

MEETING — AGENDA —

Ngā Take

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Western Bay of Plenty
District Council

COUNCIL

Te Kaunihera



C24
Thursday, 7 March 2019
Council Chambers
Barkes Corner, Tauranga
9.30am

Notice of Meeting No C24 Te Karere

Council Te Kaunihera

Thursday, 7 March 2019
Council Chambers
Barkes Corner
9.30am

His Worship the Mayor
Deputy Mayor

G J Webber (Chairperson)
M Williams

Councillors:

G Dally
M Dean
M Lally
P Mackay
K Marsh
D Marshall
M Murray-Benge
J Palmer
J Scrimgeour
D Thwaites

Media
Staff

Miriam Taris
Chief Executive Officer
Western Bay of Plenty District Council



Te Kaunihera a rohe mai i nga Kuri-a-Wharei ki Otamarakau ki te Uru

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Council Delegations

Mangai o Te Kaunihera

Quorum:

The quorum for this meeting is six members.

Role:

- To exercise all powers and functions to deal with statutory and procedural matters, to carry out civic duties and responsibilities, and to exercise all non-delegated functions.
- To delegate authorities as appropriate to Council committees and the Chief Executive Officer.
- To delegate any authorities which may be additional to the roles required under the Local Government Act 2002 to Community Boards, and to appoint Councillors to Community Boards.
- To establish Joint Committees of Council, and appoint elected members and/or others to these committees.
- To make all financial decisions not otherwise delegated or included in Council's Long Term Plan and/or Annual Plan.
- To maintain, monitor and direct an overview of Council's finances including but not limited to:
 - The financial progress of major capital works projects including those considered in the Long Term Plan and Annual Plan processes.
 - Implementation of Council's risk management.
 - Approval of new debt and/or new facilities.
 - Receiving exception reports on Council's financial performance at least quarterly.
 - Undertaking all financial monitoring of performance against the Long Term Plan and Annual Plan.
 - Ensuring treasury management within the limitations of the Treasury Policy as set by the Long Term Plan.
 - Allowing for variations from Council's key treasury policy ratios.
- To exercise all non-delegated functions being:
 - (a) The power to make a rate
 - (b) The power to make a bylaw
 - (c) The power to borrow money, purchase, or dispose of assets, other than in accordance with the Long Term Plan
 - (d) The power to adopt a long term plan, annual plan, or annual report
 - (e) The power to appoint a chief executive
 - (f) The power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the Long Term Plan or developed for the purpose of the local governance statement
 - (g) The power to adopt a remuneration and employment policy
 - (h) The power to enter into contracts otherwise than in accordance with the provisions of Section 4 of the Public Bodies Contracts Act 1959
 - (i) The power to initiate any proceedings in the High Court that are not injunctive proceedings
 - (j) The power to remove the Deputy Mayor subject to Schedule 7 (18) of the Local Government Act 2002

- (k) The power to discharge or reconstitute any committee established by the Mayor subject to Schedule 7 (30) of the Local Government Act 2002
- (l) Powers as conferred by the Minister of Conservation under the Reserves Act 1977

Procedural Matters:

- Confirmation of all Standing Committee minutes excluding the District Plan Committee, Regulatory Hearings Committee and District Licensing Committee minutes
- Receipt for information all Community Board minutes
- Receipt for information all District Plan Committee, Regulatory Hearings Committee minutes and District Licensing Committee minutes
- Adoption and amendment of Standing Orders.
- Establishment of and delegations to Joint Committees, Sub Committees and any other governance body that the Council deems necessary.
- Purchase, sell and dispose of Council property other than delegated in accordance with all of the following:
 - the Long Term Plan
 - the Significance Policy
 - Council's Asset Management Plans
 - Council's Reserve Management Plans
 - Committee or appropriate delegations
- Councillor and Council appointments to other organisations.
- Approval of elected member training/conference attendance.

Any other procedural matters as required under the Local Government Act 2002 or any other Act.

Mayor's Delegation:

Should there be insufficient time for Council to consider approval of elected member training/conference attendance that this be delegated to the Mayor/Deputy Mayor with a report back to Council at the next scheduled meeting.

Should there be insufficient time for Council to consider approval of a final submission to an external body that the signing off of the submission on behalf of Council be delegated to the Mayor/Deputy Mayor provided that the final submission be reported to Council or the relevant Committee at the next available meeting.

Mayor and Councillors' Delegations:

Pursuant to Clause 32(1) of Schedule 7 of the Local Government Act 2002, to each of the Mayor and Councillors, whether individually or collectively, the power to listen to and receive the presentation of views by people pursuant to Section 83(1)(d) of the Local Government Act 2002 in relation to any processes Council undertakes to consult on under the Special Consultative Procedure as required by the Local Government Act 2002 or any other Act.

Agenda for Meeting No. C24

Pages

**Present
In Attendance
Apologies**

Public Excluded Items

The Council may by resolution require any item of business contained in the public excluded section of the agenda to be dealt with while the public are present.

Public Forum

A period of up to 30 minutes is set aside for a public forum. Members of the public may attend to address Council for up to three minutes on items that fall within the delegations of Council provided the matters are not subject to legal proceedings, or to a process providing for the hearing of submissions. Speakers may be questioned through the Mayor by members, but questions must be confined to obtaining information or clarification on matters raised by the speaker. The Mayor has discretion in regard to time extensions.

Such presentations do not form part of the formal business of the meeting, a brief record will be kept of matters raised during any public forum section of the meeting with matters for action to be referred through the customer contact centre request system, while those requiring further investigation will be referred to the Chief Executive.

C24.1

Receipt of Community Board Minutes

Please refer to minutes of the meetings of the Community Boards as circulated separately with this agenda.

Recommendation

THAT the minutes of the following meetings be received:

- 1. Minute no. WB18 of the Waihi Beach Community Board held on 11 February 2019*
- 2. Minute no. OM18 of the Omokoroa Community Board held on 12 February 2019*
- 3. Minute no. K18 of the Katikati Community Board held on 13 February 2019*
- 4. Minute no. MC18 of the Maketu Community Board held on 19 February 2019*
- 5. Minute no. TP17 of the Te Puke Community Board held on 21 February 2019*

C24.2

Minutes of Council and Committee Meetings for Confirmation

Please refer to minutes of the meetings of the Council and its Standing Committees as circulated separately with this agenda.

Recommendation

THAT the minutes of the following meetings as circulated separately with the agenda are confirmed and are a true and correct record:

- 6. Minute no. C23 of the Western Bay of Plenty District Council held on 7 February 2019*
- 7. Minute no. CC15 of the Community Committee held on 14 February 2019*
- 8. Minute no. PP18 of the Policy Committee held on 21 February 2019*
- 9. Minute no. OP17 of the Operations and Monitoring Committee held on 28 February 2019*

C24.3

Minutes for Receipt

Please refer to the minutes as circulated separately with this agenda.

Recommendation

THAT the minutes of the following meetings as circulated separately with the agenda are received:

- 10. Minute no. RH16 of the Regulatory Hearings Committee held on 27 February 2019*
- 11. Minute no. MPF8 of the Māori Partnership Forum held on 19 February 2019*

C24.4

Information for Receipt

Please refer to the Minute Index and Information Pack as circulated separately with this agenda.

Recommendation

THAT the information items included in the Minute Index and Information Pack dated 7 March 2019 as circulated separately with the agenda be received.

- C24.5 **Recommendatory Report from the Omokoroa Community Board Meeting OM18 12 February 2019 – Request for CCTV**
- A report from the Democracy Advisor will be circulated with the Additional Items Agenda.
- C24.6 **Application for Rates Remission on the Omokoroa Slip Affected Properties** 10-17
- Attached is a report from the Team Leader Financial Services dated 14 February 2019.
- C24.7 **Quarterly Review of Western Bay of Plenty District Council Risk Profile** 18-32
- Attached is a report from the Risk Specialist dated 7 March 2019.
- C24.8 **BOPLASS Limited Half Yearly Report to Shareholders 2018 – 2019 and Draft Statement of Intent 2019 – 2022** 33-60
- Attached is a report from the Group Manager, Finance and Technology Services dated 27 February 2019.
- C24.9 **Chief Executive Officer’s Exception Report to Council – February 2019** 61-64
- Attached is a report from the Chief Executive Officer dated 22 February 2019.
- C24.10 **Mayor’s Report to Council – February 2019** 65-66
- Attached is a report from His Worship the Mayor dated 22 February 2019.

Local Government Official Information and Meetings Act

Exclusion of the Public

Schedule 2A

Recommendation

THAT the public be excluded from the following part of this meeting namely:

- *In Confidence Council and Committee Minutes for Confirmation.*
- *In Confidence Minute Index and Information Pack*
- *In Confidence No.2 Road Church Hall*
- *In Confidence Statute Barred Rates*
- *In Confidence Chief Executive Officer's Exception Report – February 2019*

The general subject to each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each 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:

<i>General subject of each matter to be considered</i>	<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground(s) under Section 48(1) for the passing of this resolution</i>
<i>In Confidence Council and Committee Minutes for Confirmation</i>	<i>THAT the public conduct of the relevant part of the proceedings of the meeting would likely result in the disclosure of information for which good reason for withholding would exist.</i>	<i>For reasons previously stated on the relevant minutes.</i>
<i>In Confidence Minute Index and Information Pack</i>	<i>THAT the public conduct of the relevant part of the proceedings of the meeting would likely result in the disclosure of information for which good reason for withholding would exist.</i>	<i>To enable the Council to carry on without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) Protect the privacy of natural persons, including that of deceased natural persons. Maintain legal professional privilege.</i>
<i>In Confidence No 2 Road Charitable Trust Board</i>	<i>THAT the public conduct of the relevant part of the proceedings of the meeting would likely result in the disclosure of information for which good reason for withholding would exist</i>	<i>Protect the privacy of natural persons, including that of deceased natural persons.</i>

<i>General subject of each matter to be considered</i>	<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground(s) under Section 48(1) for the passing of this resolution</i>
<i>In Confidence Statute Barred Rates</i>	<i>THAT the public conduct of the relevant part of the proceedings of the meeting would likely result in the disclosure of information for which good reason for withholding would exist.</i>	<i>Protect the privacy of natural persons, including that of deceased natural persons.</i>
<i>In Confidence Chief Executive Officer's Exception Report – February 2019</i>	<i>THAT the public conduct of the relevant part of the proceedings of the meeting would likely result in the disclosure of information for which good reason for withholding would exist.</i>	<i>To enable the Council to carry on without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) Protect the privacy of natural persons, including that of deceased natural persons.</i>

Western Bay of Plenty District Council**Council****Application for Rates Remission on the
Omokoroa Slip Affected Properties****Purpose**

The purpose of this report is for Council to consider the application for continued remission of 2018/2019 rates for the below slip affected properties that have been received on behalf of:

Valuation Number	Property	Rate Payer
06881 484 00	10 Kowai Grove	Rhys Bradford
06881 047 00	39 Harbour View Road	A Carrick & JS Watson
06881 130 00	37 McDonnell St	Graeme Moore (Granar Trustees Limited)
06881 131 00	39 McDonnell St	Lesley Gwenyth Robinson
06881 539 00	2 Beach Grove	SG & LM Alexander

Rates remission has previously been granted for the 2017/2018 rating year on all the above properties.

Recommendations

- 1. THAT the Team Leader Financial Services report dated 14 February 2019 and titled 'Application for Rates Remission on the Omokoroa Slip Affected Properties' be received.**
- 2. THAT the report relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.**
- 3. THAT Council approves the application on behalf of the above owners for full remission of annual rates for the 2018/2019 year on the above valuation numbers.**

OR

- 4. THAT Council approves a ... % rates remission following the application on behalf of the above ratepayers for full remission of annual rates for the 2018/2019 year on the above valuation numbers.**

OR

- 5. THAT Council declines the application on behalf of the above ratepayers for full remission of annual rates for the 2018/2019 year on the above valuation numbers.**

AND

- 6. THAT staff be directed to advise the applicants of Council's decision on the application for remission of annual rates for the 2018/2019 year on the above valuation numbers.**



Brenda Cottle
Team Leader Financial Services



Ian Butler
Finance Manager

Approved



Kumaren Perumal
**Group Manager, Finance and
Technology Services**

1. Background

An application for remission of rates has been received on behalf of the above owners for consideration under Council's Rates Remission Policy - natural disasters and emergencies. The owners have confirmed that there has been no changes in the situation since application was made to Council for the 2017/18 rating year. Under the policy criteria and conditions, applications for rates remission under this policy will be considered and approved or declined by a full meeting of Council.

The application for rates remission is required to be made annually as circumstances in relation to the property may change over time.

A copy of Council's Policy 'Rates Remission for Natural Disasters and Emergencies', adopted for the Long Term Plan 2018-2028 is included for information **(Attachment A)**.

Council was informed by the owners that the above properties at Omokoroa are the subject of submissions to the Earthquake Commission following a landslip at the properties on 6 April 2017.

The properties were occupied by the owners, however the dwellings have now been deemed unsafe for occupation and services have been disconnected. The houses are now vacant and submissions have been made to the Earthquake Commission.

Annual charges for the above properties for the 2017/2018 rating year were remitted as approved by Council.

