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ORDINARY MEETING

OF

**PŪRORO TAHUA** - FINANCE AND PERFORMANCE  
COMMITTEE

MINUTES

Time: 9:30am  
Date: Thursday, 16 September 2021  
Venue: **Virtual meeting**

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**PRESENT**

Mayor Foster (via audiovisual link)  
Deputy Mayor Free (via audiovisual link)  
Councillor Calvert (Chair) (via audiovisual link)  
Councillor Condie (via audiovisual link)  
Councillor Day (via audiovisual link)  
Councillor Fitzsimons (via audiovisual link)  
Councillor Foon (Deputy Chair) (via audiovisual link)  
Liz Kelly (via audiovisual link)  
Councillor Matthews (via audiovisual link)  
Councillor O'Neill (via audiovisual link)  
Councillor Pannett (via audiovisual link)  
Councillor Paul (via audiovisual link)  
Councillor Sparrow (via audiovisual link)  
Councillor Woolf (via audiovisual link)  
Councillor Young (via audiovisual link)



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**16 SEPTEMBER 2021**

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## 1. Meeting Conduct

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### 1.1 Karakia

The Chairperson declared the meeting open at 9:32am and invited members to stand and read the following karakia to open the meeting.

**Whakataka te hau ki te uru,  
Whakataka te hau ki te tonga.  
Kia mākinakina ki uta,  
Kia mātaratara ki tai.  
E hī ake ana te atākura.  
He tio, he huka, he hauhū.  
Tihei Mauri Ora!**

Cease oh winds of the west  
and of the south  
Let the bracing breezes flow,  
over the land and the sea.  
Let the red-tipped dawn come  
with a sharpened edge, a touch of frost,  
a promise of a glorious day

### 1.2 Apologies

No apologies were received.

### 1.3 Conflict of Interest Declarations

No conflicts of interest were declared.

### 1.4 Confirmation of Minutes

#### **Moved Councillor Calvert, seconded Councillor Day, the following motion**

Resolved

That the Pūroro Tahua | Finance and Performance Committee:

1. Approves the minutes of the Pūroro Tahua | Finance and Performance Committee Meeting held on 19 August 2021, having been circulated, that they be taken as read and confirmed as an accurate record of that meeting.

Carried

### 1.5 Items not on the Agenda

There were no items not on the agenda.

### 1.6 Public Participation

There were no requests for public participation.

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## 2. General Business

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### 2.1 Financial Impact of Covid-19 2021/22

#### **Moved Councillor Calvert, seconded Councillor Foon, the following motion**

Resolved

That the Pūroro Tahua | Finance and Performance Committee:

1. Receive the information.
2. Note the forecast impact on Council's 2021/22 financial performance, being in excess of \$7m operating result mainly consisting of a reduction in operating revenues, and reduced capital programme of \$13m. These combined with other factors noted in the report are expected to result in a Debt:Revenue ratio of 237% compared to 226% budgeted (including insurance headroom)
3. Agree that officers collate recommendations for Council financial support to Council's commercial leaseholders, license-holders, CCOs and partners to mitigate the impacts of alert level 3 & 4 lockdown on their finances, particularly if they were unable to operate during this.
4. Note that the first instalment of rates payment due date (penalty deferral) has been extended by one month to the 1<sup>st</sup> of October 2021.

Carried

## 2.2 2020/21 Capital Carry-forward Approval

### **Moved Councillor Calvert, seconded Councillor Foon, the following motion**

Resolved

That the Pūroro Tahua | Finance and Performance Committee:

1. Receive the information.
2. Note that the approved capital budget for 2020/21 was \$360m (including 2019/20 carry-forward) and that the 2020/21 actual capital spend was \$267m.
3. Note that this has resulted in a recorded net underspend of \$93.8m for 2020/21.
4. Agree, and recommend to Te Kaunihera o Pōneke | Council, a capital carry-forward from 2020/21 into future years of \$94.1m.
5. Note the detail of the activities that drive this \$94.1m in Attachment 1.
6. Note that \$77.3m of this \$94.1m is requested to be carried forward to the current year, as many of the projects are already in progress, and that this results in a revised capital budget for 2021/22 of \$420m.
7. Note that a paper is being prepared for Pūroro Waihanga | Infrastructure Committee on the 14th October that will consider the impact of construction sector price pressures and supply chain constraints.
8. Request that, following consideration of that information, Officers review the capital programme and report on the timeline for expected delivery, highlighting any anticipated delays, to the Committee with relevant oversight.
9. Agree, and recommend to Te Kaunihera o Pōneke | Council, to reinstate \$1.7m of *Parking Asset renewals* budget that was part of the Long-term Plan (LTP) until the final version was prepared.
10. Agree, and recommend to Te Kaunihera o Pōneke | Council, to increase the whole-of-life project budget for the Town Hall by \$12.3m through use of the previously resolved Town Hall contingency.

Carried

### **Attachments**

#### 1 2020/21 Capital Carry-forward Approval

The meeting adjourned at 10:36am and reconvened at 10:47am with the following members present: Councillor Calvert (Chairperson), Councillor Condie, Councillor Day, Councillor Fitzsimons, Councillor Foon (Deputy Chairperson), Mayor Foster, Deputy Mayor Free, Liz Kelly, Councillor Matthews, Councillor O'Neill, Councillor Pannett, Councillor Paul, Councillor Sparrow, Councillor Woolf and Councillor Young.

