



NOTICE OF MEETING

**Notice is hereby given of the Meeting of the
Finance and Policy Committee
to be held in the Council Chamber,
First Floor, Civic Administration Building,
101 Esk Street, Invercargill on
Tuesday 28 February 2017 at 4.00 pm**

His Worship the Mayor Mr T R Shadbolt JP
Cr D J Ludlow (Chairman)
Cr G D Lewis (Deputy Chair)
Cr R L Abbott
Cr R R Amundsen
Cr I R Pottinger
Cr L S Thomas

EIRWEN HARRIS MITCHELL
MANAGER, SECRETARIAL SERVICES

A G E N D A

		Page
1.	APOLOGIES	
2.	PUBLIC FORUM	
3.	MONITORING OF SERVICE PERFORMANCE	
3.1	LEVELS OF SERVICE 1 JULY 2016 TO DECEMBER 2016	4
4.	MONITORING OF FINANCIAL PERFORMANCE	
4.1	REPORT OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES	6
4.1.1	<i>Financials 31 December 2016</i>	7
5.	ACTIVITY PLAN REVIEW	
	N/A.	
6.	DEVELOPMENT OF POLICIES/BYLAWS	
	N/A.	
7.	OTHER BUSINESS	
7.1	REPORT OF THE DIRECTOR OF WORKS AND SERVICES	
7.1.1	<i>Quarterly Report – Southland Museum and Art Gallery</i>	21
7.2	REPORT OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES	
7.2.1	<i>Review: Policy on Appointment and Remuneration of Directors</i>	24
7.2.1.1	<i>Appendix 1</i>	26
7.2.2	<i>Community Grants</i>	43
7.2.3	<i>Southland Warm Homes Trust – Accountability Reporting</i>	47
7.2.3.1	<i>Appendix 1</i>	49

7.2.4 **Endowment Property and Funding**

66

8. **URGENT BUSINESS**

9. **PUBLIC EXCLUDED SESSION**

Moved, seconded that the public be excluded from the following parts of the proceedings of this meeting; namely

(a) *Report of the Director of Finance and Corporate Services*

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)(d) 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
Potential Disposal – 2 Deveron Street, Invercargill	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial or industrial negotiations)	Section 7(2)(i)
Insurance – Riskpool and Civic Liability Pool	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial or industrial negotiations)	Section 7(2)(i)
Invercargill City Holdings Limited – Six Monthly Reports	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial or industrial negotiations)	Section 7(2)(i)

TO: FINANCE AND POLICY COMMITTEE

FROM: DIRECTOR OF FINANCE AND CORPORATE SERVICES

MEETING DATE: TUESDAY 28 FEBRUARY 2017

LEVELS OF SERVICE REPORT – 1 JULY 2016 TO 31 DECEMBER 2016

Report Prepared by: Melissa Short – Strategy and Policy Manager

SUMMARY

Reporting on the Corporate Services levels of service measures for the period comprising 1 July 2016 to 31 December 2016.

RECOMMENDATIONS

That the report be received.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> The report monitors performance in relation to levels of service measures identified in the Long Term Plan and Annual Plan.
2.	<i>Is a budget amendment required?</i> No
3.	<i>Is this matter significant in terms of Council's Policy on Significance?</i> No
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> No
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> No
6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i> No – not relevant

FINANCIAL IMPLICATIONS

No financial implications result from this report.

DEMOCRATIC PROCESS

Democratic Activities	1 July 2016 to 31 December 2016
2015/16 Annual Report adopted before 30 October 2016.	Annual Report adopted on 26 October 2016. Unmodified audit report received.

Consultation:

- Equity and Access for People with Disabilities Policy.
- Easter Trading.
- Library Layout.

INVESTMENT PROPERTY

	1 July 2016 to 31 December 2016
Investment Property Activity	
December 2016	No Purchase or Sale Transactions
November 2016	No Purchase or Sale Transactions
October 2016	No Purchase or Sale Transactions
Investment Property transactions (Purchases and Sales) September 2016	Purchase of Buildings and Lease (Council Owned Land): 13 and 17 Clyde Street, Invercargill 26 Liddell Street, Invercargill Settlement: 29 September 2016
August 2016	No Purchase or Sale Transactions
July 2016	No Purchase or Sale Transactions

TO FINANCE AND POLICY COMMITTEE
FROM: THE DIRECTOR OF FINANCE AND CORPORATE SERVICES
MEETING DATE: TUESDAY 28 FEBRUARY 2017

MONITORING OF FINANCIAL PERFORMANCE

Report Prepared by: Mr Dale Booth – Manager, Financial Services

SUMMARY

Finance & Policy are \$1,386,319 under budget for the six months to 31 December 2016.

RECOMMENDATIONS

That this report be received.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> Yes
2.	<i>Is a budget amendment required?</i> No
3.	<i>Is this matter significant in terms of Council's Policy on Significance?</i> No
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> No
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> N/A
6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i> Yes

FINANCIAL IMPLICATION

The financial commentary and financial accounts are provided for information.

Business Unit **200000 - Finance and Corporate Services**

Six months to 31 December 2016

	Dec YTD			2016 / 17	
	Actual	Budget	Variance	Remaining Budget	Budget
Internal Revenue	3,290,996	3,249,719	41,277	3,208,442	6,499,439
Fees & Charges Revenue	1,245,979	1,242,621	3,358	1,249,669	2,495,648
Grants & Subsidies Revenue	769,824	744,856	24,968	825,118	1,594,942
Rates Revenue	392,159	419,182	(27,024)	222,841	615,000
Financial Revenue	1,141,104	1,294,821	(153,717)	7,422,174	8,563,278
Total Revenue	6,840,062	6,951,200	(111,138)	12,928,245	19,768,307
Internal Expenditure	2,054,523	2,043,107	11,416	2,031,691	4,086,214
Staff Expenditure	3,430,680	3,664,441	(233,761)	3,957,551	7,388,230
Administration Expenditure	1,175,004	1,155,924	19,080	695,274	1,870,279
Financial Expenditure	740,877	907,120	(166,244)	1,213,364	1,954,241
Grants & Subsidies Expenditure	2,714,507	2,742,558	(28,052)	2,785,539	5,500,046
Repairs & Maintenance Expenditure	93,911	126,006	(32,095)	158,100	252,011
Operational Expenditure	993,247	1,102,258	(109,011)	1,320,769	2,314,016
Depreciation Expenditure	247,946	196,992	50,955	146,037	393,983
Total Expenditure	11,450,694	11,938,406	(487,711)	12,308,326	23,759,020
Operating Surplus / (Deficit)	(4,610,632)	(4,987,206)	376,574	619,919	(3,990,713)
Capital Expenditure	3,377,861	4,185,598	(807,737)	5,709,913	9,087,774
Capital Funding	(1,569,347)	(1,367,162)	(202,185)	(7,486,092)	(9,055,439)
Cash Back Depreciation	265	442	(177)	619	884
Rates Required	6,418,881	7,805,200	(1,386,319)	(2,396,718)	4,022,163

Commentary:

The Finance and Corporate Services Committee is \$1,386,319 under budget for the first six months of the year. A departmental breakdown and commentary is provided.

Business Unit **150000 - Museum Operations**

Six months to 31 December 2016

	Dec YTD			2016 / 17	
	Actual	Budget	Variance	Remaining Budget	Budget
Fees & Charges Revenue	588,986	611,167	(22,181)	710,523	1,299,509
Grants & Subsidies Revenue	566,252	536,105	30,147	563,690	1,129,942
Financial Revenue	3,538	13,729	(10,191)	16,747	20,285
Total Revenue	1,158,776	1,161,001	(2,225)	1,290,961	2,449,737
Internal Expenditure	334,207	334,207	0	334,206	668,413
Staff Expenditure	527,123	617,169	(90,046)	707,215	1,234,338
Administration Expenditure	43,645	38,821	4,823	33,998	77,643
Financial Expenditure	3	435	(432)	868	871
Grants & Subsidies Expenditure	15,100	7,500	7,600	(100)	15,000
Repairs & Maintenance Expenditure	11,723	7,786	3,937	3,850	15,572
Operational Expenditure	187,459	212,983	(25,523)	238,506	425,965
Depreciation Expenditure	6,795	3,967	2,827	1,140	7,935
Total Expenditure	1,126,055	1,222,869	(96,814)	1,319,682	2,445,737
Operating Surplus / (Deficit)	32,722	(61,867)	94,589	(28,722)	4,000
Capital Expenditure	17,206	3,000	14,206	(13,206)	4,000
Cash Back Depreciation	(0)	0	(0)	0	0
Rates Required	(15,516)	64,867	(80,383)	15,516	0

Commentary:

The Museum Department is \$80,383 under budget for the first six months of the year. This is primarily due to: 1) Step increase of income from Regional Heritage Rate, 2) Delay in ramp-up of expenditure to equal the new income amount.

Business Unit **210000 - Finance and Corporate Services Director**

Six months to 31 December 2016

	Dec YTD			2016 / 17	
	Actual	Budget	Variance	Remaining Budget	Budget
Internal Revenue	(85,000)	(85,000)	(0)	(85,000)	(170,000)
Grants & Subsidies Revenue	204,974	208,751	(3,777)	260,026	465,000
Rates Revenue	392,159	419,182	(27,024)	222,841	615,000
Financial Revenue	55,500	77,637	(22,137)	5,444,500	5,500,000
Total Revenue	567,633	620,570	(52,937)	5,842,367	6,410,000
Internal Expenditure	323,402	323,402	(0)	323,402	646,804
Staff Expenditure	227,850	229,650	(1,800)	231,450	459,300
Administration Expenditure	5,222	6,950	(1,728)	8,678	13,900
Repairs & Maintenance Expenditure	680	1,250	(570)	1,820	2,500
Operational Expenditure	7,198	60,850	(53,652)	114,502	121,700
Depreciation Expenditure	12,420	8,000	4,420	3,580	16,000
Total Expenditure	576,773	630,102	(53,329)	683,431	1,260,204
Operating Surplus / (Deficit)	(9,140)	(9,532)	392	5,158,936	5,149,796
Capital Expenditure	1,477	0	1,477	3,523	5,000
Capital Funding	0	0	0	(75,000)	(75,000)
Rates Required	10,617	9,532	1,085	(5,230,413)	(5,219,796)

Commentary:

The Finance Director department is \$1,085 over budget for the first six months of the year.

Business Unit **219000 - Finance and Corporate Services - Human Resources**

Six months to 31 December 2016

	Dec YTD			2016 / 17	
	Actual	Budget	Variance	Remaining Budget	Budget
Internal Revenue	447,909	447,909	0	447,908	895,817
Financial Revenue	0	512	(512)	1,025	1,025
Total Revenue	447,909	448,421	(512)	448,933	896,842
Internal Expenditure	9,740	9,740	(0)	9,740	19,480
Staff Expenditure	310,038	362,609	(52,572)	458,121	768,159
Administration Expenditure	10,955	16,612	(5,658)	22,270	33,225
Grants & Subsidies Expenditure	600	0	600	(600)	0
Repairs & Maintenance Expenditure	512	1,537	(1,025)	2,561	3,074
Operational Expenditure	18,216	61,893	(43,677)	105,571	123,787
Depreciation Expenditure	5,172	4,559	613	3,946	9,118
Total Expenditure	355,232	456,951	(101,719)	601,610	956,842
Operating Surplus / (Deficit)	92,676	(8,530)	101,207	(152,677)	(60,000)
Capital Expenditure	22,379	0	22,379	1,696	24,076
Capital Funding	0	0	0	(84,076)	(84,076)
Cash Back Depreciation	0	0	0	0	0
Rates Required	(70,297)	8,530	(78,827)	70,297	0

Commentary:

The Human Resource department is \$78,827 under budget for the first six months of the year, this is predominantly due to various timing delays within the staff expenditure area (corporate training). Also the department has been one staff member down for the past 2 months which is reducing staff expenditure, this is anticipated to result in a saving at year end. The operational expenditure area is also under budget but this is expected to even out over the second half of the financial year.

Business Unit **220000 - Finance and Corporate Services -**
Investment Property
 Six months to 31 December 2016

	Dec YTD			2016 / 17	
	Actual	Budget	Variance	Remaining Budget	Budget
Internal Revenue	12,500	12,500	(0)	12,500	25,000
Fees & Charges Revenue	541,353	517,123	24,230	432,345	973,698
Financial Revenue	16,599	30,919	(14,320)	738,026	754,625
Total Revenue	570,452	560,542	9,909	1,182,871	1,753,323
Internal Expenditure	4,795	0	4,795	(4,795)	0
Staff Expenditure	55,315	67,510	(12,195)	79,704	135,019
Administration Expenditure	116,810	71,508	45,302	26,207	143,017
Financial Expenditure	193,259	254,354	(61,095)	315,449	508,708
Repairs & Maintenance Expenditure	45,585	82,094	(36,509)	118,603	164,189
Operational Expenditure	261,315	309,442	(48,127)	357,569	618,884
Depreciation Expenditure	8,612	12,174	(3,562)	15,736	24,348
Total Expenditure	685,690	797,082	(111,392)	908,474	1,594,164
Operating Surplus / (Deficit)	(115,239)	(236,540)	121,301	274,397	159,158
Capital Expenditure	3,013,668	3,892,038	(878,370)	5,568,104	8,581,771
Capital Funding	(1,578,910)	(1,578,910)	0	(7,053,970)	(8,632,880)
Cash Back Depreciation	265	442	(177)	619	884
Rates Required	1,549,731	2,549,225	(999,494)	(1,760,883)	(211,151)

Commentary:

The Investment Property department is \$999,494 under budget for the first six months of the year, this is primarily because of the timing of the capital expenditure on the Don Street development property. Due to the nature of this project the expenditure is unlikely to be even during the year, it is expected that the full year budget will be met at year end. The Awarua dairy farm department is performing well so far this year, with the farming operation showing a \$166,000 surplus, \$115,000 ahead of budget. It is expected (if the season remains strong) that this additional income will be transferred back to special reserves at year end. The remaining departments of Investment property are on budget for the first six months.