Annual charges for the 2018/19 year are comprised of Uniform Annual General Charge, sewer and water connection charges **(Attachment C)**;

Valuation	Address	2018/19 Rates	CV as at 1 July 2016
06881 484 00	10 Kowai Grove Attachment C (a)	\$3909.65	\$715,000
06881 047 00	39 Harbour View Road Attachment C (b)	\$3513.14	\$480,000
06881 130 00	37 McDonnell Street Attachment C (c)	\$3743.74	\$670,000
06881 131 00	39 McDonnell Street Attachment C (d)	\$3778.47	\$715,000
06881 539 00	2 Beach Grove Attachment C (e)	\$3478.67	\$465,000

The total to be considered for remissions is **\$18,423.67**.

2. Significance and Engagement

The Local Government Act 2002 requires a formal assessment of the significance of matters and decisions in this report against Council's Significance and Engagement Policy. In making this formal assessment, there is no intention to assess the importance of this item to individuals, groups, or agencies within the community and it is acknowledged that all reports have a high degree of importance to those affected by Council decisions.

The Policy requires Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities.

In terms of the Significance and Engagement Policy this decision is considered to be of low significance because:

- All ratepayers will be affected if the Rates Remission Application is approved, although the direct costs to ratepayers will be low
- The financial impact to the ratepayers is dependent upon whether rates remission is granted and, if so, in what amount. A 100% rates remission for all the affected properties would be \$18,423.67 and absorbed across the whole district
- A decision by Council to grant a rates remission of up to 100% would be in accordance with its Rates Remission Policy — Natural Disasters and Emergencies. This policy protects the future interests of the community. By approving the application, this shows Council as being fair and equitable to the applicant and similarly placed ratepayers
- There would be a low level of community interest in the subject. Only those ratepayers placed in a similar situation would be interested in the outcome of the application.

3. Engagement, Consultation and Communication

Interested/Affected Parties	Completed/Planned Engagement/Consultation/Communication
<ul style="list-style-type: none"> • Rhys Bradford • A Carrick & JS Watson • Graeme Moore • Lesley Gwenyth Robinson • SG & LM Alexander 	The affected ratepayers to be advised accordingly.
Internal Staff	The relevant rates staff will be advised accordingly.

4. Issues and Options Assessment

Option A	
<i>THAT Council approves the application on behalf of the above owners for full remission of annual rates for the year 2018/2019 on valuation number for the above properties.</i>	
Assessment of option for advantages and disadvantages taking a sustainable approach	Disadvantage The costs would be absorbed by existing ratepayers.
	Advantage Approving the application would demonstrate that Council is being seen to be fair and equitable to the applicant and similarly placed ratepayers, as the property is not currently suitable for construction.
Costs (including present and future costs, direct, indirect and contingent costs) and cost effectiveness for households and businesses	The rates not recovered from the applicant would be recoverable across the District. A decision by Council to grant a rates remission of up to 100% would be in accordance with its Rates Remission Policy – Natural Disasters and Emergencies.
Option B	
<i>THAT Council approves a ... % rates remission following the application on behalf of the above ratepayers for full remission of annual rates for the year 2018/2019 on the above valuation numbers.</i>	
Assessment of option for advantages and disadvantages taking a sustainable approach	Disadvantage The costs would be absorbed by existing ratepayers.
	Advantage Approving the application would demonstrate that Council is being seen to be fair and equitable to the applicant and similarly placed ratepayers, as the property is not currently suitable for construction.
Costs (including present and future costs, direct, indirect and contingent costs) and cost effectiveness for households and businesses	A percentage of the rates not recovered from the applicant would be recoverable across the District. A decision by Council to grant a rates remission of up to 100% would be in accordance with Council's Rates Remission for Natural Disasters and Emergencies Policy.

Option C Status Quo	
<i>THAT Council declines the application on behalf of the above ratepayers for full remission of annual rates for the year 2018/2019 on the above valuation numbers.</i>	
Assessment of option for advantages and disadvantages taking a sustainable approach	<p>Advantage No impact on existing ratepayers. Business as usual.</p> <p>Disadvantage Declining the application would not demonstrate Council's approach to be fair and equitable to all ratepayers in a similarly place situation.</p>
Costs (including present and future costs, direct, indirect and contingent costs) and cost effectiveness for households and businesses	<p>No direct costs for district ratepayers. However, the affected rates payers will incur rates for a property that currently cannot be used or lived in.</p> <p>A decision by Council to decline the request for a rates remission would be in accordance with Council's Rates Remission for Natural Disasters and Emergencies Policy.</p>

5. Statutory Compliance

The recommendations in this report comply with legislation and Council's Rates Remission for Natural Disasters and Emergencies Policy.

6. Funding/Budget Implications

Budget Funding Information	Relevant Detail
	The financial impact is dependent upon whether rates remission is granted and, if so, in what amount.

Council Policy



Rates remissions for natural disasters and emergencies

Relevant Legislation

Local Government (Rating) Act 2002, section 85
Local Government Act 2002, section 109

Objective

To provide remissions on land that has been subject to a natural disaster or emergency that renders the dwelling uninhabitable for an extended period of time, or has significant long term effect on the productive use of land.

General Approach

This policy is to provide for the possibility of rates remission where a form of natural or other type of disaster or emergency affects one or more rating units' capacity to be inhabited, used or otherwise occupied for an extended period of time.

Policy criteria and conditions

The Council may, on written application from the ratepayer of rating units affected by a natural disaster or emergency, remit up to 100% of annual rates levied where:

- A dwelling is rendered uninhabitable by a natural disaster or event; and/or
- There is a significant long term effect on the productive use of Rural, Commercial or Industrial zoned land.

At its sole discretion, Council will determine on a case by case basis whether a specific event constitutes a 'natural disaster or emergency' for the purposes of applying this policy.

Each application will be considered on its merits and remission up to 100% may be granted where it is considered just and equitable to do so.

Applications may be declined if there is evidence to suggest the applicant's actions or inactions contributed to the circumstances under which the application is being made.

At Council's sole discretion, it may consider voiding the need for an application and grant remission for any rating unit or group of rating units collectively affected by a natural disaster or emergency.

Dwellings

Remissions will generally be granted for a period of 90 days in relation to uninhabitable dwellings. Council may extend the period of remission if the applicant can demonstrate that the dwelling remains uninhabitable, such as classification under section 124 of the Building Act 2004.

Productive land

Where the applicant perceives that there has been a significant long term effect on the productive use of Rural, Commercial or Industrial zoned land as a direct consequence of a natural disaster or emergency, they may apply to Council for remission. The application will need to include sufficient information to quantify the grounds for remission.

Council Policy



Rates remissions for natural disasters and emergencies

If Council is satisfied that there has been a significant long term effect as a result of a natural disaster or emergency, then a special valuation will be obtained and the property rated on that basis going forward, for time period determined at Council's sole discretion.

Policy procedures

- Applications must be made in writing by 30 June each year to be considered for remission for the following year's rates.
- Where an application for a dwelling is approved by Council, the rating unit concerned will become non-rateable for the specific rating year, or a time period determined at Council's sole discretion.
- Decisions under this policy will be delegated to officers in accordance with Council's delegations register.

Group	Financial Services	Contact (3rd Tier Manager)	Finance Services Team Leader
Supersedes	Confirmed with adoption of the LTP 2015-25		
Creation Date	February 2010	Resolution Reference	PP22.7 , PP23, C38
Last Review Date	June 2012	Resolution Reference	
Review Cycle	LGA s109 requirement to review at least once every 6 years	Date	7 June 2022
Authorised by	Council	Date	7 June 2016

Western Bay of Plenty District Council

Council

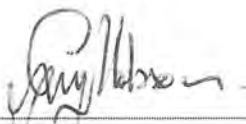
Quarterly Review of Western Bay of Plenty District Council Risk Profile

Purpose

The purpose of this report is to present the quarterly update of Council's Risk Profile to the Elected Members (**Attachment A**).

Recommendation

- 1. THAT the Risk Specialist's report dated 7 March 2019 and titled 'Quarterly Review of Western Bay of Plenty District Council Risk Profile' be received.**
- 2. THAT the report relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.**
- 3. THAT Council reviews Western Bay of Plenty District Council Risk Profile and if required make the following amendments**



Guy Hobson
Risk Specialist



Approved

 Kumaren Perumal
Group Manager, Finance & Technology Services

1. Background

The updated Risk Profile (**Attachment A**) is provided to the Elected Members for review. Following consultation with risk owners, a small number of updates have been added to the detail, to reflect their current status.

Only minor updates have been made to progress on activities across Council and no changes have been made to the level of Residual Risk. With the Christmas break and the summer holiday period, we would expect to see less activity in this quarter.

The continuing lack of detail about the timing of roading improvement to State Highway 2 remains a risk to the level of development in Omokoroa. We would normally see a drop in the number of building consent applications over the holiday period, but in 2018 the number of applications across the District began to drop from October onwards. Early indications from the number of consents in January 2019, are a positive early rise.

A new report published by LGNZ at the end of January, looks at the vulnerability of local government infrastructure to sea level rise.

2. Significance and Engagement

The Local Government Act 2002 requires a formal assessment of the significance of matters and decisions in this report against Council's Significance and Engagement Policy. In making this formal assessment there is no intention to assess the importance of this item to individuals, groups, or agencies within the community and it is acknowledged that all reports have a high degree of importance to those affected by Council decisions.

The Policy requires Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities.

In terms of the Significance and Engagement Policy, this decision is considered to be of low significance for the following reasons;

- Residents and ratepayers are not affected by the review. Ratepayers and residents would only be affected if a significant risk occurs.

The top three residual risks for Council and the District being;

- Crisis management
- Health and safety compliance
- External macroeconomic and other events (inc. policy change).

If one of the top three risks ^{does} occur the impact on ratepayers and residents would be high as lives, homes, ^{and} services will be affected. Residents and ratepayers would not feel secure. The likelihood would be a significant impact to the District.

3. Engagement, Consultation and Communication

Interested/Affected Parties	Completed/Planned Engagement/Consultation/Communication
Western Bay of Plenty District Council's Senior Management & Finance Team	Appropriate staff to be notified accordingly.

4. Issues and Options Assessment

Report issued for review and information.	
Reasons why no options are available	Legislative or other reference
<p>Council has agreed to regularly review its strategic risk as part of good governance and best practice.</p> <p>Emerging issues and changes in the operational environment necessitate a regular review of Council's strategic risk.</p> <p>As a result it is likely that risks will be reprioritised and changed over time in response to environmental influences, legislative changes, government policy and the like.</p>	

5. Statutory Compliance

The recommendation in this report complies with Council's current Risk Management Policy. Risk assessment is integral to all of Council's operations.

6. Funding/Budget Implications

Budget Funding Information	Relevant Detail
Not currently applicable	If changes to the risk priorities result in risk mitigation actions there may be budget implications.

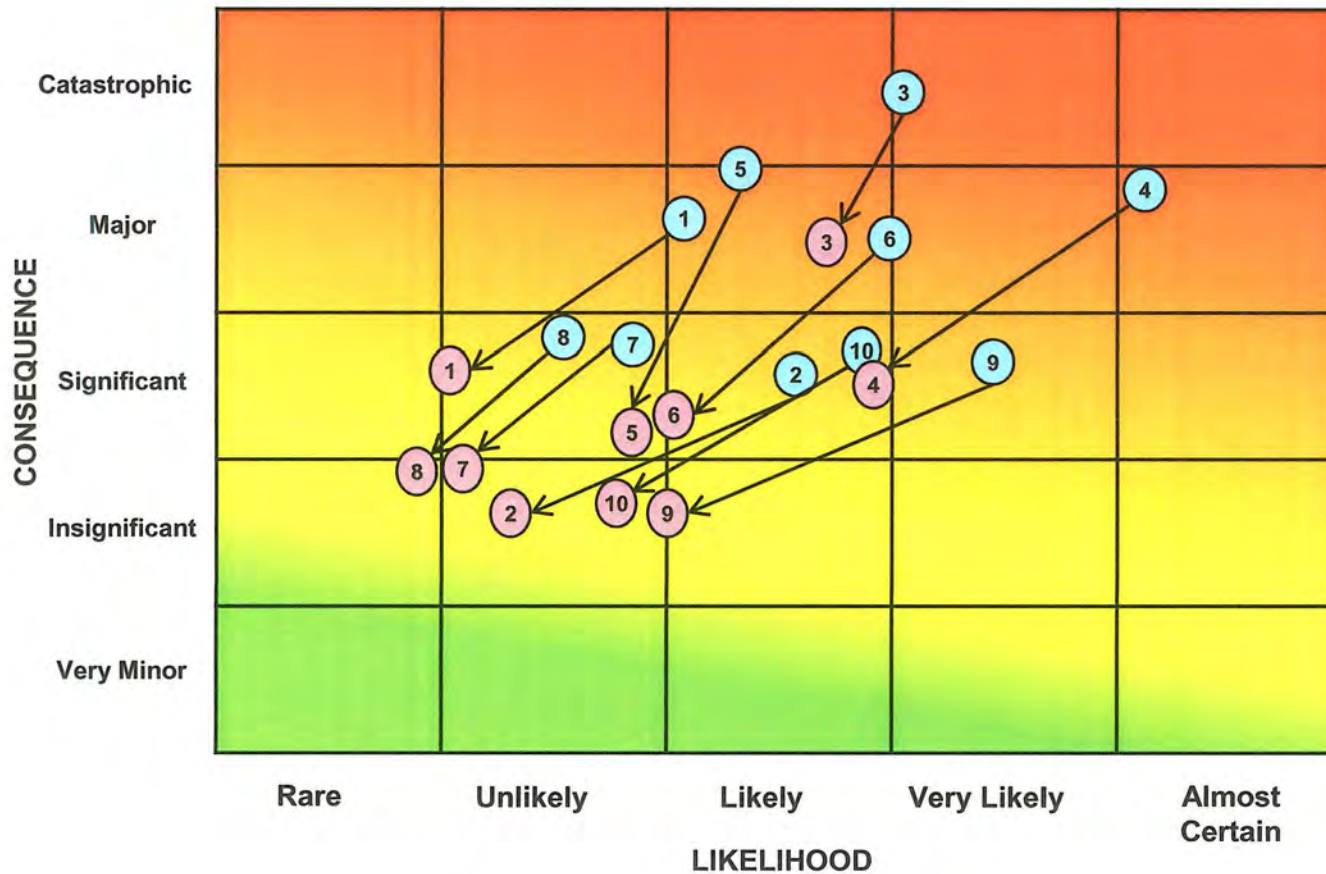
**WESTERN BAY OF PLENTY
DISTRICT COUNCIL
RISK PROFILE**

7 March 2019

A3393052

Summary of Key Risks

The following are the top risks to the achievement of WBOPDC’s business objectives. Detail on each risk, associated mitigations and monitoring mechanisms are set out on subsequent pages.



