

# Finance Committee Agenda - 24 Nov 2021



Meeting conducted in the Council Chamber at Lvl 2, Philip Laing House  
144 Rattray St, Dunedin (Councillors and participating staff only)

Members of the public may view via livestream at: [Otago Regional Council YouTube Channel](#)

## Members:

Cr Hilary Calvert, Co-Chair	Cr Michael Laws
Cr Kevin Malcolm, Co-Chair	Cr Andrew Noone
Cr Michael Deaker	Cr Gretchen Robertson
Cr Alexa Forbes	Cr Bryan Scott
Cr Carmen Hope	Cr Kate Wilson
Cr Gary Kelliher	

Senior Officer: Sarah Gardner, Chief Executive

Meeting Support: Liz Spector, Governance Support Officer

24 November 2021 10:00 AM

<b>Agenda Topic</b>	<b>Page</b>
1. APOLOGIES No apologies were received prior to publication of the agenda.	
2. PUBLIC FORUM Requests to speak should be made to the Governance Team on 0800 474 082 or <a href="mailto:governance@orc.govt.nz">governance@orc.govt.nz</a> at least 24 hours prior to the meeting; however, this requirement may be waived by the Chairperson. No requests have been received.	
3. CONFIRMATION OF AGENDA Note: Any additions must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.	
4. CONFLICT OF INTEREST Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have.	
5. CONFIRMATION OF MINUTES Minutes of previous Finance Committee meetings will be considered as a true and accurate record with or without corrections.	3
5.1 <a href="#">Minutes of the 25 August 2021 Finance Committee Meeting</a>	3
5.2 <a href="#">Minutes of the 13 October 2021 Finance Committee meeting</a>	8
6. ACTIONS The Committee will review outstanding actions of resolutions of the Finance Committee.	10
7. MATTERS FOR CONSIDERATION	12

7.1	<b>QUARTERLY ACTIVITY REPORT - 30 SEPTEMBER 2021</b>	12
	This reports on operational performance by activity for Quarter 1 of the 2021/22 Financial Year.	
7.1.1	<b>Atch 1: Q1 FY22 Activity Performance Report</b>	15
7.2	<b>FINANCE REPORT - 30 SEPT 2021 (INCLUDING TREASURY REPORT)</b>	41
	To provide the Otago Regional Council Finance Report for the quarter ended 30 Sept 2021.	
7.2.1	<b>Atch 1: Statement of Comprehensive Revenue and Expenses 2021.09.30</b>	47
7.2.2	<b>Atch 2: Statement of Financial Position 2021.09.30</b>	48
7.2.3	<b>Atch 3: Treasury Report 2021.09.30</b>	49
7.2.4	<b>Atch 4: Activity Report 2021.09.30</b>	51
7.3	<b>RATES STRIKE, COLLECTION 31 OCTOBER 2021</b>	53
	To update the Committee on rates struck for the 2021/22 financial year.	
7.4	<b>ANNUAL PLAN 2022/23 - PROPOSED ADJUSTMENTS TO THE LONG-TERM PLAN</b>	56
	This report enables Council to advance the Annual Plan 2022/23 process by considering proposed adjustments to financial forecasts adopted as part of the Long-term Plan 2021/31.	
7.5	<b>ANNUAL PLAN 2022-23 RATING CONSIDERATIONS</b>	64
	To report back to Council on the two rating and funding related resolutions made during deliberations for the LTP 2021-31.	
7.6	<b>WORKING PARTY - UNBUDGETED EXPENDITURES</b>	71
	This report from the Co-Chair addresses a recommendation made by the Audit and Risk Subcommittee meeting (public-excluded) of 14 October 2021 related to unbudgeted expenditures.	
8.	<b>RECOMMENDATIONS OF THE AUDIT AND RISK SUBCOMMITTEE</b>	73
	The Committee may resolve to confirm the resolutions made at the 14 October 2021 public Audit and Risk Subcommittee meeting.	
8.1	<b>Recommendations of the 14 October 2021 public Audit and Risk Subcommittee meeting</b>	73
9.	<b>RESOLUTION TO EXCLUDE THE PUBLIC</b>	74
	The Committee may resolve to move into public excluded session under LGOIMA (1987) to consider the following item:	
	* Adoption of the recommendations of the public-excluded portion of Audit and Risk Subcommittee meetings held on 14 October 2021 and 11 November 2021.	
9.1	<b>Public Excluded Reasons Table</b>	74
10.	<b>CLOSURE</b>	



Minutes of a meeting of the  
Finance Committee held electronically under COVID-19 Level 4  
Protocols on Wednesday, 25 August 2021 at 10AM

**Membership**

Cr Hilary Calvert (Co-Chairperson)  
Cr Kevin Malcolm (Co-Chairperson)  
Cr Michael Deaker  
Cr Alexa Forbes  
Hon Marian Hobbs  
Cr Carmen Hope  
Cr Gary Kelliher  
Cr Michael Laws  
Cr Andrew Noone  
Cr Gretchen Robertson  
Cr Bryan Scott  
Cr Kate Wilson

**Welcome**

Chairperson Andrew Noone welcomed members of the public and staff to the electronic meeting at 10:04 am. Staff present electronically included Sarah Gardner (Chief Executive), Nick Donnelly (GM Corporate Services), Gwyneth Elsum (GM Strategy, Policy and Science), Gavin Palmer (GM Operations), Richard Saunders (GM Regulatory and Communications), Amanda Vercoe (GM Governance, Culture and Customer), Liz Spector (Governance Support), Dianne Railton, Mike Roesler, Sarah Munro, Jasmin Lamorie, and Garry Maloney.

Due to unstable electronic connections, Finance Co-Chairs Malcolm and Calvert vacated the Chair. Cr Calvert moved that Cr Noone chair the meeting, seconded by Cr Malcolm.

**Resolution: Cr Calvert Moved, Cr Malcolm Seconded:**

*That Cr Andrew Noone chair this 25 August 2021 meeting of the Finance Committee.*

**Motion Carried**

## 1. APOLOGIES

There were no apologies.

## 2. PUBLIC FORUM

There were no requests to address the committee by members of the public.

## 3. CONFIRMATION OF AGENDA

The agenda was confirmed as presented.

## 4. CONFLICT OF INTEREST

No conflicts of interest were advised.

## 5. CONFIRMATION OF MINUTES

### **Resolution: Cr Noone Moved, Cr Calvert Seconded**

*That the minutes of the public portion of the meeting held on 26 May 2021 be received and confirmed as a true and accurate record.*

**Motion Carried**

### **Resolution: Cr Noone Moved, Cr Forbes Seconded**

*That the minutes of the public-excluded portion of the meeting held on 26 May 2021 be received and confirmed as a true and accurate record.*

**Motion Carried**

## 6. ACTIONS

Cr Noone noted that the outstanding action related to the Memorandum of Understanding with the University of Otago should be marked complete as the Chief Executive and Crs Forbes and Wilson had recently attended a meeting with University staff to further work on the MoU. Cr Forbes thanked the University for the amount of work that had been undertaken and then moved:

### **Resolution: Cr Forbes Moved, Cr Calvert Seconded:**

*That thanks be expressed to University of Otago staff and to Dr Royden Somerville for convening the meeting.*

**Motion Carried**

It was further moved by Cr Forbes that:

### **Resolution FIN21-116: Cr Forbes Moved, Cr Noone Seconded**

*That a group to include Crs Hobbs, Forbes, Wilson and a staff member be created to be responsible for convening a further meeting to narrow focus of interest for the MoU with the University of Otago.*

**Motion Carried**

## 7. MATTERS FOR CONSIDERATION

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### **7.1. Quarterly Activity Report - 30 June 2021**

This report was provided to summarise operational performance by significant activity for the period ended 30 June 2021. The report included financial and non-financial performance information relating to service delivery as outlined in the 2020-21 Annual Plan. Nick Donnelly (GM Corporate Services), Mike Roesler (Manager Corporate Planning) and Jasmin Lamorie (Corporate Planning Business Partner) were available to speak to the report and respond to questions.

Cr Wilson questioned why Water was documented as the Council's biggest challenge in the report as she thought Climate Change and other considerations were equally challenging. Following a discussion of the query, Cr Forbes asked that the statement regarding "looking after water" being the Council's biggest challenge be removed from the Annual Report document. She said it may be the highest priority, but it does not necessarily present the biggest challenge. Mr Roesler said he will amend the wording related to this statement.

After further questions from Councillors, the report was noted.

#### **Resolution FIN21-117: Cr Scott Moved, Cr Calvert Seconded**

*That the Finance Committee:*

- 1) **Notes** the Council Activity Performance Report for the period 1 July 2020 to 30 June 2021 (Q4).

#### **Motion Carried**

### **7.2. Finance Report 30 June 2021 - Preliminary Year-end Result**

This report was provided to present Council's Finance Report for the 2021 financial year which included the preliminary financial result for the 12-month period ended 30 June 2021. Nick Donnelly (GM Corporate Services) and Sarah Munro (Manager Finance - Reporting) were available to respond to questions about the report.

Cr Deaker asked questions about bus fares. After a response from Mr Donnelly, it was decided that further discussion on this topic would be continued with debate on the Bus Fare paper later in the agenda. After further discussion on other facets of the report, a motion to receive the report was made.

#### **Resolution FIN21-118: Cr Calvert Moved, Cr Hope Seconded**

*That the Finance Committee:*

- 1) **Notes** this report and the attached Finance Reports.

#### **Motion Carried**

### **7.3. Annual Plan 2022-23 Process and Timetable**

This report was provided to enable consideration of and provide feedback on the draft timetable and process for approval of the Annual Plan 2022-23. Nick Donnelly (GM Corporate Services) and Mike Roesler (Manager Corporate Planning) were available to respond to questions. Cr Deaker noted that due to the amount of change and uncertainty related to environmental issues, it was critical to be adaptable, rather than being inflexible to amending the previous LTP. He asked Mr Roesler to modify the "recasting LTP" disclaimer.

After further discussion of the report, it was resolved:

**Resolution FIN21-119: Cr Wilson Moved, Cr Hobbs Seconded**

*That the Finance Committee:*

- 1) **Notes** this report and the Council staff presentation about the Annual Plan 2022-23 process.

**Motion Carried**

**7.4. Outcome of Interim \$2 Dunedin Fare**

This paper was provided to obtain decisions from Council on the bus fares to apply in Dunedin following the end of the Phase 2 (transitional) fare period that was put in place to enable deployment of the new electronic ticketing system. Gavin Palmer (GM Operations) and Garry Maloney (Manager Transport) were available to speak to the report and respond to questions.

Cr Deaker asked if bus route frequency and reliability were more important to encouraging public transport use than inexpensive fares. Mr Maloney noted that was affected by the starting point of frequency. Cr Forbes noted that there were other factors to consider, but that fare prices were part of the equation. She said conversations needed to occur more regularly with transport partners such as Waka Kotahi and Dunedin City Council to address public transport concerns to determine outcomes. She noted she and Cr Wilson had worked on a motion which she moved:

**Resolution FIN21-120: Cr Forbes Moved, Cr Wilson Seconded**

*That the Finance Committee:*

- 1) **Notes** the report and agree to maintain the existing fares and have discussions with DCC and WK in time to include potential financial outcomes in Annual Planning processes prior to end of October.
- 2) **Writes** to the Dunedin City Council and Waka Kotahi to invite them to participate in an independently facilitated (likely public) workshop to consider:
  - a. a joint objective of public transport in Dunedin, which levers that we, and others, can use to promote those objectives, e.g., parking options and costs;
  - b. timing of review of fares, with consideration of routes, usage and flexibility of bus services and patronage;
  - c. coordination of building of planned complementary infrastructure; and
  - d. coordination of travel demand management across large city businesses.
- 3) **Invites** a standing group of ORC and DCC Councillors and officers to enhance and guide Dunedin Public transport decisions.

**Motion Carried**

**7.5. Annual Returns of Inactive Subsidiaries**

This report was provided in fulfillment of Section 214 of the Companies Act 1993 required for each of the inactive registered companies owned by the Otago Regional Council. Nick Donnelly (GM Corporate Services) was available to respond to questions about the requirements.

There were no questions.

**Resolution FIN21-121: Cr Noone Moved, Cr Wilson Seconded**

- 1) *That it shall not be necessary for Regional Services Limited to hold an Annual General Meeting under section 120 of the Companies Act 1993.*
- 2) *That no auditors be appointed for Regional Services Limited under section 196 (2) of the Companies Act 1993.*
- 3) *That it shall not be necessary for Regional Pest Services Limited to hold an Annual General Meeting under section 120 of the Companies Act 1993.*
- 4) *That no auditors be appointed for Regional Pest Services Limited under section 196 (2) of the Companies Act 1993.*
- 5) *That it shall not be necessary for Regional Monitoring Services Limited to hold an Annual General Meeting under section 120 of the Companies Act 1993.*
- 6) *That no auditors be appointed for Regional Monitoring Services Limited under section 196 (2) of the Companies Act 1993.*

**Motion Carried**

**8. CLOSURE**

There was no further business and Chairperson Noone declared the meeting closed at 12:13 pm.

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Date



Minutes of a meeting of the Finance Committee  
held in the Council Chamber  
on Wednesday, 13 October 2021 at 9:00AM

**Membership**

Cr Hilary Calvert *(Co-Chairperson)*  
Cr Kevin Malcolm *(Co-Chairperson)*  
Cr Michael Deaker  
Cr Alexa Forbes  
Hon Marian Hobbs  
Cr Carmen Hope  
Cr Gary Kelliher  
Cr Michael Laws  
Cr Andrew Noone  
Cr Gretchen Robertson  
Cr Bryan Scott  
Cr Kate Wilson

**Welcome**

Chairperson Kevin Malcolm welcomed members of the public and staff to the meeting at 9:00am. Staff present included Sarah Gardner (Chief Executive), Nick Donnelly (GM Corporate Services), Dianne Railton (Governance Support), and Ryan Tippet (Media Communications Lead).



**1. APOLOGIES**

**Resolution: Cr Calvert Moved, Cr Noone Seconded:**

*That the apology for Cr Hope be accepted. Cr Laws attended the meeting electronically.*

**MOTION CARRIED**

**2. CONFIRMATION OF AGENDA**

The agenda was confirmed as presented.

**3. CONFLICT OF INTEREST**

No conflicts of interest were advised.

**4. PRESENTATION**

Port Otago representatives Kevin Winders (Chief Executive), Stephen Connolly (Chief Financial Officer), Paul Rea (Board Chair) and Pat Heslin (Director), presented the Port Otago fully-audited 2020-21 Annual Report to the Finance Committee.

Chairperson Malcolm thanked the Port Otago representatives for their presentation.

**5. CLOSURE**

There was no further business and Chairperson Malcolm declared the meeting closed at 10:09am.

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Date

## ACTION REGISTER – FINANCE COMMITTEE AT 24 NOVEMBER 2021

Meeting Date	Item	Status	Action Required	Assignee/s	Action Taken	Due Date	Completed (Overdue)
26/05/2021	CS2126 Long Term Plan 2021-2031 Deliberation and Recommendations	Completed	Conduct an Implementation Committee workshop to discuss liaison and/or strategy groups prior to the 8 September 2021 Implementation Committee meeting. <b>Res FIN21-106</b>	General Manager Operations	<b>27/07/2021 Governance Support Officer</b>  This workshop is scheduled for 12 September.  <b>2/11/2021 Governance Support Officer</b>  Public Workshop - Liaison Groups was held on 28 September 2021.	08/09/2021	02/11/2021
26/05/2021	CS2126 Long Term Plan 2021-2031 Deliberation and Recommendations	Completed	Establish and fund a scoping study for an Otago Lakes Strategic Plan, in association w/relevant stakeholders, that creates lake management plans aimed at improving the environmental and amenity value of the water bodies and acquire the science, partnerships, and information for these purposes with an initial budget of \$100k in each of years one and two of the LTP2021-31. <b>Res FIN21-109</b>	General Manager Strategy, Policy and Science	<b>29/10/2021 General Manager Strategy, Policy and Science</b>  Proposed scope of Otago Lakes Strategic Plan scoping study provided to 10 November 2021 Strategy & Planning Committee for consideration in form of paper titled Otago Lakes Strategic Plan - Scope (SPS 2162).	31/12/2021	29/10/2021
26/05/2021	CS2126 Long Term Plan 2021-2031 Deliberation and Recommendations	Completed	Chairperson Noone and CE Gardner to meet with University of Otago for the purpose of progressing the existing MoU and report back to Council. <b>Res FIN21-109</b>	Chairperson	<b>7/09/2021 Governance Support Officer</b>  Crs Forbes and Wilson along with CE Gardner attended a meeting with Dr Royden Somerville and other University representatives in August 2021.	13/05/2021	07/09/2021
26/05/2021	CS2126 Long Term Plan 2021-2031 Deliberation and Recommendations	Assigned	Develop a region-wide methodology for water improvement funding for the 2022/23 Annual Plan. <b>Res FIN21-106</b>	General Manager Corporate Services and CFO		30/06/2022	
26/05/2021	CS2126 Long Term Plan 2021-2031 Deliberation and Recommendations	Assigned	Staff to ensure opportunities exist to allow all interested parties to be fully involved in any scheme performance review process. <b>Res FIN21-108</b>	General Manager Operations		01/06/2022	
26/05/2021	CS2126 Long Term Plan 2021-2031 Deliberation and Recommendations	Assigned	Establish a harbour facilities and management plan in a collaboration with iwi, community boards and groups, DCC and Port Otago with a budget of \$100k in each of financial years 2 and 3 of the LTP2021-31. Staff and Councillors to determine ToRs. <b>Res FIN21-109</b>	General Manager Strategy, Policy and Science			
26/05/2021	CS2126 Long Term Plan 2021-2031 Deliberation and Recommendations	In Progress	Report back on options for an independent review of the existing rating basis for all flood protection and drainage schemes and provide potential cost details by the end of December 2021. <b>Res FIN21-109</b>	General Manager Corporate Services and CFO	<b>2/11/2021 Governance Support Officer</b>  Workshop undertaken on 14 October 2021.	31/12/2021	
26/05/2021	CS2126 Long Term Plan 2021-2031 Deliberation and Recommendations	Assigned	Consider the potential of realtime data and citizen science input when upgrading or investing in assets. If this requires extra funding, those purchases should be brought back to Council for consideration. <b>Res FIN21-109</b>	General Manager Strategy, Policy and Science		28/02/2022	
26/05/2021	CS2126 Long Term Plan 2021-2031 Deliberation and Recommendations	Assigned	Provide a paper discussing re-establishment of the Otago Regional Council Environmental Awards. <b>Res FIN21-111</b>	General Manager Regulatory and Communications		31/12/2021	

## ACTION REGISTER – FINANCE COMMITTEE AT 24 NOVEMBER 2021

Meeting Date	Item	Status	Action Required	Assignee/s	Action Taken	Due Date	Completed (Overdue)
25/08/2021	PPT2113 Outcome of Interim \$2 Dunedin Fare	In Progress	Write to the Dunedin City Council and Waka Kotahi to invite them to participate in an independently facilitated (likely public) workshop to consider: <ul style="list-style-type: none"> <li>a. A joint objective of public transport in Dunedin, which levers that we and others can use to promote those objectives, e.g., parking options and costs;</li> <li>b. Timing of review of fares, with consideration of routes, usage and flexibility of bus services and patronage;</li> <li>c. Coordination of building of planned complementary infrastructure; and,</li> <li>d. Coordination of travel demand management across large city business.</li> </ul> <b>Res FIN21-120</b>	Chairperson	<b>17/11/2021 Governance Support Officer</b>  Discussions are ongoing between the Chair and GMs of Corporate Services and Operations to progress this action.	30/11/2021	
25/08/2021	PPT2113 Outcome of Interim \$2 Dunedin Fare	In Progress	Have discussions with DCC and WK in time to include potential financial outcomes in Annual Planning processes prior to end of October.  <b>Resolution FIN21-120</b>	Chairperson	<b>17/11/2021 Governance Support Officer</b>  Discussions are ongoing between Chair and GMs of Corporate Services and Operations to progress this action.	30/11/2021	
25/08/2021	PPT2113 Outcome of Interim \$2 Dunedin Fare	Assigned	Invite a standing group of ORC and DCC councillors and officers to enhance and guide Dunedin public transport. <b>Res FIN21-120</b>	General Manager Operations		11/11/2021	

### 7.1. Quarterly Activity Report - 30 September 2021

**Prepared for:** Finance Committee  
**Report No.** CS2145  
**Activity:** Governance Report  
**Author:** Jasmin Lamorie, Corporate Planning Business Partner  
**Endorsed by:** Nick Donnelly, General Manager Corporate Services  
**Date:** 24 November 2021

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#### **PURPOSE**

- [1] To report on operational performance by activity for the period ended 30 September 2021 being quarter one (Q1) for the 2021-22 financial year.

#### **RECOMMENDATION**

*That the Finance Committee:*

- 1) Notes the Council Activity Performance Report for the period 1 July to 30 September 2021 (Q1).**

#### **BACKGROUND**

- [2] This report includes financial and non-financial performance information relating to the major aspects of service delivery as outlined in the 2021-31 Long-term Plan. Progress over the 2021-22 financial year is reported to the Finance Committee on a quarterly basis.

#### **OVERALL PERFORMANCE**

- [3] The 2021-31 Long-term Plan contains 36 Level of Service statements, 64 measures and 72 targets.
- [4] Of these there are 64 targets relating to activities being delivered in the 2021-22 year.
- [5] Results on performance targets for quarter one:
- 50 – on track to be achieved
  - 6 – not on track/may not be achieved
  - 2 – will not be achieved
  - 6 – not measured this quarter.
- [6] As of 30 September 2021, Council had a total activity (operating and capital) surplus of \$548k compared to a budgeted deficit of \$869k, a variance of \$1.42M.
- [7] The \$1.42M variance is a result of spending \$3.69M less than budgeted and receiving \$2.27M less revenue than budgeted.
- [8] There are underspends across all ORC activities with the largest variances in Transport and Land & Water.

#### **SERVICE PERFORMANCE**

- [9] The majority of targets are on track and expected to be achieved by the end of the financial year. Results for each measure and target, along with service delivery commentary, are provided in the attached report.

- [10] Six targets, across four activities, are flagged yellow as delivery was off-track in quarter one. The reasons for being off track largely relate to the impacts of Covid-19 restrictions and staff vacancies.
- [11] Two targets are flagged red and will not be met by year end:
- The governance target of achieving 100% compliance with official information request timeframes is aspirational and was not met, however performance continues to be high at 97.8%.
  - 90% of reported River Management issues were investigated and appropriate action determined and communicated within 20 working days (target is 100%). Two (10%) were outside of timeframe, these were low risk and staff were focusing on higher risk priorities.
- [12] Six targets are flagged grey and have not been measured this quarter or are scheduled for later in the financial year. All are expected to be achieved by year end and include:
- Four transport satisfaction surveys are scheduled for Q3-4,
  - There were no flood events in Q1 requiring a repair programme to be developed,
  - There was no decision to activate the ECC in Q1 therefore activation times were not able to be measured.

