

Agenda 2020

Performance, Audit and Risk Committee

Date: Thursday, 26 March 2020
Time: 2.00pm – 3.00pm
Venue: Council Chamber
200 Tuam Street, Christchurch



Adopted by Council 11 April 2019

PERFORMANCE, AUDIT AND RISK COMMITTEE

TERMS OF REFERENCE

1. MEMBERSHIP AND QUORUM

a) The Committee shall consist of

- at least five Councillors; and
- at least one independent member (that is, a member who is neither a Councillor nor a staff member, appointed to the role by the Council).

Council can appoint additional members for a period of time when their appointment is deemed necessary for the Committee to discharge its function.

The quorum shall be three members.

2. OBJECTIVES

The objectives of the Committee are to assist the Council to provide oversight of:

- a) financial and non-financial reporting including strategic performance management and operational performance,
- b) risk management (including cash and investment management),
- c) internal control systems including compliance with laws and regulation,
- d) satisfying itself about the existence and quality of cost-effective internal control and risk management systems, and the proper application of processes; and
- e) the external audit process, including:
 - monitoring the Council's external and internal audit process;
 - engaging with Council's external auditors regarding the external audit work programme and agreeing the terms and arrangements of the external audit;
 - reviewing the effectiveness of the annual audit and 10-year plan audit;
 - monitoring management responses to audit reports and the extent to which external audit recommendations concerning internal accounting controls and other matters are implemented.

3. ATTENDANCE AT MEETINGS

- a) Unless otherwise requested the Chief Executive and the Director of Finance and Corporate Services are to attend meetings.
- b) Other parties, including other members of the Council, may be invited to attend by the Committee to assist the Committee in its work.
- c) The public are welcome to attend any meeting of the Committee, except for any part of a meeting where the public are excluded for the reasons set out in the Local Government Official Information and Meeting Act.
- d) External Auditors may attend meetings during the year.

- e) External Auditors (or Internal Auditors) may request a special meeting, if they consider this to be necessary.

4. DELEGATED POWERS

The Committee is authorised by the Council to:

- a) review matters within its Term of Reference,
- b) seek information that it requires, within its terms of reference, from the Chief Executive who is required to co-operate with appropriate requests made by the Committee,
- c) request access to outside legal or independent professional advice should it consider this necessary to meet the objectives set out in its terms of reference. Such independent advisors may attend meetings if so requested,
- d) undertake other such matters of a financial nature that the Committee may from time to time deem important; and
- e) make recommendations to the Council on matters outside of the Committee's delegated powers.

5. RESPONSIBILITIES

Responsibilities of the Committee shall be:

5.1 Financial Reporting including Strategic/Operational Performance Management

- a) Review the Annual Report, the draft financial statements and groups of activities prior to being finalised by the External Auditor.
- b) Consider any changes in accounting policies, standards or reporting requirements requiring Council approval.
- c) Review financial and non-financial results during the year and the progress towards the achievement of strategic priorities and levels of service (these measures and targets are subject to audit under the Local Government Act).
- d) Review the cost effectiveness of major programmes in delivering Environment Canterbury's contribution to strategic priorities and levels of service.
- e) Review the contributions from Government and other organisations. The Council's role is facilitating contributions from those organisations to achieve strategic priorities and levels of service in partnership with Environment Canterbury.
- f) To set criteria and review portfolio budgets, early in the budget cycle, to understand the reasons behind budget decisions and to ensure that budget proposals have been systematically and rigorously analysed, and to make recommendations that expenditure is required to meet strategic priorities.
- g) Receive and review reports on the performance of other Council commercial activities, including properties leased or rented to external parties.
- h) Consider matters relating to rating and other funding.
- i) Maintain an overview of our financial reserves policy to deal with unexpected financial contingencies.
- j) Maintain overview of contingent liabilities.

5.2 Risk Management (including cash and investment management)

- a) To review the risk management process to ensure the system for identifying, assessing, monitoring, mitigating and reporting strategic risks and key operational risks is adequate.
- b) To ensure risk management is integrated into strategic and operational management as business as usual.
- c) Appoint and review at least three yearly the Funds Manager contract in regard to the management of investment funds and as a result of that review, to determine that the contract may be extended or retendered.
- d) Review the performance of the investment portfolio, annually.
- e) Maintain an overview of overdue debt management.
- f) Maintain an overview of risk associated with Council-controlled trading organisations, if any exist.

5.3 Internal control systems including compliance with laws and regulation

- a) Consider any matters referred to it by an internal audit function.
- b) Review the proposed Annual Programme for the Internal Audit and recommend to Council.
- c) Satisfy itself about the existence and quality of cost-effective internal control systems and the proper application of procedures.
- d) Act on suspected or actual fraud and ensure failings or weaknesses that are identified from any review of internal controls have been, or are being, remedied.

5.4 External Audit

- a) The Auditor-General is the appointed External Auditor, in accordance with section 29B of the Public Finance Act 1989. The Committee must ensure it complies with both the Public Finance Act 1989 and Public Audit Act 2001. The Auditor-General is also auditor of all Council-Controlled Organisations, per section 70 of the Local Government Act 2002.
- b) Ensure that the provision of non-audit services by the External Auditors does not impair the auditors independence or objectivity.
- c) Discuss with the External Auditor, the nature and scope of the audit and review the Auditor's quality control procedures and changes in regulatory or other requirements.
- d) Review the External Auditor's management letter, ensuring that management's responses are adequate.
- e) Consider other matters referred to the Committee by the Council.

6. REPORTING PROCEDURES

- a) The Committee shall be accountable to the Council, in relation to the Committee's activities and responsibilities.
- b) The Committee shall review the Terms of Reference periodically or as circumstances require.
- c) The appointment of 'other appointee' (refer 1(b)) to the membership of the Committee shall be a decision of the Council.

Performance, Audit and Risk Committee

Membership

Committee Chair: Cr John Sunckell

Environment Canterbury Councillors:

Chair Jenny Hughey

Cr Claire McKay

Cr Ian Mackenzie

Cr Megan Hands

Cr Grant Edge

Independent Member: Graeme McGlinn

Performance, Audit and Risk Committee

Table of Contents

1. Apologies.....	9
2. Conflict of Interest	9
3. Deputations and Petitions.....	9
4. Risk	10
4.1. Health and Safety	10
4.2. Risk Standing Report.....	18
5. Performance	19
5.1. Action List	19
5.2. Rangitata Flood Recovery update	21
5.3. Healthier Homes Canterbury Performance Report.....	25
5.4. Public Transport Finance Update	33
5.5. Portfolio Financial Report February 2020	42
5.6. Financial Health Reports February 2020	51
6. Notices of Motion	59
7. Extraordinary and Urgent Business.....	59
8. General Business.....	59
9. Questions	59
10. Next Meeting.....	59
11. Closure.....	59

- 1. Apologies**
- 2. Conflict of Interest**
- 3. Deputations and Petitions**

4. Risk

4.1. Health and Safety

Performance, Audit and Risk Committee (PARC) Report

Date of meeting	26 March 2020
Author	Matthew Bennett Principal Health and Safety Advisor
Endorsed by	Miles McConway Director Finance and Corporate Services

Purpose

1. To provide a summary of information on Health and Safety matters to the Performance, Audit and Risk Committee.

Recommendations

That the Performance, Audit and Risk Committee:

1. Receive the Health and Safety Governance Report.

Summary

Attachments

1. 200310 H+ S Report - Governance - February [4.1.1 - 7 pages]

Health and Safety Report: February 2020

Summary

- The last health and safety report to the Performance, Audit and Risk Committee was on the 27th of February. This report covers all events and activities from the 31st of January to February 29th 2020.
- Over the past months a number of significant developments have been rolled out in support of the Health and Safety Framework. Much of the work in February focused on imbedding the changes and tuning them to be more efficient.
- Occupational health also saw some attention through February. While this is of a lower concern for Environment Canterbury it is a cause of potential chronic (long term development) harm and is critical to pay attention to. Our occupational health provider will be supporting us in ensuring that ECan workers are suitably supported in this area.
- **Sixteen incidents have been reported since the last report** (January 2020): Seven insignificant, four minor and 5 moderate events. Ten of these have been closed, five are open and one is overdue. The overdue item is delayed staff on leave.

Health and Safety Strategy Work Programme

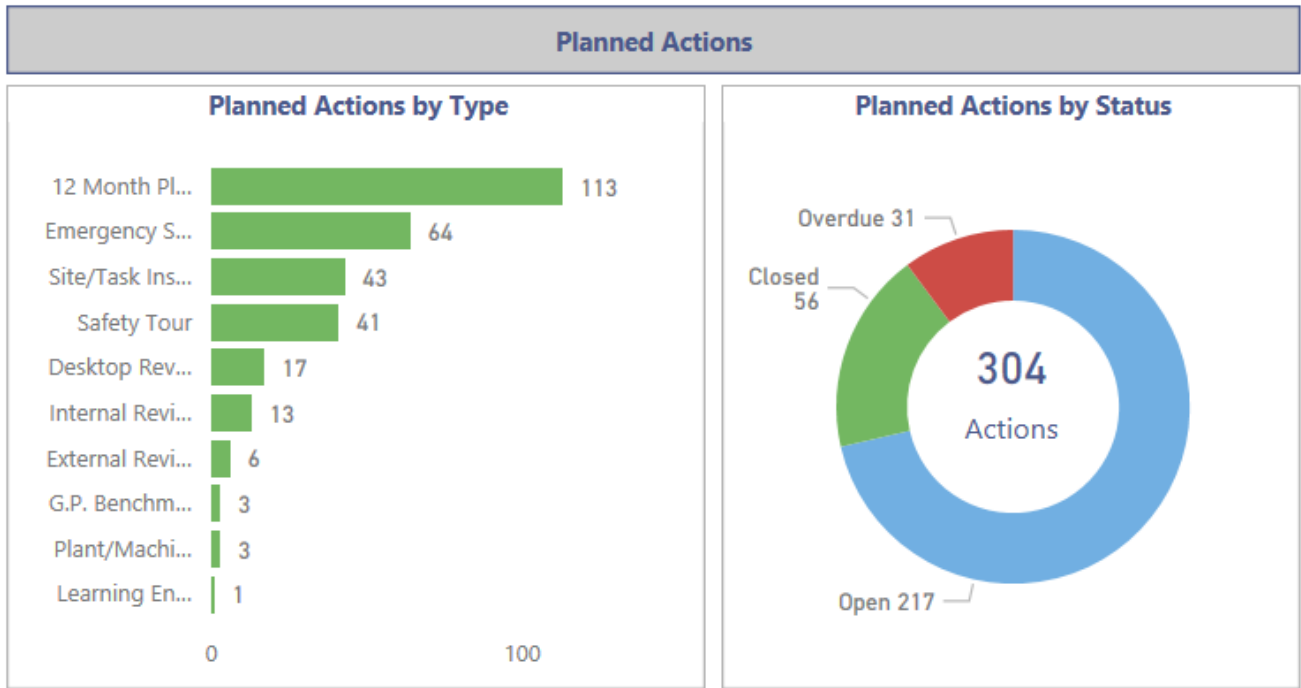
Strategy Update

Title	Description	Status	Status Comment	Progress to Date
Information and Data Management	Develop a digital tool to record, report and track progress and performance on H+S	On schedule / no issues	The primary work has been completed and gone live (Section H+S Planning tool). The final stage: development of H+S Dashboards required the data collected from the plans. This is underway and will go into testing towards the end of November, with an intention to go live in December 2019	95%
Visible Safety Leadership	Regular Safety Tours by Directors and Senior Leaders	On schedule / no issues	Safety Tours have now been incorporated into the Section H+S Plans and progress will be reported as a part of the lead indicator data.	100%
Information Sharing	Improving the methods of sharing health and safety information and learnings	Scoping	After implementing some additional methods of sharing information, we monitored its effectiveness. A number of events through August to October highlighted the need to for additional mechanisms and informed what to develop.	25%
Safe Systems of Work	Safe systems of work: Development, reviewing and updating of safe systems of work for all tasks / activities that expose Environment Canterbury workers to potential harm.	Minor delays / issues	The development of SSoW has been slow, primarily due to identifying what activities required to be documented. With the digital H+S plans this barrier has been overcome and accountability has been introduced. Progress will be reported as lead indicator data	25%
H+S4PL	Health and safety training for senior leaders: Develop an H+S training package for People Leaders	Complete	The initial courses were delivered to all identified People Leaders. The training is now in a BAU status and where it will be provided twice annually to all new People Leaders.	100%
Incident Management	Incident management and learning: Improve the quality of incident management and implementation of learnings	Minor delays / issues	Linked to the 'Information Sharing' item above, we are looking at how incidents can be shared in a timely manner to ensure that all people are well informed and able to act.	35%
Corrective Actions	Improvement and corrective actions: Develop and utilise an effective method for improvement and corrective actions including alerting and escalation of actions and reporting on progress	On schedule / no issues	An improvement and Corrective Actions Register and associated workflow has been built in SharePoint and is currently being tested - anticipated to go live towards the middle to end of November 2019	85%
Training and Competency Data	Training and competency data: Develop a training management system that enables clear view of training requirements and currency	Delayed / issues	This item has been identified as a high priority and work will begin on it in earnest in the new year.	20%
Contractor Management	Contractor management: Develop a centralised database and supporting resources to enable effective contractor management in line with the contractor management protocol.	Design	Resulting from a learning enquiry in August and the acceptance of a recommendation a significant piece of work is being led by the Risk and Business Improvement Manager that will increase H+S assurance in this area.	30%
Worksite Monitoring	Worksite inspections: Inspection Environment Canterbury worksites and activities as planned in the Section H+S Plans	On schedule / no issues	Targets for worksite inspections is now set in the H+S Plans and progress reported as a lead indicator	100%
H+S Survey	Health and safety staff survey: Designing of surveying method for collecting worker input on the performance and effectiveness of HSMS and Strategy. Survey results used to drive a feedback	Design		20%
Lone / Remote Worker Tracking and Communications	Develop and implement an 'All of Environment Canterbury' hardware, IT platform and process to implement the Critical Risk Rule: Lone / Remote Work	Design		25%

Lead Indicators

Lead indicators are any measure, data or information that provides an insight into performance without a system failure occurring.

Our Planned Actions provide a measurable event where we will intentionally look at how work is being undertaken under normal conditions.



56 actions have been closed since 1st November (H+S Plan year), up from 44 since last report.

There has also been an increase in overdue actions (31, up from 20). There are a range of reasons for this trend, some unavoidable. Overall however the intention is to avoid actions becoming overdue so a range of responses have been put in place including: monthly updates to Senior Leaders, alerting them to actions due within the next six week period, coaching individuals assigned actions and providing additional resources to individuals within overdue tasks.

Improvement and Corrective Actions

The Improvement and Corrective Actions Register and associated workflow is now live and in use. Work is underway to enter information / data from previous reports, inspections and other sources that generate improvements and learnings. Subsequently the information in the table below is not a complete picture of all the work that is currently underway.

It is worth noting that an audit date has been added to each event. Upon completion (closing) of a task, the system automatically schedules an audit date that prompts for a follow up check to ensure that the improvement or corrective action is in place and effective. Once done the status will be changed to 'Audited'. This process provides an additional layer of assurance to health and safety.

Title	Group	Source	Risk Category	Status	Date for Re-inspection
Space Utilisation	Operations	Site/Task Inspection	Buildings & Facilities	Overdue	
Allocate usage, remove excess contents	Operations	Site/Task Inspection	Buildings & Facilities	Closed	28/05/2020
Develop / Design and storage (shed utilization) plan	Operations	Site/Task Inspection	Buildings & Facilities	Closed	25/05/2020
Back Yard	Operations	Site/Task Inspection	Buildings & Facilities	Closed	25/05/2020
Office, Smoko-Room and Main Workshop	Operations	Site/Task Inspection	Buildings & Facilities	Closed	25/05/2020
Implement the 'Critical Risk Rules - Machinery	Operations	Learning Enquiry	Machinery	Overdue	
Learning Presentation:	Operations	Learning Enquiry	Machinery	Overdue	
Stock take, divest, categorise and organise all contents	Operations	Site/Task Inspection	Buildings & Facilities	Closed	26/05/2020
Install suitable shelving	Operations	Site/Task Inspection	Buildings & Facilities	Overdue	
Open Shed	Operations	Site/Task Inspection	Buildings & Facilities	Overdue	
Yard – Waste removal	Operations	Site/Task Inspection	Buildings & Facilities	Overdue	
Yard – Boundary	Operations	Site/Task Inspection	Buildings & Facilities	Overdue	
Back Yard – Waste removal	Operations	Site/Task Inspection	Buildings & Facilities	Overdue	
Back Yard – lines of sight	Operations	Site/Task Inspection	Buildings & Facilities	Overdue	
Crew and Trainee Oversight	Operations	Learning Enquiry	Machinery	Overdue	
Develop 'SOP's' for use of powered tools	Operations	Plant/Machine Inspections	Machinery	Overdue	
Oil filling station	Operations	Site/Task Inspection	Electricity	Overdue	
Fire Extinguishers	Finance & Corporate Services	Site/Task Inspection	Buildings & Facilities	Closed	24/04/2020
Spring Cleaning of Storage	Finance & Corporate Services	Site/Task Inspection	Buildings & Facilities	Overdue	
Worksite Monitoring	Operations	Learning Enquiry	Machinery	Overdue	
Anchor Shelving	Finance & Corporate Services	Site/Task Inspection	Buildings & Facilities	Closed	23/04/2020
Boundary Blockwork	Finance & Corporate Services	Site/Task Inspection	Buildings & Facilities	Closed	23/04/2020
Replace Shelving	Finance & Corporate Services	Site/Task Inspection	Buildings & Facilities	Closed	23/04/2020
New Flammables Cabinet	Finance & Corporate Services	Site/Task Inspection	HSNO	Closed	23/04/2020
Re-wire Garage Door opener	Finance & Corporate Services	Site/Task Inspection	Buildings & Facilities	Closed	24/05/2020
Install a ground (door end) and high vent (back wall).	Operations	Hazard Report	HSNO	Overdue	
Workstation Assessment	Finance & Corporate Services	Learning Enquiry	Progressive Harm	Ready for Audit	

Lag Indicators

Lag indicators refers to any measure resulting from a failure. In the context of Environment Canterbury these are principally incidents.

