



Meeting: Regional Council

Meeting Date: 20 May 2021

Items under Separate Cover

As noted on the Regional Council Agenda for the meeting on Thursday 20 May 2021, the following items are included under separate cover:

Reports

Information Only

Agenda Item 10.2 Arotake Tuatoru 2020/21 - Performance Monitoring Report Quarter Three **2**

Attachment 1 - Arotake 2020/21 Tuatoru Quarter Three (July 2020 to March 2021) **9**

Attachment 2 - Bancorp Treasury Report March 2021 - Public Excluded

Attachment 3 - Toi Moana Trust March 2021 Quarterly Report - Public Excluded

Public Excluded Section

Agenda Item 11.5 Confidential Attachments - Arotake Tuatoru - Quarter Three



Report To:	Regional Council
Meeting Date:	20 May 2021
Report Writer:	Debbie Hyland, Finance & Transport Operations Manager and Zhivan Alach, Organisational Performance Manager
Report Authoriser:	Mat Taylor, General Manager, Corporate
Purpose:	This report provides an overview of Council's performance (financial and non-financial) and the progress of our work for the nine months ended 31 March 2021.

Arotake Tuatoru 2020/21 - Performance Monitoring Report Quarter Three

Executive Summary

This report provides an overview of Council's performance and the progress of our work for the third quarter of 2020/21. *Arotake Tuatoru 2020/21 (July 2020 to March 2021)* is included as Attachment 1 to this report.

1. For the nine months ended 31 March 2021, Council is forecasting an annual *operating* deficit of \$13.2 million which is \$0.3 million *lower* than the budgeted deficit of \$12.9 million. Council expects to receive \$13.0 million of capital revenue which is *lower* than the annual capital revenue budget of \$18.5 million. As a result, Council is forecasting a *total deficit* of \$0.2 million which is \$5.7 million *lower* than the total budgeted surplus of \$5.6 million. Council is forecasting capital expenditure of \$40.3 million which is \$14.1 million *lower* than the capital budget of \$54.4 million.
2. Our total investment portfolio is \$282.3 million including \$50 million on-lent to Quayside Holdings Limited (Quayside). The portfolio has an average yield of 1.73%. Council has borrowed \$231.4 million, with \$50.0 million on-lent to Quayside, and \$181.4 million to fund capital expenditure comprising \$112.2 million core debt and \$69.2 million reinvested in term deposits to align with future cash-flows for capital expenditure. The average interest rate on borrowings is 1.5%. Confidential Appendix 2 Bancorp Monthly Treasury Report and Confidential Appendix 3 Quayside Holdings Toi Moana Fund Quarterly Update March 2021 provide further details of Council's treasury performance.
3. We are tracking well against our performance measures for the third quarter with 22 out of 33 performance measures on track, two measures not on track and one measure with no data available due to changes to the activity (Regional Economic Development). Data is not yet available for 8 measures, mainly due to them being reported annually.

Recommendations

That the Regional Council:

1. **Receives the report, Arotake Tuatoru 2020/21 - Performance Monitoring Report Quarter Three.**
 - 1 **Confirms the public be excluded on the grounds set out in the Local Government Official Information and Meetings Act 1987 from consideration of the following report attachments:**
 - (a) **Bancorp Treasury Report March 2021 under Section 48(1)(a)(i) Section 7 (2)(b)(ii) as withholding the information is necessary to protect information where the making available of the information would be likely to unreasonably prejudice the commercial position of the person who supplied or who is the subject of the information and that this attachment remain in Public Excluded.**
 - (b) **Toi Moana Trust March 2021 Quarterly Report under Section 48(1)(a)(i) Section 7 (2)(b)(ii) as withholding the information is necessary to protect information where the making available of the information would be likely to unreasonably prejudice the commercial position of the person**

who supplied or who is the subject of the information and that this attachment remain in Public Excluded.

1. Introduction

4. This report provides an overview of Council's performance and the progress of our work for the third quarter of the 2020/21 financial year (July 2020 – March 2021). This includes a view of our service delivery and financial forecasts to 31 March 2021.

5. Arotake Tuatoru 2020/21 has been included as Attachment 1 to this report and includes the following sections.

- Highlights for the quarter are presented in the 'Executive Summary' section of the report.
- A Financial Performance section providing an overview of Operating and Capital expenditure, key budget variance analysis, and the forecast reserves position to 30 June 2021. This also includes an update on Treasury performance, including investments and borrowings.
- Non-financial performance is covered through the Service Delivery Performance section of the report which includes monitoring of key performance indicators as set out in the Long Term Plan 2018-2028. People and Culture, and Health and Safety updates round out the non-financial information.

6. Following this Council meeting, the Arotake report will be published on Council's website.

1.1 Alignment with Strategic Framework

The Way We Work We deliver value to our ratepayers and our customers.

1.1.1 Community Well-beings Assessment

Dominant Well-Beings Affected

☒ Environmental ☒ Cultural ☒ Social ☒ Economic

7. Councils' Arotake report provide monitoring information across the full range of Council activities which collectively support all four aspects of community wellbeing.

2. Arotake Tuatoru 2020/21 highlights

Highlights from the Community Outcomes in Action for the quarter include:

Consultation on our Long Term Plan 2021-2031

Quarter three saw the release of the consultation document for our proposed Long Term Plan for 2021-2031. The document was open for submissions from 22 February to 22 March.

To support engaging with our community, we held a number of online and in-person meetings/huis, including presentations to other councils across the region and community events in Rotorua, Rangitāiki and Tauranga.

In order to try to reach as many people as possible across our region, we used a mix of digital and newspaper advertising, as well as advertising on grass-roots social channels and iwi radio stations for the first time.

We were really pleased to receive more submissions than any other previous LTP consultation – a total of 319.

Self-certification for boat ramp users

New rules to stop the spread of aquatic pests across the Bay of Plenty came into force this quarter, with boat ramp users now required to self-certify that their vessels and trailers are free from freshwater fish and plant pests.

The rules contained within the Bay of Plenty Regional Pest Management Plan 2020-2030 ensure that lake users take an active role in protecting the long-term health of the region's lakes and rivers.

Self-certification checkpoints have been set up this week at the most popular boat ramps around the Rotorua Te Arawa lakes. The checkpoints are clearly signposted and have forms that should be completed and displayed on the dashboard of the vehicle used to launch the vessel.

Biannual oil spill response training exercise in Fergusson Park

A biannual oil spill response training exercise was undertaken in the Matua/Fergusson Park area. This exercise was based on a scenario of oil impacting on the Matua Estuary from a vessel sinking at a mooring.

This training helps ensure Council are prepared to respond to an oil incident, and that our Oil Spill Response Plan is co-ordinated and effective. Booms, oil skimmers, boats and personal protective equipment were used to contain and clean up the oil.

Approximately 30 participants were involved in this inter-agency exercise, including staff from the Regional Council response team including the Regional Harbourmaster, Maritime New Zealand, Tauranga City Council, Department of Conservation, iwi, Waikato Regional Council and Gisborne District Council.

- Additional highlights from the quarter can be found on page 4-5 of the Arotake report.

3. Summary of financial and non-financial performance to 31 March 2021

8. For the nine months ended 31 March 2021, Council is forecasting an annual *operating* deficit of \$13.2 million which is \$0.3 million *higher* than the budgeted deficit of \$12.9 million. Council expects to receive \$13.0 million of capital revenue which is lower than the annual capital revenue budget of \$18.5 million. As a result, Council is forecasting a *total deficit* of \$0.2 million which is \$5.7 *million* lower than the total budgeted surplus of \$5.6 million.

