



AGENDA

Commercial and Strategy Committee Meeting Tuesday, 12 March 2024

Date Tuesday, 12 March 2024

Time following the Community Services Committee

Location Council Chamber
Timaru District Council
King George Place
Timaru

File Reference 1656492

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 12 March 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

Order Of Business

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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 13 February 2024

Author: Jessica Kavanaugh, Team Leader Governance

Recommendation

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.

Attachments

- 1. Minutes of the Commercial and Strategy Committee Meeting held on 13 February 2024**



MINUTES

Commercial and Strategy Committee Meeting Tuesday, 13 February 2024

Ref: 1656492

**Minutes of Timaru District Council
Commercial and Strategy Committee Meeting
Held in the Council Chamber, Timaru District Council, King George Place, Timaru
on Tuesday, 13 February 2024 following the Community Services Committee at 1.00pm**

Present: Clr Allan Booth (Deputy Chairperson), Mayor Nigel Bowen, Clr Gavin Oliver, Clr Sally Parker, Clr Stu Piddington, Clr Michelle Pye, Clr Owen Jackson, Clr Stacey Scott

In Attendance: **Community Board Members:** Gaye Broker (Temuka Community Board), Rosie Woods (Geraldine Community Board), Michael Thomas (Pleasant Point Community Board)

Officers: Nigel Trainor (Chief Executive), Paul Cooper (Group Manager Environmental Services), Andrew Dixon (Group Manager Infrastructure), Andrea Rankin (Chief Financial Officer), Beth Stewart (Group Manager Community Services), Hannah Goddard-Coles (Group Manager Engagement & Culture), Stephen Doran (Communications & Engagement Manager), Nicole Timney (Manager of Property Services and Client Representative), Sam Esterhuysen (Continuous Improvement Business Partner), Mark Abbot (Acting Strategy & Corporate Planning Manager), Naomi Scott (Community Development Support Officer), Philip Howe (Museum Director), Jessica Kavanaugh (Governance Team Leader), Rachel Scarlett (Governance Advisor)

1 Apologies

1.1 Apologies Received

Resolution 2024/1

Moved: Mayor Nigel Bowen

Seconded: Clr Michelle Pye

That the apology of Clr Peter Burt and Clr Scott Shannon 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 Chairpersons Report****Resolution 2024/2**

Moved: Clr Allan Booth

Seconded: Clr Stu Piddington

The Chairperson attended meetings, some of which included, Council Meetings, Long Term Plan Meetings and other meetings as required

Carried

7 Confirmation of Minutes**7.1 Minutes of the Commercial and Strategy Committee Meeting held on 14 November 2023****Resolution 2024/3**

Moved: Mayor Nigel Bowen

Seconded: Clr Stacey Scott

That the Minutes of the Commercial and Strategy Committee Meeting held on 14 November 2023 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 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.

There was discussion on the Project Delivery Team, Carbon Cost Credits, Waste Minimisation Fees and Charges and a reporting regime to be created for reallocation and budget changes.

Resolution 2024/4

Moved: Mayor Nigel Bowen

Seconded: Clr Stacey Scott

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

Carried

8.2 Continuous Improvement update (user experience)

The Group Manager Community Services and the Continuous Improvement Business Partner spoke to the report provide the Commercial and Strategy Committee with an update on key initiatives in Continuous Improvement.

Resolution 2024/5

Moved: Clr Sally Parker

Seconded: Clr Owen Jackson

That the Commercial and Strategy Committee receives and notes the Continuous Improvement update (user experience) report.

Carried

8.3 Bad Debts Written Off as at 31 December 2023

The Chief Financial Officer spoke to this report to outline the work Council Officers undertake to write off bad debts, the amount and details of these debts.

Discussion included the processes followed for writing off debts and for repeat offenders.

Resolution 2024/6

Moved: Mayor Nigel Bowen

Seconded: Clr Michelle Pye

That the Commercial and Strategy Committee:

1. Receive and note the report Bad Debts Written Off as at 31 December 2023.
2. Request Council Officers to provide a Quarterly Summary Report to the Committee.

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 2024/7

Moved: Mayor Nigel Bowen

Seconded: Clr Stacey Scott

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 1.24pm:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
13.1 - Bad Debts Written Off as at 31 December 2023	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 Bad Debts Written Off as at 31 December 2023

14 Readmittance of the Public

Resolution 2024/8

Moved: Cllr Gavin Oliver

Seconded: Mayor Nigel Bowen

That the meeting moves out of Closed Meeting into Open Meeting at 1.30pm.

Carried

The Meeting closed at 1.31pm

.....

Cllr Allan Booth

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)

Information Requested	Scoping for Project Delivery Team		
Date Raised:	13 June 2023	Status:	Ongoing
Issue Owner	Group Manager Commercial and Strategy & Group Manager Engagement and Culture	Completed Date:	
<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>			

Information Requested	Waste Minimisation Fees and Charges		
Date Raised:	14 November 2023	Status:	Completed
Issue Owner	Group Manager Infrastructure	Completed Date:	27 February 2024
<p>Background: The Councillors requested a review of Waste Minimisation fees and charges.</p> <p>Update: This will be undertaken as part of the Long Term Plan. This has been completed.</p>			

8.2 Financial Report January 2024

Author: Diana Somerville, Senior Finance Business Partner

Authoriser: Andrea Rankin, Chief Financial Officer

Recommendation

That the summary financial results to 31 January 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 31 January 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 31 January 2024 – refer to Attachment 1 for detail and commentary.

