

Corporate and Operations Committee

Open Agenda



Notice is hereby given that an ordinary meeting of the Corporate and Operations Committee will be held on:

Date: Wednesday 27 March 2019
Time: 9am
Venue: Council Chambers
35 Kenrick Street
TE AROHA

Membership

Mayor

Janet E. Barnes, JP

Councillors

Matamata Ward

Brian Hunter
James Sainsbury
Kevin Tappin
Adrienne Wilcock

Morrinsville Ward

Donna Arnold
Paul Cronin
Neil Goodger
James Thomas, Deputy Mayor, JP

Te Aroha

Teena Cornes
Peter Jager
Ash Tanner (Chairperson)

Phone: 07-884-0060
Address: PO Box 266, Te Aroha 3342
Email: secretary@mpdc.govt.nz
Website: www.mpdc.govt.nz

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1 Meeting Opening

2 Present

3 Apologies

At the close of the agenda apologies from Cr Donna Arnold had been received.

4 Notification of Urgent Business

Pursuant to clause 3.7.5 and 3.7.6 of the Standing Orders NZS 9202:2003 and Section 6A (7) of the Local Government Official Information and Meetings Act 1987, the Chairman to enquire from members whether there are any additional items for consideration which qualify as extraordinary or urgent additional business.

5 Confirmation of minutes

Minutes, as circulated, of the Ordinary Meeting of the Corporate and Operations Committee, held on 27 February 2019

Stormwater Development in Morrinsville

Trim No.: 2121459

Executive Summary

Morrinsville Chamber of Commerce Nigel McWilliams and Avenue Road Industrial Zone landowner representative Chris Steffert will attend to outline a proposal for progressing the development of this area for commercial / industrial use.

Council policy for the funding of infrastructure to service Industrial Development is that the developer should fund the costs for services. Growth pays for growth.

The Chamber and the Developer are proposing that Council give consideration to an “out of Policy” financial arrangement. This has not yet been quantified.

In order to understand what the costs are it is necessary to work with the developer to understand their development layout and their internal stormwater system capacity and design. Council can then more confidently design and cost the external elements of the stormwater system outside of the development.

To do this it is recommended that Council engage a suitably qualified external Engineer to establish options and estimates for report back to Council. An approved brief, scope of work and cost would be reported to Council before proceeding.

These costs are an expense and a funding source would need to be identified.

Recommendation

That:

1. The information be received.
2. Council considers the employment of an external Engineer with appropriate qualification and experience to assess options and costs for a stormwater system to service the area of land zoned Business and Industrial in the Avenue Road / State Highway 26 location Morrinsville.
3. Design and cost estimate work for this be funded from an approved funding source.

Attachments

There are no attachments for this report.

Signatories

Author(s)	Don McLeod Chief Executive Officer	
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Approved by	Don McLeod Chief Executive Officer	
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Naming of Reserve in Waharoa

Trim No.: 2125043

Executive Summary

On 14 November 2018 Council confirmed that “Bruce Clothier Memorial Park” is its preferred name for Lot 2 DP 386916, a Recreation Reserve located in Waharoa.

A public notice was placed in the *Matamata Chronicle* on 21 November 2018 inviting submissions on the proposal. The period to receive submissions ended on 21 December 2018.

This report provides an update on the process and asks Council to consider any submissions and to decide whether or not it wishes to formally name the reserve ‘Bruce Clothier Memorial Park’.

Recommendation

That:

1. The report be received;
2. Council determines whether it wishes to formally name Lot 2 DP 386916, a Recreation Reserve located in Waharoa, ‘Bruce Clothier Memorial Park’.

Content

Background

In August 2018, Council discussed naming a Recreation Reserve in Waharoa after the late Bruce Clothier who donated the land to Council in 1999.

On 14 November 2018 Council resolved that:

“Council confirms that “Bruce Clothier Memorial Park” is its preferred name for the Lot 2 DP 386916, a Recreation Reserve located in Waharoa.”

Council also authorised the required public notice regarding the proposed name change be placed. A public notice was placed in the *Matamata Chronicle* on 21 November 2018 with submissions closing on 21 December 2018.

Council is now required to consider any submissions and to decide whether or not it wishes to formally name the reserve ‘Bruce Clothier Memorial Park’.

Issues

Naming policy

The General Policies Reserve Management Plan 2009 prescribes the following process when wishing to name/rename a Reserve:

- Council consults with donors, user groups, community groups and Iwi in the vicinity and come up with a short list of potential names
- Council makes a Resolution to name/rename the Reserve with list of suggested names to go out for consultation

- A month is allowed for public consultation
- Council considers submissions from the public
- A Council Resolution approves the chosen name
- A Gazette Notice is published naming the Reserve.

An assessment of the requirements appears in Table 1 below:

Table 1

	Requirement	Comment
1	Consult with donors, user groups, community groups and Iwi	In this particular case the donors are deceased. An email representing five members of the Clothier Family has been received supporting a memorial sign at the park. Council has consulted with Ngāti Hauā Iwi Trust. The Trust's position on the proposal was neutral i.e. they neither supported nor opposed the proposal.
2	Resolution to name/rename the Reserve with list of suggested names to go out for consultation	On 14 November 2018 Council resolved to name the Reserve 'Bruce Clothier Memorial Park'.
3	A month for public submissions	Public submissions were sought on 21 November 2018 by public notice in the <i>Matamata Chronicle</i> . The submission period ended on 21 December 2018. One submission was received.
4	Council considers submissions	Council is asked to consider the submission
5	Council resolves to approve the chosen name	A resolution is sought
6	A Gazette Notice is published naming the Reserve	A resolution is required to enable Council Staff to place the Gazette Notice (Attachment A)

Submissions

Council is required to give consideration to submissions. Council is not bound to agree with a majority of submitters or with any particular submission.

One submission was received from a member of the Clothier Family. The submitter indicated a preference for a memorial on their own private land. No other submissions were received during the submission period.

A subsequent email representing five members of the Clothier Family (including the submitter) was received after the period for submissions closed. The email indicated support for a memorial sign at the park. As this was received after the close of submissions it cannot be considered as a formal submission.

Analysis

Options considered

1. Council can decide to name the reserve as proposed.
2. Council can decide not to name the reserve.

Analysis of preferred option

There is no preferred option.

Legal and statutory requirements

Steps 1-3 of the process prescribed by the General Policies Reserve Management Plan 2009 has been followed. Council is now asked to consider steps 4 & 5.

Impact on policy and bylaws

The consultation process as prescribed by the management plan has been followed.

Financial Impact

i. Cost

The cost of public notices was \$217.39. The cost of a Gazette Notice will be around \$60 to \$80. The cost of a site identification sign would be in the region of \$800-1,000.

ii. Funding Source

Operational budget for advertising. Signage budget for signs.

Attachments

- A. Appendix A - Public Notice
- B. Draft Public Notice - Naming of Reserve - Bruce Clothier

Signatories

Author(s)	Mark Naudé Parks and Facilities Planner	
Approved by	Susanne Kampshof Asset Manager Strategy and Policy	
	Manaia Te Wiata Group Manager Business Support	

Naming of Reserve

Pursuant to Section 16(10) of the Reserves Act 1977, Matamata-Piako District Council seeks to name the Recreation Reserve described in the Schedule located on Seddon Street/State Highway 27, Wairoa.

Council is proposing the following official name for the Reserve:

- Bruce Clothier Memorial Park

The land was donated to Council in 1999 by the late Bruce Clothier.

Written comments about the proposal may be submitted to Council until 5pm on 21 December 2018.


Submissions must be addressed to:

The Chief Executive
Matamata-Piako District Council
Attention: Parks & Facilities Planner
35 Kenrick Street
Te Aroha 3320

Electronic submissions with the subject line 'Bruce Clothier Memorial Park' may be sent to: info@mpdc.govt.nz

Schedule
Lot 2 DP 386916
Certificate of Title Identifier 347977

D J McLeod
Chief Executive Officer



Public Notice:

Naming of Reserve

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info@mpdc.govt.nz

Schedule

Lot 2 DP 386916
Certificate of Title Identifier 347977

Donald J McLeod
Chief Executive

CCO Monitoring - Waikato Local Authority Shared Services Six Monthly Report and Statement Of Intent 2019/20

Trim No.: 2121608

Executive Summary

Waikato Local Authorities Shared Services Limited (WLASS) is a Council Controlled Organisation (CCO) jointly owned by the 12 Waikato Region councils. WLASS' key purpose is to drive collaboration between councils, to improve customer service and performance, and to reduce costs.

CCOs are required by the Local Government Act 2002 (LGA 2002) to prepare and publish an annual statement of intent, and produce a half yearly report for shareholders on the entity's operations during the half year.

The purpose of this report is to present to Council the WLASS' Six Monthly Report to 31 December 2018, and to seek Council feedback on the proposed 2019/20 Statement of Intent (SOI).

Recommendation

That:

1. The report be received
2. Council receives the Waikato Local Authority Shared Services Six Monthly Report to 31 December 2018, and
3. Council considers providing feedback on the Waikato Local Authority Shared Services Limited 2019/20 Statement of Intent.

Content

Background

The local authorities of Waikato Region have worked closely together over a number of years on mutually beneficial joint projects. The shared service initiatives have been formalised in the establishment of WLASS. Council became a shareholder for the purpose of developing shared services across the local authorities in the Waikato following public consultation in the 2005/06 Annual Plan. WLASS has twelve Directors, with each Director representing a shareholding council. In addition the Board may appoint up to three professional directors to supplement Directors' expertise. At this time no independent directors have been appointed to the Board.

WLASS key purpose is to drive collaboration between councils, to improve customer service and performance, and to reduce costs. WLASS also provides administrative and financial support services to the Waikato Mayoral Forum to enable the successful implementation of the Mayoral Forum initiated projects.

Six Monthly Report

The shareholders continue to identify improvements that could be made, such as: implementing shared services related to back-office activities; shared procurement to provide cost savings and consistency; streamlining of work processes; and service improvements. Initiatives which could benefit from being managed by WLASS are considered by working groups comprising staff from the shareholding councils, and recommendations are made to the WLASS Board.

Nature and Scope of Current Activities - detailed in the report in the following sections:

- Services and Performance – there are 12 major initiatives
 - Shared Valuation Data Service (SVDS)
 - Road Asset Technical Accord (RATA)
 - Waikato Regional Transportation Model (WRTM)
 - Waikato Building Consent Group (WBCG)
 - Future Proof
 - Energy Management
 - Joint Procurement Initiatives
 - Historic Aerial Photos
 - Waikato Regional Aerial Photography Service (WRAPS)
 - Aligned Resource Consent Planning
 - Regional Infrastructure Technical Specifications (RITS)
 - Local Government Contractor Health & Safety Pre-Qualification Scheme
- Working Parties – there are 8 major Working Parties
 - Shared Services Working Party
 - Waikato IT Managers' Working Party
 - Procurement Managers' Working Party
 - Health & Safety Working Party
 - Asset Valuation Working Party
 - Shared Valuation Data Services Advisory Group (SVDS)
 - Insurance Advisory Group
 - Waikato Building Consent Advisory Group
- Waikato Mayoral Forum - The Mayoral Forum initially established six working parties to investigate collaborative opportunities in the areas of governance, planning, waters, roading, economic development, and policy and bylaws. WLASS provides administrative support, the CEO is no longer responsible for co-ordinating reporting on projects to the Mayoral Forum, as this is the responsibility of the project sponsors.
- Professional services panel, initial work took place to re-market the WLASS professional services panel. This is a significant piece of work to standardise the terms and conditions for engagement with professional service providers across several disciplines. The Request for Proposal was issued to the market mid-February, with the evaluation process taking place to allow contracts to take effect in the latter half of 2019. When the current panel was established four councils elected to participate. Significantly, this time round ten councils will be participating, reflective of the significant efficiencies to be gained from this form of procurement.

- Proposed New Services – Procurement framework, a regional procurement framework has been established. The document sets a minimum standard for procurement practice across the region. Initial working establishing the procurement toolbox was undertaken and this, together with procurement training, will be rolled out in the first half of 2019.

Performance Measures – of the 31 measures 29 are achieved/on track at the six-month time frame. One measure was flagged as currently behind schedule but target expected to be met by 30 June 2019 in regards to RATA; deliver better data for decision making across the Waikato Region, enabling more consistent best practice. One measure was flagged as currently behind schedule and target unlikely to be met by 30 June 2019 in regards to Waikato Building Consent Group; provide strategic direction and actively pursue improvements in Building Control across the Waikato region. Due to The project is yet to be allocated and scope defined.

WLASS Financial Position – expenditure was \$2,001,758 (budget \$2,590,692), revenue was \$3,105,924 (budget \$2,520,409). Revenue exceeded expenditure by \$588,934. Audit New Zealand issued an unmodified audit opinion on 5 October 2017. The auditor raised no issues. The favourable variance to budget YTD is expected to largely abate over the remainder of the year and reflects timing of spend on some work streams and the recognition of revenue in advance from the prior year that was not budgeted.

Statement of Intent 2019/20

The Statement of Intent (SOI) outlines the proposed work plan for 2019/20 and the Directors' accountabilities to the shareholder for corporate performance. The objectives of WLASS are:

- To enable the Waikato councils to collectively be more effective as a region on the national stage
- To contribute to building central government's confidence in the Waikato region, to encourage central government investment
- To achieve effectiveness and efficiency gains
- To reduce duplication of effort and eliminate waste through repetition
- To make it easier for customers to engage with councils in the Waikato region
- To promote and contribute to the development of best practice
- To promote business transformation to improve customers' experiences.

Issues

N/A

Analysis

Options considered

Accept the Statement of Intent as prepared by WLASS.

OR

Provide feedback on the Statement of Intent relating to matters of concern to the Council;

Analysis of preferred option

No preferred option.

Legal and statutory requirements

The LGA 2002 requires a CCO to prepare and publish an annual SOI. The SOI must be agreed upon with the parent local authority.

A statement of intent must, to the extent that is appropriate given the organisational form of the council-controlled organisation, specify for the group comprising the council-controlled organisation and its subsidiaries (if any), and in respect of the financial year immediately following the financial year in which it is required to be delivered and each of the immediately following 2 financial years, the following information:

- the objectives of the group;
- a statement of the board's approach to governance of the group;
- the nature and scope of the activities to be undertaken by the group;
- the ratio of consolidated shareholders' funds to total assets, and the definitions of those terms;
- the accounting policies of the group;
- the performance targets and other measures by which the performance of the group may be judged in relation to its objectives;
- an estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholders;
- the kind of information to be provided to the shareholders by the group during the course of those financial years, including the information to be included in each half-yearly report (and, in particular, what prospective financial information is required and how it is to be presented);
- the procedures to be followed before any member or the group subscribes for, purchases, or otherwise acquires shares in any company or other organisation;
- any activities for which the board seeks compensation from any local authority (whether or not the local authority has agreed to provide the compensation);
- the board's estimate of the commercial value of the shareholders' investment in the group and the manner in which, and the times at which, that value is to be reassessed;
- any other matters that are agreed by the shareholders and the board.

The local authority has two months from receiving the proposed SOI, to respond to the CCO with feedback.

Impact on policy and bylaws

No impact.

Consistency with the Long Term Plan / Annual Plan

WLASS has performance measures outlined in the 2018-28 Long Term Plan. This report is consistent with the Long Term Plan.

Impact on Significance and Engagement Policy

This issue is not significant.

Communication, consultation and decision making processes

WLASS Directors shall approve by 1 March of each year a draft SOI for distribution to, and consideration by, Matamata-Piako District Council as a shareholder.

Council must provide any comments or feedback on the draft SOI within two months of 1 March. The WLASS Directors must consider all comments that are received, and shall deliver the completed SOI to the shareholders by 30 June.

Consent issues

There are no consent issues

Timeframes

WLASS Directors shall approve by 1 March of each year a draft SOI for distribution to, and consideration by, Matamata-Piako District Council as a shareholder.

Council must provide any comments or feedback on the draft SOI within two months of 1 March. The WLASS Directors must consider all comments that are received, and shall deliver the completed SOI to the shareholders by 30 June.

Contribution to Community Outcomes

Economic Opportunities

Council will provide leadership and advocacy is provided to enable our communities to grow.

Financial Impact

i. Cost

There are no additional costs to this project.

ii. Funding Source

The current and proposed activities of WLASS are fully funded by the participating local authorities, within existing budgets.

Attachments

- A. WLASS Half yearly report to 31 December 2018
- B. WLASS Statement of Intent 2019/2020

Signatories

Author(s)	Rebecca Shaw Graduate Policy Planner	
Approved by	Niall Baker Senior Policy Planner	
	Don McLeod Chief Executive Officer	



Half-yearly report to Shareholders

1 July 2018 to 31 December 2018

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1 Introduction

The Board of Waikato Local Authority Shared Services Ltd (WLASS) is pleased to present its report to shareholders on the first half of the 2019 financial year (to 31 December 2018). During the period the first steps have been taken to reorganise the way WLASS operates and interacts with its shareholding councils, to generate greater value. The vision for the future is more fully detailed in the company's 2019 Statement of Intent (SOI).

2 Overview of WLASS

WLASS was established in December 2005. It is jointly owned by the following shareholding councils:

- Hamilton City
- Hauraki District
- Matamata-Piako District
- Otorohanga District
- Rotorua Lakes
- South Waikato District
- Taupo District
- Thames-Coromandel District
- Waikato District
- Waikato Regional
- Waipa District
- Waitomo District

WLASS was initially established to provide the local authorities in the Waikato Region with a vehicle to procure shared services. The key purpose of WLASS has evolved and it now drives collaboration between councils, aiming to improve customer service and performance and reduce costs.

The vision for WLASS is to be:

The enabler for Councils to provide their services in the most effective and efficient way

Its objectives are:

- To enable the Waikato Councils to collectively be more effective as a region on the national stage;
- To contribute to building central government's confidence in the Waikato region, and to encourage central government investment;
- To achieve effectiveness and efficiency gains;
- To reduce duplication of effort and eliminate waste through repetition;
- To make it easier for customers to engage with councils in the Waikato region;
- To promote and contribute to the development of best practice; and
- To promote business transformation to improve customers' experiences.

The Board of WLASS comprises a representative from each of the shareholding Councils¹.

¹ In February 2019 Shareholders were asked to pass a resolution to reduce the size of the Board to six, including the appointment of an independent Chair.

The company has several key workstreams. However, the resource within WLASS itself during the period comprised a contracted Chief Executive (part-time) and since November, a part-time Company Administrator (see below for detail on changes since period end). Beyond that, it has established working parties made up of employees from the Councils who are charged with advancing the workstreams.

Each of the 12 Waikato local authorities owns a share in WLASS and as such has an equal say in its development.

3 Statement of Service Performance

Since its inception the company has delivered benefits to its shareholding councils through enabling:

- Improved levels and quality of service;
- A more co-ordinated approach to the provision of services;
- Reductions in the cost of services;
- The development of new initiatives;
- Standardisation of service levels;
- Opportunities for all Councils, irrespective of location or size, to benefit from joint initiatives; and
- Economies of scale resulting from a single entity representing all Councils and leveraging procurement opportunities.

3.1 Activity during the period

Highlights of activity during the six months to 31 December 2018 are:

WLASS transformation project

The most significant piece of work for the company throughout the period has been delivering the plan to implement a new operating model. Detail of this transformation project is included in the company's SOI. However, during the period that project has resulted in the appointment of a Business Analyst and Company Administrator (part-time). These roles represent the first employees of WLASS.

Subsequent to the period in question the Board will be also:

- Appointing a full-time Chief Executive (to date this role has been contracted in two days per week); and
- Recommending shareholders resolve to change the composition of the Board, appointing an independent Chair and reducing the number on the Board to six.

As a consequence of these changes there has been/will be some increase to the company's central administration costs. Chief executives of the shareholding councils supported the need for this additional investment, which can be accommodated within existing budget in the 2019 financial year².

Health & Safety

WLASS completed the development of a Regional Health & Safety Management framework, together with 13 Best Practice documents. These documents will assist councils to manage

² Funding being sought for financial years 2020-2022 is set out in the company's SOI

health and safety effectively, and guide Chief Executives and senior leaders to understand their roles and responsibilities.

Procurement

Professional services panel

Initial work took place to re-market the WLASS professional services panel. This is a significant piece of work to standardise the terms and conditions for engagement with professional service providers across several disciplines. The Request for Proposal was issued to the market mid-February, with the evaluation process taking place to allow contracts to take effect in the latter half of 2019. When the current panel was established four councils elected to participate. Significantly, this time round ten councils will be participating, reflective of the significant efficiencies to be gained from this form of procurement.

Procurement framework

A regional procurement framework has been established. The document sets a minimum standard for procurement practice across the region. Initial working establishing the procurement toolbox was undertaken and this, together with procurement training, will be rolled out in the first half of 2019.

SVDS

SVDS activity centred around establishing a new SVDS service contract under a Software As A Service (SAAS) arrangement which was concluded in September. Since then Waipa District Council have been the pilot for the new software with implementation underway. Member charges will continue to reduce under the new arrangement, and it is expected that these will not be necessary beyond 2020, providing revenue from data sales remains intact.

Waikato Data Portal

Phase 1 of a roadmap to toward regional spatial information has progressed well throughout the period. The output from Phase 1 is a single centralised Data Portal. Ultimately, the expectation is to progress toward a centralised and distributed GIS platform managed by one team.

An implementation Project charter was developed and a governance group to oversee the project established. Build of the data portal is now well underway and council have been trained on using the data portal application.

RATA

New data collection contracts covering manual data collection (visual rating surveys, footpath condition surveys, and traffic counting) commenced on 1 July 2018.

Taupo District Council joined RATA on 1 July 2018 and South Waikato District Council made the decision to move to a higher level of participation in RATA, with the increased level of support to the council commencing in January 2019.

There has been significant activity during the period including:

- Workshops to develop a consistent regional maintenance specification (these have been well attended and good progress has been made);
- Completing the forward works programme tour for 2018 (part of the Assessing The Right Treatments, At the Right Time programme);

- Publishing Road Efficiency Group Data Quality Reports. RATA's Asset Information Engineer has been using these reports to support data quality improvement tasks within each of the participating councils; and
- Investigating collaboration opportunities in the Waters activities across seven participating councils (a Mayoral forum initiative).

Future proof

The key project underway is the phase 2 update of the Future Proof Strategy, with a draft completed and submitted to Ministry for the Environment in December. Work will continue this year to develop the strategy to ensure alignment with other projects, including the Hamilton-to-Auckland Corridor Plan and Waikato District blueprints.

Regional Infrastructure Technical Specifications (RITS)

The project plan for the RITS provided for six- and twelve-month reviews following adoption, with subsequent annual updates. This was to allow users to live test the document and identify any issues and improvements.

The first review is underway with feedback received from various council staff and consultants over the last six months. The feedback is being worked through and at the same time the document is being checked for errors, omissions and inconsistencies. We have received positive feedback and comments indicate the RITS is being widely used and the identified benefits are being realised.

Councils outside the Waikato region expressed interest in adopting the RITS and WLASS is progressing this opportunity.

Energy management

WLASS is in the third year of a three-year collaboration with the Energy Efficiency Conservation Authority (EECA) who have supported the programme by part funding energy management professional services, energy audits and energy monitoring software (Epro).

The collaboration with EECA targeted 2.5 million kWh of energy savings across the three-year programme. As at 31 December 2018, implemented projects will deliver savings of 3.3 million kWh with a value of \$440k. Of this sum, \$153k is related to cost reductions arising from optimising energy tariffs and demand charges.




Aligned resource consent planning






The alignment of resource consent documentation across councils went live in August. Processing resource consents is now more efficient and user friendly, delivering a better service to customers.

3.2 Performance Targets

The following performance measures were included in the Statement of Intent for the 2018/19 financial year. An update on their status as at 31 December 2018 is shown in the table below.






Key:

-  On track: has been completed or will be by 30 June 2019
-  Currently behind schedule but target expected to be met by 30 June 2019
-  Currently behind schedule and target unlikely to be met by 30 June 2019

Target	Method	Measure	Outcome	
Procurement Joint procurement initiatives for goods and services for WLASS councils will be investigated and implemented.	Procurement is from sources offering best value, service, continuity of supply, and/or opportunities for integration.	The Procurement Specialist has developed standard regional procurement policies, templates and procedures and provided training in each council by the end of the financial year.	The Regional procurement framework is complete. The associated toolbox and training are expected to be delivered in March 2019.	
		New suppliers are awarded contracts through a competitive tender process.	Competitive tendering for professional services is currently underway.	
Collaborative Projects Priorities for collaboration are identified, business cases are developed for the highest priority projects, and the projects are implemented.	The focus is on shared services which will benefit all councils.	A minimum of three priority projects for collaboration are identified per annum. If considered of value, business cases are developed for approval by the Board, and the projects are implemented.	The WLASS transformation is being delivered. The Professional Services Panel is being re-tendered with ten councils participating (previously four). Opportunities relating to the go-to-market strategy for capital works are being considered. A business case for regional LiDAR at a significantly reduced cost utilising PGF co-funding has been developed. The Health & Safety Management framework and Best Practice documents have been completed.	
Existing WLASS Contracts Existing contracts are managed and renegotiated as required.	Appointed vendors deliver on the terms of their contracts and deliver value to the shareholders.	The WLASS Contracts Register is maintained and managed.	Ongoing	
		Contracts which are due for renewal are tested for competitiveness and either renegotiated or re-tendered through a competitive process.	Contracts have been re-negotiated and where appropriate re-tendered through a competitive process.	

Target	Method	Measure	Outcome	
Cashflow The company shall maintain a positive cashflow position.	The Financial Accountant reviews cashflow monthly, and the WLASS Board reviews the financial statements quarterly.	The WLASS Board reviews the financial statements at least quarterly.	Management accounts, including financial performance and cashflow are reported at each Board meeting (six time per annum)	●
Cost Control Administration expenditure shall be managed and monitored.	The Financial Accountant and Chief Executive review expenditure monthly.	Administration expenditure shall not exceed budget by more than 5%, unless prior approval is obtained from the Board.	Administration expenditure is expected to exceed the 2019 budget by 52%. This is solely a product of the WLASS transformation and the associated change to the operating model which was approved by the Board in September 2018. The 2019 position has been reforecast as a result.	●
Reporting Six monthly reports provided to Shareholders.	The Chief Executive prepares a written report for the WLASS Board every meeting. One 6-monthly and one Annual Report are prepared for shareholders.	The Board shall provide a written report on the business operations and financial position of WLASS to the shareholders every six months. Every second report shall be the Annual Report, which includes a report that all of the statutory requirements of the WLASS are being adhered to.	Half-yearly report will be delivered in February 2019. The 2018 Annual report was prepared and provided to shareholders in September 2018.	● ●
Waikato Mayoral Forum The company shall provide administrative support to the Mayoral Forum work streams and to the Mayoral Forum.	Mayoral Forum projects shall be managed financially through the WLASS.	Approved invoices for Mayoral Forum projects are paid by the 20 th of the month following their receipt.	Ongoing	●
SVDS The SVDS is reliable, well maintained and available to all users.	A Contract Manager is appointed for SVDS. The Contract Manager monitors performance of the contractors and reports quarterly to the SVDS Advisory Group.	The SVDS is available to users at least 99% of normal working hours. The SVDS Advisory Group meets at least 6-monthly. The Annual Business Plan is accepted by the Advisory	On target – the SVDS has been available 100% for users during normal business hours. On target. Two meetings held in first 6 months; August & November Not yet due	● ●

Target	Method	Measure	Outcome	
	<p>Risks associated with the SVDS are well managed.</p> <p>The long-term provision of SVDS services is achieved.</p>	<p>Group by 31 March 2019, and includes consideration of strategic and operational risks, a disaster recovery plan, and a business continuity plan.</p> <p>The timetable and milestones for implementing the long-term provision of SVDS Services (as agreed by the Board), are being achieved.</p>	<p>Project has begun and is tracking well for time and budget. Steering committee made up of Advisory Group members meets monthly.</p>	●
<p>Insurance</p> <p>Achieve the relevant KPIs in Appendix 4 of the Insurance Brokerage contract with Aon.</p>	<p>The Insurance Broker delivers on the terms of their contract and provides value to the participating councils.</p>	<p>Strategic advice provided by Aon on the insurance programme structure is assessed as satisfactory in the annual WLASS Shareholders' survey by the participating councils.</p> <p>The day-to-day service provided by Aon is assessed as satisfactory in the annual WLASS Shareholders' survey by the participating councils.</p>	<p>Will be assessed as part of the annual shareholder survey</p> <p>Will be assessed as part of the annual shareholder survey</p>	
<p>RATA</p> <p>Deliver better data for decision making across the Waikato Region, enabling more consistent best practice</p>	<p>Quarterly update reports are provided to all stakeholders participating in the Data Collection contracts.</p> <p>Data supplied by contractors is of good quality and meets all of the participating councils' requirements.</p>	<p>Reports are presented to stakeholders in October/January/April and July each year.</p> <p>Reports on progress presented to WLASS Board as at 30 December and 30 June.</p> <p>All data are reviewed for compliance and all good practice requirements are met.</p> <p>Procurement of services complies with WLASS and NZTA's procurement requirements.</p>	<p>KPI Partially Met</p> <p>All reports supplied to stakeholders. The reports to four councils to 30 September were late being delivered and this will be remedied in January 2019.</p> <p>Reports to WLASS Board presented to required deadlines.</p> <p>All data received was reviewed for quality requirements and approved.</p> <p>Procurement of services compliant with WLASS and NZTA requirements.</p> <p>KPI Met</p>	●
<p>Lead engagement and increase capability within the sector</p>	<p>Innovation: Identify opportunities to modify standard approaches and/or</p>	<p>Present to a national conference on RATA innovations at least once per year.</p> <p>At least two RATA guidance documents detailing good</p>	<p>RATA presented at RIMS conference in 2018 on work completed. Submitted abstract for IPWEA and NAMS.</p> <p>RATA Guidance documents developed based on REG</p>	●

Target	Method	Measure	Outcome	
	develop new approaches that will lead to optimal asset management. Leadership: Lead engagement and increase capability within the sector.	practice are produced each year. RATA Forums are held 2-monthly to share learnings and experience.	data quality reports to support improvement planning. RATA is supporting Waters Collaboration investigation work for seven participating councils. RATA Fora were held two-monthly during 2018 with high levels of attendance from participating councils.	
WRTM The WRTM is reliable, well maintained and available to all users.	RATA manages the WRTM on behalf of the participating councils, and monitors the performance of the model supplier (currently Traffic Design Group). RATA reports quarterly to the WRTM Project Advisory Group.	All modelling reports requested from the model supplier are actioned within the agreed timeframe, scope and budget. A report from RATA on any new developments and on the status of the model is provided to the WCLASS Board at least every six months. The quality of the base model complies with NZTA guidelines (as set out in the NZTA's Economic Evaluation Manual), and is independently peer reviewed each time the model is updated.		  
Waikato Building Consent Group Provide strategic direction and actively pursue improvements in Building Control across the Waikato region.	Implement the strategic priorities detailed in the "Build Waikato" May 2017 strategic review document.	Milestones for the five strategic review work streams are achieved for: • Digital experience and technology: a common online customer experience. Success is defined as user friendly, convenient, quick, end-to end management and communication, measured by customer surveys and systems comparisons. • People capability. Success is defined as a successful recruitment and training programme, measured by compliance with BCA Reg. 8 - 11.		 