9. The significant contributor of this is the Rotorua Lakes Activity which is forecasting an under-spend in operating expenditure of \$3.6 million, \$2.5 million of this is due to the Rotorua Te Awara Lakes land use change incentives programme which also lowers forecast grants and subsidies revenue. The proposed land use change incentives budgets for 2020/21 to 2026/27 have been re-phased through the development of the draft Long Term Plan 2021-2031 to better reflect the expected uptake of land use incentives.

10. The year-end capital expenditure forecast is \$40.3 million, this is a forecast underspend of \$14.1 million. This is mainly due to a \$4.7 million underspend in the Rivers and Drainage Activity mainly associated with flood damage repairs expected to be completed by June 30 2021 at a lower cost. The Waioeka estuary restoration project within the Regional Flood Risk Coordination Activity is forecasting a \$3.9 million underspend due to delays in negotiations on the land purchase required for the project.

3.1 Treasury

11. Our total investment portfolio is \$282.3 million including \$50 million on-lent to Quayside Holdings Limited (Quayside). The portfolio has an average yield of 1.73%.

12. Council has borrowed \$231.4 million, with \$50.0 million on-lent to Quayside, and \$181.4 million to fund capital expenditure comprising \$112.2 million core debt and \$69.2 million reinvested in term deposits to align with future cash-flows for capital expenditure. The average interest rate on borrowings is 1.5%.

13. Confidential Appendix 2 Bancorp Monthly Treasury Report and Confidential Appendix 3 Quayside Holdings Toi Moana Fund Quarterly Update March 2021 provide further details of Council's treasury performance.

3.2 Performance Measures

14. We are tracking well against our performance measures at this stage of the year. 22 out of a total of 33 performance measures were on track at the end of Quarter 1, with an additional 8 measures to be reported on later in the year. In addition, 2 measures were not on track to be achieved at the end of 2020/21.

15. One measure has no data available due to changes to the activity (Regional Economic Development).

16. Further information about how we are tracking can be found on pages 16-18 of the Arotake report.

4. Considerations

4.1 Risks and Mitigations

There are no direct risk implications arising as a result of this report.

4.2 Climate Change

The matters addressed in this report are of a procedural nature and there is no need to consider climate change impacts.

17. There are no direct climate change implications arising as a result of this report.


18. Climate Change is identified as a strategic challenge facing the Bay of Plenty Region. The Arotake Report provides a report on the financial and non-financial performance of Council and this includes work delivered through Groups of Activities to understand the implications of and to respond to the implications of Climate Change.

4.3 Implications for Māori

19. Through this quarter Council continued to deliver services as set out in our LTP 2018-2028 and Annual Plan 2020/21, this includes delivering services to all of our community including Māori.

20. Council also continues with work that involves engagement with Māori. Our region has New Zealand's largest number of iwi entities and the second largest Māori population. This provides the region and its communities with a rich and vibrant cultural dynamic. The involvement of Māori in Council decision making has been and will continue to be, an important component of our work as a Regional Council.

4.4 Community Engagement

21.  Engagement with the community is not required as the recommended proposal / decision [relates to internal Council matters only].

4.5 Financial Implications

This report sets out the financial performance for Bay of Plenty Regional Council for the nine months ended 31 March 2021.

The draft Long Term Plan 2021-2031 Budget incorporates assumptions related to the Council's FY20/21 in-year performance monitoring.

5. **Next Steps**

22. Following this Council meeting, the Arotake report will be published on Council's website.

Attachments

Attachment 1 - Arotake 2020/21 Tuatoru Quarter Three (July 2020 to March 2021) [↓](#)

Attachment 2 - Bancorp Treasury Report March 2021 (Public Excluded) [↓](#)

Attachment 3 - Toi Moana Trust March 2021 Quarterly Report (Public Excluded) [↓](#)

Arotake Tuatoru 2020/21

Performance Monitoring Report

July 2020 to March 2021









Executive summary

Arotake Tuatoru 2020/21 report is Council's performance monitoring report for the third quarter, January to March, of 2020/21.

The report provides highlights of work that was delivered through the quarter, and an update on financial and non-financial performance compared to what was agreed through Council's Long Term Plan 2018-2028, and Annual Plan 2020/21.

COMMUNITY OUTCOMES IN ACTION

Our work is focused on delivering our Community Outcomes and the wellbeing of our community. Significant progress was made across a number of projects and service delivery areas. Highlights from the past quarter include:

- **Consultation on our Long Term Plan**

Quarter three saw the release of the consultation document for our proposed Long Term Plan for 2021-2031. The document was open for submissions from 22 February to 22 March.

To support engaging with our community, we held a number of online and in-person meetings/hui, including presentations to other councils across the region and community events in Rotorua, Rangitāiki and Tauranga.

In order to try to reach as many people as possible across our region, we used a mix of digital and newspaper advertising, as well as advertising on grass-roots social channels and iwi radio stations for the first time.

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- **Self-certification for boat ramp users**

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- **Biannual oil spill response training exercise in Fergusson Park**

A biannual oil spill response training exercise was undertaken in the Matua/ Fergusson Park area. This exercise was based on a scenario of oil impacting on the Matua Estuary from a vessel sinking at a mooring.

This training helps ensure Council are prepared to respond to an oil incident, and that the Oil Spill Response Plan is co-ordinated and effective. Booms, oil skimmers, boats and personal protective equipment were used to contain and clean up the oil.

Approximately 30 participants were involved in this inter-agency exercise, including staff from the Regional Council response team including the Regional Harbourmaster, Maritime New Zealand, Tauranga City Council, Department of Conservation, iwi, Waikato Regional Council and Gisborne District Council.

- **Youth engagement**

Our online youth engagement campaign closed this week with 173 entries. This data will feed into recommendations to Council on 1 April.

The Community Engagement team attended the first BOP Engagers Forum for 2021 hosted by Kawerau District Council. This hui is for engagement practitioners from across the region to network and share best practice. 24 attendees representing nine organisations participated. BOPRC will offer to host the next forum mid-year.

We have had three youth engagement workshops and two 'pop ups' with over 200 young people participating within our rohe. Staff also attended the Ngāi Te Rangi-led event, Rangatahi X, and also Orientation Weeks at the University of Waikato and Toi-Ohomai in partnership with the Transport Operations Team.

- **Compliance court decisions**

We received decisions from the courts in relation to the following Regional Council prosecutions:

- BOPRC v Rerewhakaaitu Farm Ltd, a prosecution in relation to a discharge of dairy effluent to land, which ultimately reached a stream. Following a trial, Rerewhakaaitu Farm Ltd were found guilty for their role in the discharge, and have been convicted and fined \$24,000. Judge Hassan declined the defendant's application for a discharge without conviction, and considered that the "black mark" of a conviction was not out of all proportion to the gravity of the offending.
- BOPRC v CRS Tauranga Ltd, a prosecution in relation to a series of discharges of sediment-contaminated stormwater into Tauranga Harbour in July and October 2019. CRS pled guilty to the charges and were subsequently convicted and fined \$86,250. Judge Dickey noted in her decision that CRS has "dragged its feet" in addressing the problem, despite being aware of the issue for at least a year prior to the discharges.

SERVICE DELIVERY PERFORMANCE

During 2020/21, we are due to monitor and report on 33 performance measures. At the end of quarter three:

- 22 measures are on track.
- 2 measures are not on track, and are forecast to be at risk of not achieving the target by the end of the year.
- 8 measures are reported on annually or are not due for reporting yet and results will be reported on when data is available.
- 1 measure has no data available due to changes to the activity (Regional Economic Development) that the measure relates to.

**FINANCIAL PERFORMANCE**

Council is forecasting a year end operating deficit of \$12.6 million, which is \$0.3 million lower than the budgeted deficit of \$12.9 million. This is due to forecast operating revenue being \$1.4 million lower than plan, and forecast operating expenditure being \$1.7 million lower than plan.

