



Notice is hereby given that an Ordinary meeting of Southland District Council will be held on:

Date: Tuesday, 25 January 2022
Time: 9am
Venue: Virtual meeting via Zoom

Council Agenda OPEN

MEMBERSHIP

Mayor	Mayor Gary Tong
Deputy Mayor	Ebel Kremer
Councillors	Don Byars
	John Douglas
	Paul Duffy
	Bruce Ford
	Darren Frazer
	George Harpur
	Julie Keast
	Christine Menzies
	Karyn Owen
	Margie Ruddenklau
	Rob Scott

IN ATTENDANCE

Chief executive	Cameron McIntosh
Committee advisor	Fiona Dunlop

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Full agendas are available on **Council's** website
www.southlanddc.govt.nz

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.

Health and safety – emergency procedures

Toilets – The toilets are located outside of the chamber, directly down the hall on the right.

Evacuation – Should there be an evacuation for any reason please exit down the stairwell to the assembly point, which is the entrance to the carpark on Spey Street. Please do not use the lift.

Earthquake – Drop, cover and hold applies in this situation and, if necessary, once the shaking has stopped we will evacuate down the stairwell without using the lift, meeting again in the carpark on Spey Street.

Phones – Please turn your mobile devices to silent mode.

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1 Apologies

At the close of the agenda no apologies had been received.

2 Leave of absence

At the close of the agenda no requests for leave of absence had been received.

3 Conflict of Interest

Councillors are reminded of the need to be vigilant to stand aside from decision-making when a conflict arises between their role as a councillor and any private or other external interest they might have.

4 Public Forum

Notification to speak is required by 12noon at least one clear day before the meeting. Further information is available on www.southlanddc.govt.nz or phoning 0800 732 732.

5 Extraordinary/Urgent Items

To consider, and if thought fit, to pass a resolution to permit the Council to consider any further items which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded.

Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, and the Chairperson must advise:

- (i) The reason why the item was not on the Agenda, and
- (ii) The reason why the discussion of this item cannot be delayed until a subsequent meeting.

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

"Where an item is not on the agenda for a meeting,-

- (a) that item may be discussed at that meeting if-
 - (i) that item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further **discussion."**

6 Confirmation of Council Minutes

6.1 Meeting minutes of Council, 17 December 2021

Proposal for new Northern pool rate (Mossburn and Northern Southland pools)

Record no: R/21/12/64536
Author: Nicole Taylor, Finance development co-ordinator
Approved by: Anne Robson, Chief financial officer

☐ Decision ☒ Recommendation ☐ Information

Purpose

- 1 This report updates Council on a proposal from the Northern Community Board (the board) to establish a new targeted pool rate to provide funding assistance to swimming pools in the Northern area.
- 2 Council is being asked to support the proposal for the new targeted pool rate subject to the board carrying out consultation with the community.

Executive summary

- 3 The Northern Community Board has received two requests for ongoing funding assistance to help with pool operating costs and keep local pools open. The Mossburn pool committee has requested \$8,625 (including GST) and the Northern Southland (Lumsden) pool committee has requested \$9,200 (including GST).
- 4 The board have considered this request and are proposing to establish a new targeted pool rate to provide funding assistance to these swimming pools. A report included in the Northern Community Board's agenda for their meeting held on 7 December 2021 outlines the background to the request as well as the issues and options considered by the board.
- 5 The board are seeking Council's support for the proposal to establish a new pool rate. This is because the board has only been delegated responsibility for recommending rates for local activities in their area. Only Council can set rates.
- 6 The board's full proposal includes:
 - (a) establishing a fund to provide annual funding assistance to the two pools in the board area to which pool committees can apply for funding
 - (b) setting the initial amount of financial assistance to be collected for the pool fund at \$17,825 (including GST) in 2022/2023
 - (c) consulting on two options for collecting the pool funds through a new separate targeted pool rate based on either:
 - (i) the entire Northern Community Board area where all properties in this area pay the same fixed amount (\$19.29) per separately used or inhabited part of a rating unit (SUIP); or
 - (ii) a combined Five Rivers hall, Lumsden hall and Mossburn hall rating area where all properties in this area pay the same fixed amount (\$24.28) per separately used or inhabited part of a rating unit (SUIP).

- 7 Given that the board had different views about who benefits from the pools, they are proposing to carry out separate consultation with the community on both options to gauge support (or otherwise).
- 8 For simplicity they are proposing to collect any new pool rate with each property paying the same amount per SUIP on the basis that the benefits don't vary between properties within the identified area.
- 9 If the board then wishes to proceed, any new rate will then be included in the Annual Plan 2022/2023 to be adopted by Council.
- 10 In addition, the board have also asked staff to look at options for extending the existing Five Rivers and Mossburn hall rating areas. Initial work undertaken by staff on this matter indicates that the changes proposed may result in an additional 19 SUIP's being added into the Mossburn hall rating area. If the combined hall rating area option detailed above was to be used for the new pool rate, any change to the Mossburn hall rating area has the potential to increase the new pool rate SUIP's and therefore reduce the rate amount per SUIP as detailed in this report.

Recommendation

That the Council:

- a) receives **the report titled "Proposal for new Northern pool rate (Mossburn and Northern Southland pools)" dated 18 January 2022.**
- b) determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.
- c) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) **subject to community consultation, support the Northern Community Board's** proposal to establish a new separate targeted pool rate for the pool funding based on either:
 - (i) the entire Northern Community Board area where all properties in this area pay the same fixed amount per amount per separately used or inhabited part of a rating unit (SUIP); or
 - (ii) a combined Five Rivers hall, Lumsden hall and Mossburn hall rating area where all properties in this area pay the same fixed amount per separately used or inhabited part of a rating unit (SUIP).

Background


- 11 At the Northern Community Board meeting on 22 November 2021, both the Northern Southland (Lumsden) and Mossburn pool committees made a presentation to the board requesting ongoing funding assistance of \$9,200 and \$8,625 respectively (including GST). The

requests were to help fund a shortfall in pool operating costs required to keep the pools open and enable other fundraising efforts to focus on longer-term capital projects to ensure the facilities are well maintained.

- 12 The board have considered this request and are proposing to establish a fund to provide annual funding assistance to the two pools in the board area to which the pool committees can apply for funding.
- 13 The board received a report at their meeting on 7 December 2021 which outlined four options for how the proposed funding (\$17,825 including GST in 2022/2023) could be collected through rates.
- 14 At this meeting the board identified two options for consultation and are seeking Council's support prior to carrying out any consultation.

Issues

- 15 As part of last year's funding and rating review, the Council developed a set of funding principles to guide thinking about how activities should be funded as follows:
 - considering who benefits from the activity, when the benefits occur, who creates the need for the expenditure, the costs and benefits of funding separately and the impact it would have on community wellbeing (as per section 101(3) of the Local Government Act 2002)
 - ensuring consistency in how similar activities are funded across the District where possible
 - simplifying the approach to rating.
- 16 These principles were considered by the board as part of the 7 December 2021 report where the preferred funding options were discussed.
- 17 In terms of considering section 101(3) including the activity benefits, the board indicated that the community benefits generally from swimming pools because of the water safety and health benefits they offer as well as providing a space for recreation. However, some members of the board also felt that there were differences in how the benefits were experienced by different parts of the community. Those living nearer the pools in Mossburn, Lumsden and Five Rivers were seen by some to have easier access and therefore greater benefit, while those living nearer Athol and Garston were seen by some to be more likely to use the Queenstown pool and therefore receive limited benefit.
- 18 This is similar to the feedback received from other boards during the rating and funding workshops held last year (summarised in the table below) that the community benefits generally from swimming pools but that there can be variations in the level of benefit experienced between areas and individuals.

Activity	Who benefits?	What is the nature of the benefit?
 <p>Swimming Pools</p>	<p>Everyone Exercisers Children and Families</p>	<ul style="list-style-type: none"> • Benefits accrue to the people who are able to access a swimming pool in their areas and the community generally by providing a place where people can learn to swim. • Pool users also benefit directly – exercise, recreation. • The level of public benefit is mitigated to some extent by the fact that swimming pools have restricted access, must generally be supervised and also charge entry fees. • Important to note that Council provides funding for swimming pools run by community groups or third parties, but does not provide these activities directly. • Not all community swimming pools are funded by rates.

- 19 As such, the board did not identify a preferred option for consultation, but rather wanted to get feedback from the community about what areas should be rated, being either:
- (i) all properties in the entire Northern Community Board area; or
 - (ii) only properties in the Five Rivers hall, Lumsden hall, and Mossburn hall rating boundaries.
- 20 The board also felt that the contribution from each property within the area to be rated should be the same because, once the area of benefit was considered, all properties within the area had the same opportunity to access the pools. The board also noted that rural families in the areas surrounding the pools are likely to use the pools as much, if not more, than people in the townships.
- 21 In terms of ensuring consistency in how similar activities are rated and simplicity in rating, the board believes that a new separate rate achieves this.
- 22 Based on the information that staff are aware of, there are around 28 swimming pools in Southland District. Twelve of these currently receive funding from Council via seven targeted rates (Fiordland, Otautau, Riverton/Aparima, Takitimu, Tuatapere ward, Waihopai Toetoe and Winton). In addition, Ardlussa Community Board are also currently consulting on a proposal to establish a new pool rate for the Balfour and Riversdale pools.
- 23 All of these pools are funded through separate targeted rates (set as a fixed amount per property). Of these, three use separate pool rates that cover the whole or majority of community board area (Waihopai Toetoe, Tuatapere Te Waewae, Fiordland) with Ardlussa currently consulting on a proposal to establish a community board wide pool rate.
- 24 Other pools (eg Riverton, Winton, Takitimu, Otautau) use a different approach and have separate pool rates for specific pools with a defined area (generally covering the part of the community surrounding the pool being funded). In these instances, the rate funds a single pool.
- 25 Both options proposed by the board are similar to how other pools in the district are rated. However, the option to establish a rate across the whole community board area (ii) is more closely aligned with the recent approach used by other boards when introducing a new pool rate and therefore more likely to fit with Council's long-term aim to develop consistency in how pools are funded across the whole district.

The board's preferred option

- 26 The board considered four main options for how any pool funding could be collected through rates, via either:
- (a) the existing Northern Community Board rate which is collected using a differential where urban properties in the townships of Lumsden and Mossburn would pay an additional \$30.84, semi-urban properties in Athol and Garston would pay an additional \$15.42 and rural properties would pay an additional \$7.71; or
 - (b) a new separated targeted pool rate across the Northern Community Board where all properties would pay the same fixed charge of an additional \$19.29; or
 - (c) a new separate targeted pool rate across properties in the combined Lumsden/Mossburn hall rating area. At the 7 December 2021 meeting, the board requested that this option be amended to include properties in the existing Five Rivers hall rating area. As a result, properties in the combined hall area would pay an additional \$24.48 (compared to \$27.64 included in the original report); or

- (d) the existing Lumsden and Mossburn hall rates. Under this option properties in the Lumsden hall rating area would pay an additional \$24.21 and properties in the Mossburn hall rating area would pay an additional \$32.55.
- 27 After considering Council's funding principles outlined above and the different views about the distribution of benefits, the board agreed to consult on option b (I) and an amended option c to include properties in the Five Rivers hall rating area (ii).
- 28 Maps of these areas are attached and summarised below.

