governance Board.</p>	Gavin Ion – Chief Executive	<p>The Waters Governance Board discussed this at the December meeting. The Board have asked the Chief Executive to contact his counterpart at Watercare.</p> <p>If this is unsuccessful, the Board will elevate it to a Board Chair discussion with Watercare.</p>
	<p>Agenda Item 7.6 Library Agreement with Hamilton City Council</p> <p>There had been better reporting from Hamilton City Council for attendance by Waikato District Council ratepayers. The relationship between the Hamilton City Council and Waikato District Council libraries teams had been strengthened.</p>	Brian Cathro – Customer Delivery Manager	<p>Eligibility map for Waikato district residents who can become members of a Hamilton City Council library for free sent to Councillor Eyre.</p> <p>The map was based on wards and includes Newcastle, Hukanui, Eureka and Tamahere. Horotiu was added, as it is included in the ring around Hamilton.</p>

	Action An outline be provided to Cr Eyre regarding who was eligible to access Hamilton City Council libraries and the zoning within Waikato District Council for who is eligible.		
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To	Strategy and Finance Committee
Report title	Financial performance summary for the period ending 31 December 2021

1. Purpose of the report

Te Take moo te puurongo

To inform the Strategy and Finance Committee on the year-to-date financial performance against the 2021/22 Annual Plan and those budgets carried forward from the 2020/21 financial year.

2. Executive summary

Whakaraapopotanga matua

The report provides a summary of revenue and expenses, capital expenditure and key reserves balances and covers the six months to 31 December 2021.

The financial statements, as appended to this report, show actuals against the prior year's actuals rather than comparing actuals to budget.

Key items to note are:

- **Statement of Comprehensive Revenue and Expense:**
 - Revenue is higher than the prior year due to higher than anticipated growth.
 - Depreciation and amortisation expense is higher than the prior year due to higher asset values following the 2020/21 year end revaluations.
 - Personnel costs are higher than prior year due to the higher headcount and market movement increases.
 - Other expenses are higher than last year due to higher budgeted consultancy costs.
 - **Statement of Financial Position:**
 - Cash and Cash Equivalents are lower than prior year due to less funds on short term deposit.
 - Debtors are higher than prior year due to higher rates receivables (rates increases and growth in the district).
 - Prepayments are higher than prior year as the sub regional three waters study is not yet completed.
-

- Other current assets are lower due to the sale this year of assets (land) held for resale in the prior year.
 - Intangible assets are lower than prior year due to full amortisation of software assets in 2020/21.
 - Creditors and Other Payables are higher than prior year due to differences in timing of capital expenditure,
 - Other Liabilities are lower than prior year because of the gain realised in the prior year on the fair value of Council's derivative instruments (interest rate swaps).
- **Financial Performance Summary**
 - Financial performance and the major reserve balances are as expected, apart from the vestment of State Highway 1 to Council that was planned for the 2020/21 financial year which has been delayed. The budget for this vestment is shown as income and will continue to be a variance in the accounts until the revocation process is complete.

Year to date capital expenditure is below the trend needed to meet budget, but running higher than the previous year, excluding carried forwards and vested assets.

3. Staff recommendations Tuutohu-aa-kaimahi

THAT the Financial performance summary for the period ending 31 December 2021 be received.

4. Attachments Ngaa taapirihanga

Attachment 1 – Statement of Comprehensive Revenue and Expense (Profit & Loss) and notes as at 31 December 2021

Attachment 2 – Statement of Financial Position (Balance Sheet) and notes as at 31 December 2021

Attachment 3 – Financial Performance Summary as at 31 December 2021

Date:	16 February 2022
Report Author:	Colin Bailey – Finance Manager
Authorised by:	Alison Diaz Chief Financial Officer

Waikato District Council
Statement of comprehensive revenue and expense
As at 31 December 2021

Note	31 Dec 2021	31 Dec 2020
Revenue		
I Rates, including targeted water supply rates	54,233,461	48,252,219
Development and financial contributions	6,621,171	5,599,501
Subsidies and grants	14,155,995	12,104,981
Finance income	94,274	25,922
Other income	12,523,146	11,432,093
Total income	87,628,046	77,414,716
Expense		
Depreciation and amortisation expense	17,117,005	15,811,890
2 Personnel costs	18,010,509	16,617,670
3 Finance expenses	2,234,082	2,274,918
4 Other expenses	39,026,225	35,985,007
Total expenditure	76,387,821	70,689,485
Operating surplus (deficit) before tax	11,240,225	6,725,231

Waikato District Council
Notes - Statement of comprehensive revenue and expense
As at 31 December 2021

Note	31 Dec 2021	31 Dec 2020
1		
<u>Rates, including targeted water supply rates</u>		
General rate	31,352,525	27,721,048
Uniform annual general charge	5,821,636	5,207,114
<i>Total general rates income</i>	<u>37,174,162</u>	<u>32,928,162</u>
Community centres & facilities	423,835	405,787
Wastewater	6,734,792	6,081,286
Refuse & waste management	2,453,870	2,525,505
Metered water supply rates	3,173,800	3,184,483
Other water rates	2,343,941	1,936,838
Stormwater	1,129,998	991,997
Community boards	136,067	134,590
<i>Total targeted rates income</i>	<u>16,396,302</u>	<u>15,260,485</u>
plus: Penalties revenue	1,021,632	388,660
Total rates revenue	<u>54,592,095</u>	<u>48,577,307</u>
less: Rate remissions	(358,634)	(325,088)
Net rates revenue	<u>54,233,461</u>	<u>48,252,219</u>
2		
<u>Personnel costs</u>		
Salaries & wages	17,385,117	15,965,264
Kiwisaver contributions	420,666	386,921
ACC levies	59,871	64,731
Fringe benefit tax	67,873	36,090
Mileage reimbursements	17,800	28,088
Other personnel costs	59,182	136,576
Total personnel costs	<u>18,010,509</u>	<u>16,617,670</u>
3		
<u>Finance expenditure</u>		
External interest expense	2,233,457	2,274,323
Interest on reserves	625	595
Total finance expenditure	<u>2,234,082</u>	<u>2,274,918</u>
4		
<u>Other expenses</u>		
Audit fees	112,341	107,652
Activity expenditure	38,623,041	35,676,441
Debt write-off	-	2
Penalties written-off	259,937	189,125
Treasury administration	30,906	26,238
Asset adjustments	-	(14,452)
Total other expenses	<u>39,026,225</u>	<u>35,985,007</u>

Waikato District Council
Statement of financial position
As at 31 December 2021

Note	31 Dec 2021	31 Dec 2020
ASSETS		
Current assets		
	11,267,798	25,366,496
1	76,747,753	70,785,533
	1,348,482	221,681
2	107,362	1,358,723
	89,471,396	97,732,433
Non-current assets		
3	31,958,137	20,122,795
	600,000	560,000
	2,324,545	4,242,093
4	1,849,850,583	1,746,064,846
	1,884,733,266	1,770,989,734
	1,974,204,662	1,868,722,167
LIABILITIES		
5	74,987,560	73,749,380
6	20,298,327	29,407,085
7	95,000,000	95,000,000
	190,285,887	198,156,465
	1,783,918,775	1,670,565,702
EQUITY		
	1,146,279,730	1,090,189,396
	11,240,225	6,725,231
8	9,319,062	3,218,884
	15,968,517	14,069,147
	194,872	203,702
	25,712,895	29,423,796
	(13,789,160)	(13,425,185)
	(28,163,943)	(31,750,449)
	596,706,470	557,784,059
	20,450,106	14,127,120
	1,783,918,775	1,670,565,702

*The financial statement set out above should be read in conjunction with the notes
set out on the following pages*

Waikato District Council
Notes to the financial statements
As at 31 December 2021

	<u>31 December 2021</u>			<u>31 December 2020</u>		
I Debtors & other receivables						
Accruals		5,194,799			5,257,457	
Rates receivable		68,567,358			62,053,894	
Sundry debtors		8,263,136			10,213,517	
GST refund due (payable)		(4,166,860)			(5,342,918)	
		77,858,432			72,181,950	
Provision for doubtful debts		(1,110,679)			(1,396,418)	
Net debtors & other receivables		76,747,753			70,785,533	
2 Other current assets						
Cattle		107,362			102,917	
Non-current assets held for sale		-			1,255,806	
Total other current assets		107,362			1,358,723	
3 Investments in other entities						
Community loans		450,379			73,035	
Strada Corporation Ltd		700,000			700,000	
NZ Local Government Insurance		39,509			38,250	
Waikato Regional Airport Ltd		23,065,117			16,743,390	
BNZ - Term deposit		5,855,488			828,946	
Local Authority Shared Services Ltd						
LASS shares		-			-	
Waikato Regional Transport Mod		112,500			112,500	
Shared Valuation Database Servic		106,674			106,674	
LGFA borrower notes		1,628,470			1,520,000	
Total investments		31,958,137			20,122,795	
4 Property, plant & equipment (PP&E)						
	<u>31 December 2021</u>			<u>31 December 2020</u>		
	<u>Cost / Val'n</u>	<u>Accum</u>	<u>Book value</u>	<u>Cost / Val'n</u>	<u>Accum</u>	<u>Book value</u>
		<u>dep'n</u>			<u>dep'n</u>	
Bridges	257,102,644	(2,826,033)	254,276,611	251,943,707	(2,754,122)	249,189,585
Buildings	56,784,126	(3,521,132)	53,262,994	54,289,893	(1,119,041)	53,170,851
Computers	2,634,967	(1,748,810)	886,157	5,570,131	(5,368,250)	201,882
Drainage	2,496,339	(15,564)	2,480,775	2,431,639	(15,037)	2,416,602
Furniture	1,877,931	(1,311,951)	565,980	1,592,395	(1,184,984)	407,411
Land	148,245,461	-	148,245,461	140,869,800	-	140,869,800
Land under roads	109,642,733	-	109,642,733	109,100,163	-	109,100,163
Library books	6,664,659	(5,372,187)	1,292,472	6,016,871	(5,056,516)	960,355
Office equipment	1,404,420	(1,277,083)	127,337	1,404,420	(1,242,876)	161,544
Parks and reserves	50,251,547	(1,299,818)	48,951,729	48,285,953	(1,208,132)	47,077,821
Plant	5,602,156	(3,583,109)	2,019,047	5,315,602	(3,352,117)	1,963,486
Roading	789,895,030	(6,642,549)	783,252,482	762,803,439	(6,328,310)	756,475,129
Stormwater	83,183,726	(549,723)	82,634,002	72,821,929	(475,150)	72,346,779
Transfer stations	1,771,192	(38,878)	1,732,315	1,838,220	(39,598)	1,798,622
Wastewater	139,576,367	(1,827,043)	137,749,323	122,774,029	(1,576,114)	121,197,914
Water	150,494,868	(1,840,126)	148,654,742	124,642,050	(1,501,149)	123,140,901
Work in progress	74,076,424	-	74,076,424	65,586,001	-	65,586,001
Total PP&E	1,881,704,589	(31,854,006)	1,849,850,583	1,777,286,242	(31,221,396)	1,746,064,845

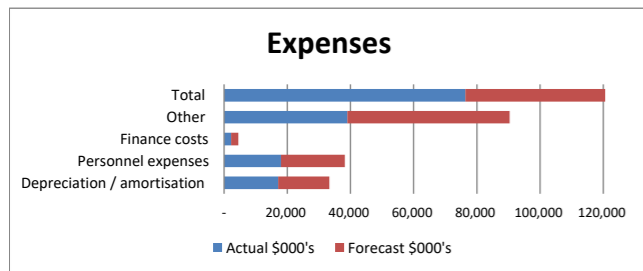
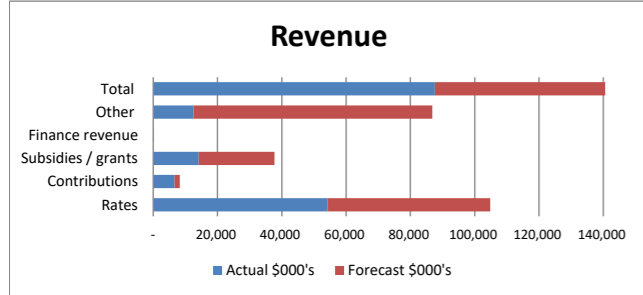
Waikato District Council
Notes to the financial statements
As at 31 December 2021

Note	31 December 2021	31 December 2020	
5 Creditors & other payables			
Trade payables	62,666,846	61,677,066	
Deposits & bonds	240,486	267,040	
Accrued expenses	12,056,947	11,805,274	
Rates in advance	23,280	0	
Total creditors & other payables	74,987,560	73,749,380	
6 Other liabilities			
Employee entitlements	5,268,957	4,616,596	
Provisions	2,461,101	3,175,032	
Derivative financial instruments	12,568,269	21,615,456	
Total other liabilities	20,298,327	29,407,085	
7 Borrowings			
Non current portion of borrowing	80,000,000	80,000,000	
Current portion of borrowing	15,000,000	15,000,000	
Total borrowings	95,000,000	95,000,000	
8 Reserve movements	Balance as at	Movements	Opening
	31 December 2021		balance
Council reserves	15,968,517	8,688,381	24,656,898
Restricted reserves	194,872	13,093	207,966
Replacement funds	25,712,895	(1,141,214)	24,571,681
Targeted rate reserves	(13,789,160)	2,486,948	(11,302,211)
Development contributions per Reserve balance report	(28,163,943)	(728,147)	(28,892,090)
Revaluation reserves	596,706,470	-	596,706,470
Fair value through other comprehensive revenue and expense	20,450,106	-	20,450,106
Total other reserves	617,079,758	9,319,062	626,398,820

AT A GLANCE

Performance to date is as planned apart from the vestment of State Highway 1 to Council that was planned for the 2020/21 financial year which has been delayed.
 Rates income is above forecasted levels due to unexpected growth in the capital value of new properties valued by QV during June 2021.
 Capital expenditure YTD is \$28.7 million, which is tracking below the required trend to meet budget. This is however higher than the previous year, excluding carried forwards and vested assets.

