



Notice is hereby given that a meeting of the Finance and Assurance Committee will be held on:

**Date:** **Wednesday, 14 May 2025**  
**Time:** **10am**  
**Meeting room:** **Council Chamber**  
**Venue:** **Level 2**  
**20 Don Street**  
**Invercargill**

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## **Finance and Assurance Committee Agenda**

### **OPEN**

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#### **MEMBERSHIP**

**Chairperson**

Bruce Robertson

**Deputy chairperson**

Mayor Rob Scott

**Councillors**

Jaspreet Boparai

Don Byars

Derek Chamberlain

Paul Duffy

Darren Frazer

Sarah Greaney

Julie Keast

Christine Menzies

Tom O'Brien

Margie Ruddenklau

Jon Spraggon

Matt Wilson

#### **IN ATTENDANCE**

**Group manager finance and assurance**

Anne Robson

**Committee advisor**

Rachael Poole

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**Full agendas are available on Council's website**

**[www.southlanddc.govt.nz](http://www.southlanddc.govt.nz)**

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**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

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

**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.

**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.

**Phones** – Please turn your mobile devices to silent mode.

**Recording** - These proceedings are being recorded for the purpose of live video, both live streaming and downloading. By remaining in this meeting, you are consenting to being filmed for viewing by the public.

## Terms of Reference – Finance and Assurance Committee

<b>TYPE OF COMMITTEE</b>	Council standing committee
<b>RESPONSIBLE TO</b>	Council
<b>SUBCOMMITTEES</b>	None
<b>LEGISLATIVE BASIS</b>	Committee constituted by Council as per schedule 7, clause 30 (1)(a), LGA 2002.  Committee delegated powers by Council as per schedule 7, clause 32, LGA 2002.
<b>MEMBERSHIP</b>	The mayor, all councillors and one external appointee.
<b>FREQUENCY OF MEETINGS</b>	Quarterly or as required
<b>QUORUM</b>	Seven members
<b>SCOPE OF ACTIVITIES</b>	<p>The Finance and Assurance committee is responsible for:</p> <ul style="list-style-type: none"> <li>ensuring that Council has appropriate financial, risk management and internal control systems in place that provide: <ul style="list-style-type: none"> <li>an overview of the financial and non-financial performance of the organisation</li> <li>effective management of potential opportunities and adverse effects</li> <li>reasonable assurance as to the integrity and reliability of Council's financial and non-financial reporting.</li> </ul> </li> <li>exercising active oversight of information technology systems</li> <li>exercising active oversight of Council's health and safety policies, processes, compliance, results and frameworks</li> <li>relationships with external, internal auditors, banking institutions and insurance brokers.</li> </ul> <p>The Finance and Assurance committee will monitor and assess the following:</p> <ul style="list-style-type: none"> <li>the financial and non-financial performance of Council against budgeted and forecasted outcomes</li> <li>consideration of forecasted changes to financial outcomes</li> <li>Council's compliance with legislative requirements</li> <li>Council's risk management framework</li> <li>Council's control framework</li> <li>Council's compliance with its treasury responsibilities</li> <li>Council's compliance with its Fraud Policy.</li> </ul>
<b>DELEGATIONS</b>	<p>The Finance and Assurance committee shall have the following delegated powers and be accountable to Council for the exercising of these powers.</p> <p>In exercising the delegated powers, the Finance and Assurance committee will operate within:</p> <ul style="list-style-type: none"> <li>policies, plans, standards or guidelines that have been established and approved by Council</li> </ul>



	<ul style="list-style-type: none"> <li>• the overall priorities of Council</li> <li>• the needs of the local communities</li> <li>• the approved budgets for the activity.</li> </ul> <p>The Finance and Assurance committee will have responsibility and delegated authority in the following areas:</p> <p><b>Financial and performance monitoring</b></p> <ol style="list-style-type: none"> <li>a) monitoring financial performance to budgets</li> <li>b) monitoring service level performance to key performance indicators.</li> </ol> <p><b>Internal control framework</b></p> <ol style="list-style-type: none"> <li>a) reviewing whether Council's approach to maintaining an effective internal control framework is sound and effective</li> <li>b) reviewing whether Council has taken steps to embed a culture that is committed to probity and ethical behaviour</li> <li>c) reviewing whether there are appropriate systems, processes and controls in place to prevent, detect and effectively investigate fraud.</li> </ol> <p><b>Internal reporting</b></p> <ol style="list-style-type: none"> <li>a) to consider the processes for ensuring the completeness and quality of financial and operational information being provided to Council</li> <li>b) to seek advice periodically from internal and external auditors regarding the completeness and quality of financial and operational information that is provided to the Council.</li> </ol> <p><b>External reporting and accountability</b></p> <ol style="list-style-type: none"> <li>a) agreeing the appropriateness of Council's existing accounting policies and principles and any proposed change</li> <li>b) enquiring of internal and external auditors for any information that affects the quality and clarity of Council's financial statements and statements of service performance, and assess whether appropriate action has been taken by management in response to the above</li> <li>c) satisfying itself that the financial statements and statements of service performance are supported by appropriate management signoff on the statements and on the adequacy of the systems of internal control (ie letters of representation), and recommend signing of the financial statements by the chief executive/mayor and adoption of the Annual Report, Annual Plans, Long Term Plans</li> </ol> <p><b>Risk management</b></p> <ol style="list-style-type: none"> <li>a) reviewing whether Council has in place a current, comprehensive and effective risk management framework and associated procedures for effective identification and management of the Council's significant risks</li> </ol>
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	<p>b) considering whether appropriate action is being taken to mitigate Council's significant risks.</p> <p><b>Health and safety</b></p> <p>a) review, monitor and make recommendations to Council on the organisations health and safety risk management framework and policies to ensure that the organisation has clearly set out its commitments to manage health and safety matters effectively.</p> <p>b) review and make recommendations for Council approval on strategies for achieving health and safety objectives</p> <p>c) review and recommend for Council approval targets for health and safety performance and assess performance against those targets</p> <p>d) monitor the organisation's compliance with health and safety policies and relevant applicable law</p> <p>e) ensure that the systems used to identify and manage health and safety risks are fit for purpose, being effectively implemented, regularly reviewed and continuously improved. This includes ensuring that Council is properly and regularly informed and updated on matters relating to health and safety risks</p> <p>f) seek assurance that the organisation is effectively structured to manage health and safety risks, including having competent workers, adequate communication procedures and proper documentation</p> <p>g) review health and safety related incidents and consider appropriate actions to minimise the risk of recurrence</p> <p>h) make recommendations to Council regarding the appropriateness of resources available for operating the health and safety management systems and programmes</p> <p>i) any other duties and responsibilities which have been assigned to it from time to time by Council.</p> <p><b>Internal audit</b></p> <p>a) approve appointment of the internal auditor, internal audit engagement letter and letter of understanding</p> <p>b) reviewing and approving the internal audit coverage and annual work plans, ensuring these plans are based on Council's risk profile</p> <p>c) reviewing the adequacy of management's implementation of internal audit recommendations</p> <p>d) reviewing the internal audit charter to ensure appropriate organisational structures, authority, access, independence, resourcing and reporting arrangements are in place.</p> <p><b>External audit</b></p>
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	<ul style="list-style-type: none"> <li>a) confirming the terms of the engagement, including the nature and scope of the audit, timetable and fees, with the external auditor at the start of each audit</li> <li>b) receiving the external audit report(s) and review action(s) to be taken by management on significant issues and audit recommendations raised within</li> <li>c) enquiring of management and the independent auditor about significant business, political, financial and control risks or exposure to such risks.</li> </ul> <p><b>Compliance with legislation, standards and best practice guidelines</b></p> <ul style="list-style-type: none"> <li>a) reviewing the effectiveness of the system for monitoring Council's compliance with laws (including governance legislation, regulations and associated government policies), with Council's own standards, and best practice guidelines as applicable</li> <li>b) conducting and monitoring special investigations, in accordance with Council policy, and reporting the findings to Council</li> <li>c) monitoring the performance of Council organisations, in accordance with the Local Government Act.</li> </ul> <p><b>Business case review</b></p> <ul style="list-style-type: none"> <li>a) review of the business case of work, services, supplies, where the value of these or the project exceeds \$2 million (GST exclusive) or the value over the term of the contract exceeds \$2 million (GST exclusive).</li> </ul> <p><b>Insurance</b></p> <ul style="list-style-type: none"> <li>a) consider Council's insurance requirements, considering its risk profile</li> <li>b) approving the annual insurance renewal requirements</li> </ul> <p><b>Treasury</b></p> <ul style="list-style-type: none"> <li>a) oversee the treasury function of Council ensuring compliance with the relevant Council policies and plans</li> <li>b) ensuring compliance with the requirements of Council's trust deeds are met</li> <li>c) recommend to Council treasury policies at least every three years.</li> <li>d) approve debt, interest rate and external investment management strategy.</li> </ul> <p><b>Fraud Policy</b></p> <ul style="list-style-type: none"> <li>a) receive and consider reports relating to the investigation of suspected fraud</li> <li>b) monitor the implementation of the Fraud Policy.</li> </ul> <p><b>Power to recommend</b></p>
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**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.

		<p>The Finance and Assurance committee is responsible for considering and making recommendations to Council regarding:</p> <ol style="list-style-type: none"> <li>policies relating to risk management, rating, loans, funding and purchasing</li> <li>accounting treatments, changes in generally accepted accounting practice, and new accounting and reporting requirements</li> <li>the approval of financial and non-financial performance statements including adoption of the Annual Report, Annual Plans and Long Term Plans.</li> </ol> <p>The Finance and Assurance committee is responsible for considering and making recommendations to Council on business cases completed under the 'Power to act' section above.</p>
<b>FINANCIAL DELEGATIONS</b>		<p>Council authorises the following delegated authority of financial powers to Council committees in regard to matters within each committee's jurisdiction.</p> <p><b>Contract acceptance:</b></p> <ul style="list-style-type: none"> <li>accept or decline any contract for the purchase of goods, services, capital works or other assets where the total value of the lump sum contract does not exceed the sum allocated in the Long Term Plan/Annual Plan and the contract relates to an activity that is within the scope of activities relating to the work of the Finance and Assurance committee</li> <li>accept or decline any contract for the disposal of goods, plant or other assets other than property or land that is provided for in the Long Term Plan</li> </ul> <p><b>Budget reallocation.</b></p> <p>The committee is authorised to reallocate funds from one existing budget item to another. Reallocation of this kind must not impact on current or future levels of service and must be:</p> <ul style="list-style-type: none"> <li>funded by way of savings on existing budget items</li> <li>within the jurisdiction of the committee</li> <li>consistent with the Revenue and Financing Policy.</li> </ul>
<b>LIMITS DELEGATIONS</b>	<b>TO</b>	<p>Matters that must be processed by way of recommendation to Council include:</p> <ul style="list-style-type: none"> <li>amendment to fees and charges relating to all activities</li> <li>powers that cannot be delegated to committees as per the Local Government Act 2002 and sections 2.4 and 2.5 of this manual.</li> </ul> <p>Delegated authority is within the financial limits in section 9 of this manual.</p>
<b>RELATIONSHIPS WITH OTHER PARTIES</b>		<p>The committee shall maintain relationships with each of the nine community boards.</p> <p>Professional advisors to the committee shall be invited to attend all meetings of the committee including:</p> <ul style="list-style-type: none"> <li>external auditor</li> <li>internal auditor/risk advisor (if appointed)</li> </ul>

	<ul style="list-style-type: none"> <li>• chief financial officer.</li> </ul> <p>At each meeting, the chairperson will provide the external auditor and the internal auditor/risk advisor (if appointed) with an opportunity to discuss any matters with the committee without management being present. The chairperson shall request the chief executive and staff in attendance to leave the meeting for the duration of the discussion. The chairperson will provide minutes for that part of the meeting.</p> <p>The chief executive and the chief financial officer shall be responsible for drawing to the committee's immediate attention any material matter that relates to the financial condition of Council, material breakdown in internal controls and any material event of fraud.</p> <p>The committee shall provide guidance and feedback to Council on financial performance, risk and compliance issues.</p> <p>The committee will report to Council as it deems appropriate but no less than twice a year.</p>
<b>CONTACT WITH MEDIA</b>	<p>The committee chairperson is the authorised spokesperson for the committee in all matters where the committee has authority or a particular interest.</p> <p>Committee members, including the chairperson, do not have delegated authority to speak to the media and/or outside agencies on behalf of Council on matters outside of the committee's delegations.</p> <p>The chief financial officer will manage the formal communications between the committee and its constituents and for the committee in the exercise of its business. Correspondence with central government, other local government agencies or other official agencies will only take place through Council staff and will be undertaken under the name of Southland District Council.</p>

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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**

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

**4 Extraordinary/urgent items**

To consider, and if thought fit, to pass a resolution to permit the committee 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.”

**5 Confirmation of minutes**

5.1 Meeting minutes of Finance and Assurance Committee, 19 March 2025

**6 Public participation**

Notification to speak is required by 12noon at least one clear day before the meeting. Further information is available at [www.southlanddc.govt.nz](http://www.southlanddc.govt.nz) or by phoning 0800 732 732.



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## Finance and Assurance Committee

### OPEN MINUTES

**UNCONFIRMED**

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Minutes of a meeting of Finance and Assurance Committee held in the Council Chamber, Level 2, 20 Don Street, Invercargill on 19 March 2025 at 9.30am. (9.30am – 2.42pm)

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#### **PRESENT**

<b>Chairperson</b>	Bruce Robertson
<b>Deputy chairperson</b>	Rob Scott
<b>Councillors</b>	Jaspreet Boparai
	Derek Chamberlain
	Paul Duffy
	Sarah Greaney (audiovisual link)
	Julie Keast
	Christine Menzies
	Margie Ruddenklau (audiovisual link)
	Jon Spraggon
	Matt Wilson (audiovisual link)

#### **APOLOGIES**

Don Byars  
Darren Frazer  
Tom O'Brien

#### **IN ATTENDANCE**

<b>Committee advisor</b>	Rachael Poole
<b>Group manager finance and assurance</b>	Anne Robson



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**1 Apologies**

Apologies for non attendance were received from Tom O'Brien, Darren Frazer and Don Byars. An apology for lateness was received from Sarah Greaney.

Moved Chairperson Robertson, seconded Deputy Mayor Menzies and **resolved:**

**That the Finance and Assurance Committee accept the apologies.**

**2 Leave of absence**

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

There were no requests for leave of absence.

**3 Conflict of interest**

Chairperson Robertson made a professional disclosure that he has a professional association with a couple of the entities involved in the public excluded part of the meeting, item C8.1 but this has no effect on his ability to Chair the meeting.

**4 Extraordinary/urgent items**

There were no extraordinary/urgent items.

**5 Confirmation of minutes**

**Resolution**

Moved Chairperson Robertson, seconded Cr Keast **and resolved:**

**That the Finance and Assurance Committee confirms the minutes of the meeting held on 19 February 2025 as a true and correct record of that meeting.**

**6 Public participation**

There was no public participation.

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## Reports

### 7.1 Finance and Assurance Committee work plan for the year ended 30 June 2025

**Record No: R/25/3/10052**

GM finance and assurance, Anne Robson presented this report.

#### **Resolution**

Moved Chairperson Robertson, seconded Cr Chamberlain **and resolved:**

**That the Finance and Assurance Committee:**

- a) **receives the report titled “Finance and Assurance Committee work plan for the year ended 30 June 2025”**
- b) **Notes amendments made to the workplan.**

### 7.2 2024/2025 Deloitte audit proposal letter and planning report

**Record No: R/25/2/6844**

cial accountant, Teresa Morgan and Mike Hawken from Deloitte presented this report as asked the Committee to receive the draft audit proposal letter and audit planning report from Deloitte to conduct the audit of Council on behalf of the Auditor-General for the year ended 30 June 2025 and consider the draft audit fee proposed in the letter.

Mayor to communicate with the Chair of the Finance and Assurance Committee if there are any significant changes to the proposal letter from what was discussed at the meeting, prior to signing of the final proposal letter.

#### **Resolution**

Moved Deputy Mayor Menzies, seconded Cr Boparai **and resolved:**

**That the Finance and Assurance Committee:**

- a) **receives the report titled “2024/2025 Deloitte audit proposal letter and planning report” dated 14 March 2025.**
- 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 deciding on this matter.

- d) receives the draft proposal letter and planning report from Deloitte (attachment A and B) to conduct the audit of Council on behalf of the Auditor-General for the 2024/2025 financial year.
- e) accepts the 2.66% increase in the draft proposed audit fee, making a total of \$192,883 (excl GST) plus actual disbursements for the audit of the annual report for the year ended 30 June 2025.
- f) authorises the mayor to sign the final fee proposal letter from Deloitte when received as long as it is in line with the draft proposal letter presented, incorporating any amendments agreed at the meeting.

### 7.3 Confirmation of engagement letter - Debenture Trust

**Record No: R/25/2/6843**

Financial accountant, Teresa Morgan and Mike Hawken from Deloitte presented this report to provide an overview of and seek authorisation of the Deloitte confirmation of engagement letter for the limited independent assurance report of Southland District Council's debenture trust deed.

The cost of the audit has increased by \$135 from the 2024 invoiced fee to \$4,635 for 30 June 2025 (excl GST). There is sufficient budget to meet this.

#### **Resolution**

Moved Chairperson Robertson, seconded Deputy chairperson Scott **and resolved:**

**That the Finance and Assurance Committee:**

- a) receives the report titled "Confirmation of engagement letter - Debenture Trust" dated 13 March 2025
- 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 deciding on this matter
- d) agrees to the terms and responsibilities as set out in the Deloitte confirmation of engagement letter (attachment A)
- e) delegates authority to the mayor to sign the Deloitte confirmation of engagement letter for the limited independent assurance report of the debenture trust deed on Council's behalf.