Figure 1: Northern Community Board – proposed rating boundary for option (i) / (B)

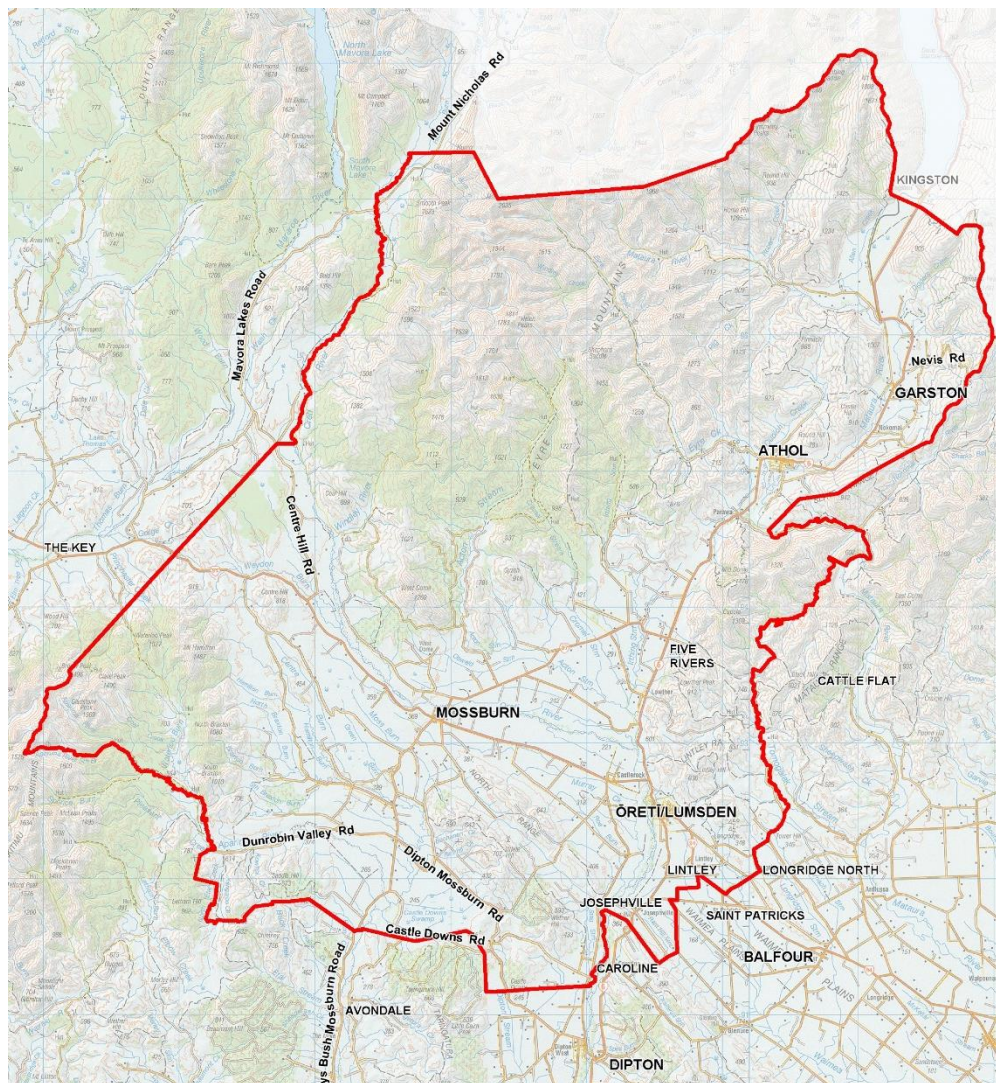
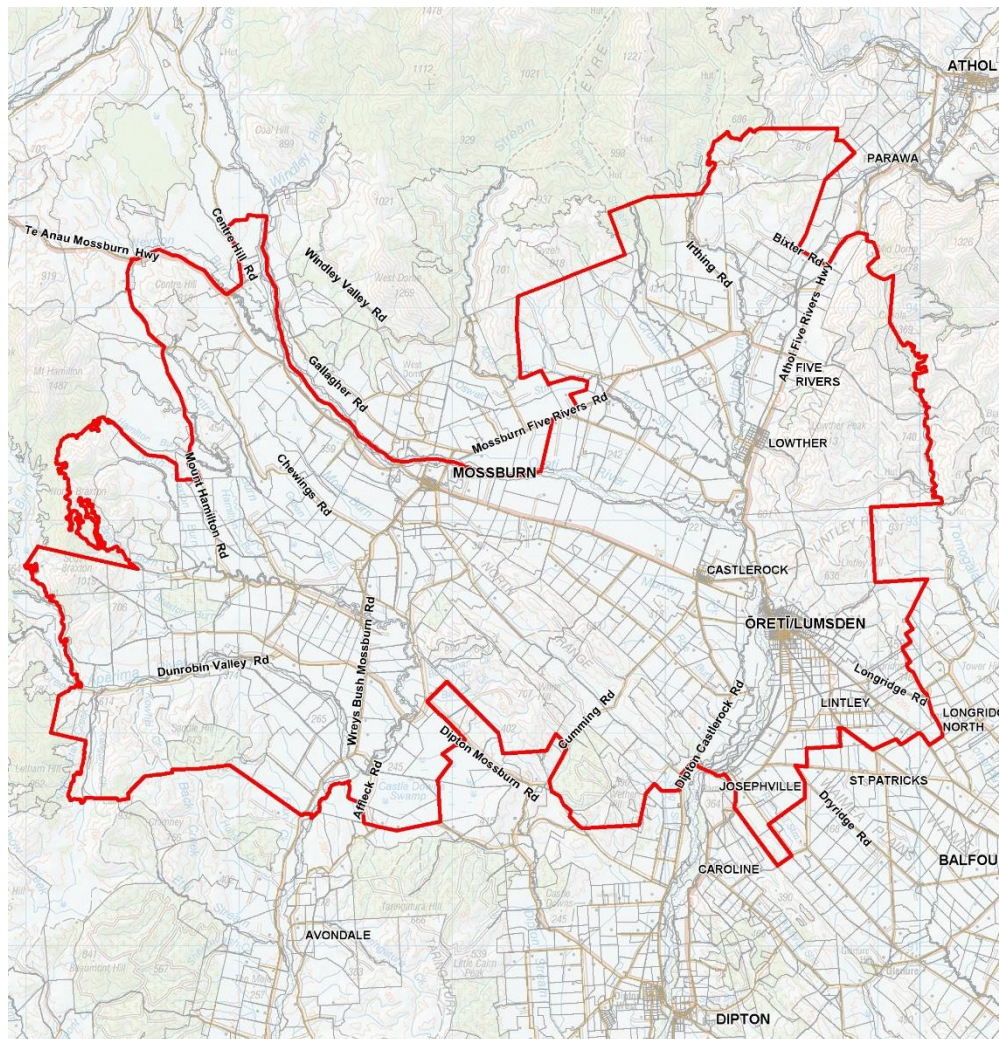


Figure 2: Combined Five Rivers, Lumsden, Mossburn hall rating area - proposed rating boundary for option ii / (C)



- 29 The board are now seeking support of Council for these options in principle prior to undertaking consultation with their community to gauge support (or otherwise) for each option.

Factors to consider

Legal and statutory requirements

- 30 Community boards have been delegated responsibility for recommending rates for local activities in the board area to Council. However, Council cannot delegate authority for rate setting. Any new rates or changes to rates must be confirmed by Council and included in an adopted Annual Plan or Long Term Plan funding impact statement.
- 31 As such this report has been prepared to outline the board's proposal before undertaking consultation with the community (as detailed below).
- 32 Following consultation, if the board wishes to proceed with establishing a new rate any new rate will then be included in the Annual Plan 2022/2023 funding impact statement to be adopted by Council.

Community views

- 33 Staff and board members have provided some feedback about the options outlined this report.

- 34 Some members felt that residents in Athol and Garston are unlikely to use the Northern Southland or Mossburn pools and therefore would get very little direct benefit from the pools compared to other areas. They also indicated that children from Garston school (the majority of whom live in Kingston) are thought to travel to Queenstown for swimming lessons. This may also be the case for other residents in the northern part of the board area who are more likely to travel to Queenstown for shopping and other services.
- 35 This feedback has been reflected in the option to use combined hall rating area as the basis for the rate (ii).
- 36 Due to this being a new rate, the community must have the opportunity to provide feedback. Council generally undertakes consultation on establishing a new rate as part of the Annual Plan or LTP process as part of the Funding Impact Statement (where rates are detailed). Council cannot delegate authority for rate setting.
- 37 However, given the uncertainty about whether there will be public consultation on the Annual Plan 2022/2023, the board are proposing to run a separate consultation process to get feedback from their community on this issue before making any recommendations to Council about the rate. This consultation will substitute public consultation requirements in relation to the Annual Plan, particularly if it gives effect to the principles of consultation outlined in s82 of the LGA.
- 38 Staff have suggested that this be done via an online survey link that is made available on the board's Facebook page, school newsletters and hard copies surveys in strategic locations around the district such as the local stores in Lumsden, Mossburn and Five Rivers.
- 39 In addition, a targeted mailout to non-resident ratepayers will also be undertaken and staff will also consider whether it is appropriate to write to all ratepayers who may be affected. The proposal will also be highlighted through Council's other channels to ensure that interested people outside of the Northern area have an opportunity to comment.

Costs and funding

- 40 The board is proposing to establish a fund to provide annual funding assistance to both pools in the board area to which pool committees can apply for funding.
- 41 The board is proposing to collect \$17,825 (including GST) in 2022/2023 via a new Northern separate targeted pool rate based on either:
- (a) the entire Northern Community Board area where all properties in this area pay the same fixed amount (\$24.28 including GST) per SUIP;
 - (b) a combined Five Rivers hall, Lumsden hall, Mossburn hall rating area where all properties in this area pay the same fixed amount (\$19.29 including GST) per SUIP.
- 42 SUIP includes any portion inhabited or used by the owner/a person other than the owner, and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence or other agreement. For the purposes of this definition, vacant land which is not used or inhabited is not a SUIP.
- 43 Any new rate, if approved, will come into force from 1 July 2022.

Policy implications

- 44 Council already provides funding for a number of pools throughout the District. As such, Council's funding/financials policies and plans already make provision for this.

- 45 Any new rates will need to be incorporated into the Annual Plan 2022/2023 funding impact statement (rates section) to enable the rates to be collected. The catchment area of the rate will also need to be defined.
- 46 Council has previously signalled that it would like to ensure simplicity and consistency in how activities are funded through rates whilst using a rating approach that considers how activity benefits are distributed across the community. These principles have been considered by the board in recommending the options for the proposed new rate.
- 47 While both options are consistent with how other pool rates are collected, option (i) (to establish a rate across the whole community board area) is more closely aligned with the recent approach used by other boards when introducing a new pool rate and Council's long-term aim to develop consistency in how pools are funded across the district.

Analysis

Options considered

- 48 The options are to support the board's proposal to consult on two options for a new separate targeted pool rate based on a fixed amount per SUIP [across either all properties in the Northern Community Board area (i) or a combined Five Rivers/Lumsden/Mossburn hall rating area (ii)] or propose a different pool rating option for consultation.
- 49 Other options (as outlined the 7 December 2021 report to the Northern Community Board) include collecting via either the existing Northern Community Board rate differential or funding each pool separately via the respective hall rating area (Lumsden hall; Mossburn hall).