## FINANCIAL PERFORMANCE

- [13] An overview of financial performance at activity level is provided in the attached report.
- [14] Revenue variances for the year to date include:
- Transport: Received \$1.21M (16%) less revenue than budgeted; largely consisting of \$952k (43%) less in Other Income (fares) and \$261k (8%) less in Grants, This variance relates to reduced fare revenue due to the \$2 fare in Dunedin and covid restrictions impacting on services and patronage, as well as timing of grant funding.
  - Regulatory: Received \$612k (20%) less revenue than budgeted; largely consisting of \$613k (47%) less in Fees and Charges, This variance is largely timing due to the high number of Consents in progress
  - Flood Protection & Rivers: Received \$270k (11%) less revenue than budgeted; largely consisting of \$102k (36%) less in Other Income and \$189k (54%) less in Grants.  
Flood Protection and River management variances also relate to timing.
- [15] Expenditure variances for the year to date include:
- Land and Water: \$960k (26%) lower expenditure than budgeted,
  - Transport: \$747k (9%) lower expenditure than budgeted,
  - Flood Protection & Rivers: \$570k (26%) lower expenditure than budgeted,
  - Regulatory: \$453k (14%) lower expenditure than budgeted,
  - Biodiversity & Biosecurity: \$369k (28%) lower expenditure than budgeted,
  - Natural Hazards & Climate Change: \$228k (33%) lower expenditure than budgeted.
- [16] Expenditure variances are due to a range of factors; Land & Water expenditure variance is largely due to timing of contracts and staff vacancies; Transport variance largely relates to Covid restrictions impacting on services and patronage; variances in other activities are largely related to timing of work and staff vacancies.

## CONSIDERATIONS

### Strategic Framework and Policy Considerations

- [17] There are no strategic framework and policy considerations

**Financial Considerations**

[18] For further financial context refer to the Financial Report also included in the agenda for this meeting.

**Significance and Engagement Considerations**

[19] There are no significance and engagement considerations

**Legislative and Risk Considerations**

[20] Delivery risks in some areas where work programmes or projects are delayed or staffing levels are below budget.

**Climate Change Considerations**

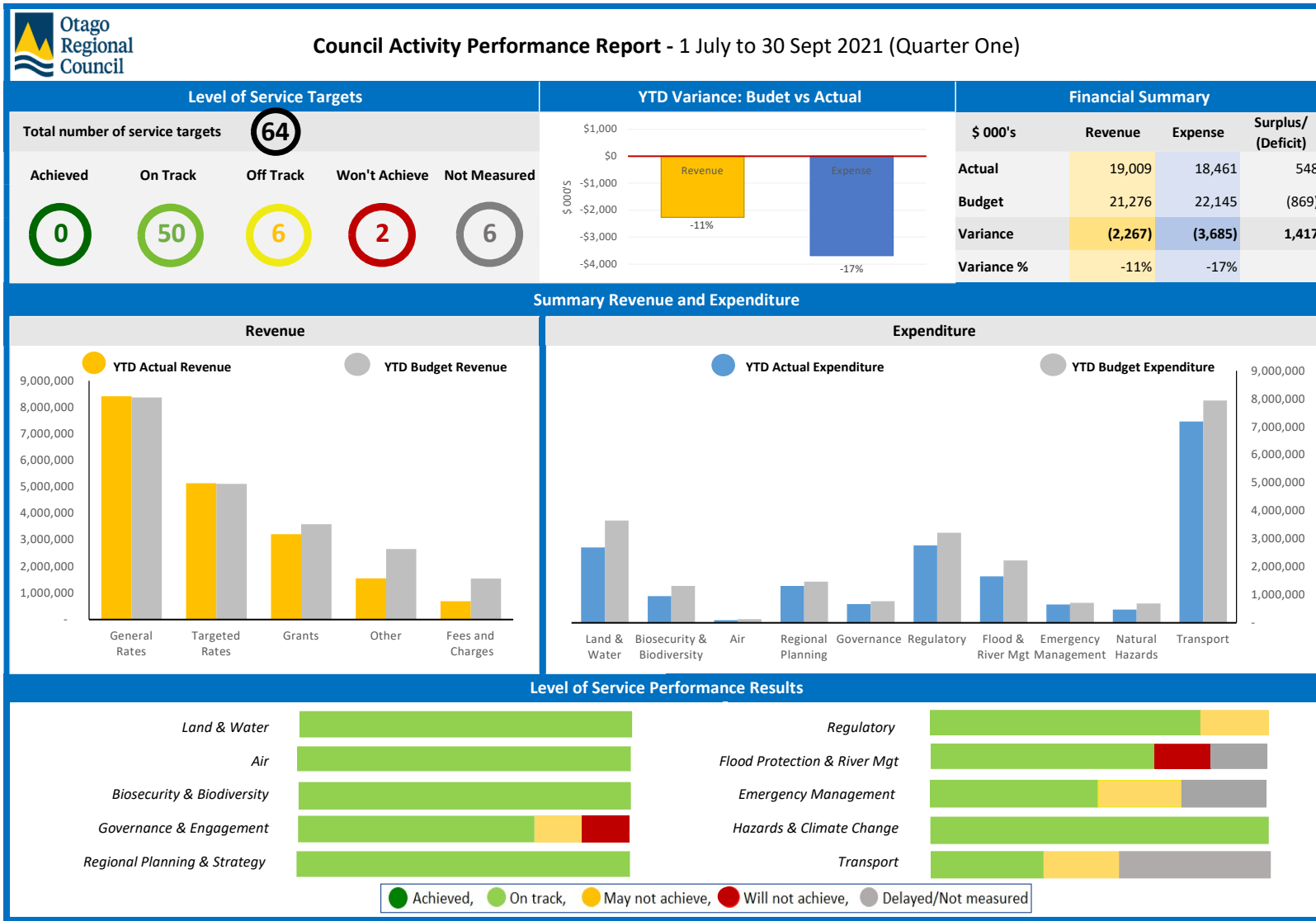
[21] There are no climate change considerations specific to this report however, delivery and expenditure reported is related to the Climate Change work programme.

**Communications Considerations**

[22] There are no communications considerations.

**ATTACHMENTS**

1. Q 1 Activity Performance Report 2021-22 [7.1.1 - 26 pages]



2021-22 Performance Measures: Summary of Results for Quarter One

	Measures	Targets	Results
Regional Leadership	<b>Service statement: Provide and promote governance processes and democratic decision making that is robust and transparent for the community.</b>		
	Percentage of official information requests responded to within statutory timeframes.	1 100%	
	Percentage of council agendas that are publicly available two working days or more before a meeting	2 100%	
	<b>Service statement: Develop and deliver robust and effective corporate planning and reporting.</b>		
	Deliver our statutory requirements with acceptable process and deliverables to decision-makers and the community	3 Unmodified audit reports received	
	<b>Service statement: Build mana whenua participation in Council decision making through a treaty based partnership approach in our engagement.</b>		
	Work done in partnership with iwi; increase the number of outputs and groups working together on projects	4 Establish baseline	
	Build the bicultural competency of ORC staff and councillors	5 50 participants in programme	
	<b>Service statement: Provide relevant, timely and accessible communications and engagement activities which enable the community to understand and participate in ORC's programmes and decision making.</b>		
	Annual survey is conducted to understand and improve community awareness, perceptions and expectations of ORC	6 Survey completed to establish baselines and a report made public	
	Customers express high levels of satisfaction with customer service provision	7 Determine methodology and conduct benchmarking of customer satisfaction	
	<b>Service statement: Support Otago's councils and communities to manage environmentally sustainable urban growth.</b>		
	Develop an integrated planning framework that enables well managed urban growth across Otago	8 Establish partnership agreements with DCC and QLDC by 30 June	
	<b>Service statement: Develop and maintain an environmental planning framework that aligns with national directions and enables sustainable management of natural and physical resources.</b>		
	Complete review of existing Regional Policy Statement (RPS)	9 Respond to hearing recommendations within specified timeframes	
Lead the development, implementation and review of Integrated Catchment Plans (ICP), in collaboration with iwi and community	10 Commence development of an Integrated Catchment Planning programme and report to Council on progress by 30 June		
<b>Service statement: Collect information on Otago regional wellbeing (economic, social, cultural, and environmental) and identify significant issues.</b>			
Report on community wellbeing indicators	11 Develop baseline wellbeing indicators and report to Council		
<b>Service statement: Provide effective, efficient and customer centric consenting processes under the Resource Management Act (RMA) 1991 to enable the lawful use of natural and physical resources.</b>			
Percentage of resource consent applications processed in accordance with Resource Management Act 1991 legislative timeframes	12 ≥98%		
Percentage of public enquiries for consent information completed within 7 working days	13 establish baseline		
<b>Service statement: Provide effective and efficient compliance monitoring, investigations and enforcement services and take appropriate actions to ensure the lawful use of natural and physical resources.</b>			
Percentage of performance monitoring returns completed each year, as per the Compliance Audit and Performance Monitoring Schedule targets	14 ≥90%		
Percentage of programmed inspections/audits completed each year, as per the Compliance Audit and Performance Monitoring Schedule targets	15 ≥85%		






















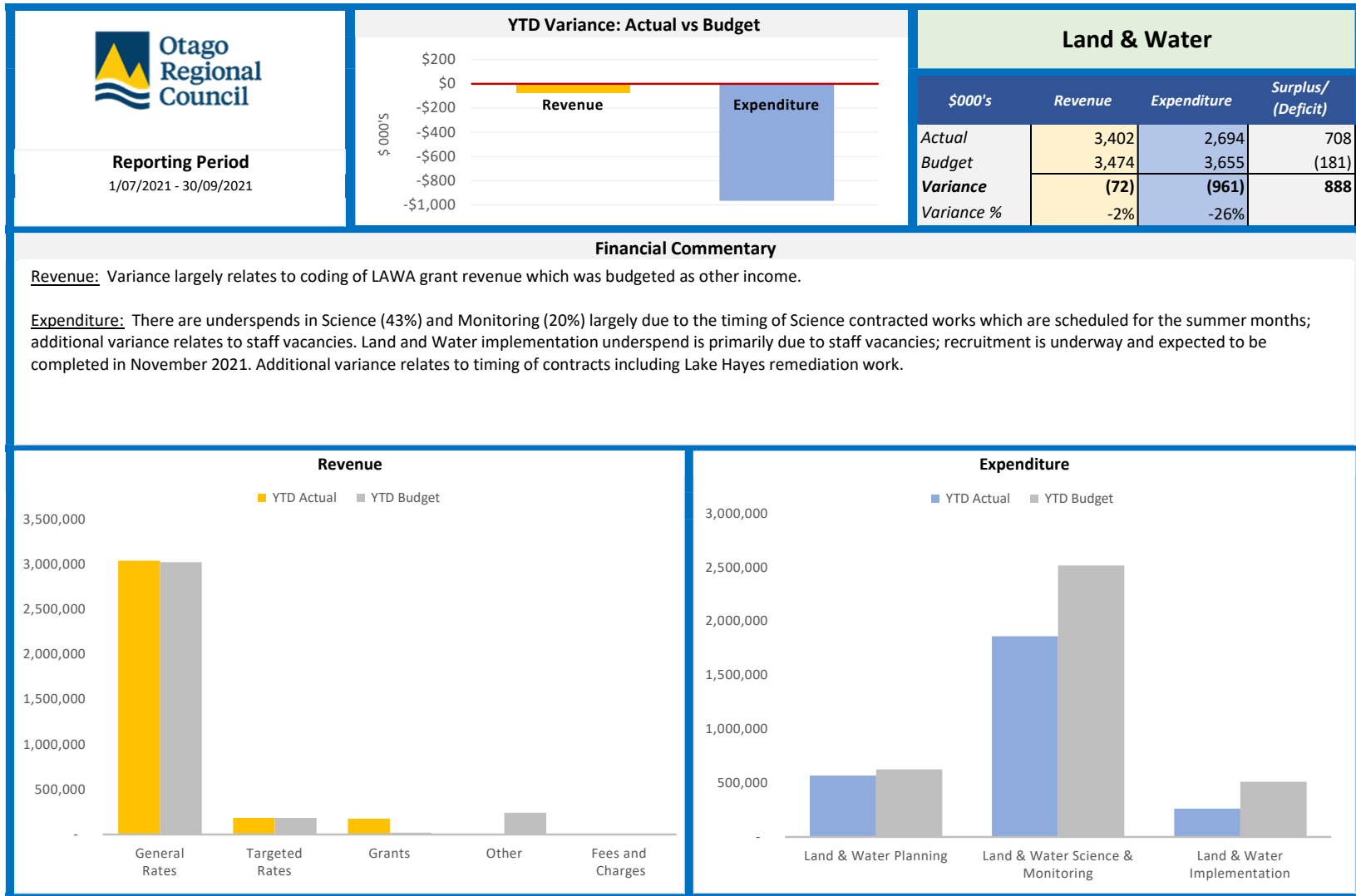
Regional Leadership	Regulatory	<b>Service statement: Provide effective and efficient compliance monitoring, investigations and enforcement services and take appropriate actions to ensure the lawful use of natural and physical resources.</b>		
		Percentage of significant non-compliance identified where action is taken in accordance with Compliance Policy	16	100%
		<b>Service statement: Provide effective and efficient environmental response services to pollution incidents or notifications of non-compliant activities.</b>		
		Maintain 24-hour/7 day a week response for environmental incidents	17	Pollution hotline staff available/on call 24/7
		Maintain 20 appropriately trained responders for maritime oil pollution incidents	18	20 responders attend 3 exercises per year
		<b>Service statement: Develop and maintain robust regulations and procedures to enable safe use and navigation of our region's ports, harbours, coastal areas and inland waterways.</b>		
		Maintain compliance with Port and Harbour Marine Safety Code	19	Annual self review is completed by ORC and POL and signed off by the Chief Executives.
		<b>Service statement: Promote and encourage safe use of ports, harbours, coastal areas and inland waterways and take appropriate action in response to non-compliance and incidents.</b>		
		Major incidents on Otago's Harbours and waterways will be responded to	20	Major incidents and ORC's response are reported to Council quarterly
		On-water engagement, education of recreational users and safety campaigns are documented and reported annually	21	Report to council by 30 June
Environment	Land & Water	<b>Service statement: Provide a robust and integrated environmental planning framework for Otago's land, water and coast resources.</b>		
		Complete the Land and Water Regional Plan(LWRP)	22	Report to Council on propose management options for 3 rohe or FMU by 30 June
		<b>Service statement: Monitor the state of Otago's freshwater resources and coastal environment and make accurate, relevant and timely information publicly available.</b>		
		Implement a regional coastal environment monitoring programme	23	Develop regional coastal monitoring programme and report to Council by 30 June
		Implement freshwater and estuarine environment monitoring programmes	24	Annual report on monitoring programme completed and reported to Council
		Percentage of data from the water monitoring network that is captured quarterly.	25	≥95% data capture achieved
		<b>Service statement: Monitor Otago's land use and make accurate, relevant and timely information on sustainable land use publicly available .</b>		
		Develop and implement a regional land use monitoring programme	26	Develop regional land use monitoring programme and report to Council
		<b>Service statement: Support Catchment Groups in Otago to deliver their environmental outcomes and objectives.</b>		
		'Otago Catchment Communities' is supported to meet deliverables and targets of funding agreement.	27	Funding is administered as per agreement
			28	Report to Council on deliverables and targets achieved by 30 June
		<b>Service statement: Promote and enable best practice land management for soil conservation, water quality preservation, the efficient use of water and to enhance Otago's biodiversity and ecosystems.</b>		
		Land owner/community led projects promoting best practice land management for soil conservation, water quality and the efficient use of water are identified and supported.	29	Three or more projects supported per year
		<b>Service statement: Collaborate with iwi, communities and landowners to develop and deliver a programme of actions to improve water quality and indigenous biodiversity in selected degraded waterbodies.</b>		
At least three site specific action plans for selected degraded waterbodies are developed, prioritised, and implemented.	30	Projects confirmed and priority actions identified by 30 September		
	31	90% of priority actions undertaken as scheduled		




















Environment	Biodiversity & Biosecurity	<b>Service statement: Collaborate with iwi, DOC and other key organisations to develop, coordinate and deliver a programme of actions to enhance indigenous biodiversity.</b>			
		Actions listed in the Biodiversity Action Plan (BAP) are prioritised and progressed.	32	Priority actions achieved within timeframes specified in annual work plan	
		Partnerships established in line with the Biodiversity Action Plan and joint projects developed.	33	Establish baseline number of partnership engagement activities and events, and report to Council	
			34	Joint projects scoped and milestones identified and reported to Council	
		<b>Service statement: Provide support and funding to selected initiatives and organisations across the region which deliver biosecurity, biodiversity and environmental outcomes that align with our strategic objectives.</b>			
		Complete a report on the initiatives and organisations supported and the key deliverables achieved.	35	Report to Council by 30 June.	
		Percentage of funding administered as per agreements.	36	100%	
		<b>Service statement: Develop and deliver practices and programmes that give effect to the Regional Pest Management Plan (RPMP).</b>			
		Priority targets within the Biosecurity Operational Plan (BOP) are identified and achieved.	37	Priority actions achieved within timeframes specified in annual work plan.	
		Air	<b>Service statement: Monitor Otago's air quality and make accurate, relevant and timely information publicly available.</b>		
Implement regional air monitoring programme.	38		Annual report on monitoring programme completed and reported to Council		
Percentage of data from the air monitoring network that is captured quarterly.	39		≥95% data capture achieved		
Safety and Resilience	Natural Hazards & Climate Change Adaptation	<b>Service statement: LOS: Collaborate with communities and stakeholders to develop and deliver natural hazards adaptation strategies.</b>			
		Complete regional natural hazards risks assessment (NHRA) and develop a regional approach for prioritising adaptation to inform adaptation planning and implementation.	40	Commence natural hazard risk assessment and investigation of prioritisation approach.	
			41	Work in priority areas is delivered as per plan by 30 June	
			42	The Head of Lake Wakatipu natural hazards adaptation strategy progresses as per annual work plan	
		Implement prioritised natural hazard risks adaptation works.	43	Collaboration framework for South Dunedin and Harbourside natural hazards adaptation strategy is defined by 30 June	
			<b>Service statement Provide information on natural hazards and risks, including the effects of climate change, so that communities and stakeholders can make informed decisions.</b>		
		Relevant and up to date natural hazards information is available via the web-based Otago Natural Hazards Database	44	Database information is checked and updated monthly	
		Percentage of flood warnings that are issued in accordance with the flood warning manual.	45	100%	
		Flood Protection, Drainage & River Management	<b>Service statement Provide the standard of flood protection and control agreed with communities.</b>		
			Major flood protection and control works are maintained, repaired, and renewed to the key standards defined in relevant planning documents.	46	≥80% of planned maintenance programme completed
47	Schemes function to their constructed design standards				
48	≥90% of renewals programme completed				
<b>Service statement: Respond efficiently and effectively to damage from natural hazard events.</b>					
Damage identified, prioritised and a repair programme communicated with affected communities in a timely manner.	49	Programme developed and communicated within 3 months of the event			

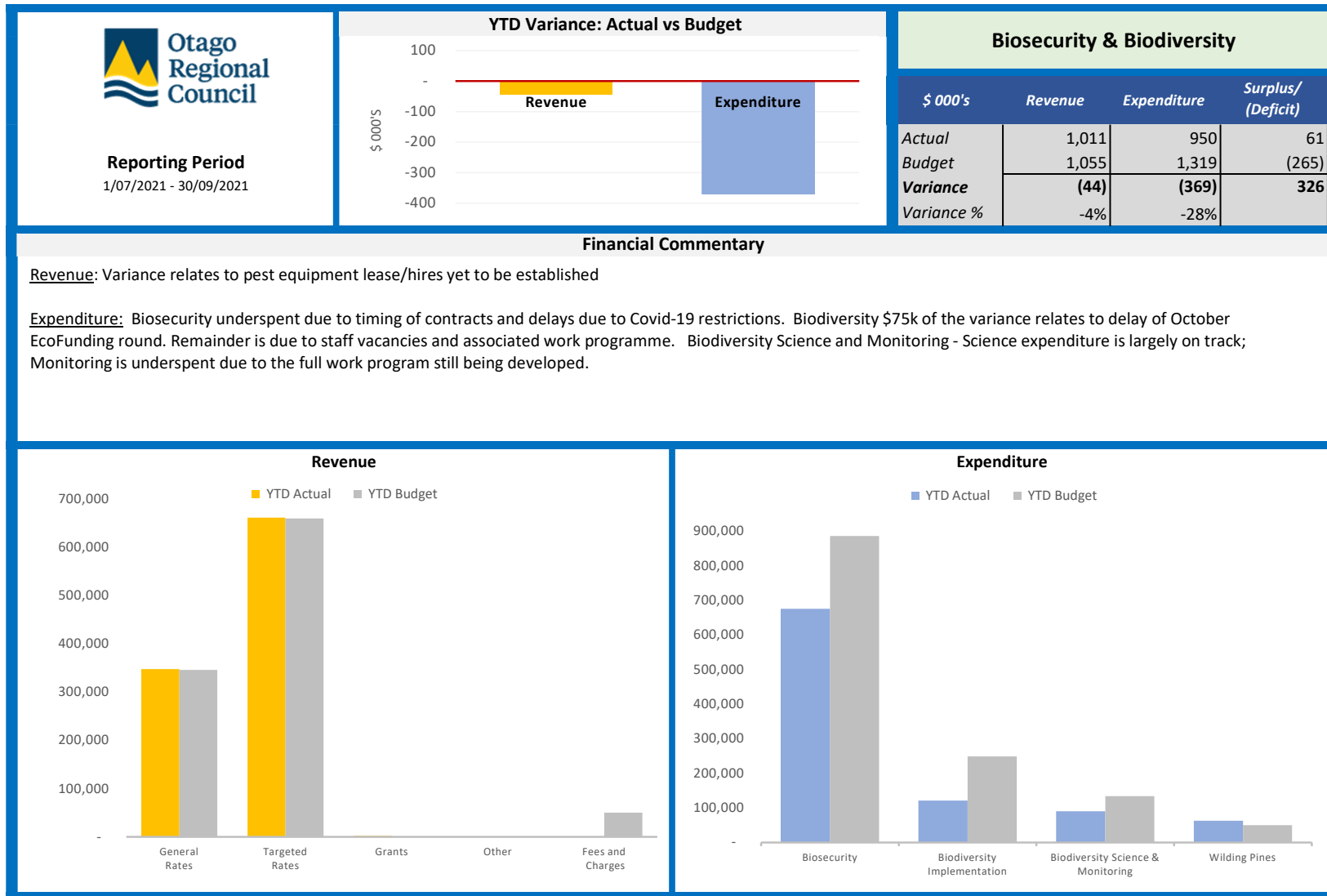
Safety and Resilience	Flood Protection, Drainage & River Management	<b>Service statement: Maintain channel capacity and stability, while balancing environmental outcomes and recognising mana whenua values in rivers.</b>			
		Percentage of identified and reported issues that have been investigated and appropriate action determined and communicated to affected landholders within 20 working days.	50	100%	Red
		Percentage of planned maintenance actions achieved each year	51	≥90%	Green
	Emergency Management	<b>Service statement: Support the Otago CDEM Group in improving the resilience of Otago to civil defence emergencies.</b>			
		Support is provided to the Otago CDEM Group as per the CDEM Act and Otago CDEM Partnership Agreement	52	Fulfil all requirements as the administering authority.	Green
		<b>Service statement: Provide resources to coordinate an efficient and effective region-wide response to a civil defence emergency.</b>			
		An adequate Emergency Coordination Centre (ECC) facility and staffing are available	53	Adequate staff who are trained and available for any activation of the ECC.	Yellow
		54	An appropriate facility is available for activation at all times	Green	
	ECC activated in a timely manner	55	ECC activated within 1 hour of Group Controller's decision to activate	Grey	
Transport	Transport Planning & Public Transport	<b>Service statement: Advocate for Otago's regional transport planning priorities and aspirations at a national level.</b>			
		The Regional Land Transport Plan (RLTP) is reviewed and submitted in line with the Land Transport Management Act 2003 and any guidance issued by the New Zealand Transport Agency (NZTA)	56	RLTP implementation progress reported annually to Regional Transport Committee	Green
		<b>Service statement: Provide efficient, reliable and accessible public transport services that meet community needs.</b>			
		Annual public transport boardings in Queenstown per capita	57	increase	Yellow
		Annual public transport boardings in Dunedin per capita	58	increase	Yellow
		Overall passenger satisfaction with Wakatipu Public Transport system at annual survey.	59	97%	Grey
		Overall passenger satisfaction with Dunedin public transport system at annual survey	60	93%	Grey
		Percentage of scheduled services delivered (reliability)	61	95%	Green
		Percentage of scheduled services on-time (punctuality – to five minutes)	62	95%	Green
		Percentage of users who are satisfied with the provision of timetable and services information	63	establish baseline	Grey
Percentage of users who are satisfied with the overall service of the Total Mobility scheme	64	establish baseline	Grey		