#### 7.4 Accounting policies for the year ended 30 June 2025

**Record No: R/25/2/6849**

Financial accountant, Teresa Morgan presented this report and asked the Committee to consider and recommend to Council the adoption of the accounting policies to be used to compile Council's Annual Report for the year ended 30 June 2025.

##### **Resolution**

Moved Deputy chairperson Scott, seconded Cr Keast **and resolved:**

**That the Finance and Assurance Committee:**

- a) **receives the report titled "Accounting policies for the year ended 30 June 2025" dated 13 March 2025.**
- 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 deciding on this matter.**
- d) **recommends to Council that the accounting policies as outlined in attachment A, including any amendments agreed at this meeting, be adopted for use in preparation of Council's Annual Report for the year ended 30 June 2025.**

#### 7.5 Health and safety update

**Record No: R/25/3/11115**

Organisational health and safety manager, Dave McCone spoke to this report and updated the committee on health and safety related events and activities from the last three months.

##### **Resolution**

Moved Deputy Mayor Menzies, seconded Cr Keast **and resolved:**

**That the Finance and Assurance Committee:**

- a) **receives the report titled "Health and safety update" dated 11 March 2025 and attached appendices.**

During the previous report, Cr Wilson left the meeting at 10.20am and returned at 10.25am.

The meeting adjourned at 10.34am and reconvened at 1.45am.

## **7.6 Risk management - March 2025 quarterly update**

**Record No: R/24/12/74669**

Risk analyst, Jane Edwards presented this report and shared that the purpose of this report was to submit the March 2025 quarterly risk management report for consideration by the Finance and Assurance Committee (the committee).

The chair thanked Ms Edwards for the work she is doing with the executive leadership team around risk management.

### **Resolution**

Moved Chairperson Robertson, seconded Cr Duffy **and resolved:**

**That the Finance and Assurance Committee:**

- a) receives the report titled "Risk management - March 2025 quarterly update"**
- b) notes those risks currently assessed as of significant issue for the March 2025 quarter.**

## **7.7 Forecasted Financial Position for the year ending 30 June 2025**

**Record No: R/25/1/2897**

Senior accountant, Joanie Nel spoke to this report and informed the Committee of the expected year-end financial result compared to the Long Term Plan (LTP) 2024/2025 and to seek its approval to recommend to Council the resulting forecasted position.<sup>12</sup>

### **Resolution**

Moved Cr Duffy, seconded Deputy Mayor Menzies **and resolved:**

**That the Finance and Assurance Committee:**

- a) receives the report titled "Forecasted Financial Position for the year ending 30 June 2025".**
- 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) notes the forecasted changes to Council's year-end financial performance and position as detailed in attachment A and B.**
- e) endorses and recommends to Council the following unbudgeted expenditure and associated funding sources:**

<b>Business Unit</b>	<b>Expense</b>	<b>Amount</b>	<b>Funding source</b>
Information management	Operational Leases	\$21,000	Reserves
Parks & reserves Gorge Road	Maintenance tree and hedge	\$20,000	Reserves
Roading district wide	Preventative maintenance renewals	\$921,818	Reserves
District sewerage	SCADA	\$51,361	Income
District sewerage	Electricity	\$65,000	Income
Sewerage scheme Riversdale	Sewerage acquisition LOS	\$122,000	Project swap
District refuse sites	Closed landfill remediation	\$88,825	Grant
Transfer stations Te Anau	Transfer station renewal	\$25,302	Project swap
Wheelie bins	Waste disposal	\$220,000	Increased income

- f) endorses and recommends to Council the deferral of the following items to future years:**

<b>Business unit</b>	<b>Project/Item</b>	<b>Amount</b>	<b>Year deferred to</b>	<b>Funding Source</b>
Community housing collective	Nightcaps community housing roofing	\$46,350	2027/2028	Loan
Water supply Riverton	New water treatment plant multi-year project	\$50,000	2025/2026	Loan
Water supply Riverton	New water treatment plant multi-year project	\$50,000	2025/2026	Loan
Resource planning/policy	Townships future plan	\$400,000	2025/2026	Grant
Roading district wide	District wide bridge programme	\$4,000,000	2025/2026	NZTA/Reserves
Sewerage scheme Balfour	Wastewater consent renewal and replacements (multi year project)	\$800,000	2025/2026	Loan
Sewerage scheme Winton	Wastewater consent renewal and replacements (multi year project)	\$1,900,000	2025/2026	Loan
Sewerage Edendale/Wyndham	Wastewater consent renewal and replacements (multi year project)	\$1,500,000	2025/2026	Loan

Stewart Island Jetties	Stewart Island wharves - refurbishment Millers Beach	\$100,000	2025/2026	Loan
Stewart Island Jetties	Ulva Island wharf replacement	\$289,691	2025/2026	Grant/loan
Stormwater drainage Te Anau	Te Anau stormwater upgrade - Pukutahi, Caswell Rd Mega Pit, Industrial Area	\$1,000,000	2025/2026	Loan

- g) recommend to Council to approve the bringing forward of the following project budgets from future financial years:**

Business unit	Project	Amount	Funding source
District sewerage	District water supply – mobility filed inspection integration IT	\$52,634	Loan
Parks & reserves Mossburn	Mossburn war memorial park playground – equipment replacement	\$30,000	Reserves
Water supply Takitimu	Takitimu rural water supply switchboards and pumps	\$214,225	Loan
Stormwater drainage Riverton	Riverton stormwater – investigate & design treatment solutions for Riverton littoral outfalls	\$250,000	Loan

- h) recommend to Council the deletion/budget reduction of the following project budgets from the 2024/2025 financial year:**

Business unit	Project	Amount	Funding source
Te Anau Airport Manapouri	Runway surface rehabilitation	\$377,150	Loan
Building regulation	Goget replacement solution project	\$65,000	Loan
Community housing	Business case	\$50,000	Loan
Around the Mountains Cycle trail	Surface metal replacement	\$24,838	Grant
Parks & reserves Winton	Winton Great North Rd development	\$180,000	Reserves
Road safety community advisor	General projects	\$424,835	Grant/ Rates/ other revenue
Roading – district wide	Bridges renewal	\$590,000	Grant/Rates
Roading – district wide	Unsealed road metal renewal	\$99,470	Grant/Rates
Roading – district wide	Sealed road resurface renewal	\$761,816	Grant/Rates

Roadings – district wide	Drainage renewals	\$281,337	Grant/Rates
Roadings – district wide	Pavement rehab renewal	\$907,983	Grant/Rates
Roadings – district wide	Structure component renewal	\$1,248,236	Grant/Rates
Roadings – district wide	Traffic services renewal	\$81,144	Grant/Rates
Sewerage Scheme Stewart Island	Stewart Island/Rakiura wastewater sewer main renewal	\$122,000	Project Swap
Transfer stations - Wyndale	Woodlands 24/7 recycling transfer	\$25,302	Project Swap

- i) **recommend to Council the funding of operational costs for Community housing of \$169,290 to be repaid by a 20 year loan recovered from rental income**
- j) **recommends to Council adjustments to the following projects for 2024/2025 that have been identified subsequent to the financial data being finalised in this report:**

**Cancelling or reducing the following projects:**

Business unit	Project	Amount	Funding source
Parks & Reserves Balfour	Balfour playground equipment replacement (Part budget)	\$60,000	Reserves
Parks & Reserves Woodlands	Woodlands Interpretation panels (Total approved budget)	\$10,000	Reserves
Parks & Reserves Edendale Wyndham	Wyndham Playground re-development (Part budget)	\$15,000	Reserves

**Deferring the following projects to 2025/2026**

Business unit	Project	Amount	Funding source
Hall Orepuki	Orepuki Hall Handrails & minor maintenance (Total approved budget)	\$20,000	Reserves
Public Conveniences	District wide toilet preparations (Part budget)	\$106,356	Loan
Parks & Reserves Wallacetown	Wallacetown recreational project (Part budget)	\$170,000	Grants
Public Conveniences	Monkey Island shelter area development (Part budget)	\$300,000	Loan
Buildings Invercargill office	Invercargill Office renewal (Part budget)	\$1,528,927	Reserves
Stewart Island Jetties	Golden Bay wharf – renewal investigation (Total approved budget)	\$250,000	Loan & Grants



Tuatapere Hall	Tuatapere Hall remove chimneys & structural report (Total approved budget)	\$9,000	Reserves
Parks & Reserves Garston	Garston Village projects (Total approved budget)	\$56,869	Reserves & Grant
Parks & Reserves Colac Bay	Colac Bay Surfer statue refurbishment (Total approved budget)	\$31,325	Loan
Parks & Reserves Tuatapere	Tuatapere Historic Railway station (Part budget)	\$117,408	Grant

During the above report, Councillor Greaney joined via audiovisual link at 11.18am.

## **7.8 Update on progress Environmental Services Business Plan - additional information**

### **Record No: R/25/3/10306**

GM regulatory services, Adrian Humphries and manager building services, Jo Anderson spoke to this report and explained that the purpose of this report was to provide supporting information relating to progress on completion of the Environmental Services Business Plan.

### **Resolution**

Moved Deputy Mayor Menzies, seconded Deputy chairperson Scott **and resolved:**

### **That the Finance and Assurance Committee:**

- a) receives the report titled “Update on progress Environmental Services Business Plan - additional information”.**

## 7.9 Quarterly update to the Finance and Assurance Committee on progress for the Environmental Services Business Improvement Plan - 17a

**Record No: R/25/3/10604**

GM regulatory services, Adrian Humphries and customer and business continuous improvement, Jane Johnston spoke to this report and updated the Committee on the Environmental Services Business Improvement Plan action points, including those completed and the one that an extension to the delivery date is being sought.

### **Recommendation**

**That the Finance and Assurance Committee:**

- a) receives the report titled "Quarterly update to the Finance and Assurance Committee on progress for the Environmental Services Business Improvement Plan - 17a".
- 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 the completion of action no 30, property information stored in a single location, due to the identification of other locations where property files are stored and the current actions and plans to identify and move them into CM10.
- e) agrees to the completion of action point 15a, Investigate pros and cons of introducing a customer relationship partner/co-ordinator rather than using technical resources as a result of an assessment of the importance of the role to assisting the customer with multi-faceted projects.
- f) agrees to the following updated action delivery dates to reflect the work needed to be undertaken, the priority of action items and the need to balance improvements with ongoing day to day work:

Action No	Action	Current date	Revised date
35	Customer service training. Pilot completed May 24. Session 1 completed, however due to a staff movement, training has been delayed. Staff are currently sourcing an external provider to provide this training across regulatory services.	Dec 24	June 25
New 15b	Improve processes around handling customer requests involving multiple parts.	March 25	June 25

## 7.10 Balanced Funds Investment Review

### Record No: R/25/3/9861

GM finance and assurance, Anne Robson spoke to this report and provided the Committee with information on the Milford Asset Management and Westpac (BT Funds Management) balanced funds and seek approval to invest the third quarterly instalment for the 2024/2025 financial year of \$5 million.

### Resolution

Moved Chairperson Robertson, seconded Cr Keast **and resolved:**

### That the Finance and Assurance Committee:

- a) **receives the report titled “Balanced Funds Investment Review”**
- 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) **receives the investment and monthly transactional reports from Westpac (BTfM) and Milford Asset Management as attached**
- e) **requests staff invest \$5 million evenly between Councils Balanced Investment funds at Milford Asset Management and Westpac (BTfM).**
- f) **acknowledges that at times Council’s investment in its Balanced Investment Funds could be inconsistent with the Investment and Liability Management policy. This may occur as the asset types invested in become temporarily higher than the current 60% growth, 40% income parameter as the investment is moved around to manage market conditions and maximise returns of the fund.**
- g) **requests staff in the review of the Investment and Liability Management policy to consider making additional allowance for minor fluctuations of the split of growth/income parameters.**

### Carried

Cr Boparai, Cr Duffy, Cr Ruddenklau and Cr Wilson requested their dissenting votes be recorded.

#### 7.11 Finance and Assurance Committee work plan for the year ended 30 June 2026

**Record No: R/25/3/10054**

GM finance and assurance, Anne Robson spoke to this report and explained that this was to agree to the agenda items the Committee expects to see during the year to 30 June 2026.

Staff will add a report on independent review to the first quarter of the workplan to 30 June 2026.

##### **Resolution**

Moved Chairperson Robertson, seconded Cr Keast **and resolved:**

**That the Finance and Assurance Committee:**

- a) **receives the report titled “Finance and Assurance Committee work plan for the year ended 30 June 2026”.**
- b) **agrees the Finance and Assurance Committee Work plan for the year ended 30 June 2026.**

#### 7.12 Henderson House refurbishment update

**Record No: R/25/2/8485**

Chief executive advisor, Jane Parfitt and project director, Jendi Paterson updated the Committee on the progress of the Henderson House Project.

The total budget allocated for this project is \$15 million. As of 28 February 2025, the total expenditure to date stands at \$3,214,040. The contingency figure will be part of the next report to the Committee.

##### **Resolution**

Moved Deputy chairperson Scott, seconded Deputy Mayor Menzies **and resolved:**

**That the Finance and Assurance Committee:**

- a) **receives the report titled “Henderson House refurbishment update”.**
- 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) **notes this report is for information only as it forms an update.**

## Public excluded

### Exclusion of the public: Local Government Official Information and Meetings Act 1987

#### Resolution

Moved Chairperson Robertson, seconded Cr Boparai **and resolved:**

**That the public be excluded from the following part(s) of the proceedings of this meeting.**

#### C8.1 FMIS Project Update

#### C8.2 Follow up audit action points

#### C8.3 Cyber security update - December 2024 to February 2025

#### C8.4 People and culture update

**The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:**

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
FMIS Project Update	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.
Follow up audit action points	s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.
Cyber security update - December 2024 to February 2025	s7(2)(e) - the withholding of the information is necessary to avoid prejudice to measures that prevent or mitigate material loss to members of the public.  Disclosure of operational security information could lead to data breaches (financial, personal/public commercial information) or destruction of Council information technology systems and/or data..  s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.

	Disclosure of operational security information could lead to data breaches (financial, personal/public commercial information) or destruction of Council information technology systems and/or data..	
People and culture update	s7(2)(f)(ii) - the withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of such members, officers, employees and persons from improper pressure or harassment.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.

The public were excluded at 12.22pm..

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not publicly available unless released here.

The meeting concluded at 2.42pm.

Confirmed as a true and correct record of a meeting of the Finance And Assurance Committee held on 19 March 2025.

**DATE:**

**CHAIRPERSON:**

## Finance and Assurance Committee work plan for the year ended 30 June 2025

Record No: R/25/5/20895

Author: Rachael Poole, Committee advisor

Approved by: Anne Robson, Group manager finance and assurance

☐ Decision

☐ Recommendation

☒ Information

### Purpose

1. To update the Committee on the status of the work programme discussed and agreed at the 27 March 2024 meeting for the financial year ending 30 June 2025.
2. As noted at the meeting the adoption of the work plan does not preclude the Committee or staff from including additional reports as and when required.
3. As the year proceeds, the work plan will be updated to incorporate the actual dates reports are being presented where that differs to the work plan adopted. For the committee's information the "X" in red shows the date the report was presented, where this differs from what was approved in the work plan or if it is a new report that will be presented on an annual basis. If there is a black "X" on the same line as a red "X", the black "X" indicates the date agreed by the committee. The "X" in green reflects changes identified to the ongoing work plan since it was adopted. The "X" in blue reflects a report that has been removed permanently.
4. Additionally, on this agenda, has been added the Procurement Policy for review and recommendation, the FMIS project timetable and the B2B project update.
5. The Insurance Policy review has been moved to the 11 June meeting.

### Recommendation

**That the Finance and Assurance Committee:**

- a) receives the report titled "Finance and Assurance Committee work plan for the year ended 30 June 2025"
- b) notes amendments made to the workplan.

### Attachments

- A Finance and Assurance Committee work plan for the year ended 30 June 2025

Finance and Assurance Committee Workplan to 30 June 2025

Content	7 Aug 2024	4 Sept 2024	16 Oct 2024	4 Dec 2024	19 Feb 2025	19 Mar 2025	14 May 2025	11 Jun 2025
2024/25 Long term plan - endorse the draft LTP and release to audit for final audit opinion.	X							
2025/26 Annual Plan – Timetable		X	X					
2025/26 Annual Plan – accounting policies			X					
2025/26 Annual Plan – significant forecasting assumptions			X					
2025/26 Annual Plan – workshop (if required)								
2025/26 Annual Plan – Recommend draft annual plan to Council					X			
2025/26 Annual Plan – Recommendation adoption to Council								X
Quarterly Risk Report		X		X		X		X
Health & Safety Update including H&S events dashboard		X		X		X		X
Financial Monthly Report		X	X	X		X		X
Follow up on audit action points		X		X		X		X
Cyber security update		X		X		X		X
Environmental Services Business Update (if required)		X		X		X		X
Investment strategy update		X		X		X		X
Interim Performance Report		X		X		X	X	X
2023/24 Annual Report – agree report ready for audit			X					
2023/24 Annual Report – management representation letter				X				
2023/24 Annual Report – recommend adoption by Council				X				
2023/24 Annual Report – final audit management report				X				
2024/25 Annual Report – Audit Timetable						X	X	
2024/25 Annual Report – accounting policies						X		
2024/25 Annual Report – Deloitte engagement and fee proposal letter						X		
2024/25 Debenture Trust Engagement Letter						X		
Analysis of actual results to forecast for year end 30 June 24			X					
Forecast Financial Position						X		
Financial Transactional Team Update Report to 30 June 2025		X						
Determine Finance & Assurance meeting Content 25/26						X		
Insurance Policy Review						X	X	X
Insurance - renewal approval								X



Content	7 Aug 2024	4 Sept 2024	16 Oct 2024	4 Dec 2024	19 Feb 2025	19 Mar 2025	14 May 2025	11 June 2025
Internal Audit Terms of Reference		X	X	X				X
Internal Audit Final Report				X				X
Commercial infrastructure – forestry harvest plan 2025/2026		X						X
Procurement Policy			X	X			X	
Draft risk management framework – recommendation to Council				X				
Annual Risk Review Report								X
Roading management and maintenance of current contracts renewals for Waimea, Central and Foveaux alliance.								X
Dog 10a Report			X					
IANZ Re-Accreditation Audit Report								X
Balfour Wastewater Treatment plant re discharge consent renewal					X			
Edendale/Wyndham Wastewater Treatment plant re discharge consent renewal				X				
Edendale/Wyndham Stormwater renewal					X			
NZTA Waka Kotahi audit report								X
Recycling Contract Renewal						X		
Independent Review	X				X			
Contract advisory group	X							
Update on strategic property purchase investigations		X						
Council organisation reporting						X		
Delivery of the project work programme 2024 - 25				X				
People and Culture update				X		X		X
FMIS project update						X	X	
Strategic Project update					X	X	X	X
Update on progress of the Environmental Services Business Plan						X		X



# Interim Performance Report - period two - 1 July 2024 to 28 February 2025

**Record No:** R/25/4/16170

**Author:** Anne Robson, Group manager finance and assurance

**Approved by:** Cameron McIntosh, Chief executive

☐ Decision

☐ Recommendation

☒ Information

## Purpose

- 1 The purpose of this report is to provide the Finance and Assurance Committee (the committee) with an Interim Performance Report for the period 1 July 2024 to 28 February 2025 for review and feedback.