Incidents from 31 January to February 29 2020:

Title	Date	Group	Section	Risk Category	Risk sub-category	Status	Actual Harm
Neck Strain	28/02/2020	Finance & Corporate Services	Governance & Legal Services	Progressive Harm	Workstation Ergonomics	Closed	Moderate
Motorbike Fall	25/02/2020	Operations	FS - Biosecurity	Transportation	Land - Motorbike	Closed	Minor
Unhitched Trailer	25/02/2020	Operations	FS - Parks & Forests	Transportation	Land - Trailer	Closed	Moderate
Uncooperative Landowner	21/02/2020	Operations	FS - Biosecurity	Personnel Security / Public Threat	Off-site	Open	Insignificant
Strained Lower Leg	20/02/2020	Science	Environmental Science & Hazards	Environment	Terrain	Open	Moderate
Mosquito Bites	18/02/2020	Operations	Zone Delivery	Environment	Insect	Closed	Insignificant
Plant Moving	18/02/2020	Operations	Public Transport	Buildings & Facilities	Non ECan Property	Closed	Minor
Public Threat on ECan Property	18/02/2020	Operations	Regional Support	Personnel Security / Public Threat	Onsite	Closed	Insignificant
Flammable Atmosphere	17/02/2020	Operations	FS - Flood Protection	HSNO	Flammable	Open	Insignificant
Bee Sting	16/02/2020	Operations	Harbourmasters Office	Environment	Insect	Closed	Insignificant
Floating Obstacle	13/02/2020	Operations	Zone Delivery	Water	Lake	Closed	Insignificant
Boat Slip	12/02/2020	Operations	Harbourmasters Office	Transportation	Water - Boat	Open	Minor
Buoy strains back	7/02/2020	Operations	Harbourmasters Office	Other	Manual Handling	Closed	Moderate
Flat Tyre	5/02/2020	Science	Groundwater Science	Transportation	Land - Car	Closed	Insignificant
Rolled Ankle	4/02/2020	Operations	FS - Flood Protection	Environment	Terrain	Overdue	Moderate
Achilles Strain	4/02/2020	Operations	FS - Biosecurity	Environment	Terrain	Open	Minor

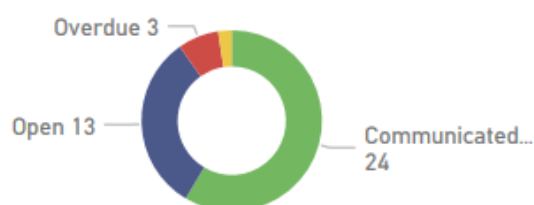
Year-to-date Summary

1 November 2019 – 29 February 2020

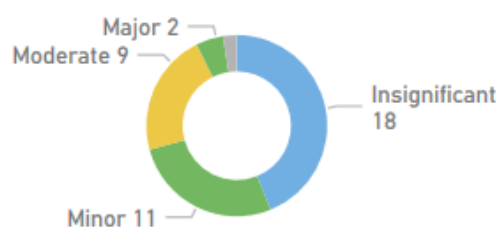
Incident by Impact and Group (Table)

	Insignificant	Minor	Moderate	Major & Catastrophic	Total (by Group)
Communications and Engagement	-	-	-	-	
Finance and Corporate Services	2		1		3
Operations	12	10	6		28
Science	3		2		5
Strategy and Planning		1			1
Contractors			2		2
Non-Workplace				2	2
Visitor / Public	-	-	-	-	
Total (by Impact)	17	11	11	2	41

Incidents by Status



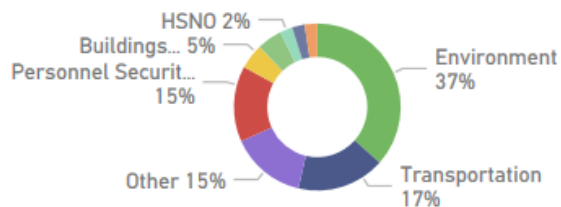
Incidents by Actual Harm

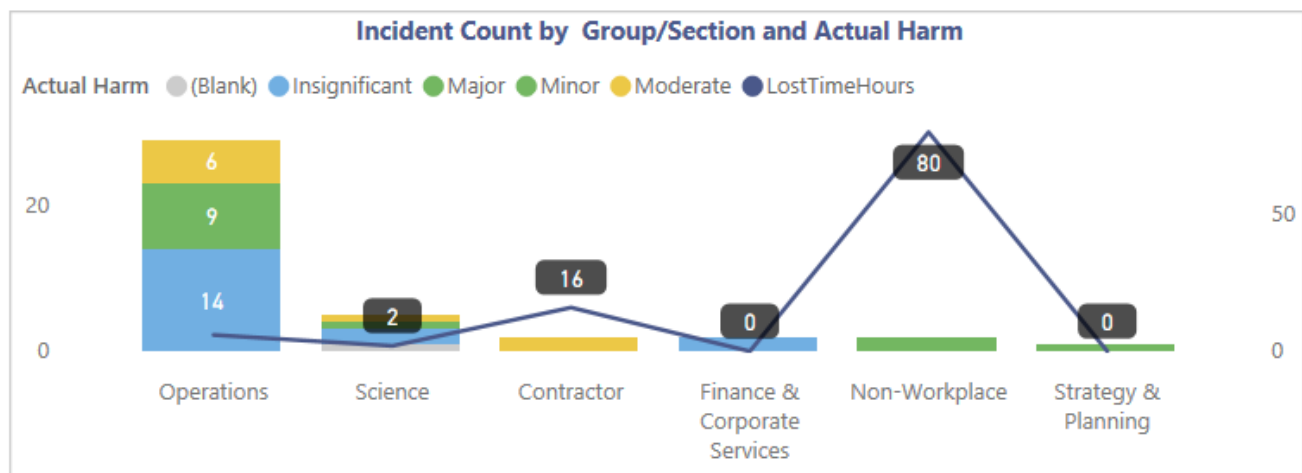
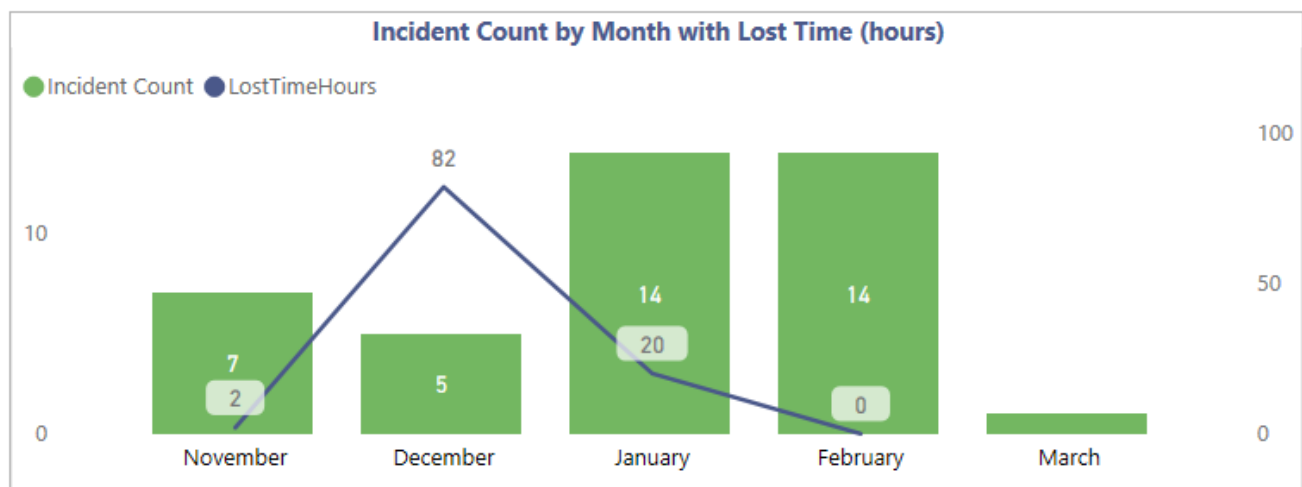
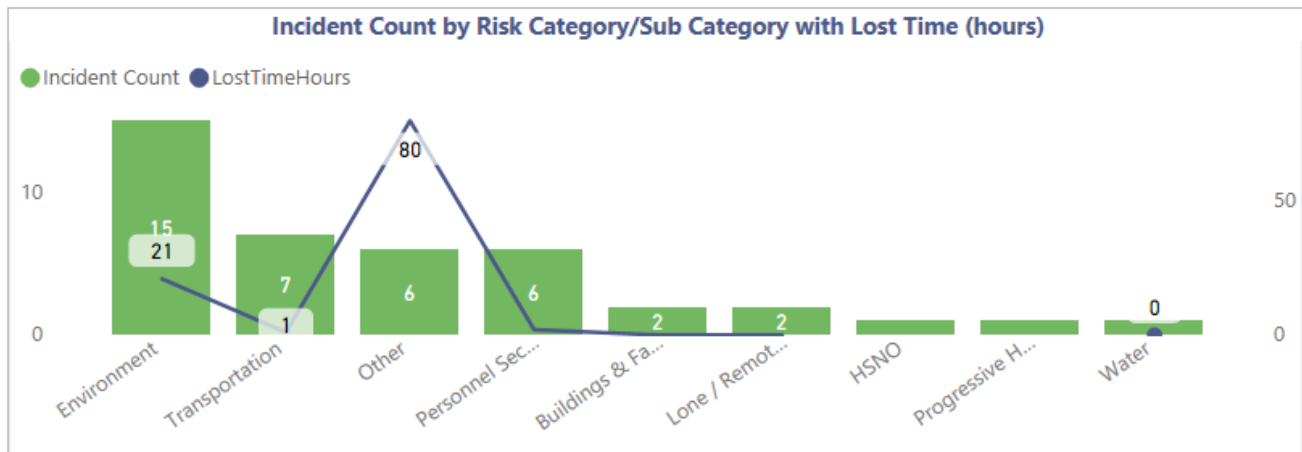


Incidents by Potential Harm



Incidents by Risk Category





4.2. Risk Standing Report

Performance, Audit and Risk Committee (PARC) report

Date of meeting	26 March 2020
Author	Nicholas Hill

Purpose

1. This report is a standing item to update the Committee on Environment Canterbury's risk management programme and provide a forum for the Committee to raise concerns.

Recommendations

That the Performance, Audit and Risk Committee:

1. Receive this report as an update on risk management activities.
2. Advise staff:
 - 2.1. that there are no issues requiring additional risk assurance, or
 - 2.2. specify issues that require risk assurance reports.

Key points

2. Active risk management is underway in response to COVID-19 preparedness.

File reference	[SharePoint link for this paper]
Peer reviewers	[Names of two peer reviewers who have reviewed this paper]

5. Performance

5.1. Action List

Performance, Audit and Risk Committee (PARC) report

Date of meeting	26 March 2020
Author	Nicholas Hill, Risk and Improvement Manager
Endorsed by	Miles McConway, Director Finance & Corporate Services

Purpose

1. The purpose of this report is to record matters raised at the Performance, Audit and Risk Committee meetings that require substantial follow up actions and to provide delivery times and accountability.

Recommendations

That the Performance, Audit and Risk Committee:

1. receives the Action List

Attachments

- PARC Action List

Performance, Audit & Risk Committee Action List

Status Key: Not started In progress Complete

No.	Action	Source	Responsibility	Status
1	<u>Public Transport</u> : Total Mobility trends nationwide – context setting	PARC 28/11/2019	Stewart Gibbon	
2	<u>Finance</u> : Sensitive Expenditure report presentation and consider audience	PARC 28/11/2019	Catherine Schache	

5.2. Rangitata Flood Recovery update

Performance, Audit and Risk Committee (PARC) report

Date of meeting	26 March 2020
Author	Leigh Griffiths, Manager River Engineering Katherine Harbrow, CFO
Endorsed by	Nadeine Dommissie, Chief Operating Officer Miles McConway, Director Finance & Corporate Services

Purpose

1. The nationally significant Rangitata River flood event in December 2019 has put the rating district budget under stress and additional unbudgeted funds are required to restore scheme integrity and build future resilience.

Recommendations

That the Performance, Audit and Risk Committee:

1. **Recommends to Council to approve acceleration of the general rate funded Rangitata Scheme review by bringing it forward into the 2020/21 Annual Plan.**
2. **Recommends to Council to approve in 2019/20 \$100,000 transfer from general reserves to the Rangitata rating district to reduce the debt held by the Rangitata scheme and to ensure we maintain excellent support as we continue to assess essential repairs.**
3. **Recommends to Council to approve an overspend in 2019/20 of \$50,000 to cover the Timaru District Council share of emergency river works and fund this overspend from the Rangitata rating district debt at this point.**

Background

Rangitata Scheme Review

2. Accelerating the Scheme Review is essential so that scheme objectives, funding, infrastructure requirements and community expectations can be well managed and critically looked at in a holistic manner.
3. The 2019/20 budget (\$166,000) has already been fully committed for completing the Halswell/Hurutini, Ashley/Rakahuri and Kaikoura scheme reviews.

4. Overall, the scheme review programme is currently behind schedule with Selwyn/Waikirikiriri, Opihi and Pareora all earmarked to consume the budgeted \$170,000 for 2020/21.
5. Scheme reviews are a critical tool to address future river resilience including the anticipated impacts of climate change. It is not considered fair or appropriate for other communities to wait longer for their much-needed scheme reviews if the 2020/21 budget is diverted to the Rangitata.
6. Given the significant resources the Rangitata scheme is already commanding it is also efficient to optimise resources now by being able to continue and enhance technical work. The scheme review process would also be complimentary and well timed with the biodiversity braided river work both the Department of Conservation and Environment Canterbury have commissioned (braided river plans).

Rangitata River Rating District budget

7. The scheme had spent the majority of its annual maintenance budget (\$250,000) before the December 2019 event responding to a series of smaller flood events, erosion repairs and maintenance of assets.
8. The emergency response fully utilised the scheme reserves of \$204,000 and the scheme is now expected to be between \$225,000 to \$475,000 in debt with further repair work still to complete.
9. A technical report refining the scope of works to be completed as well as their cost will be completed by the end of March. This further work could be in the order of a further \$1 million dollars just to restore the scheme to the standard it was pre flood event.
10. The scheme review would address potential betterment or a change in level of service to increase the resilience of the scheme.

"In principal" agreement with key agencies for emergency works

11. Environment Canterbury successfully negotiated a cost-share agreement with key infrastructure owners and local authorities to share the \$687,000 of emergency in river works which primarily consisted of water diversions and the installation of gravel bunds.
12. The parties to the agreement are Environment Canterbury (Rangitata River Rating District), NZTA, Kiwi Rail, Rangitata South Irrigation Ltd, Transpower, Ashburton District Council and Timaru District Council. All have committed to their cost share except Timaru District Council who have cited their own significant costs for the event as a barrier. In order to maintain the integrity of the agreement with other parties (who have all been invoiced) and to support the South Canterbury community given the national significance of the event it is recommended that Environment Canterbury cover the Timaru District Council share at this point.

13. Environment Canterbury has organised and is leading a further meeting with key agencies on 31 March 2020 to discuss further work needed and if any further financial arrangements can be negotiated.

Cost, compliance and communication

Financial implications

14. Environment Canterbury has elected to “self-insure” for flood protection services. Environment Canterbury mitigates flood event risks by maintaining financial reserves.
15. The Environment Canterbury Reserve Policy provides for specific financial level that should be held in reserves. This policy also allows reserves to be replenished over time to reduce the burden on rate payers and this can be undertaken over a three to five-year period
16. River scheme reviews are funded through general rates as there is a wider public benefit. The 8+4 forecast and proposed general reserve replenishment in the current year's budget is estimated to be in a position to cover this earlier than expected call on funds.
17. The \$50,000 TDC contribution will be funded from the Rangitata River rating district debt at this point.
18. As part of the 2020/21 Annual Plan deliberations in May 2020, estimated future work costs should be available for discussion.