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Target	Method	Measure	Outcome	
co-ordinated and collaborative.	Phase 2 of the Strategy update.	Implementation Committee no later than December 2018.	Proof Implementation Committee and submitted to MfE in December 2018. Work will continue on the draft Strategy in 2019 to ensure alignment with the Hamilton to Auckland Corridor Plan.	
The Future Proof budget is well managed and monitored.	Bi-monthly reports presented to Waikato Plan and Future Proof Chief Executive Group, and six monthly and annual reports to WLASS Board.	The overall Future Proof work programme is delivered within the approved budget.	The Future Proof work programme to the end of December 2018 is tracking on budget. A bi-monthly budget report was reported to the Future Proof Chief Executive Group in February 2019.	
Future Proof influences and inputs into District Plan, Regional Plan, growth strategy and any other planning processes which manage growth within the sub-region and neighbouring regions.	Future Proof works collaboratively and provides input into the planning work undertaken by all FP partners and any other relevant planning authorities.	Future Proof makes submissions (using RMA and Local Government processes), on District Plans, LTPs, growth management planning documents, and any central government initiatives which have the potential to impact growth management planning in the sub-region.	Future Proof made two submissions in 2018, on the Proposed Waikato District Plan and Proposed Plan Change 11 to the Waipa District Plan (Bardowie Industrial Precinct).	●
Aligned Resource Consent Planning Project Implementation of the Aligned Resource Consent Planning project is underway during 2018/19.	Progress on implementation of common forms and other initiatives is reported to shareholders on a regular basis.	Common forms are in place for all Councils involved by December.	The forms went live in the 2 nd half of 2018.	●
Shareholder Survey Shareholders are satisfied with the performance of WLASS.	An annual survey of shareholders is undertaken to assess satisfaction levels with WLASS.	A survey of shareholders is undertaken each year, and the results are reported to all shareholders.	Survey will be distributed to shareholders in March 2019.	●
Review of Benefits Shareholders are informed of the benefits being provided to shareholding councils by WLASS.	The benefits of WLASS (including financial and non-financial achievements) are regularly analysed and reported to shareholders.	Information on the financial and non-financial benefits being achieved by WLASS are included in the 6-monthly and Annual Report to shareholders. The WLASS website is regularly maintained and updated.	WLASS achievements are included in this report and were set out in the 2018 Annual Report provided to shareholders in September 2018. The WLASS website has been updated where appropriate.	●

4 Wlass Financial Position

4.1 Summary

By the numbers:

Summary financial results for the six months to 31 December 2018 are:

	2019 actual YTD \$000	2019 budget YTD \$000	Variance \$000 (actual v budget)
Total income	3,105,924	2,520,409	585,515
Total operating expenditure	2,001,758	2,590,692	588,934
Net surplus before tax	1,104,166	(70,283)	1,174,449
Cash on hand	346,329	n/a	n/a

The favourable variance to budget YTD is expected to largely abate over the remainder of the year and reflects timing of spend on some workstreams and the recognition of revenue in advance from the prior year that was not budgeted.

Outcome of 2017 audit

Audit New Zealand issued an unqualified audit opinion on the company's 2017 Financial Statements. No issues were raised by the auditor, which was a very pleasing result.

4.2 Statement of Financial Performance

Waikato Local Authority Shared Services For the 6 months ended 31 December 2018

	YTD ACTUAL	YTD BUDGET	VARIANCE	FY BUDGET	FORECAST	PY ACTUAL
Trading Income						
Company Administration	250,199	253,140	(2,941)	299,784	359,868	216,847
Procurement	301,314	169,920	131,394	439,166	665,480	301,314
Information Technology	115,399	45,057	70,342	45,594	116,976	115,201
Energy Management	106,720	101,500	5,220	136,500	106,720	101,500
Shared Valuation Data Service (SVDS)	386,137	366,479	19,658	701,892	701,892	6,250
Road Asset Technical Accord (RATA)	762,190	846,449	(84,259)	978,560	1,099,090	639,986
Waikato Regional Transport Model (WRTM)	23,814	41,394	(17,580)	98,626	98,626	20,790
Waikato Building Consent Group (WBCG)	384,534	159,274	225,260	318,548	541,895	382,621
Future Proof	272,196	272,196	(1)	544,391	544,391	136,098
Mayoral Forum	132,932	5,000	127,932	5,000	132,932	57,932
Waikato Plan	370,490	260,000	110,490	520,000	-	104,345
Total Trading Income	3,105,924	2,520,409	585,515	4,088,061	4,367,870	2,082,885
Total Income						
	3,105,924	2,520,409	585,515	4,088,061	4,367,870	2,082,885
Operating Expenses						
Company Administration	154,938	169,870	(14,932)	299,784	498,604	3,344
Procurement	336,971	455,006	(118,035)	656,058	735,764	173,539
Information Technology	92,319	58,063	34,256	134,727	147,297	-
Energy Management	57,206	81,149	(23,943)	136,500	141,720	11,010
Shared Valuation Data Service (SVDS)	271,154	349,978	(78,824)	886,017	986,603	46,332
Road Asset Technical Accord (RATA)	446,708	564,068	(117,360)	1,016,336	1,019,339	(15,385)
Waikato Regional Transport Model (WRTM)	18,008	43,525	(25,517)	98,626	117,470	2,182
Waikato Building Consent Group (WBCG)	150,115	265,090	(114,975)	529,549	581,289	(2,836)
Future Proof	281,131	272,184	8,947	544,391	544,391	103,965
Mayoral Forum	19,755	2,497	17,258	51,440	126,439	-
Waikato Plan	91,646	247,458	(155,812)	520,000	-	1,400
Total Operating Expenses	1,919,950	2,508,888	(588,938)	4,873,428	4,898,916	323,549
Gross Profit	1,185,974	11,521	1,174,453	(785,367)	(531,046)	1,759,335
Depreciation						
Depreciation - MoneyWorks	128	126	2	256	2,256	21
Depreciation - SVDS	45,222	45,222	-	90,444	90,444	7,537
Depreciation - WRTM	36,458	36,456	2	72,916	72,916	6,076
Total Depreciation	81,808	81,804	4	163,616	165,616	13,635
Net Profit	1,104,166	(70,283)	1,174,449	(948,983)	(696,662)	1,745,701

4.3 Statement of Changes in Equity

Waikato Local Authority Shared Services For the 6 months ended 31 December 2018

	2018/19	2017/18
Equity		
Opening Balance	1,026,531	799,675
Current Year Earnings	1,104,166	226,856
Total Equity	2,130,697	1,026,531

4.4 Statement of Financial Position

Waikato Local Authority Shared Services As at 31 December 2018

	31 Dec 2018	30 Jun 2018
Equity		
Shares - SVDS	1,607,001	1,607,001
Shares - WRTM	1,350,000	1,350,000
Retained Earnings	(1,930,471)	(2,157,327)
Current Year Earnings	1,104,166	226,856
Total Equity	2,130,696	1,026,530
Assets		
Current Assets		
Prepayments	0	149,905
Accounts Receivable	1,429,859	495,885
Accrued Interest	0	2,980
RWT On Interest	7,352	6,744
Transaction Account	231,468	1,238,757
Call Account	114,861	331,247
BNZ - Term Deposit 020	600,000	81,000
GST	48,912	58,604
Total Current Assets	2,432,452	2,365,121
Non-current Assets		
SVDS - Original Cost	3,065,316	3,065,316
WRTM - Original Cost	2,296,855	2,296,855
MoneyWorks Software	1,195	1,195
IT equipment	5,398	0
Accumulated Depreciation	(5,281,581)	(5,199,774)
Total Non-current Assets	87,183	163,592
Total Assets	2,519,635	2,528,713
Liabilities		
Current Liabilities		
Accounts Payable	217,919	659,338
Accounts Payable Accrual	176,853	101,235
Revenue in Advance	0	741,610
PAYE Clearing Account	733	0
Total Current Liabilities	395,505	1,502,183
Non-current Liabilities		
KiwiSaver payable	457	0
suspense	(7,023)	0
Total Non-current Liabilities	(6,566)	0
Total Liabilities	388,939	1,502,183
Net Assets	2,130,696	1,026,530

4.5 Statement of Cashflows

Waikato Local Authority Shared Services As at 31 December 2018

	Actual YTD	Full Year Budget	Last YTD
Cashflows from Operating Activities			
Interest Received	3,388	14,000	19,075
Receipts from Other Revenue	1,895,759	4,074,061	4,680,206
Payments to Suppliers	(2,429,673)	(4,873,426)	(4,032,901)
Taxes Paid (net)	(608)	0	(6,426)
Goods & Services tax (net)	(168,143)	(119,905)	(43,897)
Net cash from operating activities	(699,277)	(905,269)	616,057
 Purchase of property, plant and equipment	(5,398)	0	0
Net funds placed on term deposit	(519,000)	0	0
Purchase of Intangible Assets	0	0	0
Net cash from investing activities	(524,398)	0	0
 Net increase in cash, cash equivalents and bank account	(1,223,675)	(905,269)	616,057
Opening cash and cash equivalents and bank overdrafts	1,570,004	1,171,586	953,948
 Closing cash, cash equivalents and bank accounts	346,329	266,317	1,570,005



Statement of intent

For the year ended 30 June 2020

28 February 2019

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Item 6.3

Attachment B

Executive summary

2018 was a landmark year for the evolution of Waikato Local Authority Shared Services Limited (WLASS). This Statement of Intent (SOI) reflects, for the first time, the transformation of WLASS into a service delivery agent.

In the second half of 2017 the Board commissioned McGredy Winder to undertake two pieces of work. The first stage was a 'think piece' on the strategic direction WLASS could take, understanding the opportunities and issues facing WLASS and its shareholding Councils, and outlining alternative business strategies. The second stage was developing a business case for the change required to deliver on the strategic direction identified from stage 1.

The business case led to the Board's decision in April 2018 to take steps to transform the company into a service delivery agent. In practical terms that means the company will be identifying different service delivery models and providing thought leadership. WLASS will also be offering ideas to Councils that enable them to be more effective and efficient. Some of these ideas will be bold and disruptive but collectively they will have a substantial impact on Councils' activity.

Business cases will support these ideas and establish areas where it makes sense for WLASS to provide a shared service to its shareholding Councils. The operating model of WLASS will therefore change. It will deliver these shared services either by:

- Contracting in specialist resource; or
- Employing the required resource so that it has the in-house capacity and capability to meet Councils' needs.

The company's newly established vision is to be "The enabler for Councils to provide their services in the most effective and efficient way". Over the second half of 2018 an implementation plan was developed to deliver the transformation and ultimately, this vision.

The transformation and new operating model necessitate a core central resource within WLASS. The Board has agreed to the appointment of three positions, being:

1. A full-time Chief Executive (CE) (to date WLASS has operated via the contracted services of a CE two days per week, with projects resourced by Council working parties);
2. A full-time Business Analyst; and
3. A part-time Company Administrator.

A further enabler for the transformation is an agile, skills-based governance structure. The Board is therefore recommending to shareholders that the Board be reduced to six members, including an independent Chair.

These changes do however require additional, upfront investment from shareholding Councils. That investment is reflected in the financial projections in this SOI. However, overall Councils must be better off to justify the additional investment and WLASS commits to identifying shared service opportunities that, once implemented, will deliver savings that ensure that you are.

Introduction

This SOI is a public declaration of the activities and intentions of the Council Controlled Organisation, WLASS. The statement outlines the proposed work plan for the financial year ended 30 June 2020 and the Directors' accountabilities to the shareholders for corporate performance, as required by Schedule 8 of the Local Government Act 2002.

WLASS is owned (in equal portion) by the 12 Waikato local authorities:

- | | | |
|-----------------------|---------------------|--------------------|
| • Hamilton City | • South Waikato | • Waikato Regional |
| • Hauraki District | District | • Waipa District |
| • Matamata-Piako | • Taupō District | • Waitomo District |
| District | • Thames-Coromandel | |
| • Otorohanga District | District | |
| • Rotorua Lakes | • Waikato District | |

Up until late last year, WLASS had no employees. Rather, the company's principle resource was a Chief Executive contracted two days per week to facilitate working parties, manage contracts entered for the benefit of the shareholding Councils and ensure the statutory obligations of the company are met. Financial and contract management support was provided by staff at shareholding Councils (Waikato Regional and Waikato District, respectively). Much of the work of WLASS to advance initiatives has therefore been undertaken by working parties made up of staff representatives from the shareholding Councils, with expertise and/or interest in particular services.

In November 2018 a part-time Company Administrator was employed and in January this year the company employed a Business Analyst. Therefore, this is the first SOI that reflects WLASS having employees and the transformation of the company into a service delivery agent.

The vision and objectives of WLASS

The vision for WLASS is to be:

The enabler for Councils to provide their services in the most effective and efficient way

The company's objectives are to:

- Enable the Waikato Councils to collectively be more effective as a region on the national stage;
- Contribute to building central government's confidence in the Waikato region, and to encourage central government investment;
- Achieve effectiveness and efficiency gains;
- Reduce duplication of effort and eliminate waste through repetition;
- Make it easier for customers to engage with Councils in the Waikato region;
- Promote and contribute to the development of best practice; and
- Promote business transformation to improve customers' experiences.

Looking ahead - committing to the WLASS transformation

Last year's SOI noted that the Board had commissioned McGredy Winder to undertake a strategic review of the future of WLASS and that as a result, the Board had resolved to transform WLASS into a service delivery agent. This transformation overcomes shortcomings with the current model and allows WLASS to be better positioned to be part of the solution to many of the challenges facing Councils.

Three key elements of the transformation are:

- Thought leadership;
- In-house resource; and
- Changes to WLASS governance.

WLASS will deliver bold ideas that have a substantial impact on Council's activities

Thought leadership

WLASS will become a thought leader. It must explore and offer up ways in which Councils can do business better through shared service opportunities. Collectively these ideas will have a substantial impact on Councils' activities and transform the way they conduct themselves. Some opportunities will be bold, disruptive and challenge Councils, but this is necessary if WLASS is to deliver on its vision and if Councils are to extract the greatest value from the company.

In-house resource

The transformation to a new operating model requires additional resource within the company. In 2018 the Board approved appointing a full-time Chief Executive and Business Analyst. A part time Company Administrator role has also been established, principally to support the Chief Executive and manage the company's contracts register.

WLASS's new in-house capability will deliver value to Councils at greater pace

The Chief Executive and Business Analyst roles are fixed term appointments. This reflects the Board's expectation that WLASS must deliver tangible benefits to shareholding Councils that justify the change in operating model within the fixed term period. If that does not occur the future of WLASS must be reconsidered. The commitment to delivering tangible benefits to Councils is reflected in the KPIs in this document.

Proposed changes to WLASS governance

The third key element of the transformation is a change to the composition of the Board. Late last year the Board accepted a recommendation to reduce the number of Board members to six with the composition being:

- An independent Chair; and
- Shareholding Council representation, comprising:
 - one appointed by Waikato Regional Council;
 - one appointed by Hamilton City Council;
 - one appointed by the Waikato and Waipa District Councils;
 - one appointed by the Thames-Coromandel, Hauraki and Matamata-Piako District Councils; and
 - one appointed by the Otorohanga, Waitomo, South Waikato, Taupo and Rotorua District Councils.

This board configuration will provide a more agile and skills-based board, better equipping WLASS to move at pace to effect change that adds value. It will also facilitate the role of thought leader and transformation partner to the councils.

A formal resolution of the shareholders is being sought concurrent with this SOI, to bring about the constitutional change required to allow the board reconfiguration.

The new governance structure will enable WLASS to be agile and responsive to opportunities that add value

Accountability to shareholders

While the WLASS Board must be able to operate autonomously to be effective, it will be critical to ensure that there is appropriate communication with shareholders so that there are 'no surprises'. As is currently the case, this will be achieved through:

- Updates at Mayoral forums; and
- Statutory reporting, including the company's SOI and annual and half-yearly reports.

However, with the reduced Board membership regular shareholders' forums (with Council CEs) will be introduced. The expectation is that there will be at least three such forums per annum.

One key output from the shareholders' forums will be a letter of expectation for the WLASS Board. This should be delivered in December each year to allow WLASS to then respond via its SOI. A second key aspect of the forums is that they provide the opportunity for the WLASS Board to seek a mandate from its shareholders, in a timely manner, to invest in opportunities identified throughout the year.

Effective shareholders' forums will therefore be critical to bringing about change 'at pace'.

Upfront investment

It is obvious that these changes will require additional upfront investment from the shareholding Councils. Detail of that investment is set out under "Activities for which the Board is seeking compensation", below. However, this investment will be offset by savings within your Councils as opportunities are implemented. The CE is accountable for identifying demonstrable cost savings and other soft benefits that justify the additional investment being sought.

The new operating model

Under the new operating model, WLASS will be a thought leader. It will continue to leverage its current working parties to identify opportunities but will identify opportunities in its own right by looking at shared service models being used elsewhere and analysing how existing work practices in Councils could be improved. While small, the core team within WLASS enables the company to do this for the first time.

WLASS will undertake an assessment of opportunities, engaging with Council staff to test the value proposition and identify potential risks and barriers to success. Each opportunity assessment will culminate in a business case, unless a decision is made to stop developing the opportunity at a stage gate.

Where a business case is approved, WLASS will seek a mandate from shareholding Councils (most often via the shareholders' forums), to invest the funds necessary to deliver the opportunity. However, unlike the current model, WLASS will employ the resources necessary to deliver the shared service to Councils.

Where it makes commercial sense to do so, WLASS will seek to extend its service offering beyond Councils from the Waikato region.

Benefits of WLASS transformation

The benefits for Councils of this transformed WLASS are significant. These are:

- Allowing Councils to focus on their core activity: There are many functions (back office) Councils currently undertake which the community simply want done to an effective standard as efficiently as possible. WLASS delivering such services allows Councils to focus on their core activity of meeting their community's needs, free of distraction from the management and administration of these functions;
- Sharing the cost of investment allows Councils to consider strategic initiatives that they may not otherwise be able to afford, or which simply cannot be done effectively other than on a shared basis – e.g. dealing with disruption from emerging technologies;
- Providing Councils with access to expertise that they would not otherwise have, or at least not as efficiently, by pooling resources and creating centres of excellence;
- Allowing shared service delivery to be standardised. This has the benefits of:
 - being user-friendly, for those within the Councils and for the community at large, making doing business easier;
 - allowing for common understanding among Council staff, providing for more efficient deployment where they relocate between Councils;
 - efficient delivery of user training related to those services;
 - ensuring a standard of service consistent with customer expectations.
- Reducing the risk associated with a Council's dependency on an individual to fulfil a function;
- Improved and aspirational decision-making that is focused on the collective good and is not constrained by the capacity and capability of Council staff;
- Freeing up Council staff currently involved in initiatives / working parties, allowing them to give greater focus to Councils.

Many of these benefits could be achieved by engaging the services of independent organisations (e.g. Councils could outsource their payroll functions). However, the incremental benefits of WLASS being engaged are that it is an:

- Organisation that has an intrinsic understanding of local government;
- It has greater accountability – it is not just a service provider but is owned by those it provides the services to;
- It does not require excess profits – its purpose is not to return a dividend to shareholders – meaning that like-for-like services must be more cost effective for Councils.

The opportunity to add value

Initially there will be a strong focus on digital transformation and improving the customer experience. This advances WLASS's Digital strategy approved last year.

WLASS will also be exploring the opportunity to 'smartly' engage the market on capital works set out in the councils' Long Term Plans.

Early stage thinking is progressing on payroll shared services and the use of robotics and machine learning to streamline back office functions (for example invoice processing).

Beyond these, workshops are planned over March/April 2019 for the various WLASS working parties. These will primarily be ideation sessions from which it is expected several potential opportunities will be identified.

WLASS's ethos is, if there is a function your Council is doing, but your customer is indifferent as to who does it, provided it is done to a high standard and as effectively and efficiently as it can be, that represents an opportunity for WLASS to add value.

Looking ahead – three waters collaboration

The 'waters' sector is facing significant change due to a number of external and internal influences. Central government are investigating options for the most appropriate mechanisms for the delivery of waters services to our communities. While the outcomes of that investigation may take some time to become clear, it is being strongly signaled that a much more rigorous regulatory framework will be in place soon. With this in mind, in August 2018 the Mayoral Forum supported a proposal from Rooding Asset Technical Accord (RATA) to undertake an investigation into a sub-regional collaboration on three waters activities.

From that initial investigation it is evident there are opportunities for increased collaboration. These opportunities are principally:

- Data, information and report sharing (this is already occurring, albeit in an ad-hoc manner);
- Development and delivery of joint working initiatives;
- Wider utilisation of existing shared services arrangements within the Waikato (for example additional councils being able to access services from the Hamilton/Waikato/Waipā Sub-Regional Waters Shared Services group);
- Increased scope of shared services by adding new service areas (e.g. RMA consents); and
- The potential to form a new service area/centre of excellence similar to the roading equivalent - RATA - already in existence.

With the support of the Mayoral forum, WLASS (via the RATA team) will over the coming months develop a project plan. This will determine the appropriate scope, scale and extent of a regional centre of excellence for Waters Activity / Asset Management across the seven participating councils. It is expected that there are three primary areas which will be focussed on for a possible centre of excellence:

- Waters Asset Management – asset data collection (inventory and condition);
- Business process support – aligning good practice processes and systems to a new regulatory environment (including continuous improvement in current systems); and
- Asset valuation – a consistent approach to asset valuation assumptions.

Activities for which the Board seeks compensation

Shareholders are asked to continue to contribute to the operational costs of WLASS. However, the Board's expectation is that a margin on future service offerings will reduce, and eventually eliminate, the need for this separate financial support. That is, the operating model will move towards a user pays basis.

The funding being sought for the company's core operational costs and the comparable amount set out in the prior SOI is:

WLASS is committed to ensuring it delivers savings to Councils which offset the additional investment sought

Financial year ended 30 June	2020	2021	2022 ¹
Current SOI	478,000	488,500	498,500
Prior SOI	214,000	218,500	
Increase	264,000	270,000	

¹ No comparative with the prior year's SOI is available for FY2022 as that SOI only showed forecasted financial information through to FY2021

The increase in operational costs reflects the staff and independent board Chair appointments noted earlier, and the associated support costs, including the establishment of an office.

WLASS is seeking shareholder support for additional upfront investment. The Board has committed to additional resources in the company but is equally committed to, and confident of, ensuring that the company delivers savings to Councils which offset this additional investment. This commitment is reflected in the KPIs for the year.

By way of example of the basis for this confidence, irrespective of additional opportunities that will be identified, during the SOI forecast period, changes in the way WLASS delivers shared valuation data services means that council contributions in this area, which are currently ~\$210k, are expected to reduce to Nil.

Other than core operating costs, this SOI reflects increased investment (relative to the prior year's SOI) in a number of workstreams. The main components of this increase are:

- Procurement of regional LiDAR at a heavily discounted cost (via access to PGF co-funding) - \$1.4m: The business case has been approved, in principle, and the funds committed by councils;
- The new flying programme for WRAPS commencing in FY2021 - \$0.8m;
- A new energy and carbon management programme – \$0.4m: This is subject to business case approval; and
- Funding being held at FY19 levels recognising new projects such as the Hamilton to Auckland corridor plan, NPS-UDC assessments and RPS and District Plan changes - \$0.7m.

Beyond these opportunities, WLASS will be identifying, developing and implementing shared services during the period covered by this SOI which are not reflected in the financial projections (because they are currently unknown). Any such services will only be delivered by WLASS after the Board has agreed that the proposed new service meets the objectives of WLASS and is supported by a compelling business case.

In future SOIs the Board expects that it will be seeking funding from shareholders for projects that will at the time be unspecified. As noted earlier, a key aspect of the value that WLASS provides is, and increasingly will be, its ability to be agile and responsive to opportunities as they arise. Having an amount of funding at the Board's disposal to be applied toward such opportunities will assist in that regard.

Performance targets

To ensure that the Company continues to operate effectively and efficiently, the performance targets for 2019/20 are as follows:

TARGET	METHOD	MEASURE
Procurement Joint procurement initiatives for goods and services for WLASS Councils will be investigated and implemented.	Procurement is from sources offering best value, service, continuity of supply, and/or opportunities for integration.	New suppliers are awarded contracts through a competitive tender process. Professional Services Panel contracts are successfully negotiated.
Collaborative Projects Priorities for collaboration are identified, business cases are developed for the highest priority projects, and the projects are implemented.	The focus is on shared services which will benefit all Councils.	<i>A minimum of six priority projects for collaboration are identified per annum.¹</i> If considered of value, business cases are developed for approval by the Board, and the projects are implemented. <i>Savings to Councils identified in developed business cases exceeds \$300k.¹</i> <small>1. The highlighted measures have been introduced as a direct response to the transformation of WLASS and the increased expectations of the company.</small>
Existing WLASS Contracts Existing contracts are managed and renegotiated as required.	Appointed vendors deliver on the terms of their contracts and deliver value to the shareholders.	The WLASS Contracts Register is maintained and managed. Contracts which are due for renewal are either renegotiated (where it makes commercial sense to continue with the

TARGET	METHOD	MEASURE
		current supplier) or re-tendered through a competitive process.
Cost Control Administration expenditure shall be managed and monitored.	The Financial Accountant and Chief Executive review expenditure monthly.	Administration expenditure shall not exceed budget by more than 5%, unless prior approval is obtained from the Board.
Reporting Six-monthly reports provided to Shareholders.	The Chief Executive prepares a written report for the WCLASS Board every meeting. A Half-yearly and Annual Report are prepared for shareholders.	The Board shall provide a written report on the business operations and financial position of WCLASS to the shareholders every six months. Every second report shall be the Annual Report.
Shared Valuation Data Services (SVDS) The SVDS is reliable, well maintained and available to all users.	A Contract Manager is appointed for SVDS. The Contract Manager monitors performance of the contractors and reports quarterly to the SVDS Advisory Group. Risks associated with the SVDS are well managed.	The SVDS is available to users at least 99% of normal working hours. The SVDS Advisory Group meets at least 6-monthly. The Annual Business Plan is accepted by the Advisory Group by 31 March 2020.
Insurance Achieve the relevant KPIs in Appendix 4 of the Insurance Brokerage contract with Aon.	The Insurance Broker delivers on the terms of their contract and provides value to the participating Councils.	Strategic advice provided by Aon on the insurance programme structure is assessed as satisfactory in the annual WCLASS Shareholders' survey by the participating Councils. The day-to-day service provided by Aon is assessed as satisfactory in the annual WCLASS Shareholders' survey by the participating Councils.
RATA Deliver better data for decision making across the Waikato Region, enabling more consistent best practice	Quarterly update reports are provided to all stakeholders participating in the Data Collection contracts.	Reports are presented to stakeholders in October/January/April and July each year. Reports on progress as at 30 December and 30 June are presented to WCLASS Board within two months.