Analysis of options

Option 1 – **support the board's proposal to consult on two options for a new separate targeted pool rate based on a fixed amount per SUIP across either:**

- all properties in either the Northern Community Board area (i); or
- a combined Five Rivers/Lumsden/Mossburn hall rating area (ii)

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • additional financial assistance is available to pools to assist with operational costs and ensure that facilities remains available to the community • enables committees to focus fundraising efforts on capital projects needed to keep the facilities in good order <p>Depending on the option chosen the advantages will vary:</p> <ul style="list-style-type: none"> • enables more detailed targeting by defining the area serviced by the pool so that only properties in the area contribute (via combined hall rate) • reflects that there is a general public benefit from having the pools available and all 	<ul style="list-style-type: none"> • increases the rate which may place financial burden on some households • may end up displacing Ministry of Education (MoE) funding, particularly if schools use allocated pool funding for other school purposes <p>Depending on the option chosen the advantages will vary:</p> <ul style="list-style-type: none"> • small increase in administration time associated with setting up and maintaining an additional rate (both rates) • less flexibility in how any unspent funds or accumulated reserves can be used without consultation (both rates)

<p>properties pay (via whole community board rate)</p> <ul style="list-style-type: none"> relatively simple and the same as how some other pools in Southland are rated for (both rates). 	<ul style="list-style-type: none"> all properties within the rating area would pay the same irrespective of differences in benefit (e.g. ease to accessing the pool depending on location) (via combined hall rate) properties outside of the rating area would make no contribution despite there being benefits to the whole community from pools improving water safety and providing other health/recreation benefits (via combined hall rate) not in line with how other proposals for new pool rating areas have been set up (across the whole board area) and may not fit with Council's long-term aim to develop consistency in how pools are funded across the whole district (via combined hall rate).
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Option 2 – propose a different pool rating option for consultation via either:

- the existing Northern Community Board Rate (using urban, semi-urban and rural differentials); or
- the existing Lumsden hall rate (to fund the contribution to the Northern Southland pool) and the Mossburn hall rate (to fund the contribution to the Mossburn pool).

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> additional financial assistance is available to pools to assist with operational costs and ensure that facilities remains available to the community enables committees to focus fundraising efforts on capital projects needed to keep the facilities in good order. <p>Depending on the option chosen the advantages will vary:</p> <ul style="list-style-type: none"> avoids need for additional rates and additional administration (via existing community board rate or hall rates) greater flexibility in how unspent funds or accumulated reserves can be used (via existing community board rate) relatively simple (all) enables more detailed targeting by defining the area serviced by the pool so that only 	<ul style="list-style-type: none"> increases rates which may place financial burden on some households may end up displacing MoE funding, particularly if schools use allocated pool funding for other school purposes. <p>Depending on the option chosen the disadvantages will vary:</p> <ul style="list-style-type: none"> not all properties will contribute despite benefit to the community as a whole (hall rates) properties in Athol and Garston would pay more because of the semi-urban differential used for the board rate which may not align with benefits provided by the pool (existing community board rate) less flexibility in how any unspent funds or accumulated reserves can be used without consultation (via existing hall rates).

properties in the area contribute (via existing hall rates) <ul style="list-style-type: none">• consistent with how other areas in Southland are rated for pools (via existing hall rates).	
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Assessment of significance

- 50 This proposal is not considered significant given the relatively small budget proposed (\$17,825 including GST). However, staff are conscious that some members of the community are likely to be interested in the proposal and as such have recommended that the board undertake consultation with the community.

Recommended option

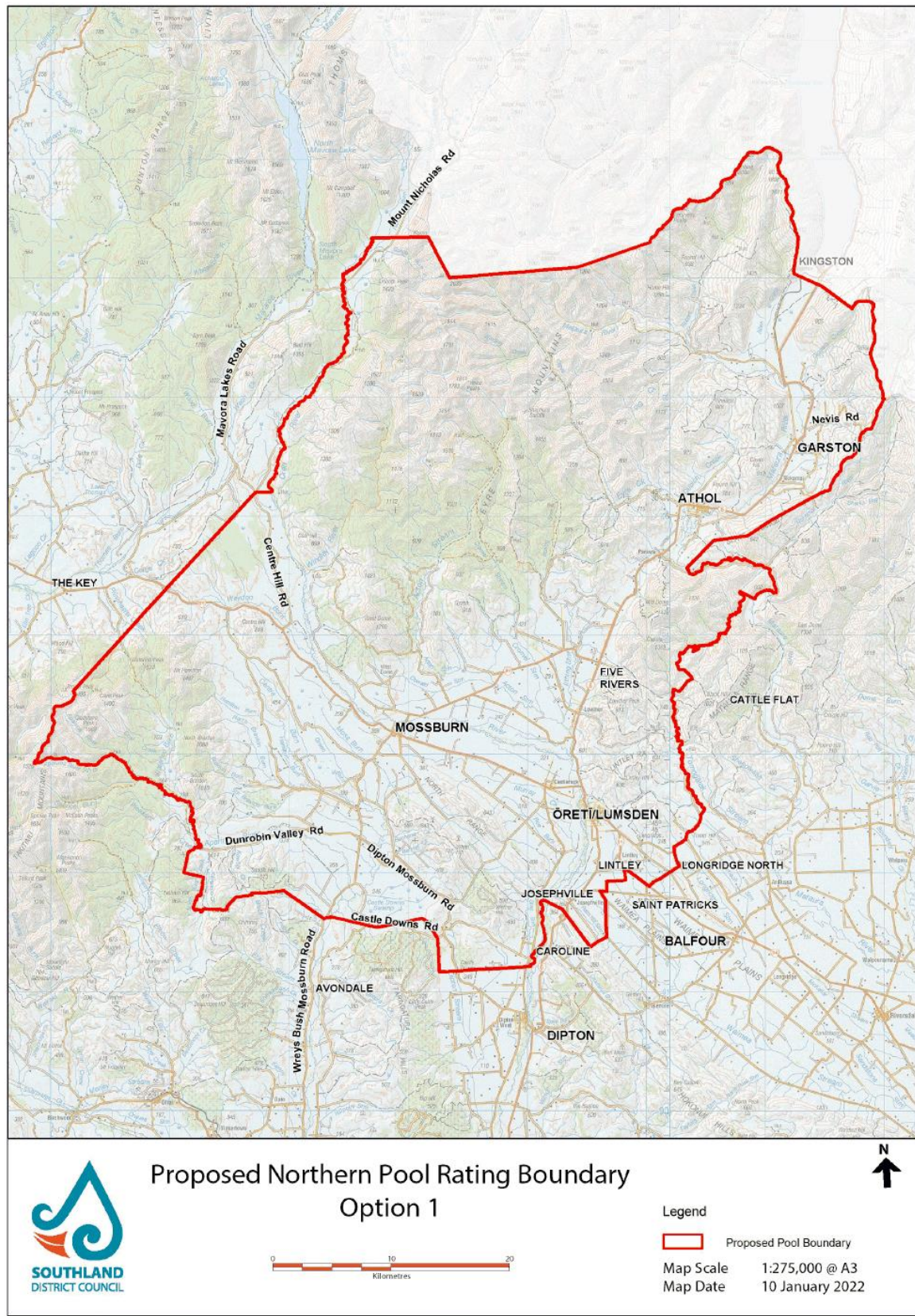
- 51 Option 1 – support the board’s proposal to consult on two options for a new separate targeted pool rate based on a fixed amount per SUIP across either all properties in either the Northern Community Board area (i) or a combined Five Rivers/Lumsden/Mossburn hall rating area (ii).

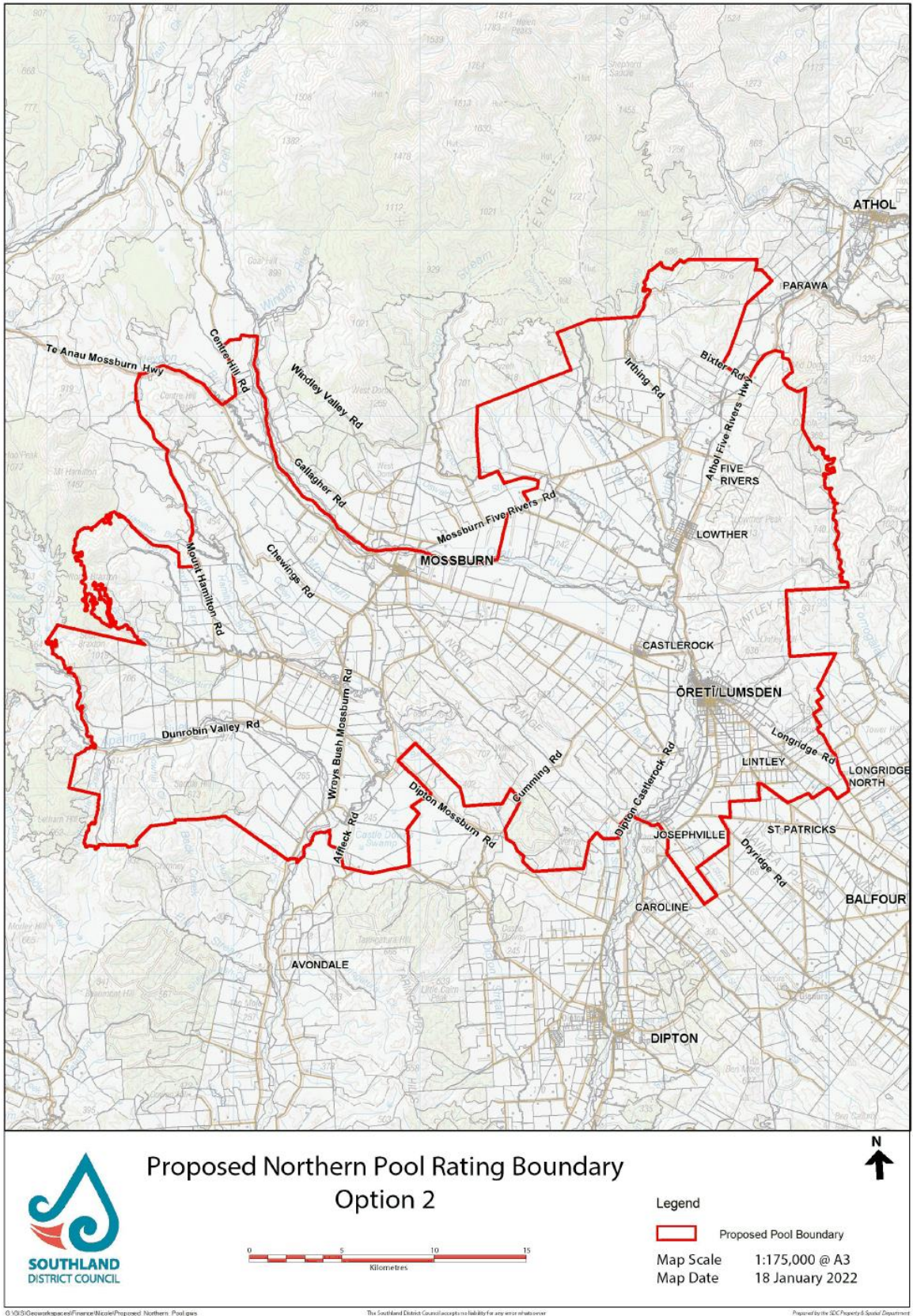
Next steps

- 52 If option 1 is supported staff will carry out the consultation process. If option 2 is supported and an alternative rating method is preferred, staff will need to advise the board of Council’s preferred rating method.
- 53 Once consultation has occurred the board will consider any feedback before finalising the proposed rating method as part of the 2022/2023 Annual Plan process.
- 54 Any funding and associated new rate, if approved, will be incorporated into the 2022/2023 Annual Plan and come into force from 1 July 2022.

