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**MARLBOROUGH
DISTRICT COUNCIL**



Only Marlborough

26 April 2023

Record No: 2381497
File Ref: D050-001-C01
Ask For: Nicole Chauval

Notice of Committee Meeting – Tuesday, 2 May 2023

A meeting of the Economic, Finance & Community Committee will be held in the Council Chambers, 15 Seymour Street, Blenheim on **Tuesday, 2 May 2023 commencing at 9.00 am.**

BUSINESS

As per Agenda attached.

MARK WHEELER
CHIEF EXECUTIVE

Public Forum

A public forum will be held prior to the Economic, Finance & Community Committee meeting, commencing at 8.30am. If you wish to address the Committee during this Public Forum session you will need to confirm your attendance and speaking time with the Committee Secretary at least 24 hours prior to the meeting Ph: 03 520 7400. Please note topics are restricted to those agenda items for the meeting or within the Committee's delegation.



**Meeting of the
ECONOMIC, FINANCE & COMMUNITY COMMITTEE
to be held in the Council Chambers, 15 Seymour Street, Blenheim
on TUESDAY, 2 MAY 2023, commencing at 9.00 am**

Committee	Clr J A Arbuckle (Chairperson) Clr B G Dawson (Deputy) Clr S R W Adams Clr S J Arbuckle Clr A R Burgess Clr J D N Croad Clr D A Dalliessi Clr R J Innes Clr B A Faulls Clr M R K Flight Clr G A Hope Clr B J Minehan Clr J C Rosene Clr T P Sowman Mayor Nadine Taylor lwi representative (to be advised)
Department Heads	Mr M F Fletcher (Chief Financial Officer) and Mr D G Heiford (Manager Economic, Community & Support Services)
Staff	N Chauval (Committee Secretary)

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Public Excluded

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1. Apologies

No apologies received.

2. Declaration of Interests

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

3. Speed Management Plan

(also refer separate report available on Council's website)

(Clr Croad) (Report prepared by Laura Skilton)

R800-006-002-02

Purpose of Report

1. To receive the draft Speed Management Plan and to allow staff to commence public consultation on the document.

Executive Summary

2. As part of the Land Transport Rule: Setting of Speed Limits 2022, all councils in New Zealand are required to prepare speed management plans to consider how safety infrastructure and speed limits can make our roads safer. The legislation also requires that a territorial authority must consult in accordance with the consultation principles specified in section 82 of the Local Government Act 2002.
3. In preparing the draft Speed Management Plan, Council has engaged a consultant who has engaged with the Council Small Townships Project Manager, Councils Road Safety Co-Ordinator, Police and Marlborough Roads staff. There have also been three workshops with Councillors.
4. The draft Speed Management Plan is now ready for public consultation, and it is requested that the committee endorse the draft Plan and allow staff to commence consultation.

RECOMMENDATIONS

1. **That the draft Speed Management Plan is received.**
2. **That Council agree to proceed with consultation on the recommendations contained in the report.**

Context

5. As part of the Land Transport Rule: Setting of Speed Limits 2022, all Councils in New Zealand are required to prepare speed management plans to consider how implementing safety infrastructure and speed limits can make our roads safer. Rather than looking at speed limit changes on a street-by-street basis, the draft Plan establishes principles for speed management in our district. The draft Plan also shows speed limit changes Council is proposing to implement along with new infrastructure.
6. A Speed Management Plan is a 10 year plan that is to be reviewed every 3 years. The 3 year cycle aligns with the Waka Kotahi National Land Transport Plan (NLTP)
7. Projects in the Speed Management Plan will be eligible for funding assistance from Waka Kotahi and will be included in the Regional Land Transport Plan. This does not guarantee however that it will receive funding assistance from the National Land Transport Fund.
8. The draft Plan includes changes to speed limits on a number of Council roads - particularly reducing speeds around schools (in line with new national rules) and lowering speeds in our town centres to make them safer for pedestrians.
9. Marlborough District Council, as a unitary council, undertakes the role of both district and regional council. The Marlborough Regional Speed Management Plan combines the Speed Management plans for Marlborough's local roads (funded by Council), Marlborough's state highways (funded by Waka Kotahi), and other road controlling authorities. The document is made up of a general introduction section and appendices for each Road Controlling Authority's Plan. Appendix A of the Plan identifies all the roads within Council's jurisdiction. Appendix B of the Plan will include the data from Waka Kotahi's Plan once this is complete. Other road controlling authorities (Port Marlborough, KiwiRail, Department of Conservation and Department of Defence) have not prepared a Speed Management Plan, noting they are not required to under the new the legislation.

10. The National Speed Limit Register contains all the speed limits around New Zealand. In preparing the Speed Management Plan it was discovered that there are inconsistencies with how the speed limit is signed on the road and what is in the Register. These will be addressed as part of the Plan and once corrected the Plan will be certified by Waka Kotahi.
11. Council's Kaihautū has been briefed on the proposed Speed Management Plan.
12. As requested at the final Councillor workshop, staff have sent emails to each school seeking feedback on the proposals around their school. The feedback received as of 19 April was all positive.

Assessment

13. Preparation of a Speed Management Plan is a legal requirement for territorial authorities. The legislation also states that Waka Kotahi may set deadlines for the commencement or completion of Speed Management Plans. As such, Waka Kotahi have said that 5 October 2023 is the final date for publication of any consultation of a Plan and 29 March 2024 is the final date for submitting the final Plan for certification.

Option One (Recommended Option)

14. Receive the draft Plan and allow staff to engage in public consultation

Advantages

15. Meets Government legislation

Disadvantages

16. Delays in adopting the plan and consulting may result in Marlborough not meeting its legal requirements

Option Two – Status Quo

17. Not receive the draft Plan

Advantages

18. No funding requirements

Disadvantages

19. Will not meet Government legislation

Next steps

20. The next steps will be to engage with the general public. Consultation will include the draft Plan being available on the Council web site and submission forms. The submission form will allow submitters to speak at a hearing if required. At the commencement of consultation contact will be made with key stakeholders to encourage them to review the Plan in their area of interest and to make a submission.

Attachment

Attachment 1 – Draft Marlborough Regional Speed Management Plan is available on Council's website via the following link <https://www.marlborough.govt.nz/your-council/meetings>

Author	Laura Skilton, Transport Planner Marlborough Roads
Authoriser	Richard Conningham, Asset and Services Manager

Summary of decision-making considerations			
Fit with purpose of local government			
The proposal is a requirement of the Land Transport Rule: Setting of Speed Limits 2022 and meets the legislation requirements.			
Fit with Council policies and strategies			
	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	X	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	X	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	X	<input type="checkbox"/>	<input type="checkbox"/>
Social well-being	X	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<input type="checkbox"/>	<input type="checkbox"/>	X
Environment & RMA Plans	<input type="checkbox"/>	<input type="checkbox"/>	X
Arts & Culture	X	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	X
Land transport	X	<input type="checkbox"/>	<input type="checkbox"/>
Parks and reserves	X	<input type="checkbox"/>	<input type="checkbox"/>
This proposal contributes to the several policies and strategies to make our roads safer for the community.			
Nature of the decision to be made			
The options do not involve a significant decision in relation to land or a body of water.			
Financial considerations			
The project funding will need to be allocated as part of the 2024-2027 Regional Land Transport Plan.			
Significance			
The decision is considered significant under Council's Significance and Engagement Policy and as such will require a Council hearing should any submitter which to speak.			
Engagement			
Pre engagement has occurred with Maraes and schools to notify them of the draft Plan and upcoming consultation. A full consultation plan is being developed with Council's communication team. .			
Risks:			
The recommended option will require funding. There is a risk that Waka Kotahi will not fully provide the funding assistance. Should this occur, then the implementation plan can be adjusted to suit.			
There is also a risk that the recommended implementation plan can not be met if there are not enough resources and contractors available to undertake the work, noting that all councils in New Zealand will be preparing Plans.			
Climate Change Implications			
There are no known climate change implications to this decision.			

4. Subdivision Connection Road

(Clr Croad) (Report prepared by Steve Murrin)

R800-006-002-02, R800-007-02

Purpose of Report

1. To determine if Council supports the construction of a new link road to connect the new Muller Road Subdivision to the Wai-iti Subdivision and if so, how the bridge could be funded.

Executive Summary

2. Council has approved two adjoining subdivisions that run either side of the town branch drain. A new connection between the two subdivisions will provide better access and connectivity for the residents in this area.
3. The subdivisions were approved without the requirement for this link. As such, the link would need to be funded by Council. It is unlikely a new bridge would receive subsidy from Waka Kotahi as all new bridges need to be supported by a Business Case, or at the least included within an endorsed Transportation Study. Marlborough Roads has received a preliminary cost estimate for this work to be in the region of \$500,000.

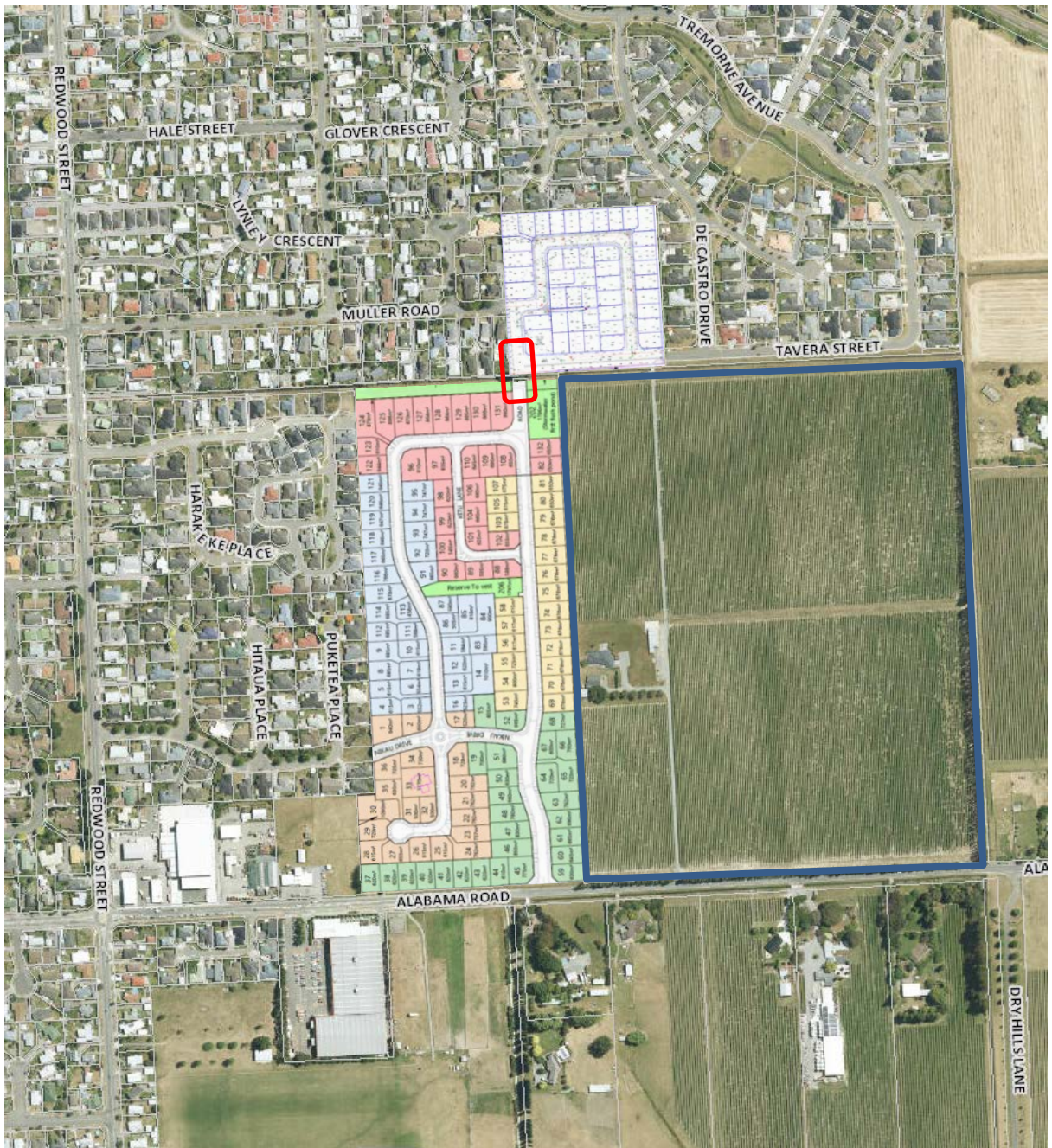
RECOMMENDATION

That Council gives approval for Marlborough Roads to progress with a design, cost estimate and funding options for a new bridge across the Town Branch Drain and to report back to the Assets & Services Committee.

Background/Context

4. Council approved a new subdivision (Wai-iti) with access from Alabama Road and Nikau Drive. As part of this subdivision a right turn bay was required on Alabama Road, but there was no condition for any roading connections to other roads. The road design however does provide for a future access to the north.
5. Council approved a new subdivision off Muller Road (U210476) with the access to Muller Road, off Redwood Street, and De Castro Road. As part of this subdivision a right turn bay was required on Redwood Street, but there was no condition for a future access to the south. The road design allows for a connection to the Wai-iti subdivision, however this access has not been constructed as part of the subdivision.
6. To allow for better connectivity, it is considered that a connection between the two subdivisions should be constructed. Such a connection will also meet the provisions of NZS4404 Land Development and Subdivision Infrastructure which forms the basis of the Marlborough Code of Practice.
7. A diagram of the two subdivisions on a background aerial photo is shown overpage. The proposed connector road is shown in red. The connector road goes over the town branch drain and therefore will require either a culvert or a bridge.
8. In discussions with Council's Services Officers a bridge would also be beneficial to connect the water reticulation for the two subdivisions. This could still be achieved by laying a water main below the Town Branch drain. However, having the watermain attached to a bridge makes it much more accessible for maintenance.
9. The national Policy Statement on Freshwater 2020 provides guidance on crossings on natural water courses and it is most likely that a bridge will be required at this location.

10. Marlborough Management Services has provided an approximate construction estimate based on a two 1050mm diameter pier cylinders per abutment down to 6.5m and a pedestrian path on one side. No specific design has been undertaken in particular for liquefaction, however the preliminary cost estimate is \$475,000.
11. The owner of 225 Alabama Road has considered rezoning their land and as such there is a possibility that they will make road connections to Wai-iti Avenue and Tavera Street, however as this land is within a flood plain, development may not occur. This site is within the blue border.
12. There is no allocated funding for this project. It is unlikely that it will receive funding assistance from Waka Kotahi as it is not included in any strategy or business case. Funding matters can be considered at a later date.



Option One (Recommended Option)

13. Construct a connection between the two subdivisions.

Advantages

14. Better connectivity around this part of Blenheim which will result in reduced travel and reliance on Redwood Street and Alabama Road. The connection will also comply with the Council Code of Practice.

Disadvantages

15. Cost for Council when there is the small possibility that a connection may be provided if the adjacent land gets developed, however this will be in the future and can not be guaranteed.

Option Two – Status Quo

16. Do nothing

Advantages

17. No cost to Council

Disadvantages

18. Reduced connectivity which may result in increased travel and increased congestion, particularly at the Weld/Redwood roundabout.

Next steps

19. If Council approves, Marlborough roads will engage a designer to prepare design drawings and construction cost estimates. Funding considerations can then be considered in more detail.
20. Construction will be tendered if and when the project is approved and funding decided.

Author	Steve Murrin, Marlborough Roads Manager
Authoriser	Richard Coningham, Asset and Services Manager

Summary of decision-making considerations			
Fit with purpose of local government			
The proposal enables better connectivity between new subdivisions and will reduce travel time.			
Fit with Council policies and strategies			
	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	<input type="checkbox"/>	<input type="checkbox"/>	X
Financial Strategy	<input type="checkbox"/>	<input type="checkbox"/>	X
Infrastructure Strategy	X	<input type="checkbox"/>	<input type="checkbox"/>
Social well-being	X	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<input type="checkbox"/>	<input type="checkbox"/>	X
Environment & RMA Plans	<input type="checkbox"/>	<input type="checkbox"/>	X
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	X
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Land transport	X	<input type="checkbox"/>	<input type="checkbox"/>
Parks and reserves	X	<input type="checkbox"/>	<input type="checkbox"/>
This proposal contributes to the Land transport, infrastructure and to a lesser degree social well being.			
Nature of the decision to be made			
The new road will require the crossing of the Town Branch Drain. Any crossing will be designed in accordance with the Urban Design Policy on Freshwater 2020.			
Financial considerations			
The project has not been budgeted for in the 2022-2023 annual plan.			
Significance			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
Engagement			
No engagement is proposed.			
Risks: Legal / Health & Safety etc			
There are no known significant risks or legal implications other than funding.			
Climate Change Implications			
In assessing the preferred option, staff have considered the effects of climate change. The road will assist in reducing vehicle kilometres travelled, which is part of the Carbon emissions Reduction Plan			

5. Regional Events Update

(Clr Croad) (Report prepared by Samantha Young)

E100-002-011

Purpose of Report

1. To provide an update on the activities of Council's Regional Events Advisor (REA) and Marlborough's events sector.

Executive Summary

2. The 2022/2023 Commercial Events Fund is complete with \$43,734.30 approved across four events in the final funding round of the financial year.
3. Applications for the 2022/2023 Sport and Recreation Community Activity Fund are now closed. Four applications have been received totalling \$18,600.
4. Council's new Community Events Fund will open on 1 July 2023.
5. Great to welcome a number of the region's iconic large events back after Covid-19 caused them to cancel for the last few years.
6. Printed and digital versions of the Marlborough Autumn Events Guide showcasing events taking place around the region between 1 March and 31 May 2023 was released at the end of February and promoted through multiple channels locally to Marlborough, Nelson, Christchurch/Canterbury and Wellington. Work on the Winter Guide will commence shortly.

RECOMMENDATION

That the information be received.