TARGET	METHOD	MEASURE
Lead engagement and increase capability within the sector	<p>Data supplied by contractors is of good quality and meets all of the participating Councils' requirements.</p> <p>Innovation: Identify opportunities to modify standard approaches and/or develop new approaches that will lead to optimal asset management.</p> <p>Leadership: Lead engagement and increase capability within the sector.</p>	<p>All data are reviewed for compliance and all good practice requirements are met.</p> <p>Procurement of services complies with WCLASS and NZTA's procurement requirements.</p> <p>Present to a national conference on RATA innovations at least once per year.</p> <p>At least two RATA guidance documents detailing good practice are produced each year.</p> <p>RATA Forums are held 2-monthly to share learnings and experience.</p>
<p>Waikato Regional Transport Model (WRTM)</p> <p>The WRTM is reliable, well maintained and available to all users.</p>	<p>RATA manages the WRTM on behalf of the participating Councils, and monitors the performance of the model supplier (currently Traffic Design Group).</p> <p>RATA reports quarterly to the WRTM Project Advisory Group.</p>	<p>All modelling reports requested from the model supplier are actioned within the agreed timeframe, scope and budget.</p> <p>A report from RATA on any new developments and on the status of the model is provided to the WCLASS Board at least every six months.</p> <p>The quality of the base model complies with NZTA guidelines (as set out in the NZTA's Economic Evaluation Manual) and is independently peer reviewed each time the model is updated.</p>
<p>Waikato Building Consent Group</p> <p>Provide strategic direction and actively pursue improvements in Building Control across the Waikato region.</p>	<p>Implement the strategic priorities detailed in the "Build Waikato" May 2017 strategic review document.</p>	<p>Milestones for the five strategic review work streams are achieved for:</p> <ul style="list-style-type: none"> Digital experience and technology: a user friendly, convenient, quick, end-to-end management and communication, measured by customer surveys and systems comparisons.

TARGET	METHOD	MEASURE
	Fulfil the roles and responsibilities set out in clause 9 of the WBCG's Memorandum of Understanding, 2016.	<ul style="list-style-type: none"> • People capability: a successful recruitment and training programme, measured by compliance with BCA Reg. 8 -11. • Quality assurance: continued accreditation and increased service consistency, measured by accreditation outcomes, BCA annual audits, and customer surveys. • Lift industry competency and compliance: measured by increased industry compliance, with reduced RFIs, and reducing percentages of application or building consent rejection. • Central government engagement and legislative influence: Success is measured by legislative submissions and outcomes. <p>There is a common understanding and buy-in by all BCAs for the WBCG vision and actions that are taken to achieve this vision, measured by:</p> <ul style="list-style-type: none"> • Full participation in WBCG projects and programmes • Audits demonstrating implementation and compliance with the agreed QA systems • Consistency in service delivery, measured by customer surveys. <p>Risk management is visible through regular reviews of the Risk Register.</p> <p>All funding requirements are met by each of the participating Councils.</p> <p>A minimum of two reports presented to the WLASS Board on the Group's activities.</p>
<p>Future Proof Planning for growth in the sub-region is co-ordinated and collaborative.</p> <p>The Future Proof budget is well managed and monitored.</p>	<p>Joint preparation and input into Phase 2 of the Strategy update.</p> <p>Bi-monthly reports presented to Waikato Plan and Future Proof Chief Executive Group,</p>	<p>SMART measures are currently under review and will be included with the final SOI</p>

TARGET	METHOD	MEASURE
Future Proof influences and inputs into District Plan, Regional Plan, growth strategy and any other planning processes which manage growth within the sub-region and neighbouring regions.	and six monthly and annual reports to WLASS Board. Future Proof works collaboratively and provides input into the planning work undertaken by all FP partners and any other relevant planning authorities.	Future Proof makes submissions (using RMA and Local Government processes), on District Plans, LTPs, growth management planning documents, and any central government initiatives which have the potential to impact growth management planning in the sub-region.
Shareholder Survey Shareholders are satisfied with the performance of WLASS.	An annual survey of shareholders is undertaken to assess satisfaction levels with WLASS.	A survey of shareholders is undertaken each year, and the results are reported to all shareholders. At least 75% of Councils participate in the survey.
Review of Benefits Shareholders are informed of the benefits being provided to shareholding Councils by WLASS.	The benefits of WLASS (including financial and non-financial achievements) are regularly analysed and reported to shareholders.	Information on the financial and non-financial benefits being achieved by WLASS are included in the 6-monthly and Annual Report to shareholders. The WLASS website is regularly maintained and updated.

Governance - current

WLASS conducts itself in accordance with its constitution, its annual Statement of Intent as agreed with shareholders, the provisions of the Local Government Act 2002 and WLASS policies.

WLASS currently has twelve Directors, with each Director representing a shareholder Council. As noted above the proposal is to reduce the number on the Board to six, with an independent Chair and five Council representatives from sub-regions.

The current Directors of WLASS are:

Director	Position	Representing
Gavin Ion (Chair)	Chief Executive	Waikato District Council
Blair Bowcott	Executive Director, Special Projects	Hamilton City Council
Langley Cavers	Chief Executive	Hauraki District Council
Don McLeod	Chief Executive	Matamata-Piako District Council
Tanya Winter	Chief Executive	Otorohanga District Council
Geoffrey Williams	Chief Executive	Rotorua District Council
Ben Smit	Chief Executive	South Waikato District Council
Gareth Green	Chief Executive	Taupo District Council
Rob Williams	Chief Executive	Thames-Coromandel District Council
Vaughan Payne	Chief Executive	Waikato Regional Council
Garry Dyet	Chief Executive	Waipa District Council
Chris Ryan	Chief Executive	Waitomo District Council

Balance sheet ratios

The Local Government Act 2002 requires the Statement of Intent to include the projected ratio of shareholders' funds to total assets within the forecast Statement of Financial Position.

WLASS is budgeted to have accumulated shareholders fund of \$415k at 30 June 2020, which represents 44% of total assets. The only liabilities of WLASS are trade creditors.

The Forecast Financial Statements for 2019/20 are included as part of this Statement of Intent.

Purchase and acquisition of shares

The Board will give approval before WLASS subscribes for, purchases, or otherwise acquires shares in any company or other organisation, which is external to the Group.

Value of investment

The Directors' estimate of the commercial value of the shareholders' investment in WLASS is equal to the shareholders equity in the company. Reassessment of the value of this shareholding shall be undertaken on or about 1 April each year.

Distributions to shareholders

The Company is not expected to make profits that would ordinarily be distributed by way of dividends within the next 12 months. Any surplus funds remaining from an activity or from the annual operations of the Company shall be carried forward to the ensuing year and may be used to reduce service costs, invest in further developing other services, and/or as the Directors may decide.

Compensation

The independent Chair of WLASS will receive director fees and reimbursed expenses. Directors representing the Councils will not receive any fees or reimbursed expenses for work undertaken on behalf of the company.

WLASS will be funding through payment sought from all local authorities that receive services from the company.

Information provided to shareholders

The company will deliver the following information to shareholders:

- Within two months of the end of the first half of the financial year, a half-yearly report, including a Statements of Financial Performance, Financial Position Cashflows and commentary on service performance including an assessment of progress against KPIs; and
- Within three months of the end of the financial year, an audited Statement of Financial Performance, Statement of Changes in Equity, Statement of Financial Position, a Statement of Cashflows and Service Performance, plus a summary of how the company has fared against its objectives.

Review of statement of intent

The Directors shall approve by 1 March of each year a draft Statement of Intent for distribution to, and consideration by, the shareholders.

The shareholders must provide any comments or feedback on the draft Statement of Intent within two months of receipt of the document. The Directors must consider all comments that are received and shall deliver the completed Statement of Intent to the shareholders by 30 June.

Financials

Statement of Financial Performance

Waikato Local Authority Shared Services Company Summary for the forecast financial years ended 30 June 2020-2022					
	Budget 2018/19	Budget 2019/20	Variance	Budget 2020/21	Budget 2021/22
Income:					
Company Administration	299,784	556,730	256,946	565,923	577,618
Procurement	439,166	369,500	(69,666)	1,017,409	500,492
Information Technology	45,594	553,483	507,889	565,660	578,104
Energy Management	136,500	124,667	(11,833)	124,667	124,667
Shared Valuation Data Service (SVDS)	701,892	670,079	(31,813)	476,265	485,790
Road Asset Technical Accord (RATA)	978,560	1,815,766	837,206	971,805	1,107,677
Waikato Regional Transport Model (WRTM)	98,626	218,760	120,134	320,933	353,153
Waikato Building Consent Group	318,548	275,940	(42,608)	282,010	288,215
Future Proof	544,391	609,991	65,600	609,991	609,991
Waikato Plan	520,000	382,000	(138,000)	390,404	398,993
Waikato Mayoral Forum	5,000	5,000	0	5,110	5,222
Total Income	4,088,061	5,581,916	1,493,855	5,330,177	5,029,923
Operating Expenditure					
Company Administration	299,784	553,018	253,234	565,184	577,618
Procurement	656,058	369,500	(286,558)	1,017,409	500,492
Information Technology	134,727	553,483	418,756	565,660	578,104
Energy Management	136,500	124,667	(11,833)	124,667	124,667
Shared Valuation Data Service (SVDS)	886,017	669,786	(216,231)	424,639	435,417
Road Asset Technical Accord (RATA)	1,016,336	1,815,766	799,430	971,805	1,107,677
Waikato Regional Transport Model (WRTM)	98,626	218,760	120,134	320,933	353,153
Waikato Building Consent Group	529,548	275,940	(253,608)	282,010	288,215
Future Proof	544,391	609,991	65,600	609,991	609,991
Waikato Plan	520,000	382,000	(138,000)	390,404	398,993
Waikato Mayoral Forum	51,439	5,000	(46,439)	5,110	5,222
Total Operating Expenditure	4,873,426	5,577,911	704,485	5,277,812	4,979,550
Earnings before interest, tax and depreciation/ amortisation (EBITA)	(785,365)	4,005	789,370	52,365	50,374
Non-Cash Operating Expenditure					
Company Admin Non-Cash Expenditure	256	3,712	3,456	739	0
SVDS Non-Cash Expenditure	90,444	0	(90,444)	0	0
WRTM Non-Cash Expenditure	72,916	0	(72,916)	0	0
Total Non-Cash Operating Expenditure	163,616	3,712	(159,904)	739	0
Earnings before interest and tax (EBIT)	(948,981)	293	949,274	51,626	50,374
Net Surplus (Deficit) before tax	(948,981)	293	949,274	51,626	50,374
Company Admin Net Surplus (Deficit) before tax	(256)	0	256	(0)	(0)
Procurement Net Surplus (Deficit) before tax	(216,892)	0	216,892	0	0
IT Net Surplus (Deficit) before tax	(89,133)	0	89,133	0	0
Energy Mgmt. Net Surplus (Deficit) before tax	0	0	0	0	0
SVDS Net Surplus (Deficit) before tax	(274,569)	293	274,862	51,626	50,373
RATA Net Surplus (Deficit) before tax	(37,776)	(0)	37,775	0	0
WRTM Net Surplus (Deficit) before tax	(72,916)	0	72,916	0	(0)
Building Net Surplus (Deficit) before tax	(211,000)	0	211,000	0	0
Future Proof (Deficit) before tax	0	0	0	0	0
Waikato Plan	0	0	0	0	0
Mayoral Forum Net Surplus (Deficit) before tax	(46,439)	0	46,439	0	0
Net Surplus (Deficit) before tax	(948,981)	293	949,274	51,626	50,373

Statement of Financial Position

Waikato Local Authority Shared Services Balance Sheet for the forecast financial years ended 30 June 2020-2022					
	Budget 2018/19	Budget 2019/20	Variance	Budget 2020/21	Budget 2021/22
CAPITAL					
Shares - SVDS	1,607,001	1,607,001	0	1,607,001	1,607,001
Shares - WRTM	1,350,000	1,350,000	0	1,350,000	1,350,000
Retained Earnings	(1,593,081)	(2,542,062)	(948,981)	(2,541,769)	(2,490,143)
Plus Current Year Operating Surplus/(Deficit)	(948,981)	293	949,274	51,625	50,374
TOTAL CAPITAL FUNDS	414,939	415,232	293	466,858	517,232
ASSETS					
CURRENT ASSETS					
Prepayments	2,784	153,145	150,361	163,207	152,971
Accounts Receivable	449,687	390,734	(58,953)	209,607	196,397
Bank	266,317	397,907	126,022	730,359	763,553
GST Receivable / (Payable)	9,817	(50)	(9,867)	(655)	(630)
TOTAL CURRENT ASSETS	728,604	941,736	207,563	1,102,519	1,112,292
NON-CURRENT ASSETS					
SVDS - Intangible Asset	3,085,700	3,085,700	0	3,085,700	3,085,700
WRTM - Intangible Asset	2,296,855	2,296,855	0	2,296,855	2,296,855
MoneyWorks Software	1,195	1,195	0	1,195	1,195
Accumulated Depreciation	(5,383,750)	(5,383,750)	0	(5,383,750)	(5,383,750)
IT Equipment	0	6,307	6,307	6,307	6,307
Accumulated Depreciation - IT equipment		(5,568)		(6,307)	(6,307)
TOTAL NON-CURRENT ASSETS	0	739	6,307	(0)	(0)
NET ASSETS	728,605	942,474	213,870	1,102,518	1,112,292
LESS CURRENT LIABILITIES					
Accounts Payable	293,065	501,332	208,267	609,366	573,840
Accounts Payable Accrual	20,600	25,910	5,310	26,295	21,220
TOTAL CURRENT LIABILITIES	313,665	527,242	213,577	635,661	595,060
NET WORKING CAPITAL	414,939	415,232	293	466,858	517,232

Statement of Cashflows

Waikato Local Authority Shared Services Statement of Cashflows for the forecast financial years ended 30 June 2020-2022					
	Budget 2018/19	Budget 2019/20	Variance	Budget 2020/21	Budget 2021/22
Cashflows from Operating Activities					
Interest Received	14,000	14,308	308	14,623	14,944
Receipts from Other Revenue	4,074,061	6,461,702	2,387,641	6,190,514	5,642,435
Payments to Suppliers	(4,873,426)	(6,355,833)	(1,482,407)	(5,867,628)	(5,618,847)
Taxes Paid	0	0	0	0	0
Goods & Services tax (net)	(119,906)	11,412	131,317	(5,057)	(5,339)
Net cash from operating activities	(905,269)	131,589	1,036,858	332,452	33,194
Cashflows from Investing Activities					
Capital enhancements	0	0	0	0	0
Purchase of PPE	0	0	0	0	0
Purchase of investments	0	0	0	0	0
Net cash from investing activities	0	0	0	0	0
Net increase in cash, cash equivalents and bank accounts	(905,269)	131,589	1,036,858	332,452	33,194
Opening cash and cash equivalents and bank overdrafts	1,171,586	266,317	(905,269)	397,907	730,359
Closing cash, cash equivalents and bank accounts	266,317	397,906	131,590	730,359	763,552

Appendix I: Nature and scope of current activities

The principal initiatives operating under the WLASS umbrella are:

- Shared Valuation Data Service
- Road Asset Technical Accord
- Waikato Regional Transportation Model
- Waikato Building Consent Group
- Future Proof
- Regional Infrastructure Technical Specifications
- Energy management
- Procurement
- Historic aerial photos
- Waikato Regional Aerial Photography Service
- Aligned resource consent planning
- Local government contract health & safety pre-qualification

Shared Valuation Data Service (SVDS)

This service provides timely and accurate valuation data to the participating Councils. The SVDS has become the accepted valuation database for the region. Data sales significantly reduce the net cost to the participating Councils and in the last 12 months the company entered into a new SAAS agreement which will further reduce cost.

Road Asset Technical Accord (RATA)

RATA was initially established as a centre of excellence for road asset planning in 2014 as a work stream under the Mayoral Forum. The activity transferred to WLASS on 1 July 2016.

The aim of RATA is to achieve best practice in road asset management by improving capability, capacity and outcomes through effective collaboration. By leading asset management best practice, RATA delivers better decision-making through the effective collection and use of good quality data, and the implementation of good practice processes and systems for data collection, analysis and management.

Waipa District Council acts as the host Council for RATA, providing accommodation and overheads (which are fully recovered from the participating Councils), and managing the employment agreements/relationships with the associated staff members.

Waikato Regional Transportation Model (WRTM)

The WRTM became fully operational in February 2010. It provides accurate information to Councils and to external users (for a charge) for their transport modelling requirements. The WRTM is the only recognised strategic transport modelling resource in the Waikato Region and is jointly funded by the NZTA.

WRTM is making a significant contribution to strategic planning surrounding land use and infrastructure within the region and has been involved in regionally and nationally significant investigations including the Waikato Expressway Network Plan, the Waikato Regional Land Transport Strategy and Regional Policy Statement and transport impact assessments in relation to the development of Ruakura.

Waikato Building Consent Group (WBCG)

The WBCG was initially set up by five Waikato local authorities in 2004 to foster co-operation, collaboration and consistency in building functions, legislative interpretation and process

documentation across the partnering Councils. The activity transferred to WLASS on 1 July 2016 and now comprises eight Councils.

The WBCG has developed a common quality assurance system with associated supporting documentation and media that meet the legislative requirements of the Building Act 2004 and the Building (Accreditation of Building Consent Authorities) Regulations 2006. These regulations cover all aspects of the operational management and compliance of a Building Consent Authority (BCA).

Waikato District Council acts as the host Council for the WBCG, providing accommodation and overheads (which are fully recovered from the WBCG members), and managing the employment agreements/relationships with the two staff members and any contractors.

Future proof

Future Proof is a collaborative partnership between Hamilton City, Waikato and Waipa Districts, Waikato Regional Council and Tāngata whenua, with assistance from the NZTA. The partners have jointly developed the Future Proof Growth Strategy and Implementation Plan – a 50-year vision and implementation plan specific to the Hamilton, Waipa and Waikato sub-region, which was adopted by the partners in June 2009.

The accommodation, overhead and employment arrangements of the Future Proof Planner are managed by Hamilton City Council. The activity is fully funded by the participating Councils and operates as a separate cost centre. Future Proof transferred to WLASS on 1 July 2016.

Regional Infrastructure Technical Specifications (RITS)

The RITS document sets out how to design and construct transportation, water supply, wastewater, stormwater and landscaping infrastructure. Prior to developing RITS, each Council had its own technical specifications for infrastructure resulting in different standards having to be met across the Waikato region. RITS provides a single regional guide making business easier.

The RITS is published on the WLASS website (<http://www.waikatolass.co.nz/>), and ongoing maintenance of the document is the responsibility of a Project Co-ordinator, managed by WLASS.

Energy management

WLASS entered into a Collaboration Agreement with the Energy Efficiency Conservation Authority (EECA) in February 2016. Having met specific energy saving targets, EECA funding of ~\$205,000 will have been received by the end of the three-year agreement.

EECA funding aside, the cost of the activity is met by 11 participating Councils (Matamata-Piako was not eligible, as it has previously received EECA funding), and operates as a separate cost centre.

Implemented projects have delivered 3.4m kWh in energy reduction (as against a target of 2.5m kWh), saved 540T of carbon emissions each year and saved \$440k per annum.

Joint procurement initiatives

WLASS is a party to numerous joint procurement contracts between the company, shareholding Councils and suppliers. Councils choose whether to be a party to a particular

contract. Wherever possible we negotiate a syndicated contract with the supplier to allow additional Councils to join later.

A procurement specialist was contracted in February 2018 to:

- Assist all Councils to utilise the existing WLASS contracts, AoG contracts and syndicated contracts that are appropriate for each Council, to ensure that opportunities for savings are being maximised; and
- Develop standard regional procurement policies, templates and procedures and provide training in each Council.

This programme of work will be completed in the first half of 2019.

Historic aerial photos

In May 2015, WLASS entered into a Memorandum of Understanding with LINZ to scan the Waikato Historic Aerial Photos archive. The LINZ Crown archive contains over 500,000 historic aerial photo negatives captured by surveys flown over New Zealand between 1936 and 2005. All shareholding Councils are participating in this 4-year project, which includes a subsidy of \$56,000 from LINZ. Scanning is now complete.

Waikato Regional Aerial Photography Service (WRAPS)

WRAPS was set up in the 1990s for the supply of colour, digital, ortho-rectified, aerial photography for the Waikato Region. So far, there have been five WRAPS contracts, the most recent in 2016, which is scheduled for completion by June 2019. We are considering changing the frequency of coverage to 4-yearly. WRAPS became a WLASS project in December 2014.

Aligned resource consent planning

The toolkit developed last financial year to provide regional consistency and best practice processes in the administration of resource consenting has now been implemented and is being used by nine Councils (Taupo and Otorohanga are not currently participating, and Waikato Regional Council processes different types of resource consents from the territorial local authorities). WLASS controls the documentation on the WLASS website, and the Waikato Resource Consent forum manages the process for making updates and amendments to the templates and documents in the toolkit.

Local government contractor health & safety pre-qualification scheme

The contract with SHE Software to manage the Local Government Health & Safety Contractor Pre-qualification Scheme, which was developed by WLASS, continues to operate well. Twenty Councils and one CCO are now using the scheme with approximately 1,600 contractors registered, which enables them to be pre-qualified to work for any of the participating Councils.

Further detail on these activities and the Councils involved in each can be found on the WLASS website at <http://www.waikatolass.co.nz/>.

Appendix II: Policy Statements

Statement of accounting policies

Reporting entity

Waikato Local Authority Shared Services Limited ("the Company") is a Company incorporated in New Zealand under the Companies Act 1993 and is domiciled in New Zealand. The company is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002 (LGA), by virtue of the shareholding Councils' right to appoint the Board of Directors.

The primary objective of the Company is to provide the Waikato region's local authorities with a vehicle to develop shared services that demonstrate a benefit to the ratepayers and provide those services to local authorities.

The Company has designated itself as a public benefit entity (PBE) for financial reporting purposes.

Summary of significant accounting policies

Basis of preparation

Financial statements are prepared on the going concern basis, and the accounting policies are applied consistently throughout the period.

Statement of Compliance

Financial statements are prepared in accordance with the requirements of the LGA, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

Financial statements are prepared in accordance with and comply with Tier 2 PBE Standards reduced disclosure regime (RDR). WLASS is eligible to report under the RDR as it:

- is not publicly accountable; and
- has expenses more than \$2 million, but less than \$30 million.

The accounting policies set out below are consistent with the prior year.

Measurement base

The financial statements are prepared on a historical cost basis.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar unless otherwise stated. The functional currency of the Company is New Zealand dollars.

Goods and services tax

All items in the financial statements are stated exclusive of goods and services tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue (IR) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the cash flow statement.

Commitments and contingencies are disclosed exclusive of GST.

Critical accounting estimates and assumptions

In preparing the financial statements the Company makes estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no areas requiring estimate or assumptions made that are considered to carry a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Revenue

Revenue

Revenue comprises the fair value of the considerations received or receivable for the sale of goods and services, excluding Goods and Services Tax, rebates and discounts and after eliminating sales within the Company. No provisions have been recorded as all revenue and trade receivables are expected to be received.

Other Revenue

User charges for all activities are recognised when invoiced to the user (i.e. Councils). The recorded revenue is the net amount of the member charges payable for the transaction. Contributions received for projects that were not completed in a financial year are recognised when the Company provides, or is able to provide, the service for which the contribution was charged. Until such time, contributions are recognised as liabilities.

Income tax

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be

available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, with original maturities of three months or less, and bank overdrafts.

Receivables

Short-term receivables are recorded at the amount due, less any provision for amounts not considered collectable.

Receivables are initially measured at nominal or face value. Receivables are subsequently adjusted for penalties and interest as they are charged and impairment losses. Non-current receivables are measured at the present value of the expected future cash inflows.

Debtors are amounts due from customers. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Intangible assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software are recognised as an intangible asset.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer Software	5 to 7 years	14 to 20%
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Other financial assets

Investments in bank deposits are measured at fair value plus transaction costs.

At each balance date the Company assesses whether there is any objective evidence that an investment is impaired. Any impairment losses are recognised in the income statement.

Payables and deferred revenue

Short-term creditors and other payables are recorded at their face value

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payable approximates their fair value.

Contributions received for projects that were not completed in a financial year are recognised as deferred revenue until the Company provides, or is able to provide, the service for which the contribution was charged.

Reconciliation of equity

Equity is the shareholders interest in WLASS and is measure as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

Contributed equity

Contributed equity is the net asset and liability position at the time the company was formed. The allocation of capital amongst shareholders is explained in this note.

Retained earnings

Retained earnings is the company's accumulated surplus or deficit since formation.

Staff Long Service Presentation

Trim No.: 2111802

Executive Summary

Jo Gifford will be presented with a Long Service Award in recognition of 25 years' service to Matamata Piako District Council.

Recommendation

That:

1. The information be received.

Attachments

There are no attachments for this report.

Signatories

Author(s)	Meghan Lancaster Committee Secretary	
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Approved by	Sandra Harris Acting Strategic Policy Manager	
	Don McLeod Chief Executive Officer	

Health and Safety Report - February 2019

Trim No.: 2125081

Executive Summary

The Health and Safety report for February 2019 is attached. The H&S Manager will be in attendance to discuss the report with Council.

Recommendation

That:

1. The information be received.

Attachments

- A. February 2019 Monthly H&S Report

Signatories

Author(s)	Sandy Barnes Health & Safety/Quality Manager	
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Approved by	Dennis Bellamy Group Manager Community Development	
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Health & Safety Report – February 2019

Introduction

The number of overdue risk CA's has improved from 95 at the end of January to 73. There is also evidence that staff are progressing their actions, with more of the overdue CA's showing as 'Underway' rather than 'Not Started'.

Events of interest during the month included:

- Carbon dioxide gas leak at Swim Zone Te Aroha: no injury. Notified to WorkSafe NZ as an incident of uncontrolled gas release. They have advised they will be taking no further action. Learning team held to allow learnings to be shared across the three SwimZone Facilities.
- Public reported strong odour when contractors were spraying pavers outside Te Aroha Mineral Spas. Currently being investigated.
- Incident with a member of the public at the Matamata RTS. Gentleman got his foot stuck in the accelerator and the vehicle raced backwards resulting in him injuring his leg and being hospitalised. Currently being investigated.

Annual Key Objectives

The 2019 objectives are included in Appendix A.

Monitoring risk

Risk Management

Work is underway on mapping the organisation's critical risks.

Lone Work: work continues on review and improvement of the management of lone worker safety.

