



# AGENDA

## Commercial and Strategy Committee Meeting

**Tuesday, 16 April 2024**

**Date** Tuesday, 16 April 2024

**Time** following the Community Services Committee

**Location** Council Chamber  
Timaru District Council  
King George Place  
Timaru

**File Reference** 1665521

## **Timaru District Council**

**Notice is hereby given that a meeting of the Commercial and Strategy Committee will be held in the Council Chamber, Timaru District Council, King George Place, Timaru, on Tuesday 16 April 2024, at the conclusion of the Community Services Committee meeting.**

### **Commercial and Strategy Committee Members**

Clrs Peter Burt (Chairperson), Allan Booth (Deputy Chairperson), Gavin Oliver, Sally Parker, Stu Piddington, Michelle Pye, Owen Jackson, Stacey Scott, Scott Shannon and Mayor Nigel Bowen

Quorum – no less than 5 members

### **Local Authorities (Members' Interests) Act 1968**

Committee members are reminded that if you have a pecuniary interest in any item on the agenda, then you must declare this interest and refrain from discussing or voting on this item, and are advised to withdraw from the meeting table.

Nigel Trainor  
**Chief Executive**

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- 1 Apologies**
- 2 Public Forum**
- 3 Identification of Items of Urgent Business**
- 4 Identification of Matters of a Minor Nature**
- 5 Declaration of Conflicts of Interest**
- 6 Chairperson's Report**

## **7 Confirmation of Minutes**

### **7.1 Minutes of the Commercial and Strategy Committee Meeting held on 12 March 2024**

**Author:** Jessica Kavanaugh, Team Leader Governance

#### **Recommendation**

That the Minutes of the Commercial and Strategy Committee Meeting held on 12 March 2024 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

#### **Attachments**

- 1. Minutes of the Commercial and Strategy Committee Meeting held on 12 March 2024**



# MINUTES

## Commercial and Strategy Committee Meeting Tuesday, 12 March 2024

Ref: 1665521

**Minutes of Timaru District Council  
Commercial and Strategy Committee Meeting  
Held in the Council Chamber, Timaru District Council, King George Place, Timaru  
on Tuesday, 12 March 2024 at 11.41pm following the Community Services Committee**

**Present:** Clr Peter Burt (Chairperson), Clr Allan Booth (Deputy Chairperson), Mayor Nigel Bowen, Clr Gavin Oliver, Clr Sally Parker, Clr Michelle Pye, Clr Owen Jackson, Clr Stacey Scott, Clr Scott Shannon

**In Attendance:** **Community Board:** Anna Lyon (Pleasant Point Community Board), Rosie Jan Finlayson (Geraldine Community Board)

**Officers:** Nigel Trainor (Chief Executive), Paul Cooper (Group Manager Environmental Services), Andrew Dixon (Group Manager Infrastructure), Andrea Rankin (Chief Financial Officer), Hannah Goddard Coles (Group Manager Engagement and Culture), Beth Stewart (Group Manager Community Services), Nicole Timney (Manager of Property Services and Client Representative), Stephen Doran (Communications Manager), Rachel Scarlett (Governance Advisor), Jessica Kavanaugh (Team Leader Governance)

## **1 Apologies**

### **1.1 Apologies Received**

#### **Resolution 2024/10**

Moved: Clr Peter Burt

Seconded: Clr Allan Booth

That the apology of Clr Stu Piddington be received and accepted.

**Carried**

## **2 Public Forum**

There were no public forum items.

## **3 Identification of Items of Urgent Business**

No items of urgent business were received.

## **4 Identification of Matters of a Minor Nature**

No matters of a minor nature were raised.

## **5 Declaration of Conflicts of Interest**

No conflicts of interest were declared.



## **6 Chairperson's Report**

### **6.1 Presentation of Chairperson's Report**

#### **Resolution 2024/11**

Moved: Clr Peter Burt

Seconded: Clr Sally Parker

The Chairperson has attended a number of meetings including; Numerous Council meetings, Council workshops on the Long Term Plan, Chaired Menacing Dog Hearing, Audit and Risk Committee meeting.

**Carried**

## **7 Confirmation of Minutes**

### **7.1 Minutes of the Commercial and Strategy Committee Meeting held on 13 February 2024**

#### **Resolution 2024/12**

Moved: Clr Stacey Scott

Seconded: Clr Gavin Oliver

That the Minutes of the Commercial and Strategy Committee Meeting held on 13 February 2024 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

**Carried**

## **8 Reports**

### **8.1 Actions Register Update**

The Chairperson spoke to the report and provided the Commercial and Strategy Committee with an update on the status of the action requests raised by councillors at previous Commercial and Strategy Committee meetings.

The committee agreed to close the following action point;

- Waste Minimisation Fees and Charges

Discussion included the approach to the Project Delivery Team and the importance of reporting. A report on this action will be presented at the next Commercial and Strategy Committee meeting. Clarification is sought that the Peel Forest Landfill revenue is not included in next year's revenue budget.

#### **Resolution 2024/13**

Moved: Clr Scott Shannon

Seconded: Mayor Nigel Bowen

That the Commercial and Strategy Committee receives and notes the updates to the Actions Register.

**Carried**

## **8.2 Financial Report January 2024**

The Chief Financial Officer spoke to the report to outline progress on implementing year three of the 2021-31 Long Term Plan (LTP) and report on the financial results for the period ended 31 January 2024.

It is noted that Timaru District Council borrowed \$15M to cover Capital Expenditure.

There is discussion around the reporting of financials to the Commercial and Strategy Committee and the difference with the financial reporting to Council.

The operating deficit is discussed and the anticipated depreciation on additional assets. The forecasting revenue 2023/24 table and the change from the previous table. The budget reallocation table is highlighted.

Further discussion included the ability to have forecasting for the activity groups. Concern is expressed on full-year forecasting. The personnel costs and the impact of the vacancy factor. It is confirmed a review of the delegations manual to tighten expenses. The CBay variance and the rationale behind this.

It is discussed accountability for all budget holders to be linked to key performance indicators.

### **Resolution 2024/14**

Moved: Mayor Nigel Bowen

Seconded: Cllr Stacey Scott

That the summary financial results to 31 January 2024 be received and noted.

**Carried**

## **9 Consideration of Urgent Business Items**

No items of urgent business were received.

## **10 Consideration of Minor Nature Matters**

No matters of a minor nature were raised.

## **11 Public Forum Items Requiring Consideration**

There were no public forum items.

## **12 Exclusion of the Public**

### **Resolution 2024/15**

Moved: Clr Owen Jackson  
 Seconded: Mayor Nigel Bowen

That the public be excluded from the following parts of the proceedings of this meeting on the grounds under section 48 of the Local Government Official Information and Meetings Act 1987 as follows at 12.10pm:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
<b>13.1 - Public Excluded Minutes of the Commercial and Strategy Committee Meeting held on 13 February 2024</b>	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	To protect a person's privacy, including the privacy of deceased persons

**Carried**

**13 Public Excluded Reports**

**13.1 Public Excluded Minutes of the Commercial and Strategy Committee Meeting held on 13 February 2024**

**14 Readmittance of the Public**

**Resolution 2024/16**

Moved: Clr Peter Burt  
 Seconded: Clr Owen Jackson

That the meeting moves out of Closed Meeting into Open Meeting at 12.14pm.

**Carried**

**The Meeting closed at 12.15pm.**

.....  
**Clr Peter Burt**  
**Chairperson**

## 8 Reports

### 8.1 Actions Register Update

**Author:** Rachel Scarlett, Governance Advisor

**Authoriser:** Paul Cooper, Acting Group Manager Commercial and Strategy

#### Recommendation

That the Commercial and Strategy Committee receives and notes the updates to the Actions Register.

#### Purpose of Report

- 1 The purpose of this report is to provide the Commercial and Strategy Committee with an update on the status of the action requests raised by councillors at previous Commercial and Strategy Committee meetings.

#### Assessment of Significance

- 2 This matter is assessed to be of low significance under the Council's Significance and Engagement Policy as there is no impact on the service provision, no decision to transfer ownership or control of a strategic asset to or from Council, and no deviation from the Long Term Plan.

#### Discussion

- 3 The Actions register is a record of actions requested by councillors. It includes a status and comments section to update the Commercial and Strategy Committee on the progress of each item.