Business Unit **230000 - Finance and Corporate Services -**

Accounting and Finance

Six months to 31 December 2016

	Dec YTD			2016 / 17	
	Actual	Budget	Variance	Remaining Budget	Budget
Internal Revenue	610,734	610,737	(3)	610,741	1,221,475
Financial Revenue	115,044	100,321	14,724	103,956	219,000
Total Revenue	725,779	711,058	14,721	714,696	1,440,475
Internal Expenditure	5,000	5,000	(0)	5,000	10,000
Staff Expenditure	441,262	459,437	(18,174)	478,011	919,273
Administration Expenditure	87,267	72,951	14,316	58,635	145,902
Financial Expenditure	51,569	85,650	(34,081)	259,731	311,300
Grants & Subsidies Expenditure	0	2,500	(2,500)	5,000	5,000
Repairs & Maintenance Expenditure	621	1,450	(829)	2,279	2,900
Operational Expenditure	47,687	24,200	23,487	177,213	224,900
Depreciation Expenditure	10,859	18,100	(7,241)	25,341	36,200
Total Expenditure	644,266	669,288	(25,022)	1,011,209	1,655,475
Operating Surplus / (Deficit)	81,513	41,771	39,742	(296,513)	(215,000)
Capital Expenditure	0	0	0	5,000	5,000
Capital Funding	0	0	0	(220,000)	(220,000)
Rates Required	(81,513)	(41,771)	(39,742)	81,513	0

Commentary:

The Accounting and Finance department is \$39,742 under budget for the first six months of the year, predominantly due to reduced expenditure within the financial expenditure area of the department, mainly resulting from lower bank fees, with the department saving \$20,000 to date for the year. Other expenditure areas of the department are expected to even out over the second half of the year.

Business Unit **236000 - Accounting and Finance - Treasury**

Six months to 31 December 2016

	Dec YTD			2016 / 17	
	Actual	Budget	Variance	Remaining Budget	Budget
Internal Revenue	21,483	0	21,483	(21,483)	0
Financial Revenue	833,576	969,347	(135,772)	1,105,116	1,938,692
Total Revenue	855,058	969,347	(114,289)	1,083,634	1,938,692
Financial Expenditure	460,522	508,587	(48,065)	556,653	1,017,175
Operational Expenditure	56,428	0	56,428	(56,428)	0
Total Expenditure	516,950	508,587	8,363	500,225	1,017,175
Operating Surplus / (Deficit)	338,108	460,760	(122,652)	583,409	921,517
Capital Funding	267,920	385,760	(117,840)	503,597	771,517
Rates Required	(70,188)	(75,000)	4,812	(79,812)	(150,000)

Commentary:

The Treasury department is \$4,812 under budget for the first six months of the year, due to a small timing differences that will correct itself at the end of quarter three.

Business Unit **240000 - Finance and Corporate Services -**
Corporate Services
 Six months to 31 December 2016

	Dec YTD			2016 / 17	
	Actual	Budget	Variance	Remaining Budget	Budget
Internal Revenue	1,295,831	1,285,810	10,021	1,275,789	2,571,621
Fees & Charges Revenue	114,814	96,736	18,077	72,438	187,252
Financial Revenue	10,545	6,219	4,326	2,107	12,652
Total Revenue	1,421,191	1,388,766	32,424	1,350,334	2,771,524
Internal Expenditure	509,917	505,822	4,096	501,726	1,011,643
Staff Expenditure	627,391	661,781	(34,390)	700,679	1,328,070
Administration Expenditure	107,871	99,071	8,800	90,270	198,142
Financial Expenditure	0	256	(256)	512	512
Repairs & Maintenance Expenditure	2,658	11,552	(8,894)	20,445	23,103
Operational Expenditure	95,042	101,723	(6,680)	108,403	203,446
Depreciation Expenditure	33,224	11,167	22,057	(10,891)	22,333
Total Expenditure	1,376,103	1,391,370	(15,267)	1,411,145	2,787,248
Operating Surplus / (Deficit)	45,088	(2,604)	47,691	(60,812)	(15,724)
Capital Expenditure	137,098	135,315	1,783	10,217	147,315
Capital Funding	0	0	0	(163,039)	(163,039)
Cash Back Depreciation	(0)	(0)	0	(0)	(0)
Rates Required	92,010	137,919	(45,908)	(92,010)	(0)

Commentary:

The Corporate Service department is \$45,908 under budget for the first six months of the year, due to timing difference which are expected to even out over the second half of the financial year.

Business Unit **250000 - Finance and Corporate Services - Information Services**

Six months to 31 December 2016

	Dec YTD			2016 / 17	
	Actual	Budget	Variance	Remaining Budget	Budget
Internal Revenue	698,406	698,406	0	698,405	1,396,811
Fees & Charges Revenue	126	17,595	(17,468)	35,063	35,189
Financial Revenue	100,487	93,000	7,487	8,513	109,000
Total Revenue	799,019	809,000	(9,981)	741,981	1,541,000
Staff Expenditure	277,897	256,000	21,897	244,603	522,500
Administration Expenditure	579,245	591,500	(12,255)	160,755	740,000
Repairs & Maintenance Expenditure	13,851	13,000	851	12,149	26,000
Operational Expenditure	56,375	79,000	(22,625)	71,625	128,000
Depreciation Expenditure	110,110	83,750	26,360	57,390	167,500
Total Expenditure	1,037,477	1,023,250	14,227	546,523	1,584,000
Operating Surplus / (Deficit)	(238,459)	(214,250)	(24,209)	195,459	(43,000)
Capital Expenditure	169,955	135,000	34,955	80,045	250,000
Capital Funding	(292,345)	(208,000)	(84,345)	(655)	(293,000)
Rates Required	116,068	141,250	(25,182)	(116,068)	0

Commentary:

The Informational Services department is \$25,182 under budget for the first six months of the year, this is expected to even out over the second half of the financial year.

Business Unit **260000 - Finance and Corporate Services - Secretarial Services**
Six months to 31 December 2016

	Dec YTD			2016 / 17	
	Actual	Budget	Variance	Remaining Budget	Budget
Internal Revenue	289,134	279,357	9,776	269,581	558,715
Fees & Charges Revenue	700	0	700	(700)	0
Financial Revenue	5,496	3,137	2,359	2,504	8,000
Total Revenue	295,330	282,494	12,836	271,385	566,715
Internal Expenditure	25,929	24,309	1,620	22,688	48,617
Staff Expenditure	419,466	448,818	(29,352)	478,169	897,635
Administration Expenditure	111,391	144,763	(33,372)	178,135	289,526
Repairs & Maintenance Expenditure	3,859	3,750	109	3,641	7,500
Operational Expenditure	65,617	80,550	(14,933)	95,483	161,100
Depreciation Expenditure	26,387	28,775	(2,388)	31,163	57,550
Total Expenditure	652,648	730,964	(78,316)	809,280	1,461,928
Operating Surplus / (Deficit)	(357,318)	(448,470)	91,152	(537,895)	(895,213)
Capital Expenditure	10,080	10,000	80	29,920	40,000
Capital Funding	0	0	0	(86,326)	(86,326)
Cash Back Depreciation	0	0	0	(0)	0
Rates Required	367,398	458,470	(91,072)	481,489	848,887

Commentary:

The Secretarial Services (which includes secretarial services, communications & records departments) department is \$91,072 under budget for the first six months of the year. This is a combination of a number of timing differences across the various areas of the department, which are expected to even out over the second half of the financial year.

Business Unit **280000 - Hall and Theatre Operations**

Six months to 31 December 2016

	Dec YTD			2016 / 17	
	Actual	Budget	Variance	Remaining Budget	Budget
Internal Expenditure	534,754	534,753	0	534,753	1,069,507
Grants & Subsidies Expenditure	16,711	25,196	(8,486)	33,682	50,393
Repairs & Maintenance Expenditure	11,192	0	11,192	(11,192)	0
Operational Expenditure	27	0	27	(27)	0
Depreciation Expenditure	7,468	12,294	(4,826)	17,120	24,588
Total Expenditure	570,152	572,244	(2,092)	574,336	1,144,488
Operating Surplus / (Deficit)	(570,152)	(572,244)	2,092	(574,336)	(1,144,488)
Capital Expenditure	4,214	10,245	(6,032)	16,277	20,490
Capital Funding	0	0	0	(20,490)	(20,490)
Rates Required	574,365	582,489	(8,124)	570,122	1,144,488

Commentary:

The Halls and Theatre department is \$8,124 under budget for the first six months of the year.

Business Unit **300000 - Finance and Corporate Services -
Democratic Responsibility**
Six months to 31 December 2016

	Dec YTD			2016 / 17	
	Actual	Budget	Variance	Remaining Budget	Budget
Grants & Subsidies Revenue	(1,403)	0	(1,403)	1,403	0
Financial Revenue	319	0	319	(319)	0
Total Revenue	(1,084)	0	(1,084)	1,084	0
Internal Expenditure	156,584	156,584	(0)	156,584	313,168
Staff Expenditure	535,310	554,918	(19,608)	575,527	1,110,837
Administration Expenditure	106,124	100,061	6,063	95,499	201,623
Grants & Subsidies Expenditure	23,898	73,848	(49,950)	116,580	140,478
Repairs & Maintenance Expenditure	2,969	3,537	(568)	4,105	7,074
Operational Expenditure	145,816	83,617	62,199	(15,581)	130,235
Depreciation Expenditure	15,204	11,885	3,319	8,566	23,770
Total Expenditure	985,905	984,451	1,454	941,279	1,927,184
Operating Surplus / (Deficit)	(986,989)	(984,451)	(2,538)	(940,195)	(1,927,184)
Capital Expenditure	1,785	0	1,785	8,338	10,123
Capital Funding	0	0	0	(65,123)	(65,123)
Rates Required	988,773	984,451	4,322	883,411	1,872,184

Commentary:

The Democratic Responsibility department is \$4,322 over budget for the first six months of the year. This is primarily due to Grants and Subsidies being under budget, which is offset by operational expenditure being over budget. Operational expenditure is over budget due to additional contractor work being done within the Councillors budget for shared services and introduction of board books. Also additional legal fees within the CEO budget have been incurred.

Business Unit **313000 - Finance and Corporate Services -**
Corporate Planning
 Six months to 31 December 2016

	Dec YTD			2016 / 17	
	Actual	Budget	Variance	Remaining Budget	Budget
Internal Expenditure	126,468	126,468	0	126,468	252,936
Staff Expenditure	9,028	6,550	2,478	4,072	13,100
Administration Expenditure	6,476	13,686	(7,210)	20,826	27,302
Financial Expenditure	0	10,000	(10,000)	20,000	20,000
Repairs & Maintenance Expenditure	261	50	211	(161)	100
Operational Expenditure	49,623	88,000	(38,377)	126,377	176,000
Depreciation Expenditure	3,882	2,321	1,561	759	4,641
Total Expenditure	195,737	247,075	(51,337)	298,342	494,079
Operating Surplus / (Deficit)	(195,737)	(247,075)	51,337	(298,342)	(494,079)
Capital Funding	0	0	0	(75,000)	(75,000)
Rates Required	195,737	247,075	(51,337)	223,342	419,079

Commentary:

The Corporate Planning department is \$51,337 under budget for the first six months of the year, this is predominantly due to the Consultants Fees budget being lower than anticipated. This is expected to even out over the second half of the year.

Business Unit **350000 - Finance and Corporate Services - Grants**

Six months to 31 December 2016

	Dec YTD			2016 / 17	
	Actual	Budget	Variance	Remaining Budget	Budget
Internal Expenditure	23,728	22,823	905	21,918	45,646
Financial Expenditure	35,524	47,838	(12,314)	60,151	95,675
Grants & Subsidies Expenditure	2,658,198	2,633,514	24,684	2,630,977	5,289,175
Operational Expenditure	2,443	0	2,443	(2,443)	0
Depreciation Expenditure	7,814	0	7,814	(7,814)	0
Total Expenditure	2,727,707	2,704,174	23,533	2,702,789	5,430,496
Operating Surplus / (Deficit)	(2,727,707)	(2,704,174)	(23,533)	(2,702,789)	(5,430,496)
Capital Funding	33,988	33,989	(0)	(146,011)	(112,023)
Rates Required	2,761,695	2,738,163	23,533	2,556,778	5,318,473

Commentary:

The Grants budget is \$23,533 over budget for the first six months of the year. The iconic events fund is \$8,000 over budget and the emerging events fund is \$45,652 under budget. It is anticipated that this will even out over the second part of the year. The Bluff Pool Trust is \$68,042 over budget for the first six months of the year (\$3,042 over the full year budget). This is not anticipated to correct itself.