Hazard/Risk tracking

# new risks added to register	4	Aggressive/abusive customers (Swim Zone), Oxidation Ponds (Te Aroha Waste Water Treatment Plant), Hazardous Substances (Critical Risk)	
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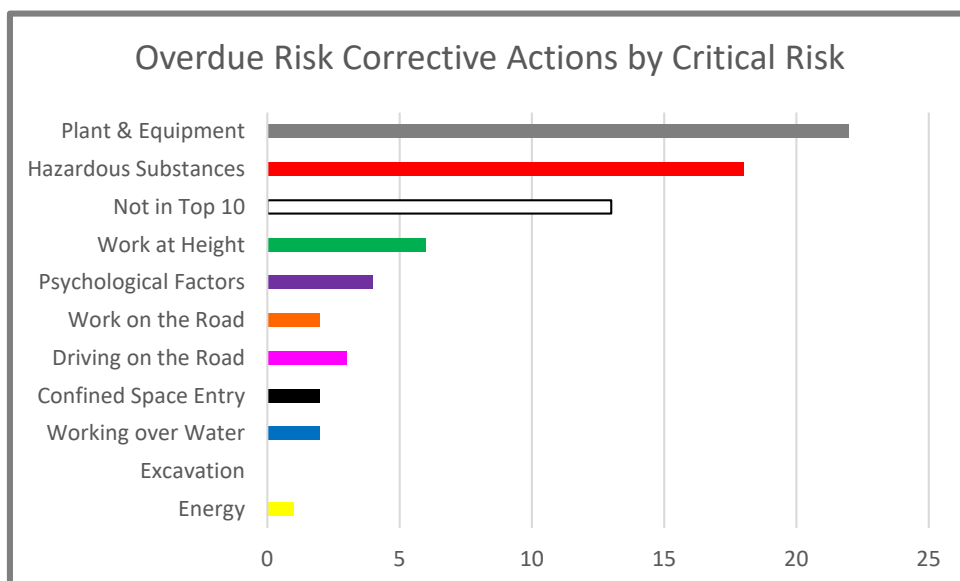
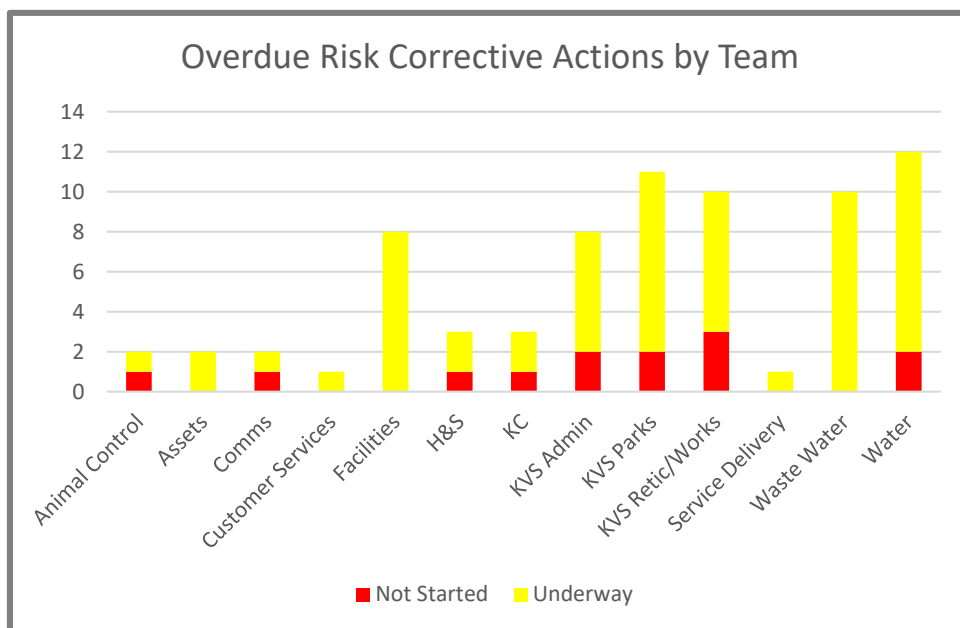
# existing risks reviewed	90	# existing risks overdue for review	7
# risk control (CA's) completed	57	# risk control (CA's) overdue 15+ days**	73

** Explanation of risk control CA's

During a risk review corrective controls are identified. These are then loaded into Vault and allocated to the appropriate staff member to action. A timeframe is placed on the CA for completion. These controls are therefore 15+ days over the timeframe placed for completion. This figure does not differentiate between high and low risks.










The two graphs below explain


1. the number of corrective actions (CA's) overdue by team and whether they are "Underway" or "Not Started".
2. which of our "Top 10" risk categories the CA's fall into.



Note: Hazardous substances category includes silica dust, asbestos and waste water.

Council's organisation wide "Top 10 critical risks / significant hazards" categories

RISK / HAZARD	ACTION TAKEN
	<ul style="list-style-type: none"> Carbon dioxide gas leak at Swim Zone Te Aroha: no injury. Notified to WorkSafe NZ as an incident of uncontrolled gas release. They have advised that they will not be taking further action. Learning team held to allow learnings to be shared across three Swim Zone Facilities. Faecal incidents – 8 faecal incidents reported at Swim Zone sites. Fitting and sizing of swim nappies is being checked, as this is an unusually high number. Public reported strong odour when contractors were spraying pavers outside Te Aroha Mineral Spas. Currently being investigated. Peer review of Asbestos Management Plan underway.
	<ul style="list-style-type: none"> Storage of equipment in vehicles raised as a concern for pool cars and also water/waste water teams. Work is underway on this issue.
	<ul style="list-style-type: none"> One incident of library customer refusing to follow instructions.
	<ul style="list-style-type: none">
	<ul style="list-style-type: none"> Vehicle accident on a contractor's unattended worksite over a weekend. Traffic Management was in place.
	<ul style="list-style-type: none">
	<ul style="list-style-type: none">
	<ul style="list-style-type: none">
	<ul style="list-style-type: none"> Two near miss events on school trips – have been discussed with schools concerned. One pool rescue. Risk review underway of Waste Water Pond safety in light of toddler drowning in Gore.

	<ul style="list-style-type: none"> Near miss reported: trailer left without D shackles on chains. Two incidents involving mowers: one property damage, one mower losing traction on bank and sliding. No injury. Cage door left open on truck while driving
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Staff inductions

# staff inductions completed	2	# staff inductions outstanding	1
------------------------------	---	--------------------------------	---

Refresher inductions: Annual refresher inductions commenced in December: 21 work groups have completed inductions, and six groups have not.

Plant, equipment & machinery

# incidents / near misses where plant/equipment design is a contributing factor	1	Stairs provided for Waitangi Day stage were not optimal for safety.
---	---	---

Review & Audits

# internal audits conducted	0	
# internal audits outstanding*		KPMG will be discussing high level auditing with the Executive & H&S/Quality Manager in February and following this discussion a decision will be made on what areas H&S Reps should focus on.
# external audits conducted	0	

Emergency Management

Emergency Response Plan testing

Emergency Response Plans (ERP) still to be written	4	Waste Water plants.
Emergency Response Plans (ERP) tested by due date	0	None scheduled.
Emergency Response Plans (ERP) test overdue	1	Matamata Water Treatment Plant is overdue – This has been discussed with Matamata Fire Brigade and will be held on 18 March 2019. (An earlier attempt was interrupted a real fire call).

Building Trial Evacuations

Trial evacuations completed on time	2	Morrinsville Office/ Library and KVS Depot
Trial evacuations overdue	10	Swim Zone Te Aroha, Morrinsville WTP, Morrinsville WWTP, Burwood Road WTP, Tahuna WWTP, Tawari street WTP, Te Aroha WWTP, Matamata WWTP, Te Aroha Event Centre and Westpac Event Centre.

Trial evacuations completed for Council halls	0	
Trial evacuations/training programmes overdue for Council halls	0	

Emergency Equipment checks

Safety critical plant and equipment is one of the projects for the H&S team this year. This will involve identifying, risk assessing, recording and setting up on-going monitoring.

# equipment checks conducted	0	
------------------------------	---	--

Staff health / monitoring

Health monitoring conducted

The (Removal of Asbestos Approved Code of Practice 2016) was amended in October 2018. A chest x-ray is no longer required. The new code recommends full asbestos medical every two years from when work with asbestos commences (regardless of when the worker started with the current PCBU) unless otherwise recommended by a medical practitioner. The full asbestos medical consists of a physical examination, spirometry (lung function) and an exposure/respiratory questionnaire. This will change the way we have been providing asbestos health monitoring for staff and will be communicated with them.

Summary of testing provided	Number completed	Issues or referrals to another health professional
Annual/repeat health monitoring	4	Abnormal audio x2
Pre-employment testing	3	
Exit medical screening	0	
Wellness (voluntary)	2	
Workstation Assessments	0	
Health promotion/tool box talks	0	
Vaccinations	7	
Bloods	2	
Respirator fit tests conducted	0	

Health monitoring declined

3 declined vaccinations.

8 staff failed to attend their monitoring.

Drug testing

# pre-employment drug tests	4	
# post incident drug tests conducted	1	
# reasonable cause drug tests	0	
# random drug tests conducted	0	

Return to work (RTW) programmes

# work related RTW programmes	0	
# pending work related RTW programmes	1	Knee strain
# pending non-work related RTW programmes	2	

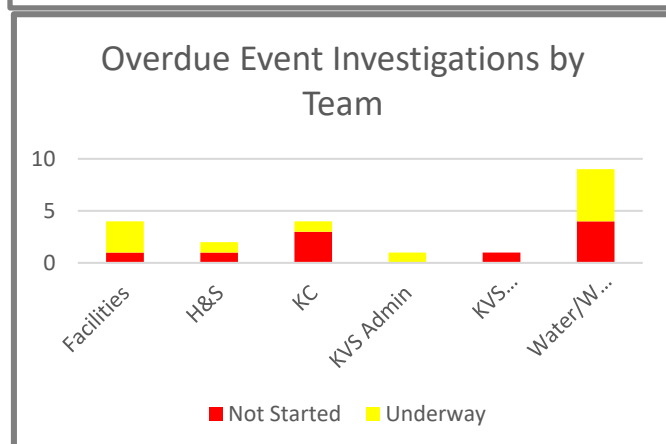
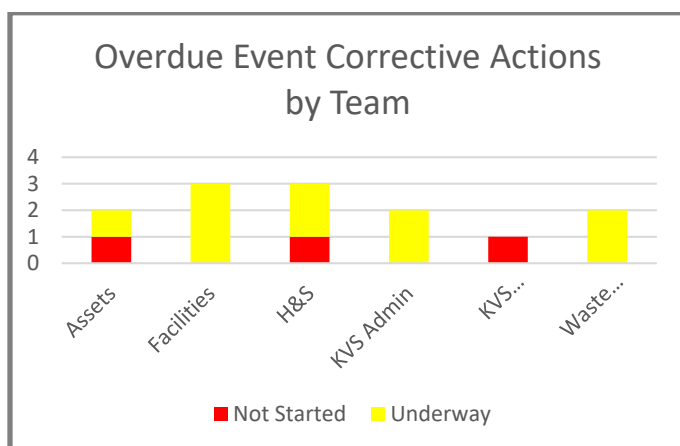
Site safety audits (non-Contractor sites)

# audits conducted	2	Swim Zone Te Aroha, Matamata Aerodrome
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Events (Accident / Incidents)

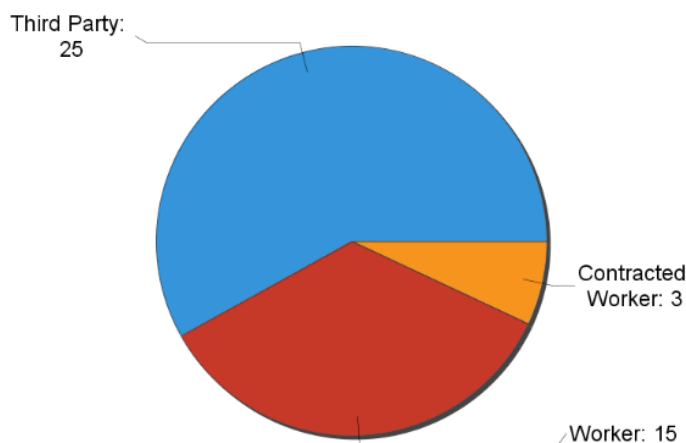
# incidents for period	43	# incidents notifiable to WorkSafe	1
# of LTI's	1	# ACC claims	2

Investigations not completed by due date*	21
Incident Corrective actions not completed by due date^	13

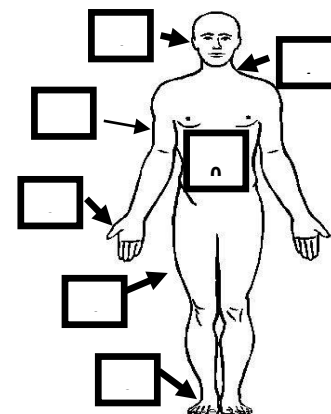


^ Accident/event corrective actions overdue by more than 15 days

Incident by person



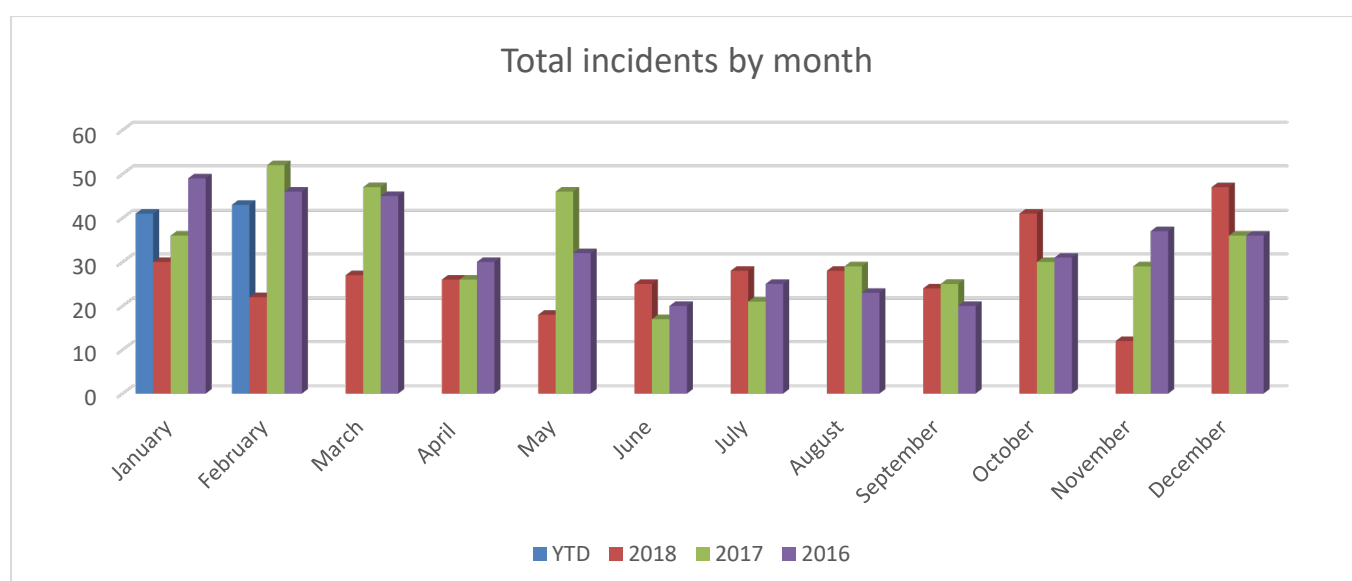
Staff injury by body location:



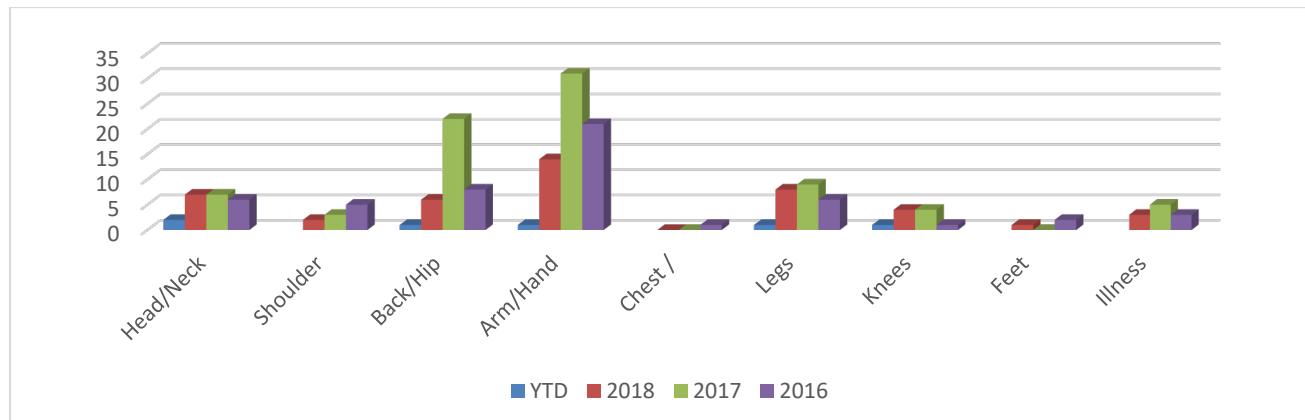
Location of incidents

Te Aroha Mineral Spa	2	MM Library/ Office	1	SwimZone MM	11	SwimZone MV	5	SwimZone TA	7
KVS Depot	4	Te Aroha Office	4	MV Office/ Library	1	Off Site	6	Refuse Transfer Stations	2

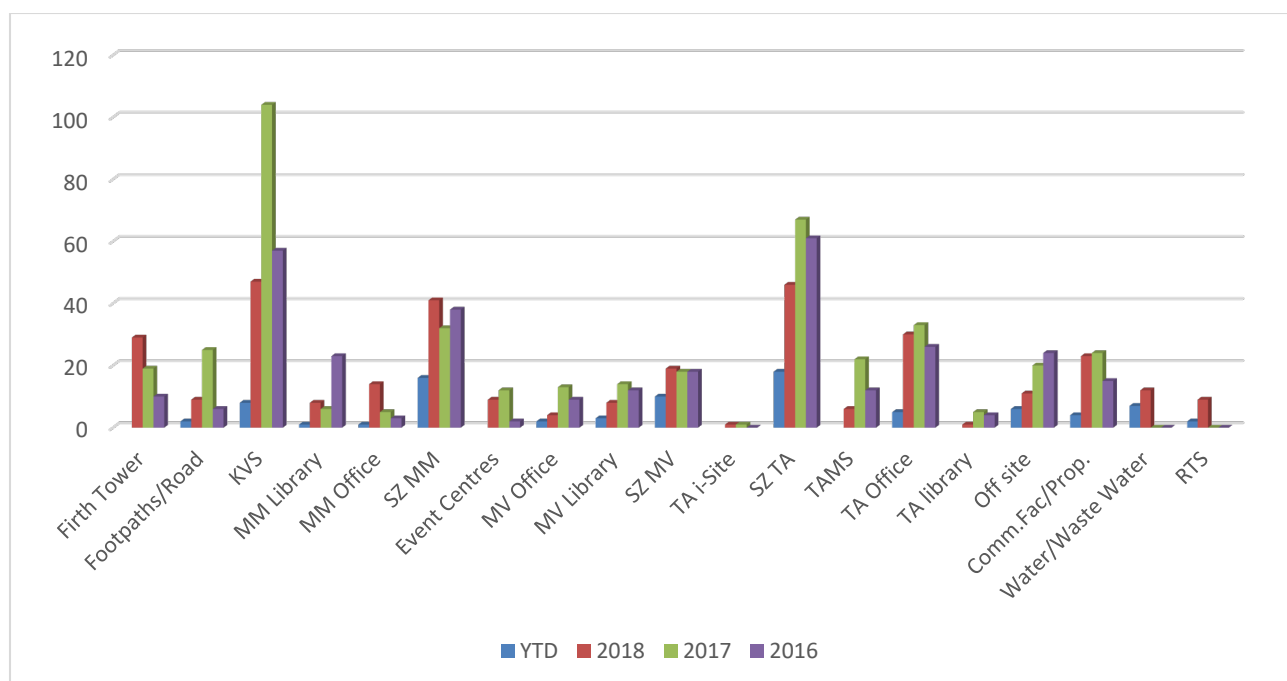
Total Incidents by month (calendar YTD)



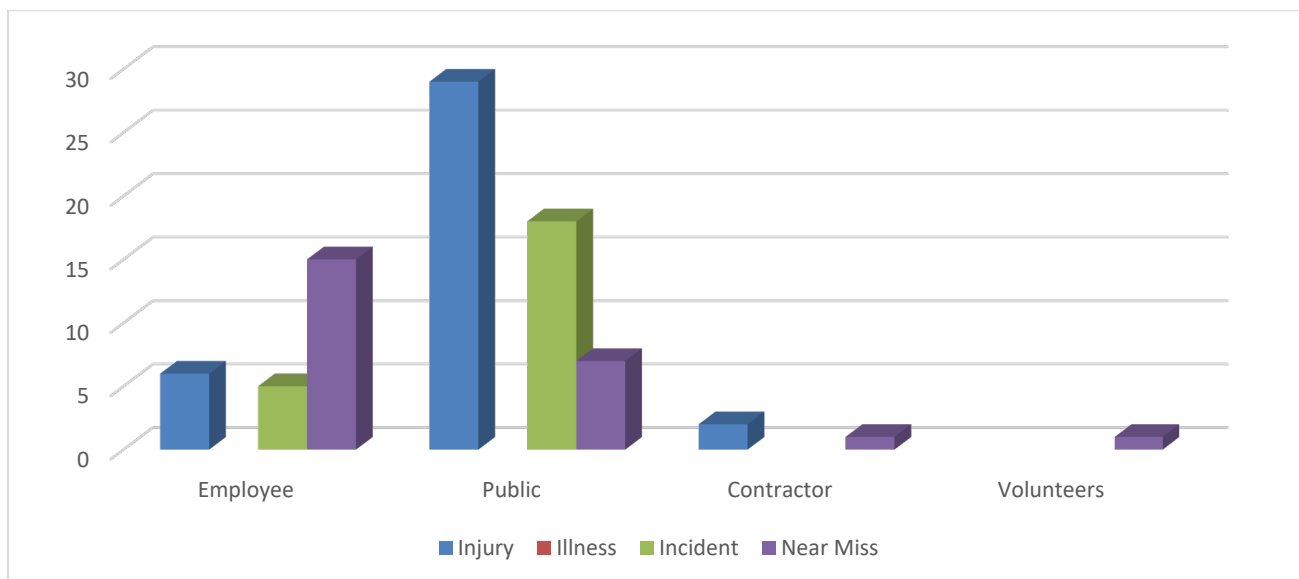
Staff incidents by body location



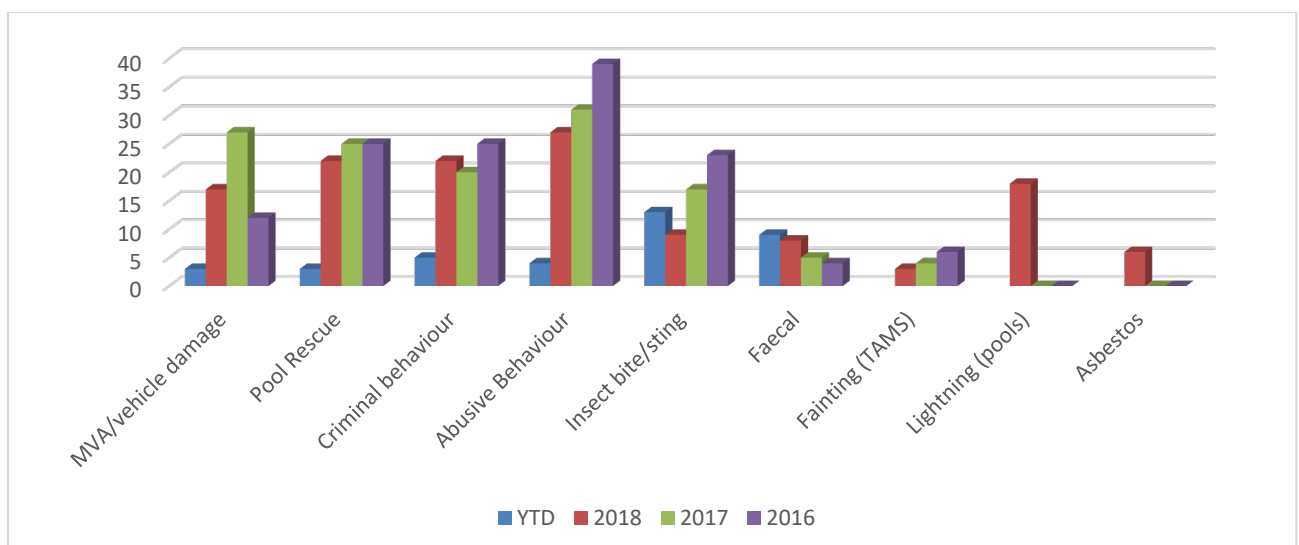
Breakdown of incidents by site



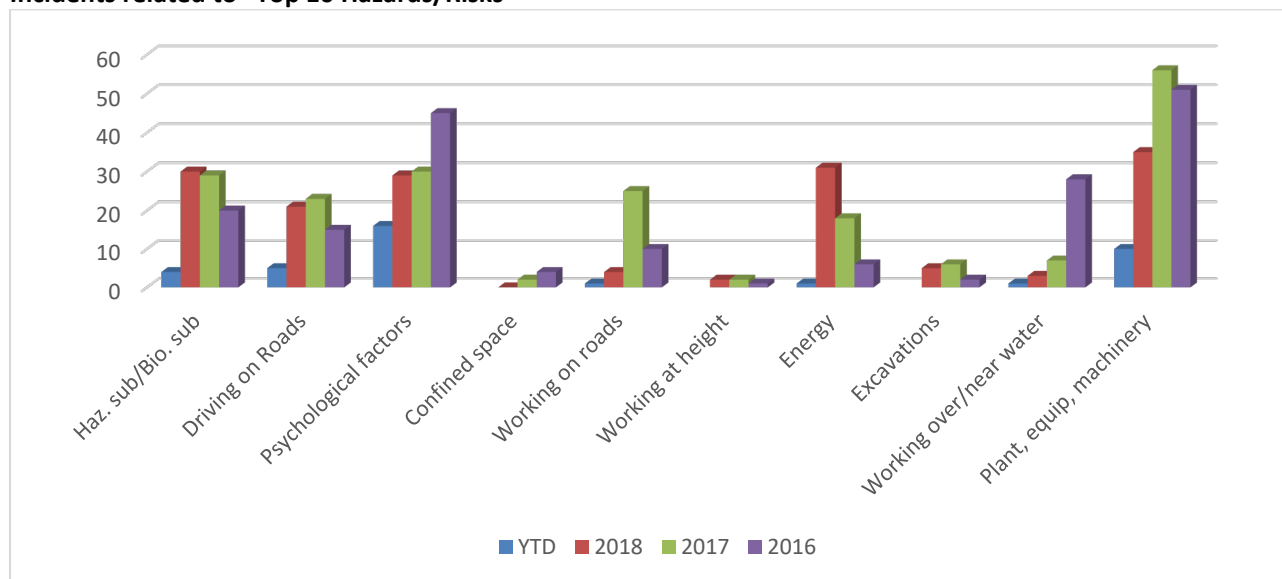
Breakdown of incidents by person type YTD



Frequently recurring issues



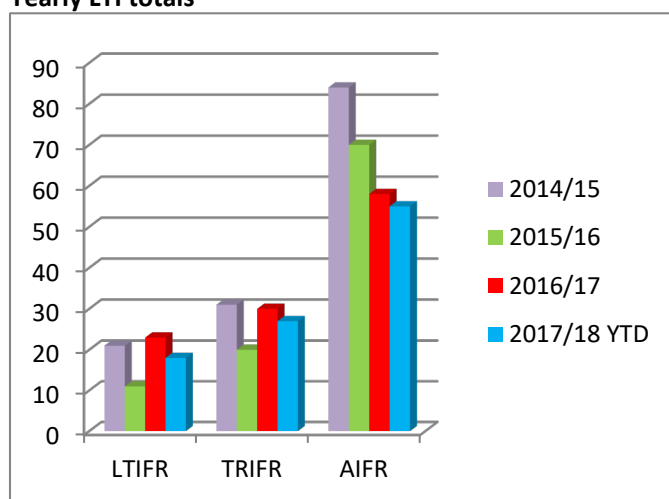
Incidents related to "Top 10 Hazards/Risks"



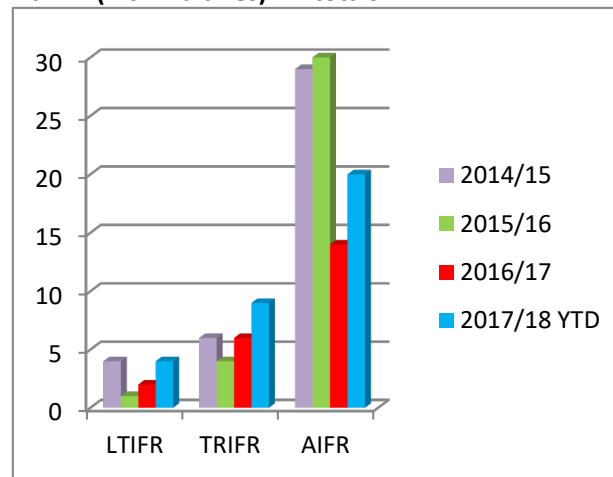
LTI statistics

LTIFR	Lost Time Injury Frequency Rate	Number of injuries that resulted in a day or more off, divided by number of hours worked over the same period x 200,000
TRIFR	Total Recordable Incident Frequency Rate	All injuries that required greater treatment than first aid (e.g. doctor, hospital, death). Calculated using same of injuries (as LTIFR) divided by the number of hours worked over the same period.
AIFR	All Injury Frequency Rate	This is the TRIFR with first aid treatment injuries added.