Background/Context

7. The Regional Events Advisor role supports the development of the events sector in Marlborough to ensure it maximises the economic return to the region, guided by the Regional Events Strategy. The main activities carried out by the Advisor include:
 - a. Development, management and implementation of the Regional Events Strategy
 - b. Marlborough Follow-ME events calendar, printed & digital collateral and social media platforms
 - c. Management of the following funds and assisting the respective sub-committees and decision-making panels:
 - i. Commercial Events Fund
 - ii. Sport and Recreation Community Activity Fund
 - iii. Community Events Fund (to be launched 1 July 2023)
 - iv. Te Tauihu Regional Events Fund (Marlborough)
 - d. Identifying and executing Bid opportunities
 - e. Supporting and advising regional event organisers

Recent Large Marlborough Events

8. The following large commercial events (ticketed with high percentage of out of region attendees) have been held since the last Regional Events Update:
 - a. **Marlborough Wine & Food Festival 2023**
 - i. After a two-year hiatus due to Covid-19, the Festival took place on Saturday 11 February 2023

- ii. For the first time, the Festival was held at Renwick Domain. Both Wine Marlborough and the Renwick Sports Centre Incorp. were happy with the partnership and with how well the event ran
 - iii. A post-event debrief with organisers and Council staff was held on Monday 6 March to share feedback and learnings
 - iv. The vast majority of feedback received has been very positive
 - v. Organisers are reporting the following:
 - 1. 5,000+ attendees
 - 2. Event continues to attract a very broad age range of attendees
 - 3. 44% of attendees came from outside of Marlborough
- b. **Summer Challenge 2023**
- i. This event was held in Picton from 24 - 26 February 2023
 - ii. The event involved teams of three women kayaking, mountain biking and hiking their way through a 3, 6 or 9 hour course
 - iii. The event was successfully secured by Council's REA through the Bid Fund
 - iv. A post-event report and economic evaluation has been completed with results showing the following:
 - 1. 1,030 attendees (495 participants, 500 supporters and 35 staff). While numbers are very positive, they are slightly lower than organisers had hoped due to the ongoing impact of Covid-19
 - 2. 80% of attendees came from outside of Marlborough and stayed a minimum of three nights
 - 3. Organisers were thrilled with how the event went and felt Picton was the perfect host location for the third year of their event
- c. **Havelock Mussel & Seafood Festival 2023**
- i. This event was held at Havelock Domain on Saturday 11 March 2023
 - ii. The event was supported through Council's Commercial Events Fund and as required as a condition of funding, a full Accountability Report will be provided by the organisers within the next three months, however to date they have reported the following:
 - 1. Overall very happy with the event and reporting good ticket sales of 3,500 attendees
 - 2. Great uptake of bus transport this year with more than double the number of people using the service from Blenheim compared to 2021
 - 3. Gate sales were up this year with a large number of tourists who were travelling through Havelock on the day stopping to attend the event
 - 4. Additional camping opportunities being considered for 2024 following requests from attendees
 - 5. A number of tickets are usually purchased through the Havelock i-SITE. Organisers feel the closure of the office this year had a noticeable negative impact on their sales
- d. **Classic Fighters Omaka Airshow 2023**
- i. After a four-year hiatus due to Covid-19, this event was held over Easter Weekend
 - ii. The event was supported through Council's Commercial Events Fund and as required as a condition of funding, a full Accountability Report will be provided by the organisers within the next three months

Upcoming Large Marlborough Events

- 9. As we come to the end of peak event season, the following large ticketed events are taking place in Marlborough over the next few months:
 - a. **Saint Clair Vineyard Half Marathon 2023**
 - i. This event will be held on Saturday 13 May
 - ii. Organisers are happy with how entries are progressing with 1,368 people currently registered. They are predicting 1,900 entries by event day
 - iii. This event has been supported through Council's Commercial Events Fund

- b. **Marlborough Book Festival 2023**
 - i. This event will take place from 21 to 23 July
 - ii. Organisers are currently finalising the line-up of New Zealand writers
 - iii. Tickets go on sale in June

General Update

10. **General Comments:**
- a. Discussions have commenced regarding future costs of Traffic Management Plans for community events
 - b. Council's REA is in discussions with a number of event organisers hoping to establish new large events for the region including an arts event and two new sporting events
 - c. Council staff have initiated discussions for a Marlborough Matariki Festival and are liaising with iwi on proposed next steps with a view to establishing a small events fund
 - d. Cultural engagement has been a subject of discussion nationally for events for some time with steps being made to improve processes. Council staff recently met with representatives from Wairau mana whenua to agree a process for Council and conference organisers to follow when engaging with iwi for events held in Blenheim. This process is being finalised and will be shared with the management team at Marlborough Civic Theatre Trust and Business Events Marlborough to share with conference organisers when they start to plan their events. Initial discussions are also underway with iwi in other areas of the region
 - e. In line with the Marlborough Regional Events Strategy's aim of 'Encouraging Excellence in Event Management', Council has sponsored regional events organiser, Katrina Lange of Pure Events Marlborough to attend the annual Eventing the Future national events conference in August 2023

Funding

11. **Commercial Events Fund**
- a. This contestable fund is open to organisers of commercial events that create economic benefits to Marlborough by increasing visitation to the region. Community events, conferences, conventions, trade shows and exhibitions are not eligible
 - b. The budget for 2022/2023 is \$130,000
 - c. There are two rounds per annum. Round 2 for 2022/2023 closed on Monday 13 March with three applications received. The Sub-Committee met on Monday 3 April to review the applications and consider an additional application that was approved in principal in Round 1 of 2021/2022. The decisions made are shown below - full meeting minutes can be found further in this agenda

Organisation	Event	\$ Requested	Decision
Marlborough Orienteering Club	NZ Secondary Schools Orienteering Champs 2023	\$9,011.30	Approved - \$9,011.30
Garden Marlborough (2004) Inc	<i>Rapaura Springs Garden Marlborough 2023</i>	\$12,723	Approved - \$12,723
Marlborough Water Polo Club	<i>South Island Junior Secondary Schools Water Polo Tournament 2023</i>	\$11,132.50	Approved - \$6,000
Pure Events Marlborough	<i>Savour in the Park 2023</i>	\$16,000	Approved - \$16,000

12. **Sport & Recreation Community Activity Fund**
 - a. This contestable fund is open to event organisers or local clubs and organisations looking to create small sport and community activities that are of low cost to participants and encourage involvement, accessibility and physical activity
 - b. The total funding available for 2022/2023 is \$30,000 and there is one funding round per annum
 - c. Applications closed on Monday 10 April. Four applications were received. The decision-making panel will meet to review these applications shortly

13. **Community Events Fund**
 - a. Council approved the establishment of this new contestable fund on 2 March 2023
 - b. The fund will open for applications on 1 July 2023 with \$28,000 available for allocation in 2023/2024

14. **Follow-ME Event Promotion**
 - a. The Marlborough Autumn Events Guide showcasing events taking place between 1 March and 31 May 2023 was released at the end of February and was promoted locally as well as to Nelson, Christchurch/Canterbury and Wellington through various print and digital channels
 - b. Work will shortly commence on the Marlborough Winter Events Guide showcasing events taking place between 1 June and 31 August 2023

15. **Marlborough Events Centre (MEC) Update**
 - a. Installation of the new commercial kitchen is complete
 - b. Management team are reporting excellent bookings through to 2025
 - c. Council staff have a positive relationship with the Clubs of Marlborough liquidators enabling the continued use of the Trade Hall and toilets allowing the Marlborough Events Centre to continue to trade and accommodate larger events

Author	Samantha Young, Regional Events Advisor
Authoriser	Neil Henry, Manager, Economic Development and Strategic Planning

6. Commercial Events Fund

E100-002-006-27

1. The minutes of the Commercial Events Fund Sub-Committee meeting held on 3 April 2023 are attached for ratification by the Committee.

RECOMMENDATION

That the Minutes of the Commercial Events Fund Sub-Committee meeting held on 3 April 2023 be ratified.

**Report & Minutes of Meetings of
COMMERCIAL EVENTS FUND SUB-COMMITTEE
ROUND 2 - 2022/2023**

**Monday 3 April 2023 commencing at 2pm
Marlborough District Council (Picton Room), 15 Seymour Street, Blenheim**

Attendees:

Present in person:

Clr J A Arbuckle (Chair), Clr R Innes, Bruce Moffat (Destination Marlborough) (from 2:05pm)

Present via Zoom:

Clr M Flight

Apologies:

Clr J A Arbuckle/Clr Flight:

That apologies from Clr B Faulls, Clr B Dawson be noted.

Carried

In Attendance:

MDC Regional Events Advisor (REA), Samantha Young

Background:

Council allocates \$130,000 per annum for funding Commercial Events. The funds are allocated under specific criteria to event organisers that run commercial events held within the MDC boundaries.

Meeting Report & Minutes:

All applications and associated paperwork were sent via ShareFile to the Sub-Committee in advance of the meeting with printed copies also provided to Councillors.

Clr Faulls provided feedback prior to the meeting via email on both the Terms of Reference and all funding applications.

Council's REA provided an overview of each application to the sub-committee before funding discussions commenced.

General Discussions:

Clr J A Arbuckle opened meeting and welcomed attendees before providing an introduction to the Commercial Events Fund explaining the background, purpose, criteria and process. It was agreed that the criteria and process will remain as is but may be reviewed in a year once the Sub-Committee all have experience of the fund.

Clr J A Arbuckle invited Sub-Committee members present to give brief introductions of themselves. Clr Faulls and Clr Dawson will be given the same opportunity at the next meeting.

Clr J A Arbuckle explained event bids form part of the Commercial Events Fund. It was discussed that bids submitted by event organisers are sometimes unsuccessful due to the assumption that Marlborough lacks sufficient accommodation to host the event or is difficult to access. The Sub-Committee agreed that funding approved for bids that are not submitted by Council's REA will include a condition that requires the event organisers to liaise with Council's REA (and Destination Marlborough if relevant) before a bid is submitted.

The Sub-Committee discussed the new Terms of Reference (ToR) for the Commercial Events Fund. REA to update the document as agreed.

Clr J A Arbuckle/Clr Innes

That the agreed changes be made to the Terms of Reference.

Carried

REA gave an overview of the Commercial Events Fund budget.

Application Discussions:

Savour in the Park:

REA noted the following:

- The previous Sub-Committee approved funding for the 2022, 2023 and 2024 events in Round 1 of 2021/2022 Commercial Events Fund as follows:
 - o 2022: \$16,000
 - o 2023: \$10,000
 - o 2024: \$5,000
- Funding for 2023 and 2024 was approved in principle, subject to post-event accountability reports for the previous year's event. Copies of the 2022 Post-Event Accountability Report was provided to the Sub-Committee prior to the meeting
- The 2022 Post-Event Accountability Report showed that while the event brought a good number of visitors into the region, ticket sales were lower than anticipated for a number of reasons including adverse weather in the lead up to the event and post-Covid uncertainty which resulted in lower income. This meant the management fee was not fully covered and more importantly, resulted in no seed funding for the 2023 event. Additionally, costs are set to increase - particularly for sound, stage and lighting (this is a national problem)
- In light of the lack of seed funding for 2023 the organiser has asked for an increase in funding from \$10,000 to \$16,000

Sub-Committee's key discussion points:

- All members agreed the event should continue to be supported as originally agreed but requested REA obtains additional budget information from the applicant, in particular confirmation of the final profit/loss from the 2022 event

Clr J A Arbuckle/Clr Innes:

That event continues to be supported but additional budget information is sought by REA and shared to Sub-Committee via email before funding value is determined.

Carried

Postscript:

- Requested additional budget information was emailed to Sub-Committee by REA on 4 April
- Sub-Committee agreed to increase the level of funding to \$16,000
- Clr J A Arbuckle asked for it to be indicated to the organiser that the \$5,000 approved in principle for the 2024 event will require further information to the Sub-Committee

Clr J A Arbuckle/Clr Flight:

That \$16,000 funding for 'Savour in the Park' 2023 is approved.

Carried

Rapaura Springs Garden Marlborough 2023:

REA noted the following:

- 2023 will be the 30th celebration for the event and will be held over 5 days rather than the normal 4
- If funding is approved this will be the third consecutive event that has been supported through the Commercial Events Fund (the maximum that is allowed under the current criteria)
- Copy of the Post-Event Accountability Report from the 2022 event was provided to the Sub-Committee prior to the meeting
- The Post-Event Accountability Report showed event was very successful, exceeding 2020 ticket sales (2021 was cancelled)
- Projected budget for 2023/2024 shows a \$4,000 loss, this is due to no grants or funding being secured to date

Sub-Committee's key discussion points:

- Wonderful event for Marlborough and important to support its 30th celebration
- Brings great economic benefits to the region

Clr Innes/Clr Flight:

That \$12,723 funding for 'Rapaura Springs Garden Marlborough 2023' is approved.

Carried

South Island Junior Secondary Schools Water Polo Tournament 2023:

REA noted the following:

- Not a large number of attendees to the event (345 pax) but 90% from outside of Marlborough who are predicted to stay for a minimum of 5 nights. This will bring good economic benefits and excellent ROI
- If unsuccessful with their funding application the event will still go ahead but Marlborough Water Polo Club will need to use funds currently allocated to training, purchasing of equipment and team travel

Sub-Committee's key discussion points:

- After reviewing budget there is potential fundraising opportunities that could be undertaken by the Marlborough Water Polo Club
- Supportive of the event but not to the level of funding requested

Clr Flight/Clr J A Arbuckle:

That \$6,000 funding for 'South Island Junior Secondary Schools Water Polo Tournament 2023' is approved.

Carried

NZ Secondary Schools Orienteering Champs 2023:

REA noted the following:

- National event
- Good number of attendees (580 pax) with 90% predicted to come from outside of Marlborough to stay for 3.5 nights
- Orienteering is a growth sport in NZ and this event presents a great opportunity to showcase Marlborough as an excellent location to host future events
- Funding requested for the creation of new maps which will also be used beyond this event for local Marlborough Orienteering Club (MOC) events
- Funding required now as event fees come in too late to get the required maps created and existing MOC funds are allocated to future equipment and projects

Sub-Committee's key discussion points:

- Great time of year for this event as it will be held at a traditionally quieter time in Marlborough (July)
- Good to see funding would have an ongoing benefit to the local community with maps being used again for MOC events

Clr Flight/Bruce Moffat:

That \$9,011.30 funding for 'NZ Secondary Schools Orienteering Champs 2023' is approved.

Carried

Summary:

\$43,734.30 of funding was approved as shown below:

Organisation	Event	\$ Requested	Decision
Marlborough Orienteering Club	NZ Secondary Schools Orienteering Champs 2023	\$9,011.30	Approved - \$9,011.30
Garden Marlborough (2004) Inc	Rapaura Springs Garden Marlborough 2023	\$12,723	Approved - \$12,723
Marlborough Water Polo Club	South Island Junior Secondary Schools Water Polo Tournament 2023	\$11,132.50	Approved - \$6,000
Pure Events Marlborough	Savour in the Park 2023	\$16,000	Approved - \$16,000

Clr J A Arbuckle thanked the Sub-Committee.

Clr J A Arbuckle:

That the information be received.

The meeting closed at 3:10pm.

7. Destination Marlborough – 2023/24 Draft Business Plan

(Clr Croad)

E100-004-01

Purpose of Report

1. For Destination Marlborough to present their draft 2023/24 Business Plan.
-

RECOMMENDATION

That Destination Marlborough Trust's draft business plan for 2023/24 be received.

Background

2. Council and Destination Marlborough have agreed that a draft business plan be prepared and presented prior to 30 June each year for consideration.
3. The Destination Marlborough Board finalise the plan by the end of June each year.

Presentation

Bruce Moffat, General Manager Destination Marlborough will present the draft plan and answer any questions the Committee may have. (10 minutes)

Destination Marlborough Draft Annual Plan overview

JUNE 2023



Destination
Marlborough's
purpose

Grow, connect & champion a sustainable
Marlborough tourism industry

What influences our thinking:

Destination Marlborough Destination Management Plan 2022 - 2032

MBIE Stapp funding ceases June 2023

MBIE Regional Events fund

i-SITE Future Network Strategy

Borders fully reopened on 31 July

Cruise season resumption from October - April

Reduction in i-Site staff resource

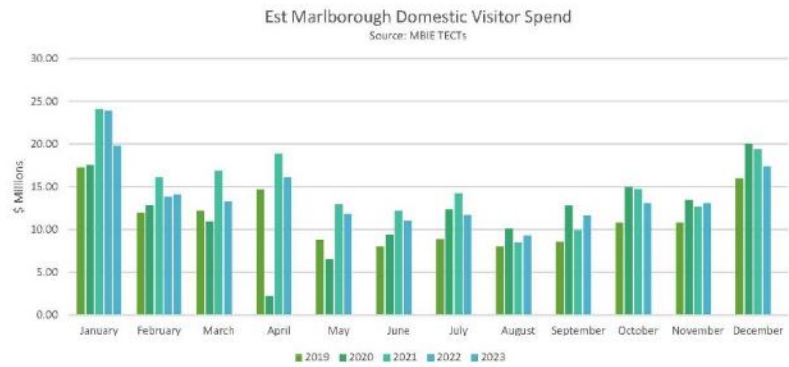
Limited availability of partnership funding

