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**ORDINARY MEETING**

**OF**

**PŪRORO TAHUA | FINANCE AND PERFORMANCE  
COMMITTEE**

**MINUTES**

**Time:** 9:30am  
**Date:** Thursday, 19 May 2022  
**Venue:** Ngake (16.09)  
Level 16, Tahiwī  
113 The Terrace  
Wellington

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**PRESENT**

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



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## 1. Meeting Conduct

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### 1.1 Karakia

The Chairperson declared the meeting open at 9:30am and invited members to stand and read the following karakia to open the meeting.

<b>Whakataka te hau ki te uru,</b>	Cease oh winds of the west
<b>Whakataka te hau ki te tonga.</b>	and of the south
<b>Kia mākinakina ki uta,</b>	Let the bracing breezes flow,
<b>Kia mātaratara ki tai.</b>	over the land and the sea.
<b>E hī ake ana te atākura.</b>	Let the red-tipped dawn come
<b>He tio, he huka, he hauhū.</b>	with a sharpened edge, a touch of frost,
<b>Tihei Mauri Ora!</b>	a promise of a glorious day

### 1.2 Apologies

**Moved Councillor Calvert, seconded Deputy Mayor Free**

#### **Resolved**

That the Pūroro Tahua | Finance and Performance Committee:

1. Accept the apologies received from Councillor Day for partial absence, Councillor Woolf for lateness, Councillor O'Neill for early departure and Liz Kelly for absence.

**Carried**

### 1.3 Conflict of Interest Declarations

Councillor Pannett declared a conflict of interest in relation to item 4.1 Appointment of Directors to CCOs and CO.

### 1.4 Confirmation of Minutes

**Moved Councillor Calvert, seconded Deputy Mayor Free**

#### **Resolved**

That the Pūroro Tahua | Finance and Performance Committee:

1. Approves the minutes of the Pūroro Tahua | Finance and Performance Committee Meeting held on 21 April 2022, having been circulated, that they be taken as read and confirmed as an accurate record of that meeting.

**Carried**

(Councillor Young joined the meeting at 9.38am)

### 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 CCO Q3 Report**

**Moved Councillor Calvert, seconded Councillor Young**

**Resolved**

That Pūroro Tahua | Finance and Performance Committee:

- 1) Receive the information.
- 2) Note the contents of the report.

**Carried**

**Attachments**

- 1 CCOs KPI - Slides

(Councillor Young left the meeting at 9.57am and returned at 10:02am)

The meeting adjourned at 10.15am and reconvened at 10.35am with Councillor Calvert, Councillor Condie, Councillor Young, Deputy Mayor Free, Councillor Fitzsimons, Councillor Foon, Councillor Paul, Councillor Day, Mayor Foster, Councillor Matthews, Councillor O'Neill present.

(Councillor O'Neill left the meeting at 10:37am)

## 2.2 Performance Report Quarter Three 2021/22

### Moved Councillor Calvert, seconded Councillor Condie

#### Resolved

That the Pūroro Tahua | Finance and Performance Committee:

- 1) Receive the Quarter Three (Q3) Performance Report on the 2021 Long-term Plan (LTP).
- 2) Note the key headlines covered in the summary and in each section of the report.
- 3) Note that this report is against the 2021-31 LTP and is aligned with the Corporate Monitoring and Reporting Framework (level 1) and supports the strategic oversight and monitoring role of the LTP by the Finance and Performance Committee.
- 4) Note that the report draws upon without duplication, detailed project level monitoring reports to other Committees.
- 5) Recommend to Council that the operational (opex) budget for the CCO Covid Response Support be increased by \$600k for 2021/22.
- 6) Note that this additional budget will be debt funded in the current year.
- 7) Recommend to Pūroro Maherehere | Annual Plan/Long Term Plan Committee to fund the repayment of this debt funded opex through rates in future years, in line with the original CCO Covid Response Support.
- 8) Note the following relating to the Cycleways capital (capex) budget:
  - a) The Cobham Drive cycleway project is expected to finish below its allocated budget by \$900k,
  - b) The Miramar cycleway project is expected to exceed its allocated budget by approximately \$650k,
  - c) These two projects relate to the same Activity and the underspend in Cobham Drive project will be used to fund the overspend in the Miramar project, in line with Officer delegation.