Attachments

- A Proposed Northern Pool Rating Boundary - Whole Community Board (Option i) [↓](#)
- B Proposed Northern Pool Rating Boundary - Combined Hall areas (Option ii) [↓](#)





Financial Report for the period ended 30 November 2021

Record No: R/22/1/161
Author: Brie Lepper, Graduate accountant
Approved by: Anne Robson, Chief financial officer

☐ Decision

☐ Recommendation

☒ Information

Summary

1. The purpose of this report is to provide Council with an overview of the financial results for the five months to 30 November 2021 by the seven activity groups of Council, as well as the financial position, and the statement of cash flows as at 30 November 2021.
2. This report summarises Council's financial results for the five months to 30 November 2021.

Recommendation

That the Council:

- a) receives **the report titled "Financial Report for the period ended 30 November 2021" dated** 18 January 2022.

Attachments

- A Financial report - November 2022 [↓](#)



Financial report

November 2021

Southland District Council
Te Rohe Pōtae o Murihiku

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Executive summary

This report summarises Council's financial results for the five month period to 30 November 2021.

The report summary consolidates the business units within each of Council's groups of activities and includes:

- year to date (YTD) actuals, which are the actual costs incurred
- year to date (YTD) projection, which is based on the full year projection (currently year one of the Long Term Plan (LTP)) with adjustments for phasing of budgets, carry forwards and approved unbudgeted expenditure reports
- year to date (YTD) budget, which is based on the full year LTP budget for year one with adjustments for phasing of budgets
- full year (FY) budget, which is the LTP year one budget figures
- full year (FY) projection, which is the LTP year one budget figures plus carry forwards and approved unbudgeted expenditure reports.

The activities reported include the seven activities in the LTP, along with corporate services. Corporate services (previously part of District Leadership) includes all the customer and corporate support (like people and capability, communications, strategy and policy, finance, information management) and forestry. These costs are spread across all the activities but they have also been separated out for the purposes of this report.

Phasing of budgets occurred in August, and will occur at forecasting and when one-off costs have actually been incurred. This should reduce the number of variance explanations due to timing.

Where phasing of budgets has not occurred, one twelfth of the annual budgeted cost is used to calculate the monthly budget.

Carry forwards approved by Council in September 2021 have been included in the projection column. A single round of forecasting will occur in April 2022.

Southland District Council summary reports use a materiality threshold to measure, monitor and report on the financial performance and position of Council. In determining materiality, variances more or less than 10% of the original budget and greater than \$10,000 are considered material and explained in the report.

Report contents:

- A. Council summary (income expenditure, capital expenditure and associated commentary)
- B. Council summary by Activity Group
- C. Statement of comprehensive income
- D. Statement of financial position and movement commentary
- E. Statement of cash flows.

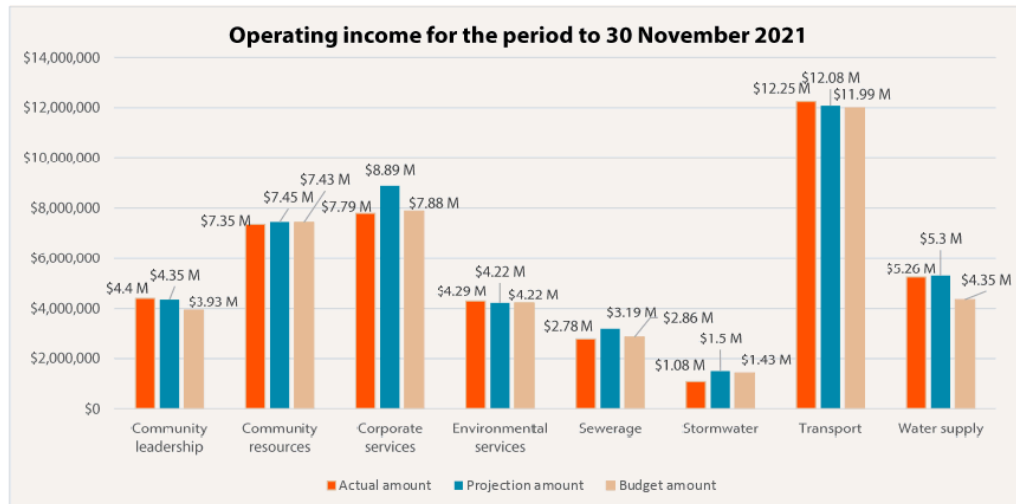
Abbreviation explanation

Abbreviation	Description
AP	Annual Plan
CAPEX	Capital expenditure
FYB	Full year budget
GDC	Gore District Council
GIS	Geographic information system
GMSE	GeoMedia smart client
GST	Goods and Services tax
ICC	Invercargill City Council
LED	Light emitting diode
LT	Leadership team
LTP	Long Term Plan
ME	Month end
NZTA	Waka Kotahi NZ Transport Agency
NZDWS	New Zealand Drinking Water Standards
SDC	Southland District Council
SIESA	Stewart Island Electrical Supply Authority
YE	Year end
YTD	Year to date
YTD Variance	Comparison of actual results compared to YTD budget
\$M	Millions of dollars

Council summary

Income

Operating income for the five month period to 30 November 2021 is \$1.79 million (4%) below projection YTD (\$45.2 million actual vs \$47.0 million projection). The key reasons for the variances in each activity area are discussed below.

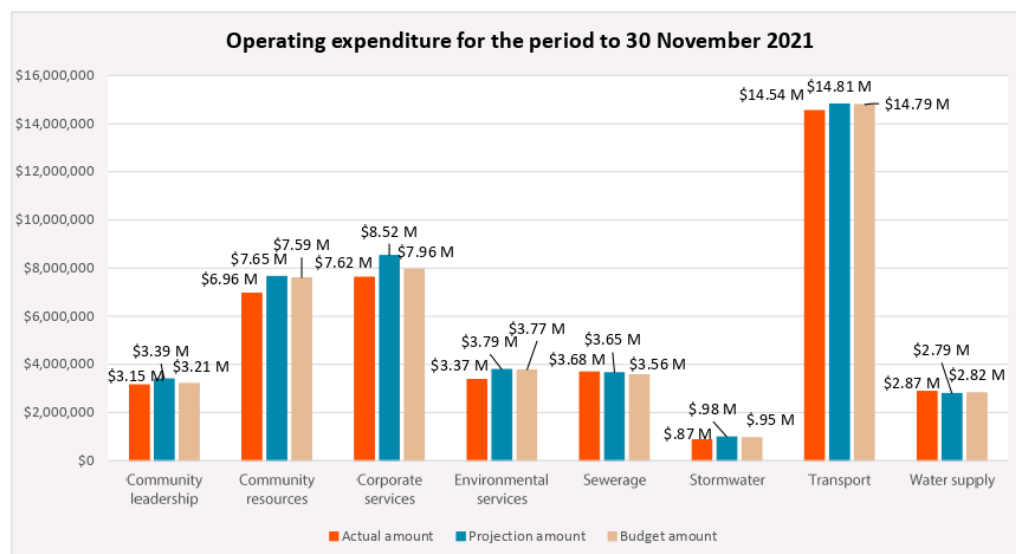


- corporate services** income is \$1,097,125 (12%) lower than projection largely due to investment income being \$871,942 lower than budget. Council is in the process of changing its approach to investments and borrowing that is expected to achieve an increase in investment income. While these increased returns were budgeted, the new approach has not yet commenced resulting in the budgeted income for the period being lower. However, this will be partially offset by a reduction in borrowing costs and the unbudgeted interest income on internal loans. Council has meet informally to discuss the approach to borrowing in line with its liability policy, resulting in \$16.8 million being borrowing long term in December. Council staff and its advisors are now working to recommend to Council potential fund managers, which will occur shortly.
- sewerage** income is \$412,322 (13%) lower than projection
stormwater income is \$415,143 (28%) lower than projection

The variance in income for the sewerage and stormwater activities relates to the timing of the stimulus grant income. The recognition of this income has been phased to match the expected timing of stimulus project costs

Expenditure

Operating expenditure for the five month period to 30 November 2021 is \$2.53 million (6%) below projection for the YTD (\$43.1 million actual vs \$45.6 million projection). The key reasons for the variances in each activity area are discussed below.

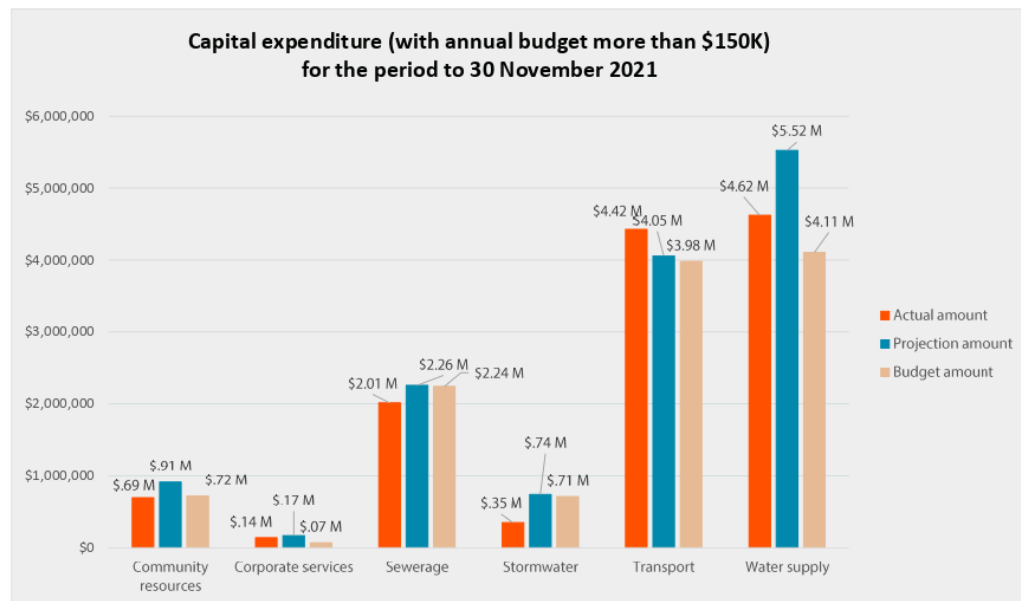
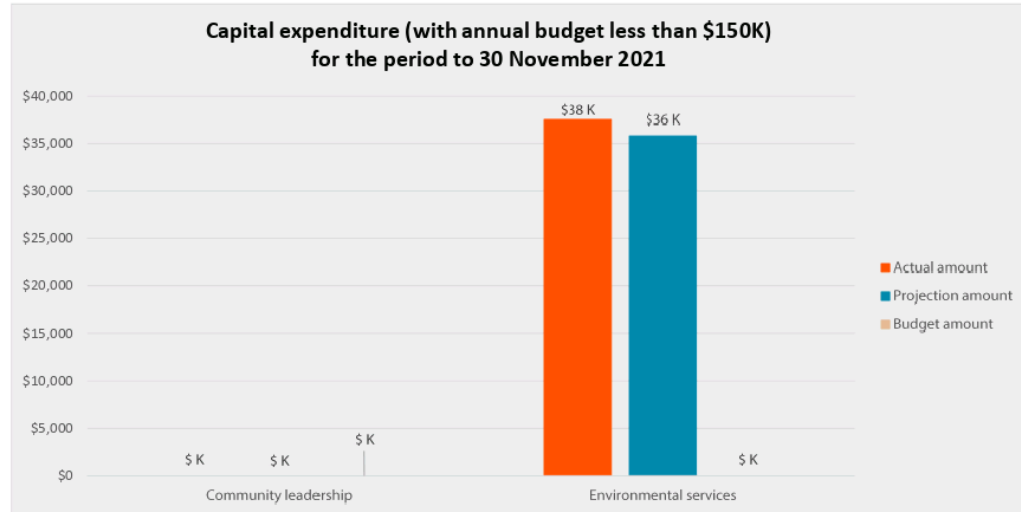