TO: FINANCE AND POLICY COMMITTEE
FROM: THE DIRECTOR OF WORKS AND SERVICES
MEETING DATE: TUESDAY 28 FEBRUARY 2017

QUARTERLY REPORT – SOUTHLAND MUSEUM AND ART GALLERY
--

Report Prepared by: Paul Horner – Manager, Building Assets and Museum

SUMMARY

Report about the operation of the Southland Museum and Art Gallery for the Second Quarter of 2016 - 2017 financial year.
--

RECOMMENDATIONS

That the report be received.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> Yes.
2.	<i>Is a budget amendment required?</i> No.
3.	<i>Is this matter significant in terms of Council's Policy on Significance?</i> No.
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> No.
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> No.

FINANCIAL IMPLICATIONS

- Expenditure variance is (\$81,208) to end of December. Variance is the result of increased budget for the year which is ahead of increased operational expenditure.
- An application to seek an increase of operational funding for the 2017-18 financial year and beyond, has been forwarded to the Southland Regional Heritage Committee.

LEVEL OF PERFORMANCE

Target Levels of Performance Required by the Statement of Intent are:

Service Level	Achievement, Second Quarter
----------------------	------------------------------------

Prepare for building refurbishment and extension to enable internal environmental conditions to meet national/international guidelines.	The Redevelopment plan completed and approved by the Trust Board will have to be reconsidered after release of the Southland Regional Development Strategy Report.
No irreparable loss or damage is caused to collections or objects on loan.	No loss detected
100% of objects acquired entered into Vernon database and verified	100% of new acquisitions entered.
100% records on Vernon database maintained	100% maintained
Project planned to review, update and verify records on database	This project is dependent on achieving a \$600,000 p.a. increase of funding
Three semi-permanent exhibitions are delivered. A minimum of 12 short-term exhibitions, including 8 in the community access gallery, are presented annually.	Seven semi-permanent exhibitions at present. Eight short term exhibitions opened by second quarter including four in the Community Access gallery.
Over 25 education programmes delivered to 4000 school students, including curriculum-linked and exhibition-related programmes.	LEOTC programmes delivered to 692 pupils by second quarter
Iwi Liaison Komiti (representing the four Southland Runanga), meets four times a year.	Three by second quarter.
Annual visitor numbers exceed 200,000/annum	109,204 by second quarter (7% behind same quarter last year)

OPERATIONAL COMMENTS

The museum is operating well with good people-counter numbers at the front door.

Exhibitions which have been held in the Community Access gallery so far this year have been:

- *Hokonui Fashion Awards / Venom Hair Design*
- *Polyfest - 2016* (schools).
- *Together We Travel* - Day Activity Centre clients of SDHB
- *Inspired 2016* - LEOTC students

The art exhibitions which have been held up to end of the second quarter were:

- *In Residence* - SAF and SMAG collection, Jo Torr and Lorraine Webb.
- *Something Borrowed, Something Blue*, SMAG collection.
- *Tamatea* - (touring exhibition) installed in Galleries 1, 2 and 3.
- *Epiphany* - (local artist) installed in Dusky Gallery.

The semi-permanent exhibitions at present are:

- Roaring 40's
- History Gallery
- Maori Gallery
- Natural History Gallery
- Victoriana Gallery
- World War 1 Exhibition
- Burt Munro replica motorbike

STAFF

- The LEOTC Educator resigned on 4 Nov. A new Educator will begin work on 23 January 2017.
- A Collection Technician position has been advertised and the successful candidate will begin work on 30 January 2017. This position is funded by the increased contribution by SDC to the Regional Heritage Rate for the current year. The position is a fixed term role until the end of the financial year (as the funding is only available until then) and will be dedicated to collection management work.

FUTURE ISSUES

The Southland Museum and Art Gallery is important to Southland. It is the first museum to be developed in Southland and the only one to hold a significant collection of the natural and human history of the province. The collection includes about 14,000 geology, flora and fauna objects, over 900 archaeology objects and over 4,000 taonga Māori objects.

The core exhibitions of SMAG are the geology, geography and natural history of Southland, southern Maori history (pre-European contact), Sub-Antarctic Islands, early coastal and nautical history and the history of Invercargill.

A collection the size of the Southland Museum and Art Gallery is extremely important on a national and international scale, both as a reference collection for research and for curation of exhibitions. The museum Trust Board is ethically obliged to preserve and interpret, through its displays and research, our history and culture as revealed by the collections, for present and future generations. However some of the collections are without curators to do this work. Additional funds, if obtained, will be used by SMAG to employ curators and technicians who will carry out the conservation, storage, cataloguing, interpretation and construction work required to provide captivating and educational exhibitions.

Employment of sufficient staff at Southland Museum and Art Gallery will also enable support and assistance to be given to the small district museums of Southland to help with their collections and displays. This will be of benefit to the whole province.

There are about 24 smaller museums throughout Southland which have been developed since about the 1950's. Each of these has a unique collection and story to tell about their local community or specialisation and they generally collect and show the social history of Southland (post-European contact).

The Southland Museum and Art Gallery has made a request to the Southland Regional Heritage Committee for a grant increase of \$600,000 (compared with the 2015-16 year) in the 2017-18 financial year and beyond to employ the additional staff discussed above.

An increase of funding of \$170,000 granted for the current financial year has been fundamental for carrying out development and improvement in several museum exhibitions e.g. the Tuatarium, World War 1 Exhibition, Education facilities and the Maori Gallery. It has allowed the commencement of improved storage and cataloguing to protect and conserve the collection. It has also allowed replacement of furniture and equipment in the museum which has been outstanding for many years. The staff and manager are extremely grateful for this funding and look forward to its continuation so that the improvement of the facility and professional development of the staff can be sustained.

TO: FINANCE AND POLICY COMMITTEE
FROM: DIRECTOR OF FINANCE & CORPORATE SERVICES
MEETING DATE: TUESDAY, 28 FEBRUARY 2017

REVIEW: POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS
--

Report Prepared by: Anna Goble – Graduate Policy Analyst

SUMMARY

<p>Many Council policies are reviewed on a three-yearly basis, the last review of the Invercargill City Council Policy on Appointment and Remuneration of Directors occurred on the 10 December 2013. Council staff seeks guidance as to what aspects of this policy require reviewing.</p>

RECOMMENDATIONS

That this report be received.

AND THAT

Direction is provided to staff as to what aspects of the policy shall be reviewed.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> Yes.
2.	<i>Is a budget amendment required?</i> No.
3.	<i>Is this matter significant in terms of Council's Policy on Significance?</i> No.
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> Yes – this will require a policy review.
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> No.
6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i> No – not applicable.

FINANCIAL IMPLICATIONS

No financial implications arise from this report.

INVERCARGILL CITY COUNCIL POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

Sections 14(f) and 59(1)(d) of the Local Government Act 2002 (the Act) require Council to undertake commercial transactions in accordance with sound business practice. This requirement supports maintaining appropriate corporate governance structures and procedures designed to ensure that appropriate persons are appointed as a Director.

Section 57(1) of the Act states that Council must adopt a policy that sets out an objective and transparent process for:

- a) the identification and consideration of the skills, knowledge, and experience required of directors of a council organisation; and
- b) the appointment of directors to a council organisation; and
- c) the remuneration of directors of a council organisation.

Section 57(2) of the Act, further provides that the Council may appoint a person to be a director of a council organisation only if the person has, in Council's opinion, the skills, knowledge, or experience to:

- a) guide the organisation, given the nature and scope of its activities; and
- b) contribute to the achievement of the objectives of the organisation.

The existing policy (**Appendix 1**) meets the requirements of relevant legislation. Council staff seek guidance from Council as to whether there are areas in the policy that need to be reviewed or amended.



**INVERCARGILL CITY COUNCIL POLICY ON
APPOINTMENT AND REMUNERATION OF
DIRECTORS**

JANUARY 2014

TABLE OF CONTENTS

<u>SECTION 1: BACKGROUND AND DEFINITIONS</u>	3
<u>Background</u>	3
<u>Purpose</u>	3
<u>Application of Policy</u>	4
<u>Definitions</u>	4
<u>Review</u>	5
<u>SECTION 2: COUNCIL APPOINTMENTS COMMITTEE</u>	6
<u>SECTION 3: INVERCARGILL CITY HOLDINGS LIMITED</u>	7
<u>Board Composition</u>	7
<u>Appointments Committee to Recommend Council Directors</u>	7
<u>ICHL Board to Recommend Independent Directors</u>	7
<u>Consideration by Council and Appointment</u>	8
<u>Governance Training</u>	8
<u>Length of Tenure</u>	8
<u>Chairperson</u>	8
<u>Remuneration of ICHL Directors and CCTOs</u>	9
<u>Removal of a Director</u>	9
<u>Common Directorships</u>	10
<u>SECTION 4:</u>	11
<u>Introduction</u>	11
<u>Skills, Knowledge and Experience</u>	11
<u>Appointment Process</u>	12
<u>Reappointment</u>	13
<u>Length of Tenure</u>	13
<u>Chairpersons of CCTOs</u>	13
<u>Remuneration of CCTO Directors</u>	14
<u>SECTION 5: COUNCIL-CONTROLLED ORGANISATIONS</u>	15
<u>Introduction</u>	15
<u>Identification of Required Skills, Knowledge and Experience of CCO Directors, and Appointment</u>	15
<u>Remuneration of CCO Directors</u>	15
<u>SECTION 6: COUNCIL ORGANISATIONS</u>	16
<u>Introduction</u>	16
<u>Skills, Knowledge and Experience</u>	16
<u>Remuneration of CO Directors</u>	16

SECTION 1: BACKGROUND AND DEFINITIONS

Background

The Local Government Act 2002 (the "LGA02") requires Council to adopt a policy for the appointment of Directors to a Council organisation and their remuneration.

Sections 14(f) and 59(1)(d) LGA02 require Council and its "council-controlled trading organisations" ("CCTO") to undertake commercial transactions in accordance with sound business practice, which in Council's view supports maintaining appropriate corporate governance structures and procedures designed to ensure that appropriate persons are appointed as a Director.

Council must be satisfied that the governance requirements relating to its council organisations are consistent with legislative requirements and, for CCTO's, sound business practice, and should review its policy at appropriate intervals.

LGA02 requires Council to adopt the policy. There is no requirement in LGA02 for Council to specifically adopt the policy through a special consultative procedure.

Purpose

Section 57(1) LGA02, provides authority that **Council must adopt a policy** that sets out an **objective and transparent process** for:

- (a) the identification and consideration of the skills, knowledge, and experience required of Directors of a Council organisation; and
- (b) the appointment of Directors to a Council organisation; and
- (c) the remuneration of Directors of a Council organisation.

Section 57(2) LGA02 provides authority that the Council may appoint a person to be a Director of a council organisation **only if** the person has, in Council's opinion, the skills, knowledge, or experience to:

- (a) guide the organisation, given the nature and scope of its activities; and
- (b) contribute to the achievement of the objectives of the organisation.

The purpose of this policy is to:

- (a) Comply with the requirements of section 57 LGA02;
- (b) Ensure that Council complies with all relevant legal requirements relating to appointment of Directors; and
- (c) Promote the overall aims and outcomes of Council by facilitating best practice corporate governance in respect of Council organisations.

The following principles apply to this policy:

- (a) Appointments will be made on the basis of merit, having regard to the skills, knowledge and experience appropriate to the entity.
- (b) The Council will follow corporate governance best practice, including any relevant guidelines provided by the Institute of Directors.
- (c) Directors of Council-controlled trading organisations will be appointed on the

- basis of the contribution they can make to the organisation.
- (d) All Council appointed Directors to Council-controlled trading organisations must comply with the Institute of Directors Code of Conduct for Directors.
 - (e) Where organisations are subsidiaries of Invercargill City Holdings Ltd (ICHL) or companies directly owned by ICC, then ICHL will act as the interface and monitoring body between the Council and those subsidiaries.

Application of Policy

This policy applies to all 'Council Organisations', as required by LGA02, and to certain other organisations that, due to their significance, Council determines should be covered by this policy.

The policy is primarily designed for Director appointments to 'Council-controlled trading organisations' which carry out trading activities for a profit. To support good governance and consistent policy, this policy also applies to other analogous entities, such as Energy Companies, and to the extent such is within Council's control, trading entities in which Council does not hold a controlling interest.