The Numbers



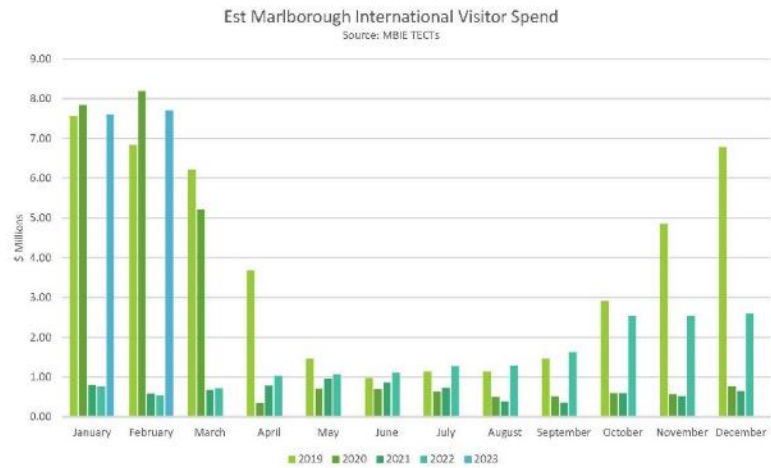
Domestic Spend Change

Tourism Electronic Card Transactions
July 2022 – Feb 2023



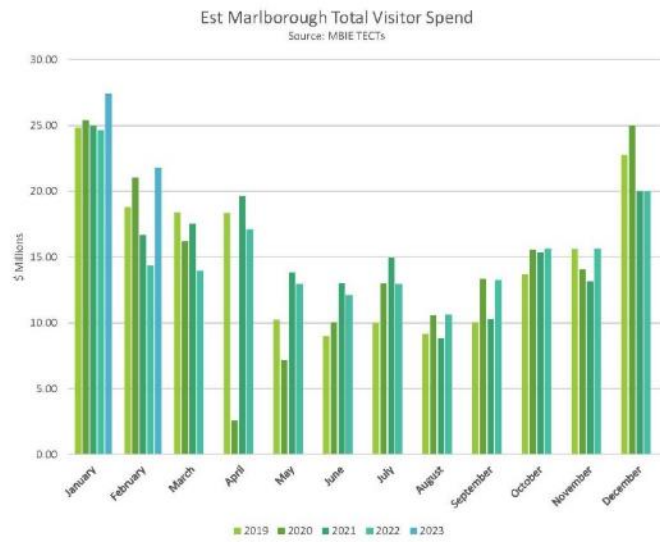
International Spend Change

Tourism Electronic Card Transactions
July 2022 – Feb 2023



Total Spend Change

Tourism Electronic Card Transactions
July 2022 – Feb 2023

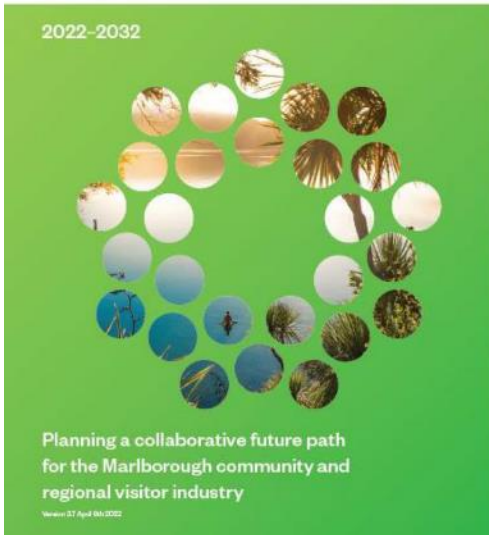


MBIE STAPP and Regional Events Fund



Marlborough Destination Management Plan

MAIN DOCUMENT

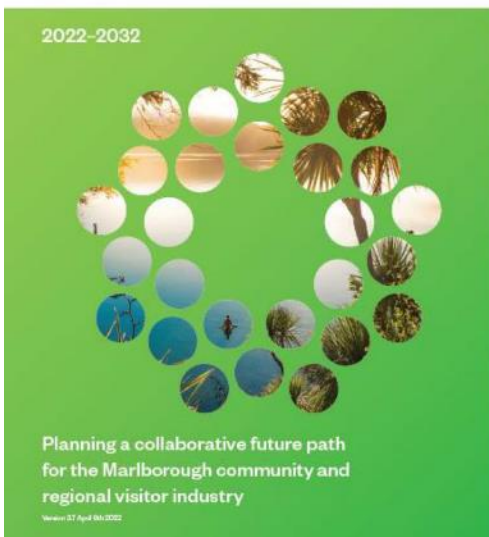


Strategic Priorities

Immediate focus	Ongoing Medium term	Longer term large project developments
Wine visitor strategy	Business/ events and seasonality reduction	Blenheim, Picton & Havelock town visitor experience improvement
Cycling visitor strategy	Development of valley-based tourism groups	Culture Heritage and Arts-
Meaningful iwi partnerships	Marlborough tourism environmental framework	Local education and career path opportunities
Cruise management strategy	Queen Charlotte Track infrastructure resilience	Improved visitor roading, signage, narrative, cycle access and safety
South Marlborough tourism business development	Partnership with primary industry in 'Marlborough Inc approach'	Inter-regional partnerships strategy
Seafood visitor experience		Transport access strategy
Large longer term - all party inclusive		
Marlborough Sounds Opportunities Project		

Marlborough Destination Management Plan

MAIN DOCUMENT



Consultation with community, industry, iwi and council

Implementation of plan underway – resource contracted

Aligning with iwi

Ongoing product development programmes for sub regions

Cycling Connectivity and Cycle Strategy lead appointed

Wine Tourism partnership with Wine Marlborough underway

Cruise volume management underway

DOC Kotahitanga mo te Taiao Strategy

Support to Hero Attractions that stimulate demand

Feasibility study for Central Blenheim township food/wine activation

Interregional partnerships: Top of the South - NRDA, Kaikoura, Hurunui, West Coast Classic New Zealand Wine Trail - Wellington, Wairarapa and Hawkes Bay

Delivery of workshops in alignment with TIA Sustainability framework, Tiaki Promise, DOC

Reduction of MBIE funding to Destination Marlborough

To June 2023

- CONTINUE Coordination of Product opportunities resulting from Destination Management Plan
- CONTINUE Feasibility and Business cases on Product Development resulting from Destination Management Plan
- CONTINUE Destination Management Plan Implementation to May 2023

From July 2023

- REDUCE Size of Domestic Marketing
- REDUCE Domestic Media pitching and hosting
- REDUCE International Marketing
- REDUCE Product Development and Industry Capability
- REDUCE Staff and Resource
- CONTINUE Regional Events fund support to 2024
- CONTINUE To use assets created through MBIE funding

2023/2024 Draft Annual Plan



Consumer Marketing

Domestic

MAINTAIN

Launch New Brand story and maintain Marlborough local marketing, in line with the Destination Management Plan focus on social channels

CONTINUE

Domestic marketing - 'always on' with 'firework' moments targeted to geographic locations, travel periods, and events

REDUCE

Size of domestic campaign activity due to reduced funding

Australia

CONTINUE

Joint Ventures with key partners - TNZ, Airports, Top of the South RTOs, and Airlines

Media

REDUCE

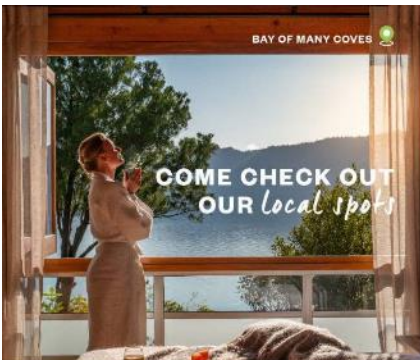
Staff resources, number of stories pitched, and hosting targeted Domestic media

CONTINUE

Leverage key major events

CONTINUE

International Media Programme with TNZ



Consumer Marketing

Domestic

- MAINTAIN Light 'Brilliant Backyard' local marketing, focus on social channels
- CONTINUE Domestic marketing - 'always on' with 'firework' moments targeted to geographic locations, travel periods and events
- REDUCE Size of domestic campaign work due to reduced funding

Australia

- RESTART Joint Ventures with key partners - TNZ, Airports, Top of the South RTOs and Airlines

Media

- REDUCE Staff resources, number of stories pitched, hosting targeted domestic media
- CONTINUE Leverage key major events
- CONTINUE International Media Programme with TNZ

Media Results





Travel Trade

- CONTINUE Connectivity, development, and package with operators and industry
- CONTINUE Key stakeholder relationships & partnerships with the travel trade, TNZ, TIA, NRDA, Top of the South, Airlines, and Airports
- UPWEIGHT Trade activity and market visits in Australia, UK/Europe, and North America
- UPWEIGHT International travel trade hosting in the region

Business Events

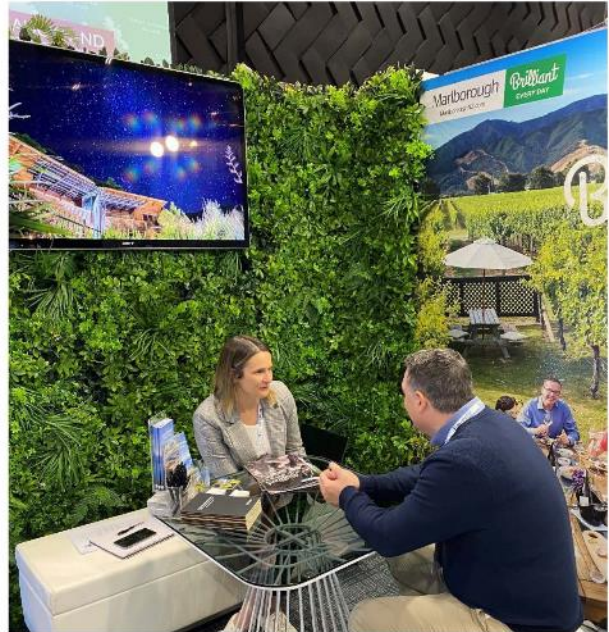
- CONTINUE Grow value of business events and incentives
- CONTINUE Target Marlborough's industry strengths
- CONTINUE Target off-peak travel periods



Travel Trade

Business Events

CONTINUE	Connectivity, development, packaging with operators and industry
CONTINUE	Key stakeholder relationships & partnerships with travel trade, TNZ, TIA, NRDA, Top of the South, Airlines and Airports
UPWEIGHT	Trade activity and in market visits in Australia, UK/Europe/North America
UPWEIGHT	International travel trade in region hosting
<hr/>	
UPWEIGHT	Grow value of business events and incentives
CONTINUE	Target Marlborough's industry strengths
CONTINUE	Target off-peak travel periods



i-SITEs



i-SITE Future
Network
Strategy

Creating a welcoming and educational network for everyone who cares
for New Zealand – visitors and locals alike

i-SITE New Zealand is NZ's official visitor information network

An Incorporated Society with almost 60 i-SITEs across New Zealand

Each independently owned and operated – mostly controlled and/or funded by
local government but some private ownership

i-SITE Future Network Strategy submitted to MBIE for funding support to combat
the challenge of revenue streams and funding models

MBIE confirmed a co-funding model of \$2.97 million over 4 years from the
International Visitor Conservation and Tourism Levy

- Development of a new two-tiered structure for the network,
- A new brand,
- A physical internal upgrade of Tier 1 locations,
- A \$200,000 fund to help with relocation and design of Picton i-Site
- and improved online booking capability within the i-SITE website

Marlborough i-SITEs

INCREASE	Hours and staffing in tandem with increase in visitation and revenue generation
CONTINUE	Deliver destination management outcomes - Visitor Flow Influence, Drive length of stay and encourage the regional spread
REDUCE	4-month Havelock operation (Dec- April)
CONTINUE	Marlborough Emergency Management and Emergency Response
CONTINUE	Support to Major Events
ALIGN	With i-SITE NZ Future Network Strategy
CONTINUE	Cruise Management

Product Development & Industry Capability

CONTINUE	Product development and business capability programme
CONTINUE	Capability workshops/training
REDUCE	Frequency and resource to pre-COVID levels
CONTINUE	Industry Showcases (next one June 2023)

Organisational Performance

CONTINUE	Foster a culture of engagement and capability building for our people
CONTINUE	Audited 2022/2023 accounts



The Destination Marlborough 2023/2024 Annual Plan, objectives, targets, and measures will be finalised and approved by the Destination Marlborough Trustees and will be presented with Audited Accounts and report on Annual Plan 23/24

8. Housing for Seniors

(Clr Croad)

D050-001-H01

1. The Housing for Seniors Sub-Committee meeting held on 23 March 2023 are attached for ratification by the Committee.
-

RECOMMENDATION

That the Minutes of the Housing for Seniors Sub-Committee meeting held on 23 March 2023 be ratified.

**Minutes of a meeting of the
HOUSING FOR SENIORS SUB-COMMITTEE
held in the Council Chambers, 15 Seymour Street, Blenheim
on THURSDAY 23 March 2023 commencing at 1.00 pm**

Present:

Clrs J D N Croad (Chair), J A Arbuckle, D A Dalliessi, Brian Ross (Community Representative)

In Attendance:

Mr J Lyall (Manager, Property and Community Facilities), Ms M Watson (Projects & Contracts Manager), Ms W Harcus (Property Managers, APL Property Blenheim Ltd) and Ms N Chauval (Committee Secretary)

Apologies:

Clrs Croad/J A Arbuckle:

That the apology for absence from Clrs R J Innes and M R K Flight be received and sustained and the apology for non attendance from Mr L van Velthooven (Property Managers, APL Property Blenheim Ltd) be noted.

Carried

1. Housing for Seniors Sub-Committee – Minutes

Clrs J A Arbuckle/Dalliessi:

That the Minutes of the Housing for Seniors Sub-Committee meeting held on 17 November 2022 be confirmed as a true and correct record.

Carried

Action

	Description	Notes
1.	Report on development of Andrew Place site.	In agenda – ROI Report
2.	Circulate to members the length of time that tenants stay in Council units.	Complete
3.	Maintenance required for outside seating at Andrew Place.	Complete
4.	A paper prepared reviewing the Housing for Seniors Rent Setting policy.	In agenda
5.	A paper prepared reviewing the Housing for Seniors Eligibility Policy.	In agenda
6.	Circulate national housing numbers spreadsheet.	Complete
7.	Specific statistical information on housing register numbers, public housing etc for Marlborough.	Complete

ATTENDANCE: Robert Foitzik, Council's General Counsel, was present for the following item.

2. Approval of Revised Terms of Reference (ToR) for Housing for Seniors Sub-Committee

Mr Foitzik presented the revised Terms of Reference (ToR) for the Housing for Seniors Sub-Committee for approval. The amendments noted at the Sub-Committee meeting on 17 November 2022 have been incorporated into the ToR. The amended ToR were attached to the agenda item for members' information.

Clr Arbuckle raised for discussion the number required for a quorum which is currently set at four members and moved that it be reduced to three. Members discussed the proposal and agreed to keep the quorum

number at four members which is consistent with Council's Standing Orders 11.1. During the discussion Cllr Arbuckle withdrew his motion to reduce the quorum number to three.

It was noted that The Mayor is considered a member of every committee unless specific legislation provides otherwise, such as a committee established under s 189 of the Sale and Supply of Alcohol Act 2012.

Cllrs Croad/J A Arbuckle

That the Committee approve the attached Terms of Reference to reflect the purpose, scope and authority of the Sub-Committee. (Refer Attachment 1)

Carried

Postscript: Mr Foitzik advised that further investigation is required on changing quorums for sub-committees therefore in the meantime the quorum will be set at 2. Mr Foitzik will report back to the next meeting.

3. Operational Report – March 2023

Ms Marcus noted that the purpose of the report was to provide the Senior Housing Sub-Committee an update on the operations of the portfolio for the October – December 2022 period.

Members were advised that the current number of applicants on the tenant waitlist has decreased by 3 over the past quarter. 49 applications remain on the waitlist for those 65 years and over. There have been 148 maintenance work orders issued for the period and the annual unit inspections were completed in December 2022.

There has been one behaviour issue and APL have enlisted the help of a number of agencies to work with the tenant.

It was noted that for the Bryant Place unit buy back a valuation has been received and this has been sent to the owner. The owner has queried the valuation and a copy of the agreement identifying the requirements has been forwarded to the owner for their information. To date no response has been received on how they wish to proceed.

Mr Lyall explained the Council buy back process for Bryant Place.

The George Street seating has been installed at Andrew Place and Cleghorn Street. Cllr Dalliessi advised that she had been on site and noted there still appears to be a mould issue with the seating. APL will organise to get that remedied.

Ms Marcus advised that the issues raised in the tenancy report letter have been attended to.

The process for allocating units to those on the wait-list was explained.

Cllrs J A Arbuckle/Dalliessi:
That the information be received.

Carried

4. Projects Report – March 2023

Ms Marcus presented the Projects Report for March 2023 to the Committee.

It was noted that the 12-unit development at 85 George Street commenced in February 2023 and T&D have advised that completion is anticipated to be mid-2024.

Mr Lyall provided members with further comment on the George Street project noting that due to the delays a request has been made to the T&D's Director that an updated programme for the development be provided.

Members had a number of questions in regard to the development and these were answered by Mr Lyall.

Members were advised that the concrete is being poured next Wednesday and tenants in Vevian and George Street complexes, and the owner in-between the complexes have been notified.

It was raised whether there are had been consideration given on the process in regard to unit allocation once the George Street development had been completed. Ms Marcus advised APL would seek direction from the Committee.

Exterior painting for 91 George Street has been completed. Ms Marcus will provide photos for the next meeting. Vevian Place painting commencing this week.

Kitchen refurbishments for Harling Court are due to commence in April with 25 units to be completed. Max George Joiners will be undertaking the work starting with the smallest block first, a timing programme will be provided. Proposed completion date June/July.

Cirs J A Arbuckle/Dalliessi:
That the information be received.

Carried

5. Market Rent Report

Ms Watson, provided updated information to the Committee on current market rent rates in Blenheim as provided by the Ministry of Business, Innovation and Employment (MBIE).

Members were advised that the median market rent rate for a 1-bedroom unit in Blenheim has remained consistent at \$280 p/w since November 2020 and a 2-bedroom unit has remained consistent at \$423 p/w since September 2022.

It was noted that the rent rates for a Council Senior Housing 1 or 2-bedroom unit is currently positioned at 71% and 61% of the local median market rates respectively.

Cirs Croad/Dalliessi:
That the information be received.

Carried

6. Financial Report

Ms Watson, updated members on the financial information for the Senior Housing portfolio for the six-month period 1 July 2022 to 31 December 2022.

Members were advised that the rental revenue is on budget with a positive variance of 3% forecast for year end. It was noted that operating expenditure is 7% below the budgeted allocation with the end-of-year forecast projecting a deficit of \$120,164. It was noted that there are a number of future challenges for the portfolio as 40% of revenue is being spent on R&M which is largely due to the age of the housing stock.

Based on current policy to cover these costs Council could adjust rents up to 80% of the rental market. Currently rents are sitting on 61-71% of the market data and it is the committee's decision on whether they wish to take that approach.

Members noted that with the George Street development the R&M costs would be less.

There was discussion on the rental charge and tenanting for the George Street units. Members were advised that the financial model for the project was for units to be rented at 80% of the market rate.

Clr Dalliessi sought background information on Andrew Place in regard to the economic life and historical discussions. It was agreed that the information be distributed.

A number of questions in regard to the Monthly Operating Statement contained within the item were answered by Ms Watson. It was noted that members can contact Council's Chief Financial Officer, Martin Fletcher for further detail if required.

Cirs Croad/J A Arbuckle:
That the report be received.

Carried

7. Tenants Representative Update

Mr Ross presented the Senior Tenancy Housing Report noting the quote from Marlborough Glass for double glazing of Senior Housing Units. It was noted that Council's units presently meet the new Healthy Homes Standard and his impression is that overall the tenants are happy with the servicing received from the Council. In respect of R&M the properties are maintained to the best of Council's ability given the age of the portfolio.

The Chair invited Moira Conroy (seated in the public gallery) to speak to the request for double glazing.

Members raised whether there were other options that could be investigated eg solar.

It was noted that if any option was undertaken it could correlate to an increase in tenant's rent.

It was queried whether this would be something that tenants would be amenable to. Ms Conroy advised that she didn't think tenants would have an issue with the rent increase as the improvement would have the potential to reduce their power costs. These types of initiatives would also provide tenants with an opportunity, albeit small, to do their bit to help limit climate change.

Mr Lyall advised there is opportunity to engage power providers to assess a property and advise on the best options for insulating homes and this may be a good way to start. It was also suggested that tenants be surveyed to get their feedback to create a number of data sets that would provide a full picture rather than look at one individual idea.