2.3 Sludge Minimisation Facility - Infrastructure Funding and Financing Act Update

**Moved Councillor Foon, seconded Councillor Pannett, the following motion**

Resolved

That the Pūroro Tahua | Finance and Performance Committee:

1. Receive the information.
2. Note the engagement to date with the Crown regarding the Infrastructure Funding and Financing Act as a tool to fund the Sludge Minimisation Facility Project.
3. Note the next milestone for the project will be consideration by the Pūroro Waihanga Infrastructure Committee of the preferred technology solution and procurement strategy.

Carried

2.4 Performance Reporting Framework - Progress Update

**Moved Councillor Calvert, seconded Councillor Foon, the following motion**

Resolved

That the Pūroro Tahua | Finance and Performance Committee:

1. Receive the information in this background report and slide presentation on the day.

Carried

**Attachments**

- 1 Performance Monitoring and Reporting Framework

2.5 Action Tracking

**Moved Councillor Calvert, seconded Councillor Foon, the following motion**

Resolved

That the Pūroro Tahua | Finance and Performance Committee:

1. Receive the information.

Carried



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2.6 Forward Programme

**Moved Councillor Calvert, seconded Councillor Woolf, the following motion**

Resolved

That the Pūroro Tahua | Finance and Performance Committee:

1. Receive the information.

Carried

(Mayor Foster left the meeting at 11:36am.)

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### 3. Committee Reports

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#### 3.1 **Report of the Kāwai Māhirahira | Audit and Risk Subcommittee Meeting** of 15 September 2021

Health, Safety and Security Report

**Moved Councillor Condie, seconded Councillor Pannett, the following motion**

Resolved

That the Pūroro Tahua | Finance and Performance Committee:

1. Receive the information.

Carried

The meeting concluded at 11:59pm with the reading of the following karakia:

<b>Unuhia, unuhia, unuhia ki te uru tapu nui</b>	Draw on, draw on
<b>Kia wātea, kia māmā, te ngākau, te tinana, te wairua</b>	Draw on the supreme sacredness To clear, to free the heart, the body and the spirit of mankind
<b>I te ara takatū</b>	
<b>Koia rā e Rongo, whakairia ake ki runga</b>	Oh Rongo, above (symbol of peace)
<b>Kia wātea, kia wātea</b>	Let this all be done in unity
<b>Āe rā, kua wātea!</b>	

Authenticated: \_\_\_\_\_

Chair

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ORDINARY MEETING  
OF  
**PŪRORO TAHUA** - FINANCE AND PERFORMANCE  
COMMITTEE  
MINUTE ITEM ATTACHMENTS

Time: 9:30  
Date: Thursday, 16 September 2021  
Venue: Ngake (16.09)  
Level 16, Tahiwī  
113 The Terrace  
Wellington

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# 2020/21 Capital Carry-forward

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**Pūroro Tahua | Finance and Performance Committee**

**16 September 2021**

# Agenda

- Overview
- Capex delivery and carry-forward trend
- Restated net underspend
- Carry-forward detail
- Underspend not carried forward
- Town Hall contingency and carry-forward
- Carry-forward impact on capital programme and debt
- Questions