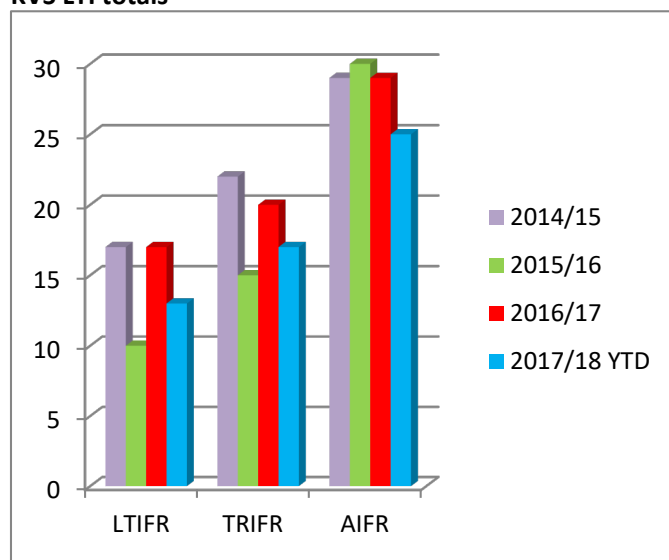
Yearly LTI totals



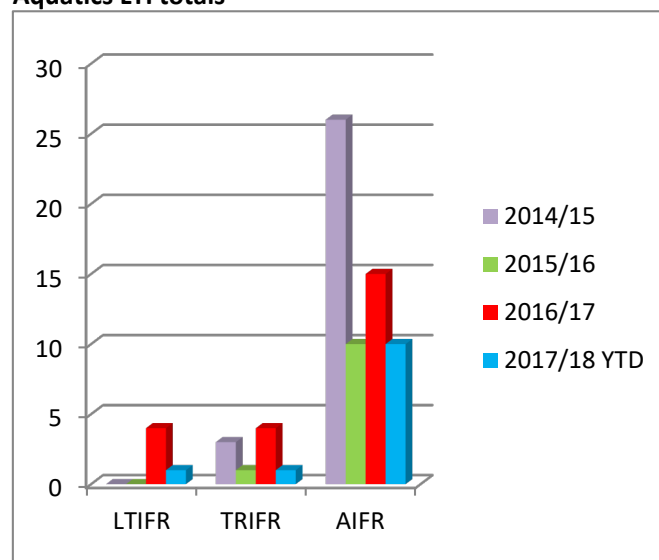
Admin (incl. Libraries) LTI totals



KVS LTI totals



Aquatics LTI totals



The cost of injuries to Council & ACC

Year	Total # of staff injuries	Total # resulting in costs to Council & amount	Total # resulting in costs to ACC & amount	# of on-going claims/injuries
2018/19 YTD	24	2 incidents \$1,396.17	3 incidents \$1,124.74	One
2017/18	55	14 incidents \$4,418.66	18 incidents \$61,502.65	One

Costs to Council may include:

- Medical referrals
- Salary “top-up” outside 80% paid by ACC
- Worker to cover role including salary, higher duty payments, advertising, recruitment
- Investigations – external investigator
- Modification or purchase of new plant, equipment, PPE

Monitoring relationships

Wellbeing initiatives

Nothing to report.

Volunteers

Nothing to report.

WorkSafe New Zealand

News release items are provided to Councillors, E-Team, Managers and relevant staff as they are received.

Internal worker engagement

Meeting attendance

# E-Team meetings where H&S was discussed	4	Key outcomes:	Recorded in minutes.
# H&S Committee meetings	1	Key outcomes:	Recorded in minutes. Discussion re post incident drug testing
# Other H&S meetings conducted	4	Key outcomes:	
# HR / H&S Manager meetings	3	Key outcomes:	Recorded in Trello.
# KVS H&S meeting for team leaders & H&S Reps	0	Key outcomes:	Recorded in minutes
# REACH Rep meetings	0	Key outcomes:	Recorded in minutes.
# REACH Rep discussions with staff	1	Key outcomes:	Still underway

Refusal to undertake work

# incidences of “push-backs” (staff refusing to undertake unsafe work or stopping unsafe work)	0	Key outcomes:	
--	---	---------------	--

External engagement

Forum	# attended	Key actions
Waikato LASS (6 weekly)	0	
Waikato/BOP Local Government H&S Forum (quarterly)	0	MPDC to host in April 2019
Waikato LG H&S Managers & WorkSafe NZ (6 weekly)	0	
Meetings with ACC	0	
NZISM meetings	0	

Waikato LASS H&S Working Party projects

Project	Status	Comments
Reporting Indicators for Safety Performance	Underway	Framework to be approved by the LASS Board in December and benchmarking to commence in early 2019.
Research opportunities for on-line contractor inductions	Underway	
Co-ordinate meeting between WorkSafe NZ & Council building inspectors	Underway	The H&S Manager is sorting this with WorkSafe NZ.
Audit of SHE Contractor pre-qualification scheme	Not started	Scheduled for March 2019.

Contractor Management

The box previously showing the use of un-approved contractors has been removed as this is too difficult to verify accurateness. Staff are frequently reminded they must only use contractors on the Local Government Contractor H&S Pre-qualification scheme (SHE) and spot audits will continue to be conducted to verify this.

Uptake for the March assistance sessions for contractors has been very slow. There are currently only two contractors in Morrinsville and Te Aroha and none in Matamata.

Contractor auditing

# Contractor Site safety audits conducted	1	Broad Spectrum
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Contractor inductions

# on-site contractor inductions completed and provided to H&S team	1		
# Council (2 yearly) Contractor inductions conducted by H&S team	0	# attendees	OVERDUE

Celebrating success

Staff/contractors/volunteers celebrated for their actions to support good H&S	0	
---	---	--

Monitoring resourcing

Process management

# processes created in Promapp	3	# procedures in Promapp reviewed	7
# processes in Promapp overdue for review (primarily by the H&S team)	19	# feedback in Promapp with no responses	7
# corrective actions in Promapp Improvement Module not closed	0		

Policy management

Nothing to report

Training

Training course	# completed	Key outcomes/commentary
First-aid Training	13	
STMS Level 1 Refresher	1	
Traffic Controller – New	1	Scheduled for March
GrowSafe Basic	0	Scheduled for March
Kerbside Collection Traffic Leader (KCTL)	0	Scheduled for March
Supervisor (Site Safe)	0	Scheduled for April
Fire Warden & Extinguisher	0	Scheduled for May, June & July

Vault Management System

Nothing to report.

2019 Health & Safety Team work plan

- Priority 1
 - Fatigue Management Policy UNDERWAY
 - Health monitoring programme UNDERWAY
 - Mental Health Strategy UNDERWAY
 - HASNO – compliance to new Regulations UNDERWAY
- Priority 2
 - RFT for H&S training courses/providers NOT STARTED
 - Drug & Alcohol Policy review DUE TO COMMENCE IN APRIL
 - Lone worker UNDERWAY
- Priority 3
 - Risk management UNDERWAY

Officer (elected member) due diligence

Policy & Planning

1. **Keep up-to-date with health & safety matters**
 - WorkSafe NZ media release – Failure to fix problems results in severe injuries (Gore)
 - WorkSafe NZ media release – 140 litre LPG leak could have been deadly
 - Alert 24 news – WorkSafe appoints investigator for Oranga Tamariki bullying and harassment complaints
 - WorkSafe NZ media release – Worker injured due to substandard machine guarding

- WorkSafe NZ media release – Timber company fined after two works sustain serious injuries
- Coroners finding on single motor vehicle crash
- WorkSafe NZ media release – Check safety critical equipment regularly

2. Understand the nature of our business and its hazards and risks

- Monthly report to Council

Delivery

3. Ensure Council has appropriate resources and processes to eliminate or minimise risks to health and safety

- Audit information included in monthly report.
- Staff training information included in monthly report.

Monitor

4. Ensure there are appropriate reporting and investigation processes in place

- Accident/incident information included in monthly report.
- Accident investigation status included in monthly report.

5. Ensure we have and implement appropriate processes for complying with the Act – monitor & comply

- Audit information included in monthly report.

Review

6. Verify

APPENDIX A

2019 Health & Safety Objectives

Objective	How achieved	Measured by	Status
Improve understanding and management of fatigue	<ul style="list-style-type: none"> Implementation of a Current Best Practice (CBP) guide on fatigue management. Training provided for staff 	<ul style="list-style-type: none"> CBP prepared, consulted with staff and implemented. Specific key accountabilities added to job descriptions Training rolled out to staff, particularly those in roles involved in after hours work. 	Consultant preparing CBD for consultation – due end of March 2019.
Improve our performance against the new Hazardous Substances Regulation	<ul style="list-style-type: none"> Site inventories reviewed or created. Training plan prepared and implemented for staff. Emergency Response Plans (ERP) implemented. Management system implemented 	<ul style="list-style-type: none"> All identified sites (primarily those where staff work regularly and our high use community centres) have an updated inventory. Training plan prepared for staff who work with hazardous substances. Staff with supervisory roles for chemicals complete appropriate training for their role. Emergency Response Plans (ERP) implemented for applicable sites and a management system implemented. Management system implemented for HSNO management. 	Timeline prepared for project – expected completion December 2019.
Improve our systems for staff who work alone	<ul style="list-style-type: none"> Implementation of a Current Best Practice (CBP) guide on lone worker management. Training provided for staff. Adopt devices or solutions and roll-out to staff. 	<ul style="list-style-type: none"> CBP prepared, consulted with staff and implemented. Training rolled out to staff. Appropriate devices issues to staff following risk management reviews. 	Project has commenced.
Improve our management of contractor H&S	<ul style="list-style-type: none"> Clearly assign responsibilities for H&S management of contractors and improve staff capabilities in areas such as H&S risk assessment, auditing and induction. 	<ul style="list-style-type: none"> Contract Administration Procedures review is completed and health and safety contractor management systems are integrated into these procedures. Refresher training for key staff in risk assessment and contractor auditing and inductions. 	
Improving health and wellbeing	<ul style="list-style-type: none"> Implementation of a Mental Health Strategy (or CBP). Conduct a staff stress survey. Promotion of health & wellbeing initiatives 	<ul style="list-style-type: none"> CBP prepared, consulted with staff and implemented. Training rolled out to staff. Outcomes from bullying survey determined and actioned. Stress survey conducted, results analysed and actions considered. Run two campaigns during the year on health and wellbeing topics such as healthy eating, exercise, sun smart, work cancers, work/life balance etc. H&S Committee to conduct one initiative per year relating to workplace health and wellbeing. 	

Chief Executive Officers Report - February 2019

Trim No.: 2123091

Executive Summary

A copy of the Chief Executive Officer's report for February 2019 is attached.

Recommendation

That:

1. The information be received

Attachments

- A. Final CEO report for month ending February 2019 (Council meeting on 27 March 2019)
- B. Council Consents Received February 2019

Signatories

Author(s)	Debbie Burge Executive Assistant to the Mayor	
Approved by	Don McLeod Chief Executive Officer	



Chief Executive Report

February 2019

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FINANCE AND BUSINESS SERVICES REPORT

BACKGROUND

The monthly financial report provides Council with a snapshot of the financial performance of the organisation.

Management identifies budget variances to provide advice to Council on any action that should be taken. For example, management may recommend that works be deferred if it considers that budgets may be exceeded.

Management will make these recommendations after considering the overall financial situation. Budget variances in one activity may be able to be offset against another activity. Management may therefore consider that it is not necessary to take any action.

1. Financial Performance Summary

EXECUTIVE SUMMARY

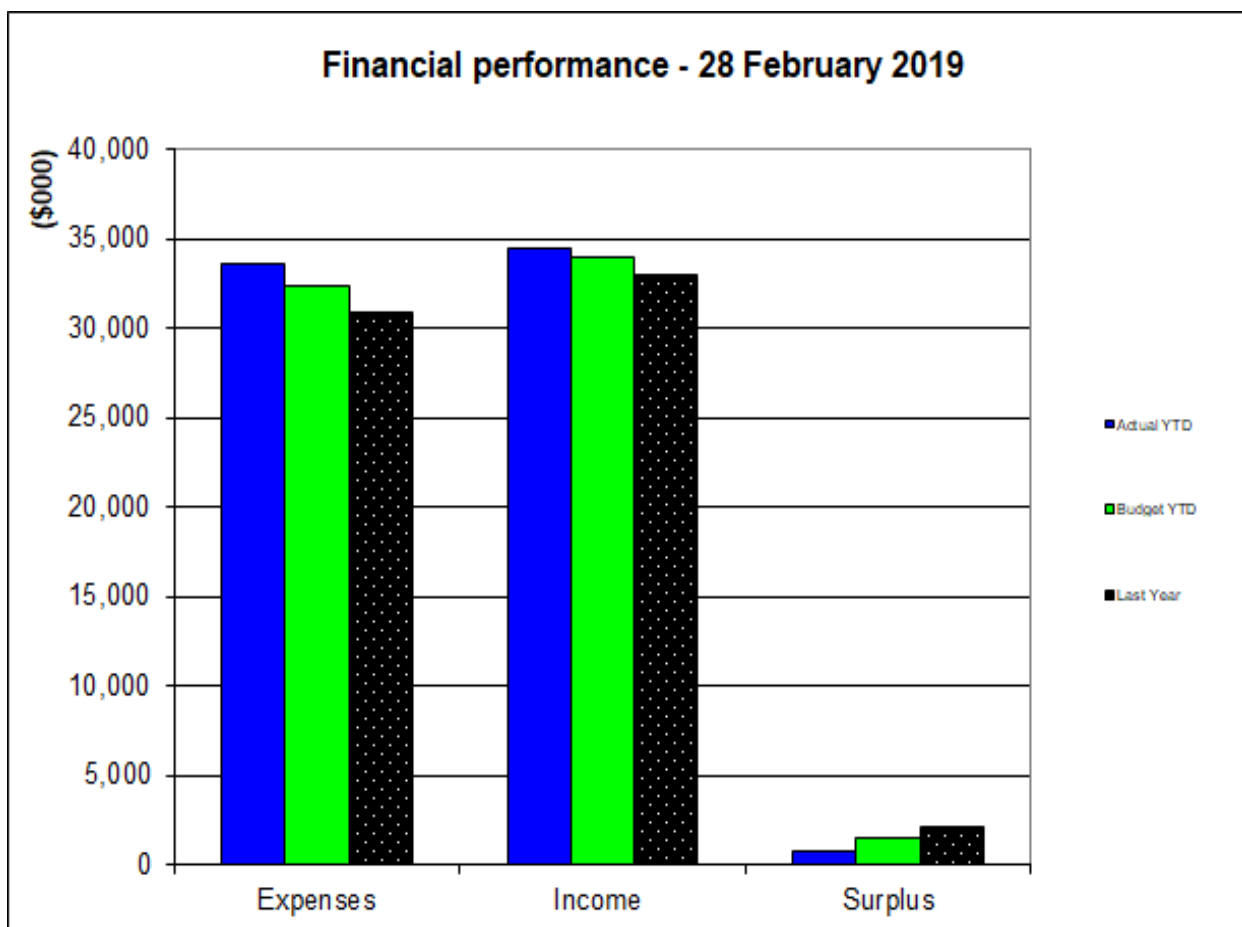
Council's financial result to 28 February 2019 is a surplus of \$810,000 compared to a budgeted Surplus of \$1,571,000.

Total Income is \$34.443 million, which is \$453,000, higher than budget. Total expenses are \$33.633 million, which is \$1.214 million, higher than budget.

The main contributors are:

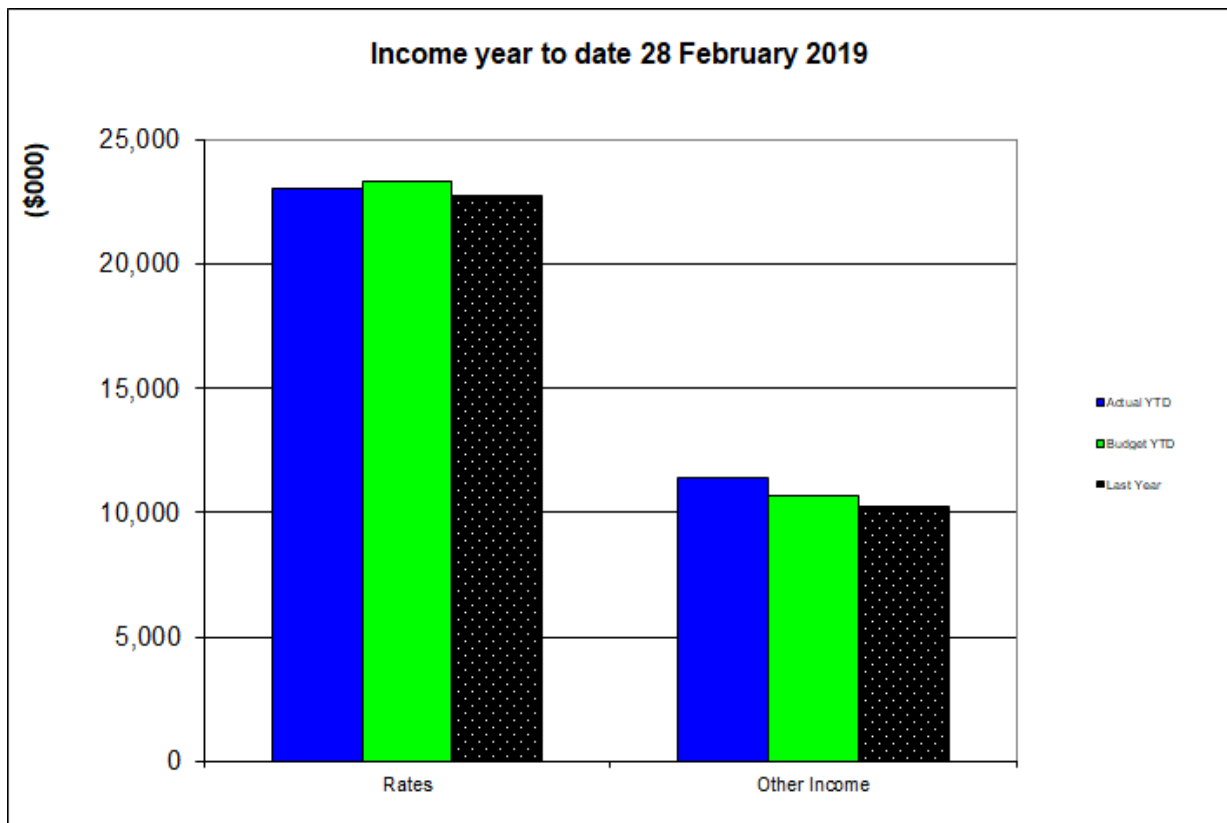
- Water by meter income is below budget by \$286,000 due to lower consumption by Industries (mainly OCD) and March quarter invoices still to be processed.
- Contributions of \$189,000 received for Hauraki rail trail extension and \$45,000 for SFEC naming rights.
- Development contribution revenue is above budget by \$1.057 million.
- Annual dog registrations collected at the start of the financial year results in \$103,000 over budget to date
- Building consent and Resource consent income is higher by \$117,000 and \$172,000 due to increase in activity.
- Rubbish and recycling income is lower than budget by \$260,000
- Spa and pool income is higher by \$106,000
- Water operation and reticulation cost is higher by \$595,000 due to new compliance cost, catchment assessment, increased chemical and power cost. There has also been an abnormally high number of major "one-off" expenditure this year totaling approximately \$295,000.
- Rubbish and Recycling cost is higher due to increase in contract price

Overall Financial Performance



Expenses and incomes are higher than budget, resulting in the \$810,000 surplus compared to the budgeted surplus of \$1,571,000. The main variances reported below

Income



Rates income (including metered water) is lower by \$286,000.

Other income is higher than budget by \$684,000.

There are a number of variances in other income as follows:

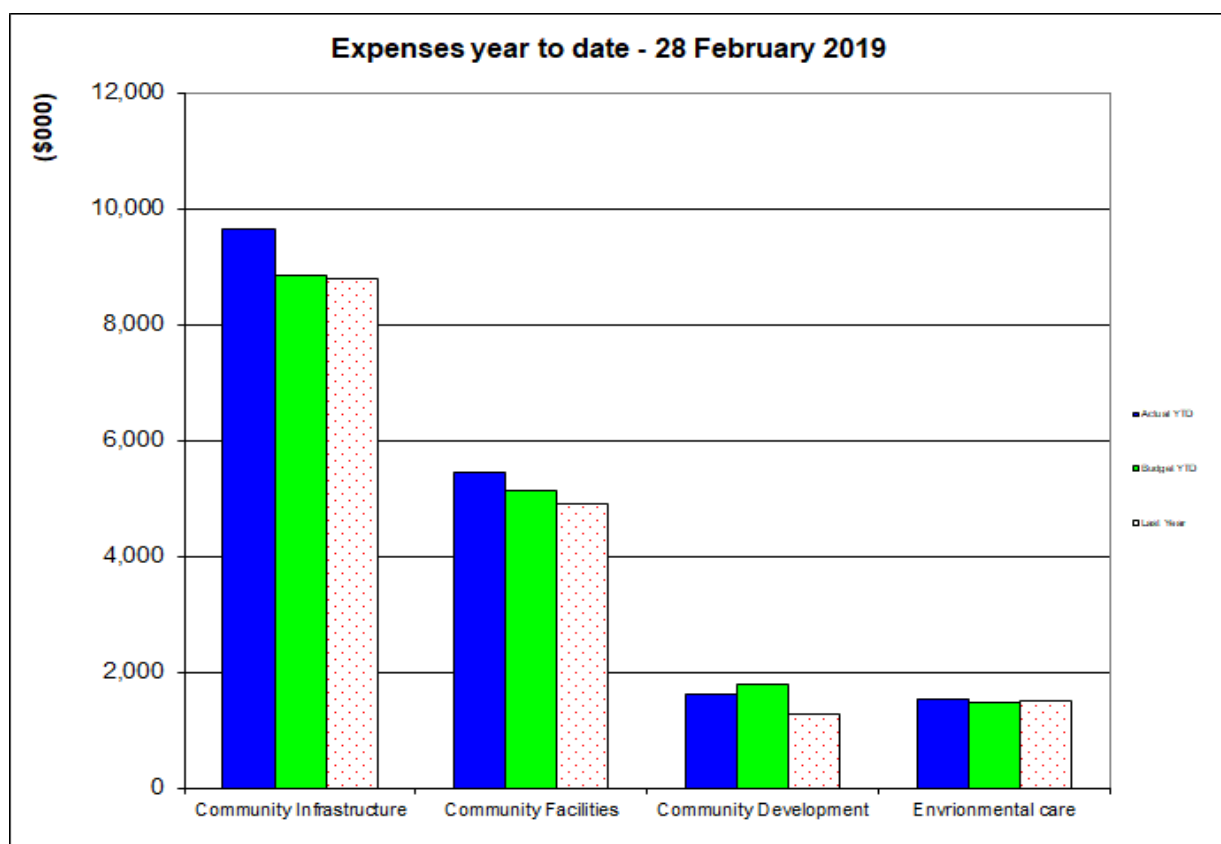
Income below the level of budgets include:

- Vested Assets income is currently nil compared to a budget of \$133,000. This income is recognised at the end of the year.
- Avenue Road North Storm water disposal project contribution budgeted \$860,000 for the year not realized as project is not going ahead.
- Rubbish and Recycling income is lower by \$260,000 due to lower landfill recovery and sales of bags.
- \$294,000 non-cash loss on Interest Rate Swaps

Income higher than the budget includes:

- Development contribution revenue is higher by \$1,057,000 due to Matamata and Morrinsville subdivisions and \$45,000 received for naming right for Te Aroha Events Centre and \$189,000 received for Hauraki Rail trail extension project.
- Animal Control income is higher by \$103,000 as income received for registration at the start of the year
- Building consent and Resource consent income is higher by \$172,000 and 117,000 due to high activity

Expenses



Expenditure is \$1.214 higher than budget at this point. The significant reasons for this include:

- Savings in interest costs of \$67,000.
- Depreciation is higher by \$125,000 due to revaluation of infrastructural assets.
- Operating expenditure across all activities is \$1.156 million over budget at this point.

Community infrastructure - is covered in further detail later in the report. Other comments are noted below:

Community Facilities – \$320,000 over budget

- Housing expenditure is higher due to the level of maintenance. This includes asbestos removal at the Waihou depot, insurance work at the Te Aroha Domain Bowling club and asbestos inspection and removal work. In addition insurance, power and cleaning expenses are higher this year.
- Public amenity expenditure is below budget as street furniture expenditure is lower than budget. This is partially negated by higher costs for public toilets and cemeteries.
- Pools and Spa cost is higher due to higher activity negated by higher income.
- Repairs for McCaw house, Matamata Civic Centre and Te Aroha Event Centre have been undertaken. Waharoa aerodrome operating costs are above budget which is negated by higher income.

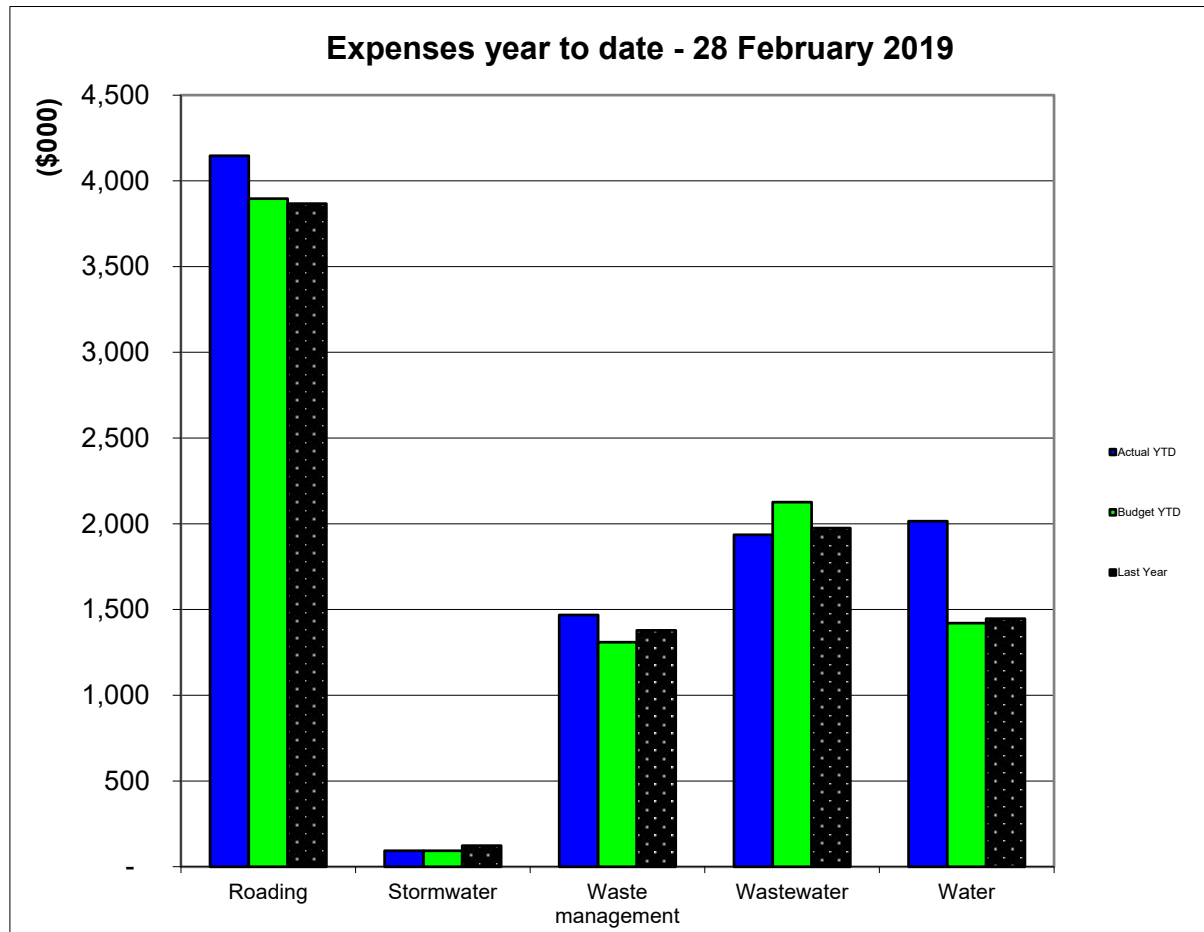
Community Development – \$167,000 under budget

- Proposed district plan change, district plan monitoring and regional co-ordination expenditure are minimal.
- Audit fees charges will come to charge at the end of the year.

Environment care – \$68,000 over budget

- Resource consent cost is higher than budget by \$115,000 due to high activity. Animal control and building control cost is lower mainly due to lower staff cost.

