



AGENDA FOR THE

FINANCE AND PERFORMANCE
COMMITTEE

TO BE HELD IN THE
COUNCIL CHAMBERS

SELWYN DISTRICT COUNCIL
ROLLESTON

WEDNESDAY 6 AUGUST 2025

COMMENCING AT 9AM

PUBLIC AGENDA - Finance & Performance Committee - 6 August 2025

Attendees: Councillors S N O H Epiha (Chair), G S F Miller (Deputy Chair), Mayor Sam Broughton, Councillors L L Gliddon, D Hasson, M B Lyall, S G McInnes, R H Mugford, E S Mundt & N C Reid & Ms M McKay

06 August 2025 09:00 AM

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Public portions of this meeting are audio-recorded and livestreamed via the Council's YouTube channel.

Members attending by means of audio link or audiovisual link are able to be counted as present for the purposes of a quorum and able to vote. The recently enacted Local Government Electoral Legislation Act has made these emergency provisions permanent, and this came into effect in October 2024. Standing Orders have been amended to reflect any changes.

OPENING KARAKIA

Whakataka te hau ki
te uru

Cease the winds from
the west

Whakataka te hau ki
te tonga

Cease the winds from
the south

Kia mākinakina ki uta

Let the breeze blow over
the land

Kia mātaratara ki tai

Let the breeze blow over
the sea

E hī ake ana te
atakura

Let the red-tipped dawn
come with a sharpened
air

He tio, he huka, he
hau hū

A touch of frost, a
promise of a glorious
day

Tīhei mauri ora!

**MINUTES OF AN ORDINARY MEETING OF
THE FINANCE & PERFORMANCE
COMMITTEE HELD IN THE COUNCIL
CHAMBER**

**ON WEDNESDAY 4 JUNE 2025
COMMENCING AT 9AM**

PRESENT

Attendees: Councillor S N O H Epiha (Chair), Mayor Sam Broughton, Councillors L L Gliddon, M B Lyall, N C Reid & Ms M McKay

IN ATTENDANCE

Messrs. T Mason (Executive Director Infrastructure and Property), S Gibling (Executive Director People, Culture and Capability), R Love (Executive Director Development and Growth), M McGrath (Chief Digital Officer), N Koch (Head of Financial Control), C Warr (Horizontal Infrastructure Projects Lead), J Wood (Senior Project Manager), M Allin (Senior Project Manager), R Allen (Head of Acquisitions, Disposals and Leasing), R Steel (Performance Delivery Lead), Y Li (Transportation Asset Planning Manager), B Adhikari (Governance Coordinator)

Mesdames A Sneddon (Chief Financial Officer), D Kidd (Executive Director Community Services and Facilities), B Hammond (Head of Financial Operations), R Phillips (Commercial Manager -Property and Investments), P Swift (Senior Communications Contractor), P Ganda (Senior Communications Advisor), S O'Connor (Senior Finance Business Partner), M Mordaunt (Assistant to CDO and CFO)

The meeting was livestreamed.

The Chairperson welcomed everyone to the meeting.

APOLOGIES

Apologies for absence were received from Councillors G S F Miller, S G McInnes, P M Dean and for lateness R H Mugford, E S Mundt, D Hasson

Moved – Councillor Epiha / **Seconded** – Councillor Reid

‘That the committee receive the apologies as indicated, for information.’

IDENTIFICATION OF ANY EXTRAORDINARY BUSINESS

None.

CONFLICTS OF INTEREST

None.

PUBLIC FORUM

None.

CONFIRMATION OF MINUTES

1. Minutes of the ordinary meeting of the Finance and Performance Committee held in the Council Chamber on Wednesday 2 April 2025

Moved – Mayor Broughton / **Seconded** – Councillor Gliddon

‘That the Finance and Performance Committee confirms the minutes of the ordinary meeting of the Committee held on Wednesday 2 April 2025.’

CARRIED

REPORTS

1. Chairperson Report

Chairperson’s Report

The Chairperson provided a verbal report commenting on the progress made by the staff and CEO, that is it important to recognise the progress made and the good economic state of performance. The year-to-date result is good, while the DC’s are behind, SDC is performing well within means through good fiscal prudence whilst still delivering to the community and no longer relying on DC’s income to cover operational deficits.

Moved – Councillor Epiha / **Seconded** – Councillor Lyall

‘That the Finance & Performance Committee receives the Chairperson’s (verbal) report for information.’

CARRIED

‘Councillor Hasson entered Chambers at 9.05am’

2. Chief Financial Officer

Chief Financial Officer’s Report

The CFO gave a verbal report noting within the financial report, the forecast is based on 10 months actual results plus 2 months of budgeted figures. The CFO reviewed upcoming workshops including that Audit New Zealand will be on site from 22nd September. A review is currently underway of the utilisation of fleet vehicle management.

The CFO gave an update on the recent National party budget and highlighted the additional KiwiSaver deductibles will be absorbed within the annual plan. Other impacts of the budget would be in areas of health and investment but it is currently unclear how these will affect SDC.

Moved – Mayor Broughton / **Seconded** – Councillor Hasson

‘That the Finance & Performance Committee receives the Chief Financial Officer’s (verbal) report.’

CARRIED

3. Head of Financial Operations and Head of Financial Control

Selwyn District Council Financials for the Period to 30 April 2025

Staff spoke to the dashboard report, highlighting key variances to revenue and expenditure. Staff commented on the recent weather event which caused approximately \$4m in road damage. Approximately 50% of the costs will be funded by NZTA, with the remainder covered by the Emergency Management budget. This will have no impact on the full year budget.

‘Councillor Mundt entered Chambers at 9.12am’

The Mayor queried whether there is sufficient collection of operating expenditure now that we’re not using reserves, are we in sustainable place to forecast into next year and will this be the norm for how council report?

Staff confirmed we are on track. The CE stated this is the new way of working, being accountable and having responsibility around budgets. There has been investment in staff within the financial team, and access to financial dashboards in order to see budgets in real time, this is how we see business going into the future.

The CFO and CE confirmed a Councillors’ query around challenges filling personnel vacancies, this is due to the national low in certain skilled areas of the workforce, particularly development and growth. The CE commented there is a place to use consultants for hard-to-fill roles or innovative projects and use this expertise to enhance staff skills.

At the next meeting staff will provide an overview of the legal costs breakdown.

Staff clarified that the personnel expenditure is the staff costs line offset by the consultancy fees.

The CE confirmed the elected members funds is not to be distributed, these will go to fill Phils vacancy, and this was endorsed at council the previous week.

After a discussion about the long term implications of being under budget in relation to collection of Development Contributions, it was decided to provide a DC workshop prior to the next Finance & Performance meeting.

The CFO commented on the \$64m that central government have indicated is funding for transport, it is currently unknown how this will impact Selwyn.

In response to a query, the CFO stated that as noted in the LTP, most roading projects were contingent upon receiving funding.

Staff highlighted the changes made to the balance sheet report after feedback received at a previous meeting around making the report consistent with the Annual Report. Staff spoke to the balance sheet report commenting on variances.

Staff confirmed the water assets will be transferred across to the WSCCO after the end of the financial year.

A councillor queried the liquidity assessment compared to budget, asking whether we are confident that liquidity will repair itself by financial year end, as is currently under budget. Staff confirmed that within the treasury report for Audit & Risk, the treasury management policy recommends retaining 110% liquidity ratio. Cash flow is managed on a daily basis depending on operational needs and there are no concerns regarding liquidity ratio.

Ms McKay looked for clarity around the comments on the closing balance being straightlined. Staff clarified that previously when the full year budget was loaded in MagiQ, this was done by dividing the budget by 12. This calculation is not correct and will be changed for future financial budgeting.

'Councillor Lyall left the Chambers at 9.29am'

Moved – Mayor Broughton / **Seconded** – Councillor Reid

'That the Finance and Performance Committee receives for information the report – Selwyn District Council Finance and Performance Report for the period ended 30 April 2025.'

CARRIED

4. Horizontal Infrastructure Projects Lead and Capital & Projects Accountant *Organisational Projects and Performance Report*

Staff presented their report on results through to the end of April of this financial year. The report has been streamlined to show necessary information on projects and performance. Staff highlighted that a positive programme of water and transport is to be completed by the end of financial year.

Staff are currently working with the digital team on the integration of a project's module into MagiQ which feeds into APEX reporting, to provide improved forecasting. This will also expand APEX reporting in multiple year projects in order to provide clearer insights into project progress and performance metrics.

The CFO and Executive Director of Infrastructure & Property highlighted the number of projects delivered this year and thanked the team for the work done.

During discussions councillors queried the additional costs associated with the land purchased for Lincoln and Waihora Whata Rau, along with the costs associated with the repairs needed for the Lincoln Library due to weather tightness issues. The Chair confirmed these queries had been addressed by the Audit and Risk Committee. Staff confirmed the Lincoln costs were related to demolition works on site and the Whata Rau costs was the land purchased.

The Mayor congratulated the team on the work done and queried whether the decision this year to not halt projects for council decision making, whether this could be attributed by the increased delivery this year. The Executive Director Infrastructure & Property outlined the new processes that will be put in place over the next year to support the team to complete works. The CE outlined that as an Annual Plan consultation did not happen this year, there hasn't been a stop start impact on projects which has been particularly helpful this year, enabling the continued work on Long Term Plan projects.

'Councillor Lyall returned to the Chambers at 9.48am'

It was suggested that clarity within the report is needed around financial year or calendar year.

A councillor queried how ECan and Te Taumutu Rūnanga are involved in projects. Staff confirmed there is regular communications and early involvement with ECan and Te Taumutu Rūnanga including on site participation.

Moved – Councillor Mundt / **Seconded** – Councillor Lyall

'That Finance and Performance Committee receives for information the report - Organisational Projects and Performance Report for the reporting period covering YTD April 2025.'

CARRIED

5. Head of Financial Control and Capital & Projects Accountant *Development Contributions Summary Report*

Due to the incorrect report being loaded to the Diligent agenda, staff presented and spoke to the April report, which will be distributed to councillors following the meeting. Staff commented that DC spend is slightly under budget due to savings on the Ellesmere Pines project and the loss on balance is due to much lower receipt of DC's than expected.

As previously requested, a further breakdown of sewerage forecasting was provided. Developers are locking in lower rates up to 5 years before having to pay them. Revenue will increase over time as the new rate of \$12,917 per HUE comes into effect. When preparing forecasts, it is not possible to precisely predict when developers will pay Development Contributions.

A councillor queried the locking in of HUE rates by developers and whether this process needs to continue.

Staff explained this is based on the terms and conditions added to the DC policy 5-10 years ago before the high growth of the district. In the near future there will be a reform of the development levies, which will provide standardisation of charges, until that time review of the current policy and calculations will continue to ensure it is fit for purpose. The frequency of policy review and calculation will also be assessed.

Staff clarified how DC payments are triggered and this is different depending upon the type of DC i.e. reserves DC payments occurs when the land is subdivided.

Staff confirmed the interest rate is added in when calculating the rate for DC's.

A councillor commented on the risk of the DC shortfall and the borrowing this consequently requires.

Staff reviewed the PPI increase that the DC policy allows to apply, but last year's increase was minor so this wasn't applied after advice from the legal team. Staff confirmed that borrowing is currently under the at 220% debt limit set by the LTP and there isn't currently any pressure on debt limit.

It was clarified that the DC debt will be paid for by future growth.

The CFO suggested a DC briefing session will be arranged prior to the next Finance and Performance meeting.

Moved – Mayor Broughton / **Seconded** – Councillor Lyall

'That the Finance and Performance Committee receives for information the report – Summary of DC movements for the period to 28 February 2025.'

CARRIED

6. Performance Delivery Team Leader and Transportation Asset Planning Manager
Non-Financial Roding Condition Report

Staff spoke to the report which has been provided in anticipation of NZTA transport report, highlighting the improvement of roading conditions within the district.