	Dec-21	Open Bal
	\$000's	\$000's
Reserve Balances Summary		
Restricted reserves	195	207
Council reserves	15,969	24,657
Development contributions	(28,164)	(28,892)
Replacement funds	25,713	24,572
Targeted rate reserves	(13,789)	(11,302)
Total	(76)	9,242
Key reserves (included in balances above)		
	Dec-21	Open Bal
	\$000's	\$000's
Disaster recovery	1,546	1,530
Hamilton East Property proceeds	2,308	2,308
Structure plan non-growth reserve	1,768	1,733
Northgate development area	(5,130)	(4,734)
Pokeno Structure plan	(8,755)	(7,463)
Tamahere Structure plan	(1,935)	(1,887)
DW water targeted rate	(11,584)	(10,034)
DW wastewater targeted rate	(5,470)	(5,602)
Total	(27,252)	(24,149)



FINANCIAL PERFORMANCE SUMMARY

For the period ending 31 December 2021

	Actual \$000's	FY Forecast \$000's	% usage	YTD Variance \$000's	Ref.
Revenue					
Rates	54,233	104,854	52%	(1,806)	1
Development and financial contributions	6,621	8,271	80%	(2,486)	2
Subsidies and grants	14,156	37,691	38%	4,690	3
Finance revenue	94	50	189%	(69)	
Other revenue	12,523	86,825	14%	30,890	4
Total revenue	87,628	237,692	37%	31,218	
Expense					
Depreciation and amortisation expense	17,117	33,311	51%	(462)	
Personnel expenses	18,011	38,214	47%	1,096	5
Finance costs	2,234	4,507	50%	19	
Other expenses	39,026	90,325	43%	6,136	6
Total operating expenses	76,388	166,358	46%	6,790	
Surplus (deficit) before tax	11,240	71,334	16%	24,427	

Year-to-date net operating surplus of \$11.2 million is \$24.4 million behind year to date expectations in overall terms.

Items to note are as follows:

Income

- Favourable - Rates income favourable affected by higher than anticipated growth.
- Favourable - Development and financial contribution income is above year to date expectations largely due to financial contributions received for the Lakeside development.
- Unfavourable -Subsidies are linked to progress of physical work programmes.
- Unfavourable - The budget allows for \$54 million of roading assets to be vested with Council. \$38 million of this relates to State Highway 1 revocation. The exact timing of transfer is not yet known.

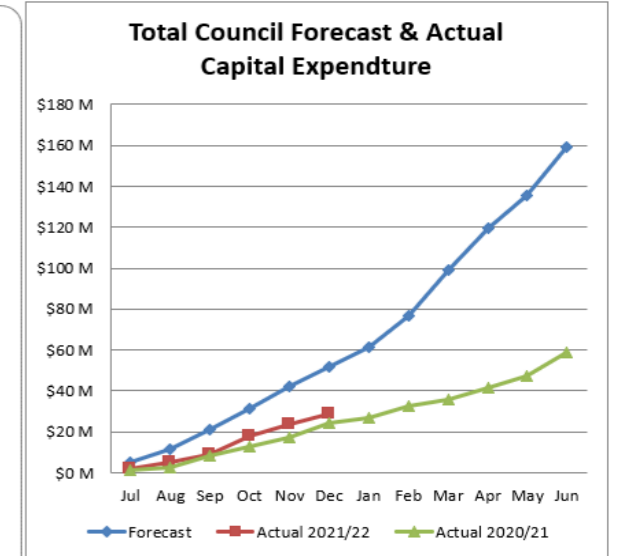
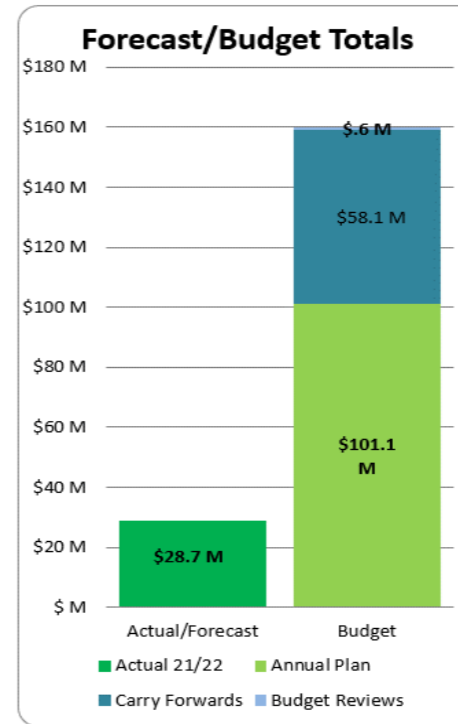
Expense

- Favourable - impact from vacancies.
- Favourable - Relative to timing of work programmes.

Net Operating Surplus (Deficit) Breakdown	Actual \$000's	FY Forecast \$000's	YTD Variance \$000's	Favourable / Unfavourable
Roading	1,894	70,157	33,184	U - Timing of vested asset revenue
Water	836	(1,916)	(1,794)	F - Watercare activity levels below expectations
Wastewater	2,798	6,638	520	U - Grant income and financial contributions lower than anticipated
Stormwater	(5)	(1,141)	(565)	F - Watercare activity levels below expectations
Sustainable Communities	1,346	2,961	135	U - Fees and charges and cost recoveries lower than budget
Sustainable Environment	(1,487)	(2,488)	244	U - Activity expenditure slightly higher than budget
Governance	(18)	(1,000)	(481)	F - Unfilled vacancies and lower activity expenditure
Organisational Support	(445)	(1,877)	(494)	F - Low levels of activity expenditure
Total Group of Activities	4,918	71,335	30,750	
General rate usage	6,322	-	(6,322)	F - The general rate income recognised currently exceeds the amount of general rate used. This number adjusts throughout the year relative to activity expenditure
Surplus (deficit)	11,240	71,335	24,427	

Capital expenditure	Actual \$000's	FY Budget \$000's	% usage
Organisational Support	1.4	9.9	14%
Roading	10.6	41.4	26%
Stormwater	1.2	7.0	17%
Sustainable Communities	4.9	36.3	13%
Sustainable Environment	0.1	2.5	3%
Wastewater	7.0	42.8	16%
Water Supply	3.5	19.9	18%
Total Group of Activities	28.7	159.8	18%

The "FY Budget" shown above relates to the first year of the LTP, including projects undertaken by developers on behalf of council plus any carry forward works from 2020/21. Vested Assets are also included.



Current Working Capital

Current Assets \$89,471,395

Cash & cash equivalents	\$11,267,798
Debtors & other receivables	\$76,747,753
Prepayments	\$1,348,482
Other current assets	\$107,362

Current Liabilities \$74,987,559

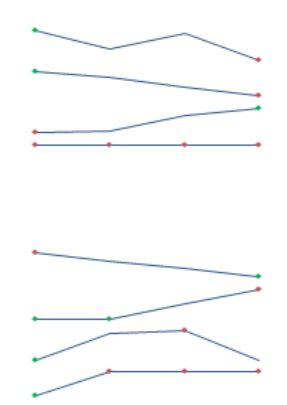
Accounts Payable	\$62,666,846
Deposits & Bonds	\$240,486
Accrued expenses	\$12,056,947
Rates in advance	\$23,280

Working capital \$14,483,836

Current ratio 1.19

Limit on Total Debt \$287,511,000

Current Borrowing	\$95,000,000	33% of limit
Plan Debt 21/22	\$134,622,000	\$40M ↑, 47% of limit



To	Strategy and Finance Committee
Report title	Treasury Risk Management Policy – Compliance Report at 31 December 2021

1. Purpose of the report

Te Take moo te puurongo

The purpose of this report is to inform the Strategy & Finance Committee of compliance with Treasury Risk Management Policy.

2. Executive summary

Whakaraapopotanga matua

All areas of treasury risk management are within policy limits except for:

- (# 6) Actual borrowing costs for December are higher than budget, due to interest payments made out of phase with the budget. Year to date interest cost is compliant.
- (# 10) Current net external debt (\$95 million) is outside the fixed/floating interest rate risk control limits due to debt being below the level forecast when the interest control measures were put in place.

A short term loan of \$5m has been entered into with LGFA for December 2021. A further short term borrowing of \$5m is to be entered into with LGFA in February 2022.

3. Staff recommendations

Tuutohu-aa-kaimahi

THAT the Treasury Risk Management Policy – Compliance Report at 31 December 2021 be received.

4. Attachments

Ngaa taapirihanga

Attachment 1 – Treasury Risk Management Policy Compliance Report at 31 December 2021

Date:	16 February 2022
Report Author:	Jean de Abreu – Financial Accountant
Authorised by:	Alison Diaz Chief Financial Officer