#### Attachments

1. **Commercial and Strategy Committee Actions Required** [↓](#) 

### Information Requested from Councillors (Commercial and Strategy Committee)

<b>Information Requested</b>	Scoping for Project Delivery Team		
<b>Date Raised:</b>	13 June 2023	<b>Status:</b>	Complete
<b>Issue Owner</b>	Group Manager Commercial and Strategy & Group Manager Engagement and Culture	<b>Completed Date:</b>	
<p>Background: The Councillors requested that officer's scope for a Project Delivery Team to be reviewed by elected members, to be brought to People and Performance Committee</p> <p>Update: On the 25 July 2023 Officers advised Elected Members this work would be undertaken and is expected to be finished in November 2023. Due to resourcing constraints officers have been unable to complete this work within the initial timeframe indicated. Officers anticipate this work will be actioned in quarters 3 and 4.</p> <p>12 March 2024: The Chief Executive advised this report will be brought back to the Committee at the next Commercial and Strategy Committee meeting (April)</p> <p>02 April 2024: The Senior Leadership Team discussed this item and agreed the best way to progress this item was an operational review of the current process and systems, and where identified, structure. This item can now be closed out as addressed as an operational issue with a final report once this has been completed.</p>			

## 8.2 Financial Report February 2024

**Author:** Diana Somerville, Senior Finance Business Partner

**Authoriser:** Andrea Rankin, Chief Financial Officer

### Recommendation

That the summary financial results to 29 February 2024 be received and noted.

### Purpose of Report

- The purpose of this report is to outline progress on implementing year three of the 2021-31 Long Term Plan (LTP) and report on the financial results for the period ended 29 February 2024.

### Assessment of Significance

- This matter is considered to be of low significance in terms of Council's Significance and Engagement Policy. It is a regular report to the Commercial and Strategy Committee on Council's financial performance during the current financial year.

### Discussion

- The following is a summary of the financial performance for the year ended 29 February 2024 – refer to Attachment 1 for detail and commentary.

	Actuals to 29 February 2024 (\$000)	Budget to 29 February 2024 (\$000)	Full year Budget (\$000)	Forecast (\$000)
Total Revenue	78,465	83,507	128,432	115,669
Total Expenses	84,521	81,941	122,751	128,610
Operating Surplus/(Deficit)	(6,056)	1,566	5,681	(12,941)
Capital Expenditure	35,154	37,595	81,746	57,163

- Total borrowings as at 29 February 2024 were \$205M. The net debt position at the same date is \$186M. Net debt is total borrowings less cash reserves held by Council.

Total borrowings	205,532
Cash and deposits	1,902
Other financial assets	23,886
- Current @75% of \$23,886	17,915
Total cash	19,817
Net Debt	185,715

- 5 Debt to revenue ratio as at 29 February 2024 is 161%. Council's debt to revenue ratio limit is 210% as set out in its Financial Strategy. This is comfortably within Councils ceiling limit.

Net Debt	185,715
Budgeted Revenue	115,669
Debt to revenue ratio	161%

- 6 The below table outlines the funds available after the revenue has been adjusted for re-forecasted amounts.

<b>Budgeted revenue 2023/24</b>	<b>128,646</b>
<i>Adjusts to revenue</i>	
<i>Less NZTA</i>	<i>(1,240)</i>
<i>Less Aorangi Stadium</i>	<i>(2,000)</i>
<i>Less Parks &amp; Rec</i>	<i>(1,550)</i>
<i>Less Theatre</i>	<i>(6,200)</i>
<i>Less Waste</i>	<i>(1,900)</i>
<i>Less minor categories</i>	<i>(87)</i>
<i>Revenue adjustment</i>	<i>(12,977)</i>
<b>Forecast total revenue</b>	<b>115,669</b>
<b>Net Debt cap - limit</b>	
210% - as per policy	242,905
Available funds (based on forecast revenue)	57,190
280% - LGFA policy	323,873
Available funds (based on forecast revenue)	138,158

- 7 The below table outlines budget re-allocations which have been approved year to date.

<b>Budget Re-allocation</b>	<b>Code</b>	<b>Amount (\$)</b>
Programme Delivery Unit : Professional Services -Consultants Other	04130.0360.0405	(32,166)
Corporate Planning unit expenditure : Professional Services - Consultants Other	04120.0360.0405	32,166
<i>Reallocate budget to Corporate Planning from Programme Delivery (currently vacant)</i>		
Corporate Planning unit expenditure : Employee Costs -Salaries	04120.0300.0300	(100,000)
Corporate Planning unit expenditure : Professional Services - Consultants Other	04120.0360.0405	100,000
<i>Reallocate budget due to consultant acting in role</i>		
Risk and Assurance : Employee Costs -Salaries	4140.0300.0300	(40,000)

Risk and Assurance : Professional Services <i>Reallocate budget due to consultant acting in role</i>	4140.0360.0405	40,000
Programme Delivery Unit : Staff Training - Course Seminar & Conference Registration Commercial & Strategy Management : Staff Training - Course Seminar & Conference Registration <i>Reallocate budget to Commercial &amp; Strategy Management from Programme Delivery (currently vacant)</i>	04130.0310.0644 03130.0310.0644	(2,680) 2,680
Programme Delivery Unit : Staff Training - Travel Related Costs Other Commercial & Strategy Management : Staff Training - Travel Accommodation <i>Reallocate budget to Commercial &amp; Strategy Management from Programme Delivery (currently vacant)</i>	04130.0310.0647 03130.0310.0646	(1,072) 1,072
Governance : Professional Services - Consultants Governance : Subscriptions - Subscriptions Memberships <i>Record Ecan Regional Forums Levy separately from consultant budget</i>	3020.360.405 3020.370.639	(6,200) 6,200
Programme Delivery Unit : Office Administration Expenditure - Sundry Information Technology : Capital Expenditure <i>Capex budget required for Esker project stage 2</i>	04130.0350.0603 W1971.372.401	(45,000) 45,000

There have been no additional requests to transfer budgets.

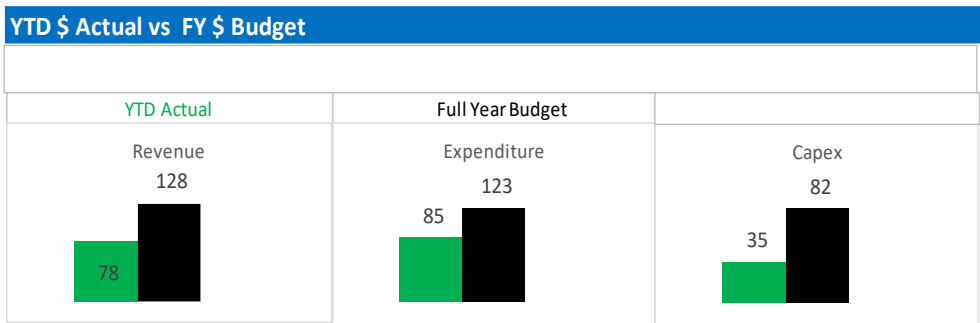
## Attachments

1. **Council Financial Report - Feb 2024** [↓](#) 



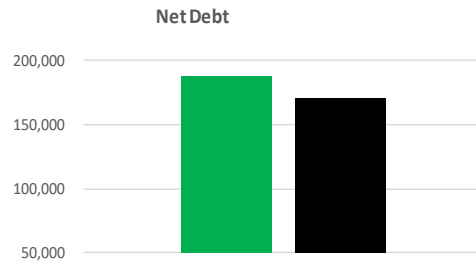
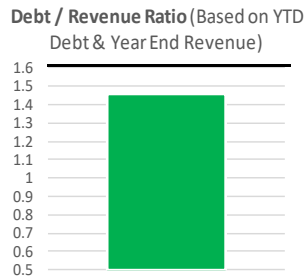
## Council Financial Performance & Variance Analysis Summary as at 29 February 2024

as at 29 Feb 2024



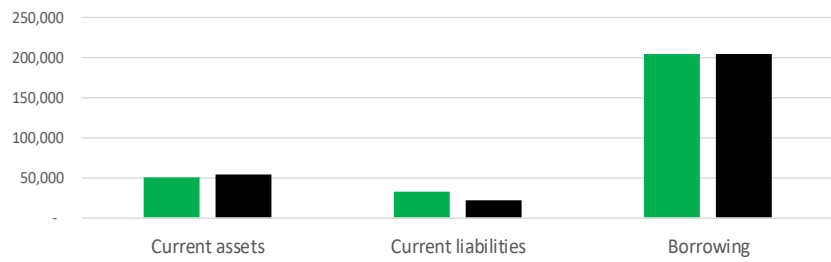
### Financial Strategy

YTD Actual	30th June 2023
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### Financial Position - Balances (\$000's)