**Carried**

#### Attachments

- 1 Q3 Performance Report Summary Sheet
- 2 Quarter Three Report - Slides

**Secretarial note:** In accordance with standing order 19.1, the chairperson accorded precedence to some items of business and announced that the agenda would be considered in the following order:

1. Item 2.3 Health, Safety and Security
2. Item 3.1 Report of the Kāwai Māhirahira | Audit and Risk Subcommittee Meeting
3. Item 2.4 Actions Tracking
4. Item 2.5 Forward Programme
5. Item 4.1 Appointment of Directors to CCOs and CO

(Mayor Foster left the meeting at 11:00am)

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## **2.3 Health, Safety and Security**

**Moved Councillor Calvert, seconded Councillor Foon**

### **Resolved**

That the Pūroro Tahua | Finance and Performance Committee:

1. Receive the information.

**Carried**

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## **3. Committee Reports**

### **3.1 Report of the Kāwai Māhirahira | Audit and Risk Subcommittee Meeting of 3 May 2022:**

#### **HEALTH, SAFETY AND SECURITY (PERFORMANCE) REPORT**

**Moved Councillor Condie, seconded Councillor Pannett**

### **Resolved**

That the Pūroro Tahua | Finance and Performance Committee:

- 1) Receive the information.

**Carried**



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## **2.4 Actions Tracking**

**Moved Councillor Calvert, seconded Councillor Condie**

### **Resolved**

That the Pūroro Tahua | Finance and Performance Committee:

1. Receive the information.

**Carried**

## **2.5 Forward Programme**

**Moved Councillor Calvert, seconded Councillor Foon**

### **Resolved**

#### **Taunakitanga | Officers' Recommendations**

That the Pūroro Tahua | Finance and Performance Committee:

- 1) Receive the information.

**Carried**

## 4. Public Excluded

### Moved Councillor Calvert, seconded Deputy Mayor Free

#### Resolved

That the Pūroro Tahua | Finance and Performance Committee:

1. Pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, exclude the public from the following part of the proceedings of this meeting namely:

General subject of the matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
4.1 Appointment of Directors to CCOs and CO	7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.	s48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.

**Carried**

The meeting went into public-excluded session at 11.25am.

The meeting returned from public-excluded session and concluded at 11.44am 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**

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## Basin Reserve Trust

KPIs	Act	Target
Cricket days	16	22
Other sport	0	0 (World Cup)
Practice facility use	51	40
Functions	53	5
Revenue:	\$1.3m	\$1.8m (-35%)

## Wellington Cable Car

KPIs	Act	Target
Passenger numbers	114,940	84,613 (+35%)
Reliability	99.9%	99%
Revenue:	\$382,633	\$232,975 (+64%)
Expected end of year deficit	<b>\$1.7m</b>	

## Zealandia

KPIs	Act	Target
Visitation	26,242	27,000
Education visitation	647	3,547
Memberships YTD	18,360	15,000
Non Council funding YTD	\$533,652	\$200,000
Non WCC grant revenue as % of overall revenue	77%	<75%
Net deficit	<b>\$474,333</b>	<b>\$0</b>

## Wellington Zoo

KPIs	Act	Target
Visitation YTD	138,072	255,963 (Covid lockdowns)
Memberships YTD	18,360	15,000
Trading income YTD	\$2.5m	\$3.4m
% of operating costs generated by Zoo YTD	50%	59%
Trading rev per visit	\$20.17	\$17.83
Expected end of year deficit	<b>\$400,000</b>	