Waikato District Council

Treasury risk management policy - Compliance report

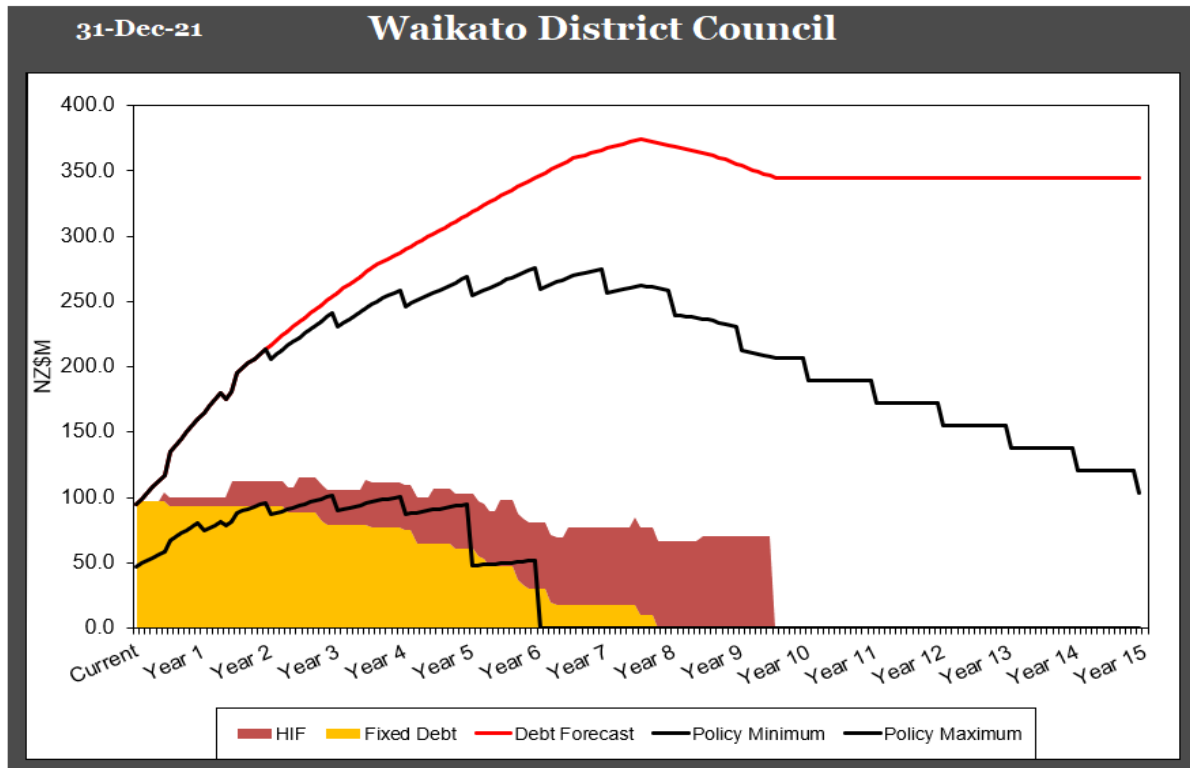
As at 31 December 2021

	Policy criteria	Policy limit	Actual	Within policy?																																								
1	The percentage of net external debt to annual revenue Net external debt = Total annual revenue =	<175%	49.0%	✓																																								
		total external debt (net of related borrower notes) less term deposits and available cash / cash equivalents																																										
		earnings from rates, government grants & subsidies, user charges, interest, dividends, financial and other revenue excluding non-government capital contributions (eg developer contributions and vested assets)																																										
2	Net interest expense on net external debt as a percentage of total annual revenue Net interest expense =	<20%	2.6%	✓																																								
		total interest and financing costs less interest income																																										
3	Net interest expense on net external debt as a percentage of planned annual rates	<25%	4.1%	✓																																								
4	Liquidity ratio Liquidity =	>110%	128%	✓																																								
		external term debt plus committed bank facilities plus available liquid investments as a percentage of external term debt																																										
5	<u>Interest rate benchmark chart</u> Comparison of actual monthly and year-to-date interest payable, including the cost of swaps in place vs borrowing the total debt amount at the combined average of the 90-day bill rate and the five-year investor swap rate over the last two years.																																											
	<table border="1"> <caption>Interest Rate Benchmark Chart Data (Estimated)</caption> <thead> <tr> <th>Month</th> <th>90 Day Bank Bill rate (%)</th> <th>Budget (%)</th> <th>Actual (%)</th> </tr> </thead> <tbody> <tr><td>Dec-19</td><td>3.95</td><td>4.30</td><td>4.15</td></tr> <tr><td>Mar-20</td><td>3.50</td><td>4.30</td><td>4.55</td></tr> <tr><td>Jun-20</td><td>3.30</td><td>4.30</td><td>4.80</td></tr> <tr><td>Sep-20</td><td>2.95</td><td>4.30</td><td>4.70</td></tr> <tr><td>Dec-20</td><td>3.05</td><td>4.30</td><td>4.70</td></tr> <tr><td>Mar-21</td><td>3.05</td><td>4.30</td><td>4.65</td></tr> <tr><td>Jun-21</td><td>2.85</td><td>4.30</td><td>4.50</td></tr> <tr><td>Sep-21</td><td>2.95</td><td>4.30</td><td>4.45</td></tr> <tr><td>Dec-21</td><td>3.10</td><td>4.30</td><td>4.75</td></tr> </tbody> </table>				Month	90 Day Bank Bill rate (%)	Budget (%)	Actual (%)	Dec-19	3.95	4.30	4.15	Mar-20	3.50	4.30	4.55	Jun-20	3.30	4.30	4.80	Sep-20	2.95	4.30	4.70	Dec-20	3.05	4.30	4.70	Mar-21	3.05	4.30	4.65	Jun-21	2.85	4.30	4.50	Sep-21	2.95	4.30	4.45	Dec-21	3.10	4.30	4.75
Month	90 Day Bank Bill rate (%)	Budget (%)	Actual (%)																																									
Dec-19	3.95	4.30	4.15																																									
Mar-20	3.50	4.30	4.55																																									
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Jun-21	2.85	4.30	4.50																																									
Sep-21	2.95	4.30	4.45																																									
Dec-21	3.10	4.30	4.75																																									
6	Actual borrowing costs are <= budgeted borrowing costs Current month Year to date	<u>Budget</u> \$375,500 \$2,253,000	<u>Actual</u> \$505,571 \$2,233,457	* ✓																																								

7	Current interest rate swaps (including forward starts)			
	<u>Amount</u> \$	<u>Effective date</u>	<u>Termination date</u>	<u>Fixed rate</u> (if effective)
	3,000,000	22-Jun-13	22-Mar-23	4.00%
	4,000,000	22-Jun-13	22-Jun-22	3.83%
	2,000,000	21-Mar-16	21-Mar-24	4.94%
	3,000,000	23-Mar-15	23-Mar-24	4.64%
	4,000,000	23-Mar-20	25-Mar-24	4.75%
	3,000,000	23-Mar-15	23-Sep-24	4.53%
	4,500,000	23-Dec-15	23-Sep-24	4.59%
	4,000,000	22-Jun-16	23-Sep-24	4.62%
	3,000,000	20-Oct-20	21-Oct-24	4.78%
	3,000,000	22-Sep-17	23-Sep-24	4.78%
	4,000,000	23-Mar-20	25-Mar-24	4.85%
	3,000,000	20-Oct-20	21-Oct-24	4.86%
	6,000,000	31-Oct-17	31-Jan-27	3.67%
	2,000,000	1-Mar-19	1-Dec-25	3.85%
	2,000,000	25-Sep-17	25-Feb-27	3.67%
	2,000,000	22-Jun-17	23-Jun-25	3.52%
	3,000,000	22-Mar-23	22-Jun-29	
	4,000,000	25-Mar-24	25-Sep-26	
	4,000,000	25-Mar-24	25-Mar-27	
	4,000,000	23-Sep-24	23-Sep-27	
	3,000,000	21-Oct-24	21-Oct-27	
	10,000,000	30-Sep-19	28-Sep-29	3.55%
	5,000,000	30-Jun-20	29-Jun-29	3.63%
	10,000,000	28-Feb-19	27-Feb-26	3.33%
	10,000,000	28-Aug-18	30-Aug-27	3.37%
	10,000,000	28-Feb-18	28-Feb-28	3.33%
	2,000,000	19-Jun-19	19-Mar-28	3.10%
	2,000,000	19-Jun-19	19-Mar-27	3.28%
	119,500,000 Total swaps			
	101,500,000 Total "live" swaps			
		Average interest rate of live swaps		3.90%
8	Forward start period to be no more than 24 months <u>unless</u> there is a match with the expiry date of an existing swap of the same notional amount		5 swaps with start periods > 24 months forward all are matched with existing swaps	
9	<u>Counterparty credit risk - swaps</u>			
	NZ registered banks (each)	\$30m		
	- ANZ / National		\$0m	✓
	- ASB		\$0m	✓
	- BNZ		\$16.41m	✓
	- HSBC		\$0m	✓
	- Westpac		\$0m	✓

10 Council's net external debt should be within the following fixed/floating interest rate risk control limits.:

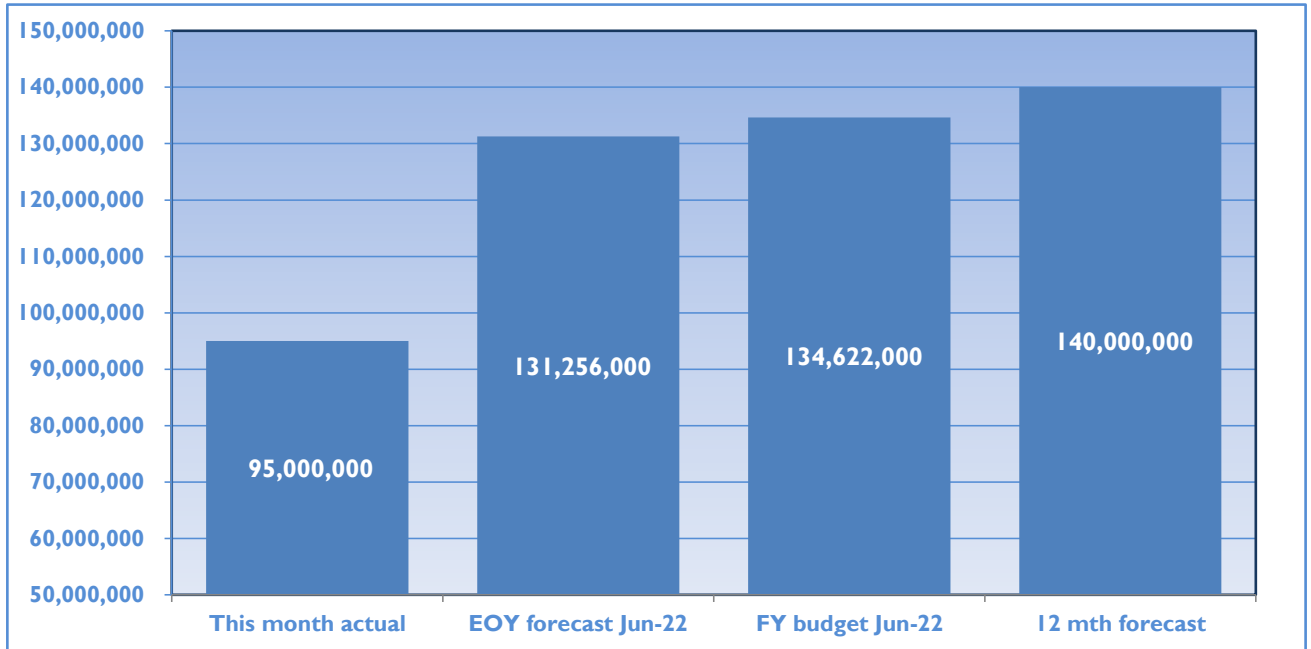
Debt period ending	\$m	Policy criteria	Actual	Within policy
Current	95	50% - 100%	103%	✘
Year 1	165	45% - 100%	60.7%	✓
Year 2	217	40% - 95%	51.8%	✓
Year 3	257	35% - 90%	41.4%	✓
Year 4	290	30% - 85%	37.8%	✓
Year 5	319	15% - 80%	32.4%	✓
Year 6	347	0% - 75%	23.4%	✓
Year 7	367	0% - 70%	21.0%	✓
Year 8	369	0% - 65%	18.1%	✓
Year 9	354	0% - 60%	19.9%	✓
Year 10	345	0% - 55%	0.0%	✓



	Policy criteria	Policy limit	Actual	Within policy?
11	Debt affordability benchmark - limit on debt (actual debt <= limit on debt)	<= \$287.5m	\$95m	✓
12	Balanced budget benchmark (revenue / expenses)	>= 100%	106%	✓
13	Essential services benchmark (CAPEX / dep'n - infrastructure)	>= 100%	166%	✓
14	Debt servicing benchmark (borrowing costs / revenue) borrowing costs =	<15%	2.8%	✓
		finance expenses per statement of comprehensive revenue and expense		

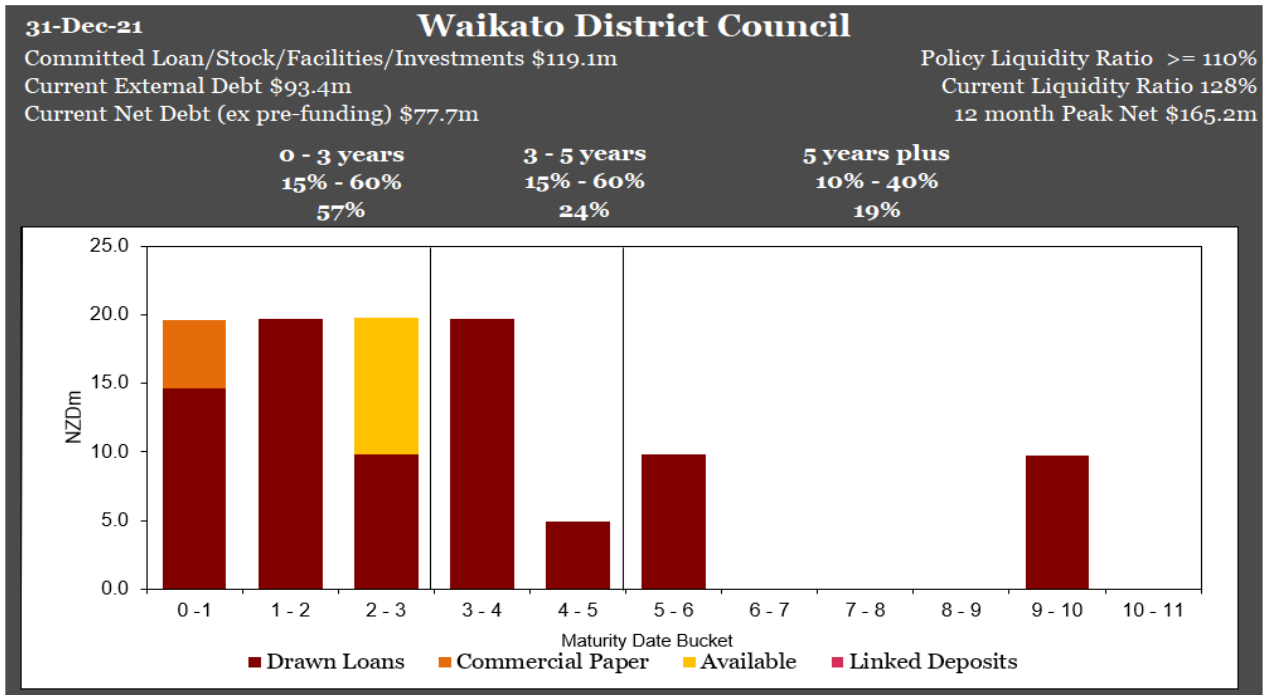
15 Borrowing at December 2021

This graph depicts actual borrowing - LGFA plus bank (BNZ).