A councillor commented the report doesn't breakdown the split of sealed and non-sealed roads, the number of potholes on sealed and non-sealed roads, or the number of potholes repaired since the recent weather event. It was requested this information be provided for the next meeting along with the timing of when these can be expected to be repaired.

Staff noted reporting is provided via the Annual Report. Within the last quarter pothole repairs have been completed within an average time of 36 hours, this varies depending on whether it is a sealed or non-sealed road.

'Councillor Mugford entered the Chambers at 10.41am'

Staff noted the Snap, Send, Solve app has been a great tool for the public to report issues. This is a slightly longer repair response time for Snap, Send, Solve repairs as opposed to those discovered by the roading team. The roading team have worked with digital to improve the speed of transfer of the Snap, Send, Solve data to improve response times.

Staff clarified the plan for upgrading non-sealed roads is covered within the LTP for a small number of intersections to improve safety, along with a few other strategic roads that have been identified within the council activity plan for improvement.

The Mayor recommend the website transportinsights.nz for councillors to review, which compares all councils nationally and highlights the good work done by the team.

Moved – Mayor Broughton / **Seconded** – Councillor Gliddon

'That the Finance and Performance Committee receives the Selwyn District Council Roading Condition Report.'

GENERAL BUSINESS

None.

MATTERS RAISED IN PUBLIC FORUM

RESOLUTION TO EXCLUDE THE PUBLIC

Moved – Councillor Hasson / **Seconded** – Councillor Lyall

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

General subject of each matter to be considered		Reasons for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution	Date information can be released
1.	Public Excluded Report-Lease Report and Investment Update	<i>Good reason to withhold exists under Section 7</i>	<i>Section 48(1)(a)</i>	

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

1	Enable the local authority holding the information to carry out, without prejudice or disadvantage, commercial activities; or	Section 7(2)(h)
1	Enable the local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or	Section 7(2)(i)

that appropriate officers remain to provide advice to the Committee.'

CARRIED

The public meeting moved into Public Excluded at 10.52am.

With no further business being discussed, the meeting closed at 11.05am.

DATED this day of 2025

CHAIRPERSON

ACTIONS PUBLIC Finance & Performance

Item & meeting referred from	Action & due	Status
Investment Property report (25/10/2023)	Report on way forward	End of year, 2024



**Council Committee
Terms of Reference**

For the 2022-2025 Triennium

Adopted by Selwyn District Council

14 December 2022

List of Committees

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INTRODUCTION

1. General Principles of Delegation

This document sets out the terms of reference and delegations for Selwyn District Council, and its committees and subcommittees. It also sets out the responsibilities of and delegations associated with certain roles, including the Mayor, Deputy Mayor, Chief Executive, Committee and Subcommittee Chairs and Deputy Chairs.

The Council's functions are wide-ranging, and it has obligations and powers under many statutes and regulations.

These terms of reference are intended to allow the Council to ensure that its powers and functions are exercised at a level commensurate with efficiency and effectiveness and the significance of the power or function.

2. Establishment of Committees

Procedures, responsibilities, and accountabilities

Subject to the following limitations, the committees of the whole shall have power to act in all matters concerning the functions listed in their respective delegations, provided they do not conflict with stated policy of Council. In respect of matters requiring financial input the committee's power is limited to the extent that provision has been made in the annual budgets and in the Long-Term Plan.

All Committees of the Whole:

- a) Shall be responsible for planning, reviewing and implementation of functions, duties, and powers in respect of their delegations
- b) Shall be responsible for monitoring performance (including budget and performance targets) for their areas of responsibility
- c) Have delegated power to appoint subcommittees and to delegate their powers to that subcommittee.
- d) May delegate their powers to an officer of the Council
- e) Can delegate any of its powers to any joint committee established for any relevant purpose under clause 32, Schedule 7 of the Local Government Act 2002 (LGA)
- f) Any committee of the whole has the power to adopt the Special Consultative Procedure provided for in Section 83 to 88 of the LGA in respect of matters under its jurisdiction. (This allows for setting of fees and bylaw making processes up to but not including adoption)
- g) All committees of the whole shall undertake such other functions as may be delegated by Council from time to time and are able to provide recommendations to council where appropriate

- h) When an Act or Regulation empowers 'the Council' to carry out a decision-making function, that decision must be made by way of resolution of the full council unless the Act or Regulation permits delegation to a committee, subcommittee or officer
- i) Council cannot delegate any of the following matters to committees, subcommittees or any other subordinate decision-making body (Clause 32(1)(a)- (h) of Schedule 7 of the Act):
 - a) the power to make a rate
 - b) the power to make a bylaw
 - c) the power to borrow money, or purchase or dispose of assets, other than in
 - d) accordance with the long-term plan
 - e) the power to adopt a long-term plan, annual plan or annual report
 - f) the power to appoint a chief executive
 - g) the power to adopt policies required to be adopted and consulted on under the Local Government 2002 in association with the long-term plan or developed for the purpose of the local governance statement
 - h) the power to adopt a remuneration and employment policy.
- j) The power to make or alter any council policy is limited to those instances where that power has been specifically delegated to the committee
- k) Any committee of the whole can approve submissions on legislation
- l) All Council committees will follow Tikanga and will open and close with a karakia

3. Committees

Committee includes, in relation to the Council:

- a) A committee comprising all the members of the Council;
- b) A standing committee or special committee appointed by the Council;
- c) A standing committee or special committee appointed by the Mayor;
- d) A joint committee appointed under clause 30 of Schedule 7 of the Local Government Act 2002;
- e) Any subcommittee of a committee described in items (a) (b), (c) or (d) of this definition; or
- f) A subordinate decision-making body, including Subcommittees and Forums

The terms of reference and delegations to Committees and Subcommittees are set out in full in this document. In respect of committees and subcommittees:

- a) The committees have no decision making powers other than those set out in these terms of reference
- b) Any committee may request expert advice through the Chief Executive where necessary

- c) The committees may make recommendations to their governing committee or Council, or Chief Executive as appropriate

4. Working groups

Working groups may be recommended by committees and subcommittees for Council approval. Working groups are set up to investigate a specific issue within their area of focus and report back within a specific timeframe. Working groups are made up of members of the committee or subcommittee. Working groups do not have decision making power. Working groups enable Councillors to work constructively and collegially together to consider an issue and collectively work on solutions.

5. Quorum

Unless otherwise specified, a quorum is defined as a half, if the total number of members is even or a majority, if the total number of members is odd. The quorum for committees and subcommittees are stated in the relevant terms of reference. The Mayor is included in calculating the quorum and is counted towards the quorum when present. Appointed members are included in calculating the quorum and are counted towards the quorum when present.

6. Ambiguity and Conflict

In the event of ambiguity or conflict between any of the provisions contained in these terms of reference, the Chief Executive can provide advice. If the ambiguity or conflict results in uncertainty or dispute as to which chairperson, committee or subcommittee has the delegation to act in respect of a particular matter, then the Mayor will decide in consultation with the Deputy Mayor and having received advice from the Chief Executive. The decision of the Mayor will be final and binding.

In resolving ambiguity or conflict in the allocation of matters to committees, the guiding principle is that the primary outcome of the decision required should determine which committee deals with the matter.

FINANCE AND PERFORMANCE COMMITTEE - TERMS OF REFERENCE

The Finance and Performance Committee shall be a Committee of Council, established by Council and is a Committee of the whole. The existence of the Committee does not remove from council any of its legal obligations or responsibilities.

Chair:	Councillor Epiha
Deputy Chair:	Councillor Miller
Members:	All Councillors Ms Megan McKay (Te Taumutu Rūnanga) Representative from Te Ngāi Tūāhuriri Rūnanga
Quorum:	Six (being a majority of the members physically present where the numbers of members are uneven, as per S.O 11.1(b))
Meeting Cycle:	Eight weekly or as required
Delegations Powers:	The Committee has the powers necessary to perform its responsibilities within the approved Long Term Plan and Annual Budgets
Reporting Officer:	Executive Director Enabling Services

1 Purpose

The purpose of the Finance and Performance Committee is to:

- partner with Te Taumutu Rūnanga and Te Ngāi Tūāhuriri Rūnanga
- enable, monitor, and review progress and performance of the Council in delivering its long-term and annual plans
- ensure risks are effectively identified and managed
- empower Council Officers to execute their responsibilities effectively, transparently and with integrity
- ensure compliance with applicable laws, regulations, and best practice

The Committee will request information and reports from staff on matters achieve its purpose.

The Council delegates to the Finance and Performance Committee authority to oversee and make decisions on:

2 Monitoring financial performance (capital programme, operational expenditure, and income)

- 2.1 Monitoring the Council's performance including inquiring into any material variations from budget, financial strategy parameters and other targets set out in the long-term plan and / or annual plan
- 2.2 Monitoring the Council's performance against any benchmarks set under relevant legislation
- 2.3 As may be required from time-to-time approving budget variations and any reprogramming of capex for a project or programme provided that:

- the overall budget for the Activity Group is met from savings and efficiencies within the Activity Group
- the overall budget for capex is not exceeded

Where this is not the case, the Committee must recommend to Council that additional funding is approved (outside the annual plan or long-term plan process)

- 2.4 Approve any capital or other carry forward requests, including the use of operating surpluses as the case may be

3 Capital programme and procurement

- 3.1 Approved capital programme business and investment cases and any associated operational expenditure in Council's long-term plan
- 3.2 Monitoring the delivery (cost, time, and quality) of significant capital projects.
- 3.3 Approve the procurement plans (where applicable), preferred supplier and contracts for all capital expenditure where the value of the contract exceeds \$1m (noting that the Committee may delegate authority for approval of the preferred supplier and / or contract to the Chief Executive provided the procurement policy is followed)

4 Property

- 4.1 Approve the purchase or dispose of property where required for the delivery of the capital programme in according with the Council's long-term plan and where those acquisitions or disposals have not been delegated to another decision-making body of the Council or staff
- 4.2 Approve new leases and lease renewals (of non-reserve land) in accordance with the annual plan or long-term plan
- 4.3 Ensure all leases are current and property is managed in accordance with party agreements

5 Development Contributions

- 5.1 Exercise all of the Council's powers in relation to development of contributions, other than those delegated to the Chief Executive and Council officers as set out in the Council's Delegations Manual

6 Insurance

- 6.1 All insurance matters including considering legal advice from the Council's Legal and other advisors, approving further actions in relation to the issues, and authorising the taking of formal actions (Sub-delegated to the Audit and Risk Subcommittee as per the Subcommittees Terms of Reference)

7 Loan and Debt Write-offs

- 7.1 Approving debt write-offs where those debt write-offs are not delegated to staff
- 7.2 Approving amendments to loans in accordance with Council's long-term plan

8 Non-Financial Performance (Section 17a)

- 8.1 Monitoring the Council's performance against long term plan and annual plan key performance indicators and inquiring into any material variations

- 8.2 Amending levels of service targets, unless the decision is precluded under s97 of the Local Government Act 2002 (LGA 2002)
- 8.3 Exercising all the Council's powers under section 17a of the Local Government Act 2002, relating to service delivery reviews and decisions not to undertake a review

9 Annual plan and long-term plan

- 9.1 Recommending service level changes and new initiatives to the long-term plans and annual plans processes within its core area of focus
- 9.2 Provides oversight and monitors the development of the long-term plan (including associated strategies and policies) and annual plan

10 Council Investments

- 10.1 Monitoring the financial and non-financial performance of the Council's investments and Council Controlled Organisations (CCO)
- 10.2 Ascertain and outline the Council's key priorities for each CCO to address in their Statement of Intent, in an annual Letters of Expectations and issue these letters
- 10.3 Make governance decisions related to the CCOs under sections 65 to 72 of the LGA 2002
- 10.4 Exercising the Council's powers shareholder in relation to:
 - 10.4.1 (Without limitation) the modification of constitutions and/or trust deeds, and other governance arrangements, granting shareholder approval of major transactions, appointing directors and approving policies related to Council Controlled Organisations; and
 - 10.4.2 In relation to the approval of Statements of Intent and their modification (if any)
- 10.5 Recommending to Council the acquisition or disposal of assets
- 10.6 Monitoring the performance of the investment portfolio in relation to Council's expected rates of return, and market rate of return

11 Submissions

- 11.1 The Council delegates the Committee to consider and approve draft submissions on behalf of the Council on topics within its Terms of Reference.
- 11.2 Where the timing of the consultation does not allow for consideration of a draft submission by the Council or relevant Committee, the draft submission can be considered an approved-on behalf of the Council

12 Chairperson may refer urgent matters to the Council

- 12.1 As may be necessary from time to time, the Committee Chairperson is authorised to refer urgent matters to the Council for decision, where this Committee would ordinarily have considered the matter. To exercise this authority:
 - 12.1.1 the Committee Advisor must inform the Chairperson in writing of the reasons while this referral is necessary
 - 12.1.2 the Chairperson must then respond to the Committee Advisor in writing of their decision
- 12.2 If the Chairperson agrees to refer the report to the Council, then Council may then assume decision-making authority for that specific report

13 Urgent matters referred from the Council

13.1 As may be necessary from time to time, the Mayor is authorised to refer urgent matters to this Committee for decision, where the Council would ordinarily have considered the matter, except for those matters listed in the limitations below. To exercise this authority:

13.1.1 The Committee Advisor must inform the Mayor and Chief Executive in writing the reasons why the referral is necessary.