It was queried whether Age Concern could undertake the survey when conducting their report which is presented to the Committee in June. It was noted that the survey is conducted over a period of time, and already partially completed so not suitable for what is required.

Cllrs Croad/Mr Ross:

- 1. That the information be received.**
- 2. That heating/energy efficiency/insulation options are further investigated to identify costs and to determine whether there is support from tenants.**

Carried

8. Affordable Housing Fund - ROI Application

Members noted that the purpose of the report was to advise the Committee of a Registration of Interest application to the Ministry of Housing and Urban Development (HUD) – Affordable Housing Fund.

Mr Lyall advised that an application to the second tranche of the Affordable Rental Pathway funding is being prepared and will be lodged by the end of March 2023 for the Andrew Place complex. The process involves two stages Stage 1 – Submit an ROI by 31 March 2023 and then if selected by HUD furnish a RFP by 8 August 2023.

It was reported that three briefings via ZOOM were held to approximately 150 potential applicants. Mr Lyall noted that all regions have been graded with priority rankings with Marlborough being ranked as a priority 4 (the lowest rating).

Members were advised that if the ROI application is successful then a full feasibility study will need to be provided as part of the RFP.

Members were advised that iwi will be make an application for the Hospital Road, Blenheim development and other local groups such as Marlborough Sustainable Housing Trust and Habitat for Humanity may also apply for funding.

Clr Dalliessi noted the Housing Infrastructure (GST sharing) Bill which was identified in Attachment 4.1.2 of the Council 2 March 2023 agenda and queried whether that was something that we would be getting the Local MP to lobby on. Mr Lyall to follow-up with Martin Fletcher.

Responding to a query on what we would do if successful in our application Mr Lyall provided information on the proposed concept to members.

Cllrs J A Arbuckle/Dalliessi:
That the information be received.

Carried

9. Tenant Eligibility Policy

Ms Watson advised members that the purpose of the report was to review Council's Tenant Eligibility Policy. The policy was attached to the agenda for members' information.

It was noted that the Policy was last amended in November 2017 at that time Criteria 3 was removed as it related to applications from persons aged 55 to 59 years with asset levels up to \$50,000. At the same time the Tenancy Application form was also updated to reflect best practice and Privacy Act changes.

Ms Watson noted that the vetting criteria for prospective tenants is important with changes made to Council's application assessment process around consent to private information and criminal convictions.

Members were advised that currently tenant asset levels are capped at \$20,000 for a single person and \$25,000 for a couple.

Clr Arbuckle noted that he didn't have an issue with the current criteria but raised whether the asset amounts needed to be adjusted particularly in today's financial climate.

It was reported that recently the Retirement Commissioner called for the asset cap on accommodation supplements to rise from \$8,100 to \$42,700. The rationale was that the current cap has remained unchanged since the supplement was introduced in 1993 and at that time was calculated at 10 per cent of the average house price. A number of Council tenants receive an accommodation supplement via WINZ.

During discussion it was noted that APL do rely on tenant honesty in respect of their assets as they have limited ability to seek documented proof of assets. It was noted that if the asset level was raised this would likely increase the numbers on the waitlist. Currently Criteria One has a waitlist of 49 persons and Criteria 2 has a waitlist of 22 persons. These numbers have remained similar over the last 2-3 years.

At the conclusion of the discussion it was clear that members were comfortable with the current criteria but suggested that further investigation on adjusting the asset level by CPI since it was last reviewed be undertaken and reported back to the Committee.

As part of the discussion Clr Arbuckle requested that *Criteria One (b) Only receive income from a benefit plus interest / dividends from assets* be given further consideration as there could be instances where tenants would be unnecessarily affected if it was strictly adhered to.

It was suggested that further work / review be undertaken to ensure the policy is fair and workable.

Clrs Croad/Dalliessi:
That the information be received.

Carried

10. Rent Setting Policy

Ms Watson noted that the purpose of the report was to review the rent setting policy. To highlight this report a powerpoint presentation was shown (presentation filed in CM Record No. 2370254).

Members were advised that the Policy was last amended in 2017 where Council agreed that the rent rates for Council's Senior Housing units would reflect 80% of the local market median. Since early 2019, local market rent rates have increased considerably, resulting in disparity between current rent rates and Council policy.

It was reported that the current rent rates for a Council Senior Housing 1 and 2-bedroom unit sit at \$200 (71%) and \$260 (61%) respectively of market median rates.

Members discussed the policy and suggested that the policy be amended to include the wording 'up to 80%' as this would more accurately reflect what Council tenants were charged.

It was noted the 13 October is the date that any changes in rents are implemented. Members were advised that it used to be 1 July but Central Govt introduced legislation during Covid which subsequently altered the implementation date.

Mr Lyall advised that additional information would be provided to the next Housing for Seniors meeting for discussion around setting rents.

Clr Arbuckle raised whether the George Street development and any future developments would incur different rent ratios.

In response it was noted that the model used for the funding of those units was rent charged at 80% of market rate.

Members were advised that historically there had been a range of rentals charged eg Renwick, Picton and Blenheim but a decision had been made to standardise rents for ease of operation. If a range of rentals was supported then new developments could be charged at a different rate.

Cllrs J A Arbuckle/Dalliessi:

- 1. That the information be received.**
- 2. That 'up to 80% of market rate (as provided by MBIE)' be an amendment made to the policy.**

Carried

11. General Business

11.1 Senior Housing complex visits

Maighan Watson to arrange.

The meeting closed at 3.08 pm

Action

	Details	Person Responsible	Required by
1.	APL to provide photos of George Street painting.	Wendy Marcus	Within agenda item next meeting
2.	Discuss with Martin Fletcher Housing Infrastructure (GST sharing) Bill.	Jamie Lyall	As soon as practical
3.	Calculate adjusting the asset level by the CPI index since it was last reviewed and report back to the Committee.	Maighan Watson	Agenda item next meeting
4.	Further investigate Criteria One (b) and the policy to ensure the policy is fair and workable.	Maighan Watson	As soon as practical
5.	Rental datasets for next meeting	Maighan Watson	Agenda item next meeting
6.	Arrange visit to complexes	Maighan Watson	As soon as practical

Attachment 1

Housing for Seniors Sub-Committee

Chair	David Croad
Deputy Chair	
Membership	Jamie Arbuckle Deborah Dalliessi Matt Flight Raylene Innes Brian Ross - Community Representative
Quorum	4 members
Meeting Cycle	4 times per calendar year
Reports to	Economic, Finance and Community Committee

Responsibilities

Purpose

This committee focuses on Council's Housing for Senior's portfolio governance and deals with the development and monitoring of associated strategy, policy and action plans.

Powers

1. All powers necessary to perform the committee's responsibilities, including:
 - a) approval of a submission to an external body
 - b) establishment of working parties or steering groups.
2. **Associated decision:** If a matter relates primarily to the responsibilities of the Housing for Seniors Sub-Committee, but aspects require additional decisions by the Economic, Finance and Community Committee, then the Housing for Seniors Sub-Committee has the powers to make associated decisions on behalf of the Economic, Finance and Community Committee. For the avoidance of doubt, this means that matters do not need to be taken to more than one of these committees for decisions.
3. **Referral of decisions:** The Sub-Committee may, from time to time, refer matters which it would ordinarily consider, to another Committee, if it considers the matter/project would be better dealt with by that other Committee.
4. **Referral for urgency:** The Sub-Committee Chair is authorised to refer urgent matters to the Council for decision, where this Committee would ordinarily have considered the matter. The Chairperson must make this referral in writing stating reasons for the referral.

Delegation Limits (if any)

The committee does not have:

1. the power to establish sub-committees
2. powers that the Council cannot delegate or has retained to itself.

Procedure

The Chairperson will report back to the Economic, Finance and Community Committee with recommendations of the Housing for Seniors Sub-Committee at the next Committee meeting following each sub-committee meeting.

9. CBD and Parking Sub-Committee

(The Mayor)

D050-001-P01

1. The Minutes of the CBD and Parking Sub-Committee meeting held on 31 March 2023 are **attached** for ratification by the Committee.
-

RECOMMENDATION

That the Minutes of the CBD and Parking Sub-Committee meeting held on 31 March 2023 be ratified.

**Minutes of a Meeting of the
CBD and PARKING SUB-COMMITTEE
held in the Kenepuru Room, 15 Seymour Street, Blenheim
on FRIDAY, 31 MARCH 2023 commencing at 10.00 am**

Present

The Mayor N P Taylor (Chairperson), Cirs J A Arbuckle, B G Dawson and J C Rosene.

In Attendance

Cir D A Dalliesi, Mr M S Wheeler (Chief Executive), Mr A J Lyall (Property & Community Facilities Manager), Ms M N F Watson (Project and Contracts Manager), Mr N P Henry (Manager, Strategic Planning & Economic Development) and Mr M J Porter (Democratic Services Manager).

Apology

Cirs J Arbuckle/Dawson:

That the apology for absence from Cir J D N Croad be received and sustained.

Carried

1. Welcome

D050-001-P01

The Mayor welcomed all to the first meeting of the CBD and Parking Sub-Committee for the 2022-25 Triennium.

2. First Meeting

D050-001-P01

Mr Lyall advised that staff had no preconceived ideas of direction and that a good starting point was to backtrack to where Council has been and what it has done in regard to the Blenheim CBD. To assist with this a powerpoint presentation (filed in CM: Record No. 2370066) was shown.

3. Discussion Topics

3.1 CBD Plans

CBD Plans covered under this heading were the Urbanism Plus – Town Centre Report; The Marlborough Mile – BBA; the Destination Plans; and CBD – Health Check.

Each plan was discussed. The idea of a dedicated person organising events in town was raised. It was agreed that the Urbanismplus – Town Centre Report needs to be reactivated/refreshed.

3.2 Business Improvement District (BID) Programme

Mr Henry spoke on the previous unsuccessful BID attempt. Any new attempt will need to be prompted by the BBA or other entity.

3.3 MLAG Streetscape Project

Topics covered under this heading were the timing for completion and managing interface with retailers.

3.4 Council CBD Properties

Topics covered under this heading were the Marlborough Clubs; Old Blenheim Library; Millennium Art Gallery; and PHO/Noel Leeming.

3.5 COM Liquidation

Topics covered under this heading were the HOA and a meeting with the liquidator.

Mr Lyall advised that he is meeting with Rangitāne and the liquidator at 2.00 pm this afternoon.

3.6 Parking

The topic covered under this heading was the Armourguard Contract.

Members discussed whether this should stay as a contract or be brought in-house.

3.7 CBD Proposals

Topics covered under this heading were the High St Carpark – Playground proposal and the High St Carpark – Destination Marlborough – Wine and Food Hub.

Mr Lyall spoke on the potential of a playground close to the new Library/Art Centre. Members agreed that negotiations with the landowner should continue.

3.8 Budgets

Topics covered under this heading were Parking and CBD capital.

The meeting closed at 11.53 am.

10. Audit & Risk Sub-Committee

(The Chair)

D050-001-A05

1. The Minutes of the Audit & risk Sub-committee meeting held on 21 April 2023 and 28 March 2023 are **attached** for ratification by the Committee.
-

RECOMMENDATION

That the Minutes of the Audit & Risk Sub-committee meeting held on 21 April 2023 and 28 March 2023 be ratified.

**Report and Minutes of a Meeting of the
AUDIT & RISK SUB-COMMITTEE
held in Council Chambers and via Teams, 15 Seymour Street, Blenheim
on FRIDAY 21 APRIL 2023 commencing at 2.00 pm**

Present:

Mr I Marshall (Chairperson) (by audio visual link pursuant to Standing Order 13.7), Mayor N P Taylor and Cirs J A Arbuckle, J D N Croad and B G Dawson

Also Present:

Cirs S R W Adams and S J Arbuckle

In Attendance:

Mr M S Wheeler (Chief Executive), Mr M F Fletcher (Chief Financial Officer), Mr J Tan (Audit Director, Audit NZ) (by audio visual link pursuant to Standing Order 13.7) (for item 2), Ms C L Lake (Financial Services Manager), Ms T A Dever (Financial Accountant), Ms R Zhao (Systems Accountant) and Ms N J Chauval (Committee Secretary) (by audio visual link pursuant to Standing Order 13.7)

Apologies:

Postscript: Following the meeting an apology for non-attendance from Clr J Rosene was received.

NB: The order of the agenda was altered at this point and the following Item 2 was heard ahead of Item 1.

2. 2020-21 Annual Report Audit Clearance – Julian Tan (Audit Director)

F275-A22-01

Members noted that the purpose of the report was to receive the Audit Clearance Report, recommend signing of the Proposed Letter of Representation and recommend that Council adopt the 2021-22 Annual Report. A number of documents had been separately circulated, these being: 2021-22 Annual Report; clearance letter to Audit and Risk Sub-Committee; draft letter of representation for the annual report; and draft audit opinion on the full annual report.

Mr Tan spoke to the documents and on the audit process. Mr Tan discussed the significant finding arising from the audit namely the three waters valuation and the impact on the audit opinion and advised that they intend to issue a limitation in scope 'except for' audit opinion in respect of the carrying values of the three waters infrastructure assets. It was noted that the valuation is a likely understatement of assets rather than an overstatement.

Mr Tan advised that there would be two "emphasis of matter" paragraphs to draw the readers' attention to the disclosures in the financial statements outlining the Government announcements on the water services reform programme and the damage costs to Council assets from the extreme weather events, which occurred after 30 June 2022 in the Marlborough District. It was noted that the financial impact of the damage is yet to be determined but is expected the costs will be significant. It is expected that Council will recover some of the costs through insurance and from central government agencies.

Mr Tan referred to the breach of statutory deadline noting that Audit NZ have recommended that Council include a statement that is also replicated in the audit report noting that the principal cause lies with Audit NZ not Council.

The other matters arising from the audit were: Roading infrastructure assets valuation; Impairment write-down of storm-damaged roading assets and accounting treatment for the reinstatement costs; and Funding impact statements.

Mr Tan noted that in accordance with Audit NZ's normal practice the legislative compliance checklist covering the key legislation was completed and found that the Council had not complied with section 63 of the Local Government Act 2002. Mr Fletcher advised that Council has started to remedy the breach and will be compliant by May 2023.

Mr Tan advised there were two MDC Holdings (MDCH) group matters identified and Audit NZ has issued an unmodified audit report on the financial statements and statement of service performance of MDCH. Mr Tan noted the following two group matters: the reporting of MDCH group non-financial performance and the

arrangement for the advances from MDCH to the Council. For each group matter recommendations have been made.

Members went on to discuss the Draft Audit Opinion and Mr Tan noted that he is not expecting substantive changes. Mr Fletcher suggested that the Committee could proceed on the basis that there be no substantive change between the draft Audit Opinion and the final audit opinion from Audit NZ which is expected to be available later this afternoon/Monday morning for presentation at the Extraordinary Council meeting on 24 April 2023.

There was a brief discussion on whether delegated authority needed to be provided to the Chair and the Mayor in case of any substantive changes. It was noted that if there were substantive changes the Council meeting would be postponed to provide sufficient time to work through the changes.

A number of questions were answered at the meeting. Mr Tan thanked all involved in the audit.

Cir J Arbuckle/Mr I Marshall:

1. **Note that it is anticipated that adoption of the Annual Report by full Council will occur as planned on 24 April 2023.**
2. **Receive the Audit Clearance Report and verbal comments from the Audit Director.**
3. **Recommend that the Mayor, Chief Executive and Chief Financial Officer sign the proposed letter of Representation for the 2021-22 Annual Report.**
4. **Recommend that providing there were no significant changes to the Annual Report following this meeting that Council adopt the 2021-2022 Annual report.**

Carried

Mr Marshall thanked management, Council's finance team and auditors for facilitating the process and acknowledged that it has been a lengthy process.

ATTENDANCE: Julian Tan withdrew from the meeting at 2.58 pm at the conclusion of the above item.

1. Previous Minutes

D050-001-A05

The minutes of the previous meeting held on 28 March 2023 were attached to the Agenda.

Cir J Arbuckle/Mr I Marshall:

That the minutes of the Audit & Risk Sub-Committee held on 28 March 2023 be received.

Carried

Mr Fletcher noted there has been no decision received from Audit NZ in regard to Council's request to change audit service provider thereby bringing the whole of the Council groups under same audit service.

The meeting closed at 3.23 pm.

**Report and Minutes of a Meeting of the
AUDIT & RISK SUB-COMMITTEE
held in the Council Chambers and via Teams, 15 Seymour Street, Blenheim
on TUESDAY 28 MARCH 2023 commencing at 2.00 pm**

Present:

Mr I Marshall (Chairperson) (via Teams), Mayor N P Taylor, and Cllrs J A Arbuckle, J D N Croad, B G Dawson and J C Rosene (left 2.28 pm).

In Attendance:

Cllrs S R W Adams and G A Hope, Mr M S Wheeler (Chief Executive), Mr M F Fletcher (Chief Financial Officer), Mr R Foitzik (General Counsel), Ms G Lawrence (IT Services & Infrastructure Manager), Mr G W Townsend (Contract & Risk Policy Manager), Ms L Randle (People & Capability Partner), Ms A Merwood (H&S Advisor), Mr M Meacham (Marsh) and Mr M J Porter (Democratic Services Manager).

In Attendance via Teams:

Ms F Zhang (Assistant Systems Accountant).

Apologies:

That the apologies for non-attendance from Mr D G Heiford (Manager Economic, Community & Support Services) and Ms S L Young (Chief Information Officer) be noted.

The Chairperson welcomed all to the meeting.

1. Previous Minutes

D050-001-A05

The minutes of the previous meeting held on 21 December 2022 were attached to the Agenda.

Comment from or highlights noted at the meeting included:

- **2022 Audit Plan Letter** – Mr Fletcher advised that it is now expected that audit sign-off is expected in April.
- **S&P Global Credit Rating** – Mr Fletcher advised that Council has reduced its Commercial Paper (CP) funding by \$24 million (15%) converting this to Floating Rate Notes (FRN).

Cllrs J Arbuckle/Croad:

That the minutes of the Audit & Risk Sub-Committee held on 21 December 2022 be received.

Carried

2. Audit & Risk Sub-Committee Terms of Reference

D050-001-A05

Mr Fletcher advised the purpose of the report was to present for adoption updated Terms of Reference (ToR) for the Audit & Risk Sub-Committee (ARSC).

Mr Fletcher reported that at the December 2022 ARSC meeting, the committee requested *“That Human Resources/Health and Safety reporting be included as responsibility in the Audit and Risk Sub-Committee Terms of Reference”*.

Members requested amended wording for the quorum. This is included in the resolution.

