

The Chairman and Councillors
Finance and Corporate Committee

NOTICE IS GIVEN that the next meeting of the **Finance and Corporate Committee** will be held in **The Boeing Room, Classic Flyers NZ.Com, 8 Jean Batten Drive, Tauranga Airport** on:

EMBARGOED

Until 2 working days before meeting on:

Tuesday, 15 February 2011

commencing at 9.30 a.m.

Bill Bayfield
Chief Executive

9 February 2011



Finance and Corporate Committee – Terms of Reference

The Finance and Corporate Committee has a core function for formulating finance policy and monitoring financial and corporate performance.

Delegated Function

To develop and monitor Council's financial policy and corporate performance.

Membership

All Councillors including the Chairman as Ex-Officio.

Term of the Committee

For the period of the 2010/2013 Triennium unless discharged earlier by the Regional Council.

Specific Responsibilities and Delegated Authority

The Finance and Corporate Committee is delegated the power of authority to:

- 1 Receive the Council's quarterly overall financial reports and to review the appropriateness of reports received and if necessary make recommendations to council on financial matters arising from council's financial reports.
- 2 Receive quarterly reports on corporate performance, if required.
- 3 Receive and consider month-end financial reports between quarters, if required.
- 4 Preview and approve the form and content of the annual financial statements.
- 5 Monitor Council's overall service and financial performance against the Ten Year Plan and Annual Plan, including overseeing the production of the Annual Report.
- 6 Develop, approve and review council's funding and financial policies.
- 7 Review internal financial systems.
- 8 Audit financial decisions, if required.
- 9 Consider significant corporate matters that require governance input.
- 10 Consider applications for the remittance of user fees, charges and rates that can not be dealt with under the delegation of another committee.
- 11 Establish subcommittees and delegate to them any authorities that have been delegated by council to the Finance and Corporate Committee and to appoint members (not limited to members of the Finance and Corporate Committee).
- 12 Approve its Subcommittee's recommendations for matters outside the Subcommittee delegated authority.
- 13 Approve, within its terms of reference, the transfer of budget levels between activities or to exceed the budget level for an activity with no commensurate savings elsewhere, up to \$100,000 and to recommend to Council amounts exceeding \$100,000.

Note:

The Finance and Corporate Committee reports directly to the Regional Council.

The Finance and Corporate Committee is not delegated the power of authority to:

- *Develop, approve or review strategic policy and strategy.*
- *Develop, approve or review non financial operational policies and plans.*
- *Allocate funding through the Environmental Enhancement Fund.*

Public Forum

1. A period of up to 15 minutes shall be set aside near the beginning of the meeting to enable members of the public to make statements about any matter on the agenda of that meeting which is open to the public, but excluding any matter on which comment could prejudice any specified statutory process the council is required to follow.
2. The time allowed for each speaker will normally be up to 5 minutes but will be up to the discretion of the chair. A maximum of 3 public participants will be allowed per meeting.
3. No statements by public participants to the Council shall be allowed unless a written, electronic or oral application has been received by the Chief Executive (Governance Team) by 12.00 noon of the working day prior to the meeting and the Chair's approval has subsequently been obtained. The application shall include the following:
 - name of participant;
 - organisation represented (if any);
 - meeting at which they wish to participate; and matter on the agenda to be addressed.
4. Members of the meeting may put questions to any public participants, relevant to the matter being raised through the chair. Any questions must be asked and answered within the time period given to a public participant. The chair shall determine the number of questions.

Committee Membership

Chairman:	P Thompson
Deputy Chairman:	P Sherry
Councillors:	R Bennett, T Eru, J Mansell, T Marr, J Nees, I Noble, N Oppatt, D Owens, L Thurston, M Whitaker
Ex Officio:	Chairman J Cronin
Secretary:	S Cubbon

Recommendations in reports are not to be construed as Council policy until adopted by Council.

Agenda

1 Apologies

2 General Business and Tabled Items

Items not on the agenda for the meeting require a resolution under section 46A of the Local Government Official Information and Meetings Act 1987 stating the reasons why the item was not on the agenda and why it cannot be delayed until a subsequent meeting.

3 Reports

3.1 **Finance and Corporate Committee Work Plan 2011** 13

3.2 **Revenue and Financing Policy Review workshop** 17

3.3 **Investment Subcommittee Terms of Reference** 19

3.4 **Quarterly Performance Report for the six months ending 31 December 2010** 21

Quarterly Performance Report for the period ending 31 December 2010

3.5 **Six-monthly Contracting Report - 1 July 2010 to 31 December 2010** 25

Quarterly Contracting Report 1 August 2010 to 30 November 2010 Appendix I and II

3.6	Group Managers' Report	29
3.7	Progress on the brand name change to Bay of Plenty Regional Council	31
3.8	Expenditure Report	35
4	Public Excluded Section	
4.1	Investment Performance Report for the quarter ending 31 December 2010	41
	Reason	
	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.	
	Grounds	
	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.	
4.2	Modelling of Infrastructure Spending and Investment Income Scenarios - Terms of Reference	45
	Reason	
	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.	
	Grounds	
	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.	
4.3	Debt Funding Request	47
	Reason	
	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	
	Grounds	
	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.	

4.4 Council Owned Properties

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Reason

That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.

Grounds

That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.

5 Consideration of General Business

Reports

File Reference: 1.00026
Significance of Decision: Receives Only - No Decisions



Report To: Finance and Corporate Committee
Meeting Date: 15 February 2011
Report From: Brian Trott, Group Manager Corporate Services

Finance and Corporate Committee Work Plan 2011

Executive Summary

This report provides the Finance and Corporate Committee with an overview of the Work Plan to indicate to Councillors the nature and timing of the reports planned for delivery in the 2011 calendar year..

1 Recommendations

That the Finance and Corporate Committee under its delegated authority:

- 1 Receives the report, Finance and Corporate Committee Work Plan 2011.**

2 Finance and Corporate Committee reports for 2011

Below is the list of reports that are planned for the Finance and Corporate Committee during 2011. This table does not include ad hoc projects and work that arises as a matter of course throughout the year. This ad hoc work may account for up to a third of the Work Plan. The structure of the agenda is based on the following categories – policy, monitoring and information. Therefore the intention is to deal with all policy matters first, followed by monitoring and then information.