13.1.2 The Mayor and Chief Executive must respond in writing with their decision.

13.2 If the Mayor and Chief Executive agrees to refer the report to the Committee, the Committee may then assume decision-making authority for that specific report.

14 Limitations

14.1 The general delegations to this Committee exclude any decision-making powers that are delegated to a Community Board, another Committee of Council or joint Committee

14.2 The Council retains the authority to adopt policies, strategies and bylaws

14.3 Council cannot delegate any of the following matters to committees, subcommittees or any other subordinate decision-making body (Clause 32(1)(a)- (h) of Schedule 7 of the Act):

15 Compliance with Legislation, Standards and Best Practice Guidelines

15.1 Review the effectiveness of the system for monitoring Council's compliance with laws, Council's own standards and best practice guidelines

16 Terms of Reference Review Process

16.1 On an annual basis the Committee will review its terms of reference to ensure all relevant legislation is acknowledged and incorporated

16.2 At the commencement of each calendar year the Committee will develop its work programme for the year ahead. The work programme will include linkage to Council's Long-term Plan and Annual Plan key activities and projects, the CEO's agreed KPIs and to risk assessment

TERMS OF REFERENCE REVIEW TABLE

Date of review	Status / summary of changes made
November 2022	TOR established
14 December 2022	Adopted by Council
1 March 2023	Adopted by the Committee
11 October 2023	Amended and adopted by Council
	Adopted by the Committee

REPORT

TO: Chief Executive Officer

FOR: Finance and Performance Committee – June 2025

FROM: Head of Financial Control & Head of Financial Operations

DATE: 22 July 2025

SUBJECT: **Selwyn District Council DRAFT financials for the period to 30 June 2025**

RECOMMENDATION

'That the Finance and Performance Committee receives for information the report – Selwyn District Council Draft Finance and Performance Report for the period ended 30 June 2025'.

1. PURPOSE

The purpose of this report is to provide the Finance and Performance Committee with a summary of the financial and operational performance against the planned performance highlighting any material variances.

This report covers the year ended June and is based on the Council's monthly management accounting and performance information. It does not include technical accounting adjustments; these are made at the end of the year to comply with accounting standards. These results are subject to audit changes. The expenditure information is accrual-based and does not include depreciation.

2. SIGNIFICANCE ASSESSMENT/COMPLIANCE STATEMENT

This report is not considered to be significant in the context of the Council's Significance Policy as it is for the Council's information.

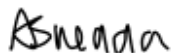


Beka Hammond
HEAD OF FINANCIAL OPERATIONS



Niel Koch
HEAD OF FINANCIAL CONTROL

Endorsed For Agenda

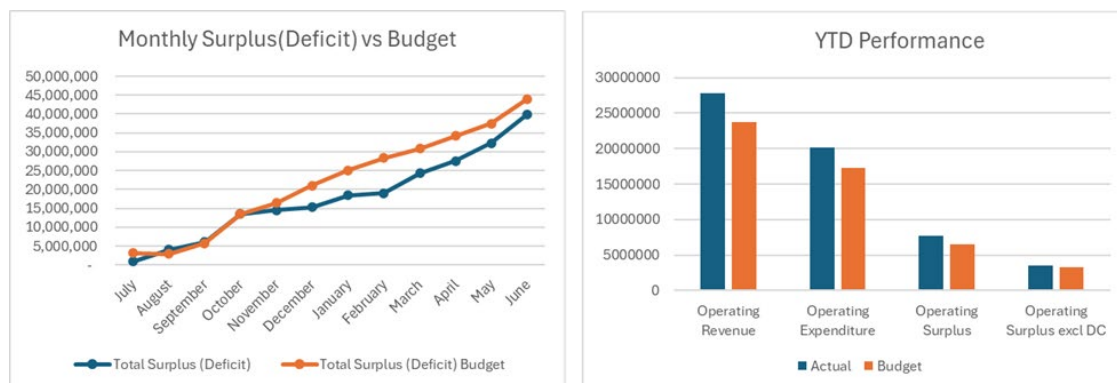


Allison Sneddon
CHIEF FINANCIAL OFFICER

DRAFT OPERATIONAL SUMMARY JUNE 2025

Surplus /(Deficit) before depreciation, amortisation & tax

Dashboard (see separate handout preceding this paper)



Selwyn District Council		2024/25	2024/25	2024/25	2024/25	2023/24
Account Group Details		YTD	YTD	YTD	Full Year	Full Year
For Period 2024/25		Actual	Budget	Variance	Budget	Actual
June	Notes	June	June	June		
		\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
General rates		43,289	43,436	(147)	43,436	34,710
Targeted rates		71,547	71,159	388	71,159	60,898
Rates penalties		511	400	111	400	495
Subsidies and grants		22,552	23,600	(1,048)	23,600	26,875
Fees and charges	1,5	41,768	34,605	7,163	34,605	34,682
Investment revenue	2	8,147	5,963	2,184	5,963	7,525
Other gains	3	200	3,005	(2,806)	3,005	-1,703
Other revenue		362	350	12	350	273
Total Revenue (Excl. Development Contributions)		188,375	182,518	5,857	182,518	163,757
Development and financial contributions	4	24,700	38,311	(13,611)	38,311	14,914
Total Revenue		213,075	220,830	(7,754)	220,830	178,670
Expenditure						
Personnel costs		46,623	46,744	121	46,744	41,697
Elected members' remuneration		833	810	(23)	810	799
Maintenance expenditure		54,000	53,717	(283)	53,717	47,578
Consulting, legal and professional services	5,1	9,663	6,258	(3,405)	6,258	8,175
Overheads		9,875	9,775	(100)	9,775	9,163
Other expenditure	6	27,232	29,451	2,219	29,451	18,084
Finance costs		8,991	8,566	(425)	8,566	5,100
Operating projects	7	15,952	21,549	5,597	21,549	15,612
Total Expenditure		173,171	176,872	3,701	176,872	146,209
Total Surplus (Deficit) Excl. Development Contributions		15,204	5,647	9,558	5,647	17,547

Notes to the Draft Operating Summary:

The Council's draft operating surplus for the year ended 30 June 2025 is \$39.9m, \$4.1m under budget, due to lower than budgeted Development Contributions.

Revenue:

Full year result, excluding Development Contributions, \$188.4m against full year budget \$182.5m, resulting in a \$5.9m positive variance.

1. **Fees & Charges.** The increase in revenue is driven from resource and building consents, dumping fees and building accreditation levies. \$2.5m of the variance is offset against the increased expenditure in Consulting, Legal and Professional Fees.
2. **Investment Revenue.** The main driver is the receipt of \$1.6m greater than budgeted dividends from Corde and Orion, and increased interest revenue due to higher cash balances on hand.
3. **Other Gains.** This relates to gain/s on sale of assets and investment revaluation. There may be additional income yet to be recognised as part of the end of year process, that are not included in this draft report.
4. **Development Contributions.** \$13.6m negative full year variance due to developers utilising lower rates from the previous LTP. Refer to the "*Summary of Development Contributions (DCs) movements for the period to 30 June 2025*" report for more detail.

Expenditure:

Full year actuals \$173.1m against full year budget \$176.8m, resulting in \$3.7m surplus.

1. **Consulting, Legal and Professional Services.** Higher than planned costs but noting \$2.5m is directly offset with increased revenue from Building and Resource Consents in Fees and Charges.

	2024/25 YTD Actuals	2024/25 YTD Budgets	2024/25 YTD Variance	2023/24 Full Year Actuals
<u>Expenditure</u>	June	June	June	Actuals
Consultant	8,138,084	4,712,779	(3,425,305)	6,686,762
Legal	651,083	897,365	246,282	656,972
Professional Services	874,149	648,001	(226,148)	831,349
As per Note 5	9,663,316	6,258,145	(3,405,171)	8,175,083
<u>Revenue</u>				
Consultant Recharge, Fees & Charges (Note 2)	(3,440,840)	(930,000)	2,510,840	(2,229,337)
Net Consultant, Legal & Professional Services	4,697,244	3,782,779	(914,465)	4,457,425

2. **Other Expenditure.** \$2.2m positive variance across a number of expense codes including lower than budgeted building authority levies because of the levy

threshold change, water quality monitoring expenses yet to be received and higher annual engineering recoveries against capital projects.

Operating Projects. The main drivers of the \$5.6m variance are the realignment of projects being redefined as expenses as part of the Financial Hygiene project, and project underspends across other departments. The largest of these projects is \$1.3m ecological land drainage projects, underspent due to delays in pending resource consent applications with the Regional Council.

BALANCE SHEET

Selwyn District Council		2024/25			2023/24
Account Group Details		YTD			Full Year
For Period 2024/25		Actuals	Budgets	Variance	Actuals
June	Notes	June	June	June	
		\$000	\$000	\$000	\$000
Current Assets					
Cash and cash equivalents	1	61,072	21,926	39,146	27,399
Trade and other receivables	2	21,993	14,000	7,993	24,646
Other current assets	3	23	10,030	(10,008)	15,207
Total Current Assets		83,087	45,956	37,131	67,252
Non Current Assets					
Property, plant and equipment	4	2,904,232	3,115,706	(211,474)	2,775,258
Investment in CCOs and other similar entities	5	202,757	195,605	7,152	202,757
Other non-current assets		9,445	2,650	6,795	16,461
Total Non Current Assets		3,116,434	3,313,961	(197,527)	2,994,476
Total Assets		3,199,521	3,359,917	(160,396)	3,061,728
Current Liabilities					
Trade Payables and revenue received in advance	6	(51,847)	(29,726)	(22,121)	(40,310)
Other current liabilities		(1,795)	(1,274)	(520)	(1,769)
Total Current Liabilities		(53,641)	(31,000)	(22,641)	(42,080)
Non Current Liabilities					
Borrowings and other financial liabilities	7	(289,381)	(293,934)	4,553	(195,019)
Development contributions	8	(3,415)	(13,696)	10,281	(32,772)
Total Non Current Liabilities		(292,796)	(307,630)	14,834	(227,791)
Total Liabilities		(346,438)	(338,630)	(7,808)	(269,871)
Total Equity		(2,853,083)	(3,021,287)	168,204	(2,791,857)
Total Equity and Liabilities		(3,199,521)	(3,359,917)	160,396	(3,061,728)

Notes to the Balance Sheet:

1. **Cash and Cash Equivalents** of \$61m were \$39.1m higher than the budgeted \$21.9m due to:
 - lower than forecasted Capex payments
 - higher cash balances maintained due to more favorable interest rates receivable.