YTD Actual	30th June 2023
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


## WHOLE OF COUNCIL

YTD \$ Actual vs FY \$ Budget			Council Performance					as at 29 Feb 2024	
YTD Actual	Full Year Budget		Year to Date			YTD 2023	Full year Budget	Full year Forecast	YTD Actual % of FY Budget
Revenue	Expenditure	Capex	Actual \$000's	Budget \$000's	Variance Budget \$000's	Actual \$000's	\$000's	\$000's	
128	85	123							
		35							
		82							
<b>Operating Revenue</b>									
Rates revenue	48,149	48,228	(79)	43,575	72,342	72,342	67%		
Subsidies and grants	10,767	15,988	(5,221)	7,373	26,869	15,530	40%		
Fees & charges	12,811	13,845	(1,034)	12,063	20,557	18,640	0%		
Other revenue	3,256	3,693	(437)	3,520	5,768	5,023	56%		
Finance revenue	2,570	1,188	1,382	1,930	1,781	2,736	144%		
Dividend revenue	504	565	(61)	504	1,115	1,115	45%		
Other gains	118	-	118	650	-	-	0%		
Development and financial contributions	290	-	290		-	282	0%		
<b>Total Operating Revenue</b>	<b>78,465</b>	<b>83,507</b>	<b>(5,042)</b>	<b>69,615</b>	<b>128,432</b>	<b>115,669</b>	<b>61%</b>		
<b>Operating Expenditure</b>									
Personnel costs	19,044	17,764	(1,280)	16,381	25,576	28,666	74%		
Depreciation expense	22,001	22,000	(1)	22,009	33,000	34,060	67%		
Finance costs	6,343	4,520	(1,823)	3,425	6,780	10,672	59%		
Other expenses	37,133	37,657	524	37,342	57,395	55,212	67%		
<b>Total Operating Expenditure</b>	<b>84,521</b>	<b>81,941</b>	<b>(2,580)</b>	<b>79,157</b>	<b>122,751</b>	<b>128,610</b>	<b>69%</b>		
<b>Operating Surplus/(Deficit)</b>	<b>(6,056)</b>	<b>1,566</b>	<b>7,622</b>	<b>(9,542)</b>	<b>5,681</b>	<b>(12,941)</b>	<b>-107%</b>		
<b>Capital Expenditure</b>									
Community Support	396	1,003	607	3,044	2,841	705	14%		
Corporate Support	1,928	1,743	(185)	2,089	3,095	3,402	62%		
Recreation and Leisure	6,793	8,010	1,217	5,531	21,714	13,040	31%		
Roading and Footpaths	14,738	14,573	(165)	8,545	26,123	21,259	56%		
Sewer	1,359	3,389	2,030	1,517	4,434	4,577	31%		
Stormwater	1,509	1,793	284	1,161	3,874	3,024	39%		
Waste Minimisation	674	675	1	1,396	1,838	2,042	37%		
Water Supply	7,757	6,409	(1,348)	10,698	17,827	9,114	44%		
<b>Total Capital Expenditure</b>	<b>35,154</b>	<b>37,595</b>	<b>2,441</b>	<b>33,981</b>	<b>81,746</b>	<b>57,163</b>	<b>43%</b>		

**YTD Variance for Activity Groups Actuals 2023/24 to Budget 2023/24****Notes to the Financial Statements for 29 February 2024****Interpretation**

1. Variances as explained over \$20K
  - **F** (favourable variance) means that either actual revenue is greater than budget or actual expenditure is less than budget.
  - **U** (unfavourable variance) is when actual revenue is less than budget or actual expenditure is greater than budget.
2. Downlands Water is reported at 82% (TDC's shareholding in the scheme) in these financial reports.
3. Variance analysis for year to date actuals against budget for each Activity Group (Actuals 2023/24 to Budget 2023/24) is presented on the following pages:

## 1. COMMUNITY SUPPORT

YTD \$ Actual vs FY \$ Budget			Community Support as at 29 Feb 2024				
YTD Actual	Full Year Budget		Year to Date			Full year	YTD Actual %
Revenue	Expenditure	Capex	Actual	Budget	Variance Budget	Budget	of FY Budget
			\$000's	\$000's	\$000's	\$000's	
							
<b>Operating Revenue</b>							
Rates revenue			3,036	3,019	17	4,529	67%
Subsidies and grants			50	38	12	56	89%
Fees & charges			1,510	1,524	(14)	2,286	66%
Other revenue			156	32	124	48	325%
<b>Total Operating Revenue</b>			<b>4,752</b>	<b>4,613</b>	<b>139</b>	<b>6,919</b>	<b>69%</b>
<b>Operating Expenditure</b>							
Personnel costs			313	590	277	884	35%
Depreciation expense			495	495	-	743	67%
Finance costs			211	211	-	316	67%
Other expenses			3,435	2,986	(449)	4,320	
<b>Total Operating Expenditure</b>			<b>4,454</b>	<b>4,282</b>	<b>(172)</b>	<b>6,263</b>	<b>71%</b>
<b>Operating Surplus/(Deficit)</b>			<b>298</b>	<b>331</b>	<b>(33)</b>	<b>656</b>	
<b>Capital Expenditure</b>							
Community Support			396	1,003	607	5,398	7%
<b>Total Capital Expenditure</b>			<b>396</b>	<b>1,003</b>	<b>607</b>	<b>5,398</b>	<b>7%</b>

## 1.1 Other Revenue - \$124K F

*Reason for variance*

- Under budgeted Revenue was received in Cemetery & Grants as follows:
- Sale of Plot \$71K F – no budget for 2023/24 financial year
- Lease of 168 Claremont Rd \$26K F – budgeted at \$1K and actual revenue \$27K
- Grant from Creative NZ \$26K F – budgeted at \$31K and actual revenue \$57K

## 1.2 Personnel Costs - \$277K F

*Reason for variance*

The favourable variance is driven mainly by:

- Safer Communities Personnel costs \$164K F are budgeted at \$164K with no actual costs year to date due to the recent organisational re-structure. Currently the actual personnel costs are recorded under Corporate Activities, Community Services Management, offsetting the unfavourable variance in Corporate Activities personnel costs.

- Climate & Sustainability \$48K F, the reason being Climate Change Advisor rolls were included in 2023/24 budget, but decision was made to not recruit for cost saving purposes.
- Airport Personnel Costs \$44K F, due to vacancy - Airport Safety Officer role.

### 1.3 Other Expenses - \$449K U

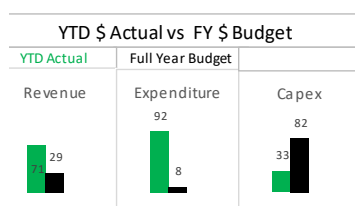
*Reason for variance - Other expenses include expenses related to Professional services, staff training, offices admin expenses, Health and Safety, Recruitment costs etc. The unfavourable variance is mainly driven by:*

- Climate & Sustainability Consultancy costs \$49K F, as result of saving consultancy costs in District Strategy project
- Public Toilets unbudgeted Rates costs \$34K U
- Airport Legal Costs \$25K U and Consultancy costs \$11K U, due to unplanned review of Tenancy agreement
- Airport Contractors Costs \$65K F, due to delays in Water Supply Upgrade project
- Airport Other Sundry Expenses \$10K U due to no budget for 2023/24 financial year
- Cemetery total Operations is \$27K U which includes:
  - Cemetery Ground maintenance contractors \$41K U
  - Cemetery Maintenance Contractors costs \$9K F
  - Cemetery Memorial & Plaque Maintenance \$8K F
- Community Housing Utilities Rates costs \$318K U, due to no budget for 2023/24 financial year.
- Community Housing Building maintenance contractors' costs \$75K U, due to unplanned repairs/ maintenance carried out at various properties
- Community & Social Development Grants \$130K U, due to additional Peel Forest Outdoors Pursuit Centre grants paid out
- Community & Social Development Aorangi Stadium Grants paid \$108K U. Currently under review
- Community & Social Development Internal Grants are \$168K F, due to no actual costs YTD in Sewerage Charges, Community Grants, Woman's Centre Property Grants. Currently under review.
- Economic Development & Promotion Aoraki Development/Central SI trust Grant \$125K U due to additional Operational Grant to Venture Timaru. Currently under review
- Civil Defence Emergency Sundry expenses \$143K F due to no actual YTD emergency costs
- Safer Communities Programs & events \$37K F driven by favourable contractors costs \$20K and Other sundry costs \$17K, due to delay in the Need Help Community project
- Internal Charges are \$97K U,