	Actuals to 31 January (\$000)	Budget to 31 January 2024 (\$000)	Full year Budget (\$000)	Forecast (\$000)
Total Revenue	69,079	74,070	128,432	115,669
Total Expenses	74,091	71,817	122,751	128,610
Operating Surplus/(Deficit)	(5,012)	2,253	5,681	(12,941)
Capital Expenditure	31,668	30,915	81,746	57,163

- Total borrowings as at 31 January 2024 were \$205M. The net debt position at the same date is \$198M. Net debt is total borrowings less cash reserves held by Council.

Total borrowings	205,532
Cash and deposits	1,340
Other financial assets	
- Current @75% of \$25,306	18,980
Total cash	20,320
Net Debt	185,213

- 5 Debt to revenue ratio as at 31 March 2024 is 160%. 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	185,213
Budgeted Revenue	115,669
Debt to revenue ratio	160%

- 6 The below table outlines the available funds once unguaranteed revenue has been deducted.

Forecast revenue 2023/24	115,669
Net Debt cap - limit	
210% - as per policy	242,905
Available funds (based on forecast revenue)	57,692
280% - LGFA policy	323,873
Available funds (based on forecast revenue)	138,660

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

Budget Re-allocation	Code	Amount (\$)
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	4140.0360.0405	40,000
<i>Reallocate budget due to consultant acting in role</i>		
Programme Delivery Unit : Staff Training - Course Seminar & Conference Registration	04130.0310.0644	(2,680)
Commercial & Strategy Management : Staff Training - Course Seminar & Conference Registration	03130.0310.0644	2,680
<i>Reallocate budget to Commercial & Strategy Management from Programme Delivery (currently vacant)</i>		
Programme Delivery Unit : Staff Training - Travel Related Costs Other	04130.0310.0647	(1,072)
Commercial & Strategy Management : Staff Training - Travel Accommodation	03130.0310.0646	1,072

Reallocate budget to Commercial & Strategy Management from Programme Delivery (currently vacant)

Governance : Professional Services - Consultants	3020.360.405	(6,200)
Governance : Subscriptions - Subscriptions Memberships	3020.370.639	6,200

Record Ecan Regional Forums Levy separately from consultant budget

Programme Delivery Unit : Office Administration Expenditure - Sundry	04130.0350.0603	(45,000)
Information Technology : Capital Expenditure	W1971.372.401	45,000

Capex budget required for Esker project stage 2

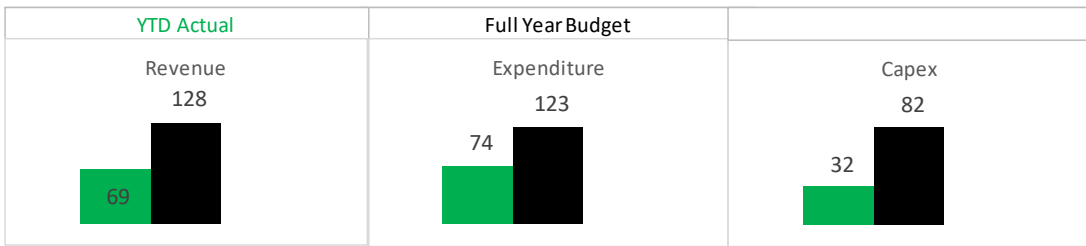
There have been no additional requests to transfer budgets.

Attachments

1. **Commercial and Strategy Committee Jan 24 Financial Report** [↓](#) 

**Council Financial Performance & Variance Analysis
Summary as at 31st January 2024**

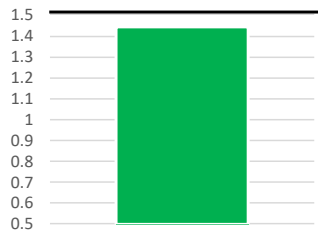
YTD \$ Actual vs FY \$ Budget



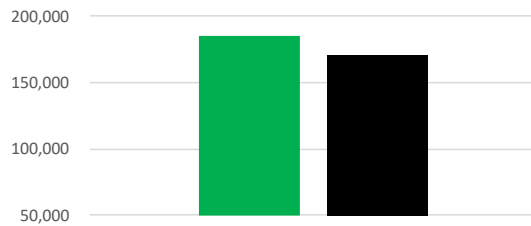
Financial Strategy

YTD Actual	30th June 2023
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Debt / Revenue Ratio (Based on YTD Debt & Year End Revenue)