- **community resources** operating expenditure is \$695,378 (9%) lower than projection. The main variances include:
 - streetscapes costs are \$241,995 (38%) under projection. This is due to a combination of reduced costs incurred for gardening, mowing and street litter bins. These costs are expected to be incurred during the summer growing/visitor season
 - parks and reserves costs are \$151,608 (20%) less than projected. This is primarily due to the current buoyant market impacting Council's ability to engage contractors to undertake the smaller maintenance projects
 - hall costs are \$116,069 (34%) lower than projection. \$45,000 of this variance is because we have not paid out grants to some non-Council owned halls. These payments are generally made once applications have been received from the relevant committees, with reminders sent out quarterly. \$57,000 relates to maintenance and work scheme work yet to be undertaken. The fly and spider control, spouting cleaning and annual wash downs are scheduled in the last quarter of the financial year. The budget will be phased in January to recognise this
 - office and building expenditure are \$67,502 (4%) under budget. This is primarily due to an under spend of \$58,923 for internal services due to allocation business being under budget as a result of covid restrictions, lack of contractors and shortage of materials
 - cemetery costs are \$50,305 (31%) less than projected principally due to lower mowing and operational maintenance costs due to the time of the year
 - Toilet costs are \$40,903 (8%) under budget primarily due to less cleaning costs being incurred as a result of the Covid-19 lock down, partially offset by increased septic tank cleaning costs for the Athol hall external public toilet now that the toilet at the café is no longer available for public use.

- **corporate services** operating expenditure is \$897,032 (11%) below projection. The main variances include:
 - investment operating costs which are \$631,414 lower than projected. As detailed in the income section, the new borrowing strategy has not yet commenced as planned, resulting in a lower level of external borrowings, directly impacting external interest costs
 - information management operating costs which are \$117,049 under projection, with \$58,000 of this related to the timing of software license renewals. Maintenance costs are also \$50,000 lower than projected. Software costs expected to be in line with budget at year end
 - three waters collaboration costs are \$75,668 above projection. These are the final costs for the collaboration incurred by SDC, which was subsequently on charged to the other Councils who form the collaboration. SDC's is portion funded from stimulus grant income
- **environmental services** operating expenditure is \$417,384 (11%) below projection. The main variance is resource management costs which are \$308,587 (18%) under projection. Staff costs are (\$199,000) lower due to vacancies. The recruitment processes have been delayed due to the legislative changes around ecology/biodiversity not being passed, as well as Covid-19 and immigration challenges. The remaining variance is primarily related to the share of environment and community leadership costs being lower than expected (\$115,000) as a result of staffing structure changes
- **stormwater** operating expenditure is \$113,402 (12%) less than projected. The main reason for the variance relates to the budgets for condition assessment and investigation expenditure being spread evenly across the year, with actuals for the five months being less than anticipated. This will be invested in January and phased or forecasted if necessary
- **transport** operating expenditure is \$270,792 (2%) below projection. The main variances include:
 - roading administration costs are \$163,351 (64%) under projection. Recovery of wage costs are higher than anticipated, resulting in a cost reduction of \$154,000. This recovery is expected to be higher than budget at year end and will be forecasted in February
 - special purpose roading costs are \$70,833 (100%) lower than projection. This is not unexpected as the actual cost in any year depends on the needs. Any costs incurred are recovered in full from Waka Kotahi
 - These are offset by roading district wide costs being \$67,298 (1%) over projection due to the maintenance required before the resurfacing programme, which is ahead of projections due to good weather

Capital expenditure (CAPEX)

Capital expenditure for the five month period to 30 November 2021 is \$1.40 million (10%) lower than projection (\$12.3 million actual vs \$13.7 million projection). The key reasons for the variances in each activity area are discussed below.



- **community resources** capital costs are \$219,666 (24%) lower than projection. The main variances include:

- offices and buildings are \$197,865 (32%) under projection. This variance relates to the Te Anau library upgrade project, which has not yet started. Staff have received quotes for this project and will be engaging contractors within the next month. Work is not scheduled to start until the Radio-frequency identification (RFID) library project has finished. This is scheduled for April
- **sewerage** capital costs are \$242,932 (11%) below projection, largely due to the Riversdale wastewater treatment plant costs being lower than budgeted for this period. This relates to when the land was purchased
- **stormwater** capital costs are \$390,046 (53%) less than projection. The capital programme currently being delivered is related to the stimulus work, with projects incurring costs slightly behind the phased budget. The commencement date for the Woodlands project has been deferred to a line up with school holidays to minimise disruption and is now expected to be completed in the final quarter of the year
- **water supply** capital costs are \$900,547 (16%) less than projection largely as a result of the phasing of projects. The stimulus projects of AC pipe renewal and New Zealand Drinking Water Standards compliance have had delays of the phased budget while the Lakefront Drive water main renewal costs are less than expected for the period
- **transport** capital costs are \$371,216 (9%) higher than projection. District wide capital works are more than anticipated due to resurfacing programme being ahead of projection (\$561,000) and sealed road drainage (\$49,000). This is offset by bridge renewals and structures component replacement being behind projection due to timing of physical works (\$156,000)

Council summary by Activity Group

Southland District Council financial summary
for the period to 30 November 2021

Operating income									
YTD						FYB			
Activity	Actual amount	Projection amount	Budget amount	Variance	Var %	Projection amount	Budget amount	Variance	Var %
Community leadership	4,402,955	4,351,436	3,934,806	51,520	1%	10,974,351	9,557,721	(1,416,630)	(13%)
Community resources	7,345,846	7,445,164	7,426,169	(99,318)	(1%)	19,656,496	18,192,965	(1,463,531)	(7%)
Corporate services	7,788,377	8,885,502	7,881,358	(1,097,125)	(12%)	21,510,194	19,474,114	(2,036,080)	(9%)
Environmental services	4,294,531	4,221,064	4,216,711	73,467	2%	9,387,248	9,335,696	(51,552)	(1%)
Sewerage	2,775,674	3,187,996	2,857,818	(412,322)	(13%)	8,288,820	7,210,702	(1,078,118)	(13%)
Stormwater	1,082,791	1,497,934	1,429,657	(415,143)	(28%)	3,388,631	3,254,744	(133,887)	(4%)
Transport	12,245,878	12,084,844	11,994,317	161,034	1%	35,281,636	34,129,768	(1,151,868)	(3%)
Water supply	5,255,466	5,304,906	4,352,519	(49,441)	(1%)	9,192,741	8,045,929	(1,146,812)	(12%)
Total	\$45,191,519	\$46,978,846	\$44,093,354	(1,787,327)	(4%)	\$117,680,117	\$109,201,639	(8,478,478)	(7%)
Operating expenditure									
YTD						FYB			
Activity	Actual amount	Projection amount	Budget amount	Variance	Var %	Projection amount	Budget amount	Variance	Var %
Community leadership	3,147,525	3,394,839	3,205,224	(247,314)	7%	11,152,172	9,373,552	(1,778,620)	(16%)
Community resources	6,956,442	7,651,820	7,589,653	(695,378)	9%	19,937,977	19,551,548	(386,429)	(2%)
Corporate services	7,620,956	8,517,988	7,957,310	(897,032)	11%	20,536,296	19,234,329	(1,301,967)	(6%)
Environmental services	3,367,831	3,785,215	3,771,353	(417,384)	11%	10,149,270	10,087,029	(62,241)	(1%)
Sewerage	3,679,039	3,651,133	3,561,518	27,906	(1%)	8,067,918	7,927,450	(140,468)	(2%)
Stormwater	866,444	979,846	950,612	(113,402)	12%	2,176,366	2,119,684	(56,682)	(3%)
Transport	14,541,730	14,812,522	14,792,163	(270,792)	2%	36,057,539	35,533,789	(523,750)	(1%)
Water supply	2,873,367	2,790,155	2,816,260	83,212	(3%)	6,458,798	6,489,669	30,871	0%
Total	\$43,053,334	\$45,583,519	\$44,644,093	(2,530,184)	6%	\$114,536,336	\$110,317,050	(4,219,286)	(4%)
Net surplus/deficit	\$2,138,184	\$1,395,327	(\$550,739)	742,857	(9%)	\$3,143,781	(\$1,115,411)	(4,259,192)	(4%)
Capital expenditure									
YTD						FYB			
Activity	Actual amount	Projection amount	Budget amount	Variance	Var %	Projection amount	Budget amount	Variance	Var %
Community leadership	-	-	-	0	-	79,000	79,000	0	0%
Community resources	692,517	912,183	716,995	(219,666)	(24%)	8,565,987	6,335,714	(2,230,273)	(26%)
Corporate services	138,099	165,781	66,055	(27,682)	0%	1,457,745	1,079,210	(378,535)	0%
Environmental services	37,525	35,770	-	1,755	0%	248,046	108,500	(139,546)	(56%)
Sewerage	2,013,195	2,256,127	2,242,206	(242,932)	(11%)	6,570,092	6,140,314	(429,778)	(7%)
Stormwater	347,800	737,846	711,920	(390,046)	(53%)	2,285,607	2,208,402	(77,205)	(3%)
Transport	4,424,123	4,052,907	3,981,232	371,216	9%	21,651,076	20,711,721	(939,355)	(4%)
Water supply	4,620,975	5,521,522	4,105,446	(900,547)	(16%)	10,761,077	8,937,875	(1,823,202)	(17%)
Total	\$12,274,235	\$13,682,136	\$11,823,855	(1,407,901)	(10%)	\$51,618,630	\$45,600,736	(6,017,894)	(12%)

ACTIVITY GROUPS AND ACTIVITIES				
This table details what is included in the various LTP activities used for this report				
Activity Group	Community leadership	Community resources	Environmental services	Transport
Activity	<p>Community assistance (includes Community Partnership Fund which supports local initiatives and projects, along with grants and donations)</p> <p>Community futures (includes district development services which includes community leadership, regional development funding and Stewart Island Visitor Levy)</p> <p>Representation and advocacy (includes governance, elected members, elections and chief executive)</p>	<p>Community facilities (includes public toilets, community centres/halls, office/library/amenity buildings and dump stations)</p> <p>Community services (includes cemeteries, community housing and library services)</p> <p>Open spaces (including parks, reserves, playgrounds and streetscapes)</p> <p>Waste services</p> <p>Stewart Island Electrical Supply Authority (SIESA)</p>	<p>Animal control</p> <p>Building solutions</p> <p>Emergency management</p> <p>Environmental health</p>	<p>Airport</p> <p>Cycle trails</p> <p>Footpaths</p> <p>Roading</p> <p>Water facilities (includes boat ramps, Riverton Harbour and Stewart Island Jetties)</p>
<p>Corporate services (shared across all activities) Includes customer and corporate support (such as people and capability, communications, strategy and policy, finance, information management) and forestry.</p>				