LGA02 defines "Council organisation" as being an organisation where the Council has the right to have a vote in the organisation's affairs, or has the right to appoint one or more Directors, Trustees or Managers of that organisation however described. This definition includes many community groups where the Council appoints a Councillor, Community Board member or officer as a member of the governance body of that organisation. This policy applies to such non trading activities, with any necessary modifications to reflect the non trading nature of such entities.

The policy does not apply to Joint Committees of Council (such as Venture Southland). Joint Committees act under delegated authority from Council and the other Councils that are members of the joint committee. Joint Committees are excluded from the definition of "Council Organisation" in LGA02. Membership of a joint committee is made up from representatives of the Councils and other appointees, in accordance with a specific governance procedure agreed with the other Councils. However, Council will have regard to this policy when determining, negotiating and reviewing the Governance Mechanisms for Joint Committees

Definitions

The term "Council organisation" ("CO") is as defined Section 6 LGA02.

Section 6 LGA02 creates two sub-categories of COs – "Council-controlled organisations" ("CCOs") and "Council-controlled trading organisations" ("CCTOs").

The Council has interests that fall in each of these 2 sub-categories.

The following statements used in this Policy are provided for guidance purposes only. Fuller definitions are provided in Section 6 LGA02.

Meaning of "Council Organisation"

In broad terms, a CO is an organisation in which the Council has a voting interest or

the right to appoint a Director, Trustee or Manager (however described).

Meaning of “Council-Controlled Organisation”

A CCO is a CO in which one or more local authorities control, directly or indirectly, 50% or more of the votes or have the right, directly or indirectly, to appoint 50% or more of the Directors, Trustees or Managers (however described).

Meaning of “Council-Controlled Trading Organisation”

A CCTO is a CCO that operates a trading undertaking for the purpose of making a profit.

For the purpose of this document only:

- (a) Invercargill City Holdings Limited (ICHL) is excluded from the definition of a CCTO (there is a separate section in this Policy for the appointment and remuneration of Directors to ICHL).
- (b) Any Joint Committee is excluded from this Policy (there is a separate appointment process for members of a Joint Committee).
- (c) Energy companies are considered for the purpose of this Policy only to be CCTOs, notwithstanding specific exemptions for energy and other companies under Section 6 LGA02.
- (d) Trading entities that do not constitute a CCTO due to Council not controlling the entity are considered for the purpose of this Policy only to be CCTOs.

Meaning of “Director”

“Director” means a Director, Trustee or analogous governance appointee.

All Council Organisations, including CCOs and CCTOs (unless exempted under this Policy) will be subject to this Policy in relation to any future appointments.

Meaning of “Council Appointments Committee”

The “Council Appointments Committee” means the Committee established by Council to recommend to Council the appointment of members of Council as Directors of ICHL (see Section 2). The Committee also recommends the appointment of members of Council as Directors of Electricity Invercargill Limited to the Board of ICHL.

Review

This policy replaces the Invercargill City Council Policy on Appointment and Remuneration of Directors adopted 30 March 2010 and shall be reviewed by ICHL and the Council Appointments Committee at least every three (3) years and reported to Council from the date of its adoption.

SECTION 2: COUNCIL APPOINTMENTS COMMITTEE

The Council will establish a committee to be known as the “Council Appointments Committee’ and it shall continue until Council resolves otherwise and it will after the triennial Council election and in the event of a vacancy of a Council Director on ICHL recommend to Council the appointment of:

- (a) Members of Council as Directors of ICHL (subject to Section 3) –
- (b) Independent Directors of ICHL are appointed by Council on the recommendation of the ICHL Board (see Section 3); and

The Council Appointments Committee will be comprised of four members who are not seeking appointment to the ICHL Board.

Where possible the committee members shall include the Mayor (Chair), the current chair of ICHL or his/her nominee, and a member of the Institute of Chartered Accountants and an employment specialist who is a member of the Institute of Directors.

The Council Appointments Committee will determine the required skills, knowledge and experience which are necessary for an effective Board. The committee shall consider the criteria used by ICHL in its assessment of candidates for other CCTOs. Where necessary the committee may take into account the candidate’s potential to acquire further business and financial skills, in addition to his or her existing skills and experience. The candidate’s skills must be relevant to the requirements of ICHL in terms of its governance and objectives.

The Council and Council Appointments Committee must ensure that all appointments proposed by them comply with this policy and with the requirements of LGA02 (see further Appendix 1).

SECTION 3: INVERCARGILL CITY HOLDINGS LIMITED

Board Composition

ICHL is 100% owned by Council, and is the Holding Company for Council's trading entities. It monitors the performance of all CCTOs, and makes Director appointments for these organisations.

The ICHL constitution provides for a minimum of 4 and a maximum of 8 Directors, of whom at least two must be neither Council members nor employees.

It is intended that a majority of ICHL Directors be Councillor Directors, subject to sufficient suitable candidates being identified.

It is critical to the success of the ICHL Board that it has a composition which is capable of maintaining the confidence of the Council and the subsidiary companies.

Appointments Committee to Recommend Council Directors

The Council Appointments Committee will recommend to Council the appointment of members of Council as Directors of ICHL (see Section 2).

ICHL Board to Recommend Independent Directors

The ICHL constitution provides that at least two Directors must be persons who are neither members of or employed by any local authority that is a shareholder ("Independent Directors").

Independent Directors of ICHL shall be recommended to Council by the Board of ICHL applying similar criteria to potential candidates to those used by ICHL in its assessment of candidates for other CCTOs.

Independent Directors shall be appointed for terms that expire in years other than any calendar year in which the triennial Council election is scheduled to occur.

In the case of a vacancy for an independent Director appointment, whether it be a casual vacancy or arising from the non reappointment of a retiring external Director, the same procedures will be followed as apply to the appointment of a Director to a CCTO so that the selection process and recommendation to the Council will be made by the ICHL Board.

In making appointments every endeavour will be made to ensure that a range of good governance skills will be available to the ICHL Board as a whole.

Consideration by Council and Appointment

Any recommendations of the Council Appointments Committee or the ICHL Board shall be made in a report to the Council and considered in the “public excluded” agenda of Council in order to protect the privacy of the individuals concerned. The Council will consider the report and make its decision.

Public announcement of the appointments will be made as soon as practicable after the Council has made its decision.

Governance Training

It is expected that all appointees to the ICHL Board will maintain or enhance their skills by undertaking corporate governance training. ICHL will generally pay for at least part of any such training.

Length of Tenure – Elected Member Directors

Elected Member Directors are appointed for a three year term. They may offer themselves for re-election to the Board and shall hold office until Council has determined a recommendation from the Council Appointments Committee.

Chairperson

The ICHL Board shall nominate who will be the chair of the ICHL Board and take account of the experience and appropriate skills of the existing Board, and the following principles relating to succession planning.

Rationale for a Succession Plan:

To provide for:

- Smooth transition through a planned approach.
- Knowledgeable leadership of the Board in the event of planned or unexpected retirement of the incumbent Chairperson.
- Recognition that the term of any chairperson in that role is limited.
- A Chairperson’s desire to step down at any time, knowing that there is a person who is prepared to take over the role.
- Appointment of a new Chairperson who should generally have knowledge of the Company.
- ICHL and Council should generally consider the need for a potential successor as they make each Director appointment.

Succession Planning Process:

The ICHL Board will work through succession planning for the Chair of ICHL using the following process:

- Ensure that planning starts at least one year before planned retirement.
- Discuss with current Chairperson their views on the date of their retirement and who would be a good successor.
- Compose a list of required skill sets for the position following discussion (as

- appropriate) with the Chairperson and individual Board members and ascertain whether there is any obvious leader amongst the existing Board.
- Agree a timeframe of the new appointment allowing a bedding-in time of at least one year if the newly proposed Chairperson is new to the Board.
 - Interview / discussions with the preferred candidate to ascertain their availability for the Chairperson role.
 - Preliminary discussions will not guarantee appointment but give an indication that all things being equal, they will be the next Chair.

General Skill Sets Required:

- Able to maintain the trust of the Council.
- Able to maintain close, but independent, working relationship with CEO.
- Ability to harness the collective skills of the Board and executive team to achieve the business objectives and maintain the confidence of the shareholders.
- Ability to encourage all Directors to have full participation in Board deliberations.
- Ability to lead Board evaluation process.
- Ability to demonstrate leadership and good interpersonal skills.
- Ability to efficiently conduct Board meetings.
- Ensure timeliness and relevance of information to the Board.
- Ability to be the spokesperson for the company.
- Integrity and credibility within the business community.
- Ability to retain the confidence of the ‘city’ and able to build relationships within the city’s networks.

Remuneration of ICHL Directors and CCTOs

Every two years but more frequently if considered appropriate by Council in the case of ICHL or ICHL if CCTOs, ICHL will independently review the level of remuneration being paid to the Boards of the CCTOs.

This review will consist of an external remuneration firm, ie Strategic Pay, reviewing the CCTO’s and recommending an annual market remuneration. There will be a 20% public good discount applied against the market rates to represent community ownership of the CCTO. In the intervening years, the Directors’ fees will be increased by the June annual CPI (All Groups) to maintain market relativity.

The fees for ICHL Directors will be assessed with no distinction made between Non-Council and Council Directors.

ICHL will then report to the Council with a recommendation with regard to the level of fees for the ICHL Board.

When the Council considers this issue, those Councillors who are Directors of ICHL or any other CCTO may not take part in discussions or vote on the issue.

ICHL will arrange and pay for Directors’ liability insurance, and indemnify each of the Directors.

Removal of a Director

The ICHL Constitution provides that any Director of ICHL may be removed from office at any time by notice in writing from the majority shareholder (Council).

Without limiting the rights of Council in the constitution, the likely reasons which would justify removal of a Director would be where a Director:

- (a) No longer has the confidence of the Board or the Council
- (b) Has breached ethical standards and this reflects badly on the Board and/or Council
- (c) Does not act in the best interests of the company
- (d) Breaches the confidence of the Board in any way including speaking publicly on Board issues without the authority of the Board
- (e) Does not act in accordance with the principles of collective responsibility.

Where the ICHL Board has concerns regarding the behaviour of one of its Directors it shall be considered first by the Board and where necessary the Board may recommend the removal of the Director to the Council.

ICHL may remove a Director from any of its subsidiaries for similar reasons as set out above without reference to the Council.

Common Directorships

ICHL provides an important governance and monitoring role in respect of other CCTOs. Pursuant to this policy, ICHL is empowered to appoint the Directors of subsidiaries of ICHL. However, before appointing any ICHL Director to a subsidiary, ICHL must comply with this section.

As a general approach, the Directors of ICHL should not hold directorships on other CCTO's or subsidiaries. However, where it is proposed that an ICHL Director has skills and experience that would, having considered this policy, be beneficial to the operation of any other CCTO or subsidiary, or other good grounds exist for the appointment which gives rise to a common directorship, then such appointment may be made by ICHL.

SECTION 4: COUNCIL-CONTROLLED TRADING ORGANISATIONS

Introduction

The Council has significant shareholdings, via ICHL, in a variety of CCTOs. These all operate at arm's length from the Council on a commercial basis.

The Council may establish further CCTO'S during the life of the Policy.

ICHL has been charged by the Council with monitoring and making Director appointments in respect of the CCTO's in which ICHL directly or indirectly holds shares. For CCTO's (if any) where the shares are held directly by Council, ICHL will be responsible to monitor and make recommendations to Council regarding Director appointments (subject to Section 2).

CCTOs in which ICHL hold shares must not appoint Directors to their own subsidiaries or associates without the approval of ICHL.

No Directors will be appointed to CCTO Boards other than through the process described in this policy.

Skills, Knowledge and Experience

The required skills, knowledge and experience for Director appointments to a CCTO Board are assessed by ICHL, in consultation with the Chairperson of the relevant CCTO. Reference is made to current governance best practice in this area, as provided in the Institute of Directors' guidelines and other relevant material. External assistance may be used by ICHL when required.

ICHL will establish a separate appointments committee (ICHL Appointments Committee) to undertake the appointment process and to make recommendations for appointments to the Board of ICHL for final decision.

The mix of skills and experience on the CCTO Board will be taken into account, and consideration given to complementing and reinforcing existing skills and objectives of that Board.

In general terms, the following qualities are sought in Directors of CCTOs:

- (a) Intellectual ability.
- (b) Commercial experience.
- (c) Understanding of governance issues.
- (d) Sound judgement.
- (e) High standard of personal integrity.
- (f) Commitment to the principles of good corporate citizenship.
- (g) Understanding of the wider interests of the publicly-accountable shareholder.

As a general principle, ICHL would seek to appoint a person who, while meeting all of the above criteria, has particular strengths in terms of attribute (g).

It is expected that all appointees to CCTO Boards will maintain or enhance their

skills by undertaking corporate governance training.

As a general approach, Councillors or council staff would not normally be appointed as Directors of CCTO's other than ICHL or EIL. However, where it is proposed that such a person has skills and experience that would, having considered this policy, be beneficial to the operation of any other CCTO or subsidiary, or other good grounds exist for the appointment, then such appointment may be made by ICHL.