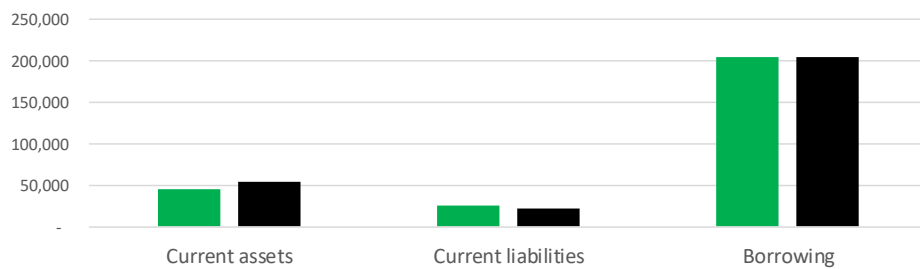


Net Debt



Financial Position - Balances (\$000's)

YTD Actual	30th June 2023
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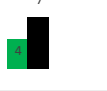
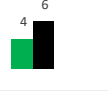
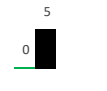
WHOLE OF COUNCIL

YTD \$ Actual vs FY \$ Budget			Council Performance as at 31 Jan 2024						
YTD Actual	Full Year Budget		Year to Date			YTD 2023	Full year	Full year	YTD Actual %
Revenue	Expenditure	Capex	Actual	Budget	Variance Budget	Actual	Budget	Forecast	of FY Budget
			\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	
128	74	123							
		82							
		32							
Operating Revenue									
Rates revenue			41,683	42,199	(516)	38,883	72,342	72,342	58%
Subsidies and grants			10,633	14,823	(4,190)	6,492	26,869	15,530	40%
Fees & charges			10,986	12,160	(1,174)	10,718	20,557	18,640	0%
Other revenue			2,784	3,288	(504)	2,885	5,768	5,023	48%
Finance revenue			2,313	1,039	1,274	1,502	1,781	2,736	130%
Dividend revenue			504	561	(57)	504	1,115	1,115	45%
Other gains			88	-	88	-	-	-	0%
Development and financial contributions			282	-	282	650	-	282	0%
Total Operating Revenue			69,273	74,070	(4,797)	61,634	128,432	115,669	54%
Operating Expenditure									
Personnel costs			16,488	15,453	(1,035)	14,036	25,576	28,666	64%
Depreciation expense			19,127	19,250	123	19,194	33,000	34,060	58%
Finance costs			5,703	3,955	(1,748)	3,232	6,780	10,672	53%
Other expenses			33,055	33,159	104	32,195	57,395	55,212	60%
Total Operating Expenditure			74,373	71,817	(2,556)	68,657	122,751	128,610	61%
Operating Surplus/(Deficit)			(5,100)	2,253	7,353	(7,023)	5,681	(12,941)	-90%
Capital Expenditure									
Community Support			350	532	182	2,967	2,841	705	12%
Corporate Support			1,882	1,451	(431)	1,605	3,095	3,402	61%
Recreation and Leisure			5,519	6,748	1,229	5,169	21,714	13,040	25%
Roading and Footpaths			13,656	12,081	(1,575)	7,385	26,123	21,259	52%
Sewer			1,232	3,169	1,937	1,374	4,434	4,577	28%
Stormwater			1,249	1,238	(11)	1,091	3,874	3,024	32%
Waste Minimisation			594	645	51	888	1,838	2,042	32%
Water Supply			7,186	5,051	(2,135)	9,269	17,827	9,114	40%
Total Capital Expenditure			31,668	30,915	(753)	29,748	81,746	57,163	39%

YTD Variance for Activity Groups Actuals 2023/24 to Budget 2023/24**Notes to the Financial Statements for 31st January 2024****Interpretation**

1. Variances as explained.
 - i. **F** (favourable variance) means that either actual revenue is greater than budget or actual expenditure is less than budget.
 - ii. **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:

COMMUNITY SUPPORT

YTD \$ Actual vs FY \$ Budget			Community Support as at 31 Jan 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	
							
Operating Revenue							
Rates revenue			2,656	2,642	14	4,529	59%
Subsidies and grants			-	33	(33)	56	0%
Fees & charges			1,311	1,334	(23)	2,286	57%
Other revenue			119	28	91	48	248%
Total Operating Revenue			4,086	4,037	49	6,919	59%
Operating Expenditure							
Personnel costs			273	516	243	884	31%
Depreciation expense			433	433	-	743	58%
Finance costs			184	184	-	316	58%
Other expenses			3,130	2,733	(397)	4,320	
Total Operating Expenditure			4,020	3,866	(154)	6,263	64%
Operating Surplus/(Deficit)			66	171	(105)	656	
Capital Expenditure							
Community Support			350	532	182	5,398	6%
Total Capital Expenditure			350	532	182	5,398	6%

1.1 Personnel Costs - \$243K F*Reason for variance*

- Personnel costs under budget, due to staff favourable salary in Climate & Sustainability by \$39K F, Airport operations by \$40K F, Civil Defence by \$16K F and Safer Communities-Project Expenditure by \$143K F. The variance is due to last organisational restructure.