Statement of comprehensive income

Statement of comprehensive revenue and expenses for the period to 30 November 2021					
	YTD			FYB	
	Actual amount	Projection amount	Budget amount	Projection amount	Budget amount
Revenue					
Rates revenue	22,166,573	22,323,664	22,323,664	54,179,025	54,179,024
Other revenue	5,402,091	5,092,681	4,084,815	11,453,017	9,214,042
Interest and dividends	18,864	841,500	841,500	2,019,599	2,019,599
NZ Transport Agency funding	4,765,181	4,596,202	4,513,845	15,532,141	15,327,781
Grants and subsidies	5,158,417	5,913,248	4,150,374	14,564,865	8,668,794
Other gains/losses	9,948	25,834	0	760,412	647,085
Vested assets	0				
Development and financial contributions	30,000	6,560	0	36,189	10,445
	37,551,073	38,799,689	35,914,198	98,545,248	90,066,770
Expenditure					
Employee benefit expense	6,333,166	6,886,515	6,874,977	16,937,216	16,907,216
Depreciation and amortisation	11,308,201	11,337,489	11,337,489	27,209,974	27,209,974
Finance costs	66,178	527,108	527,108	1,265,059	1,265,059
Other Council expenditure	17,705,484	18,653,250	17,725,363	49,989,217	45,799,932
	35,413,029	37,404,362	36,464,937	95,401,467	91,182,181
Total comprehensive income	2,138,044	1,395,327	(550,739)	3,143,781	(1,115,411)

Note:

The revenue and expenditure in the comprehensive income statement does not reconcile to the total income and total expenditure reported in the Council summary by Activity Group on page 10 due to the elimination of the internal transactions. However, the net surplus/deficit (as per the Council summary by Activity Group) matches the total comprehensive income (as per the statement of comprehensive income).

The presentation of the statement of comprehensive income aligns with Council's Annual Report. The Annual Report is based on approved accounting standards. These standards require us to eliminate internal transactions. Council is also required to report by activities. A number of Council functions relate to a number of activities, eg finance. To share these costs, an internal transaction is generated between the finance business unit and the activity business units. Within the Annual Report, Council also prepares activity funding impact statements. These statements are prepared under the Financial Reporting and Prudence Regulations 2014. This regulation requires that internal charges and overheads recovered be disclosed separately. The Council summary by Activity Group is a summary of what these activity funding impact statements will disclose for income and expenditure at year end.

Statement of financial position

Council's financial position as at 30 November 2021 is detailed below. The statement of financial position below only includes Southland District Council and SIESA financial results and therefore the comparative period (30 June 2021) differs from the draft Annual Report which includes Council's share of Wastenet operations.

Please note, the statement of financial position as at 30 June 2021 was adopted on 17 December 2021 as part of the 2020/2021 Annual Report. The December 2021 financial report will include the final audited 30 June 2021 financial position.

Southland District Council Statement of financial position as at 30 November 2021		
	Actual 30-Nov-21	Actual 30-Jun-21
Equity		
Retained earnings	723,433,910	721,295,866
Asset revaluation reserves	856,312,665	856,312,665
Other reserves	40,963,080	40,963,080
Share revaluation	4,771,233	4,771,233
	1,625,480,890	1,623,342,844
Represented by:		
Current assets		
Cash and cash equivalents	8,920,047	1,674,768
Trade and other receivables	770,970	10,683,506
Inventories	126,353	126,353
Other financial assets	16,671,382	2,522,901
Property, plant and equipment	-	-
	26,488,753	15,007,527
Non-current assets		
Property, plant and equipment	1,615,017,989	1,613,474,356
Intangible assets	4,603,717	4,835,073
Forestry assets	13,270,000	13,270,000
Internal loans	52,455,124	52,455,124
Work in progress	106,721	452,965
Investment in associates	1,129,243	1,129,243
Other financial assets	1,320	1,579
	1,686,584,115	1,685,618,339
Total assets	1,713,072,868	1,700,625,866
Current liabilities		
Trade and other payables	11,357,850	15,534,466
Contract retentions and deposits	558,474	538,012
Employee benefit liabilities	1,584,953	2,098,531
Development and financial contributions	1,599,384	1,620,697
Borrowings	20,000,000	5,000,000
Provisions	3,023	3,023
	35,103,684	24,794,728
Non-current liabilities		
Employment benefit liabilities	23,163	23,163
Provisions	10,008	10,008
Internal loans - liability	52,455,124	52,455,124
	52,488,294	52,488,294
Total liabilities	87,591,978	77,283,022
Net assets	1,625,480,890	1,623,342,844

Statement of cash flows

Statement of cashflows for the period ended 30 November 2021	
	2021/2022
	YTD Actual
Cash flows from operating activities	
Receipts from rates revenue	27,622,472
Receipts from other revenue (including NZTA)	19,596,735
Cash receipts from interest and dividends	18,864
Payment to suppliers	(21,753,377)
Payment to employees	(6,846,744)
Interest paid	(66,178)
GST general ledger (net)	86,018
Net cash inflow (outflow) from operating activities	18,657,790
Cash flows from investing activities	
Receipts from sale of PPE	9,948
(Increase)/decrease other financial assets	(14,148,223)
Purchase of property, plant and equipment	(12,505,590)
Purchase of forestry assets	-
Purchase of intangible assets	231,355
Net cash inflow (outflow) from investing activities	(26,412,511)
Cash Flows from financing activities	
Increase/(decrease) term loans	15,000,000
Increase/(decrease) finance leases	-
Net cash inflow (outflow) from financing activities	15,000,000
Net increase/(decrease) in cash and cash equivalents	7,245,280
Cash and cash equivalents at the beginning of the year	1,674,768
Cash and cash equivalents at the end of November	8,920,048

Cash and cash equivalents

- At 30 November 2021, Council had \$2,140 cash on hand.
- Funds on call at 30 November 2021:

Funds on call				
	Amount	Bank	Account	Interest rate
SDC	\$ 8,123,443	BNZ	Funds on call	0.05%
	\$ 10,000	BNZ	Operating bank acc	0.05%
	\$ 526,829	BNZ	Restricted funds acc	0.05%
SIESA	\$ 257,636	BNZ	Funds on call	0.05%
Total	\$ 8,917,908			

Reconciliation to statement of financial position	Amount
Cash and cash equivalents	
<i>Current assets</i>	
SDC Cash on hand (Note 1)	\$ 2,140
Funds on call (Note 2)	\$ 8,917,908
Total cash and cash equivalents per the statement of financial	\$ 8,920,048

Other financial assets

- At 30 November 2021, Council had \$14.5 million invested in three term deposits as follows:

SDC Investments - Term Deposits				
Bank	Amount	Interest Rate	Date Invested	Maturity Date
ANZ	\$ 5,000,000	0.85%	24-Nov-21	11-Jan-22
ANZ	\$ 5,000,000	0.80%	30-Nov-21	11-Jan-22
BNZ	\$ 4,500,000	0.72%	25-Nov-21	11-Jan-22
Total	\$ 14,500,000			

4. At 30 November 2021, SIESA had \$1.72 million invested in six term deposits as follows:

SIESA investments - term deposits				
Bank	Amount	Interest rate	Date invested	Maturity date
BNZ	\$ 250,000	1.05%	3-Jun-21	3-Dec-21
BNZ	\$ 200,000	1.00%	4-May-21	6-Dec-21
BNZ	\$ 300,000	1.00%	7-Apr-21	7-Apr-22
BNZ	\$ 350,000	1.35%	24-Aug-21	24-May-22
BNZ	\$ 370,000	1.47%	7-Oct-21	1-Jun-22
BNZ	\$ 250,000	1.62%	2-Nov-21	2-Aug-22
Total	\$ 1,720,000			

Reconciliation to statement of financial position	Amount
Other financial assets	
<i>Current assets</i>	
SDC Investments (Note 3)	\$ 14,500,000
SIESA Investments (Note 4)	\$ 1,720,000
Loans - community	\$ 30,097
Civic Assurance shares	\$ 12,986
Milford Sound Tourism shares	\$ 408,299
Total current	\$ 16,671,382
Total current other financial assets per the statement of financial position	\$ 16,671,382

External Borrowings

SDC Borrowings				
Lender	Amount	Interest Rate	Date Drawdown	Maturity Date
LGFA	\$ 20,000,000	0.73%	16-Jul-21	12-Jan-22

Reconciliation to statement of financial position	Amount
Borrowings	
<i>Current assets</i>	
Borrowings	\$ 20,000,000
<i>Non-current assets</i>	
Borrowings	\$ 0
Total borrowings per the statement of financial position	\$ 20,000,000

Compliance with Council policies

Council's Investment and Liability Management Policy states that Council can invest no more than \$10 million with one bank. Investments and funds on call, comply with the SDC Investment and Liability Management Policy.

Open spaces project

Record No: R/21/11/63646
Author: Bridget Elliott, Graduate open spaces planner
Approved by: Nick Hamlin, Group manager programme delivery

☒ Decision ☐ Recommendation ☐ Information

Purpose

- 1 The purpose of this report is to seek approval of Council for the proposed delivery plan to spend \$5.4 million tagged for open spaces projects in the 2018 Long Term Plan.

Executive summary

- 2 Council manages 813 hectares of open space around the Southland district. This is made up of undeveloped natural areas, parks and reserves, playgrounds, gardens, sports fields, walkways and other recreational areas.
- 3 A range of documents have been produced that set direction and assess priorities in our open spaces including the Open Spaces Strategy 2014 and Open Space Priority Settings 2017. During the 2018 Long Term Plan \$5.4 million was committed to be spent around our open spaces. This figure was based off the 2017 priorities settings report.
- 4 Staff have been engaging with community boards, Youth Council and online with our communities, to assess 2021 priorities in order to develop a delivery plan for the spend that will provide communities with a treasured network of open spaces that celebrates, can be appreciated and enjoyed by current and future generations. The 2021 delivery plan is split into three key areas: activation and management, strategic district projects and the community open space project fund.

Recommendation

That the Council:

- a) **receives the report titled “Open spaces project” dated 18 January 2022.**
- b) determines that this matter or decision be recognised as not significant in terms of section 76 of the Local Government Act 2002.
- c) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) agrees to approve the delivery plan for the open spaces project.

