

**Minutes of the Finance & Performance Committee,
Komiti pūtea, ngā mahinga hoki, meeting of the
Southland Regional Council, held in
Regional House, corner North Road and Price Street,
Invercargill, on 24 May 2023, at 10.00 am.**



Present:	Cr M Rodway	(Chair)
	Cr L Ludlow	
	Cr J McPhail	
	Cr P Morrison	
	Cr A Gibson	
	Chairman N Horrell	(ex-officio)
In Attendance:	Ms W Falconer	(Chief Executive) – <i>by zoom</i>
	Mr D Rikiti	(General Manager, Business Services)
	Ms A Kubrycht	(General Manager, People & Customer)
	Mr P Hulse	(General Manager, Integrated Catchment Management) – <i>joined by zoom 11.30 am</i>
	Ms R Millar	(General Manager, Strategy, Science & Engagement)
	Mrs T Hawkins	(Chief Financial Officer)
	Mrs P Toomey	(Information & Support Manager)
	Mr P Le Roux	(Health, Safety & Risk Manager)
	Mrs T Adendorff	(Team Leader Finance Operations)
	Mr L Watson	(Finance Officer)
	Mrs T de Thierry	(Senior Revenue Officer)
	Mr Kenny Lyu	(Digital and Channel Advisor)
	Mrs M Weston	(PA) - <i>by zoom</i>
	Ms M Geldenhuys	(PA)

1 Welcome | Haere mai

The Chair welcomed everyone to the Finance & Performance Committee meeting including those attending the live stream.

2 Apologies | Nga Pa Pouri

There were no apologies for absence.

3 Declarations of Interest

Cr Rodway declared an interest in the list of Biodiversity projects which included the Environmental Enhancement Fund. The organisation he volunteers for and receives no financial reward from is the Forest Restoration Trust. The Forest Restoration Trust receives a grant from the Environmental Enhancement Fund of an estimated amount of \$6,000 each year.

4 Public Forum, Petitions and Deputations | He Huinga Tuku Korero

There were no public forum, petitions or deputations presented at the meeting.

5 Confirmation of Minutes | Whakau Korero – 22 February 2023

Resolved:

Moved Cr McPhail, seconded Cr Morrison, that the minutes of the Finance and Performance Committee meeting held on 22 February 2023 be confirmed as a true and correct record.

Carried

6 Notification of Extraordinary and Urgent Business | He Panui Autaia hei Totoia Pakihi

6.1 Supplementary Reports

There were no supplementary reports tabled for inclusion in the agenda.

6.2 Other

No other items were raised for discussion.

7 Questions | Patai

No questions were asked at this time.

8 Chairman and Councillors' Reports | Nga Purongo-a-Tumuaki me nga Kaunihera

There were no reports received from the Chair or Councillors.

9 General Manager - Corporate Report – 23/F&P/36

⇒ **Item 1 – Deloitte – Audit Management Letter**

The purpose of this item was for Council to endorse the signing of the Deloitte Audit Engagement and Audit Proposal letters by Chairman Horrell. The current Audit Proposal with Deloitte expired at the end of the 2021/22 financial year audit and Council had received an updated Audit Engagement letter and Audit Proposal for the forthcoming three financial years. Management confirmed that all commitment of Council to support the audit can be met and were comfortable with the proposed fee of \$147,571 (excl GST) for the 2022/23 financial year or year 1.

Mrs Hawkins spoke to this item and reminded Councillors that the Auditor General appoints auditors to carry out annual audits and monitor audit fees to ensure that fees are in line with market rates. She also added that the service received from our Auditors was good and that a new audit team will be appointed to the organisation from January 2024.

Cr Rodway commented that at a recent committee meeting the Councillor Interest Register was raised and he encouraged all Councillors to review their interests with the Executive Officer. He noted the importance of this for transparency reasons.

Cr Rodway queried a statement re extra costs in relation to climate change matters, noted on page 28 of the agenda, to which Mrs Hawkins advised she would seek clarification from the Auditors.