## Executive summary

- 2 The Interim Performance Report (IPR) forms part of the Corporate Performance Framework (CPF), the purpose of which is to streamline Council planning and reporting functions.
- 3 The IPR provides a 'snapshot in time' record of the status of Council's key performance indicators (KPIs) and is reported to the Finance and Assurance Committee every four months as a cumulative record throughout the financial year, 1 July 2024 to 30 June 2025.
- 4 The final performance report results, due at the end of June 2025, will be presented as part of the Annual Report 2024/2025. The Annual Report is audited by Deloitte and will be examined to ensure that the results are correct and the methodologies for monitoring the KPIs are recorded, reviewed and robust.
- 5 In August 2024, new rules came into force as part of the Department of Internal Affairs Non Financial Measure Rules (2024) that Council must report on as part of its annual report. These rules specifically set out the reporting Council must do for its water supplies, sewerage and stormwater drainage networks. Changes have been made to the reporting of water supplies resulting in the current two key performance indicators for Protozoal and bacteria being removed and 10 new measures being added which cover treatment and distribution of water for small, medium and large entities. Of these 10 measures, 6 are applicable for Council and all are also included in reporting to Taumata Arowai.
- 6 The results to date show that for the 68 KPI's, 65% (44) are on target and 28% (19) are off target. In this report we have separated out those remaining 7%, (5), between those that we have not yet measured which is 3% (2) and those that we are collecting data on this year to establish a baseline for moving forward 4% (3).
- 7 In this reporting period, staff have continued to improve on the percentage of building and resource consents completed within the 20 days. It only takes one application in the year for Council not to meet this standard however, staff continue to improve the processing times resulting in percentages in the 90's from the last period which was in the 70's early 80's.
- 8 Of the nineteen KPIs that are off target, staff believe five, will most likely meet at least minimum standards by year end. Of the remaining fourteen staff continue to make improvements where

they can, with a number showing this from the last reporting period. Discussions with contractors, investigating issues and improving assets continue to be significant ways staff are looking at continuous improvement. However, funding decreases will continue to hamper deliver of roading targets.

## **Recommendation**

**That the Finance and Assurance Committee:**

- a) **Receives the report titled “Interim Performance Report - period two - 1 July 2024 to 28 February 2025”.**

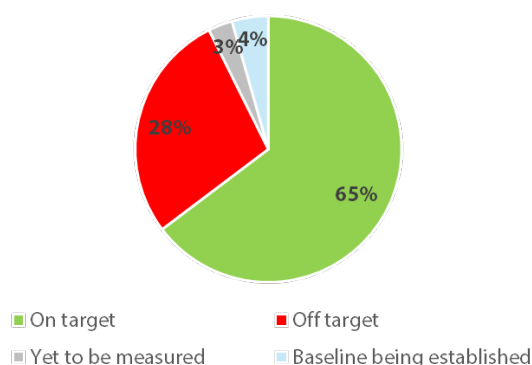
## **Background**

- 9 The Corporate Performance Framework (CPF) aligns Council’s high-level direction to its activities and outcomes, and its purpose is to streamline Council planning and reporting functions.
- 10 As part of the framework, Council produces interim performance reports for the periods - July to October, July to February and July to June, with the third being produced to inform the Annual Report at year end.
- 11 The intended role of the Interim Performance Report (IPR) is to provide a touch point throughout the financial year for elected members and staff to monitor progress against targets. Interim reporting is a critical element of any performance monitoring framework, keeping high level performance goals relevant to daily operations, and enabling early identification of potential issues.
- 12 In August 2024, new rules came into force as part of the Department of Internal Affairs (DIA), Non Financial Measure Rules (2024). Under section 261B of the Local Government Act these measures must be reported on by Council as part of its annual report and they cover Council’s operations for its water supplies, sewerage and stormwater drainage networks. The changes made have been to the water supplies reporting, that has resulted in the previous two key performance indicators for Protozoal and bacteria being updated to six measures that Council needs to report on covering treatment and distribution of water for medium and large entities as defined. These new measures are in line with the reporting currently undertaken with Taumata Arowai.
- 13 Southland District Council (SDC) now has 68 KPI’s across seven groups and thirteen activities. This is made up of the 64 that it adopted as part of its 2024 Long Term Plan and an additional four (6 added, 2 removed) as a result of the changes to the DIA rules. Of the 68 KPIs a total of thirty-four are required to be measured by the Department of Internal Affairs (DIA) along with four KPI’s that are regulatory measures for the specific service provided by Council such as the building consent requirements.
- 14 Council’s overall KPI performance measures and results are included in **attachment A**

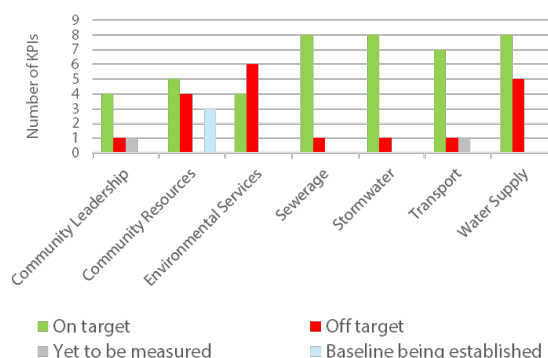
## **Results and analysis**

- 15 Overall Council is on target with 65% (44) of its KPI’s, 28% (19) are currently off target, 3% (2) are yet to be measured and 4% (3) are in the process of establishing the baseline this year for measurement next year as displayed below

KPI results to February 2025



KPI results to February 2025



- 16 Within stormwater and sewerage, seven of the eight KPI's are on target. For stormwater the eighth is just under, due to a higher nitrogen concentration in stormwater discharges measured in a dry weather sample collected in Nightcaps. This has impacted Councils compliance with resource consent conditions. At this time monitoring is only required. For sewerage, a number of tests across the network, undertaken for resource consent monitoring, did not meet the conditions for a variety of reasons highlighted in the report. The approach to each varies with the scheme, with some being addressed with the replacement of filtering equipment, others will be corrected with future plant upgrades etc. A number relate to the conditions present at the time of testing, such as dry or very wet conditions, these are generally considered as part of an ongoing trend analysis rather than as a one off event. Where trends developed that were not dealt with Council would likely receive abatement, infringement or enforcement orders from the Regional Council. Council has not received any of these.
- 17 Within the water supply activity, there are now 13 KPI's as a result of additional measures being required by DIA. Eight are on target, with five off target. Fault resolution times are just outside target at 24.35 hours rather than the 24 hours and may fall under the target by year end. Eastern Bush/Otahu flat will continue to result in the new T2 treatment monitoring rule not being met. This is principally a stock water supply however some use it for drinking and a boiled water notice is permanently on this scheme. A new plant is planned in 26/27. New plant is also planned in a number of other schemes to improve T3 Protozoal rules. The D3 Microbiological monitoring rule missed compliance as the sites couldn't be accessed in time due to snow. The quantity of drinking water consumed continues to be high as assumptions have to be made around the network due to not all data being available due to limited metering.
- 18 The Community Leadership activity has six KPI's, of which one is yet to measured. This relates to the percentage of community partnership and district initiatives grants that achieve the outcomes proposed in the funding application. The requirement to disclose this was introduced as part of Councils new online system that became operational at the start of 2025 and with accountability forms only being received post completion it may not be until the next financial year that we receive information to measure this. Additionally, there is one KPI that has slipped currently off-target related to the number of reports on open agenda. Currently sitting at 87%, compared to the target of 90%, 361 reports out of 413 are in open agenda, 10 less than required to meet the target.
- 19 Community Resources has 12 KPIs, 5 are on target, 4 off target and 3 are only collecting data this year. The four off target relate to meeting the burial preparation times, this will not be met at year end as we have had one that was notified late but the plot had been prepared. Two relate to open spaces, in terms of playgrounds meeting the NZ stds and RFS's completed within specified

timeframes. We believe both of these will achieve the minimum target by year end. The last is in relation to unplanned power supply issues on the island, this KPI will not be met by year end with 7 incidents already recorded. These mainly relate to the generators, with investigations continuing. As there are standby generators available, the outages have been for short periods of 8 to 25 minutes.

- 20 The transport activity has nine KPIs, seven are on target. With the assessment of the sealed road network being completed in March and April this will also be achieved by year end. The result for the footpath assessment has been based on last year's result. This KPI is usually undertaken annually to assist with planning of replacements and repairs. With a significant reduction in funding from NZTA and given the nature of the network, little change is expected from last year so staff are planning to postpone the assessment till next year. The current KPI off target relates to the maintenance of the sealed local road network that is resurfaced. Given the reduction in NZTA funding, the total that can be achieved this year is around 5.7% instead of the planned 6.7%.
- 21 Environmental Services have four KPIs on target and six off target. Included in the six off target are two KPI's that are managed externally by Emergency Management Southland (EMS). The first relates to the review of the 26 community board plans. It has been identified that there is currently a difference of expectation in relation to the number to be reviewed. In Councils LTP, we had a target of eight however EMS have been working on four. This is currently being investigated however it is expected that Councils target of eight will not be met for this year at least. The second is the percentage of households that have an emergency plan. As this survey is only undertaken once a year, this KPI will not be met with only 43% of respondents to the survey undertaken by EMS noting they have one.
- 22 Staff have continued to improve on the percentage of building and resource consents completed within the 20 days. It only takes one application in the year for Council not to meet this standard. This could be due to the complexity of the consent, quantities in action or resourcing in the team. Overall however, staff continue to improve the processing times resulting in percentages in the 90's this period compared to the 70's and early 80's in the last period.

## **Attachments**

- A KPI report for period two - 1 July 2024 - 28 February 2025



# Interim Performance Report template for LTP 34

Period 1 July 2024 to 28 February 2025

## Community Leadership

Community Leadership - Level of Service 1: Make decisions in an open, transparent manner and support collaborative partnerships with the community and key agencies/stakeholders in the District and region			
Performance measure	Target	Result	Status
<b>1.0.1 – All agendas are out on time</b>	100%	100%	
<i>This KPI demonstrates transparency by getting the agendas out in the appropriate statutory time allowing giving opportunity to be read ahead of the meeting</i>			
From July 2024 to the end of February 2025 all agendas were available two clear working days before the meeting day. The data extract indicated one agenda was run late. Email correspondence has confirmed the agenda was circulated on time - indicating there was a minor data error. Staff are looking into the data error to determine why it occurred.			
<b>1.0.2 – A recommendation is included in each report being withheld from the public about what (if anything) will be released to the public and when.</b>	75%	75%	
<i>This KPI demonstrates transparency by giving timeframes around the release of (where appropriate) sensitive information contained in report</i>			
From July 2024 to the end of February 2025 there has been 52 reports in public excluded and 39 of those reports included the required recommendation. The governance team are going to automate a draft recommendation to be included in the public excluded reports. There was improvement on this KPI relative to the first reporting period.			
<b>1.0.3 – Proportion of agenda items held in open meetings</b>	≥ 90%	84%	
<i>This KPI demonstrates transparency by showing the number of public-excluded items on an agenda compared with the number of open items on an agenda.</i>			
From July 2024 to the end of February 2025, 361 out of 413 reports were on an open agenda. Feedback is given to staff to have reports on the open agenda wherever possible. Elected members also consider at meetings whether reports can be heard with the public present. Staff have reviewed the reports withheld from the public and there are legitimate reasons reports were placed on a closed agenda. Property disposal/purchase/land sale reports, license to occupy reports and community service award reports contributed to this KPI result.			
<b>1.1.1 – Percentage of the community partnership fund and district initiatives fund granted are utilised for the approved purpose</b>	100%	100%	
<i>This KPI measures the use of the funding grants within the community</i>			

KPI report for period two - 1 July 2024 to 28 February 2025  
9/05/2025

Southland District Council  
Te Rohe Pōtae o Murihiku

PO Box 903  
15 Forth Street  
Invercargill 9840

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@ sdc@southlanddc.govt.nz  
southlanddc.govt.nz



Community Leadership - Level of Service 1: Make decisions in an open, transparent manner and support collaborative partnerships with the community and key agencies/stakeholders in the District and region			
Performance measure	Target	Result	Status
<p>Recipients of funds will provide an accountability report to council on the use of the funding in comparison to the purposes approved in the original application. Funding accountability is due from grant recipients no later than 12 months from the date the funds were uplifted, data is added as it is received through the current year. Of the fifty-nine District Initiatives Fund and Community Partnership Fund grants given out so far in the 2024/2025 budget year, twelve have returned accountability (20%). Of those that have returned accountability, 100% have used the funds for the purpose stated in their original application. Since the grants allocated are in the first round of the financial year, it is not expected that many will have completed their accountability by year end as they will still be completing their projects.</p>			
<b>1.1.2 – Percentage of the community partnership fund and district initiatives fund granted to organisations to achieve the outcomes proposed in the funding application</b>	<b>95%</b>	<b>-%</b>	
<i>This KPI measures the impact of the grants have on community wellbeing</i>			
<p>Recipients of funds are required to submit an accountability report to the council, detailing how the funding was utilised in comparison to the benefits and outcomes outlined in their original application. This requirement was integrated into the funding application forms in conjunction with the launch of the SmartyGrants online funding system, which became operational at the beginning of 2025. Grant recipients must submit their funding accountability reports no later than 12 months from the date the funds were received. Data will be incorporated as it is received throughout each funding year. As the Key Performance Indicator (KPI) is newly established and launched through SmartyGrants, we believe we will not have any data or results for this KPI until the second quarter (November to February) of the 2025-2026 year.</p>			
<b>1.1.3 – Percentage of Community Board meetings where residents and rate payers are in attendance</b>	<b>≥ 50%</b>	<b>70%</b>	
<i>This KPI relates to developing supporting collaborative relationships as the community board develops effective relationships with their local and district community, key stakeholders and local, regional and national organisations.</i>			
<p>Community board meetings have continued to have attendance and contributions from the public in positive numbers. For the December round of meetings 8 members of the public spoke at community board meetings. Speakers attending and addressing the community boards included individuals giving updates on local projects. At the Oraka Aparima Community Board meeting the process of increasing the pool rate was discussed. Otautau pool committee also updated Wallace Takitimu on their recent upgrades, projects and opening dates. Other individuals spoke on matters such a community funds and also issues including the removal of garden planters in Tokanui. Other local projects were discussed such as discovering and establishing walking tracks in local areas. Jenna Shepherd from Active Southland also attended meetings to give the boards an overview of her role, updates on local projects and the school holiday programme. The February round of meetings had 6 community members speaking at various meetings including a group of 6 residents from Waterloo Road discussing their concerns over roading and road conditions. More community project updates were received from organisations such as the Colac Bay surfer statue fundraising efforts. Community groups also use this forum as a way of thanking community boards for funding through the Community Partnership Fund and describing how the funding was used and the results. Local police have also used the meetings to update on local happenings from a policing point of view. This higher</p>			





Community Leadership - Level of Service 1: Make decisions in an open, transparent manner and support collaborative partnerships with the community and key agencies/stakeholders in the District and region

**Performance measure**

**Target**

**Result**

**Status**

volume of community members in attendance at meetings is encouraging and with the community boards continuing to encourage higher levels of engagement with their communities this trend is likely to continue.

## Community Resources

Community Facilities - Level of service 2: Council provides facilities and venues for community activities and events			
Performance measure	Target	Result	Status
<b>2.1 – Council owned halls are fit for purpose, scale or 1-5. fit for purpose =3 and above</b> (1 no, 2 maybe, 3 yes ok, 4 yes good, 5 yes great) Baseline +10% <ul style="list-style-type: none"> <li>• ease of booking</li> <li>• cleanliness of kitchen and toilets</li> <li>• would book again</li> </ul>	Baseline yr 1	-	
<i>This KPI measuring Council owned halls are fit for the purposes required by the public, Council is looking to collect data on the usage of halls including feedback from those who booked</i>			
We have received nine responses from hall uses over the financial year to date. Six of these were 5, one a 4 and two a 3. We are only collecting baseline data for the first year.			
Community Services - Level of Service 3: Facilities are fit for purpose, to enable healthy grieving and memorialisation for the community			
Performance measure	Target	Result	Status
<b>3.1 – To meet family expectations that the burial plots are prepared by the time required</b>	100%	97.82%	
<i>This KPI measures the timeliness of the service to ensure that family expectations are met, the expectation is that contractors confirm the plot is ready no less than 2 hours before it is required.</i>			
46 burials completed. 1 notification was 15 minutes late due to onsite issues and notification being overlooked. Level of service was not affected. Contractor was followed up at the time and has taken the issue up to ensure notification is on time.			
Community Services - Level of Service 4: Facilities are fit for purpose, in the appropriate locations and cater for future needs			
Performance measure	Target	Result	Status
<b>4.1 – Community housing occupancy rate</b>	≥ 85%	89.85%	
<i>This KPI measures the occupancy rate. A high occupancy rates shows that housing is being used effectively in accordance with the Community Housing policy.</i>			
The tenancies of the community housing have been fairly constant, with expected changes to the tenancies largely due to age and personal situations of the tenants. It is expected that tenants will continue to come and go from the flats as they have done for many years.			
<b>4.2 – Percentage of people who meet priority criteria</b>	≥ 80%	93.54%	
<i>The KPI relates to community housing being fit for purpose. The current community housing policy states that persons that are 60 years of age and older and who are in need of community housing will be considered for vacancies.</i>			
There has been an increase in the percentage of tenants who meet the priority criteria due to an increase of applicants on the waiting list who meet the criteria and need housing.			