● Achieved, 
 ● On track, 
 ● May not achieve, 
 ● Will not achieve, 
 ● Delayed/Not measured

	<h2 style="margin: 0;">Land &amp; Water</h2>		<p><b>Quarter 1</b> 1/07/2021 - 30/09/2021</p>												
<p><b>Background</b></p> <p>ORC has a key role to play to ensure Otago’s water bodies and coast support healthy ecosystems, and a healthy community. Our work includes to:</p> <ul style="list-style-type: none"> <li>• assess and monitor the health of Otago’s fresh- and coastal water and their ecosystems and investigate the risks and issues likely to affect their values</li> <li>• prepare, assess, and review the Regional Plan: Water and Coast</li> <li>• carry out non-regulatory interventions that support sustainable land management practices and environmental initiatives that enhance Otago’s water bodies and coast</li> </ul> <p>ORC has the power to control the use of water, land, and the coast under the Resource Management Act (1991) and must engage with the region’s communities to define visions and objectives for the region’s freshwater bodies, and identify the methods to achieve these visions and objectives (NPS-FW2020).</p>	<p><b>Performance results</b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 16.6%;">Total targets</td> <td style="width: 16.6%;">Achieved</td> <td style="width: 16.6%;">On track</td> <td style="width: 16.6%;">Off track</td> <td style="width: 16.6%;">Won't achieve</td> <td style="width: 16.6%;">Not measured</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table> <p><b>Commentary on performance</b></p> <p><u>Land and Freshwater planning:</u> The programme is currently on track. Work on the Catlins FMU and the Upper Lakes rohe is progressing with the first round of consultation to occur in November. Science contribution to freshwater planning for Q1 includes background information for Upper Lakes and Catlins and programme development for Taieri. Work on the Dunedin &amp; Coast FMU and the Lower Clutha rohe will commence later in the year, consultation is scheduled for Q3.</p> <p><u>Science and Monitoring:</u> Science projects are underway however some Environmental Monitoring has been impacted by Covid-19 restrictions and staff vacancies, which is putting pressure on delivery.</p> <ul style="list-style-type: none"> <li>• Coastal monitoring programme is on-track.</li> <li>• Work to design, develop and report on sediment monitoring for Otago’s estuaries is also on track.</li> <li>• Annual reporting on the freshwater SOE network is due to council in December 2021</li> <li>• We continue to collect high quality data across the SOE network with a data capture rate of 99% for Q1.</li> </ul> <p><u>Environmental Implementation:</u> Work is progressing as planned.</p> <ul style="list-style-type: none"> <li>• Catchment advisor recruitment is underway; staff structure is expected to improve engagement with landowners and community groups when fully implemented,</li> <li>• Remediation projects have been confirmed for Tomahawk Lagoon and Lake Tuakitoto and priority actions identified,</li> <li>• Project implementation has commenced for Lake Hayes,</li> <li>• Community and landowner led projects promoting best practice land management have been identified and progressed; intensive winter grazing workshops were held in Q1.</li> </ul>			Total targets	Achieved	On track	Off track	Won't achieve	Not measured						
Total targets	Achieved	On track	Off track	Won't achieve	Not measured										
															
<p><b>Emerging issues</b></p>	<p><b>Performance trends</b></p>														




		<b>Biodiversity &amp; Biosecurity</b>						<b>Quarter 1</b> 1/07/2021 - 30/09/2021										
<p><b>Background</b></p> <p>We lead and facilitate collaboration on biodiversity programmes and initiatives in the region</p> <ul style="list-style-type: none"> <li>We investigate, monitor, and provide information about Otago’s biodiversity, including improving our understanding of its vulnerability to climate change</li> <li>We lead pest and biosecurity management in the region</li> <li>We promote and support community and farmer initiatives to protect and enhance Otago’s biodiversity and ecosystems</li> </ul> <p>Our 2021-22 programmes include:</p> <ul style="list-style-type: none"> <li>Development of a regional partnership approach to indigenous biodiversity</li> <li>Increase indigenous biodiversity knowledge and develop a monitoring approach</li> <li>Implementing the Regional Pest management Plan (RPMP)</li> <li>Supporting on-ground biodiversity restoration, enhancement, and protection initiatives</li> </ul>	<p><b>Performance results</b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <th>Total targets</th> <th>Achieved</th> <th>On track</th> <th>Off track</th> <th>Won't achieve</th> <th>Not measured</th> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table> <p><b>Commentary on performance</b></p> <p>Covid restrictions have impacted some fieldwork and community engagement activities this quarter.</p> <p><u>Biosecurity programme:</u> Work is ongoing to ensure that priority targets within the Biosecurity Operational Plan are achieved.</p> <ul style="list-style-type: none"> <li>Work in Q1 included 142 rabbit inspections, 273 Old Man's Beard Inspections, five rookeries were inspected.</li> <li>Staff continue to facilitate community-led responses to reduce rabbit populations; a steering group was established to inform a rabbit management plan in Lake Hayes area.</li> </ul> <p><u>Biodiversity Implementation:</u> Work is continuing on actions listed in the Biodiversity Action Plan.</p> <ul style="list-style-type: none"> <li>a review of the EcoFund is underway as per Council resolution; the October 2021 round has been deferred to March 2022.</li> <li>Biodiversity partnerships programme is ongoing; work to align priorities and work programmes with DOC &amp; LINZ is underway;</li> <li>a regional Biodiversity Forum is planned for Q2 and will scope out projects and milestones.</li> </ul> <p><u>Science and Monitoring Biodiversity programme:</u> Programme is under development, but has been slightly delayed; monitoring will commence once programme details are confirmed.</p> <p><u>Wilding Pines:</u> Programme and funding is on-track. Wilding conifer project for Luggate area led by ORC is underway.</p>						Total targets	Achieved	On track	Off track	Won't achieve	Not measured						
Total targets	Achieved	On track	Off track	Won't achieve	Not measured													
																		
<p><b>Emerging Issues</b></p>	<p><b>Performance trends</b></p>																	

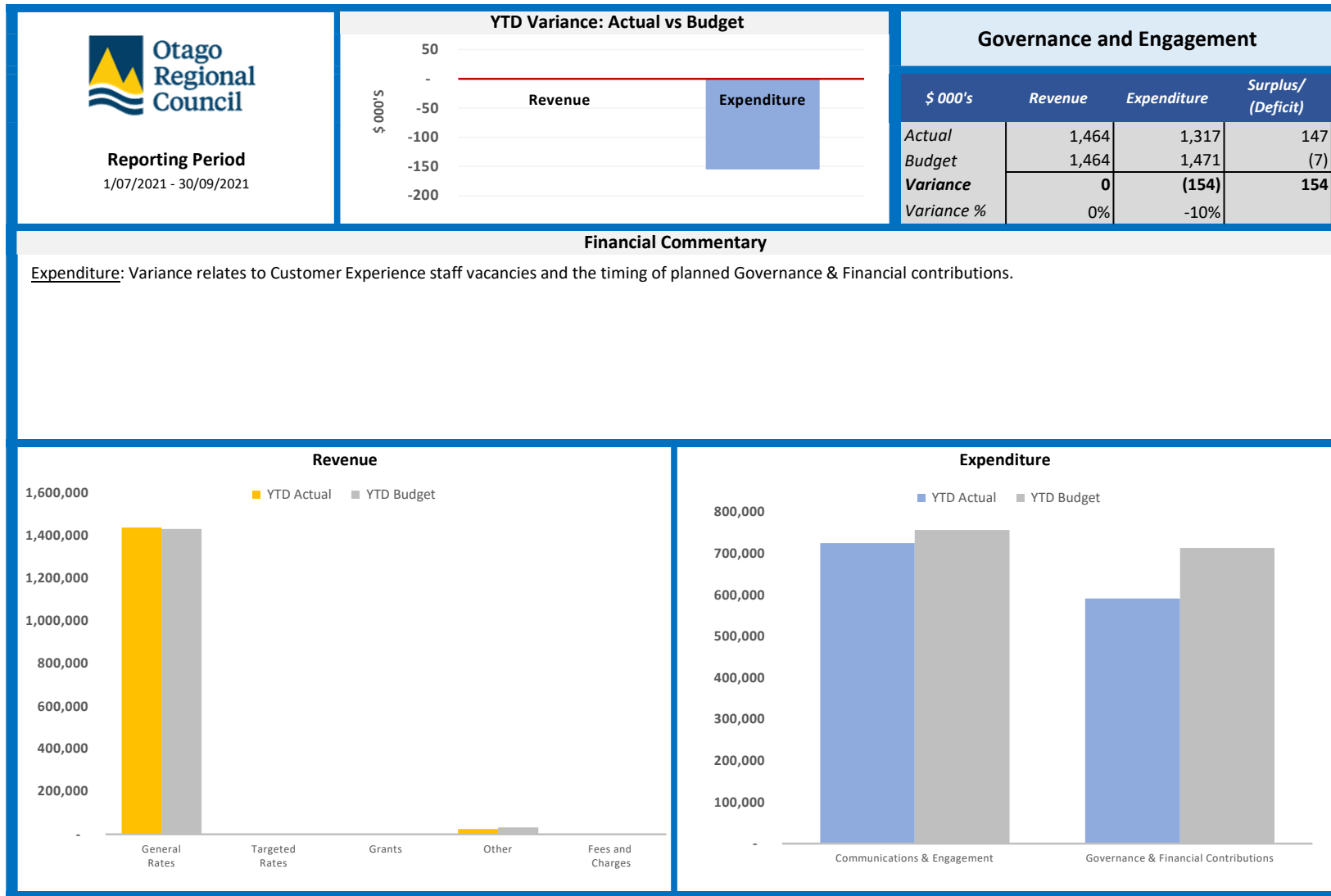





















	<h2>Air</h2>		<b>Quarter 1</b> 1/07/2021 - 30/09/2021													
<p><b>Background</b></p> <p>ORC has a key role to play to protect Otago’s people from the risks of air pollution. Only ORC has the power to control discharges of pollutants to air under the Resource Management Act (1991) and must implement the National Environmental Standards for Air Quality (2004). Our focus in 2021-22 includes:</p> <ul style="list-style-type: none"> <li>• Monitoring air quality pollutants</li> <li>• Completing upgrades to our monitoring network.</li> <li>• PM<sub>10</sub> monitoring at 3 key indicator sites and 3 survey sites across Otago.</li> <li>• PM<sub>2.5</sub> instrument installation and testing at 5 sites across Otago.</li> <li>• Survey of PM<sub>2.5</sub> in 15 airsheds across the Otago region during winter 2021.</li> </ul> <p>Our monitoring work will help to inform the Regional Plan: Air and our Air Implementation strategy which get underway in 2022-23.</p>	<p><b>Performance results</b></p> <table border="1" data-bbox="779 405 1874 560"> <thead> <tr> <th>Total targets</th> <th>Achieved</th> <th>On track</th> <th>Off track</th> <th>Won't achieve</th> <th>Not measured</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">0</td> <td style="text-align: center;">2</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> </tbody> </table> <p><b>Commentary on performance</b></p> <p>The air monitoring programme is largely on track:</p> <ul style="list-style-type: none"> <li>• PM<sub>10</sub> and PM<sub>2.5</sub> monitored as planned.</li> <li>• Data capture from PM<sub>2.5</sub> survey was good (74% of instruments with 100% data capture), analysis is underway. The PM<sub>2.5</sub> monitors which have been installed will record data all-year round.</li> <li>• Air quality exceedances were reported monthly as required, with no exceedances in September.</li> <li>• Contract has been formalised for measuring regional air quality in 15 airsheds across Otago.</li> </ul>				Total targets	Achieved	On track	Off track	Won't achieve	Not measured	2	0	2	0	0	0
Total targets	Achieved	On track	Off track	Won't achieve	Not measured											
2	0	2	0	0	0											
<p><b>Emerging Issues</b></p>	<p><b>Performance trends</b></p>															

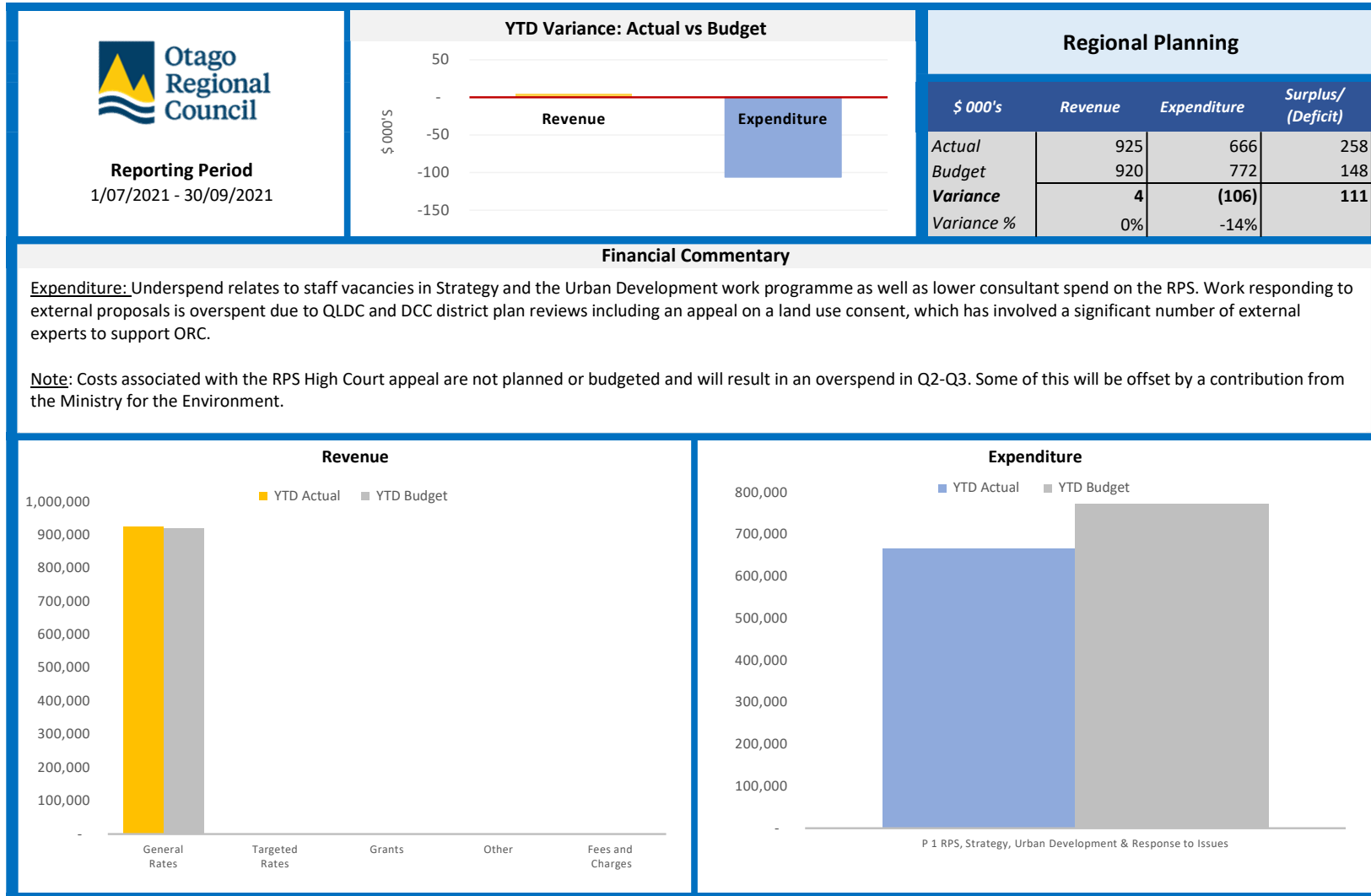





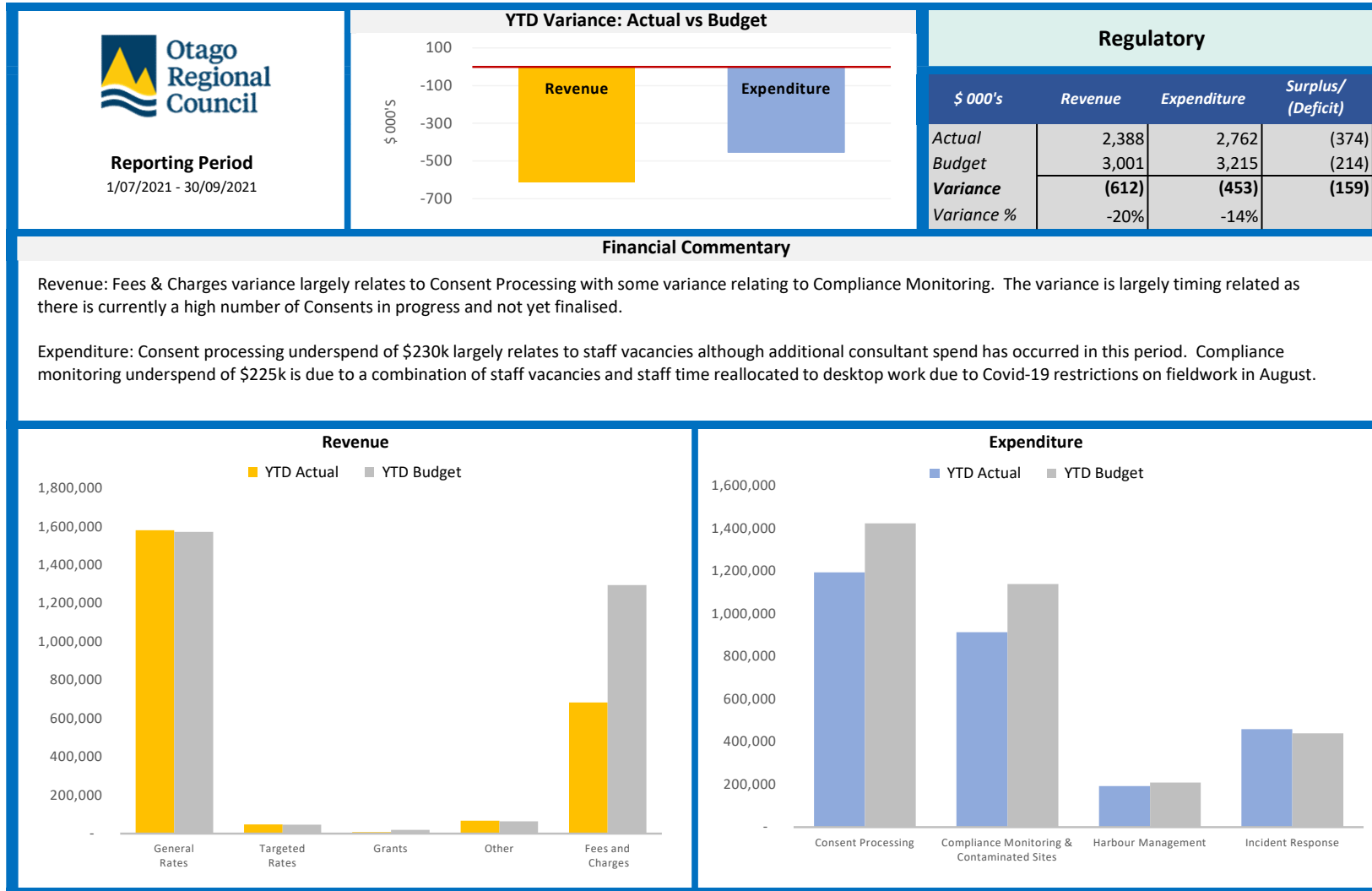
	<b>Quarter 1</b> 1/07/2021 - 30/09/2021												
<h2>Governance and Community Engagement</h2>													
<p><b>Background</b></p> <p>This activity includes work to support Otago’s elected Regional Council representatives to complete their duties. It also ensures Council can enable and strengthen democracy at a regional level through our support of structures and process.</p> <p>Examples include:</p> <ul style="list-style-type: none"> <li>• Elected member committee structure, council meetings</li> <li>• Secretariat support for the ‘Otago Mayoral Forum’</li> <li>• Partnership with Kāi Tahu and iwi liaison</li> <li>• Council communications and engagement capacity and expertise to assist with connecting council and the community.</li> </ul> <p>Supporting governance, good decision-making, and connecting the community in a timely and accessible way to decision-making and the work of Council is critical. Legislation also enshrines principles, powers, duties and functions that underpin this activity and the need for it.</p>	<p><b>Performance results</b></p> <table border="1" data-bbox="779 403 1877 560"> <thead> <tr> <th>Total targets</th> <th>Achieved</th> <th>On track</th> <th>Off track</th> <th>Won't achieve</th> <th>Not measured</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">7</td> <td style="text-align: center;">0</td> <td style="text-align: center;">5</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> <td style="text-align: center;">0</td> </tr> </tbody> </table> <p><b>Commentary on performance</b></p> <p><u>Governance:</u> This quarter there were two Council meetings and nine Committee meetings; all were held in accordance with Standing Orders and LGOIMA. There were also eight workshops/briefings and four non-public workshops/briefings. Due to Covid-19 restrictions the late August meetings were conducted over zoom, September meetings were held in the Chamber, with members of the public attending via livestream.</p> <p><u>Iwi Engagement:</u> Partnership work is underway to identify a baseline number of outputs and groups working together on. As of September 2021, 56 staff have taken part in the Te Reo section of the Bicultural Competency Development Programme and 36 are participating in the Tikaka section.</p> <p><u>Communication and engagement:</u> In Q1 we provided 116 media responses and issued 18 media releases. Communications initiatives included land and water regional plan developments and promotion of the electric bus trial in Dunedin.</p> <p><u>Corporate Planning:</u> Work programme is on track with the communication of final LTP 2021-31 decisions to submitters completed, the Annual Report 2020/21 near completion and the reporting system set-up for current 2021/22 financial year. The Annual Plan 2022/23 process is underway.</p>	Total targets	Achieved	On track	Off track	Won't achieve	Not measured	7	0	5	1	1	0
Total targets	Achieved	On track	Off track	Won't achieve	Not measured								
7	0	5	1	1	0								
<p><b>Emerging Issues</b></p>	<p><b>Performance trends</b></p> <ul style="list-style-type: none"> <li>• One target won't be met: 100% compliance with LGOIMA requests is an aspirational target; 44 of the 45 requests received were fulfilled within statutory timeframes (97.8%).</li> <li>• One target off-track: Methodology for collecting benchmark data has been established, but data collection not yet commenced due to extended vacancy of Customer Experience Manager.</li> </ul>												