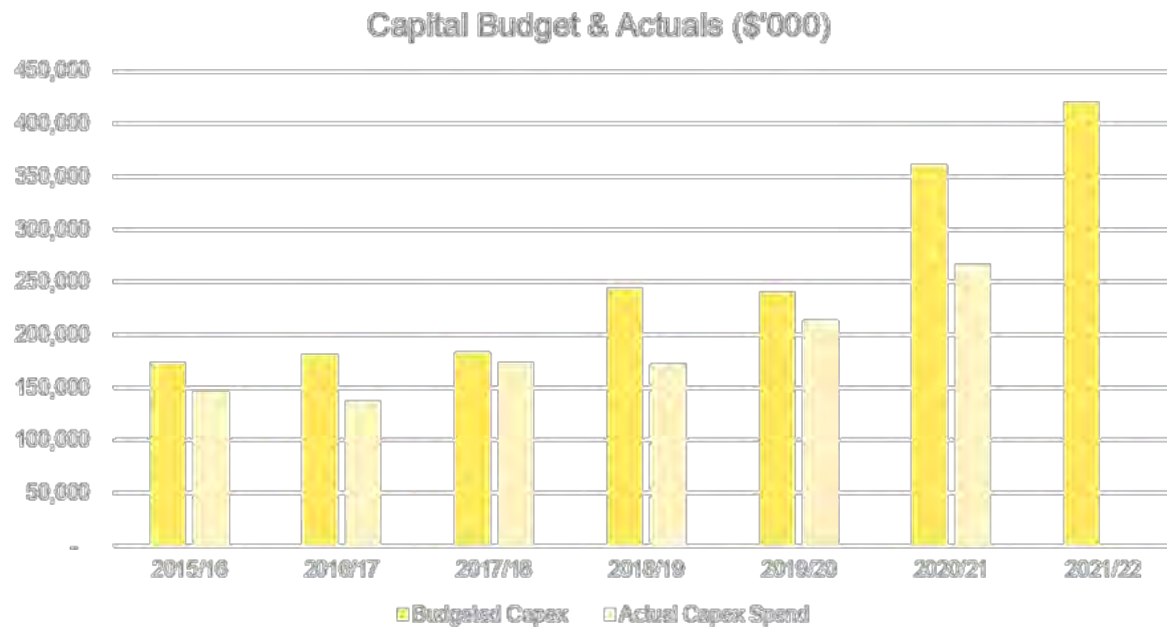
# Overview

## 2020/21 Capital Expenditure result (\$'000)

Budget	360,388
Actual	266,555
Variance	93,833
% Variance	26%

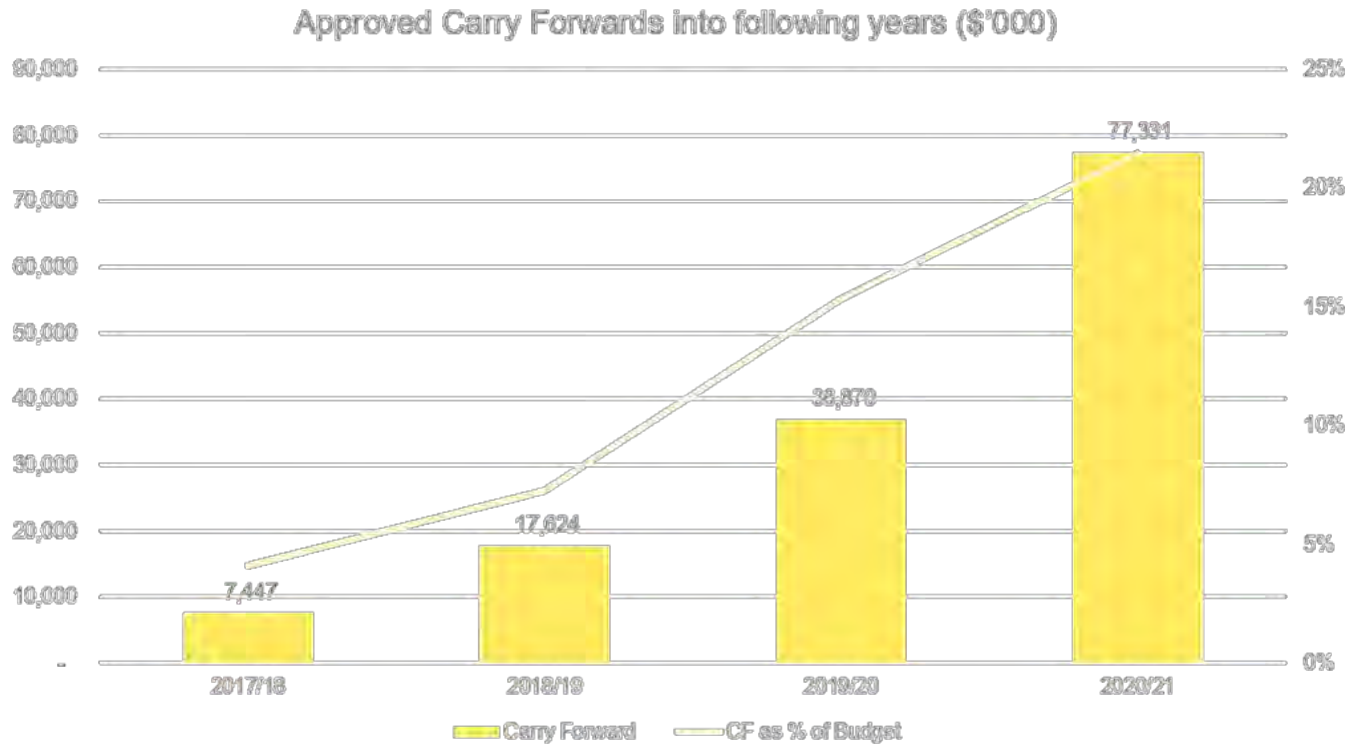
\$267m is the largest capital programme delivered by Council

# Capital Programme Delivery Trend



Note: 2021/22 includes the requested carry-forward of \$77m for consistent comparison.

# Carry-forward Trend





## Restated net underspend

<b>2020/21 Capital Programme Budget</b>	<b>360,388</b>
<i>Approved Overspends - not budgeted</i>	
Jervois Quay	4,200
Mount Albert	2,100
Quarry - Holcim equipment purchase	2,908
Carbon Credit purchase	6,106
Zoo Renewals (external funding received)	437
<b>2020/21 Restated Budget</b>	<b>376,140</b>
2020/21 Actual Capital Programme Spend	266,555
<b>2020/21 Capital Programme Revised Net Underspend</b>	<b>109,585</b>
Total requested Capex carry forward	94,121
<b>Variance to Restated Net Underspend</b>	<b>15,464</b>

# Carry Forward Detail

	\$'000	% of Total
<b>Total requested carry-forward</b>	<b>94,121</b>	
<i>of which delivery was externally influenced:</i>		
Town Hall	4,637	5%
St. James	9,600	10%
Lets Get Wellington Moving - City Streets	1,539	2%
Lets Get Wellington Moving - Early Delivery	5,390	6%
	<b>21,166</b>	<b>22%</b>
<i>of which are projects of community interest:</i>		
Cycling Network Renewals	8,423	9%
Civic Campus Resilience and Improvements	6,551	7%
Community Centres	6,123	7%
SHIP	3,481	4%
Frank Kitts Playground	5,141	5%
Bond Store Upgrade	4,682	5%
Housing Single Capital Programme	4,413	5%
Housing renewals - Balconies - GRA	2,556	3%
Housing renewals - BAU Capex	938	1%
Housing upgrades - Curtains	1,320	1%
Basin Reserve (Balance of Master Plan)	4,284	5%
Laneways	3,472	4%
LED Street Light Transition	2,179	2%
Snow Leopards Habitat	1,565	2%
Karori Upgrade	953	1%
North Lambton Quay upgrade	808	1%
Rural Road Upgrades - Makara	274	0%
Toa Pou	137	0%
	<b>57,300</b>	<b>61%</b>
<b>Total</b>	<b>78,467</b>	<b>83%</b>