Library Services - Level of Service 5: Council provides a library service for the district including a mobile service			
Performance measure	Target	Result	Status
5.1 The library network will increase the digital proportion of lending year on year	Baseline yr 1	-	
<i>This KPI is monitoring the level of digital lending with a focus on reaching a wider audience, providing increased diversity of lending material and the possibility of reducing the purchase of physical lending materials</i>			
The modern library service is a diverse place, catering for reading as well as information and social gathering including events such as author talks, holiday programmes, story time etc. In recent years digital lending has been growing. Books, audiobooks, magazines and newspapers obtained in a digital format are the preferred way for a growing number of people to access information. The trend in digital lending has been increasing with 9% in July 2023 increasing to 12% at the end of February 2025. This percentage does not include the number of times PressReader E-magazines and newspapers are opened, as we cannot obtain comparable statistics. However, overall, there was 202 users of the PressReader platform at 28 February 2025 compared to 175 in July 2023.			
5.2 – The library and service network will increase programme participation numbers year on year (baseline then + 5% each yr)	Baseline yr 1	-	
<i>This KPI is measuring the increase in community connectedness by seeing the libraries as a place to socialise and participate in ongoing learning.</i>			
A library programme is a one-off or recurring event organised or delivered primarily by library staff. From 1 July 2023 to 30 June 2024, there were 5144 participants. From 1 July 2024 to 28 February 2025, 4745 participants have participated in activities, well on the way to exceeding last years total. Of note, Te Anau staff featured in the Diwali festival, reading to around 150 children. We continue to get good numbers at our regular events including Storytime, and after school clubs which are well attended Storytime is an interactive session pre-schoolers with reading, music, waiata and puppets. Brick club is an after school Lego session for primary school children occurring fortnightly. When brick club happens in Wyndham, it now takes place in the community centre as numbers have exceeded the capacity at the Wyndham library. Additionally, a recent success was Silver Science sessions presented in partnership with the Tuhura Otago Museum, designed to introduce our seniors (over 65's) to recent scientific advancements, including hands on sessions extracting DNA from a strawberry. Continued outreach by our community and culture librarian includes Storytime sessions at local primary schools and Manga club at Central Southland and Aparima colleges, which is driven by student requests Manga is the latest craze in teen reading. School Holiday programmes continue to be very well supported across the district.			
Open Spaces - Level of Service 6: The Council provides safe, well maintained open spaces for the community to enjoy sports and leisure activities			
Performance measure	Target	Result	Status
6.1 – Percentage of SDC playgrounds that meet NZ standards over the next 3 years	≥ 80%	78%	
<i>This KPI measures the maintenance and standard of the playgrounds in the southland district with a focus on all playground meeting the NZ standards over the next 3 years.</i>			
This KPI is based on a level three risk assessment of playgrounds. A level three risk assessment identifies hazards in the playground by balancing probability versus severity of injury potential. For information, a level one or level two assessment concentrates on playground maintenance such as litter or equipment			



defects. Level one and two are undertaken on a regular basis throughout the year as part of our contracts. Planned equipment replacement is progressing and will be completed by the end of June. New playground installations still underway for this financial year are Balfour, Henry street and Lions Park (Te Anau). We will undertake again a level three assessment in the 2025/2026 financial year to determine the level of compliance with the New Zealand Standards.			
<b>6.2 – Open spaces requests for services are completed within specified timeframes</b>	<b>90%</b>	<b>89.82%</b>	
<i>This KPI measures the maintenance of the service by monitoring whether requests for service are completed within the specified timeframe – timeframes depend on the type or RFS 2,5 or 10 days</i>			
The community facilities team responded to 285 RFS's over the period and actioned 256 within the specified timeframe.			
<b>6.3 Council collaborated in partnerships with a minimum of three community groups in the biodiversity/ecological or environmental space</b>	<b>3</b>	<b>13</b>	
<i>This KPI measures council engagement with community groups with a focus on empowering our communities</i>			
Staff have been working with the Riverton Lions, the Riverton Menz Shed and the Riverton Rotary Club to carry out minor works in Riverton. We are also in the process of setting up an MOU with the Te Anau Lakefront Labourers to carry out the beautification along the Lake Te Anau foreshore in the area of the Matariki pou.			
SIESA - Level of Service 7: Council provides a reliable, sustainable electricity supply to Stewart Island that meets current and future needs			
<b>Performance measure</b>	<b>Target</b>	<b>Result</b>	<b>Status</b>
<b>7.1 – Number of unplanned point of consumer supply interruptions to Stewart Island electricity supply</b>	<b>≤ 6</b>	<b>7</b>	
<i>This KPI measures the reliability of the network. Any unplanned consumer supply interruptions can indicate issues with the network.</i>			
7 incidents of outage were recorded over the last reporting period. The majority of these related to one generation unit, however, from investigation to date it is not known if this is a wider issue than this unit. The outages ranged from 8 minutes to 25 minutes.			
Waste Services - Level of Service 8: Provide convenient and reliable rubbish and recycling services that minimise the amount of waste going to landfill			
<b>Performance measure</b>	<b>Target</b>	<b>Result</b>	<b>Status</b>
<b>8.1 – The amount of waste diverted from landfill (tonnes) as a percentage of total waste</b>	<b>≥ 40%</b>	<b>42.46%</b>	
<i>The KPI measures waste minimisation. The more waste diverted from landfill and recycled the better.</i>			
Meeting KPI, potentially due to increase in monitoring of yellow bins leading to less contamination			
<b>8.2 – The maximum amount of waste per property disposed of to landfill (kilograms)</b>	<b>≤ 650kgs</b>	<b>655.78kgs</b>	
<i>The KPI measures waste minimisation. The least amount of waste going to landfill the better.</i>			
Slightly over 650kgs allowed. Potentially due to kerbside inspections and more waste in red bin over illegal material in yellow bin.			



## Environmental services

Environmental services – Level of Service 9: Enhance the health, safety and wellbeing of the community and environment, through the effective implementation of a range of legislation			
Performance measure	Target	Result	Status
<b>9.1 – Percentage of non-notified resource consents processed within statutory timeframes</b>	100%	90.86%	
<i>The KPI measures processing efficiency. The statutory timeframe is twenty working days but there are some circumstances where extensions are granted. If consents are out of timeframe then a discount must be given to the applicant. The Resource Management Act (RMA) requires that non notified resource consents are processed within statutory timeframes which is 20 working days. Council can extend these statutory timeframes under specific circumstances. However, if Council goes over the statutory working days it must provide a discount to the costs of processing the resource consent decisions which is 1% deduction per day it is late up to a maximum of 50%.</i>			
This exceeds the 90% KPI level in this period, with the vast majority of our resource consents during the latter part of this year being processed in time, with older consents which were completed during the start of this KPI period being a backlog from the 2022-2023 period.			
<b>9.2 – Percentage of building consent applications processed within statutory timeframes</b>	100%	94.25%	
<i>The KPI measures processing efficiency. The statutory timeframe is twenty working days.</i>			
Building consent timeframes have been consistently high over this period with one month dropping below 90% which was predicted due to long term sick leave and resourcing.			
<b>9.3 – Percentage of code compliance certificate (CCC) applications processed within statutory timeframes</b>	100%	90%	
<i>The KPI measures processing efficiency. The statutory timeframe is twenty working days including a final inspection visit. (A code of compliance is a formal statement issued under section 95 of the Building Act 2004, that building work carried out under a building consent complies with that building consent).</i>			
Timeframes also consistently high. Historical CCC applications continue to be a pain point however these numbers are going down.			
<b>9.4 – Number of serious injuries to the public from dog attacks</b>	0	0	
<i>This KPI measures the number of dog attacks to protect the public from harm. It excludes incidents within the home environment</i>			
There have been no serious injuries caused to the public by dog attacks for this period. There have been a couple of attacks where animals have been injured and have needed vet treatment.			
<b>9.5 – Percentage of non-working dogs subject to the responsible owner category (Annual Average)</b>	≥ 90%	90.24%	
<i>This KPI aims to encourage owners to be a responsible dog owner by providing discounts to registration fees and monitoring of the number of non-working dogs.</i>			
The team has actively been chasing this up and will hopefully see an improvement in the coming months.			
<b>9.6 – Percentage of new food and alcohol applications processed and issued within 30 working days</b>	50%	80%	
<i>This KPI measures councils service – processing new food and alcohol applications within the 30-day period</i>			

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Environmental services – Level of Service 9: Enhance the health, safety and wellbeing of the community and environment, through the effective implementation of a range of legislation			
Applications for food and alcohol are above the percentage. There is some fine tuning being done with how the data is being captured in Pathways for this new measure.			
<b>9.7 – On site Building Warrant of Fitness audits completed in the community.</b>	<b>≥ 20%</b>	<b>5.7%</b>	
<i>This KPI monitors public safety by completing regular audits. A building warrant of fitness (BWof) is a building owner's annual statement confirming the specified systems in the compliance schedule for their building have been maintained and checked for the previous 12 months, in accordance with the compliance schedule. It is displayed to show people who are using the building know that all the systems are functional and working without any risk to their health and safety.</i>			
While the target is down, we have audits scheduled for training the new compliance officer which will ensure we hit target for 30 June 2025.			
<b>9.8 – Number of incidents of foodborne illness believed to be caused by food sold at a Council-verified business</b>	<b>0</b>	<b>0</b>	
<i>This KPI monitors the effectiveness of processes to reduce any harm to public health through foodborne illness at businesses.</i>			
There have been no incidents of foodborne illness year to date.			
Emergency Management – Level of service 10: Build community resilience to emergency events			
<b>Performance measure</b>	<b>Target</b>	<b>Result</b>	<b>Status</b>
<b>10.1 – There are 26 community plans, eight of those plans will be enhanced and review on an annual basis</b>	<b>≥ 8</b>	<b>0</b>	
<i>This KPI measures the resilience, readiness and preparation of communities to response to any events?</i>			
EMS commented that this calendar year, six new staff have been recruited. Unfortunately, this has resulted in being behind in the community engagement metrics. Now the new team has been inducted, it is expected that the target of four community plans being updated by end of the financial year will be reached. There is a discrepancy between the number of plans to review, we indicated 8 in our LTP, we are working with EMS staff to understand this further and will give an update at the meeting.			
<b>10.2 – Percentage of surveyed households that have an emergency plan (written or verbal) from 55%-60%</b>	<b>≥ 60%</b>	<b>43%</b>	
<i>This KPI measures the resilience, readiness and preparation of communities to response to any events?</i>			
43% of the 113 people who identified with the Southland District region – have an emergency plan 45% of all the people who completed the survey – have an emergency plan. (Comment from EMS) While this is not ideal, and below hoped for target numbers, it is potentially reflective of us (EMS) not being able to actively engage in the community this year with our staffing constraints and responses. It is however a good baseline to know, so with the engagement we hope to get done in the next 6-12 months and a survey completed next year, we can compare the engagements effectiveness.			



## Stormwater

Stormwater - Level of Service 11: Provide a reliable stormwater system that protects public health and the environment			
Performance measure	Target	Result	Status
<b>11.1a* – System adequacy - Overflows resulting from the stormwater system that result in the flooding of a habitable floor - The number of flooding events that occur within the district.</b>	≤ 5	0	
<i>11.1 a and b - These KPI's are designed to measure system adequacy - how effective a stormwater system is in providing an appropriate level of protection and how well it is being managed. A stormwater system means the pipes and infrastructure (excluding roads) that collect and manage rainwater run-off from the point of connection to the point of discharge. A habitable floor refers to a floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages. A flooding event means an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor.</i>			
There were no flooding events that resulted in flooding of habitable floors in the reporting year from July 2024 to February 2025.			
<b>11.1b* – System adequacy - Overflows resulting from the stormwater system that result in the flooding of a habitable floor - For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to the council stormwater system).</b>	≤ 1	0	
There were no flooding events that resulted in flooding of habitable floors in the reporting year, July 2024 to February 2025.			
<b>11.2a* – Discharge compliance - Compliance with the resource consents for discharge from the stormwater system, measured by the number of: abatement notices.</b>	0	0	
<i>11.2 a to d – These KPI's measures discharge compliance in order to monitor the extent that resource requirements are being met to prevent harm to the environment. (the environmental impacts of its stormwater system). Non-compliance with consent conditions may indicate that SDC is not managing its processes adequately or that the infrastructure is no longer adequate.</i>			
No abatement notices have been issued			
<b>11.2b* – Discharge compliance - Compliance with the resource consents for discharge from the stormwater system, measured by the number of: infringement notices.</b>	0	0	
No infringement notices have been issued			
<b>11.2c* – Discharge compliance - Compliance with the resource consents for discharge from the stormwater system, measured by the number of: enforcement orders.</b>	0	0	
No enforcement orders have been issued			
<b>11.2d* – Discharge compliance - Compliance with the resource consents for discharge from the stormwater system, measured by the number of: successful prosecutions, received in relation to those resource consents.</b>	0	0	
There were no prosecutions for this reporting period			



Stormwater - Level of Service 11: Provide a reliable stormwater system that protects public health and the environment			
11.3* – Response to stormwater issues - The median response time between the time of notification and the time when service personnel reach the site when “habitable floors” are affected by flooding resulting from faults in the stormwater system.	≤ 2 hours	0 hours	
<i>This KPI measures the response to stormwater issues. It is designed to measure responses to situations where water from a stormwater system gets into buildings.</i>			
There were no flooding events that resulted in flooding of habitable floors in the reporting year, July 2024 to February 2025			
11.4* – Customer satisfaction - The number of complaints received about the performance of the Council's stormwater system, expressed per 1000 properties connected to the stormwater system.	≤ 15 per 1000 properties	2.01	
<i>This KPI measures customer service to determine the quality and responsiveness of the service. It provides information on issues with a stormwater system and on how satisfied customers are with the way in which a territorial authority responds to requests to fix problems.</i>			
Of the 56 RFS coded as THUSW (Transport Hazard Urban Storm Water) in the year to date, investigation has indicated that a significant number are just road maintenance problems and that there were only up to 19 calls that were received may have been genuine storm water network infrastructure related requests for service			
11.5 – Percentage of monitoring results that show compliance with resource consent conditions	100%	98.60%	
<i>This KPI monitors resource consent conditions are being met. This is important to prevent environmental harm and is a legislative requirement of being issued with the consent?</i>			
Total ammoniacal nitrogen concentration for Nightcaps dry weather sample point SWNIG3 on 14/2/25 was 1.52MPN when the limit is 0.9MPN. At this stage we will continue monitoring.			

\* DLA mandatory performance measure.