Council is forecasting capital expenditure of \$40.3 million; this is \$14.1 million lower than budget of \$54.4 million.

<i>Summary financial performance</i>	YEAR TO DATE \$'000				FULL YEAR \$'000			
	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE	ORIGINAL BUDGET	BUDGET	FORECAST	VARIANCE
Operating revenue by class	109,067	110,870	113,630	2,760	134,022	138,941	137,504	(1,437)
Operating expenditure by class	108,047	110,156	101,129	9,027	146,758	151,827	150,142	1,685
Total operating surplus (deficit)	1,020	714	12,501	11,787	(12,737)	(12,887)	(12,638)	248
Capital revenue	4,833	6,670	8,691	2,021	7,144	18,466	13,031	(5,435)
Total surplus (deficit)	5,853	7,384	21,192	13,809	(5,593)	5,579	392	(5,187)
Capital expenditure	33,482	31,797	19,439	12,358	51,505	54,403	40,300	14,103

PEOPLE AND CULTURE

Work on Council's People Plan (Toi Tangata) is well underway to ensure that our organisation and people are able to deliver for the community through great leadership and capability, now and into the future.

HEALTH AND SAFETY

The WorkWell Gold accreditation standard has been maintained through the hard work of Council staff, especially the WorkWell Champions. Furthermore, the summer assistants participating in the Toi Moana Summer Experience have once again successfully completed their activities with no serious incidents, sending them on their way safely to future endeavours. There were no notifiable events this quarter.



Financial Performance

Ngā whakatutukitanga ahumoni

*To achieve our Annual Plan 2020/21
Community Outcomes we need to deliver
our work programmes efficiently and effectively.*

We regularly monitor, evaluate and forecast our financials and key performance indicators to enable timely, accurate and targeted performance information for key decision making processes. The following provides an update on our financial performance for the nine months ending 31 March 2021.

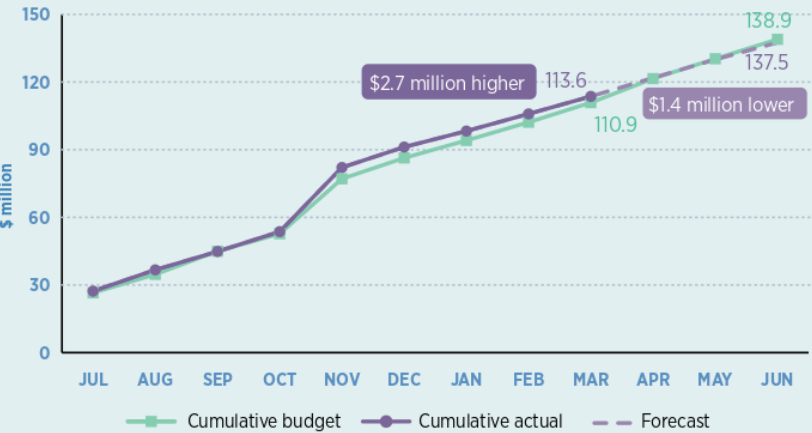
STATEMENT OF REVENUE AND EXPENSE BY CLASS – OPERATING AND CAPITAL

The statement provides year to date financials for the nine months ending 31 March 2021, and annual (full year) forecast.

	YEAR TO DATE \$000				ANNUAL \$000				PRIOR YEAR \$000	
	REVISED BUDGET	ACTUAL	VARIANCE \$		REVISED BUDGET	FORECAST	VARIANCE \$		BUDGET	ACTUAL
OPERATING REVENUE										
Rates	44,295	44,647	352	Higher	57,198	57,236	38	Higher	56,913	57,239
Dividends	34,325	34,853	528	Higher	35,450	35,416	(34)	Lower	32,200	32,186
Finance revenue	2,648	2,529	(119)	Lower	3,531	3,219	(312)	Lower	6,528	5,228
Internal interest	3,234	3,537	303	Higher	4,312	4,615	303	Higher	6,436	5,541
Fees and charges	8,883	8,418	(465)	Lower	11,114	10,511	(602)	Lower	11,566	9,916
Other revenue	17,485	19,645	2,161	Higher	27,336	26,507	(829)	Lower	20,469	23,810
Total operating revenue	110,870	113,630	2,760	Higher	138,941	137,504	(1,437)	Lower	134,111	133,920
OPERATING EXPENDITURE BY CLASS										
Employee expenses	31,353	31,967	614	Higher	42,749	43,458	709	Higher	40,327	39,905
Contractors and consultants	39,169	36,201	(2,969)	Lower	53,662	52,594	(1,069)	Lower	46,146	45,450
Finance costs	2,443	2,557	114	Higher	3,258	3,416	159	Higher	3,547	3,185
Internal interest	3,234	3,537	303	Higher	4,312	4,613	301	Higher	6,436	5,541
Other expenditure	33,957	26,866	(7,091)	Lower	47,847	46,061	(1,786)	Lower	44,032	49,952
Total operating expenditure	110,156	101,129	(9,027)	Lower	151,827	150,142	(1,685)	Lower	140,487	144,033
Total operating surplus (deficit)	714	12,501	11,787	Favourable	(12,887)	(12,638)	248	Favourable	(6,376)	(10,113)
Total capital revenue	6,670	8,691	2,021	Higher	18,466	13,031	(5,435)	Lower	9,022	10,138
Total surplus (deficit)	7,384	21,192	13,809	Favourable	5,579	392	(5,187)	Unfavourable	2,647	25
Total capital expenditure	31,797	19,439	12,358	Lower	54,403	40,300	14,103	Lower	59,354	36,402

Operating Revenue

The graph shows annual full year budget against actuals (months one to nine) and financial forecast (months ten to twelve).



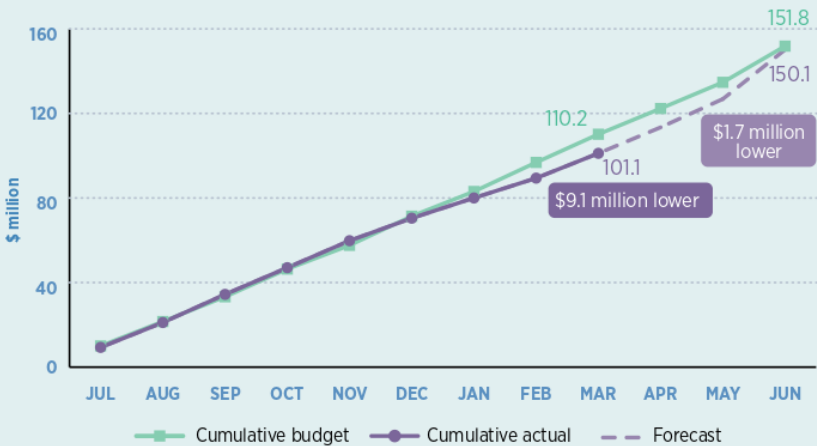
FULL YEAR FORECAST VARIANCE
EXPLANATIONS - OPERATING REVENUE \$000

- Rotorua Lakes:** \$4,017k lower
MfE operating grants is lower than plan due to a forecast underspend in the Rotorua Te Arawa Lakes land use change incentives programme.
- Finance and Corporate Planning:** \$590k higher
Additional treasury/subvention revenue is forecast.
- Emergency Management:** \$451k higher
The estimated recovery for outstanding Whakaari costs from DIA, and final COVID-19 recoveries from NEMA make up the additional forecasted revenue.
- Regulatory Compliance:** \$447k higher
Additional revenue collected from higher than anticipated consents. However this is offset against operating expenses.
- Resource Consents:** \$403k higher
Additional application fees as higher consents processed in addition to higher than forecasted recovery of contractor costs. These increases are offset against higher operating expenses.