16	Actual monthly (gross) borrowing is within end-of-year budget	\$134,622,000	\$95,000,000	✓
----	---	---------------	--------------	---

17	<u>The maturity profile of the total committed funding in respect of all loans and committed facilities</u>			
	0 to 3 years	15% - 60%	57%	✓
	3 to 5 years	15% - 60%	24%	✓
	5 years plus	10% - 40%	19%	✓



18	Financial assets \$'000 <i>Share investments held for strategic purposes</i> Local Authority Shared Services Limited 220 Waikato Regional Airport Limited 23,065 Strada Corporation Limited 700 Civic Financial Services Limited 40 <i>Investments held to reduce the current ratepayer burden</i> Community loans as below 451 <i>Short-term investments held for liquidity & working capital requirements</i> Bank & cash balances 563 Short-term bank deposits 9,500 Total investments \$25,039																																																																								
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To	Strategy and Finance Committee
Report title	2021/22 Second Quarter Non-Financial Performance Results

1. Purpose of the report

Te Take moo te puurongo

To inform the Strategy and Finance Committee on the 2021/22 second quarter non-financial performance results.

2. Executive summary

Whakaraapopotanga matua

The second quarter non-financial performance results are for the period 1 July 2021 to 31 December 2021.

Currently 65% of Key Performance Indicators (KPIs) have been achieved, 8% are within 5% of their target to be achieved, 25% have not been achieved and 2% are unknown.

3. Staff recommendations

Tuutohu-aa-kaimahi

THAT the 2021/22 Second Quarter Non-Financial Performance Results report be received.

4. Background

Koorero whaimaarama

The KPIs were adopted as the non-financial performance measures for the 2021-2031 Long Term Plan.

There are 63 KPIs that are reported in the Annual Report:

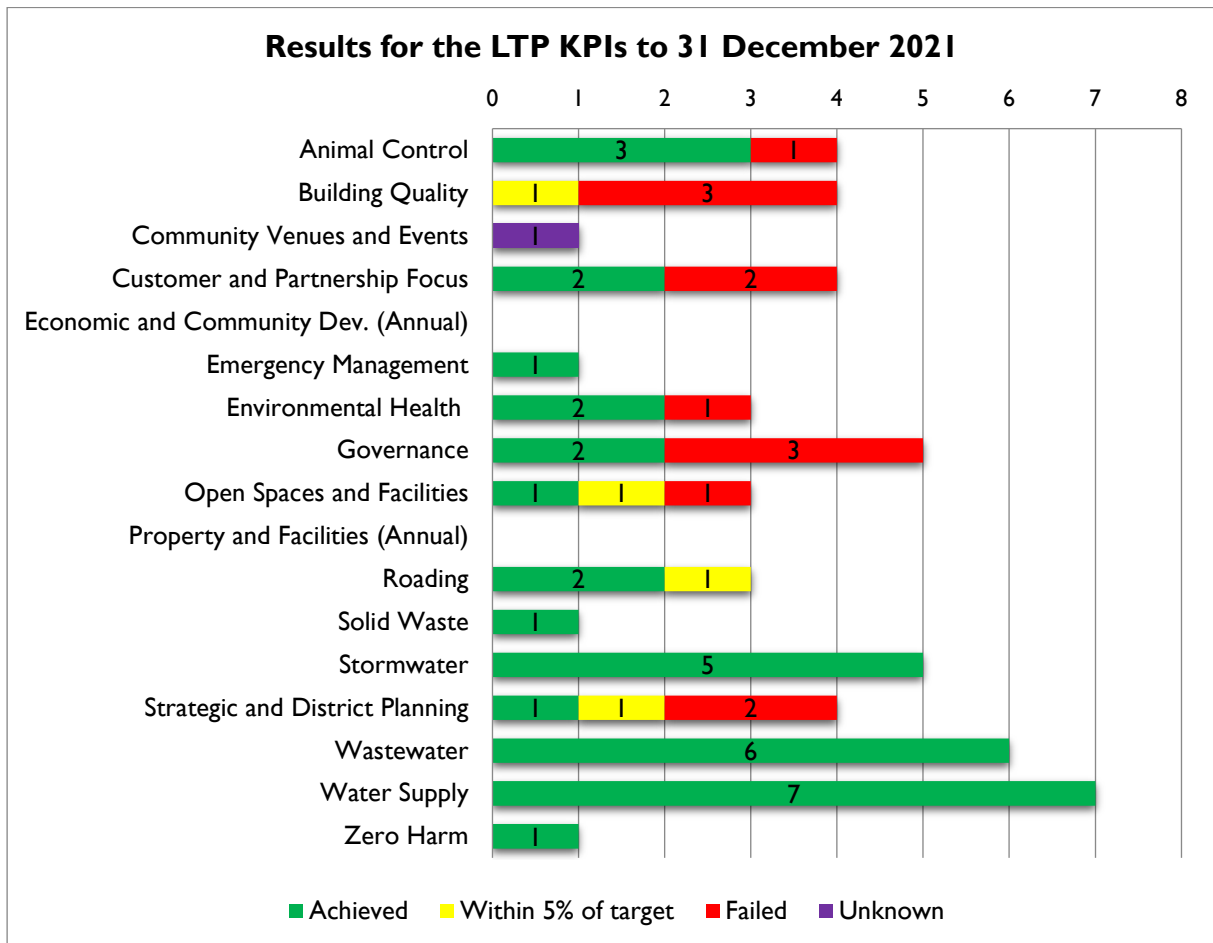
- 17 are measured monthly
- 31 are measured quarterly
- 4 are measured half-yearly, and
- 10 are measured annually.

The full results are attached to this report.

They are reported on every quarter to the Strategy and Finance Committee and are used to inform the Annual Report.

5. Discussion Matapaki

The graph below shows the number of KPIs that were achieved, within 5% of target or were not achieved, grouped by Activity.



Achieved	Within 5% of target	Not achieved	Unknown
65%	8%	25%	2%

Comparative year-to-date results

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022 to 31 December 2021
Achieved	67 (68%)	65 (66%)	57 (58%)	62 (78%)	53 (67%)	54 (67%)	34 (65%)
On track	8 (8%)	4 (4%)	6 (6%)	5 (6%)	10 (13%)	11 (13%)	4 (8%)
Not achieved	23 (24%)	29 (30%)	35 (36%)	11 (14%)	16 (20%)	17 (20%)	13 (25%)
Unknown				1 (1%)			1 (2%)
TOTAL MEASURES	98	98	98	79	79	79	52

Where we have not met the target

Animal control: We are tracking behind with engagement and education visits due to COVID-19 lockdowns in the Waikato region.

Building: Inspection rates have been impacted by COVID-19 restrictions, loss of staff and the need to prioritise Building Consent Authority work. Inspections are expected to resume in January 2022.

Customer and Partnership: The onsite survey was not conducted to measure first half year of customer satisfaction in library resources and likelihood of recommending the libraries due to COVID-19 impacts and lockdowns.

Environmental Health: Alert level 3 lockdown impacted the ability to conduct food operations verification and staff are working with verifiers to complete all overdue verifications.

Governance: The percentage of customers satisfied with the availability of their Councillor has lowered.

The percentage of customers satisfied that Council is consulting with the community on the right issues increased by 8%, which is positive, but it still did not meet its target. Unfortunately, we are unable to determine why the result is low.

Open Spaces and Facilities: There is a decrease in satisfaction of the public toilets since the last quarter and staff will continue to work with contractors to ensure a high level of cleanliness is delivered.

Strategic and District Planning: The consent monitoring and parking patrol activities have also been impacted by the COVID-19 lockdowns and loss of staff. With new staff and a revisit of the work programme we anticipate performance to improve.

6. Attachments

Ngaa taapirihanga

Attachment 1 – 2021/22 Second Quarter Non-Financial Performance Results

Date:	16 February 2022
Report Author:	Leisa Hood Corporate Planner
Authorised by:	Clive Morgan General Manager Community Growth



Waikato District Council

Scorecard Report

Period: Jul-21 - Dec-21

Scorecard Name
2021-24 LTP KPI reporting by Activity - All KPIs

41
Date From
01-Jul-2021

Date To
31-Dec-2021

LINKED ITEMS

UNIT

TARGET

ACTUAL

INDICATOR

2021-24 LTP KPI reporting by Activity - Animal Control

LTP - The percentage of aggressive dog behaviour complaints, where immediate risk to public safety is present, that has council personnel on site within 1 hour

%

95.00

95.45



COMMENTS: All current aggressions were attended within an hour of the call coming in during December 2021. Officers work hard to achieve this target.

LTP - The percentage of complaints regarding stray stock that have council personnel on site within 1 hour

%

95.00

97.75



COMMENTS: Animal Control work hard to ensure wandering stock are attended to as soon as possible to mitigate the threat to Public Safety.

LTP - Complete Engagement and Education Visits throughout the district

#

60.00

19.00



COMMENTS: Animal Control are highly unlikely to reach the target this year. December and January are traditionally slow months due to School Holidays.

LTP - The Percentage of Known Dogs currently Registered

%

80.00

82.00



COMMENTS: 13038 Registered Dogs, 2775 unregistered dogs. Total known dogs 15813.

2021-24 LTP KPI reporting by Activity - Building Quality

LTP - The percentage of existing buildings with building WOFs that are monitored and audited for compliance annually - YTD

%

16.50

2.00



COMMENTS: No audits were completed due to entry restrictions, high building inspections and resource. Now with our new Compliance Inspector we anticipate audits are likely to resume January 2022.

LTP - The percentage of buildings that provide sleeping care or paid accommodation which are audited for compliance annually - YTD

%

50.00

14.00



COMMENTS: No audits were completed due to entry restrictions, high building inspections and resource. We will make these a priority. With our new Compliance Inspector we anticipate audits are likely to resume January 2022. We will make these a priority.

LTP - The percentage of swimming pools that are inspected for compliance annually - YTD

%

16.50

16.14



COMMENTS: YTD we have completed 16.14% of the pool inspections. We now have two new Pool/Compliance Officers on board and we expect that with these two new staff and the easing of the COVID-19 restrictions it is envisaged we'll start and continue to meet this KPI in the near future.

LTP - The percentage of building consent applications which are processed within 20 working days - YTD

%

98.00

37.41



COMMENTS: YTD - Currently we are processing 37.41% of building consents within the statutory timeframe.
For December, Dwellings were processed at 48.65% having 38 dwellings go over the 20-day timeframe. Consents in general (including dwellings) were processed at 37.41% with a total of 96 going over the 20-day timeframe. Amendments were processed at 29.41% with 12 going over the 20-day timeframe. This is due to staff shortages and Contractors going over timeframes also. We are still having to use our existing three contractors for a while yet to try and meet the current workload needs. Contractors across the country are all busy and do not have capacity to assist us. Despite several attempts to recruit new staff prior to Christmas we didn't have any success. We are going to advertise for more processing staff in the new year.

2021-24 LTP KPI reporting by Activity - Community Venues and Events

LTP - The number of events workshops held each year to support event organisers	#	1.00	0.00	
---	---	------	------	--

2021-24 LTP KPI reporting by Activity - Customer and Partnership Focus

LTP - The % of customers satisfied with the overall service received when contacting the council.	%	70.00	75.00	
---	---	-------	-------	--

COMMENTS: Results for this quarter show a significant increase in customer satisfaction levels which is consistent with the data captured internally.

LTP - Average level of effort to conduct business with council. (On a scale of 1 - 5 (5 being high effort) how much effort did it take to conduct your business with council?)	#	2.60	1.70	
--	---	------	------	--

COMMENTS: Results for this quarter show a significant decrease in the effort required to deal with council. This result is consistent with data captured internally.

LTP - Net Promoter Score (level of likelihood that library users will recommend to friends and family their library as a place to go)	%	90.00	0.00	
---	---	-------	------	--

COMMENTS: Survey was not conducted onsite to measure the first half year. This was due to the implications of Covid management, lockdowns and resource disruptions.

LTP - Level of customer satisfaction that the quality of libraries resources meets their needs	%	90.00	0.00	
--	---	-------	------	--

COMMENTS: Survey was not conducted onsite to measure the first half year. This was due to the implications of Covid management, lockdowns and resource disruptions.

2021-24 LTP KPI reporting by Activity - Economic and Community Development

LTP - Business perception Survey average rating is above target	#			Annually
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2021-24 LTP KPI reporting by Activity - Emergency Management

LTP - The evaluation of annual exercise as a measure of effectiveness of training delivery	%			Annually
--	---	--	--	----------

LTP - Council maintains a minimum number of trained staff to Intermediate level, to fulfil core Emergency Operations Centre roles.	#	50.00	77.00	
<i>COMMENTS:</i> Due to the COVID-19 lockdowns there have not been courses available for staff to attend. This has now resumed. We are still maintaining above the minimum number required to operate an EOC.				

2021-24 LTP KPI reporting by Activity - Environmental Health

LTP - The percentage of food operations that are required to be verified annually that are verified.	%	95.00	39.00	
<i>COMMENTS:</i> Alert level 3 has impacted the ability to verify businesses. We are working with our verifiers to complete all overdue verifications. Verifications will be allocated to all verifiers with an expected completion date soon.				