Background

- 5 In 2014 an open spaces strategy was developed after it was acknowledged that there was a need to set a direction for the future of open spaces in the Southland district. The key outcomes of this strategy were to celebrate our natural spaces, protect, conserve, increase awareness, cultural connections, make safe, highlight access and activate our open spaces. The vision for Southland district's open spaces is a treasured network of open spaces that celebrates and enhances our natural environment and is appreciated and enjoyed by current and future generations.
- 6 In 2017 the open spaces priority settings were developed. Priorities were set in line with the Open Spaces Strategy 2014 including investments around the development of quality facilities connected to our open spaces. Many of the projects identified in this document have since been included as projects in the Long Term Plan.
- 7 In 2021 a delivery plan has been developed that considers all relevant documents and recent engagement around open spaces in the Southland district. This delivery plan aims to make the best use of our current network of open space through enhancing and activating our existing assets and environment. This delivery plan is broken down into three key areas; activation and management, strategic district projects and the community project fund.
- 8 Activation and management - to deliver this project successfully it must be adequately resourced. The key roles for this project will be graduate open spaces planner (one full time employee (FTE) already in place), open spaces lead (one FTE to be secured), Southland district open space activator (one FTE to be secured) and the spaces and places regional lead (one FTE already in place). The Southland district open space activator and the spaces and places regional lead are both employed by Active Southland on part and full-time contracts.
- 9 Strategic district projects - this identifies a range of strategic projects across our district from the priority settings document, recent engagement and Long Term Plan. While many key projects have already been identified, the strategic outcomes approach of this plan allows for projects to be added within this framework as they are identified.

Strategic project		Strategic outcome	Why a strategic project?
Open spaces information project	Signage Website	"Our network of open spaces meets the needs of current and future generations".	Through 2021 engagement it was identified that as a part of making our open spaces accessible we need to increase information available about what we have, where it is, and what is there once you get there. This supports findings from the priority settings document that identifies developing a development plan for parks and reserves as a priority. Providing access to information will encourage activation of our open spaces as people will understand what open
	<ul style="list-style-type: none"> increasing information available, information about our open spaces. 		

Strategic project		Strategic outcome	Why a strategic project?
			space is available to them in the Southland district.
<p>Open spaces connection project</p> <ul style="list-style-type: none"> encouraging a sense of pride in our open spaces through the presence of our history, culture and art. 	<p>Art Project</p> <p>Stories of our history and culture</p>	<p>“Our open spaces reflect and celebrate our history, our people and our local character”.</p>	<p>To reflect and celebrate our history, our people and our local character we should where it is appropriate, use our open spaces to tell stories of our history and culture. It has also been identified that there is a desire to showcase art. This project will facilitate the use of open spaces to reflect our communities’ identities. By understanding these stories of our history and culture and how we can portray them within our open spaces, we hope to be able to evoke a sense of pride in these spaces.</p>
Strategic destination projects	<p>Lumsden</p> <p>Taramea Bay</p> <p>Winton</p> <p>Te Anau lakefront</p>	<p>“Our open spaces are places where our communities meet, connect and celebrate”.</p>	<p>These locations have been identified as significant locations that provide a unique experience, provide benefits to the local community and meet local needs for recreation. These areas are key destination locations that service visitors to the district and visitors from within the district. With these spaces providing a high-quality experience we are able to encourage a point of difference throughout our open spaces.</p>
Compliance and design (in playgrounds)	<p>Safe, accessible and enjoyable play spaces.</p> <p>Nature play project.</p>	<p>“Our open spaces encourage and enable a wide range of people to play and enjoy a range of sports”.</p> <p>“Our open spaces are safe, inspiring, well designed and welcoming to all”.</p>	<p>We have acknowledged that we will create safe, accessible and enjoyable places that ensure quality, innovative and creative design. Through playground compliance assessments and audits our short comings in this space are abundantly clear. Playground projects included in the Long Term Plan captured equipment replacement on a priority end of life basis. This does not capture full compliance and design shortfalls in our playgrounds. To remedy this, we</p>

Strategic project		Strategic outcome	Why a strategic project?
			need to look at playgrounds concurrently. As initially identified in the priority settings document and then brought up again through 2021 consultation, playgrounds are a key strategic asset for the wellbeing of our communities. Therefore, support through this district funding mechanism is critical to the level of solutions required to deliver these objectives for our communities.

- 10 Community project fund - staff get approached with projects in our open spaces that are unable to be actioned due to inadequate funding mechanisms, or they sit outside of existing programmes of work. Community groups will be able to apply for this fund to deliver on projects up to \$50,000. While the allocation mechanism for this fund is still being developed it is likely to be issued through a panel made up of representatives from Active Southland, Great South and Southland District Council. The panel will assess the projects against a criteria matrix made up of strategic documents associated with open spaces in the Southland district. This will encourage a more diverse range of opportunities for active and passive recreation. Some examples of what these projects could be include community gardens, community events and BBQ facilities.

Issues

- 11 This funding was set aside through the Open Spaces Strategy 2014 and the 2018 Long Term Plan process however, there were no specific projects allocated to this funding. While the priority settings document outlined potential projects to support the inclusion of the funding in the Long Term Plan, these were not specifically identified as a part of the plan. Due to this, projects from the priority settings document have been included separately in the Long Term Plan, some of which have already been delivered.
- 12 Open spaces are closely connected to the wellbeing of communities. They provide opportunity for socialising and meeting up with others, they offer protected areas of significant natural vegetation, provide opportunity to inform and educate and provide contribution to the economy by enhancing the overall quality of life and visual identity of the district. Without the support of this delivery plan there is reputational risk for further delays for the achieving desired outcomes of the open spaces strategy.

Factors to consider

Legal and statutory requirements

- 13 There are no legal and statutory requirements.

Community views

- 14 Community engagement has been undertaken with community boards, Youth Council and online with our communities around the key concepts of the Open Spaces Strategy 2014 to ensure, current priorities are still in line with those in the strategy.
- 15 Access to our open spaces was acknowledged to be extremely important. This is about ensuring people know where our open spaces are and that they are able to get around them once they are there. Playgrounds were highlighted as a key strategic asset with a direct correlation to wellbeing within communities.

Costs and funding

- 16 \$5.4 million dollars has been set aside for this project over the next seven years through the Long Term Plan.
- 17 Staff are proposing that this funding will be split to achieve the delivery plan as identified in the following table:

Project	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29
LTP yearly budget	250,000	498,877	987,892	498,295	493,303	990,444	993,641	731,000
Activation and management	125,000	225,000	225,000	200,000	100,000	100,000	100,000	100,000
Strategic projects	125,000	223,877	562,892	98,295	193,303	690,000	793,641	581,000
Community project fund		50,000	200,000	200,000	200,000	200,000	100,000	50,000
Total investment								5,440,452

Policy implications

- 18 There are no policy implications.

Analysis

Options considered

- 19 The options considered are to approve the delivery plan for the open spaces project.

Analysis of options

Option 1 – Approves the delivery plan for the open spaces project.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• deliverables of the open spaces project are able to begin to be actioned in the 2021/2022 financial year• Communities and Community Boards can start planning projects for the future.	<ul style="list-style-type: none">• none identified.

Option 2 – Not approve the delivery plan for the open spaces project.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• none identified.	<ul style="list-style-type: none">• Council will have to absorb the reputational risk associated with not beginning the proposed delivery plan• lost opportunity for community wellbeing through active engagement• district projects not delivered.

Assessment of significance

- 20 The assessment of significance needs to be carried out in accordance with Council's Significance and Engagement Policy. The Significance and Engagement Policy requires consideration of the impact on social, economic or cultural wellbeing of the region, and consequences for people who are likely to be particularly affected or interested. Community views have been considered throughout this process thus the proposed decision is not considered significant.

Recommended option

- 21 The recommended option is option 1.

Next steps

- 22 Engage extra resource to assist with delivery plan.
- 23 Begin developing open spaces map and signage review.
- 24 Continue to develop funding allocation mechanism for the community projects fund.

Attachments

There are no attachments for this report.

Winton and Te Anau office project financial update

Record No: R/21/11/62898
Author: Mark Day, Community facilities manager
Approved by: Nick Hamlin, Group manager programme delivery

☐ Decision

☐ Recommendation

☒ Information

Purpose

- 1 The purpose of this report is to provide Council with a financial update on the Winton office/ library and Te Anau office refurbishments.

Executive summary

- 2 A report was presented to Council on 27 August 2020 that informed councillors of the presence of a toxigenic mould within the Winton office/ library building (2 Wemyss Street) and the work that was required to remove the mould and refurbish the building.
- 3 To achieve this there was a recommendation requesting unbudgeted expenditure of \$1,314,918. This was subsequently approved and work has proceeded with the mould removal and refurbishment.
- 4 With delays due to Covid-19 and the increase in costs associated with building materials an additional \$150,000 is required to complete this project.
- 5 Council has an office in Te Anau (116 Town Centre) which is a leased space. The intention was to relinquish this lease and combine the office with the library. This proposal was not progressed due to lack of support from the local community.
- 6 Subsequently the lease has been renewed and more staff are now using the office on a permanent basis.
- 7 Staff have raised concerns about the suitability of the office for the number of staff and have identified the following issues: lighting, security, ventilation and heating/ cooling.
- 8 Staff are working with the landlord to come to an agreement over the costs associated with making these improvements but have determined that \$80,000 will be required to resolve the issues that have been raised.
- 9 The Te Anau library refurbishment had an original budget of \$534,278. Due to the decision not to continue with a combined office/ library project, \$100,000 was allocated to the Winton office/ library refurbishment initially as part of the unbudgeted \$1,314,918. This leaves \$434,278 remaining which will offset the \$150,000 spend in Winton office/ library and the \$80,000 spend in the Te Anau office. This leaves a balance of budget of \$204,278 which is enough to cover the costs of the Te Anau library upgrade.

Recommendation

That the Council:

- a) **receives the report titled “Winton and Te Anau office project financial update” dated 18 January 2022.**
- b) determines that this matter or decision be recognised as not significant in terms of section 76 of the Local Government Act 2002.
- c) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.

Background

- 10 A report was presented to Council on 27 August 2020 that informed councillors of the presence of a toxigenic mould within the Winton office/ library building (2 Wemyss Street) and the work that was required to remove the mould and refurbish the building.
- 11 To achieve this there was a recommendation requesting unbudgeted expenditure of \$1,314,918. This was subsequently approved and work has proceeded with the mould removal and refurbishment.
- 12 Covid-19 has had an impact on the contractor to be able to complete this work which has resulted in additional costs associated with the materials.
- 13 Throughout the refurbishment additional work has been identified that was not foreseen in the original scope of work.
- 14 Both of these have extended the project duration which means that additional funding is required.
- 15 This includes work that has already been completed and work that is still required to be completed:
 - once the existing suspended ceilings were demolished to allow for the installation of the new mechanical and heating system
 - after finding mould in ceilings further testing samples were done including air monitoring tests plus sections of subfloor cut open to assess – all tongue and groove and chip board flooring removed eventually
 - securing new alternative floor materials and extending project duration until flooring is secured onsite
 - after removing skirting so the existing flooring could be removed, mould was found behind the skirtings to the support library and staff work areas exterior walls only
 - the supply and installation of new 90mm timber wall framing, building wrap, mould resistance insulation and gib linings including water proof paint system to the existing concrete walls

- the supply and installation of double glazing to existing aluminium frames (49 units) including reflective glass to the northern facing windows
- the total cost to undertake this work was \$150,000.00.