Meeting Date	Report Title	Category
15 February	Revenue & Financing Policy Review Workshop-	Policy
	Investment Subcommittee Terms of Reference	Policy
	Investment Performance Report for the quarter ending 31 December 2010	Monitoring
	Quarterly Performance Report for the period ending 31 December 2010	Monitoring
	Six Monthly Contracting Report – 1 July 2010 to 31	Monitoring

	December 2010	
	Group Managers' report	Monitoring
	Progress on the brand name changing to Bay of Plenty Regional Council	Monitoring
	Credit Card expenditure – 1 July to 31 December 2010	Monitoring
	Councillors attendance and expenditure	Monitoring
	Modelling Infrastructure Spending and Investment Income Scenarios – Terms of Reference (Confidential)	Policy
	Debt Funding Request (Confidential)	Policy
	Council Owned Properties (Confidential)	Monitoring
5 April	BoPLASS draft – Statement of Intent	Policy
	Quayside draft – Statement of Intent	Policy
	Financial Statements for the month ending 28 February 2011	Monitoring
	Investment Performance Report for the quarter ending 31 March 2011	Monitoring
	Quarterly Contracting Report – 1 January to 31 March 2011	Monitoring
	Quayside - Interest Rate Reset Update (Confidential)	Monitoring
10 May	Financial Statements for the quarter ending 31 March 2011	Monitoring
	Investment Performance Report for the month ending 30 April 2011	Monitoring
21 June	Financial Statements for the month ending 31 May 2011	Monitoring
	Investment Performance Report for the month ending	Monitoring

	31 May 2011	
9 August	Draft Financial Statements for the year ending 30 June 2011	Monitoring
	Annual Investment Performance Report for the year ending 30 June 2011	Monitoring
	Investment Performance Report for the month ending 31 July 2011	Monitoring
	Quarterly Contracting Report – 1 April to 30 June 2011	Monitoring
	Enterprise Architecture Project Update and Presentation	Monitoring
13 September	Investment Performance Report for the month ending 31 August 2011	Monitoring
25 October	Financial Statements for the quarter ending 30 September 2011	Monitoring
	Investment Performance Report for the quarter ending 30 September 2011	Monitoring
	Quarterly Contracting Report – 1 July to 30 September 2011	Monitoring
29 November	Financial Statements for the month ending 31 October 2011	Monitoring
	Investment Performance Report for the month ending 31 October 2011	Monitoring

3 Financial Implications

Current Budget

This report has no financial implications for the current budget.

Future Implications

This report has no financial implications for future budgets.

Ten Year / Annual Plan Implications

This report has no financial implications for the Ten Year Plan or Annual Plan.

Brian Trott
Group Manager Corporate Services

8 February 2011

File Reference: 1.00026
Significance of Decision: Low



Report To: Finance and Corporate Committee
Meeting Date: 15 February 2011
Report From: Brian Trott, Group Manager Corporate Services

Revenue and Financing Policy Review workshop

Executive Summary

Attached for the Committee's approval is a record of the Revenue and Financing Policy Review workshop held on 15 December 2010 at the Bay of Plenty Regional Council offices, Whakatāne.

1 Recommendations

That the Finance and Corporate Committee under its delegated authority:

- 1 Receives the report, Revenue and Financing Policy Review workshop.**
- 2 Confirms that the significance of the decision has been assessed as LOW, and under Section 79 of the Local Government Act 2002 (LGA) confirms that in light of the level of significance of the decision it does not require: (a) Further identification and assessment of different options under section 77 LGA; (b) Further investigation or consideration of community views under section 78 LGA; (c) Any further written record of the manner in which section 77 and section 78 matters have been addressed.**
- 3 Confirms the record of the Revenue and Financing Policy Review workshop held on 15 December 2010.**

2 Financial Implications

Current Budget

There are no financial implications on the current budget as a result of this report..

Future Implications

There are no future financial implications as a result of this report.

Ten Year / Annual Plan Implications

There are no ten year plan or annual plan implications.

Brian Trott
Group Manager Corporate Services

21 January 2011

Appendix

Record of Revenue and Financing Policy Review Workshop held at the BoPRC offices, Whakatane on 15 December 2010

Present: Councillors John Cronin (Chair), Ian Noble, Phillip Sherry, Raewyn Bennett, Malcolm Whitaker, Paula Thompson, Jim Mansell, Neil Oppatt, Jane Nees, Tai Eru, Doug Owens, Lyall Thurston, Tiipene Marr

Staff: David Stimpson (Consultant), Bill Bayfield, Eddie Grogan, Ken Tarboton, Mary Anne McLeod, Warwick Murray, Brian Trott, Jen Warnes, Ruth Feist, Shelley Hay, Stephen Lamb, Megan Scott, Cathy Oliver, Debbie Young

Apologies:

1 Background

David Stimpson led the Members through the workbook *Revenue and Financing Policy Review: Overall assessment of the impact of the funding tool choices, Bay of Plenty Regional Council*, which also provided the agenda for the workshop.

At the first workshop held in May 2010, an overview of revenue and financing policy principles was provided and discussed.

At the second workshop held in August 2010, the first stage of the Revenue and Financing policy review commenced. Information was provided on general rates value based, UAGC and targeted rate funding for all work programmes. The committee indicated a possible shift in targeted rate funding principles for major environmental works, and urban passenger transport, moving towards a principle of a greater region wide funding of these programmes. The shift in funding is now referred to as Modified policy (2).

Modified policy (2) is a funding shift to a 25% targeted and 75% general funding ratio for all current targeted rates, and a new Tauranga Harbour targeted rate with the exception of the River Schemes. No changes to land value rates.