Significance and engagement

19. Key agencies are being consulted on 31 March 2020. A hui with Arowhenua Runanga has been held to ensure appropriate engagement and communication. A further joint hui with Arowhenua, the Department of Conservation and LINZ has been scheduled for mid-April 2020.

Consistency with council policy

20. This recommendation is in line with council policy to gain financial delegation for overspend.

Next steps

21. If the committee agrees:
 - a. Technical work will be accelerated to support the scheme review.
 - b. Timaru District Council will be informed of Environment Canterbury's decision and ongoing consideration of funding will be undertaken.

- c. All other parties will be informed at an interagency meeting on 31 March 2020. This should allow Environment Canterbury to front foot the meeting and hopefully lead to further cost share arrangements.
- d. Environment Canterbury will continue to support the national conversation on flood protection co-investment with Central Government to seek a longer-term solution for all flood schemes in Canterbury and New Zealand. Other potential options – such as the Provincial Growth Fund – may be looked at once the scheme review is complete.

Attachments

Nil

File reference	[SharePoint link for this paper]
Peer reviewers	Shaun McCracken, Regional Lead River Engineering

5.3. Healthier Homes Canterbury Performance Report

Performance, Audit and Risk Committee (PARC) report

Date of meeting	26 March 2020
Author	Clare Pattison
Endorsed by	Tafflyn Bradford-James

Purpose

1. To provide an update on the performance of Healthier Homes Canterbury.

Recommendations

That the Performance, Audit and Risk Committee:

1. receives the performance report for Healthier Homes Canterbury.

Attachments

1. HHC Performance Report March 2020 FINAL [5.3.1 - 7 pages]

File reference	[SharePoint link for this paper]
Peer reviewers	[Names of two peer reviewers who have reviewed this paper]

Healthier Homes Canterbury Performance

Background

The Resource Management Act 1991 (RMA) requires Environment Canterbury to safeguard 'the life-supporting capacity of air'. Under the Act and other statutes, we also must promote Canterbury people's social, economic and cultural wellbeing and their health and safety.

The Canterbury Air Regional Plan (CARP) outlines the policies and rules for reducing emissions, which is our statutory approach to fulfilling our RMA requirements. A major source of air emissions is home heating, so this is a key focus in the CARP. In implementing the plan, we are providing assistance where genuine need exists¹ while ensuring that existing higher emitting home heating technology is phased out over a timeframe that enables householders to plan for the change.

A key driver in Canterbury for high home heating emissions has been the social norm of using a fire to heat a home, rather than building a warm home², and these fires inevitably pollute the air. This has been compounded by houses that were not built appropriately for the Canterbury environment, resulting in cold, damp houses. Owners of cold houses tend to favour fires over electric heating and use fires more frequently³.

Environment Canterbury provides assistance through subsidies and through the Healthier Homes Canterbury scheme. Healthier Homes Canterbury is a voluntary targeted rate that can be used for the installation of home heating, insulation and/or ventilation.

Environment Canterbury developed the scheme in 2017 to support the achievement of air outcomes and the objectives of the CARP.

The Long-Term Plan 2018-28 introduced the scheme's voluntary targeted rate funding mechanism and there was a high level of positive feedback. The scheme provides assistance of up to \$6,000 in home heating, insulation and ventilation installation, paid for over 9 years as part of the title owner's rates bill. A total of \$20 million has been allocated for use by the scheme. The scheme is cost neutral. An administration margin per annum is part of the rates recovered to support the administration so the cost of the scheme lies with those taking advantage of using it.

Improving heating, insulation and ventilation can have multiple outcomes; air quality, energy efficiency, health, leading to educational and economic secondary outcomes. As such, there

¹ Canterbury Air Regional Plan 2017-2027 <https://www.ecan.govt.nz/your-region/plans-strategies-and-bylaws/canterbury-air-regional-plan/>

² General Social Survey results indicate that the longer people have lived in Canterbury the more likely they are to use a fire to heat their home. General Social Survey 2018, Statistics New Zealand <https://www.stats.govt.nz/information-releases/wellbeing-statistics-2018>

³ General Social Survey 2018, Statistics New Zealand <https://www.stats.govt.nz/information-releases/wellbeing-statistics-2018>

is a range of stakeholders and solutions to address this. Healthier Homes Canterbury fits within that broader context.

Overall Performance Summary

Healthier Homes Canterbury continues to achieve its objective, the purpose and design of the scheme remain intact, and all key performance indicators are on track; monthly activity, financial management and risk management.

Purpose and Design

The overall purpose of the scheme is to contribute to making homes in Canterbury warmer and drier by providing support to homeowners with limited means⁴ to reduce air pollution by switching to cleaner heating methods. Performance of the scheme is assessed by analysing data from Statistics NZ and housing sector stakeholders to determine if homes are becoming warmer and drier in Canterbury.

As households with limited means are the key demographic, affordability is a core part of the scheme. This is achieved through:

- keeping a low margin for administration costs, currently 5.9%
- long, slow payment for the service provided, currently 9 years
- capping the value of support provided, currently \$6,000
- recommending an impartial Home Performance Assessment by a certified assessor so the homeowner does not make unnecessary, costly changes

It is at the applicant's discretion to explore other options for support available, or seek independent financial advice, before applying for Healthier Homes Canterbury.

The current criteria are that the applicant must be the ratepayer of a property in Canterbury, limited to one property per ratepayer, and the property's rates must be up-to-date with a strong payment history. The criteria make the scheme assessable to a wide range of homeowners, while reducing the administration associated with assessing eligibility.

Landlords are eligible; however, applicants are limited to one property at a time as it has been assumed that landlords with a large portfolio of properties will most likely have access to other financial means. The criteria ensure most applications are from homeowners with limited means.

Monthly Activity

Application volumes and associated value of assistance approved are broadly on track with predictions. Of the \$20million to provide, we had anticipated paying out \$3,722,942 by now, and have currently paid \$3,739,889. This is because the average amount requested is higher than predicted, however this amount is not creating any issues and is being monitored. Our approach to promotion of the scheme appears to be appropriate at this

⁴ This may be limited financial means, or also households with complex health and social circumstances which affects the capacity of the homeowner to identify improvements, select suppliers and arrange payments

stage, because volumes are on track. The gap between the actual amount approved and actual amount paid is largely due to a time lag between approval, installation and invoicing by suppliers. These timeframes are set between the suppliers and the homeowners. We have had no complaints regarding this timeframe.

We have 25 suppliers across Canterbury. Opus is contracted to provide audits of those suppliers providing heating solutions. EECA provides insulation supplier audits as part of our memorandum of understanding with them. The audit work is on track.

Applications continue to be received from across Canterbury, with the majority (63%) being received from Christchurch (Table 1). Christchurch applications are from across 65 suburbs.

Table 1. Application statistics for Healthier Homes Canterbury

Earliest application date:		24/09/2018			
Most recent application date:		11/03/2020			
Application status (current)		Owner occupied and rentals		Number of applications by district	
Applied	0			Kaikoura	4
Awaiting TA ⁵	0			Hurunui	18
Accepted	0			Waimakariri	152
TA Approved	2			Christchurch City	688
Declined ⁶	63			Selwyn	78
Cancelled	0			Ashburton	49
On Hold	16			Timaru	100
PO Issued ⁷	179	Owner occupied	995	Mackenzie	1
Installed	56	Rental	94	Waimate	23
Invoice Paid	685	Not provided	24	Waitaki	0
Withdrawn ⁸	112				
Total number applications:	1,113		1,113		

Financial Performance

The administration margin for households is set at 5.9% for the 2019/20 year. The margin will be reviewed annually based on borrowing costs, operating costs and uptake of the scheme. This will ensure the scheme remains self-financing.

⁵ TA means Territorial Authority

⁶ Applications are declined if the district council advises the applicant rates history does not meet criteria.

⁷ PO means Purchase Order

⁸ Applications are withdrawn if the applicant decides not to proceed after approval e.g. applicant now determines it is not affordable.

The full installation amount plus the administration margin will be recovered via the applicant's rates bills over nine years. Repayments for any installations completed by the end of May 2020 will commence 1 July 2020.

The scheme administration cost must be kept low to ensure that scheme administration margin remain favourable for ratepayers. Costs are well below year-to-date budget, however, are expected to increase as application volumes increase in the winter time.

Checks are in place to ensure that the total value of the financial assistance approved remains within budget.

Rates Recovery

We will have the first full year of rates payments reconciled after the end of the 2019/20 financial year. The scheme is intended to be cost neutral so over the life of the scheme 100% would be recovered through rates. The only circumstance where it is not recovered by rates would be if the house is sold and rates not settled correctly. In this circumstance we could invoice the customer for the outstanding amount as the applicants sign an agreement to pay the full amount on application. This condition was included because the new homeowner is under no obligation to continue with the rates payment under the voluntary scheme. Rates are collected through the Territorial Authority and they have systems in place for rates recovery when properties change hands.

Risk Management

The main risks associated with the scheme are outlined below. Due to the number of checks and controls in place most risks are low. There are additional treatment options available for the highest risks, if required. Several risks regarding the costs associated with administration have reduced since the implementation of new software to manage processing applications.

Risk Summary

No.	Identified risk	Risk	Mitigation measures
1	If there is too much interest in the project, then we won't have the financial capacity to approve all the applications.	3 - Medium	The level of marketing has been reduced to manage demand. We also have the option to develop referral systems or use various criteria to prioritise some customers, however this is not in place currently.
2	If the processes with TAs for managing rates and LIM are not established, then we may not get as much money repaid	2 - Low	We have been working with TAs to ensure they are all up to speed with this and have provided them up to date copies of process maps. We are tracking the amount of rates being received. All TAs are taking the appropriate action regarding LIMs and rates collection.
3	If rising global and NZ interest rates result in prohibitive borrowing interest rates to customers and actual interest costs exceeding budget, then the scheme may cease to be viable.	2 - Low	Fixed term borrowing and active treasury management. Interest rates are actually coming down at the moment. The administration margin could also be adjusted if required.
4	If our administration processes and systems are not well developed, then there is an increased risk of higher administrative costs and higher likelihood of financial or other processing errors.	2 - Low	Software has been developed to reduce the risk of errors and to increase automation to lower administrative overheads. Process flowcharts have been developed for all key processes and peer reviewed by relevant staff.
5	If increased operational costs of scheme result in the borrowing interest rate to new customers rising to prohibitive levels, then the scheme may cease to be viable.	2 - Low	A process has been implemented to routinely monitor operational costs and ensure that they stay at an acceptable level.
6	If there is a lack of clarity about what products are included, then people might commit to work we cannot pay for.	1 - Low	The website is 'Plain English' and outlines the options for customers. We have used FAQs to specify/clarify what we will allow in terms of ventilation and document our approach to LED lights and cylinder wraps.

No.	Identified risk	Risk	Mitigation measures
7	If the installation quality is inferior, then ratepayers may not be satisfied with the service.	1 - Low	We have used initial audit process coupled with ongoing random audit process to ensure quality standards are maintained. Service providers failing to meet the required standard will be removed from the project.
8	If the scheme does not reach budgeted uptake, then fewer borrowers may not be able to meet the fixed cost of the scheme.	1 - Low	At present interest in the scheme is growing however customer uptake will continue to be regularly monitored.

5.4. Public Transport Finance Update

Performance, Audit and Risk Committee (PARC) report

Date of meeting	26 March 2020
Author	Stewart Gibbon Senior Manager, Public Transport
Endorsed by	Nadeine Dommissie Chief Operating Officer

Purpose

1. To provide an update on the financial performance of Public Transport

Recommendations

That the Performance, Audit and Risk Committee:

1. Receives the financial update on Public Transport

Attachments

Public Transport financial report

Public Transport Financial Update February 2020

Background

The following analysis is based on financial results for the eight-month period from 1 July 2019 to 29 February 2020. Monthly activity and risks are outlined at the end of the report.

Financial Results

The table below provides details of expenditure levels for the eight months beginning 1 July 2019 to 29 February 2020 and also the various funding sources. The financial result is also compared to the 2019/20 Annual Plan budget.

\$000	Year to Date			
FUNDING OF SERVICES - REVENUE	Act	Bud	Var	%
Rates	16,796,670	16,796,670	0	0%
Grants	20,235,405	22,476,581	(2,241,176)	-10%
User pays and other	13,004,608	13,671,261	(666,654)	-5%
Revenue (excluding TEFAR projects)	50,036,682	52,944,512	(2,907,829)	-5%
Revenue (TEFAR projects)	776,404	3,105,616	(2,329,212)	-75%
Total Revenue	50,813,087	56,050,128	(5,237,042)	-9%
DELIVERY OF SERVICES - EXPENDITURE	Act	Bud	Var	%
Expenditure (excluding TEFAR projects)	49,459,287	51,985,501	(2,526,214)	-5%
Expenditure (TEFAR projects)	0	3,105,616	(3,105,616)	-100%
Total Expenditure	49,459,287	55,091,117	(5,631,830)	-10%
Reserve Accumulation / (Use)	Act	Bud	Var	
Surplus / (Deficit) (excluding TEFAR projects)	577,395	959,011	(381,616)	
Surplus / (Deficit) (TEFAR projects)	776,404	0	776,404	
Total Surplus / (Deficit)	1,353,800	959,011	394,788	

Public Transport expenditure is under budget year to date by \$5.6m. The most significant driver of this is bus contract payments which are \$3.4m under budget. Funding approval for proposed service improvements was received from NZTA in December 2019 at the standard 51% FAR rate. We will now work through what service improvements can be delivered and when.

NZTA indexing is lower than expected resulting in lower than forecast bus contract costs.

The timing of Employment Relations Act changes has been driven by regional and national discussions, meaning finalised service changes have not yet been implemented.

Performance, Audit and Risk Committee 2018-04-26

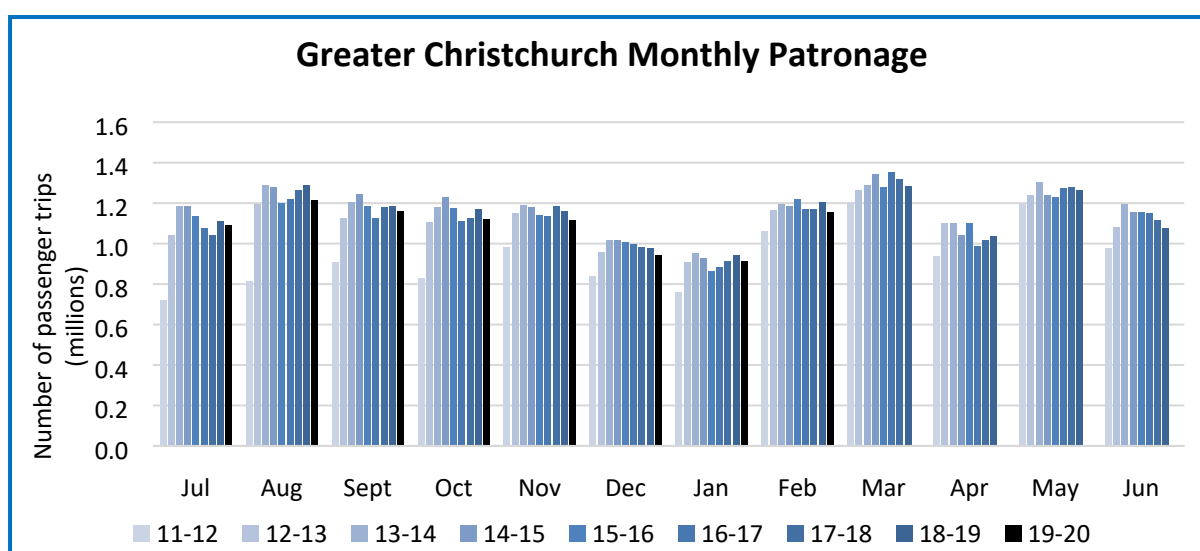
Technology costs are under budget by \$614k due to capital project timing impacting on depreciation. CCC Infrastructure funding allocation is \$593k under budget due to a lower claim rate so far this year.

Total Mobility remains ahead of budget by \$298k due to increased usage and also timing of grant funding for vehicle trusts.

Revenue is currently under budget by \$5.2m, primarily as a result of lower than budgeted grant claims from NZTA, aligned with the under-budget expenditure year to date across the key public transport areas of Bus Contracts, IT projects and Infrastructure claims. Total Mobility revenue is over budget by \$177k reflecting a higher grant claim from NZTA responding to increased usage. Fare revenue is currently under budget, patronage continues to track at 3.54% down on last year driven by reduced transfers as a result of land use changes.