**1.4 Capital Expenditure - \$607K F***Reason for variance*

- Capex under budget as follows:
  - Public Amenities **\$31K U**
  - Airport Capital works \$701 F, due to deferred Terminal upgrades
  - Cemetery **\$81K U**, due to additional land purchased.
  - Community Housing \$88K F,
  - Civil Defence by **\$71K U**

## 2. CORPORATE ACTIVITIES



### Corporate Activities as at 29 Feb 2024

	Year to Date			Full year Budget \$000's	YTD Actual % of FY Budget
	Actual \$000's	Budget \$000's	Variance Budget \$000's		

#### Operating Revenue

Rates revenue	511	763	(252)	1,144	45%
Subsidies and grants	-	247	(247)	370	0%
Fees & charges	516	609	(93)	913	57%
Other revenue	1,249	1,435	(186)	2,381	52%
Finance revenue	2,563	1,188	1,375	1,781	0%
Dividend revenue	504	565	(61)	1,115	0%
Other gains	118	-	118	-	0%
<b>Total Operating Revenue</b>	<b>5,461</b>	<b>4,807</b>	<b>654</b>	<b>7,704</b>	<b>71%</b>

#### Operating Expenditure

Personnel costs	9,635	8,368	(1,267)	12,552	77%
Depreciation expense	815	813	(2)	1,220	67%
Finance costs	2,930	1,180	(1,750)	1,770	166%
Other expenses	3,086	1,575	(1,511)	2,362	131%
<b>Total Operating Expenditure</b>	<b>16,466</b>	<b>11,936</b>	<b>(4,530)</b>	<b>17,904</b>	<b>92%</b>
<b>Operating Surplus/(Deficit)</b>	<b>(11,005)</b>	<b>(7,129)</b>	<b>(3,876)</b>	<b>(10,200)</b>	

#### Capital Expenditure

Corporate Support	1,928	1,743	(185)	5,836	33%
<b>Total Capital Expenditure</b>	<b>1,928</b>	<b>1,743</b>	<b>(185)</b>	<b>5,836</b>	<b>33%</b>

### 2.1 Rates Revenue - \$252 K U

#### Reason for variance

- No Budget for Rates Penalties - \$139K U. The penalties are applied as per Remit Penalty Policy, section 8.3.8
- Rates rebates \$75K U, due to timing issue. The rates rebates were processed in Sep 2023 and DOI will reimburse the rates rebate
- Rates written off \$36K U unbudgeted.

### 2.2 Subsidies & Grants - \$247K U

#### Reason for variance

- LTU subsidies & Grants budgeted at \$247K with Nil received year to date.

**2.3 Fees & Charges - \$93K U***Reason for variance*

- Customer service Revenue **\$33K U** mainly due to unbudgeted LIM revenue received of \$42K and no actual revenue received from Other User charges (Sundry) budgeted at \$74K year to date.
- Infrastructure Management /User fees **\$74K U** due to lower income received from CAR fees & Service Consent amendments
- Properties Revenue from Rental/Lease is \$16K F due to yearly invoices sent out in Feb
- Planning LIM Revenue is \$55K F, no budget for 2023/24 Financial Year. LIM is distributed on quarterly basis to other departments.
- Land Transport LIM Revenue **\$65K U**, due to timing. LIM revenue is received on quarterly bases.

**2.4 Other Revenue - \$186K U***Reason for variance*

- Drainage & Water Management Other Income is budgeted at \$456K YTD with \$256K received YTD, resulting in **\$200K U** variance
- LTU user fees & charges are \$71K F and relate to CAR Approval fee and Monthly Inspections fee, the favourable variance is driven by no budget for 2023/24 financial year.

**2.5 Finance Revenue - \$1.38M F***Reason for variance*

- Interest received from Banks and term deposits is \$1.27M F due to rising interest rates.
- Intercompany interest received is \$108K F due to higher market interest rates.

**2.6 Dividend Revenue - \$61K U***Reason for variance*

- Dividends received from TDHL year to date are \$500K against budget of \$536K resulting in **\$36K U**
- Dividend from Power companies' year to date is \$4K against budget of \$25K YTD, resulting in **\$25K U**

**2.7 Other Gains - \$118K F***Reason for variance*

- Profit from Sale of Vehicles \$118K F, this income has not been budgeted for 2023/24 Financial year.

**2.8 Personnel Costs - \$1.27M U***Reason for variance*

- The unfavourable variance is mainly driven by the recent organisational restructure. The variance is made up of:
  - Unbudgeted Personnel costs Executive Office **\$204K U**
  - People and Capability \$100K F – additional roles were not budgeted during the change process
  - Communications personnel costs budgeted at \$194K with no actuals year to date, due to recent organisational re-structure
  - Financial service Unit **\$59K U**
  - Planning & Regulatory Management **\$88K U**



- Community Service Manager **\$374K U**, offsetting with \$164K favourable variance in Community Support Activity, due to recent organisational re-structure.
- Recreation & Cultural \$137K F
- Drainage & Water \$679K F due to vacancies
- Programme Delivery Unit \$129K F
- Corporate Planning \$110K F
- LTU \$329K F
- Risk and Assurance \$83K F - the variance is due to vacancy. New staff were employed in January 2024
- Unbudgeted Three Water Reform Employee Costs **\$42K U**

## 2.9 Finance Costs - **\$1.75M U**

### *Reason for variance*

The Interest rates are higher than budgeted, resulting in:

- Loan Interest payments **\$1.82M U**
- Interest from internal loans is \$447K F and
- Interest payments to internal loans **\$378K U**

## 2.10 Other Expenses - **\$1.51M U**

### *Reason for variance*

*Other expenses include expenses related to Professional services, staff training, offices admin expenses, Health and Safety, Recruitment costs etc. The unfavourable variance is driven by:*

- Audit Fees \$56K F, driven by:
  - Unfavourable Annual Report Audit fees of \$27k, the reason being 2023/24 audit fees include 2022 and 2023 financial year costs
  - Long Term Plan budgeted at \$83K F no actual costs YTD, due to timing
- Financial Services Professional Fees **\$117K U**, mainly driven by unfavourable consultancy fees of **\$97K U** (external professionals in LTP)
- IT services computer/IT cost is above budget by **\$247K U**, mainly due to Software support & upgrade costs - \$242K, currently under review.
- Properties Maintenance & operations is \$240K F, mainly due to favourable variances in Professional Fees - \$114K F and Building maintenance - \$192K F
- Corporate Planning Consultancy Fees **\$185K U** driven by an appointment of external acting Corporate Planning Manager.
- Parks & Rec Consultancy costs **\$157 K U** due to unplanned costs increases as result of section 17a review of the Parks Green areas maintenance contract
- Drainage & Water Consultancy Costs **\$130K U** due to changes in scope & scale of site condition
- LTU Community Programs & Events advertising and other sundry cost \$170K F
- IT services lease payments \$110K F
- Internal charges **\$1.33M U**

## 2.11 Capital Expenditure - **\$185K U**

### *Reason for variance*

- IT – Computer Hardware and Software Projects are **\$394K U** due to the Palo Alto Network cost 3-year cost paid in advance, Firewall, Security and WAN upgrade
- Vehicle purchases are **\$170K U**, due to Supply delays - vehicles ordered in 2022/23 financial year received in 2023/24
- Properties Building Capital work is \$ 394K F, due to timing - earthquake prone work still underway.
- Properties New /improved assets costs are **\$64K U**. Currently under review

- Council Building Capital Works are \$75K U. Currently under review
- Council Building Furniture Fittings & Other Equipment is \$122K F