1.2 CAPEX - \$182K F*Reason for variance*

- Community Support under budget by \$ 182K F, driven by variances in Public Amenities **\$48K U**, Airport Capital works \$266K F, Cemetery **\$67K U**, Community Housing \$72K F and Civil Defence by **\$41K U**.

2. CORPORATE ACTIVITIES

YTD \$ Actual vs FY \$ Budget		
YTD Actual	Full Year Budget	
Revenue	Expenditure	Capex

Corporate Activities as at 31 Jan 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	444	668	(224)	1,144	39%
Subsidies and grants	-	216	(216)	370	0%
Fees & charges	450	533	(83)	913	49%
Other revenue	1,141	1,313	(172)	2,381	48%
Finance revenue	2,308	1,039	1,269	1,781	0%
Dividend revenue	504	561	(57)	1,115	0%
Other gains	88	-	88	-	0%
Total Operating Revenue	4,935	4,330	605	7,704	64%

Operating Expenditure					
Personnel costs	8,384	7,322	(1,062)	12,552	67%
Depreciation expense	713	712	(1)	1,220	58%
Finance costs	2,713	1,033	(1,680)	1,770	153%
Other expenses	2,985	1,378	(1,607)	2,362	126%
Total Operating Expenditure	14,795	10,445	(4,350)	17,904	83%
Operating Surplus/(Deficit)	(9,860)	(6,115)	(3,745)	(10,200)	

Capital Expenditure					
Corporate Support	1,882	1,451	(431)	5,836	32%
Total Capital Expenditure	1,882	1,451	(431)	5,836	32%

2.1 Rates Revenue - \$224 K U

Reason for variance

- No Budget for Rates Penalties - \$93K U. Applied under Remit Penalty as per policy 8.3.8 - 2 year review
- Rates rebates \$91K U, due to timing issue. The rates rebates were processed in Sep 23 contributing to the variance. DOI will reimburse the rates rebate.
- Rates written off of \$36K U unbudgeted.

2.2 Subsidies & Grants - \$216K U

Reason for variance

- No LTU subsidies & Grants of **\$216K U** received as budgeted YTD.

2.3 Other Revenue - **\$172K U**

Reason for variance

- BOF (Better Off Funding) transition support **\$200K U** from Internal affairs under D & W has been reallocated
- LTU user fees & charges, unbudgeted sundry income received **\$68K F**
- Vehicle revenue is lower than budget, resulting in **\$ 27K U**

2.4 Finance Revenue - **\$1,269K F**

Reason for variance

- Interest received from Banks and Specials funds **\$1,173K F** is above the budget due to rising interest rates.
- Intercompany interest received above budget **\$ 95K F**

2.5 Dividend Revenue - **\$57K U**

Reason for variance

- Dividends received from TDHL year to date is **\$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 **\$21K U**

2.6 Personnel Costs - **\$1,062K U**

Reason for variance

- Personnel costs above budget, mainly due to CE office **\$16K U**, People & Digital Management **\$192K U**, People & Capability **\$111K F**, Community Services **\$327K U**, Communications **\$170K F**, financial Services **\$44K U**, Commercial & Strategy **\$26K F**, IT Services **\$21K U**, Property Management **\$30K U**, Infrastructure Management **\$34K F**, Planning & Regulatory **\$75K U**, Corporate Planning **\$93K F**, Programme Delivery **\$113K F**, Risk & Assurance **\$75K F**, Council Building **\$16K U**, Parks & Rec **\$32K F**, Drainage & Water **\$592K F** and LTU Unit **\$295K F**. Recreation & Culture Services **\$120K F** and the Efficiency Savings (Vacancy Factor) **\$2,004K U**. The variance is result of the last restructure.

2.7 Finance Costs - **\$1,680K U**

Reason for variance

- Interest rates paid are higher than budgeted (interest rates were based upon weighted average cost of borrowings of 3.62%).

2.8 Other Expenses - **\$1,604K U**

Reason for variance

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

- CE Office **\$10K U**
- People & Digital Management **\$15K U**
- People & Capability above budget by **\$42K U**.
- Community services Management **\$31K F**
- Communications **\$29K F**
- Financial Services **\$58K U**
- Commercial & Strategy **\$61K U**
- IT services computer/IT cost above budget by **\$327K U**
- Customer Services **\$10K F**
- Properties Maintenance & operations- Building below budget by **\$215K F**
- Vehicles Operating Expenses **\$ 41K U**
- Planning & Regulatory **\$69K U**
- Corporate Planning unit **\$111K U**

- Programme Delivery \$ 14K F
- Risk & Assurance \$15K U
- Parks & Rec \$103K U
- Drainage & Water \$ 232K U
- LTU unit cost \$182K F
- IT services lease payments \$95K F
- Other expenses unfavourable mainly due to internal charges relating to wages \$1,156K U yet to be recoded to capital expenditure projects

2.9 Capital Expenditure - \$431K U

Reason for variance

- \$505K U relates to IT – Computer Hardware and Software Projects are above budget year to date due to the Palo Alto Network, Firewall, Security, WAN upgrade
- Vehicle purchases - \$210K U
- Properties Capital work related to Building Under budget by \$ 249K F
- Council Building \$31K F