Monthly Activity

Patronage – Fiscal year to Date



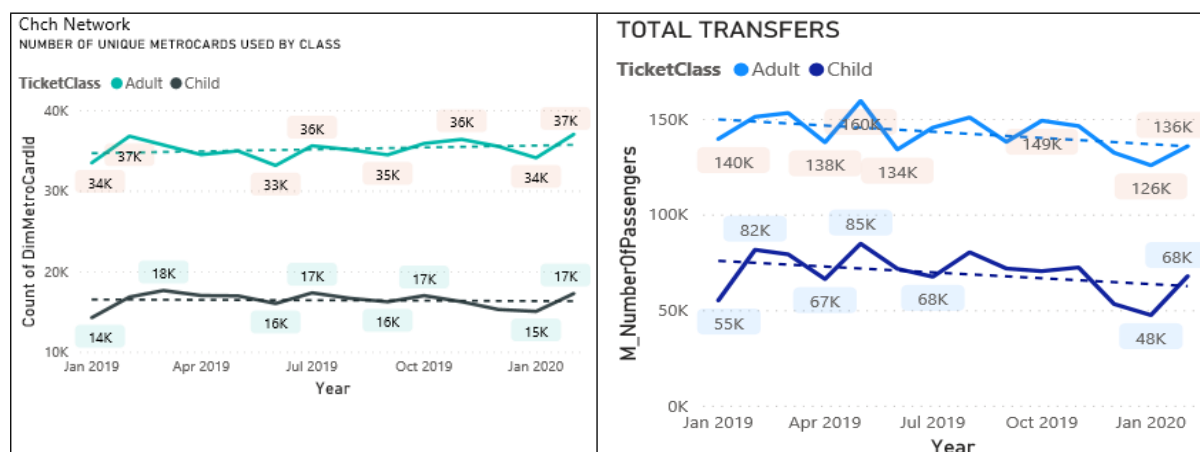
GREATER CHRISTCHURCH	February 2020	Y-T-D	Prev Yr. Comparison
Patronage	1,156,543 (-4.0%)	8,711,365	↓ 3.54%
Farebox Recovery	39.7	37.0	↓ 1.3

February 2020 saw a continuation of negative patronage growth for the fiscal year. This downturn is primarily attributable to three core drivers:

- Due to the relocation of Avonside Girls', Shirley Boys' and Unlimited schools. For many children the relocation of their school will have eliminated their need to transfer bus services or they now live close enough to their school to walk or cycle. This is observed in a downward trend of transfers on the network. This actually reflects an improvement in service outcomes with customers being able to access their destination more directly.
- The realignment of the Orbiter due to the University closing Homestead Lane has seen a reduction in Orbiter usage this year compared to last year primarily from the stops in this area.

- The reduction of some services from the LTP will have impacted patronage and this is now showing through as we compare post-LTP patronage with pre-LTP patronage.

The fiscal Y-T-D patronage remains negative with -3.54% growth for 2019/20.



Farebox Recovery

In the recently adopted Canterbury Regional Public Transport Plan the Farebox Recovery target has been reviewed. The annualised target is now to maintain or improve on the current level of farebox recovery, that being 38.2, by 2024.

February 2020's Farebox Ratio was 39.7 taking the 2019/20 year to date ratio to 37.0 a decrease of 1.3 compared to the same time last year, driven primarily by the reduced fare revenue as a result of the patronage decline and also the progressive shift from cash payments to Metrocard use as noted below.

February 2020's average fare was \$1.72 ex GST for Greater Christchurch compared to \$1.65 ex GST for February 2019.

Payment Type

Payment Type	MetroCard	Cash	SuperGold Card	Other e.g. Complimentary passes etc
February 2020	74.9%	14.1%	10.7%	0.3%

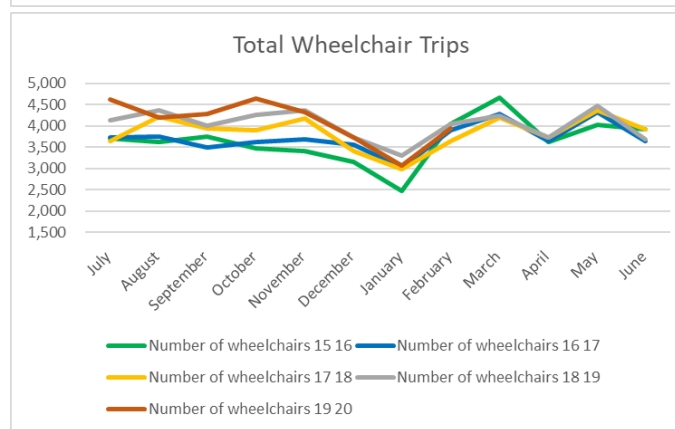
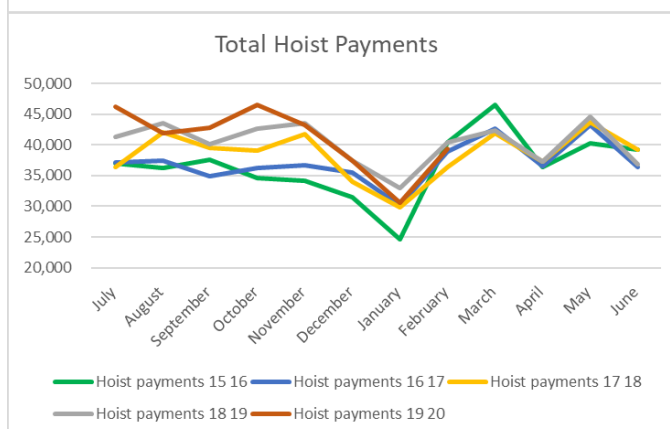
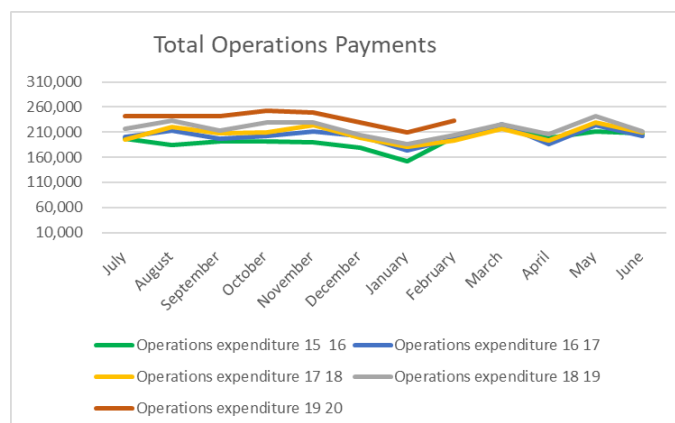
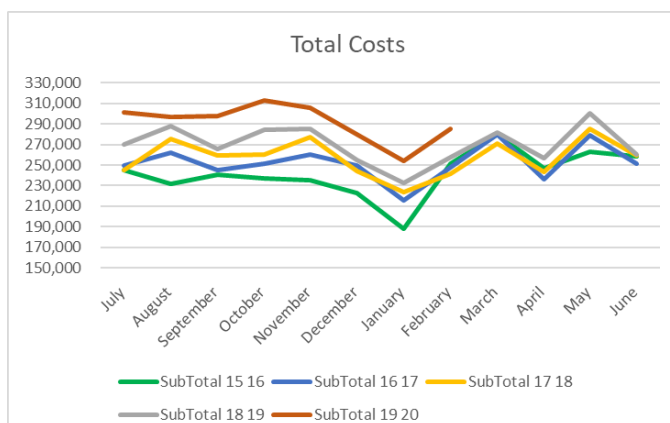
A continued transition from cash to MetroCard use is pleasing as we see the percentage of cash transactions reducing as more customers access the financial benefits of using a Metrocard through reduced fares. As a comparison, cash fares made up 17.2% of payments and Metrocards 72.1% for February 2019. This is an important behaviour change ahead of any change to a national ticketing solution based on open card technology.

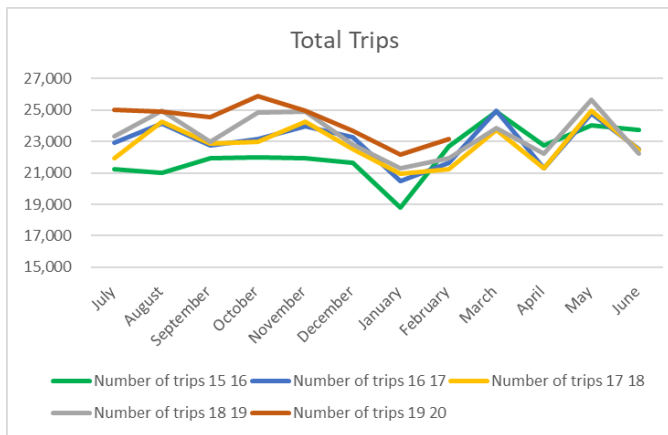
Community Transport

Community Transport (combined Total Mobility and vehicle trusts) Y-T-D is tracking over budget year to date.

\$'000	Year to Date			
FUNDING OF SERVICES - REVENUE	Act	Bud	Var	%
Rates	849,968	849,968	0	0%
Grants	1,714,035	1,548,522	165,513	11%
User pays and other	14,200	2,558	11,643	455%
Total Revenue	2,578,203	2,401,047	177,156	7%
DELIVERY OF SERVICES - EXPENDITURE	Act	Bud	Var	%
Total Expenditure	2,699,537	2,401,359	298,178	12%
Reserve Accumulation / (Use)	(121,335)	(313)	(121,022)	

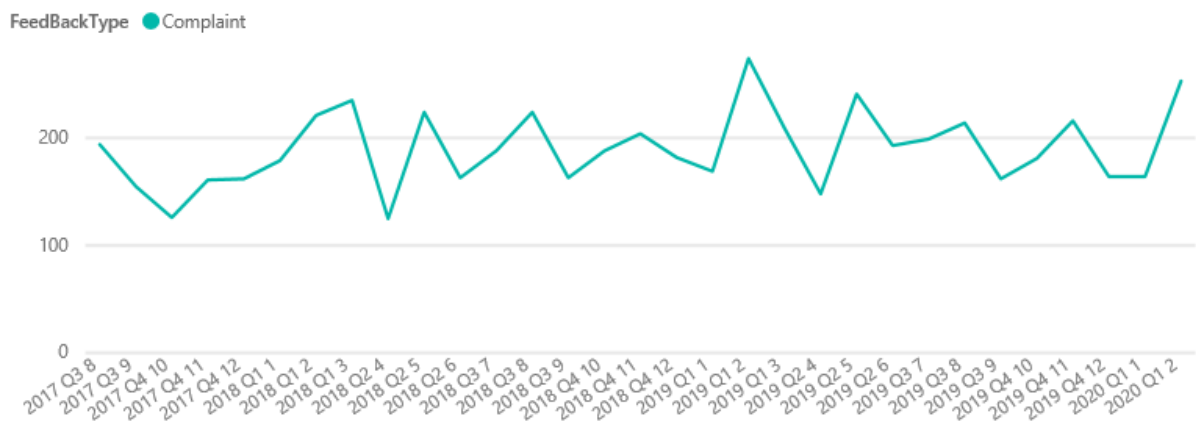
Community Transport costs are 12% over budget due to phasing of Vehicle Trust grants being paid in July and increased usage of Total Mobility services. Total Mobility is 11% over budget. Usage year to date is 3.9% up against last year in terms of trips, with wheelchair trips being up 1.8%. Average subsidised fare for the fiscal year is \$9.76 compared to \$9.26 last year. This increase is primarily driven by the increased hoist usage across the year. (It is interesting to note that hoist/wheelchair trips were lower in January and February, compared to last year)





Feedback

Complaints continue to track consistently, averaging 194 per month. This translates to a complaint rate of 0.017% year to date compared to 0.017% for the same period last year.

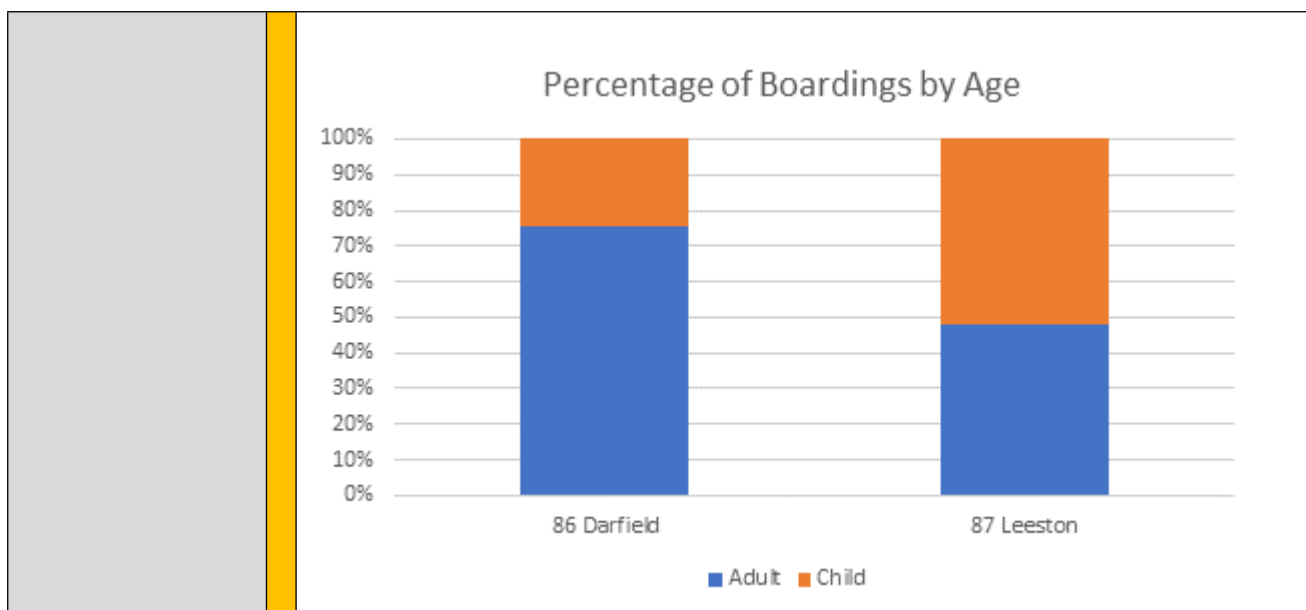


Project Updates

The following Projects are currently in flight:

Real Time Information System	Two suppliers have been shortlisted. The project has been paused while we work through a number of elements relating to the interchange ownership change and consider how the Future PT Business case project will consider this project
Bus Contract Tenders	<p>Contracts have been awarded following completion of the tender process. GoBus will operate 80% of the urban service, with Redbus operating 20%. Ritchies will operate the school services. New contracts commence in late November 2020.</p> <p>The award of these contracts represents a significant step forward for ratepayers of Greater Christchurch, who will benefit from environmental, service and financial benefits under the terms of the new contracts. Highlights include:</p>