- 16 Council has an office in Te Anau (116 Town Centre) which is a leased space. The intention was to relinquish this lease and combine the office with the library. This proposal was not progressed due to lack of support from the local community.
- 17 Staff have raised concerns about the suitability of the office for the number of staff now using it on a permanent basis.
- 18 The number of staff using this office has increased due to the additional operational requirements in the Te Anau area. Originally there were only four staff located permanently in the office. There is now a requirement to provide space for 14 permanent staff.
- 19 They have identified the following issues: lighting, security, ventilation and heating/ cooling.
- 20 Council has a current lease for the Te Anau office which has been negotiated at a three plus two plus year term.
- 21 If council exited from the lease we would be required to sub lease the office for five years and acquire and fit out another office space.
- 22 The landlord hasn't increased the rent for two years and agrees to hold this in lieu of the upgrades we are proposing to do.
- 23 Staff are working with the landlord to come to an agreement over the costs associated with making these improvements but have determined that \$80,000 will be required to resolve the issues that have been raised.
- 24 A portion of the total cost, \$15,000 is for council owned fit out (desks and wiring) and the carpet was included in the original fit out at the start of the lease. This is now at end of life so is a replacement cost.

Issues

- 25 Covid-19 has had an impact on the contractor to be able to complete this work which has resulted in additional costs associated with the materials.
- 26 Throughout the refurbishment additional work has been identified that was not foreseen in the original scope of work.
- 27 Staff levels have increased in the Te Anau office over and above what was originally indicated when the lease was renewed.

Factors to consider

Legal and statutory requirements

- 28 There are no legal and statutory requirements.

Community views

- 29 Community engagement has been undertaken with the Winton community throughout the refurbishment project.

Costs and funding

- 30 The budget for the Winton office/ library project is \$1,314,918 which is being funded from a combination of existing residual property budgets in the 2020/2021 financial year and a loan funded portion commencing in the 2021/2022 financial year.
- 31 The additional \$150,000 for the Winton office/ library project will be loan funded.

Additional mould mitigation works	\$105,000.00
Installation of double glazing	\$45,000.00
TOTAL	\$150,000.00

- 32 The \$80,000 for the Te Anau office is made up of the following and will be loan funded:

Desks	Agile 3 electric desks	\$10,766.00
Desks	Soft wiring	\$2,800.00
HVAC	Air conditioning appliance	\$22,128.34
Lighting	FE quote (higher output lights)	\$6,118.93
Security	X2 new door locks	\$500.00
Carpet	Carpet tiles	\$23,400.00
	SUB-TOTAL	\$65,713.27
	Contingency	\$13,142.65
	Construction contingency @20%	\$13,142.65
	TOTAL	\$78,855.92

- 33 The Te Anau library refurbishment project had an original budget of \$534,278. Due to the decision not to continue with a combined office/ library the scope of work has changed and the budget will be reduced accordingly through the forecasting process.
- 34 The scope of work for the Te Anau library project will now only include painting and new carpets and will be well within the remaining budgets.
- 35 A portion, \$100,000 was allocated to the Winton office refurbishments leaving at total of \$434,278. It is expected that the revised project for the library will cost less than \$100,000 and therefore loan repayments will be less than what has be included in the Long Term Plan calculations.
- 36 This \$434,278 will offset the \$150,000 spend in Winton office/ library and the \$80,000 spend in the Te Anau office.

Policy implications

- 37 There are no policy implications.

Assessment of significance

- 38 The assessment of significance needs to be carried out in accordance with Council's Significance and Engagement Policy. The Significance and Engagement Policy requires consideration of the impact on social, economic or cultural wellbeing of the region and consequences for people who are likely to be particularly affected or interested. Community views have been considered throughout this process thus the proposed decision is not considered significant.

Attachments

There are no attachments for this report.

John Street (Winton) upgrade and Te Anau footpath renewals unbudgeted expenditure

Record No: R/21/12/66849

Author: Ben Whelan, Roading engineer

Approved by: Matt Russell, Group manager infrastructure and environmental services

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 The purpose of this report is to request unbudgeted expenditure for the Winton - John Street footpath and carpark upgrade as well as the 2021/2022 Te Anau - footpath renewals. The appropriate community boards (Oreti and Fiordland) considered reports in December and recommended to Council to approve the unbudgeted expenditures of \$45,000 (including \$15,000 contingency) and \$40,456 respectively.

Executive summary

- 2 The Winton - John Street footpath and carpark upgrade and the 2021/2022 Te Anau - footpath renewals were approved through the Long Term Plan 2021-2031, and are programmed to be constructed this financial year.
- 3 **Winton - John Street footpath and carpark upgrade** - This project includes the construction of a new footpath, kerb and channel and angle parks along the south side of the street towards Park Street. After receiving a quote, construction costs exceeded the approved Long Term Plan budget of \$120,000, which is reflective of the current market prices. Therefore, staff have requested an unbudgeted expenditure of \$45,000 from the Winton property sales reserve to proceed with this project. This includes a 10% (\$15,000) contingency that will only be funded if the contingency is required. The Oreti Community Board recommended that Council approve the unbudgeted expenditure at their meeting held on 6 December 2021.
- 4 **2021/2022 Te Anau footpath renewals** - As a result of Waka Kotahi oversubscribing its funding nationally, Council only received \$800,000 out of the \$2,406,000 of funding assistance for footpath renewals that was programmed for the first three years of the Long Term Plan. As a result, Council is obligated to reprioritise the remaining Waka Kotahi funding assistance to the most critical sites at a district level. Due to this reduction, the Te Anau footpath renewal sites (Quintin Drive and Matai Street) will not receive any Waka Kotahi funding assistance. To proceed with this project, the Fiordland Community Board has requested an unbudgeted expenditure of \$40,456 from the Te Anau general reserve. The Fiordland Community Board recommended that Council approve the unbudgeted expenditure at their meeting held on 1 December 2021.

Recommendation

That Council:

- a) **receives the report titled “John Street (Winton) upgrade and Te Anau footpath renews unbudgeted expenditure” dated 18 January 2022.**
- b) determines that this matter or decision be recognised as not significant in terms of section 76 of the Local Government Act 2002.
- c) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) approves unbudgeted expenditure of \$45,000 to complete the current scope for the John Street footpath and parking project to be funded from the Winton property sales reserve.
- e) approves the unbudgeted expenditure of \$40,456 to complete the 2021/2022 Te Anau footpath renewals to be funded from the Te Anau general reserve.

Background

- 5 The Winton - John Street footpath and carpark upgrade and the 2021/2022 Te Anau - footpath renewals were approved through the Long Term Plan 2021-2031, and are programmed to be constructed this financial year.

Winton - John Street footpath and carpark upgrade

- 6 This project includes the construction of a new footpath, kerb and channel and angle parks along the south side of the street heading towards Park Street.
- 7 After calling around five contractors to check their availability, all the interested contractors were sent a request for quote; however, only one quote was received. After receiving this quote, the construction costs exceeded the approved Long Term Plan budget of \$120,000, which staff believe reflects the current construction industry.
- 8 Staff have requested an unbudgeted expenditure of \$45,000 from the Winton property sales reserve to proceed with this project. This includes a 10% (\$15,000) contingency that will only be funded if the contingency is required. The Oreti Community Board recommended that Council approve the unbudgeted expenditure at their meeting held on 6 December 2021.

2021-2022 Te Anau footpath renewals

- 9 As a result of Waka Kotahi oversubscribing its funding nationally, Council only received \$800,000 out of the \$2,406,000 of funding assistance for footpath renewals that was programmed for the first three years of the Long Term Plan. This equates to approximately 33% of what was requested.

- 10 Council is required to ensure that the Waka Kotahi share of funding is prioritised at a district level and spent on the most critical sites. Due to this, further rationalisation has been required for the 2021/2022 programme for allocating a district-wide priority ranking for all sites, based on their condition. From this, the highest priority sites received the available Waka Kotahi funding.
- 11 Due to this rationalisation, the Te Anau footpath renewal sites (Quintin Drive and Matai Street) will not receive any Waka Kotahi funding assistance. Therefore, to proceed with this project, staff have requested an unbudgeted expenditure of \$40,456 from the Te Anau general reserve. The Fiordland Community Board recommended that Council approve the unbudgeted expenditure at their meeting held on 1 December 2021.

Factors to consider

Legal and statutory requirements

- 12 There are no legal and statutory requirements.

Community views

- 13 These projects are included in the 2021-2031 Long Term Plan and the appropriate community boards have recommended with Council to approve the unbudgeted expenditure.

Costs and funding

Winton - John Street footpath and carpark upgrade

- 14 Following the tender process, the John Street footpath and parking upgrade exceeded the budget by \$45,000. This includes a 10% (\$15,000) contingency that will be only be funded if the contingency is required.
- 15 The project is now expected to cost \$165,000, with \$120,000 included in the Long Term Plan. The community board has recommended that the unbudgeted expenditure of \$45,000 be funded from the Winton property sales reserve that is forecast to have a balance of \$210,811 at year-end. There is no future impact on rates.

2021-2022 Te Anau footpath renewals

- 16 Originally as part of the district-wide footpath renewals, \$77,800 was programmed in Te Anau for 2021/2022, including a 52% Waka Kotahi subsidy. As a result of this rationalisation of the remaining Waka Kotahi funding assistance, the Te Anau footpath renewal sites (Quintin Drive and Matai Street) will not receive any assistance.
- 17 Due to this, the remaining 52% (\$40,456) would be funded locally through an unbudgeted expenditure from the Te Anau general reserve. The community board has recommended that the unbudgeted expenditure of \$45,000 be funded from the Te Anau general reserve that is forecast to have a balance of \$470,294 at year-end. There is no future impact on rates.

Policy implications

- 18 There are no policy implications.

Analysis

Options considered

- 19 The options considered are to fund the unbudgeted expenditure in line with the scope.

Analysis of options

Winton - John Street footpath and carpark upgrade

Option 1 –Approve the unbudgeted expenditure of \$45,000 to complete the current scope for the John Street footpath and parking project to be funded from the Winton property sales reserve.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">the project will be delivered to the full scopeno delay in delivering the projectsupports the community board's recommendation.	<ul style="list-style-type: none">additional cost (\$45,000 including contingency).

Option 2 – Does not approve the unbudgeted expenditure of \$45,000 to complete the current scope for the John Street footpath and parking project to be funded from the Winton property sales reserve.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">no additional cost.	<ul style="list-style-type: none">the project cannot go ahead as per the full scopethe project would unlikely be delivered this financial yeargoes against the community boards recommendation.

2021-2022 Te Anau footpath renewals

Option 1 –Approve the unbudgeted expenditure of \$40,456 to complete the 2021/2022 Te Anau footpath renewals to be funded from the Te Anau general reserve.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">the project will be delivered to the full scopeno delay in delivering projectsupports the community boards recommendation.	<ul style="list-style-type: none">additional cost.

Option 2 – Does not approve the unbudgeted expenditure of \$40,456 to complete the 2021/2022 Te Anau footpath renewals to be funded from the Te Anau general reserve.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">no additional cost.	<ul style="list-style-type: none">the project cannot go ahead as per the full scopethe project would unlikely be delivered this financial yeargoes against the community board's recommendation.

Assessment of significance

- 20 The assessment of significance needs to be carried out in accordance with Council's Significance and Engagement Policy. The Significance and Engagement Policy requires consideration of the impact on social, economic or cultural wellbeing of the region and consequences for people who are likely to be particularly affected or interested. Community views have been considered throughout this process thus the proposed decision is not considered significant.

Recommended option

- 21 Recommends to Council to approve the unbudgeted expenditure of;
- 22 \$45,000 to complete the John Street footpath and parking project to be funded from the Winton property sales reserve.
- 23 \$40,456 to complete the 2021/2022 Te Anau footpath renewal sites to be funded from the Te Anau general reserve.

Next steps

- 24 Award and deliver the project.

Attachments

There are no attachments for this report.