	<h2>Regional Planning</h2>		<p><b>Quarter 1</b> 1/07/2021 - 30/09/2021</p>												
<p><b>Background</b></p> <p>This activity includes work that provides overarching strategic direction and support across all Council activity and particularly work in 'Environment' activities. It provides leadership with an important lever to effect change where needed. Much of the work under this activity is required by national legislation, and assists Council and the Otago community to align with national direction. Key work programmes include:</p> <ul style="list-style-type: none"> <li>• Regional Policy Statement (RPS)</li> <li>• strategic direction on non-RMA plans, climate change and understanding community wellbeing</li> <li>• working with TA's on resource management matters</li> <li>• urban development</li> <li>• development of integrated catchment action planning</li> </ul>	<p><b>Performance results</b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Total targets</td> <td>Achieved</td> <td>On track</td> <td>Off track</td> <td>Won't achieve</td> <td>Not measured</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table> <p><b>Commentary on performance</b></p> <p><u>Regional Policy Statement (RPS)</u>: Staff are progressing with summarising the submissions received on the proposed RPS, with the Summary of Decisions Requested to be notified by the end of October. The RPS will be provided to the Chief Freshwater Commissioner in December, which is in accordance with the statutory timeframes in the RMA.</p> <p><u>Strategy</u>: Economic programme for LWRP has been scoped. Preliminary work to develop community wellbeing indicators is underway and a request for proposals issued for the design of the well-being monitoring programme. The process will include consultation with mana whenua, city and district councils, the SDHB and other stakeholders.</p> <p><u>Urban Development</u>: Work programme is developed and will be implemented over the financial year. Staff have been supporting the RPS review and working with Waitaki District Council on an urban focused growth strategy. Staff are working with DCC and QLDC to establish the scope and joint governance for each Future Development Strategy (FDS).</p> <p><u>Response to Issues</u>: Work to date has included submissions to Central Government in relation to Wetlands Definitions and a review of the Waste Management system.</p> <p><u>Integrated Catchment Action Planning</u> framework is under development and due to be presented to Council by December 2021.</p>			Total targets	Achieved	On track	Off track	Won't achieve	Not measured						
Total targets	Achieved	On track	Off track	Won't achieve	Not measured										
															
<p><b>Emerging Issues</b></p>	<p><b>Performance trends</b></p>														






















	<h2 style="margin: 0;">Regulatory</h2> <p style="text-align: right; margin: 0;"><b>Quarter 1</b> 1/07/2021 - 30/09/2021</p>												
<p><b>Background</b></p> <p>As a regulatory authority we provide services to ensure that activities in Otago are consistent with both national and regional rules. This activity gives effect to Council's Regional Plans under the Resource Management Act, and other specific requirements under the Maritime Transport Act, and Building Act.</p> <p>Our work in this area includes:</p> <ul style="list-style-type: none"> <li>• Consent processing</li> <li>• Compliance monitoring &amp; Contaminated sites</li> <li>• Incident response, investigations and enforcement</li> <li>• Harbours and waterway management</li> </ul> <p>Key aspect of our role is applying the rules developed under the various legal/ planning frameworks, and how we work with the communities and individuals to achieve desired results for Otago. Judgement is required on what the appropriate balance is between enforcement, and influencing via advice, education and sometimes support.</p>	<p><b>Performance results</b></p> <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th style="background-color: #0056b3; color: white;">Total targets</th> <th style="background-color: #0056b3; color: white;">Achieved</th> <th style="background-color: #0056b3; color: white;">On track</th> <th style="background-color: #0056b3; color: white;">Off track</th> <th style="background-color: #0056b3; color: white;">Won't achieve</th> <th style="background-color: #0056b3; color: white;">Not measured</th> </tr> </thead> <tbody> <tr> <td style="font-size: 2em; color: white;">10</td> <td style="font-size: 2em; color: green;">0</td> <td style="font-size: 2em; color: lightgreen;">8</td> <td style="font-size: 2em; color: yellow;">2</td> <td style="font-size: 2em; color: red;">0</td> <td style="font-size: 2em; color: grey;">0</td> </tr> </tbody> </table> <p><b>Commentary on performance</b></p> <p><u>Consents:</u> 100% of resource consent applications have been processed within RMA timeframes.</p> <ul style="list-style-type: none"> <li>• In Q1 we received 164 applications for consents and issued 133. This is an increase of 18 from the previous year and relates to new consent requirements under PC8; consents being required under the new NES for Freshwater and the replacement of deemed permits.</li> <li>• Consent Enquiries: There were 505 public enquiries responded to in Q1. Of these the majority were responded to within 2 days and 100% of enquiries were completed within 7 days.</li> <li>• Work has been underway in preparation for the decision on PC7.</li> </ul> <p><u>Compliance monitoring returns:</u> 1819 performance monitoring returns were graded in Q1 (compared to 1,782 in Q1 in 2020-21), exceeding the 90% target; this is largely related to Covid-19 restrictions increasing desk-based compliance work.</p> <p><u>Compliance:</u> Onsite audits and inspections were below target due to Covid-19 restrictions on field work</p> <p><u>Incident Response Investigation and Enforcement:</u></p> <ul style="list-style-type: none"> <li>• Council maintains a 24/7 pollution response system across the region, which received 311 service requests, related to 261 incidents in Q1.</li> <li>• 41 formal enforcement actions have been taken in the year to date consisting of 7 warnings, 14 abatement notices, and 20 infringement notices. The most common causes of enforcement action related to water pollution (18) and consent non-compliance (8).</li> </ul> <p><u>Harbours and waterway management:</u> One maritime incident this quarter was a small fishing boat sinking off Cape Saunders - vessel and crew were all successfully recovered to the shore safely.</p> <p><u>Engagement:</u> Media strategy for Harbour master recreational engagement has been developed and agreed.</p>	Total targets	Achieved	On track	Off track	Won't achieve	Not measured	10	0	8	2	0	0
Total targets	Achieved	On track	Off track	Won't achieve	Not measured								
10	0	8	2	0	0								
<p><b>Emerging Issues</b></p>	<p><b>Performance trends</b></p> <ul style="list-style-type: none"> <li>• Two targets off track: Covid-19 restrictions impacted on the number of compliance site inspections/audits. It is expected that staff will catch up on audits and anticipate meeting target by year end.</li> <li>• One oil spill responder has left so we are below our target of 20 trained responders; a replacement is currently being sought.</li> </ul>												

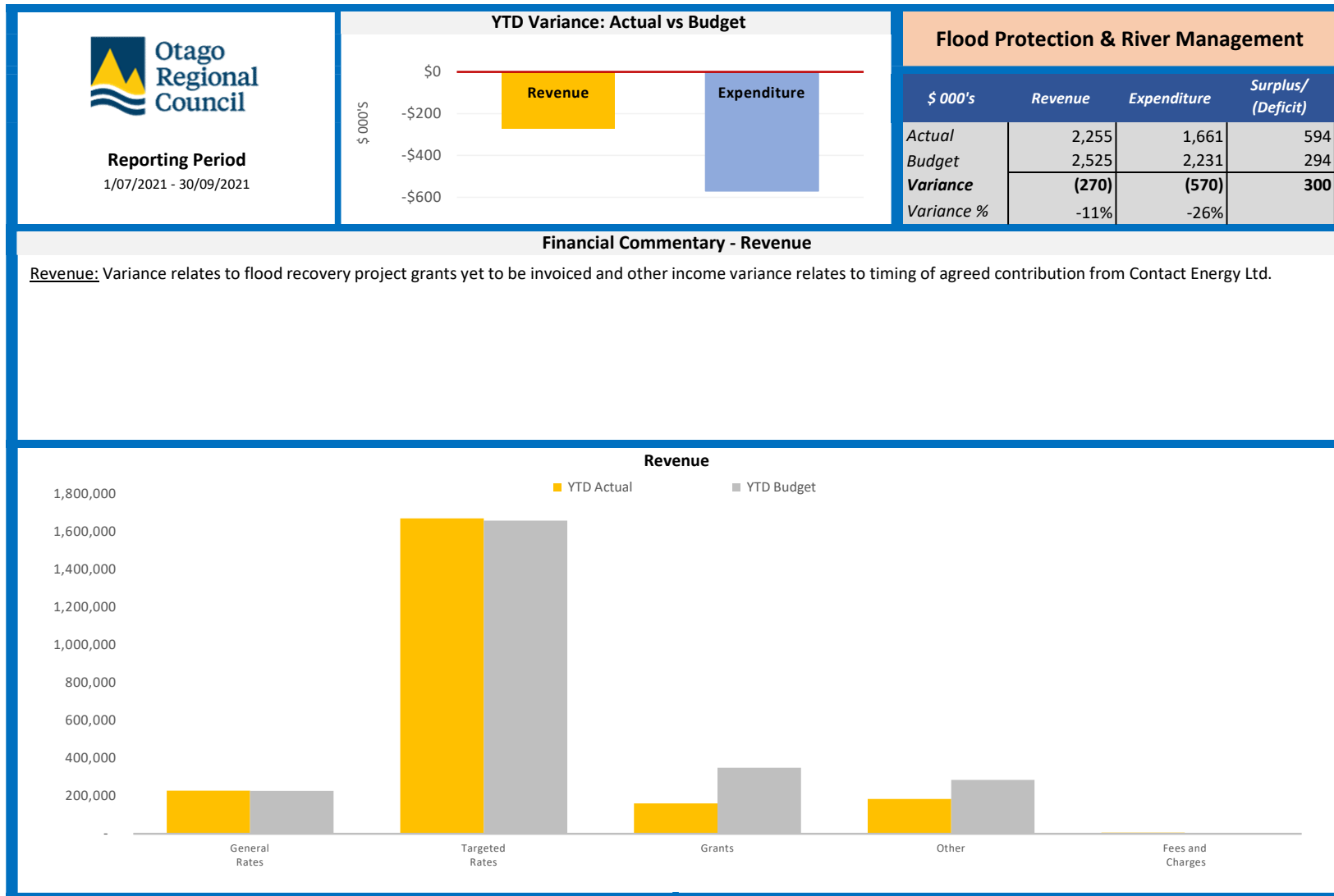


	<b>Natural Hazards &amp; Climate Change</b> Quarter 1 1/07/2021 - 30/09/2021													
<p><b>Background</b></p> <p>The Otago region is exposed to a wide variety of natural hazards that impact on people, property, infrastructure and the wider environment. The RMA requires that natural hazards risks and climate change are addressed as part of regional scale planning.</p> <ul style="list-style-type: none"> <li>• ORC sets direction on the management of natural hazard risks and support decision making for the mitigation of natural hazards, climate change and other risks</li> <li>• We engage with people, communities, iwi partners, and other stakeholders in the region to develop partnerships and implement projects to address natural hazards, climate change and other risks.</li> <li>• We provide information and warnings about natural hazards, climate change and other risks.</li> </ul>	<p><b>Performance results</b></p> <table border="1" data-bbox="779 406 1877 558"> <thead> <tr> <th>Total targets</th> <th>Achieved</th> <th>On track</th> <th>Off track</th> <th>Won't achieve</th> <th>Not measured</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">6</td> <td style="text-align: center;">0</td> <td style="text-align: center;">6</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> </tbody> </table> <p><b>Commentary on performance</b></p> <p><u>Natural Hazards:</u></p> <ul style="list-style-type: none"> <li>• Otago natural hazard database was available throughout Q1 and updated with coastal hazards, Taieri alluvial fan and seismic information.</li> <li>• A 24-hour flood management and response system was in operation; no heavy rainfall events affected the region during Q1.</li> <li>• Improvement to the lower Clutha flood forecasting modelling was completed in September 2021.</li> <li>• An annual plan for adaptation work and priority areas is under development and expected to be ready Q2.</li> <li>• Head of Lake Wakatipu (Glenorchy) Hazards strategy work included technical studies that are underway (liquefaction, flood hazard assessment) or being procured (flood mitigation options).</li> </ul> <p><u>Climate Change Adaptation:</u></p> <ul style="list-style-type: none"> <li>• Progress is being made in South Dunedin along with DCC on problem definition and a current state assessment is being prepared. Drilling work for additional groundwater bores started in September 2021.</li> </ul>		Total targets	Achieved	On track	Off track	Won't achieve	Not measured	6	0	6	0	0	0
Total targets	Achieved	On track	Off track	Won't achieve	Not measured									
6	0	6	0	0	0									
<p><b>Emerging Issues</b></p>	<p><b>Performance trends</b></p>													





	<h2>Flood Protection, Drainage &amp; River Management</h2>		<p>Quarter 1 1/07/2021 - 30/09/2021</p>													
<p><b>Background</b> Council operates and maintains seven flood protection and drainage schemes and our River and waterway management programmes are carried out in scheduled rivers and waterways throughout Otago.</p> <p>Core functions include:</p> <ul style="list-style-type: none"> <li>• Maintenance, renewal, and development of infrastructure</li> <li>• Investigation, development and renewal of amenity projects</li> <li>• Operation of flood protection and drainage schemes during floods</li> <li>• Bylaw processing and monitoring of technical compliance with bylaws</li> <li>• River management including control of channel erosion, willow maintenance, vegetation control, removing obstructions, and repairing critical erosion works</li> <li>• Management of gravel extraction through third party consents</li> </ul> <p>Additionally, 2021-22 work includes the Climate Resilience Program: Four projects, part funded by MBIE &amp; Regional Economic Development &amp; Investment Unit (Kānoa): Contour channel, Robson Lagoon, Riverbank Rd, Outram Floodbank.</p>	<p><b>Performance results</b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Total targets</td> <td>Achieved</td> <td>On track</td> <td>Off track</td> <td>Won't achieve</td> <td>Not measured</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>				Total targets	Achieved	On track	Off track	Won't achieve	Not measured						
Total targets	Achieved	On track	Off track	Won't achieve	Not measured											
																
<p><b>Emerging Issues</b></p>	<p><b>Performance trends</b></p> <ul style="list-style-type: none"> <li>• One target will not be met: 90% of reported River Management issues were investigated and appropriate action determined and communicated within 20 working days. Two (10%) were outside of timeframe, these were demmed low risk and staff were focusing on higher risk priorities.</li> <li>• One target not measured: there were no flood events in Q1 requiring a repair programme to be communicated.</li> </ul>															
<p><b>Commentary on performance</b></p> <p><u>Flood Protection &amp; Drainage schemes:</u></p> <ul style="list-style-type: none"> <li>• Scheme function: flood protection schemes operating correctly; there were no instances of high flows in Q1</li> <li>• Planned renewals programme: underway and on track</li> <li>• Planned maintenance programme: planning, scoping and procurement underway</li> </ul> <p><u>River and Waterways management:</u> River Maintenance programme included:</p> <ul style="list-style-type: none"> <li>• 15 River mouth openings in Q1; Kaikorai 2, Drivers Creek 4, Brighton 1, Sawmill 1, Tomahawk 2, Hawksbury 5.</li> <li>• Central Otago: Scoping underway; Bank repair undertaken on Manuhereki River, 387 willow poles planted.</li> <li>• Clutha: Moutere willow poles planted for bank stabilisation in Lower Clutha (252) and Pomahaka (230).</li> <li>• All River Management plantings are recorded on maps (electronic or hard copy). This year recording of information will be transferred into appropriate GIS layers and the Asset Management software, where relevant.</li> <li>• Renewal of Global Consent, which includes provision for gravel management (limited extraction for flood mitigation purposes), is in progress.</li> </ul> <p><u>Climate Resilience programme:</u> Overall the programme is tracking to expected programme and budget.</p> <ul style="list-style-type: none"> <li>• Clutha: Riverbank Rd project near completion; Robson Lagoon works are on track.</li> <li>• Taieri: Outram seepage mitigation is on track in the final design stage; Contour Channel is slightly delayed due to difficulties sourcing suitable materials but this is not expected to effect the completion date.</li> </ul> <p><u>Other capital projects:</u> The overall programme is on track however there has been minor lag on some tasks within the programme over Q1. This is largely due to investigation of the origin of the project scopes to validate projects. The lag is expected to be picked up over the remainder of the year.</p> <p><u>Flood events and repair programme:</u> no flood events in Q1; Flood Event 2020 of 27 sites at Lower Clutha 21 are completed, 3 sites remain to be completed, 3 sites do not require repair and will be monitored as BAU.</p> <p><u>Taieri Scheme review:</u> Phase 1, scoping of the review and data collation is underway; community workshops in Q2.</p>																





**Reporting Period**  
1/07/2020 - 31/03/2023

**Flood Protection, Drainage & River Management**

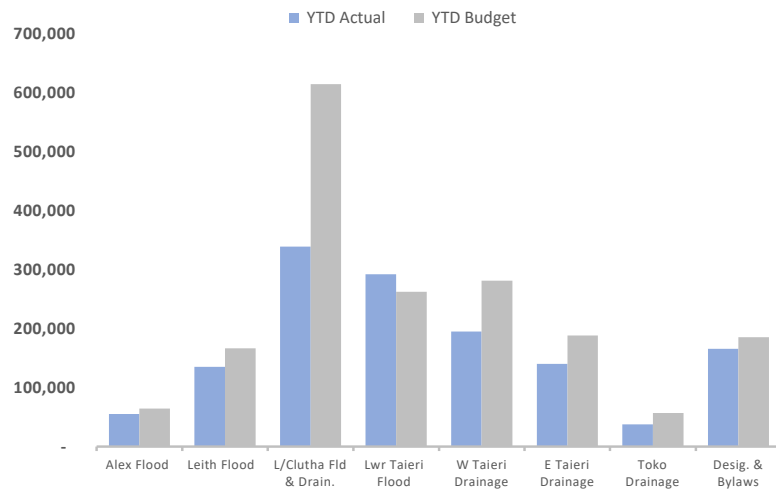
**Financial Commentary - Expenditure**

Expenditure: Most programmes are underspent largely due to timing of planned works. Majority of works are scheduled for November 2021 onwards as there are restrictions on working in some rivers and waterways from 1 May – 30 September annually (which is the global consent condition to protect ecological values in rivers).

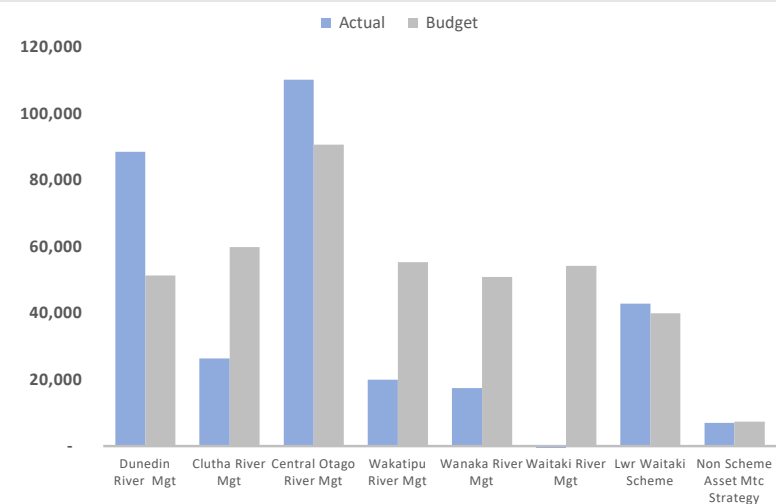
Flood Protection & Drainage: Lower Clutha underspend relates to timing of planned works for Riverbank Road, which are scheduled for later in year. Scoping and procurement are underway. The variance in the Taieri schemes largely relates to Contour Channel climate resilience project which was inadvertently budgeted under West Taieri (\$60k in Q1), additionally there is a current project underspend due to difficulties sourcing materials.


River Management: Underspend relates to timing of works. Scoping and procurement has occurred. Overspend in Dunedin relates to additional river mouth openings and the Central Otago variance is due to work that occurred ahead of schedule.