LTP - The percentage of medium or higher risk category licensed premises inspected annually.	%			Annually
--	---	--	--	----------

LTP - Percentage of excessive noise complaints responded to within agreed timeframes. (Due to geographical characteristics of the district response times will vary in different parts of the district)	%	85.00	85.00	
<i>COMMENTS:</i> Target achieved. We are continuously working with our noise contractor to improve this target.				

LTP - The percentage of hazardous land use information (Hail) reports that will be completed within 10 working days.	%	90.00	100.00	
<i>COMMENTS:</i> All reports were completed within the required timeframe and target achieved.				

2021-24 LTP KPI reporting by Activity - Governance

LTP - Percentage of customers satisfied with the availability of their Councillor.	%	80.00	43.00	
<i>COMMENTS:</i> As previously indicated this measure is quite high and is not in line with many other Councils. However, it has tracked down by 5% during the last quarter.				

LTP - Percentage of customers satisfied that council consults with the community regarding the right issues	%	50.00	26.00	
<i>COMMENTS:</i> The actual is higher than last quarter but significantly lower than the target. It's difficult to rationalise the low result.				

LTP - Percentage of customers satisfied with the ease of access and clarity of information regarding key community issues.	%	50.00	39.00	
<i>COMMENTS:</i> It's hard to rationalise the low result for this KPI, however, one factor that may contribute to the lower result is offices and libraries being closed during lockdowns in this quarter.				

LTP - Percentage of minutes of all open meetings that are made publicly available via the Council's website.	%	98.00	100.00	
<i>COMMENTS:</i> All minutes were uploaded for the previous period to the website within the appropriate timeframe.				

LTP - Number of formal hui held with iwi, mana whenua and hapu groups	44 #	3.00	8.00	
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2021-24 LTP KPI reporting by Activity - Open Spaces and Facilities

LTP - Percentage of customers who are satisfied with Public toilets in the residents satisfaction survey.	%	75.00	60.00	
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COMMENTS: Slight decrease in satisfaction of of public toilets since last quarter and still below the target. Staff will continue to work with contractors to ensure a high level of cleanliness is delivered.

LTP - Percentage of Customers who are satisfied with Parks And Reserves, including sports fields and playgrounds overall	%	85.00	82.00	
--	---	-------	-------	--

COMMENTS: Slight increase to satisfaction of parks and reserves but still under target. We will continue to work with our contractors to ensure a high level of service is provided for our rate payers and customers.

LTP - Percentage of customers who are satisfied with the presentation of WDC cemeteries.	%	85.00	95.00	
--	---	-------	-------	--

COMMENTS: Two complaints were recieved over the December period with regards to the lawn mowing at Waerenga Cemetery. Contractors were contacted and mowed the lawns the following day.
The public appear very satisfied with the presentation of the cemeteries. All burials proceeded with no issues.

2021-24 LTP KPI reporting by Activity - Property and Facilities

LTP - WDC Carbon road map shows an improving trend in energy efficiency / emission reduction	%			Annually
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2021-24 LTP KPI reporting by Activity - Roading

LTP - The percentage of footpaths that fall within the level of service or service standard that is set out in the LTP	%			Annually
--	---	--	--	----------

LTP - The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	#	-2.00	-13.00	
--	---	-------	--------	--

COMMENTS: Results are significantly under reported and should not be used as comparisons to previous same periods due to the effects of COVID-19 lock downs and restrictions on traffic movements nationally.

LTP - The percentage of customer service requests relating to roads to which we respond within the timeframes specified.	%	95.00	95.18	
--	---	-------	-------	--

COMMENTS: Roads Result meets our target at 95% and reflects good process and resourcing.

LTP - The percentage of customer service requests relating to footpaths responded to within the timeframe specified in LTP	%	95.00	92.00	
--	---	-------	-------	--

COMMENTS: The 92% YTD result means we have not met our target of 95%. the team will put in place an improvement plan to correct.

LTP - The average quality of ride on a sealed local road network, measured by smooth travel exposure.	%			Annually
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LTP - The percentage of the sealed local road network that is resurfaced.	%			Annually
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2021-24 LTP KPI reporting by Activity - Solid Waste

LTP - Customer Satisfaction with Waste Collection services.	%	75.00	78.00	
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COMMENTS:

LTP - Meet actions set within Waste Minimisation Management Plan (WMMP)	%			Annually
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2021-24 LTP KPI reporting by Activity - Stormwater

LTP - Stormwater - The number of flooding events that occurred throughout the district	#	5.00	0.00	
--	---	------	------	--

COMMENTS: There were no flooding events recorded this quarter.

LTP - Stormwater - The number of habitable floors affected in a stormwater flooding event expressed per 1000 properties connected to the councils stormwater system per event	#	0.30	0.00	
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COMMENTS: There were no flooding events recorded this quarter.

LTP - Stormwater - The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.	m	120.00	0.00	
--	---	--------	------	--

COMMENTS: There were no flooding events recorded this quarter.

LTP - Stormwater - The number of complaints received by Council about the performance of its stormwater system, expressed per 1000 properties connected to the stormwater system	#	4.00	0.07	
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LTP - Stormwater - Council's level of compliance with resource consents for discharge from its stormwater system, measured by the number of abatement notices, infringement notices, enforcement orders and convictions received in relation those resource consents.	#	0.00	0.00	
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2021-24 LTP KPI reporting by Activity - Strategic and District Planning

LTP - Percentage of resource consent applications which are processed within the statutory time frames	%	98.00	97.95	
--	---	-------	-------	--

COMMENTS: A total of 105 consents were issued in December 2021. All but three consents were issued within statutory timeframes. This means a total of 13 consents remain out of time for the year to date (6 months so far), which equates to 97.95%, which is less than the KPI of 98%. For this reason it will show as amber this month.

LTP - The percentage of current land use consents that are older than 2 years which have been monitored in the past 2 years	%	75.00	60.00	
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COMMENTS: As this data set measures monitoring conducted over the last two years, COVID-19, resourcing and reduced staff hours continue to impact results. It is hoped that our current recruitment and revisit of our work program will assist in getting the workload seen to in a timely manner once restrictions ease **Please note however that these last few months under Waikato L3 and L3.2 have further impacted our ability to carry out routine monitoring functions - it is unlikely that we will recover sufficiently to meet our end of your target. This month is also the start of the teams' holiday break with some of the team still at RED alert level for half of the month.

LTP - The number parking patrols that are carried out in communities that have parking controls under the bylaw.	#	84.00	46.00	
--	---	-------	-------	--

COMMENTS: In early October, Alert level 3 arrived in the Waikato, and with businesses closed, parking patrols were suspended for safety and practicality reasons during October and November 2021. As soon as alert levels allowed we were back on patrol and were able to resume our usual levels of patrol however it is unclear at this point whether we will be able to make up for lost ground (it will depend on when the alert levels may ease).

LTP - The percentage of bylaws and policies, that are required by legislation, are reviewed within their statutory timeframes	%	95.00	96.00	
---	---	-------	-------	--

COMMENTS: Council currently has 11 Bylaws. Council has 14 policies required by legislation. 13 have remained current this financial year. The Gambling Venues Policy was overdue for review earlier in the reporting period and has since been reviewed and adopted.

LTP - Adequate land supply (right type in right location) exists to cater for the growth and development of the District. Sufficient development capacity (as required by the National Policy Statement - Urban Development) is provided to meet expected short and medium term demand	%			Annually
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2021-24 LTP KPI reporting by Activity - Wastewater

LTP - Wastewater - The number of dry weather sewerage overflows from Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system	#	3.00	0.79	
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LTP - Wastewater - The total number of complaints received by Council about odour, system faults, blockages, response to issues with its sewerage system.(expressed per 1000 connections to the sewerage system):	#	10.00	1.31	
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LTP - Wastewater - The median resolution time where Council attends to sewage overflows resulting from a blockage or other fault in its sewerage system, from the time Council receives notification to the time personnel confirm resolution of the blockage or other fault.	m	240.00	142.00	
---	---	--------	--------	--

LTP - Wastewater - The median attendance time where Council attends to sewage overflows resulting from a blockage or other fault in its sewerage system, from the time that Council receives notification to the time that service personnel reach the site.	47 m	60.00	46.00	
LTP - Wastewater - Council's level of Compliance with resource consents for discharge from its wastewater system, measured by the number of abatement notices, infringement notices and enforcement orders	#	2.00	0.00	
LTP - Wastewater - Council's level of Compliance with resource consents, measured by the number of Convictions for discharge from its wastewater system,	#	0.00	0.00	

2021-24 LTP KPI reporting by Activity - Water Supply

LTP - Water Supply - The extent to which Councils drinking water supply (zones) complies with part 4 of the drinking water standards (bacteria compliance criteria)	#	18.00	18.00	
LTP - Water Supply - The extent to which Councils drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	#	15.00	15.00	
LTP - Water Supply - The median on site attendance time for a non-urgent call out, where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system	Days	5.00	1.00	
LTP - Water Supply - The median on site attendance time for an urgent call out where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system	m	60.00	38.00	
LTP - Water Supply - The median resolution time for a non-urgent call out where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system	Days	5.00	1.00	
LTP - Water Supply - The median resolution time for an urgent call out where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system	m	240.00	78.00	
LTP - Water Supply - The total number of complaints received by Council about drinking water clarity, taste, odour, water pressure or flow, continuity of supply and response to any of these issues (expressed per 1000 connections to the water system)	#	25.00	3.27	
LTP - Water Supply - The average consumption of drinking water per day per resident within the Waikato district	L		Annually	
LTP - Water Supply - The percentage of real water loss from Council's networked reticulation system	%		Annually	

2021-24 LTP KPI reporting by Activity - Zero Harm

LTP - The number of total recordable injuries (TRI) at WDC.	48 #	2.00	2.00	
---	---------	------	------	--

COMMENTS: One LTI in August and one MTI in November.
No TRIs have been recorded during the month of December

Overall Performance	%	0.00	0.00	
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To	Strategy and Finance Committee
Report title	Update on Objections received to the 2020 District Valuation

1. Purpose of the report

Te Take moo te puurongo

To inform the Strategy and Finance Committee on the current position of the objections received to the 2020 District Valuation and the plan to ensure all objections are completed and processed by 28 February 2022.

2. Executive summary

Whakaraapopototanga matua

The 2020 District Valuation was completed in April 2021, has an effective date of 1 October 2020 and for rating purposes applies from 1 July 2021. Property owners received notification of the update valuations and had twenty working days from notification to lodge an objection. All objections were lodged directly with the independent valuation service provider, Quotable Value Limited (QV).

A total of 469 objections were received within the stipulated time. To date, 181 objections are yet to be finalised. QV have advised these will all be completed before 28 February 2022.

3. Staff recommendations

Tuutohu-aa-kaimahi

THAT the Update on Objections received to the 2020 District Valuation report be received.

4. Background

Koorero whaimaarama

District valuations are required to be undertaken at least every three years and usually have an effective date of 1 July. In this case the district valuation was delayed due to the Covid-19 lockdown earlier in 2020, resulting in the later effective date of 1 October 2020.

The number of objections received (469) is approximately double the number received after the 2017 District Valuation. This is the result of property values generally increasing by a significantly higher amount. QV initially advised all objections would be completed by 30 November 2021. The date has not been met in the main due to delays caused by travel and access restrictions in place during the latter half of 2021. A sizeable proportion of the objections relate to properties in the north of the district that have been subject to the "Auckland" Covid lockdowns and border restrictions.

Many of the outstanding objections relate to rural and lifestyle properties bordering on development areas that have experienced high growth. QV have brought in two additional specialist valuers to assist with clearing these objections.

Of the outstanding objections, 61 are for properties owned by one family and these have not been straight forward. It has been difficult to finalise the values for the following reasons:

- Most of these properties were placed on the market and were going to auction on 16 December 2021.
- The auction was cancelled at the last moment, but the properties are still on the market. The agent advised that the owner was awaiting the ratification of the Proposed District Plan, resulting in the zoning changing to Residential.
- In addition, there has been problems obtaining a copy of the High Court Decision between the members of the family in which it is understood there are valuation issues raised.
- All three of the above issues have significant implications on the property values and it was premature to finalise the values prior to the ratification of the plan.

All the properties subject to outstanding objections are to be inspected by Friday 11 February 2022 and it is expected that the values will be signed off the following week.

A small number of ratepayers waiting for objections to be finalised declined to pay the 2021/22 rates instalments either in full or in part. In each of these cases the ratepayer has been advised that penalties will be applied in respect of all unpaid rates and rates will be adjusted for 2021/22 if required after the objections have been finalised.

5. Attachments Ngaa taapirihanga

There are no attachments for this report.