The Energy Companies Act provides that not more than 2 members of the directorate of any energy company may be persons who are members or employees of any local authority that holds voting equity securities in that company.

Appointment Process

When a vacancy arises in any CCTO, ICHL, having identified the skills, knowledge and experience required for the position (in consultation with the CCTO Chairperson), will then follow the process set out below.

ICHL will refer the vacancy to the ICHL Appointments Committee to conduct the search process and make recommendations to the Board, however, the appointment decision will be made by the Board.

Search:

- (a) ICHL will maintain a database of potential candidates for appointment to CCTO Boards. This will be updated on a regular basis, utilising contacts with the business community and other relevant sources. The database and its detail will be confidential to the Board of ICHL.
- (b) The database will be the first point of reference in the search process. However, in most cases, a specialist consultant will also be contracted to assist with the provision of names of possible candidates and the initial evaluation. In most cases, the vacant CCTO Board position will not be advertised, as this would not normally be expected to add any significant value to the process.
- (c) In some circumstances, ICHL may wish to appoint one of its own Directors for a particular purpose, but in such case the policy on common directorships set out in this policy shall apply.

Interview:

- (a) Following the search process the ICHL Appointments Committee will draw up a short list of candidates.
- (b) Where appropriate the committee will co-operate with minority shareholders in the selection process.
- (c) Each candidate will be interviewed by the committee. The committee will then decide its preferred candidate, check all references and report back to the full ICHL Board for decision.

Appointment:

- (a) The ICHL Board may but is not obliged to consult with Council in respect of Director appointments. Any such consultation will be "public excluded" in order to protect the privacy of the individual concerned. The Council will

consider the candidates recommended from ICHL and may make submissions. While ICHL will have regard to the submissions from Council, the appointment decision is ICHL's, except where otherwise required under this policy.

- (b) Public announcement of the appointment will be made as soon as practicable after ICHL has made its decision.
- (c) For the avoidance of doubt, when appointing an Elected Member to the Board of Electricity Invercargill Limited, the Council Appointments Committee (see Section 2) shall make its recommendation directly to ICHL. The Elected Member Directors shall be appointed for a three year term and may offer themselves for re-election to the Board. They shall hold office until ICHL has determined a recommendation from the Council Appointments Committee.

Reappointment

Where a Director's term of appointment has expired and he or she is offering him/herself for reappointment, a representative of the ICHL Board (normally the Chairperson) will consult on a confidential basis with the Chairperson of the CCTO with regard to:

- (a) Whether the skills of the incumbent add value to the work of the Board.
- (b) Whether there are other skills which the Board needs.
- (c) Succession issues.

The ICHL Appointments Committee will consider the information obtained and, taking into account the Director's length of tenure (see below), form a view on the appropriateness of reappointment or making a replacement appointment.

Where reappointment is considered appropriate then the ICHL Board is authorised to approve it without reference to the Council.

Where it is not intended to reappoint the existing incumbent, the appointment process outlined above will apply.

Length of Tenure – Non Elected Member Directors

The Council recognises the additional value that experience brings to its CCO's, and the potentially limited pool of suitable candidates available in the region, and accordingly there is no limit on the maximum tenure of a Director. However, Council also recognises the importance of fresh ideas and perspectives to a Board, and the need to reassess composition regularly.

CCTO Directors will normally be appointed initially for periods of up to three years. Subject to a review of the Director's performance after each three year period, a Director may be reappointed for subsequent periods.

Directors will be appointed for terms of 1, 2, 3 or 4 years so as to avoid all the Board positions becoming vacant at the same time.

Chairpersons of CCTOs

It is the responsibility of the Board of each CCTO to appoint its own Chairperson

subject to the CCTO Board consulting with ICHL on the person to be so appointed, and where ICHL considers it appropriate, it will give its view on who it considers to be the appropriate person to fill the Chairperson's position but the decision of the CCTO Board shall be final.

Remuneration of CCTO Directors

ICHL has been charged with monitoring and, where appropriate, approving changes in remuneration levels for the Boards of CCTOs.

Periodically ICHL will review the level of remuneration made available to the Boards of the CCTOs in accordance with this Policy.

The fees will be reviewed on an overall basis for each CCTO, leaving the Board of that CCTO to apportion the fee between Board members as it sees fit. Under exceptional circumstances, ICHL may approve an application from a CCTO for additional fees, for a special project.

In performing its review of remuneration, ICHL will take account of the following additional factors:

- (a) The need to attract and retain appropriately qualified Directors .
- (b) The levels of remuneration paid to comparable companies in New Zealand.
- (c) The performance of the CCTO and any changes in the nature of its business.
- (d) Any other relevant factors.

In general, it is intended that Boards of CCTOs will receive a level of remuneration that is competitive with the general market, while recognising that there will be differences from time to time, particularly in the period between reviews. Professional advice will be sought where necessary.

Council Directors will be entitled to receive normal Directors' fees (unless otherwise stated) due to this policy being based on all appointments being based on merit and Directors being appointed to act in the interests of the company and not as representatives. It is considered that all Directors on any Board should be treated equally in recognition of the responsibility taken on by all Directors to act in the interest of the company they serve. However, in the event of an ICHL staff member being appointed to a CCTO Board, the fees for that appointee shall either not be paid or be paid to the Council or ICHL, unless there are special circumstances. This reflects the employee being appointed as part of their existing position.

The Council also supports the payment by CCTOs of Directors' liability insurance and the indemnification of all Directors.

SECTION 5: COUNCIL-CONTROLLED ORGANISATIONS

Introduction

The Council has an interest in CCOs which are not trading organisations. These are not-for-profit bodies and, in contrast with the section that deals with CCTOs, ICHL has no involvement in monitoring or the Director/Trustee appointment process.

Appointments to a CCO are generally for a three year term, and are made after the triennial Council elections.

Identification of Required Skills, Knowledge and Experience of CCO Directors, and Appointment

The Council will determine the required skills, knowledge and experience for each appointment to these Council-controlled organisations and make its appointments accordingly.

In general, the attributes required for Directors of CCTOs will be applicable, but the weightings given to each attribute may vary according to the nature of the appointment.

In most cases, Councillors will be the appointees, but there may be instances where it is appropriate to appoint external Directors or Council staff.

Remuneration of CCO Directors

After each triennial Council election, the Council will determine whether there are any CCOs that may more properly be classified as CCTOs for the purposes of determining an appropriate level of remuneration. If any CCOs are so classified, the remuneration of their Boards will be determined by ICHL in accordance with the policy for CCTOs set out above.

In all other cases, CCO Directors appointed by the Council will receive the remuneration (if any) offered by that body. Council staff members appointed to such bodies will not accept any remuneration.

SECTION 6: COUNCIL ORGANISATIONS

Introduction

The Council has non-controlling interests in numerous COs. These are not-for-profit bodies and, in contrast with CCTOs, ICHL has no involvement in monitoring or the Director/Trustee appointment process.

Appointments to COs are made for a number of reasons. These include:

- (a) To provide a means of monitoring where the Council has made a grant to that body.
- (b) To enable Council involvement where the CO's activity is relevant to the Council.
- (c) To satisfy a request from the CO that the Council appoint a representative.
- (d) Statutory requirements.

Appointments to a CO are generally for a three year term, and are made after the triennial Council elections.

The Council will endeavour to minimise the number of appointments where the benefit to the Council of such an appointment is minimal.

Skills, Knowledge and Experience

The range of reasons for the appointment of Council representatives to COs results in a wider range of desired attributes for appointees to these bodies.

The Council will determine the required skills, knowledge and experience for each appointment. Candidates are not restricted to Councils – in some cases, it may be more appropriate to appoint Council staff or external people with affiliations to the Council.

Remuneration of CO Directors

CO Directors appointed by the Council (or Community Boards) will receive the remuneration (if any) offered by that body. Council staff members appointed to such bodies will not accept any remuneration.

TO: FINANCE AND POLICY COMMITTEE

FROM: DIRECTOR OF FINANCE AND CORPORATE SERVICES

MEETING DATE: TUESDAY 28 FEBRUARY 2017

COMMUNITY GRANTS

Report Prepared by: Melissa Short – Strategy and Policy Manager

SUMMARY

Council does not currently have a Community Grants Framework. Such a Framework and Policy would guide the allocation and management of discretionary grants awarded by Council.

RECOMMENDATIONS

That a Grants Framework and Policy is developed to be implemented alongside the 2018-2028 Long-Term Plan.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> No
2.	<i>Is a budget amendment required?</i> No, although it may be considered in the Long-Term Plan process.
3.	<i>Is this matter significant in terms of Council's Policy on Significance?</i> No
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> Yes, the recommendation is to create a new Policy.
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> No
6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i> Yes

FINANCIAL IMPLICATIONS

No financial implications result from this report.

COMMUNITY GRANTS

BACKGROUND

The Invercargill City Council currently allocates approximately \$250,000 in discretionary grants every year. This figure does not include the \$200,000 Events Fund nor the approximately \$4.9 million in Service Contracts. The amounts allocated to individual organisations varies from \$1,000 to much larger sums, some in excess of \$50,000. The Invercargill City Council does not currently have a Grants Framework or Policy to assist in the allocation of these funds and as such it is undertaken in an ad-hoc manner, usually in line with the Annual Plan process.

A Community Grants Framework will guide the allocation and management of discretionary grants that are awarded by Council.

Staff recommend that Council develop and implement a Grants Framework and Policy to commence in line with the 2018-2028 Long-Term Plan.

A Community Grants Framework acknowledges Council's willingness to work with the community to achieve its vision "to enhance our City and preserve its character while embracing innovation and change." It will further demonstrate the Council's awareness that Council itself is not always best placed to deliver projects within the community, and that through financial assistance Council can assist the wider community to be a catalyst for positive change.

THE LEGISLATIVE CONTEXT

The purpose of Local Government as set out in the Local Government Act 2002 is "to enable democratic local decision-making and action by, and on behalf of, communities; and to met the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses." Council is further required, under Section 14, to take into account the social, economic, and cultural interests of people and communities, the need to maintain and enhance the quality of the environment, and to conduct its business in an open, transparent and democratically accountable manner.

Development of a Community Grants Framework will assist the Council to meet these obligations. A clear framework and policy parameters will ensure that grants awarded meet Council's objectives and will assist communities to work alongside Council to meet mutual goals.

The Framework will assist in ensuring that grants are allocated transparently and prudently, conflicts of interest are identified and managed, grant applicants and recipients are treated fairly, expectations of grant recipients are clearly communicated, and adequate records are kept of funding allocations and its impacts.

PURPOSE OF FRAMEWORK

A Community Grants Framework should enable Council to evaluate the success of funding allocated, based on the outcomes achieved. Its focus should be on the outcomes that Council is seeking to achieve for its communities, and should therefore be closely aligned with both Council's vision and also its community outcomes.

Grants are a mechanism that Council can utilise to financially support community-led initiatives. In this respect they are very different from Service Contract/Procurement arrangements. The Grants Framework being suggested here would only apply to the discretionary funding. The \$4.9 million Service Contract funding should be covered by separate individual contracts that establish what Council is purchasing and to what specifications Council requires the service to be delivered.

The Grants Framework will need to operate transparently, but also protect confidentiality. Council's aim should be to enable sustainable organisations and initiatives, while avoiding organisations becoming financially dependent on the Council. The Framework will need to be established so as to make it clear that past funding does not represent a commitment to future funding.

Establishing a Grants Framework will enable Council to demonstrate that it is providing good value for ratepayers investment and that the organisations that Council is supporting are producing clear benefits for Invercargill.

Currently Council has an application form for Community Funding that is sometimes used by applicants. Other requests for funding come in letters, emails or public deputations to a Council or Committee meeting. The reporting requirements for Grant recipients are the same, no matter the size of the grant. The establishment of a Framework would allow Council to streamline application processes, while giving discretion for reporting. Reporting could then be tailored so as to be appropriate to the size of the grant, the situation of the applicant, and the level of risk presented to Council.

POLICY PARAMETERS

In developing a Policy and Framework the following areas will need to be determined:

1. **Contestable Funding**
The majority of Council grants should be determined through a contestable process. This is done at many other Councils, as well as for Central Government funders. It is the most efficient and effective way of decision-makers comparing the applications received and allocating funds from a limited pool. This would involve setting a "Grants" budget as part of the Long-Term Plan and Annual Plan processes. The allocation of this funding would then be determined by a Committee of Council following a scheduled funding round or rounds.
2. **Discretionary Funding**
Should Council determine, the Framework could make an allowance for Discretionary Funding. This would need to have tight criteria and would occur outside of the contestable funding process. Such criteria would cover things such as the applicant demonstrating that their need is immediate and has arisen since the last funding round closed, that it cannot wait until the next round and that circumstances could not reasonably have been foreseen. In these circumstances, the Framework could indicate a decision could be made by Council at its next meeting, by way of resolution.
3. **Framework**
The Framework will need to establish who can apply for grants i.e. Community Groups; commercial entities; individuals, and what, if any, caveats there are on them being considered.