Cllrs J Arbuckle/Dawson:

That the Audit & Risk Sub-Committee recommend that Council adopt the updated Audit & Risk Sub-Committee Terms of Reference:

Carried

Audit and Risk Sub-Committee

Terms of Reference

Establishment

Council at its 31 October 2013 meeting established an Audit and Risk Sub-Committee (ARSC) of the then Community and Finance Committee (now the Economic, Finance and Community Committee).

Objectives

The objective of the ARSC is to assist Council to fulfil its corporate governance responsibilities. This is particularly in respect to maintaining and enhancing:

- The integrity of Council's financial and operational results and reporting, including overseeing the audit of Council's Long Term Plan Consultation Document, Long Term Plan and Annual Report.
- Council compliance with legislative and regulatory financial reporting and management requirements, standards and good practice.
- The robustness of Council's risk management systems, processes and practices.
- Council's internal control framework and financial management practices.
- The effectiveness of both the internal and external audit functions.

Membership

- The ARSC will comprise at least 6 members including the Mayor and Chair of the Economic, Finance and Community Committee.
- Included in the ARSC's membership will be at least one independent external person with relevant professional experience. The ARSC will be chaired by an independent person.
- The membership of the ARSC will be reviewed by Council following each election or earlier should a vacancy or other need arise. The term of appointment for independent external member shall be in accordance with Council's Board appointment policy.
- No staff member of Council may be appointed to the ARSC but may attend on invitation.

Authority

- The ARSC is authorised by Council to investigate any activity within its terms of reference.
- Further the ARSC shall have unrestricted access to all information and employees necessary via the Chief Executive or Chief Financial Officer to fulfil its responsibilities.
- The ARSC shall also have unrestricted access to Council's external auditors and internal auditors via the Chief Executive or Chief Financial Officer.
- The ARSC may obtain outside professional advice to assist it discharge its role subject to approval by the Council.
- Unless authorised by Council, the ARSC has no decision making powers, but makes recommendations on the issues that come before it.

Meetings

- The ARSC shall meet at least three times a year at a date, time and place determined by the Chair. In addition, the Chair is required to call a meeting of the Sub-Committee if requested to do so by any ARSC Member(s), Council's Chief Executive, the Chief Financial Officer or the external auditors.
- A quorum of members of the ARSC shall be three, including the independent Chair. If the independent Chair is unavailable, the Mayor is to chair the meeting.
- Any Councillor shall be entitled to attend a meeting of the Sub-Committee.
- The ARSC may invite the Chief Executive, Chief Financial Officer, internal and external auditors and/or any other party to attend its meetings as required.
- The minutes of the ARSC meeting shall be an agenda item at the following Economic, Finance and Community Committee Meeting or the next meeting after that if this proves impractical.
- Relevant extracts of the minutes are also to be forwarded to those parties who have a required action resulting from the minutes.

Responsibilities

The responsibilities of the ARSC shall include:

Reporting

- Review the Annual Report and Long Term Plan, including performance reporting, prior to Council approval including the resolution of differences between management and external Auditors.
- Review the appropriateness of Accounting Policies including the review of significant accounting and reporting issues and recent professional and regulatory pronouncements and understand their impact on the financial statements.
- Assist the external Auditors to identify risks and issues relevant to the external audit.
- Agree the audit plan with external Auditors.
- Agree the external Audit engagement letters and fees.
- Review Audit letters of representation and supporting information.
- Review the annual planned internal audit work programme.
- Review internal and external audit reports and the management action taken thereon.
- Review the appropriateness of the format and content of monthly Reports to the Council.
- Review management accounting and internal financial reporting practices.

Financial Management and Internal Controls

- Review periodically for appropriateness Council's financial policies and practices, including delegation policies.
- Review the effectiveness of Council's control environment including computerised information system controls and security.
- Review periodically the Council's Treasury Management Policy.

- Review periodically Council's procurement and contracting policies and procedures, including determining the levels of contract retention, performance bond and insurance.
- Monitor and review policies and procedures to minimise and manage conflicts of interest amongst Council members, management and staff.
- Review Council's fraud policy and satisfy itself that Council has appropriate processes and systems in place to capture and effectively investigate fraud-related information.
- Review Council's Protected Disclosures Policy for appropriateness.
- Receive and investigate disclosures under Council's "whistle blowing" policy, where it is not appropriate for them to be received and investigated by the Chief Executive.

Risk Management

- Review whether management has in place a current and comprehensive risk management framework and associated procedures for effective identification and management of Council's financial and business risks, including fraud.
- Monitor Council's Corporate Risk Profile/Assessment and the mitigation measures planned and underway.
- Review Council's insurance portfolio for adequacy of cover and level of deductibles.
- Review periodically Council's Disaster recovery planning, including whether disaster recovery plans have been tested.
- Review Council's exposure to Contingent Liabilities and Guarantees.

Human Resources/Health and Safety reporting

- Review regular – 6 monthly reports on Health and Safety activities, incidents and future direction.
- Receive regular reports on Human Resources risks, including recruitment, retention, staff demographics and industrial relations.

Legislative Compliance

- Review the processes in place to ensure Council's compliance with legislative and regulatory requirements, including amongst others the Health and Safety at Work Act 2015.

Terms of Reference Review

This Terms of Reference shall be reviewed every three years to align with the Council election cycle thereby ensuring that it continues to meet Council's needs and reflect good practise.

Carried

3. Requested Change in Audit Service Provider

D050-001-A05

Members noted that the purpose of the report was to update the Committee on the progress made in changing Council's Audit Service Provider.

Mr Fletcher reported that former Mayor Leggett originally requested a change in Audit Service Provider to Deloitte in his letter of 18 August 2022. The Auditor-General, Mr John Ryan replied on 13 October 2022

declining this initial request, but saying that a further reallocation of Audit Service Providers would take place in the new year along with a visit from Mark Maloney, Assistant Auditor-General Local Government, early in 2023. In the absence of any communication from the Auditor General's Office, the Mayor wrote a letter of 15 February 2023. This prompted enquiries from Mark Maloney as to a suitable time for a visit in March. However, due to other priorities a meeting is no longer possible until April/May 2023 prompting the Mayor's letter of 21 March 2023.

Mr Marshall declared an interest in the matter in that he is currently completing work (not associated to this) for the Auditor-General.

An updated 21 March 2023 letter was provided to members which included a new penultimate paragraph: *Whilst MDC has some sympathy for the staff challenges Audit NZ faces, we cannot reconcile this with that decision.*

Cirs Croad/J Arbuckle:

That the Committee note the contents of the Mayor's letters dated 15 February 2023 and 21 March 2023 (as amended).

Carried

4. 2022 Internal Legal Compliance Audit Results C500-009-002-016-22

Members noted that the purpose of the report was to provide the results of the latest internal legal compliance audit (2022).

Mr Townsend reported that there were no instances of non-compliance found during the 2022 internal audit. Some minor self-identified recommendations for improvement were discussed during the audit process, all of which were verbally accepted as warranting further consideration and these were left with the staff to discuss further.

Mr Townsend further reported that the 2021 audit recorded a self-identified non-compliance relating to consultation for the camping bylaw. The process was also challenged legally by an external party. This bylaw has subsequently gone through a process of further consultation. This non-compliance was believed to be a one-off event with circumstances which do not reflect the overall level of compliance seen over multiple years. No further action is required in this instance.

Cirs J Arbuckle/Dawson:

That the report be received.

Carried

5. July 2021 Significant Event Insurance Claims Update

C500-009-002-002-23 & C500-009-002-009-23

Mr Townsend reported that the purpose of the report was to provide an update of Council's insurance claims generated from various significant events.

Mr Townsend further reported that the 2016 earthquake and weather-related events in the years following generated a number of insurance, LAPP (Local Authority Assistance Programme) and NEMA (National Emergency Management Agency) claims, some of which are still active. Members noted that the report excluded emergency event response claims unrelated to Council assets and roading repair claims, both of which are reported independently to Council.

The report contained specific comment under the headings of 'Background/Context', 'Claim Types', 'Claims in this Report' and 'Next Steps'.

Cirs Arbuckle/Croad:

That the report be received.

Carried

6. Insurance Renewal 2023/24

C500-009-002-001-23

Members noted that the purposes of the report were to give an indication of the key issues for the 2023/24 renewal and to seek the Committee's views on the use of maximum insurance cover thresholds and/or other

options recommended by Marsh as a strategy which may be needed in order to obtain sufficient material damage cover for insured assets. Matt Meacham, Principal, Corporate, New Zealand at Marsh was in attendance and commented on current market conditions and components of the Top of the South Councils' Insurance Strategy Report 2023.

Mr Townsend reported that the 2023/24 insurance renewal was occurring in a market where natural peril claims, both nationally and internationally, have reached never before seen levels in relation to the extent of damage and the cost of recovery. Building cost inflation will also have a major impact on rebuild costs. While these factors affect claims, they also directly affect the cost of insurance (new and renewed cover). A further factor now appearing is insurance capacity – whether or not insurers have sufficient capacity to cover the full value of assets Council wants to have insured. This may lead to cover thresholds (restricted total cover) being offered or imposed. Insurers may also require other limitations or changes to cover. Thresholds can be implemented in relation to causation type (peril) e.g. flood/earthquake; for a single council member of the ToTS (Top of the South) group, or across the total asset insurance cover for the ToTS group.

In addition, Mr Townsend reported that the insurance industry nervousness around local government potential liability exposures has continued since last renewal, resulting in further information being requested in relation to turnover, consenting and how climate change is being taken into account for consenting purposes. However, the market for this line appears to have stabilised since the 2022/23 renewal and capacity doesn't seem to be a major concern at present. Cyber insurance for local government is still difficult (and in many cases impossible) to obtain. Council's claim threshold for river protection and three waters underground reticulation assets will increase from \$3M to \$4M at the next renewal, due to its claim's history. This cover is provided by the Local Authority Protection Programme (LAPP) at 40%. Additional financial assistance is provided by the National Emergency Management Agency (NEMA), less the applicable deductibles. More predictable market capacity and pricing increases for other lines such as motor vehicle and marine are seen as more likely for the upcoming renewal.

The report contained specific comment under the headings of 'Background/Context', '2023 Renewal' and 'Next Steps'.

Clr J Arbuckle/The Mayor:

1. **That the report be received.**
2. **That the Audit and Risk Sub-Committee supports the use of Top of the South Group thresholds and/or other mechanisms recommended by Council's TOTS broker (Marsh) as a strategy to obtain maximum insurance cover for Council insured assets.**

Carried

7. Health, Safety and Wellbeing Report – Six Month Period to February 2023

C500-005-014-01

Members noted that the purpose of the report was to provide the Sub-Committee with an update that summarises progress towards the Health, Safety and Wellbeing (HSW) key strategic activities and performance for the period 1 September 2022 to 28 February 2023.

Ms Randle and Ms Merwood reported that Council should have confidence that it is providing a safe workplace for workers and others and that health and safety risks have been identified and suitably mitigated. Council should demonstrate compliance with health and safety legislation and improvements in health and safety culture and systems. This report provided key information to address matters at a governance level.

The report contained specific comment under the headings of 'Key Activities', 'Events and Investigations', and 'Key Work in Progress'.

It was requested that staff provide: an interpretation of the data (report trends etc); wellbeing and discrimination information; notifiable reports through Worksafe; and current events broken down to staff/contractors/on and off site at the next report.

Clr Dawson/The Mayor:

That the report be received.

Carried

8. People and Capability Report – Six Month Period to February 2023

D050-001-A05

Ms Randle advised that the report summarised the key activities that have been completed by the People & Capability Team in the period 1 September 2022 to 28 February 2023. It also outlined key work in progress and risks. The report also included recruitment data, turnover data and employee demographics.

The report contained specific comment under the headings of 'Key Activities', 'Key Work in Progress', 'Risks and Challenges', 'Recruitment and Turnover', and 'Demographics'.

Clr J Arbuckle/Mr Marshall:
That the report be received.

Carried

9. MDC Interim Performance Report

F275-A22-05-03

Members noted that the purpose of the report was to report actual results for the six months from July to December 2022 against targets set in the 2022-23 Annual Plan.

Mr Fletcher reported that of Council's 212 targets, 66 can only be evaluated at year end. For the remaining 146 targets measured 71% were achieved (and/or on track to be achieved by June 2023) and a further 16% were at least 80% achieved. A detailed list of not achieved targets was attached to the agenda.

Members noted that was the half-year report and that the year-end report was more representative.

Clr Dawson/Mr Marshall:
That the Audit and Risk Sub-Committee receive this Interim Performance Measures report for the six months to 31 December 2022.

Carried

10. MDC Cyber Security Update December 2022 to March 2023

C500-011-I01

Ms Lawrence advised that the purpose of the report was to provide an update on the current cyber security monitoring.

Ms Young reported that the New Zealand National Computer Emergency Response Team (CERT NZ) send out quarterly cyber security updates. These updates provide security advisories and advise of mitigation and affected systems. The Q3 2022 report (as attached to the agenda) provided a standardised set of results, graphs and analysis of the latest trends in Cyber Security. It was also reported that reported incidents were up in Q3 by 68 from Q2 to 2069; direct financial loss is up be \$5m in Q3 to \$8.9m, significantly exceeding \$3.9m in Q2 (this is the largest quarterly loss CERTNZ has reported to date); and Marlborough reported 14 incidents in Q3 up by 4 for each of the previous quarters in 2022.

The report also contained specific comment under the headings of 'Cyber Security Update December 2022 - March 2023', 'Mimecast is a cloud-based, anti-spam and email protection solution', 'MimeCast Monitoring Dashboards', 'Malicious Files and URLs', 'Email Activity', 'CrowdStrike Falcon Complete – Endpoint Detection and Response', 'Firewall Management' and 'Social Engineering Red Flags'.

Mr Marshall/Clr Croad:
That the report be received.

Carried

The meeting closed at 3.51 pm.

11. Financial Report for Council – Period Ended 28 February 2023

(The Chair) (Report prepared by Tessa Dever and Piumi Wijayasena)

F275-001-01

Purpose of Report

- To present the Financial Report for Council for the period ending 28 February 2023

Executive Summary

- The Council's Financial Report for the period 1 July 2022 to 28 February 2023 is presented below. Additional information is given on variances greater than \$100,000 at an activity level later in this report.

Forecast values have been reviewed with particular emphasis on capital expenditure. Much of this data has been extracted from the 2023-24 Annual Plan process. Forecast data will continue to be updated as we progress through the year and as information comes to hand.

Revenue and Operational Expenditure

(in millions)	1 July to 28 Feb 2023			Whole year		
	Actual	Budget		Forecast	Budget	
Surplus/(Deficit)	(\$1.8)	(\$7.3)	✓ \$5.5	(\$1.2)	(\$6.7)	✓ \$5.5
Income	\$112.7	\$113.7	✗ (\$1.0)	\$168.8	\$170.4	✗ (\$1.6)
Expenditure	\$114.5	\$121.0	✓ (\$6.5)	\$170.0	\$177.1	✓ (\$7.1)

Major variances between actual and budget:

- Higher than anticipated development contributions and vested assets as subdivisions have reached the title issue stage requiring contributions to be made.
- Receipt of un-budgeted Affordable Water Reform Council Transition Support Package Funding.
- Lower than anticipated roading reinstatement expenditure due to the impacts of the August 2022 flood event. In the 2022/23 year \$30.2M was spent on the July 2021 and August 2022 events with the initial \$85.3M approved by Waka Kotahi now being utilised for both events. Accounting entries will be made at year end to move some of these costs to capital.
- Lower than anticipated grants uplifted by community-based organisations.
- External and internal interest expenses are lower than anticipated due to the savings, deferrals and delays in past capital expenditure programmes resulting in less external borrowings.

Capital Expenditure

(in millions)	1 July to 28 Feb 2023			Whole year		
	Actual	Budget		Forecast	Funded	
Capex	\$39.5	\$79.0	✗ (\$39.5)	\$73.0*	\$82.4	✓ (9.4)

* Capital expenditure progress is impacted by many reasons including finalising community consultation, obtaining land access, obtaining resource consents, the availability of external professional expertise and receiving an acceptable contract price and contractor availability. To address this Council has funded a budget of \$82.4M for capital expenditure in the 2022-23 Annual Plan despite having a \$120.0M (including \$37.6M of carryovers from previous financial years) capital works program. This ensures that multiple projects can continue to progress.

The capital expenditure section of the financial report compares the full \$120.0M programmed to the actual capital expenditure with key projects deferred into future years identified.

RECOMMENDATION

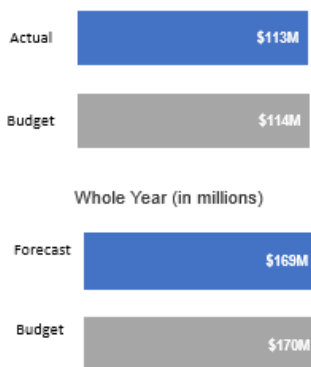
That Council receive the Financial Report for the period ending 28 February 2023.