Date:	16 February 2022
Report Author:	Colin Bailey
Authorised by:	Alison Diaz Chief Financial Officer

To | **Strategy & Finance Committee**

Report title | **Civic Financial Services Limited Statement of Intent for 2022**

1. Purpose of the report
Te Take moo te puurongo

To provide the Committee with Civic Financial Services Limited Statement of Intent for 2022.

2. Staff recommendations
Tuutohu-aa-kaimahi

THAT the Civic Financial Services Limited Statement of Intent for 2022 report be received.

3. Attachments
Ngaa taapirihanga

Attachment 1 – Civic Financial Services Limited Statement of Intent for 2022

Date:	16 February 2022
Report Author:	Alison Diaz, Chief Financial Officer
Authorised by:	Gavin Ion Chief Executive

CIVIC FINANCIAL SERVICES LIMITED

STATEMENT OF INTENT

FOR THE YEAR ENDED 31 DECEMBER 2022

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1.0 Mission Statement

Mission Statement of Civic Financial Services Ltd
To provide superannuation and risk-financing solutions to the local government sector

2.0 Corporate Goals

The specific goals of the Company are:

- 2.1 To operate as a sound and successful business.
- 2.2 To be the primary supplier of superannuation and risk-financing services to the local government sector.
- 2.3 To investigate and facilitate, as appropriate, new products and markets in superannuation and risk-financing and such other markets that it believes could prove beneficial to its shareholders and the local government sector.

3.0 Nature and Scope of Activities

- 3.1 The Company administers superannuation services for local government and local government staff via SuperEasy and the SuperEasy KiwiSaver Superannuation Scheme.
- 3.2 The Company provides administration, accounting, and a range of other services to LAPP, Riskpool, CLP (Civic Liability Pool) and CPP (Civic Property Pool).
- 3.3 The Company investigates and facilitates as appropriate such new superannuation and risk-financing services and/or markets that it believes will prove beneficial to its shareholders and the local government sector.
- 3.4 In a modest and selective way the Company provides sponsorship for a range of local government activities at regional and national level.

4.0 Financial Projections

Civics' projected profit outlook over the next three years is shown in the tables below.

Civics' main revenue streams will come from two sources: fees from providing administration services and investment income.

Profits from providing administration services: Civics' primary source of income in 2022 will come from providing superannuation services for local government and local government staff via the SuperEasy and the SuperEasy KiwiSaver Superannuation Schemes, supported by administration, accounting, and a range of other services to LAPP, Riskpool, Civic Liability Pool and Civic Property Pool.

Profits from investment income: Civics' income in 2022 other than from providing administration services will come solely from investment income.

Dividends: Civic with the support from the 2020 Special General Meeting has resolved not to pay any dividends to the shareholders. The funds that could otherwise be provided as dividends will be applied to affect a reduction to the Management fees for members of the SuperEasy and SuperEasy KiwiSaver Superannuation Schemes. That practice will in turn provide greater benefits for the Schemes members.

Fee reduction for our SuperEasy and SuperEasy KiwiSaver Superannuation Schemes: For the reasons described above we will be reducing the schemes' base investment management fee from 1 April 2022 from a rate of 0.40% per annum to 0.37% per annum. This reduced fee structure has been taken into consideration and is reflected in the projections below.

Financial projections for 2022 to 2024 are:

	2022	2023	2024
Administration Income	\$2,423,497	\$2,473,855	\$2,480,892
Investment Income	\$121,225	\$124,000	\$129,000
Revenue	\$2,544,722	\$2,597,855	\$2,609,892
Expenses	\$2,301,209	\$2,362,501	\$2,400,903
Surplus before tax	\$243,512	\$235,355	\$208,989
Surplus after tax	\$175,329	\$169,455	\$150,472

Please note that these are projections, not firm predictions.

5.0 Performance Targets and Measures

- 5.1 We aim to provide superannuation services to at least 90% of local authorities.
- 5.2 We plan to continue to be an efficient and effective administration manager for LAPP, Riskpool, CLP and CPP.

6.0 Reporting to Shareholders

- 6.1 We will provide an audited annual report for the 2021 year by 30 April 2022.
- 6.2 We will provide a report on the first half of 2022 by 30 September 2022. The report will contain a review of the Company's operations during the half year and unaudited half-yearly accounts.

7.0 Acquisitions/Disposals

Any acquisition or disposal that is equivalent to 50% or more of the Company's assets will constitute a "major transaction" under the Company's constitution and approval of the shareholders will be sought in accordance with the constitution. Any acquisition that is equivalent to 25% or more but less than half of the Company's assets will constitute a "minor transaction" under the Company's constitution and consultation with shareholders will take place.

8.0 Transactions with Related Parties

The Company has 72 local authority shareholder members plus TrustPower (holding 1.22%). Local Government Superannuation Trustee Limited and Local Government Mutual Funds Trustee Limited are wholly owned subsidiaries of the Company. Because it is sharing management resources, the Local Authority Protection Programme (LAPP), Riskpool, CLP and CPP are also considered to be related parties. Transactions with shareholder members include risk-financing services and superannuation related financial services.

Charges to and from shareholder members will be made for services provided as part of the normal trading activities of the Company and its subsidiaries. Transactions with shareholder members are on a wholly commercial basis.

***** END *****

To | **Strategy and Finance**
Report title | **Resident Perception Survey – Half yearly results**

1. Purpose of the report

Te Take moo te puurongo

The purpose of this report is to provide the Strategy and Finance Committee with a high-level update that has a focus on the insights gained from the data collected from the Resident Perception Survey for the half year 2021/22. The data was presented as part of the LTP KPI report also on the agenda for the Strategy and Finance Committee.

2. Executive summary

Whakaraapopototanga matua

The information that is being presented in this report will outline the insights from the survey on what we are doing well – areas of significant improvement and celebrating where our results are above the all of council benchmarking average; and what we need to work on – areas of significant decrease in resident satisfaction.

The issues that arise from this analysis may result from two different drivers:

- We are not meeting our levels of service
- Our community is telling us that they want a different level of service

If the first driver pertains we need to ensure that we have actions in place to remedy this – our budget and resources should enable us to meet these agreed to levels of service.

If the second driver pertains then we may need to consider what the community is telling us in the next LTP discussions on levels of service. We would not have the budget or resources to remedy these issues at this time. We will ensure that a mechanism is put in place to collect this information to inform the next LTP.

3. Staff recommendations

Tuutohu-aa-kaimahi

THAT the Resident Perception Survey – Half Yearly Results report be received.

4. Background

Koorero whaimaarama

The Resident Perception Survey is undertaken quarterly. As a result of the withdrawal of the previous vendor, Key Research is now our partner of choice to undertake our 2021 – 2023/2024 Resident Perception Survey.

The survey is now reviewed by the Resident's Survey Action Team – which are a cross organisational group of business owners that receive data from this survey. They will analyse the data and look to see if there are any drivers that are influencing the data and also if there are actions that can be put in place to improve what we do to reduce negative feedback.

5. Discussion

Matapaki

5.1 Areas of significant improvement

- Financial management
- Fair and reasonable fees in charges
- Effort to conduct business with council
- How easy it was to make your enquiry or request
- How long it took to resolve the matter
- The information provided being accurate
- Council's staff's understanding of what you wanted

5.2 Areas of significant decrease in resident satisfaction

- Availability to our cycleways
- How well footpaths are maintained
- How well the roads are maintained
- Litter, illegal dumping and graffiti control
- Animal management (dogs or stock control)
- Community halls

5.3 Survey Result Analysis

Cycleways – All wards, apart from Ngaruawahia and Whangamarino, have shown a decrease in cycleway availability in the second quarter. It is believed that in summer months our residents are more active, however cycleways are not funded by NZTA.

Footpaths - Tuakau, Eureka, Huntly and Tamahere wards were most dissatisfied with the footpath maintenance. It is believed that the likes of Tamahere could be affected by overgrown branches and shrubs encroaching on the footpaths.

Roading Maintenance - Newcastle and Huntly most dissatisfied with Road maintenance. Due to a wet spring, our roads are more likely to see potholes and longer roadside grass and weed. In Huntly, it is believed that the Tainui bridge maintenance closure caused dissatisfaction.

Litter, illegal dumping and graffiti control - Awaroa Ki Tuakau, Newcastle and Tamahere showed the greatest changes in satisfaction levels. It was identified that council staff experienced difficulties crossing the Auckland border to collect illegally dumped items. Furthermore, the rising landfill prices are expected to keep contributing to illegally dumped items.

Animal management (dogs or stock control) - Hukanui–Waerenga, Ngaruawahia, Raglan and Tamahere showed the most significant change in satisfaction levels. It is believed that a high volume of misinformation being spread online about the Keeping of Animal Bylaw has caused this dip in satisfaction.

Community Halls - It is understood that the implementation of our vaccine mandate has caused decreased satisfaction within Raglan and Eureka wards.

5.4 Celebration (performance above All of council benchmarking average)

Topic	Satisfaction percentage %	All of council satisfaction benchmark average
Enquiry handling	75%	58%
Waste management & minimisation	71%	66%
Water supply	91%	82%

6. Next steps Ahu whakamua

6.1 Footpaths

Waikato District Alliance to conduct footpath inspections in wards of concern.

6.2 Roothing Maintenance

Waikato District Alliance to conduct assessments of vegetation and pothole through Newcastle and Huntly wards.

6.3 Litter, Illegal Dumping and Graffiti Control

Waste and Monitoring staff to consider litter deterrents and educational opportunities in any future bylaws review.

6.4 Animal management (dogs or stock control)

Explore how staff collectively can rebut misinformation in the future.

7. Attachments Ngaa taapirihanga

Attachment 1 - Residents Satisfaction Survey - Key Findings

Date:	February 2022
Report Author:	Reece Turner – Customer Experience Manager
Authorised by:	Sue O’Gorman General Manager Customer Support

Residents Satisfaction Survey Key Findings

Wave 1 2021/2022

Wave 2 2021/2022



Wave2

Total

Key Findings

%7-10



Total
n=111

Overall Performance



Overall reputation



Overall value for money



Overall core services



Overall quality of life



Overall public toilet



Local parks and reserves including sports fields / playgrounds



Overall cemeteries



Regular kerbside collection service



Effort to conduct business with council

1.7

Availability of local councillor



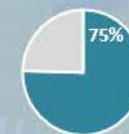
Council engages regarding key issues



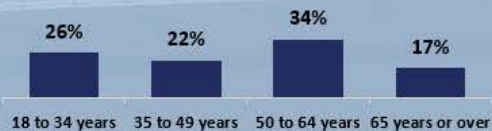
Ease of access and clarity of information



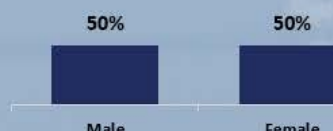
Overall services received



Sample Profile - Total



Age



Gender

MENU



Wave1

Total

Key Findings

%7-10



Total
n=101

Overall Performance



Overall reputation



Overall value for money



Overall core services



Overall quality of life



Overall public toilet



Local parks and reserves including sports fields / playgrounds



Overall cemeteries



Regular kerbside collection service



Effort to conduct
business with
council

2.8

Availability of local councillor



Council engages regarding key issues



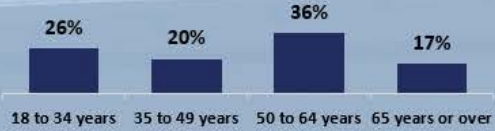
Ease of access and clarity of information



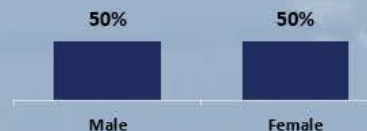
Overall services received



Sample Profile - Total



Age



Gender

MENU

To	Strategy and Finance Committee
Report title	Submission on the WEL Energy Trust Draft 2022/2023 Annual Plan

1. Purpose of the report

Te Take moo te puurongo

The Strategy and Finance Committee is being asked to receive and recommend to Council the approval of the submission on the WEL Energy Trust Draft 2022/2033 Annual Plan.

2. Executive summary

Whakaraapopotanga matua

Council supports the following points in the Draft Annual Plan:

- Continued delivery of the Quick Response, Community Support and Vital Impact Housing grants and the ring-fencing funding to support organisations providing front-line response to the impacts of COVID-19.
- Continuing the systems approach to the Waikato Wellbeing Project and the Sustainable Development Goals.
- Further collaboration between the Trust and the Trust's capital beneficiaries, notably the objective to identify where the Trust can better contribute to capital beneficiary priority areas and the objective for the Trust to engage in intergenerational impactful investing / granting.
- Undertaking a review of the Community Investment Strategy, in particular the objective to identify how the Trust can work with other funders to deliver the greatest community benefit. Council would welcome the opportunity to work alongside the Trust in this review process.

Council does not support the reduction of total grant funding proposed for distribution in 2022/2023, from \$6.1m in 2021/22 to \$5.45m in 2022/23. As the Trust intends to review the Community Investment Strategy (due to be completed by April 2022), Council recommends that any further changes to the total community grants budget are only considered upon the conclusion of the Community Investment Strategy review.