Community Infrastructure



- Sealed pavement maintenance, Environment and Drainage work has carried on during this period, negated by less spending on traffic services maintenance. Footpath maintenance and cleaning and amenity lighting cost is higher during this period.
- Wastewater expenditure is lower as \$191,000 budgeted for yearly field irrigation maintenance, Licence-to-operate (LTO), and Bio-remediation will be spent later in year.
- Water expenditure is above budget. This includes water reticulation costs that are higher by \$117,000 due to more maintenance required including the Tower Road main failure. An abnormally high number of one-off events has resulted in unplanned expenditure of \$295,000 to date. Power and insurance costs are higher than budget.
- Rubbish and Re-cycling cost is higher than budgeted due to an increase in the contract cost.

2. Rates

The total rates levied for the 2018/2019 year were \$38,391,344 (17/18 \$37,388,536). The balance of current rates owing at 28 February 2019 is \$9,126,419 representing a collection rate of 76.23% (17/18 76.03%) The collection rate of arrears for the year is 58.33%. (17/18 58.42%) The 2018 General Revaluation of our District resulted in 102 Objections received. A total of 85 of those Objections have been resolved as at 28 February 2019.

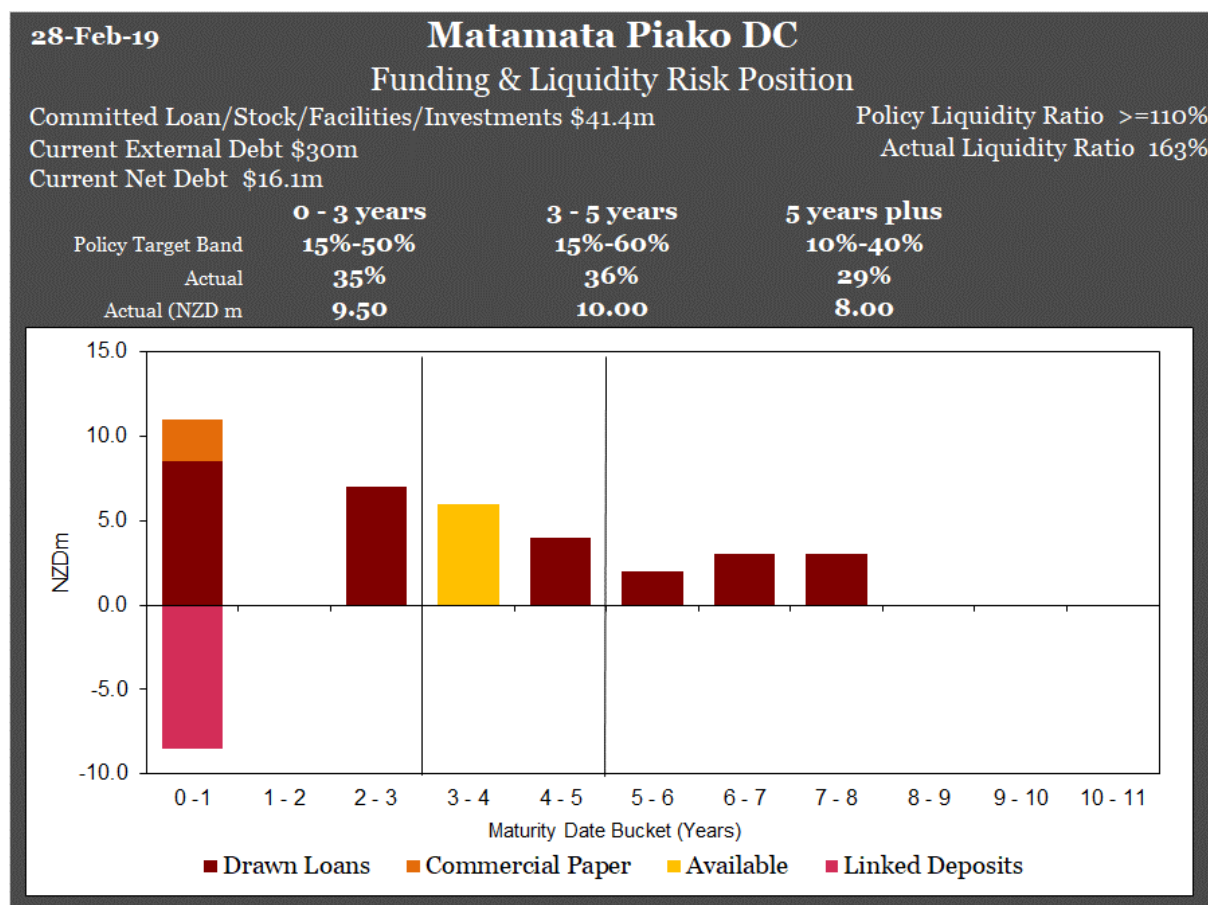
RATES STATUS REPORT As at 28 February 2019		
	February 2019	
Rates for 2018/19		
Total annual rates levied	38,391	
Balance of total current rates owing	9,126	
Current year rates collected YTD	29,265	
Percentage of current rates collected YTD	76.23%	
Arrears from prior years		
Opening balance	813	
Less statute barred arrears written-off	(11)	
Less arrears collected this year	485	
Total owing from prior years	328	
Percentage of arrears collected YTD	58.33%	
	2019	2018
Penalty applied for 1st instalment	49	39
Penalty applied for 2nd instalment	47	44
Penalty applied for 3rd instalment	42	45
Penalty applied for 4th instalment		34
Rates collection		
Number of rateable properties	14,569	14,658
Number of assessments paid by direct debit		
Weekly	458	444
Fortnightly	540	475
Monthly	939	957
Quarterly	2,448	2,448
Annually	15	14
TOTAL	4,400	4,338
Staff have processed 153 Change of Ownerships during February 2019 (93 February 2018).		

3. External Borrowing

Council Interest Rate Position as at 28 February 2019

Matamata Piako DC Interest Rate Position			
12 Month Forecast Core Debt:	29.0	28-Feb-19	
Policy Limits	55% - 90%		
Overall Fixed: Floating Mix	81%		
Policy Compliance	Y		
Liquidity Ratio:	110%		
Actual	163%		
Policy Compliance	Y		
Fixed Rate Maturity Profile:			
Years	1 - 3 years	3 - 5 years	5 years plus
Policy Limits	15% - 60%	15% - 60%	15% - 60%
Actual Position %	21%	30%	49%
Actual \$m	4.94	7.05	11.52
Policy Compliance	Y	Y	Y
Funding Maturity Profile:			
Years	0 - 3 years	3 - 5 years	5 years plus
Policy Limits	15% - 50%	15% - 60%	10% - 40%
Actual Position %	35%	36%	29%
Actual \$m	9.50	10.00	8.00
Policy Compliance	Y	Y	Y
Weighted Average Duration:			
Funding	3.72 Years		
Fixed Rate Portfolio (swaps and fixed rate loans)	5.18 Years		
Weighted average fixed rate on current borrower swaps*:			
Swap Portfolio	4.31%	* Note: non-active forward starts are not included.	
Counterparty Credit Risk (Interest Rate Risk Mgmt Instruments and investments)			
Policy Credit Limit (NZ\$) per NZ Registered Bank (Interest rate risk management)		\$	10,000,000
Policy Credit Limit (NZ\$) per NZ Registered Bank (Investments)		\$	20,000,000
Policy Credit Limit (NZ\$) per NZ Registered Bank (Total maximum per counterparty)		\$	30,000,000
	Credit Exposure (Swaps)	Credit Exposure (Investments)	Compliance
	(\$m)	(\$m)	
WPC	3.89	0.00	Y
ANZ	0.00	0.00	Y
ASB	0.00	1.80	Y
BNZ	0.63	11.10	Y
Kiwibank	0.00	0.00	Y
CBA	0.00	0.00	Y

4. Funding Maturity as at 28 February 2019



5. Treasury Investments

TREASURY INVESTMENTS As at 28 February 2019						
Deal number	Investment type	Counter party	Maturity date	Term (days)	Interest rate	Amount invested
Long-term Investments						
944	Borrower Notes	LGFA	15-Mar-19	2209	2.43%	96,000
951	Borrower Notes	LGFA	17-May-21	2639	2.41%	56,000
956	Borrower Notes	LGFA	15-Apr-23	3253	2.36%	64,000
957	Borrower Notes	LGFA	15-Mar-19	1726	2.22%	40,000
958	Borrower Notes	LGFA	17-May-21	2520	2.40%	56,000
1024	Borrower Notes	LGFA	15-Apr-24	2527	2.26%	32,000
1025	Borrower Notes	LGFA	15-Apr-25	2892	2.29%	48,000
1048	Borrower Notes	LGFA	15-Apr-26	2893	2.40%	48,000
Total Long-term Investments as at					28-Feb-19	440,000
Short-term and call investments						
1047	Term Deposit	BNZ	14-Mar-19	303	3.70%	3,000,000
1053	Term Deposit	BNZ	08-May-19	273	3.60%	5,400,000
1056	Term Deposit	ASB	22-Apr-19	235	3.44%	1,800,000
1057	Term Deposit	ASB	14-Mar-19	175	3.36%	2,500,000
1058	Term Deposit	ASB	14-Mar-19	175	3.36%	800,000
1059	Term Deposit	ANZ	14-Mar-19	107	3.15%	2,200,000
1060	Term Deposit	BNZ	27-May-19	181	3.48%	1,500,000
1064	Term Deposit	BNZ	20-Mar-19	21	1.82%	4,200,000
Call	23 account	BNZ			1.75%	232,411
Total short-term and call Investments as at					28-Feb-19	21,632,411
Weighted Average Interest Rate						
This month		3.11%				
YTD		3.21%				
Investment Policy Compliance						
Complied						

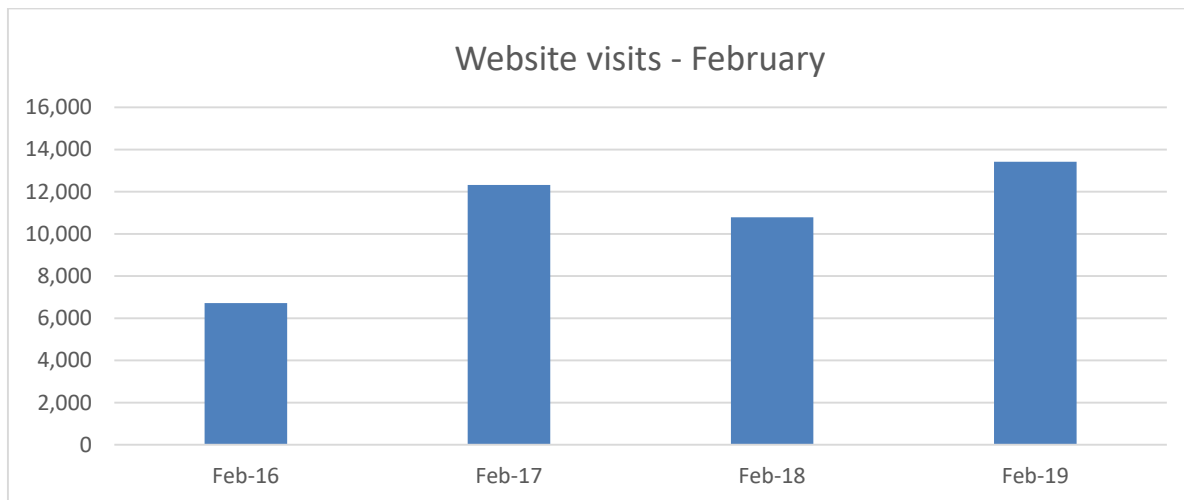
STATEMENT OF FINANCIAL PERFORMANCE TO 28 February 2019						
YTD 2018		Actual YTD	Budget YTD	Variance	Fav(unfav)	Note
\$ 000		\$ 000	\$ 000	\$ 000	%	
INCOME						
22,754	Rates	23,053	23,285	-231	-1%	1
4,148	Subsidies and grants	4,098	4,463	-364	-8%	2
4,411	Fees, charges	5,227	4,853	375	8%	3
485	Investments income	192	169	23	14%	4
1,006	Development and financial contribution	1,971	913	1,057	116%	5
185	Other	-99	307	-406		6
32,989	TOTAL INCOME	34,443	33,990	453	1%	
EXPENSES						
11,539	Payments to suppliers	13,223	11,453	-1,769	-15%	
9,097	Payments to staff	9,966	10,579	613	6%	7
922	Finance Costs	849	915	67	7%	8
9,302	Depreciation	9,596	9,471	-125	-1%	9
	Other Expenditure		0	0		
30,860	TOTAL EXPENSES	33,633	32,419	-1,214		
2,129	PROFIT(LOSS) FROM OPERATIONS	810	1,571	-761		
<p>1 Metered water income is lower by \$286,000 due to lower industry consumption mainly due to OCD consumption is lower and 3rd quarter billing due in March.</p> <p>2 Avenue Road North Storm water disposal project contribution budgeted for the year \$573,000 , not received as project is not going ahead. \$189,000 received for Hauraki rail trail extension project and \$45,000 received contribution for SFEV naming right.</p> <p>3 Fees and charges are higher due to Dog registration received earlier in year \$103,000. Resource consent and Building consent income is higher by \$172,000 and 117,000 due to high activity. EPH income is higher due to increase in Rent. Donation received for Kiwanis Club \$3,500 and \$28,000 easement money received in Matamata from WEL network. Event centre, T.A. Spa and Pool is higher by \$106,000 than budget mainly due to more activity. Lease income from Waharoa aerodrome invoiced earlier in year and Firth tower and T.A. event centre income is higher. Cemetery income is higher due higher sale of plot by \$42,000. This is negated by lower income in Rubbish and Recycling income is lower due to lower landfill recovery and sales of bags than budgeted by \$260,000 negated by higher waste minimisation subsidy as quarterly subsidy received in advance.</p> <p>4 Interest received on investment (Term Deposits) is much higher than budgeted due to lower capital spending in previous year.</p> <p>5 Major Development contribution of Vatos development in Matamata subdivision. Development contribution also received from Morrinsville Subdivision.</p> <p>6 Vested asset income will be accounted for at the end of the year which is budgeted \$133,000 and \$294,000 is loss on Swap.</p> <p>7 Payment to staff is lower by \$613,000 due to pay period is not aligned with month end and vacant positions.</p> <p>8 Finance cost is lower due to lower opening debt than budgeted</p> <p>9 Depreciation cost is higher due to revaluation of infrastructural asset.</p>						

YTD 2018	Actual YTD	Budget YTD	Variance	Variance	Note
\$ 000	\$ 000	\$ 000	\$ 000	Fav(unfav) %	
DIRECT REVENUE ANALYSIS					
0 Community Development	24	10	14		
Community Facilities and Property					
835 Housing and property management	786	770	16	2%	
94 Libraries	93	92	0	0%	
31 Parks and tracks	58	36	22	61%	10
128 Public Amenities	194	152	41	27%	11
1,030 Recreation & Culture	991	802	190	24%	12
2,119 Total Community Facilities and Property	2,122	1,852	269		
Roading Water and Waste					
4,057 Roading	4,141	3,963	178	4%	
0 Storm water	0	573	-573	-100%	13
472 Rubbish & recycling	743	1,002	-259	-26%	14
474 Wastewater	460	428	32	8%	
1,356 Water	1,075	1,374	-300	-22%	15
6,359 Total Roading Water and Waste	6,419	7,340	-922		
Consents and Licensing					
285 Animal Control	283	180	103	57%	16
632 Building consents and monitoring	755	638	117	18%	17
0 Civil defence	0	0	0		
451 Resource consent processing	418	247	172	70%	18
1,368 Total Consents and Licensing	1,457	1,065	392		
9,846 Total Activity Operating Revenue	10,021	10,267	-246		
Notes:					
10 Donation received for Kiwanis Club \$3,500 and \$28,000 easement money received in Matamata from WEL network					
11 Cemetery income is higher due to more burials and sales of plot which is negated by higher cost.					
12 Pools and spa income is higher by \$91,000. MV Pool income is higher but pool will be closed later in year. Recreation and culture income is higher by 51,000. Aerodrome lease income invoiced earlier in year and landing fees income is higher. T.A. Event centre, MV event centre and Firth tower income is higher due to increase in activity.					
13 Budgeted Avenue Road North Storm water disposal project contribution delayed.					
14 Recycling income is lower due to lower sales of bags and landfill recovery than budgeted. Waste minimisation subsidy as quarterly subsidy received in advance.					
15 Lower water income due to lower consumption by industries mainly OCD.					
16 Increase in income due to dog registration received in July for the year.					
17 Building Consent - Building consents income is higher due to high activity.					
18 Resource consents income is higher due to high activity partially negated by higher cost.					

YTD 2018		Actual YTD	Budget YTD	Variance	Variance Fav(unfav)	Note
\$ 000		\$ 000	\$ 000	\$ 000	%	
DIRECT COST ANALYSIS						
Strategy and Engagement						
362	Community leadership	396	447	51	11%	19
919	Community Development	1,213	1,330	117	9%	20
1,281	Total Strategy and Engagement	1,609	1,776	167		
Community Facilities and Property						
669	Housing and property management	876	706	-170	-24%	21
573	Libraries	606	659	52	8%	
1,205	Parks and tracks	1,261	1,139	-122	-11%	22
670	Public Amenities	678	743	64	9%	
1,431	Pools and spas	1,546	1,452	-95	-7%	
371	Recreation & Culture	493	443	-50	-11%	23
4,919	Total Community Facilities and Property	5,461	5,141	-320		
Roading, Water and Waste						
3,867	Roading	4,146	3,896	-250	-6%	24
123	Storm Water	93	93	0	0%	
1,378	Rubbish & recycling	1,468	1,309	-159	-12%	25
1,975	Wastewater	1,936	2,126	191	9%	
1,447	Water	2,015	1,420	-595	-42%	26
8,789	Total Roothing Water and Waste	9,657	8,845	-813		
Consents and Licensing						
119	Animal Control	138	165	27	16%	
507	Building	572	587	16	3%	
232	Community Protection	247	251	4	2%	
638	Resource consent processing	590	474	-115	-24%	27
1,497	Total Consents and Licensing	1,546	1,478	-68		
16,486	Total Operating Expenditure	18,273	17,239	-1,034		
19 Election cost is budgeted for smoothing, actual expenditure will not occur until next year.						
20 For Proposed district plan change and district plan Monitoring expenditure and regional co-ordination expenditure are minimal. Audit fees charges will come at end of the year. This saving is negated by the uplifting of community grants early in year and economic development that has spent earlier in year.						
21 Hall, EPH and Staff house operating cost is higher by \$55,000. Boyd Park grandstand concrete work, Waihou depot maintenance includes Supply and installation of computer cabling. Ex Bowling Club and Garage water leak repairs. Asbestos inspection and removal work carried on this year. Waihou depot operating cost higher includes compliance cost for water quality. Cleaning, power cost and insurance cost has increased.						
22 Parks and tracks cost are higher includes increase in level of service.						
23 Being repair of McCaw house and MMCC, T.A.E.C. and Waharoa aerodrome operating cost is higher negated by higher income.						
24 Sealed pavement maintenance, Environment and Drainage work has carried on during this period, negated by less spending on traffic services maintenance. Footpath maintenance and cleaning and amenity lighting cost is higher during this period.						
25 Rubbish and Re-cycling cost is higher than budgeted due to increase in contract cost.						
26 Water reticulation cost is higher by \$117,000 due to more maintenance required including 120 tower road. Investigation and report in July on the Scott road pipework lay out and professional service associated with catchment are one off cost incurred earlier in year. Chemical cost is higher due to change in chemical for treatment plan. Power cost and insurance cost is higher than budgeted. There has been an significant number of "one-off" major expenditure this year accumulating to approximately \$295,000.						
27 Resource consent cost is higher due to high activity.						

1. Corporate Overview

1.1 Communications



Events

- The Waitangi Day report has been put together and been presented to Te Manawhenua Forum and Council.
- Planning is well on the way for the ANZAC Day ceremonies.
- Two Events Facilitators have started and have been inducted and are supporting events.

Economic Development

- Continuing to build relationships with the business associations and chamber of commerce committees.
- Council is taking a lead role in the formation of the 'Talk Tourism Te Aroha' in conjunction with the Te Aroha Business association.
- Developed communications plan/strategies for the progress of the PGF feasibility studies programmes.

Communications and Marketing

- **Water Restrictions** – work has been done on social and print media to build awareness and engagement around water conservation. The move over to Level 3 was smooth with only a few issues from residents.
- **Consultations** – We have several consultations out, with the communications team supporting community engagement.
- **VYA** – support and community engagement for the Gumboots for Hope initiative.

Online and Digital Services

- **Antenno** – The project team are working with the developer on a roll out strategy, including a soft launch to our communities.
- Audio visual equipment has been purchased for our event facilities. Wi-Fi will be available to people holding functions if requested.

Civil Defence

- Nelson-Tasman Fires – our communications manager was deployed to Nelson for a week in the role of Public Information Manager to assist in the fire response.

1.2 Human Resources

Staff turnover figures for year to date from 1 July 2018 to 28 February 2019 are:

Year to date at	Office	KVS	Water & Waste Water	Libraries	Facilities	Total
	%	%	%	%	%	%
July 2018	1.81	0	0	0	2.7	1.39
August 2018	1.79	2.38	0	0	2.63	1.83
September 2018	4.48	2.41	0	0	10.96	4.58
October 2018	4.42	4.82	0	0	10.81	5.00
November 2018	6.25	7.23	0	0	16.00	7.29
December 2018	6.22	7.23	0	0	16.00	7.27
January 2019	7.11	7.23	0	0	18.92	8.20
February 2019	8.97	7.06	0	0	17.72	9.01

Total permanent staff resigned up to 28 February = 20

1.3 Corporate and Legal Services

Policies and Bylaws

- The Wastewater and Land Transport Bylaw required some technical updates, these were approved for consultation in December 2018.
- The Dog Control Bylaw – Council decided at its meeting on 30 January to consult the community on removal of the dog exercise area adjacent to the Waihou River known as the Te Aroha Boat Ramp and replace it with a new dog exercise area known as the ‘Spur Street Reserve’.
- The Fees and Charges - The fees and charges for 2019/20 have been developed in conjunction with the Annual Plan. Council approved the draft Fees and Charges on 5 December 2018, with the exception of the refuse bag fee which was reported back to Council on 13 March for confirmation.
- The Fires in Open Spaces Bylaw – with the changes made by the creation of Fire and Emergency New Zealand (FENZ) the majority of the clauses within our current Fires Bylaw are redundant. There are a few clauses which refer to ‘smoke nuisance’ which are still required by Council’s enforcement team where FENZ do not have sufficient powers of enforcement. Council approved incorporating these clauses into the Public Safety Bylaw and revocation of the Fires Bylaw in November 2018.

- The Legal Highs, Gambling Venue and TAB Board Venue Policies were reviewed, and approved for consultation in December 2018.
- Earthquake Prone Buildings: priority thoroughfares and routes of strategic importance – Council approved the Statement of Proposal and maps on 30 January. Letters were sent to directly affected property owners in early February to ensure they are well informed and have sufficient time to ask any questions and prepare submissions.

Consultation on the above bylaws/policies opened on 20 March and will close on 22 April.

- Grants policies – an overall review of all policies to align with LTP in 2018 is needed (non-statutory), this project has begun with initial research taking place, it is expected staff will be able to workshop this with Council in 2019.
- The General Policies Reserve Management Plan sets objectives and policies which will apply to all reserves managed by Council. This Plan has a two-month consultation period from 20 February - 22 April. Staff are assisting Asset Strategy and Policy with the consultation process.
- Smokefree policy – staff are developing a policy encouraging public outdoor areas to be smokefree. This was workshoped with Council on 13 February and again on 20 March. This will be reported formally to Council for adoption in April/May.
- Housing strategy - A workshop was held with Council on 27 February. Council provided direction on the way forward with staff to report back with further information.

Provincial Growth Fund

- Project planning and formation of the governance groups for the Waharoa and Te Aroha projects is underway. A workshop was held with Council on 13 February to discuss project implementation. A further workshop took place on 13 March 2019. Council will be asked to formally approve the governance group terms of reference and appointments in March/April.

Annual Plan / Annual Report

- The draft 2019/20 Annual Plan was received by Council on 27 February. The draft Annual Plan will be available on Council's website throughout the consultation period (20 March – 22 April) despite not formally consulting on the Annual Plan but rather for informing the community.
- Annual Report - The first quarter report for 2018/19 was presented to Council in November and the six-month report was reported to COC on 27 February. The report was also presented to the Audit and Risk Committee on 12 March.

Long Term Plan

- The Long Term Plan along with a number of other documents were approved by Council on 27 June, these all came into force 1 July 2018. We are working on preparing a timeline for the 2021-31 LTP and will start working on initial population projections early 2019.
- Staff are working on preparing a timeline for the 2021-31 LTP and will start working on initial population projections early 2019.

Elections

- An Electoral Officer has been appointed for the 2019 Elections, this was reported to Council for confirmation in 2017.
- Staff have been involved in ongoing discussions regarding online voting. In December 2018 it was decided that the online voting trial would not proceed however the working

party would continue to work collaboratively with central government and the wider local government sector to deliver online voting for the 2022 elections.

- Staff have met with the Electoral staff from other Councils in the Waikato and are undertaking preparations for the elections.
- The Audit & Risk Committee considered the elections readiness 'Warrant of Fitness' and risk register, at its meeting on 12 March.

Grants

- The second funding round for the Community Ward Grants opened on 13 February and closed on 20 March. Councillors will meet by 10 April to determine these.
- The Significant Natural Features funding round opened on 20 March and closes 20 June.
- The Hinuera Rugby Club resource consent to build a viewing structure has had its resource consent approved and grant funds have been uplifted.

Youth

- A work programme has been set for the Volunteer Youth Ambassadors (VYA) and work is underway to identify priorities.
- The VYA have kicked off a project around youth mental wellbeing in association with Mike King's gumboot Friday.
- An application for Ministry of Youth Development funding has been submitted. The outcome should be known in April 2019.

Treaty Settlements

Hauraki Treaty Settlements - Ngāti Rahiri Tumutumu and Co-governance

- The Crown and Iwi of Hauraki signed a Collective Redress Deed on 2 August 2018. An update will be provided to Council when available.

Ngāti Hinerangi Treaty Settlements

- Ngāti Hinerangi and the Crown initialled a Deed of Settlement on 14 December 2018. An update will be provided to Council when available.