KEY ● Inherent Risk ● Residual Risk ● Target Risk level (tbd)

#	Strategic Risk Areas
1	Health & safety compliance
2	Attraction, retention and engagement of key staff
3	Crisis management
4	External macroeconomic and other events e.g. horticulture disease and central government policy change
5	Digital ecosystem - reliability, cyber security, delivery, knowledge management
6	Renewals and maintenance of infrastructure
7	Project delivery management
8	Community engagement (general community and key stakeholders)
9	Regulatory compliance
10	Growth and impact on infrastructure planning

Key Risks

	Inherent Risk	Current Assessed Residual Risk	Council Target Residual Risk
1. Health & safety compliance	High	Medium	Low

WBOPDC is committed to providing a safe and healthy workplace for employees, contractors and the general public. The introduction of the Health and Safety at Work Act 2015 has increased leadership accountability and placed an onus on the Senior Management Team (SMT) to be more aware and have greater involvement in all H&S matters. Using representation on the H&S Committee and regular reporting to SMT and Elected Members, there has been an increased visibility in all areas of internal Health & Safety. WBOPDC has joined other Bay of Plenty and Waikato Councils to use the SHE Software for Contractor pre-qualification, helping to ensure that all contractors who are employed by the Council meet a similar set of standards and requirements.

Risk Appetite Rationale

- Compliance with health and safety is important in terms of upholding Council’s reputation and public perception.
- Safety and well-being of people is one of Council’s primary concerns.
- Focussed on the ‘right thing to do’

Key Mitigations

The following actions have been taken:

- Training on the Health & Safety at Work Act has been given to all current employees. Each area has appointed a representative to sit on the Health & Safety Committee.
- Front of House training for dealing with aggressive or angry customers was rolled out in all locations during November.
- Hazard Registers have been developed for all Council work sites. 20 registers have now been signed off by the Management Team and the Top 14 hazards presented to SMT.
- The Vault Reporting system has been implemented to ensure all accidents, injuries and near misses are reported. These are discussed by the H&S Committee & reported upwards.
- WBOPDC has joined the Contractor Pre-Qualification Scheme run using the SHE Software. This establishes a level of consistency across contractors used by local authorities, but only in respect to basic H&S training and capabilities. New Contractor inductions have been developed, including a small test to confirm understanding. These are on the intranet.
- H&S is reported to SMT and Council on a monthly and quarterly basis respectively. H&S Committee minutes are circulated to all staff monthly.
- There are currently two H&S positions - Health & Safety Advisor and Health & Safety Specialist.
- Staff engagement is achieved through the monthly ORA newsletters, competitions, topic of the month and ORA nominations for modelling good H&S behaviours.
- Replacement for WSMP Audit - this will be either a self-assessment or an external audit. Self assessment by H&S team completed in December.

Significant Planned Additional Mitigations

	Owner(s)	Timing	Status
• Evidence of H&S meetings with Contractors is filed in locations that can be easily found, including evidence that any remedial actions have been taken and checked	H&S/Contract managers	2017-18	Ongoing
• Policy 112 on H&S for Contractors being replaced by contractor management training	Lynne Herring	2018/19	Ongoing
• New Regulations on Asbestos Management - plan for each location where it is present	Mike Inglis	Ongoing	Ongoing
• Hazardous substance inventory - complete except for new WWTP at Ongare Point	Mike Inglis	Ongoing	Complete
• SMT & H&S team visits to worksites	Jan Pedersen	Ongoing	In progress

	Inherent Risk	Current Assessed Residual Risk	Council Target Residual Risk
2. Attraction, retention and engagement of key staff	Medium	Medium	Low

There are threats to WBOPDC due to its small size in the regional economy and its ability to attract and retain specialist staff in a small job pool. We may lose staff to other neighbouring Councils, or not be able to attract staff of the right calibre or capability because of either our small size or the lack of other opportunities in the local area.

There are also issues of succession planning for some roles and the potential to lose knowledge and intellectual capital with the loss of key staff. In the Utilities area there will be a high percentage of retirees over the next five years.

Staff numbers have increased with growth in the region and associated workloads, presenting issues around accommodation and conditions.

Risk Appetite Rationale

- Key staff are required to support Council’s operations and drive achievement of strategic objectives.
- Difficulty in finding qualified individuals for specific roles.
- Developing the right culture.
- Individual risk appetites for different sub-categories: e.g. Building inspector: Moderate, Regulatory staff: Low, Leadership: Low.

Key Mitigations

Working closely with other Councils to find innovative solutions in some areas - such as using Building Control staff from other Councils.

Investigation of training opportunities at local tertiary institutions to help meet certain skill shortages.

Increased use of graduate positions, trainees and cadets to fill positions in areas with shortages or threats from larger proportion of retirees.

Monitoring of staff attrition rates combined with Remuneration and Benefits strategy to compare with our neighbours annually. Flexible working Policy being developed.

Staff retention planning - use of training, MBAs, extension programme as means to retain staff.

New recruitment system - SnapHire - is working well & had led to better accuracy and less administration.

A Succession Planning exercise has been completed for all key roles down to specialist level.

Work is underway to investigate additional office accommodation due to the expansion of the workforce. Visits held to local businesses to view how they have solved accommodation challenges. Additional car parking has been provided.

Internal planning as part of the latest Corporate Plan to ensure that priority is given to the most important activities and planning is put into resource management in order to complete those activities identified as priority (“Tame the Beast”)

Significant Planned Additional Mitigations

- Workforce Planning workshops held, work continues on outcomes with the SMT
- Formal Succession Planning - identify potential candidates & training needs
- Further staff workshops are planned on Diversity & Unconscious bias

Owner(s)	Timing	Status
Jan Pedersen	2017-18	Ongoing
Jan Pedersen	2017-18	Completed
Jan Pedersen	2018-19	Ongoing

	Inherent Risk	Current Assessed Residual Risk	Council Target Residual Risk
3. Crisis management	Extreme	High	Medium/High

All 4 of the Natural Hazard risks from the previous Risk Register are included under this risk (major earthquake, major flood, tsunami and moderate sized volcanic eruption). The response includes Civil Defence and Emergency Management activities, which are run within the WBOPDC premises and co-ordinated between WBOPDC, TCC and the Emergency Management staff of the BOPRC.

Other risks covered here include those around the information given to residents about the risks to their property from flooding, sea inundation and coastal erosion, and also the Crisis Management and Business Continuity planning within the Council itself.

Risk Appetite Rationale

- Higher risk appetite due to many of these factors being outside of Council’s control.
- There’s a focus on particular areas, where risks and vulnerabilities are seen as higher (e.g. Waihi Beach, Maketu, Pukehina Beach).
- Individual risk appetites for different sub-categories: Civil Defence: Moderate, Non-Civil Defence: High.

Key Mitigations

WBOPDC plays a key role in any disaster response and post event recovery. Staff are trained for such events and our buildings & systems are made available to staff from neighbouring Councils. A new emergency generator has been installed in our building. We have staff trained as Controllers and Recovery managers within the EOC. Council staff are involved in close liaison between Emergency Management & other regional Lifeline organisations.

WBOPDC work closely with Insurance broker Aon to assess the correct level of insurance to cover damage to our infrastructure, buildings and facilities. This includes an annual revaluation of our infrastructure assets, properties and contents.

The Government has now published advice on coastal hazards & climate change (See paper on ‘Coastal Hazards and Climate Change’). This is being consulted as we seek to formulate our own responses across the district. A programme of natural hazard modelling is underway to cover coastal erosion and inundation, flooding, liquefaction and tsunami. GIS mapping for impacts from hazards and natural disasters - tsunami & tidal flooding, etc. These can then be reflected on LIM reports for residents and on our website.

For internal response to any crisis or disaster, there is a Crisis Management Plan available and further more detailed plans are being developed for all areas of Council. Within the IT environment there is a detailed Business Continuity plan and increasing use of cloud based technology to allow for more remote working options. Council systems are well protected from external threats.

Significant Planned Additional Mitigations

Work with Aon and Tonkin & Taylor to estimate damage to underground infrastructure in the event of either earthquake, liquefaction or tsunami events.

Natural hazard modelling to meet new Regional Policy Statement requirements

Business Continuity Planning / Crisis Management Plan update

Owner(s)	Timing	Status
GM1	2018-19	Ongoing
Tony Clow	2018-2023	Ongoing
Guy Hobson	2018-19	Ongoing

	Inherent Risk	Current Assessed Residual Risk	Council Target Residual Risk
4. External macroeconomic and other events e.g. horticulture disease and central government policy change	Extreme	Medium	Medium

Significant changes to Central Government policy or funding (e.g. call to combine services with other Councils leading to stranded assets).
 Environmental factors which have a devastating impact on the economy of the region and make it uneconomic for horticulture or dairy production.
 Changes to the wider economic activity in New Zealand (e.g. further financial crisis, collapse of markets & end of growth).

Currently there are uncertainties regarding Transport Policy, and we await updates on the timing of projects that have a direct impact on development within our district. Also 3 Waters are being discussed and LGNZ (Water 2050 project) and WaterNZ are being used for advocacy on the future of water management in negotiations with Government. The Zero Carbon Bill is being watched for any potential impacts on Local Government.

Risk Appetite Rationale

- Council’s aim is to get visibility to the best of their ability.

Key Mitigations

The significance of these risks is that all of them are beyond the control of WBOPDC, and therefore there is little that can be done to prevent them from happening. The importance of the response and mitigations comes in how they are dealt with if they were to eventuate.

Keeping abreast and being well informed about emerging issues and having strategies to deal with them.

Lobby government on important issues and align with sector groups to influence the government (e.g. LGNZ, SOLGM).

Develop contacts with local business and industry groups in order to understand vulnerabilities and to seek better long term outcomes.

Priority One economic briefings for the local regional economy.

Bay of Connections Forum - 6 monthly summits.

All local Government legislation changes - “Inside Wellington” subscription service.

PWC Money market & economic briefings.

Significant Planned Additional Mitigations

Relationships Framework - database of all external relationships.

Owner(s)

Timing

Status

All

Ongoing

In progress

Corporate Plan initiative - sharing of leading indicators for future activity not past performance.

Corp Dev Team

Ongoing

In progress

Key Risks

	Inherent Risk	Current Assessed Residual Risk	Council Target Residual Risk
5. Digital ecosystem - reliability, cyber security, delivery, knowledge management	High	Medium	Low

Risk to WBOPDC from a major systems failure which could prevent work from being undertaken, or the loss of vital records. Risk from cyber attacks on electronic records or the threat of malicious damage.

Risks from reliance on Datacom for the provision of the Ozone system, leading to delays in development or risk from end of life software. Replacement of Ozone software and shift to new software may not provide the current level of functionality, and may require a huge amount of time from staff to test, check and migrate to new systems.

Risk Appetite Rationale

- Continuous monitoring and improvement is important to the community and in achieving Council’s objectives and thus significant investments have been made in this area.
- ‘Way of the future’

Key Mitigations

We are shifting to a “software as a service” approach to IT management as a means to reduce on site risk. This will lead to better version control practices & upgrades and lead to a reduced amount of maintenance. This approach is being used as we procure & renew all our corporate systems.

Core elements of our technology infrastructure are kept on site but data is being backed up in the cloud.

The Tauranga Data Centre is now located here at WBOPDC and has robust security and back up capability.

We are one of the best protected Councils in the country compared with those operating on a realistic budget, according to AuditNZ, who have recommended us to speak to other ALGIM members.