- \$78.5m of the carry-forward activities are detailed in the table.
- These are projects identified as important to carry forward as they align with the strategic objectives of the current LTP.
- The balance (\$15.7m) is made up of a number of less prominent projects such as:
  - Digitisation Services Project
  - PSR Coastal Renewals
  - Library Materials Upgrade

# Underspend not carried forward

- Bus Priority Planning – \$6m – now part of the LGWM programme
- 3 waters renewals & upgrades – \$6.2m – work programme agreed and budgeted as part of the LTP
- Transport renewals and upgrades - \$2.8m – budget provided for each year

# Town Hall Contingency

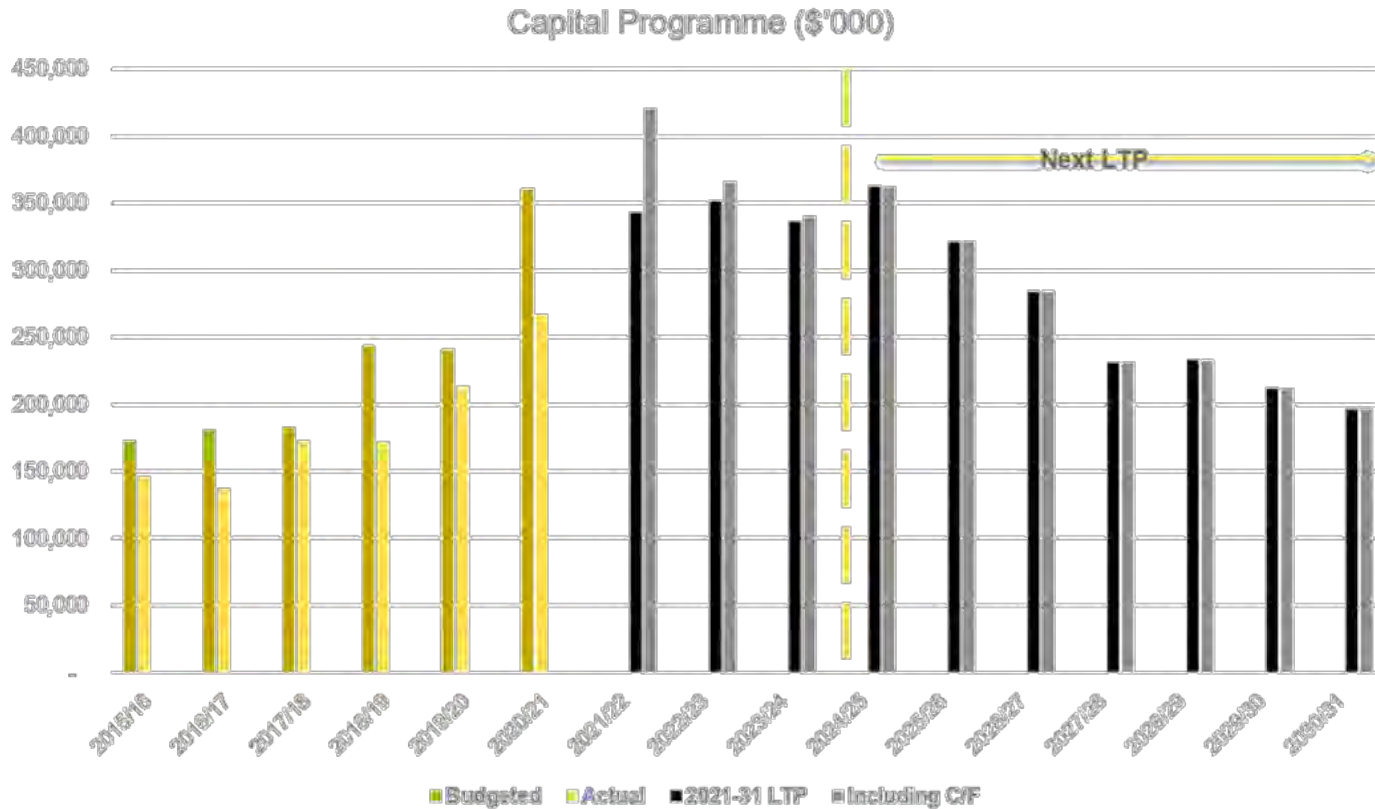
- Town Hall budget was agreed at Council on 27 February 2019, this meeting resolved to:
  - Agree project budget of \$112.4m,
  - Agree contingency provision of \$24.3m,
  - Note a range of contingency requirement of between \$9.4m and \$34.5m.
- Unexpected costs in the project have resulted in a requirement to utilise this contingency to the value of \$12.3m.
- Contingency requirement drivers – some examples
  - Dewatering site - \$1.8m
  - Screw piles - \$2.2m
  - Temporary works to support roof trusses - \$0.6m
  - Cracked floor upper levels - \$0.3m