Council gain interest at the rate of Official Cash Rate (OCR) + 0.05%

- OCR ranged from 5.5% in July 2024 to 3.25% in June 2025
- The post-hedging cost of debt for Council ranged between 4.24% (Q1) and 3.05% (Q3) during the financial year.

Council also has access to a \$10m on-call facility with Westpac which remains undrawn.

2. **Trade and other receivables** of \$22m have decreased by \$2.7m from June 2024 and are \$8m higher than budget. This is mainly due to a \$3m claim from NZTA for the May flooding event and GST receivable of \$3.8m. Other debtors track under budget for the full financial year.
3. **Other current assets** of \$23k have decreased by \$15.2m from June 2024 due to the maturity of a \$10m term deposit, plus annual reclassification in the June 2024 financials for external reporting related to derivatives. The current value solely refers to Inventory.
4. **Property, plant and equipment** of \$2.9b have increased by \$129m from June 2024. The \$211.5m variance to budget is mainly due to FY25 asset revaluations to be received from valuers early August 2025 and will be reflected within the Annual Report. The current year movement is complete, accurate and reflective of total Capex less depreciation on operational assets.
5. **Investment in CCOs and other similar entities** of \$202.8m are \$7.2 higher than budget due to the FY24 revaluation increase not included in the budget, since the budget was set prior to receiving the final valuation. There is no current year movement as the FY25 revaluation is received from the valuers early August 2025 and will be reflected within the Annual Report.
6. **Trade payables and revenue received in advance** of \$51.8m have increased by \$11.5m from June 2024 and are \$29.7m higher than budget. This is predominantly driven by increased accruals (\$29.5m vs budget of \$6.8m) resulting from Finance and business units working collaboratively to ensure goods/services delivered, not yet invoiced, are accounted for. Outstanding Creditors' balances of \$11.6m are below the budgeted \$15.7m.
7. **Borrowings and other financial liabilities** of \$289.4m have increased by \$94.4m from June 2024 to fund capital expenditure and are \$4.5m under budget. This is due to lower than budgeted Capex offset by additional cash balances held (refer to note 1) and lower than budgeted Development Contributions received – refer to *note 8 on Development Contributions* for more information.

Council's Liquidity Ratio of 124% is compliant with its Treasury Management Policy and the LGFA Financial Covenant of 110%.

8. **Development contributions** of \$3.4m have decreased by \$29.4m from June 2024 and are \$10.3m under budget. Refer to the "*Summary of Development Contributions (DCs) movements for the period to 30 June 2025*" report for more detail.

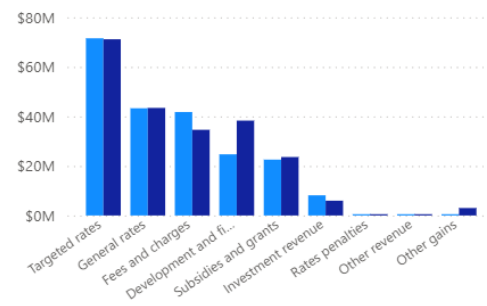
Organisational overview

as at 30 June 2025

Comparison of actuals to budgets

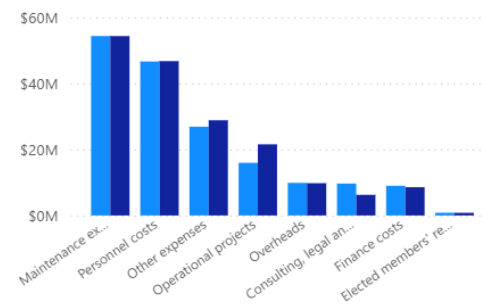
Revenue YTD actual

● YTD actuals ● YTD budget



Expenditure YTD actual

● YTD actuals ● YTD budget



Development Contributions 2024/25

Account	Malvern	Ellesmere	Springs	Rolleston	Total
Community	(\$23,372)	(\$4,103)	(\$3,511)	(\$45,621)	(\$76,607)
Reserve	(\$1,317,899)	(\$224,152)	(\$1,415,442)	(\$3,930,154)	(\$6,887,647)
Roading	(\$410,218)	(\$110,029)	(\$528,451)	(\$2,928,434)	(\$3,977,132)
Sewerage	(\$1,528,814)	(\$210,360)	(\$1,312,556)	(\$5,533,204)	(\$8,584,934)
Stormwater	\$0	\$0	(\$721,237)	\$0	(\$721,237)
Water	(\$1,735,654)	(\$114,977)	(\$757,022)	(\$1,844,901)	(\$4,452,554)
Total	(\$5,015,957)	(\$663,621)	(\$4,738,219)	(\$14,282,314)	(\$24,700,111)

The dashboard displays the split by contribution types and wards. A separate paper covers the development contributions component.

Revenue

Month

Year to date

Full year (forecast)

Revenue June 2025	Year to date revenue	Projected revenue 2024/25
\$27.8M	\$213.1M	\$203.3M
Budget June 2025	Year to date budget	Revenue budget 2024/25
\$23.7M	\$220.8M	\$220.8M
Variance June 2025	Year to date variance	Projected variance
\$4.1M	(\$7.8M)	(\$17.5M)

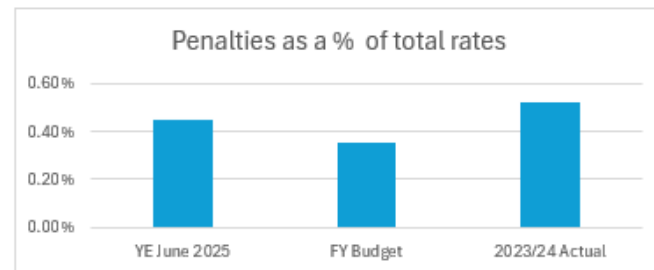
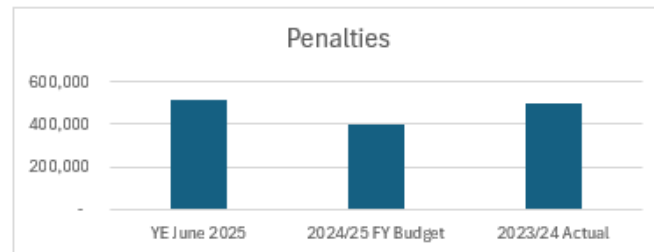
Expenditure

Expenditure June 2025	Year to date expenditure	Projected expend. 2024/25
\$20.1M	\$173.2M	\$168.5M
Budget June 2025	Year to date budget	Expend. budget 2024/25
\$17.3M	\$176.9M	\$176.9M
Variance June 2025	Year to date variance	Projected variance
(\$2.9M)	\$3.7M	\$8.3M

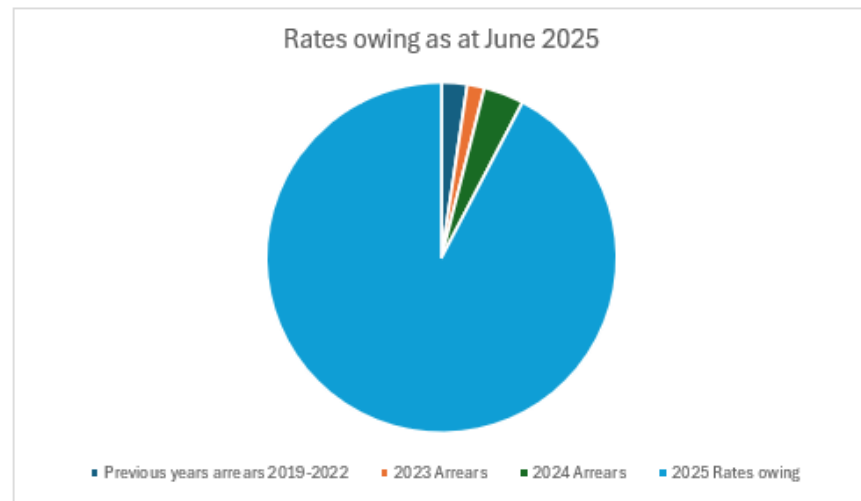
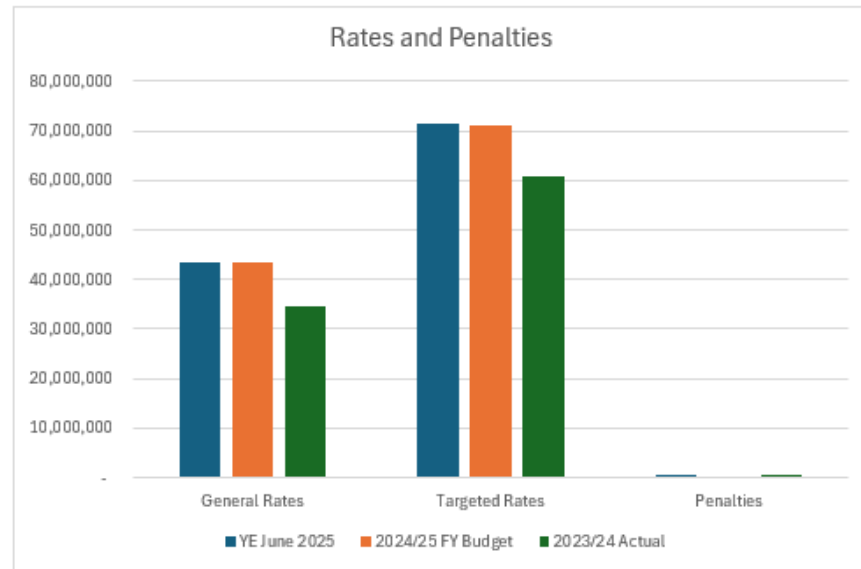
Rates and Penalties

	YE June 2025	2024/25 FY Budget	2023/24 Actual
General Rates	43,288,615	43,435,927	34,710,284
Targeted Rates	71,547,030	71,159,214	60,898,216
Penalties	511,013	400,000	495,254
% of total rates	0.44%	0.35%	0.52%

Rates are payable in four instalments. 5% rates penalty is charged on instalments not paid in full by the due date.



Rates owing June 2025	
Previous years arrears 2019-2022	85,785
2023 Arrears	57,933
2024 Arrears	134,523
2025 Rates owing	3,358,872
	3,637,112



Development Contributions Briefing

6 August 2025

Agenda

- Current state
- How does it work?
- Why is there a shortfall?
- Risks
- Options

Current state

DC Budgeted vs Actuals FY 24/25

DCs Received

- We received \$13.6m less DC contributions than was budgeted for.
- This mainly in Sewerage DC rates due to the variance in current- to previous LTP rates and lower than expected sewerage applications.
- Roading has recovered more than budget due to new DC agreements not foreseen in the LTP.

DC Funded Project Spend

- Reserves spent less than budget due to delayed land purchases and design processes. These budgets have been carried forward into FY 25/26.
- Roading overspend is from the Council approved increase to the Shands Roundabout budget which was to be recovered through DCs.
- Sewerage spend is down primarily due to savings on the Ellesmere to Pines pipeline.
- Water overspend is due to programmes needing to be swapped between years, with more DC funded work being brought forward.