We have installed centrally located firewalls, allowing us to perform regular penetration testing and health checks. This makes us very resistant to malware and not just virus attack. IT have a disaster recovery plan and have built resilience into the current operations, providing mirrored servers which are shared with TCC as a way to ensure data is always retained and can be accessed in a short time frame and using mobile technology.

Work is ongoing on the replacement of our production set up and this is expected to be installed and live in the data centre in late-Feb/early-March.

Contracts with Datacom to provide ongoing system maintenance and upgrades.

We are compliant with Information Management legislation, for example Privacy Act and Public Records Act. Digitisation of historical subdivision files continues.

Significant Planned Additional Mitigations

	Owner(s)	Timing	Status
Planning for migration to “software as a service” approach to digital management	Marion Dowd		Ongoing
Security review of hardware is underway along with software to monitor threats & maintain firewalls.	Richard Gilligan		Completed

	Inherent Risk	Current Assessed Residual Risk	Council Target Residual Risk
6. Renewals and maintenance of infrastructure	High	Medium	Medium/Low

Is the current infrastructure fit for purpose and does it meet the needs of the current population? Will it remain adequate for its remaining estimated lifetime or will developments or expansion mean that it has to be replaced sooner than predicted? Are our growth estimates accurate?

Risks Include:

Unplanned asset failure. Impact on residents and businesses, who are unable to function.

Unexpected risks encountered during the purchase or construction of new assets.

Contractors unwilling to tender for the work that Council needs to get done (due to the amount of available work, or the perception that working with Councils is hard).

Proper procurement policies are not followed due to the lack of parties tendering for work.

Proposed State Highway upgrades could impact on water pipes laid close to roads and lead to additional expenditure.

Risk Appetite Rationale

- Need to ensure our infrastructure is always fit for purpose
- Individual risk appetites for different sub-categories:
 - 1) Bridges: Low
 - 2) Renewals: Moderate

Key Mitigations

Structure Plans are in place which estimate the future needs to replace or repair assets when required.

Asset Management Plans for all infrastructure activities are in place and up to date, to ensure assets are fit for purpose, adequately maintained and replaced in the most cost effective manner.

Asset managers and staff are appropriately qualified and trained to manage those plans.

Asset Management Plans and replacement planning reviewed every three years with each new LTP.

A new Asset Management system is being implemented & populated with data to ensure that there are accurate records of all assets and allow for better management and planning of asset life times. KPMG have undertaken an internal audit of Asset Management and staff are working closely with them to put a response in place.

Approval for spending on all capital projects is undertaken as part of the Annual Plan process. Tenders have gone out for the Capital Works Programme.

Negotiations are being held with Regional Council over stop banks in various locations, looking at ownership (& gifting), security, erosion, maintenance and resource consents needed. Procurement processes are being reviewed as part of the refresh of the Procurement procedures & Manual in order to achieve the right balance between tendering and the employment of good quality contractors while achieving best possible price outcomes for ratepayers.

Significant Planned Additional Mitigations

Implementation of the new Asset Management System will bring standardisation to our AMPs. Version 4 is up and running, although some bugs still need to be resolved.

Owner(s)	Timing	Status
	2017-19	Ongoing

Key Risks

	Inherent Risk	Current Assessed Residual Risk	Council Target Residual Risk
7. Project delivery management	Medium	Medium	Medium

At the present time the WBOPDC has a shortage of both project management skill and resources. There is no standard methodology available for the delivery or running of projects within WBOPDC. There is a dependence on existing job holders with certain technical skills to fill the role of project manager on a number of initiatives. While this is needed to some extent, the lack of project management skills may result in delays or inefficiencies within the projects.

Contractor Management - there are risks around inconsistent record keeping & lack of documentation.

Risk Appetite Rationale

- Scope/quality are the most important factors, timeliness is not as important compared against scope/quality
- There are tension/constraints in terms of capability
- Individual risk appetites for different sub-categories: For example with Cycleways appetite is low but for new services it is moderate

Key Mitigations

The new Corporate Plan strategy has helped WBOPDC focus on what is being done. Project prioritisation activities have been undertaken by the Corporate Development Team in order to determine which projects can be delivered and to allocate priorities to those. Retention of a full time project manager within the IT department. Development of some project management materials. KPMG have undertaken an internal audit of the Asset Management Module and staff are working with them to finalise a response. Where there is implementation and development activity we now ensure that there is a project team formed where there is ownership by the business and elements that are managed and delivered by IT. We now look to include a team member from Finance in order to ensure that all financial elements are included from an early stage. A more agile business methodology has been adopted when working with Datacom on our systems.

Contractor management - working to ensure She accreditation programme is working and contractor management training is planned to overcome issues with H&S Policy 112.

Significant Planned Additional Mitigations

	Owner(s)	Timing	Status
Asset Management Module, to bring consistency across multiple asset activities	Chris Shaw	2017 - 2019	Ongoing
Roll-out of the PROMAPP system to capture & update all process information	Jaqui Watkins	2018-2020	Ongoing

	Inherent Risk	Current Assessed Residual Risk	Council Target Residual Risk
8. Community engagement (general community and key stakeholders)	Medium	Medium/Low	Low

WBOPDC has an obligation to engage with residents and the community on matters which affect them. We have undertaken a number of initiatives to ensure there are good levels of local discussion about matters which impact the community, and we can demonstrate that residents views have been gathered and taken into consideration. The Community and also the Environmental strategies are both being reviewed and will need further engagement. With increasing numbers of matters requiring engagement, there is a need to be smarter about ways of doing this.

Risk Appetite Rationale

- Council is very careful on external communications
- Customer service is important to us

Key Mitigations

A restructure of the Communications and Community Engagements Teams is currently underway, and some further recruitment will be needed to get the team back up to strength.

There are Community Boards, Bang the Table community events and also online forums to respond to questions and discussion papers (e.g. on coastal erosion).

Greater efforts are being focussed on getting residents to take part in Open Day events and give views - Omokoroa Planning Open Days, Rooding Plan Open Days & Te Puke residents. Work on the Representation Review has just been completed. The proposed Future Development Strategy has been put out for consultation.

A Community Engagement Framework and Toolkit has been developed and is being used.

Staff are now trained to standards set by International Association of Public Participation for best practice.

WBOPDC are part of a regional network of engagement practitioners and take a lead in this network.

There are also Auditor General guidelines on public participation which are followed.

The Council has run and sponsored a number of Community Events. Connector Groups in Te Puna and Omokoroa set up to develop their own Community Plans with Council support.

With the running of events on Council land, the New Health & Safety at Work Act demands there are comprehensive risk plans in place. These are being produced but further work is now required to ensure these are properly monitored and complied with. Legal advice has been sought to clarify the Council position.

Significant Planned Additional Mitigations

Significance and Engagement Policy to be updated with the LTP

Owner(s)

Emily Watton

Timing

2018

Status

Ongoing

H&S Plan monitoring at Events run on Council property or by Council sponsored organisations.

Frank Begley

Ongoing

Key Risks

	Inherent Risk	Current Assessed Residual Risk	Council Target Residual Risk
9. Regulatory compliance	High	Medium	Low

Risks in this area include:

Loss of regulatory compliance accreditation from IANZ and MBIE.

Difficulties finding enough staff with the appropriate skills and qualifications. Also the current age of a number of inspectors is high & retirements are expected.

Lack of local training opportunities to provide the flow of newly trained workers in this field for WBOPDC and TCC.

Need to employ outside firms to complete this work on behalf of Council, pushing up costs.

Potential failure to provide accurate Codes of Compliance which leads to legal cases against Council or claims for compensation.

Delays to development and building work. Loss of reputation. Stress caused to staff due to work pressures.

Risk Appetite

- These risks are within Council's control and is important to Council's reputation of high quality service delivery

Key Mitigations

A position of Quality & Systems Specialist has been established in order to ensure continuity of accreditation. Move to use PROMAP has aided work & audit preparation. Continuous improvement meetings are held within the team to review/fix/change any problems or issues that emerge.

A robust procurement process was followed for the renewal of contract for external contractors. This led to a saving on hourly rates, better insurance cover in place for WBOPDC and also more clarity over expectations about work load and timings. All decisions around this process are clearly documented.

As a result a Contractor Panel is now in place to move work between supplier and keep parties honest over timings and costs.

All new staff are being trained towards a nationally recognised qualification and are being enrolled at Toi Ohomai in a Construction Management Diploma. Ongoing training is in place, but the loss of staff means new replacements have to go through the training process.

Young staff are being recruited as cadets to boost the compliance team.

A new earthquake prone buildings policy is under development - this will provide a timeframe to ensure that schools, hospitals, CD buildings etc, are all checked

All old records & Code Compliance certificates stored in the Lundia are processed on a needs basis when requested by members of the public.

Following QC's report on Bella Vista, we have stopped consent applications prior to sub-divisions, and prevented inspections being held when there is an RMA hold in place.

Significant Planned Additional Mitigations

Change to case law around 10 year liability timeframe for leaky building claims may lead to new work or reopening of cases. Currently with politicians for debate. (Only 1 property has emerged for reassessment)

Work Programme developed using the suggested improvements from the QC's report on Bella Vista

Owner(s)	Timing	Status
Chris Nicholson	2019	Ongoing
Chris Nicholson et al	2018-19	Ongoing

	Inherent Risk	Current Assessed Residual Risk	Council Target Residual Risk
10. Growth and impact on infrastructure planning	Medium	Medium	Low

Incorrect growth assumptions - these would impact on estimated costs and revenues and may lead to incorrect decisions about the needs for infrastructure.

Current rates burden is one of the highest in the country. Failure to allow, or get the benefit from, increased new housing development may lead to the region becoming more unaffordable for some rate payers.

The cost of infrastructure required by new developments is high when weighed against the potential new revenues.

Uncertainty around the funding & timing of major roading projects, such as SH2 to Omokoroa, is leading to a slowing of new housing development in that area.

- Note that a petition with 2,300 signatures has been lodged calling for a halt to planning new housing until the roading situation has been fully clarified.

Difficulties of finding land for development in and around Katikati.

Housing affordability within the planned Special Housing Area.

Rising cost of Council staff bill to allow sufficient resources to deal with activities needed by residents.

Risk Appetite Rationale

Out of council's control but has a big impact on infrastructure planning

Key Mitigations

Most estimates for population growth are conservative, and would therefore not lead to an overestimate of budget revenues.

Delays to the building process or sudden economic downturn could lead to slower development and subdivision and therefore lower than expected revenues.

SmartGrowth is used for developmental planning purposes. 30 year plans look at where we are positioning 43,000 additional houses across Tauranga and the Western Bay. The Future Development Strategy has been discussed at a number of community meetings.

Priority One provides information about economic trends in both Tauranga and the Western Bay areas.

Growth estimates are peer reviewed by the Strategic Advisor.

LGNZ has published a report on the cost of sea level rise to the Local Government Sector.

Strategic Property options have been developed and a workspace planning & optimisation survey has been conducted to gather requirements.

Significant Planned Additional Mitigations

	Owner(s)	Timing	Status
Boundary changes relating to Tauriko West (Ministerial approval received)	Phillip Martelli	2018-19	Ongoing
Climate change impacts on planning, future development & financial reporting	Various	Ongoing	Ongoing

Western Bay of Plenty District Council

Council

BOPLASS Limited Half Yearly Report to Shareholders 2018-2019 and Draft Statement of Intent 2019-2022

Purpose

Council is required to receive the Half Yearly Report to Shareholders and requested to receive and comment on, if applicable the draft Statement of Intent.

Recommendation

- 1. THAT the Group Manager, Finance and Technology Services report dated 25 February 2019 and titled "BOPLASS Limited Half Yearly Report to Shareholders 2018-2019 and Draft Statement of Intent 2019-2022" be received.**
- 2. THAT the BOPLASS Limited Half Yearly Report to Shareholders 2018-2019 and Draft Statement of Intent 2019-2022 relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.**
- 3. THAT the BOPLASS Limited Half Yearly Report to Shareholders 2018-2019 be received.**
- 4. THAT the BOPLASS Limited Draft Statement of Intent 2019-2022 be received.**
- 5. THAT the Board of BOPLASS Limited be advised of the following comments on the BOPLASS Limited Draft Statement of Intent 2019-2022 within two months from 1 March 2019:**



Kumaren Perumal
**Group Manager, Finance and
Technology Services**

1. Background

Bay of Plenty Local Authority Shared Services Limited (BOPLASS Ltd) is designated a council-controlled organisation under the Local Government Act 2002.

The company was formally established in January 2008 by the nine local authorities in the Bay of Plenty and Gisborne regions to foster collaboration between councils in the delivery of services particularly back office or support services.

1.1 BOPLASS Limited Half Yearly Report to Shareholders 2018-2019

Under Section 66 of the Local Government Act 2002, within two months after the end of the first half of each financial year, the board of a council-controlled trading organisation must deliver to the shareholders a report on the organisation's operations during that half year. The report is required to provide information against the objectives set out in the Statement of Intent 2019-2022. Please see **(Attachment A)**.