**Flood Protection & Drainage Expenditure**




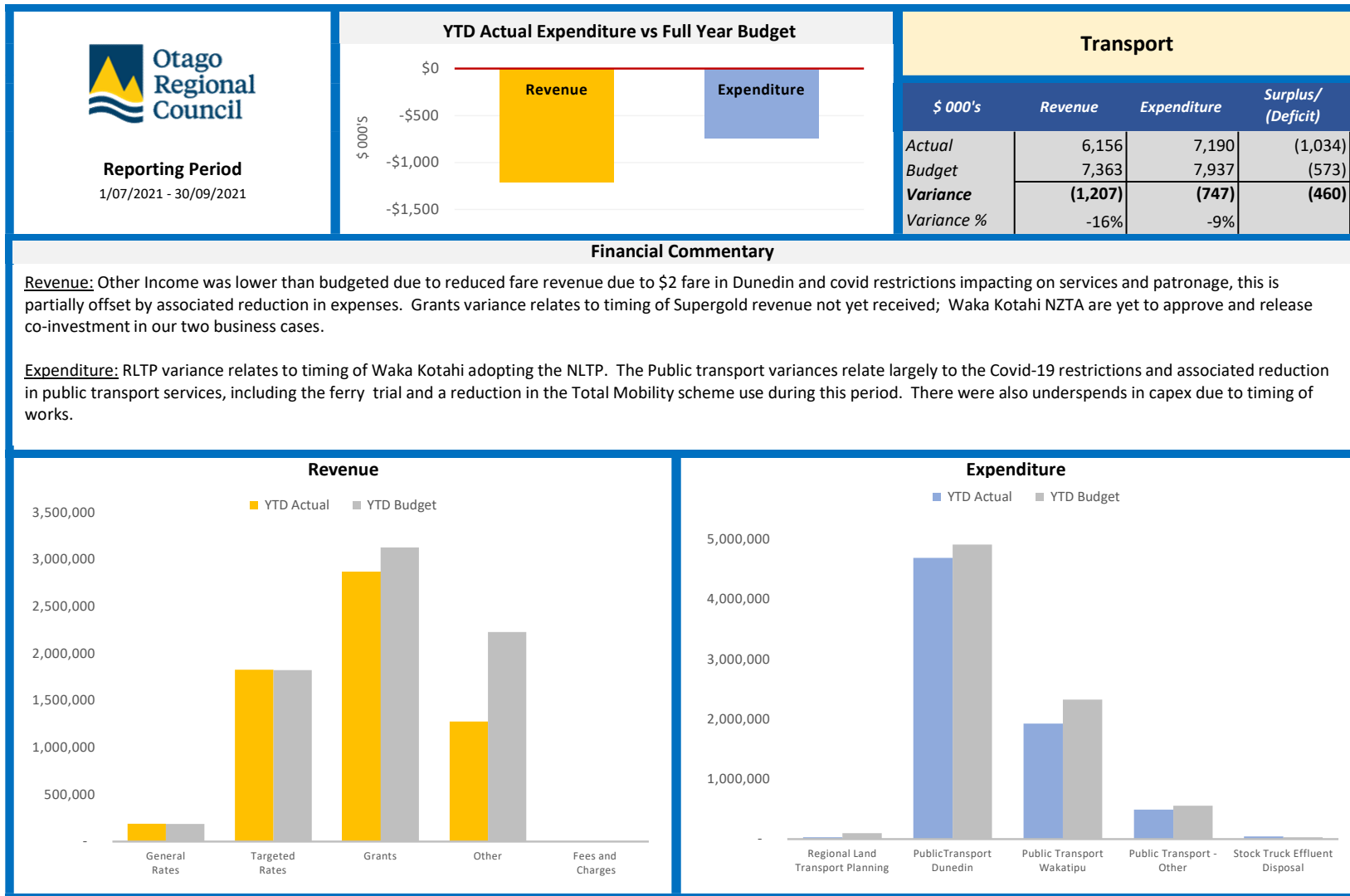
**River Management Expenditure**



	<h2 style="margin: 0;">Emergency Management</h2>		<p style="margin: 0;"><b>Quarter 1</b> 1/07/2021 - 30/09/2021</p>												
<p><b>Background</b></p> <p>This activity is responsible for the coordination of hazard reduction, readiness, response and recovery for emergency events. It is provided in partnership with councils, emergency response organisations and other stakeholders of the Otago region.</p> <p>The work of the Otago CDEM Group is administered and coordinated by Otago Regional Council, while governance and operations are overseen by the Coordinating Executive Group (CEG) and the Otago CDEM Joint Committee.</p> <p>The Committee is responsible for:</p> <ul style="list-style-type: none"> <li>• Integrating and coordinating civil defence emergency management planning and activities</li> <li>• Ensuring the response to and management of the adverse effects of emergencies within Otago</li> <li>• Overseeing the coordination of the response and recovery activities across a range of agencies</li> </ul>	<p><b>Performance results</b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 16.6%;">Total targets</td> <td style="width: 16.6%;">Achieved</td> <td style="width: 16.6%;">On track</td> <td style="width: 16.6%;">Off track</td> <td style="width: 16.6%;">Won't achieve</td> <td style="width: 16.6%;">Not measured</td> </tr> <tr> <td><span style="font-size: 2em;">4</span></td> <td><span style="font-size: 2em;">0</span></td> <td><span style="font-size: 2em;">2</span></td> <td><span style="font-size: 2em;">1</span></td> <td><span style="font-size: 2em;">0</span></td> <td><span style="font-size: 2em;">1</span></td> </tr> </table> <p><b>Commentary on performance</b></p> <p>ORC is fulfilling our requirements as the administering authority.</p> <ul style="list-style-type: none"> <li>• CDEM continues to be available to respond appropriately to foreseeable and sudden onset events.</li> <li>• CDEM group office is now housed in the Stafford St annex and able to activate Emergency Coordination Centre (ECC) immediately.</li> <li>• Due to staff turn-over and a reduced availability of training courses (due to Covid-19) the ECC does not currently have adequate numbers of intermediate level trained staff; training is planned for December to rectify this. Other levels all have adequate numbers of trained staff available.</li> <li>• Otago CDEM group continues to have high rates of training leading the country both in utilisation of allocated funding and the number of people we have trained</li> <li>• The CDEM team have been heavily engaged during this latest Covid-19 resurgence however we have continued to meet our responsibilities regarding the 'Caring for Communities' framework within business-as-usual structures. However, Covid restrictions have impacted on some community engagement opportunities.</li> <li>• Community response planning remains a primary focus for the team and sits at the centre of our community resilience work.</li> <li>• Otago Gets Ready platform uptake is increasing with 2,829 addresses registered on the platform with 8,478 individual subscribers by late September.</li> </ul>			Total targets	Achieved	On track	Off track	Won't achieve	Not measured	<span style="font-size: 2em;">4</span>	<span style="font-size: 2em;">0</span>	<span style="font-size: 2em;">2</span>	<span style="font-size: 2em;">1</span>	<span style="font-size: 2em;">0</span>	<span style="font-size: 2em;">1</span>
Total targets	Achieved	On track	Off track	Won't achieve	Not measured										
<span style="font-size: 2em;">4</span>	<span style="font-size: 2em;">0</span>	<span style="font-size: 2em;">2</span>	<span style="font-size: 2em;">1</span>	<span style="font-size: 2em;">0</span>	<span style="font-size: 2em;">1</span>										
<p><b>Emerging Issues</b></p>	<p><b>Performance trends</b></p> <ul style="list-style-type: none"> <li>• One target off-track: Currently the number of trained staff who are available for any activation of the ECC is below target, training is scheduled for Q2 to rectify this.</li> <li>• One target not measured: Activation times were not able to be measured as there was no decision to activate the ECC in Q1.</li> </ul>														



 <p><b>Otago Regional Council</b></p>	<h2>Transport</h2> <p style="text-align: right;"><b>Quarter 1</b> 1/07/2021 - 30/09/2021</p>												
<p><b>Background</b></p> <p>Transport work programmes includes:</p> <ul style="list-style-type: none"> <li>• Regional Land Transport Plan</li> <li>• Public Transport Dunedin</li> <li>• Public Transport Queenstown</li> <li>• Regional Total Mobility Service</li> </ul> <p>The Regional Land Transport Programme coordinates transport planning across the region. It enables a resilient, multi-modal transport system for the safe efficient and effective movement of people and goods around the region. The Otago and Southland Regional councils share this planning function through the support of a Regional Transport Committee.</p> <p>The Public Transport programmes cover the operation of the buses (Dunedin and Queenstown) and ferries (Queenstown), as well as the 'Total Mobility' scheme. We contract operators to provide bus services in Dunedin, bus and water ferry services in Queenstown, and to provide the Total Mobility scheme. Orbus, our public transport network, is our largest work programme.</p>	<p><b>Performance results</b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <th>Total targets</th> <th>Achieved</th> <th>On track</th> <th>Off track</th> <th>Won't achieve</th> <th>Not measured</th> </tr> <tr> <td>9</td> <td>0</td> <td>3</td> <td>2</td> <td>0</td> <td>4</td> </tr> </table> <p><b>Commentary on performance</b></p> <p><u>Regional Land Transport Planning:</u> Waka Kotahi confirmed the 2021-24 National Land Transport Plan (NLTP) in September, ORC adopted the RLTP in June 2021 and work to implement the RLTP is getting underway.</p> <p><u>Public transport:</u></p> <ul style="list-style-type: none"> <li>• Dunedin patronage is lower than prior years: 546,000 trips in Q1 compared to 789,000 in 2020</li> <li>• Queenstown patronage is lower than prior years: 198,000 trips in Q1 compared to 274000 in 2020</li> <li>• Wakatipu ferry trial is ongoing; an extension of current contract to 2022 is being implemented</li> <li>• 2021-22 satisfaction surveys are scheduled for Q3-4; in the 2020-21 surveys Orbus Dunedin scored 94% and Orbus Queenstown scored 96% for overall passenger satisfaction.</li> <li>• Over 95% of scheduled services delivered across both networks, however the number of scheduled services were reduced in mid-August to align with Covid-19 restrictions.</li> <li>• A month-long electric bus trial started at the end of Q1 to test the real-world application of an EV bus on Dunedin routes. The outcomes of that trial will be reported to Council in December.</li> </ul>	Total targets	Achieved	On track	Off track	Won't achieve	Not measured	9	0	3	2	0	4
Total targets	Achieved	On track	Off track	Won't achieve	Not measured								
9	0	3	2	0	4								
<p><b>Emerging Issues</b></p> <p>Longer-term patronage recovery for our bus services as a result of Covid restrictions.</p>	<p><b>Performance trends &amp; changes</b></p> <ul style="list-style-type: none"> <li>• Two targets off-track: Patronage numbers in Dunedin and Queenstown are below target due to Covid restrictions both locally in August and the ongoing restrictions in Auckland. Additionally, the prior year Q1 figures were disproportionately high, due to free bus services in July-Sept 2020.</li> <li>• Four targets were not measured as they relate to surveys which are scheduled for the Q3-4.</li> </ul>												





## 7.2. Finance Report - 30 September 2021 Including Public Treasury Report

**Prepared for:** Finance Committee  
**Report No.** CS2146  
**Activity:** Governance Report  
**Author:** Sarah Munro, Finance Manager- Reporting  
**Endorsed by:** Nick Donnelly, General Manager Corporate Services  
**Date:** 24 November 2021

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### PURPOSE

[1] This paper provides Council's Finance Report for the 3-month period ended 30 September 2021.

### EXECUTIVE SUMMARY

[2] The Finance report is made up of the following sections:

- Statement of Comprehensive Revenue and Expenses for the 3-month period ended 30 September 2021
- Statement of Financial Position as at 30 September 2021
- Treasury Report- September 2021, which provides information on the management and performance of the Council's short-term deposits and managed fund as at 30 September 2021.

[3] Commentary on the Finance Report, including variances to budget is included in the body of this paper.

### RECOMMENDATION

That the Finance Committee:

- 1) **Notes this paper and the Finance Report 30 September 2021**

### FINANCE REPORT COMMENTARY

#### STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

[4] The Statement of Comprehensive Revenue and Expenses shows the 3-month to 30 September 2021 operating surplus of \$332,000 compared to a budgeted operating surplus of \$458,000.

#### REVENUE

[5] Subsidies and Grant revenue is \$375,000 below budget due to the following:

- In the Lower Taieri flood protection scheme, the two climate resilience projects; the contour channel and Outram weighting blanket were slightly behind schedule with \$77,000 grant income from MBIE received for quarter one instead of the budgeted \$274,000. This is a timing delay with no indication that the grant income will not be received.

- The natural hazard LiDAR scanning project was delayed which resulted in grant income of \$74,000 not being received as budgeted in quarter one. This is a timing delay with no indication that the grant income will not be received from LINZ.
- Council received grant funding from Regional Sector Holdings for regional council contributions towards LAWA activities of \$174,000. This funding is to cover LAWA activity costs in quarter one. This was not budgeted to be grant income in the LTP and was budgeted as \$94,000 other income in the LTP.
- Public transport grant funding from NZTA was \$228,000 below the budget of \$3,059,000.
- The remaining variance of \$50,000 was caused by small variance in grant funding received across council activities.

[6] Other Income is \$1,940,000 below budget due to the following:

- Consent processing revenue was \$422,000 below budget revenue of \$900,000
- Compliance monitoring revenue was \$184,000 below budgeted revenue of \$384,000
- Public transport ticketing revenue was \$1,016,000 below budgeted revenue of \$2,077,000.
- No funds were received for the Lake Hayes remediation work however \$150,000 was budgeted to be received in quarter one.
- There was a \$94,000 reduction in other income due to LAWA regional council contributions being budgeted in the wrong revenue category as grant income in the LTP.
- The remaining variance of \$74,000 was caused by small variances in grant funding received across council activities.

#### EXPENDITURE

[7] Employee benefits expenses is \$378,000 below budget due to budgeted positions in the LTP still being recruited.

[8] Other expenses is \$1,815,000 below budget due to the following:

[9] The activities in the table below have “other expenses” expenditure more than \$100,000 below budgeted expenditure.

Activity name	Actual expenditure	Budget expenditure	Variance	Comment
Land, Water science and monitoring	402,000	887,000	(485,000)	This variance has been caused by timing delays while procurement procedures are completed.
Public transport-Wakatipu	1,810,000	2,242,000	(432,000)	\$181,000 of this variance was caused by reduced costs for the Queenstown ferry. The Queenstown ferry has had its schedule adapted to meet COVID-19 demand levels which are different from what was included and

Activity name	Actual expenditure	Budget expenditure	Variance	Comment
				<p>budgeted in the original proposal.</p> <p>The remaining variance from budget was caused by the net of the following 2 factors:</p> <ul style="list-style-type: none"> <li>- Reduced bus contractor costs due to reduced bus services during covid level 4 and level 3 and</li> <li>- Increases bus contractor costs caused by additional expenditure for living wage costs.</li> </ul>
Public transport-Dunedin	4,381,000	4,682,000	(301,000)	<p>The majority for this variance was caused by the net of the following 2 factors:</p> <ul style="list-style-type: none"> <li>- Reduced bus contractor costs due to reduced bus services during covid level 4 and level 3 and</li> <li>- Increased bus contractor costs caused by additional expenditure for living wage costs.</li> </ul>
Climate Change Adaption	6,000	205,000	(198,000)	<p>These variances are caused by a delay in projects for the activities. There is no indication that the projects will not be completed in the 2022 financial year.</p>
Biosecurity	139,000	260,000	(121,000)	
Governance and financial contributions	119,000	241,000	(122,000)	
Land and Waste Implementation	85,000	205,000	(120,000)	
RPS, strategy and urban redevelopment and responses to issues	210,000	328,000	(118,000)	
Biodiversity implementation	75,000	178,000	(103,000)	

- [10] The remaining \$185,000 above budgeted expenditure variance in “other expenses” was caused by a combination of; the timing of project progression being more advanced than the budgeted expectation and higher expenditure on consultants due to staff vacancies that are currently being recruited.
- [11] Other gains/(loss) is \$158,000 below budget of \$185,000. Other gains/(loss) is the gain that was made on the value of the managed fund. Performance of the managed fund is described in more detail in the treasury section of this report.

## STATEMENT OF FINANCIAL POSITION

- [12] Cash and cash equivalents decreased by \$2,975,000 from the 30 June 2020 position of \$4,380,000. This decrease is caused by the timing of rates receipts with rates due on the 31 October 2021 not being received by the end of quarter 1, 30 September 2021. Details of the cash levels at Council for the last 18-month period is detailed in the Treasury section of this report.
- [13] Trade receivables has increased by \$32,091,000 due to the following movements
- Trade receivables increased by \$34,573,000. Much of this increase was caused by the timing of the due date for rates. Rates were invoiced in September but have a due date in quarter 2 of 31 October 2021. At 30 September 2021 unpaid rates debtor balances were held as an asset in trade receivables. Rates that have been paid before the due date 31 October 2021 are recorded as a liability as rates received in advance in trade and other payables.
  - GST receivable/payable decreased by \$6,400,000 to a liability position of \$6,102,000 at 30 September 2021. The GST liability owed at 30 September 2021 is the GST component of the rates revenue. This liability is not due for payment until October 2021.
  - Dividend receivable increased from the 30 June 2021 nil position to \$3,250,000. The dividend receivable balance is the monthly dividend accrual balance made to record the dividend revenue that is agreed but not yet paid under the Statement of Intent with Port Otago Limited.
  - The remaining variance of \$668,000 was caused monthly movements in operational receivables.
- [14] Other financial assets has increase by \$171,000 from the 30 June 2020 position balance of \$25,313,000 due to an increase in the market value and income received on investments held in the JB Were long term managed fund. Refer to the Treasury section for more detail on the managed fund.
- [15] Property, plant and equipment has decreased by \$148,000 more than the prior year balance of \$96,236,000. This decrease has been caused by:
- Additions of \$682,000. Major additions in the 3-month period were for plant and vehicles \$296,000, building fittings \$123,000 and infrastructure WIP of \$146,000.
  - Less plant and vehicle disposals of \$30,000
  - Less depreciation of \$800,000
- [16] Trade and other payables has increased by \$29,183,000 from the prior year balance of \$17,031,000 due to the following:

- Fees received in advance has increased by \$4,240,000 due to funds received in advance of grants from the Ministry Primary Industries for wilding conifer and wallaby program. These grant funds are recorded as a liability until Council has performed the activity that the grant funds relate to, at which time they are recorded as grant income.
- Rates received in advance has increased by \$30,170,000 due to the timing of rates receipts. Rates receipts are recorded as liability if they are received before the due date of 31 October 2021.
- The remaining variance of \$5,227,000 was caused by the timing of supplier invoice payments.

[17] The provision has decreased by \$783,000 from the 30 June 2020 balance. This provision was an accrual for the estimated living wage cost for the period 1 July 2020 to 30 June 2021 for transport. The living wage costs for this period was paid in quarter one.

[18] Employee entitlements has increased by \$527,000 from the prior year balance of \$2,143,000 due to:

- An increase in annual leave accrual of \$161,000. Annual leave is actively managed by Council management with annual leave plans required for larger balance to manage the Council liability.
- Net pay clearing accrual increased by \$366,000 from the prior year balance due to the timing of payroll payments at the end of quarter one.

#### **TREASURY REPORT**

[19] The treasury report (included in the attached Finance Report) provides information on the management and performance of the Council's cash and short-term deposits and the managed fund held with JB Were.

#### **Short-term Investments- Cash and term deposits**

[20] Short term investments held by Council are in the form of term deposits held with banking institutions and managed on the Council's behalf by a separate investment arm of the BNZ under a multi-bank arrangement.

[21] The day-to-day working capital cash requirement of the Council, including forecasting cash movements in the short term based on forecast revenues and expenditure, is managed by finance staff.

[22] Council's cash-flow in terms of receipts and payments fluctuates significantly during the year, particularly with significant revenue streams such as rates and dividends coming in at particular times, and large payments such as GST output tax collected on rates income, becoming payable at one time.

[23] Funds surplus to immediate cash requirements are deposited into the term deposit portfolio. There were no term deposits held at 30 June 2020.

[24] Graph 1 shows the amount held at the end of each month during the 18 months to 30 June 2020, identifying the term deposit amount and the amount held on-demand with the BNZ.

#### **Long Term Investments – Managed Fund**

- [25] The Council's managed fund comprises a portfolio of financial instruments managed externally by JB Were. The market value increase was \$171,448 (budget \$185,000) for the 3-month period to 30 September 2021.
- [26] The portfolio summary shows the valuation and the percentage of each asset class held compared to the asset allocation percentage specified in the Statement of Investment Policies and Objectives (SIPO).
- [27] Asset allocations remained within the ranges specified in the SIPO as at 30 September 2021.

## **CONSIDERATIONS**

### **Strategic Framework and Policy Considerations**

- [28] There are no strategic framework and policy considerations.

### **Financial Considerations**

- [29] There are no financial considerations.

### **Significance and Engagement Considerations**

- [30] There are no significant and engagement considerations.

### **Legislative and Risk Considerations**

- [31] There are no legislative considerations.

### **Climate Change Considerations**

- [32] There are no climate change considerations.

### **Communications Considerations**

- [33] There are no communication considerations.

## **ATTACHMENTS**

1. Statement of Comprehensive Revenue and Expenses for the 3 month period ending 30 September 2021 [7.2.1 - 1 page]
2. Statement of Financial Position as at 30 September 2021 [7.2.2 - 1 page]
3. Treasury Report September 2021 [LE7O] [7.2.3 - 2 pages]
4. Activity Report September 2021 [7.2.4 - 2 pages]

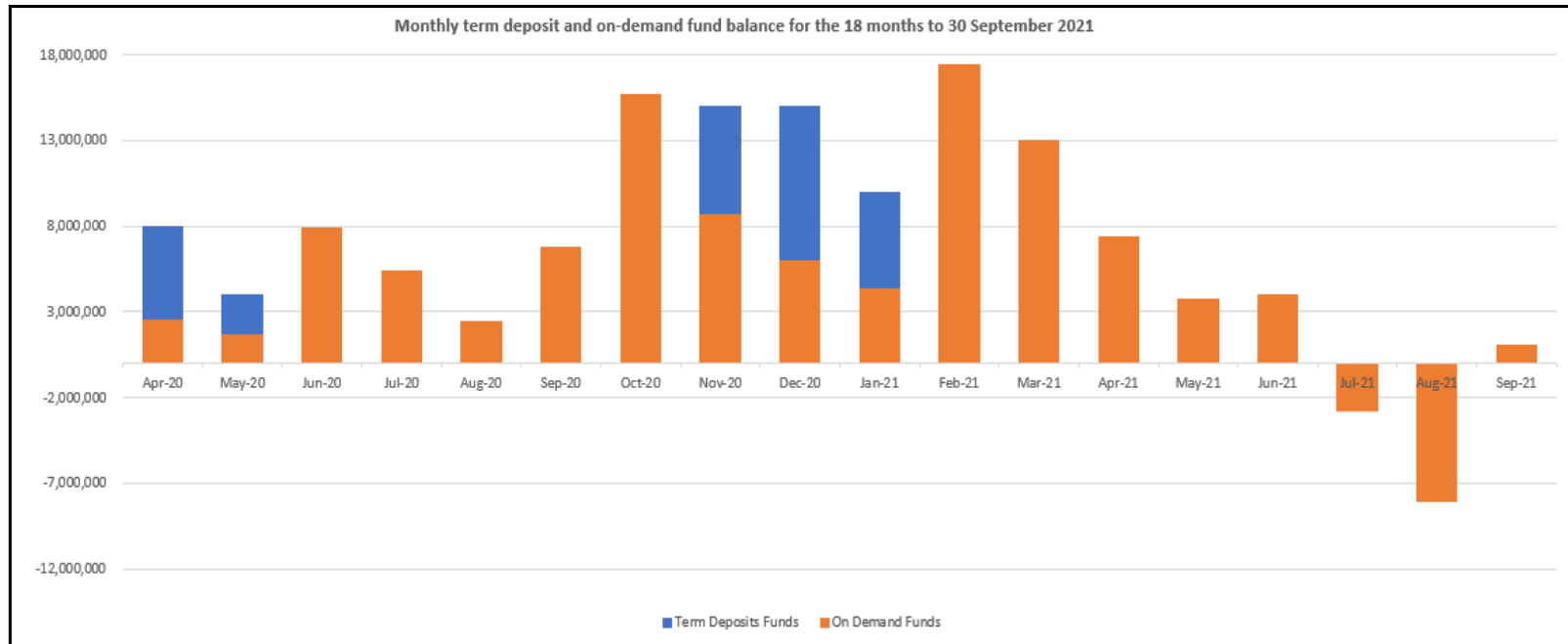
Statement of Comprehensive Revenue and Expenses for 3 month period ending 30 September 2021					
Prior Year		Actual YTD	LTP 2021/2022 Budget 3 month result	Variance	LTP 2021/2022 Budget 12 month result
\$000		\$000	\$000		\$000
June 2021	Revenue	Sept 2021	Sept 2021		June 2022
27,015	Rate Revenue	10,040	10,007	33	40,039
19,007	Subsidies and grant revenue	3,216	3,591	(375)	18,856
15,375	Other income	2,343	4,282	(1,940)	17,389
10,439	Dividends	3,386	3,250	136	13,000
138	Interest and investment income	42	188	(145)	750
<b>71,974</b>	<b>Total Revenue</b>	<b>19,027</b>	<b>21,318</b>	<b>(2,291)</b>	<b>90,034</b>
	<b>Expenditure</b>				
(21,956)	Employee benefits expense	(6,476)	(6,854)	378	(27,417)
(3,360)	Depreciation and amortisation	(957)	(894)	(64)	(3,574)
-	Finance costs	(27)	(62)	36	(250)
(60,067)	Other expenses	(11,234)	(13,049)	1,815	(60,964)
<b>(85,383)</b>	<b>Total Expenditure</b>	<b>(18,695)</b>	<b>(20,860)</b>	<b>2,165</b>	<b>(92,206)</b>
<b>(13,409)</b>	Operating Surplus/(deficit)	<b>332</b>	<b>458</b>	<b>(126)</b>	<b>(2,172)</b>
4,955	Other gains/(losses)	27	185	(158)	740
75,966	Revaluation gain/(loss)- shares of subsidiary	-	-	-	20,935
100	Income tax benefit/(expense)	25	-	-	-
<b>67,612</b>	<b>Surplus/(deficit) after tax</b>	<b>384</b>	<b>643</b>	<b>(284)</b>	<b>19,503</b>