### 3 ENVIRONMENTAL SERVICES

YTD \$ Actual vs FY \$ Budget		Environmental Services as at 29 Feb 2024					
YTD Actual	Full Year Budget	Year to Date			Full year Budget	Full year Forecast	YTD Actual % of FY Budget
Revenue	Expenditure	Actual \$000's	Budget \$000's	Variance Budget \$000's	\$000's	\$000's	
6	9						
<b>Operating Revenue</b>							
Rates revenue		1,351	1,340	11	2,010	-	67%
Fees & charges		2,693	2,691	2	3,827	-	70%
Other revenue		23	179	(156)	269	-	9%
<b>Total Operating Revenue</b>		<b>4,067</b>	<b>4,210</b>	<b>(143)</b>	<b>6,106</b>	<b>-</b>	<b>67%</b>
<b>Operating Expenditure</b>							
Personnel costs		2,917	2,938	21	4,408	-	66%
Depreciation expense		7	7	-	10	-	70%
Finance costs		34	34	-	51	-	67%
Other expenses		1,925	2,756	831	4,135	-	
<b>Total Operating Expenditure</b>		<b>4,883</b>	<b>5,735</b>	<b>852</b>	<b>8,604</b>	<b>-</b>	<b>57%</b>
<b>Operating Surplus/(Deficit)</b>		<b>(816)</b>	<b>(1,525)</b>	<b>709</b>	<b>(2,498)</b>	<b>-</b>	
<b>Capital Expenditure</b>							
<b>Total Capital Expenditure</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>

#### 3.2 Other Revenue - \$156K U

*Reason for variance*

- Planning revenue – Reimbursements for Planning Consultants \$136K U due to no revenue received year to date.
- Building control \$17K U due to no revenue received year to date.

#### 3.3 Other Expenses - \$831K F



*Reason for variance*

*Other expenses include expenses related to Professional services, staff training, office admin expenses, Health and Safety, Recruitment costs etc. The favourable variance is mainly driven by:*

- Consultants Recoverable Costs \$211K U
- Consultants Other Costs \$48K U
- Planning legal Fees are \$35K F
- Planning SNA Protection Consultancy Fees \$21K F
- District Plan Review Office Admin costs \$24K F
- District Plan Review consultancy costs are \$747K F, due to work expected to occur throughout the year, depending on the consent's applications process, notifications and hearings.

- Planning GMS Implementation Consultancy costs are budgeted at \$43K YTD, with no actual costs.
- Building control Consulting costs are \$60K F
- Building Control Insurance is \$30K F
- Internal Charges \$41K F

#### 4 GOVERNANCE AND STRATEGY

YTD \$ Actual vs FY \$ Budget		Governance and Strategy as at 29 Feb 2024				
YTD Actual	Full Year Budget	Year to Date			Full year	YTD Actual %
Revenue	Expenditure	Actual \$000's	Budget \$000's	Variance Budget \$000's	Budget \$000's	of FY Budget
						
<b>Operating Revenue</b>						
Rates revenue		2,638	2,627	11	3,940	67%
<b>Total Operating Revenue</b>		<b>2,638</b>	<b>2,627</b>	<b>11</b>	<b>3,940</b>	<b>67%</b>
<b>Operating Expenditure</b>						
Personnel costs		527	526	(1)	789	67%
Finance costs		1	1	-	1	100%
Other expenses		1,798	2,100	302	3,150	
<b>Total Operating Expenditure</b>		<b>2,326</b>	<b>2,627</b>	<b>301</b>	<b>3,940</b>	<b>59%</b>
<b>Operating Surplus/(Deficit)</b>		<b>312</b>	<b>-</b>	<b>312</b>	<b>-</b>	
<b>Capital Expenditure</b>						
<b>Total Capital Expenditure</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>

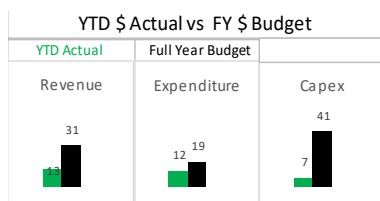
##### 4.1 Other Expenses - \$302K F

*Reason for variance*

*Other expenses include expenses related to Professional services, staff training, offices admin expenses, Health and Safety, Recruitment costs etc*

- Audit Fees \$23K F, relate to 2022/23 Financial year
- Mayor & Elected Members Legal Expenses \$24K F,
- Mayor & Elected Members Advertising Costs \$29K F
- Mayor & Elected Members Insurance Cost \$16K F
- Governance Consultancy Fees and Website Maintenance \$78K F
- Internal charges \$123K F

## 5 RECREATION AND LEISURE



### Recreation and Leisure as at 29 Feb 2024

	Year to Date			Full year Budget \$000's	YTD Actual % of FY Budget
	Actual \$000's	Budget \$000's	Variance Budget \$000's		
<b>Operating Revenue</b>					
Rates revenue	9,754	9,724	30	14,585	67%
Subsidies and grants	78	6,065	(5,987)	12,098	1%
Fees & charges	978	1,058	(80)	1,587	62%
Other revenue	1,745	1,537	208	2,305	76%
<b>Total Operating Revenue</b>	<b>12,555</b>	<b>18,384</b>	<b>(5,829)</b>	<b>30,575</b>	<b>41%</b>
<b>Operating Expenditure</b>					
Personnel costs	4,481	4,254	(227)	6,381	70%
Depreciation expense	1,578	1,578	-	2,367	67%
Finance costs	538	533	(5)	800	67%
Other expenses	5,544	6,023	479	9,034	
<b>Total Operating Expenditure</b>	<b>12,141</b>	<b>12,388</b>	<b>247</b>	<b>18,582</b>	<b>65%</b>
<b>Operating Surplus/(Deficit)</b>	<b>414</b>	<b>5,996</b>	<b>(5,582)</b>	<b>11,993</b>	
<b>Capital Expenditure</b>					
Recreation and Leisure	6,793	8,010	1,217	41,258	16%
<b>Total Capital Expenditure</b>	<b>6,793</b>	<b>8,010</b>	<b>1,217</b>	<b>41,258</b>	<b>16%</b>

### 5.1 Subsidies and Grants - **\$5.99M U**

#### Reason for variance

- Parks Capital Grants year to date budgeted at \$1.56M relating to CPlay project, currently recorded in suspense account, to be transferred to grants in March-24
- Theatre Royal grants are budgeted on a project completion basis, year to date \$3.10M with \$Nil received, resulting in unfavourable variance.
- Aigantighe Art Gallery grants budgeted at \$305K U. These grants are drawn down from DIA as required.
- Aorangi Stadium grants budgeted YTD at \$1.00M with \$Nil received, resulting in unfavourable variance.

**5.2 Fees and Charges - \$80K U***Reason for variance*

- CBAY swim School Fees **\$73K U**, due to budgets set incorrectly.
- CBAY over 65s and 80s Admissions **\$66K U**, due to yearly allocation process.
- Theatre Royal User fees are under budget, **\$104K U** due to construction being delayed.
- Aigantighe Art Gallery fees are \$169K F

**5.3 Other Revenue - \$208K F***Reason for variance*

- Parks unbudgeted Donations Received of \$244K
- CBAY fitness revenue from commercial activities \$50K F due to higher than budgeted number of memberships
- Aorangi Stadium Revenue from other income \$32K F,
- Museum donations received \$40K F with year-to-date budget \$1K
- Fishing Huts Rent Revenue budgeted at **\$61K YTD**, with Nil received.
- Forestry revenue budgeted at **\$94K YTD**, with Nil received - the timber is on the market, no sales yet.

**5.4 Personnel Costs - \$227K U***Reason for variance*

- CBAY Swim School **\$128K U** due to budget allocation issues
- CBAY Aquatics **\$212K U** due to budget allocation issues
- CBAY Fitness \$111K F due to budget allocation issues

**5.5 Other Expenses - \$479K F***Reason for variance - Relates to operating expenses.*

- Parks Consultancy Fees \$127K F, currently under review
- Parks Ground maintenance contractor costs are \$206K F, due to seasonal & weather conditions dependant work
- Parks Other Structure maintenance contractor costs are budgeted at \$103K YTD, with no actuals, due to repairs not required as of 29 Feb 2024.
- Libraries Building Maintenance contractor costs are \$68K F.
- Libraries Subscriptions \$50K F
- Halls & Community Centres Building Maintenance contractors costs \$39K F
- CBAY Business Insurance budgeted at \$69K YTD, with no actual costs
- CBAY Aquatics Building Maintenance contractor costs are **\$130K U**, due to unplanned replacement of LED lights in Main Pool Hall
- Aorangi Stadium costs are \$169K F due to on-charges between TDC and the Aorangi Stadium currently under review
- Museum community programs & events contractors costs budgeted at \$57K YTD, with no actual costs
- Museum Exhibition Conservation Other External Services costs \$39K F
- Forestry maintenance contractors' costs \$74K F, due to timing issue
- Theatre Royal Consultancy costs and other external service are budgeted at \$82K, with no actuals to date, due to No work commissioned outside of project.