1.2 BOPLASS Limited Draft Statement of Intent 2019-2022

As a council-controlled organisation BOPLASS Ltd is a separate legal entity from Council and is responsible for delivery of services in accordance with an agreed Statement of Intent. The company is governed by a Board of Directors being the Chief Executives of the constituent local authorities. The Board also includes an independent Director, appointed with specific skills to add incremental value and appointed by the Board for a term of 12 months.

Under Schedule of 8 (9) of the Local Government Act 2002 the Board of a council-controlled organisation must deliver to its shareholders a draft Statement of Intent on or before 1 March each year. Please see **(Attachment B)**. The Board must consider any comments on the draft Statement of Intent that are made to it within two months of 1 March 2019 by the shareholders. Following the two months allowed for submissions the Directors of BOPLASS will consider any submissions made by Shareholders and approve a final Statement of Intent by 30 June 2019.

Council is therefore required to receive and comment on, if applicable, the draft Statement of Intent.

2. Significance and Engagement

The Local Government Act 2002 requires a formal assessment of the significance of matters and decisions in this report against Council's Significance and Engagement Policy. In making this formal assessment there is no intention to assess the importance of this item to individuals, groups, or agencies within the community and it is acknowledged that all reports have a high degree of importance to those affected by Council decisions.

The Policy requires Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities.

In terms of the Significance and Engagement Policy this decision is considered to be **low** because it is a statutory requirement for council-controlled organisations to deliver to the shareholders a report on the organisations operations and also receiving the Statement of Intent from a Council Controlled Organisation for shareholders comment is statutory therefore the affect on ratepayers is low.

3. Engagement, Consultation and Communication

Interested/Affected Parties	Completed/Planned Engagement/Consultation/Communication
The Board of BOPLASS Limited	Any comments on BOPLASS Limited draft Statement of Intent 2019-2022 must be received by the board for its consideration within two months of 1 March 2019.
The Shareholders of BOPLASS Limited	Shareholders are invited to provide comment and feedback on the draft Statement of Intent 2019-2022 within two months of 1 March 2019.

4. Issues and Options Assessment

<i>THAT the board of BOPLASS Limited be advised of the following comments on the BOPLASS draft Statement of Intent 2019-2022 within two months of 1 March 2019:</i>	
Reasons why no options are available	Legislative or other reference
The board of a council-controlled organisation must deliver to its shareholders a draft statement of intent on or before 1 March each year.	Schedule 8 (statements of intents) of the Local Government Act 2002 refers.

5. Statutory Compliance

This report and its recommendations comply with the relevant legislation.

6. Funding/Budget Implications

Budget Funding Information	Relevant Detail
	The recommendations in this report have no budgetary or funding implications.



BOPLASS Ltd

HALF YEARLY REPORT TO SHAREHOLDERS



Period ended 31 December 2018

"COUNCILS PARTNERING FOR VALUE AND SERVICE"



BOPLASS Chair's Report

It is with pleasure the Directors present their 2018/2019 Half Yearly Report to Shareholders demonstrating the continuing contribution the company makes to collaboration between councils.

There has been one change to the Board this year and we welcome the Whakatane District Council Chief Executive, Stephanie O'Sullivan, to the Board as Director and Shareholder Representative.

The first six months of this year has seen a number of new projects initiated by BOPLASS and also continued success with ongoing joint procurement. A unique approach to the tender for aerial imagery resulted in a vendor being appointed at approximately \$100,000 less than budgeted, with the participating councils benefiting directly from these additional savings. The lead BOPLASS is providing in coordinating a Provincial Growth Fund application for the capture of LiDAR to provide 3D mapping for the entire BOP region provides the opportunity for our councils to benefit by up to \$1,000,000 through this co-funding.

BOPLASS has continued the investigation of collaborative opportunities outside of back of office services and a project is currently underway to investigate improved coordination of capital works programmes across the region. This provides the potential for collective marketing of a sequenced programme to assist in attracting improved responses from contractors. Scoping of the solid waste projects being led by BOPLASS has now been completed with Waikato and BOP councils currently reviewing the collaborative approach to progressing these projects.

The BOPLASS Health and Safety group continues to deliver significant value through productive collaboration between BOP and Waikato councils. The sharing of information and partnering in projects is a good example of how all parties can benefit through collaboration and how this significantly reduces duplication of effort. A project is currently underway to develop Health and Safety Benchmarking across the councils so councils can continue to benefit from sharing information and learnings. BOPLASS has recently assisted the councils in the procurement of Health and Safety management software. This collective approach resulted in councils achieving significant cost savings and a standard technology platform across the majority of BOP and Waikato councils.

The Collaboration Portal continues to prove its value in the NZ local government community by providing improved visibility of participating councils' work plans and it is becoming an essential conduit for the sharing of information across councils. A project is being managed by BOPLASS to further develop the Collaboration Portal to assist NZ councils in developing a higher level of sharing.

BOPLASS also has a number of active procurement opportunities either in the formative stage or about to go to tender. Additional information about current projects is available in the attached report.

Yours faithfully

Craig O'Connell

Chair



BOPLASS Ltd
 "COUNCILS PARTNERING FOR VALUE AND SERVICE"

HALF YEARLY REPORT TO SHAREHOLDERS

27 FEBRUARY 2019

1 INTRODUCTION

The Local Government Act 2002 requires that the Directors deliver to the Shareholders a report within two months of the end of the first six months of the financial year. The report is required to provide information against the objectives set out in the Statement of Intent. The following report records the objectives of the company and reports on performance against a table of specific performance requirements set out in the Statement of Intent.

2 OBJECTIVES OF BOPLASS LTD

The company exists to provide councils in the Bay of Plenty and Gisborne regions with an umbrella vehicle to investigate, procure, develop and deliver shared services.

Working together with the full support and involvement of staff, we will provide benefit to councils and their stakeholders through improved levels of service, reduced costs, improved efficiency and/or increased value through innovation.

These will be achieved primarily through:

JOINT PROCUREMENT

Being the procurement of services or products by two or more councils from an external provider regardless of whether the service is paid for through BOPLASS or individually by participating councils.

SHARED SERVICES

Being the participation of two or more councils in the provision of a common service which may be jointly or severally hosted.

3 GOVERNANCE

In the year to date the governance structure has remained stable with the only change being the appointment of the Whakatane Chief Executive, Stephanie O'Sullivan, to the Board as Director and Shareholder Representative.

4 NATURE AND SCOPE OF ACTIVITIES

The principle nature and scope of the activities of BOPLASS Ltd is to:

- *Use joint procurement to add value to goods and services sourced for its constituent councils.*
- *Facilitate shared services that benefit councils and their stakeholders through improved levels of service, reduced costs, improved efficiency, innovation and/or increased value.*
- *Pursue best practice in the management of all activities to obtain best value and minimise risk.*
- *Demonstrate fiduciary responsibility by ensuring that its activities are adequately funded from savings achieved, levies, council contributions, or Government funding where available.*
- *Allow other councils or organisations to participate in its activities where this will benefit its constituent councils directly or indirectly.*
- *Represent the collective views of its shareholders in matters with which it is associated.*

5 FUTURE DEVELOPMENTS

BOPLASS Ltd will continue to work on business cases for joint procurement and shared services that may be provided in the region or cross-regionally.

The Board has adjusted its strategy to ensure that BOPLASS is focused on lifting the effort on shared services and innovation and delivering wider value than just procurement savings.

Current feasibility studies for shared services include but are not limited to:

- GIS;
- ICT strategy and services;
- Joint software support;
- High speed fibre network services;
- Digitalisation Services;
- Accounts payable processing;
- Collaboration Portal;
- Archive services;
- Health and safety;
- Radio-telephony;
- IT datacentre/hosting;
- Regional waste facilities strategy
- Diversion of putrescible waste from landfill
- Waste collections licensing and data.
- Insurance valuations
- Robotic Process Automation

Other shared services may be provided after the Board has considered each individual business case and formally agreed to take on and deliver (or host/procure etc.) the shared service.

Joint procurement opportunities will continue to be identified and developed with individual councils engaging under the opt-in principle established by the Board. Joint procurement initiatives will be considered by the Board and/or its advisory groups where there is demonstrated support from two or more member councils.

The Board supports BOPLASS continuing to develop collaboration opportunities outside of the regional boundaries. BOPLASS will continue to proactively explore opportunities to partner with other Local Authorities and shared services organisations within New Zealand where they are developing, or considering developing, cost effective shared services and products that are of value to the Bay of Plenty and Gisborne councils.

BOPLASS development of the Collaboration Portal for the sharing of information on shared services or joint procurement opportunities within the constituent councils has identified a number of duplicate projects across councils that present an opportunity for further collaboration. The BOPLASS Collaboration Portal is now used by other LASS and councils and provides an opportunity to assist with the identification and management of inter-regional collaboration opportunities. BOPLASS will continue to develop the Collaboration Portal and make it available to the wider local government community.

The BOPLASS Operations Committee will continue to manage responsibility for regular monitoring and governance of operational aspects of BOPLASS projects, allowing the Board to primarily focus on supporting the strategic development of the organisation. The committee members will also be responsible for identifying additional BOPLASS projects that add value to the shareholding councils and advocating these projects within their respective councils.

6 PERFORMANCE TARGETS

To ensure the company continues to operate effectively in both governance and management terms over the next three years the current SOI targets are to:

- Investigate new joint procurement initiatives for goods and services for BOPLASS councils.
- Provide support to BOPLASS councils that are managing or investigating shared services projects.
- Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.
- Ensure appointed vendors remain competitive and continued best value is returned to shareholders.
- Review governance performance and structure to ensure it supports BOPLASS' strategic direction.
- Communicate with each shareholding council at appropriate levels.
- Ensure current funding model is appropriate.

The Board believes that all targets are being achieved or are on-track to be achieved, as is demonstrated by the following list of current initiatives.

7 CURRENT INITIATIVES

The following initiatives have been under consideration or operating during the first part of the year:

HIGHLIGHTS

- Aerial Imagery and LiDAR Tender – A sub-regional tender has been recently awarded to AAM NZ Ltd for Aerial Imagery and *LiDAR, with aerial capture being undertaken during the summer of 2018-19. An additional financial savings of approximately \$100,000 was achieved (beyond the benefits of a collective tender) through a unique flying and capture process being utilised.

**LiDAR (Light Detection and Ranging) data, or height data, is precise laser measurements of the Earth's surface that is used for creating highly accurate 3D maps of the land. LiDAR is particularly useful for flood modelling purposes because it provides accurate terrain and surface models of the land. LiDAR allows us to better understand where water will flow, what protection may be needed and where the areas at greatest risk from flooding are.*

- Provincial Growth Fund Application for LiDAR Capture – BOPLASS is managing a coordinated regional approach to a Provincial Growth Fund application for LiDAR capture for the entire Bay of Plenty region. Co-funding is available through the Fund to invest in an expansion of 3D mapping to assist with supporting major development projects and improve land use management in the regions.
- Account Payable Automation Software – BOPLASS is leading a project to identify collaborative opportunities for the automation of accounts payable processes through specific software or collective development of a shared solution.
- Robotic Process Automation – RPA provides an opportunity for the automation of repeatable processes that can run without intervention. BOPLASS has facilitated workshops with vendors and also with Auckland Council as they have developed a mature process for developing solutions based upon various business units' requirements.
- Drug and Alcohol Testing – BOPLASS is currently managing a tender on behalf of Waikato and BOPLASS councils for drug and alcohol testing services. The majority of Waikato and BOPLASS councils currently use the same provider for alcohol and drug testing services but rates and services are based upon individual contracts and vary across councils.
- Lone Worker Field Solutions – The BOPLASS Health and Safety group have engaged with vendors to review communication and technology solutions for lone or remote workers.
- Video Conferencing – New video conference services have been established using Canon and Zoom to deliver desktop and meeting room services to participating councils.
- Debt Management – BOPLASS has engaged with MWLASS to investigate opportunities for BOPLASS councils to participate in their debt management service (Debt Management Central) as a shared service. The level of engagement will vary from council to council dependent on each council's requirements.
- Community Communications Services – BOPLASS is investigating opportunities for a standard communications platform to allow councils to connect and communicate with their communities through a mobile device app.

- Infrastructure Insurance – BOPLASS has recently represented a collective group of councils in negotiations for placement of councils' infrastructure insurance into the London markets. Although faced with a hardening insurance market BOPLASS councils were able to achieve particularly good outcomes as a result of our existing underwriter relationships and a good history within the London insurance markets. This was supported by accurate loss modelling information, asset valuations, and risk quantification data, all of which have become essential information in securing appropriate and competitively priced insurance.
- Sustainability in Procurement – BOPLASS has recently supported Toi-Ohomai Institute of Technology in a research report on Sustainable Public Procurement in the Bay of Plenty. BOPLASS is now working with COBOP and The Sustainable Business Network to progress the opportunities identified in the report. The research report investigates how procurement policies and practices of local government authorities in the Bay of Plenty are aligned with the Australian and New Zealand Government Framework for Sustainable Procurement.
- Inter Council Network – An initiative with FX Networks/Vocus and the One.Govt consortium providing a 1Gbps fibre connection between the majority of BOPLASS councils. A technology and service review has resulted in reduced costs for this foundation service.
- Health and Safety Management Software – A BOPLASS preferred supplier agreement has been established with Vault with preferential pricing applied to all participating Waikato and BOPLASS councils. The agreement provides significant savings for all councils and migration to the latest Vault version at no cost to participating councils.
- Health and Safety Benchmarking – The BOPLASS and Waikato LASS health and safety groups are reviewing the opportunity of implementing a local authority health and safety benchmarking system.
- Radio Telephony (RT) Strategy – Push Wireless have been appointed as preferred supplier to coordinate region-wide Radio Telephone services and technologies. Standardisation of services and networks also provides the potential for further alignment in civil defence strategies.
- Solid Waste Management – Scoping for two of the three solid waste services that are being coordinated by BOPLASS has been completed, with significant opportunities for cross-regional collaboration identified:

- A regional or cross-regional approach to licensing and data collection for waste operators
- Diverting putrescible wastes from landfill

The Regional Facilities Strategy project is awaiting commitment from Waikato councils before completing the initial scoping.