## WellingtonNZ

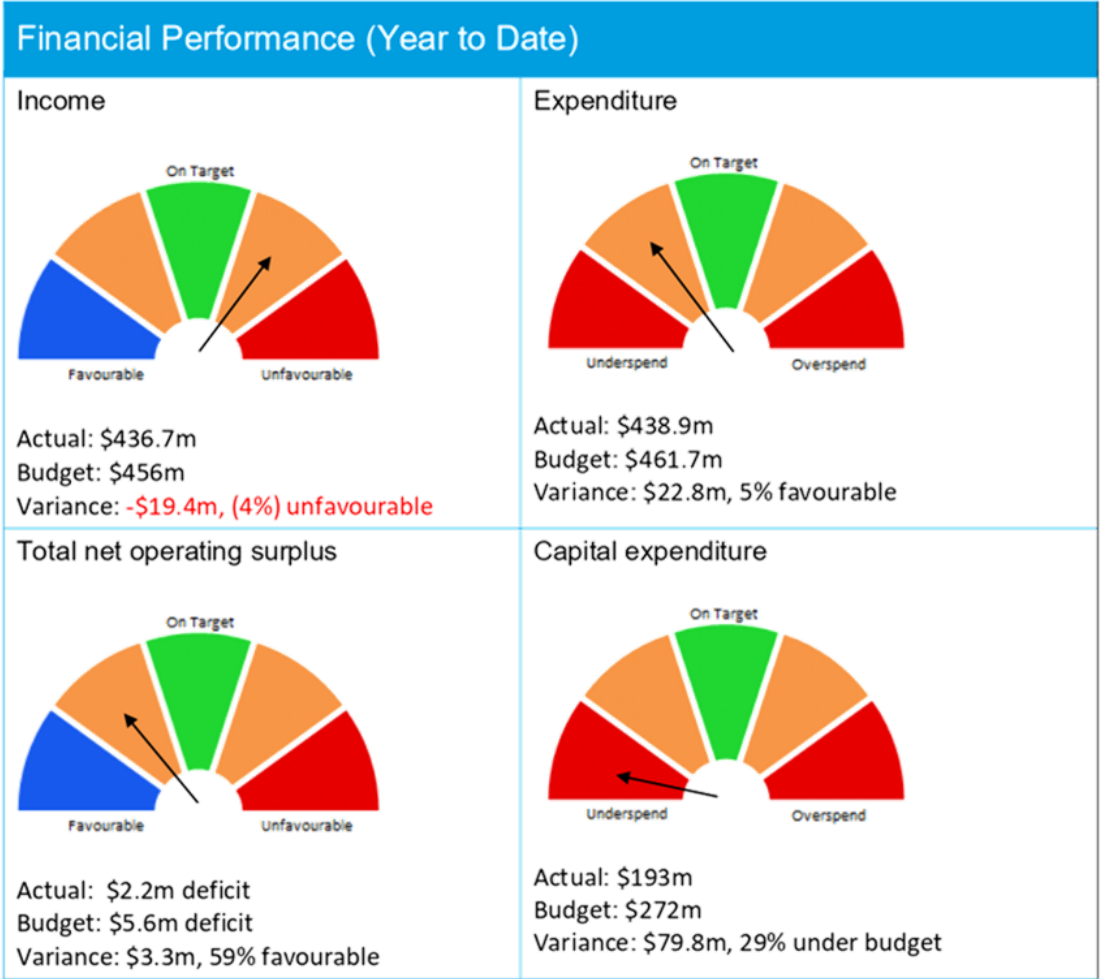
KPIs	Act	Target
Economic impact from activity YTD	\$53m	\$150
Advertising value from PR YTD	\$9.8m	\$25m
Value of event generated spend	\$21.6m	\$75m
Engaged businesses	1,296	2,000
% of non Council revenue	31%	30%
Total Revenue YTD:	\$20.9m	\$25.3m

## Experience Wellington

KPIs	Act	Target
Visitor numbers YTD	223,205	480,420
Q3 visitor numbers	83,017	166,470
Total Revenue YTD:	\$10m	\$9.6
Forecasted deficit	\$500k	



Wellington City Council  
Quarter Three 2021/22 Performance Snapshot



### LTP Strategic work programme delivery

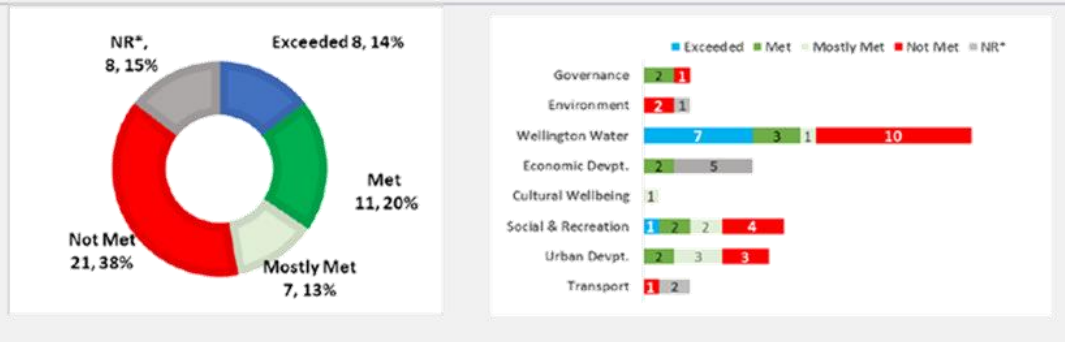
**Headlines:**

- Programme Delivery: ongoing pandemic-linked pressures continue to limit the pace of programme delivery with a likely underspend at year-end
- Constrained labour markets, materials supply chain and cost escalations continue
- Availability of external contractor resources pressuring the planning and prioritisation of resources


### Non-Financial Service Performance

**Headlines:**







- 55% of KPI achieved in Q3 (within 10% or exceeded targets), down from 63% in Q2
- There were 29 performance exceptions for Q3, 26 of there were also reporting Q2
- 87% of KPI results remained unchanged, one slightly improved and five deteriorated.