TOP 5 VARIANCES	YEAR TO DATE \$000				ANNUAL \$000			
	REVISED BUDGET	ACTUAL	VARIANCE		REVISED BUDGET	FORECAST	VARIANCE	
Rotorua Lakes	6,723	4,975	(1,748)	Lower	10,717	6,700	(4,017)	Lower
Finance and Corporate Planning	9,466	10,547	1,081	Higher	2,193	2,782	590	Higher
Emergency Management	2,251	2,330	79	Higher	3,001	3,453	451	Higher
Regulatory Compliance	4,400	4,529	129	Higher	5,695	6,143	447	Higher
Resource Consents	4,061	4,399	338	Higher	5,257	5,660	403	Higher

Operating Expenditure

The graph shows annual full year budget against actuals (months one to nine) and financial forecast (ten to twelve).



FULL YEAR FORECAST VARIANCE
EXPLANATIONS - OPERATING EXPENDITURE \$000

Rotorua Lakes: \$3,580k lower
An underspend is forecast in the Rotorua Te Arawa Lakes land use change incentives programme. The proposed budgets for 2021/21 to 2026/27 have been re-phased to reflect the expected uptake over the life of the deed. Appeals to Plan Change 10 were resolved in the Environment Court in December 2020.

Finance and Corporate Planning: \$1,446k higher
Consultants and legal fees have been incurred to investigate treasury and taxation opportunities that could benefit Council and its group holdings. Additionally, rates commission paid to territorial authorities is higher than budgeted.

Emergency Management: \$590k lower
The forecast COVID-19 costs for FY2020/21 are less than anticipated. Unspent funds accumulate in the CDEM reserves.

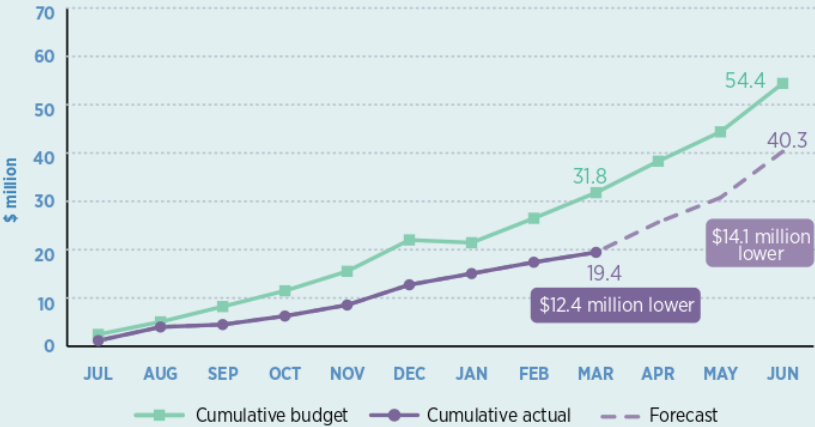
Biosecurity: \$545k higher
Increased admin expenses for Wilding Pines and Wallaby projects with MPI are offset against increased operating revenue for the same projects.

Resource Consents: \$521k higher
Higher expenditure because of higher numbers of consents issued. These costs are for contractors with technical expertise and are generally recoverable from consent applicants.

TOP 5 VARIANCES	YEAR TO DATE \$000			ANNUAL \$000		
	REVISED BUDGET	ACTUAL	VARIANCE	REVISED BUDGET	FORECAST	VARIANCE
Rotorua Lakes	10,450	5,922	4,529 Lower	14,800	11,221	3,580 Lower
Finance and Corporate Planning	6,232	7,407	(1,175) Higher	7,811	9,257	(1,446) Higher
Emergency Management	2,173	1,538	635 Lower	2,814	2,224	590 Lower
Biosecurity	4,503	3,450	1,053 Lower	7,481	8,027	(545) Higher
Resource Consents	2,558	3,068	(510) Higher	3,645	4,166	(521) Higher

Capital Expenditure

The graph shows annual full year budget against actuals (months one to nine) and financial forecast (months ten to twelve).



TOP 5 VARIANCES		YEAR TO DATE \$000				ANNUAL \$000			
ACTIVITY	REVISED BUDGET	ACTUAL	VARIANCE			REVISED BUDGET	FORECAST	VARIANCE	
Rivers and Drainage Schemes	17,899	11,308	6,591	Lower		31,458	26,744	4,714	Lower
Regional Flood Risk Coordination	500	74	426	Lower		5,200	1,274	3,926	Lower
Corporate Property	6,805	4,022	2,783	Lower		8,836	5,249	3,588	Lower
Regional Parks	1,402	907	495	Lower		1,762	1,007	755	Lower
Kaituna	1,357	668	689	Lower		1,583	1,028	555	Lower

FULL YEAR FORECAST VARIANCE
EXPLANATIONS - CAPITAL EXPENDITURE \$000

Rivers and Drainage: \$4,714k lower
The majority of the flood damage repair works will be completed under budget by 30 June 2021. The Whakatāne Tauranga scheme has delays in negotiations with interested parties.

Regional Flood Risk Coordination: \$3,926k lower
Negotiations are behind schedule for the Waioeka estuary restoration project.

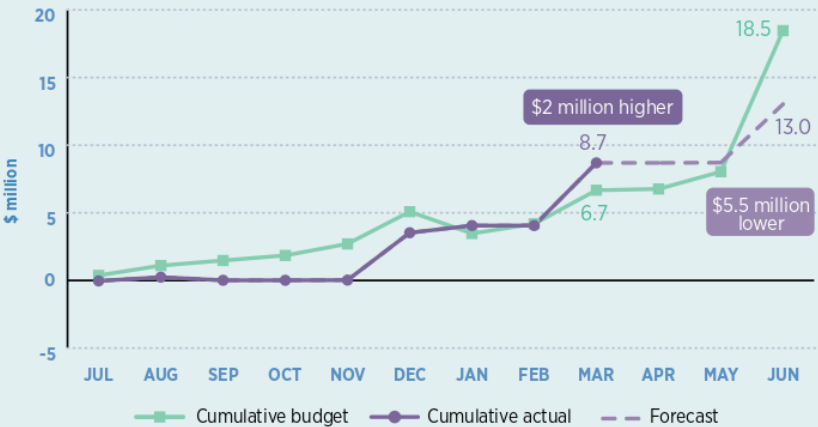
Corporate Property: \$3,588k lower
The large forecasted underspend is primarily due to the Buildings Upgrade Project. The Group Emergency Coordination Centre will now be designed and refit in Regional House Tauranga through 2021/22.

Regional Parks: \$755k lower
The underspend relates to the Pāpāmoa Hills Regional Park upgrade. The project is delayed, with construction now expected to commence in November 2021.

Kaituna: \$555k lower
Forecasted underspend is due to an additional culvert not being required on the Te Pourepo o Kaituna project.

Capital Revenue

The graph shows annual full year budget against actuals (months one to nine) and financial forecast (months ten to twelve.)



FULL YEAR FORECAST VARIANCE
EXPLANATIONS - CAPITAL REVENUE \$000

Regional Flood Risk Coordination: \$3,770k lower
Negotiations to purchase land for the Waioeka estuary restoration works are proceeding very slowly and it is unlikely funding will be claimable in this financial year.

Rivers and Drainage: \$2,598k lower
The first claim of \$2.6 million for Crown Infrastructure Partners funding to central government has been made. This claim was based on estimates of work to be conducted. Future claims will be based on work actually completed. The forecast for insurance recoveries for the 2017 Eastern Bay of Plenty Flood Repair Project remains at \$3.5 million with some variations between the schemes.