- Capital Construction and Civil Works Projects – A regional-wide marketing approach to civil projects is being reviewed. The focus of this approach is to market the project plans of the region as a whole to the construction sector and to help avoid the complex issue of regional versus local prioritisation for delivery of projects. The anticipated benefit of this approach is to attract a better response from contractors for councils across the region.
- Collaborative Training – Cross-council training has continued to be arranged across a number of areas of council business, providing for discounted rates, reduced staff travel (as trainer is prepared to travel to region for a larger group), opportunity to network with peers from other councils and development of tailored material.

- Collaboration Portal – The Collaboration Portal was developed by BOPLASS to provide improved visibility of existing and potential collaboration opportunities across councils and to facilitate improved sharing of information. A project is underway to further develop the Collaboration Portal to enable and encourage a higher level of sharing.
- Inter-LASS collaboration – BOPLASS continues to encourage collaboration between all LASSes and has established quarterly meetings for LASS leaders to share information and identify opportunities for collective partnering.
- Communication – BOPLASS continues to regularly engage with our constituent councils, senior management and shareholders to ensure opportunities continue to be developed to the benefit of all stakeholders.
- Viability of Current Funding Model – The sources of BOPLASS funding and the viability of the funding model are regularly reviewed with financial reporting provided to the BOPLASS Board.

8 FINANCIAL REPORTS

1. Financial Support and Accounting Services

Accountancy services and support continue to be provided by Tauranga City Council.

2. Accounting Policies

The company is compliant with the accounting policies stated in the Statement of Intent.

3. Tier 2 PBE Accounting Standards Applied

The financial accounts are prepared with application of Tier 2 accounting standards.

4. Financial Reports

Financial Reports for the period to 31 December 2018 are attached.

5. Variations

The organisation is operating within budget and has achieved a reasonable revenue stream for the first half of the year.

Included are the service related payments for services accessed by councils.

Project expenses, and conversely, project recoveries are reporting lower than budget due to the timing of additional projects being undertaken by BOPLASS.

Revenue from rebates exceeds budget as a supplier rebate is to be paid this year covering a prior period.

An additional video conference service has been established for participating councils resulting in increased expenditure and revenue recoveries.

Savings have been made in core ICN costs and this is reflected in the reduced revenue and expenditure of ICN services.

Aerial photography revenue and expenditure will remain lower than budget this year due to BOPLASS achieving exceptionally good pricing through our most recent tender.

9 STAFFING, ACCOMMODATION AND SUPPORT

Staff

Staffing levels are unchanged with a part-time administrator continuing to provide additional project support and management of existing activities.

Accommodation and Support

We continue to appreciate the office space provided at Tauranga City Council and the support that is offered for IT and Accounting services. Although there is a monthly fee there is still a contribution in kind.

BOP LASS LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE MONTH ENDED 31 DECEMBER 2018

	Actual YTD	Budget YTD	Total Budget	YTD Variance
REVENUE				
Revenue - Core	166,082	159,750	319,510	6,332
Bank Interest Received	379	498	1,000	-119
Council Contribution	136,755	136,752	273,510	3
Sales of Service	28,948	22,500	45,000	6,448
Revenue - Projects	770,449	979,748	1,563,500	-209,299
Bank Interest Received	5,167	8,250	16,500	-3,083
Aerial Photography Income	85,606	250,000	600,000	-164,394
Collaboration Portal	78,400	63,000	100,000	15,400
Lease Income - ICN	62,851	87,500	175,000	-24,649
Lease Income - Video Confer.	30,196	6,498	13,000	23,698
Recoveries	482,242	560,000	650,000	-77,758
Rebates	25,988	4,500	9,000	21,488
Total Operating Revenue	936,531	1,139,498	1,883,010	-202,967
EXPENSES				
Expenditure - Core	214,580	237,966	440,400	-23,386
ACC	864	1,500	1,500	-636
Accommodation & Travel	540	750	1,500	-210
Accounting & Audit	543	17,500	17,500	-16,957
Administration	15,212	12,000	24,000	3,212
Amortisation	3,335	6,000	12,000	-2,665
Bank Fees	160	204	400	-44
Conferences	2,655	1,002	2,000	1,653
Depreciation	704	0	0	704
Directors Costs	12,126	9,000	18,000	3,126
Fringe Benefit Tax	2,240	3,500	7,000	-1,260
General & Catering Expenses	877	1,002	2,000	-125
Health & Safety	0	504	1,000	-504
Insurance	8,425	8,000	8,000	425
Interest Paid – TCC Loan	1,056	1,000	1,000	56
Legal	0	2,000	2,000	-2,000
Salaries	161,867	162,498	325,000	-631
Salaries – C'Portal Opex	-11,692	-4,998	-10,000	-6,694
Staff Support Costs	12,169	10,002	20,000	2,167
Staff Training Costs	0	1,002	2,000	-1,002
Subscriptions	0	1,000	1,000	-1,000
Tax Advice	3,500	4,500	4,500	-1,000
Write Off reconciliations	0	0	0	0
Expenditure - Projects	662,263	909,306	1,442,610	-247,043
Aerial Photography Expense	85,606	250,000	600,000	-164,394
Collaboration Portal Opex	15,742	19,998	40,000	-4,256
Lease Expense - ICN	54,115	85,002	170,000	-30,887
Lease Expense – Video Confer.	29,635	6,306	12,610	23,329
Projects - Recoveries	477,164	548,000	620,000	-70,836
Total Operating Expenditure	876,843	1,147,272	1,883,010	-270,429
Operational Surplus / (Deficit) before Tax	59,689	-7,774	0	67,463

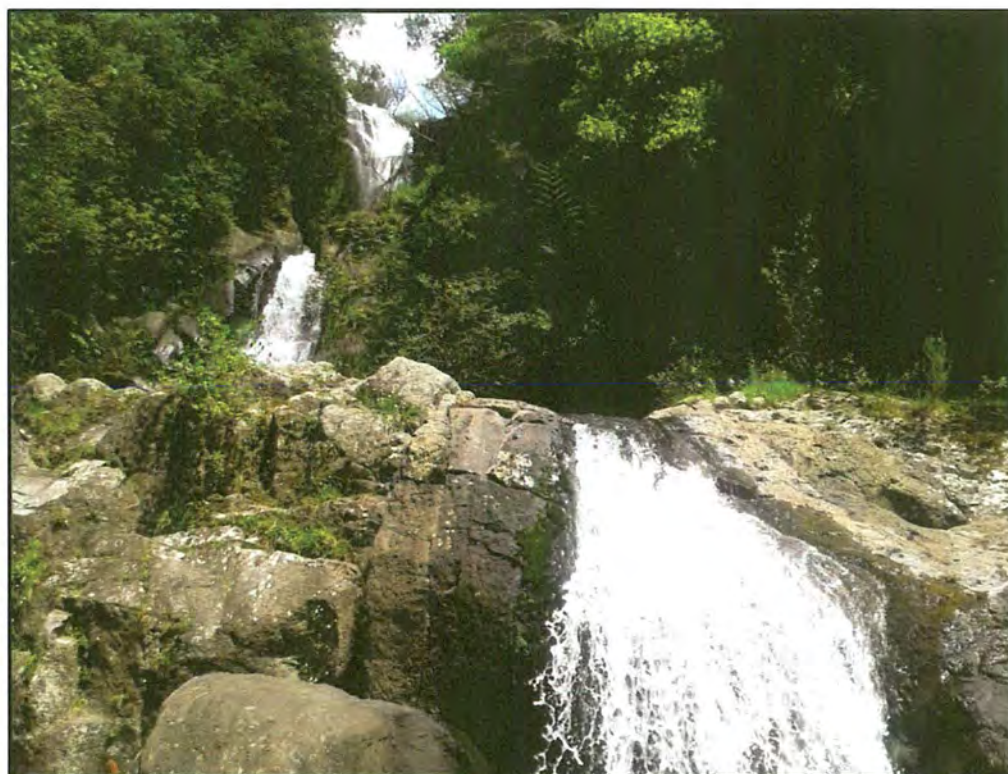
BOP LASS LTD
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 2018

	Actual YTD
Current Assets	
Cheque Account	\$203,036
Trust A/c Aerial Photography	\$374,462
Term Deposit – #1	\$300,000
Term Deposit – #2	\$250,000
Term Deposit – #3	\$250,000
Trade Debtors	\$39,733
Accrued Revenue	58,871
Withholding Tax	\$16,804
Prepayments	\$39,227
Total Current Assets	\$1,532,133
Non-current assets	
Intangible - Computer Software	\$66,465
Amortisation	(\$50,395)
Computer Equip at cost	\$3,995
Computer Equip depreciation	(\$1,908)
Office equip at cost	\$0
Office equip depreciation	\$0
Total Non-current assets	\$18,158
TOTAL ASSETS	\$1,550,290
Current Liabilities	
Trade Creditors	\$96,356
Accrued Expenses	\$180,089
GST Collected, Paid, Payments/refunds	(\$14,359)
Retentions	\$56,761
Accrued Salaries and Wages	\$5,127
Accrued Leave Entitlements	\$11,300
PAYE Accruals Payable	\$10,207
Income in Advance	\$1,105,364
TCC Loan	\$0
Total Current Liabilities	\$1,450,845
TOTAL LIABILITIES	\$1,450,845
NET ASSETS	\$99,445
Equity	
Current Year Earnings	\$59,689
Retained Earnings	(\$59,245)
Share capital	\$99,002
TOTAL EQUITY	\$99,445



BOPLASS Ltd

STATEMENT OF INTENT FOR 2019-2022



June 2019

"COUNCILS PARTNERING FOR VALUE AND SERVICE"

1 Introduction

This Statement of Intent (SOI), developed under Schedule 8 of the Local Government Act 2002, is:

- A public declaration of the activities and intentions of BOPLASS Ltd and the objectives to which those activities will contribute.
- Provides an opportunity for the shareholders to influence the direction of BOPLASS Ltd, and
- Provides a basis for the accountability of the Directors to the Shareholders for the performance of BOPLASS Ltd.
- This Statement of Intent covers BOPLASS Ltd and any subsidiary company established in pursuance of the objectives herein.

2 Background

The councils that operate within the Bay of Plenty and Gisborne Regions have formed a Council Controlled Organisation (CCO) to investigate, develop and deliver Joint Procurement and Shared Services projects where delivery is more effective for any combination of some or all of the councils.

Benefits that can be achieved through collaboration are:

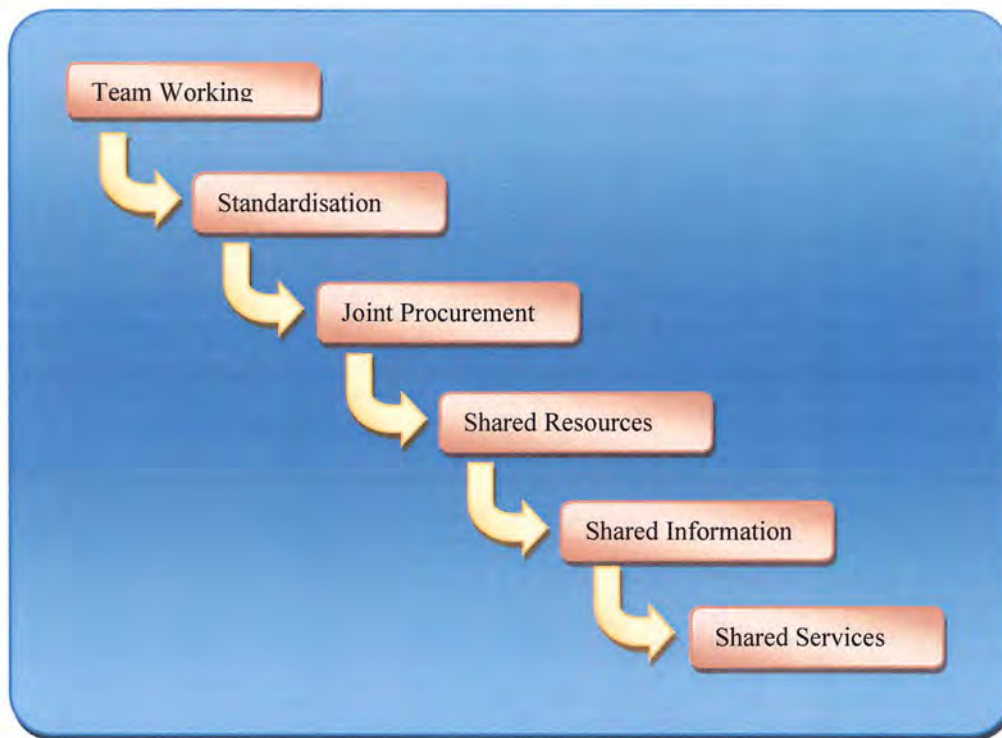
- improved levels and quality of service;
- a co-ordinated and consistent approach to the provision of services;
- reductions in the cost of support and administrative services;
- opportunities to develop new initiatives;
- economies of scale resulting from a single entity representing many councils in procurement;

These benefits and opportunities can apply to all councils irrespective of location or size.