Notes: Any significant variances that are greater than 10% are explained in the Quarterly report.

Activity area	Measure	Changes to note
Three waters 	17 exceptions reported in Q3, with 10 measures not met and 7 exceeded  Issues relate to response timeliness, flooding events and notices of non-compliance.	Three new exception items for Q3: increased levels of E.coli, non-urgent attendance for water callouts over SLA, however wastewater complaints ahead of target.  The number of flooding events is significantly over target with 4 further events recorded in Q3.  Refer WWL dashboard / Infrastructure committee



<p>Environment-Waste</p> 	<p>Volume of waste diverted from landfill (tonnes) 25% behind target</p>	<p>Covid-19 related staff shortages impacted glass collection. Expected to be back to normal levels in April when normal collections recommence.</p>
<p>Economic Development</p> 	<p>5 out of 7 results not available for WellingtonNZ, 2 KPIs met.</p>	<p>Due to impact of Covid Alert Levels restricting events, WellingtonNZ believe that these KPIs are at risk of not being achieved.</p>
<p>Public health &amp; safety</p> 	<p>Compliance activities: 3 out of 5 inspection timeframes not being met</p>	<p>MPIs preference for remote checks at level 2 continues to impact backlog of verifications to be completed. Graffiti removal 16% above target</p>
<p>Building and development</p> 	<p>Consenting: Building consents, LIMs and resource consents are all well behind statutory timeframes</p>	<p>Increased volumes and complexity, along with staff shortages in Consenting continue to impact delivery timeliness. New Team Leader and staff in LIM have lifted performance to 100% in final month of Quarter 3.</p>
<p>Transport</p> 	<p>Parking occupancy 31% behind target</p>	<p>Although some improvement seen in April, YTD results show occupancy still hasn't recovered from the Red-Light settings and Omicron, reflecting the ongoing impact of COVID.</p>
<p>Council Controlled Organisations</p> 	<p>Visitor numbers remain behind YTD targets due to the Covid-19 lockdown</p>	<p>Refer to CCO quarterly reports to Finance &amp; Performance committee.</p>





By the numbers

\$193m

of capital works  
71% of plan



\$437m

revenue received  
96% of plan



\$439m

of spending  
(operating  
expenditure)  
5% below budget



Seven

flooding events



74%

Building consents  
issued within  
timeframe



93%

timely & proactive  
action on graffiti  
removal



# Quarter Three report - Overview

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Finance and Performance Committee

19 May 2022

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## Performance summary - the long tail of COVID

Ongoing effects the COVID-19 pandemic continue to impact Council performance:

- **Resident behaviour and the delivery of Council services:**
  - parking occupancy rates lower indicating less people travelling to the city centre
  - visitation numbers below target for facilities and CCOs, partly due to reduced service offering and less demand
  - waste collection contractors and staff at the recycling sorting centre impacted by COVID-19, reduced capacity meaning rubbish and recycling collections are being affected on a daily basis
  - backlog of public health and safety compliance inspections(MPIs preference for remote checks at level 2)
  - timeliness - capacity to meet SLA's is stretched due to staff illness and isolation requirements
- **Delivery of our capital programme:** progress is being slowed as disruptions to supply chains, construction market capacity, availability of engineering resources, tight labour market, increased inflation and operating costs continue to bite
- **Overall revenue position remains uncertain:** parking revenue continues to be below budget with occupancy levels lower than normal

## Key Headlines

### LTP Strategic priority work programme

- YTD work programme spend continues to lag forecast spend
- At the end of Q3, 71% of the total YTD (and rephased) capital budget has been spent in a constrained and disrupted pandemic environment

### Operating position on budget and Capital underspend continues

- income is unfavourable to budget (-4%, -\$19.4m)
- underlying deficit operating position is \$3.4m ahead of budget
- forecast unfavourable year-end position \$19.4m deficit (against planned surplus of \$5.9m and revised budget of \$0.8m surplus)
- capital programme underspent by 29% (\$79.7m) versus year-to-date budget

### 55% of KPIs met or exceeded their targets (26/47)

- Q3 results are largely consistent with Q2
- Areas of under-performance: 3 waters; consenting timeliness; and ongoing impacts of COVID restrictions: waste diversion, compliance inspection activities, CCO's visitation, and parking occupancy.