LGNZ Excellence Programme – Action Plan

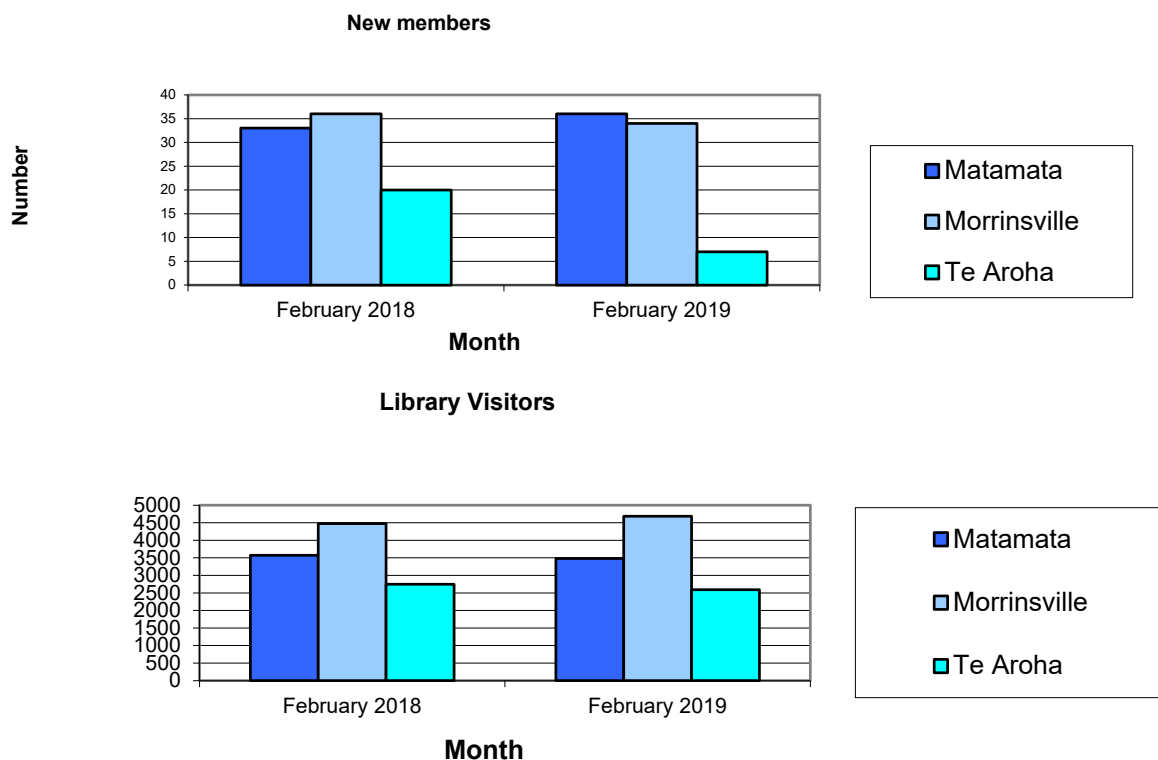
Areas for Improvement	Response
OVERVIEW – pages 4-5	
1 Information on the district's growth outlook currently is from moderate to high in the Council's view. To achieve buy-in for the Council's vision and to address the required pace and extent of change in the Long Term Plan for the district, councillors will need the most objective growth information available	Completed - This has been completed with Council adopting its growth projections in April 2017. A further review of growth will be completed for the 2021 LTP.
2 In the new Long Term Plan, Council performance needs to be driven by improved key performance indicators linked to the Chief Executive's performance agreement, which in turn links to management's key performance indicators.	Completed - This has been completed through the CE Performance Review Committee.
3 Opportunities for improved service delivery may be realised through more substantive operational reviews under s.17A of the Local Government Act.	Programmed - S17A reviews were completed August 2017. A new project plan for the ongoing reviews has been initiated.
4 The Council should further strengthen its financial and asset strategies, and link these more clearly to the Long Term Plan.	Completed - with the development of the Financial Strategy (FS) and the Infrastructure Strategy (IS) as part of the LTP project.
5 Future Council infrastructure expenditure is highly dependent on NZ Transport Agency (NZTA) decisions for the Waikato region. Looking forward, the Council needs to strike a careful balance between investment in transport and the three waters and a significant fixed-income rating base.	Completed - addressed through the FS and IS
6 Council and community would benefit from actively engaging with Māori/Iwi in economic development.	<p>Underway - Council has a manawhenua forum. The Forum has asked to review its Heads of Agreement with Council, and this is completed. Individual iwi agreements are also proposed to cover the latest RMA amendments as well as Council's broader engagement with iwi. Much of Council's future engagement with iwi, especially around economic development, will be dependent on the final outcome of treaty settlements and potential new co-governance structures. Council will explore future opportunities for engagement as and when they present themselves.</p> <p>Further engagement with Iwi has been undertaken through Council's Business Awards, the Matamata-Piako Civic Centre Project and Youth Awards. Council has also made an approach to Ngati Haua to develop an engagement agreement. Treaty settlement negotiations have been engaged in in good faith, updates on these can be found above.</p>

	<i>Iwi will also be engaged with on the Provincial Growth Fund projects, for Te Aroha and Waharoa. Council will give consideration to governance group appointments, including iwi members.</i>
7 The Council requires an overarching engagement and communications strategy.	Underway - This will be covered as part of the Communications and Events Activity Plan
Governance, leadership and strategy – pages 6-8	
8 There is a need for the Council to fully understand growth outlook for its district, and to translate its aspiration into a simple and clear vision for the Long Term Plan.	<i>Refer 1 under Overview.</i>
9 Not all councillors have undertaken governance training. More needs to be done on developing the knowledge and skills required for governance.	Underway - A training needs assessment will be undertaken.
10 The Annual Report would benefit from improved transparency, particularly of projects that were not completed.	Completed – Projects budgeted for in the current year and not completed have been included in the 2017/18 Annual Report to improve transparency. <i>These projects will also be considered when planning the following year's work programme in terms of existing commitment and capacity.</i>
11 The Council should ensure that major project investment decisions are supported by appropriate business cases	Underway - Work is currently underway on reviewing the Project Management framework, which includes improving our Business Case framework.
12 The staff satisfaction survey needs to be conducted independently	Completed - A new external staff survey has recently been undertaken. The survey is called AskYourTeam and is a continuous business improvement tool and allows for local government benchmarking. Results have been analysed and the overall results were very positive. Some opportunities for improvement have been identified and plans are in place to address these areas.
13 The Council should progress implementation of its health and safety policies to embed a strong culture of health and safety throughout the Council	Underway - An external audit of Council's H&S policies and processes has recently been conducted, and the recommendations are currently being pursued and implemented as appropriate.
Financial decision-making and transparency – pages 9-10	
14 The Council should separate its financial strategy ("why") from its financial plans ("how" and "what")	Completed - This will be addressed as part of the development of the new FS.
15 There is a need for greater clarity in evaluating investment activities undertaken by the Council.	<i>Refer 11 above.</i>
16 Budget variances and the carrying forward of uncompleted capital-expenditure projects should be more clearly reported	<i>Refer 10 above.</i>
17 The Council would benefit from zero-based budgeting	Underway - Executive Management to consider.

Service delivery and asset management – pages 11-12	
18 Asset renewal strategies should explain why each asset is important for the district, and what the options are for its future development	<i>This has been considered as part of the development of the IS and the individual AMPs. Business Cases are being prepared as part of the Capital Works programme development for the LTP.</i>
19 Council should make the cost and benefits of large proposed infrastructure investment (transport, stormwater, drinking water) clear to the district's residents and businesses.	Underway – <i>This has been addressed through the LTP Consultation Document</i>

2. Community Development Overview

2.1 Libraries



Libraries comments

New technology

- New security cameras have been installed at Morrinsville, which are of a much higher quality and provide visibility into areas we could not see well before, such as upstairs and outside the front doors. The quality of camera also allows us to print out and recognise challenging customers better, which was useful in a recent incident.
- Morrinsville and Matamata Libraries now have digital signage to allow for promotion of activities and resources. These are mounted on trolleys rather than fixed to a wall as in Te Aroha Library, allowing us flexibility about where we run our promotions and can therefore be used for programmes and events as well.

Our promotions and activities

- The Puzzle & Board Game Exchange held on Saturday 2 February at Morrinsville Library was well-received with 43 people attending to drop off or take puzzles. John Howlett, the Morrinsville community member, who liaised with library staff over this initiative, was pleased with the result and would like to work with us again for an expanded event in six months' time.
- Te Aroha Library staff have been consulting with the community regarding interest in a regular Lego Club at the library after school and there has been keen interest. Staff are currently working on a proposal.
- The Code Club trial at Matamata Library has now ended and was deemed a success with excellent attendance, although it was also challenging due to the limited numbers of children who brought their own devices with them and limited numbers of computers meaning many had to share. Before the club recommences as a regular programme, we are exploring ways of obtaining more digital devices to make it sustainable. We are grateful to MataDigital for the many hours of time and expertise they have given to this project.
- All three Little Free Libraries have now been installed, the latest being at the petrol station in Tahuna. The libraries were built for us by Graeme Porter of the Men's Shed in Morrinsville, to whom we pass on our thanks. The libraries are part of an international initiative of community book sharing. website describe themselves as "a non-profit organization that inspires a love of reading, builds community, and sparks creativity by fostering neighborhood book exchanges around the world. Through Little Free Libraries, millions of books are exchanged each year, profoundly increasing access to books for readers of all ages and backgrounds."



Community Garden, Rewi St, Te Aroha
Tahuna



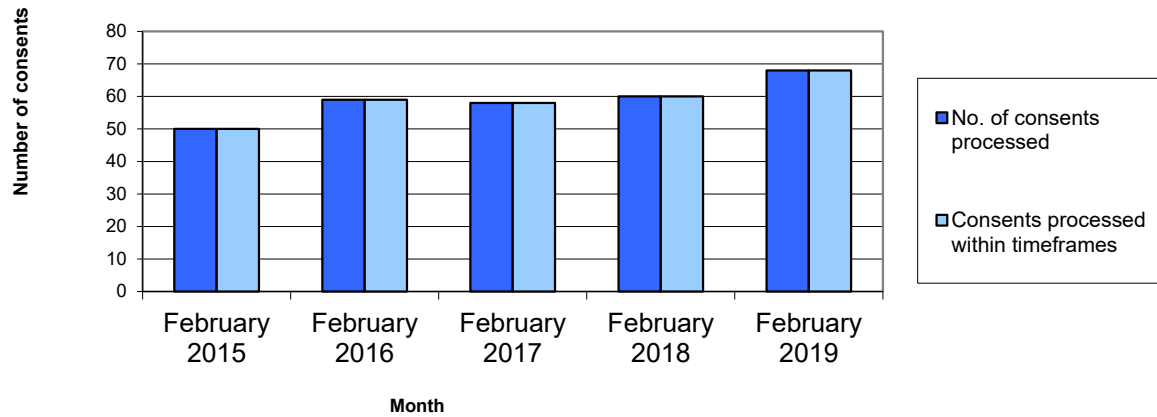
Giddle Earth Café, Seddon St, Waharoa



Tahuna GAS, Tahuna-Ohinewai Rd,

2.2 Building

Building consents processed

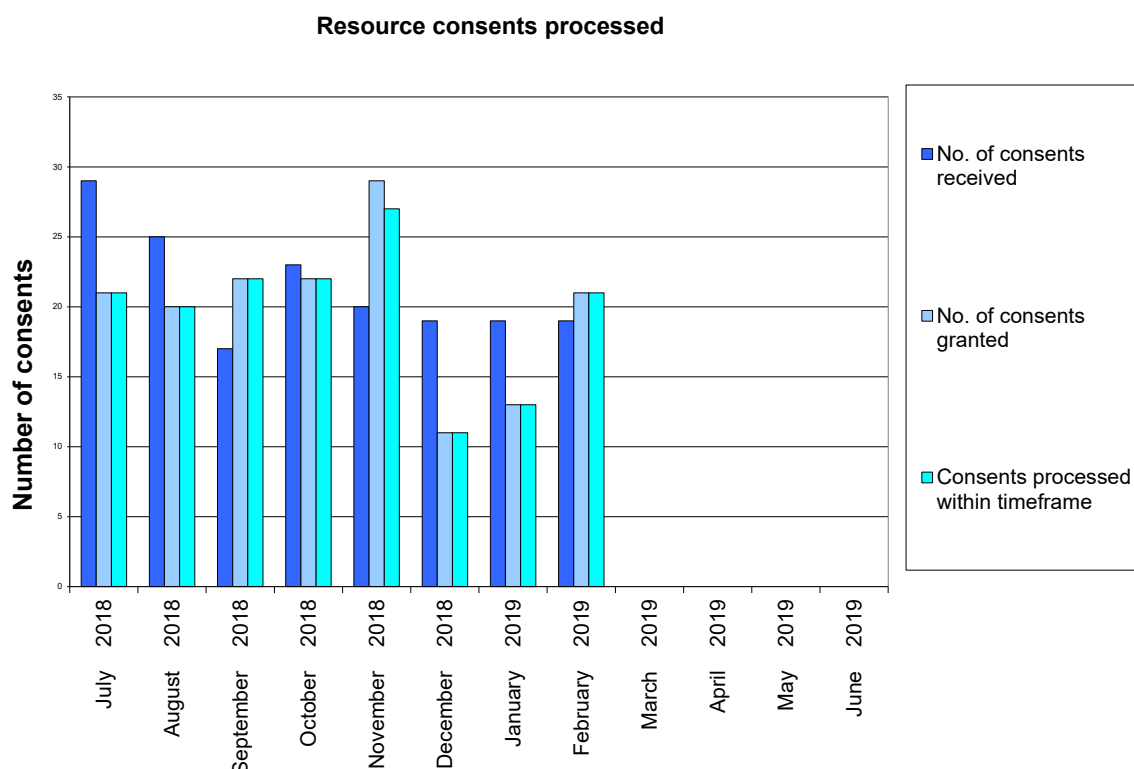


Building highlights and comments:

- All building consents were processed within legislative 20 day timeframe.
- Swimming Pool Inspections - 8
- Any other inspections or comments – Large projects for February 2019:
 - 17 Bay Goat Barn on Manawaru Road.
 - Free Range Broiler Shed on Wairakau Road, Te Aroha.

2.3 Planning

Resource Consents Resource Consents – February 2019



A report on resource consents received for February 2019 is included as Appendix B to this report.

In February, Council received 19 resource consents and granted 21 consents processed within the timeframe for the month of February 2019.

Limited or Publicly Notified Resource Consents:

There was one Limited Notified Resource Consents for February 2019.

RC Reference	Applicant	Property	Limited/ Public	Date Notified	Close of submissions	Pre- Hearing Date	Hearing Date
102.2018.11695.1	Shari Properties	432 Thames Street, Morrinsville	Limited	31/01/2019	01/03/20219	N/A	N/A

District Plan Policy

- Plan Your Town (PC 47) – Court assisted mediation was undertaken in February and no resolution was reach. As a result, this matter will be heard by the courts on the week commencing 29 July 2019. We are currently preparing our evidence as this needs to be circulated in May.
- Waharoa Zoning and Development (PC 49) – this is currently on hold and will follow the outcomes of the Provincial Growth Fund.
- Hobbiton (PC 50) – A hearing for this private plan change will be held in Matamata on the 8 and 9 April.

- Open Country Dairy (PC 51) – Council has made a decision on this private plan change and appeals to the Environment Court close this month. To date no appeals have been received.
- Tatua Dairy Company (PC 52) – We are just finalising this private plan change as all matter are nearly resolve. We hope to bring this to Council for a decision shortly.
- Settlements (PC 53) – We have engaged Planning works to assist us with this plan change and will be coming to workshop this plan change with you in April.
- Papakianga (PC 54) – We have engaged Boffa Miskell to assist us with this plan change and will be coming to workshop this plan change with you in March.

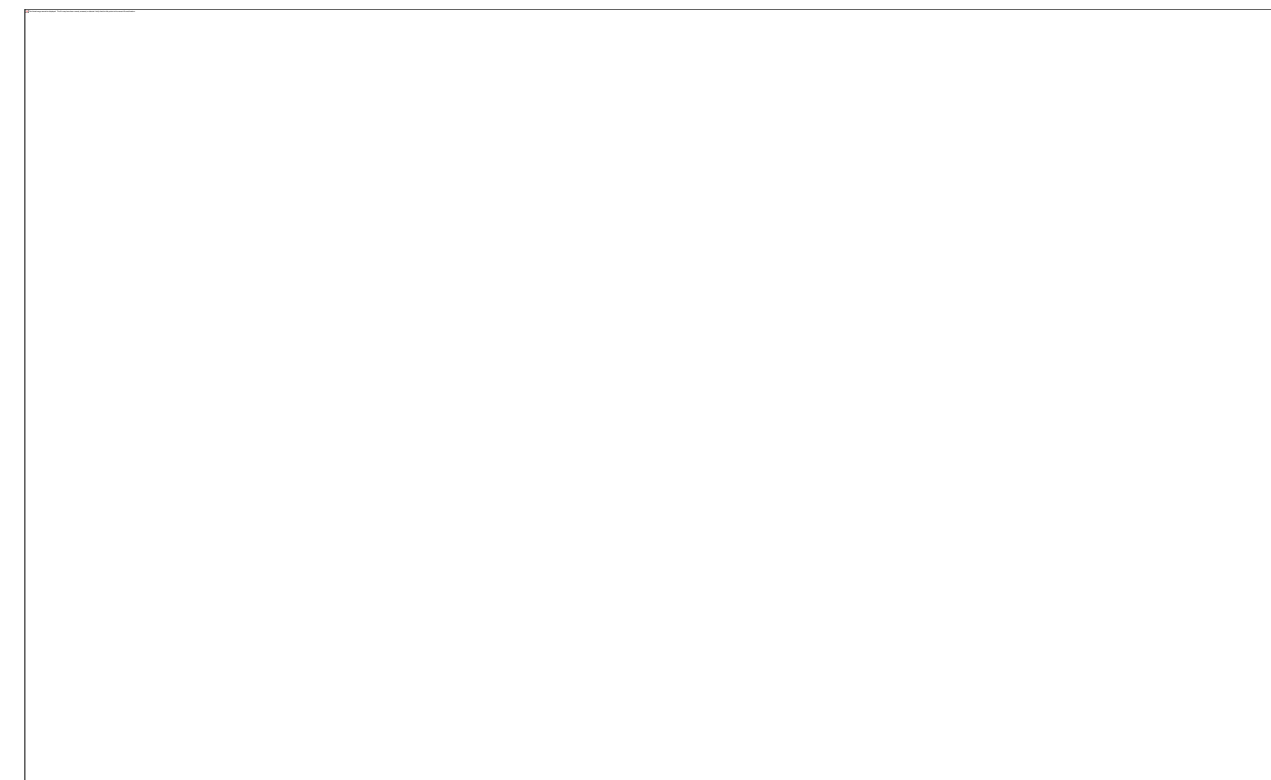
Health

- We are currently verifying all year two transitioning food businesses and are on track to have audited these premises by the end of March.
- We will be starting the health inspections for camping grounds, hairdressers and funeral directors in April.
- MPI have scheduled a compliance audit for us in June this year. This is similar to the building audit.

Noise

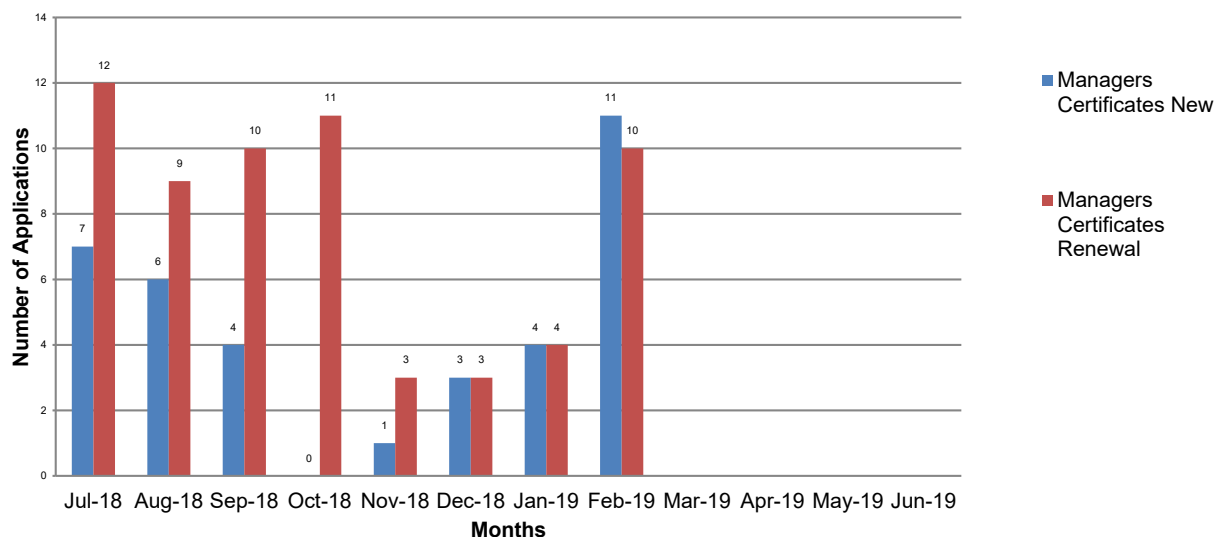
Noise Stats

	Feb-15	Feb-16	Feb-17	Feb-18	Feb-19
Matamata	11	15	18	20	10
Morrinsville	8	18	15	6	26
Te Aroha	10	9	2	4	4



Alcohol

Manager Certificate Applications



New/ Renewal Licences

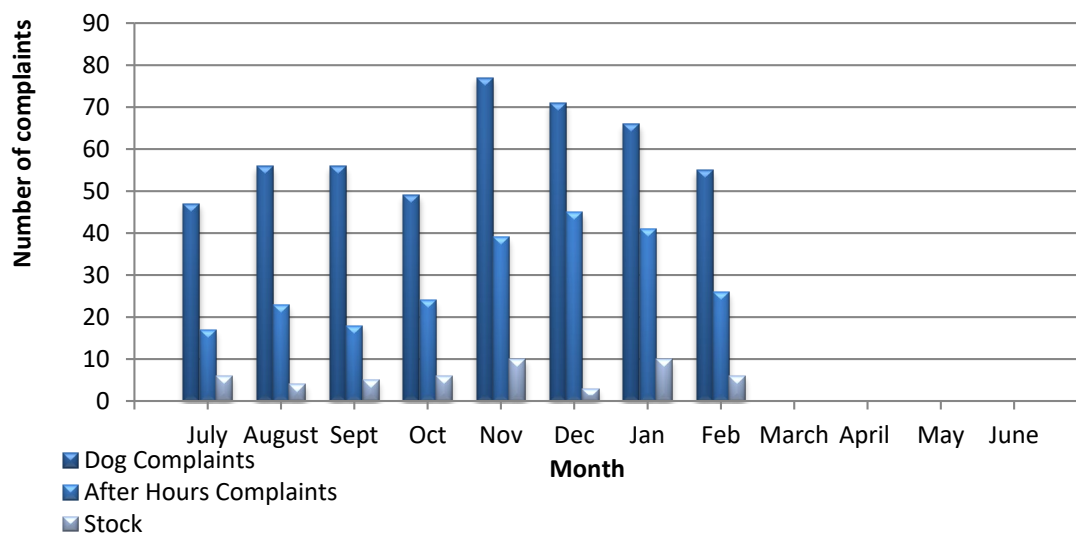
Agency Application Number	Applicant Name	Type of Licence
162.2019.1436.1	Te Aroha Four Square	Temporary Off Licence

Special Licences

Agency Application Number	Applicant Name	Event
162.2019.1432	Morrinsville Rugby & Sports	Morrinsville College Class Reunion
162.2019.1433	Te Aroha Little Theatre	'Watcher in the Shadow' Production
162.2019.1434	Morrinsville Little Theatre	'The Family' Production
162.2019.1435	Te Aroha Tennis & Squash Club	60 th Birthday
162.2019.1437	Te Aroha RSA	Anzac Day, Cindy from Samoa, Dennis Marsh
162.2019.1438	Tatuanui School PTA	100 Year Centenary

2.4 Animal Control

Animal Control Complaints 2018-2019

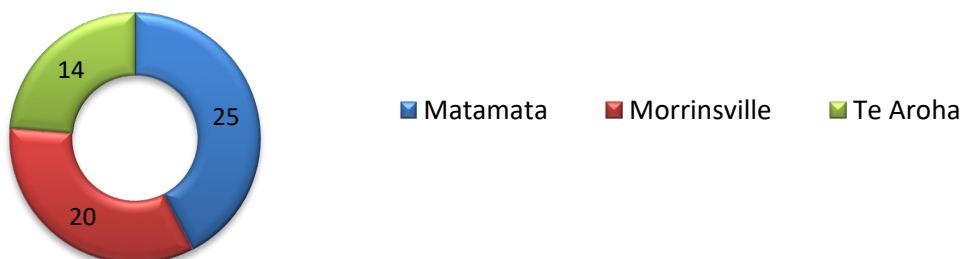


February Statistics

61 calls in total were received 25 Matamata, 20 Morrinsville, 16 Te Aroha

- 55 of these calls received were regarding dog complaints
- 6 of these calls were wandering stock calls
- 26 calls were received after hours
- 10 dogs were impounded during the month

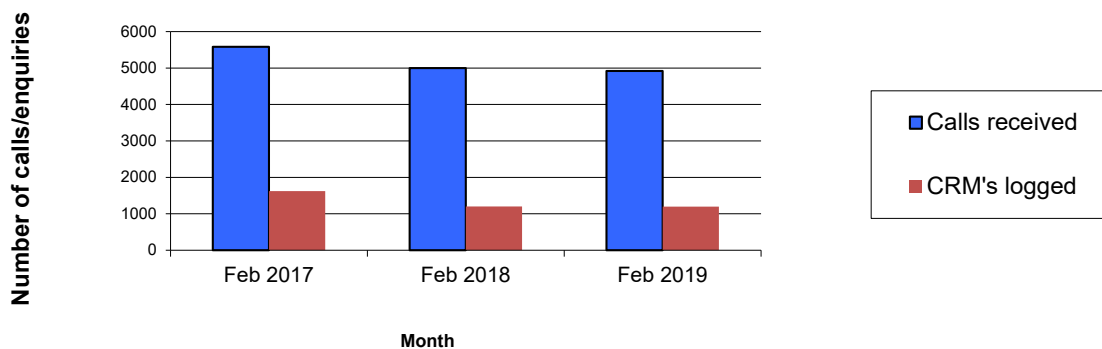
Complaints per Ward



3. Service Delivery Overview

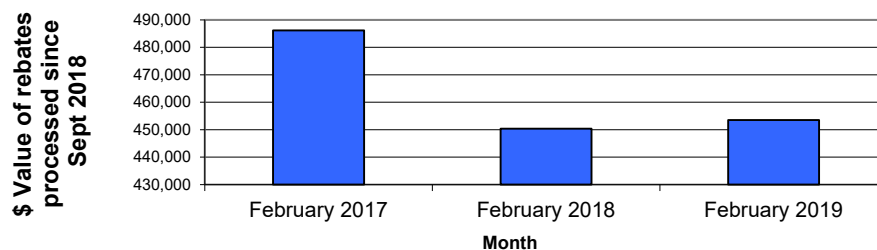
3.1 Customer Services

Customer Service Calls & CRM's logged

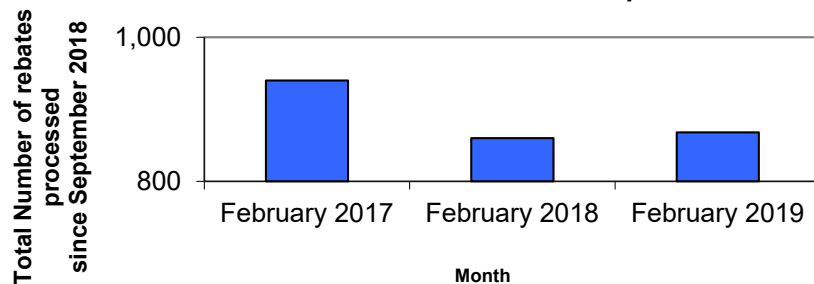


Rates Rebates

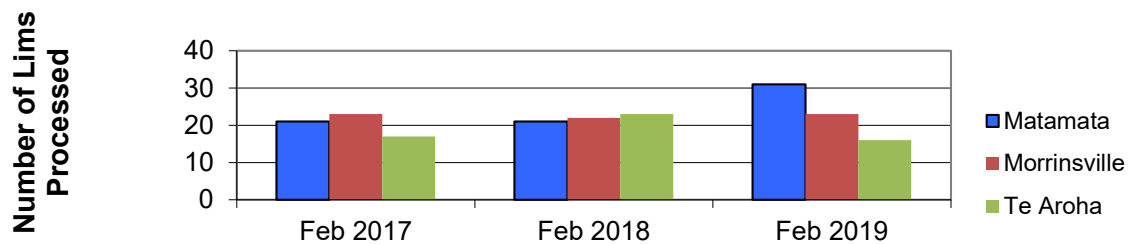
Rates Rebates - total value processed



Rates Rebates - total number processed



LIMs - Land Information Memorandum



LIM (Land Information Memorandum) – 70 applications were received in February, 29 of these were urgent requests.

3.2 Water and Waste Water

3.2.1 Water Team

Summary of Water Treatment Plant Compliance – February 2019

Plant	Protozoa	Bacteriological	Chemical	Resource Consents
Hinuera	Compliant	Compliant	Compliant	Compliant
Matamata Tills Road	Compliant	Compliant	Compliant	Pending ²
Matamata Burwood Road	Compliant	Compliant	Compliant	Compliant
Matamata Tawari Street	Compliant	Compliant	Compliant	Compliant
Morrinsville Waterworks Rd	Compliant	Compliant	Compliant	Compliant
Morrinsville Scotts Road	Compliant	Compliant	Compliant	Compliant
Tahuna	Compliant	Compliant	Compliant	Pending ³
Te Aroha	Compliant	Compliant	Compliant	Pending ³
Te Aroha West	In Progress ¹	Compliant	Compliant	Compliant
Te Poi	Compliant	Compliant	Compliant	Compliant

^{1, 2, 3} See below explanation for failed / pending results

Guideline to Compliance States:

Failed: True failure as a result of laboratory sampling or plant process failure.

In Progress: Technical failure, but a solution has been found and implementation is underway.

Pending: Technical failure and a solution has been found but not implemented (may require options assessment or further work).

Compliance Summary

1. Te Aroha West requires a catchment risk assessment (CRA) to achieve protozoa compliance; however, the project to deliver potable water from Te Aroha is due for completion in late April and the CRA will not be required.
2. Tills Road water treatment plant was technically non-compliant during parts of February in abstracting water and backwash discharging rates to the stream. Investigations are underway to determine how to overcome this issue.
3. Both Tahuna and Te Aroha exceeded their abstraction rates at times in February. Investigations have begun to determine the cause of these issues.