**5.6 Capital Expenditure - \$1.22M F***Reason for variance*

- Parks and Recreation capital projects are currently \$317K F, due to delays in Geraldine Sculpture Trail project
- Libraries **\$65K U**
- Maori Park/Aquatic **\$136K U**
- Geraldine Pool actual costs YTD **\$69K**, with no budget for 2023/24 financial year
- Halls & Community **\$123K U**
- Aorangi Stadium Capex \$81K F
- Museum \$353K F
- Art Gallery \$311K F,
- Motor Camps building \$384K F, due to delays in Winchester Camp Sewerage Connection project. To be completed by Jun 2024
- Theatre Royal \$136K F, due to delay in the project



## 6 ROADING AND FOOTPATHS

YTD \$ Actual vs FY \$ Budget			Roading and Footpaths as at 29 Feb 2024				
YTD Actual	Full Year Budget		Year to Date			Full year Budget \$000's	YTD Actual % of FY Budget
Revenue	Expenditure	Capex	Actual \$000's	Budget \$000's	Variance Budget \$000's		
30	25	16	25	25	0		
			15	50	(35)		
<b>Operating Revenue</b>							
Rates revenue	10,330	10,262	68	15,393	67%		
Subsidies and grants	10,087	8,963	1,124	13,445	75%		
Fees & charges	1,005	722	283	1,082	93%		
Other revenue	24	58	(34)	87	28%		
<b>Total Operating Revenue</b>	<b>21,446</b>	<b>20,005</b>	<b>1,441</b>	<b>30,007</b>	<b>71%</b>		
<b>Operating Expenditure</b>							
Personnel costs	210	85	(125)	127	165%		
Depreciation expense	8,856	8,856	-	13,284	67%		
Finance costs	495	495	-	743	67%		
Other expenses	6,446	7,255	809	10,883			
<b>Total Operating Expenditure</b>	<b>16,007</b>	<b>16,691</b>	<b>684</b>	<b>25,037</b>	<b>64%</b>		
<b>Operating Surplus/(Deficit)</b>	<b>5,439</b>	<b>3,314</b>	<b>2,125</b>	<b>4,970</b>			
<b>Capital Expenditure</b>							
Roading and Footpaths	14,738	14,573	(165)	49,634	30%		
<b>Total Capital Expenditure</b>	<b>14,738</b>	<b>14,573</b>	<b>(165)</b>	<b>49,634</b>	<b>30%</b>		

### 6.1 Rates Revenue - \$68K F

#### Reason for variance

- Variance is mainly due to \$45K additional revenue, received under Subsidised Roading Rates & Charges, \$11K in Footpaths and \$12K in Street Lighting and Landscapes

### 6.2 Subsidies and Grants - \$1.12M F

#### Reason for variance

- LTNZ subsidies and grants are budgeted at \$8.96M YTD with \$10.09M received to date giving a favourable variance of \$1.34M F due to an additional Transport Choices funding which is at 100% subsidy.

**6.3 Fees & charges - \$283K F***Reason for variance*

- Unbudgeted Car parking fees received \$33K F
- Parking Enforcement revenue is \$236K F above mainly due to an increase in Parking Infringements & Fines - \$181K F

**6.4 Personnel Costs - \$125K U***Reason for variance*

- The variance is due to last restructure.

**6.5 Other Expenses - \$809K F***Reason for variance*




- Subsidised Roothing Consultancy costs are \$230K F, due to additional costs relating to Transport Choices and Road to Zero project.
- Sealed Road Maintenance contract costs are \$231K U, due to seasonal work. Most of the cost are incurred in Spring and Summer.
- Roothing Environmental Maintenance contractor costs are \$122K F, due to good winter conditions (no heavy snow or Ice clearing in the winter months)
- Bridge & Culvert Maintenance contractors' costs are \$103K U, due to timing of the year as most of the cost are incurred in Spring/Summer.
- Traffic Services contractor expenses are \$145K U, due to unbudgeted costs to Ashburton District Council in relation to fatal crash coroner reports. Road remarking & sign requirement has changed leading to increased costs.
- Roothing Emergency Works contractor costs are \$517K F, due to no emergency work required year to date.
- Timaru Footpaths Green Areas maintenance contractor costs are \$293K U, due to review of section 17a (Parks contract for maintenance of all green areas).
- Timaru Footpaths Street Cleaning contractor costs are budgeted at 150K F with no actual costs year to date. Currently under review.
- CBD maintenance (City Town) costs are under budget by \$907K F as the project is on hold.
- Parking Enforcement Legal Costs are \$ 114K U
- City Hub Consultancy costs of \$249K are unbudgeted for 2023/24 Financial year., resulting in unfavourable variance.

**6.6 Capital Expenditure - \$165K U***Reason for variance*

- Subsidised rooding capital expenditure is above budget. Variances currently exist within the following rooding budgets:
  - Purchase of Land \$1.46M U. Currently under review.
  - Road Capital Works \$1.68M F, due to delays in Road to Zero project. To be completed by June 24.
  - Reseals/Overlays \$1.55M U, due to combined project with Drainage & Water for Ewen Road has resulted in overspend.
  - Bridge and Culvert \$749K U. Currently under review.
  - Kerb and Channel \$238K F, due to delay in Alpine Energy cable installation work on Port Loop Road.
  - Subsidised rooding New Capital – Growth with actuals \$238K year to date and no budget for 2023/24 financial year, resulting in unfavourable variance.

- Levels of Service Upgrades \$2.51M F, as result of delays in Road to Zero project. To be completed by June24
- Subsidised Roding - Capital Renewals **\$1.2M U**
- Road/Street Landscapes Fixed Plant & Equipment \$45K F
- Parking Facilities \$542K F

## 7 SEWER

YTD \$ Actual vs FY \$ Budget			Sewer as at 29 Feb 2024				
YTD Actual	Full Year Budget		Year to Date			Full year	YTD Actual %
Revenue	Expenditure	Capex	Actual	Budget	Variance Budget	Budget	of FY Budget
			\$000's	\$000's	\$000's	\$000's	
							
<b>Operating Revenue</b>							
Rates revenue	4,537	4,537	-	6,806	67%		
Subsidies and grants	8	-	8	-	0%		
Fees & charges	2,234	2,039	195	3,059	73%		
Other revenue	-	62	(62)	93	0%		
Development and financial contribution	102	-	102	-			
<b>Total Operating Revenue</b>	<b>6,881</b>	<b>6,638</b>	<b>243</b>	<b>9,958</b>	<b>69%</b>		
<b>Operating Expenditure</b>							
Personnel costs	343	299	(44)	-	0%		
Depreciation expense	3,373	3,373	-	5,059	67%		
Finance costs	911	911	-	1,366	67%		
Other expenses	1,979	2,056	77	3,532			
<b>Total Operating Expenditure</b>	<b>6,606</b>	<b>6,639</b>	<b>33</b>	<b>9,957</b>	<b>66%</b>		
<b>Operating Surplus/(Deficit)</b>	<b>275</b>	<b>(1)</b>	<b>276</b>	<b>1</b>			
<b>Capital Expenditure</b>							
Sewer	1,359	3,389	2,030	8,425	16%		
<b>Total Capital Expenditure</b>	<b>1,359</b>	<b>3,389</b>	<b>2,030</b>	<b>8,425</b>	<b>16%</b>		

**7.1 Fees & charges - \$195K F***Reason for variance*

- Trade waste charges of \$134K F and waste disposal \$62K F, due to higher volume during the month and greater discharge volumes

**7.2 Other Revenue - \$62K U***Reason for variance*

- Sewer Revenue reimbursement budgeted at \$54K U, with no actual revenue received year to date.