<b>Statement of Financial Position as at 30 September 2021</b>				
	Actual YTD	Prior Year	Variance	LTP Budget
	\$000	\$000	\$000	\$000
<b>Current Assets</b>	<b>Sept 2021</b>	<b>June 2021</b>		<b>June 2022</b>
Cash and cash equivalents	1,405	4,380	(2,975)	8,466
Trade receivables	40,409	8,318	32,091	11,398
Other financial assets	25,484	25,313	171	34,022
Other current assets	953	698	255	514
<b>Total Current Assets</b>	<b>68,252</b>	<b>38,709</b>	<b>29,543</b>	<b>54,400</b>
<b>Non-current Assets</b>				
Property, plant and equipment	96,088	96,236	(148)	97,646
Investment property	16,490	16,490	-	15,519
Shares in subsidiary	612,330	612,330	-	564,299
Deferred tax asset	123	98	25	98
Intangible assets	1,781	1,888	(107)	6,687
<b>Total Non-current Assets</b>	<b>726,811</b>	<b>727,042</b>	<b>(231)</b>	<b>684,249</b>
<b>TOTAL ASSETS</b>	<b>795,063</b>	<b>765,751</b>	<b>29,312</b>	<b>738,649</b>
<b>Current Liabilities</b>				
Trade and other payables	(46,214)	(17,031)	(29,183)	(11,918)
Borrowings (current)	-	-	-	-
Provision	-	(783)	783	-
Employee entitlements current	(2,670)	(2,143)	(527)	(2,215)
<b>Total Current Liabilities</b>	<b>(48,885)</b>	<b>(19,957)</b>	<b>(28,928)</b>	<b>(14,133)</b>
<b>Non Current Liabilities</b>				
Other financial instruments	-	-	-	(25,000)
<b>Total Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25,000)</b>
<b>NET ASSETS</b>	<b>746,178</b>	<b>745,794</b>	<b>384</b>	<b>699,516</b>
<b>Equity</b>				
Reserves	635,280	635,622	(342)	576,700
Public equity	110,130	110,172	(42)	122,815
<b>Total Equity &amp; Reserves</b>	<b>745,411</b>	<b>745,794</b>	<b>(383)</b>	<b>699,515</b>



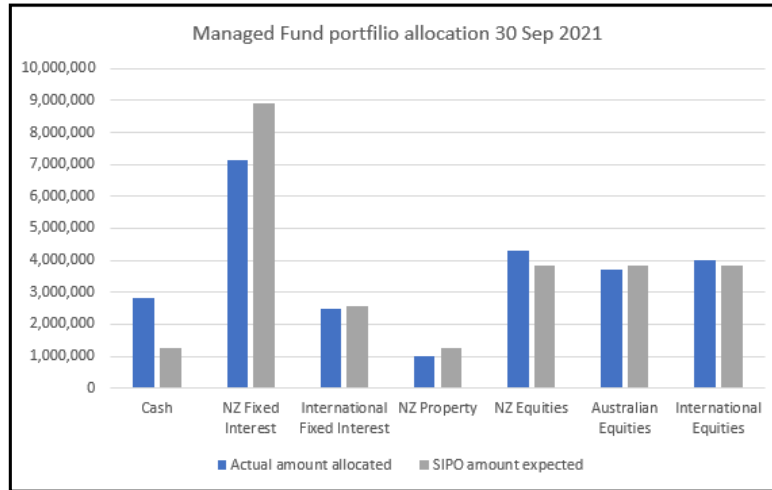
## Treasury Report

### Term Deposits - Portfolio Composition



(Graph 1)

Managed Fund – Portfolio Allocation



(Graph 2)

Portfolio Performance- for the year ended 30 September 2021

Managed Fund Income	Q1 2022 YTD
Interest on managed fund	42,242
Dividends	135,963
Other	(32,117)
Market Value movement gain/(loss)	25,360
Withdrawal	-
<b>Total increase/(decrease) in managed fund</b>	<b>171,448</b>

(Table 2)

Asset Class Allocation - as at 30 September 2021

Asset Class	Actual amount allocated	%	SIPO amount expected	SIPO target	SIPO acceptable range		SIPO met
Cash	2,834,934	11%	1,274,197	5%	0%	25%	Yes
NZ Fixed Interest	7,149,546	28%	8,919,379	35%	25%	45%	Yes
International Fixed Interest	2,480,487	10%	2,548,394	10%	5%	15%	Yes
<b>Defensive Total</b>	<b>12,464,966</b>	<b>49%</b>	<b>12,741,970</b>	<b>50%</b>	<b>40%</b>	<b>60%</b>	Yes
NZ Property	1,000,623	4%	1,274,197	5%	2%	8%	Yes
NZ Equities	4,300,875	17%	3,822,591	15%	10%	20%	Yes
Australian Equities	3,727,428	15%	3,822,591	15%	10%	20%	Yes
International Equities	3,990,048	16%	3,822,591	15%	10%	20%	Yes
<b>Growth Total</b>	<b>13,018,974</b>	<b>51%</b>	<b>12,741,970</b>	<b>50%</b>	<b>40%</b>	<b>60%</b>	Yes
<b>Total</b>	<b>25,483,941</b>						

(Table 1)

Finance Committee Agenda - 24 Nov 2021 - MATTERS FOR CONSIDERATION

		Operating Expenditure			Capital Expenditure			Other Expenditure			Total Expenditure			General rates			Targeted rates			Grants			Other Income					
		Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance			
<b>REGIONAL LEADERSHIP</b>																												
<b>Governance &amp; Community</b>																												
	Communications & Engagement	G1	725	757	(32)	-	-	-	0	0	0	725	757	(32)	728	724	4	-	-	-	-	-	-	-	2	(2)		
	Governance & Financial Contributions	G8	592	714	(122)	-	-	-	-	-	-	592	714	(122)	711	708	3	-	-	-	-	-	-	-	25	29	(4)	
	<b>Total Governance &amp; Community</b>		<b>1,317</b>	<b>1,471</b>	<b>(154)</b>	-	-	-	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,317</b>	<b>1,471</b>	<b>(154)</b>	<b>1,439</b>	<b>1,432</b>	<b>7</b>	-	-	-	-	-	-	-	25	31	(7)	
<b>Regional Planning</b>																												
	RFS Strategy, Urban Dev & Response to Issues	P1	666	772	(106)	-	-	-	-	-	-	666	772	(106)	925	920	4	-	-	-	-	-	-	-	-	-	-	
	<b>Total Regional Planning</b>		<b>666</b>	<b>772</b>	<b>(106)</b>	-	-	-	-	-	-	<b>666</b>	<b>772</b>	<b>(106)</b>	<b>925</b>	<b>920</b>	<b>4</b>	-	-	-	-	-	-	-	-	-	-	
<b>Regulatory</b>																												
	Incident Response & Enforcement	I1	428	416	12	-	-	-	31	24	7	459	440	19	323	322	2	-	-	-	-	-	-	-	71	75	(4)	
	Consent Processing	R1	1,194	1,425	(231)	-	-	-	2	-	2	1,196	1,425	(229)	473	471	2	-	-	-	-	-	-	-	-	478	902	(424)
	Compliance Monitoring & Contaminated Sites	R2	912	1,132	(220)	-	8	(8)	2	1	2	914	1,140	(226)	605	602	3	48	47	1	-	-	-	-	200	384	(184)	
	Harbours Management	R4	187	199	(12)	-	5	(5)	6	6	1	193	210	(17)	180	179	1	-	-	-	-	-	-	8	19	(11)		
	<b>Total Regulatory</b>		<b>2,720</b>	<b>3,172</b>	<b>(452)</b>	-	<b>13</b>	<b>(13)</b>	<b>42</b>	<b>30</b>	<b>11</b>	<b>2,762</b>	<b>3,215</b>	<b>(453)</b>	<b>1,581</b>	<b>1,574</b>	<b>8</b>	<b>48</b>	<b>47</b>	<b>1</b>	<b>8</b>	<b>19</b>	<b>(11)</b>	<b>8</b>	<b>19</b>	<b>(11)</b>		
	<b>Total Regional Leadership</b>		<b>4,704</b>	<b>5,415</b>	<b>(712)</b>	-	<b>13</b>	<b>(13)</b>	<b>42</b>	<b>30</b>	<b>11</b>	<b>4,745</b>	<b>5,458</b>	<b>(713)</b>	<b>3,946</b>	<b>3,926</b>	<b>19</b>	<b>48</b>	<b>47</b>	<b>1</b>	<b>8</b>	<b>19</b>	<b>(11)</b>	<b>775</b>	<b>1,392</b>	<b>(617)</b>		
<b>ENVIRONMENTAL</b>																												
<b>Land &amp; Water Planning</b>																												
	Land & Water Planning	W1	569	626	(57)	-	-	-	-	-	-	569	626	(57)	597	594	3	-	-	-	-	-	-	-	-	-	-	
	Land & Water Science and Monitoring	W2	1,496	2,179	(683)	128	156	(28)	56	74	(18)	1,680	2,409	(729)	2,349	2,338	11	-	-	-	-	-	-	-	(4)	-		
	Land & Water Implementation	W3	261	419	(157)	-	90	(90)	-	2	(2)	261	510	(249)	94	94	0	185	184	1	3	19	(17)	-	150	(150)		
	LAWA	G6	183	109	74	-	-	-	-	-	-	183	109	74	4	4	0	-	-	-	-	-	-	174	-	91		
	<b>Total Land &amp; Water Planning</b>		<b>2,510</b>	<b>3,333</b>	<b>(823)</b>	<b>128</b>	<b>246</b>	<b>(118)</b>	<b>56</b>	<b>76</b>	<b>(20)</b>	<b>2,694</b>	<b>3,655</b>	<b>(961)</b>	<b>3,044</b>	<b>3,029</b>	<b>15</b>	<b>185</b>	<b>184</b>	<b>1</b>	<b>177</b>	<b>19</b>	<b>157</b>	<b>(4)</b>	<b>241</b>	<b>(245)</b>		
<b>Biodiversity &amp; Biosecurity</b>																												
	Biodiversity Implementation	L1	121	249	(128)	-	-	-	-	-	-	121	249	(128)	175	174	1	-	-	-	-	-	-	-	-	-	-	
	Biosecurity	L2	672	884	(212)	-	-	-	3	2	1	676	886	(211)	-	-	-	611	609	2	2	-	2	-	50	(50)		
	Environmental Enhancement	L6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Wilding Pines	L7	63	50	13	-	-	-	-	-	-	63	50	13	-	-	-	50	50	0	-	-	-	-	-	-		
	Biodiversity Science & Monitoring	L8	91	131	(40)	-	-	-	-	3	(3)	91	134	(44)	173	172	1	-	-	-	-	-	-	-	-	-		
	<b>Total Biodiversity &amp; Biosecurity</b>		<b>947</b>	<b>1,314</b>	<b>(367)</b>	-	-	-	<b>3</b>	<b>5</b>	<b>(2)</b>	<b>950</b>	<b>1,319</b>	<b>(369)</b>	<b>347</b>	<b>346</b>	<b>2</b>	<b>661</b>	<b>659</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>50</b>	<b>(50)</b>		
<b>Air</b>																												
	Air Monitoring	A1	82	113	(31)	8	11	(3)	6	6	(0)	96	131	(35)	110	109	1	-	-	-	-	-	-	-	-	-		
	<b>Total Air</b>		<b>82</b>	<b>113</b>	<b>(31)</b>	<b>8</b>	<b>11</b>	<b>(3)</b>	<b>6</b>	<b>6</b>	<b>(0)</b>	<b>96</b>	<b>131</b>	<b>(35)</b>	<b>110</b>	<b>109</b>	<b>1</b>	-	-	-	-	-	-	-	-	-		
	<b>Total Environmental</b>		<b>3,539</b>	<b>4,760</b>	<b>(1,221)</b>	<b>136</b>	<b>258</b>	<b>(121)</b>	<b>65</b>	<b>88</b>	<b>(23)</b>	<b>3,740</b>	<b>5,105</b>	<b>(1,365)</b>	<b>3,501</b>	<b>3,484</b>	<b>17</b>	<b>847</b>	<b>843</b>	<b>3</b>	<b>179</b>	<b>19</b>	<b>160</b>	<b>(4)</b>	<b>291</b>	<b>(295)</b>		
<b>FLOOD &amp; RIVERS</b>																												
<b>Flood Protection</b>																												
	Alexandra Flood Protection	F1	45	54	(10)	-	-	-	10	10	0	55	64	(9)	1	1	0	-	-	-	-	-	-	-	-	63		
	Leith Flood Protection Scheme	F2	38	67	(29)	-	-	-	97	100	(3)	135	167	(32)	45	45	0	366	365	0	-	-	-	-	-	-		
	Lwr Clutha Flood Protection & Drainage	F3	257	259	(2)	35	304	(269)	47	52	(5)	339	615	(276)	58	58	0	213	213	0	85	77	7	41	44			
	Lwr Taieri Flood Protection Scheme	F4	164	177	(13)	124	70	54	4	16	(12)	292	263	30	57	57	0	239	238	2	77	139	(62)	1	0			
	West Taieri Drainage	F5	150	159	(10)	-	73	(73)	45	50	(4)	195	282	(86)	31	31	0	183	182	0	-	135	(135)	19	16			
	East Taieri Drainage	F6	119	154	(35)	-	23	(23)	21	11	10	140	188	(48)	23	23	0	151	145	6	-	-	-	1	0			
	Tokomariro Drainage	F7	37	56	(18)	-	-	-	1	1	(1)	38	57	(19)	-	-	-	-	-	-	-	-	-	-	-	-		
	Shotover River Delta	F8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Scheme Oversight & Bylaws	F9	166	185	(20)	-	-	-	-	-	-	166	185	(20)	-	-	-	-	-	-	-	-	-	-	130	162		
	<b>Total Flood Protection</b>		<b>976</b>	<b>1,112</b>	<b>(136)</b>	<b>159</b>	<b>469</b>	<b>(310)</b>	<b>225</b>	<b>240</b>	<b>(15)</b>	<b>1,361</b>	<b>1,822</b>	<b>(461)</b>	<b>216</b>	<b>215</b>	<b>1</b>	<b>1,189</b>	<b>1,180</b>	<b>9</b>	<b>162</b>	<b>351</b>	<b>(189)</b>	<b>192</b>	<b>286</b>			
<b>River Management</b>																												
	River Mgt - Dunedin	M1	85	48	37	-	-	-	3	3	0	89	51	37	-	-	-	70	70	0	-	-	-	-	-	-		
	River Mgt - Clutha	M2	25	59	(34)	-	-	-	1	1	0	26	60	(34)	-	-	-	90	88	3	-	-	-	-	-	-		
	River Mgt - Central	M3	110	91	19	-	-	-	0	-	0	110	91	20	-	-	-	81	80	1	-	-	-	-	-	-		
	River Mgt - Wakatipu	M4	20	55	(35)	-	-	-	0	0	0	20	55	(35)	-	-	-	50	50	(0)	-	-	-	-	-	-		
	River Mgt - Wanaka	M5	18	50	(33)	-	-	-	-	1	(1)	18	51	(33)	-	-	-	50	50	(0)	-	-	-	-	-	-		
	River Mgt - Waitaki	M6	(13)	54	(66)	-	-	-	1	1	0	(12)	54	(66)	-	-	-	100	100	0	-	-	-	-	-	-		
	Lwr Waitaki Flood Protection & River Control	M7	43	40	3	-	-	-	-	-	-	43	40	3	5	5	0	43	43	0	-	-	-	-	-	-		
	Non Scheme Management	M8	7	7	(0)	-	-	-	-	-	-	7	7	(0)	-	-	-	-	-	-	-	-	-	-	-	-		
	<b>Total River Management</b>		<b>295</b>	<b>403</b>	<b>(109)</b>	-	-	-	<b>6</b>	<b>6</b>	<b>(0)</b>	<b>300</b>	<b>410</b>	<b>(109)</b>	<b>12</b>	<b>12</b>	<b>0</b>	<b>484</b>	<b>480</b>	<b>3</b>	-	-	-	-	-	-		
	<b>Total Flood and Rivers</b>		<b>1,271</b>	<b>1,516</b>	<b>(245)</b>	<b>159</b>	<b>469</b>	<b>(310)</b>	<b>231</b>	<b>246</b>	<b>(15)</b>	<b>1,661</b>	<b>2,231</b>	<b>(570)</b>	<b>229</b>	<b>227</b>	<b>1</b>	<b>1,673</b>	<b>1,660</b>	<b>12</b>	<b>162</b>	<b>351</b>	<b>(189)</b>	<b>192</b>	<b>286</b>			
<b>SAFETY AND RESILIENCE</b>																												
<b>Climate Change &amp; Hazards</b>																												
	Natural Hazards	N1	310	218	92	-	118	(118)	-	3	(3)	310	338	(29)	207	206	1	-	-	-	-	74	(74)	-	-	-		
	Flood & Low Flow Risk Management	N2																										