Income and Expenditure Statement

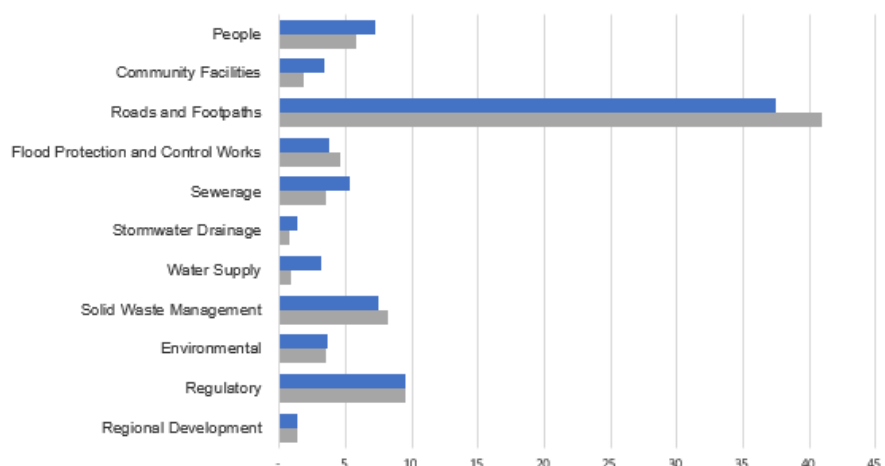


Income (\$000's)	1 July 2022 to 28 February 2023				Notes	Whole Year			
	Actual	Budget	Variance			Forecast	Budget	Variance	
Rates	52,135	52,627	(491)	-1%		79,848	80,097	(249)	-0%
-less remissions	(443)	(303)	(146)	48%		(523)	(454)	(69)	15%
Rates	51,687	52,324	(638)	-1%		79,326	79,643	(318)	0%
Rates penalty income	211	210	1	0%		316	315	1	0%
Total Rates	51,897	52,534	(637)	-1%	3a	79,641	79,958	(317)	-0%
Other Income									
Dividends	3,318	3,008	310	10%	3b	3,318	3,012	306	10%
Interest Revenue (external)	2,200	2,022	179	9%	3c	3,211	3,033	179	6%
Petroleum Tax	262	277	(14)	-5%		401	415	(14)	-3%
Gain on Sale of Fixed Assets	-	-	-	-		-	-	-	-
Marlborough Regional Forestry	-	-	-	-		-	-	-	-
Property and Other Revenue	2,922	1,768	1,154	65%	3d	4,706	4,651	54	1%
Total Other Income	8,702	7,074	1,628	23%		11,635	11,111	524	5%
Activity Income									
People									
Democratic Process	48	48	0	0%		72	72	0	0%
Culture and Heritage	1,787	1,775	12	1%		1,787	1,775	12	1%
Housing for Seniors	1,216	1,169	47	4%		1,800	1,753	47	3%
Community Support	536	409	127	31%	3e	740	613	127	21%
Library Services	2,436	2,388	49	2%		2,693	2,619	74	3%
Emergency Management	1,185	1	1,185	154496%	3f	1,969	19	1,950	10180%
Community Facilities	3,441	1,853	1,588	86%	3g	4,368	2,780	1,588	57%
Roads and Footpaths	37,471	40,936	(3,465)	-8%	3h	59,457	61,404	(1,947)	-3%
Flood Protection and Control Work	3,807	4,543	(736)	-16%	3i	6,039	6,695	(656)	-10%
Sewerage	5,371	3,456	1,914	55%	3j	7,267	5,853	1,414	24%
Stormwater Drainage	1,337	763	574	75%	3k	1,718	1,144	574	50%
Water Supply	3,113	865	2,248	260%	3l	3,546	1,298	2,248	173%
Solid Waste Management	7,508	8,204	(696)	-8%	3m	11,602	12,283	(681)	-6%
Environmental									
Environmental Policy	133	-	133	-	3n	133	-	133	-
Environmental Science and Monitoring	1,329	1,514	(186)	-12%	3o	2,486	2,272	214	9%
Environmental Protection	1,013	877	136	16%	3p	1,051	915	136	15%
Resource Consents	1,211	1,129	82	7%		1,776	1,694	82	5%
Regulatory									
Building Control	2,359	2,447	(89)	-4%		3,583	3,671	(89)	-2%
Environmental Health	304	270	33	12%		433	406	28	7%
Biosecurity	5,608	5,675	(66)	-1%		5,638	5,705	(66)	-1%
Animal Control	706	626	80	13%		747	686	61	9%
Harbours	562	482	80	17%		689	590	99	17%
Regional Development	1,341	1,296	44	3%		1,989	1,945	44	2%
Total Activity Income	83,821	80,727	3,095	4%		121,583	116,191	5,392	5%
Total MDC Income	144,421	140,335	4,086	3%		212,860	207,261	5,599	3%
Total revenue which is non-cash or tied to a reserve or to fund capex	(31,666)	(26,596)	(5,070)	19%		(44,076)	(36,793)	(7,283)	20%
Total MDC Operating Income	112,755	113,738	(984)	-1%		168,783	170,467	(1,684)	-1%

1 July 2022 to 28 February 2023
(in millions)



Actual vs Budget by Activity Group (in millions)



3. Comments are provided below on variances greater than \$100,000:

- a. Rates is behind budget due to lower metered water charges. Usage is expected to increase in the second half of the year following the grape processing season in March-April.
- b. Dividends is ahead of budget with the receipt of final dividend from MDCH in February.
- c. External Interest revenue is above budget due to the receipt of interest rates swaps which are now generating interest.
- d. Property and Other Revenue is ahead of budget due to:
 - i. Receipt of the first and second instalments of Affordable Water Reform Council Transition Support Package Funding.
 - ii. Receipt of insurance claims for the July 2021 Flood and the Kaikoura Earthquake.
 - iii. Unbudgeted contributions from Land Information New Zealand (LINZ) for the LIDAR mapping of Marlborough.

The first instalment of the tranche one of the Better Off funding which is budgeted in this area has been allocated into the activities which the approved projects relate to.

- e. Community Support is ahead of budget due to:
 - i. Grant received for restorative justice services provided by Restorative Justice Marlborough.
 - ii. Additional Waka Kotahi funding received for total mobility and passenger transport under the reduced fares scheme.
- f. Emergency Management is ahead of budget due to:
 - i. Subsidies received from Waka Kotahi for response and welfare costs from the August 2022 flood.
 - ii. The receipt of instalment one of tranche one of the Better Off Funding from the DIA. This was budgeted in the Property and Other Revenue category prior to the allocation of funds to specific projects.
- g. Community Facilities is ahead of budget due to:
 - i. Receipt of Tourism Infrastructure Funding (TIF) for public convenience upgrades in the region.
 - ii. Development contributions received from the Wai-iti and Rose Manor subdivisions as they have reached the stage required to contribute.
 - iii. Vested assets received from the Wai-iti developments.
- h. Roads and Footpaths income is below budget due to:
 - i. Waka Kotahi subsidy for the capital expenditure programme which has faced delays while the focus has been on completing emergency reinstatement works following the July 2021 and August 2022 flood events.
 - ii. Waka Kotahi subsidy on operations and maintenance activities including emergency reinstatement works.

This is partially offset by higher vested assets received from Wai-iti and Rose Manor subdivisions as they have reached the stage required to contribute.

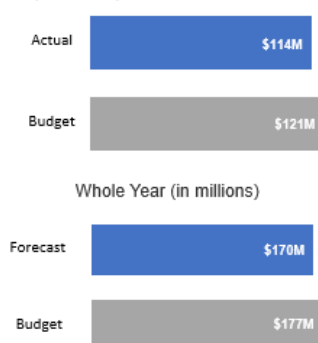
- i. Flood Protection and Control Work is below budget due to insurance funds from the July 2021 Flood event not being received yet.
- j. Sewerage is ahead of budget due to:
 - i. Development contributions received from the Wai-iti and Rose Manor subdivisions as they have reached the stage required to contribute.

- ii. Vested assets received from the Wai-iti and Rose Manor developments.
- k. Stormwater Drainage is ahead of budget due to vested assets received from the Wai-iti and Rose Manor developments.

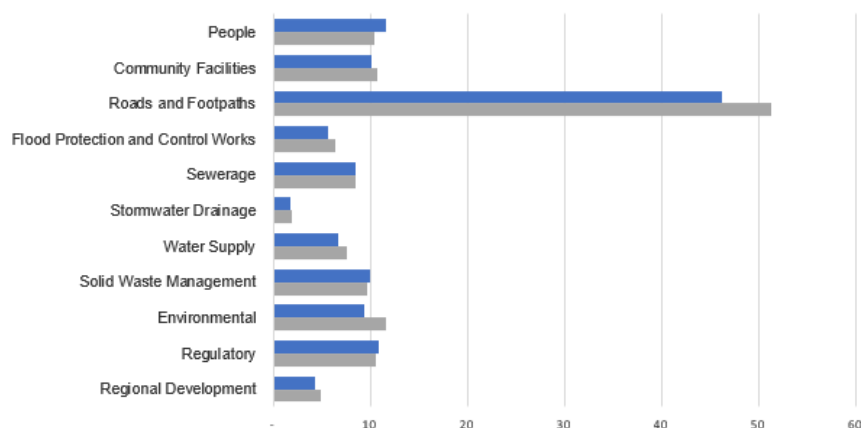
This is partially offset by lower than anticipated development contributions.
- l. Water Supply is ahead of budget due to:
 - i. Receipt of the final instalment of Affordable Water Reform stimulus funding from the DIA.
 - ii. Development contributions received from the Wai-iti and Rose Manor subdivisions as they have reached the stage required to contribute.
 - iii. Vested assets received from the Wai-iti and Rose Manor developments.
- m. Solid Waste Management is behind budget due to:
 - i. Lower than anticipated dump fees at the Regional Landfill and Greenwaste. These are expected to improve over the busier vintage period.
- n. Environmental Policy is ahead of budget due to the receipt of instalment one of tranche one of the Better Off Funding from the DIA. This was budgeted in the Property and Other Revenue category prior to the allocation of funds to specific projects.
- o. Environmental Science and Monitoring is behind budget due to timing of grants for projects as part of the Jobs for Nature initiative.
- p. This is partially offset by unbudgeted funds from Fonterra for the Ruapaka Wetland Project. The forecast is ahead of budget due to this.
- q. Environmental Protection is ahead of budget due to unbudgeted reimbursement for cost relating to contamination. The costs have been incurred by the Council during 2020-2022.

Expenditure	1 July 2022 to 28 February 2023				Notes	Whole Year			
	Actual	Budget	Variance			Forecast	Budget	Variance	
Activity Expenditure									
People									
Democratic Process	2,623	2,714	(91)	-3%		4,025	4,116	(91)	-2%
Culture and Heritage	1,329	1,388	(60)	-4%		1,802	1,862	(60)	-3%
Housing for Seniors	1,232	1,334	(102)	-8%	4a	1,863	1,939	(76)	-4%
Community Support	2,022	2,243	(221)	-10%	4b	3,139	3,352	(214)	-6%
Library Services	2,395	2,219	176	8%	4c	3,458	3,260	178	5%
Emergency Management	2,057	553	1,504	272%	4d	2,328	825	1,502	182%
Community Facilities	10,145	10,777	(632)	-6%	4e	15,245	16,076	(831)	-5%
Roads and Footpaths	46,209	51,198	(4,989)	-10%	4f	70,139	75,237	(5,098)	-7%
Flood Protection and Control Works	5,611	6,394	(783)	-12%	4g	8,643	9,487	(844)	-9%
Sewerage	8,467	8,519	(52)	-1%		12,801	12,831	(30)	-0%
Stormwater Drainage	1,808	1,899	(90)	-5%		2,702	2,794	(92)	-3%
Water Supply	6,736	7,605	(870)	-11%	4h	10,264	11,164	(900)	-8%
Solid Waste Management	9,910	9,649	261	3%	4i	15,351	15,705	(353)	-2%
Environmental									
Environmental Policy	1,326	1,603	(277)	-17%	4j	2,127	2,404	(277)	-12%
Environmental Science and Monitoring	4,960	6,110	(1,150)	-19%	4k	7,812	8,986	(1,174)	-13%
Environmental Protection	1,134	1,444	(310)	-21%	4l	1,855	2,163	(308)	-14%
Resource Consents	1,906	2,428	(522)	-22%	4m	3,115	3,630	(514)	-14%
Regulatory									
Building Control	2,991	2,971	21	1%		4,471	4,443	28	1%
Environmental Health	511	547	(36)	-7%		756	820	(64)	-8%
Biosecurity	5,274	5,046	228	5%	4n	7,794	7,563	231	3%
Animal Control	597	593	4	1%		892	889	4	0%
Harbours	1,532	1,397	135	10%	4o	2,150	2,015	135	7%
Regional Development	4,282	4,875	(592)	-12%	4p	6,447	7,027	(580)	-8%
Total Activity Expenditure	125,056	133,507	(8,451)	-6%		189,181	198,609	(9,428)	-5%
Less Internal Interest	(3,308)	(3,832)	524	-14%	4q	(5,224)	(5,749)	524	-9%
	121,748	129,675	(7,927)	-6%		183,956	192,860	(8,904)	-5%
Other expenditure									
Interest expense (external)	3,557	3,963	(406)	-10%	4q	5,538	5,945	(406)	-7%
Property and other expenditure	4,576	2,950	1,626	55%	4r	4,140	2,503	1,636	65%
Total other expenditure	8,133	6,913	1,220	18%		9,678	8,448	1,230	15%
Total MDC expenditure	129,881	136,588	(6,707)	-5%		193,634	201,308	(7,674)	-4%
Total expenditure which is non-cash or reserve funded	(15,408)	(15,602)	194	-1%		(23,717)	(24,237)	520	-2%
Total MDC operating expenditure	114,473	120,986	(6,512)	-5%		169,918	177,072	(7,154)	-4%
Operating SURPLUS	(1,719)	(7,247)	5,529	-76%		(1,134)	(6,604)	5,470	-83%

1 July 2022 to 28 February 2023
(in millions)



Actual vs Budget by Activity Group (in millions)



4. Comments are provided below on variances greater than \$100,000:

- Housing for Seniors is behind budget due to lower than anticipated repair and maintenance expenditure.
- Community Support is behind budget due to community grants being uplifted slower than anticipated and professional fees not yet being used for the Smart and Connected programme.
- Library Services is ahead of the budget due to:

- i. Higher than anticipated national library and contract costs.
 - ii. Timing of an internal recovery for Customer Services Offices at the Picton Library.
- d. Emergency Management is ahead of budget due to
- i. Costs associated with the response and welfare from the August 2022 flood.
 - ii. Cost associated with the sounds future roading access study.

This is partially offset by income received in 3f. The claims submission process is ongoing.

- e. Community Facilities is behind budget due to lower than anticipated grants mainly for the Whale Trail, Equestrian Park, and Flaxbourne Heritage Centre projects. Approval has been given to make quarterly advance payments for Whale Trail funding.

This is partially offset by unfavourable repair and maintenance costs including costs relating to flood damage.

- f. Roads and Footpaths expenditure is below budget due to:
- i. Lower than anticipated roading reinstatement expenditure relating to the impacts of the August 2022 flood event. In the 2022/23 year \$30.2M was spent on the July 2021 and August 2022 events with the initial \$85.3M approved by Waka Kotahi now being utilised for both events. Accounting entries will be made at year end to move some of these costs to capital.
 - ii. Lower than anticipated general roading maintenance expenditure.

- g. Flood Protection and Control Work is below budget due to lower than anticipated flood damage repairs with some expenditure expected to be carried over to next year.

- h. Water Supply is behind budget due to lower reticulation maintenance costs. This is linked to seasonal weather patterns and particularly for the Awatere rural supply and Southern Valleys irrigation scheme. These are expected to increase in the second half of the year.

- i. Solid Waste Management is ahead of budget due to higher than anticipated contract costs.

This is partially offset by lower than anticipated waste recycling projects costs. A project 'investigating funding services for Waste Activities' is starting in March.

The forecast is behind the budget due to landfill ETS obligation being less than expected as the waste volumes are down at the Regional Landfill and the legislated unique emissions factor is lower than expected.

- j. Environmental Policy is below budget due to lower than anticipated consultancy charges.
- k. Environmental Science and Monitoring is below budget due to delays in externally funded projects caused by staff and contractor recruitment issues, timeliness of external stakeholders' input and access issues following the 2022 flooding events. For more information on the progress of specific projects please see the February 2023 Environment Committee paper on Jobs for Nature and Externally Funding Environmental Programmes.
- l. Environmental Protection is below budget due to lower than anticipated legal charges for consents compliance.
- m. Resource Consents is below budget due to the lower than anticipated legal costs which are based on demand.
- n. Biosecurity is ahead of budget due to higher than anticipated costs for the Wilding Conifer Programme funded by the Ministry for Primary Industries.
- o. Harbours is ahead of budget due to increased contract costs including the engagement of a Transit Analyst who is monitoring the ferries as part of the development of a common passage

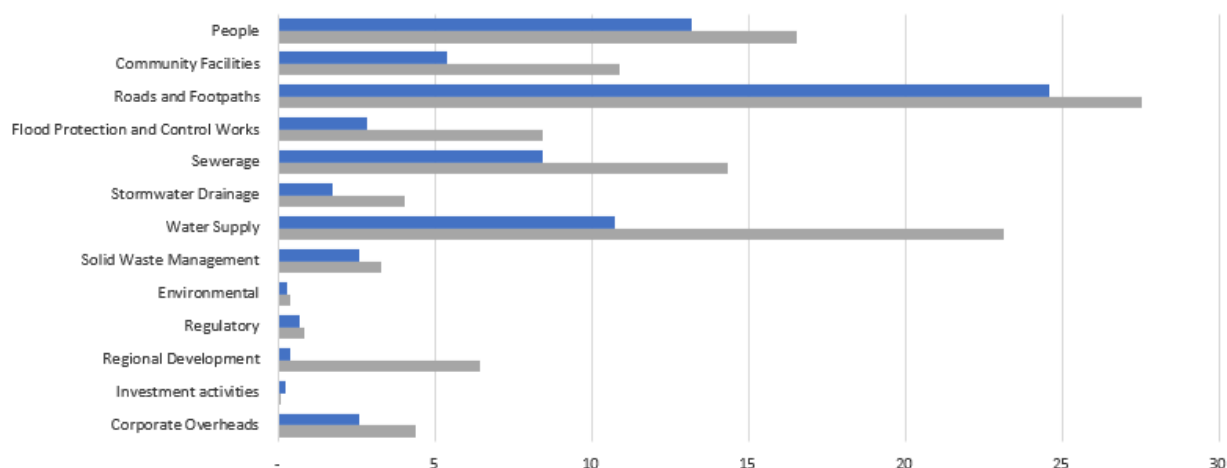
plan and risk assessment of the Tory Channel. This has been partially offset by additional revenue.

- p. Regional Development is behind budget due to the budgets for projects not yet being spent. Projects include the Picton redevelopment study, smart and connected reviews, tech and innovation activation, and additional TEAM funding.
- q. External and Internal Interest expenses are lower than anticipated due to the savings, deferrals and delays in past capital expenditure programmes resulting in less external borrowings.
- r. Property and other expenditure is ahead of budget due to:
 - i. Software costs and contracts for IT being higher than budget with urgent security work completed.
 - ii. Re-classification of Software as a Service costs to operational expenditure from capital expenditure due to recent guidance on accounting treatment for these. This has contributed to the IT software capital expenditure being under budget in 5k below.
 - iii. Higher than anticipated costs for the air-conditioning replacement in the '95 building.

This is partially offset by unspent professional fees for the Climate change project.

