


Minutes Finance and Performance Committee 1 December 2023

 <p>WHAKATĀNE District Council <i>Kia Whakatāne au i ahau</i></p>	Details of Meeting:	FINANCE AND PERFORMANCE COMMITTEE MEETING HELD IN THE TŌTARA MEETING ROOM, WHAKATĀNE DISTRICT COUNCIL, 14 COMMERCE STREET, WHAKATĀNE, ON FRIDAY 1 DECEMBER 2023, COMMENCING AT 9:00 AM.
	Present:	Councillors J Jukes (Chairperson), Deputy Mayor L Immink, G Dennis, A Iles, T O'Brien, J Pullar, N Rangiaho, W James and N Tánczos.
	In Attendance:	Steph O'Sullivan (Chief Executive), G Connolly (Chief Financial Officer and General Manager Business Partnering), G Fletcher (General Manager Community Experience), E Hatch (General Manager People and Engagement), E Redaelli (Manager People and Capability), L Woolsey (Manager Strategy and Performance), K Boreham (Principal Advisor - Executive Office), C Viljoen (Manager Governance Services), A Dass (Governance Support Advisor) and C Tongariro (Governance Support Advisor), <i>Via Teams: S Perdia (General Manager Strategy and Transformation)</i>
	Visitors:	
	Apologies:	His Worship the Mayor Dr V Luca

Meeting was opened with Karakia from Councillor Rangiaho.

1 APOLOGY

Moved Councillor Iles / Seconded Councillor Immink

RESOLVED:

THAT the Finance and Performance committee accept the apology from His Worship Dr Mayor Luca who attended other Council business.

CARRIED

(Mayor Luca was able to attend meeting and entered meeting at 10:27 am)

2 Acknowledgements/Tributes

No acknowledgements or tributes were made.

3 CONFLICTS OF INTEREST

No conflicts of interest were declared.

4 Public Forum

Nil

5 CONFIRMATION OF MINUTES

Refer to page 9 of the agenda.

Moved Deputy Mayor Immink / Seconded Councillor Iles

RESOLVED:

THAT the Public and Public Excluded minutes of the Finance and Committee meeting held on 19 October 2023 be confirmed as a true and correct record.

CARRIED

6 Reports

6.1 Health, Safety and Wellbeing Report

Refer to pages 9-17 of the agenda.

General Manager of People and Engagement, Senior Health, Safety and Wellbeing Advisor, and Manager People and Capabilities presented the report.

The focus to report accurately had resulted in a significant increase of near misses and decrease in injuries being reported.

It was requested that staff provide metrics or snap shots of significant changes that had been seen within the organisation to support the development of the Long Term Plan.

Moved Councillor Iles / Seconded Councillor James

RESOLVED:

THAT the Health, Safety & Wellbeing Report: August to October 2023 be received.

CARRIED

6.2 Long-Term Plan Non-Financial Performance Reporting, Quarter 1 2023/24

Refer to pages 18-29 of the agenda.

Manager Strategy and Performance presented the report.

While the Eastern Bay Spatial plan completion target would not meet the end of year forecast, it was recognised that the development and scope of the project had progressed.

It was clarified that the mandatory measures of the Drinking Water standards required both UV and chlorinated treatment to satisfy the quality assurance.

Moved Councillor Rangiaho / Seconded Councillor Tanczos

RESOLVED:

THAT the Long-Term Plan Non-Financial Performance Report for Quarter 1 2023/24 be received.

CARRIED

6.3 Organisation Performance Report - Quarter 1 2023/24

Refer to pages 30-50 of the agenda.

Manager Strategy and Performance provided an overview of the report.

Key points highlighted:

- The Cultural and Leadership people survey results can fluctuate with the different people being surveyed; however, Council did benchmark well when compared to other Councils.
- It was updated that staff were working through a process to allow external and ad hoc committees to utilise the Council building. They were meeting with local providers to discuss the impacts this may have on them.
- Staff turnover was high in certain areas of Council and were being monitored. Members discussed staff movement within Council and the return of previous staff and suggested it be included in the report.
- Discussion ensued on Cyber Security training, engagement, and timing. It was requested that the target be increased from 50% to 75%, however suggested that there should be a focus to maintain 40-50% target consistently prior to increasing the target.
- Members requested feedback on the drop in Resource Consents processed in Quarter 1 2023/24, staff would follow up to provide feedback.

Moved Councillor James / Seconded Councillor Tánczos

RESOLVED:

THAT the Organisation Performance Q1 2023/24 Report be received by the Committee.

CARRIED

6.4 Programme of organisation change post Central Government reforms

Refer to pages 102-114 of the agenda.

Manager People and Capability and General Manager People and Engagement presented the report.

It was clarified the programme was part of the Chief Executive Key Performance Indicators (CE KPI) and that while some budget consideration for the programme would be included in the Long Term Plan development, there was uncertainty with potential reform repeals from Central Government.