Finance Committee Agenda - 24 Nov 2021 - MATTERS FOR CONSIDERATION

			Total Revenue			Surplus / (Deficit)			General Reserves			Targeted Reserves			Other Reserves		
			Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
<b>REGIONAL LEADERSHIP</b>																	
<b>Governance &amp; Community</b>	Communications & Engagement	G1	728	727	1	3	(30)	33	(3)	-	(3)	-	-	-	-	-	
	Governance & Financial Contributions	G8	736	737	(1)	144	23	121	(144)	(32)	(112)	-	-	-	-	-	
	<b>Total Governance &amp; Community</b>		<b>1,464</b>	<b>1,464</b>	<b>0</b>	<b>147</b>	<b>(7)</b>	<b>154</b>	<b>(147)</b>	<b>(32)</b>	<b>(112)</b>	-	-	-	-	-	
<b>Regional Planning</b>	RFS Strategy, Urban Dev & Response to Issues	P1	925	920	4	258	148	111	(258)	-	(258)	-	-	-	-	-	
	<b>Total Regional Planning</b>		<b>925</b>	<b>920</b>	<b>4</b>	<b>258</b>	<b>148</b>	<b>111</b>	<b>(258)</b>	<b>-</b>	<b>(258)</b>	-	-	-	-	-	
<b>Regulatory</b>	Incident Response & Enforcement	I1	395	397	(2)	(64)	(43)	(21)	64	-	64	-	-	-	-	-	
	Consent Processing	R1	951	1,373	(422)	(244)	(51)	(193)	244	-	244	0	-	0	-	-	
	Compliance Monitoring & Contaminated Sites	R2	853	1,033	(180)	(62)	(108)	46	76	67	9	(14)	11	(25)	-	8	
	Harbours Management	R4	190	198	(8)	(3)	(12)	9	3	-	3	-	-	-	-	5	
	<b>Total Regulatory</b>		<b>2,388</b>	<b>3,001</b>	<b>(613)</b>	<b>(274)</b>	<b>(214)</b>	<b>(159)</b>	<b>388</b>	<b>67</b>	<b>321</b>	<b>(14)</b>	<b>11</b>	<b>(25)</b>	-	<b>13</b>	
<b>Total Regional Leadership</b>			<b>4,777</b>	<b>5,385</b>	<b>(608)</b>	<b>32</b>	<b>(74)</b>	<b>105</b>	<b>(18)</b>	<b>35</b>	<b>(53)</b>	<b>(14)</b>	<b>11</b>	<b>(25)</b>	-	<b>13</b>	
<b>ENVIRONMENTAL</b>																	
<b>Land &amp; Water Planning</b>	Land & Water Planning	W1	597	594	3	28	(32)	59	(28)	-	(28)	-	-	-	-	-	
	Land & Water Science and Monitoring	W2	2,345	2,338	7	665	(71)	736	(793)	-	(793)	-	-	-	128	436	
	Land & Water Implementation	W3	282	447	(165)	20	(63)	83	11	-	11	(31)	61	(92)	-	25	
	LAWA	G6	178	95	83	(5)	(15)	9	5	-	5	-	12	(12)	-	-	
	<b>Total Land &amp; Water Planning</b>		<b>3,402</b>	<b>3,474</b>	<b>(72)</b>	<b>708</b>	<b>(181)</b>	<b>888</b>	<b>(804)</b>	<b>-</b>	<b>(804)</b>	<b>(31)</b>	<b>73</b>	<b>(105)</b>	<b>128</b>	<b>461</b>	
<b>Biodiversity &amp; Biosecurity</b>	Biodiversity Implementation	L1	175	174	1	54	(75)	129	(54)	-	(54)	-	-	-	-	75	
	Biosecurity	L2	613	659	(46)	(62)	(227)	165	-	-	-	62	188	(125)	-	-	
	Environmental Enhancement	L6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Wilding Pines	L7	50	50	0	(13)	-	(12)	-	-	-	12	-	12	-	-	
	Biodiversity Science & Monitoring	L8	173	172	1	82	38	44	(82)	-	(82)	-	-	-	-	23	
	<b>Total Biodiversity &amp; Biosecurity</b>		<b>1,011</b>	<b>1,055</b>	<b>(44)</b>	<b>61</b>	<b>(265)</b>	<b>326</b>	<b>(136)</b>	<b>-</b>	<b>(136)</b>	<b>75</b>	<b>188</b>	<b>(113)</b>	-	<b>98</b>	
<b>Air</b>	Air Monitoring	A1	110	109	1	14	(22)	35	(22)	-	(22)	-	-	-	8	11	
	<b>Total Air</b>		<b>110</b>	<b>109</b>	<b>1</b>	<b>14</b>	<b>(22)</b>	<b>35</b>	<b>(22)</b>	<b>-</b>	<b>(22)</b>	-	-	-	<b>8</b>	<b>11</b>	
<b>Total Environmental</b>			<b>4,523</b>	<b>4,638</b>	<b>(115)</b>	<b>782</b>	<b>(467)</b>	<b>1,250</b>	<b>(962)</b>	<b>-</b>	<b>(962)</b>	<b>43</b>	<b>261</b>	<b>(217)</b>	<b>136</b>	<b>570</b>	
<b>FLOOD &amp; RIVERS</b>																	
<b>Flood Protection</b>	Alexandra Flood Protection	F1	1	64	(63)	(54)	(0)	(54)	-	-	-	54	-	54	-	-	
	Leith Flood Protection Scheme	F2	411	410	1	276	243	33	-	-	-	(276)	(243)	(33)	-	-	
	Lwr Clutha Flood Protection & Drainage	F3	397	392	5	58	(223)	281	-	-	-	(156)	126	(281)	98	87	
	Lwr Taieri Flood Protection Scheme	F4	374	434	(59)	82	171	(89)	-	-	-	(206)	42	(248)	124	-	
	West Taieri Drainage	F5	233	365	(132)	37	88	(46)	-	-	-	(37)	172	(209)	-	-	
	East Taieri Drainage	F6	174	168	6	34	(20)	54	-	-	-	(34)	116	(150)	-	-	
	Tokomairo Drainage	F7	38	38	0	0	(19)	19	-	-	-	(0)	29	(29)	-	-	
	Shotover River Delta	F8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Scheme Oversight & Bylaws	F9	130	162	(32)	(35)	(24)	(12)	-	-	-	35	-	35	-	-	
	<b>Total Flood Protection</b>		<b>1,759</b>	<b>2,033</b>	<b>(274)</b>	<b>398</b>	<b>211</b>	<b>187</b>	<b>(620)</b>	<b>242</b>	<b>(862)</b>	<b>222</b>	<b>87</b>	<b>134</b>	<b>222</b>	<b>87</b>	
<b>River Management</b>	River Mgt - Dunedin	M1	70	70	0	(18)	19	(37)	-	-	-	18	29	(11)	-	-	
	River Mgt - Clutha	M2	90	88	3	64	28	36	-	-	-	(64)	18	(82)	-	-	
	River Mgt - Central	M3	81	80	1	(30)	(11)	(19)	-	-	-	30	22	7	-	-	
	River Mgt - Wakatipu	M4	50	50	(0)	30	(5)	35	-	-	-	(30)	60	(90)	-	-	
	River Mgt - Wanaka	M5	50	50	(0)	32	(1)	33	-	-	-	(32)	28	(61)	-	-	
	River Mgt - Waitaki	M6	100	100	0	112	46	67	-	-	-	(112)	(11)	(102)	-	-	
	Lwr Waitaki Flood Protection & River Control	M7	48	47	0	5	8	(3)	-	-	-	(5)	-	(5)	-	-	
	Non Scheme Management	M8	7	7	0	0	0	0	(0)	-	(0)	-	-	-	-	-	
	<b>Total River Management</b>		<b>496</b>	<b>492</b>	<b>4</b>	<b>196</b>	<b>83</b>	<b>113</b>	<b>(0)</b>	<b>-</b>	<b>(0)</b>	<b>(195)</b>	<b>148</b>	<b>(343)</b>	-	-	
<b>Total Flood and Rivers</b>			<b>2,255</b>	<b>2,525</b>	<b>(270)</b>	<b>594</b>	<b>294</b>	<b>300</b>	<b>(0)</b>	<b>-</b>	<b>(0)</b>	<b>(815)</b>	<b>390</b>	<b>(1,205)</b>	<b>222</b>	<b>87</b>	
<b>SAFETY AND RESILIENCE</b>																	
<b>Climate Change &amp; Hazards</b>	Natural Hazards	N1	207	280	(73)	(102)	(58)	(44)	102	-	102	-	-	-	-	43	
	Flood & Low Flow Risk Management	N2	86	86	0	46	0	46	(46)	-	(46)	-	-	-	-	-	
	Climate Change Adaptation	N3	261	260	1	142	(14)	156	(199)	-	(199)	-	-	-	57	14	
	<b>Total Climate Change &amp; Hazards</b>		<b>554</b>	<b>626</b>	<b>(71)</b>	<b>85</b>	<b>(72)</b>	<b>157</b>	<b>(142)</b>	<b>-</b>	<b>(142)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57</b>	<b>57</b>	
<b>Emergency Management</b>	Emergency Management	E1	744	740	5	89	23	66	-	-	-	(89)	(50)	(39)	-	-	
	<b>Total Emergency Management</b>		<b>744</b>	<b>740</b>	<b>5</b>	<b>89</b>	<b>23</b>	<b>66</b>	<b>(89)</b>	<b>23</b>	<b>66</b>	<b>(89)</b>	<b>(50)</b>	<b>(39)</b>	-	-	
<b>Total Safety and Resilience</b>			<b>1,299</b>	<b>1,365</b>	<b>(67)</b>	<b>174</b>	<b>(48)</b>	<b>223</b>	<b>(142)</b>	<b>-</b>	<b>(142)</b>	<b>(89)</b>	<b>(50)</b>	<b>(39)</b>	<b>57</b>	<b>57</b>	
<b>TRANSPORT</b>																	
<b>Regional Land Transport Planning</b>	Regional Land Transport Planning	T1	65	102	(37)	34	0	34	(34)	-	(34)	-	-	-	-	-	
	Stock Truck Effluent Disposal	T3	37	33	4	(7)	(0)	(7)	7	-	7	-	-	-	-	-	
	Public Transport - Dunedin	T4	4,053	4,620	(567)	(641)	(294)	(347)	-	-	-	641	392	250	-	-	
	Public Transport - Wakatipu	T5	1,489	2,083	(594)	(439)	(246)	(192)	-	-	-	439	302	137	-	-	
	Public Transport - Other	T6	513	526	(13)	20	(32)	(53)	(20)	-	(20)	-	25	(25)	-	-	
	<b>Total Transport</b>		<b>6,156</b>	<b>7,363</b>	<b>(1,207)</b>	<b>(1,034)</b>	<b>(573)</b>	<b>(460)</b>	<b>(47)</b>	<b>-</b>	<b>(47)</b>	<b>1,080</b>	<b>719</b>	<b>362</b>	-	-	
<b>Total Projects</b>			<b>19,009</b>	<b>21,276</b>	<b>(2,267)</b>	<b>548</b>	<b>(869)</b>	<b>1,417</b>	<b>(1,169)</b>	<b>35</b>	<b>(1,204)</b>	<b>205</b>	<b>1,330</b>	<b>(1,125)</b>	<b>415</b>	<b>727</b>	

**7.3. Rates Strike, Collection - 31 October 2021**

<b>Prepared for:</b>	Finance Committee
<b>Report No.</b>	CS2153
<b>Activity:</b>	Governance Report
<b>Author:</b>	Sarah Harrisson – Finance Manager Revenue
<b>Endorsed by:</b>	Nick Donnelly, General Manager Corporate Services
<b>Date:</b>	24 November 2021

**PURPOSE**

This report provides the Finance Committee with an update on rates struck for the 2021/22 financial year.

**RECOMMENDATION**

*That the Finance Committee:*

- 1) **Notes** this report.

**RATES COLLECTION**

- [1] For the 2021/22 rating period Council struck \$46,260,797 (20/21 \$31,081,352) of rates (GST inclusive) which were due on 31 October 2021.
- [2] At their due date, 79% (20/21 81%) of the rates struck had been collected. Of the \$9.8m outstanding, \$2.2m is scheduled to be paid by triannual direct debit instalments (Feb 2022 and Jun 2022).

**Penalties**

- [3] All balances that were outstanding on 1 November 2021 were charged a 10% penalty. There were 19,563 penalty notices sent in the current year compared to 17,748 in 2020.

Date	Total Penalty Amount	Percentage of Total Rates
Nov-21	\$763,606	1.65%
Nov-20	\$484,814	1.56%
Nov-19	\$452,085	1.48%
Nov-18	\$339,168	1.27%
Nov-17	\$296,727	1.23%

- [4] Penalties charged have increased slightly compared with the previous year as a percentage of rates charged. The increase in percentage of total rates is consistent with previous years where total rates have been increased and the penalty percentage has also increased. The exception was 2020 when rates were not increased by there was still

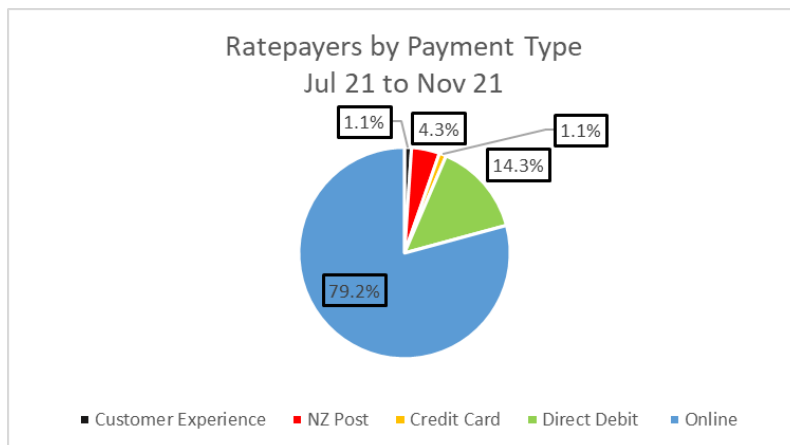
an increase in the penalty percentage of rates regardless of the underlying amount of rates not increasing.

- [5] Council has continued with our debt collection procedure activities including:
- Sending May Statements which reminds the ratepayer of overdue rates and offers them the ability to establish a payment plan if required.
  - Facilitation and management of Arrangement to Pay plans
  - Other internal debt collection procedures.
  - Mortgage demand on arrears rates balances was deferred due to the COVID pandemic. This option will be reviewed again in March/April 2022.
- [6] Trends in the debt collection procedures show that most people who have rates overdue by more than 3 months will only make payment once debt collection procedures with a third-party collection agency or mortgage demand have been initiated.

**Direct Debits and Online Payments**

- [7] We have continued to see an increase in active direct debits with 19,574 direct debits in place for the 31 October 2021 payment. This is 16.1% of ORC ratepayers compared to 16,568 (13.9%) in the prior year.
- [8] Communication from ratepayers about direct debits continues to be positive especially around the triannual Direct Debit option. The triannual direct debit option has allowed many ratepayers to spread the cost of their rates over the year which smoothes the one-off impact of rates increases. With rates only being due once a year some ratepayers do prefer not to have a direct debit in place as they struggle to remember when the direct debit will be actioned.
- [9] Online payment methods continue to increase as cheques are no longer a payment option available since July 2020 and fewer customers are paying in person. Online payment methods account for nearly 95% of all payments received by council. Council is also encouraging more ratepayers to receive their rates notices via email (6.9% 21/22, 5.8% 20/21) to further aid timely payment.

[10]



**East Taieri Drainage 2021/22 Rates Resolution Correction**

- [11] The LTP 2021/31 and associated rates resolution provided for targeted rates for the East Taieri Drainage scheme. There was an error in the calculation of those rates. The rate per hectare and therefore the rate allocation to each classification is incorrect. All classifications excluding ED7 had been over charged as a result. ED7 had been undercharged.
- [12] There were 2,730 rates assessments affected. The average impact of the error is an over charge of \$12.09.
- [13] A letter was sent to the 60 ratepayers whose adjustment was greater than \$100 explaining the issue and offering to discuss payment arrangements if they wished to defer the adjustment amount to the 2022/23 year.
- [14] 9 of the ratepayers whose impact was greater than \$100 contacted us following the letter being sent, 5 of these rate payers requested to defer the overcharge to 2022/23. The remaining 4 were happy to pay the full amount and for the adjustment to be reflected in their 2022/23 rates notice.

## **CONSIDERATIONS**

### **Strategic Framework and Policy Considerations**

- [15] There are no strategic or policy considerations associated with this report.

### **Financial Considerations**

- [16] There are no financial considerations other than those already outlined in the report.

### **Significance and Engagement Considerations**

- [17] There are no significance and engagement considerations associated with this report.

### **Legislative and Risk Considerations**

- [18] There are no legislative and risk considerations associated with this report.

### **Climate Change Considerations**

- [19] There are no climate change considerations associated with this report.

### **Communications Considerations**

- [20] There are no communications considerations associated with this report.

## **NEXT STEPS**

- [21] No further steps are required as this paper is for information purposes only.

## **ATTACHMENTS**

Nil

#### 7.4. Annual Plan 2022-2023 - Proposed adjustments to the Long-term Plan

**Prepared for:** Finance Committee  
**Report No.** GOV2153  
**Activity:** Governance Report  
**Author:** Mike Roesler, Manager Corporate Planning  
**Endorsed by:** Nick Donnelly, General Manager Corporate Services  
**Date:** 24 November 2021

#### PURPOSE

- [1] This report is provided to enable Council to advance the Annual Plan 2022-23 (AP) process by considering and directing Council staff on proposed adjustments to the financial forecasts adopted as part of the Otago Regional Council Long-Term Plan 2021-31 (LTP).

#### EXECUTIVE SUMMARY

- [2] Council staff have completed a review of the adopted LTP Year 2 financial forecasts. This review has resulted in proposed adjustments to the financial estimates and work programmes for the 2022-23 financial year. The adjustments in the LTP work programme and financial impacts are summarised in the 'Discussion' section.
- [3] The proposed adjustments to the Council work programme are consistent with the direction and programme in the adopted LTP. As such this report recommends that the adjustments do not trigger 'Significance' as defined in Council's 'Significance and Engagement Policy / He Mahi Rau Rika'.
- [4] No significant or material change to the LTP is proposed in this report and as such there is no requirement for Council to implement a 'Special Consultative Procedure' under section 82 of the Local Government Act 2002 (LGA). Importantly the Council has discretion about how it decides to engage with the community and this report signals possible options with a view to deciding at a future meeting.

#### RECOMMENDATIONS

*That the Committee:*

- 1) **Endorses** the proposed adjustments to the Long-Term Plan 2021-31 as summarised in Table 3 to 4 and paragraph 16 of this report to enable the completion of the draft Annual Plan 2022-2023 for future Council approval
- 2) **Endorses** the proposed forecasted expenditure and funding impacts for Long-term Plan 2021-2031 summarised in Table 1 and 2 of this report as a basis for completing the draft Annual Plan 2022-2023 for future Council approval Plan 2021-31 estimates
- 3) **Agrees** that the proposed adjustments to the Long-term Plan 2021-2031 identified in the 'Discussion' section this report do not represent a significant or material change as assessed against the Otago Regional Council Significance and Engagement Policy
- 4) **Notes** a future report to Council is planned and will enable it to decide an engagement approach.



## BACKGROUND

- [6] The Long-term Plan 2021-31 cycle includes the 2022-23 (yr2) and 2023-24 (yr3) Annual Plans. They are completed with reference to the adopted content of the LTP, including:
- Community outcomes (i.e., ORC Strategic Directions)
  - Financial forecasts and associated work programme for years 1 to 3 (less detail years 4 to 10)
  - Level of Service content (i.e., service statements, measures, and targets)
  - LGA Strategy and Policy (i.e., Financial Strategy; Infrastructure Strategy; Revenue and Financing Policy; Significance and Engagement Policy; Māori Participation Policy)
  - Committee resolutions that direct staff on our LTP work programme (e.g., key funding policy matters relating to Flood and Drainage and water body remediation).
- [7] The process to complete the AP was reported to the 25 August Finance Committee and followed up with a 14 October Council workshop providing a recap on LTP Year 2 work programme and financial estimates.
- [8] Activities attracting discussion at the 14 October Annual Plan Workshop included:
- the programmed level of support for catchment groups
  - Engagement with 'non-funded' predator free groups
  - range of matters regarding the Transport activity
  - continuation of previous discussions about Flood Protection and Drainage activity
- [9] Additionally, the 28 October 'Funding and Rating' Council Workshop, while separate to the AP process, complemented it by raising matters that are relevant to AP decision-making. For example, the sustainability of funding the Council's Transport activity was a discussion point.

## DISCUSSION

- [10] Council is now at a stage in the AP process where staff, having completed a review of LTP Year 2, can report the proposed key adjustments for consideration and direction.
- [11] Importantly the review process embodied a desire to contain pressure 'to do more' within or at least close to, the planned LTP 18% total rate increase. This was acknowledged at the 14 October Council Workshop along with an understanding that Council staff would carefully consider reprioritisation adjustments to accommodate required changes.
- [12] This reprioritisation has occurred, and Council staff are confident that the review of LTP year 2 has the Council on-track to meet its commitments to the community. The following table shows the impact the proposed adjustments have on rate funding requirements.

*Table1: Impact of Review on Rates*

<b>Averaged</b>	<b>LTP Yr2</b>	<b>Review result</b>
<b>General Rates</b>	18.1 %	20.6 %
<b>Targeted Rates</b>	18 %	19.8 %
<b>Total Rate</b>	18 %	20.2 %

**Adjustments to LTP year 2**

[13] Table 2 provides the proposed draft expenditure for LTP Year 2 at the activity level as \$109.3m. This compares to the LTP yr2 estimate of \$106.2m and represents an increase in total expenditure of \$3.1.m compared to the LTP.

*Table 2: Total Expenditure*

<b>Group</b>	<b>Activity</b>	<b>21-22 LTP (000's)</b>	<b>22/23 LTP (000's)</b>	<b>22/23 AP (000's)</b>
<b>Regional Leadership</b>	Governance and Community Engagement	5,728	6,327	6,604
	Regional Planning	3,681	3,500	3,766
	Regulatory	12,363	13,301	13,583
<i>Sub total</i>		<b>21,771</b>	<b>23,128</b>	<b>23,952</b>
<b>Environment</b>	Land and Water	16,034	18,040	18,743
	Biodiversity and Biosecurity	9,149	9,390	11,510
	Air	482	815	821
<i>Sub total</i>		<b>25,665</b>	<b>28,245</b>	<b>31,075</b>
<b>Safety and Resilience</b>	Flood Protection, Drainage and River Management	12,010	12,400	12,645
	Climate Change and Hazards	2,732	3,763	3,532
	Emergency Management	2,759	2,796	3,304
<i>Sub total</i>		<b>17,500</b>	<b>18,959</b>	<b>19,482</b>
<b>Transport</b>	Transport	32,880	35,840	34,837
<b>TOTAL</b>		<b>97,816</b>	<b>106,172</b>	<b>109,346</b>

[14] Table 3 provides a breakdown of the proposed \$3.1m expenditure increase into three components.

*Table3: Breakdown of Expenditure Increase*

<b>Expenditure type</b>	<b>Comment</b>
No rate funding impact (grants)	A significant portion (approx. \$3m) is already funded through external grants including: <ul style="list-style-type: none"> <li>• Job for nature programme</li> <li>• Mt Pleasant / Te Haka Pupu River restoration project</li> <li>• Wallabies Pest Contract Management programme</li> </ul>
Impact on Targeted Rates (not funded)	A significant portion (approx. \$0.5m) of the expenditure increase is associated with a restructure and associated increase in staffing resource for Civil Defence Emergency Management.
Impact on General Rate (not funded)	The remaining increase (approx \$0.5m) in expenditure relates to multiple activities that are general rate funded (see table 4 for detail).

[15] Table 4 provides a breakdown of the proposed expenditure increase that impacts general rate funding. Figures shown in 'brackets' represent a proposed funding increase compared to the adopted LTP year 2 estimates. Proposed adjustments increase the general rate funding requirement by \$0.489m.

*Table 4: Impact of Proposed Adjustments on General Rates*

<b>Group</b>	<b>Activity</b>	<b>LTP Vs proposed AP (000's)</b>
Regional Leadership	Governance and Community Engagement	(191.9)
	Regional Planning	(265.8)
	Regulatory	(156.2)
Environment	Land and Water	319.4
	Biodiversity and Biosecurity	6.3
	Air	(6.2)
Safety and Resilience	Flood Protection, Drainage and River Management	30.1
	Climate Change and Hazards	(227.7)
Transport	Transport	2.6
<b>TOTAL</b>		<b>(489.4)</b>

- [16] The increases shown above are further explained:
- a. Governance and Community Engagement: the increase is driven by the addition of two full time staff equivalents. One role supports improved internal communications and the second is focused on iwi partnerships and key stakeholder relationships. This assists ORC to deliver on He Mahi Rau Rika.
  - b. Regional Planning: detailed programming of the economic workstream to support the Land and Water Regional Plan has been undertaken resulting in an increase to the Regional Planning expenditure. This economic work programme will also provide the basis for better and broader understanding of how freshwater contributes to Otago's economy.  
  
The expenditure for this work is funded through reallocation of Land and Water expenditure.
  - c. Regulatory: the increase is driven by a change in the planning assumption about when staff already budgeted in the LTP are recruited during the financial year. The budgeted phasing or timing of recruitment impacts expenditure and funding requirements.
  - d. Climate Change and Hazards: the change is driven by a proposal for 1 additional full time staff equivalent to increase the council's ability to address/guide adaptation to natural hazards and climate change in the region. An increase in the demand for, and ORC's involvement in, this type of work in the region is expected. A driver of this demand is the expected central government guidance around adaptation. Currently the ORC is leading work at Head of Lake Wakatipu, South Dunedin, Clutha Delta, Roxburgh and is conducting a natural hazards risk assessment for the region this year and in year 2 and 3 of the LTP.  
  
In addition, a change in classification of capital expenditure to operational, for LIDAR work programme expenditure, has required more rate funding over the short term.

**Matters not included**

- [17] While there is provision in the LTP for expenditure associated with the proposed RPS Freshwater Hearing Panel process, it is highly likely that actual costs will exceed LTP Yr2 budget by approximately \$400k. This expected adjustment has been determined after ORC nominations to the panel and submission of the proposed RPS have closed. Given the length of time until actual costs are known, it is prudent to stick with the LTP estimate.

**Significant changes and community engagement**

- [18] The Council Significance and Engagement Policy / He Mahi Rua Rika (the Policy) reflects principles ingrained in the LGA that Council must consider when deciding on issues of importance to the regional community, our iwi partners and communities within the region.
- [19] Overarching considerations ingrained in the LGA relating to decisions about engagement include:
- The extent to which the current views and preferences are known
  - The nature and significance of the decision(s) or matter(s) from the community perspective
  - the extent to which options are identified and assessed
  - Costs and benefits of community engagement

- [20] The Policy outlines how Council gives effect to these considerations by:
- Defining our commitment areas for engagement
  - Setting out our approach to engagement
  - Identifying how Council works with and partners Māori
  - Relating the significance of matters to decision-making and how community is engaged
- [21] How do the points in the above two paragraphs apply to an Annual Plan process?
- Council should take an engagement approach that is in scale with, or in step with, the matters requiring decisions
  - Avoid reconsulting matters that have already been put to the community and subsequent decisions made
  - Be mindful of the costs versus benefits when deciding on an AP engagement approach
- [22] In support the LGA provides councils with a pathway to avoid reconsulting on long-term plans where there is no significant or material change to strategic direction and the supporting work programme.
- [23] Council staff are of a view that the proposed LTP adjustments identified in this report do not represent a significant or material change from that adopted by Council in June this year. In other words, Council remains on-track with its adopted LTP. Recommendation 3 of this report seeks Council's agreement that this is the case.
- [24] In broad terms there are two engagement options available to Council depending on the resolution from recommendation 3. They are:
- Council decides the adjustments to the LTP are significant and that the engagement approach needs to reflect this. In practice this means the approach would include:
    - A consultation proposal outlining the key matters that Council seeks public submissions to support its decision-making
    - Marketing/communication plan to advertise the consultation
    - Formal submissions process
    - AP Hearing
    - AP deliberation on submissions received
    - Response to all submitters on decisions taken
  - Council decides the adjustments to the LTP are not significant or material. In practice this means Council can be more flexible with its engagement approach compared to above. As an example, an approach could include:
    - A range of communication material provided through multiple channels.
    - Specific requests for information or advice from staff about Council's relationship and/or position with key stakeholders (in relation to the LTP)
    - General feedback form and associated report to Council (ie that provides further information about what the community is thinking and ideally augments the community survey)

- Face to face opportunities where Councillors perceive value or necessity.
- Council meeting to consider community feedback and decide any final adjustments to the AP.