Net capital expenditure	1 July 2022 to 28 February 2023				Notes	Whole Year			
	Actual	Budget	Variance			Forecast	Budget	Variance	
People									
Culture and Heritage	15	1,687	(1,673)	-99%	5a	1,702	2,531	(829)	-33%
Housing for Seniors	940	3,216	(2,276)	-71%	5b	2,548	4,824	(2,276)	-47%
Community Support	-	35	(35)	-100%		18	53	(35)	-67%
Library Services	6,779	6,062	717	12%	5a	8,873	9,093	(219)	-2%
Emergency Management	3	6	(3)	-48%		7	9	(2)	-17%
Community Facilities	1,854	7,424	(5,570)	-75%	5c	5,363	10,842	(5,478)	-51%
Roads and Footpaths	12,870	18,360	(5,490)	-30%	5d	24,552	27,532	(2,980)	-11%
Flood Protection and Control Works	547	5,596	(5,049)	-90%	5e	2,814	8,394	(5,580)	-66%
Sewerage	5,380	8,526	(3,146)	-37%	5f	8,384	14,289	(5,905)	-41%
Stormwater Drainage	1,108	2,554	(1,446)	-57%	5g	1,720	4,032	(2,311)	-57%
Water Supply	7,342	15,406	(8,064)	-52%	5h	10,724	23,109	(12,385)	-54%
Solid Waste Management	826	2,177	(1,351)	-62%	5i	2,574	3,266	(692)	-21%
Environmental									
Environmental Science and Monitoring	152	222	(71)	-32%		263	334	(71)	-21%
Resource Consents	-	2	(2)	-100%		1	3	(2)	-67%
Regulatory									
Building Control	40	-	40	-		40	-	40	-
Environmental Health	-	2	(2)	-100%		1	3	(2)	-67%
Biosecurity	43	-	43	-		43	-	43	-
Harbours	280	538	(258)	-48%		549	807	(258)	-32%
Regional Development	31	4,272	(4,241)	-99%	5j	18	6,408	(6,390)	-100%
Investment activities	176	43	133	312%		197	64	133	208%
Corporate Overheads	1,153	2,873	(1,720)	-60%	5k	2,575	4,382	(1,807)	-41%
Total Net Capital Expenditure	39,537	79,003	(39,466)	-50%		72,967	119,974	(47,007)	-39%

Forecast vs Budget by Activity Group (in millions)



5. Council has set a budget of \$82.4M for capital expenditure in the 2022-23 Annual Plan. To achieve this a capex program of \$120.0M has been planned including \$37.6M of carryovers from previous financial years. This ensures that multiple projects can continue to progress. The current year forecast is \$72.9M.

As of time of writing Council has a total value of contracts for new assets in progress of \$95.6M. There is \$25.3M of contracted works still outstanding.

Total capital expenditure from 1 July to 28 February 2023 is \$39.5M which is \$5.6M less than the same period last year (\$45.1M).

Comments below are variances of greater than \$1 million to the programmed works.

- a. Culture and Heritage and Library Services capital expenditure relates primarily to the new Marlborough Library. The facility is expected to open in May 2023 and accounting entries will be completed for the split between the two facilities.

- b. Housing for Seniors is behind programmed works and the value of carryovers are uncertain at this time. There has been \$3.0M re-budgeted for 23-24 for the George Street Senior Housing Development with construction having started but being behind schedule.
- c. Community Facilities is behind programmed works and around \$1.5M of carry overs are expected relating to:
 - i. Public convenience upgrades which have been delayed for various reasons including resource consent and contractor availability.
 - ii. Delays in various other programmed works over reserves.
 - iii. The Seddon Pool upgrade of \$1M has been re-budgeted into 2023-24 with leak repair work having been completed.
- d. Roads and Footpaths is behind programmed works and at least \$4M of carry overs are expected relating to:
 - i. The general roading renewals program is behind due to challenges in resourcing this work in addition to emergency works. As we are in the second year of the 2021-24 National Land Transport Programme it is possible to carry over any surplus subsidy budget into next year.
 - ii. Continued delays in small township upgrades as community consultation and resource consents progress.
 - iii. Continued delays in Picton CBD works with carryover of \$0.75M expected.
 - iv. Services and roading infrastructure in the Northwest Blenheim Extension Zone to facilitate growth in the district.

This is offset by an unbudgeted purchase of land for \$2.90M for the purpose of stormwater in the Northwest Blenheim Extension Zone and vested assets in excess of the budget of \$2.83M.

- e. Flood Protection and Control Works is behind programmed works with a focus on completing flood damage work. Around \$3.5M of carry overs are expected relating to:
 - i. Wairau River Tuamarina to Waihopai edge protection works.
 - ii. Omapa River stop bank and edge protection works.
 - iii. Town branch drain/Camerons drain upgrades.
- f. Sewerage is behind programmed works and a number of projects have been re-budgeted including:
 - i. Sewer Treatment Plant Upgrades at Seddon \$2.4M, Picton \$2.1M and Havelock \$1.7M have been re-budgeted to take place between 2023/24 and 2025/26 due to design, site, contractor and resource consent issues.
 - ii. Blenheim Main Outfall pump station upgrade \$3M has been re-budgeted into 2023-24 with design and investigation costs occurring this year.
- g. Stormwater Drainage is behind programmed work and could have carryovers of \$1M relating to:
 - i. The general Blenheim pipeline renewals program.
 - ii. The Redwood Street – Muller Road to Stephenson Street pipeline has been re-budgeted into 2023-24.
- h. Water Supply is behind programmed works with significant re-budgeting of capital projects including:
 - i. Riverlands Water Treatment plant \$7.4M into the 2023-25 years.
 - ii. Havelock Water Treatment plant \$5.0M into the 2023-25 years.
 - iii. Lions back reservoir \$1.3M into 2023-24.
 - iv. Speeds Road Treatment plant \$7.5M into 2024-26.

- i. Solid Waste Management is behind programmed works with construction of Stage 9 of the Regional Landfill underway. It is expected that there will only be a small carryover at year end with works progressing in the coming months.
- j. Regional Development is behind budget with only a small carryover expected due to re-budgeted items including:
 - i. Booster pump station upgrades at the Southern Valley Irrigation Scheme of \$0.9M.
 - ii. Flaxbourne Irrigation Scheme \$4M. The resource consent application to take water from the Waima/Ure is no longer being pursued. A new proposal is being considered but that will require the National Policy Statement for Freshwater Management MEP plan change process support. The funding will be pushed out.
- k. Corporate Overheads are behind programmed works with the significant contributor being various IT projects where some projects initially budgeted as capital expenditure are now classified as operational expenditure due to recent guidance on the accounting treatment for software as a service. This has contributed to the IT software costs being over budget in 4r(ii) above.

Summary of Cash Received and Spent (\$000's)

	Financial Year to 28 February 2023	Financial Year to 28 February 2022	Difference
Cash received from:			
Rates	42,499	40,298	(2,202)
User charges	17,458	16,043	(1,416)
Property Rentals	5,022	4,347	(674)
Subsidies and Grants	43,708	32,749	(10,959)
Interest and dividends	5,518	3,642	(1,876)
Sale of assets	21	9,219	9,199
Development Contributions	6,339	7,026	686
Other revenue	10,675	11,160	485
Operating cash received	131,240	124,483	(6,757)
Cash spent on:			
Net GST	6,307	5,615	(692)
Payments for operating costs	(112,372)	(91,313)	21,059
Payments for capital expenditure	(33,302)	(40,815)	(7,513)
Operating cash spent	(139,367)	(126,513)	12,854
Cash borrowed from/(repaid to):			
LGFA for Council	10,485	21,125	10,640
Other	408	(3,767)	(4,175)
Cash from/(to) borrowing	10,893	17,358	6,465
Invested in subsidiaries or investment property	(1,848)	(972)	876
Cash and investments:			
net increase/(decrease)	982	14,357	13,375
at the beginning of the year	18,846	14,227	(4,619)
at the end of February	19,828	28,584	8,756

6. This is a modified cashflow statement which outlines where Council's cash is sourced and where it has been spent. Last year's figures have been provided as a comparison. The figures will differ to what is contained in the income and expenditure statement above mainly due to:
- The delay between invoices being raised/received and paid.
 - Various accruals, provisions, and prepayments.
 - Non-cash items such as vested assets and depreciation.

Authors	Tessa Dever, Financial Accountant and Piumi Wijayasena, Assistant Financial Accountant
Authoriser	Martin Fletcher, Chief Financial Officer

12. Treasury Management Report 31 March 2023

(The Chair) (Report prepared by Chris Lake)

F290-006-21

Purpose of Report

1. To present the Treasury Management Report for the period ending 31 March 2023.

Executive Summary

2. The Cash, Investments and Borrowings Report is shown as an attachment at the end of the report. Additional information is given for information and clarity. These are:
 - Details of the market interest rate movements;
 - A summary of the investments Council held, and that these continue to comply with the Investment Policy section of the Treasury Management Policy; and
 - A summary of the Council borrowings as at 31 March 2023. A number of graphs are provided to show the policy boundaries. After a number of years of minor Council approved non-compliance, the graphs show that we are now within the policy guidelines.

RECOMMENDATION

That the information be received.

3. Cash, Investments and Borrowings Report

The attachment shows details of Council's cash on hand, investments and borrowings for the quarter ended 31 March 2023. Comparative details for the quarter ended 31 December 2022 are shown in italics and shaded.

4. Market Interest Rate Movements

The Official Cash Rate(OCR), as set by the Reserve Bank of New Zealand, was raised once in this quarter (22 February 2023) with it sitting at 4.75% at 31 March 2023. In the last year the OCR has risen by 3.75% as it was 1.0% as at 31 March 2022.

See 'Current Market Interest Rates' on the table in the **attachment**.

5. Investments

Below is a summary of Council's investment portfolio reported in the **attachment**.

March 2023			Last Quarter December
Investments – short term deposits - Banks	\$11,381,275	5.30%	4.82%
Investments – Securities within 1 year	-	- %	- %
Total Investments	\$11,381,275	5.30%	4.82%

Since 2014 Council has been investing in term deposits rather than corporate bonds due to the yield advantage that term deposits provide. This strategy is continually monitored to ensure that it remains appropriate.

Council maintains the investment portfolio considering:

- Compliance with Council's Treasury Management Policy investment parameters; and

- The level of investment required to maintain adequate disaster recovery funding in realisable securities.

Bancorp provide advice on reinvestment of securities and report quarterly on Treasury Management Policy for compliance and investment returns.

6. Compliance with Council Policy

Council's Treasury Management Policy sets criteria surrounding credit rating, maximum investment allowed with any one institution and the maximum allowed to be invested with any type of institution.

All criteria have been met for the 31 March quarter.

7. External Borrowings

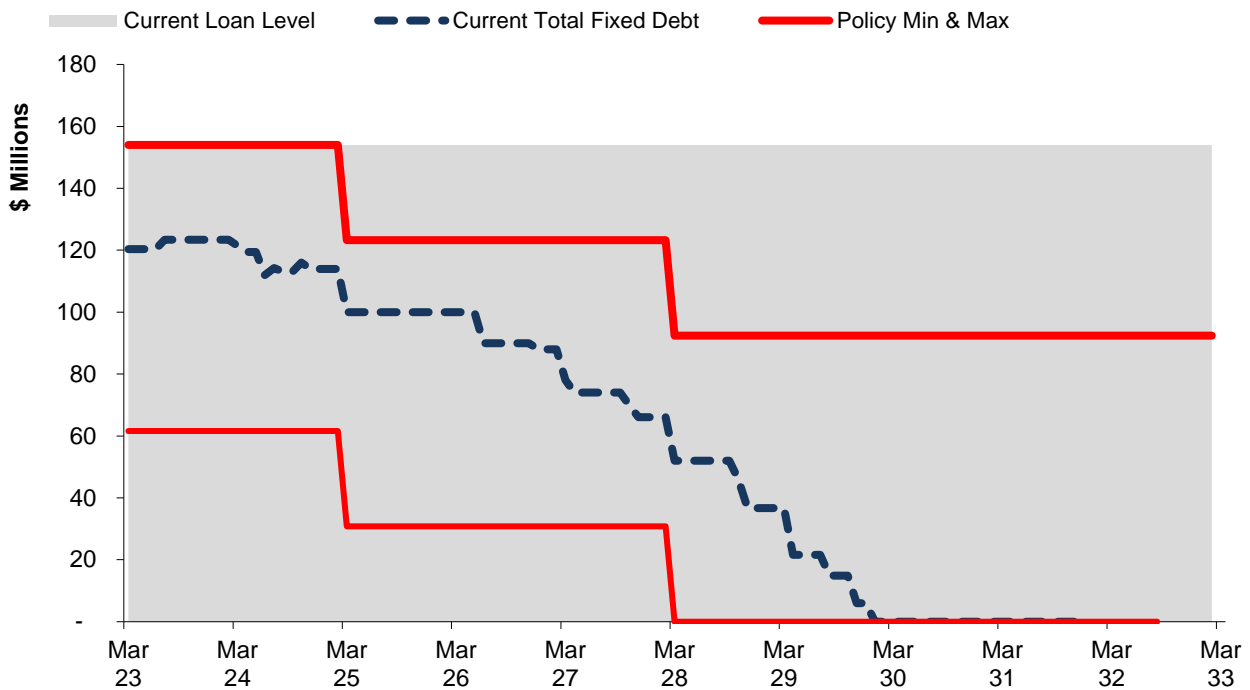
As at 31 March 2023 the MDC Group had Gross borrowings of \$154M (\$154M as at 31 December 2022). MDC Holdings Group debt has remained unchanged at \$75M. MDC remains unchanged since the last quarter of \$79M borrowed.

The following three graphs are for the MDC Group combined, MDC Holdings Limited and MDC and show the level of fixed/hedged debt compared to Policy Bands based on current levels. The fourth and fifth graphs show the position based on anticipated future borrowings.

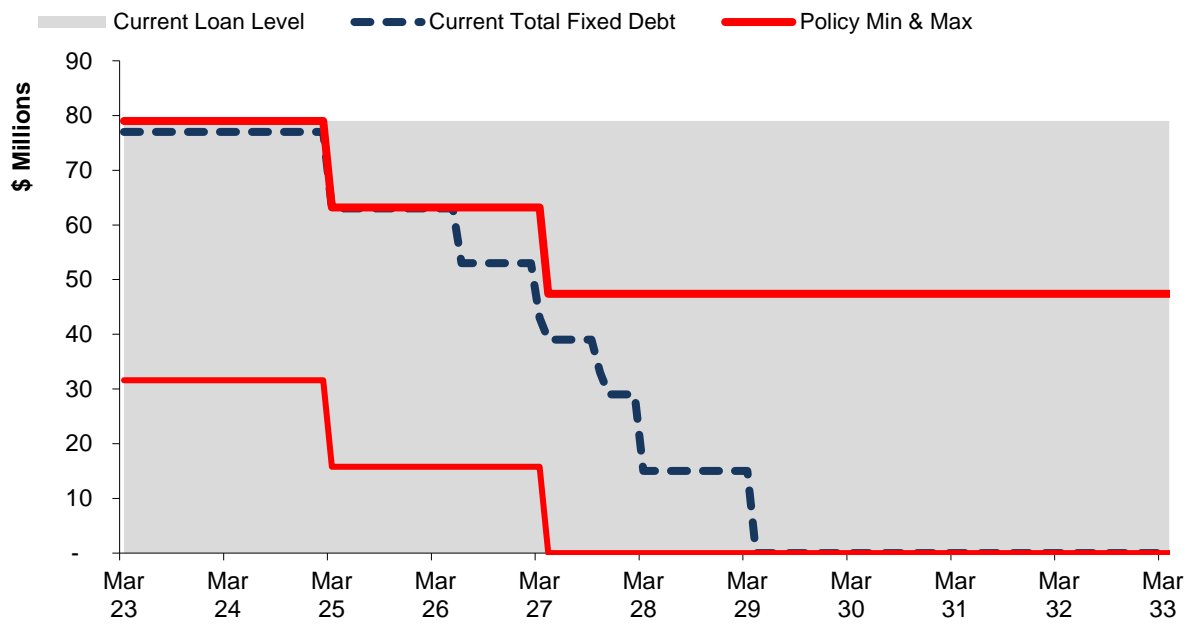
8. Compliance with Council Policy

The hedging in each of the three graphs below are within policy.