3. ENVIRONMENTAL SERVICES

YTD \$ Actual vs FY \$ Budget			Environmental Services as at 31 Jan 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	Budget \$000's	Forecast \$000's	
6	9							
4	4							
Operating Revenue								
Rates revenue			1,182	1,173	9	2,010	-	59%
Fees & charges			2,445	2,400	45	3,827	-	64%
Other revenue			20	157	(137)	269	-	7%
Total Operating Revenue			3,647	3,730	(83)	6,106	-	60%
Operating Expenditure								
Personnel costs			2,500	2,571	71	4,408	-	57%
Depreciation expense			6	6	-	10	-	60%
Finance costs			30	30	-	51	-	59%
Other expenses			1,640	2,412	772	4,135	-	
Total Operating Expenditure			4,176	5,019	843	8,604	-	49%
Operating Surplus/(Deficit)			(529)	(1,289)	760	(2,498)	-	
Capital Expenditure								
Total Capital Expenditure			-	-	-	-	-	0%

3.1 Fees & charges - 45K F

Reason for variance

- The Variance is made up of Planning revenue \$131K F, Building Control \$ 301K U, Animal Control \$162K F and Environment Health & Liquor \$50K F

3.2 Other Revenue - \$137K U

Reason for variance

- Planning revenue – Reimbursements for Planning Consultants \$119K U is below budget due to no revenue received year to date
- Building control below budget by \$15K U.

3.3 Other Expenses - \$772K F

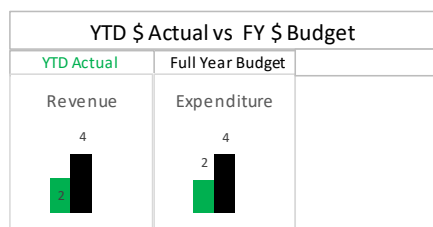
Reason for variance

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

- Planning Professional Fees are \$197K U, mainly due to unfavourable Consultants cost \$227K U and Solicitors Fees \$30K F

- District Plan Review costs are \$731K F, due to lower project spend to date. This work is expected to occur throughout the year as it is depending on the consent's applications process, notifications and hearings
- Building control costs \$109K F
- Environmental Health & Liquor Operations \$23K F
- The remaining variance of \$ 62K F relates to favourable variances below \$100K in Animal Control, & Internal Charges

4. GOVERNANCE AND STRATEGY



Governance and Strategy as at 31 Jan 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	2,308	2,298	10	3,940	59%
Total Operating Revenue	2,308	2,298	10	3,940	59%

Operating Expenditure

Personnel costs	469	460	(9)	789	59%
Finance costs	1	1	-	1	100%
Other expenses	1,750	1,838	88	3,150	
Total Operating Expenditure	2,220	2,299	79	3,940	56%
Operating Surplus/(Deficit)	88	(1)	89	-	

Capital Expenditure

Total Capital Expenditure	-	-	-	-	0%
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4.1 Other Expenses - \$89K F

Reason for variance

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

- The Variance is made up of Operation expenses \$6K F, Overheads allocation \$ 131 K F and Internal charges \$ 50K U

5. RECREATION AND LEISURE

YTD \$ Actual vs FY \$ Budget			Recreation and Leisure as at 31 Jan 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	
11	31	6					
10	19	41					
Operating Revenue							
Rates revenue	8,534	8,508	26	14,585	59%		
Subsidies and grants	37	6,057	(6,020)	12,098	0%		
Fees & charges	641	926	(285)	1,587	40%		
Other revenue	1,428	1,345	83	2,305	62%		
Total Operating Revenue	10,640	16,836	(6,196)	30,575	35%		
Operating Expenditure							
Personnel costs	3,848	3,722	(126)	6,381	60%		
Depreciation expense	1,381	1,381	-	2,367	58%		
Finance costs	471	467	(4)	800	59%		
Other expenses	4,781	5,270	489	9,034			
Total Operating Expenditure	10,481	10,840	359	18,582	56%		
Operating Surplus/(Deficit)	159	5,996	(5,837)	11,993			
Capital Expenditure							
Recreation and Leisure	5,519	6,748	1,229	41,258	13%		
Total Capital Expenditure	5,519	6,748	1,229	41,258	13%		

5.1 Subsidies and Grants - **\$6,020K U***Reason for variance*

- Theatre Royal grants are budgeted on a half yearly basis at \$3,100K year to date with \$Nil received. These grants are received in lump sums based on stage of completion.
- Parks Capital Grants year to date budgeted at 1,558K, with \$Nil received.
- \$1,000K for Aorangi Stadium budgeted with \$Nil received
- \$350K for Aigantighe Art Gallery budgeted with \$300.00 actual received. These grants are drawn down from DIA as required.