## Town Hall Carry-forward

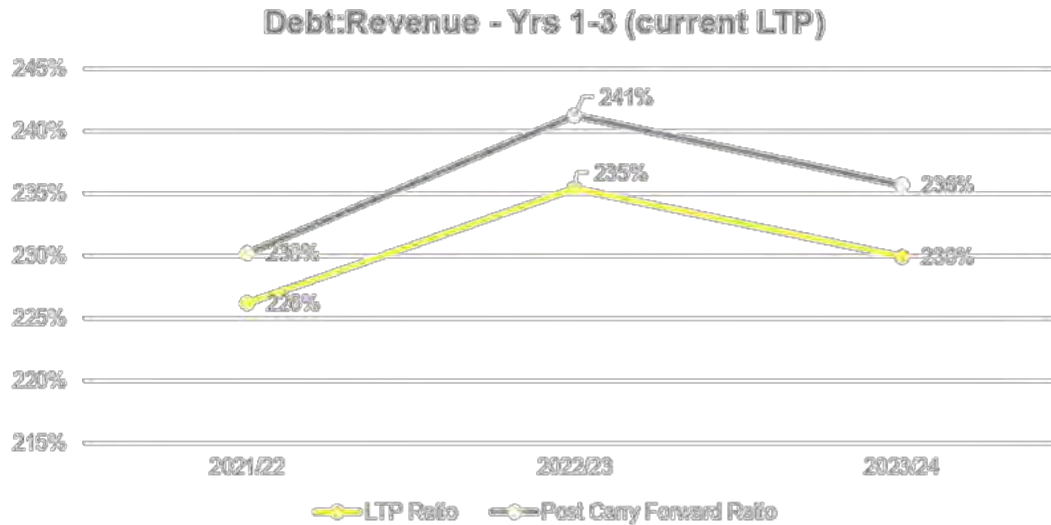
- Life-to-date budget was \$48.1m verses actual spend of \$55.8m,
  - This is an overspend of \$7.6m.
- The un-progressed (versus planned) value of the life-to-date is \$4.6m,
  - \$12.3m less the budget overspend of \$7.6 = \$4.6m
- Therefore \$4.6m is the requested carry forward.

\$'000	Life to Date (excl 2020/21)	2020/21	Life to Date
Budget	23,080	25,064	48,144
2020/21 Spend	27,883	27,901	55,784
Variance to budget	(4,803)	(2,837)	(7,640)
<i>Unprogressed value</i>	<i>7,640</i>	<i>4,637</i>	<i>-</i>
Contingency requirement	7,640	4,637	12,277
<b>Carry Forward Request</b>		<b>4,637</b>	

# Carry-forward impact on Capital Programme



# Carry-forward impact on debt



Note: This is modelled solely on the LTP debt:revenue ratio and does not take updated factors, such as Covid-19 lost revenue or capital programme delays, into account.

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
LTP Ratio	226%	235%	230%	236%	235%	234%	224%	213%	202%	189%
Post Carry Forward Ratio	230%	241%	236%	241%	240%	239%	229%	218%	206%	193%

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
LTP Capital Programme	343,024	351,588	336,261	362,481	321,120	284,175	230,982	233,176	211,815	196,358
Including carry-forward	420,355	365,725	339,955	361,940	321,281	284,175	230,982	232,676	211,654	196,358



# Questions

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Draft



# WCC Corporate Performance Monitoring and Reporting Framework

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Progress update

Absolutely Positively  
**Wellington City Council**  
Me Heke Ki Pōneke



## **Today's agenda**

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- Our approach to building the monitoring and reporting framework
- Impact on the Quarterly Report
- Questions and feedback

## Initial stocktake: Recent performance reporting is unlikely to fully meet the oversight and monitoring roles of elected members i.e.

### Issues

- Too detailed
- Can't easily track LTP progress
- More timely information for decision making
- Not easy to assess:
  - how well the whole organisation is operating; and
  - Certainty of delivery



### What's changed?

- The 2021 LTP has significant delivery expectations from both Councillors and the community
- A new Committee structure
- A programme is underway to improve the:
  - quality of our LTP planning;
  - overall performance line-of-sight from service delivery to community outcomes.



### The goal

Develop and deliver joined-up, consistent, timely performance reporting



## The central challenge driving the framework development is:

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- “What information do elected members need to receive to know that the organisation is :
- Operating efficiently & effectively
  - Achieving results; and
  - Delivering according to plan?”

## Approach:

### Scope

- Whole of business (or corporate) financial, non-financial performance reporting to governance, leadership and operational audiences.
- The reporting needs for each Committee
- Existing and future performance reports, development processes
- **Initial priority:** Quarterly report to this Committee
- **To retain:** KPI activity are exception reporting; front end visual performance summaries; dashboard focused report overview etc.

### Design principles

Performance reports should:

- Provide a transparent, balanced, joined-up and forward-focused view of performance
- Reflect a clear connection people, delivery and outcomes (performance line-of-sight)
- Include concise, risk management focused analysis of material changes in performance
- Are easy for users to navigate with an engaging visual presentation of results; and
- Can be efficiently developed and delivered
- Build on the strengths of current practice



### Key Deliverables

- Audience performance reporting framework (what to report, to whom, for what purpose, how and when)
- Guidelines and practices 'rules' for report content selection and analysis
- Blueprints and presentation templates guiding report presentation for each audience