	<ul style="list-style-type: none">• 64 new vehicles in year 1; 25 electric and 39 low emission Euro 6.• A total of 14% of the fleet with be zero emissions within year 1• Fleet profile modelling estimates a reduction in CO2 emissions of 14% and PM10 emissions of 25% in the first year• Air conditioning on all new vehicles• Three bike racks on all new vehicles• USB ports on all new vehicles• Copper free brake pad on all new vehicles• Interior upgrade on all buses after 8-10 years of service																																																																																																																																																																		
Employment Relations Act	<p>The industry has been collaborating at a national level to establish some common principles in the interpretation and application of the changes relating to breaks in the Employment Relations Act. These common principles were received in December and have been socialised with local operators.</p> <p>Once agreement has been confirmed, this will inform the approach to timetabling, rostering and logistics, which will in turn determine any additional driver and vehicles requirements and/or service changes.</p>																																																																																																																																																																		
Service Improvements	<p>Council approved funding for the 2019/20 annual plan to enable service improvements to be delivered in a number of key areas on the network based on the expectation from NZTA of enhanced funding of 75%. This level of funding did not eventuate. In December NZTA subsequently advised that funding at the standard funding rate of 51% had been approved. We will now consider what service enhancements can be delivered and when within this reduced funding envelope.</p>																																																																																																																																																																		
Timaru On Demand Transport	<p>The On-Demand pilot in Timaru has been underway through February will strong engagement from participants. Learnings from the Pilot will inform plans to commence the trial phase in April</p>																																																																																																																																																																		
Leeston/Darfield trials	<p>The Darfield service continues to show a good level of engagement, to the point where it now requires a larger capacity vehicle which has been provisioned. Leeston continues to track well following introduction of a revised fare structure.</p> <div><p>86 Darfield & 87 Leeston Patronage</p><table><tr><th>Week</th><th>Darfield Total</th><th>Leeston Total</th></tr><tr><td>WK1 28Jan-1Feb</td><td>21.8</td><td>15.5</td></tr><tr><td>WK2 4-8Feb</td><td>32.25</td><td>19.5</td></tr><tr><td>WK3 11-15Feb</td><td>35</td><td>21.6</td></tr><tr><td>WK4 18-22Feb</td><td>38.6</td><td>23.6</td></tr><tr><td>WK5 25Feb-1Mar</td><td>46.8</td><td>24.6</td></tr><tr><td>WK6 4-8Mar</td><td>34.5</td><td>23.4</td></tr><tr><td>WK7 11-15Mar</td><td>41.6</td><td>29.45</td></tr><tr><td>WK8 18-22Mar</td><td>42.2</td><td>25.4</td></tr><tr><td>WK9 25-29Mar</td><td>37.8</td><td>26</td></tr><tr><td>WK10 1-5Apr</td><td>36.0</td><td>15.8</td></tr><tr><td>WK11 8-12Apr</td><td>24.5</td><td>11.3</td></tr><tr><td>WK12 15-19Apr</td><td>19.5</td><td>9.3</td></tr><tr><td>WK13 22-26Apr</td><td>40.0</td><td>30.0</td></tr><tr><td>WK14 29-3May</td><td>47.6</td><td>30.0</td></tr><tr><td>WK15 6-10May</td><td>45.2</td><td>29.8</td></tr><tr><td>WK16 13-17May</td><td>38.2</td><td>26</td></tr><tr><td>WK17 20-24May</td><td>47</td><td>25</td></tr><tr><td>WK18 27-31May</td><td>43.8</td><td>22</td></tr><tr><td>WK19 4-7Jun</td><td>36.6</td><td>27.2</td></tr><tr><td>WK20 10-14Jun</td><td>32.8</td><td>20</td></tr><tr><td>WK21 17-21Jun</td><td>36</td><td>22.4</td></tr><tr><td>WK22 24-28Jun</td><td>42</td><td>29.4</td></tr><tr><td>WK23 1-5Jul</td><td>38.4</td><td>22.4</td></tr><tr><td>WK24 8-12Jul</td><td>47.0</td><td>10.2</td></tr><tr><td>WK25 15-19Jul</td><td>38.4</td><td>29.4</td></tr><tr><td>WK26 22-26Jul</td><td>39.4</td><td>22.4</td></tr><tr><td>WK27 29Jul-2Aug</td><td>38.4</td><td>29.4</td></tr><tr><td>WK28 5-9Aug</td><td>47.0</td><td>29.4</td></tr><tr><td>WK29 12-16Aug</td><td>38.4</td><td>29.4</td></tr><tr><td>WK30 19-23Aug</td><td>41.6</td><td>28.6</td></tr><tr><td>WK31 26-30Aug</td><td>38.2</td><td>31.0</td></tr><tr><td>WK32 2-6Sept</td><td>38.2</td><td>29.8</td></tr><tr><td>WK33 9-13Sept</td><td>43.6</td><td>26</td></tr><tr><td>WK34 16-20Sept</td><td>38.2</td><td>18.2</td></tr><tr><td>WK35 23-27Sept</td><td>31.0</td><td>19.8</td></tr><tr><td>WK36 30Sept-4Oct</td><td>31.0</td><td>19.8</td></tr><tr><td>WK37 7-11Oct</td><td>37.2</td><td>30.2</td></tr><tr><td>WK38 14-18Oct</td><td>33.6</td><td>21.4</td></tr><tr><td>WK39 21-25Oct</td><td>36.6</td><td>25.6</td></tr><tr><td>WK40 28Oct-1Nov</td><td>31.75</td><td>19.25</td></tr><tr><td>WK41 4-Nov</td><td>34.2</td><td>19.25</td></tr><tr><td>WK42 11-15Nov</td><td>34.2</td><td>19.25</td></tr><tr><td>WK43 18-22Nov</td><td>34.2</td><td>19.25</td></tr><tr><td>WK44 25-29Nov</td><td>34.2</td><td>19.25</td></tr><tr><td>WK45 2-Dec</td><td>41.4</td><td>17.2</td></tr><tr><td>WK46 9-13Dec</td><td>28.4</td><td>16.5</td></tr><tr><td>WK47 16-20Dec</td><td>10.5</td><td>10.5</td></tr><tr><td>WK48 23-27Dec</td><td>21.8</td><td>17.6</td></tr><tr><td>WK49 6-10Jan</td><td>32.6</td><td>19.75</td></tr><tr><td>WK50 13-17Jan</td><td>38.8</td><td>25.2</td></tr><tr><td>WK51 20-24Jan</td><td>44</td><td></td></tr><tr><td>WK52 27-31Jan</td><td>51</td><td></td></tr><tr><td>WK53 3-Feb</td><td></td><td></td></tr></table></div>	Week	Darfield Total	Leeston Total	WK1 28Jan-1Feb	21.8	15.5	WK2 4-8Feb	32.25	19.5	WK3 11-15Feb	35	21.6	WK4 18-22Feb	38.6	23.6	WK5 25Feb-1Mar	46.8	24.6	WK6 4-8Mar	34.5	23.4	WK7 11-15Mar	41.6	29.45	WK8 18-22Mar	42.2	25.4	WK9 25-29Mar	37.8	26	WK10 1-5Apr	36.0	15.8	WK11 8-12Apr	24.5	11.3	WK12 15-19Apr	19.5	9.3	WK13 22-26Apr	40.0	30.0	WK14 29-3May	47.6	30.0	WK15 6-10May	45.2	29.8	WK16 13-17May	38.2	26	WK17 20-24May	47	25	WK18 27-31May	43.8	22	WK19 4-7Jun	36.6	27.2	WK20 10-14Jun	32.8	20	WK21 17-21Jun	36	22.4	WK22 24-28Jun	42	29.4	WK23 1-5Jul	38.4	22.4	WK24 8-12Jul	47.0	10.2	WK25 15-19Jul	38.4	29.4	WK26 22-26Jul	39.4	22.4	WK27 29Jul-2Aug	38.4	29.4	WK28 5-9Aug	47.0	29.4	WK29 12-16Aug	38.4	29.4	WK30 19-23Aug	41.6	28.6	WK31 26-30Aug	38.2	31.0	WK32 2-6Sept	38.2	29.8	WK33 9-13Sept	43.6	26	WK34 16-20Sept	38.2	18.2	WK35 23-27Sept	31.0	19.8	WK36 30Sept-4Oct	31.0	19.8	WK37 7-11Oct	37.2	30.2	WK38 14-18Oct	33.6	21.4	WK39 21-25Oct	36.6	25.6	WK40 28Oct-1Nov	31.75	19.25	WK41 4-Nov	34.2	19.25	WK42 11-15Nov	34.2	19.25	WK43 18-22Nov	34.2	19.25	WK44 25-29Nov	34.2	19.25	WK45 2-Dec	41.4	17.2	WK46 9-13Dec	28.4	16.5	WK47 16-20Dec	10.5	10.5	WK48 23-27Dec	21.8	17.6	WK49 6-10Jan	32.6	19.75	WK50 13-17Jan	38.8	25.2	WK51 20-24Jan	44		WK52 27-31Jan	51		WK53 3-Feb		
Week	Darfield Total	Leeston Total																																																																																																																																																																	
WK1 28Jan-1Feb	21.8	15.5																																																																																																																																																																	
WK2 4-8Feb	32.25	19.5																																																																																																																																																																	
WK3 11-15Feb	35	21.6																																																																																																																																																																	
WK4 18-22Feb	38.6	23.6																																																																																																																																																																	
WK5 25Feb-1Mar	46.8	24.6																																																																																																																																																																	
WK6 4-8Mar	34.5	23.4																																																																																																																																																																	
WK7 11-15Mar	41.6	29.45																																																																																																																																																																	
WK8 18-22Mar	42.2	25.4																																																																																																																																																																	
WK9 25-29Mar	37.8	26																																																																																																																																																																	
WK10 1-5Apr	36.0	15.8																																																																																																																																																																	
WK11 8-12Apr	24.5	11.3																																																																																																																																																																	
WK12 15-19Apr	19.5	9.3																																																																																																																																																																	
WK13 22-26Apr	40.0	30.0																																																																																																																																																																	
WK14 29-3May	47.6	30.0																																																																																																																																																																	
WK15 6-10May	45.2	29.8																																																																																																																																																																	
WK16 13-17May	38.2	26																																																																																																																																																																	
WK17 20-24May	47	25																																																																																																																																																																	
WK18 27-31May	43.8	22																																																																																																																																																																	
WK19 4-7Jun	36.6	27.2																																																																																																																																																																	
WK20 10-14Jun	32.8	20																																																																																																																																																																	
WK21 17-21Jun	36	22.4																																																																																																																																																																	
WK22 24-28Jun	42	29.4																																																																																																																																																																	
WK23 1-5Jul	38.4	22.4																																																																																																																																																																	
WK24 8-12Jul	47.0	10.2																																																																																																																																																																	
WK25 15-19Jul	38.4	29.4																																																																																																																																																																	
WK26 22-26Jul	39.4	22.4																																																																																																																																																																	
WK27 29Jul-2Aug	38.4	29.4																																																																																																																																																																	
WK28 5-9Aug	47.0	29.4																																																																																																																																																																	
WK29 12-16Aug	38.4	29.4																																																																																																																																																																	
WK30 19-23Aug	41.6	28.6																																																																																																																																																																	
WK31 26-30Aug	38.2	31.0																																																																																																																																																																	
WK32 2-6Sept	38.2	29.8																																																																																																																																																																	
WK33 9-13Sept	43.6	26																																																																																																																																																																	
WK34 16-20Sept	38.2	18.2																																																																																																																																																																	
WK35 23-27Sept	31.0	19.8																																																																																																																																																																	
WK36 30Sept-4Oct	31.0	19.8																																																																																																																																																																	
WK37 7-11Oct	37.2	30.2																																																																																																																																																																	
WK38 14-18Oct	33.6	21.4																																																																																																																																																																	
WK39 21-25Oct	36.6	25.6																																																																																																																																																																	
WK40 28Oct-1Nov	31.75	19.25																																																																																																																																																																	
WK41 4-Nov	34.2	19.25																																																																																																																																																																	
WK42 11-15Nov	34.2	19.25																																																																																																																																																																	
WK43 18-22Nov	34.2	19.25																																																																																																																																																																	
WK44 25-29Nov	34.2	19.25																																																																																																																																																																	
WK45 2-Dec	41.4	17.2																																																																																																																																																																	
WK46 9-13Dec	28.4	16.5																																																																																																																																																																	
WK47 16-20Dec	10.5	10.5																																																																																																																																																																	
WK48 23-27Dec	21.8	17.6																																																																																																																																																																	
WK49 6-10Jan	32.6	19.75																																																																																																																																																																	
WK50 13-17Jan	38.8	25.2																																																																																																																																																																	
WK51 20-24Jan	44																																																																																																																																																																		
WK52 27-31Jan	51																																																																																																																																																																		
WK53 3-Feb																																																																																																																																																																			



Network Risk Summary

RISKS	MONTHLY UPDATE
Additional costs associated with extensive road works and detours	Moderate: The incidence of detours across the network has reduced significantly in the current year. The risk remains, however, and there are a few large roading projects planned for 2019 which are likely to impact the network.
Fuel price increase	Moderate: Fuel prices are tracking down slightly as a result of COVID highlighting its volatility. The Fuel Market Bill currently being considered by government could result in reductions in fuel prices later this year.
Potential for operator to collapse due to contracted market	Low: Staff continue to work with operators to ensure they can operate sustainably.
Road User Charge increase	High: Road User Charges increased 2019 with a further increase scheduled for 2020 as part of the Government's Transport funding programme. This will also impact on the NZTA Index
Risk of insufficient NLTP funding to match local share	<p>High: The NLTP funding envelope is under significant pressure nationally, resulting in grant funding to match local share for service improvements challenging.</p> <p>There is a risk that grant funding to support cost scope adjustments across the 3-year NLTP budget envelope may be insufficient or unavailable to match increased costs incurred due to indexing, and contract changes. NZTA have confirmed they have funding contingency to respond to ERA cost changes. We are currently engaged with NZTA to understand and gain surety around this funding pressure.</p>
Bus driver retention	High: Bus operators advise that driver pool capacity is satisfactory in Canterbury at present, with normal rates of turnover and recruitment activity. However, changes to the Employment Relations Act will potentially see:

	<ul style="list-style-type: none"> • A need for more drivers to fulfil current timetabled service outcomes • A negative impact on total remuneration hrs for drivers <p>These factors may impact on driver retention and recruitment. Government and industry are working collaboratively to identify solutions to these issues.</p>
Employment Relations Act Changes	<p>Moderate: Changes to the Employment relations Act came into effect on 6 May 2019. An interim solution has been put in place following industry agreement with a 12-month period established to develop and deliver a sustainable long-term solution. As noted under Projects, work continues with industry to develop and finalise a long-term solution.</p> <p>The key goal of this work is to minimise and balance service impact, cost impact while ensuring driver entitlements. Depending on the outcomes and constraints identified, this may result in either additional cost or some reductions in service levels.</p>
COVID-19	<p>High: The COVID-19 situation could have a negative impact on patronage if the strategies to contain it are unsuccessful in New Zealand. We are engaged with Ministry of Health, NZTA, our operators and other regions to monitor the situation so as to be prepared for any potential change.</p>

5.5. Portfolio Financial Report February 2020

Performance, Audit and Risk Committee (PARC) report

Date of meeting	Thursday, 26 March 2019
Author	Tarsha Triplow Team Leader Corporate Reporting
Endorsed by	Katherine Harbrow Chief Financial Officer

Purpose

1. To report on portfolio financial performance for the period ended 29 February 2020.

Recommendations

That the Performance, Audit and Risk Committee:

1. **Receives the Portfolio Financial report for the period ended 29 February 2020.**
2. **Notes the Council approved unbudgeted expenditure for this financial year.**

Background

2. The Performance, Audit and Risk Committee (PARC) Portfolio Financial Report includes financial performance information for the period ended 29 February 2020. Service delivery will be explained in the quarterly Portfolio Performance Report.

Overall Performance

3. As at 29 February 2020, we had an operating surplus of \$6.69M (million) compared to a budgeted deficit of \$0.64M, a favourable variance of \$7.33M.
4. The variance is a result of spending \$7.79M less than budget and receiving \$0.49M less revenue than budget. The lower expenditure is across all portfolio's, with Public Transport expenditure being the largest (\$6.19M). This is due to service delivery improvement delays that are awaiting funding approvals from NZTA. Freshwater Management (\$2.03M), and Regional Leadership (\$0.98M) are the other main ones and these are due to delays in work programmes and lower consent applications respectively. This is partly offset by Biodiversity and Biosecurity (\$1.96M) above budget spend due to the National Wilding Conifer programme.

5. Revenue is lower than budget, primarily in Public Transport (\$6.19M) as noted above due to NZTA grant funding delays. Regional Leadership has lower consent applications which is offset with lower expenditure. Biodiversity and Biosecurity has additional revenue (\$3.57M) due to grant revenue for the National Wilding Conifer programme.

Financial Performance

6. The performance of each portfolio is displayed in the attached report. The significant variances by Portfolio are:
- a. Biodiversity & Biosecurity - \$1.60M (million) better than budgeted deficit, due to \$3.57M more revenue and \$1.96M more expenditure. Additional revenue and expenditure both relate to the National Wilding Pine Programme.
 - b. Regional Leadership – \$1.25M better than budgeted deficit, is due to less community engagement activities leading up to the local body elections and lower consent applications. Ngāi Tahu and Regional Relationships has received additional grant funding for the Canterbury Regional Economic Development Strategy programme.
 - c. Freshwater Management - \$1.85M better than budget due to lower expenditure in the RMA Water Framework which is likely to be close to budget leading into the PC7 hearings commencing in mid-May. The remaining lower expenditure is due to vacancies and delays to work programmes that are now nearly back on track.
 - d. Hazards, Risk and Resilience - \$1.25M better than budget due to additional revenue of \$1.25M due to a number of factors such as a one off dividend, delayed forestry income from last year and gravel authorisations and bulldozing work. Expenditure is overspent by (\$0.09M) which is small variances spread across all programmes apart from a larger variance in Flood Protection of \$0.36M relating to Rangitata river recovery.
 - e. Public Transport - \$0.70M better than budget due to lower revenue and expenditure across the programmes. The most significant variable contributing to this is the bus contract payments.