## Transport

Transport – Provision of roading and footpaths (including cycle trails, airport, water facilities and bridges) – Level of Service 12: Our transport network provides for safe, comfortable and efficient travel			
Performance measure	Target	Result	Status
<b>12.1* – Condition of the sealed road network - The average quality of ride on a sealed local road network measured by smooth travel exposure.</b>	≥ 98%	%	
<i>This KPI monitors the condition of the sealed road network because this can impact on both the safety and comfort of road users as well as on vehicle operating and maintenance costs. It is a check of on whether the level of service to road users is being maintained.</i>			
This KPI is measured bi-annually. It was last measured early 2023 and is currently being re-measured March/April 2025. The result will be reported on next performance report.			
<b>12.2 – Percentage of gravel road tests where road roughness meets acceptable standards.</b>	≥ 85%	88.90%	
<i>This KPI measures how well maintained the unsealed road network is.</i>			
The 2024/25 annual roadroid district wide survey was carried out during late November 2024. The overall result was 88.9% Good or OK which exceeds the minimum target of 85%.			
<b>12.3* – Maintenance of a sealed local road network - The percentage of sealed local road network that is resurfaced.</b>	≥ 6.7%	3.20%	
<i>This KPI measures how well maintained the sealed road network is compared to the renewal target set in the Asset Management plan.</i>			
The 2024/2025 resurfacing programme is progressing well with 447,396m2 sealed at the end of February 2025 This is 56% of the total programme delivered to date or 3.2% of the total sealed network area. As at the end of February 2025; there is little known risks that will impact on delivering the full reseal programme which will equate to 5.7% of the sealed network area (less than the minimum target of 6.5%).			
<b>12.4* – Response to service requests - The percentage of customer service requests relating to roads and footpaths to which the Council responds within the required timeframes</b>	≥ 93%	97.85%	
<i>This KPI measures responsiveness to requests from the public.</i>			
As at the end of February 2025; 97.85% of all roading requests for service had been responded to within required timeframes. This is a fantastic result.			
<b>12.5* – Road Safety - The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number</b>	18	12	
<i>This KPI focuses on road safety and is intended to provide information for members of the public on trends in road safety in their area. Improvements for this KPI include road safety education and initiatives relating to reducing the contributing factors of crashes such as alcohol, fatigue and speed.</i>			



Transport – Provision of roading and footpaths (including cycle trails, airport, water facilities and bridges) – Level of Service 12: Our transport network provides for safe, comfortable and efficient travel			
As at the end of February 2025; 11 serious and 1 fatal injury crash had been reported in the CAS database on the Southland District network. Of these 12 crashes, 5 of them had alcohol as a contributing factor.			
12.6* – Footpath condition - The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works programme or long term plan)	≥ 90%	96%	
<i>This KPI measures the condition of the footpath to ensure that they are well maintained for pedestrian's convenience and safety.</i>			
With a significant reduction in footpath funding from New Zealand Transport Agency; it was deemed no value in carrying out another footpath condition survey considering the data already held and works programmes being so small. Existing data from previous conditions surveys have scored the footpath network overall in excess of 90% which is well above the minimum target of 70%. Given that the footpath network is not a dynamic asset it is expected that little change will have occurred since the last survey, as such the 96% reflects last year's review. The next survey (regardless of scope) is planned for early 2026.			
12.7 – Around the Mountains cycle trail has Great ride status	Retain accreditation	Accreditation retained	
<i>This KPI monitors any steps taken to continue to maintain the great ride status. The Great Rides of the New Zealand Cycle Trail network are predominantly off-road trails. They showcase the best of New Zealand's landscapes, environment, culture and heritage. The trails are located around the country from Northland to Southland</i>			
The Around the Mountains cycle trail has maintained its Great ride status.			
12.8 – The Civil Aviation Authority (CAA) compliance requirements for Part 139 certification is maintained	Retain compliance	Compliance retained	
<i>This KPI monitors any steps taken to continue to maintain the certification. A part 139 certification is a requirement for an aerodrome operators' certificate. The certification is important because it allows an aerodrome serving an aeroplane having a certificated seating capacity of more than 30 passengers that is engaged in regular (more than 4 flights per month) air transport operations for the carriage of passengers.</i>			
The airport has maintained Part 139 certification.			
Water facilities – Level of Service 13: Council provides safe and well-maintained water facilities to enable public enjoyment and access to the district's rivers, lakes and sea			
Performance measure	Target	Result	Status
13.1 – Water facilities requests for services are completed within specified timeframes	≥ 80%	90.91%	
<i>This KPI measuring requests for service (RFS) within timeframes demonstrate that the level of service is being met</i>			
The community facilities team responded to 11 RFS's over the period and actioned 10 within the specified timeframe.			

\* DIA mandatory performance measure



## Sewerage

Wastewater (sewerage) – Level of service 14: Provide reliable wastewater (sewerage) collection and treatment services that protects public health and the environment			
Performance measure	Target	Result	Status
14.1* – System and adequacy - The number of dry weather wastewater (sewerage) overflows from the territorial authority's wastewater (sewerage) system, expressed per 1000 wastewater (sewerage) connections to that wastewater (sewerage) system.	≤ 1	0	
<i>This KPI measures the effectiveness of the system in providing the appropriate level of service and how well it is being managed to minimise harm to the community. Dry Weather'' is defined as a period of 24 hours prior to an event of no catchment rainfall. An overflow means sewage that escapes a territorial authority's sewerage system and enters the environment. It includes blockages and chokes.</i>			
No overflow service requests for the reporting period were determined to be dry weather overflows. The calculation for the number of dry weather overflows per 1000 connections is (0/9,658)*1000=0. Therefore, there is 0 dry weather wastewater overflow for the reporting period.			
14.2a* – Response to wastewater (sewerage) system faults – Where the Council attends to wastewater (sewerage) overflows resulting from a blockage or other fault in the Council's wastewater (sewerage) system, the following median response times measured: Attendance time: from the time of notification to the time when service personnel reach the site	≤ 1 hours	0.87hrs	
<i>14.2 a and b - These KPI's measures the responsiveness to issues. Measuring the response time is a way of gauging whether Council is listening to its customers and providing solutions.</i>			
There is 1 total service request for the reporting period. The median resolution time of notification for the reporting period is 0 hour and 52 minutes which is within the expected attendance (response time) of 1 hour.			
14.2b* – Response to wastewater (sewerage) system faults – Where the Council attends to wastewater (sewerage) overflows resulting from a blockage or other fault in the Council's wastewater (sewerage) system, the following median response times measured: Resolution time: from the time of notification to this time that service personal confirm resolution of the blockage or other fault	≤ 6 hours	4.37hrs	
There is 1 total service request for the reporting period. The median resolution time of notification for the reporting period is 4 hour and 22 minutes which is exceeded the expected attendance (resolution time) of 6 hours.			
14.3* – Customer satisfaction - The total number of wastewater (sewerage) system complaints about odour, system faults, system blockages or Council's respond to these issues with its wastewater (sewerage) system, expressed per 1,000 connections to the Council wastewater (sewerage) system.	≤ 8 per 1000 connections	2.1	
<i>This KPI measures the customer service satisfaction. It measures how satisfied customers are with the way in which Council responds to requests to fix problems.</i>			



Wastewater (sewerage) – Level of service 14: Provide reliable wastewater (sewerage) collection and treatment services that protects public health and the environment			
There is 20 total service requests for the reporting period: 2 service request for the month of July, 2 in August, 5 in September, 1 in October, 3 in December, 4 in January, and 3 in February. The calculation for the total number of sewerage system complaints is $(20/9,658)*1000=2.0708$ . Therefore, there is 2.1 total number of sewerage system complaints for the reporting period.			
14.4a* – Discharge compliance - Compliance with resource consents for wastewater (sewerage) discharges, measured by the total number of: abatement notices	0	0	
<i>14.4 a to d – These KPI's measures discharge compliance in order to monitor the extent that resource requirements are being met to prevent harm to the environment. (the environmental impacts of the system). Non-compliance with consent conditions may indicate that Council is not managing its processes adequately or that the infrastructure is inadequate.</i>			
No Abatements			
14.4b* – Discharge compliance - Compliance with resource consents for wastewater (sewerage) discharges, measured by the total number of: infringement notices	0	0	
No infringements			
14.4c* – Discharge compliance - Compliance with resource consents for wastewater (sewerage) discharges, measured by the total number of: enforcement orders	0	0	
No enforcement orders			
14.4d* – Discharge compliance - Compliance with resource consents for wastewater (sewerage) discharges, measured by the total number of: convictions received in relation to the resource consents	0	0	
No Convictions			
14.5 – Percentage of monitoring results that show compliance with resource consent conditions	100%	92.50%	
<i>This KPI monitors resource consent conditions are being met. This is important to prevent environmental harm and is a legislative requirement of being issued with the consent?</i>			
Curio Bay was non-compliant for TSS and e-coli. Edendale-Wyndham was non-compliant for CBOD5, Membranes at plant have been replaced. Monowai was no-compliant for CBOD5, TSS, and DRP, Monowai is a large septic tank. Nightcaps was non-compliant for DO, Clarity, and e-coli, discharge to stream from disturbed land. Oban was non-compliant for DRP and DIN, Oban is presently changing to a new consent. Ohai was non-compliant for DO and e-coli. Riverton Rocks was non-compliant for enterococci. Riversdale was non-compliant for e-coli. Winton was non-compliant twice for e-coli discharge, DO saturation, and e-coli Downstream. Revised sample point.			

\* DIA mandatory measure





## Water supply

Water supply - Level of Service 15: Our water supply network provides safe, reliable and adequate supply of water			
Performance measure	Target	Result	Status
15.1a* – Fault response times – Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured: attendance for urgent call-outs1: from the time Council receives notification to the time that service personnel reach the site	≤ 1 hours	0.97hrs	
<i>15.1a to 15.1d - These KPI's measures the responsiveness to issues. Measuring the response time is a way of gauging whether Council is listening to its customers and providing solutions.</i>			
The fault response time to attend urgent call-outs is 0 hours and 58 minutes for the reporting period. The response is within the KPI target of 1 hour.			
15.1b* – Fault response times - Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured: resolution of urgent call-outs1: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	≤ 6 hours	5.37hrs	
The fault response time to resolve urgent call-outs is 5 hours and 22 minutes for the reporting period. The response is within the KPI target of 6 hours.			
15.1c* – Fault response times - Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured: attendance for non-urgent call-outs1: from the time that Council receives notification to the time that service personnel reach the site.	≤ 4 hours	2.65hrs	
The fault response time to attend non-urgent call-outs is 2 hours or equivalent to 39 minutes for the reporting period. The response is within the KPI target of 4 hours.			
15.1d* – Fault response times - Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured: resolution of non-urgent call-outs1: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	≤ 24 hours	24.35hrs	
The fault response time to resolve non-urgent call-outs is 24.35 hours or equivalent to 24 hours and 21 minutes for the reporting period. The response exceeded the KPI target of 24 hours.			
15.2* – Customer satisfaction - The total number of complaints received by Council about any of the following: drinking water clarity, taste, odour, pressure or flow, continuity of supply and the way Council respond to any of these issues expressed per 1000 connections to Council's networked reticulation system.	≤ 10 per 1000	5.96	
<i>This KPI measures the customer service satisfaction. It measures how satisfied customers are with the way in which Council responds to requests to fix problems.</i>			
There are 48 total service requests for the reporting period: 3 calls in July, 4 service requests for the month of August, 2 service requests for the month of September, 2 service requests for the month of October, 5 service requests for the month of November, 7 service requests for the month of December, 6 service			



requests for the month of January, and 19 calls in February. Most of the calls are related to (no) water supply, 2 calls are pressure-related and 1 is an aesthetic-related call. The calculation for the total number of water system complaints is $(48/8,057)*1000=5.9576$ . Therefore, there are 5.96 per 1000 connections total number of drinking water complaints for the reporting period.			
<b>15.4* – Maintenance of the reticulated network - The percentage of water lost from the Council's networked reticulation system.</b>	<b>≤ 25%</b>	<b>15.74%</b>	
<i>The KPI measures the maintenance of the reticulated network. It provides information on the state and operation of Council's water reticulation network infrastructure. High levels may indicate the network is on poor condition or is being operated inefficiently. The water loss calculation is the weighted averaged percentage loss reduction per urban drinking water supply. Currently there is a lack of district wide metering with only 4% metered. The water schemes associated with this KPI have is 464.9 kilometres of main with 96% of connections not metered.</i>			
The KPI measures the maintenance of the reticulated network. It provides information on the state and operation of Council's water reticulation network infrastructure. High levels may indicate the network is on poor condition or is being operated inefficiently. The water loss calculation is the weighted averaged percentage loss reduction per urban drinking water supply. Currently there is a lack of district wide metering with only 4% metered. The water schemes associated with this KPI have is 464.9 kilometres of main with 96% of connections not metered.			
<b>15.5* – Demand management - The average consumption of drinking water per day, per resident within the territorial authority district.</b>	<b>≤ 850L per person per day</b>	<b>957L</b>	
<i>The KPI measures demand management. It provides information on whether the water supply system is being managed to ensure demand does not outstrip capacity. The calculation is based on the total treated water network water supplied from all plants and sources in litres per year and the normal population serviced. The small population within the district can skew the results.</i>			
As per DIA requirement based on 11 "Urban Drinking Water Schemes" based on Statistics NZ Census Populations.			
<b>15.6(c) 4.7.1 T2 Treatment Monitoring Rules;</b>	<b>100%</b>	<b>50%</b>	
<i>This KPI for a medium water supply (between 101-500 people) aims to show whether the supply meets requirements for monitoring of treated water quality.</i>			
The Eastern Bush/Otahu Flat is non-compliant because of the turbidity in the water. There is only basic chlorination at the scheme currently which means when the river gets dirty during storms, chlorination isn't as effective. A new plant is expected to be installed in the near future (2026/2027).			
<b>15.6(f) 4.7.4 T2 Chlorine Rules;</b>	<b>100%</b>	<b>100%</b>	
<i>This KPI for a medium water supply (between 101-500 people) aims to show whether the supply meets requirements for treatment equipment</i>			
<b>15.6(g) 4.8 D2.1 Distribution System Rule;</b>	<b>100%</b>	<b>100%</b>	
<i>This KPI for a medium water supply (between 101-500 people) aims to monitor water quality that is delivered to consumers and ensure backflow prevention is in place (not required for self-supplied buildings)</i>			



<b>15.6(h) 4.10.1 T3 Bacterial Rules;</b>	<b>100%</b>	<b>100%</b>	
<i>This KPI for a large water supply (&gt;500 people) aims to show whether the supply meets requirements for treatment equipment and monitoring of treated water quality</i>			
<b>15.6(i) 4.10.2 T3 Protozoal Rules; and</b>	<b>100%</b>	<b>80%</b>	
<i>This KPI for a large water supply (&gt;500 people) aims to show whether the supply meets requirements for treatment equipment and monitoring of treated water quality</i>			
<p>1. Eastern Bush/ Otahu Flat – 0% (The Eastern Bush/ Otahu Flat is non-compliant because of the turbidity in the water. There is only basic chlorination at the scheme currently which means when the river gets dirty during storms, chlorination isn't as effective. A new plant is expected to be installed in the near future (20206/2027).</p> <p>2. Edendale/ Whyndham – 100%</p> <p>3. Lumsden/ Balfour – 100%</p> <p>4. Manapouri – 100%</p> <p>5. Mossburn – 83.3%</p> <p>6. Ohai/ Nightcaps 0 100%</p> <p>7. Otautau – 100%</p> <p>8. Riverton – 100%</p> <p>9. Te Anau – 100%</p> <p>10. Tuatapere – 0% (The plant requires treatment to 4 log credits. The plant does meet 3 log Credits with UV treatment. The filter is being used which gives a further 2 log credits, but the filter housing is not validated. It is an old filter housing and the manufacturer is no longer operating). New UV and Filters have been ordered and will be installed this year.</p> <p>11. Winton – 100%</p>			
<b>15.6(j) 4.11.5 D3.29 Microbiological Monitoring Rule</b>	<b>100%</b>	<b>62.5%</b>	
<i>This KPI for a large water supply (&gt;500 people) aims to monitor water quality that is delivered to consumers and ensure backflow prevention is in place (not required for self-supplied buildings)</i>			
<p>Note: There was no E. Coli detect in Ohai/Nightcaps, Te Anau, and Tuatapere reticulation, the non-compliance was because the sites were scheduled to be sampled on the 17th of September 2024 but were unable to be sampled due to snow condition on the road and the sampler was unable to get from Nightcaps through Ohai and then over to Tuatapere and then onto Te Anau.</p>			

\* DIA mandatory performance measure





## FMIS project timeline update

**Record no:** R/25/5/21089

**Author:** Matthew Denton, Systems accountant

**Approved by:** Anne Robson, Group manager finance and assurance

☒ Decision

☐ Recommendation

☐ Information

### Purpose

- 1 To update the Committee on the proposed timeline for the implementation of the Datascope system and the related supporting information technology (IT) systems that form part of the Financial Management Information system (FMIS) project.

### Executive summary

- 2 Previously the Finance and Assurance Committee requested a further report from staff on the timeline for the implementation of Datascope and the FMIS project which includes other supporting ITS systems as IBIS budgeting and the development of a data platform.
- 3 The timeline has been developed (attachment A) with major phases as follows:
  - Discovery and Planning now to June 2025
  - Design and Foundation July – Dec 2025
  - Build and Configure July 2025 – January 2026
  - Test and Train February – June 2026
  - Operational Onboarding March – June 2026,
  - Go-Live on 1 July 2026, and stabilisation and hyper care ongoing after this.
- 4 These phases overlap as do many of the individual tasks which will be undertaken simultaneously. This project also overlaps with Council's regular annual plan and annual reports, as well as general business as usual tasks. Due to these overlapping and conflicting workloads dedicated project resources will be required.
- 5 As staff continue to refine the tasks and timelines, it is expected that changes will be necessary to the sequencing and timing of the project tasks within project phases outlined.
- 6 As part of the project, staff acknowledge the importance of communications and change management in this project, and these will overlay this project. As part of this, training is currently being organised on change management principles to upskill staff on other aspects of ensuring a successful project.

## Recommendation

**That the Finance and Assurance Committee:**

- a) **receives the report titled “FMIS project timeline update”.**
- b) **determines that this matter or decision be recognised 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 the timetable as presented in Attachment A, on which future reporting will be based.**

## Background

- 7 Council currently operates a number of pieces of software within its Financial Management Information System. This consists of the budgeting and forecasting tool (Fulcrum 2009), purchase order system (MagiQ 2014), core financials system (JDE 2004), reporting (Sequel server & Crystal reporting), Debtors (Pathways), fixed assets (Excel), Bank Reconciliation (Excel), data analysis tool (inhouse) and scanning software (KOFAX). These have been reviewed as part of the FMIS project, with a number of changes proposed.
- 8 The timetable proposes a go live date of the 1 July 2026. From an IT perspective, this is to enable the development of a data warehouse that will store the financial information from the system. It also enables the setup and testing of the software needed to integrate Councils other related financial software such as Pathways (Debtors), CAAPS (creditor invoices) etc. From a finance perspective, a 1 July 2026 go live date will also allow time for the team and other departments to complete thorough testing, and enable full review of the historical data being transitioned. It will also provide time to prepare the necessary reporting and work arounds to enable full functionality for all users as well as setup system security and other related functions.
- 9 The Finance and Assurance Committee previously asked that staff prepare a timeline of works, this is included in attachment A. Staff to continue to refine this timeline adding in detailed tasks. As the discussion progress, it is expected that changes will be necessary to the sequencing and timing of the project tasks within project phases.
- 10 Staff plan to update the committee on a quarterly basis of progress.
- 11 As part of the project, staff acknowledge the importance of communications and change management in this project, and these will overlay this project. As part of this, training is currently being organised on change management principles to upskill staff on other aspects of ensuring a successful project.

## Issues

### Timeline

- 12 Below is the draft timeframe previously discussed, with a note on the build and configure phase being brought into this calendar year.