### The goal

Develop and deliver joined-up, consistent, timely performance reporting

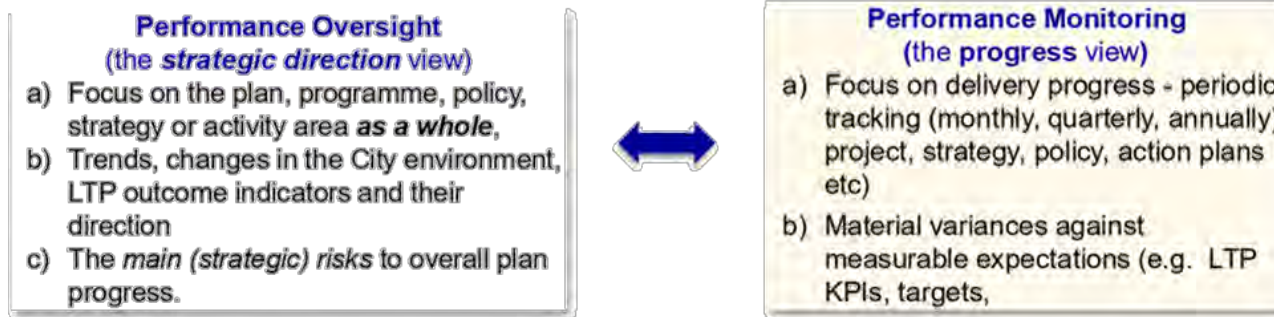
## Designing the framework: key steps

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## (A) Establish a common performance reporting language - some working definitions

The Terms of Reference for this Committee has performance *oversight* and *monitoring* as key activities





## (B) Clarify what and how performance is to be reported going forward

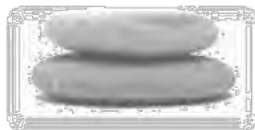
### Five key questions

1. What aspects of the Council's performance are to be reported and, how is it measured?
2. Which report users focus on what aspects of the Council's performance, and from what perspective?
3. What are report users charged to do with the performance information they get?
4. How to best analyse, organise and present the performance information to elected members?
5. What are the gaps in existing reports, what is to change and in what order?



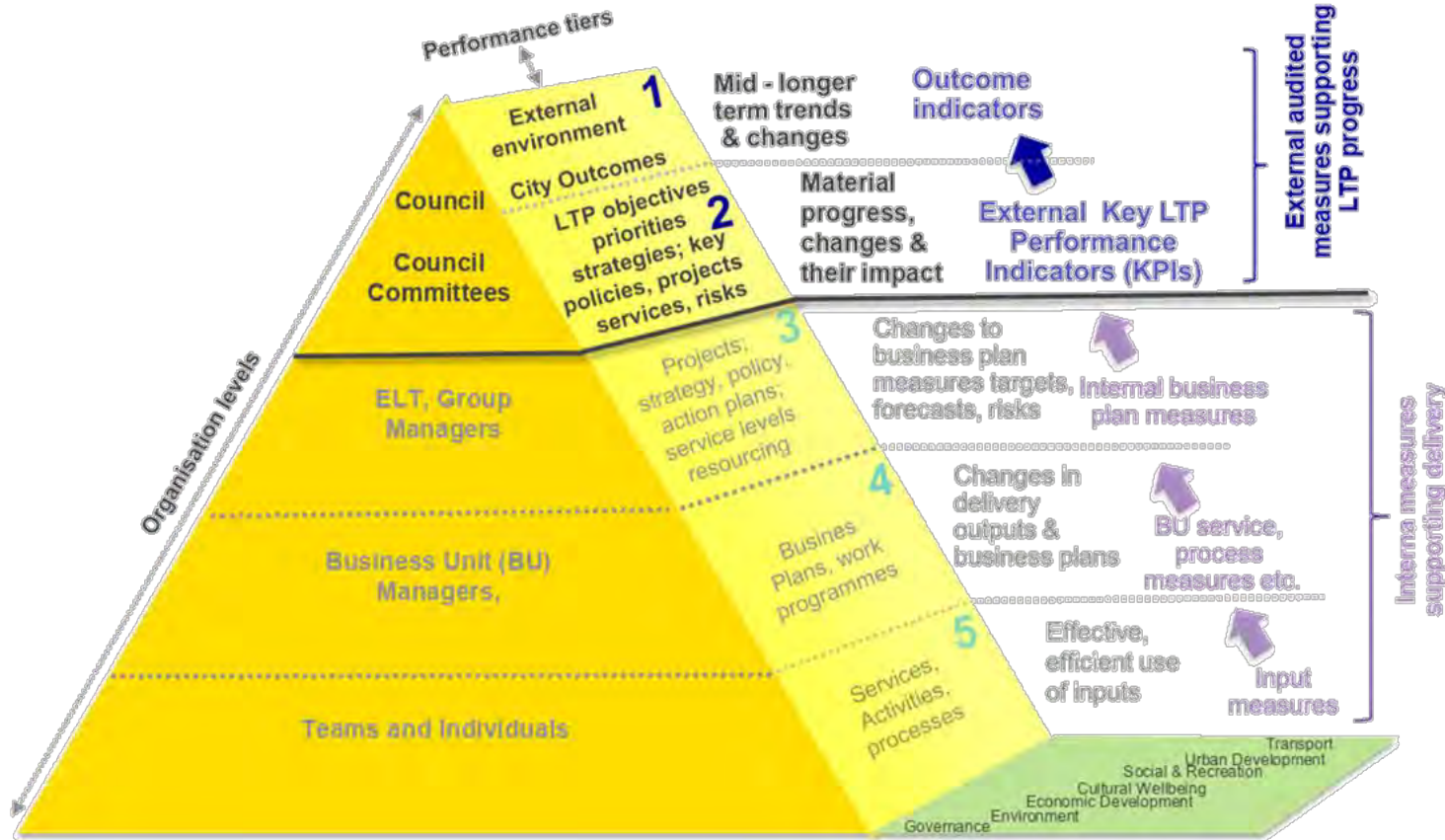
What information do elected members need to receive to know that the organisation is:

- operating efficiently & effectively
- delivering results; and
- according to plan?