The report for this workshop contained the following five options:

1. Current rating policy
2. Modified policy (2)
3. Modified policy (2) and set the UAGC cap to 20%
4. Modified policy (2) and use capital values for the general rate
5. Modified policy (2) with no targeted rates (except retained for the river schemes)

Councillors discussed the five principal funding options that had been modelled and user fees and charges.

2 Rating Options

The Members discussed and agreed in principle the following:

2.1 Tauranga Harbour

The members agreed in principle to no targeted rates for Tauranga Harbour given that the programme is still in a very preliminary state of preparation and budgeting.

2.2 Rotorua Lakes Restoration

The members agreed in principle to move to 75% general and 25% targeted rate ratios for Rotorua Lakes Restoration.

2.3 Rotorua Air

The members agreed in principle to move to 75% general and 25% targeted rate ratios for Rotorua Air.

2.4 Passenger Transport

The 75% to 25% funding ratio between targeted rates and general funding was discussed and it was agreed in principle to move to 60% targeted and 40% general rate ratios for Passenger Transport. This recognises and reflects the higher private benefit associated with urban transport as opposed to other targeted rates.

2.5 River Scheme

The members agreed in principle to maintain the status quo. This recognises and reflects the higher private benefit associated with river scheme works as opposed to other targeted rates.

3 Other Rating Options

3.1 Modified policy – lowered UAGC cap

The Members agreed in principle to maintain the status quo at 30% but have requested a modelling option to be presented at the Finance and Corporate Committee Meeting on the 15 February 2011 based on the new modified policy and setting the UAGC cap at 20%

3.2 Land value vs Capital value basis

The Members agreed in principle to maintain the status quo in relation to using land values for general rates but have requested a modelling option to be presented at the Finance and Corporate Committee Meeting on the 15 February 2011 based on the new modified policy and using capital values for general rates.

3.3 No targeted rates

The members agreed in principle to continue to use targeted rates as a funding tool but have requested four modelling options to be presented to the Finance and Corporate Committee Meeting on the 15 February 2011. These four options are:

1. No targeted rates
2. No targeted rates with UAGC capped at 30%
3. No targeted rates with UAGC capped at 20%
4. Targeted rates for river schemes only

3.4 **No investment income**

The members requested a modelling option to be presented at the Finance and Corporate Committee Meeting on 15 February 2011 exploring the impact on rates if no investment income was available to reduce the rating requirement.

3.5 **General notes**

It was requested that in the final report to the Finance and Corporate Meeting on 15 February 2011, should include a distribution curve graph that maps the impact of rating choices on territorial authorities.

4 **Fees and Charges**

The members agreed in principle to maintain the status quo in relation to user fees and charges. It was discussed that the Pest Management Policy required a review. Section 36 charges were discussed and it was noted that the charges were reasonable but further research is required into what is and what is not chargeable. In addition, the policy required review.

The workshop concluded at 1.50pm

File Reference: 1.00026
Significance of Decision: Low



Report To: Finance and Corporate Committee
Meeting Date: 15 February 2011
Report From: Brian Trott, Group Manager Corporate Services

Investment Subcommittee Terms of Reference

Executive Summary

Attached for the Committee's consideration are the draft Terms of Reference for the Investment Subcommittee.

1 Recommendations

That the Finance and Corporate Committee under its delegated authority:

- 1 Receives the report, Investment Subcommittee Terms of Reference.**
- 2 Confirms that the significance of the decision has been assessed as LOW, and under Section 79 of the Local Government Act 2002 (LGA) confirms that in light of the level of significance of the decision it does not require: (a) Further identification and assessment of different options under section 77 LGA; (b) Further investigation or consideration of community views under section 78 LGA; (c) Any further written record of the manner in which section 77 and section 78 matters have been addressed.**

That the Finance and Corporate Committee recommend that the Regional Council:

- 1 Receives the report, Investment Subcommittee Terms of Reference.**
- 2 Approves the Terms of Reference for the Investment Subcommittee.**

2 Introduction

At the Regional Council meeting of 11 November 2010, Council considered and agreed on the Committee structure for the 2010/2013 Triennium. At that meeting, Council agreed to establish the Investment Subcommittee as a subcommittee of the Finance and Corporate Committee.

At the time that the Investment Subcommittee was being established, its Terms of Reference and delegations had yet to be developed.

3 Terms of Reference

Attached now for the Committee's endorsement are the proposed Terms of Reference for the Investment Subcommittee. Once the Committee's endorsement has been received, they will go to Council for approval.

4 Financial Implications

Current Budget

There are no financial implications on the current budget as a result of this report.

Future Implications

There are no future implications as a result of this report.

Ten Year / Annual Plan Implications

There are no ten year plan or annual plan implications.

Brian Trott
Group Manager Corporate Services

2 February 2011

Appendix

1.1 Investment Subcommittee – Terms of Reference

The Investment Subcommittee has a core function of monitoring the performance of the Council's Investment Funds.

1.1.1 Delegated Function

To monitor Council's Investment Fund and manage their funds in accordance with Council's Investment Policy.

1.1.2 Membership

Chairman Cronin and Councillors Mansell, Noble, Owens, Thompson, and Thurston.

1.1.3 Term of the Committee

For the period of the 2010/2013 Triennium unless discharged earlier by the Regional Council.

1.1.4 Meetings

The Committee shall meet as required.

1.1.5 Specific Responsibilities and Delegated Authority

The Investment Subcommittee is delegated the power of authority to:

- 1 Receive quarterly reports on investment performance, if required.
- 2 Receive and consider month-end investment performance between quarters, if required.
- 3 Monitor Council's overall investment performance against the Ten Year Plan and Annual Plan.
- 4 Review fund manager performance to ensure Council's funding requirements are met.
- 5 Obtain external legal or other professional advice as necessary.
- 6 Ensure that the assets of Council are invested in a manner to ensure continuing compliance of any relevant legislation.

Note:

The Investment Subcommittee reports directly to the Finance and Corporate Committee.