The Framework will also need to establish what Council will fund i.e. salaries, administration costs, marketing, equipment hire, and also what it will not fund i.e. debt servicing, religious or political purposes, public services that are the responsibility of Central Government.

4. Prioritisation

The Framework will need to establish what factors Council will take into account when assessing applications. The following areas are suggested for an initial Framework draft:

- Clearly defined purpose of application.
- Alignment with Council priorities.
- Demonstration of innovation.
- Clearly defined project – what will be delivered and how.
- Capability, capacity and experience to deliver the project.
- Realistic, evidence-based budget.
- Who the project is targeting and credible access to that group.
- Evidence of community support.
- Other contributions sought by the applicant and the contribution by the applicant.

CONCLUSION

Every year Council receives further requests for Community Grants and it is not possible to meet all requests for funding. The establishment of a Community Grants Framework and Policy will assist Council and the community to prioritise applications and fund those that will most meet Council's vision and objectives.

Staff recommend that Council develop and implement a Grants Framework and Policy to commence in line with the 2018-2028 Long-Term Plan.

TO: FINANCE AND POLICY COMMITTEE

FROM: DIRECTOR OF FINANCE AND CORPORATE SERVICES

MEETING DATE: TUESDAY 28 FEBRUARY 2016

SOUTHLAND WARM HOMES TRUST – ACCOUNTABILITY REPORTING
--

Report Prepared by: Melissa Short – Strategy and Policy Manager

SUMMARY

The Southland Warm Homes Trust has finished their end of year financial accountability reporting as required by Council when awarding funding.
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RECOMMENDATIONS

That the report be received.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> Yes
2.	<i>Is a budget amendment required?</i> No
3.	<i>Is this matter significant in terms of Council's Policy on Significance?</i> No
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> No
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> No
6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i> Yes

FINANCIAL IMPLICATIONS

No financial implications result from this report.

SOUTHLAND WARM HOMES TRUST

Attached is the Southland Warm Homes Trust Annual Report for the year ended 30 June 2016 (Appendix 1).

Council allocated \$50,000 to the Southland Warm Homes Trust in its 2015/16 budget with the purpose of providing subsidies on Healthy Homes initiatives for citizens.

30 JAN 2017
SCANNED

Southland Warm Homes Trust
creating healthy homes



C/o PowerNet Limited, P O Box 1642,
Invercargill 9840, New Zealand
Phone: 03 211 1899
Fax: 03 211 1875

26 January 2016

Mary Napper
Invercargill City Council
Private Bag 90104
Invercargill 9840

Dear Mary,

The Trustees of the Southland Warm Homes Trust are pleased to present their Annual Report for the year ended 30 June 2016.

The Trust's turnover for the year reached \$1.1 million which resulted in 275 low income houses receiving insulation, 10 general income households receiving subsidised insulation and 11 homes receiving heating.

The Trustees wish to thank you for your assistance through the Southland Warm Homes Trust Project Team and for your financial contribution during the year. We look forward to your continued support in the future.

Yours faithfully

Allan Beck
Financial Controller





SOUTHLAND WARM HOMES TRUST

**ANNUAL PERFORMANCE REPORT
FOR THE YEAR ENDED
30 JUNE 2016**

TABLE OF CONTENTS

NON-FINANCIAL INFORMATION:

CHAIRMAN'S REPORT	3-5
ENTITY INFORMATION	6
STATEMENT OF SERVICE PERFORMANCE	7

FINANCIAL INFORMATION:

STATEMENT OF FINANCIAL PERFORMANCE	8
STATEMENT OF FINANCIAL POSITION	9
STATEMENT OF CASH FLOWS	10
STATEMENT OF ACCOUNTING POLICIES	11-12
NOTES TO THE PERFORMANCE REPORT	13-15
AUDITOR'S REPORT	16

CHAIRMAN'S REPORT

FOR THE YEAR ENDED 30 JUNE 2016

It is with great pleasure and satisfaction on behalf of fellow Trustees Anne Gover, Jim Hargest and Carl Findlater that I have the opportunity to report on the achievements of the Southland Warm Homes Trust (SWHT) in its eighth year.

The SWHT was established in June 2008 by Electricity Invercargill Limited (EIL) and the Southland Power Trust (SEPSCT) to provide an umbrella to facilitate a warm homes project after a meeting of community groups was arranged in 2006.

With the encouragement of the Energy Efficiency and Conservation Authority (EECA) and support from our respective boards, Jim Hargest (Chair of SEPSCT) and I decided to support energy efficiency initiatives for the benefit of Southland through the establishment of the SWHT.

The SWHT provides free energy assessments and subsidised insulation products and heating appliances to Southland and West Otago (Tapanui) homes. The vision of the Trust is to ensure "Southlanders" have:

- a more energy efficient home
- an improved living environment
- improved well-being
- better health
- greater energy efficiency awareness

Measures Installed

In the year to 30 June 2016 275 houses received insulation through the Healthy Homes programme (2015: 509), 10 general income households received subsidised insulation, and 11 received heating (2015: 23). The SWHT received income from EECA and other community grants totaling \$1.0 million (2015: \$1.5 million), and \$1.0 million (2015: \$1.7 million) was utilised in delivering these measures.

Project Team and Community Support

The achievement of the SWHT objectives would not have been possible without the considerable investment of time through the SWHT Project Team and financial support of various community funders throughout the region that include:

Community Funders	2016	2015	Project Team Representatives
The Power Company Limited	\$125,000	\$125,000	
Electricity Invercargill Limited	\$125,000	\$125,000	Neil Boniface
The Southern Trust	20,000	\$20,000	
Primary Health Organisations	-	\$40,000	Mark Crawford (2015), Clare Van der Lem
Community Trust of Southland	\$25,000	\$25,000	
Gore District Council	\$15,000	\$15,000	Anne Gover
Southland District Council	\$35,000	\$35,000	Ian Marshall
Invercargill City Council	\$50,000	\$50,000	Mary Napper, Neil Boniface and John Youngson
Environment Southland	\$72,609	\$10,000	Bryan Scoles, Sonya Nicol
Guy Waddell Trust	\$7,000	-	
NZ Oil & Gas Limited	\$20,000	-	Anna Ririnui
Southland Power Trust	kind support	kind support	Carl Findlater, Jim Hargest
Work and Income	kind support	kind support	Sue Dynes

The Southland Community owes a great deal to these people and organisations that have got behind this project and made it work. Our first grant of \$2,000 was received from the Southland Energy Efficiency Trust and grants have ranged up to \$250,000 from The Power Company Limited.

EECA have been incredibly supportive to the project and assisted with a grant to meet start up costs. To date over the last eight years EECA has contributed in excess of \$12.0 million (2015: \$11.5 million after seven years) of the Trust's total income of \$23.1 million (2015: \$22.0 million after seven years).

EECA Heat Smart Package

Effective from 1 July 2009 the Government through EECA announced a revised energy efficient heating programme. The Warm Up New Zealand (WUNZ) Heat Smart programme had aimed to retrofit more than 180,000 New Zealand homes by 2013, however more than 241,000 homes have been insulated which is a very pleasing result. The WUNZ Heat Smart scheme administered by EECA is without doubt a success story for the Government.

EECA Healthy Homes Programme

The Government, in its May 2013 budget, announced a new insulation scheme, the WUNZ Healthy Homes Programme, to follow on from the successful WUNZ Heat Smart Programme. The WUNZ Healthy Homes Programme aims to fund the installation of insulation to around 46,000 low income homes nationally over three years from 1 July 2013 to 30 June 2016.

The Healthy Homes scheme is targeted at those who stand to benefit most from having their homes insulated, those being low income households with high health needs, which include families with children and the elderly. Landlords with eligible tenants are also included but are required to make a contribution.

Under the initial Healthy Homes scheme EECA provided 60% of the funding with the remaining 40% to come from third party funders. For the 2014/15 year the SWHT was awarded EECA funding of \$1,060,500 for 505 homes based on secured third party funding of \$707,000, which included retained earnings funding carried forward from previous years.

Healthy Homes Programme for 2015/16 Year

For the third year of the Healthy Homes Programme beginning 1 July 2015, EECA reduced its funding allocation from 60% to 50% of the total cost of insulation. As a result, the third party funding allocation has increased from 40% to 50%. From 1 July 2015 the landlord contribution increased from 25% to 40%.

Funding for:	Insulation Contribution		
	EECA	SWHT	Home Owner
Residential dwelling built prior to 1 January 2000, and			
CSC holders with one or more occupants under 17 years or over 65 years and who meet the health criteria	50%	50%	*FREE*
Landlords with CSC holding tenants with one or more occupants under 17 years or over 65 years and who meet the health criteria	50%	10%	40%

Healthy Homes Rental Programme for the 2016/17 and 2017/18 Year

In September 2016 SWHT was awarded EECA funding to deliver at least 1,100 rental property retrofits from 1 September 2016 to 30 June 2018. The EECA funding will cover 25% of the total insulation cost, down from 50% funding in 2015/16. The SWHT contribution will cover 25% of the insulation cost, with the Landlord contributing 50%, up from 40% previously.

Summertime Subsidy

During the year the Southland Warm Homes Trust together with Awarua Synergy offered a summertime subsidy of up to \$2,000 for qualifying middle income families to undertake insulation.

Financial Performance

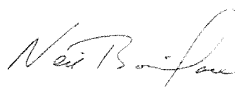
The Trust recorded a net operating profit for the year of \$50,543 (2015: \$191,189 deficit). The profit for the year was \$86,974 more than the budgeted deficit of \$36,431. The difference is mainly due to a higher number of homes budgeted (in particular rental properties) than eventuated, resulting in funding surplus for the 2015/16 year.

Operational Support

Awarua Synergy performs the service provider function on behalf of the Southland Warm Homes Trust and employs up to 19 staff at seasonal peak times.

PowerNet Limited provides administrative and secretarial support to the Trustees and Project Team.

The support from the staff of these organisations towards the successful delivery of the project is gratefully acknowledged.



Neil Boniface
Chairman
Southland Warm Homes Trust

ENTITY INFORMATION FOR THE YEAR ENDED 30 JUNE 2016

NATURE OF BUSINESS	Charitable Trust
CORE PURPOSE	To provide energy assessments, insulation and energy efficient heating appliances to Southland households.
VISION	The Southland Warm Homes Trust and the Project Team in conjunction with Awarua Synergy will ensure Southlanders have - a more energy efficient home, an improved living environment, improved well-being, better health, and greater energy efficiency awareness.
BUSINESS ADDRESS	251 Racecourse Road Invercargill
POSTAL ADDRESS	c/- PO Box 1642 Invercargill 9840
FREE PHONE	0800-WARMSOUTH 0800-92-76-76
TRUSTEES	Neil Boniface (Chairman) Jim Hargest Anne Gover Carl Findlater
AUDITOR	McIntyre Dick & Partners 160 Spey Street Invercargill
BANK	ANZ Bank New Zealand Limited
ADMINISTERED BY	PowerNet Limited 251 Racecourse Road Invercargill
PROJECT DELIVERY BY	Awarua Synergy c/- 117 Eye Street Invercargill 03-214-2927
FUNDING PROVIDED BY	Combination of Government agency funding through EECA based on number of eligible households insulated, and community funding provided through Corporate and Local Government donations and grants.

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2016

Outcomes

The objectives of the Southland Warm Homes Trust for this financial year as specified in the 2015/16 Business Plan are:

- providing all Southlanders with the opportunity to have an individual assessment and receive advice on how to improve energy efficiency in their home;
- creating awareness of the benefits of home insulation and energy efficiency
- improving the living environment, well-being and health of Southland people.

Key performance targets and measures identified in the Business Plan, along with the performance achieved during the financial year, are detailed below.

Outputs

Year Ended 30 June:

	2016 Achieved	2016 Target	2015
--	------------------	----------------	------

EECA Healthy Homes Programme:
Insulation (No. of houses)

- Low Income Households – Owned	214	234	437
- Low Income Households – Rentals	61	100	72
	275	334	509

During the year to 30 June 2016, 275 houses across Southland and South Otago received insulation through the Healthy Homes programme (2015: 509 houses), 10 general income households received subsidised insulation, and 11 received heating (2015: 23). The SWHT received income from EECA and other community grants totaling \$1.0 million (2015: \$1.5 million), and \$1.0 million (2014: \$1.7 million) was utilised in delivering these measures.

Community Funding received	\$495,177	\$497,478	\$445,000
Financial Surplus/(Deficit) for the year	\$50,543	\$(36,431)	\$(191,189)

The Southland Warm Homes Trust has continued to provide insulation installations to households across the wider Southland and West Otago area.