**7.3 Development Contribution - \$102K F***Reason for variance*

- Unbudgeted Sewer capital contribution fee of \$102K F received

**7.4 Personal costs- \$44K U***Reason for variance*

- Underbudgeted personal costs

**7.5 Other Expenses - \$77K F***Reason for variance*

- Unbudgeted Consultancy fees on \$31K, due to unplanned discharge consents requested by ECAN & Land swap acquisition costs.
- Insurance \$45K F
- Unbudgeted Electricity costs of \$229K U, due to budget allocation issue.
- Rates are \$152K F, due to due to budget allocation issue.
- Sewer Treatment Pump station maintenance budget for Internal Labour \$285K, with no actual costs year to date.
- Sewer Treatment Pump station maintenance operating costs of \$177K are unbudgeted for 2023/24 financial year.
- Unbudgeted Sewer Treatment Pump station maintenance costs \$219K
- Internal Charges \$45K F
- Fixed Plant & Equipment maintenance contractor costs \$29K F, due to scheduled maintenance not yet being completed.

**7.6 Capital Expenditure - \$2.03M F***Reason for variance*

- Relates to reticulation costs \$1.69M F, due to a project started in February 2024 for Sewer Siphon under Waihi River which is to be completed by June 2024.
- Fixed Plant & Equipment \$337K F, due to delays with Industrial pump station.

## 8 STORMWATER

YTD \$ Actual vs FY \$ Budget			Stormwater as at 29 Feb 2024				
YTD Actual	Full Year Budget		Year to Date			Full year	YTD Actual %
Revenue	Expenditure	Capex	Actual	Budget	Variance Budget	Budget	of FY Budget
			\$000's	\$000's	\$000's	\$000's	
<b>Operating Revenue</b>							
Rates revenue			2,856	2,856	-	4,284	67%
<b>Total Operating Revenue</b>			<b>2,856</b>	<b>2,856</b>	<b>-</b>	<b>4,284</b>	<b>67%</b>
<b>Operating Expenditure</b>							
Depreciation expense			2,108	2,108	-	3,161	67%
Finance costs			58	58	-	87	67%
Other expenses			581	690	109	1,036	
<b>Total Operating Expenditure</b>			<b>2,747</b>	<b>2,856</b>	<b>109</b>	<b>4,284</b>	<b>64%</b>
<b>Operating Surplus/(Deficit)</b>			<b>109</b>	<b>-</b>	<b>109</b>	<b>-</b>	
<b>Capital Expenditure</b>							
Stormwater			1,509	1,793	284	7,361	21%
<b>Total Capital Expenditure</b>			<b>1,509</b>	<b>1,793</b>	<b>284</b>	<b>7,361</b>	<b>21%</b>

### 8.1 Other Expenses - \$109K F

#### Reason for variance

- Temuka Storm water sampling & testing Reticulation Costs budgeted at \$88K, with no actual costs year to date, due to budget misallocation.
- Unbudgeted Temuka Stormwater contractors' reticulation costs **\$30K U**, due to budget misallocation.
- Geraldine Stormwater sampling & testing costs \$85K F, due to stormwater projects being weather dependant.
- Unbudgeted Geraldine Stormwater reticulation contractor costs of **\$27K**.

### 8.2 Capital Expenditure - \$284KF

#### Reason for variance

- Timaru Stormwater drainage \$31K F, due to delays with ongoing project.
- Temuka Stormwater drainage \$160K F, due to delays with sump replacement.
- Geraldine Stormwater drainage of \$124K F, due to delay in Serpentine Creek project - to be completed by June 2024.
- Rural Stormwater drainage of **\$31K U**

## 9 WASTE MINIMISATION

YTD \$ Actual vs FY \$ Budget			Waste Minimisation as at 29 Feb 2024				
YTD Actual	Full Year Budget		Year to Date			Full year	YTD Actual %
Revenue	Expenditure	Capex	Actual	Budget	Variance Budget	Budget	of FY Budget
\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	
14	9	3					
<b>Operating Revenue</b>							
Rates revenue			3,188	3,188	-	4,782	67%
Subsidies and grants			545	675	(130)	900	61%
Fees & charges			3,860	5,202	(1,342)	7,803	49%
Other revenue			49	94	(45)	140	35%
<b>Total Operating Revenue</b>			<b>7,642</b>	<b>9,159</b>	<b>(1,517)</b>	<b>13,625</b>	<b>56%</b>
<b>Operating Expenditure</b>							
Personnel costs			303	290	(13)	435	70%
Depreciation expense			371	371	-	556	67%
Finance costs			225	225	-	337	67%
Other expenses			7,987	7,987	-	11,981	
<b>Total Operating Expenditure</b>			<b>8,886</b>	<b>8,873</b>	<b>(13)</b>	<b>13,309</b>	<b>67%</b>
<b>Operating Surplus/(Deficit)</b>			<b>(1,244)</b>	<b>286</b>	<b>(1,530)</b>	<b>316</b>	
<b>Capital Expenditure</b>							
Waste Minimisation			674	675	1	3,492	19%
<b>Total Capital Expenditure</b>			<b>674</b>	<b>675</b>	<b>1</b>	<b>3,492</b>	<b>19%</b>

### 9.1 Subsidies and Grants - **\$130K U**

*Reason for variance*

- MFETA levy are received on Quarterly basis

### 9.2 Fees & charges - **\$1.34M U**

*Reason for variance*

- Refuse fees are below budget **\$1.40M U** due to lower than budgeted tonnage to landfill
- Recycle income above budget \$54K F, due to no budget for 2023/24 financial year. This relates to income from commodities sales/profit share – currently under review with Andrew Dixon.

### 9.3 Other Revenue - **\$45K U**

*Reason for variance*

- User fees charges for E-scrap and Lease/Rent received **\$45K U**, mainly driven by \$54K U Sundry Sales, due to lower volumes

## 10 WATER SUPPLY

YTD \$ Actual vs FY \$ Budget			Water Supply as at 29 Feb 2024				
YTD Actual	Full Year Budget		Year to Date			Full year	YTD Actual %
Revenue	Expenditure	Capex	Actual	Budget	Variance Budget	Budget	of FY Budget
			\$000's	\$000's	\$000's	\$000's	
15	15	34					
8							
<b>Operating Revenue</b>							
Rates revenue	9,948	9,913	35	14,869	67%		
Fees & charges	13	-	13	-	0%		
Other revenue	9	296	(287)	444	2%		
Finance revenue	6	-	6	-	0%		
Development and financial contribution:	188	-	188	-	0%		
<b>Total Operating Revenue</b>	<b>10,164</b>	<b>10,209</b>	<b>(45)</b>	<b>15,313</b>	<b>66%</b>		
<b>Operating Expenditure</b>							
Personnel costs	315	414	99	-	0%		
Depreciation expense	4,400	4,400	-	6,600	67%		
Finance costs	941	871	(70)	1,307	72%		
Other expenses	4,353	4,228	(125)	6,963			
<b>Total Operating Expenditure</b>	<b>10,009</b>	<b>9,913</b>	<b>(96)</b>	<b>14,870</b>	<b>67%</b>		
<b>Operating Surplus/(Deficit)</b>	<b>155</b>	<b>296</b>	<b>(141)</b>	<b>443</b>			
<b>Capital Expenditure</b>							
Water Supply	7,757	6,409	(1,348)	33,871	23%		
<b>Total Capital Expenditure</b>	<b>7,757</b>	<b>6,409</b>	<b>(1,348)</b>	<b>33,871</b>	<b>23%</b>		

**10.1 Other Revenue - \$287K U***Reason for variance*

- Downlands new connections revenue IS \$287K U below budget due to lower demand for new connections.

**10.2 Development & financial Contribution - \$188K F***Reason for variance*

- Unbudgeted Contributions received relate to Urban Water \$13K, Seadown Water \$10K, Te Moana Water \$31K and Downlands \$133K.