The Investment Subcommittee is not delegated the power of authority to:

- *Develop, approve or review strategic policy and strategy.*
- *Develop, approve or review non financial operational policies and plans.*

File Reference: 1.00415
Significance of Decision: Receives Only - No Decisions



Report To: Finance and Corporate Committee
Meeting Date: 15 February 2011
Report From: Brian Trott, Group Manager Corporate Services

Quarterly Performance Report for the six months ending 31 December 2010

Executive Summary

The purpose of this report is to provide an overview of the Council's performance for the six months ending 31 December 2010, and for the Regional Council to receive the Quarterly Performance Report for the period ending 31 December 2010.

1 Recommendations

That the Finance and Corporate Committee under its delegated authority:

- 1 Receives the report, Quarterly Performance Report for the six months ending 31 December 2010.**

2 Introduction

This report provides a brief overview of the Council's performance for the six months to 31 December 2010.

Accompanying this report is the full Quarterly Performance Report, which provides detailed financial and non-financial information for each activity for the six month period to 31 December 2010.

3 Organisational overview

The highlights for the quarter were:

- The 2010 local government elections were held. Three new councillors were elected and ten returned for another term. The Elected Members' Code of Conduct was reviewed and a revised code adopted in November. The Council also reviewed its structure, committee terms of reference and delegations. A triennial agreement with the other local authorities in the region has been signed, setting out how they will work together. This included a Resource Management Act (RMA) plan protocol.
- The Regional Council supported the Ministry of Agriculture and Forestry (MAF) and local kiwifruit industry following the discovery of the Psa bacterial disease in kiwifruit orchards in the region. Work included monitoring and surveillance, and

supporting MAF and local agencies in finding a suitable site for destroying infected vines.

- Two major documents were publicly notified and public comment was sought. The Proposed Regional Policy Statement was opened on 9 November 2010 and closes on 8 February 2011. This work included section 32 RMA reports. The Draft Regional Pest Management Strategy was open for comment from 1 October to 30 November 2010.
- Tikitere pilot treatment plant to prevent nitrogen from entering Lake Rotorua was commissioned and once the treatment technique has been refined the plant will be scaled up to ultimately remove 30 tonnes of nitrogen.
- Council staff negotiated an agreement with the owner of Tumurau Lagoon on the western Rangitāiki Plain to implement a Biodiversity Management Plan which will see the restoration of the lagoon through removal of a number of plant pests including gray willow and ladder fern and restoration of fish passages. At 142ha, this is the most significant of the few remaining areas of wetland on the plains. Work has already begun on the site and will continue over the next 5 years.
- An operational management plan has been completed for the council owned land at Ohiwa with significant input from the local community, local iwi and Ōpōtiki District Council. Significant progress has already been made in implementing the plan including the opening up of public access to the recently purchased former Tuck property.

4 **Non-financial performance**

We measure how we are performing through key performance indicators. For 2010/11 we have 177 key performance indicators (KPI's), 154 of the KPI's are active and the remaining 23 are non applicable.

At the end of the six month period to 31 December 2010 the results for the active KPI's was as follows:

- On track: 139 (90%)
- Behind schedule 13 (9%); and
- Significantly behind schedule or potential risk: 2 (1%)

The KPI's that are significantly behind are:

- Governance and Accountability Activity (Page 24): Number of Council decisions that are successfully judicially reviewed, and
- Sustainable Water Management Activity Water (Page 53): Quality in Lakes Okataina, Rerewhakaaitu, Rotokakahi, Rotoma, Rotomahana, Tarawera and Tikitapu.

Please refer to the key performance indicator comments in the activity pages of the accompanying Quarterly Performance Report for more information.

5 Financial Overview

For the six months ended 31 December 2010 Council had a net surplus of \$3.8 million compared to a budgeted deficit of \$0.4 million.

Operating revenue was \$0.3 million more than budget. The variance is explained below:

External Investment Income: \$1.1 more than budget: The gains on sales of investments of \$1.5 million reported in the first quarter have, as anticipated, been diluted by the lower than budgeted returns on investments due to market rates being lower than budgeted.

Internal interest \$0.8 less than budget due to the actual rate charged being 3.7% compared with a budgeted rate of 6.75%. This income is offset by lower Finance Costs (see below) and therefore has no impact on the Net Surplus.

It is anticipated that investment income margins will continue to be under pressure for the remainder of the year.

Public Funding revenue and Users Fees and Charges year to date variance offset each other. Key variances to note for the year to date are:

- Sustainable Water Management Activity: Rotorua Lakes deed funding income \$0.9 million less than budget due to timing of when the deed grant is payable.
- Rivers, Drainage and Flood Management Activity received \$0.5 million more than budgeted, due to earlier than planned receipt of a grant for Hazard Mitigation Works

Operating expenditure was \$3.9 million less than budget. The variance is explained below:

Employee Benefit Expenses: \$0.3 million less than budget as a result of salaries and related staff costs being less than budgeted.

Finance Costs and Internal Interest: \$0.8 million less than budget. This is as a result of delayed capital expenditure and a lower interest rate than budgeted. At the end of the financial year Internal Interest is forecast to be around \$0.8 million less than budgeted.

Depreciation: \$0.4 million less than budget due to lower than anticipated capital expenditure during the first six months, which has created lower than expected depreciation. At the end of the financial year depreciation is forecast to be \$0.25 million less than budgeted.

Other expenses: \$2.4 million less than budget

Governance and Accountability Activity expenditure was \$0.7 million less than budgeted and includes staff relocation costs which are unlikely to be spent by year end.

Strategic Policy Activity expenditure was \$0.2 million less than budgeted; this was as a result of the timing of consultancy fees and grants.

Sustainable Land Management Activity expenditure was \$0.3 million less than budgeted mainly due to the Biodiversity management plan implementation being slower than anticipated.

Sustainable Water Management Activity was \$0.6 million less than budget with contract works and materials representing the majority of this variance.

Sustainable Transport Activity expenditure was \$0.5 million less than budgeted. A saving of \$0.4 million in bus contract costs as a result a re-tendering process for both total mobility and bus contracts has been achieved and this saving has been factored into the 2011/12 Annual Plan.