3.2.2 Wastewater Team

The following table shows the compliance status of the wastewater treatment plants. **Table - Overview of WWTP Compliance**

	Matamata	Morrinsville	Tahuna	Te Aroha	Waihou
RC Number	110031	118885	118187	120309.01.01	120703
Volumes, Flows	Compliant	Compliant	Compliant	Compliant	Compliant
Sampling & Effluent Quality Requirements	Failed	Compliant	Compliant	Compliant	Failed

- Waihou failed 2 effluent quality conditions. The plant is unlikely to achieve compliance without a major resource consent change. A project is underway that is looking at the feasibility in combining all the wastewater consents into one, and off-set failures at one plant to another. The first stage of this is due to be completed by the end of March.
- After 3 years of full compliance, Matamata will be non-compliant in 2018/19 due to two ammonia samples in November exceeding the maximum allowable limit. However, investigations has revealed the likely cause of these exceedances originate from a trade waste source that cause a toxic shock to the bacteria responsible for reducing ammonia in the discharge. The Wastewater Operations Manager is managing a project to mitigate this risk to ensure long-term compliance.

3.2.3 Water and Wastewater Projects

The following four projects are currently underway as they have been identified as critical or high-priority projects:

- **Te Aroha West Water Connection:** The project is 70% complete and due to finish by April 2019. The main pipe has been drilled and installation along Mace Road has began.
- **Te Aroha Water Treatment Plant Sludge Recovery:** The contract documents are still being prepared for tender: project design documents are due on the 19th of March, and is estimated to be completed by November 2019.
- **Scott Road Compound Pipework:** Heb Contractors have completed stage 1 of the project implementing the return of the up line to Mount Misery reservoir. Stage 2 investigations has begun which involves tidying up the 'y section' that was damaged in December 2017. This is expected to be completed by early June 2019.

- **Matamata Burwood Road and Tawari Street UV:** The main contractor has been selected and design received by the council. Scott Road UV installation is expected to begin on the week of the 18th of March with full project completion due by May/June 2019.

The Water and Waste Water Manager and his Project Manager are preparing a workshop presentation to provide an understanding of the scope and volume of projects underway in both these services.

3.3 Kaimai Consultants

Roading

Maintenance Contract – Fulton Hogan February 2019 activities – Contract 1985

Overview Report

- The cyclic crews continued with general maintenance of the network including Edge Marker Post and Culvert Marker Post replacements, rubbish removal, sweeping of entrance ways, cleaning culverts, pothole repairs, test pits and traffic control where required.
- The stabilising and hotmix crews completed a small number of programmed repairs in line with the remaining budget.
- The drainage crew completed repairs to culverts as required.
- We have met with Fulton Hogan to discuss the maintenance budget. They have been instructed to ensure that they monitor the budget closely and that there is no unauthorised over-expenditure of this budget. We too will be closely monitoring this budget.

Road Network Maintenance Contract 3/23/2192 2019-2022 (+2+2)

- Contract 1985 expires on 30 June 2019. A new Contract (3/23/2192) was put out to tender late 2018. The tender has now closed and the Tender Evaluation Team (TET) have completed the Tender Evaluation process.
- Fulton Hogan are the preferred tenderer. We had one pre-let meeting with them and they were asked to provide additional details / clarifications to some queries. We have a second pre-let meeting planned for 22 March.
- The goal is to award the new contract by late March 2019 for 1 July 2019 start.

Other Contracts and Activities

Contract No. 2191 Supply and Installation of LED Streetlights 2017/2018 Stage 2

- This contract was awarded to Downer New Zealand Limited and entails the replacement of 329 existing lights (scheduled) with LED lights in Morrinsville, Matamata and Te Aroha. 319 LED's have been installed to date.

Contract No. 2194 Supply and Installation of LED Streetlights 2017/2018 Stage 3

- This contract was awarded to McKay Limited and entails the replacement of 911 existing lights (scheduled) with LED lights in Morrinsville, Matamata and Te Aroha. 891 LED's have been installed to date.

Ron Ladd Place public carpark.

- This was awarded to Paul Steiner Contractors. Carpark now constructed, surfaced (asphalt) and line marked. Just street lights yet to be installed to complete. Our lighting consultants are looking at options. Ducting was installed in the pavement to save digging up the new carpark to install the power supply cables for the streetlights.
- Reseals – Contract 2098 – Fulton Hogan. This is a 2+1+1 Contract. Approx 95% reseals now completed. Just waiting for some remedial works on

- Road Marking – Contract 2177 - Roadmarkers New Zealand. Urban and Rural marking now complete.
- Signs – Contract 2119. Contractor – Directions (3+1+1 contract). Works ongoing
- Corridor Access Requests - Twenty Five (25) CAR's were processed in February.
- Overweight Permits - Thirteen (13) HPMV permits were processed in February.

Works Programme 2018/19

Package 1. Contract 3/23/2201 – Awarded to J Swap Contractors.

- Okauia Springs Rd (RAMM 1100-2500). Complete.
- Studholme St South (RAMM 20-660). Swaps have sub-contracted Fibre Networks to install new trunk water main and riser mains. There has been some delay in the watermain installation due to the process to work in the KiwiRail Corridor. A "Permit To Enter" (PTE) is required for work in the KiwiRail corridor. Initially we were told that because we were going to be working under the rail bridge where there was very low risk from trains we wouldn't need a PTE. Unfortunately that decision was overturned and we were then informed that we did need a PTE. Part of this PTE process is that everyone who will be working in the rail corridor has to go online and complete a lengthy induction process. This delay means that the watermain installation should be complete by the end of March allowing J Swap Contractors to start the Studholme Street rehabilitation late March to be completed by mid-May. We anticipate that there will be some claims from the contractor for delays. This is the main route into Morrinsville from the south. There will be some disruption and delays while the road works is being undertaken. Full traffic management will be in place.

Package 2. Contract 3/23/2202. Awarded to Broadspectrum. Start date to be confirmed once all documents provided and signed off.

- Matuku Rd rehabilitation (RAMM 700-1200). Complete.
- Matuku Rd rehabilitation (RAMM 4050-4640). Complete.
- Piako Rd rehabilitation (RAMM 3000-4225). Complete.

Package 3. Contract 3/23/2217. Currently out to tender. The tender closes 25 March.

- Tills Road slip repairs. This entails stabilising the bank, cutting in a platform, installing gabion baskets, backfilling back to road level and constructing a kerb and channel.
- Douglas Road pavement widening. This is to do some seal widening to improve safety on a crest where there have been a few near miss incidents.
- Valintine Road. A 400m section of pavement at the northern end of Valintine Road has deteriorated to a state where we have had to put up speed restriction and "Uneven Surface" signs. We have received prices from the Waikato District Council maintenance contractor as well as our maintenance contractor Fulton Hogan to undertake repairs on this pavement. We are about to formalise a Short Form Agreement with Fulton Hogan to proceed with the works.

Events and Road Closures

All Events within the Road Reserve are subject to formal approval by Council and NZTA (if held on a State Highway). Road Closures are subject to formal approval including advertising, insurance and traffic management approval. Non-Road closure are still subject to approval including insurance and traffic management approval.

Events – Non-Road Closure

- Piako Triathlon – 17 March. Avenue Road South and Scott Road. Approved including Traffic Management Plan.

Events – Road Closure

- Thames Valley Car Club has applied for a road closure for 31 March on Piakonui Road for a rally sprint event. This went through the formal process of advertising / asking for submissions. We had a submission from a resident of Piakonui Rd that I forwarded to Thames Valley Car Club for a formal response. Thames Valley Car Club discussed the issues raised and made a formal response that was sent back to the concerned resident. The resident has accepted the response from the car club and withdrawn his objection however he will be scrutinising the event to ensure the measures will be in place.
- Targa New Zealand has applied for road closures for three stages of the Targa Rotorua – Hawkes Bay 2019 tarmac motorsport event on 17 May 2019. A meeting was held with a representative from Targa and we will now advertise the proposed road closures for the three stages.
- ANZAC Day Services. Both Matamata and Te Aroha will be holding parades and civic services on Thursday 25 April. The closures have been advertised.

3.4 Kaimai Valley Services

3.4.1 Parks and Reserves

Gardens

- The annual beds have become stressed due to the combination of dry weather and water restrictions and as a result most of the annuals will be removed earlier than usual;
- All CBD gardens in the District have been deadheaded or pruned in preparation for another display during Autumn / before Winter;
- Half a dozen hanging baskets in Morrinsville that were showing signs of dying have been removed; the remaining baskets were deadheaded. However, the water restrictions were recently elevated to Level 3, so all the hanging baskets will be removed.
- Weed spraying of hard edges, park furniture and fence lines is underway and is being completed as part of the routine scheduled work.
- Work was completed tidying up the old part of the Piako Cemetery and cutting all the hedges.



Piako Cemetery hedge

- A second flag pole has been picked up and a base for the pole is being fabricated. The flag pole will be installed at Howie Park before Anzac Day.
- Recirculation of the pond water project in Howie Park has started and the recirculation pumps and pipes will be operational before Anzac Day.
- Safety cushion fall has been added to the playgrounds in Morrinsville, Te Aroha and Matamata will be completed in March
- Preparation for Te Aroha Domain day went well. There were a few extra one off maintenance tasks required, however, the bulk of the preparation was taken care off by the regular extra levels of service

Mowing

- The recent hot dry weather has finally slowed the grass growth, however, with the increased dust the mowers need to be cleaned more frequently to limit over heating;
- The slowing of the grass growth has also allowed the mowing team to assist with other Parks tasks i.e. they have started pruning berm trees and removing tree suckers in Matamata.
- A Turf Consultant has carried out the six monthly inspection of sports fields which identified a scheduled maintenance programme i.e. seeding, fertilising and spraying. The report has been sent to contractors carrying out the autumn renovations to obtain quotes for regular work.

- There was a meeting with a representative from Matamata soccer, regarding his concerns about the state of the training pitch at Pohlen Park and the risk of injury to players while practising. The Turf Consultant was also at this meeting and believes the risk of injury due to the playing surface is minimal.

Trees

- Arborcare have been contracted to carry out Privet control behind the Te Aroha Domain (zone F) and will work their way around to the Water treatment plant (Zones include A, B, C and D. This work will be prioritised by the available budget).



Te Aroha Privet Control Zones

Cleaning and Rubbish Collection

- The specifications for cleaning all the council buildings and facilities have been finalised. The two preferred contractors will now visit the various sites and then submit a price;
- The rubbish collection is now been carried out using the new compactor truck and the truck is operating well;
- Cleaning of all the CBD pavers in Morrinsville and Te Aroha was completed by Man & Machine.
- Hygiene Intensive Treatments or HIT-men contractors started carrying out biohazard control, decontamination, clean-up and restoration of toilets and urinals throughout the Morrinsville public toilets in February. *Note: This work was originally scheduled for October, however work was delayed until HIT-men contractors could regain their SHE approval.*

3.4.2 Retic and Works

CRM's

- The total number of CRM's received and completed during February is as follows:

	Water	Sewer	Stormwater	Works
Total Received	130	4	9	65
Total Completed	99	3	8	50

Retic

- Installed four new 20mm water connections;
- Contractors have made the following progress on the water main renewal works:

Location		% Complete	Comments
Te Aroha	Follis Street	100%	
	Carlton Street	100%	
	Lawrence Ave	100%	
	Barclay Ave	100%	
	Russell Ave	100%	
	Churchill Ave	100%	contract extended to 15 March 2019
	Wyatt Avenue	100%	

Works

- Footpath maintenance is completed as 100% of the maintenance budget has been used.

Building Maintenance / Renewals

- Owner Occupied Units:
 - Repaired water leak in the wall of a Maber Place unit.
 - Carried out repairs associated with Sale & Purchase Agreement of Wightman Place unit
- Te Aroha Domain Café safety issues relating to handrails: Inspected post and arranged date with the Lessee to remove the rotten post and replace with a new one.
- Asbestos sampling: There have been three samples taken at various sites to ascertain whether building materials to be replaced or repaired contain Asbestos before any work proceeds.
- Te Aroha Office:
 - Work commenced in mid-February on the staged replacement of existing Fluorescent Troffer and batten fittings with the LED equivalent. This involved 6am and 6:30am starts to allow the Electricians unhindered access.

- Significant planning and preparation work for the changeover of the existing Server Room A/C units. The standby wall mounted A/C unit has been replaced.
- Matamata Broadway Town clock North facing motor replacement: The various contractors have been coordinated; TMP submitted (and awaiting NZTA approval) for a partial road closure on March 19th to carry out the repairs.

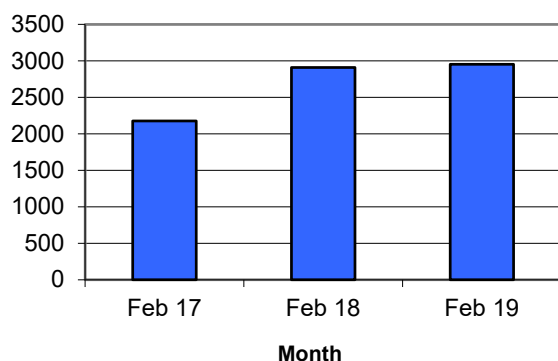
Plant/Vehicles

- Argus (Council's GPS provider) have developed a measure to record the number and severity of speeding events of Council's fleet and report this as risk points per vehicle per month. For February, MPDC is reporting 18 risk points per vehicle per month (Argus Industry Average is tracking at 61 risk points per vehicle per month);
- The supplier of the compactor truck completed the Health & Safety training for this plant item.

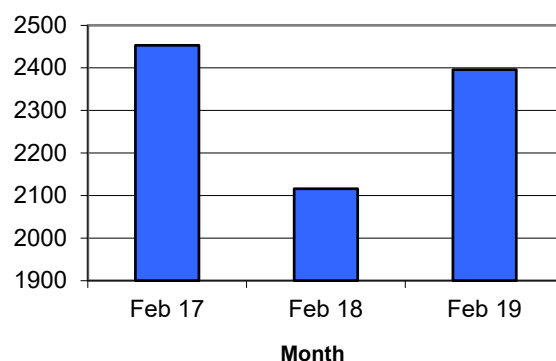
4. Business Support Overview

4.1 Community Facilities Operations

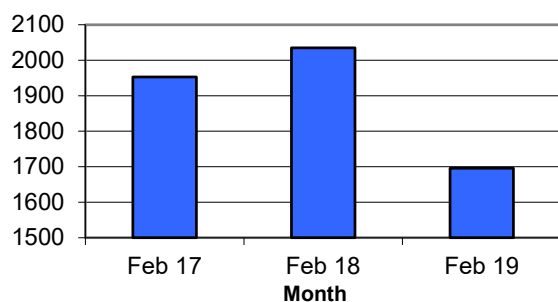
Te Aroha i-SITE
Number of visitors
Door counter



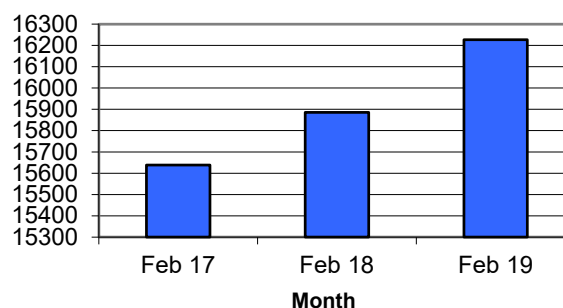
Swim Zone Te Aroha
Cash Register Reports
Number of visitors



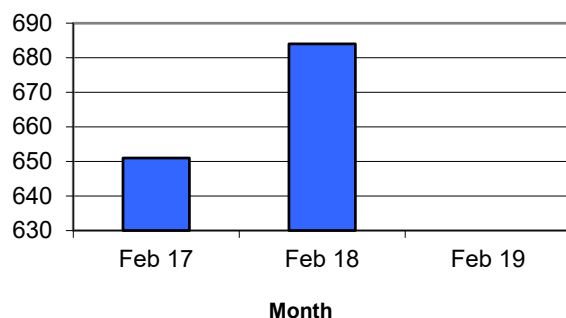
Te Aroha Mineral Spas
Cash Register Reports
Number of visitors



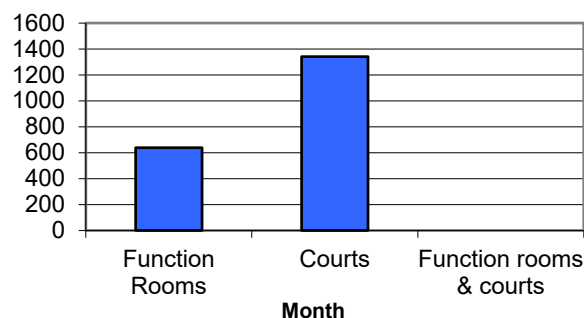
Swim Zone Matamata
Cash Register reports
Number of visitors



Firth Tower Visitor Numbers (manual count)



Silver Fern Farms Events Centre
Users & Spectators
February 2019



Te Aroha Mineral Spas

- Visitor numbers are down this month likely due to hot weather conditions.

Firth Tower Museum.

- The reserve has been busy this month with increased numbers of campervans staying overnight. Groups of visitors have also increased this month.

Swim Zone Matamata.

- The pools have been very busy this month with School swimming sports and learn to swim programmes.

Swim Zone Te Aroha

- Learn to swim programme has commenced this month with good numbers of students attending.

Swim Zone Morrinsville

- The pools have been very busy this month with School swimming sports and learn to swim programme. Waitangi Day was very busy with excellent weather and large numbers of swimmers'

Matamata Aerodrome.

- Air training Corps have had two training days for gliding and powered aircraft this month. Gliding competition rescheduled to March.

Te Aroha i-SITE Visitor mix 59% Domestic; 41% International. Figures slightly up on this time last year. Feb traditionally quieter than Jan with Kiwis back at work.

Domain Pavilion

- Repairs are complete and regular users keas/ cubs and pilates are back in the pavilion

Domain House

- No users this month.

Silver Fern Farms Events Centre – Users this month:

- Te Aroha Basketball Assn, Te Aroha Netball, COBRAS Netball, Waihou Netball, Social badminton, Volleyball, civil Defence, Hauraki Rail Trail, Lorna Jane pop up shop, Inghams Enterprises, Te Aroha Kahui Ako Principals Assn. NZ Motor Caravan Assn. Rally

4.2 Assets Strategy and Policy

Development contributions and LIMS

- Development Contributions processed - (37) Building Consents, (0) PIMs (5) Landuse Consents, (7) Subdivision Consents

Parks & Facilities

- The Draft General Polices Reserve Management Plan is out for public consultation until 22 April
- A drop-in style information session about the aerodrome management plan review was held at the Civic Centre on Saturday, 2 February. More than twenty people popped in during the morning. More than 20 written suggestions about the plan were received. This process has raised issues that will require further investigation, discussion with the Civil Aviation Authority and legal advice to ensure that the plan is robust and meets relevant legal requirements.
- Staff attended a public meeting at Walton Hall to discuss the aerodrome RMP process and hear residents' concerns about frequency of aircraft movements and associated noise.
- A drop-in style session was held at Morrinsville Museum on 25 February 2019 to gain feedback from the community about what they like/don't like about Howie Park to inform further design and investigations into options and priorities. Parking and access were the main issues raised. Options to be investigated further and costs estimated before workshopping with Council. A landscape development plan can then be finalised and the allocation of the LTP funding prioritised.
- Staff from Xyst consultants conducted surveys at the Morrinsville A&P show about the Morrinsville Recreation Ground and Howie Park. Data from these surveys to feed into the landscape development plan processes.
- Staff and an agronomist from the NZ Sports Turf Institute met with representatives of Matamata Swifts Association Football Club at Pohlen Park and Matamata Domain. There is a difference of opinion as to the suitability of Pohlen Park as a training field and whether the level of service provided is adequate. Swifts' representative did not think the field is maintained to an appropriate level. NZ Sports Turf Institute were of the opinion that it is adequate for use as a training facility for the level of soccer that Swifts play. Swifts also potentially want to relocate sportsfield lights from Pohlen Park to Matamata Domain. This is likely to require resource consent. Awaiting further detail on the proposal from Swifts.
- Sanitary Services Assessment is progressing. Physical condition rating of toilets has been completed. Toilet observations and user surveys at selected toilets underway. A workshop is planned on the results late March/ early April.
- Staff met with a representative of the NZ Motorcaravan Association following the Motorhome Rally held in Te Aroha. They were very complimentary of Te Aroha as a location for this type of event and expressed an interest in potentially developing a dedicated area for their members in Te Aroha. It was suggested they write to Council to outline their aspirations and requirements. It is also understood that they wish to have a rally at Boyd Park again next year.

Roading

- Waipa DC Speed Limit Bylaw was out for consultation.
- Requested pricing for analysis of Bridge Load Capacity from incumbent Bridge Inspection Consultant for two bridges. Br 54 Tauhei Rd & Br 120 Waiheke Rd which have been identified require strengthening.
- Staff attended the East Waikato Road Safety Action Plan meeting in Thames. There was concerns raised re SH29/Hopkins Rd and also SH26 and Avenue Rd. The question being

asked was what is NZ Transport Agency (NZTA) doing to address the issues and why is it taking so long. Also Speed Management was a hot topic.

- Staff met with the Governance Group for the Stock Truck Effluent transfer station at the intersection of SH24 & SH29 at the foot of the Kaimai. Previous registration of interest for the disposal of waste was not very successful and only a 3 respondents with not much detail on the disposal methods. The registration document that the Regional Council put together did not assist in providing enough direction. Staff advised the group that the option of transferring the waste to a treatment plant has considerable costs if it is actually possible for the treatment plant to process the effluent. And that the transport cost will far exceed the \$ 30,000 cap that WRC and NZTA have budgeted for. This has been flagged with the Regional Council as a potential issue.
- MPDC hosted the Road Efficiency Group meeting in Te Aroha. This was a step towards ensuring each of the Waikato Road Controlling Authorities are progressing their Improvement Plan for the next Activity Management Plan (2021-2024)

Utilities

- Backflow – we have now received 109 private certificates and 16 for council installations. There are some 123 private and 52 council properties still outstanding that should have been completed by 31 December 2019.
- We have been in discussion with the Waikato District Health Boards and are seeking legal advice as to options to enforce backflow requirements.
- Some progress made on reviewing the Business Continuity Plans (and the Solid Water one has been completed).
- Stormwater problems and issues continue to take up significant time.
- A draft of changes required to the District Plan to adopts the regional document has been completed but now needs to be put through the district plan change.
- Investigations for the MV Bore have been completed on site, which show the exact location of where the diviners said to drill are not recorded and that it is impractical to drill on or near Taukoro Rd due to power wires, proximity of other bores and lack of head. Now looking at the end of Cobham Drive just inside the Lockerbie land. Waiting on other staff to catch up with the diviner and mark an exact location for drilling.
- Have served a notice on KiwiRail to unblock their culvert of Gordon Road which they have passed on to their lessee who is understandable reluctant to comply.
- Have been involved in obtaining tenders for the supply of electricity through an All of Government Tranche and waiting on acceptance by Council on the recommendations.

Council Consents Received Report

Type(s): 100 - Resource Management , 101 - Subdivision , 102 - Landuse , 103 - Certificate of Compliance , 104 - Designations ,

Start Date: 01/02/2019

End Date: 28/02/2019



Printed: 04/03/2019

RC NUMBER	APPLICANT	DATE LODGED	CONTACT	ADDRESS	WARD	PROPOSAL	ACTIVITY STATUS	NOTIFICATION
102-2016-11289-2	Mr Thomas Watson	12/02/2019	Totalspan East Waikato - JEDD Holdings Limited	11 Puriri ST Te Aroha	Te Aroha Urban	Construct a garage within 5m of front boundary	Restricted Discretionary Activity	Non Notified Application
101-2018-11692-2	Mr Richard Swann	13/02/2019	Align Surveyors	110 Steele RD RD 1	Te Aroha Rural	Variation to change access condition on subdivision	Discretionary Activity	Non Notified Application
101-2018-11746-1	Bellmont Farm Limited	04/02/2019	Align Surveyors	Starkey RD RD 1	Morrinsville Rural	Create two lifestyle lots and a rural balance lot from three existing titles	Non Complying Activity	Non Notified Application
101-2019-11770-1	Mr Darryl Houghton Houghton Homes Limited	05/02/2019	Blue Wallace Surveyors Limited	92 Lorne ST Morrinsville	Morrinsville Urban	Create two residential lots	Non Complying Activity	Non Notified Application
102-2019-11770-1	Mr Darryl Houghton Houghton Homes Limited	05/02/2019	Blue Wallace Surveyors Limited	92 Lorne ST Morrinsville	Morrinsville Urban	To erect a second dwelling prior to subdivision; to encroach the height to boundary requirement.	Non Complying Activity	Non Notified Application
102-2019-11781-1	Mr Graeme Martin	08/02/2019	Ekco Drafting Limited	234 Matuku RD RD 2	Morrinsville Rural	Construct a second dwelling for a farmworker	Controlled Activity	Non Notified Application
101-2019-11789-1	Westmorland Estate	05/02/2019	Harrison Grierson Consultants Limited Hamilton	State Highway 27 RD 1	Morrinsville Rural	Rural Boundary relocation	Discretionary Activity	Non Notified Application
103-2019-11790-1	Mr Kane Hunia Ms Natasha Snowdon	07/02/2019	Barr & Harris Surveyors Limited	14 A Beatty RD Matamata	Matamata Urban	Construct a second dwelling	Certificate of Compliance	Not Applicable
103-2019-11792-1	Mr Martin Heathcote	08/02/2019	Terra Consultants (CNI) Limited	14 Augusta PL Morrinsville	Morrinsville Urban	PBA to encroach side yard setbacks and HIRB	Permitted Boundary Activity	Not Applicable
101-2019-11793-1	Ms Gaylene Spencer	11/02/2019	GeoMetrix Limited	Tauhei RD RD 5	Morrinsville Rural	To create two rural lifestyle lots and two balance lots (one to be amalgamated) from three existing titles	Non Complying Activity	Non Notified Application
102-2019-11794-1	Miss Annette Tuhakaraina	12/02/2019	Bennett Homes Limited	12 Gillett RD Waharoa	Matamata Rural	Construct a new dwelling in the rural zone encroaching the front and side yard requirements	Restricted Discretionary Activity	Non Notified Application
103-2019-11795-1	Signature Homes	13/02/2019	Signature Homes Hamilton - Parangon Building Limit	Sunridge Park RD RD 5	Morrinsville Rural	Construct a dwelling encroaching the side yard requirement on a Rural-Residential Lot with site specific setbacks	Permitted Boundary Activity	Not Applicable
102-2019-11796-1	Matamata-Piako District	13/02/2019	Xyst Limited Napier Office	Rapurapu RD RD 3	Matamata Rural	Upgrade of Rapurapu Reserve	Discretionary Activity	Non Notified Application
101-2019-11799-1	Mr Glenn Gower	15/02/2019	Barr & Harris Surveyors Limited	450 Mowbray RD RD 1	Matamata Rural	Create a rural lifestyle lot and rural balance lot	Restricted Discretionary Activity	Non Notified Application
101-2019-11801-1	Mr Lloyd Wilson Mrs Anne Wilson	19/02/2019	Barr & Harris Surveyors Limited	88 A Taihoa South RD RD 3	Matamata Rural	Rural Lifestyle lot and boundary relocation/Small Rural Lot	Restricted Discretionary Activity	Non Notified Application
102-2019-11802-1	Mr Samuel Carey Miss Zara Davies	18/02/2019	Built By Bennett Limited	16 Campbell ST RD 3	Te Aroha Rural	To construct a building which will encroach the front yard setback requirement	Restricted Discretionary Activity	Non Notified Application
102-2019-11803-1	Ms Martine Fletcher	19/02/2019	Ms Martine Fletcher	166 Hangawera RD RD 5	Morrinsville Rural	Convert Childcare to accommodation	Discretionary Activity	Non Notified Application
101-2019-11805-1	Mr Stephen Pemberton Mrs Sandra Pemberton	21/02/2019	Barr & Harris Surveyors Limited	72 Harding RD RD 1	Matamata Rural	Rural Lifestyle lot and small rural lot	Restricted Discretionary Activity	Non Notified Application
102-2019-11806-1	Meadowbay Farm Limited	22/02/2019	Barr & Harris Surveyors Limited	194 A Maungatapu RD RD 1	Morrinsville Rural	For a second dwelling associated with a farming activity	Controlled Activity	Non Notified Application

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

The following motion is submitted for consideration:

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

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 follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

C1 Electricity Supply Contract

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. .	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

C2 Provincial Growth Fund

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. . s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). .	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

C3 Office of Treaty Settlements

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage,	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for

	negotiations (including commercial and industrial negotiations).	which good reason for withholding exists under section 7.
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