DC Type	FY 24/25 DC	FY 24/25	Diff to Budget
	Contributions	Budgeted DC	
	Received	Received	
Community	\$0.1m	\$1.5m	(\$1.4m)
Reserves	\$6.9m	\$8.1m	(\$1.2m)
Roading	\$4.0m	\$1.9m	\$2.1m
Sewerage	\$8.6m	\$21.8m	(\$13.3m)
Stormwater	\$0.7m	\$0.1m	\$0.6m
Water	\$4.5m	\$4.9m	(\$0.5m)
Grand Total	\$24.7m	\$38.3m	(\$13.6m)

DC Type	FY 24/25 DC	FY 24/25	Diff to Budget
	Capital Spend	Budgeted DC	
		Capital Spend	
Community	(\$0.1m)	(\$0.2m)	\$0.1m
Reserves	(\$5.0m)	(\$8.4m)	\$3.3m
Roading	(\$5.0m)	(\$2.9m)	(\$2.1m)
Sewerage	(\$27.3m)	(\$31.3m)	\$4.0m
Water	(\$16.6m)	(\$14.6m)	(\$2.0m)
Grand Total	(\$54.1m)	(\$57.4m)	\$3.3m

How does it work?

What are development contributions?

- A development contribution is a financial charge levied on new developments and infrastructure required due to growth only
- DC's are assessed and collected under the Local Government Act 2002
- Section 102(2) (d) of the Act requires Council to have a policy on DC's as part of its Funding and Financial Policies
- The DC policy must be reviewed at least every three years under the long term plan and was last reviewed in 2024.
- The policy review must include a community consultation process that meets the requirements of section 82 of the LGA.
- DC amounts are adjusted annually (effective from 1 July) by PPI

When is the DC policy triggered?

- A development contribution is generally triggered for assessment by –
 - A resource consent (subdivision or land use) application
 - A building consent application
 - A building consent exemption
 - A certificate of acceptance application
 - An application for utility service connection
- DC rates are locked in based on the policy and rate at the time of application (can be adjusted for PPI if more than two years from date of assessment to date of invoicing)
- Subdivision consents are generally valid for up to 5 years (with a possible 3-year extension)
- Under the RMA 1991, developers may also request a 10-year lapse period, for consideration by Council.

Note: Anyone can request a DC estimate by emailing development.contributions@selwyn.govt.nz

DC Rates Calculations

Sewerage Example

Op DC Balance (\$15m) + LTP Forecasted DC Spend Yr 1-30 (\$354m)

=

Total DC Balance to Recover excl interest (\$369m)

Balance then split during LTP process to accommodate a reasonable increase

Yr 1 – 30 Recovery (\$216m)

Yr 30+ Recovery (\$154m)

Balance to Recover over Yr 1 – 30 excl interest (\$216m) / Expected HUEs based on Growth Projections (23,488)

Average DC Rate Across 30yrs excl interest (\$9,181)

Yr 1 (\$6,561) —————> Yr 30 (\$12,648)

Increase from Yr 1 is calculated through PPI increase assumption

DC Rates Calculations Cont.

Sewerage Example Cont.

Yr 1 – 30 Recovery (\$216m) + Interest Cost Assumptions (\$149m)

=

Total DC Balance to Recover incl interest (\$365m)

Balance to Recover over Yr 1 – 30 incl interest (\$365m) / Expected HUEs based on Growth Projections (23,488)

Average DC Rate Across 30yrs incl interest (\$15,537)

Yr 1 (\$12,917) —————> Yr 30 (\$19,004)

LTP Yr 1 DC Rate (\$12,917) – FY 23/24 DC Rate (\$5,772)

Increase (\$7,145 or 124%)

This means there is currently a difference from budget of \$7,145 per HUE paid at the previous rate

DC Example

Policy Year 2023/24

Activity	Demand Post Development (HUE)	Credits for Existing Demand (HUE)	Additional Demand (HUE)	Development Contribution per HUE (\$)	Development Contribution (\$ Excl. GST)	GST (\$)	Development Contribution (\$ Incl. GST)
Water Supply	237	-	237	6,256	1,482,672	222,401	1,705,073
Wastewater	237	-	237	5,772	1,367,964	205,195	1,573,159
Stormwater	-	-	-	-	-	-	-
Reserves	237	-	237	4,251	1,007,487	151,123	1,158,610
Community Infrastructure	-	-	-	-	-	-	-
Roading	237	-	237	695	164,715	24,707	189,422
Roading ODP	-	-	-	-	-	-	-
Total Contribution					4,022,838	603,426	4,626,264

Policy Year 2024/25

Activity	Demand Post Development (HUE)	Credits for Existing Demand (HUE)	Additional Demand (HUE)	Development Contribution per HUE (\$)	Development Contribution (\$ Excl. GST)	GST (\$)	Development Contribution (\$ Incl. GST)
Water Supply	237	-	237	10,188	2,414,556	362,183	2,776,739
Wastewater	237	-	237	12,917	3,061,329	459,199	3,520,528
Stormwater	-	-	-	-	-	-	-
Reserves	237	-	237	4,114	975,018	146,253	1,121,271
Community Infrastructure	237	-	237	3,779	895,623	134,343	1,029,966
Roading	237	-	237	3,067	726,879	109,032	835,911
Roading ODP	-	-	-	-	-	-	-
Total Contribution					8,073,405	1,211,011	9,284,416

- Due to the developer being able to get their application in for June 2024 they have effectively saved \$4.1m on DCs which were budgeted to be paid in LTP Yr 1 FY 24/25.
- A 10-year lapse period was requested by the applicant, however only a 5-year lapse period was approved by the Planner under the RMA

DC Policy HUE Discount Factors

Not all residential developments may generate the same level of demand on infrastructure.

Specific discounts in certain scenarios where the anticipated demand may be lower than that of a standard dwelling / site:

Second dwellings under 100m² (excluding garaging)

- **Rationale:** Likely to accommodate fewer occupants, less demand on infrastructure compared to larger home
- **Discount:** Scaled discount applied based on the gross floor area (GFA), ranging **from 0.10 HUE to 0.40 HUE**
- **Example:** an 80m² dwelling would be eligible for 0.20 HUE discount (pay 80% of a standard HUE)

Attached residential dwelling

- **Rationale:** Second dwelling is internally connected to the main dwelling, often used for intergenerational living (e.g., caring for an elderly family member), the two households are likely to share resources and infrastructure.
- **Discount:** A discount of **0.10 HUE** is applied to all applicable contributions payable
- **Example:** main dwelling of 160m² which has an attached minor residential unit of 79m². Smaller dwelling would pay 0.69 HUE, as they would be entitled to a 0.1 HUE discount

New Rural Titles Over 4 Hectares

- **Rationale:** Larger rural properties are less likely to utilise reserves and open space infrastructure
- **Discount:** **0.50 HUE** discount is applied to the **Community Infrastructure** and **Reserve** contributions only
- **Example:** Rural property of 10ha not connected to reticulated water or wastewater subdivides into two lots of 5ha/lot. The additional lot created would pay 1 HUE for roading and 0.50 HUE for Reserves and Community Infrastructure contributions

HUE Reduction Example

SDC Development Contributions Assessment Tool Outputs

Consent Identifier: Rolleston Example - Attached second dwelling of 60sqm
Policy Year: 2025/26



Inputs **OK**
 Outputs **OK**

Activity	Demand Post Development (HUE)	Credits for Existing Demand (HUE)	Additional Demand (HUE)	Development Contribution per HUE (\$)	Development Contribution (\$ Excl. GST)	GST (\$)	Development Contribution (\$ Incl. GST)
Water Supply	1.50	1.00	0.50	5,553.00	2,776.50	416.48	3,192.98
Wastewater	1.50	1.00	0.50	13,154.00	6,577.00	986.55	7,563.55
Stormwater	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reserves	1.50	1.00	0.50	11,663.00	5,831.50	874.73	6,706.23
Community Infrastructure	1.50	1.00	0.50	1,478.00	739.00	110.85	849.85
Roading	1.50	1.00	0.50	1,269.00	634.50	95.18	729.68
Lowes Road ODP	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Contribution					16,558.50	2,483.78	19,042.28

SDC Development Contributions Assessment Tool Outputs

Consent Identifier: Rural Northwest Area Example - New lot over 4ha
Policy Year: 2025/26



Inputs **Check**
 Outputs **OK**

Activity	Demand Post Development (HUE)	Credits for Existing Demand (HUE)	Additional Demand (HUE)	Development Contribution per HUE (\$)	Development Contribution (\$ Excl. GST)	GST (\$)	Development Contribution (\$ Incl. GST)
Water Supply	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wastewater	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Stormwater	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reserves	0.50	0.00	0.50	4,231.00	2,115.50	317.33	2,432.83
Community Infrastructure	0.50	0.00	0.50	3,865.00	1,932.50	289.88	2,222.38
Roading	1.00	0.00	1.00	3,141.00	3,141.00	471.15	3,612.15
Roading ODP	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Contribution					7,189.00	1,078.35	8,267.35



Why is there a shortfall?

Largest Subdivision Applications: June 2024

Townships	# Applications	Proposed number of Lots	DC Charge 2023/24 rate (excl GST)	DC Charge 2024/25 rate (excl GST)	Difference
Darfield	2	844	\$ 16.2m	\$ 28.3m	\$ 12.1m
Kirwee	1	237	\$ 4.0m	\$ 8.1m	\$ 4.1m
Lincoln	1	94	\$ 2.1m	\$ 3.0m	\$ 0.9m
Prebbleton	6	791	\$ 20.7m	\$ 31.5m	\$ 10.7m
Rolleston	4	409	\$ 8.6m	\$ 13.1m	\$ 4.5m
West Melton	1	151	\$ 3.6m	\$ 5.2m	\$ 1.6m
Grand Total	15	2,526	\$ 55.3m	\$ 89.2m	\$ 33.9m

- Examples of largest resource consent submissions for subdivisions **received in June 2024**.
- Locked in the FY 23/24 DC rates for up to 5 years (with a possible 3-year extension).
- Some applicants also requested a 10-year lapse period, as allowed for under the RMA 1991.
- These 15 applications alone will result in an under-recovery of \$33.9m in DCs over up to 8 years from 1 July 2024.
- Not able to react in a timely manner to these changes in the modelling assumptions due to the required LTP consultation processes.

Risks

Risks

- Lapse period:
 - Policy: DC rates are valid for up to 5 years
To be updated with PPI after 2 years
With a possible 3-year extension, subsequent to the original 5 years (for consideration by Council)
 - RMA 1991: Developers may request a 10-year lapse period (for consideration by Council)
- Growth modelling
 - Timing of triggering
 - Timing of payment
- Consultation process
 - Requirement does not enable council to adjust in an efficient manner

Options

DC Policy Review

- For consultation in FY26 (to be applied from 1 July 2026)
- Considerations:
 - Benchmarking against other high-growth councils
 - Review current methodology to determine cost of growth
 - Review current methodology for growth modelling and setting of HUE's
 - Standardisation of terminology across policy
 - Reassess discounts and credits
 - Deferring DC Assessment on Land Use Consents to Building Consent application

Development Levy Reform

- Provide Councils more flexibility
- Charge developers for overall cost of growth infrastructure
- Standardisation
- Adaptability to respond to growth
- Subject to regulatory oversight
- High-growth targeted levies (additional to base levy for specific services)
- Targeted rates when a rating unit is created at subdivision stage
 - Could be used as an alternative to a development levy (new developments only) or
 - Could use targeted rates and development levies together (existing and growth)
- Timing (*expected*)
 - Late 2025: Introduction of The Local Government (Infrastructure Funding) Bill
 - Mid 2026: Enacted into law
 - 2027: New development levies system to be applied

Questions?

REPORT

TO: Chief Executive Officer

FOR: Finance and Performance Committee

FROM: Head of Financial Control
Capital and Projects Accountant

DATE: 22 July 2025

SUBJECT: **Summary of Development Contributions (DCs) movements for the period to 30 June 2025**

RECOMMENDATION

'That the Finance and Performance Committee receives this "for information report" – Summary of DC movements for the period to 30 June 2025.

1. PURPOSE

The purpose of this report is to provide the Finance and Performance Committee with a draft summary of the income received from DCs and spend on DC funded projects for the current financial year up to the period ending 30 June 2025.