Members were advised the three waters team were being kept informed and have access to ongoing wellbeing support provided through Council.

Moved Councillor Iles / Seconded Councillor James

RESOLVED:

THAT the Programme of Organisational Change Post-Reform report be received.

CARRIED

Attendance: Manager People and Capability and General Manager People and Engagement left the meeting at 9:55 am.

6.5 Financial Performance Report Q1 September 2023

Refer to pages 51-59 of the agenda.

CFO and General Manager Business Partnering provided an overview of the report.

Key points highlighted:

- It was advised there was a possible classification issue in the budget with telecommunication costs being included in facilities costs.
- Further work had been done on the Sundry debtors with more details included in the graph and the larger items such as MBIE and Ministry for transport being removed.
- Staff were working through potential efficiencies on debt collection, considering cost and structure. It was highlighted that the resource and building consent process required further attention.

Moved Deputy Mayor Immink / Seconded Councillor Tánczos

RESOLVED:

1. **THAT** the committee **receive** the financial performance report for the period ending 30 September 2023.
2. **THAT** the committee **note** that a briefing of council on 1. *'Rates Receivables incorporating "affordability" insights'*; and 2. *'Sundry Accounts Receivable Analysis on collections performance'* is currently scheduled for 31 January 2024.

CARRIED

Adjournment: The meeting adjourned at 10:05 am and reconvened at 10:27 am.

Attendance: Mayor Luca entered the meeting at 10:27 am.

6.6 Financial Forecast Report Q1 September 2023

Refer to pages 60-63 of the agenda.

CFO and General Manager Business Partnering advised there was a known shortfall of user fees and charges which would be offset by the reduction of borrowings from the revised capital expenditure forecast.

Moved Councillor O'Brien / Seconded Deputy Mayor Immink

RESOLVED:

1. **THAT** the committee **receive** the financial forecast report Q1 for the 2023-24 financial year as prepared at 30 September 2023.
2. **THAT** the committee **note** the financial forecast variances summarised in the report to inform performance tracking against KPIs and to support effective council decision making.

CARRIED

6.7 Project Management Financial Forecasting Framework

Refer to pages 65-74 of the agenda.

CFO and General Manager Business Partnering provided an overview of the report and explained how the revised approach compared to the previous methodology.

It was clarified how the improvements would provide a more informed approach to the project budget setting process and the connection to financial forecasting.

Moved Councillor James / Seconded Deputy Mayor Immink

RESOLVED:

1. **THAT** the committee **receive** the Project Management Financial Forecasting Framework report.

2. **THAT** the committee endorse the revised approach to Financial Planning and Forecasting of Capital and Operational Project Expenditure; incorporating enterprise project management good practice based on the project lifecycle model.
3. **THAT** the committee note the impact of applying the revised approach to Financial Planning and Forecasting of Capital and Operational Project Expenditure on the rephrasing of the 2023-24 Revised Budget incorporated within the 2023-24 Q1 Financial Performance Forecast presented to the committee under a separate report on the agenda of this meeting.

CARRIED

Attendance: General Manager Strategy and Transformation entered the meeting via Teams at 10:33 am.

6.8 Enterprise Project Management Office – Project Plan

Refer to pages 75-87 of the agenda.

General Manager Strategy and Transformation presented the report.

Moved Deputy Mayor Immink / Seconded Councillor Rangiaho

RESOLVED:

1. **THAT** the Finance and Performance Committee **receive** the Enterprise Project Management Office - Project Plan report; and,
2. **THAT** the Finance and Performance Committee **approve** the Enterprise Project Management Office Project Plan.

CARRIED

Attendance: General Manager Strategy and Transformation left the meeting via Teams at 10:52 am.

6.9 ERP Replacement Project Update 01

CFO and General Manager Business Partnering presented the report.

Refer to pages 88-101 of the agenda.

Key points highlighted:

- The project was delayed due to the establishment of the project team, and while some budget was included in the long term plan the overall budget is unknown until the development of the project plan.
- The estimated timeframe to implement a new system would be included in the project plan which is expected to be delivered in June 2024.
- It was clarified that the project would be delivered in a phased approach to ensure the options were fit for purpose and able to cater to all facets of the Council's needs.

Moved Councillor Tánczos / Seconded Councillor Rangiaho

RESOLVED:

1. **THAT** the committee **receive** the ERP Replacement Project Update Report No.01.
2. **THAT** the committee **note** the slippage against original KPI milestones of approximately 2 months for Phase 1 based on challenges in resourcing the project team.
3. **THAT** the committee **endorse** the adjustment in KPI milestones dates to the Chief Executive Committee for adjustment to the CEs 2023-24 KPIs

CARRIED

THE MEETING WAS CLOSED with a Karakia by Councillor Rangiaho at 11:06 am.

Confirmed at the meeting dated
CHAIRPERSON