[25] A separate report will be brought to Council detailing the engagement approach following Council's direction about adjustments to the LTP.

## **OPTIONS**

[26] The Council has flexibility with how it can consider and direct Council staff on recommendations one and two of this report. The result of the staff review of LTP yr2 is explained in the discussion section and Council can direct on or prioritise what, if any, adjustments that it deems necessary. As there's usually an associated funding impact, Council needs to be clear on the parameters of that impact (eg total rates). The result of the staff review has a funding impact that is very close to that forecasted in the LTP. Council has the discretion to further explore how the recommended adjustments align with its understanding of priorities and what is the appropriate funding impact given the priorities.

[27] At a broad level the decision-making options for Council include directing staff to:

- Provide draft estimates that are the same as the adopted LTP – no change to the LTP, or
- Draft the Annual Plan based on the adjustments and associated funding impacts identified in this report – endorse recommendations one and two, or
- Recast the LTP yr2 review as reported to reflect specific funding envelope and/or specific adjustments based on Council's priorities and needs.

## **CONSIDERATIONS**

### **Financial Considerations**

[28] The information provided in this report is based on detailed financial modelling. This model will be updated to reflect Council direction about adjustments to the LTP and to complete a draft AP. At that the point detail calculations can be completed that show the impact of decisions at a property or rating unit level.

### **Significance and Engagement**

[29] Adjustments to the LTP as presented in this report have been considered by Council staff against the 'Significance and Engagement Policy / He Mahi Rua Rika'. This report seeks Council agreement that the proposed adjustments to the Long-term Plan 2021-2031 as summarised in the 'Discussion' section of this report do not represent a significant or material change.

### **Communications Considerations**

[30] A decision of Council about consultation requirements will be required during the AP process. Council staff will prepare a recommending report to enable this decision.

### **Legislative and Risk Considerations**

[31] The process outlined in this report is consistent with the relevant planning requirements under the Local Government Act 2002.

### **Climate Change Considerations**

[32] There are no specific climate change considerations relating to this report.

### **Strategic Framework and Policy Considerations**

[33] The 'Strategic Directions' work initiated with Councillors in 2020 has been embodied in the adopted LTP. The Annual Plan process references this work.

[34] Specific resolutions of Council made during the LTP process are also embodied in the AP process. From a strategy and policy perspective these include:

#### Revenue and financing Policy:

- report back on options around an independent review of the existing rating basis for all flood protection and drainage schemes
- develop a region-wide methodology for water improvement funding for 2022/23 annual plan

The establishment and funding of a scoping study for an Otago Lakes Strategic Plan, and the establishment of an Otago Harbour Facilities and Management Plan.

### **NEXT STEPS**

[35] Assuming the Committee agrees the recommendations of this report the next steps include:

- 9 December Council Meeting – direction to Council staff on the adjustments to the LTP and potentially the preferred communication &/or consultation approach
- Staff complete the draft year 2 estimates and work programme for reporting to the first committee cycle of 2022
- Council approval of a communication and engagement approach
- Council approval of a draft Annual Plan

### **ATTACHMENTS**

Nil

## 7.5. Annual Plan 2022-23 Rating Considerations

**Prepared for:** Finance Committee  
**Report No.** GOV2133  
**Activity:** Governance Report  
**Author:** Nick Donnelly, General Manager Corporate Services  
**Endorsed by:** Nick Donnelly, General Manager Corporate Services  
**Date:** 24 November 2021

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### **PURPOSE**

- [1] To report back to Council on the two rating and funding related resolutions made during deliberations for the LTP 2021-31.

### **EXECUTIVE SUMMARY**

- [2] During deliberations for the LTP 2021-31 (LTP) Council made two resolutions that related to rates and funding. They were:
- a. "Requests staff to report back on options around an independent review of the existing rating basis for all flood protection and drainage schemes and provide potential cost details by the end of December 2021." FIN21-109
  - b. "Develop a region-wide methodology for water improvement funding for the 2022/23 Annual Plan." FIN21-106

#### **Flood and drainage rating reviews**

- [3] Staff have estimated the cost of undertaking independent reviews of all schemes could be around \$1.2M although it is noted that it is unclear exactly what level of review Council is anticipating the reviews would cover at this stage.
- [4] Staff's view is that there is further work to be undertaken to fully understand the issue that is trying to be resolved with these reviews and question the benefit of reviewing all schemes independently considering the significant cost that may be involved. It should also be noted a number of the schemes have already been reviewed in recent years and depending on the scope of the reviews this work may be repeated for little or no change.
- [5] *Staff propose undertaking further analysis of these scheme rates and the underlying costs of the schemes in conjunction with the scheme performance reviews that are already included in the LTP. This information will then be used to inform a wider review of rates during 2023 to inform the LTP 2024-34.*

#### **Water improvement funding**

- [6] Water quality improvement activity is currently funded in the LTP on a district basis via river and waterway management rates. This was consulted on as part of the LTP process.
- [7] Effectively this a regional wide methodology as water quality improvement cost is spread across the region based on where the activity is undertaken. An option could be considered where a general rate allocation is included for each initiative however this would add an unnecessary level of administration that doesn't justify the time and cost



involved. There would also need to be a consistent way to assess the general rate allocation for each initiative and that could also incur costs. Those costs, particularly for small initiatives, would be difficult to justify.

- [8] *Staff propose that water quality improvement remains funded via river and waterway management targeted rates as per the LTP 2021-31 and that staff undertake further analysis and review of rates with a view to implementing any change in the LTP 2024-34.*

## **RECOMMENDATION**

*That the Finance Committee:*

- 1) **Notes** this report.
- 2) **Endorses** the proposed approach to the two rating matters raised during deliberations for the Long-Term Plan 2021-31 being:
  - a. To not undertake rating reviews of any flood and drainage schemes for the Annual Plan 2022-23.
  - b. To not amend the current water quality improvement funding policy for the Annual Plan 2022-23.
- 3) **Notes** that both of the above rating matters will continue to be worked on as part of a wider review of rating leading into the Long-Term Plan 2024-34.

## **FLOOD AND DRAINAGE SCHEME RATES REVIEWS**

- [9] The Council resolution requests staff to report back on options around an independent review of the existing rating basis for all flood protection and drainage schemes and provide potential cost details.
- [10] Staff note this is a complex resolution and involves multiple parameters that are interconnected, all ultimately having an impact on the level of work involved and cost.
- [11] Firstly, the resolution requests review options. There are numerous options in undertaking a rates review. At a high-level rates reviews fall into two categories:
- a. First principles reviews – a back to basics review of all rates. This is usually undertaken if current rating methods are not appropriate. A high level of engagement, time and cost is involved in a first principles review. This is likely to take a minimum of 8-12 months.
  - b. Amendment review – a specific change within the existing framework. This might be used for a new rate, to modify a rate or amend differentials. These are administratively easier and quicker but can still be time consuming and costly as some amendment reviews will still be quite complex.
- [12] Secondly, the resolution states options must be for an independent review of rates. Staff are unclear why this approach has been predetermined by Council and note that independent reviews will be significantly more expensive than undertaking reviews in house. Also note that even if independent consultants are engaged to undertake this work, there will still be a considerable staff time component involved in managing the review process and providing the information required by the consultants.

- [13] Thirdly, the resolution also states all schemes are to be included. Council operates 8 flood and drainage schemes – 3 flood schemes (Leith, Lower Taieri, Alexandra), 3 drainage schemes (East Taieri, West Taieri, Tokomairiro), 1 combined flood and drainage scheme (Lower Clutha) and 1 active river control scheme (Lower Waitaki). Again, it is unclear why Council has predetermined all schemes should be reviewed. A number of these schemes have had various levels of review undertaken in recent years. Details of these reviews are provided in para's 15-17 of this report.
- [14] Further to this point the LTP includes provision for scheme performance reviews to be undertaken for the Taieri and Clutha schemes in the initial years of the current LTP. Undertaking separate rating reviews of those schemes prior to the performance reviews being completed is likely to result in a requirement to redo the rating review once updated information is available on infrastructure investment requirements and associated intra-scheme benefit distribution that comes from those performance reviews.
- [15] The final part of the resolution requests potential costs to be provided. It is difficult to accurately know what the cost might be without going to market, however, in order to respond to the resolution staff have reviewed the cost of previous reviews and then estimated what the cost might be for this work to be undertaken independently across all the schemes as outlined in the resolution. Details of the estimated cost of the reviews are provided in para's 20-24 of this report.

#### **Taieri flood and drainage scheme review 2011**

- [16] This was requested during consultation on the LTP 2009-19. A full scheme review was undertaken including asset allocation and a benefit review.
- [17] A special consultative procedure (SCP) and audit were required, and the outcome was adopted via an amendment to the LTP 2009-19 in the Annual Plan 2011-12 which included reset benefit classifications and costs allocations.
- [18] This review was undertaken in house at a cost of \$98,000. That included \$70,000 of internal staff time, valuation / database costs of \$5,000 and audit fees of \$23,000.

#### **Public / private benefit reviews 2016 and 2017**

- [19] Reviews for the Taieri and Lower Clutha were requested during consultation on the LTP 2015-25. These reviews were limited to assessing the level of public vs private benefit of the schemes in order to determine the appropriate level of general rate allocation for each scheme.
- [20] These reviews were undertaken in 2016 and the following year the same review was undertaken for the Lower Waitaki River Control Scheme.
- [21] These two reviews cost \$49,000 and \$44,000 respectively. Both reviews resulted in an increase in the general rate funding requirement for these schemes.
- a. Lower Taieri flood increased from 4% general rates to 17%
  - b. East and West Taieri drainage increased from no general rate allocation to 8%
  - c. Lower Waitaki River Control increased from no general rate allocation to 10%

#### **Estimated review costs**

- [22] The costs of undertaking reviews will depend on exactly how many schemes are reviewed and scope of review to be undertaken. Based on the 2011 cost of \$100,000 it would cost \$800,000 to undertake reviews of all 8 schemes. Obviously, this is a simplistic way to access the likely cost as not all schemes are the same and different levels of work would be required however assuming some are more and some less it is probably a fairly reasonable indicative estimate of undertaking internal reviews across all 8 schemes.
- [23] It should be noted that the \$100,000 is the cost incurred 10 years ago and was largely internal cost. The independent reviews of public / private benefit undertaken 5 years ago cost approximately \$50,000 each and those reviews were limited in scope to only review public / private benefit which is nowhere near the scope of a full scheme review.
- [24] The \$100,000 included audit costs and these could be consolidated, and all schemes audited under one engagement. Note, rating reviews do not automatically require an audit unless an LTP amendment is required. Given the potential dollar impact and number of ratepayers impacted if all schemes are reviewed it is anticipated these reviews will result in an LTP amendment and an SCP and audit would be required.
- [25] Summary of estimated cost of reviews:
- 2011 cost \$75,000 (excluding audit)
  - times 2 to account for today's cost and to allow for external consultant input
  - equals \$150,000 per scheme
  - times 8 schemes
  - equals total of \$1.2M
- [26] Note that assumes no audit as that could be undertaken as part of the LTP 2024-34. It would also need to be determined who should pay for the cost of these reviews.

**Recommended Option**

- [27] *Staff propose undertaking further analysis of these rates and the underlying costs of the schemes in conjunction with the scheme performance reviews that are already included in the LTP. This information will then be used to inform an overarching review of rates during 2023 to inform the LTP 2024-34.*

**REGION WIDE METHODOLOGY FOR WATER IMPROVEMENT FUNDING**

- [28] Funding options for Lake Hayes were consulted on in the LTP 2021-31. Other water quality improvement options had historically been funded via local rates i.e., district general rates.
- [29] The proposal for the water quality improvement of Lake Hayes involves cost significantly bigger than any previous proposal or other proposed initiatives included in the LTP in other districts. As a result, a new targeted rate was proposed for Lake Hayes due to the scale of the work involved.
- [30] The proposed rate was based on benefit consistent with other targeted rates. The benefit analysis was undertaken by Castalia who had previously undertaken similar benefit reviews for some of Council's flood and drainage schemes.
- [31] The proposed rating allocations included local, district and region wide funding allocations which was also in line with other targeted rating i.e., for flood schemes.

[32] The total cost of Lake Hayes over the 10 years of the LTP is \$3.857M.

[33] The funding options consulted on are outlined below:

		Option 1 New TR - CV based		Option 2 R&W TR - CV based		Option 3 New UAR	
Location	Rate Units	Allocation *	Avg Rate	Allocation	Avg Rate	Allocation	Avg Rate
Lakes Hayes	290	39.5%	334.86				
Lake Hayes South	1,569	28.9%	45.35				
QL District	27,239	23.9%	2.16	100.0%	9.03		
Region	119,389	7.7%	0.16			100.0%	2.17
						Rate Units ^	113,420
* Lake Hayes and Lake Hayes South allocations adjusted to ensure total paid remains at 40% and 30% respectively							
^ Option 3 is based on a uniform rate and will only apply to contiguous rate units							
		<b>2021/22</b>	<b>10 Years</b>	<b>2021/22</b>	<b>10 Years</b>	<b>2021/22</b>	<b>10 Years</b>
Lakes Hayes		97,110	1,522,714				
Lake Hayes South		71,152	1,115,683				
Targeted RM Wanaka				73,793	1,157,093		
Targeted RM Wakatipu				172,184	2,699,884		
<b>Total Targeted</b>		<b>168,263</b>	<b>2,638,397</b>	<b>245,977</b>	<b>3,856,977</b>	-	-
Central Otago District		2,227	34,914			29,578	463,797
Clutha District		1,756	27,527			20,724	324,950
Dunedin City		8,601	134,862			113,673	1,782,425
Queenstown Lakes District		231,526	3,630,377	245,977	3,856,977	58,889	923,399
Waitaki District		1,868	29,297			23,112	362,405
<b>Total Rates (GST Inclusive)</b>		<b>245,977</b>	<b>3,856,977</b>	<b>245,977</b>	<b>3,856,977</b>	<b>245,977</b>	<b>3,856,977</b>

[34] Option 1 was the preferred option for consultation. This allocated the largest portion to the immediate Lake Hayes area with \$226,000 being allocated regionally over the 10 years (i.e., \$26,000 per annum on average). This option was rejected following consultation.

[35] Option 2 is the option that was adopted following consultation and allocates all costs to the Queenstown Lakes District via the two river and waterway management rates in that district. It should be noted that Wanaka residents pay \$1.157M under this option and we received no real feedback that they were concerned about this during the consultation process or subsequently when rates invoices were issued.

[36] Option 3 was a uniform regional rate applied as a fixed dollar amount to each property across the region. Councillors endorsed this option being included in the consultation document late in the process without staff putting this forward as an option. It's unclear why there was a desire from Councillors to include this as the table above clearly shows it would have meant Dunedin residents would have almost paid half of the cost associated with Lake Hayes and almost double the amount paid by Queenstown Lakes District residents. Consultation feedback from those outside of Queenstown Lakes was not supportive of this option. It should also be noted those ratepayers had no say in the proposed solution for Lakes Hayes as consultation on the amount being spent only occurred within the local community.

[37] Other water quality remediation initiatives included in the LTP include Tomahawk and Tuakitoto which are estimated to cost \$260,000 each over two to three years. This is

significantly less than Lakes Hayes and total cost at this level doesn't warrant incurring cost to determine the regional benefit allocation of those initiatives.

- [38] Based on the Castalia benefit review, the regional funding allocation of Lakes Hayes would be on average \$26,000 per annum. There would also potentially be a regional share of other initiatives. Staff question the benefit of reallocating backwards and forwards across districts and, as more initiative are implemented across the region, these allocations should ultimately cancel each other out.
- [39] There are also a number of other rates funding on a local/district basis and if any of the Lake Hayes cost was allocated regionally there should be a review of those rates to ensure the rating principles were consistent. These include South Dunedin, Predator Free Dunedin and Public Transport which are 100% targeted rate funded.
- [40] As noted, Queenstown Lakes District is split into two river and waterway management areas differing from other districts where the whole district is covered by one river and waterway management targeted rated zone.
- [41] Staff consider it would be better to review all these rates at the same time and ensure a consistent approach is applied rather than just amending the rate for Lake Hayes or water quality improvement as proposed in the LTP resolution.

#### **Recommended Option**

- [42] *That water quality improvement remains funded via river and waterway management targeted rates as per the LTP 2021-31 and that staff undertake further analysis and review of rates with a view to implementing any change in the LTP 2024-34.*

## **CONSIDERATIONS**

### **Strategic Framework and Policy Considerations**

- [43] Rates and funding of activities are outlined in the Revenue and Financing Policy. Any changes to rates will require amendment of that policy and depending on the level of significance of proposed changes may require consultation and trigger an LTP amendment.

### **Financial Considerations**

- [44] There are no financial considerations from the recommended course of action as rates will remain in line with the LTP. Should a different course of action be adopted there could be financial implications which are outlined in this paper.

### **Significance and Engagement Considerations**

- [45] Changes to rates may trigger He Mahi Rau Rika (Council's Significance, Engagement and Maori Participation Policy). That depend on the materiality of any changes to rates being proposed and the number of ratepayers impacted. If the changes were deemed significant, engagement would be required which could involve a full special consultative procedure under the Local Government Act 2002.

### **Legislative and Risk Considerations**

[46] Legal requirements for setting rates are included in the Local Government (Rating) Act 2002 and the Local Government Act 2002. The recommendations in this paper are proposed to ensure that Council complies with the legal requirements of these Acts.

**Climate Change Considerations**

[47] There are no climate change considerations.

**Communications Considerations**

[48] There are no communications considerations with the recommended course of action.

**NEXT STEPS**

[49] The Annual Plan 2022-23 will be completed using the Revenue and Financing Policy currently adopted and included in the LTP 2021-31.

[50] Over the next 12-18 months analysis will continue to be undertaken on Council's suite of rates. Scheme performance reviews are also scheduled to be completed over the initial period of the LTP.

[51] This analysis will be used to inform a review of rates leading into the LTP 2024-34.

[52] It is envisaged that review will be completed by mid-2023 and consulted on ahead of the LTP 2024-34 which will be consulted on in early 2024.

**ATTACHMENTS**

Nil

## 7.6. Working Party Unbudgeted Expenditure

<b>Prepared for:</b>	Finance Committee
<b>Report No.</b>	CS2155
<b>Activity:</b>	Governance Report
<b>Author:</b>	Cr Hilary Calvert, Co-Chair of Finance and Chair of Audit and Risk
<b>Endorsed by:</b>	Cr Hilary Calvert, Co-Chair of Finance and Chair of Audit and Risk
<b>Date:</b>	24 November 2021

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### PURPOSE

- [1] The purpose of this paper is to receive a report from the Audit and Risk Subcommittee on proposed actions to manage unbudgeted expenditure going forward.

### EXECUTIVE SUMMARY

- [2] At the Audit and Risk Subcommittee meeting on 14 October 2021, Auditors of the ORC's Annual Report for the financial year ended 2021 brought to our attention that the ORC has spent millions of dollars each year over the amount in the budget for the last 5 years. They advised that this is not a desirable situation.
- [3] At that meeting it was resolved that General Manager Corporate Services and CFO Nick Donnelly, Finance Co-Chair Kevin Malcolm, subcommittee member Andrew Douglas and subcommittee Chair Hilary Calvert would meet to discuss the implications of these unbudgeted expenditures and report to the earliest Finance Meeting appropriate.
- [4] The above met to discuss these implications and it was agreed that the measures included in the recommendation below be proposed for the Council in carrying out its budgetary functions.

### RECOMMENDATION

*That the Finance Committee:*

- 1) **Notes** this report.
- 2) **Endorses the following measures for Council in carrying out its budgetary functions:**
  - a. That during the year when a new expenditure item is identified which is not budgeted for the following procedure is adopted:
    - i. The item is identified for discussion and approval before expenditure is approved.
    - ii. Consideration is given to substitution of an existing budget item, i.e., move an existing item to a future year.
    - iii. Consideration is given to offsetting against another item which will likely be an underspend during the financial year.
    - iv. If substitution or offsetting is not used then approval must be actively sought to fund from another funding source, which could include from reserves. The intention here is that Council be comfortable with any variances to the work plan (over and underspends) so that it may actively make decisions around such variances occurring and be in a position to thoughtfully reprioritise these pieces of work.

- b. That significant unbudgeted expenditure is reported as a separate line in the quarterly report to allow for sufficient monitoring.

**ATTACHMENTS**

Nil



**8.1. Recommendations of the Audit and Risk Subcommittee (public)****Resolution**

*That the Finance Committee adopts the resolutions of the 14 October 2021 public Audit and Risk Subcommittee meeting.*

<b>Report</b>	<b>Resolution</b>	<b>Res#</b>	<b>Mover/ Seconder</b>
Safety and Wellbeing Report	1) Receives this report.	AR21-125	Cr Malcolm / Cr Noone
External Review Actions Update	1) Receives this report, noting that the legislative and risk considerations are inherent in the report. 2) Requests the Corporate Policy Overview Report be brought back to A&R Subcommittee quarterly. 3) Requests staff to develop a policy on contract management and bring back progress towards this to A&R Subcommittee early 2022.	AR21-126	Cr Wilson / Cr Noone
Corporate Policy Overview	1) Receives this report.	AR21-127	Cr Wilson / Cr Malcolm

*That the Council excludes the public from the following part of the proceedings of this meeting (pursuant to the provisions of the Local Government Official Information and Meetings Act 1987) namely:*

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48(1) for the passing of this resolution</b>
<p>Adoption of the recommendations of the public excluded portion of Audit and Risk Subcommittee meetings held on 14/10/2021 and 11/11/2021.</p>	<p>To protect information where the making available of the information— would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information – Section 7(2)(b)(ii)</p> <p>To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information— would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied – Section 7(2)(c)(i)</p> <p>To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information— would be likely otherwise to damage the public interest – Section 7(2)(c)(ii)</p> <p>To avoid prejudice to measures that prevent or mitigate material loss to members of the public – Section 7(2)(e)</p> <p>To maintain legal professional privilege – Section 7(2)(g)</p> <p>To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h)</p> <p>To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) – Section</p>	<p>Section 48(1)(a);</p> <p>Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds:</p> <p>(a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist,</p>

	<p>7(2)(i)                  To prevent the disclosure or use of official information for improper gain or improper advantage – Section 7(2)(j)</p>	
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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 or [section 6](#) or [section 7](#) or [section 9](#) of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public.