Business processes, information architectures and functional tools differ in each council to varying degrees. The BOPLASS strategies facilitate a journey of progressive development using the approach identified in the BOPLASS Strategy and Action Plan to:

- Enhance the capability to collaborate,
- Encourage the elimination of barriers to collaborative action and
- Identify services that deliver viable business cases.

A generic sequence or stages of collaboration between multiple councils is followed to develop Shared Services, as shown in Figure 1.



Many of the BOPLASS Joint Procurement projects have supported the development of standard products, services or solutions across the councils. These standards assist in creating a foundation for the delivery of collaboration within the councils.

Examples of procurement and projects are:

- Establishment of 1GB fibre Inter Council Network (ICN)
- Information Services Strategic Plan
- GIS ESRI enterprise agreement
- GIS software standardisation
- Security and technology policies
- Data centre and hosting services
- Electronic purchasing
- Reprographic equipment
- Aerial photography

- Voice and data services
- Video conferencing
- IT applications and software
- Collaboration Portal
- Historic aerial imagery archiving
- After hours call management
- Health and Safety
- Internal audit services
- Solid waste services

3 Our Vision

"COUNCILS PARTNERING FOR VALUE AND SERVICE"

4 Objectives of BOPLASS Ltd

Working together with the full support and involvement of staff, we will provide benefit to councils and their stakeholders through improved levels of service, reduced costs, improved efficiency and/or increased value through innovation.

These will be achieved primarily through:

Joint Procurement

Being the procurement of services or products by two or more councils from an external provider regardless of whether the service is paid for through BOPLASS or individually by participating councils.

Shared Services

Being the participation of two or more councils in the provision of a common service which may be jointly or severally hosted.

5 Nature and Scope of Activities

The principle nature and scope of the activities of BOPLASS Ltd is to:

- Use Joint Procurement to add value to goods and services sourced for its constituent councils.
- Establish the underlying technology, framework, platform and policies to enable and support collaboration.

- Facilitate initiatives that benefit councils and their stakeholders through improved levels of service, reduced costs, improved efficiency, innovation and/or increased value.
- Pursue best practice in the management of all activities to obtain best value and minimise risk.
- Demonstrate fiduciary responsibility by ensuring that its activities are adequately funded from savings achieved, levies, council contributions, or Government funding where available.
- Allow other councils or organisations to participate in its activities where this will benefit its constituent councils directly or indirectly.
- Actively monitor and engage with Shared Service developments across the public sector to identify opportunities for further development and establishing best practice.
- Represent the collective views of its Shareholders in matters with which it is associated.

6 Governance

BOPLASS Ltd will conduct itself in accordance with its Constitution, its annual Statement of Intent, and the provisions of the Companies Act 1993 and the Local Government Act 2002.

The Company is governed by its Directors. To ensure total synergy between the Company's activities and its council shareholders' activities, nine Directors are also the current Chief Executives of their respective shareholding councils. The dual roles recognise the interdependence of BOPLASS and its councils in the undertaking of its activities.

The Board also includes an independent Chair, appointed with specific skills and knowledge to add incremental value. This appointment brings experience and specialist skills that are complementary to those held by the other Directors.

Shareholder	Appointed Director
Bay of Plenty Regional Council	Fiona McTavish
Gisborne District Council	Nedine Thatcher Swann
Kawerau District Council	Russell George
Opotiki District Council	Aileen Lawrie
Rotorua Lakes Council	Geoff Williams
Taupo District Council	Gareth Green
Tauranga City Council	Marty Grenfell
Western Bay of Plenty District Council	Miriam Taris
Whakatane District Council	Stephanie O'Sullivan
Independent Director and Chair	Craig O'Connell

A sub-committee of council delegates has been established by the Directors as an Operations Committee to manage responsibility for regular monitoring and governance of operational aspects of BOPLASS projects, allowing the Board to primarily focus on supporting the strategic development of the organisation.

Each activity or project is managed by an Advisory Group, nominated by the shareholding councils in that particular service. The Board retains the right to approve nominations to the Advisory Groups and all of their material decisions – there is only one Board of Directors and that remains at the umbrella or holding company level.

The Board has established a principle that participation in each initiative is decided by individual councils on an 'opt in' basis.

Services delivered are subject to a formal service level agreement between BOPLASS Ltd and the participating councils, outlining the services and activities provided, where, when and how; and reflecting the capital and operational costs being met by each service shareholder.

Joint Procurement initiatives consistent with their nominated role may be undertaken by any advisory group as approved by the Operations Committee. In considering Joint Procurement initiatives the Company will take into account the opportunities available through All of Government (AoG) purchasing arrangements and, where there is demonstrated benefit to the Company or its constituent councils, support such initiatives. In assessing the benefits of a Joint Procurement initiative, opportunities for integration shall be considered. The Board has recognised that the availability of All of Government Procurement options has the potential to impact on BOPLASS' ability to provide procurement options in some categories.

Subject to the approval of shareholders in accordance with the shareholder agreement the Directors may decide that a particular activity is best managed as a subsidiary company and proceed accordingly. Any subsidiary company whose objectives are in accordance with the objectives set out in this Statement of Intent shall not be required to have a separate Statement of Intent.

7 Future Developments

BOPLASS Ltd will continue to work on business cases for Joint Procurement and Shared Services that may be provided in the region.

BOPLASS Joint Procurement opportunities will be actively pursued to ensure maximum savings and benefits continue to be delivered to the participating councils through existing and new contracts.

Joint Procurement initiatives will be considered by the Board and/or its advisory groups where there is demonstrated support from two or more member councils, with councils participating on an opt-in basis.

The Board will be looking for commitment from councils to participate in collaborative services and to provide a lead in the identification and management of opportunities and projects.

BOPLASS will also proactively explore opportunities to partner with other local authorities and Shared Services organisations within NZ where they are either developing or considering developing cost effective services or Joint Procurement initiatives involving products or services that are of value to the BOPLASS councils.

The Collaboration Portal, established by BOPLASS for the sharing of information on Shared Services or Joint Procurement opportunities, has been made available to the wider local government community to provide better visibility of common projects and to encourage further cross-regional collaboration. BOPLASS will continue to market the benefits of inter-region collaboration and assist other councils through providing support and access to the Collaboration Portal.

BOPLASS will continue to explore opportunities for councils to develop ICT solutions using middleware and cloud technologies that allow for future sharing and the development of Shared Services without the wholesale replacement of IT systems.

Where it is practicable, BOPLASS will work with other LASSes or councils in developing shared service ICT strategies and/or leverage off, or participate in services established by other collective local government groups.

8 Stakeholder Engagement

BOPLASS recognises the ambitious plans our constituent councils have for their communities and endeavours to support these aspirations through:

- Regular engagement at project, management and governance level
- Including councils' short, medium and long-term goals within BOPLASS planning
- Using quality information from councils to guide our decision-making
- Identifying and developing services that directly benefit councils and/or their communities
- Monitoring councils' future plans and remaining agile to change to include these aspirations in our own planning
- Regularly communicating to ensure stakeholders are aware of what we are doing and why we are doing it
- Involving councils in our decision-making and planning

9 Performance Targets

To ensure the Company continues to operate effectively in both governance and management terms over the next three years the targets are to:

Target	How	Measure
Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.	Manage and/or renegotiate existing contracts.	Contracts are reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.
Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.	Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration. (Current identified projects are listed in Appendix B.)	A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.
Provide support to BOPLASS councils that are managing or investigating Shared Services projects.	BOPLASS to provide 0.25 FTE resource and expertise to assist councils in Shared Services developments and projects.	Resource assignment measured from project job tracking.
Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.	Increase usage of the Collaboration Portal by providing support and training material for new and existing users. Proactively market the benefits to councils.	Number of listed projects to increase by 20% per year. Number of active users to increase by 20% per year.
Communicate with each shareholding council at appropriate levels.	Meeting with each Executive Leadership Team.	At least one meeting per year.
Ensure current funding model is appropriate.	Review BOPLASS expenditure and income and review council contributions and other sources of funding.	Performance against budgets reviewed quarterly. Company remains financially viable.

9 Balance Sheet Ratios

The Local Government Act 2002 Schedule 8 (9) requires the SOI to include the projected ratio of shareholders' funds to total assets within the Forecast Statement of Financial Position. As at 30 June 2018 the consolidated Shareholder funds comprised \$39,757 and the total assets were \$1,192,245. The resulting ratio is 3.3%.

As asset owning Shared Services are approved, the Board will, if appropriate, provide a mechanism for the recognition of each council's contribution.

10 Accounting Policies

10.1 Statement of Accounting Principles

The Company will adopt accounting practices that comply with NZ IFRS, the requirements of the LGA and the Financial Reporting Act 1993.

10.2 IPSAS Accounting Standards

As a Public Sector Public Benefit Entity (PS PBE), the Company has elected to report using International Public Sector Accounting Standards for Public Benefit Entities under Tier 3 PBE standards.

10.3 Measurement Basis

The Company will follow generally accepted international accounting principles for reporting of earnings and financial position.

10.4 Specific Accounting Principles

The following are principles which will have a significant effect on the measurement of financial position:

- Accounts Receivable are stated at their expected realisable value after writing off any known bad debts and providing for doubtful debts.
- Investments are valued at the prevailing market value.
- Fixed assets are recorded at cost, less accumulated depreciation.
- Any liability for overseas funding of equipment, systems or services is based on the prevailing exchange rate as at balance date.
- Where intangible assets are purchased, such as intellectual property, these are capitalised and written off on a straight line basis over their expected life, but no greater than four years.

- All assets are depreciated over their expected useful lives. Depreciation is provided on a diminishing value basis over the estimated useful life, at the same rate as is allowed by the Income Tax Act 1994.
- It is not envisaged that the Company will hold inventories, other than those that might relate to providing information services to a number of parties. They will be valued at net realisable value.
- Taxation will be provided as required in line with relevant legislation.
- In accordance with the Public Audit Act 2001 and the Local Government Act 2002, the office of the Auditor General will be responsible for the audit of the Company's financial statements.

11 Distributions to Shareholders

The Company is not expected to make profits that would ordinarily be distributed by way of dividends. Any surplus funds (after tax) remaining from an activity or the annual operations of the Company shall be carried forward to the ensuing year and may be used to reduce service costs, invest in further developing other services, and/or as the Directors may decide.

12 Information to be Provided to Shareholders

The Company will deliver the following statements to shareholders:

- On a three monthly basis the Financial Position and Cashflow.
- Within two months of the end of the first half of the financial year: Financial Performance and Financial Position.
- Within three months of the end of the financial year the following audited statements: Financial Position, Movements in Equity, Cashflows, Service Performance plus a summary of how the Company has tracked against its objectives and prospects for the next financial year, and a report on the Company's medium to long term plans.
- Six monthly summaries of project activities included in Half Yearly and Annual Reports.

13 Procedures for the Purchase and Acquisition of Shares

The Board will give approval before BOPLASS Ltd subscribes for, purchases or otherwise acquires shares in any company or other organisation, which is external to the group.

14 Activities for Which the Board Seeks Compensation

The ongoing activities to identify, develop, procure Shared Services will be budgeted for in advance, subject to a business case and either funded by individual councils without BOPLASS Ltd involvement, or agreed by the Board to be funded by BOPLASS Ltd with consequent recovery from participating councils.

Shareholding councils will make a contribution to the operational costs of the Company on an annually agreed basis.

The Company will also seek contributions by way of a levy or administration charges on services provided or administered. In determining an appropriate charge, the Directors may take into account the cost of running the Company, its future operational requirements, the nature and cost of the service provided, benefits achieved and councils' ability to pay.

The Company may provide services (at a cost recovery or a cost plus basis) to other non-shareholding councils within or beyond the region. Any surplus from such activity will be used to either reduce service costs and/or invest in further developing of that or other services, as agreed by the Advisory Group and by the Board.

15 Value of Shareholder's Investment

The Directors estimate that, at this stage, BOPLASS Ltd has little or no commercial value. As each shareholder's investment in BOPLASS Ltd is less than \$20,000, the Board believe that that fairly represents the value of their investment. The Directors will reassess the value of this shareholding on or about the 1st of March each year.

16 Financial Forecasts

The Forecast Financial Statements for the years 2019-2022 are included (Appendix A). The budget is not adjusted for inflation.

Core revenue includes the recovery of costs for BOPLASS salaried staff when seconded to individual council projects.