- **Discovery and Planning** (4-5 months, March 2025 - June 2025)
- **Design and Foundation** (5-6 months, July 2025 - December 2025)
- **Build and Configure** (6-7 months, December 2025 - June 2026)
  - o The timelines have been brought forward in this phase to enable user acceptance testing and report and analytics creation to occur from January 2026.
- **Testing and Training** (4-5 months, February 2026 – EOM June 2026)
- **Operational onboarding** (3-4 months, March 2026 - EOM June 2026)
- **Go-Live and Stabilization** (3 months, June 2026 - August 2026)

13 In attachment A, is the full timetable listing key deliverables and milestones, project phases, project tasks and conflicting priorities.

14 The key deliverables and milestone dates are as follows.

- 1 June 2025 - requirements (including data analytics) and success criteria agreed
- 1 June 2025 - chart signoff
- 1 December 2025 - Data platform built and systems available for analytics
- 1 February 2026 – Core system, integration and analytics build complete
- 1 May 2026 - User acceptance testing complete
- 30 May 2026 – End user training complete
- 15 June 2026 - Data migration complete
- 1 July 2026 - Go live
- 1 November 2026 - Project close out

15 The key project tasks to be completed are presented on the timetable. Please note that whilst the specific systems are placed against months in this timeline these are subject to change with vendor availability and are currently only roughly plotted based on system dependencies. Many of these system integrations will overlap and run simultaneously. See below for further detail on these system integrations.

#### **Systems to be integrated**

16 CAAPS is an accounts payable invoice scanning solution. It allows invoices to be automatically read, validated and entered into Datascape without requiring staff to undertake this as a manual process. Staff then review the invoice and confirm it for payment. CAAPS is Datascape's preferred accounts payable and scanning automation software. The process to implement is estimated to take approximately one month.

17 The bank files listed on the timetable are those that are exported from Datascape into Council's bank in order to pay creditors. This requires the connection with CAAPS in order to test end to end purchasing. This is estimated to be of a lower workload to other items due to it being a standard format, however is still estimated to require multiple weeks to ensure this critical feature is correctly functioning.

- 18 Pathway is Council's rates, debtors, and regulatory system. It is currently integrated with Council's legacy finance system JD Edwards. Due to the changes in the chart structure this will need to be fully overwritten in Pathway to ensure correct linkages to applicable revenue codes. Additionally, a number of daily data transfers happen between the systems which need to be recreated to suit Datascape. This work is estimated to take approximately two months and cannot proceed until final signoff of the chart of accounts.
- 19 The bank reconciliations ensure payments to Council are recorded to the correct debtor, rates, SIESA, or water accounts in Pathway. Currently this is performed in a spreadsheet with the assistance of a MS Access database. The system solution and duration for creating a replacement for this is currently uncertain, discussions are underway. We have allowed one month's however this most likely will change. This work cannot progress until Pathway has been integrated.
- 20 IBIS is the budgeting solution for the FMIS project, and it also offers reporting functionality. Discussions with the vendor have given a timeline of eight weeks for implementation. As this tool is used by other councils (such as Porirua City, Horizons and Otago Regional) with the Datascape package there is an increased level of confidence in this timeline. This is a key integration that is required in some way or another for many others on the project. This cannot proceed until final signoff of the chart, but will be prioritised over others.
- 21 Council's records system is CM10. This integration allows documents such as invoices, quotes, approvals, etc to be uploaded and visible in the Datascape system whilst being securely saved into the records management system. A proof of concept integration was created earlier in the project, however with updates to the CM10 system this integration is currently not functioning. It is estimated to need a month to be fully operational.
- 22 The data platform system is the underlying foundation for which Council's reporting and data analysis will be built upon. This is not one single system, but an eco-system of interconnected databases, data warehouses, reporting, and dashboard tools. As this requires connections with every other system it will be an ongoing process throughout the project. The platform is scheduled to be stood up prior to the transition to the test and train phase by 1 December 2025.

### Other conflicting priorities

- 23 The Annual Plans and Annual Reports occurring during the project period have been charted on the timetable. As significant finance staff time is required during these periods the main accountant training and testing phases have been scheduled around them. This will still require careful management of priorities and potential backfilling of project and/or finance roles to allow both the project, and these other priorities to be delivered simultaneously.

### Staff resourcing

- 24 There will be a need for dedicated staff resources to complete this project. As highlighted in the previous report this is estimated to be around 2.5 FTE of specialist staff for the ongoing maintenance of the system. Staff have identified that these resources will be key to delivering the report creation, training and support of this project. They will need to be onboarded at the start of the project.

## Factors to consider

### Legal and statutory requirements

- 25 Section 101 of the Local Government Act 2002, financial management, notes in section 1(g) that a local authority must manage its revenues, expenses, assets, liabilities, investment and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

**Community views**

- 26 The community expectation is that council manages its finances appropriately and it does this through good financial systems including software.

**Costs and funding**

- 27 The Datacom statement of works for the recommencement has been received and staff are currently reviewing this. A procurement process has begun for the data platform. Detailed costings are planned to be presented at the August Finance and Assurance meeting.

**Assessment of significance**

- 28 This is not considered significant in terms of council's significance policy.

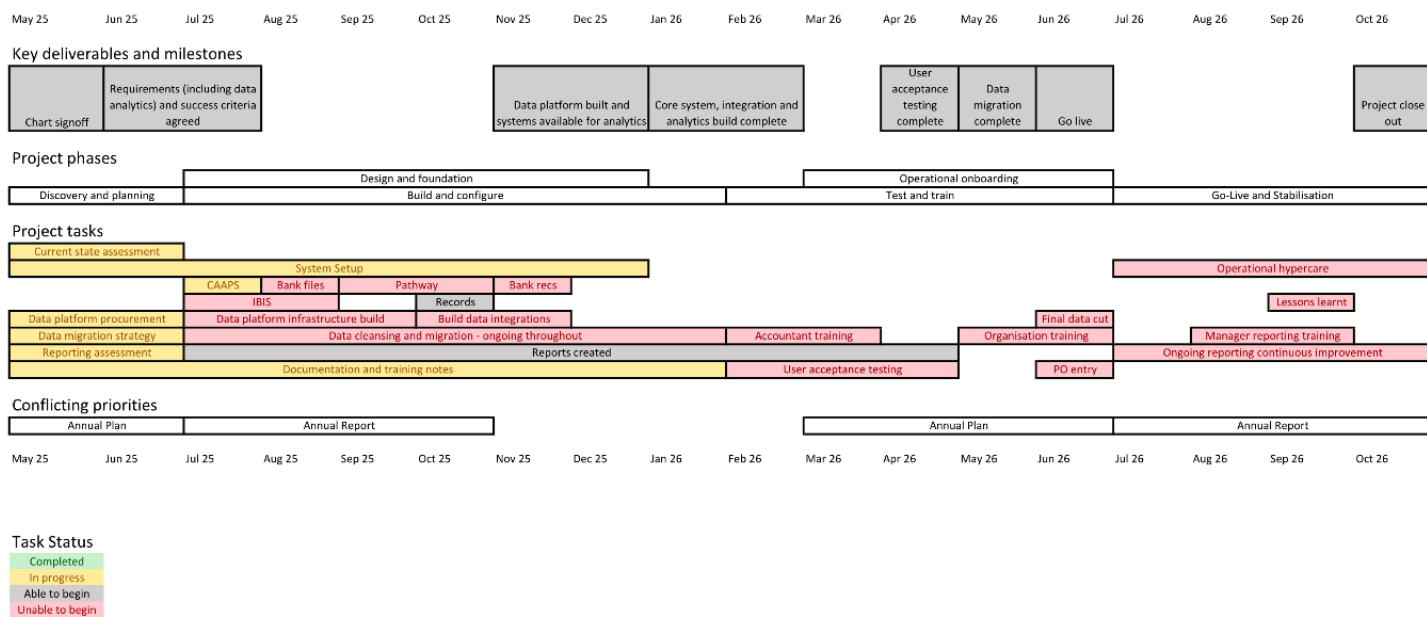
**Next steps**

- 29 Continue working with vendors to firm up timeframes where they are yet to be confirmed.
- 30 Continue current state assessment, reporting assessment and data migration strategy.
- 31 Continue data platform procurement.
- 32 Agree requirement and success criteria with project team and project sponsors.
- 33 Finalise costings to be presented in August

**Attachments**

- A FMIS timetable to F&ACommittee May 2025









## Annual Report 2024/2025 timetable

**Record No:** R/25/2/6851

**Author:** Teresa Morgan, Financial accountant

**Approved by:** Anne Robson, Group manager finance and assurance

☐ Decision

☐ Recommendation

☒ Information

### Purpose

- 1 The purpose of this report is to provide the Committee with the key dates for the annual report 2024/2025.

### Background

- 2 Council is legislatively required to adopt an annual report by the 31 October 2025. This year the timetable has the adoption on the 8 October, which is prior to the elections and means the current council is able to sign off on the report.
- 3 The draft unaudited annual report will be presented to the Committee at its meeting 27 August 2025 so that this can be reviewed and approved for release to Deloitte (Councils auditors)
- 4 The audit of the annual report is planned to occur from 25 August 2025 to 19 September 2025.
- 5 The Committee will receive the final draft of the annual report on the 29 September 2025 incorporating any changes from audit in order for the Committee to recommend its adoption by Council on the 8 October 2025.
- 6 Attached is a summary of the key dates in relation to the audit and the department leading. Supporting this, behind the scenes is a detailed timeline with the tasks that need to be completed, the person responsible and the dates due.
- 7 To support this timeline, a new Committee date was set up for the 27th August and the committee meeting of the 24th September was moved to the 29th September. These changes have previously been notified to you by email and a calendar request sent.

### Recommendation

**That the Finance and Assurance Committee:**

- a) **Receives the report titled "Annual Report 2024/2025 timetable".**

### Attachments

- A Critical dates for 2024/2025 annual report



Key Tasks	Department leading	Due Date
Endorsement of timetable by Finance and Assurance committee	Finance	Wednesday 14 May
Approval of timetable by Council	Finance	Wednesday 28 May
Interim audit by Deloitte	Finance/Leadership Team	Monday 9 June to Friday 20 June
Finance and Assurance Committee meeting to review draft unaudited Annual Report (word version) and approve release of the draft to Deloitte	Finance and Assurance committee	Wednesday 27 August
Deloitte onsite for final audit (4 weeks)	Deloitte / Finance	Monday 25th August to Friday 19th September
Recommend the final annual report for adoption by Council	Finance and Assurance committee	Monday 29 September
Deloitte attending meeting to discuss audit opinion	Deloitte	Monday 29 September
Adoption of full annual report, summary report and audit opinion	Council	Wednesday 8 October
Annual report and summary document online version on website	Communications	Monday 20 October
Public notice of final and summary document availability	Communications	Monday 20 October



# Draft Procurement and Contract Management Policy

Record no: R/24/7/47082  
Author: Ana Bremer, Senior policy analyst  
Approved by: Vibhuti Chopra, Group manager strategy and partnerships

☐ Decision ☒ Recommendation ☐ Information

## Purpose

- 1 The purpose of this report is to present Council’s draft Procurement and Contract Management Policy to the Finance and Assurance Committee for feedback and recommendation to progress the draft policy to Council for approval.

## Executive summary

- 2 The current Procurement Policy was adopted in 2020. A separate Contract Management Policy was adopted in June 2023. Organisational policy staff reviewed both current policies and have recommended changes.
- 3 The draft policy combines both the current Procurement Policy with the current Contract Management Policy. This is to remove duplication between the content of both policies, and reduce administrative time spent on reviewing policies. The draft policy is included as Attachment A.
- 4 Staff have workshopped a number of issues including a definition of “local” for contractors and suppliers. As procurement looks different across Council’s business units, staff identified several unintended risks or outcomes that may arise from a narrow approach to defining local. These are outlined in this report.
- 5 Solutions to support a progressive process for procuring locally have been identified and are detailed in this report.

## Recommendation

That the Finance and Assurance Committee:

- a) receives the report titled “Draft Procurement and Contract Management Policy”
- 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) considers the draft Procurement and Contract Management Policy and provides feedback
- e) endorses the draft Procurement and Contract Management Policy and recommends it to Council for approval.

## Background

- 6 As an indication of the amount Council spends on procurement, in the year ended 30 June 2024, Council spent \$39.9 million on ‘activity capital expenditure’ (including vested assets) and \$56.3 million on operational expenditure (excluding employee benefit expenses, depreciation and amortisation and finance costs).
- 7 As Council spends a significant amount of public money, it is seeking to ensure all procurement is undertaken and managed in a way consistent with legislation, good practice, and a sound business approach.

## Issues

### Combination of Contract Management Policy and Procurement Policy

- 8 A review of council policies across Aotearoa shows a mix of combined and standalone procurement and contract management policies. There is no direction from Office of the Auditor General on how policies are structured.
- 9 To reduce the number of policies required for review, and time spent on this, it is recommended the Procurement Policy and Contract Management Policy are combined within one document. This reflects the ongoing relationship between the two processes and reduces duplication of policy statements that apply to both processes.
- 10 The Procurement Buyer’s Guide (Buyer’s Guide) will remain as the internal operational/technical guide for undertaking procurement processes and managing contracts.

**Definition of Local**

- 11 Procuring within the district is a focus for Council staff, but due to the district's size, population, and goods and services available, it is not reasonable to expect that all procurement will be undertaken within the district.
- 12 Feedback from Council was to develop a definition of 'local' within the policy, where 'local' is the area where work is to be completed.
- 13 Following workshopping with council staff who are primarily responsible for procurement, it was found that this approach would result in unintended risks or outcomes, including:
- difficulty in undertaking fair procurement processes (according to Council's own policy, New Zealand Government procurement guidelines, and NZTA Waka Kotahi procurement requirements)
  - possibly creating unfair advantage for suppliers being awarded by "default" for being the only business offering the service in the area
  - limiting the market for suppliers within the district rather than increasing opportunities
  - negatively impacting the quality, cost, or timeliness of service for Council
  - requiring staff to obtain approval to award contracts outside of "local" when deviating from policy, resulting in further reporting requirements for Council and increased administrative work
  - potentially requiring an increase to staff numbers (more FTE) to effectively undertake contract management for an increased number of contracts where "bulk" contracts under one supplier are diversified to employ individual operators within specific areas
  - finally, a risk that procurement processes are not aligned with recommendations from the 2016 Morrison Low s17a review which recommended *"a reduction in the number of current contracts, improved systems and process, reduced contractor assistance, a more robust and consistent treatment of health and safety."*
- 14 Further, a definition of local does not address:
- the issue of potential contractors not meeting health and safety requirements to become an approved contractor
  - the concern that over time, there may be less sole-operators ("tradies") available in the district and Council may increasingly need to rely on companies that offer a range of services
  - the issue of contractors not wanting/being available to undertake work for Council
  - the fact that procurement covers a wide range of services across Council, and some products Council procures are not available within Southland.
- 15 It is proposed that there is no definition of local within the policy, and instead a process for determining how local is assessed is included within the Procurement Buyer's Guide (as the operational document).

- 16 The following wording is proposed to be included as a new policy statement which centres preference on contractors or suppliers across Southland District as 'local', with scope for procurement to take place outside of Southland District:

**"Council's commitment to Southland District solutions**

Where possible, Council will take a progressive approach to procuring locally and will engage approved contractors and suppliers within Southland District to support activity in the District.

Council will engage approved contractors and suppliers from the wider Southland region or outside of Southland where, for any reason, services or goods are not available within Southland District.

The Buyer's Guide outlines the progressive approach to procuring locally."

**Buyer's Guide update**

- 17 To address Council's preference that local is defined at the place where work is required, the following diagram will be provided in the Procurement Buyer's Guide (internal operational document) to assist procurement managers in their consideration of local approved contractors or suppliers.

***Process to procure "locally"***

When considering **approved contractors** to undertake work for Council, procurement managers will take a progressive approach :

1. Beginning within the **location the work needs to take place**
2. Extending within the **Community Board area** where the work needs to take place
3. Then within **Southland District**
4. And finally, across all of **Southland** (including Invercargill, Gore)



- 18 It is also noted that for some areas of work where contractors outside of Southland are engaged, they may subcontract the work to local contractors. Use of local subcontractors is a consideration for staff undertaking procurement processes and is detailed within the Buyer's Guide.

**Non-policy considerations related to 'local'**

- 19 A review of Long-Term Plan submissions, comments from Community Board members and Council, and anecdotal evidence has found there is a perception that 'local' contractors are not awarded Council contracts.
- 20 To address concerns that local contractors are not being awarded Council work, some changes outside of the policy could be implemented.
- 21 It is suggested that the Southland District Council website is updated with a dedicated procurement page (i.e. Council > Procurement) which contains the information on:
- how to become an approved contractor, and the link to the application



- advice on health and safety requirements to become an approved contractor
  - the type of work Council requires approved contractors for
  - statistics on where contracts have been awarded based on the progressive approach to 'local' and the types of work completed
  - information on Government Electronic Tendering System (GETS)
  - links to the Procurement and Contract Management policy, as well as other relevant documentation already provided on Council's website (Contractor Health and Safety Wellbeing Handbook; Contractor Safety Induction Record; Site Safety Plans, Volunteer forms, etc.)
- 22 Staff have also considered the development of supplier registers, which would include supplier details of contractors/suppliers who are not yet Council-approved but could be engaged with and supported to undertake the approval process for future Council work. Development of this register could be supported by Community Boards through their knowledge of who is operating and possibly available in their areas.