The submission also states that Council remains uncomfortable with the proposal to revert to the discount scheme especially if it is to be funded to the detriment of community funding grants.

3. Staff recommendations Tuutohu-aa-kaimahi

THAT the Strategy and Finance Committee:

- a. Receives the report.**
- b. Recommends to Council to approve the submission on the WEL Energy Trust Draft 2022/2023 Annual Plan.**

4. Attachments Ngaa taapirihanga

1. Submission on the WEL Energy Trust Draft 2022/2023 Annual Plan
2. WEL Energy Trust Draft 2022/2023 Annual Plan

Date:	16 February 2022
Report Author:	Nick Johnston Funding and Partnerships Manager and Vishal Ramduny Strategic Projects Manager
Authorised by:	Clive Morgan General Manager Community Growth

27 January 2022

WEL Energy Trust
Perry House
360 Tristram Street
Hamilton
3204

Email: admin@welenergytrust.co.nz

Dear Sir/Madam,

SUBMISSION FROM WAIKATO DISTRICT COUNCIL ON THE WEL ENERGY TRUST DRAFT 2022/2023 ANNUAL PLAN

The Waikato District Council (“Council”) welcomes the opportunity to provide feedback on the WEL Energy Trust’s (“the Trust”) draft Annual Plan for 2022/2023. Council would like to acknowledge the investment that the Trust has made in Waikato District and the important work the Trust undertakes to support the not-for-profit and community sectors.

Council supports the following points in the draft Annual Plan:

- Continued delivery of the Quick Response, Community Support and Vital Impact Housing grants, and the ring-fencing funding to support organisations providing front-line response to the impacts of COVID-19,
- Continuing the systems approach to the Waikato Wellbeing Project and the Sustainable Development Goals,
- Further collaboration between the Trust and the Trust’s capital beneficiaries, notably the objective to identify where the Trust can better contribute to capital beneficiary priority areas, and the objective for the Trust to engage in intergenerational impactful investing / granting.
- Undertaking a review of the Community Investment Strategy, in particular the objective to identify how the Trust can work with other funders to deliver the greatest community benefit. Council would welcome the opportunity to work alongside the Trust in this review process.

Council does not support the reduction of total grant funding proposed for distribution in 2022/2023, from \$6.1m in 2021/22 to \$5.45m in 2022/23. As the Trust intends to review the Community Investment Strategy (due to be completed by April 2022), Council recommends that any further changes to the total community grants budget are only considered upon the conclusion of the Community Investment Strategy review.

As previously indicated in our submission to the 2021/2022 draft Annual Plan, Council remains somewhat uncomfortable in the decision to revert to the discount scheme. The key issue

continues to be how the scheme will be funded. Council will not support the consumer discounts scheme if it is to the further detriment of community funding grants.

We value the support that the Trust has provided to Waikato District Council over the years and we look forward to continuing our relationship as a capital beneficiary, as this will help advance a number of high-priority community projects that our communities have identified in the Waikato District Blueprints.

Thank you again for the opportunity for Council to make a submission.



Allan Sanson
MAYOR

2022-23 DRAFT

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Annual Plan



'Here for the Community'

Welcome | Nau mai, haere mai

Tiro atu ki te pae, mauria atu tō korowai Look forward into the horizon and prepare

WEL Energy Trust (the Trust) is pleased to present this Annual Plan and budget, outlining our intentions, expected outcomes and measures for the 12 months from 1 April 2022 to 31 March 2023.

The Trust is the 100% shareholder of WEL Networks Ltd (the Company that owns and operates the electricity distribution network within our region).

The Trust has up to seven Trustees who are elected every three years. (The Trust has operated with six Trustees since the resignation of Trustee Rob Hamill in July 2021.) The Trust holds/owns the shares in WEL Networks Ltd on behalf of the community. The next election is in June 2023.

The Trust intends to be an active and responsible asset owner, adopting investment strategies to sustain and grow assets for our community today and into the future.

This coming year will see the results of the review of our Community Investment Strategy (which includes the Trust's Community Granting Programme), along with a 33% increase in the reinstated electricity discount from \$9 million/pa to \$12 million/pa, and a continued commitment to collective impact through the Waikato Wellbeing Project. These are just some of the ways the Trust adds value to our Community. We're also ready to, again, support organisations providing front line response to the impacts of COVID-19 if required.

Thank you for continuing to support our collective endeavours, and for your willingness to engage in the development of our strategies and plans.



Annual Plan Contents

This Annual Plan highlights the **key areas** to be addressed and **proposed actions** for:

1. The Trust Strategic Direction
2. Investments and Finance
3. Working with WEL Networks Ltd and benefitting electricity consumers
4. Working with Capital and Income Beneficiaries
5. Grants and Community Investment



About the Trust

Trust Structure

WEL Energy Trust Trustees
(supported by the Operational Team)

Operational Team

Chief Executive Officer

**Grants
Manager**

**Financial
Officer**

**Grants
Advisor**

**Trust
Secretary**

Values

OUR VALUES

1

PURPOSE DRIVEN

Our actions deliver a clear, positive outcome.

2

RESPECTFUL

We openly and fairly listen to and consider the opinions of each other and stakeholders.

3

EMBRACE POSITIVE CHANGE AND SEEK CONSTANT IMPROVEMENT

We are willing to challenge the status quo and strive to achieve improved outcomes.

4

INTEGRITY AND HONESTY

We act in good faith and are prepared to be held accountable.

5

CLEAR, CONSTRUCTIVE COMMUNICATION

We create understanding through open and informative engagement.

OUR VISION

A forward thinking, vibrant, connected community

OUR CORE PURPOSE

Growing investment for our Community

OUR STAKEHOLDERS

The people and communities of the WEL Energy Region in the Waikato

Intentions

Our intentions are:

1. To be responsive to our Community
2. To maximise long-term impact by being strategic
3. To leverage grants through partnerships and collaboration, expanding support beyond grantmaking
4. To minimise the cost to electricity consumers through the continuation and growth of the Discount





1. Strategic Direction

Informed by our stakeholders, community and electorate the Trust will review and refresh the Community Investment Strategy for implementation by 1 April 2022

We'll review:

- The balance of benefit for the Trust's income beneficiaries, including electricity consumers
- How we can ensure income streams are sufficient to meet strategic intent
- What the Trust's focus areas will be over the next three to five years and how we can work with other funders to deliver the greatest benefit to our community.

2. Investments and Finance – Key Questions



1

What are the Trust's return needs, and what can realistically be expected from each investment?



2

What is the best mechanism to achieve this?



3

How can we apply best practice to the implementation of blended finance, including Impact Investment?

Outcome Area	Investments and Finance – Action Priorities	
<p>Objective: A portfolio of investments, including the investment in WEL Networks Ltd, that aligns with the Trust’s purpose and strategic intent and that performs well against specified targets - both financial and socially-oriented goals</p>		
Key Actions	Resources	Key Performance Measures
<p>Identify the best mechanism(s) to ensure income meets strategic intent (e.g. dividend, equity returns, interest).</p>	<p>Advisors/Investment Committee.</p>	<ul style="list-style-type: none"> Guided by the Trust’s Statement of Investment Policies and Objectives (SIPO), generates a return on financial investment portfolio that matches or betters the market returns
<p>Ensure growth, income and performance expectations are clear and are being met.</p>	<p>Independent members of Investment Committee/ Staff/Trustees/WEL Networks Ltd.</p>	<ul style="list-style-type: none"> Investments (including concessionary and non-concessionary investments) are evaluated on a risk/return/impact basis and investments are made in line with the Trust SIPO
<p>Seek investment opportunities where the Trust can work with others to impact regional priority areas, returning a balance of measured social & financial returns to the Trust.</p>	<p>Impact Investment – as appropriate opportunities are identified and undergo due diligence and advice.</p>	<ul style="list-style-type: none"> Impact measurement tools are used with all social/impact investments

3. Working with WEL Networks to benefit electricity consumers and the wider community – Key Questions

- While ensuring WEL Networks is a successful business, what is the best way to help reduce energy hardship in the region?
- How can we support energy efficiency initiatives?
- What are the Trust's expectations in relation to:
 - Inter-generational benefit?
 - Returns to the Trust?



Outcome Area

Working with WEL Networks Ltd – Action Priorities

Objective: WEL Networks Ltd operates as a reliable, safe, economic and efficient Electricity Distribution Business (EDB) and delivers competitive returns to the Trust, thereby adding value to consumers and the wider community

Key Actions	Resources	Key Performance Measures
Ensure WEL Networks is a successful business, delivering reliable, affordable, sustainable energy and monitor this with relevant reporting.	Staff/Trustees/WEL Networks	<ul style="list-style-type: none"> Electricity prices (taking account of any discount) in the region are monitored Company initiatives to deliver affordable sustainable energy are monitored and supported.
Reduce energy hardship and improve energy efficiency initiatives, including OurPower, while supporting a return of value to all electricity consumers through the discount programme.	Discount Programme. Affordable Energy For All (AEFA) support grants/Navigators/Staff/Waikato Wellbeing Project	<ul style="list-style-type: none"> AEFA programme implemented, outputs and outcomes measured and reported. The discount programme grows in-line with the Company's lines' revenues. SDG 7 Waikato Wellbeing Project activities supported OurPower continues to grow.
Ensure expectations are established and agreed in relation to: <ul style="list-style-type: none"> ➤ Inter-generational benefit ➤ Returns to the Trust 	Staff/Trustees/WEL Networks/Independent Advisors	<ul style="list-style-type: none"> The dividend/discount policy is continually monitored to ensure it is fit for purpose and providing the expected returns

4. Working with our Capital Beneficiaries – Key Questions

How can the Trust optimise long-term capital growth of the core investment in WEL Networks in terms of inter-generational benefit?

How can the Trust better contribute to Capital Beneficiary priority areas?

How can the Trust ensure we are engaging in inter-generational 'impactful' investing/granting that aligns with Capital Beneficiary strategy?



Outcome Area	Working with our Capital Beneficiaries – Action Priorities	
<p align="center">Objective: WEL Energy Trust and its respective Capital Beneficiary Councils (HCC 63%, Waikato DC 35%, and Waipa DC 2%) operate in a culture of mutual trust, respect and understanding</p>		
Key Actions	Resources	Key Performance Measures
Conduct reviews of investment, capital growth and other performance measures through the Annual Report and other appropriate opportunities.	Advisors/Finance Audit and Risk and Investment Committees	<ul style="list-style-type: none"> Trust’s Annual Report discloses the Trust’s capital growth Annual Review of the Trust’s investment in the Company Other, as required, analysis of the balance between Capital and Income Beneficiaries
Consult on the development of the Trust’s draft Annual Plan and budget and engage on Community Support grants rounds.	Staff/Grants/Impact Investments	<ul style="list-style-type: none"> Capital Beneficiaries are engaged early in the annual planning process Capital Beneficiary councils are supported in their application to Trust grants rounds Opportunities to invest to achieve shared goals are investigated
Engage with Capital Beneficiaries, at least annually, to understand their strategic intentions.	Staff/Trustees	<ul style="list-style-type: none"> Trustees and staff engage with Capital Beneficiary planning processes where appropriate

5. Community Benefit – Key Questions

Are the Trust's SDG focus areas relevant?

Is the grants budget appropriate?

Can we partner with other entities to deliver better/quicker benefits to our community?

Does Trust Māori Strategy align with Central Governance guidance?