Rivers, Drainage & Flood Management Activity expenditure was \$0.3 million more than budgeted due to flood works carried out.

Corporate Services Activity expenditure was \$0.4 million less than budget: In IT equipment contracts costs and non capital equipment purchases were less than budgeted. It is anticipated that IT expenditure will increase in the second half of the year once the Windows 7 project is completed. Fuel costs were also less than budgeted along with various administration costs.

6 **Financial Implications**

Current Budget

Council revenue is expected to track close to budget for the financial year. It is anticipated that expenditure will follow historic trends and be higher in the second half of the year and will edge closer to budget for the financial year.

Future Implications

None

Ten Year / Annual Plan Implications

None

Jen Warnes
Finance Manager

for Group Manager Corporate Services

3 February 2011

File Reference: 1.00030
Significance of Decision: Receives Only - No Decisions



Report To: Finance and Corporate Committee
Meeting Date: 15 February 2011
Report From: Ken Tarboton, Group Manager Rivers and Drainage

Six-monthly Contracting Report - 1 July 2010 to 31 December 2010

Executive Summary

This report provides summary information on the Bay of Plenty Regional Council's contracts awarded during the period 1 July 2010 to 31 December 2010. All contractual agreements at the Bay of Plenty Regional Council should be undertaken in accordance with the contracts manual which provides transparency to the contracting process and encourages good contract management.

Contracts to a total of \$2,152,612.97 were entered into during the period 1 July 2010 to 31 December 2010. During this period 65 contracts were executed: 60 were short form agreements (value of \$1,445,885.58) and five were full sealed contracts (value \$706,727.39).

1 Recommendations

That the Finance and Corporate Committee under its delegated authority:

- 1 Receives the report, Six-Monthly Contracting Report - 1 July 2010 to 31 December 2010.**

2 Background

The Bay of Plenty Regional Council's contracts manual has been operative since November 2006, and is based on Rotorua District Council's contracts manual. The manual was developed to provide good practice guidelines for council staff in the use of contracts and to encourage transparency to the contracting process.

3 Tendering requirements

The contracts manual lays out clear dollar value limits that designate whether a purchase order, short form agreement or full sealed contract is required.

The following table lists the thresholds and tendering requirements as per the contracts manual:

Contract type	Value limits	Tendering requirement
Purchase order	Up to \$20,000	<\$10,000 single quote. \$10,000 - \$20,000 three written quotes. Close in Tender Box.
Minor contract (short form)	Up to \$50,000	Three tenders generally sought. Close in Tender Box. Reduced assessment process.
Sealed contract	\$50,000 and above	Public tender. Close in Tender Box.

4 Delegated authority

Tenders can be accepted or a contract signed on behalf of Council up to the following limits (GST exclusive):

Managers	Within financial delegation \$10,000 to \$50,000
Group Manager	Up to \$100,000
Chief Executive	\$100,000 to \$400,000
Chief Executive and Chairperson	\$400,000 to \$1,000,000
Council or Emergency Committee*	over \$1,000,000

* when appointed

5 Waiver of the contract procedures

In accordance with the contracts manual, any deviation from the standard contract procedure (that is, not fully tendering, seeking proposals or seeking quotes) must be supported by a written rationale and this must be authorised by the officer with delegated authority to approve the contract. Recommendation not to publicly advertise contracts over \$50,000 must be approved by the Chief Executive. Possible reasons for not publicly tendering include urgency, limited private sector capability, existing contracts extended and works needing a high level of control.

6 Summary of contracts 1 July 2010 to 31 December 2010

All contracts issued in the quarterly period (over \$20,000) are listed as short form agreements in Appendix I or sealed contracts in Appendix II. A summary of all the contracts issued and their total value (including those under \$20,000) is given in Table 1 below.

Table 1: Summary of 1 July 2010 to 31 December 2010 contracts

	Number	Value
Short form agreements		
Short form agreements with values less than \$50,000	58	\$1,265,785.58
Short form agreements with values greater than \$50,000 (executive waiver obtained)	2	\$180,100.00
Sub-Total	60	\$1,445,885.58
Sealed contracts		
Publicly advertised	4	\$620,027.39
Selected tenderers	1	\$86,700.00
Sub-Total	5	\$706,727.39
TOTAL	65	\$2,152,612.97

Of the five sealed contracts, four were approved by the Chief Executive and one was approved by a Group Manager.

A total of 56 different contractors were used. Table 2 shows contractors that won more than one contract.

Table 2: Contractors, Consultants or Companies awarded more than one contract in the period 1 July 2010 to 31 December 2010.

Contractor, Consultant or Company	Number	Total Value
Harrison Grierson Consultants	2	\$80,000
Headway Ltd	2	\$90,000
NIWA	5	\$238,121
Wildlands Consultants Ltd	3	\$78,814

7 **Financial Implications**

Current Budget

Individual contracts are budgeted for in individual activities of the Ten Year Plan. Contract administration is budgeted for under corporate support. The budget covers updates to the contracts manual and funds the production of this report.

Future Implications

There are no future financial implications.

Ten Year / Annual Plan Implications

There are no Ten Year/Annual Plan implications.

Kirsty Brown
Asset Management Officer

for Group Manager Rivers and Drainage

27 January 2011

Appendix

Appendix I – Short Form Agreements – 1 July 2010 to 31 December 2010 (over \$20,000)