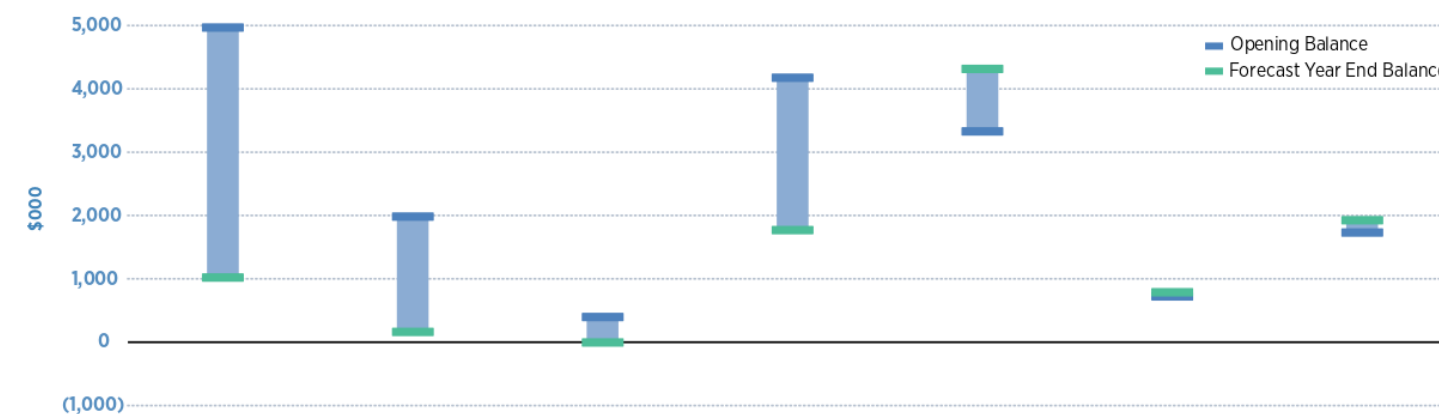
Passenger Transport: \$892k higher
Unbudgeted capital subsidies for the RITS project due to the accelerated project delivery last year.

TOP 3 VARIANCES	YEAR TO DATE \$000				ANNUAL \$000			
	REVISED BUDGET	ACTUAL	VARIANCE		REVISED BUDGET	FORECAST	VARIANCE	
Regional Flood Risk Coordination	50	130	80	Higher	3,900	130	(3,770)	Lower
Rivers and Drainage Schemes	6,620	7,935	1,315	Higher	14,566	11,968	(2,598)	Lower
Passenger Transport	-	585	585	Higher	-	892	892	Higher

Forecast Funding Sources 2020/21

We regularly monitor, evaluate and forecast our funding sources. We hold a number of reserves where monies are held for specific purposes. The graph below demonstrates what we expect the movement in those reserves to be by year end, as at 30 June 2021.

RESERVE BALANCE



\$000's	Equalisation	Passenger Transport	Rotorua Lakes	Rotorua Lakes Deed	River and Drainage Works	Rotorua Air Quality	CDEM
Opening Balance 01 July 2020	4,968	1,983	396	4,176	3,328	721	1,730
Approved and Direct Use	(4,739)	(1,425)	0	(3,000)	(697)	0	(850)
Forecast Movement	791	(398)	(401)	594	1,684	67	1,045
Forecast Year End Balance 30 June 2021	1,020	160	(5)	1,770	4,315	788	1,925

Commentary The forecast closing balances for Passenger Transport are: Tauranga \$134k deficit, Rotorua \$89k, Western Bay \$253k, Whakatāne \$48k deficit



Treasury Performance Update

INVESTMENTS

Our total investment portfolio is \$282.3 million including \$50 million on-lent to Quayside Holdings Limited (Quayside), with the allocation by cash reserve shown in the graph.

The portfolio has an average yield of 1.73%.

The Toi Moana Trust is targeted to pay a distribution of \$2.25 million for the 2020/21 year.

Forecast interest revenue is \$3.2 million compared to the annual budget \$3.5 million.

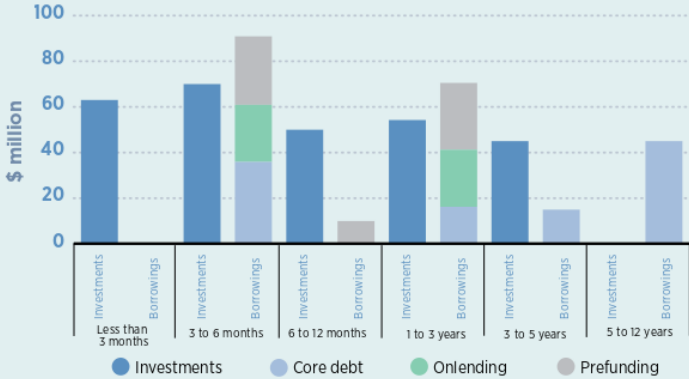
**Current
Credit Rating**
AA
*Reaffirmed at AA
with stable outlook
in June 2020*

BORROWINGS

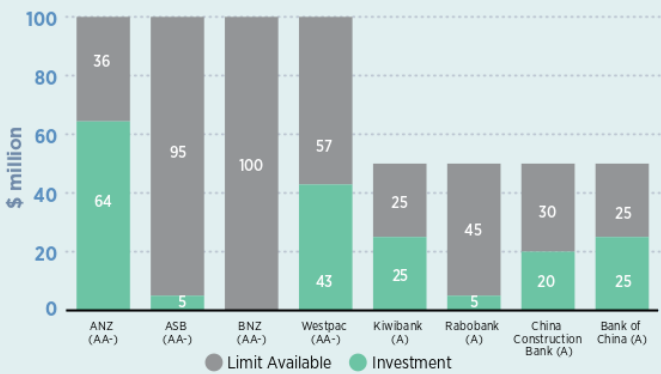
Council has borrowed \$231.4 million from the LGFA, with \$50 million on-lent to Quayside. \$112.2 million of this is core debt, and \$69.25 million is invested in term deposits.

Total interest expense to date is \$2.6 million, with a forecast year-end total of \$3.4 million. The average interest rate on borrowing at 31 March 2021 is 1.5%.

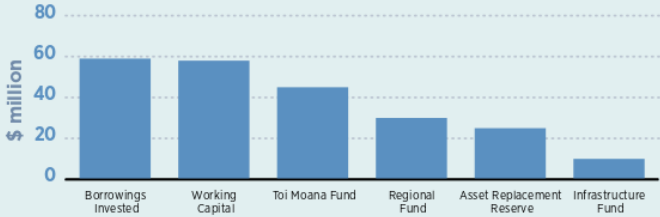
MATURITY PROFILE - BORROWINGS AND INVESTMENTS



INVESTMENT EXPOSURE BY COUNTERPARTY



CASH FUND BY RESERVES



Ratio	Policy Limit	Actual to date	Forecast to date	Compliant with Treasury Policy
% of net interest expense of total revenue	<20%	-0.2%	0.1%	✓
% of net external debt of total revenue	<300%	-19.0%	-23%	✓
% of net interest of rates and levies	<30%	0.0%	0.0%	✓
% of available financial accommodation of external debt	>110%	-7%	-13%	✓



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Service Delivery Performance

Ngā whakatutukitanga-a-ratonga

Our work is carried out across 33 activities, which are organised into nine groups of activities. These nine groups deliver services and infrastructure, and perform the functions that enable us to deliver on the Community Outcomes outlined in our Strategic Framework.

Each Group of Activities has performance targets set through our Long Term Plan 2018-2028 that indicate how well we are delivering our services to the community.