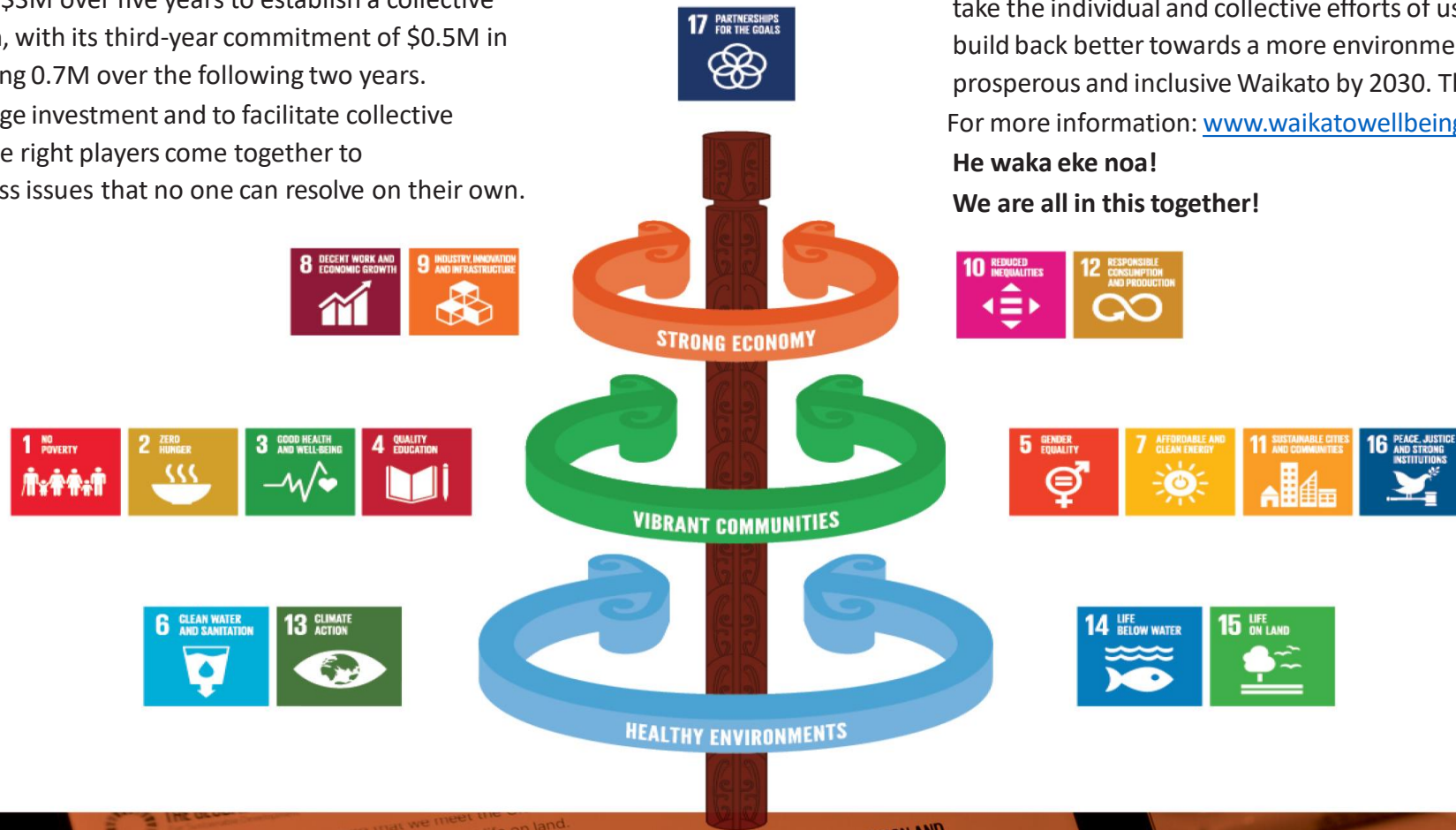
Objective: Community Investment processes ensure the most effective use of resources and maximise the benefit to the community with a good balance between short and long-term outcomes

Key Actions	Resources	Key Performance Measures
Maintain core granting activities in Quick Response, Community Support and Vital Impact grants, as well as the ability to respond to COVID-19 if required.	\$4.2M (Including \$1.45M for Quick Response grants, \$1.95M for Community Support, \$0.4M for Vital Impact Housing Grants, \$0.4M if required for COVID-19 response)	<ul style="list-style-type: none"> • 5 Quick Response rounds are held (\$1.45M) • 3 Community Support Rounds are held (\$1.95M) • Vital Impact Housing grants (\$0.4M) • COVID-19 Response grants (0.4M – as required only)
Partner to achieve global, national and regional priorities through the Sustainable Development Goals (SDGs).	\$0.5M Waikato Wellbeing Project (WWP) - as per funding and partnership agreement with WRC, conditional grant.	<ul style="list-style-type: none"> • Purpose and functions of the WWP supported • Manu taki engaged across the Project targets, collective impact models established with terms of reference and clear action plans
Provide Convening and Organisational Development support.	\$0.25M Convening and Organisational Development Grants	<ul style="list-style-type: none"> • Research and engagement across sectors supported, including with potential funders/investors • Initiatives identified as being important to catalyse systems change supported
Further develop the Affordable Energy For All (AEFA) Support Programme, and monitor results.	\$0.5M AEFA Programme support	<ul style="list-style-type: none"> • AEFA partnerships supported, and outcomes monitored
Total distributions through grants for 2022-23	\$5.45M	
Total electricity discounts for 2022-23	\$12M (The amount of a discount is at the WEL Networks Ltd Board’s discretion after accounting for the financial position and performance of WEL Networks Ltd)	<ul style="list-style-type: none"> • The cost of electricity distribution is reduced by a discount • The discount for the 31 March 2022 Financial Year will be returned to consumers April/May 2022.

Waikato Wellbeing Project

To support the Waikato Wellbeing Project (WWP) targets, in 2020 WEL Energy Trust committed \$3M over five years to establish a collective impact support function, with its third-year commitment of \$0.5M in FY2023 and the remaining 0.7M over the following two years.

The purpose is to leverage investment and to facilitate collective leadership and ensure the right players come together to comprehensively address issues that no one can resolve on their own.



This systems approach is particularly relevant in the context of COVID-19 and the global disruption it has caused. The WWP is supported in various ways through this Annual Plan. We invite you to join us as it will take the individual and collective efforts of us all to ensure we really do build back better towards a more environmentally sustainable, prosperous and inclusive Waikato by 2030. There

For more information: www.waikatowellbeingproject.co.nz

He waka eke noa!

We are all in this together!



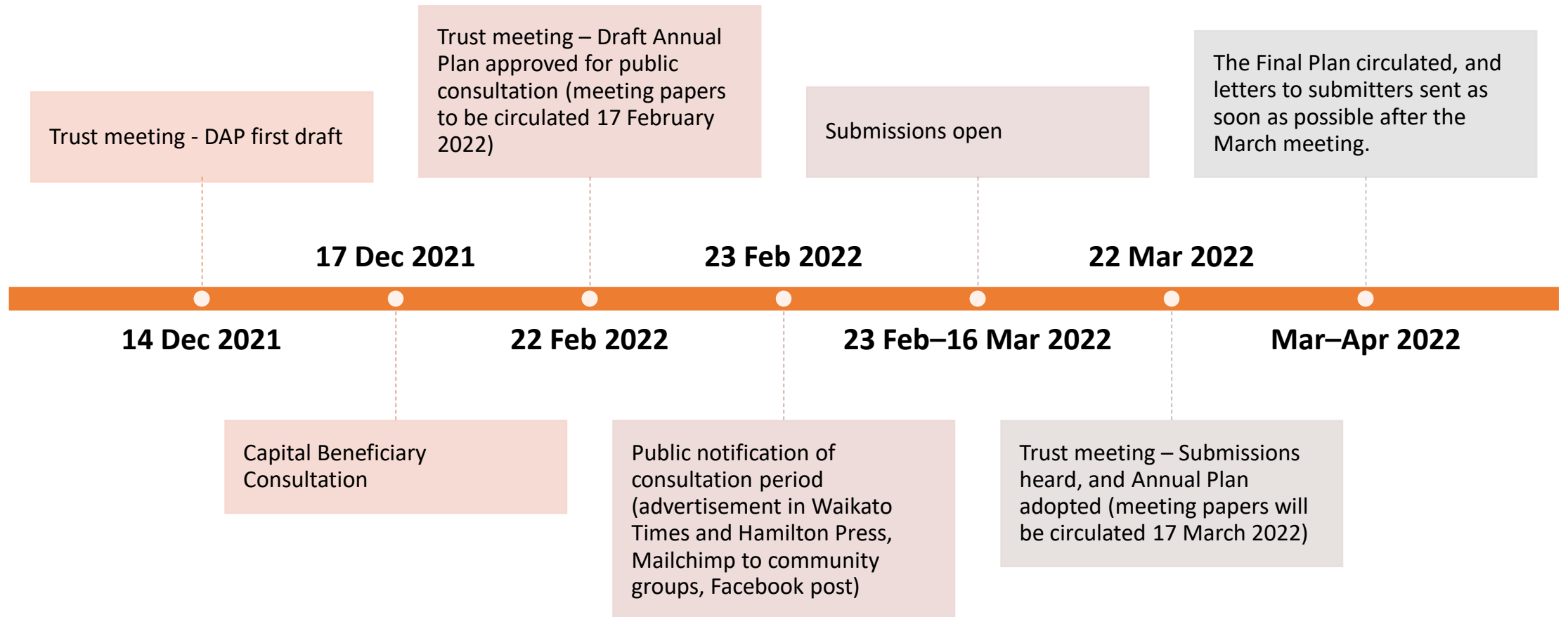
Summary - draft

	<i>Previous Budget</i>	<i>Forecast</i>	<i>Draft Budget</i>
Details	2021/22	2021/22	2022/23
Income			
Interest earned	\$218,529	\$149,742	\$240,000
Investment Portfolio Return	\$1,728,750	\$6,776,257	\$2,349,000
Impact Investment Funds	\$0	-\$132,678	\$0
Dividend Received	\$5,000,000	\$5,000,000	\$2,000,000
Other income	\$0	\$17,500	\$0
Total income	\$6,947,279	\$11,810,821	\$4,589,000
Expenditure			
Staff Costs	\$475,000	\$409,679	\$408,000
Management & Administration	\$148,000	\$189,531	\$198,500
Governance /representation	\$392,707	\$300,468	\$384,000
Communications	\$125,250	\$108,626	\$117,250
WEL Networks shareholding	\$192,000	\$87,895	\$200,000
Distribution related costs	\$25,000	\$20,170	\$25,500
Special Projects	\$40,000	\$25,926	\$40,000
Depreciation	\$17,000	\$7,294	\$12,000
Loss/(Gain) on loan revaluation, interest & credit loss adjustments	\$2,000	-\$44,222	-\$40,000
Total Expenditure	\$1,416,957	\$1,105,367	\$1,345,250
Net surplus / (deficit) before distributions	\$5,530,322	\$10,705,454	\$3,243,750
Distributions	\$6,100,000	\$5,632,227	\$5,450,000
Tax Expense	\$0	\$0	\$0
Total net surplus / (deficit) after tax	-\$569,678	\$5,073,227	-\$2,206,250
Capital expenditure	\$10,000	\$5,975	\$10,000

Balance Sheet - draft

	<i>previous budget</i>	<i>actual/forecast</i>	<i>draft</i>
Details	2021/22	2021/22	2022/23
Income Fund			
Retained Earnings	\$91,474,382	\$100,049,783	\$97,843,533
Total Income Fund	\$91,474,382	\$100,049,783	\$97,843,533
Capital Fund			
Vested Capital	\$52,066,788	\$52,066,788	\$52,066,788
Total Capital Fund	\$52,066,788	\$52,066,788	\$52,066,788
Total Trust Funds	\$143,541,170	\$152,116,571	\$149,910,321
Represented by			
Current Assets	\$8,041,562	\$6,227,876	\$1,392,536
Investment Portfolio	\$41,228,750	\$57,187,314	\$54,536,314
Fixed Assets & Intangibles	\$20,000	\$16,741	\$15,247
Long-Term Loan Momentum Foundation	\$308,560	\$308,560	\$330,144
Community Loans	\$935,300	\$629,082	\$629,082
Impact Investment Funds - Committed	\$10,200,000	\$10,200,000	\$10,200,000
Impact Investment Funds - Uncalled	-\$2,990,000	-\$8,250,000	-\$2,990,000
WEL Networks Convertible Notes Balance	\$0	\$0	\$0
Shares in Wel Networks	\$85,796,998	\$85,796,998	\$85,796,998
Deferred Tax Asset	\$0	\$0	\$0
Accounts Payable & Accruals	\$0	\$0	\$0
Conditional/Committed Grants	\$0	\$0	\$0
Total	\$143,541,170	\$152,116,571	\$149,910,321

Our Annual Planning Timeline



To	Strategy and Finance Committee
Report title	Exclusion of the Public

1. Staff recommendations
Tuutohu-aa-kaimahi

THAT the public be excluded from the following parts of the proceedings of this meeting.

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 the passing of this resolution
<p>Item number PEX 1 Confirmation of Minutes</p> <p>PEX 2.1</p> <p>2.1 Waikato Regional Airport Limited Major Transaction</p>	<p>Good reason to withhold exists under Section 6 or Section 7 Local Government Official Information and Meetings Act 1987</p>	<p>Section 48(1)(a)</p>

**Item PEX 2.2 Waikato
Local Authority
Shared Services (T/A
Co-Lab) Membership
Proposal to include
Western Bay of Plenty
District Council as a
Shareholder**

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

Item No.	Section	Interest
Item PEX 1 Confirmation of Minutes		Refer to the previous Public Excluded reason in the agenda for this meeting.
Item PEX 2.1 Major Transaction - Waikato Regional Airport Limited	7(2)(h)	To enable commercial activities to be carried out without prejudice or disadvantage
	7(2)(j)	To prevent use of the information for improper gain or advantage.
Item PEX 2.2 Waikato Local Authority Shared Services (T/A Co-Lab) Membership Proposal to include Western Bay of Plenty District Council as a Shareholder	7(2)(i)	To enable negotiations to carry on without prejudice or disadvantage.

2. Attachments

Ngaa taapirihanga

There are no attachments for this report.

Date:	16 February 2022
Report Author:	Grace Shaw, Democracy Advisor
Authorised by:	Gavin Ion Chief Executive