The tables below show the net balance between DCs received and spent per catchment and DC type. Results are represented in the accounting format with:

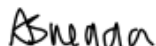
- Black numbers showing more DCs collected in the period than spent on DC funded projects
- Red bracketed numbers represent higher spend on DC funded projects for the period.

Refer to **Table 1** for the townships included in each of the labelled catchments. DCs are recognised under different catchments based on their types.

2. SIGNIFICANCE ASSESSMENT/COMPLIANCE STATEMENT

This report is not considered to be significant in the context of the Council's Significance Policy, as it is for the Council's information.

Report approved by:



Allison Sneddon
Chief Financial Officer

DC POLICY – SUMMARY

Per the Council's DC Policy (Policy) adopted in July 2024, DCs may be sought by the Council under Part 8, Subpart 5 of the Local Government Act 2002 (the Act). DCs apply to developments within the areas in the catchments discussed further in this paper. The basis of the methodology is the household unit equivalent (HUE). HUE conversion factors are also defined by the Policy and vary across different DC types and the townships. For years where the DC rates are not updated as part of the LTP process a PPI (Producer Price Index) increase is added to the rates.

Table 1: DC – CATCHMENT AREAS BREAKDOWN

Sewerage DC	Roading DC	Reserve/ Community DC	Water/ Stormwater DC	Townships
Selwyn	Eastern	Eastern	Springs	Lincoln
				Prebbleton
				Springston
				Tai Tapu
			Rolleston	Rolleston
	Non-Eastern	North West	Malvern	West Melton
				Arthur's Pass
				Castle Hill
				Coalgate
				Darfield
				Glentunnel
				Hororata
				Kirwee
				Lake Coleridge
				Sheffield
				Springfield
				Terrace Downs
				Waddington
				Whitecliffs
		South West	Ellesmere	Doyleston
				Dunsandel
				Leeston
				Rakaia Huts
				Southbridge

As per **Table 1**, the catchment areas across various DC types (Sewerage, Roothing, Reserve/Community, Water) do not always match and some townships may sit in different catchments for the purposes of different DC types.

TABLE 2: DC – CUMULATIVE BALANCES SUMMARY (DCs RECEIVED & SPENT)

DC Type (\$000's)	2024/25 YTD Actuals April	2024/25 YTD Actuals May	2024/25 YTD Actuals June	2024/25 YTD Budget June
Community	(49)	(28)	(18)	1,241
Reserves	828	1,823	1,880	(363)
Roading	319	300	(1,057)	(986)
Sewerage	(16,629)	(17,255)	(18,707)	(9,419)
Stormwater	369	369	721	129
Water	(9,614)	(9,846)	(12,176)	(9,678)
Grand Total	(24,776)	(24,636)	(29,357)	(19,075)

- DCs of \$24.7m have been received Year to Date (YTD) 30 June 2025.
- \$54.1m was spent on DC funded projects.
- The net DC movement is **(\$29.4m)** YTD 30 June 2025. This means that the DCs spent for the YTD period exceeded the DCs collected.
- The **(\$10.3m)** difference in position from budget YTD is primarily due to:
 - A timing difference on when the new LTP rates we budgeted the DCs on would come into effect to the value of \$13.6m less than expected.
 - \$3.3m less spent on DC funded projects compared to YTD budget. \$2.3m of this is due to the Ellesmere Pipeline cost savings.
- The large spend in Water and Sewerage DC projects primarily comes from the Ellesmere to Pines WW Pipeline, The Pines WWTP, Prebbleton Reservoir and Pipework & South East WW Pump Station projects.

TABLE 3: DC – PER RESERVE/COMMUNITY CATCHMENT

Catchment	DC Type (\$000's)	2024/25 YTD Actuals April	2024/25 YTD Actuals May	2024/25 YTD Actuals June	2024/25 YTD Budget June
Eastern	Community	(19)	(12)	(3)	870
	Reserves	889	1,790	2,006	(264)
North West	Community	5	16	16	391
	Reserves	(10)	120	101	62
South West	Community	(35)	(32)	(32)	(20)
	Reserves	(52)	(87)	(226)	(161)
Grand Total		779	1,795	1,862	967

- Community DC balance YTD is at **(\$18k)** which is \$1.2m under budget for the year.
 - DCs received was \$1.4m less and DC spend \$200k less than budgeted.
- Reserve DCs balance YTD is at \$1.9m which is \$2.2m above budget for the year.
 - DCs received was \$1.2m less and DC spend \$3.4m less than budgeted.
 - Primary spend has been on Foster Park development and Kakaha Park land extension purchase.

TABLE 4: DC – PER ROADING CATCHMENT

Catchment	DC Type (\$000's)	2024/25 YTD Actuals April	2024/25 YTD Actuals May	2024/25 YTD Actuals June	2024/25 YTD Budget June
Eastern	Roading	568	651	(579)	(402)
Non-Eastern	Roading	(250)	(351)	(478)	(584)
Grand Total		319	300	(1,057)	(986)

- The Roading DC's balance YTD is in line with the budget.
- DCs have primarily been spent on Levi Rd/Lincoln Rolleston Road Intersection, the Lincoln North Public Car Park and the Shands/Trents/Hamptons roundabouts.

TABLE 5: DC – PER WATER CATCHMENT

Catchment	DC Type (\$000's)	2024/25 YTD Actuals April	2024/25 YTD Actuals May	2024/25 YTD Actuals June	2024/25 YTD Budget June
Ellesmere	Water	(504)	(503)	(389)	(190)
Malvern	Water	360	449	326	(823)
Rolleston	Water	(4,211)	(4,732)	(6,871)	(3,035)
Springs	Stormwater	369	369	721	129
	Water	(5,259)	(5,059)	(5,242)	(5,629)
Selwyn	Sewerage	(16,629)	(17,255)	(18,707)	(9,419)
Grand Total		(25,874)	(26,732)	(30,162)	(18,968)

- The YTD balance for Water DCs is at **(\$12.2m)** which is \$2.5m lower than budget.
 - This difference is primarily due to accelerated Water growth works.
 - The primary spend on the Water DCs were Rolleston Growth Water Supply Extension & Prebbleton Reservoir and Pipework project.
- The Stormwater YTD balance is 600k higher than budget due to increased DCs received.
- Sewerage YTD balance is **(\$18.7m)** which is \$9.3m lower than budget.
 - \$13.2m less of Sewerage DCs were collected compared to budget. This is primarily due to the large increase in Sewerage DC rates as part of the previous LTP process.
 - DCs spent on Sewerage projects were \$4m lower than budgeted. With \$2.3m of this being due to budget savings found on the Ellesmere to Pines WW Pipeline.
 - Sewerage DCs primary spend was on the Pines 120 WTP, SE WW Pump Station & Ellesmere to Pines WW pipeline.

TABLE 6: DC – CUMULATIVE BALANCES SUMMARY (BALANCE SHEET)

This table shows opening balances of the last 3 years along with our June 2025 YTD balance:

DC Type (\$000's)	Catchment	2022/23 OP Balance	2023/24 OP Balance	2024/25 OP Balance	2024/25 YTD Balance June	2024/25 YTD Budget June
Community	Eastern	0	0	0	(3)	870
	North West	0	0	0	16	391
	South West	0	0	0	(32)	(20)
Community Total		0	0	0	(18)	1,241
Reserves	Eastern	37,231	39,234	32,636	34,641	32,372
	North West	1,775	1,916	2,040	2,141	2,102
	South West	447	429	1,042	816	882
Reserves Total		39,453	41,579	35,718	37,598	35,356
Roading	Eastern	9,063	11,861	12,430	11,850	12,028
	Non-Eastern	0	0	0	(478)	(584)
Roading Total		9,063	11,861	12,430	11,372	11,444
Sewerage	Selwyn	(3,518)	(6,580)	(10,737)	(29,445)	(20,157)
Sewerage Total		(3,518)	(6,580)	(10,737)	(29,445)	(20,157)
Stormwater	Springs	(1,216)	(952)	(980)	(259)	(851)
Stormwater Total		(1,216)	(952)	(980)	(259)	(851)
Water	Ellesmere	(327)	(648)	(1,946)	(2,335)	(2,136)
	Malvern	(289)	1,661	(2,140)	(1,814)	(2,964)
	Rolleston	3,124	2,016	1,926	(4,945)	(1,109)
	Springs	1,437	1,140	(1,498)	(6,740)	(7,127)
Water Total		3,946	4,170	(3,658)	(15,834)	(13,336)
Grand Total		47,728	50,077	32,772	3,415	13,696

- Balances in negative show areas where we have invested in growth/upgrade projects in the past and are now collecting DCs to recover those costs.
- Positive balances on the other hand show areas where we have gathered DCs which will be spent on future growth and upgrade projects.
- Our total balance for DCs is at \$3.4m as of the end of June 2025, which is \$10.3m lower than budgeted.
 - This is primarily due to the LTP budget assumption that all DCs for FY 24/25 would be paid at the new rates. However, based on our DC policy which allows a resource consent to remain valid for up to 5 years many DCs have been paid at lower rates throughout the year.
- Our Eastern Reserve DC balance currently sits at a \$34.6m positive:
 - Over the next 3 year our LTP shows that we will be investing \$20m into Eastern Reserve projects.
 - With \$50m planned to be spent over the next 10 years
- Our Eastern Roading DCs also have a high balance of \$11.9m:
 - LTP shows plans to spend \$8m in DC funding over the next 3 years
 - \$25m is expected to be spent over the next 10 years.

REPORT

TO: Chief Executive

FOR: Finance and Performance Committee Meeting

FROM: Cameron Warr – Acting - Head of Capital Works
Peter Edghill – Capital & Projects Accountant

DATE: 24 July 2025

SUBJECT: **ORGANISATIONAL PROJECTS AND PERFORMANCE:
YTD JUNE 2025**

RECOMMENDATION

'That Council

- a) *receive for information the Organisational Projects and Performance Report for the reporting period covering YTD June 2025.'*

1. PURPOSE

The purpose of this report is to provide the Committee with an update on the status of the Council's capital project expenditure and major project portfolio.

2. SIGNIFICANCE ASSESSMENT/COMPLIANCE STATEMENT

This report is for information only and is therefore considered to be of low significance in the context of the Council's Significance and Engagement Policy.

3. ORGANISATIONAL PROJECTS

The Council Projects Programme Total for FY 2024/25 is \$186.9M. This can be further broken down as per Table 1 showing the actuals against budget as per year end June 2025.

Year End Highlights

- 89% of the Capital Target Budget was achieved with total Capital Projects spend coming to \$133.2M.
- 90% of Capital Projects spend for FY 24/25 was on infrastructure projects (5 Waters, Transport & Resource Recovery).
- 39% increase on Capital Projects spend from FY 23/24, which equates to \$37.4M.
- \$12.9M of budget savings were found within the Capital Projects budget, with \$5.4M being saved in the year on the Ellesmere to Pines Pipeline project.

Project Types	Budget (\$M)	Budget Savings to date (\$M)	Final Carry Forward (\$M)	Jun YTD Complete (\$M)
Capital Projects	\$159.5	\$9.2	\$18.0	\$133.2
NLTP (Nov. 2024)	\$3.7	\$3.7	\$0.0	
Total Capital Projects	\$163.2	\$12.9	\$18.0	\$133.2
Operational Projects/ BAU (Cost Reallocations)	\$21.3	\$1.2	\$0.0	\$15.6
Emergency Funding	\$2.3	\$0.0	\$0.1	\$5.4
Total Operational Projects	\$23.7	\$1.3	\$0.1	\$21.0
TOTAL	\$186.9	\$14.1	\$18.1	\$154.2

Table 1. FY2024/25 Budget breakdown vs Actuals (YTD Jun 2025).

- \$1.9M worth of Emergency funding budget was brought forward from Yr 2 to cover the SDC portion of the emergency flooding works. The NZTA investment advisor has agreed in principle to approve the cost for the emergency event, which implies an NZTA subsidy of approximately \$3M.
- Capital projects budget was increased by \$2.1m as per Council decision on 25th Sep 24 to allow for an upsizing of the planned water infrastructure in Rolleston.
- \$2.1M of Water budget was also brought forward from Yr 2 to cover accelerated work programs.