	Contract No.	Title	Contractor/Consultant	Cost (excl GST)	Contract Amount or Maximum
	2010 0265	General labouring works for Operations Section	J R Phillips	\$30 per hour	\$20,000.00
	2010 0298	General accounting services	Personnel Resources Ltd		\$20,000.00
	2010 0305	General engineering assistance	R Medwin		\$20,000.00
	2010 0306	CAD assistance	S Wellington	\$30 per hour	\$20,000.00
	2010 0252	TrustPower settlement negotiations	Watershed Solutions Ltd	\$160 per hour	\$20,000.00
	2010 0258	Bay of Plenty Vermicomposting Trial	Eunomia Resource and Consulting Ltd	\$26,000.00	\$26,000.00
	2010 0286	Ecological data review	Wildland Consultants Ltd	\$28,814.40	\$28,814.40
	2010 0264	Bay of Plenty Demand Management study	McCormick Rankin Cagney	\$30,000.00	\$30,000.00
	2010 0145	Regional Strategic approach to Passenger Transport	Stoeveken Consulting Ltd	\$35,000.00	\$35,000.00
	2010 0004	Pāpāmoa Hills Regional Park Ranger Service	Wildland Consultants Ltd	\$39,030.00	\$39,030.00
	2010 0239	ADCP setup at Lakes Rotorua and Rotoehu	NIWA	\$39,800.00	\$39,800.00
	2010 0307	Surveying assistance	A Wellington	\$40 per hour	\$40,000.00
	2010 0229	Technical reviews of resource consent applications	CPG New Zealand Ltd	\$230 per hour	\$40,000.00
	2010 0261	Technical reviews of resource consent applications	Earth Consult Ltd	\$200 per hour	\$40,000.00
	2010 0163	Resource consent processing and technical reviews	Graham Environmental Consulting	\$120 per hour	\$40,000.00
	2010 0227	Technical reviews of resource consent applications	Harrison Grierson Consultants	\$130-\$180 per hour	\$40,000.00
	2010 0231	Process resource consent applications	Harrison Grierson Consultants	\$150 per hour	\$40,000.00
	2010 0262	Process resource consent applications	Headway Ltd	\$100 per hour	\$40,000.00
	2010 0289	Act as commissioner for hearings	Jayal Enterprises Ltd (A Bickers)	\$250 per hour	\$40,000.00
	2010 0165	Process resource consent applications	Sigma Consultants Ltd	\$140 per hour	\$40,000.00
	2010 0260	Process resource consent applications	Southern Skies Environmental Ltd	\$125 per hour	\$40,000.00
	2010 0230	Technical reviews of resource consent applications	Tonkin and Taylor Ltd	\$260 per hour	\$40,000.00
	2010 0291	Act as commissioner for hearings	Van Voorthuysen Environmental Ltd	\$180 per hour	\$40,000.00
	2010 0166	Process resource consent applications	Waiora Soil Conservation Ltd	\$80 per hour	\$40,000.00
	2010 0164	Technical reviews of resource consent applications	Waterline Engineering Consultants	\$150 per hour	\$40,000.00
	2010 0279	Technical reviews of resource consent applications	Wildland Consultants Ltd	\$128 per hour	\$40,000.00
	2010 0169	Populate the land use register and assist with pollution prevention programme	R Irving	\$50.00 per hour	\$42,000.00
	2010 0191	Define, map and assess the natural character of the BOP coast	Boffa Miskell Ltd	\$49,950.00	\$49,950.00
	2010 0253	Rotorua Lakes land use change and management	Headway Ltd	\$100 per hour	\$50,000.00
	2010 0147	Geothermal monitoring and reporting	NIWA	\$63,100.00	\$63,100.00
	2010 0268	Monitoring to identify effects of the Ohau diversion wall on smelt	NIWA	\$117,000.00	\$117,000.00

Appendix II – Full Contracts – 1 July 2010 to 31 December 2010

Contract Number	Title	Tenderers	Contract Manager	Contract Price excluding GST	Approved By	Estimate (excluding GST)	Publicly Tendered or Selected Tenderers	Comments
2010 0151	Waioho Canal Stage 2 Left Bank Stopbank Upgrade	Tracks Concrete Ltd All Civil Construction Ltd JBT Andrews Ltd Waiotahi Contractors Ltd	Arch Delahunty	\$216,767.39	Chief Executive	\$271,585.50	Publicly Tendered	
2010 0152	Bell Road Left Bank Stopbank Upgrade	Doug Gerrand Ltd Midamac Ltd All Civil Construction Ltd Tracks Concrete (2002) Ltd Clotheir Earthworks Ltd HEB Construction Ltd	Arch Delahunty	\$123,400.00	Chief Executive	\$140,700.00	Publicly Tendered	
2010 0186	Bay of Plenty Economic Development and Transport Study	Ascari Partners, Berl Economics and Richard Paling Consulting	Bron Healey	\$86,700.00	Chief Executive		Selected Tenderers	Proposals were invited from four potential suppliers. A single proposal from a consortium of three interested parties was submitted, evaluated and awarded.
2010 0287	Intervention Packages for Lake Rotorua	Beca Carter Hollings & Ferner Ltd Ryder Consulting Ltd APR Consultants Ltd AgriBusiness Group	Nicholas Zaman	\$215,800.00	Chief Executive	\$180,000.00	Publicly Tendered	
2010 0301	Low Income Incentive Package – Research and Investigation	CRESA Ltd APR Consulting Ltd Research First Ltd Deloitte Key Research/Strategic Energy McDermott Miller Ltd Nexus Planning & Research Ltd	Marion Henton	\$64,060.00	Group Manager Strategic Development		Publicly Tendered	

File Reference: 1.00026
Significance of Decision: Receives Only - No Decisions



Report To: Finance and Corporate Committee
Meeting Date: 15 February 2011
Report From: Brian Trott, Group Manager Corporate Services

Group Managers' Report

Executive Summary

This report provides Committee members with an update on operational matters of interest not covered elsewhere on the agenda..

1 Recommendations

That the Finance and Corporate Committee under its delegated authority:

- 1 Receives the report, Group Managers' Report.

2 Regional Geospatial Services

Tauranga City Council and the Regional Council are bringing their respective geospatial teams closer together. Dave Withington has been employed as a Regional Geospatial Manager and will lead both teams. Duties will include representing both bodies on the BoPLASS geospatial shared service group and to assist this group in bringing a regional focus to geospatial standards, data, procurement and services. Dave is employed by the Regional Council but will work to agreed service level agreements to ensure both Tauranga City and the Regional Council get their required geospatial services delivered.