Attachments

1. Portfolio Financial Report year to date 29 February 2020

File reference	[SharePoint link for this paper]
Peer reviewers	Miles McConway, Finance & Corporate Services

Reporting Period

7/1/2019 2/29/2020

Previous Period (YTD)

	Revenue	Expenditure	Surplus/Deficit
Actual	\$107.87M	\$101.90M	\$5.97M
Budget	\$109.16M	\$109.61M	-\$0.45M
Variance	-\$1.29M	-\$7.70M	\$6.41M
% Var	-1.18%	-7.03%	

Current Period (YTD)

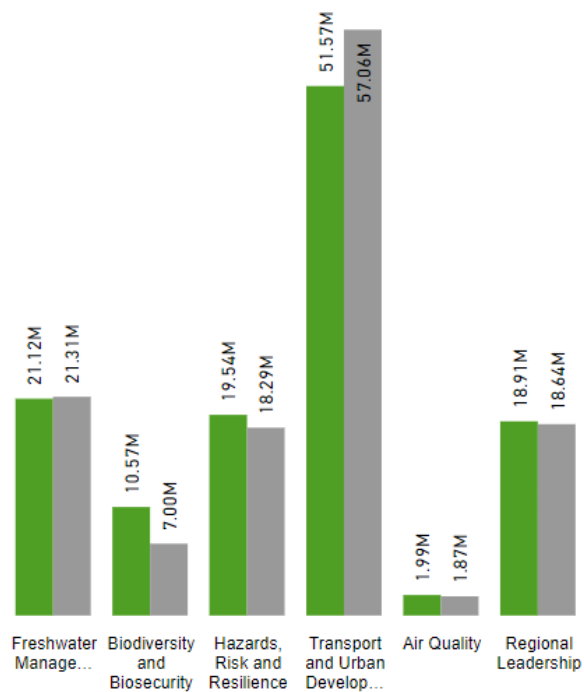
	Revenue	Expenditure	Surplus/Deficit
Actual	\$123.72M	\$117.03M	\$6.69M
Budget	\$124.18M	\$124.82M	-\$0.64M
Variance	-\$0.46M	-\$7.79M	\$7.33M
% Var	-0.37%	-6.24%	

Current Month Movement

	Revenue	Expenditure	Surplus/Deficit
Actual	\$15.84M	\$15.12M	\$0.72M
Budget	\$15.02M	\$15.21M	-\$0.20M
Variance	\$0.83M	-\$0.09M	\$0.92M
% Var	5.51%	-0.60%	

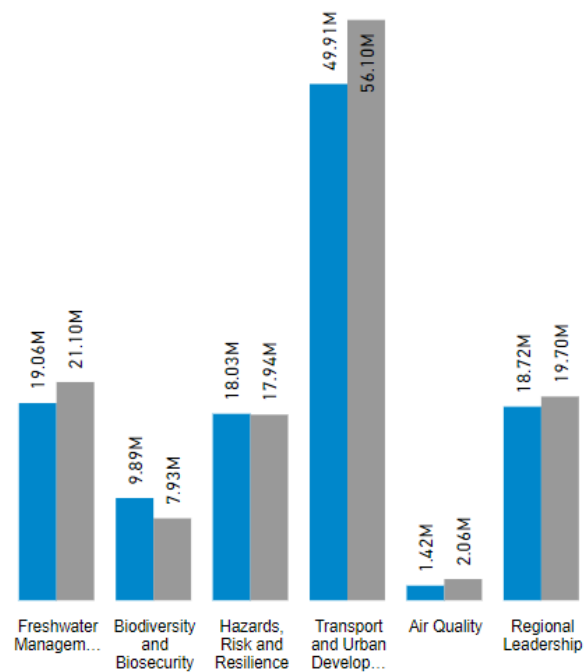
Revenue

● YTD Actual ● YTD Budget



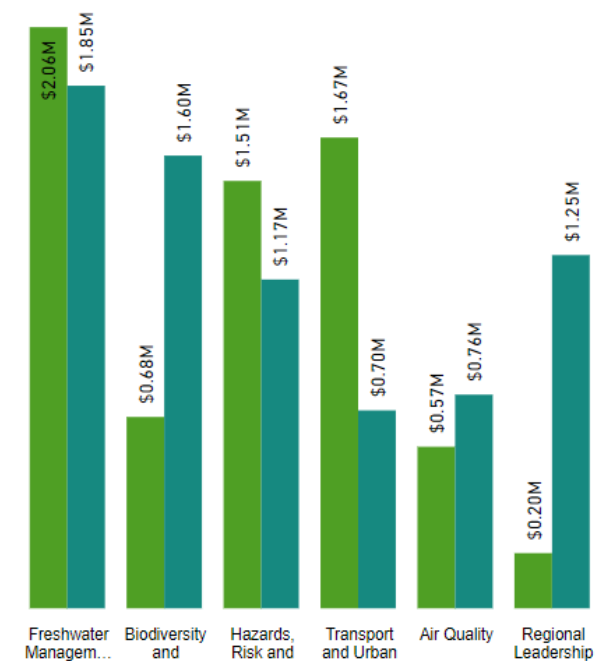
Expenditure

● YTD Actual ● YTD Budget



Surplus/Deficit

● YTD Actual ● YTD Variance to Budget



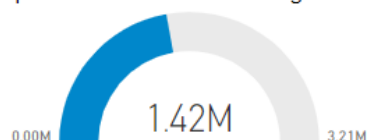
Reporting Period

7/1/2019

2/29/2020

Air Quality

YTD Actual Expenditure vs Full Year Budget



44.32%

YTD Actual/Full Year Budget %

Revenue

Expenditure

Surplus/Deficit

	Revenue	Expenditure	Surplus/Deficit
Actuals	1.99	1.42	0.57
Budget	1.87	2.06	-0.18
Variance	0.12	-0.64	0.76
%Variance	6.51%	-30.89%	

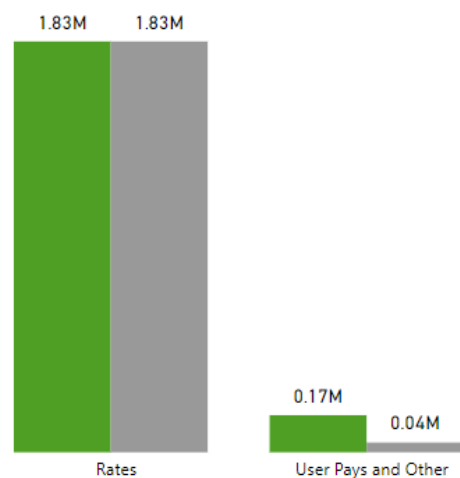
Revenue

Expenditure

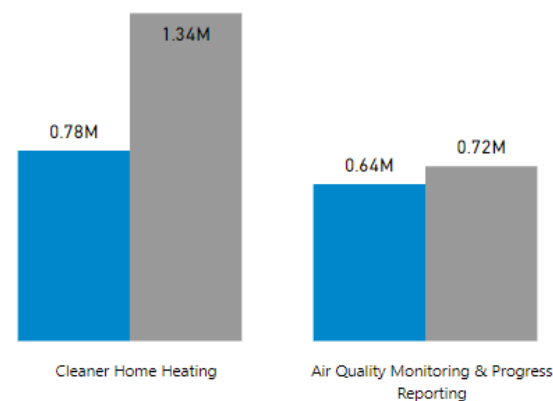
Cantabrians are installing fewer subsidised burners than we predicted which is resulting in budget underspend against the Cleaner home heating scheme. We are therefore reviewing and redesigning the subsidy scheme. The review and redesign is focusing on better aligning the scheme with our objective of funding lower-income Cantabrians to help cover the cost of upgrading to warmer, healthier homes, while efficiently using the Cleaner Home heating reserves which fund the scheme.

Other underspend is due to a reduced winter campaign in 2019 and as yet an unplanned winter campaign for 2020, the overall position will improve as the year progresses with higher spend over the winter period.

● YTD Actual Revenue ● YTD Budget Revenue



● YTD Actual Expenditure ● YTD Budget Expenditure

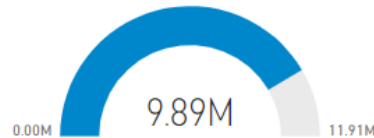


Reporting Period

7/1/2019 2/29/2020

Biodiversity and Biosecurity

YTD Actual Expenditure vs Full Year Budget



83.06%

YTD Actual/Full Year Budget %

	Revenue	Expenditure	Surplus/Deficit
Actuals	10.57	9.89	0.68
Budget	7.00	7.93	-0.93
Variance	3.57	1.96	1.60
%Variance	50.98%	24.78%	

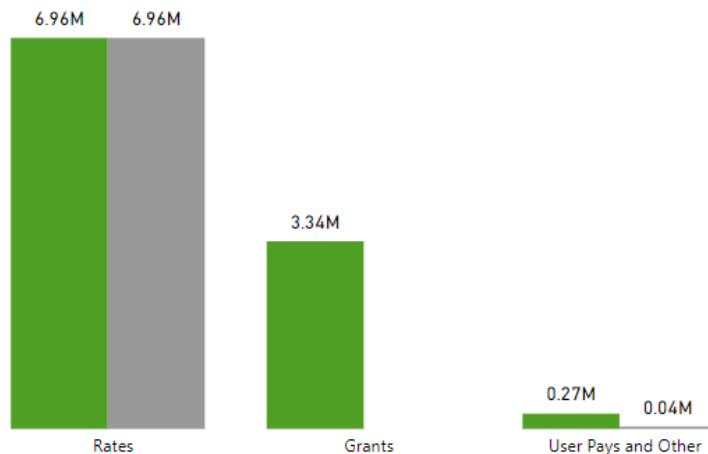
Revenue

Grant revenue will remain over budget due to external funding from the Ministry for Primary Industries (MPI) for the National Wilding Conifer Control Programme.

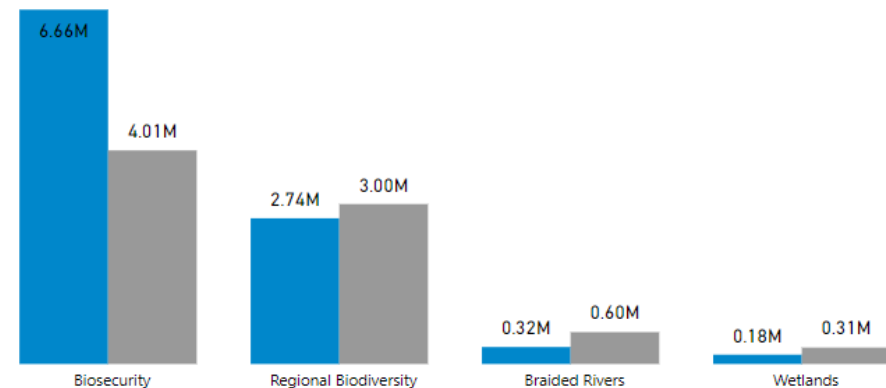
Expenditure

Biosecurity expenditure is greater than budget due to increased works in the Wilding Conifer programme, funded by MPI. Other programmes are currently under budget due to weather impacts and delays incurring expenses. Planned expenditure for Biodiversity, Braided Rivers and Wetlands programmes will likely mean budget will be on track for year end.

● YTD Actual Revenue ● YTD Budget Revenue



● YTD Actual Expenditure ● YTD Budget Expenditure



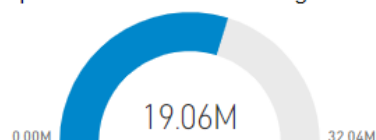
Reporting Period

7/1/2019

2/29/2020

Freshwater Management

YTD Actual Expenditure vs Full Year Budget



59.49%

YTD Actual/Full Year Budget %

	Revenue	Expenditure	Surplus/Deficit
Actuals	21.12	19.06	2.06
Budget	21.31	21.10	0.21
Variance	-0.18	-2.04	1.85
%Variance	-0.87%	-9.65%	

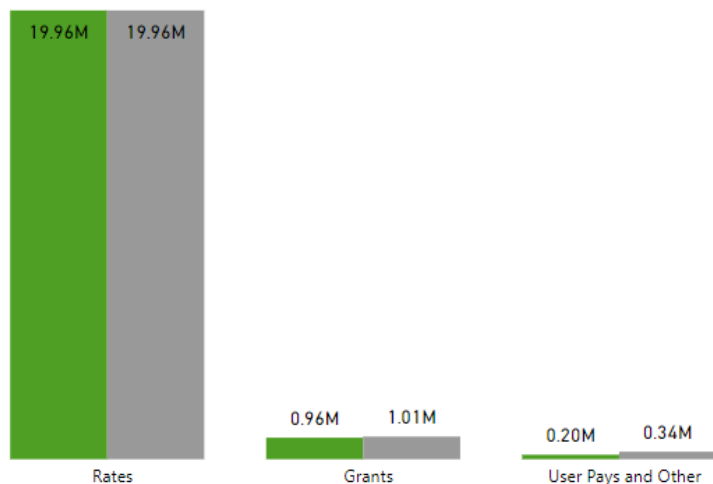
Revenue

The variance in revenues is due largely to the Whakaora Te Waihora programme which is under budget for revenue due to the timing of FIF funds for the Whakaora Te Ahuriri project.

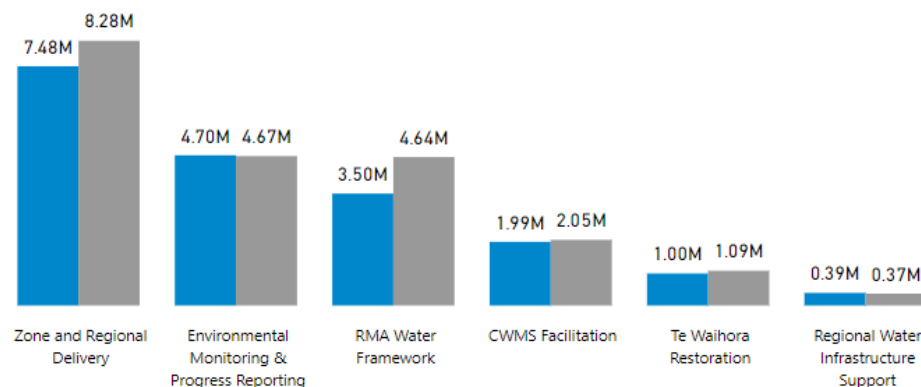
Expenditure

Portfolio expenditure under spend is occurring primarily in two Programmes: RMA Water Framework (-\$1.1M) due to the timing of expenditure related to Plan Change 7 (PC7) which will increase as we approach a hearing commencing in May 2020. It is anticipated the RMA Water Framework programme will be on budget by financial year end. Under spend in Zone and Regional Delivery programme of -\$0.8M is a combination of delays in project initiation in the Whakaraupo project which will be on budget by financial year end, and resourcing delays in ground water science which are currently being addressed. The remainder of the variance comes from smaller variances that are occurring across a wide range of zone based projects are being progressed under the Zone and Regional Delivery programme.

● YTD Actual Revenue ● YTD Budget Revenue



● YTD Actual Expenditure ● YTD Budget Expenditure

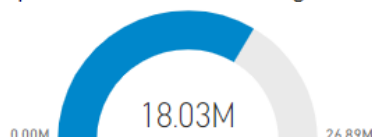


Reporting Period

7/1/2019 2/29/2020

Hazards, Risk and Resilience

YTD Actual Expenditure vs Full Year Budget



67.05%

YTD Actual/Full Year Budget %

	Revenue	Expenditure	Surplus/Deficit
Actuals	19.54	18.03	1.51
Budget	18.29	17.94	0.35
Variance	1.25	0.09	1.17
%Variance	6.84%	0.48%	

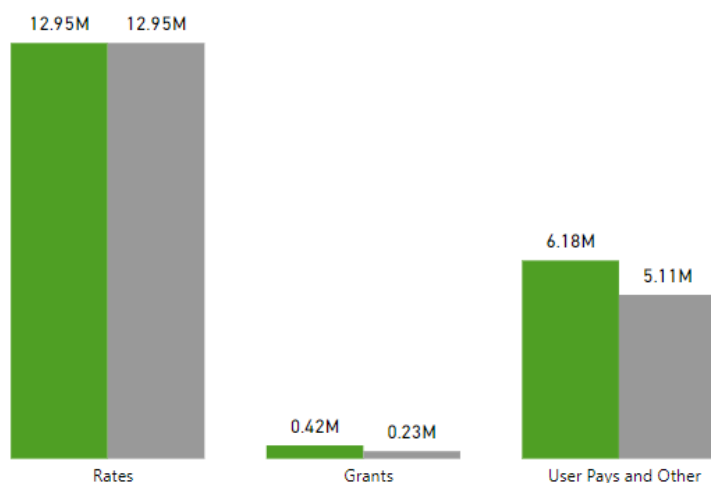
Revenue

Grant Revenue is greater than budget in the Contaminated Land Hazardous Substances and Waste programme, related to the fully funded Ministry for the Environment grant for the Concoors program of work. User Pays and Other is over budget due to a one off dividend, a higher number of cruise ships than were budgeted for and delayed revenue from the 18/19 forestry harvest.