Healthy Homes Retrofit Regional Breakdown

Home Owner	Clutha	Gore	Southland	Invercargill	Total
2015/16	2	34	57	121	214
2014/15	7	48	96	286	437

Rental	Clutha	Gore	Southland	Invercargill	Total
2015/16	-	9	10	42	61
2014/15	-	6	4	62	72

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Revenue			
Revenue from Grants & Donations received	2	1,007,010	1,474,678
Revenue from providing goods or services	2	66,780	64,216
Interest received		1,739	4,084
Total Revenue		1,075,529	1,542,978
Expenses			
Costs related to providing goods or services	3	960,879	1,649,158
Other expenses	3	64,107	85,009
Total Expenses		1,024,986	1,734,167
Surplus/(Deficit) for the year		50,543	(191,189)

The accompanying notes on pages 11-15 form part of and should be read in conjunction with this performance report.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
Assets			
Current Assets			
Current Account		4,006	63,356
Call Account and Short Term Deposits		163,531	111,825
Accounts Receivable		24,579	168,355
Other Receivables		9,610	14,824
Prepayments		1,304	1,479
Middle Income Loans		-	171
Total Current Assets		203,030	360,010
Total Assets		203,030	360,010
Liabilities			
Current Liabilities			
Accounts Payable		54,910	262,432
Total Current Liabilities		54,910	262,432
Total Liabilities		54,910	262,432
Net Assets		148,120	97,578
Accumulated Funds			
Accumulated surpluses or (deficits)	4	148,120	97,578
Total Accumulated Funds		148,120	97,578



Neil Boniface
Chairman



Jim Hargest
Trustee

The accompanying notes on pages 11-15 form part of and should be read in conjunction with this performance report.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016
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	2016	2015
	\$	\$
Cash Flows from Operating Activities		
<i>Cash was received from:</i>		
Receipts from Grants & Donations	1,150,957	1,583,653
Receipts from providing goods or services	66,780	64,216
Interest received	1,739	4,084
Net GST	5,214	5,370
	1,224,690	1,657,323
<i>Cash was applied to:</i>		
Payments to supplier and employees (Installation Costs)	1,168,228	1,656,277
Audit fees	5,125	5,075
Administration expenses	58,981	79,934
	1,232,334	1,741,286
Net Cash Flows from Operating Activities	(7,644)	(83,963)
Net Cash Flows from Investing & Financing Activities	-	-
Net Increase / (Decrease) in Cash	(7,644)	(83,963)
Opening Cash	175,181	259,144
Closing Cash	167,537	175,181
This is represented by:		
Bank Accounts and Cash		
Current Account	4,006	63,356
Call Account and Short Term Deposits	163,531	111,825
	167,537	175,181

The accompanying notes on pages 11-15 form part of and should be read in conjunction with this performance report.

**NOTES TO AND FORMING PART OF THE FINANCIAL
PERFORMANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

The Southland Warm Homes Trust is a Charitable Trust that was established in June 2008 under the Charitable Trusts Act 2005. The Trust is registered with the Charities Commission. The Trust was established by Electricity Invercargill Limited and the Southland Electric Power Supply Consumer Trust for the purpose of providing energy assessments, insulation and energy efficient heating appliances to Southland and West Otago households.

The beneficiaries of the Trust are those persons or organisations connected to the Electricity Invercargill Limited distribution network in Invercargill and Bluff and The Power Company Limited distribution network in Southland and West Otago at a particular time.

The financial performance report was approved by the Board of Trustees on 16 November 2016.

Basis of Preparation

Southland Warm Homes trust has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Good and Services Tax (GST)

The Southland Warm Homes Trust is registered for GST. The financial performance report has been prepared exclusive of Goods and Services Tax, with the exception of receivables and payables which are shown inclusive of Goods and Services Tax.

Income Tax

Southland Warm Homes Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Revenue

Grants and Donations

Grants and donations are recorded as revenue on receipt unless there is a 'use or return' condition attached. Grants or donations with use or return conditions are recorded as a liability until the conditions have been satisfied and are recorded as a liability until the conditions have been satisfied and are recorded as revenue.

Household Contributions

Revenue from this source is measured at the fair value of the consideration given for the sale of goods and services.

Investments

Investments are stated at cost.

Loans and Receivables

Loans and receivables are stated at their estimated realisable value. All known losses are written off in the period in which it becomes apparent the debts are not collectable.

Changes in Accounting Policies

The trust transitioned on 1 July 2015 to Public Benefit Entity Simple Format Reporting – Accrual basis. The transition has minimal impact on the accounting policies of the Trust.

2. REVENUE

	2016 \$	2015 \$
<u>Revenue from Grants or Donations received</u>		
<i>Revenue from grants or contracts for services with government agencies:</i>		
Energy Efficiency and Conservation Authority (EECA)	511,833	1,029,678
<i>Revenue from grants or contracts for services with local government:</i>		
Environment Southland	72,609	10,000
Invercargill City Council	50,000	50,000
Southland District Council	35,000	35,000
Gore District Council	15,000	15,000
<i>Revenue from other grants or donations received:</i>		
Electricity Invercargill Limited	125,000	125,000
The Power Company Limited	125,000	125,000
Community Trust of Southland	25,000	25,000
The Southern Trust	20,000	20,000
New Zealand Oil & Gas Limited	20,000	-
Guy Waddell Trust	7,000	-
Primary Health Organisations	-	40,000
Other Donations received	568	-
	1,007,010	1,474,678
<u>Revenue from providing goods or services:</u>		
Household contributions	66,780	64,216
	66,780	64,216

3. EXPENSES**Costs related to providing goods or services**

Installation costs	960,879	1,649,158
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Other Costs

Administration Expenses	58,982	79,934
Audit Fees	5,125	5,075
	64,107	85,009

4. ACCUMULATED FUNDS

<u>This Year</u>	<i>Capital Contributed by Owners or Members</i>	<i>Accumulated Surpluses or Deficits</i>	<i>Reserves</i>	<i>Total</i>
Opening Balance	-	97,578	-	97,578
Surplus/(Deficit)	-	50,543	-	50,543
Closing Balance	-	148,120	-	148,120

<u>Last Year</u>	<i>Capital Contributed by Owners or Members</i>	<i>Accumulated Surpluses or Deficits</i>	<i>Reserves</i>	<i>Total</i>
Opening Balance	-	288,767	-	288,767
Surplus/(Deficit)	-	(191,189)	-	(191,189)
Closing Balance	-	97,578	-	97,578

5. COMMITMENTS**Operating Commitments**

Deposits from householders are received and held by Awarua Synergy the service provider on behalf of the Southland Warm Homes Trust. The deposits are from householders who have committed to insulation installations.

As at 30 June 2016 there were no deposits (2015: \$1,069 excluding GST) held on behalf of householders in relation to installations in progress (2015 estimated cost to complete installation \$8,758 excluding GST).

Capital Commitments

There are no capital commitments as at 30 June 2016 (2015: Nil).

6. RELATED PARTIES

The Trust received a donation during the year of \$125,000 (2015: \$125,000) from The Power Company Limited. The Power Company Limited is a 100% owned subsidiary of the Southland Power Trust, of which Jim Hargest is Chairman and Carl Findlater a Trustee.

The Trust received a donation during the year of \$125,000 (2015: \$125,000) from Electricity Invercargill Limited, of which Neil Boniface is Chairman.

The Trust received a donation during the year of \$50,000 (2015: \$50,000) from the Invercargill City Council, of which Neil Boniface is a Councillor.

The Trust received a donation during the year of \$15,000 (2015: \$15,000) from the Gore District Council, of which Anne Gover is a Councillor.

The Trust uses PowerNet Limited to provide administration services, of which Neil Boniface is a Director. Fees for administration services during the year amounted to \$30,000 excluding GST (2015: \$30,000 excluding GST) of which \$5,750 including GST (2015: \$5,750 including GST) is owing at balance date.

7. NON CASH DONATIONS

The Trust received non-financial in kind support from businesses offering services and time to help with the running of the Trust operations.

8. CONTINGENT LIABILITIES

There are no known contingent liabilities as at 30 June 2016 (2015: Nil).

9. COMMUNITY SUPPORT

The continuation of the Southland Warm Homes Trust is dependent upon the on-going support from its community funders listed in Note 2, Revenue.

10. SUBSEQUENT EVENTS

During September 2016, the Southland Warm Homes Trust received confirmation from EECA for additional funding under the WUNZ: Healthy Homes Rental programme for the 2016/17 and 2017/18 year, for 1,100 rental property retrofits (550 per year), at an average price per house of \$3,350.

There have been no other subsequent events after 30 June 2016.

INDEPENDENT AUDITOR'S REPORT

To the members of Southland Warm Homes Trust

We have audited the performance report of Southland Warm Homes Trust on pages 6 to 15, which comprise the statement of financial position as at 30 June 2016, entity information, statement of service performance, statement of financial performance and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Performance Report

The trustees are responsible for the preparation and fair presentation of the performance report in accordance with the Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) Standard and for such internal control as the committee determines is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the performance report based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the performance report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the performance report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the performance report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the performance report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor, we have no relationship with, or interests in, Southland Warm Homes Trust.

Opinion

In our opinion, the performance report on pages 6 to 15 presents fairly, in all material respects, the financial position of Southland Warm Homes Trust as at 30 June 2016, and its financial performance and cash flows for the year then ended in accordance with the Public Benefit Entity Simple Format Reporting Standard – Accrual (Not-For-Profit).

McIntyre Dick & Partners

Chartered Accountants
16 November 2016
INVERCARGILL, NZ

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Page 16

TO: FINANCE AND POLICY COMMITTEE
FROM: THE DIRECTOR OF FINANCE AND CORPORATE SERVICES
MEETING DATE: TUESDAY 28 FEBRUARY 2017

ENDOWMENT PROPERTY AND FUNDS

Report Prepared by: Mel Greenfield, Senior Investment Property Advisor

SUMMARY

In 1879 the Endowment Property scheme was established in Invercargill. This report outlines the duties, rights and obligations Council has with regard to the operation and management of Endowment property as per the Local Government Act 2002.
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RECOMMENDATIONS

That this report on Endowment Property and Funds be accepted.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> Endowment Property Investments are included in the Long Term Plan and Annual Plan.
2.	<i>Is a budget amendment required?</i> No
3.	<i>Is this matter significant in terms of Council's Policy on Significance?</i> No
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i>
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> No
6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i> Yes

FINANCIAL IMPLICATIONS

No financial implications result from this report.

ENDOWMENT PROPERTY AND FUNDS

Council has been involved in commercial property since June 1879 when the original subdivision of the Town of Invercargill set aside one quarter acre section for every ten sections that were created as Municipal Endowment (detailed in Conveyance 12863, Deeds Register 28/690 11 June 1879).

This was a forward thinking move by our forefathers who realised the income generated from commercial property would lower the rate burden on citizens. While this practice did not continue with future subdivisions, over the years Council has acquired other fee simple land which provides revenue and enhances the Council's investment property holdings. (*Fee simple or freehold estate means total ownership with freedom to dispose of at will*).

Council has two options with respect to endowment land – it can retain ownership of the property forever, or it can buy, sell or exchange properties to maximise the return on investment. The latter option provides Council with opportunities to sell and then purchase additional properties with the proceeds when the time is right. This allows Council to 'grow' the Endowment Fund portfolio.

The Investment Property Activity monitors and reviews returns being achieved on individual investment properties owned by the Invercargill City Council. There are four groups of properties:

1. Strategic properties which are held for purposes other than immediate return
2. Endowment properties which have been vested (gifted) to the City or purchased from endowment funds
3. Trading properties
4. Properties being prepared for disposal (acquired through abandonment or rating sale)

Overview of Investment property currently controlled and managed:

	No	CMV
Strategic development property, including Kew Bowl, Don Street, Grace and Ness Streets	12	\$3,448,000
Industrial property, including 141 Bond Street, 20 Spey Street, 69 Don Street	22	\$8,602,000
Commercial properties including 2 Deveron, 10 Deveron, 71 Barrow and 72 Barrow Streets	18	\$4,991,000
Rural properties	3	\$1,625,000
Residential properties	7	\$147,000
Awarua Industrial properties	6	\$13,447,000
Properties being prepared for disposal	28	\$604,900

The Local Government Act 2002 strictly controls the disposal of endowment property and details conditions applying to sale or exchange of endowment property and application of disposal proceeds. The Minister may approve additional or different purposes for which the property may be used, or for which income derived from the property may be used.

Prior to all property transactions, a comprehensive historical search is required to ascertain how Council acquired the land and for what reason. This involves researching the intent of each specific purpose and adhering to the conditions of the corresponding legislation, for example the Invercargill City Council (Reclamations) Empowering Act 1973, which relates to reclaimed land along Bond and Mersey Streets.

An overview of the process carried out by Investment Property in relation to a lessee freeholding request (as an example) is as follows:

- Review purpose of the land and how it was acquired by Council
- Request a freeholding valuation from a Registered Valuer
- Advise lessee of the freeholding value, in writing (should the lessee not agree with the freeholding value, they can obtain a second valuation)
- Commence negotiation on purchase price and terms to be presented to Council
- Obtain a formal/written letter of offer from the lessee
- Letters to the Minister for Land Information and the Minister in Charge of Treaty of Waitangi Negotiations advising of the intention to dispose of the land
- Prepare a report to Council, including letter of offer from lessee and a statement as to how the proceeds of sale are to be applied
- Advise lessee of decision and either proceed with sale documentation (or advise decline reasoning).