(c) The result is a view (model) of Council performance and measures at each level



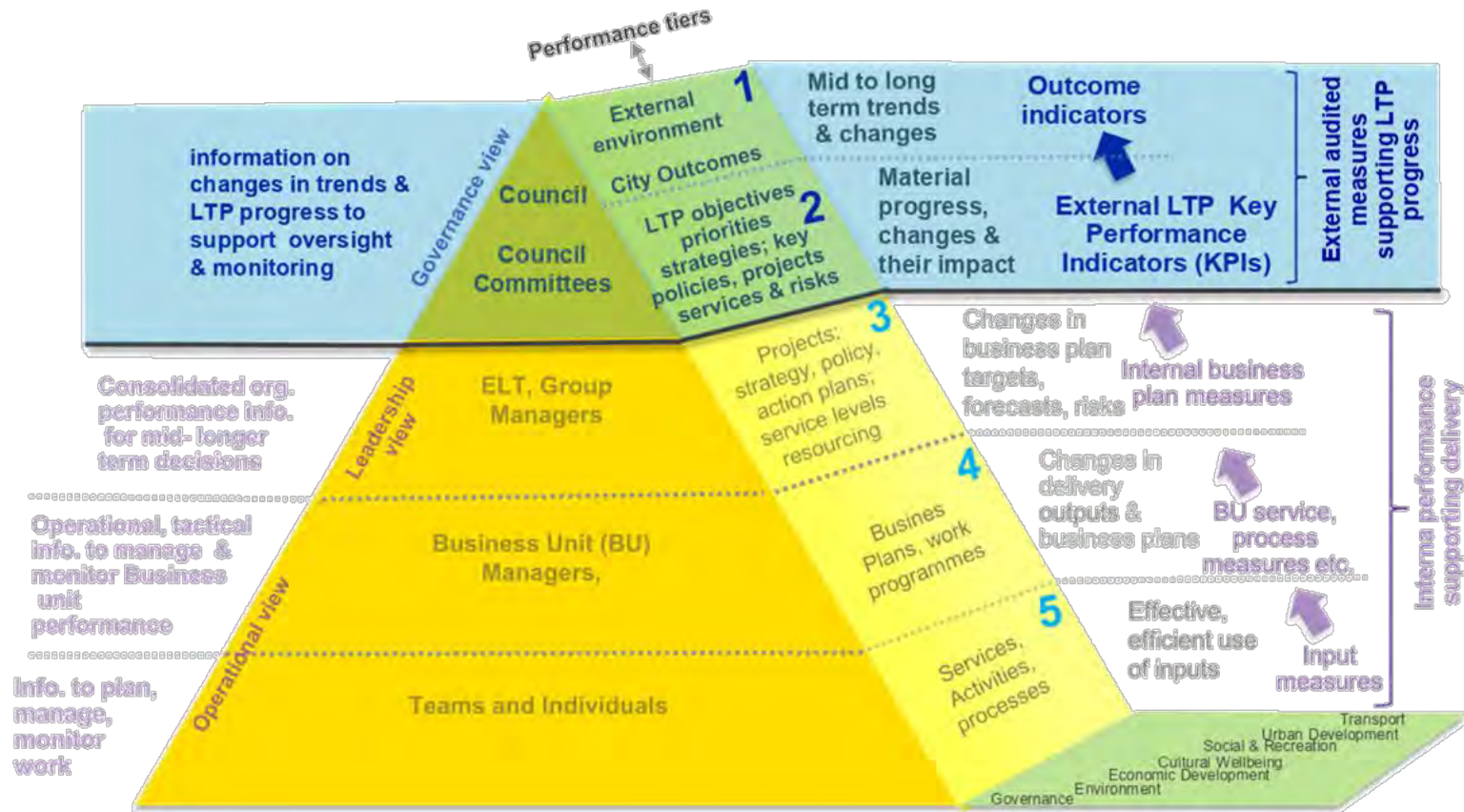


## Impact on the quarterly report

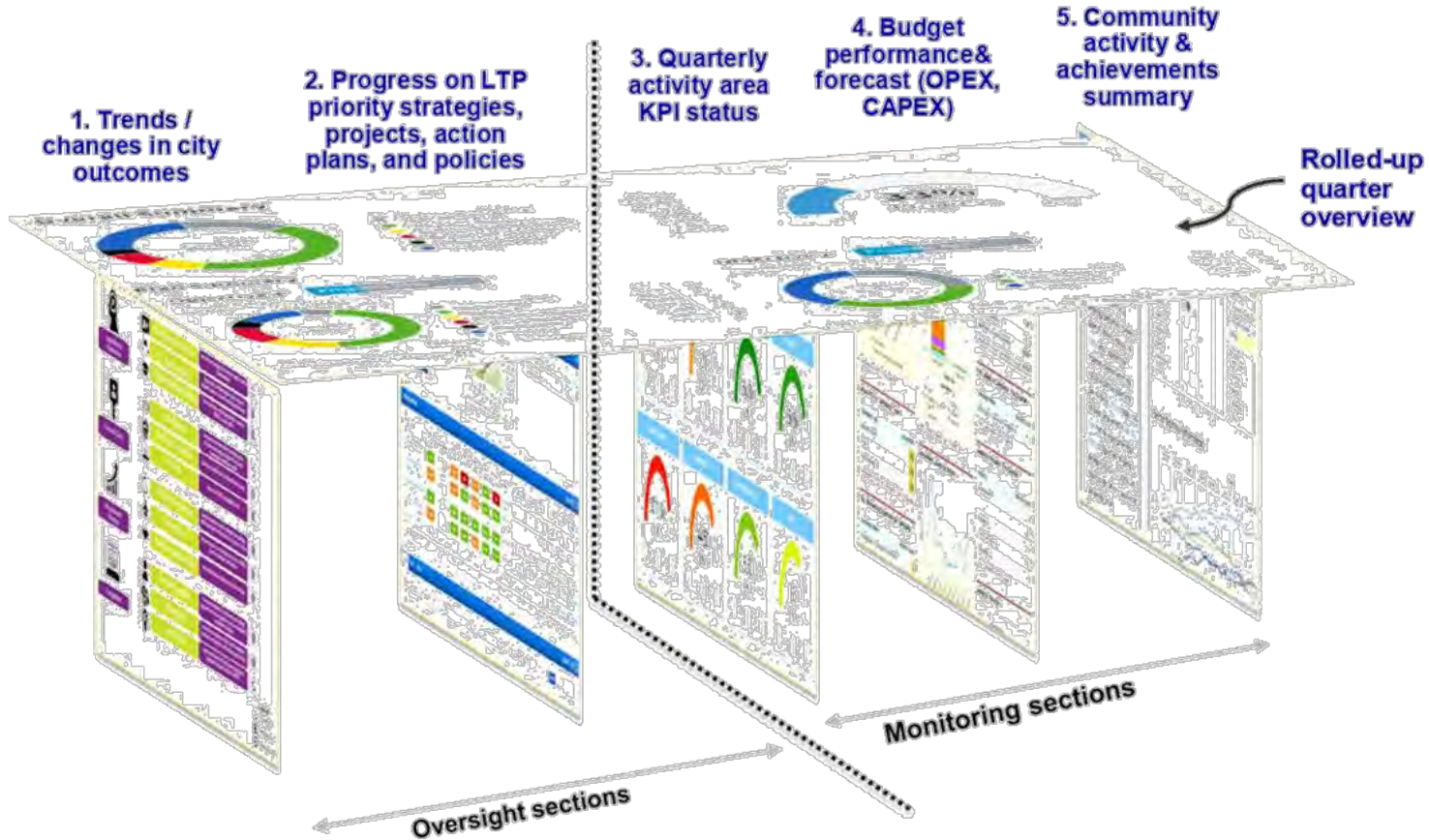
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## Scope: Covers levels 1 and 2 of the framework from a governance perspective



## Proposed structure: Five sections with a rolled up overview





**Proposed content: Trends / changes in city outcomes, progress on strategies, projects, action plans, or policies supporting LTP priorities**

**The oversight view**

View	Focus	Performance dimensions	Reported as
1	<b>Governance oversight</b> of changes in the state of the City	City outcomes (four wellbeing) environmental, social, cultural & economic	<ul style="list-style-type: none"> <li>• Snapshots of:                             <ul style="list-style-type: none"> <li>• changes in indicator trends</li> <li>• comparisons</li> </ul> </li> </ul>
2	<b>Governance oversight</b> of LTP priorities: enabling key projects, policies and action plans enabling strategic objectives	<b>Key projects enabling strategic objectives:</b> <ul style="list-style-type: none"> <li>• A functioning, resilient and reliable 3 waters infrastructure</li> <li>• Affordable, resilient, safe housing</li> <li>• Transport infrastructure - safe resilient, reliable network</li> <li>• Resilient, fit for purpose community, creative and cultural spaces</li> <li>• Accelerating zero-carbon and waste free transition</li> <li>• Strong partnerships with mana whenua</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly status (progress) of the <i>portfolio</i> of projects for each strategic objective</li> </ul>
		<b>Strategies</b> <ul style="list-style-type: none"> <li>• Children &amp; Young People, Economic Development, Aho Tini - Arts, Culture &amp; Creative Strategy, Planning for Growth - Spatial Plan, Te Atakura, Bio Diversity strategy, Capital Open Spaces Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Progress on initiatives funded in the LTP &amp;</li> </ul>