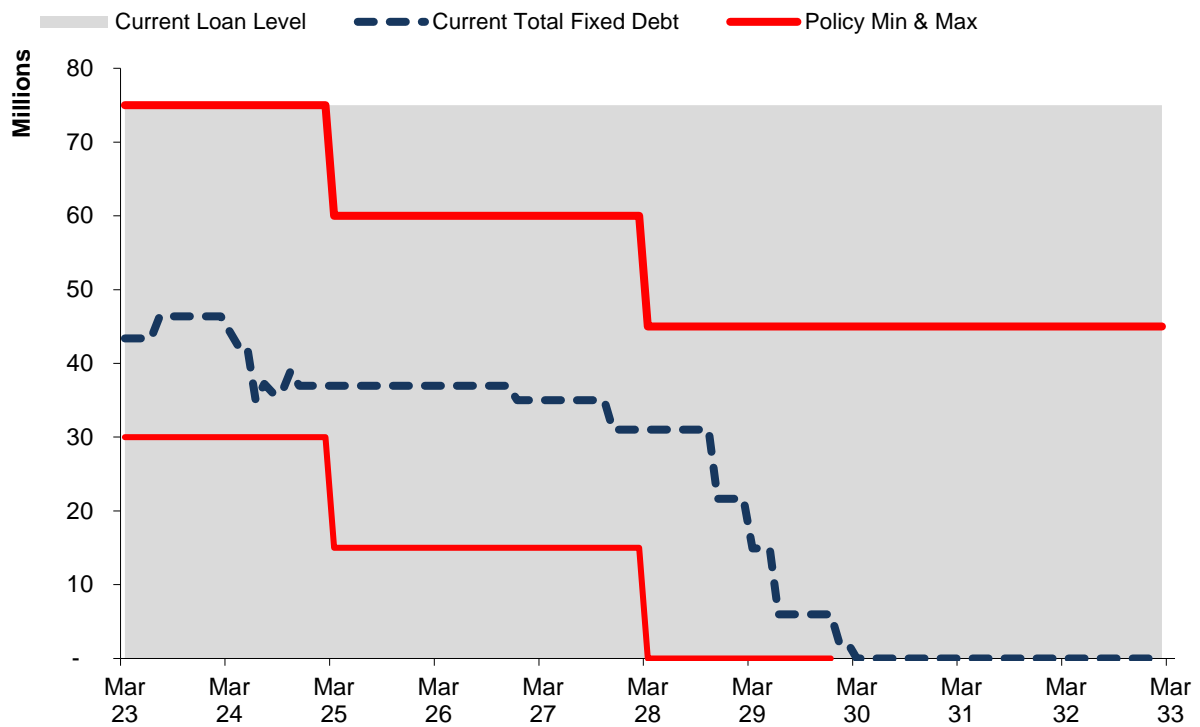
MDC GROUP debt and hedging - March 2023



MDC debt and hedging (excl. MDCH) - March 2023

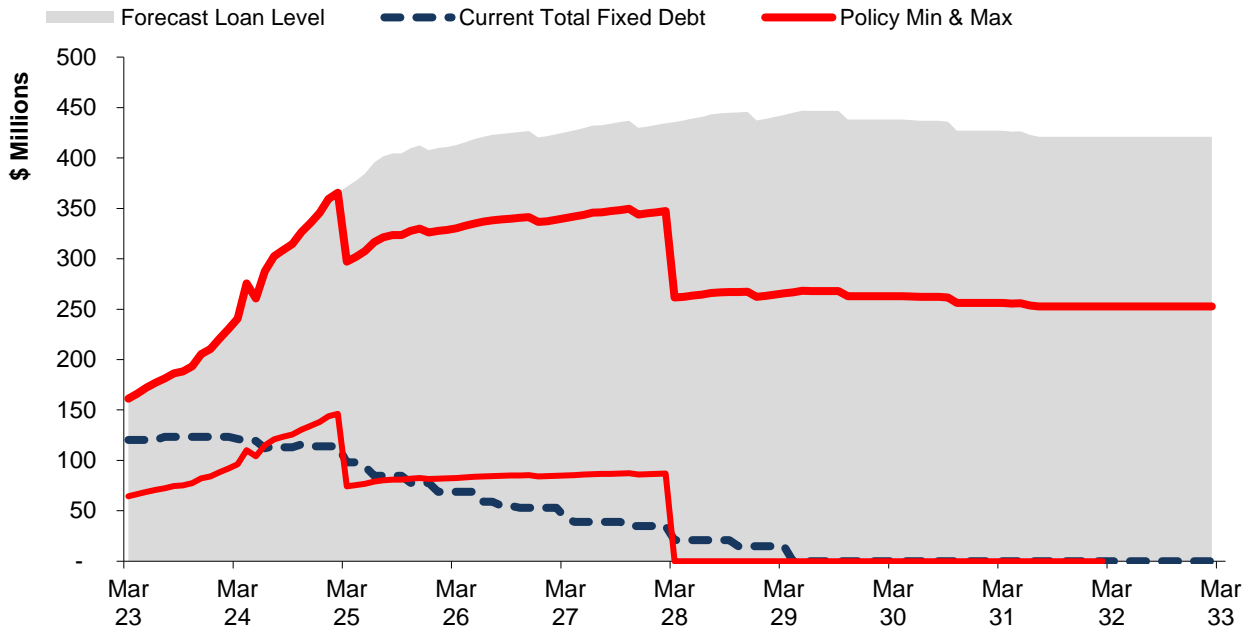


MDCH debt and hedging - March 2023

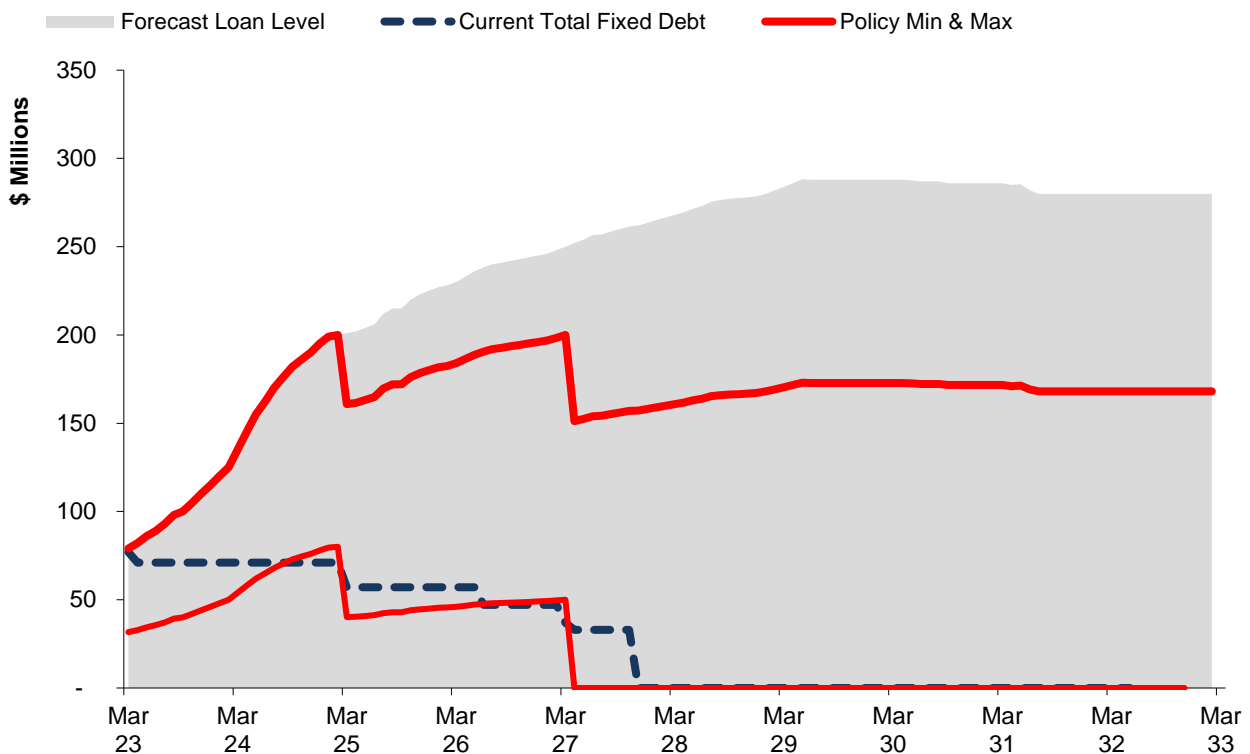


In the coming year it is expected that Council will require additional borrowing for its' and Port Marlborough's budgeted capital projects including their Waikawa marina development and IREX. The total fixed debt is below the minimum limits on the graphs which is due to the fixed term loans not forecast to be refixed in the future.

MDC GROUP debt and hedging (Forecast debt) - March 2023



MDC debt and hedging (excl. MDCH) (Forecast debt) - March 2023



MARLBOROUGH DISTRICT COUNCIL
QUARTERLY TREASURY MANAGEMENT REPORT

Current Market Interest Rates as at 31 March 2023

Term	Rate quoted from -	March 2023	February 2023	January 2023	December 2022
OCR	Reserve Bank	4.75%	4.75%	4.25%	4.25%
30 days	Reserve Bank	5.06%	4.82%	4.51%	4.32%
90 days	Bank bills	5.23%	5.13%	4.91%	4.65%
5 year bond	NZ Government Bonds- yield	4.25%	4.62%	4.06%	4.48%
10 year bond	NZ Government Bonds- yield	4.20%	4.62%	4.18%	4.48%

Statement of MDC Cash, Investments and External Borrowings as at 31 March 2023

				%Funds	Last Report December 2022
Bank Current Accounts					
- BNZ	Current Funds or (Overdraft)		786,736	3.71%	\$7,164,183
On Call					
- BNZ	Rating				
	AA-	3.50%	7,016,178	33.12%	\$5,257,304
	Readily Available Funds		\$7,802,913	36.83%	\$12,421,487
Cash flow - term deposits <60 days					
- Westpac	AA- 14 days (04/23)	4.20%	2,000,000	9.44%	\$0
- Westpac	AA- 24 days (1/23)	3.76%	0	0.00%	\$5,000,000
	Funds Available <60 days	4.20%	\$2,000,000	9.44%	\$5,000,000
Investments					
Banks					
- BNZ	AA- 365 days (07/23)	1.50%	53,492	0.25%	\$53,492
- BNZ	AA- 365 days (06/23)	4.46%	565,585	2.67%	\$565,585
- Westpac	AA- 731 days (11/24)	5.52%	559,139	2.64%	\$559,139
- Westpac	AA- 365 days (12/23)	5.86%	1,353,289	6.39%	\$1,353,289
- Westpac	AA- 365 days (12/23)	5.80%	1,212,619	5.72%	\$1,212,619
- BNZ	AA- 731 days (10/24)	5.12%	1,391,988	6.57%	\$1,391,988
- Westpac	AA- 365 days (01/23)	2.68%	0	0.00%	\$1,026,708
- Westpac	AA- 365 days (03/23)	3.33%	0	0.00%	\$1,449,860
- Westpac	AA- 731 days (07/24)	4.56%	1,333,280	6.29%	\$1,333,280
- BNZ	AA- 731 days (07/24)	4.67%	1,133,379	5.35%	\$1,133,379
- BNZ	AA- 365 days (7/24)	5.79%	1,054,224	4.98%	\$0
- Westpac	AA- 728 days (10/24)	5.51%	2,724,280	12.86%	\$2,724,280
- Westpac	AA- 364 days (10/22)	2.14%	0	0.00%	\$0
	Total Investments	5.30%	\$11,381,275	53.73%	\$12,803,618
	Total Funds Available	5.13%	\$21,184,188	100.00%	\$30,225,105

Gross Group Borrowings

Local Government Funding Authority

- Loans greater than 12 months for MDC	5.11%	79,000,000
- Loans greater than 12 months raised on behalf of MDC Holdings Ltd		75,000,000
Subtotal		154,000,000

Westpac

- Loans less than 12 months for MDC	5.50%	-
Total MDC Group External Borrowings		\$154,000,000

less

- Loans raised on behalf of MDC Holdings Ltd		(75,000,000)
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plus

- MDC Holdings current account (interest charged annually @ 90 day bank bill rate)		1,555,319
MDC Borrowings		\$ 80,555,319

13. Debtors Overdue Reports as at 31 March 2023

(The Chair) (Report prepared by Sonja Greenhill)

F220-002-020-22

Purpose of Report

1. The purpose of this report is to advise Council on the overdue debtor position as at 31 March 2023.

RECOMMENDATION

That the information be received.

Debtors' Overdue Reports

2. The debtors' overdue summary report is attached for the Councillors' information.

This report details the level of debt relating to the following revenue streams:

- Building Consents
- Resource Consents
- Resource Consent Monitoring
- Development Contributions
- Licences
- Tradewaste
- Water and Sewerage Connections
- Other Sundry Invoices

The Debtors Report as at 31 March 2023 is **attached** for Councillors' information.

The Current and 30 – 90 Days balance both include large government department invoices.

The 90 Days balance includes several Development Contribution invoices that will be paid once the building project is near completion. The list of overdue Building Consents is increasing as building projects are not being started due to the unavailability of materials and builders.

The Property Leases and Licences Debtors Report as at 31 March 2023 is also **attached** for Councillors' information. Current and Total balances fluctuate monthly depending on individual leases and invoicing periods, e.g., monthly, quarterly, six monthly or annual.

Water Billing Debtors' Report

3. Attached for information is the Water Billing Debtors Report as at 31 March 2023. The current balance includes all the quarterly water readings for March 2023. This is up on last March 2022 balance of \$1,132,784.

The 90 Days balance includes a number of credit balances and overdue December 2022 invoices. Copies of the outstanding invoices were emailed requesting prompt payment. There are also a number of Renwick and Havelock water invoices that need to be reassessed by the water team due to large water leaks.

Author	Sonja Greenhill, Credit Controller
Authoriser	Martin Fletcher, Chief Financial Officer

Debtors Report as at 31 March 2023

**Current
Month**

Comparison for Previous 5 Months

Aged Analysis Report	March	February	January	December	November	October
Current	4,473,041.27	2,650,614.41	1,523,768.78	3,543,971.11	2,101,373.43	3,928,753.06
30 - 90 Days	626,249.26	1,189,828.79	1,408,263.50	422,503.17	475,523.96	557,077.37
90 Days	244,530.59	291,797.44	385,851.45	399,424.59	636,810.08	545,236.47
Outstanding Debtors Closing Balance	5,343,821.12	4,132,240.64	3,317,883.73	4,365,898.87	3,213,707.47	5,031,066.90

Debtors Action Report - Debtors over 90 days with Balance >\$250	March	February	January	December	November	October
With Debt Collection Agency	10,411.04	10,411.04	10,411.04	10,148.04	10,148.04	10,683.05
Paying by Arrangement	67,249.65	50,060.38	49,370.38	55,787.12	57,823.28	70,073.50
Negotiating Payment Arrangement	121,327.66	149,355.05	185,204.51	226,922.05	482,876.68	356,886.05
Debts in Dispute	7,315.62	5,509.62	62,691.62	57,461.00	-	-
Payments since month end taken off above amounts	34,184.36	69,686.78	70,253.91	41,088.39	69,372.51	83,909.09
Sub-Total	240,488.33	285,022.87	377,931.46	391,406.60	620,220.51	521,551.69
Various Debtors with Balances <\$250	4,042.26	6,774.57	7,919.99	8,017.99	16,589.57	23,684.78
Over 90 days Outstanding Total	244,530.59	291,797.44	385,851.45	399,424.59	636,810.08	545,236.47

Property Leases and Licences Debtors Report as at 31 March 2023

Aged Analysis Report	Current Month	Comparison for Previous 5 Months				
	March	February	January	December	November	October
Current	13,590.79	107,855.55	44,828.05	201,947.75	100,329.92	224,843.38
30 Days	550.36	18,523.56	70,530.89	42,498.54	19,081.17	25,597.42
60 Days	336.88	(1,576.09)	28,976.48	2,088.82	19,755.20	94,798.43
90 Days	(862.53)	3,758.05	3,166.88	5,895.87	45,962.23	2,036.33
Outstanding Debtors Closing Balance	13,615.50	128,561.07	147,502.30	252,430.98	185,128.52	347,275.56

Water Billing Debtors Report as at 31 March 2023

	Current Month	Comparison for Previous 5 Months				
	March	February	January	December	November	October
Aged Analysis Report						
Current	1,370,342.91	45.02	142.59	746,562.78	1,664.29	4,486.32
30 - 90 Days	45.02	71,500.98	186,847.78	5,458.74	42,838.78	75,660.64
90 Days	26,364.73	(33,925.11)	(13,663.52)	14,235.34	(10,130.99)	(621.13)
Outstanding Debtors Closing Balance	1,396,752.66	37,620.89	173,326.85	766,256.86	34,372.08	79,525.83

Debtors Action Report - Debtors over 90 days Balance >\$250						
	March	February	January	December	November	October
Paying by Arrangement	3,642.85	1,426.78	1,426.78	2,028.71	3,898.95	5,404.46
Negotiating Payment Arrangement	57,740.96	19,240.96	17,971.24	31,767.07	16,078.01	12,046.22
Awaiting Possible Water Remission (New)	4,085.95	1,737.74	2,759.78	6,430.60	3,440.54	19,853.29
Payments since month end taken off above amounts	4,929.15	-	9,324.64	12,310.96	9,603.29	6,573.79
Sub-Total	70,398.91	22,405.48	31,482.44	52,537.34	33,020.79	43,877.76
Various Debtors with Balances <\$250 or Credit Balances	(44,034.18)	(56,330.59)	(45,145.96)	(38,302.00)	(43,151.78)	(44,498.89)
90 days Outstanding Total	26,364.73	(33,925.11)	(13,663.52)	14,235.34	(10,130.99)	(621.13)

14. Rates Report as at 31 March 2023

(The Chair) (Report prepared by Linda Fletcher-Firks)

F270-36-21

Purpose of Report

1. The purpose of this report is to advise Council of the rates position as at 31 March 2023.

RECOMMENDATION

That the information be received.

Rate Levies Status and Rate Arrears Aged Balance Reports

2. The fourth instalment of 2022-2023 rates will be invoiced on 1 May 2023 with a due date of 8 June 2023.
3. The value of the penalty run on 9 March 2023 was \$75,876.65 (1302 properties), with last year for the same period being \$72,861.63 (1242 properties). A significant portion have now paid, with only 266 rates accounts requiring further action.
4. Of the 57 Notices of Demand sent on 22 March 2023, in relation to arrears as at 30 June 2022, 29 remain unpaid at this time.
5. The Rates Team are continuously following up with these rate payers and working with them to provide suitable repayment options if required.

Postponed Rates

6. We currently have 12 properties with postponed rates. The total value postponed as at 31 March 2023 is \$165,544.99. During this quarter, no new applications have been processed, nor are there any pending applications. One rate payer re-paid their postponed rates in full due the sale of their property.

Author	Linda Fletcher-Firks, Team Leader Rating
Authoriser	Martin Fletcher, Chief Financial Officer

Rate Levies Status Report as at 31 March 2023

Financial Division	Balance B/Forward (01/07/22)	Annual Rate Levy	Arrears Penalty	Instalment Penalty	Adjustments	Cash Received for Year to Date	Balance 31/03/2023
Blenheim	(132,318)	44,549,575	29,130	96,436	(93,961)	(33,844,387)	10,604,475
Blenheim Vicinity	39,336	17,266,545	10,011	34,451	(95,830)	(13,143,978)	4,110,535
General Rural	1,712	14,614,000	12,642	42,444	(134,813)	(11,023,959)	3,512,025
Picton	37,664	9,867,325	11,263	28,423	(96,323)	(7,416,893)	2,431,458
Picton Vicinity	1,874	1,017,061	1,646	4,853	(32,398)	(735,681)	257,354
Sounds Admin Rural	9,324	1,254,544	2,494	6,408	(12,419)	(972,053)	288,297
Utilities Network	-	40,338	-	75	-	(39,667)	746
Current Year Totals	(42,409)	88,609,388	67,185	213,089	(465,744)	(67,176,618)	21,204,891

Rate Arrears Aged Balance Report as at 31 March 2023

Year	Total Arrears (01/07/2022)	Rate Arrears Received Year to Date	Total Arrears 31/03/2023	Postponed Rates included in Total Arrears	Actual Arrears (after deducting postponed rates)
2021-22	998,673	639,393	359,279	30,010	329,269
2020-21	103,284	51,090	52,194	27,234	24,960
2019-20	29,183	3,223	25,960	15,472	10,488
2018-19	23,389	864	22,526	15,726	6,800
2017-18	16,846	1,215	15,631	12,003	3,627
2016-17 & Prior	44,641	3,559	41,082	40,311	770
Total	1,216,016	699,344	516,672	140,756	375,915

Rates postponement is offered to ratepayers aged over 65 under Council's Remission and Postponement Policy.

15. Information Package

RECOMMENDATION

That the Economic, Finance & Community Information Package dated 2 May 2023 be received and noted.

16. Decision to Conduct Business with the Public Excluded

Decided: That the public be excluded from the following parts of the proceedings of this meeting, namely:

- Overdue Debtors
- Trade Show and Expo

The general subject of 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:

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
Trade Show and Expo	To enable the Council, as holder of the information, to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) as provided for under Section 7(2)(i).	That the public conduct of 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 exists under Section 7 of the Local Government Official Information and Meetings Act 1987.
Overdue Debtors	In order to protect the privacy of natural persons, as provided for under Section 7(2)(a).	That the public conduct of 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 exists under Section 7 of the Local Government Official Information and Meetings Act 1987.