HIGHLIGHTS

Quarter three has continued the positive trend from quarter two, with a majority of reported measures on track. There remains a significant portion of measures that are yet to be reported on, due to them being monitored annually. The final results will be reported on in the Bay of Plenty Regional Council Annual Report for 2020/21. The new Long Term Plan 2021-2031 will retain some existing measures, and introduce some new measures, for future reporting after the end of the current financial year.

Council will continue efforts to monitor and deliver progress in the last quarter of 2020/21. Highlights include:

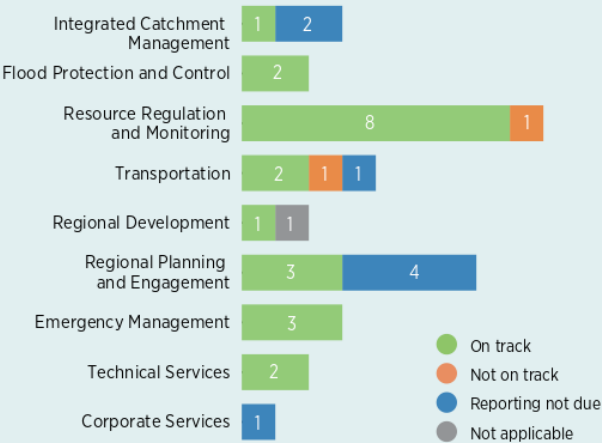
- All urgent complaints made to the Pollution Hotline have been responded to within 12 hours. This is consistent with last year's result (100%). The Pollution Hotline - **0800 884 883** - is a 24/7 service set up to receive calls regarding pollution related incidents relating to discharges to the land, water and air in the Region.
- The percentage of issued discounts due to Council exceeding the statutory processing timeframe for consents is currently at 2%, largely due to process improvements in the Resource Consents team. This is well ahead of the result for the same period last year (3.1%), and the annual target of less than 5% issued discounts.
- 7 new Priority Biodiversity Sites have come into active management during the year. This is an increase from the same period last year (5 sites) and well ahead of the annual target of 4 sites per year.

PERFORMANCE SUMMARY - QUARTER THREE

During 2020/21, we are due to monitor and report on 33 performance measures. At the end of quarter three, the graph to the right shows that:

- 22 measures are forecast to achieve their end of year targets. (67%)
- 2 measures are not on track, and are forecast to be at risk of not achieving the target by the end of the year. (6%)
- 8 measures are reported on annually or are not due for reporting yet and results will be reported on when data is available. (24%)
- 1 measure have no data available due to changes to the Regional Economic Development activity that the measure relate to. (3%)

QUARTER THREE PERFORMANCE RESULTS BY GROUP OF ACTIVITY



Further details regarding all of the measures is provided on the following pages.

PERFORMANCE MEASURES 2020/21 - SUMMARY OF RESULTS - QUARTER THREE

Group of Activities	Performance Measure	Full Year 2019/20	Target 2020/21	Quarter 3 2020/21	End of year forecast
Integrated Catchment Management	Number of new Priority Biodiversity Sites actively managed	6	4	7	●
	Monitored river and stream sites that meet the 'Swimmability' requirements (%)	79%	75%	●	●
	Number of Rotorua Lakes that have reached their Trophic Level Index (TLI)	4	3	●	●
Flood Protection and Control	Maintenance, repairs and renewals completed in accordance with the R&D Asset Management Plan (%)	90%	90%	44%	●
	Flood warnings that are given in accordance with the flood warning manual (%)	100%	90%	100%	●
Resource Regulation and Monitoring	Regional Pest Management Plan is maintained, plans for new pest incursions developed and annual reports prepared	100%	100%	100%	●
	Replacement of non-compliant burners in Rotorua Airshed attributed to the Rotorua Air Quality programme	280	200	118	●
	Consent applications issued discounts due to Council exceeding statutory processing timeframes (lower is better)	2.8%	≤5%	2.0%	●
	Customers who are satisfied overall with the service provided during the consents process (%)	84%	80%	83%	●
	Urgent complaints made to the pollution hotline that are responded to within 12 hours (%)	100%	95%	100%	●
	Customers satisfied with response to substantiated complaints about RMA non-compliance (%)	88%	80%	96%	●
	Monitoring inspections that occur as per the frequency specified by the RMA and BA Charges Policy (%)	85%	90%	83%	●
	Navigation aids rated as 'good' quality or higher (%)	99%	90%	100%	●
Transportation	Oil spills in Tauranga are responded to within 30 minutes and all others are responded to within two hours (%)	100%	95%	100%	●
	Number of passenger transport trips taken in the region	2,375,740	2,954,000	1,972,714	●
	New Zealand Transport Authority Audit recommendations implemented	100%	100%	100%	●
	Tauranga and Rotorua bus users satisfaction (%)	N/A	77%	79%	●
Regional Development	Planning and policy reports that are rated satisfactory or higher (%)	100%	80%	●	●
	Number of visitors to our Regional Parks	119,256	110,000	91,680	●
	Sector strategies are reviewed and updated every three years	N/A	1	●	●
Regional Planning and Engagement	Completed Environmental Enhancement Fund projects that have achieved their goals (%)	100%	80%	●	●
	Council and Committee meeting agendas that are available at least two working days before scheduled meetings (%)	97%	95%	100%	●
	Draft Council and Committee meeting minutes that are published within 10 working days (%)	89%	95%	98%	●
	Regional Planning - Planning and policy reports that are rated satisfactory or higher (%)	100%	80%	●	●
	Level of satisfaction of Komiti Māori that the information provided meets their terms of reference	100%	80%	●	●
	Kaupapa Māori that are raised at Komiti Māori are actioned, resolved & reported (%)	100%	80%	●	●
Emergency Management	Geothermal - Planning and policy reports that are rated satisfactory or higher (%)	100%	80%	●	●
	Roles that have been identified and staffed for 24 hour operation of the Emergency Coordination Centre (%)	85%	85%	100%	●
	Staff identified for roles in the Emergency Coordination Centre that are trained to an appropriate level (%)	89%	85%	88%	●
Technical Services	Number of Council delivered initiatives to promote community resilience and safety	6	8	●	●
	Availability of real-time deliverable environmental data through website (%)	99%	95%	96.7%	●
Corporate Services	Number of environmental indicators with online scorecards	9	10	9	●
	Reduction of carbon emissions from building energy use at the Tauranga and Whakatāne sites	48%	≤50%	●	●

*Please refer to the [Long Term Plan 2018-2028](#) for the full title and definition of the performance measures listed in the table above.

● On Track ● Not on track ● Data due later in the year ● Not applicable

PERFORMANCE COMMENTARY

The exception based reporting below provides commentary regarding measures that are currently not on track, or forecasted to be 'at risk' of not being achieved. Council monitors the measures throughout the year to enable proactive action to improve performance.

<i>Group of Activity</i>	<i>Performance Measure</i>	<i>Year to Date Result</i>	<i>Target</i>	<i>End of Year Forecast</i>	<i>Comment</i>
Resource Regulation & Monitoring	Replacement of non-compliant burners in the Rotorua Airshed attributed to the Rotorua Air Quality Programme	118	200	At risk	<p>While performance in Quarter One and Two was reasonably strong, the full year target will likely not be met, due to the high number of removals or replacements that have already occurred. By the end of Q3, 118 burner replacements had been attributed to the program this year, as compared to 230 replacements at the same time last year.</p> <p>The Rotorua air quality heating schemes close for more applications on 30 April 2021, and completely cease on 30 June 2021. This means that the number of removals and replacements will drop significantly in the fourth quarter. At the beginning of 2020/21, more than 80 percent of non-compliant solid fuel burners in the airshed had already been removed or replaced.</p>
Transportation	Number of passenger transport trips taken in the region	1,972,714	2,954,000	At risk	<p>Passenger patronage in Quarter Three was 617,187, a decrease of 11.2% on the same quarter last year. However, patronage levels across a number of services are starting to show signs of recovery following the COVID impact on 2020 results. Of note, Tauranga Urban had the strongest March in three years (up by 5.3% compared to last year) and Tauranga Schools has had the highest Quarter 3 over the same period (up by 39.3% compared to last year). The full year forecast of 2,576,592 indicates that the target will not be achieved, but is a significant lift on last quarter's full year forecast.</p>



Health and safety

Te Hauora me Te Haumaru

Elected Members, as “Officers” under the Health and Safety at Work Act 2015 (the Act) are responsible for ensuring that Council complies with the statutory requirements of the Act and its associated regulations. Officers meet this requirement by satisfying themselves that due diligence elements are being met. This report is provided to help inform Elected Members in fulfilling that duty.