**10.3 Finance Cost - \$70K U***Reason for variance*

- Downlands Interest Expense \$141K U
- Te Moana Water Interest Expense \$72K F



**10.4 Capital Expenditure - \$1.39M U***Reason for variance*

- Urban Water reticulation projects are currently **\$1.69M U**
- Beautiful Valley \$36K F
- Rangitata \$31K F
- Seadown \$1.53M F
- Te Moana projects **\$196K U**
- Downlands reticulation projects are **\$1.06M U**

		YTD Actual	30th June 2023
<b>Financial Position as at 29 Feb 2024</b>			
		YTD Actual \$000's	30th June 2023 Actual \$000's
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and deposits		1,902	14,296
Debtors and other receivables		24,881	12,720
Inventories		2	34
Other financial assets		23,886	27,111
<b>Total current assets</b>		<b>50,671</b>	<b>54,161</b>
<b>Non-current assets</b>			
Property plant & equipment		1,908,767	1,884,990
Intangible assets		5,630	5,075
Forestry		1,373	1,373
Investment property		1,955	1,955
Investment in cco's & other similar		55,219	55,589
Other financial assets		2,671	7,929
<b>Total non-current assets</b>		<b>1,975,615</b>	<b>1,956,911</b>
<b>Total assets</b>		<b>2,026,286</b>	<b>2,011,072</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payable		29,876	17,864
Employee benefit liabilities		2,474	3,587
<b>Total current liabilities</b>		<b>32,350</b>	<b>21,451</b>
<b>Non-current liabilities</b>			
Provisions		10,191	10,192
Employee benefit liabilities		407	407
Non-current borrowing		205,532	205,532
<b>Total non-current liabilities</b>		<b>216,130</b>	<b>216,131</b>
<b>Total liabilities</b>		<b>248,480</b>	<b>237,582</b>
<b>Net Assets</b>		<b>1,777,806</b>	<b>1,773,490</b>
<b>EQUITY</b>			
Retained earnings		787,730	784,119
Special funds		17,098	17,097
Separate funds		23,872	23,871
Asset revaluation		949,106	948,403
<b>Total equity</b>	-	<b>1,777,806</b>	<b>1,773,490</b>

## Statement of Cashflow as at 29 Feb 2024

	YTD Actual \$000's	30th June 2023 Actual \$000's
<b>OPERATING ACTIVITIES</b>		
Rates	34,302	65,621
Other revenue received	27,743	45,604
Interest received	3,017	3,739
Dividends received	504	1,010
Payments to suppliers and employees	(47,834)	(91,576)
Finance costs	(6,790)	(7,782)
<b>Net operating activities</b>	<b>10,942</b>	<b>16,616</b>
<b>INVESTING ACTIVITIES</b>		
Reduction of term investment	11,314	(4,919)
Proceeds from sale of property, plant and equipment	164	1,126
Purchase of property, plant and equipment	(34,813)	(54,888)
<b>Net investing activities</b>	<b>(23,335)</b>	<b>(58,681)</b>
<b>FINANCING ACTIVITIES</b>		
Drawdown / (repayment) of borrowings	-	40,713
<b>Net financing activities</b>	<b>-</b>	<b>40,713</b>
Cash movement	(12,393)	(1,352)
Opening Balance 1st July	14,296	15,648
<b>Closing Bank Balance</b>	<b>1,903</b>	<b>14,296</b>

### 8.3 Aorangi Stadium Building Ownership Confirmation

**Author:** Nicole Timney, Manager of Property Services and Client Representative

**Authoriser:** Nigel Trainor, Chief Executive

#### Recommendation

That the Committee receives and note the update brief report for the ownership of the Aorangi Stadium.

#### Purpose of Report

- 1 To update the Committee on the ownership position for the Aorangi Stadium from the Aorangi Stadium Trust to the Timaru District Council.

#### Assessment of Significance

- 2 This matter is deemed of low significance under the Council's Significance and Engagement Policy. This report update does not require any community engagement and has little impact on or implications for Council policies or financing.

#### Discussion

- 3 The Aorangi Sports Stadium has remained in the ownership of the Aorangi Stadium Trust since the stadium was commissioned and built in 1974. The purpose of the Trust was to fund raise for the cost of the stadium at the time of the build.
- 4 All costs for operational expenditure, income from tenants within the building and general activities have been the responsibility of the Timaru District Council.
- 5 Following a meeting of the Aorangi Stadium Trust on the 26 March 2024 Ref: 1660008 Resolution 2024/41, the Trust resolved to surrender the lease and therefore the building to Timaru District Council. In doing so, the ownership of the building transferred to the Timaru District Council.
- 6 The ownership of the building by the Timaru District Council will enable the advancement of two options for either the expansion of the current stadium or a new build on site.
- 7 The Timaru District Council in a Council Meeting 13 February 2024 resolved to explore two options being an extension of the existing stadium or a new build, both on the current netball courts site. Ref: 1650521 Resolution 2024/11.
- 8 Expressions of interest process for the design and build will be undertaken to explore two options and confirming that consultation was undertaken under the Long Term Plan 2021/31 as acknowledged by Council as per resolution 2021/95.

#### Attachments

Nil

**8.4 Bad Debts Written Off as at 31 March 2024****Author:** Ashlea Whyte, Finance Manager**Authoriser:** Andrea Rankin, Chief Financial Officer**Recommendation**

That the Commercial and Strategy Committee:

1. Receive and note the report Bad Debts Written Off as at 31 March 2024.
2. Request Council Officers to provide a Quarterly Summary Report to the Committee.

**Purpose of Report**

- 1 This report outlines the work Council Officers undertake to write off bad debts, the amount and details of these debts.

**Assessment of Significance**

- 2 This matter has been assessed as of low significance in accordance with the Timaru District Council significance and engagement policy as this is consistent with Council policy and a low financial impact. The bad debt write off procedure is an operational process of Council.

**Discussion**

- 3 Delegation to write off bad debts is provided to the Chief Executive up to the value of \$50,000. No debts have been identified above \$50,000 which would require Council approval to write off.
- 4 Officers have resolved a small number of debts that, due to the age of the matter, are impacted by the Limitation Act 2010 which means Council is unable to make a claim on a debt which is six years after the matter arose. These debts have now been written off. We currently have \$48,245 registered with our debt collection agency. If monies are not received within the statutory timeframe, these will subsequently be written off.
- 5 For the nine months to 31 March 2024, a total of \$25,262.50 has been written off within Officer delegations and the tables below summarise the totals for each year.

DATE	ACTIVITY RESPONSIBLE	AMOUNT (\$)	TOTAL PER ANNUM (\$)
2009	RC6769 - Water	3,209	3,209
2011	Animal Control	217	217
2013	Animal Control	271	271
2015	Animal Control	370	
	Notice to Fix	140	
	Transfer Station	327	837

<b>2016</b>	Animal Control	1,520	
	Health Licence	682	
	Land Transport	997	
	Transfer Station	137	<b>3,336</b>
<b>2017</b>	Animal Control	1,202	
	Health Licence	65	
	Towing of Vehicle	378	<b>1,645</b>
<b>2018</b>	Health Licence	270	<b>270</b>
<b>2019</b>	Engineering Design	3,483	<b>3,483</b>
<b>2021</b>	Health Licence	359	<b>359</b>
<b>2022</b>	Health Licence	371	
	Planning	1,054	
	Property	720	
	STEC – Court Hire	1,021	<b>3,166</b>
<b>2023</b>	Animal Control	10	
	Planning	1,686	
	Property	994	
	Transfer Station	2,140	<b>4,830</b>
<b>TOTAL</b>			<b>21,622</b>

<b>DATE</b>	<b>ACTIVITY RESPONSIBLE</b>	<b>AMOUNT (\$)</b>	<b>TOTAL PER ANNUM (\$)</b>
<b>2013</b>	Timaru Library	331	<b>331</b>
<b>2014</b>	Timaru Library	475	<b>475</b>
<b>2015</b>	Timaru Library	589	<b>589</b>
<b>2016</b>	Timaru Library	672	<b>672</b>
<b>2017</b>	Temuka Library	485	
	Timaru Library	896	<b>1,381</b>
<b>2018</b>	Timaru Library	195	<b>195</b>
<b>TOTAL</b>			<b>3,641</b>

- 6 Approximately 0.03% of income is written off per year. Officers work closely with customers to resolve issues early and Officers will provide a full summary of the debts written off in the Public Excluded section of the Commercial and Strategy Committee meeting, in accordance with the Privacy Act 2020.
- 7 Officers will work towards a Debt Recovery Policy to align with the Long Term Plan.

**Attachments**

**Nil**

**9 Consideration of Urgent Business Items**

**10 Consideration of Minor Nature Matters**

**11 Public Forum Items Requiring Consideration**



## 12 Exclusion of the Public

### Recommendation

That the public be excluded from the following parts of the proceedings of this meeting on the grounds under section 48 of the Local Government Official Information and Meetings Act 1987 as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
<b>13.1 - Bad Debts Written Off as at 31 March 2024</b>	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	To protect a person's privacy, including the privacy of deceased persons
<b>13.2 - Rangitata Huts Camp Ground Investment</b>	s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities	To enable Council to carry out commercial activities

**13 Public Excluded Reports**

**13.1 Bad Debts Written Off as at 31 March 2024**

**13.2 Rangitata Huts Camp Ground Investment**

**14      Readmittance of the Public**