### **Factors to consider**

#### **Legal and statutory requirements**

- 23 The Office of the Auditor General (OAG) and the Government Procurement Rules outline that councils should have their own procurement policy and processes in place, that are tailored to their operating environment.
- 24 The New Zealand Government Procurement Rules are provided to entities outside of government as a set of guidelines but are not compulsory to follow. As best practice, Council have continued to include the principals from these rules in the draft procurement and contract management policy.
- 25 The policy also follows the procurement guidelines outlined by the OAG.
- 26 The Local Government Act 2002 (LGA) (section 14) details principles relating to local authorities. The principles most relevant to Council's procurement activity are that:
- (a) a local authority should
    - i. conduct its business in an open, transparent, and democratically accountable manner
    - ii. give effect to its identified priorities and desired outcomes in an efficient and effective manner
  - (f) a local authority should undertake any commercial transactions in accordance with sound business practices
  - (g) a local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region, including by planning effectively for the future management of its assets
  - (h) in taking a sustainable development approach, a local authority should take into account
    - i. the social, economic, and cultural interests of people and communities
    - ii. the need to maintain and enhance the quality of the environment
    - iii. the reasonably foreseeable needs of future generations.

The draft policy reflects these principles as they relate to Council's procurement activity.

### **Community views**

- 27 Community views have not been specifically sought in relation to the review of this policy. However, a review of long-term plan submissions, community board feedback, and anecdotal evidence from staff have indicated a level of community interest in the use of local contractors as part of procurement.
- 28 While staff are not recommending a definition of local is included within the policy, community views will be addressed through including the technical process within the buyer's guide, and the suggestion of updating Council's website with information on procurement.

### **Costs and funding**

- 29 There are no costs associated with the review of this policy apart from staff time.
- 30 There would be staff time required to coordinate the development of a procurement webpage if this is a preferred outcome from Council.

### **Policy implications**

- 31 Review of the policy has taken place within the three-year timeframe as specified within the Procurement Policy.
- 32 Adoption of the draft policy would replace both the current Procurement Policy and the current Contract Management Policy.
- 33 The draft policy does not pose conflict with other Government procurement processes that Council may need to follow.

### **Analysis**

#### **Options considered**

- 34 There are two options for consideration in this report:
- option 1 – that the committee endorse the draft policy for approval by Council.
  - option 2 – that the committee propose a different way forward.

### **Analysis of options**

#### **Option 1 – endorse the draft policy for approval by Council**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• will avoid unintended consequences that may impact the ability to undertake fair procurement processes</li><li>• will allow a wide market for procurement that suits all areas of Council and the different types of procurement that are undertaken</li><li>• will avoid conflict with NZTA Waka Kotahi procurement guidelines</li></ul>	<ul style="list-style-type: none"><li>• may not provide a satisfactory definition of local</li><li>• may support the perception that Council does not award work to local contractors or suppliers</li></ul>

<ul style="list-style-type: none"><li>• will support timely procurement processes for staff who will not have to seek decision to procure outside of a defined local policy statement</li><li>• by providing a process in the buyer's guide, will support procurement managers to understand and apply a progressive approach to procuring within the district first.</li></ul>	
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**Option 2 – propose a different way forward.**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• further consideration is given to the procurement and contract management policy after feedback from the Finance and Assurance Committee</li><li>• the draft policy may be improved based on feedback</li><li>• community views may be sought and incorporated into development of policy statements</li></ul>	<ul style="list-style-type: none"><li>• increased staff time taken on further drafting of policy positions</li><li>• public consultation could be difficult to undertake within a reduced timeframe ahead of local body elections</li><li>• may not achieve a different result from the perspective of defining local, due to the potential risks perceived by practitioners.</li></ul>

**Assessment of significance**

- 35 There will be some public interest in this policy due to a general interest in Council procurement, particularly the perceptions that are held regarding Council's use of local contractors.
- 36 Staff assess the decision to endorse the draft policy for approval by Council is moderately important but does not meet the threshold of being a significant decision (in accordance with Council's Significance and Engagement Policy, and the LGA).

**Recommended option**

- 37 It is recommended that the draft Procurement and Contract Management Policy is endorsed for approval by Council.

**Next steps**

- 38 The proposed next step is to attend the next available Council meeting with the draft Procurement and Contract Management Policy with the recommendation that it is approved by Council.

**Attachments**

- A DRAFT Procurement and Contract Management Policy - 1 May 2025



## Procurement and Contract Management Policy

**Group responsible:** Infrastructure and Capital Projects

**Date approved:** May 2025

**File no:** R/ / /

### Introduction

Southland District Council (Council) recognises that it is a significant user of public money and the expenditure of this money has an impact on the local and domestic economy. As such, Council seeks to ensure all procurement of goods, services, and works, are undertaken and managed in a way consistent with legislation, good practice, and a sound business approach.

This policy:

- contains high level policy statements that will guide procurement and contract management decisions for Council
- informs any person working for or on behalf of Council of the policy approach to follow when conducting procurement. It also provides potential suppliers information about Council's procurement practices
- outlines objectives and Council's formal position on procurement and contract management practice
- provides information to people within the organisation who may need to manage a contract, so they know where to find guidance, information, and additional support as necessary.

Council's Procurement Buyer's Guide (Buyer's Guide) contains the practical steps that should be completed when procuring and managing contracts.

### Purpose

The purpose of the Procurement and Contract Management Policy (policy) is to ensure Southland District Council achieves public value for Southland District and supports positive social outcomes through undertaking responsible, effective, and fit-for-purpose procurement and contract management processes.

### Objectives

This policy and the Buyer's Guide outline requirements for procurement and contract management that:

- ensure procurement and contract management processes are in accordance with relevant legislation, standards, and guidelines
- establish a sound business approach to procurement and contract management and ensure consistent practice is used across Council
- identify, assess, mitigate, and manage risk appropriately

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- align with Council's Delegation Manual and facilitate compliance with that manual
- support Southland District suppliers and increase Southland District businesses access to Council procurement
- encourage good relationships with suppliers.

## Scope

This policy applies to:

- all Council employees, including fixed-term employees
- every business, service, or activity of Council – except for employment contracts.

This policy and the Buyer's Guide apply:

- when goods, services and assets are actively being sought from a supplier
- through the entire contract lifecycle.

Neither this policy, nor the Buyer's Guide, cover:

- the setting of levels of service and budgets which are part of the long term plan process
- the setting of financial delegations for individual staff
- decisions about the preferred method of service delivery at the activity level (such decisions will be made in accordance with service delivery reviews required under section 17A of the Local Government Act 2002)
- permanent and fixed-term employment agreements.

## Deviations from this policy

In exceptional situations, procurement and/or contract management may need to fall outside this policy. Council will comply with section 80 of the Local Government Act 2002 if it makes decisions inconsistent with this policy.

## Policy statements

### Council's commitment to Southland District solutions

Where possible, Council will take a progressive approach to procuring locally and will engage approved contractors and suppliers within Southland District to support activity in the District. Council will engage approved contractors and suppliers from the wider Southland region or outside of Southland where, for any reason, services or goods are not available within Southland District.

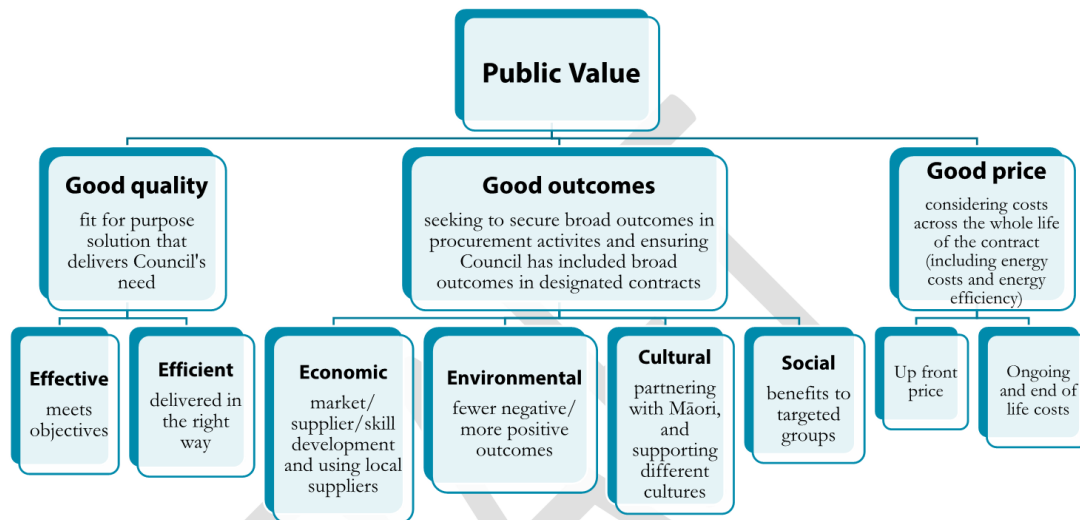
The Buyer's Guide outlines the progressive approach to procuring locally.



### Council will make procurement decisions based on achieving public value

Procurement and contract management are strategic processes that streamline Council business operations and aim to achieve public value. As is shown in figure 1 below, public value includes trying to procure quality and cost-effective goods/services in a way that achieves other broader Council outcomes.

Figure 1. Public value<sup>1</sup>



The Local Government Act 2002 prioritises achieving economic, social, cultural, and environmental outcomes. Council, through its procurement processes, will leverage these outcomes where possible.

This will include:

- assessing, mitigating, and managing risks and opportunities for economic, environment, cultural, and social outcomes that can be achieved when identifying Council's business need and setting evaluation criteria and contract deliverables
- determining the best possible procurement strategy to leverage the benefits of buying well, making procurement and contract management smoother, allowing better risk management, supply inventory and spend impacts
- identifying potential suppliers, negotiating contracts, and selecting the supplier that offers the best value for money
- better commercial, utilisation and compliance outcomes from supply contracts
- considering whole-of-life costs or total costs of ownership including capital expenditure, operational expenditure, quality, compliance, and disposal
- making it as easy as possible for suppliers to do business with Council, and where possible, ensuring opportunities are accessible for all
- making procurement decisions to consider a low emissions economy and to promote greater environmental responsibility.

<sup>1</sup> Amended from the New Zealand Government Procurement Rules, 4<sup>th</sup> Edition.



### **Council will foster relationships with suppliers**

Council will foster relationships with suppliers to help ensure Council gets the best results. Where possible, relationships will be:

- collaborative
- professional
- demanding, but fair and productive
- focused on results and objectives
- mutually rewarding
- in good faith.

### **Procurement and contract management will comply with relevant legislation, standards, guidelines, and Council documents**

Council will abide by legal process and by legislation when it procures. Procurement and contracts will be managed in accordance with statutory obligations, and will reflect relevant sector, central government, and local government good practice standards and guidelines. Procurement and contract management will also be in accordance with relevant Council policies and documents.

The relevant legislation and Council documents include:

- Local Government Act 2002
- Local Government Official Information and Meetings Act 1987
- Construction Contracts Act 2002
- Contract and Commercial Law 2017
- Health and Safety at Work Act 2015
- Public Records Act 2005
- Council policies and documents such as:
  - Conflict of Interest Policy
  - Fraud Policy
  - Health and Safety Policy
  - Risk Management Policy and Framework
  - Procurement Buyer's Guide
  - Delegations Manual
  - Code of Conduct for staff
  - Investment and Liabilities policy.

There are several factors that guide procurement and contract management for Council. Relevant considerations include:

- legislation/legal process – there are specific pieces of legislation that guide Council procurement, depending on the nature of the procurement
- the New Zealand Government procurement framework – which includes the Government Procurement Rules, the Government Procurement Charters, a set of procurement principles, and a



range of information and guidance. These are not compulsory for council to follow, but are a benchmark against which council is measured

- the standards of the Office of the Auditor General – the Office of the Auditor General is interested in ensuring that councils conduct their business, including procurement, in a prudent and business-like manner. They are the auditor of all public sector entities
- major funder requirements – for example New Zealand Transport Agency Waka Kotahi (NZTA) and the Ministry for Business Innovation and Employment (MBIE) can have specific procurement requirements for Council to attract funding
- MBIE's 'manage the contract' guidance.

Council's Buyer's Guide outlines the detailed processes that staff are required to follow to conduct procurement in line with this policy.

### **There will be a sound business approach to procurement and contract management**

Council will ensure a sound business approach by conducting procurement in accordance with the Government Procurement Rules and other 'good practice' guidelines.

Council will:

- establish a clear understanding of the specifications for delivery that are being sought, the quality required and any time/budget constraints
- ensure the supplier has the necessary attributes, capacities, and capabilities
- specify the level of risk each of the parties will hold, and the mechanisms for managing the risk and the limitations of the liabilities both parties hold
- ensure an appropriate contract is in place – such as appropriately specifying requirements concisely and outlining how Council will measure the quality of delivery and the supplier's performance.

Contracts will actively and appropriately manage contracts by:

- abiding by relevant statutory obligations, practice standards, guidelines, and Council documents
- ensuring all relevant documentation is complete, accurate, executed properly and filed appropriately
- having contract management plans for high-value, high-risk, complex, unique, or strategic procurements
- having experienced project managers and contract managers overseeing a significant proportion of contracts (including monitoring and performance analysis)
- having clearly defined roles and responsibilities, including how and when to escalate issues
- facilitating Council's strategic and business objectives including achieving public value (obtaining quality and cost-effective goods/services, but also trying to achieve other good social, environmental economic and cultural outcomes)
- supporting innovation and improvement
- acting with integrity, impartiality, and transparency, taking due precautions when handling commercial sensitive information and third-party intellectual property.





### **Procurement and contract management will be consistent across Council**

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All purchasing activity will be undertaken in accordance with the requirements set out in this policy and in the Buyer's Guide.

The standard procurement methods outlined in the Buyer's Guide will be followed. Any deviation from the standard procurement methods will be appropriately authorised.

All contracts Council enters will be managed in a consistent way. This will be achieved by:

- having a clear policy position and standard operational practice
- having standardised contracts, templates, and tools
- having a contract manager monitor and report on compliance with this policy and the Buyer's Guide
- performing audits over adherence to this policy and the Buyer's Guide
- maintaining a central database of all approved and/or active contracts
- investigating and possibly implementing a centralised contract management system.

### **Risk will be managed appropriately**

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Council will manage risk so it is acceptable from a contractual and delivery point of view, to ensure that ratepayers are not exposed to significant unmitigated risk and future liability.

The general principle of risk management will be for Council to assess, mitigate and manage an appropriate level of risk.

Council staff are responsible for identifying and managing or mitigating risk effectively through each stage of the procurement process within their respective areas of responsibility.

An element of risk management will be achieved by selecting the appropriate procurement method, contract, and basis of payment methods and limitations of liability.

The risk of fraud or impropriety will be reduced by conducting procurement in a fair and transparent manner, following appropriate procurement policies and procedures, and having appropriate internal controls in place for document management and contract execution, probity audit and probity assurance.

In procurements that are large-scale, complex, risky or have attracted public attention, Council may engage independent external probity advisors and/ or auditors. This gives assurance of the independence of the advice received by procurement teams, through providing access to external experience in procurement ethics and legislative requirements, as well as case law and experience of other public sector organisations in relation to probity issues.

Council will identify and manage procurement and contract management risk by:

- having standard operational practices that give confidence to Council, suppliers, communities, and other stakeholders that the procurement and contract management processes:
  - are fair, transparent, robust, consistent, and impartial, demonstrating robust ethical principles
  - effectively identify conflicts of interest and require the tender evaluation team and contract management team to act ethically in all aspects of their delivery



- accurately reflect the evaluation processes described in the tender, contract documents, and associated documents
- comply with applicable legislation and best practice procurement standards
- ensuring that each employee or agent involved in a procurement process has the required skills for the type and level of procurement, and having staff who can provide additional advice
- ensuring all relevant documentation is complete, accurate, and executed properly
- developing a centralised contract management training programme that implements facilitated training to encourage continuous improvement and to refresh contract and project managers on best expectations
- undertaking risk assessments and documenting and implementing any required risk management or mitigation strategies – this may involve working collaboratively with suppliers to identify, assess and manage risks
- identifying and managing health and safety risks
- escalating and resolving critical issues to ensure the quality delivery of service expectations.

### **Procurement and contract management will be undertaken in accordance with delegated authority**

Council staff will act within their delegation when undertaking procurement and contracting activities.

Procurement will not be undertaken without appropriate approval.

Contract management decisions and payments must have appropriate approval.

### **Implementation and Review**

This policy will become effective immediately upon approval by Council. The Buyer's Guide will be used to implement this policy.

Any review and recommendations for amendments to the Buyer's Guide to increase the operational efficiencies of either procurement or contract management will be approved by the Executive Leadership Team.

This policy will be reviewed within three years of adoption. Amendments and new versions of the policy will be adopted by Council.

### **Responsibilities**

<b>Role</b>	<b>Responsibilities</b>
Contract Managers	<ul style="list-style-type: none"> <li>- monitoring compliance with this policy and the Buyer's Guide</li> <li>- providing advice to staff on procurement and contract management practice as required</li> <li>- maintaining a centralised database of approved/active contracts.</li> </ul>



Role	Responsibilities
Group Manager Infrastructure and Capital Delivery Commercial Infrastructure Manager	<ul style="list-style-type: none"><li>- ensuring this policy is reviewed every three years and providing advice on appropriate policy positions</li><li>- providing advice to staff on procurement and contract management practice as required.</li><li>- initiate regular reviews of the Buyers Guide and make recommendations to the Executive Leadership Team for changes to allow efficiencies to be implemented.</li></ul>
All leadership team	<ul style="list-style-type: none"><li>- ensuring staff who procure and manage contracts have an appropriate level of skill and knowledge</li><li>- providing procurement and contract management training opportunities where appropriate.</li></ul>



## B2B project update

**Record no:** R/25/4/18771  
**Author:** Jane Parfitt, Chief executive advisor  
**Approved by:** Cameron McIntosh, Chief executive

☐ Decision

☒ Recommendation

☐ Information

### Purpose

- 1 The purpose of this report is to update the committee on the progress of the Back Together Build (B2B) project. It includes information from the steering group on how it proposes to monitor progress towards delivering the outcomes, further information on the working group framework, the updated risk register and budgetary information.