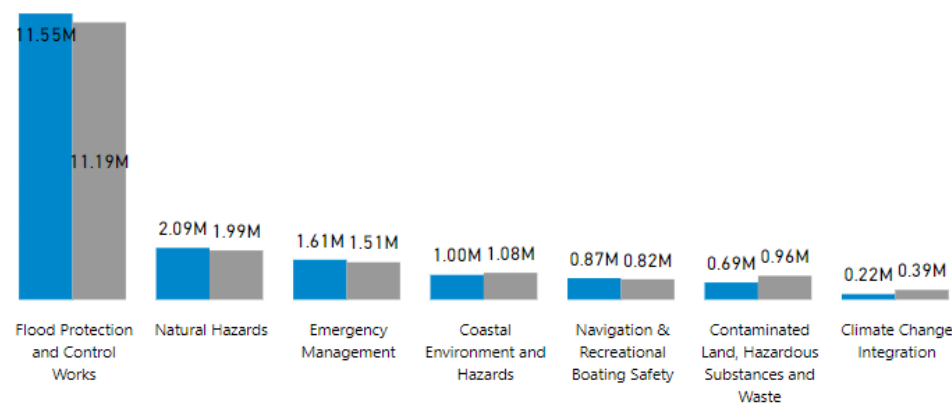
Expenditure

Contaminated Land, Hazardous Substances and Waste is under budget due to lower labour and overheads, new resources will be focussed in this programme over the next two quarters and is expected to be close to budget by year end. Climate Change Integration will use their budget in the last quarter after a slight delay in this programme in the first half of the year. Coastal Environment and Hazards expense for sea level recorders and a hazard assessment will be received in April after the completion of these projects which will bring them back to budget. Flood Protection overspend relates to the recent Rangitata infrastructure work and will remain over budget at year end.

● YTD Actual Revenue ● YTD Budget Revenue



● YTD Actual Expenditure ● YTD Budget Expenditure

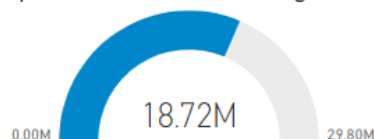


Reporting Period

7/1/2019 2/29/2020

Regional Leadership

YTD Actual Expenditure vs Full Year Budget



62.81%

YTD Actual/Full Year Budget %

	Revenue	Expenditure	Surplus/Deficit
Actuals	18.91	18.72	0.20
Budget	18.64	19.70	-1.06
Variance	0.27	-0.98	1.25
%Variance	1.47%	-4.96%	

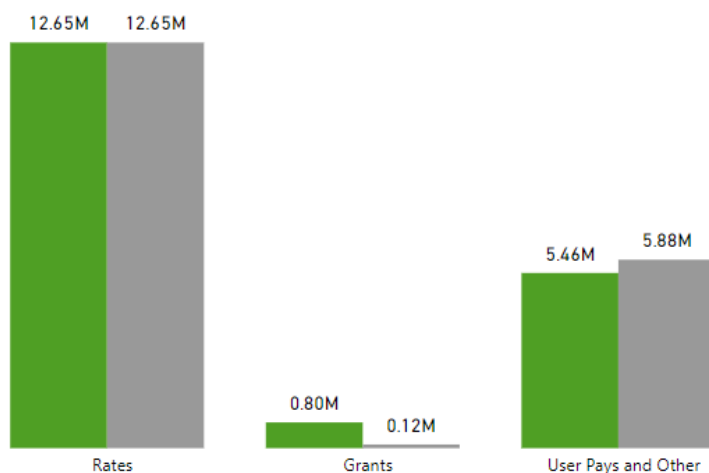
Revenue

While overall revenue is close to budget, this includes additional revenues from infringement notices and Canterbury Regional Economic Development Strategy (CREDS) project grants and \$750K less than planned revenue from resource consent work.

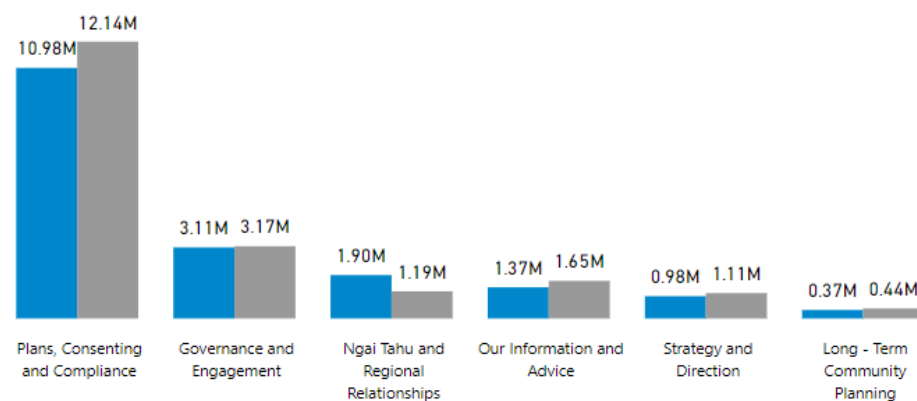
Expenditure

Planning, Consenting and Compliance expenses are under budget due to lower numbers of consent applications than expected. This is unlikely to recover by year end. The Ngai Tahu and Regional Relationships programme is over budget due to the CREDS project and expenses relating to the Te Ara Whakamua report.

● YTD Actual Revenue ● YTD Budget Revenue



● YTD Actual Expenditure ● YTD Budget Expenditure

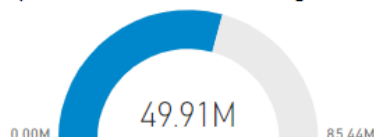


Reporting Period

7/1/2019 2/29/2020

Transport and Urban Development

YTD Actual Expenditure vs Full Year Budget



58.41%

YTD Actual/Full Year Budget %

	Revenue	Expenditure	Surplus/Deficit
Actuals	51.57	49.91	1.67
Budget	57.06	56.10	0.97
Variance	-5.49	-6.19	0.70
%Variance	-9.62%	-11.04%	

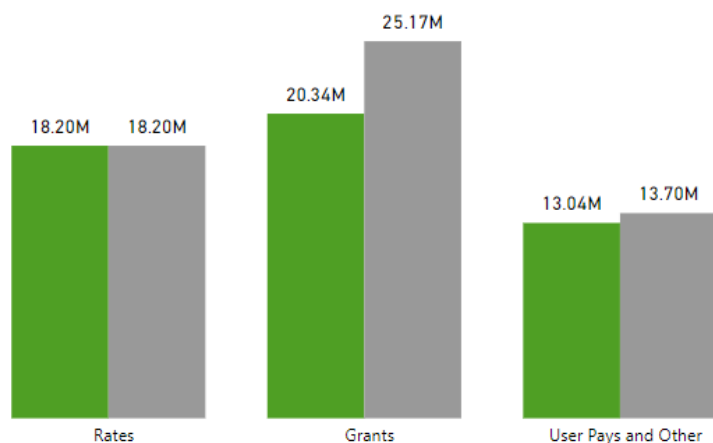
Revenue

Revenue is currently under budget primarily as a result of lower than budgeted grant claims from NZTA, aligned with the under budget expenditure year to date across the same key areas of Bus Contracts (\$2.6m), IT services (\$1.5m) and Infrastructure claims (\$592k). Total Mobility revenue is over budget by \$177k reflecting a higher grant claim from NZTA responding to increased usage.

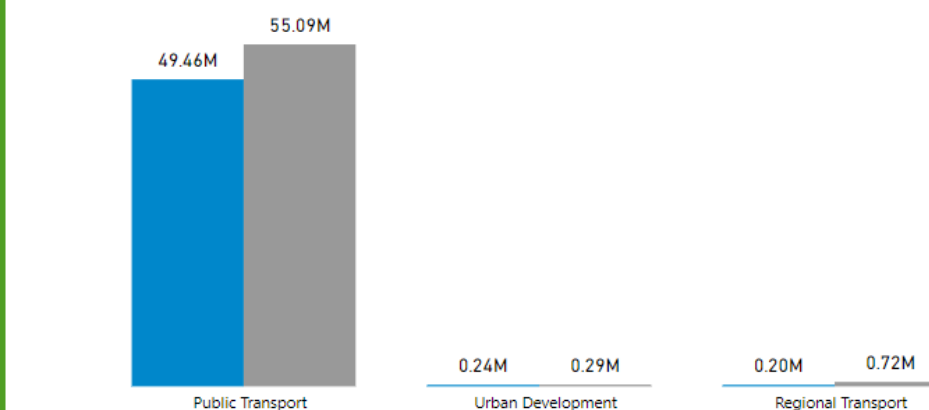
Expenditure

Key contributors to underspend year to date remain consistent. Public Transport expenditure is under budget year to date by \$5.6m. . The most significant driver of this is bus contract payments which are \$3.4m under budget. The three areas impacting bus contract payments are; the Service improvement project which has been delayed, NZTA approved a reduced funding amount in Dec19 and work is underway to determine what can be delivered within this reduced funding envelope. . Employment Relations Act changes are still to be finalised and this may impact numbers in the final quarter. The last area affecting bus contract payments is the NZTA index which is lower than what was budgeted. Other expenditure impacts are Technology costs being under budget by \$614k due to capital project timing, operationally this affects depreciation. CCC Infrastructure funding allocation is \$592k under budget due to a lower claim rate than anticipated this year.

● YTD Actual Revenue ● YTD Budget Revenue



● YTD Actual Expenditure ● YTD Budget Expenditure



5.6. Financial Health Reports February 2020

Performance, Audit and Risk Committee (PARC) report

Date of meeting	Thursday, 26 March 2020
Author	Tarsha Triplow, Team Leader Corporate Reporting
Endorsed by	Katherine Harbrow, Chief Financial Officer

Purpose

1. To report on the financial results for the period ended 29 February 2020.

Recommendations

That the Performance, Audit and Risk Committee:

1. **receives the monthly Financial Health report for the period ended 29 February 2020.**
2. **notes the table of Council approved unbudgeted expenditure listed in this report.**

Background

2. Monthly financial results are reported to the Performance, Audit and Risk Committee as part of our prudent financial management responsibilities.
3. The financial results for the period ended 29 February 2020 have been prepared and are now presented to the Performance, Audit and Risk Committee for review.

Financial Performance

Surplus/Deficit

4. As at 29 February, we had an operating surplus of \$6.69M compared to a budgeted deficit of \$0.64M, a variance of \$7.33M.
5. The variance is a result of spending \$7.79M less than budget and receiving \$0.46M less revenue than budget.

Revenue

6. Rates revenue is on budget at \$72.54M year to date. User pays and other revenue (\$25.32M) is slightly above budget. Grants revenue is under budget (\$0.68M) with a number of variables, Public Transport is under budget due to delayed funding by NZTA, while Biodiversity and Biosecurity are above due to the National Wilding Conifer Programme.

Expenditure

7. Goods and services are under budget by \$5.16M, Public Transport and Freshwater Management are the primary contributors and largely in Contractors and Consultancy. This is partly offset by Biodiversity and Biosecurity being over budget.
8. Overheads are under budget by \$0.8 million, due to overheads being largely driven by labour which is also under budget.
9. Labour is \$1.8 million under budget due to staff changes and vacancies.

Cashflow, Debtors and Debt

Treasury Performance

10. Total cash at bank (including investments) was \$39.9M as at 29 February 2020 and includes a balance on Metrocards of \$3.7M. ECan's cash balance is therefore \$36.2M compared to a policy of \$12.8M. The higher level of cash and short-term investment includes the additional \$16.0M of borrowing from LGFA drawn down in September 2019; these funds are invested in term deposits until required for capital expenditure.
11. The total debtors balance has reduced to \$2.6M with \$2.1M of that being current.
12. Capital works are 56% below budget which relates mostly to the Kainga depot, Real Time Information Systems and Water Data.

Council approved unbudgeted expenditure

Council Meeting	Item	Project Type/Name	Portfolio	Amount (GST) exclusive
11 July 2019 (Public excluded)	Remediation – asbestos contamination – 568 Johns Road	Operating: Land Within WEC Catchment District (P070502)	Hazards, Risk & Resilience	
29 August 2019 (Public excluded)	Timaru On-Demand Public Transport Project	Operating: PT Demand Responsive Transport Pilots (P048740)	Public Transport	\$234,145
29 August 2019 (Public Excluded)	Kainga Depot Development funding – increased in funding to \$7.5m and change from \$2M debt funding and \$5M Kainga Reserve funding to fully debt funded	Capital: Kainga Office – Capital Work (P210007)	Asset Services	\$500,000 (additional capital)

Attachments

1. FH BI Report Feb 20 [5.6.1 - 5 pages]

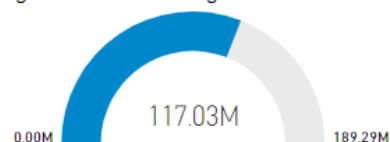
Peer reviewers	Mark Smith, Team Leader Business Partnership Nicholas Hill, Risk and Improvement Manager Miles McConway, Director Finance & Corporate Services
-----------------------	--

7/1/2019

2/29/2020

FINANCIAL HEALTH REPORT

YTD Actual Expenditure Tracking Against Full Year Budget



	Revenue	Expenditure	Surplus/Deficit
Actuals	123.72	117.03	6.69
Budget	124.18	124.82	-0.64
Variance	-0.46	-7.79	7.33
%Variance	-0.37%	-6.24%	

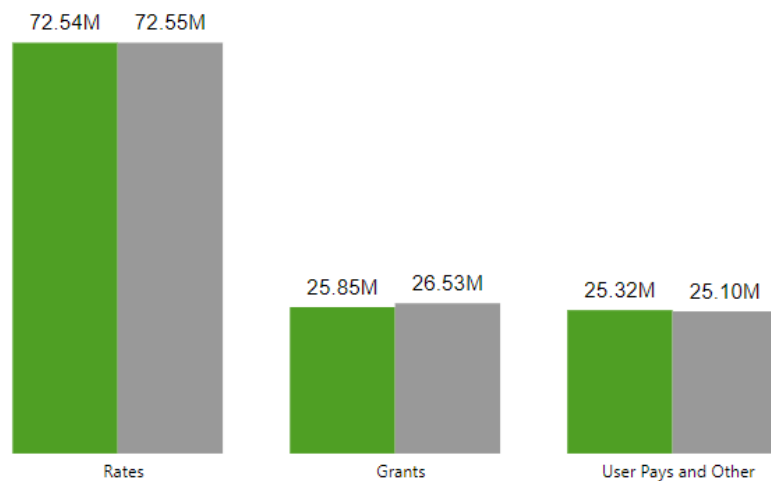
Revenue

Grants are under budget due to the Public Transport delayed projects which is largely offset in Biodiversity and Biosecurity with Wilding Conifer funding.

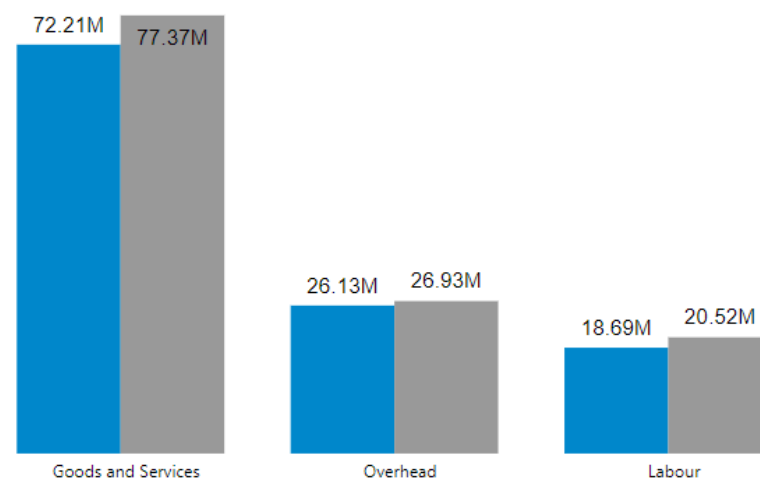
Expenditure

Goods and Services expenditure is under budget mostly in Consultancy and Contractors in Public Transport due to the delayed NZTA projects, and in Freshwater Management relating to delays in the RMA Water Framework and Whakaraupo programmes. Labour is below budget due to vacancies across the portfolios. Lower overhead costs reflect the lower labour costs.