		<b>Action plans:</b> <ul style="list-style-type: none"> <li>• Te Tauīhu Māori, Accessible Wellington &amp; Sustainable Food action Plans</li> </ul>	<ul style="list-style-type: none"> <li>• Under development</li> </ul>
		<b>Policies:</b> <ul style="list-style-type: none"> <li>• Community Facilities, Play Spaces, Library, Transport, Harm Reduction, Public Space design &amp; Positive Ageing Policies;</li> </ul>	<ul style="list-style-type: none"> <li>• Under development</li> </ul>

## Proposed content: Quarterly external KPIs, activity area budget performance and forecasts, key community activities / achievements

### The *Monitoring* view

Layer	Focus	Performance dimensions	Reported as
3	Monitor Service levels	<ul style="list-style-type: none"> <li>Quarterly activity area KPI status</li> </ul>	<ul style="list-style-type: none"> <li>Rolled up map</li> <li>KPI exceptions with commentary</li> </ul>
4	<b>Governance oversight</b> Council Budget performance	Activity area annual budget performance - OPEX & CAPEX	<ul style="list-style-type: none"> <li>Budget variance</li> <li>Forecast</li> </ul>
5	Summary Community activity & achievements	<ul style="list-style-type: none"> <li>Activities - work started / completed</li> <li>Achievements in the quarter (</li> </ul>	Short narrative on each

## Next steps: Continue developing the framework on three fronts

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- Q1 in November - covering the monitoring views
- Quarterly report:
  - expand Q2 report to cover the portfolio of key projects supporting the LTP priorities
  - Further develop the content for each layer, visual presentation and report templates
- Continue detailed development of the model

## Pātai? Feedback?

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