The relevant sections of the Local Government Act 2002 which must be adhered to are as follows:

140 Restrictions on disposal of endowment property

- (1) In this section and section 141, **property**—
 - (a) means real property of every type; and
 - (b) includes every type of estate and interest in property.
- (2) This section and section 141 apply to property or part of a property vested in a local authority in trust or as an endowment.
- (3) The property must be retained by the local authority for the purpose for which the property was vested in the local authority.
- (4) However,—
 - (a) the Minister may approve in writing additional or different purposes—
 - (i) for which the property may be used; or
 - (ii) for which income derived from the property may be used; or
 - (b) unless expressly prohibited by the instrument that vested the property in the local authority, the local authority may sell or exchange the property and use the proceeds of the sale or exchange for a purpose identified by the local authority in accordance with section 141.

141 Conditions applying to sale or exchange of endowment property

- (1) A local authority must not exercise the power in section 140(4)(b) unless—
 - (a) the proposed use of the proceeds of sale of the property, or of the property received in exchange, is consistent with the purpose of the endowment; and
 - (b) [Repealed]
 - (c) in a case where the Crown was the donor of the property, the local authority has notified the Minister for Land Information and the Minister in Charge of Treaty of Waitangi Negotiations of the local authority’s proposal to sell or exchange the endowment land; and
 - (d) in other cases, the local authority has—
 - (i) made a reasonable attempt to notify the donor of the property, or his or her successor, as the case may be, that the local authority intends to sell or exchange the property; and
 - (ii) provided the donor with a reasonable opportunity to comment on the intended sale or exchange.
- (2) To avoid doubt, notification of a proposal to sell or exchange a property under subsection (1)(c) does not oblige a Minister to take any action in relation to the proposal to sell or exchange the property.

(3) If the local authority is subject to reorganisation, the proceeds of a sale or exchange of property must be applied to the district or districts of the new local authority or authorities arising from the reorganisation of which the local authority formed part.

It has been established that fee simple land historically acquired and/or purchased by the Local Authority may also hold an original purpose that no longer applies.

In this situation, Council must continue to adhere to Section 141 of the Act, specifically points (d) (i) and (ii). Once the donor of the property, or his or her successor has commented on proposed disposal, the original purpose will be deemed null and void upon transfer as the purpose only applies whilst land is in ownership of the Local Authority.

The 2015-2025 Long Term Plan provides detail on all properties managed and controlled by the Investment Property Activity. A current overview is as follows:

Address	Legal Description	Area	Purpose
Commercial Leases			
71 Barrow Street, Bluff	Section 8, Block I, Town of Campbelltown (SL134/129)	0.1012	Not stated
72 Barrow Street, Bluff	Section 8, Block XII, Town of Campbelltown (SLA2/346)	0.0326	Not stated
115 Barrow Street, Bluff	Lot 1, DP 5100 – Lot 2, DP 5349 (SL205/10)	0.1012	Trust as an Endowment for the benefit and improvement of the Borough of Bluff.
4 Tay Street, Invercargill	Lot 2, DP 4801 (SL186/105)	0.0759	Not stated
13 Clyde Street, Invercargill	Lot 2, DP 2659 (part of SL131/258)	0.0888	Endowment - Hall and Municipal Offices
17 Clyde Street, Invercargill	Lot 6, DP 2659 (part of SL131/258)	0.1647	Endowment - Hall and Municipal Offices
21 Clyde Street, Invercargill	Lot 7, DP 2659 (part of SL131/258)	0.0741	Endowment - Hall and Municipal Offices
26 Liddel Street, Invercargill	Lots 1, 3, 4 and 5, DP 2659 (part of SL131/258)	0.2489	Endowment - Hall and Municipal Offices
118–122 Dee Street, Invercargill	Section 13, Block LXXII, Town of Invercargill (SL1A/538)	0.1012	Not stated
150 Spey Street, Invercargill	Section 17, Block LXXV, Town of Invercargill (SL1A/266)	0.1012	Trust as an Endowment for the improvement and benefit of the City of Invercargill
14 Yarrow Street, Invercargill	Section 19, Block LXIX, Town of Invercargill (SL11B/239)	0.1012	Not stated
29 Yarrow Street, Invercargill	Section 7, Block LXX, Town of Invercargill (SL1A/260)	0.1012	In trust as an Endowment for the improvement and benefit of the City of Invercargill
26 Tyne Street, Invercargill	Part Section 21, Block IV, Town of Invercargill (SL1A/1349)	0.0809	In trust as an Endowment for the improvement and benefit of the City of Invercargill
194 Conon Street, Invercargill	Section 1, Block XXXVI, Town of Invercargill (SL1A/854)	0.1012	In trust as an Endowment for the improvement and benefit of the City of Invercargill

Address	Legal Description	Area	Purpose
99–101 Spey Street, Invercargill	Section 5, Block LXXI, Town of Invercargill (SL1A/263)	0.1012	In trust as an Endowment for the improvement and benefit of the City of Invercargill
Farm and Grazing Leases			
155 Stead Street, Invercargill	Lot 1, DP 424778 (SL 497017)	101.0700	Endowment for Municipal Purposes
41 Old Bluff Highway, Awarua	Pt Blk XV Town of Greenhills (SLA PT 1A/377)	2.0234	Greenhills Quarry Reserve
14 Kekeno Place, Awarua	Lot 8, DP 338583 (SL 158867)	19.2445	Not stated
313 Bay Road, Invercargill	Lot 1, DP 2533 (SL129/291) Sec 158 Blk XV Invercargill Hundred (SL82-108)	23.6445	Endowment for Municipal purposes
Industrial Leases			
94 Preston Street, Invercargill	Part Lot 1, DP 3497 (SL5B/477)	0.0343	Not stated
99 Preston Street, Invercargill	Part Lot 2, DP 6762 (SLB3/35)	0.0340	Not stated
55 Crinan Street, Invercargill	Lots 2-3, Part 1, DP 4621 (SL1A/347)	0.2427	Not stated
90 Mersey Street, Invercargill	Lot 1, DP 14274 (SL11C/10)	0.0960	Not stated
15 Spey Street, Invercargill	Lots 15 and 17, DP 2320 (SL5A/88)	0.1561	Not stated
96 Mersey Street, Invercargill	Lot 2, DP 14274 (SL11C/11)	0.1774	Not stated
102 Mersey Street, Invercargill	Lot 1, DP 4197 (SLB4/940)	0.2428	Endowment for the City of Invercargill
108 Mersey Street, Invercargill	Lot 1, DP 4203(SL10D/418)	0.4047	An Endowment for Municipal Purposes
108 Mersey Street, Invercargill	Lot 3, DP 6894 (SLA4/626) Lot 2, DP 6894 (SLA4/626)	0.1012 0.1854	An Endowment for Municipal Purposes subject to the Municipal Corporations Act 1954
25 Ettrick Street, Invercargill	Lot 8, DP 9661 (SL6A/473)	0.6947	Municipal Purposes
257 Bond Street, Invercargill	Lot 3, DP 15370 (SL12B/215)	0.8094	An Endowment for Municipal Purposes
91 Mersey Street, Invercargill	Lot 1, DP 15176 (SL12A/811)	0.4047	Not stated
152 Mersey Street, Invercargill	Lot 2, DP 387012 (348366)	0.3999	An Endowment for Municipal Purposes
116 Otepuni Avenue, Invercargill	Lot 2, DP 5826 (SLA4/556)	0.0506	Not stated
14 Mersey Street, Invercargill	Part Lot 14, DP 2320, Lot 1, DP 5360 (part of SL10B/799)	0.1937	An Endowment for the benefit of the city of Invercargill
192 Bond Street, Invercargill	Lot 1, DP 7987 (SL10D/424)	0.4047	Municipal

Address	Legal Description	Area	Purpose
210 Mersey Street, Invercargill	Lot 1, DP 5889 (SL10D/425)	0.1657	Municipal
	Lot 14, DP 5116 (SL4A/622)	0.2023	An Endowment for Municipal Purposes Subject to the Municipal Corporations Act 1954
401 Inglewood Road, Invercargill	Pt Lot 2, DP 4583 (SLA4/841)	0.2099	Not stated
156 Clyde Street, Invercargill	Lot 2, DP 4557 (SL1A/413)	0.0506	Endowment
154 Clyde Street, Invercargill	Lot 1, DP 4557 (SL1A/412)	0.0498	Endowment
Residential Leases			
88 Foyle Street, Bluff	Sec 8 Blk XIII Town of Campbelltown (SL11C/841)	0.1012	Not stated
91 Conon Street, Invercargill	Lot 2, DP 4248 (SL1A/526)	0.0506	In trust as an Endowment
91 Earn Street, Invercargill	Section 1, Block XXXVI Town of Invercargill (SL1A/854)	0.1012	In trust as an Endowment for the improvement and benefit of the City of Invercargill
241 Crinan Street, Invercargill	Section 3, Block L, Invercargill (SL1A/403)	0.1012	In trust as an Endowment for the improvement and benefit of the City of Invercargill
50 Teviot Street, Invercargill	Section 21, Block XXXI, Town of Invercargill (SL1A/524)	0.1012	In trust as an Endowment
257 Ettrick Street, Invercargill	Section 7, Block XLVIII, Invercargill (SL1A/426)	0.1012	In trust as an Endowment for the improvement and benefit of the City of Invercargill
118 Bowmont Street, Invercargill	Section 15, Block XXXIX, Town of Invercargill (SL1A/396)	0.1012	In trust as an Endowment for the improvement and benefit of the City of Invercargill
Council Land/Buildings – Leased			
141 Bond Street, Invercargill	Lot 4 DP 14334 (SL11C/160)	1.6745	In trust as an Endowment for Municipal Purposes
6 Tay Street, Invercargill	Lot 3, DP 14147 (12B/525) (Note that there was an extra piece of land bought and included in the car park which legal description this is.)	0.157	Not stated
20 Spey Street, Invercargill	Lot 1, DP 401866 (SL405925)	0.6855	Not stated
2 Deveron Street, Invercargill	Section 12, Block III, Town of Invercargill (SLA1/275)	0.1012	Municipal buildings for the enjoyment and recreation of the public
10 Deveron Street, Invercargill	Section 11, Block III, Town of Invercargill	50171	Not stated
	Section 10, Block III, Town of Invercargill SO171 (SL1A/276 and SLA3/88)	0.2024	
69 Don Street, Invercargill	Lot 1, DP 6483, Town of Invercargill	0.0202	Not stated

Address	Legal Description	Area	Purpose
Council Land/Buildings – Not Leased			
1276 Bluff Highway, Invercargill	Section 2, Block 11 and Sections 15 and 45, Block III, Campbelltown Hundred (SL193/618)	336.317	Not stated
90 Hamilton Road 99 Awarua Siding	Pt Sections 16 and 30A, Block III, Campbelltown Hundred (SLB/884) Lot 1, DP 14239, Sections 34 and 30B, Block III, Invercargill Hundred (SL193/616)		
136-150 Colyer Road, Awarua	Section 2, Pt Sections 4 and 5, Block 11, Campbelltown Hundred (SLB2/1142) Sections 8-9, Block II, Campbelltown Hundred (SL92/56) Section 22, Block II, Campbelltown Hundred (SLA2/538) Pt Section 1, Block II, Campbelltown Hundred (SL106/97)	213.8394	Not stated
167 Colyer Road, Awarua	Section 1, Block II, Campbelltown Hundred SO298 (SL6A/353)	20.4771	Not stated
5 Hamilton Road, Awarua	Pt Section 6, Block II, Campbelltown Hundred (SL9C/524)	41.1178	Not stated
6 Esk Street West, Invercargill	Lot 1, DP 5472 (SL204/4)	0.0321	Not stated
8 Esk Street West, Invercargill	Lot 4, DP 3130 and Lot 2, DP 4200 (SL4A/304) – Lot 1, DP 3130 (SL145/134)	0.0935	Not stated
10 Esk Street West, Invercargill	Lot 5, DP 3130 (SL181/163)	0.0306	Not stated
12-16 Esk Street West, Invercargill	Pt Section 12, Block I, Town of Invercargill (SL6B/200)	0.0267	Not stated
18 Esk Street West, Invercargill	Lot 1, DP 10278 and Lot 1, DP 4409 (SL6B/200)	0.0160	Not stated
66 Dee Street, Invercargill	Pt Section 16-17, Block I, Town of Invercargill (SL174/144)	0.0607	Not stated
16 Don Street, Invercargill	Lot 1, DP 1359 (SLA3/1194) Section 3, Block LXXI, Town of Invercargill (SLA3/582) Section 19, Block LXXI, Town of Invercargill (SLB/194)	0.3036	Not stated
24 Don Street, Invercargill	Section 18, Block LXXI, Town of Invercargill	0.1012	Not stated
390 Elles Road	Lot 2, DP 367605, Town of Invercargill	1.6395	Not stated
135 Grace Street	Lot 1, DP 2499, Invercargill Hundred	0.0933	Not stated
260 Ness Street	Part Lot 1, Block III, Township of Appleby	0.0185	Not stated
262 Ness Street	Lot 1, DP 1882, Invercargill Hundred	0.085	Not stated