### Executive summary

- 2 The Project Steering Group (PSG) continues to refine the monitoring and reporting framework. It has further developed the outcomes measurement tool. Progress will be monitored by a traffic lights system which will commence when we have a clear design brief.
- 3 We have also confirmed four working groups, one of which – the Communications and Engagement Group - is already underway and has provided the project name B2B. The PSG has endorsed the communications strategy and engagement principles recommended by the Group.
- 4 Key risks currently identified include budget pressures, structural challenges, procurement complexity, and stakeholder expectations.
- 5 Milestones remain on track, noting that work shaped by feasibility testing, design refinement, and alignment with project outcomes and available budget is now a key priority.
- 6 The total budget allocated for this project is \$15 million. As of the end of April the total expenditure to date stands at \$ 3,330,464.22. this includes the purchase of Henderson House and the adjacent building, due diligence works, roof repair and mould remediation.

### **Recommendation**

#### **That the Finance and Assurance Committee:**

- a) **receives the report titled “Henderson House refurbishment update”**
- 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) **notes this report is for information only as it forms an update.**

### **Background**

- 7 The accommodation project was initiated to consolidate Southland District Council (SDC) staff into a single, fit-for-purpose civic building. The acquisition of Henderson House was completed following Council’s decision on 2 October 2024 to delegate authority to the chief executive to execute the relevant documents for the purchase.
- 8 The primary objective of the project is to create a collaborative workspace that fosters team efficiency and supports Council operations effectively.
- 9 With the current Council office spaces spread across three separate buildings, this project aims to improve operational efficiency, enhance interdepartmental collaboration, and provide long-term financial benefits by streamlining facility management. The project is being guided by a governance structure to ensure transparent decision making, effective risk management, and adherence to budgetary constraints.

### **Outcomes measurement**

- 10 The committee defined the outcomes we are striving to achieve as follows:
  - a fit for purpose civic building for Southland which enables elected members to do their jobs efficiently and effectively
  - a design and fit out which fosters team collaboration, a positive culture, and supports a high performing organization
  - the move takes place by the target date of December 2026 falls within the budget of \$15 million and the workspaces are functional and modern.
- 11 These outcomes will be used to assist in guiding all aspects of the project from communication through to procurement.

12 The steering group has further developed what they mean/ key result area, key performance indicators, and how they will be measured. We will use a traffic light system to monitor progress when we have clarity of the design brief.

13 The following table shows the details of the measurements:

Outcome	What this means/key result area	Key Performance indicator	Method of measurement
Fit for purpose civic building for Southland	<p>The building instils a sense of pride in Southlanders</p> <ul style="list-style-type: none"> <li>all members of the public can access and navigate the building easily</li> <li>the building is safe and welcoming</li> <li>people are proud of the building</li> <li>there is a sense of belonging</li> </ul>	<p>Emergency exit plan in place</p> <p>Design incorporates Mobility access</p> <p>Good ventilation clean air and modern environment</p> <p>Chambers design reflects district culture, geography, and heritage</p>	<p>Plan signed off at appropriate level</p> <p>Design sign off includes Mobility access</p> <p>Appropriate ventilation system in place</p> <p>Design incorporates innovation and infrastructure requirements that consider current and future needs</p> <p>Chambers design incorporates District culture, geography, and heritage</p>
Enables elected members to do their jobs efficiently and effectively	There are appropriate infrastructure/services/facilities for elected members	<p>Plan in place for restricted access to ensure health and safety of staff and Councillors</p> <p>Chambers have appropriate formality and flexibility</p> <p>IT services are best in class</p> <p>Flexible committee rooms - at least one near Council chambers</p> <p>Office for mayor and mayoral support in an appropriate place</p>	<p>Design incorporates restricted access</p> <p>Design balances formality with flexibility</p> <p>Pre entry testing confirms networks, devices and other technology are fit for purpose</p> <p>Design incorporates flexibility</p> <p>Design incorporates a committee room near chambers that can seat approx. 18 pax</p> <p>Mayor and CE sign off design</p>
Design and fit-out to foster team collaboration	<p>All head office staff are accommodated in the building</p> <p>Design/fit-out encourages teams to work together, build relationships and break down silos</p> <p>There are appropriate spaces for people and groups to eat together, connect and socialize</p>	<p>Elected members have access to:</p> <ul style="list-style-type: none"> <li>kitchen facilities</li> <li>bathrooms</li> <li>CE/Exec</li> </ul> <p>Design matches headcount (and allows for growth?)</p> <p>Where possible, teams who interact together are placed together or nearby</p> <p>Adequate number of "tea/coffee nooks" and one central social heart/hub</p>	<p>Design incorporates elected members accessing kitchen facilities, bathrooms, CE/Exec</p> <p>A space for all staff</p> <p>Design takes account of how teams interact with each other</p> <p>No of nooks</p> <p>Design of social heart/hub</p>
Design and fit-out to foster a positive culture	<p>People's views are heard and considered in the planning process</p> <p>Appropriate lighting, noise control, ventilation, and temperature</p>	<p>Decisions on seating/office allocation/car parking etc are fair/equitable</p> <p>Appropriate infrastructure, services, facilities, quiet/private spaces incorporated in design</p>	<p>Regular reports from Working Groups confirm progress</p>

## Finance and Assurance Committee

14 May 2025

	Healthy lifestyle/wellbeing initiatives are incorporated	Modern tech is available and works well	
		Appropriate number/location of bathrooms/ showers/ photocopiers/ kitchens/ meeting rooms/ stairs/ lifts etc Consideration given to showers, scooter/ bike parks, recreation/ play spaces, art, greenery, natural light etc Private spaces available for booking that reflect business need (quantity, size, location, and confidentiality/soundproof requirements)	No. of meeting rooms Design considers current meeting room provision and staff/working group feedback
Design and fit-out to support a high performing organisation	Functional and modern workspaces with <ul style="list-style-type: none"> <li>Confidentiality and private spaces available when required</li> <li>Technology with appropriate back up supports staff</li> <li>Space planning incorporating work and social needs</li> </ul>	Individual offices with small meeting spaces for GMs, CEO, and Mayor Technology supports operations Fit-out allows teams to work together and build relationships where appropriate Appropriate spaces for people to eat together, connect and socialise	Provision of IT services/equipment to individuals reflects current practice Regular reports from Working Groups confirm progress
Move by Dec 2026	All staff in HH by 1 Dec 2026	Logistics plan to co-ordinate the move Minimum disruption to workflows Furniture in place and technology up and running prior to people moving in	Logistics plan in place by Aug/Sept 2026
Within budget	Includes purchase price, any building extension, stabilising, fit-out and office set up.	Project expense tracked Cost forecasts reported Approved budget met	Regular reports to Steering Team from Project Director



## **Working Group framework**

- 14 The following table summarises the intended working groups, their purpose and deliverables:

Working groups:	Communications and engagement	Technology and Infrastructure	Design advisory	Logistics and Execution
Purpose	<p>To recommend a process to identify an appropriate name for the project</p> <p>To generate a draft communication plan</p> <p>To act as an information conduit between staff and the steering group</p> <p>To assist/support engagement and consultation processes, including reviewing draft materials</p> <p>To monitor the engagement/communication undertaken on the project and provide feedback</p> <p>To provide any other engagement/communication support sought by the steering group</p>	<p>To ensure that the new office has the required internet speed, network setup, and telecommunications infrastructure to prevent any technology related setbacks</p> <p>To ensure that any data systems migration is safely secured with minimum downtime</p> <p>To ensure a good transition of IT systems including servers, workstations, phones, and internet connections occur with no disruption to business operations</p> <p>To ensure staff and councillors have the right technology to enable them to do their work</p>	<p>To act as a sounding board for the design team as it moves through the design phases</p> <p>To provide advice on the requirements for a fit for purpose council chamber</p> <p>To monitor progress of design related outcomes</p>	<p>To oversee the appointment of professional movers experienced in office relocations</p> <p>To ensure proper packing and labelling of boxes by department and content</p> <p>To prepare office spaces including setting up workstations, furniture and safety protocols</p> <p>To hold a 1-day orientation to introduce the new office, layout and safety procedures</p>
Deliverables	<p>A project name and logo</p> <p>A communications plan</p> <p>Ongoing monitoring and advice</p>	<p>Fit for purpose IT systems that work from day one</p>	<p>A design which reflects the desired outcomes of B2B</p>	<p>A seamless transition to the new civic office</p>

- 15 Appropriate staff either has been or will be appointed to each group. Elected members will be involved as required (eg with regard to requirements for the chamber) The Communications and Engagement group is already underway; an update from this group is provided below.
- 16 All groups report to the project steering group and the expectation is that the chairs of each group will work together to ensure there are no unintended overlaps or omissions.

## **Communications and Engagement Working Group update**

- 17 The group suggested the following name - Back Together Build or B2B, with the tagline - the journey to bring Invercargill staff all back together into one building. This was endorsed by the steering group and is now reflected in all project communications.
- 18 They also prepared a communications and engagement plan which outlines how Council will ensure transparent communication, inclusive staff and stakeholder engagement, and strong iwi relationships throughout the project.
- 19 This plan has the following goals:

- to enable staff to feel they have a say, and are heard, in the development of Henderson House,
- to ensure councillors, can give feedback and are involved
- to ensure the right information is provided through the right channels, to the right people
- to ensure tikanga Māori is incorporated appropriately
- to build up momentum and excitement.

20 The engagement principles which the group will follow are:

- transparency – regular, honest communication
- inclusion – all staff, elected members, and partners can contribute
- responsiveness – feedback will be acknowledged and, where possible, acted upon
- respect – incorporating tikanga Māori and engaging respectfully with iwi
- positivity – building momentum and celebrating progress.

21 The plan identifies stakeholders that will be involved in the B2B project and engagement methods that could be used for stakeholder groups. The plan also outlines engagement methods that could be used at specific project milestones.

22 This plan was endorsed by the steering group.

### **Risk register**

23 Risk management is playing a central role in informing procurement strategy and governance oversight for the project. Identified risks, such as cost escalation, supply chain delays, and integration challenges associated with refurbishing an existing structure; have been factored into procurement planning, including the appointments for key professional services to ensure continuity and minimise onboarding risk.

24 The risk register, as per attachment A, is reviewed regularly by the project steering group and forms part of the reporting suite to the committee. Key risks currently identified include budget pressures, structural challenges, procurement complexity, and stakeholder expectations.

25 The risk framework supports early identification and mitigation, with structured updates aligned to each project milestone. This proactive approach ensures issues are escalated promptly and decisions remain aligned with the project's objectives and budget envelope.

**Project update and key milestones**

- 26 The table below outlines the key milestones through to July this year:

Milestone	Completion	Status
Structural design and options	April 2025	Ontrack
Refurbishment and extension options review	March - end April 2025	Due diligence by PSG on options investigated for refurbishment and extension
Staff workshop sessions with project director and architect	April - May 2025	Planning underway – involvement from internal Communications and Engagement working group
Cost estimates undertaken	April – May 2025	Ontrack- will follow due diligence review of options
Options presented to committee	May 2025	Ontrack
Preferred option concept design begins	May 2025 – July 2025	Ontrack

- 27 Following the completion initial design options and staff workshops, a preferred option for the Henderson House redevelopment will be confirmed. This option will be shaped by feasibility testing, design refinement, and alignment with project outcomes and available budget.
- 28 A report outlining the preferred design option is scheduled to be presented to the Finance and Assurance Committee at its next meeting, supported by concept design material, updated costing, and a summary of the trade-offs considered through the PSG.
- 29 This milestone reflects the culmination of the current planning phase and will provide the basis for progressing into detailed design and procurement delivery.

**Factors to consider**

Legal and statutory requirements

- 30 This report meets the requirements of the Local Government Act 2002.

**Community views**

- 31 Not applicable to this report.

**Cost and funding – to be updated**

- 32 The total budget allocated for this project is \$15 million. As of the end of April the total expenditure to date stands at \$3,330,464.22. This includes the purchase of the buildings (\$3million), along with costs associated with pre-purchase due diligence, preliminary design investigations, and mould removal and remediation.

**Policy implications**

- 33 Not applicable to this report.

**Analysis**

Options considered

- 34 This is an information only report.

### Assessment of significance

- 35 The contents of this report are not considered significant under s76 of the Local Government Act.

### Next steps

- 36 The project remains in the design refinement and planning phase. Over the coming months, the focus will be on the following key activities:
- **finalising a preferred option:** design testing and incorporating in staff feedback following workshops, balanced with cost analysis, will inform a preferred redevelopment option for Henderson House. This will be presented to the committee at its next meeting
  - **procurement of professional services:** engagement of key consultants, will be initiated to support concept development and costing validation
  - **development of concept design:** based on the preferred option, initial concept design and floor layouts will be developed and tested against project outcomes and available budget
  - **governance and reporting:** ongoing updates will be provided to the Committee, including budget tracking, risk review, and design milestone reporting to maintain visibility and oversight
  - **stakeholder and staff engagement:** staff and elected member engagement will continue through the established working groups and communications channels to ensure the design continues to reflect operational needs and strategic goals.
- 37 These steps mark the transition from early planning to design-led delivery and will underpin future project phases, including detailed design, procurement packaging, and construction readiness.

### Attachments

- A B2B Risk register



<b>Risk register: B2B project</b>	<b>Risk Rating:</b> <span style="background-color: red; color: white;">High</span>	<b>Likelihood:</b> 5 Almost Certain 4 Likely 3 Moderate 2 Unlikely 1 Rare	<b>Consequence:</b> 5 Extreme 4 High 3 Moderate 2 Low 1 Negligible
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Category	ID	Risk	Description	Effect on SDC Regulation (page 2 of 2) SDC	Risk Owner	Person Responsible (Staff member)	Inherent (Before Controls)			Key Controls in place	Residual (After Controls)			Trend	Mitigation Actions	Commentary
							Likelihood	Consequence	Risk Rating		Likelihood	Consequence	Risk Rating			
Planning	1	Repair and extension project cannot deliver all staff back into one site	The repair and extension project is more significant than and more complex than anticipated.	High	Common	Low	3	5	15	Successful assessments and feasibility studies conducted during early planning. Regular engagement with engineers and architects to address security requirements. Contingency planning for phased occupancy if needed.	2	4	8	→	Re-evaluate space optimisation strategies to maintain available capacity. Review alternative strengthening or expansion solutions that could be cost-effective.	
Financial	2	Repair and extension project cannot be delivered within the \$25m total budget	When the project goes to market, the resulting costs exceed the budget to the extent that the total project will exceed the \$25m limit. Unknown problems arise during project delivery which place the total project budget at risk of being exceeded.	High	Common	Low	3	5	15	Early cost estimates and financial modelling. Procurement strategies to lock in pricing where possible. Value engineering to optimise design for cost efficiency.	3	3	9	→	Identify potential savings and establish agreed approach for project delivery. Explore alternative funding sources or budget reallocations. Implement strict contract management to minimise cost overruns.	
Physical Delivery	3	Contractor and supply chain availability	There is a risk that due to the nature of this project there are no suitable available contractors. This could add significant delay to the project.	Medium	Low	Low	3	5	15	Pre-market engagement to assess contractor interest and capacity. Preferred supplier agreements to secure labour and materials. Use of multiple procurement approaches (e.g., early contractor involvement).	3	3	9	→	Issue early pre-qualification, early subcontractor agreements, in case of no contractor availability. Consider alternative delivery models (e.g., design build partnerships). Expand procurement reach to a broader range of suppliers.	
Planning	4	The planning and consent approvals and process delays affect the project timescale	During the planning approval process there could be delays which could affect the project timing.	High	Low	Low	3	3	9	Early engagement with regulatory authorities to proactively address concerns. Detailed project timeline incorporating buffer periods for approvals. Dedicated compliance management team to track applications.	2	3	6	→	Maintain proactive communication with local authorities and stakeholders. Pre-engage critical approvals where possible to expedite the process. Ensure planning documentation is comprehensive and aligned with regulatory requirements.	
Financial	5	Cost control	There is a risk that all of the project requirements cannot be delivered within the \$25 total budget.	High	Common	Low	3	4	12	Regular financial monitoring and reporting. Contingency budget set aside for unforeseen costs. Contingency procurement process to get the best value.	2	2	4	→	Prioritisation of essential project elements over non-essential features. Consider alternative funding sources if costs exceed forecast.	
Planning	6	Information: the project assessment, planning services to the site are adequate for the project scope	The project requires additional assessment and 3 weeks capacity available and any additional requirements currently not covered. Any additional information required would impact the total cost/budget of the project.	Medium	Low	Low	3	4	12	Information capacity assessment completed before project commencement. Coordination with service providers (water, sewer, stormwater) to confirm capacity. Budget contingency for minor information adjustments.	2	2	4	→	Provide available information and adjust for potential future needs.	
Stakeholder	7	The consultation process is held up due to stakeholder involvement	The project timescale/scope can be influenced by a number of stakeholders, staff, external members, public, etc.	High	Low	Low	3	4	12	Early stakeholder engagement to identify concerns and expectations. Clear project communication plan to manage expectations and reduce uncertainty. Governance structure in place to streamline decision-making and approvals.	2	2	4	→	Proactive communication with key stakeholders to address issues early. Internal staff and engagement working group throughout project.	
Physical Delivery	8	Health and Safety Risk from joint PCB's	Has the contractor working onsite suffers death or serious injury.	High	High	Low	3	5	15	Clearly defined PCB's (Person Conducting a Business or Undertaking) responsibilities. Regular health and safety audits and toolbox meetings. Strong contractor management framework in place, including induction and training history.	2	2	4	→	Implement strict safety protocols and regular monitoring. Ensure all parties understand and comply with their health and safety obligations. Review and test emergency response plans specific to the project site.	



## Exclusion of the public: Local Government Official Information and Meetings Act 1987

### Recommendation

That the public be excluded from the following part(s) of the proceedings of this meeting.

#### C8.1 B2B project update

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
B2B project update	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p> <p>s7(2)(h) - the withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p>	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.