3 Enterprise Architecture Project

This project is one of the more significant IT projects contained in our Information Management Strategy and is due to be undertaken now – that is in the 3rd year of the Information Strategy calendar. The project is aimed at developing a blueprint of how our physical IT infrastructure is structured, how our information data is structured and delivered and how this fits in with the long term needs of the business and known emerging technologies and opportunities. A presentation to the Committee is planned midyear.

4 Financial Implications

Current Budget

This report has no current financial implications.

Future Implications

This report has no future financial implications

Ten Year / Annual Plan Implications

This report has no Ten Year or Annual Plan implications.

Brian Trott
Group Manager Corporate Services

7 February 2011

File Reference: 1.00424
Significance of Decision: Receives Only - No Decisions



Report To: Finance and Corporate Committee
Meeting Date: [Not Specified]
Report From: Brian Trott, Group Manager Corporate Services

Progress on the brand name change to Bay of Plenty Regional Council

Executive Summary

The legal title for this organisation is the Bay of Plenty Regional Council. In 1993, councillors adopted the brand name Environment BOP, but subsequently amended this to Environment Bay of Plenty in 2002. While the brand name is used on most documentation, the legal title is still used on formal documents.

In June 2010, Council decided change its brand name back to its legal title of Bay of Plenty Regional Council. The brand name change was to be rolled out of two years with costs to be covered under existing budgets.

This report is to update Council on the progress that the Chief Executive has made on the rollout of the change to Bay of Plenty Regional Council to February 2011.

1 Recommendations

That the Finance and Corporate Committee under its delegated authority:

- 1 Receives the report, Progress on the brand name change to Bay of Plenty Regional Council.**
- 2 Confirms that the significance of the decisions has been assessed as LOW, and under Section 79 of the Local Government Act 2002 (LGA) confirms that in light of the level of significance of the decisions it does not require: (a) Further identification and assessment of different options under section 77 LGA; (b) Further investigation or consideration of community views under section 78 LGA; (c) Any further written record of the manner in which section 77 and section 78 matters have been addressed.**

2 Background

The Council's legal title is Bay of Plenty Regional Council and this has been the case since the organisation came into being about 20 years ago. In 1993, councillors adopted the brand name Environment BOP, but subsequently amended this to Environment Bay of Plenty in 2002. While the brand name is used on most documentation, the legal title is still used on formal documents.

In June 2010, Council decided change its brand name back to its legal title of Bay of Plenty Regional Council. The brand name change was to be rolled out of two years with costs to be covered under existing budgets.

Under the Local Government Act, the Regional Council has a responsibility across four wellbeings – environment, economic, social and cultural.

3 Current situation

Following the decision of Council in June 2010 to change its brand name to Bay of Plenty Regional Council significant progress has been made on undertaking this work.

A project team was formed to help identify all uses of the brand name Environment Bay of Plenty so that an effective and efficient plan could be implemented to change all instances where the branding was used. It was identified that Council's branding appeared in many places including stationary; building signage; field signage; websites; publications; vehicles and vessels; and other.

As part of the change in brand it was also decided that it would be appropriate to change the Council's website address, staff email addresses and also the telephone numbers as these all related to the previous brand name of Environment Bay of Plenty. Examples of these are www.envbop.govt.nz, @envbop.govt.nz, 0800 ENV BOP, 0800 ENV FAX, and 0800 ENV AUTO.

There was no additional cost in the change of the website addresses and email addresses as Council had previously held the new ones of www.boprc.govt.nz and @boprc.govt.nz. Council had previously had re-directs on the boprc addresses to envbop addresses, but will now change the re-direct around.

The change of telephone numbers coincides with a change that is being made in suppliers as part of the BOPLASS contract. The new numbers are:

- 0800 884 880 – main number;
- 0800 884 881 – automated answer;
- 0800 884 882 – fax; and
- 0800 884 883 – pollution hotline.

Council will have re-directs on the old numbers for 12 months which will allow time for the community to get used to them and also for signage to be replaced. Stationary is generally already carrying the new contact details, but remaining stationary will be replaced in coming months as stocks run out. All internal templates have been updated and staff advised on using them.

Council has publically launched the new contact details in Backyard and also through the production of a calendar which has been delivered to every household and business within the region. Additional copies of the calendar were also produced to send to stakeholders. Although the calendar was a new publication it was produced within current budgets as it was seen as a cost efficient method of publicising the brand name change to the public. The calendars cost only 39 cents to produce and distribute to each household and business within the region including the cost of the additional ones. They are expected to hang in people's homes for 12 months to ensure they have our contact details on hand for this period.

Council has changed its logo and contact details on all websites – including our website and the many others where our logo appears due to partnerships or relationships.

Council has changed its logo and contact details on all regular publications (Backyard and Council Catchup) and will change it on other publications as they are reproduced. It would be costly to reproduce all of our fact sheets and booklets to include the new logo and contact details, but it is expected that this will take place generally during the next 18 months as these publications are reviewed and reproduced.

Signage at all building has been changed over to reflect the new brand name and the new contact details. Welcome signage at the boundaries of our region has been replaced to include the new details.

Field signage change over is expected to start this year, but will take about 18 months to complete as we have a significant amount of signage across the region. Where possible this will just be the replacement of the logo and contact details but in some cases the whole sign will need to be replaced.

Vehicle (Council vehicles and buses) and vessel signage is being replaced at the moment but is not expected to be completed until later in 2011.

4 Other information

Following Council's decision to change its brand name to Bay of Plenty Regional Council there has been contact from other councils – particularly regional councils – regarding the decision and also the process we have undertaken to rollout the change in an efficient and effective method.

Staff have assisted other councils with information about Council's decision. Staff have also provided technical information about the process that we have undertaken to make the change within existing budgets. This information has been well received by other councils and some have used it in their planning and to inform their councillors.

Media were informed of the brand name change in June 2011. Many media outlets (print, radio and electronic) ran positive stories about the change. There has been no significant negative feedback from the community about the change and staff will continue to undertake work to embed the change with the community and continue to build awareness about the broader role of Council within the region.

5 Financial Implications

Current Budget

There will be no implications under current budgets other than staff time involved in implementing these changes.