5.2 Fees and Charges - **\$285K U***Reason for variance*

- CBay Learn to Swim **\$80K U** and Aquatics **\$108K U** not received due to pools being closed for a fortnight between 17 – 28 July for annual maintenance.
- Theatre Royal User fees under budget **\$91K U** due to Capex project construction being delayed

5.3 Other Revenue - \$83 K F*Reason for variance*

- CPlay donations, unbudgeted, previously held in Trust were received \$168K F for construction on this project.
- CBAY total revenue \$6K F
- Aorangi Stadium Revenue \$22K F
- Museum revenue \$45K F
- Fishing Huts Revenue **\$61K U**
- Art Gallery **\$7K U**
- Forestry revenue **\$82K U** due to no revenue received year to date - the timber is on the market but no sales yet.

5.4 Personnel Costs - \$126K U*Reason for variance*

- Libraries \$ 43K F
- CBAY & Pools **\$249K U**
- Museum \$41K F
- Art Gallery \$ 41K F

5.5 Other Expenses - \$489K F*Reason for variance**Relates to operating expenses*

- Parks Ground maintenance costs are \$ 168K F year to date.
- Parks Building maintenance costs are **\$344K U** year to date
- Parks other operating expenses \$ 188K F
- Libraries operating expenses \$ 211K F
- CBAY & Pools operating expenses **\$ 178K U**
- Hall & Communities \$ 20K F
- Aorangi stadium costs are \$189K F relating to on-charges between TDC and the Aorangi Stadium Trust.
- Museum operating expenses \$ 149K F
- Theatre Royal expenses \$ 97K F
- The remaining favourable variance relates to multiple activities below budget, none above \$50K within Temuka, Geraldine & Pleasant pint pools expenses, motor camps, Forestry, Halls & Community, Art Gallery and CBAY Cafe

5.6 Capital Expenditure - \$1,229K F*Reason for variance*

- Parks and Recreation capital projects are currently \$6K F,
- Libraries **\$49K U**
- Geraldine Pool **\$69K U**, as result of no budget for 2023/2024 financial year
- Halls & Community **\$129K U**
- Aorangi Stadium Capex **\$17K U**
- Museum \$355K F
- Art Gallery \$327K F
- Motor Camps building \$ 391K F
- Theatre Royal \$415K F
- The remaining favourable/unfavourable variance relates to multiple projects with minor variations to budget.

6 ROADING AND FOOTPATHS

YTD \$ Actual vs FY \$ Budget			Roading and Footpaths as at 31 Jan 2024				
YTD Actual	Full Year Budget		Year to Date			Full year	YTD Actual %
Revenue	Expenditure	Capex	Actual \$000's	Budget \$000's	Variance Budget \$000's	Budget \$000's	of FY Budget
30	25	50					
14	14	14					
Operating Revenue							
Rates revenue	9,039	8,979	60	15,393	59%		
Subsidies and grants	10,043	7,843	2,200	13,445	75%		
Fees & charges	787	631	156	1,082	73%		
Other revenue	21	51	(30)	87	24%		
Total Operating Revenue	19,890	17,504	2,386	30,007	66%		
Operating Expenditure							
Personnel costs	181	74	(107)	127	143%		
Depreciation expense	7,749	7,749	-	13,284	58%		
Finance costs	433	433	-	743	58%		
Other expenses	5,524	6,348	824	10,883			
Total Operating Expenditure	13,887	14,604	717	25,037	55%		
Operating Surplus/(Deficit)	6,003	2,900	3,103	4,970			
Capital Expenditure							
Roading and Footpaths	13,656	12,081	(1,575)	49,634	28%		
Total Capital Expenditure	13,656	12,081	(1,575)	49,634	28%		

6.1 Subsidies and Grants - \$2,200K F

Reason for variance

- LTNZ subsidies and grants are budgeted at \$7,843K YTD with \$10,043K received to date giving a favourable variance of \$2,200K F

6.2 Fees & charges - \$156K F

Reason for variance

- Parking Enforcement revenue of \$144K F above budget mainly due to Parking Infringements & Fines
- The remaining favourable variance relates to Timaru footpaths &, Parking facilities

6.3 Personnel Costs - \$107K U

Reason for variance

- The variance is due to last restructure

6.4 Other Expenses - \$824K F*Reason for variance*

- CBD maintenance (CityTown) costs are below budget by \$808K F as it was put on hold
- Subsidised roading professional services costs are \$194K F due to favourable consultancy services
- Subsidised Roothing Maintenance costs are \$303KF mainly due to favourable Roothing Emergency works \$450K F and unfavourable Sealed Road Maintenance **\$133K U**
- Parking facilities & Enforcement **\$ 160K U**
- City Hub strategy above budget by **\$251K U**.
- Internal Charges **\$54K U**

6.5 Capital Expenditure - \$1,575K U*Reason for variance*

- Subsidised roading capital expenditure is above budget. Variances currently exist withing the following roading budgets:
 - Purchase of Land **\$1,192K U**
 - Road Capital Works \$1,142K F
 - Reseals/Overlays **\$2,037K U**
 - Bridge and Culvert **\$556KU**
 - Kerb and Channel \$167K F
 - Bus shelter, signs, New Capital Growth **\$122K U**
 - Levels of Service Upgrades \$1,361K F
 - Subsidised Roothing -Capital Renewals **\$983KU**
 - City Hub **\$6K U**
 - Fixed Plant & Equipment \$45K F
 - Street Lighting \$64K F
 - Parking Facilities \$542K F