Current and future work

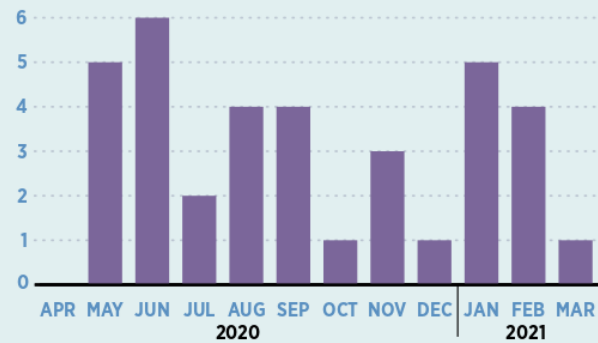
WELLBEING	The WorkWell Gold accreditation standard has been maintained through the hard work of Council staff, especially the WorkWell Champions.
SUMMER STUDENTS	The summer experience students have once again successfully completed their activities with no serious incidents, sending them on their way safely to future endeavours.
CRITICAL RISK PROJECT	The Council critical risk project is well underway, with workshops reviewing critical risks seeing highly engaged participants sharing stories of how we collectively can eliminate or reduce critical risks to staff and contractors

Notifiable Events

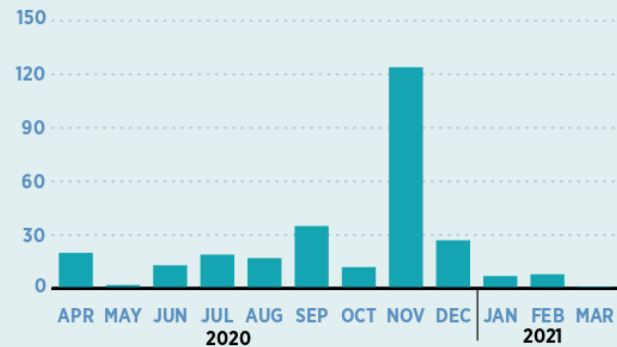
There were no notifiable events during the quarter.

Lead Health & Safety Indicators

NEAR MISSES REPORTED PER MONTH, LAST 12 MONTHS

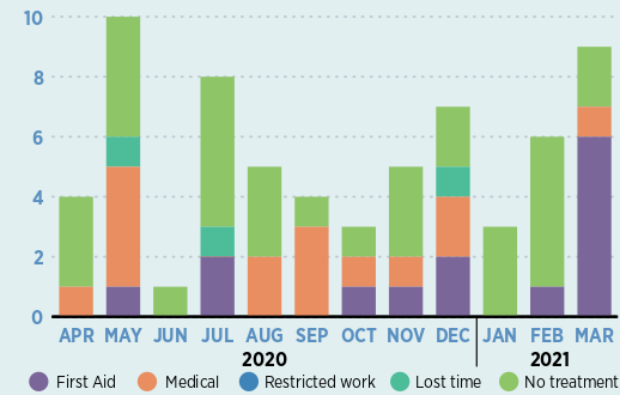


NUMBER OF STAFF THAT HAVE COMPLETED H&S TRAINING PER MONTH, LAST 12 MONTHS

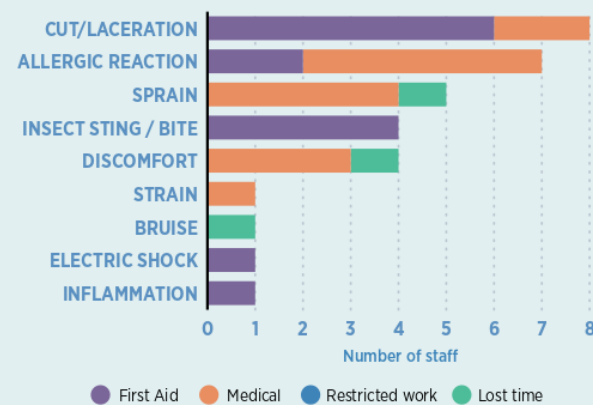


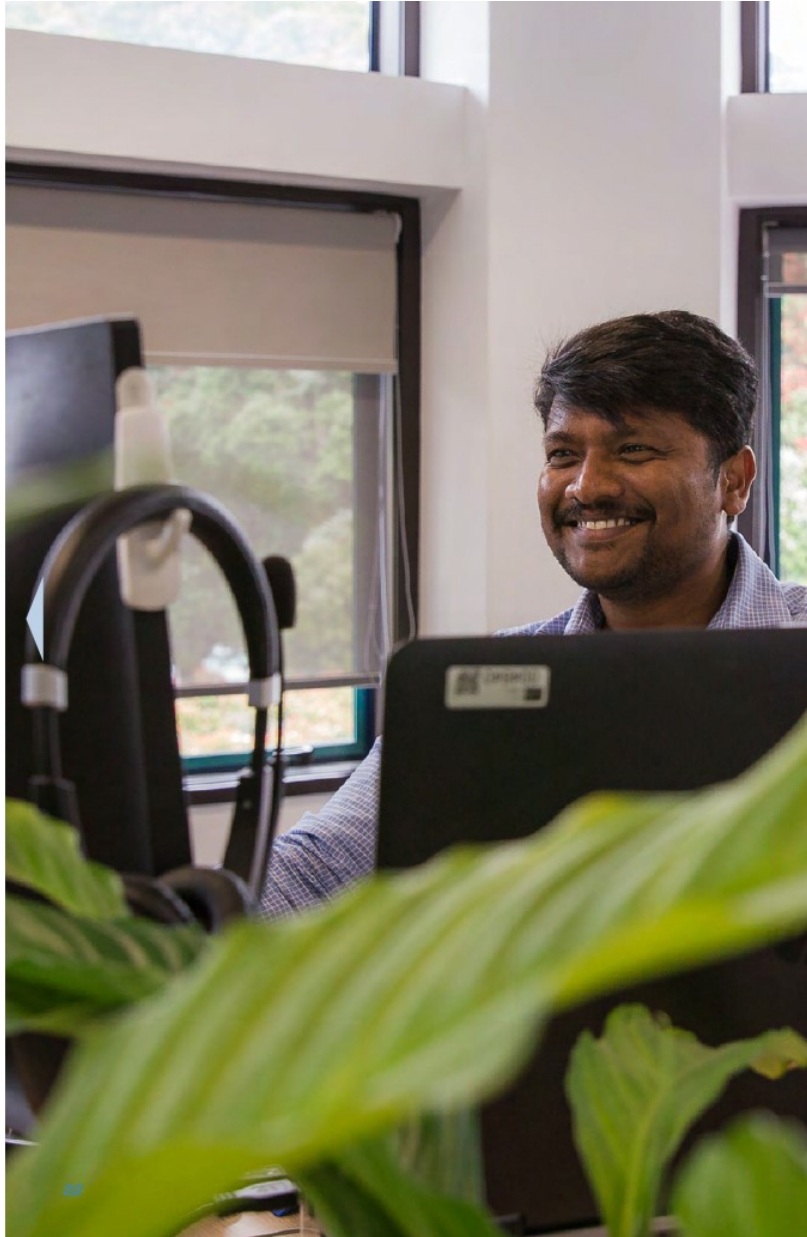
Health & Safety Lag Indicators

INJURIES LAST 12 MONTHS



INJURIES BY CATEGORY LAST 12 MONTHS





People and culture Pūmanawa Tangata

*Our people work to deliver the services,
infrastructure and functions for our communities
as agreed through the Long Term Plan 2018-2028*

Strategy and Key Projects

Projects	Current and Future work
PEOPLE PLAN (TOI TANGATA)	Work on Council's People Plan (Toi Tangata) is well underway to ensure that our organisation and people are able to deliver for the community through great leadership and capability now and into the future.