Resolved:

Moved Cr Ludlow, seconded Cr McPhail, that Council:

- 1) endorse the signing of the Audit Engagement letter by Chairman Horrell;**
- 2) endorse the signing of the Audit Proposal letter by Chairman Horrell.**

Carried

⇒ **Item 2 – Annual Vehicle Report for 2023/24**

This item sought Council approval for the Chief Executive to undertake a vehicle replacement programme, in accordance with Council's Motor Vehicle Policy, and to replace up to 11 vehicles in the 2023/24 financial year. Councillors were informed that a pool booking system "BookIt" was implemented last year, which was designed to increase fleet utilisation. Mr Le Roux commented that after 12 months some good data was expected which will provide information on distances travelled, how these vehicles are being used and could also be used to inform the utilisation of vehicles, including future purchases/reduction of vehicles.

Cr McPhail questioned why all the vehicles were white in colour? Mr Le Roux responded that from a health and safety perspective, vehicles are often parked up on the side of the road thereby making them more visible to other drivers. The white colour also ensures that the organisations' logo is clearly displayed for identification purposes. Cr Morrison thanked Mr le Roux for his report and also emphasised that safety of staff was important.

Cr Morrison raised the issue around supply and demand of new vehicles and whether as a Council they need to be considering replacement of these months ahead for the subsequent year in order for the organisation to have access to the vehicles that are needed? Mrs Kubrycht confirmed that the timelines were changed recently to align to the annual budgeting process and was happy to review this and would report back on the findings.

Resolved:

Moved Chairman Horrell, seconded Cr McPhail, that Council:

- 1) note the annual vehicle report;**
- 2) note the outcome of the 2022/23 replacement programme;**
- 3) approve the Chief Executive undertaking a vehicle replacement programme of up to 11 vehicles in the 2023/24 financial year.**

Carried

⇒ Item 3 – Finance Report to 31 March 2023

The financial report to 31 March 2023 was presented by Mrs Hawkins. The operating result for the nine months to March 2023 was a surplus of \$276,000 versus a budgeted deficit of \$5.5 million. As a result, the operating deficit for the year ended 30 June 2023 was re-forecast from a \$7.7 million deficit to a \$3.7 million deficit.

The forecast operating result for the year was for an improvement of \$4 million above the original budget which (largely) related to the return of the cruise ship income of \$2.2 million and a net underspend in expenses of \$1.8 million.

Other items highlighted in this discussion included:

- surplus funds to build-up the financial resilience of Council;
- marine fee reserve;
- digital transformation underspend which is set aside;

Resolved:

Moved Cr Gibson, seconded Cr Morrison, that Council note the Financial Report to 31 March 2023.

Carried

⇒ Item 4 – Long-term Plan Quarterly Progress Report to 31 March 2023

This item provided Councillors with an update on the progress of activities that are described in 2021-2031 Long-term Plan. Mrs Millar spoke to this item and confirmed that the organisation was reporting against 56 targets, that there was a high level of confidence although some movement was expected to “amber” towards the end of the year.

Cr Rodway raised a question (pg.74) relating to the target “deliver management programmes designed to improve regional biodiversity, human health and economic prosperity”. He added that there were proposals in the organisation, working with

farmers to graze sheep on river berms whilst the biodiversity team was thinking about different types of vegetation which could be affected by that activity. Cr Rodway wanted to know what the role of the committee was to ensure that what we were trying to do in one area was not in conflict in another – and if so how this would be resolved? Ms Millar agreed to raise this with the relevant directorates and would report back to the Committee.

Resolved:

Moved Cr Ludlow, seconded Cr Morrison, that Council note the 2021-2031 Long-term Plan quarterly report for the period 1 January to 31 March 2023.

Carried

⇒ **Item 5 – Investment Report to 31 March 2023**

Councillors were asked to note the Investment Report to 31 March 2023 which was presented by Mrs Hawkins. The market value of the portfolio increased by \$400,369 (before taxes and charges). Over the nine-month period, the portfolio increased in value by \$1,277,115. As at 31 March 2023, the total of Council's managed funds investments was \$27,945,240. The overall result for the 12-month period to 31 March 2023 is 1.09%. As at 26 April 2023, the managed funds investment market value had increased to \$28,291,747.