7 SEWER

YTD \$ Actual vs FY \$ Budget			Sewer as at 31 Jan 2024				
YTD Actual	Full Year Budget		Year to Date			Full year	YTD Actual %
Revenue	Expenditure	Capex	Actual \$000's	Budget \$000's	Variance Budget \$000's	Budget \$000's	of FY Budget
Operating Revenue							
Rates revenue	3,970	3,970	-	6,806	58%		
Subsidies and grants	8	-	8	-	0%		
Fees & charges	1,949	1,784	165	3,059	64%		
Other revenue	-	54	(54)	93	0%		
Development and financial contribution:	102	-	102	-			
Total Operating Revenue	6,029	5,808	221	9,958	61%		
Operating Expenditure							
Personnel costs	290	262	(28)	-	0%		
Depreciation expense	2,951	2,951	-	5,059	58%		
Finance costs	797	797	-	1,366	58%		
Other expenses	1,744	1,798	54	3,532			
Total Operating Expenditure	5,782	5,808	26	9,957	58%		
Operating Surplus/(Deficit)	247	-	247	1			
Capital Expenditure							
Sewer	1,232	3,169	1,937	8,425	15%		

7.1 Fees & charges - \$165K F*Reason for variance*

- Trade waste charges of \$111K F and waste disposal of \$54K F received above Year to date budget


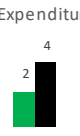

7.2 Development Contribution - \$102K F*Reason for variance*

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

7.3 Capital Expenditure - \$1,937K F*Reason for variance*

- Relates to reticulation costs \$ \$1,740K F
- Fixed Plant & Equipment \$197K F

8 STORMWATER

YTD \$ Actual vs FY \$ Budget			Stormwater as at 31 Jan 2024				
YTD Actual	Full Year Budget		Year to Date			Full year	YTD Actual %
Revenue	Expenditure	Capex	Actual \$000's	Budget \$000's	Variance Budget \$000's	Budget \$000's	of FY Budget
							
Operating Revenue							
Rates revenue			2,499	2,499	-	4,284	58%
Total Operating Revenue			2,499	2,499	-	4,284	58%
Operating Expenditure							
Depreciation expense			1,844	1,844	-	3,161	58%
Finance costs			51	51	-	87	59%
Other expenses			473	604	131	1,036	
Total Operating Expenditure			2,368	2,499	131	4,284	55%
Operating Surplus/(Deficit)			131	-	131	-	
Capital Expenditure							
Stormwater			1,249	1,238	(11)	7,361	17%
Total Capital Expenditure			1,249	1,238	(11)	7,361	17%




8.1 Other Expenses - \$131K F*Reason for variance*

- Temuka Storm water \$ 59K F
- Timaru Storm Water **\$ 3K U**
- Geraldine Stormwater \$50K F
- Rural Stormwater \$ 19K F
- Internal charges \$ 5K F

8.2 Capital Expenditure - \$11K U*Reason for variance*

- Timaru Stormwater drainage \$31K F
- Temuka Stormwater drainage **\$22K U**
- Geraldine Stormwater drainage of \$10K F
- Rural Stormwater drainage of **\$31K U**

9 WASTE MINIMISATION

YTD \$ Actual vs FY \$ Budget			Waste Minimisation as at 31 Jan 2024			
YTD Actual	Full Year Budget		Year to Date			YTD Actual % of FY Budget
Revenue	Expenditure	Capex	Actual \$000's	Budget \$000's	Variance Budget \$000's	Full year Budget \$000's
						
Operating Revenue						
Rates revenue	2,789	2,789	-	4,782	58%	
Subsidies and grants	545	675	(130)	900	61%	
Fees & charges	3,388	4,552	(1,164)	7,803	43%	
Other revenue	47	82	(35)	140	34%	
Total Operating Revenue	6,769	8,098	(1,329)	13,625	50%	
Operating Expenditure						
Personnel costs	276	254	(22)	435	63%	
Depreciation expense	324	324	-	556	58%	
Finance costs	197	197	-	337	58%	
Other expenses	7,260	6,989	(271)	11,981		
Total Operating Expenditure	8,057	7,764	(293)	13,309	61%	
Operating Surplus/(Deficit)	(1,288)	334	(1,622)	316		
Capital Expenditure						
Waste Minimisation	594	645	51	3,492	17%	
Total Capital Expenditure	594	645	51	3,492	17%	

9.1 Subsidies and Grants - \$130K U*Reason for variance*

- MFETA levy are received on Quarterly basis

9.2 Fees & charges - \$1,164K U*Reason for variance*

- Refuse fees are below budget \$1,220K U due to lower than budgeted tonnage to landfill
- Recycle income above budget by \$ 48K F, due to no budget for 2023/2024 financial year. The income relates to income from commodities sales/profit share – currently under review with Andrew Dixon.