People and Turnover Key Performance Indicators

HIGHLIGHTS

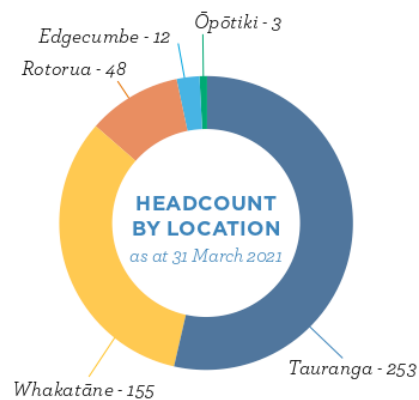
- Employee levels as at 31 March 2021 comprised a headcount of 471, which equated to 442.4 FTE.
- The total headcount includes permanent and fixed term employees. Permanent FTE numbers increased from 413.6 to 419.9 over the quarter. Rolling turnover percentage decreased during the quarter from 8.9% to 6.7%. Several key metrics are presented in the figures below.

Several key metrics are presented on this page.

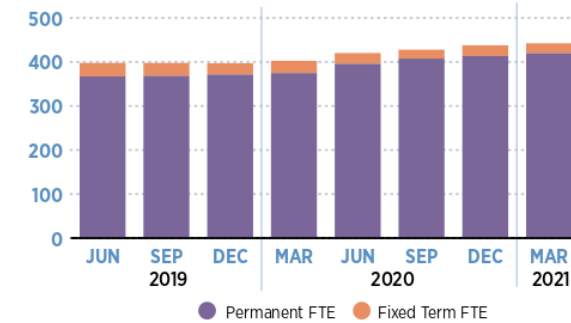
HEADCOUNT BY GENDER as at 31 March 2021



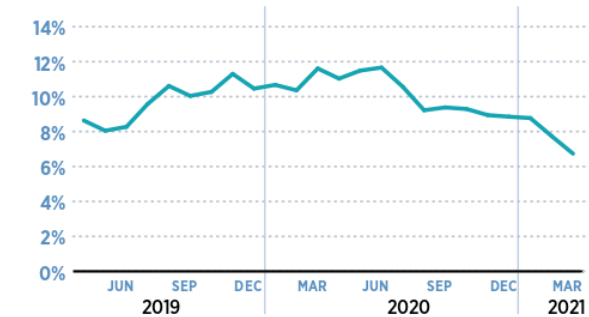
By the 31st of March 2021, females accounted for 57.6% of the total staff (headcount)



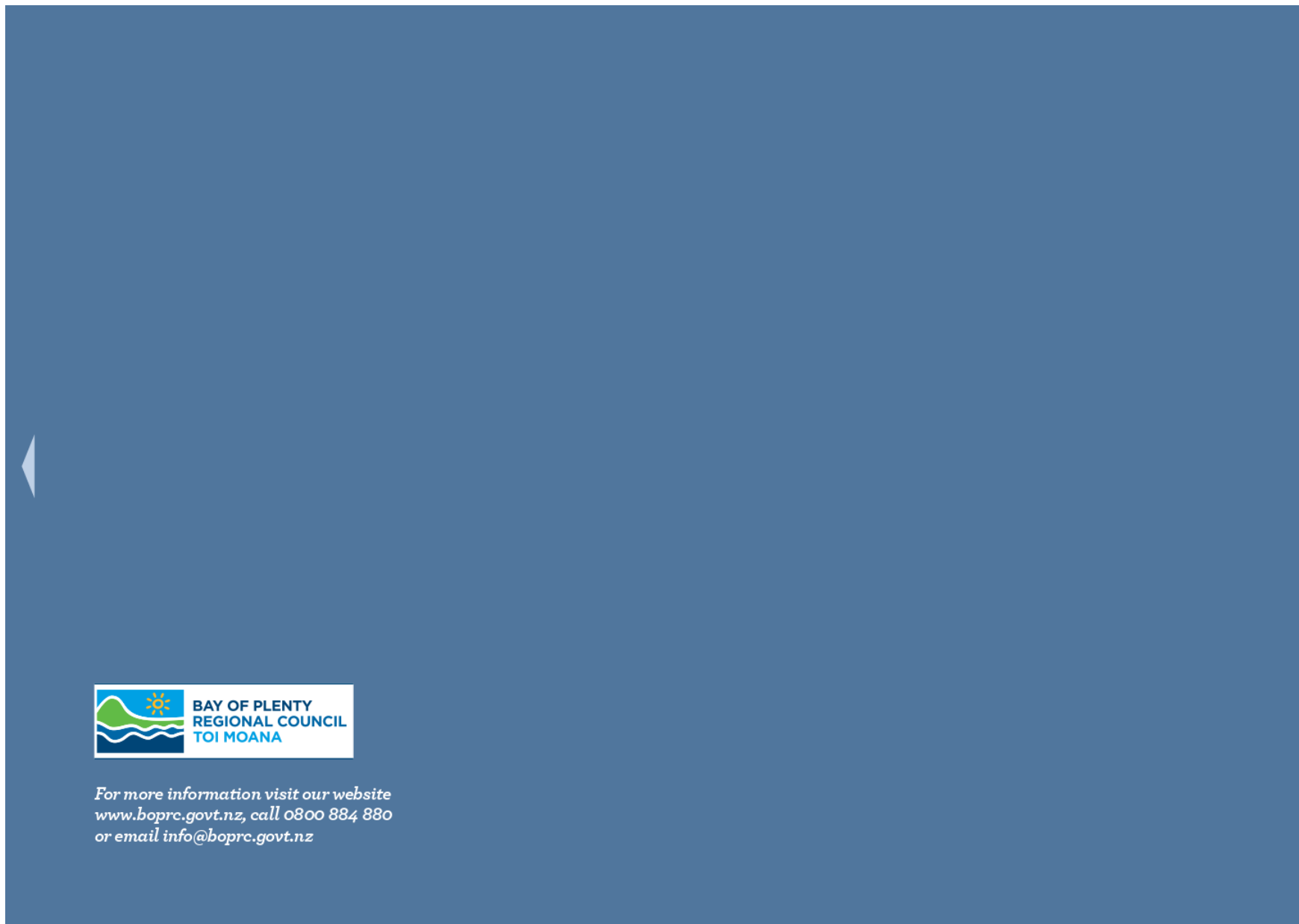
PERMANENT & FIXED TERM FULL TIME EMPLOYEES, last two years



ROLLING STAFF TURNOVER, last two years



Item 10.2, Attachment 1



*For more information visit our website
www.boprc.govt.nz, call 0800 884 880
or email info@boprc.govt.nz*

ITEM 10.2

PUBLIC EXCLUDED ATTACHMENT 2

Bancorp Treasury Report March 2021

ITEM 10.2

PUBLIC EXCLUDED ATTACHMENT 3

Toi Moana Trust March 2021 Quarterly Report