The remainder of report focuses on capital project expenditure only.

Figure 1 below represents our actuals for Capital Projects to date along with our forecasted figures as of June 25 Year to Date (YTD). This shows our total works for the financial year ending June 25.

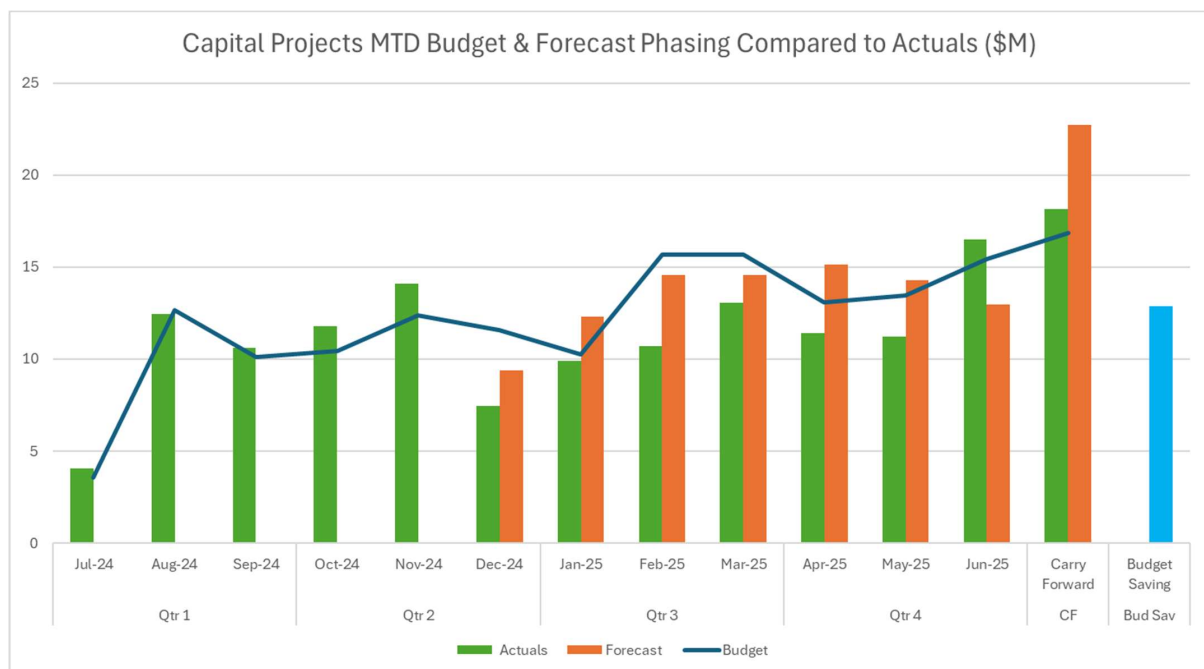


Figure 1. FY2024/25 Capital Projects Actuals vs Forecast

The increased spend compared to forecast in June 25 is due to a mixture of conservative forecasting (due to previous month's trends) and budgets that were brought forward due to accelerated programs.

Wastewater Projects

- Ellesmere to Pines Wastewater Pipeline as the full budget savings including project risk had not been realised. The overall budget savings have been realised. Overall works completed commissioning and defects period for the next 12 months.
- Southeast Pump Station. The pump station expected commissioning end of October 2025
- Pines 120. Commissioning delays for part of new plant (mechanical thickeners leading to refurbished digester) delayed and this delayed progress payment. Progress spend will catchup during the remainder of FY (Accelerated programme for the last four months of the project. Expected completion end of Sept 2025).

Transport Projects

- Levi Road Intersection Upgrade is complete, and both intersections requiring remediation completed at time of writing. Minor footpath remediation to complete the project in July 2025. The Intersection is open and operating well.
- Lincoln Town Centre Carparks – Project is on track with completion anticipated August 2025.
- Lincoln Town Centre Stage 1 is currently out for tender and on track to have Council to approve award of contract in the September Council meeting.
- Weedons Ross Road Seal widening – Completed May 2025. In defects and maintenance
- Ellesmere Road Seal Widening – Completed May 2025. In defects and maintenance. In conjunction with HEB maintenance crew.

Facilities Projects

- Lincoln Library – Exterior Repairs – Delays on scoping work and works now planned to be completed in summer months from October 2025
- SDC HQ – Extend Car Compound – Project delayed due to design and approvals, tendering starting in October 2025, with to be completed in summer months

Reserve Projects

- Foster Park Development (Youth and Central Zone) – The project is on track and still due for completion in August 2025. The project was over forecast and needs realignment with future expenditure
- Lincoln Reserve Extension – Contamination works were completed ahead of schedule in March 2025. We are now in a long consultation, stakeholder engagement and reporting phase and therefore April to July's expenditure was not in line with the forecast.

Resource Recovery Projects

- May 25 - Delays due to procurement of plant. June - The plant arrived in June; the remaining fund will carry forward into 2025/26 FY.

4. PROGRESS AND EXPENDITURE

Reviewing the June YTD costs of \$133.2M, the budget savings for the year have been \$12.9M. This brings the revised Capital target budget to \$150.4M which represents 89% capital spend progress. \$18M of capital works budget has been carried forward into FY 2025/26.

Financial Summary – Capital Projects

Jun MTD Actuals (\$M)	Jun MTD Budget (\$M)	Jun MTD Bud Var (\$M)	Jun YTD Actuals (\$M)	Jun YTD Budget (\$M)	Jun YTD Bud Var (\$M)
\$16.5	\$15.4	(\$1.1)	\$133.2	\$163.2	\$30.0

Total Capital Annual Budget including NLTP (\$M)	Budget Savings including NLTP (\$M)	Budget Saving % of Capital Annual Budget	Capital Forecast Carry Forward (\$M)	Carry Forward % of Capital Annual Budget
\$163.2	\$12.9	8%	\$18.0	11%

**Capital Target Budget is defined as the original Capital Budget for the year less any budget savings found*

Capital Target Budget (\$M)	Capital Target % Spend Jun YTD Actual	Total Capital Annual Budget including NLTP (\$M)	Total Capital Budget % Spend Jun YTD Actual
\$150.4	89%	\$163.2	82%

- Compared to last year we have completed \$37.4M worth of capital works which equates to a 39% increase from the FY 23/24 spend.
- Our final carry forwards have decreased from the predicted value due to the increased works completed in June and the WCCO choosing to keep to its Annual Plan budget and not carry forward any extra budget.

Capital Works Carry Forward

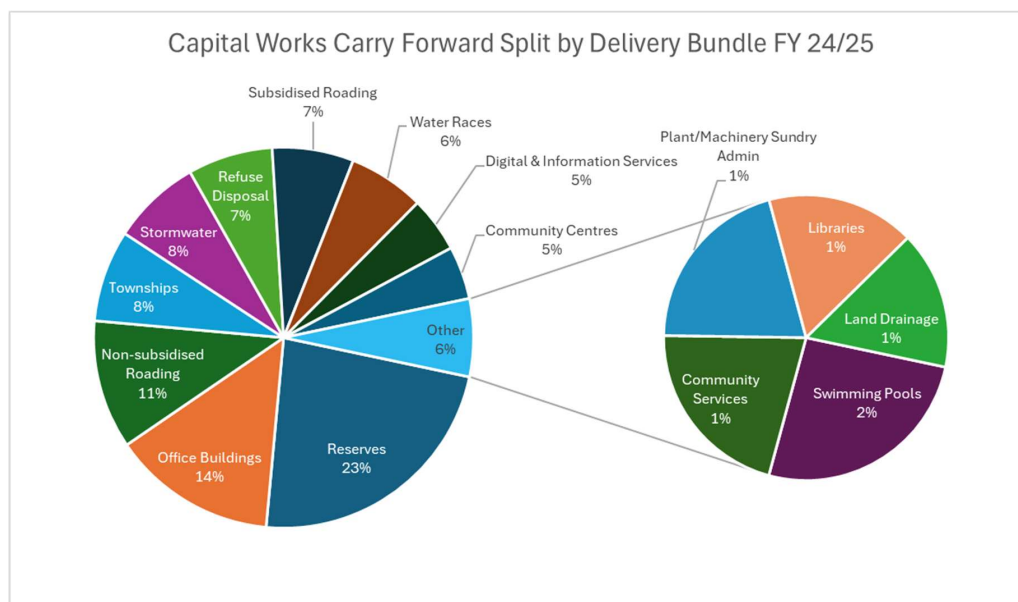


Figure 2. Split of Capital Works Carry Forward by Delivery Bundle

Delivery Area	Previous F&P Report (\$M)	Current Expected CF (\$M)	Comments
5 Waters	7.5	2.7	Delays due to land purchases, consents and community consultation requirements. Projects accelerated programme and expenditure over the last couple of months.
Parks & Reserves	6.6	6.6	Youth and Central Zone in Construction phase expected completion August 2025. Some of our larger projects are still in design with construction set to begin in the next financial year (2025/26). Land purchase delays have also been a factor.
Transport	4.1	3.2	Carry Forward has decreased as seasonal work was undertaken leading to higher spend in the last two months of the year.
Facilities	3.2	4.3	Some of our larger projects are still in design or have had delays due to scoping issues. Construction is set to begin 2025/26 financial year.
Resource Recovery	1.2	1.3	Plant & equipment arrived in June. Remaining funds required next FY for capital build.
Provisional	5.0	0.0	This provision was originally put in due to the expectation that our spend would come in under forecast. These carry forwards are now based on actuals so no longer required.
Grand Total	27.7	18.0	

Table 2 – Capital Carry Forwards by Delivery Area

Final Capital Budget Savings

A summarised breakdown of the budget savings for each delivery area can be found in Table 3 below. Savings account for approximately 8% of the capital budget. These savings have been realised.

Delivery Area	Budget Savings (\$M)	Comments
5 Waters	5.6	Predominantly Ellesmere to Pines Wastewater pipeline.
Transport	4.3	Predominantly NLTP based on Nov 24 decision
Facilities	2.9	Predominantly BAU that have not required renewal
Parks & Reserves	0.1	Predominantly land purchase savings
Grand Total	12.9	

Table 3 – Capital Works Budget Savings by Delivery Area

Phasing and Spend YTD

Figures 3 & 4 show the capital works spread over the annual year by the different capital delivery areas.

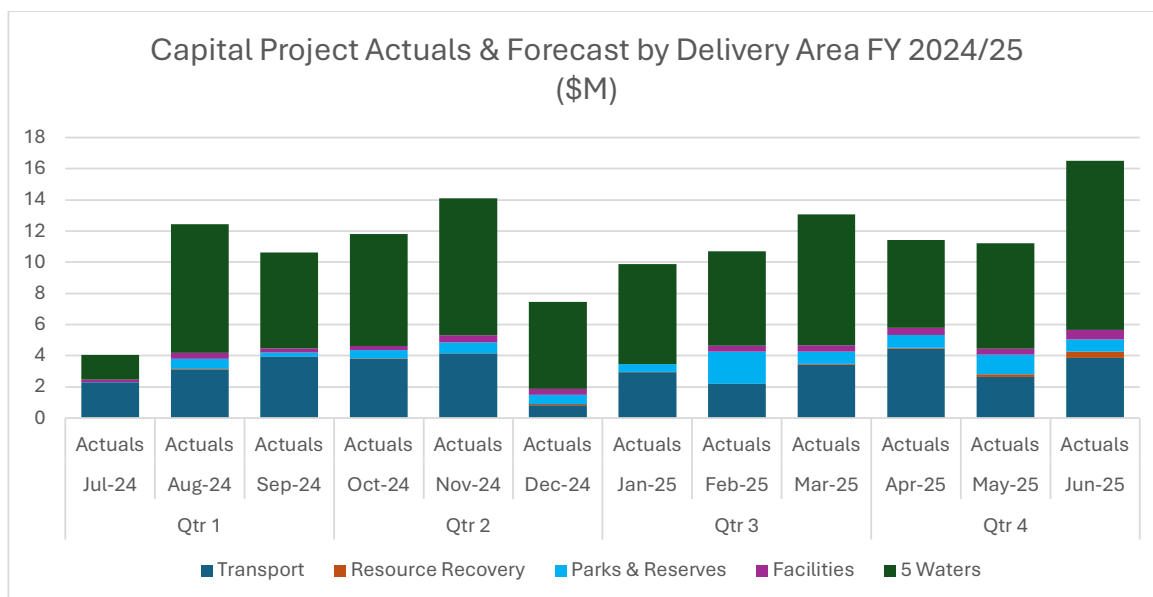


Figure 3. Phasing of month to date actuals for capital works projects by delivery area

Water (61%) and Transport (28%) projects continue to feature as Council's larger portfolios for our delivery programme. Together with Resource Recovery they show that 90% of our Capital spend was on infrastructure projects in FY 24/25.