● YTD Actual Revenue ● YTD Budget Revenue



● YTD Actual Expenditure ● YTD Budget Expenditure



Cash and Bank

as at 2/29/2020

39.9M

Cash

15.1M

Metrocard

3.7M

Investment

21.1M

Investment Details (\$000)

\$	Maturity	Days	Rate
600	17/04/2020	213	2.78%
12000	28/04/2020	216	2.74%
1000	12/05/2020	263	2.76%
1200	6/07/2020	182	2.83%
900	6/07/2020	215	2.85%
1300	20/07/2020	241	2.84%
500	28/07/2020	182	2.81%

Total Actual Cash & Bank

39.9M

Cash Reserve Policy: : 12.8M

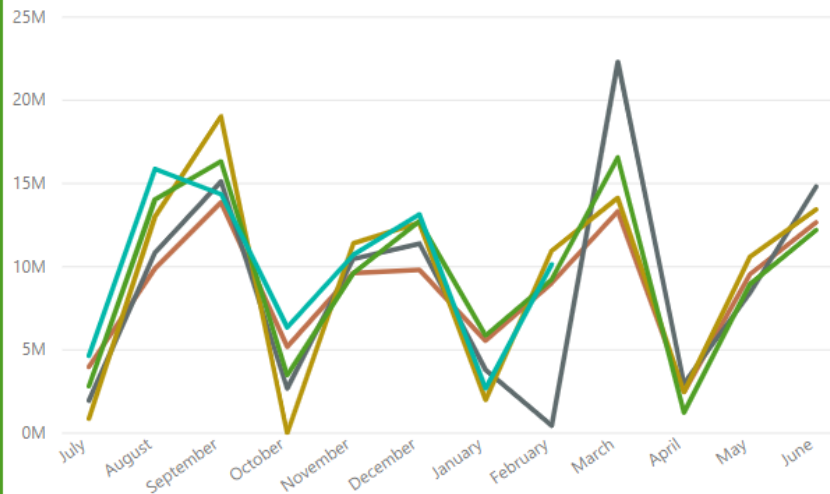
Financial Position

Cash and Bank	39.94M
Other Current Asset	19.13M
Non Current Asset	966.83M
Current Liabilities	-20.53M
Non Current Liabilities	-55.45M

Net Assets 949.92M

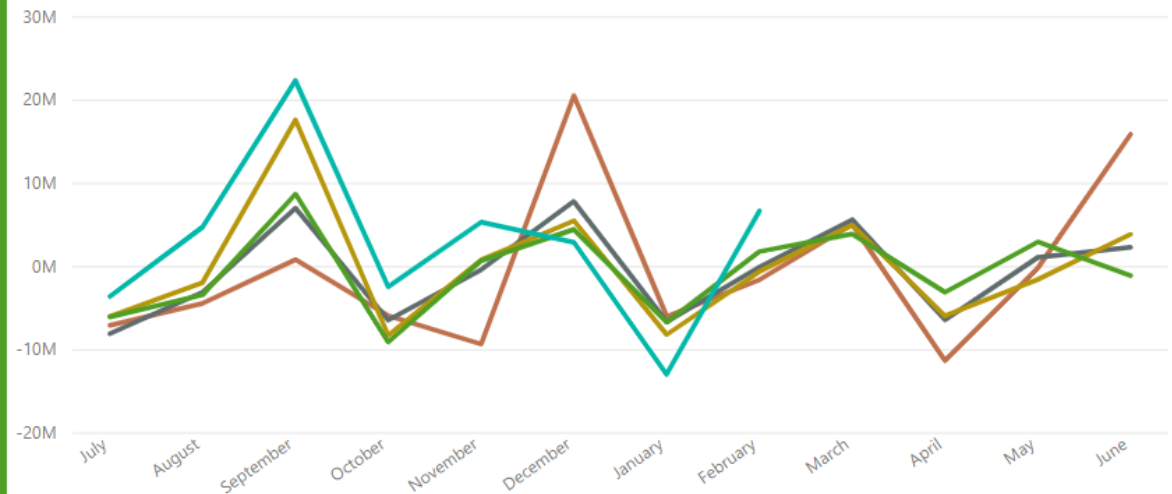
Rates Revenue Tracking Against Previous Years

Financial Year ● 2016 ● 2017 ● 2018 ● 2019 ● 2020



Cash and Bank Balance Tracking Against Previous Years

Financial Year ● 2016 ● 2017 ● 2018 ● 2019 ● 2020



Total Outstanding Debts (Excluding Rates)

Period Ending : 2/29/2020

2,647,955

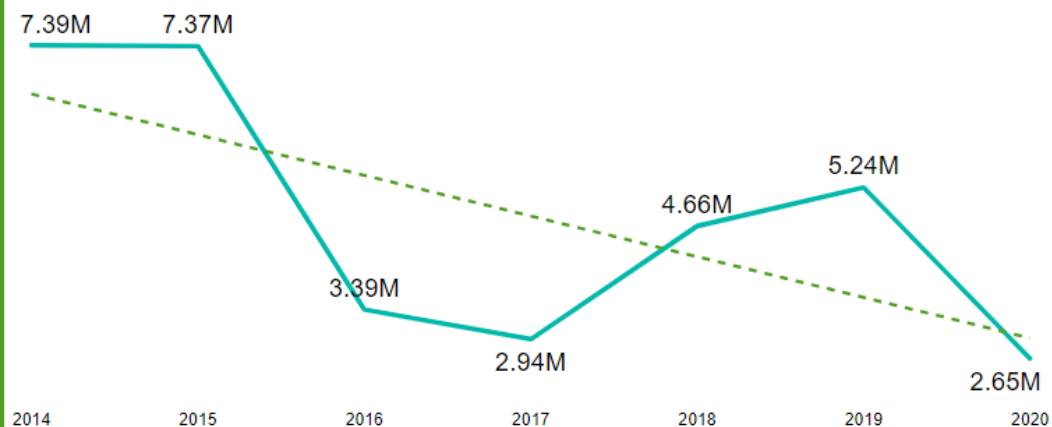


OVER 90 DAYS DEBT MANAGEMENT

Total	Reminder	Payment Arrangement	Objection/ Query	Collection Agency	Others*
0.16M	0.03M	0.00M	0.07M	0.07M	-0.01M

*Others includes Debt recovery, Liens, Court Action/Infringements

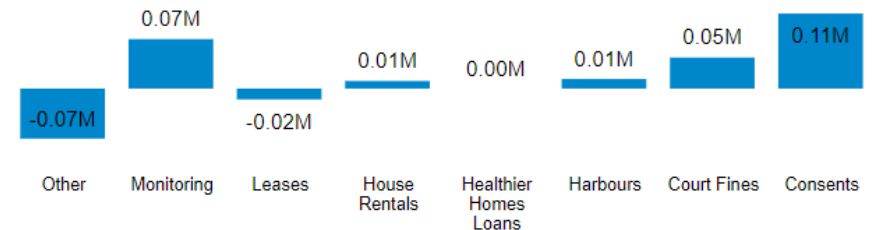
Amount by Year (Excluding Rates)



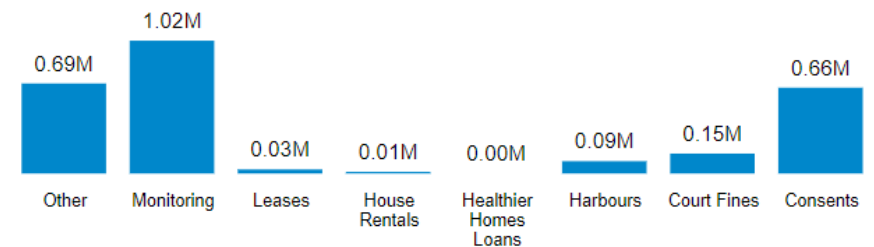
Notes

\$2.11M of the \$2.65M debt is current. Only \$0.16M is over 90 days, which is at different stages of debt management as shown above.

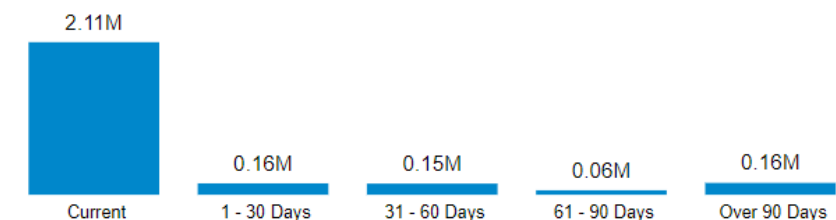
Over 90 Days Debts by Revenue Stream (Excluding Rates)



Total Debts by Revenue Stream (Excluding Rates)

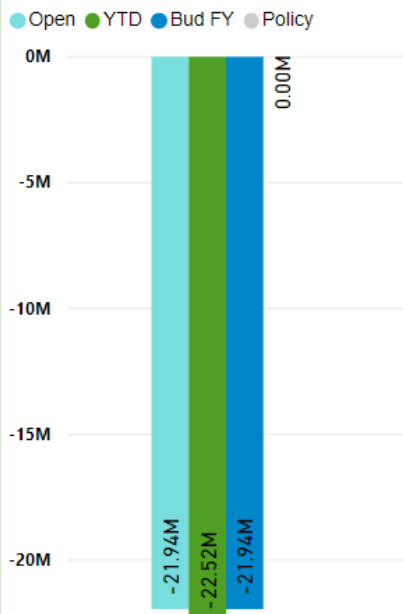


Amount by Aging (Excluding Rates)

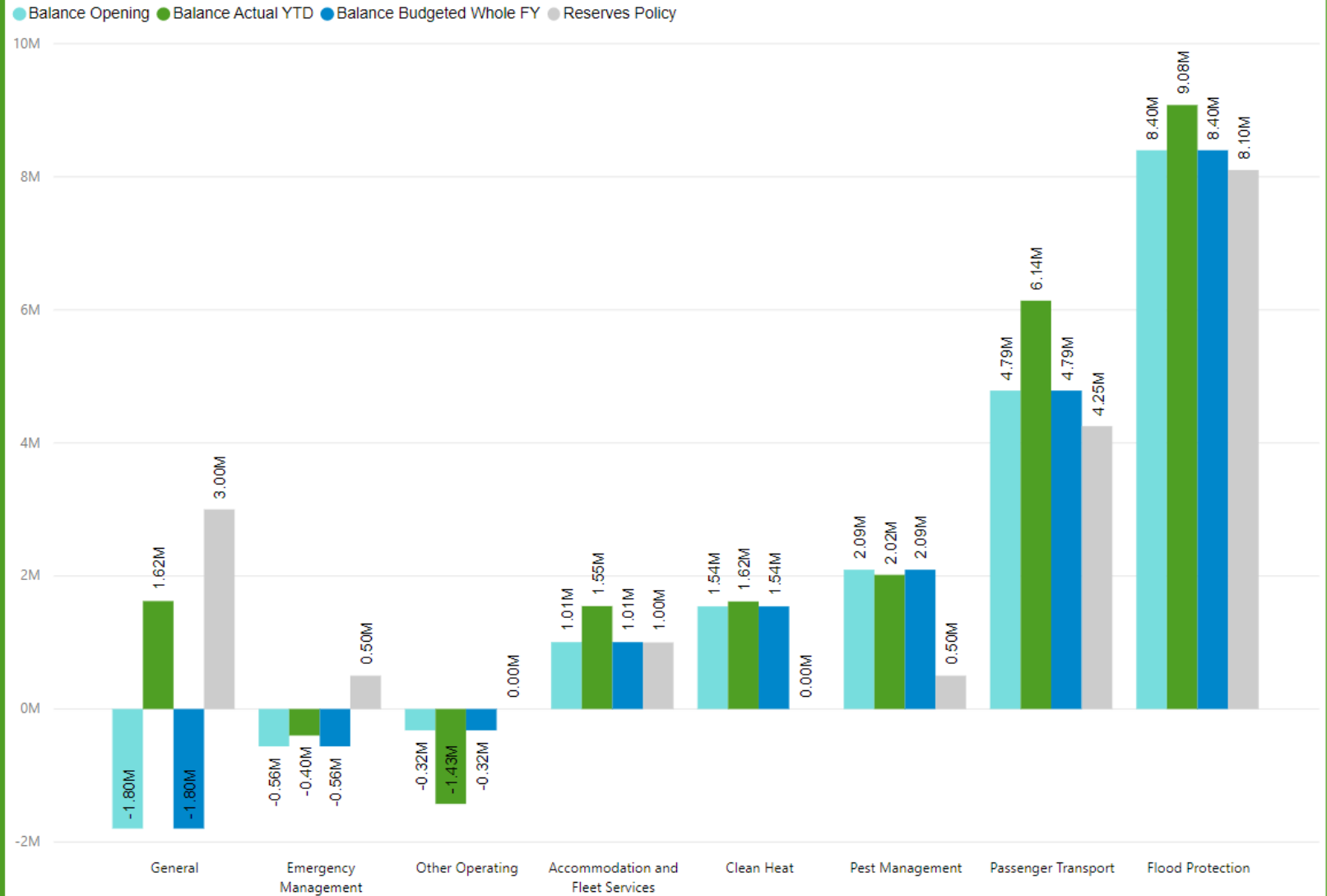


as at 2/29/2020

**Waimakariri Flood Protection reserve
Balance (Debt Funded)**



Major reserve Balances



as at 2/29/2020

5.97M!

Goal: 13.70M (-56.39%)

Notes:

Capital expenditure is behind budget due to significant delays in some projects. The top graph shows year to date actual and budget in key portfolio's or programmes. The bottom graph shows the significant capital projects with actual spend to date compared to the full year budget. Catchment expenditure is higher than expected due to final costs on Waimakariri Eyre Cust Stopbank.

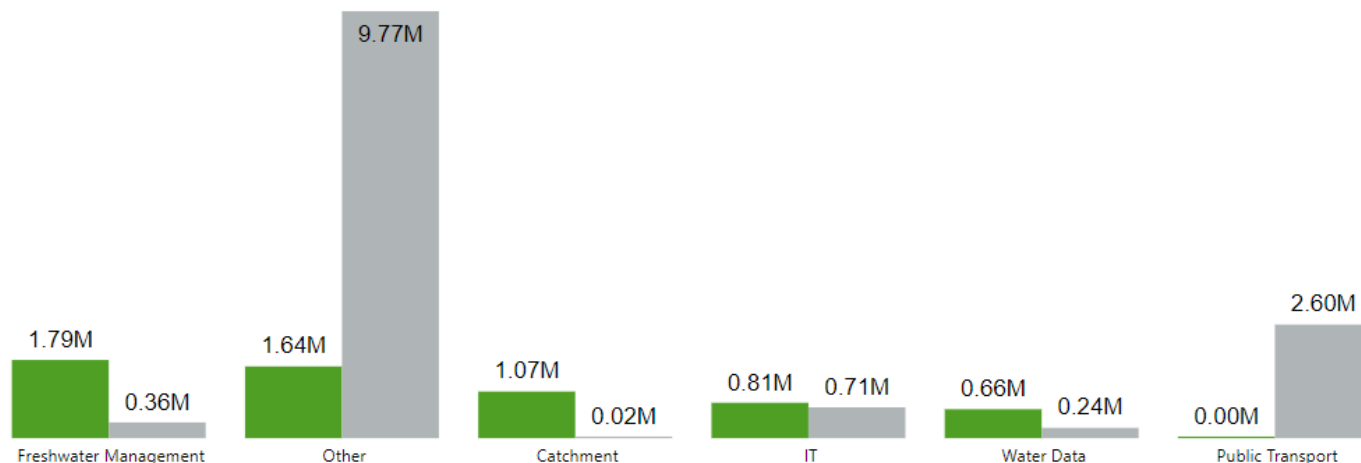
Vehicle Replacement is currently behind budget, by year end we are expecting this to be behind by \$289k. These funds will be redirected to the Tuam St Space Optimisation project.

Real Time Information System is in final stages of the Request for Proposal. This year's budget will be carried over to 2021.

Kainga Depot is currently waiting for consent, once completed the Request for Proposal will commence.

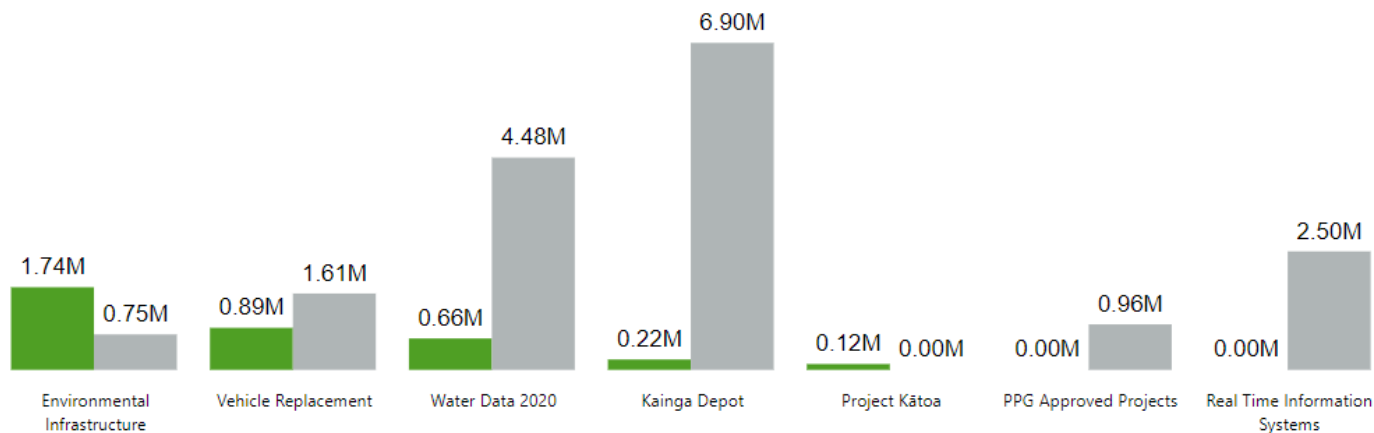
Capital Expenditure (including work in progress)

● YTD Actual ● YTD Approved



Significant Projects - Capital Expenditure (including work in progress)

● YTD Actual ● Full Year Approved



6. Notices of Motion

7. Extraordinary and Urgent Business

8. General Business

9. Questions

10. Next Meeting

11. Closure