9.3 Other Expenses - \$271K U*Reason for variance*

- Waste carbon credit of **\$316K U** due to no budget for 2023/2024 financial year. Carbon Credits were purchased due to low prices at the time
- Solid Waste Kerb Side collection \$18K F
- Waste Minimisation Professional expenses above budget **\$120K U**, due to unfavourable consultancy costs
- Landfill aftercare & Remediation expenses under budget by \$7K F
- Internal charges \$ 77K F &
- Waste Minimisation Operation expenses \$64K F

10 WATER SUPPLY

YTD \$ Actual vs FY \$ Budget			Water Supply as at 31 Jan 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					
9	15	7					
Operating Revenue							
Rates revenue			8,261	8,674	(413)	14,869	56%
Fees & charges			13	-	13	-	0%
Other revenue			9	259	(250)	444	2%
Finance revenue			4	-	4	-	0%
Development and financial contribution:			180	-	180	-	0%
Total Operating Revenue			8,467	8,933	(466)	15,313	55%
Operating Expenditure							
Personnel costs			267	310	43	-	0%
Depreciation expense			3,726	3,850	124	6,600	56%
Finance costs			826	762	(64)	1,307	63%
Other expenses			3,770	3,752	(18)	6,963	
Total Operating Expenditure			8,589	8,674	85	14,870	58%
Operating Surplus/(Deficit)			(122)	259	(381)	443	
Capital Expenditure							
Water Supply			7,186	5,051	(2,135)	33,871	21%

10.1 Rates Revenue - \$413K U*Reason for variance*

- Rates revenue of Targeted rates- Water by meter \$63K F
- Downlands Rates reimbursed \$ 476K U, due to timing issue - rates posted on Rates instalment basis.

10.2 Other Revenue- \$250K U*Reason for variance*

- Downlands new connections revenue is below budget year to lower demand for new connection

10.3 Development & financial Contribution- \$180K F*Reason for variance*

- Unbudgeted Contributions received for Urban Water \$ 13K, Seadown water \$ 10K , Te Moana water \$31K and Downlands \$126K.

10.4 Depreciation - \$124K F

Reason for variance

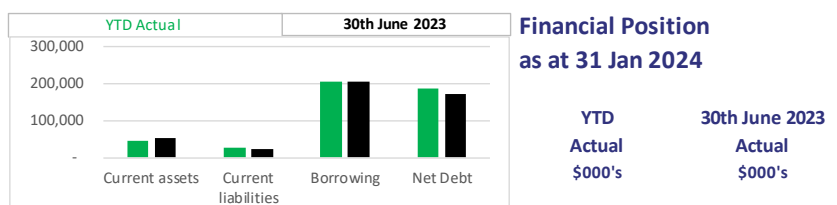
- Relates to Downlands depreciation \$124K F

10.5 Capital Expenditure - \$2,135K U

Reason for variance

- Urban Water reticulation projects are currently \$1,749K U,
- Beautiful Valley \$18K F,
- Seadown \$1,019K F,
- Te Moana projects \$316KU,
- Downlands reticulation projects are \$1,108K U.

The unfavourable variances are result of timing difference with costs incurred ahead of the budgeted monthly spend profile.



ASSETS

Current assets

Cash and deposits	1,340	14,296
Debtors and other receivables	18,316	12,720
Inventories	2	34
Other financial assets	25,306	27,111
Total current assets	44,964	54,161

Non_current assets

Property plant & equipment	1,908,210	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	55,223	55,589
Other financial assets	2,671	7,929
Total non_current assets	1,975,062	1,956,911

Total assets	2,020,026	2,011,072
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LIABILITIES

Current liabilities

Trade and other payable	22,660	17,864
Employee benefit liabilities	2,474	3,587
Total current liabilities	25,134	21,451

Non_current liabilities

Provisions	10,191	10,192
Employee benefit liabilities	407	407
Non current borrowing	205,532	205,532
Total non_current liabilities	216,130	216,131

Total liabilities	241,264	237,582
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Net Assets	1,778,762	1,773,490
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EQUITY

Retained earnings	788,686	784,119
Special funds	17,098	17,097
Separate funds	23,872	23,871
Asset revaluation	949,106	948,403
Total equity	1,778,762	1,773,490

Statement of Cashflow as at 31 Jan 2024

	YTD Actual \$000's	30th June 2023 Actual \$000's
OPERATING ACTIVITIES		
Rates	36,795	65,621
Other revenue received	22,910	45,604
Interest received	2,708	3,739
Dividends received	504	1,010
Payments to suppliers and employees	(48,417)	(91,576)
Finance costs	(6,098)	(7,782)
Net operating activities	8,402	16,616
INVESTING ACTIVITIES		
Reduction of term investment	9,891	(4,919)
Proceeds from sale of property, plant and equipment	125	1,126
Purchase of property, plant and equipment	(31,374)	(54,888)
Net investing activities	(21,358)	(58,681)
FINANCING ACTIVITIES		
Drawdown / (repayment) of borrowings	-	40,713
Net financing activities	-	40,713
Cash movement	(12,956)	(1,352)
Opening Balance 1st July	14,296	15,648
Closing Bank Balance	1,340	14,296

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

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