Resolved:

Moved Chairman Horrell, seconded Cr McPhail, that Council note the investment report to 31 March 2023.

Carried

⇒ **Item 6 – Information Management, Systems, Technology and Data Update**

This item provided Councillors with an update on activity to progress information management and information systems projects within the organisation. Mrs Toomey spoke to her report which was taken as read. Highlights in her report included:

- the pilot project for the digitisation of physical records is underway and should be completed by 30 June 2023;
- council is to review a draft version of the list of protected records with explanatory notes and to provide feedback to Archives NZ by 30 July 2023;
- the Objective Document Management System upgrade was successfully completed;
- the Information and Support team reviewed privacy webinars.

Mrs Toomey also provided highlights for Mrs Carroll's report in her absence which included:

- "bringing data to life" – photographic examples were provided of the river cameras which were recently installed.

- over a quarter of customer contacts have been verified and this project continues;
- the draft technology strategy will be presented to the Executive during May 2023 and once endorsed the final Technology Strategy will be presented to the committee at its next quarterly meeting.

Cr Rodway commented that the LiDAR information on lower Maitara was published and although it was good to see, was unable to see the digital elevation of the lines. He thought this would be useful for the public to see and asked if this would be made available? Cr Morrison also agreed and asked if additional GIS information was required to make this available? Mr Rikiti and Ms Kubrycht acknowledged that they were not in a position to respond and were to investigate and report back to Councillors.

Resolved:

Moved Cr Gibson, seconded Cr Ludlow, that Council note the activity and progress in delivering information management, systems, and technology within Council.

Carried

⇒ **Item 7 –Annual Activity Plan**

The Finance and Performance Committee were presented with the annual plan of items to be delivered on by the Committee and to obtain ongoing input on the proposed plan.

Mrs Hawkins drew Councillors attention to the changes which were indicated in blue and included:

- the Draft Annual Plan is to be reviewed on 21 June 2023 and will include the fees and charges schedule;
- a new Government Funded Project Report will be presented on 23 August 2023;
- Financial Delegations Review is scheduled for 23 August 2023;
- The Strategic Asset Review and SIPO have moved to the September meeting.

Cr Ludlow questioned if the Iwi Charter of Understanding's review was completed in 2022, and was advised that Te Ao Marama Inc were engaging with Rūnanga and that she would follow-up and provide feedback on progress at the next meeting.

Resolved:

Moved Chairman Horrell, seconded Cr Gibson, that Council note the Annual Activity Plan.

Carried

10 Extraordinary and Urgent Business | Panui Autaia hei Totoia Pakihi

There were no items of extraordinary or urgent business considered by the meeting.

11 Public Excluded Business

Resolved:

Moved Chairman Horrell, seconded Cr McPhail, that in accordance with section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest/s protected by section 6 or section 7 of that Act (or sections 6, 7 or 9 of the Official Information Act 1982, as the case may be), the public be excluded from the following parts of the proceedings of this meeting, namely:

- **Item 8 – Bad Debt to be Written Off**
- **Item 9 – Climate Resilience Projects**

The general subject of the matters to be considered while the public is excluded, the reason for passing this resolution in relation to the matter, and the specific grounds for excluding the public, as specified by Section 48(1) of the Local Government Official Information and Meetings Act 1987, are set out below:

<i>General Subject Matter</i>	<i>Reason for Passing the Resolution</i>	<i>Grounds under S. 48(1)</i>
→ Item 8 – Bad Debt to be Written Off	To protect the privacy of natural persons, including that of deceased natural persons.	S.7(2)(a)
→ Item 9 – Climate Resilience Projects	To prevent the disclosure or use of official information for improper gain or advantage.	S.7(2)(j)

Carried

Resumed in Open Meeting

Termination

There being no further business, the meeting closed at 11.44 pm.