The Aerial Photography revenue/expenses reflects the flying programme determined by the participating councils which includes interim flying programmes and extensive region-wide flying programmes over the next five years.

A continued increase in Recoveries has been forecast to reflect the direct recovery of purchases made on behalf of councils through Joint Procurement projects.

It is the company's intention to always fully recover costs incurred on behalf of participating councils.

SOI Forecast 2019/22				
	Budget 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/2022
REVENUE				
Revenue - Core	\$319,510	\$274,510	\$274,510	\$274,510
Bank Interest Received	1,000	1,000	1,000	1,000
Council Contribution	273,510	273,510	273,510	273,510
Sales of Service	45,000	0	0	0
Revenue - Projects	1,563,500	1,213,000	1,513,000	1,213,000
Aerial Photography Income	600,000	300,000	600,000	300,000
Bank Interest Received	16,500	16,500	16,500	16,500
Collaboration Portal	100,000	75,000	75,000	75,000
Lease Income - ICN	175,000	135,000	135,000	135,000
Lease Income - Video Confer.	13,000	30,500	30,500	30,500
Rebates	9,000	6,000	6,000	6,000
Recoveries	650,000	650,000	670,000	680,000
Total Operating Revenue	1,883,010	1,487,510	1,787,510	1,487,510
EXPENSES				
Expenditure - Core	440,400	383,800	383,800	383,800
ACC	1,500	1,500	1,500	1,500
Accommodation & Travel	1,500	1,500	1,500	1,500
Accounting & Audit	17,500	17,500	17,500	17,500
Administration	24,000	14,400	14,400	14,400
Amortisation	12,000	8,000	8,000	8,000
Bank Fees	400	400	400	400
Catering Expenses	2,000	2,000	2,000	2,000
Conferences	2,000	2,000	2,000	2,000
Depreciation	0	0	0	0
Directors costs	18,000	18,000	18,000	18,000
Fringe Benefit Tax	7,000	7,000	7,000	7,000
Health and Safety	1,000	1,000	1,000	1,000
Insurance	8,000	8,500	8,500	8,500
Interest Paid - TCC Loan	1,000	1,000	1,000	1,000
Legal	2,000	2,000	2,000	2,000
Salaries	325,000	285,000	285,000	285,000
Salaries - C'Portal Opex	-10,000	-10,000	-10,000	-10,000
Staff Support Costs	20,000	16,500	16,500	16,500
Staff Training Costs	2,000	2,000	2,000	2,000
Subscriptions	1,000	1,000	1,000	1,000
Tax Advice	4,500	4,500	4,500	4,500
Expenditure - Projects	1,442,610	1,103,710	1,403,710	1,103,710
Aerial Photography Expense	600,000	300,000	600,000	300,000
Collaboration Portal Opex	40,000	26,000	26,000	26,000
Lease Expense - ICN	170,000	129,100	129,100	129,100
Lease Expense - Video Confer.	12,610	28,610	28,610	28,610
Projects - Recoveries	620,000	620,000	640,000	650,000
Total Operating Expenditure	1,883,010	1,487,510	1,787,510	1,487,510
Operational Surplus/ (Deficit) before Tax	0	0	0	0

Completed Joint Procurement Projects

Requiring ongoing management for performance, renewal or replacement

- × Office supplies
- × Banking
- × Postal services
- × Courier services
- × Fuel
- × Advertising services
- × Travel and accommodation services
- × Air travel
- × Insurance brokerage
- × Aerial imagery
- × N3 / GSB
- × ESRI licences
- × GIS software
- × Health insurance
- × Security services
- × Antivirus software
- × Video conferencing
- × Above ground asset insurance
- × GPS vehicle tracking
- × Archaeological services
- × Telephony – voice, data, mobile
- × Reprographic – printers/copiers
- × Infrastructure insurance
- × Media monitoring services
- × EFTPOS services
- × Historical imagery digitisation
- × On-line services
- × Internal audit services
- × Health and safety training services
- × Risk management workshops
- × Infrastructure insurance – excess layer
- × Collective geospatial training
- × EMA membership
- × Environmental insurance
- × Print Media Copyright Services
- × Health and Safety software

Identified Joint Procurement Projects

- × Civil works contracts
- × Civil works materials
- × Infrastructure valuation services
- × High volume print
- × Web services
- × Electronic document management
- × Archives
- × Document storage
- × Document scanning
- × Agenda management software
- × ICT security policies
- × Business continuity
- × IT applications
- × Web services
- × Rates collection
- × Property valuation services
- × Telephony platform
- × Chemicals
- × Digital signatures
- × Recruitment/candidate management
- × Surveys and research
- × CCTV monitoring
- × Media distribution services
- × CD emergency notifications
- × Fleet purchasing
- × Drug and alcohol testing
- × Push wireless
- × Fleet management
- × Community communication systems
- × Lone worker
- × Eastern BOP electricity procurement
- × LiDAR acquisition – PGF

Collaborative Projects

Managed by BOPLASS or by one or more constituent councils

- * IT hosting / IaaS
- * Shared datacentre
- * Internal audit services
- * GIS web services
- * Project management office
- * Shared licence server
- * Contractor H&S prequalification
- * Radio telephony strategy
- * Collaboration portal
- * After hours call management
- * Archive service
- * Health and safety auditing
- * Inter-council network
- * Smart cities
- * Section 17A reviews –identification of opportunities for collaboration in delivery of services in accordance with s17A LG Act 2002
- * Video conferencing
- * GIS imagery data storage
- * Waste licencing and data collection
- * Historic aerial imagery
- * Sustainable procurement
- * Diversion of putrescible waste from landfill
- * Civil works projects marketing

Projects for Consideration

- * Rates Collection
- * Geospatial services
- * Joint software support
- * Asset Management
- * Web services
- * Payroll
- * Telephony platform
- * Consents Processing
- * CCTV monitoring
- * Information Services
- * Debt management
- * Capital construction
- * Electronic Document and Records Management System
- * Business continuity planning
- * Infrastructure development codes
- * Inter-council H&S audits
- * Solid waste regional facilities strategy
- * Building consents
- * Accounts payable automation
- * Regional Civil Defence
- * Document digitalisation
- * Robotics processing automation
- * Electronic document management-managed service

Western Bay of Plenty District Council

Council

Chief Executive Officers Exception Report – February 2019

1. Chief Executive Officer and Group Managers' Update Report

1.1. Purpose

To provide the Mayor and Council with timely advice on current projects and issues via an information report.

The Mayor has requested this report be based on topics and that the Chief Executive and Group Managers speak to items. A similar report is included in the confidential section of the agenda for confidential items.

1.2. Report

The topics and issues are set out in areas of responsibility. Detail to these reports as the information is generally contained in the Committee reports where the topics are debated and direction provided.

1.3. Chief Executive Office

- Nothing to report

1.4. Infrastructure Services

- Nothing to report

1.5. Financial Services

- Group Manager, Finance and Technology Services Exception Report

1.6. Policy, Planning and Regulatory Services

- Nothing to report

1.7. Technology, Customer and Community Services

- Nothing to report

Recommendation

THAT the Chief Executive Officer's report dated 22 February 2019 and titled "Chief Executive Officers Report" be received.



Mirjam Taris
Chief Executive Officer

Date 12 February 2019
Subject Group Manager, Finance and Technology Services
Exception Report Briefing – March 2019

Open Session

Western Bay of Plenty District Council

Council

Group Manager, Finance and Technology Services Exception Report Briefing – March 2019

Purpose

This report is to inform Councillors on important issues in relation to Council's finances. Reporting is on an exception basis and includes both positive and negative variances to Council plans, projects and business operations.

Key Financial Performance Indicators for the Seven Months Ended 31 January 2019

Debt

Total external debt at 31 January 2019 remained unchanged from the December 2018 balance at \$135.0m. Council's net debt balance was \$87.05m at the end of the reporting period which represents an \$11.22m reduction from the June 2018 balance of \$98.27m. Council had a positive cash position of \$47.95m at 31 January 2019.

Interest Rate Swaps

Total debt covered by interest rate swaps reduced from 70% in December 2018 to 66% at 31 January 2019 due to the maturity of legacy swaps. This level of coverage is within the required policy range of 50%-95%. The value of interest rate swaps at 31 January 2019 was \$150.5m.

Council was in compliance with all of its key financial ratios for the quarter. A summary of the key financial performance indicators for the seven months ended 31 January 2019 along with copies of the treasury reports and accompanying graphs have been included in the information pack.

Key Financial Issues for the Seven Months Ended 31 January 2019

Operating Income

Total income for the seven months ended 31 January 2019 was \$64.60m against a year-to-date budget of \$55.53m. The \$9.07m higher income variance is largely due to favourable variances arising from the timing of receipt of financial contributions, subsidies and grants income and other income against budget. Actual revenue received for all categories of operating income were higher than year-to-date budget for the seven month period.

Operating expenditure

Total expenditure of \$50.26m was \$351k higher than year-to-date budget of \$49.90m due to higher than budgeted additional level of service, depreciation and operating costs offset by lower interest costs.

Date 12 February 2019
 Subject Group Manager, Finance and Technology Services
 Exception Report Briefing – March 2019

Open Session

Overall operating income and expenditure levels indicate Council's financial performance is on track at the end of the reporting period.

Capital Expenditure

Capital expenditure of \$18.62m for the period was \$3.34m higher than year-to-date budget. The expenditure variance is attributable to higher than budgeted spends in the corporate services activity, resulting from the unbudgeted land purchases of 452 Omokoroa Road and 24 Middlebrook Drive, Katikati.

Financial Contributions

Financial contributions income received to date of \$11.08m is \$5.96m higher than the year-to-date budget of \$5.13m and is currently at 126% of full year budget.

This favourable variance is predominantly due to ongoing development seen in the central ward with higher than budgeted income received for central water supply, Omokoroa wastewater, rural roading, Omokoroa structure plan roading and district reserves and facilities.

Further detail on the financial contribution income is tabulated in the Key Financial Issues report included in the information pack.

Update on the Local Government Funding Agency Limited

The quarterly Shareholders' Council meeting for the Local Government Funding Agency Limited (LGFA) was held on 19 February 2019.

The agenda for the Shareholders' Council meeting involved discussions around the company's governance, the process for the next round of board member rotation and remuneration review, LGFA management update, sector issues and Shareholders' Council operations.

Highlights of the meeting included:

- A review of the company's initial draft 2019/20 Statement of Intent;
- consideration of the results of a survey recently carried out on the LGFA's Board of Directors;
- an operations update from the LGFA's Chief Executive; and
- discussion around Standard and Poors' proposed changes to their rating methodology and approach for providing feedback on this matter.

Further detail on the company's performance at the end of the last quarter is included in the information pack.



Kumaren Perumal
**Group Manager, Finance and
 Technology Services**

Western Bay of Plenty District Council

Council

Mayor's Report to Council – February 2019

1. **Localism Project**
2. **Ministry of Housing**
- Rental Housing Requirements
3. **Rate Rebate Subsidy**
4. **SmartGrowth Briefing**
5. **CEO Appraisal**
6. **Anzac Day 2019**

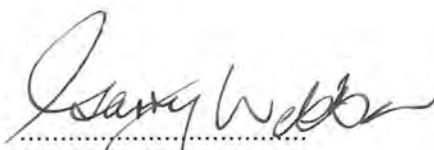
Anzac Day for 2019 will be on Thursday 25 April. Elected members are asked to represent Council at official RSA commemoration services around the region (Waihi Beach, Katikati, Maketu, Te Puke and Tauranga). Please note that representation from the Community Boards has been advised as follows:

Waihi Beach	Chairperson Allan Sole and Waihi Beach Community Board Members
Omokoroa	Omokoroa Community Board Members
Katikati	Chairperson Jenny Hobbs and Katikati Community Board Members
Maketu	Maketu Community Board Members - Board members Gus Cantlon and Wendy MacFadyen to present the wreath
Te Puke	Chairperson Peter Miller and Te Puke Community Board Members

Councillors are asked to consider which ceremonies they will attend on behalf of Council.

Recommendations

1. ***THAT the Mayor's report dated 22 February 2019 and titled Mayor's Report to Council –February 2019 be received.***
2. ***THAT Councillor(s) attend the Waihi Beach Anzac Day Service and lay a wreath not exceeding the value of \$..... on behalf of the Western Bay of Plenty District Council.***
3. ***THAT Councillor(s) attend the Te Puke Anzac Day Service and lay a wreath not exceeding the value of \$..... on behalf of the Western Bay of Plenty District Council.***
4. ***THAT Councillor(s) attend the Maketu Anzac Day Service and lay a wreath not exceeding the value of \$..... on behalf of the Western Bay of Plenty District Council.***
5. ***THAT Councillor(s) attend the Katikati Anzac Day Service and lay a wreath not exceeding the value of \$..... on behalf of the Western Bay of Plenty District Council.***
6. ***THAT Councillor(s) attend the Omokoroa Anzac Day Service and lay a wreath in conjunction with the Omokoroa Community Board on behalf of the Western Bay of Plenty District Council.***
7. ***THAT Councillor(s) attend the Tauranga Anzac Day Service and lay a wreath not exceeding the value of \$..... on behalf of the Western Bay of Plenty District Council***



.....
Garry Webber
Mayor