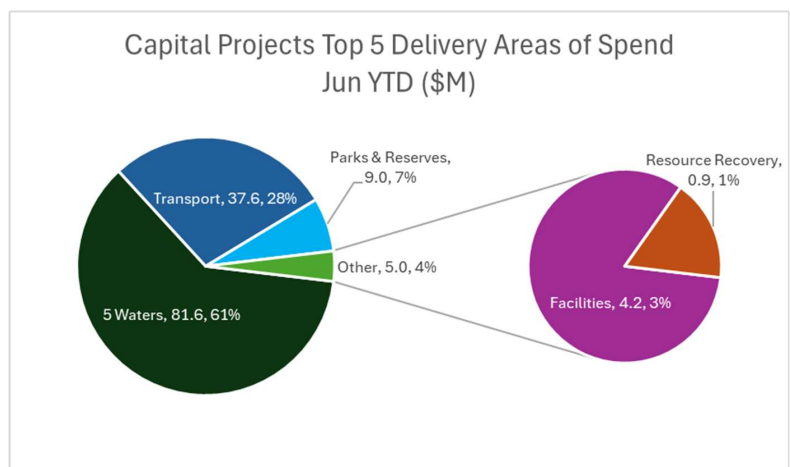


Figure 4. Capital Works Projects Top 5 Areas of Spend in Jun 25 YTD

Capital Budgeted Spend FY 25/26 (Jul 25 to Jun 26)

The Capital budget for FY 25/26 is \$145.8M.

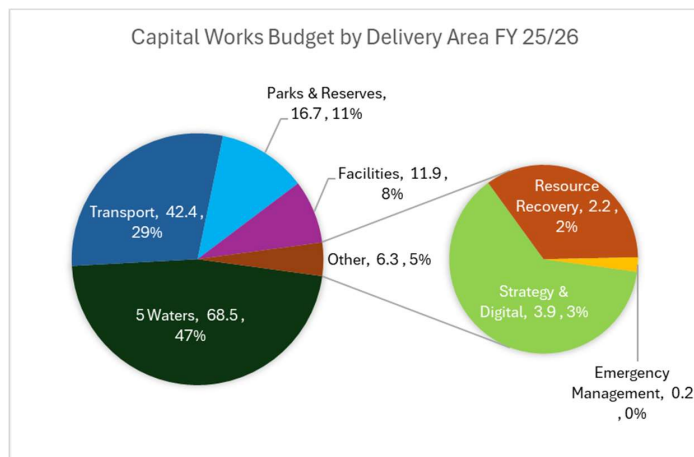


Figure 5. Capital Works Budget by Delivery Areas FY 25/26

Project Report Tracking for Key Projects

The project report tabled below, Table 4, currently highlights key projects based on 2024-34 Long-Term Plan delivery. The previous project portfolio issues and risks can be found in the Appendix to the report.

Project	Practical Completion		Project Budget (\$M)			Project Progress	
	Plan	Forecast Final	Plan	Actual to date	EAC	Stage	Status
Edwards Road WW PS	Dec-26	Dec-26	\$14.1	\$0.2	\$14.1	Design	On Track
District Park – Stage 1	2034	2034	\$28.1	\$0.3	\$28.1	Design	On Track
Whata Rau (3Yrs)	Jun-27	Jun-28	\$16.01	\$1.5	\$16.01	Design	Minor
Lincoln Reserve Extens.	Jun-27	Jun-27	\$11.3	\$3.1	\$11.3	Design	On Track
Lincoln Town Centre	Jun -30	Jun -30	\$46.3	\$3.1	\$46.3	Design	On Track
The Pines WWTP	Jun-25	Aug-25	\$37.3	\$25.7	\$37.3	Construction	On Track
South East WW PS	Nov -25	Nov -25	\$7.4	\$4.9	\$7.4	Construction	On Track
Ellesmere to Pines WW Pipeline	Dec-24	Jun-25	\$35.6	\$26.6	\$28.5	Construction	On Track
Prebbleton Reservoir and pipework	Mar-25	Apr-25	\$5.7	\$5.9	\$5.7	Construction	Minor
Prebbleton Roundabouts (x4)	Jun-25	Complete	\$31.5	\$32.6	\$33.4-33.9	Defects Period	Moderate
Levi Road intersection upgrade	Jun- 25	Jun- 25	\$6.6	\$5.8	\$6.6	Defects Period	On Track

Table 4 – Key community projects progress

Legend:

On Track	The project is tracking to plan
Minor	Minor issues or risks have been identified and are being managed
Moderate	Issues have been identified that could impact the project outcomes, programme and/or budget
Significant	Issues have had a material impact on programme, budget, scope, and/or reputation

Master Project Programme (MPP)

The development of a Master Project Programme (MPP) is advancing and is essential for understanding the impact and demands of our programmes to better inform delivery strategies, resource management, risks management and overall sequencing of activity. This will provide better insight into the work that is planned and completed for the reporting period as well as expenditure. Training and iterative changes are being focussed on each month to help improve on the forecasting and reporting that is produced. Currently further dashboard reporting is expected to be introduced in the next financial year. APEX has now been rolled over to FY 25/26 and has been successfully linked with the new Projects Module in MagiQ. We are currently working on new templates which will allow for a more streamlined request process for new project codes.

5. FUNDING IMPLICATIONS

Further adjustments to the funding and project timing would be considered in due course, if required.



Cameron Warr
ACTING HEAD OF CAPITAL WORKS



Peter Edghill
CAPITAL AND PROJECTS ACCOUNTANT

Endorsed For Agenda



Tim Mason
**EXECUTIVE DIRECTOR INFRASTRUCTURE
AND PROPERTY**

APPENDIX & GLOSSARY

PROJECT

A project is temporary endeavour with a finite start and end, dedicated resources, and a specific and measurable outcome.

Typically projects at SDC relate to new assets or major renewals, where the cost of the renewals can be capitalised. Maintenance functions are typically considered as business as usual (BAU), except where the nature of the work in respect of scale, budget or risk is beyond the capacity of BAU team, and the renewal extends the life of the asset and impacts valuation. In this case, the maintenance work is treated as a project.

PROGRAMME

A programme is a group of dependency related projects which together generate a specific and measurable outcome. Typically programmes at SDC are geographically co-located (e.g. Rolleston Town Centre, Foster Park).

PORTFOLIO

A portfolio consists of multiple unrelated projects and programmes which together generate a specific and measurable outcome for an organisation at a strategic level.

LOW RISK / HIGH RISK PROJECTS / PROGRAMMES:

	Low Risk	High Risk
Property, infrastructure, or IT project classification	Renewal of existing asset	New / expansion of an existing asset
Business change project classification	Minimal disruption to operations; minimal risk of failure	Change, or risk of failure will impact operations
Local community interests	Minimal impact on community, iwi, local businesses	Project will impact, or will be impacted by, stakeholders beyond the control of SDC.
Project risks	Project risks are easily managed and within the capability and control of the project manager and project sponsor.	Project risks may be beyond the control of the project manager and the project sponsor, or there are risks that are unknown at this stage.
Reputation other	Minimal risk to reputation	Risk of reputation damage that needs to be carefully managed.
Budget	<\$1,000,000 for P&I Projects	>\$1,000,000 for P&I Projects
Measures	Cost, programme, scope, risk	Cost, programme, scope, risk, quality, benefits

PROJECT PORTFOLIO ISSUES AND RISKS**Issues**

The following issues previously identified have been successfully managed and closed since the May Report:

Issue	Status	Commentary
Ongoing issues with misalignment between budget planning and project delivery.	Monitor	This was addressed through the Capex do-ability work undertaken with the Long-Term Plan. Continuously improving budgeting and planning processes remains a focus with a number of initiatives underway.
Large scale projects delayed by stakeholders and consenting partners. These are issues beyond the control of SDC, but improved risk and issue identification and management is being implemented to anticipate and plan for these events.	Monitor	There is an increased attention and focus on to risk and issue management. This work will be ongoing. Relationship building with ECAN and Rūnanga continues.
Procurement and approval delays. A procurement strategy is being undertaken to streamline and advance procurement activities earlier in the project to reduce unnecessary delays.	Monitor	There are a number of initiatives in progress; A more streamlined process for tenders that comply with procurement policy. Procurement papers have recently been presented to Council. Master Project Programme will better informing planning processes
Timeliness and accuracy of project reporting	Under Action	There are a number of initiatives underway that will build better efficiency and accuracy into our reporting and project finance practices. These include: The recently completed Apex project reporting platform. The Finance Hygiene project will help to remedy/improve project accounting practices within MAGIQ as well as supporting practices and process. Design and delivery of a Master project programme

Risks

The following risks are current and are updated during the financial year:

'If'	'Then'	Risk Treatment	Action
Supplier constraints on imported goods (especially war impacted countries) continue	Project costs could escalate and/ or <u>delays</u> may occur	Accept	Improved risk management at a project level, particularly through planning phases
Increases in the cost of materials	Project costs could escalate	Mitigate	Improvement in regular cost estimating practice to anticipate fluctuations
Exchange rate fluctuations	Project costs could escalate	Mitigate	Increase focus on commercial acumen
Legislation changes	Changes to LTP programme of work and associated budgets maybe necessary (LTP Amendment)	Accept	Careful monitoring of the legislative landscape. Early impact analysis and reporting proposed reforms on legal advisory services to keep decision makers informed
Consenting delays	Project costs could escalate and/ or delays may occur	Mitigate	Improved risk management and planning at a project level
Capex do-ability plans and forecasts are compromised	Debt levels could be impacted Ability to support growth initiatives could be delayed Reputational damage	Mitigate	Continue strengthening capability and performance initiatives through Financial and Reporting Systems, Procurement efficiency gains, Developing staff capability, Supply chain relationships Close cycle monitoring and reporting
Anticipated funding from external providers does not materialise	Change will be required to the work programme and potentially some projects will not progress	Accept	Alternative options will be evaluated and provided to council for decision making

RESOLUTION TO EXCLUDE THE PUBLIC**Recommended:**

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

General subject of each matter to be considered		Reasons for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution	Date information can be released
1.	Minutes	Good reason to withhold exists under Section 7	Section 48 (1) (a)	
2.	Lease and Investment report			

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

1	Enable the local authority holding the information to carry out, without prejudice or disadvantage, commercial activities; or	Section 7(2)(h)
2	Would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information; or	Section 7(2)(b)(ii)

2. that appropriate officers remain to provide advice to the Committee.'

CLOSING KARAKIA

Unuhia, unuhia

Te pou, te pou

Kia wātea, kia
wātea

Āe, kua wātea

Remove, uplift

The posts

In order to be
free

Yes, it has been
cleared