Future Implications

At this stage it is not expected that any further allocation of funds will be required.

Ten Year / Annual Plan Implications

There will be no implications for the Ten Year or Annual Plans.

Bronwyn Campbell
Community Relations Manager

for Group Manager Corporate Services

8 February 2011

File Reference: 1.00026
Significance of Decision: Receives Only - No Decisions



Report To: Finance and Corporate Committee
Meeting Date: 15 February 2011
Report From: Brian Trott, Group Manager Corporate Services

Expenditure Report

Executive Summary

At its meeting held on 5 August 2010, the former Finance & Corporate Services Committee agreed that a bi-annual report on councillor expenditure such as travel, accommodation, mileage, training and professional development be presented to the committee. The Committee also agreed that a bi-annual report be provided outlining council credit card expenditure.

This report presents such expenditure for the period 1 July 2010 to 31 December 2010.

1 Recommendations

That the Finance and Corporate Committee under its delegated authority:

- 1 Receives the report, '*Expenditure Report*'.**

2 Background

Under clause 6, schedule 7 of the Local Government Act 2002 and the Remuneration Authority Act 1977, the Remuneration Authority (RA) is required to determine the remuneration, allowances, and expenses of elected members of local authorities.

It is noted that at its meeting held on 11 November 2010, the Council forwarded its recommended remuneration structure and expenses and allowance policy to the RA for approval. These were subsequently approved by the RA on 9 December 2010.

It is this policy (approved by the RA) that outlines the types of expenses and allowances available to Councillors.

3 Expense and allowance entitlements

Claimable expenses and allowances must fall within the category of "official Council business". All claims must be made within 60 days of the expenditure occurring. Your policy advises the following expenses and allowances apply:

Air travel	Air travel costs associated with council business
Vehicle mileage allowance	\$0.70c per km can be claimed for councillors using their private motor vehicle to travel to and from local authority business. A threshold of distance of 30 km for any one

	event applies, with only distance in excess of the threshold qualifying for payment
Travel time allowance	\$15 per hour for time travelled to and from local authority business. A threshold of 2 hours for any one event applies, with only time in excess of the threshold qualifying for payment
Accommodation and meals	The following thresholds apply; Lunch must not exceed \$30.00 (incl.GST) per elected member (including any alcohol); Dinner must not exceed \$75.00 (incl.GST) per elected member (including any alcohol).
Overnight incidental expenses	\$15.00 per night to cover incidental expenses such as toll calls home, newspapers etc.
Private stay allowance	\$50 per overnight stay for members choosing to stay with friends or relatives rather than in commercial accommodation when on Council business.
Taxis	Can be either booked by Council or claimed when on official council business
Meeting fees allowance	\$200 per day for Councillors attending plan hearing meetings including any meeting formally in session which is hearing deliberations or deciding on submissions on any proposed Regional Plan, Bylaw, Strategy or Regional Policy Statement or any change to any such plan, bylaw or strategy.
Councillor professional development (CPD)	Provision of the fund aims to better equip elected members for their role. A bulk fund of up to \$3,500 per Councillor per year (excluding the Chairman) is available.
Communications allowance	Capped at \$500 for the October 2010-30 June 2011 year.

Appendix 1 provides an outline of Councillor expenditure for the period six months ending 31 December 2010.

Appendix 2 provides an outline of council credit card expenditure for the period six months ending 31 December 2010.

4 **Financial Implications**

Current Budget

There are no budget implications associated with the decision Council is being asked to make, which is to receive the report. It is noted however that expenditure for Councillors' expenses and allowances is budgeted for.

Future Implications

There are no future implications associated with the decision Council is being asked to make.

Ten Year / Annual Plan Implications

There are no Ten Year / Annual Plan implications associated with the decision Council is being asked to make.

Brian Trott

Group Manager Corporate Services

for Group Manager Corporate Services

8 February 2011

Appendix

Councillors Expenditure 1 July 2010 to 31 December 2010

	Vehicle Mileage	Travel Time	Travel Allowances	Meeting Fees	Councillor Professional Development (including associated travel and accom)	Comm's Equipment Allowance	Total
Bennett	1,064.60			281.50			1,346.10
Cronin			2,507.09				2,507.09
Eru	996.80			81.50	302.22		1,380.52
Mansell	588.00			81.50			669.50
Marr	1,316.00			81.50	2,911.98		4,309.48
Nees	1,344.00			81.50	1,868.98		3,294.48
Noble	1,658.30			81.50	500.64		2,240.44
Oppatt	5,626.60			81.50			5,708.10
Owens	212.00						212.00
Sherry	913.52			81.50			995.02
Thompson	289.00						289.00
Thurston	289.80						289.80
Whitaker	989.80			481.50	1,288.25		2,759.55

Appendix

Visa Summary – Six months to December 2011

All	Accommodation	Meals/ Refreshments	Travel	Courses/ Conferences	Publications & Subscriptions	Vehicle	Petrol	IT software hardware	Other	GST	Expenditure as per Visa Bill
July	2,564.53	1,517.84	1,412.60	8,577.98	415.89	-	102.64	-	5,640.66	1,953.48	22,185.61
August	-	185.69	169.16	8,378.78	4,832.28	20.40	-	4,272.06	1,488.15	2,550.35	21,896.86
September	-	646.36	191.29	- 656.44	77.78	-	-	-	388.68	290.27	937.93
October	-	744.71	525.87	1,000.00	443.97	-	-	2,414.50	1,446.63	447.19	7,022.87
November	1,097.77	2,839.75	321.44	270.00	1,879.74	44.17	-	4,942.92	2,260.64	1,478.59	15,135.01
December	986.48	1,523.95	766.78	1,828.70	468.44	13.00	-	2,878.72	277.20	1,072.71	9,815.98
Total	4,648.78	7,458.29	3,387.13	19,399.01	8,118.09	77.57	102.64	14,508.21	11,501.96	7,792.59	76,994.26
Total %	6%	10%	4%	25%	11%	0%	0%	19%	15%	10%	

Public Excluded Section