## Finance summary

- **YTD position \$3m favourable to budget despite a number of challenges impacting the P&L**
  - Operational revenue pressures
  - Capital revenue impacts
  - Personnel cost pressures
  - Underspends in Contracts & Professional Cost
  
- **YTD Capital expense \$79.8m underspent 29%**
  - Difficult delivery environment in Q3
  - Year-end forecast now \$292m, 18% under budget
  - Expecting largest delivery year, ahead of \$267m in 2020/21
  - *April capex spend of \$32m, 17% ahead of budget for month*

## Capital Impacts on Net Surplus/Deficit

	Year-to-date Q3		
	Actual	Budget	Variance
<b>Council net surplus/(deficit)</b>	<b>(2,199)</b>	<b>(5,558)</b>	<b>3,359</b>
<b>Capex Revenue</b>			
Grants and Subsidies - Capital	15,694	26,888	(11,194)
Development Contribution Revenue	3,467	2,625	842
<b>Opex Council net surplus/(deficit)</b>	<b>(21,360)</b>	<b>(35,071)</b>	<b>13,711</b>

## Capital Revenue Relative to Capital Spend

	Year-to-date Q3		
	Actual	Budget	Variance
Gross Capex	192,663	272,440	(79,777)
<b>Capex Revenue</b>			
Grants and Subsidies - Capital	15,694	26,888	(11,194)
Development Contribution Revenue	3,467	2,625	842
Net Capex	173,501	242,927	(69,426)
<b>Grants and Subsidies % of spend</b>	<b>8%</b>	<b>10%</b>	

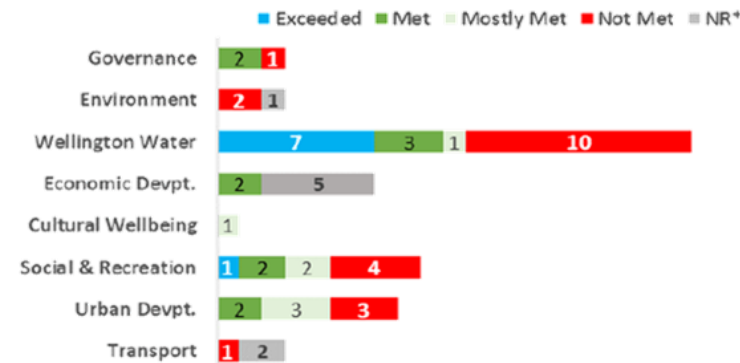
## In-year additional spend decisions – Funding Impact

		\$'000
<i>Revenue Reduction</i>		
Metered Water Rates	-	3,000
<i>Additional Costs</i>		
Pandemic Response	-	1,695
Wellington Water opex	-	4,855
Stadium Grant	-	1,500
WOW	-	3,620
CCO additional Support (net)	-	209
<i>Additional Funding</i>		
Stimulus Funding		4,855
<b>Total</b>	<b>-</b>	<b>10,024</b>



## Q3 KPI Result Summary

- Overall performance is in line with previous quarter, 25 of the 29 exceptions were also reported in Q2. 8 measures not available at time of report.
- 41 results remained largely unchanged, 1 measures improved slightly and 5 deteriorated
- 55% of KPIs were within 10% or exceeded targets (63% reported in Q2), 38% (21) did not meet target; 17 of the exceptions reported relate to 3-Waters
- Breakdown by strategic activity grouping follows



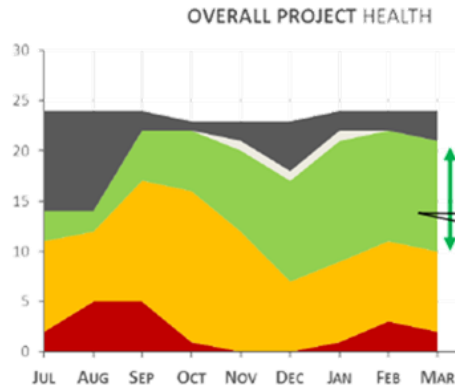
## Changes from Q2 report format

Included a project delivery dashboard with aggregated information on the portfolio of priority projects covering:

- o delivery confidence status
- o progress by stage (conceive, plan deliver etc)
- o monthly change in three selected *internal* health indicators (schedule, scope, risks) that contribute to the *overall* health status. Health indicators inform an assessment of the management of the project. There are 9 indicators that contribute to overall health status - any or all of which will apply depending on the stage of the project
- o a snapshot of the monthly change in the overall *internal* health status of priority project portfolio.

The portfolio health graphs shows:

- by month, the number of projects in the portfolio with a status of red, orange, green or black. A monthly increase in the width of the status band on the graph e.g. green indicates that the number of projects with an overall *favourable* health status has been increasing month by month.



**Status band** - the number of projects with a favourable **green** status has been *increasing* month by month as compared to the number of projects in other status colour bands (which at Q3 has overall been *decreasing*)

# Questions?

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