



NOTICE OF MEETING

Notice is hereby given of the Meeting of the Finance and Projects Committee to be held in the Council Chamber, First Floor, Te Hinaki Civic Building, 101 Esk Street, Invercargill on Tuesday 18 April 2023 at the conclusion of the Community Wellbeing Committee meeting

Cr G M Dermody (Chair)
Mayor W S Clark
Cr A J Arnold
Cr T Campbell
Cr D J Ludlow
Cr I R Pottinger
Cr L F Soper
Cr B R Stewart

MICHAEL DAY
CHIEF EXECUTIVE

Finance and Projects Committee - Public

18 April 2023

Agenda Topic	Page
1. Apologies	
2. Declaration of Interest	
a. Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have.	
b. Elected members are reminded to update their register of interests as soon as practicable, including amending the register at this meeting if necessary.	
3. Public Forum	
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Public Excluded Session

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

- a. *Confirmation of Minutes of the Public Excluded Session of the Finance and Projects Committee Meeting Held on 21 February 2023*
- b. *Confirmation of Minutes of the Extraordinary Public Excluded Session of the Finance and Projects Committee Held on 21 March 2023*
- c. *Invercargill Central Limited Monitoring Report*
- d. *Relocation of the Southland Museum Collection*
- e. *Financial Update – February 2023*

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
a) Confirmation of Minutes of the Public Excluded Session of the Finance and Projects Committee Meeting Held on 21 February 2023	<p>Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7</p>
b) Confirmation of Minutes of the Extraordinary Public Excluded Session of the Finance and Projects Committee Held on 21 March 2023	<p>Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7</p>
c) Invercargill Central Limited Monitoring Report	<p>Section 7(2)(h) Enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial activities</p> <p>Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7</p>

- | | | |
|--|--|--|
| d) Relocation of the Southland Museum Collection | Section 7(2)(i)
Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) | Section 48(1)(a)
That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7 |
| e) Financial Update – February 2023 | Section 7(2)(a)
Protect the privacy of natural persons, including that of deceased natural persons

Section 7(2)(i)
Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) | Section 48(1)(a)
That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7 |

**MINUTES OF FINANCE AND PROJECTS COMMITTEE, HELD IN THE COUNCIL CHAMBERS,
FIRST FLOOR, CIVIC ADMINISTRATION BUILDING, 101 ESK STREET, INVERCARGILL ON
TUESDAY 21 FEBRUARY 2023 AT 3.00 PM**

Present: Cr G M Dermody (Chair)
Mayor W S Clark
Cr A J Arnold
Cr D J Ludlow
Cr I R Pottinger
Cr L F Soper
Cr B R Stewart

In Attendance: Cr R I D Bond
Cr P M Boyle
Rev E Cook – Māngai – Waihopai
Mrs P Coote – Kaikaunihera Māori – Awarua
Mr M Day – Group Manager – Finance and Assurance
Ms E Moogan – Group Manager – Infrastructure Services
Mr S Gibling – Group Manager – Leisure and Recreation
Mr J Shaw – Manager – Building and Planning
Mrs J Hutton – Manager – Customer Services
Mrs P Christie – Chief Financial Officer
Mr A Cameron – Strategic Advisor/GM – ICHL
Mr R Pearson – Manager – Strategic Asset Planning
Mr M Morris – Manager – Governance and Legal
Mrs R Suter – Manager – Strategy and Policy
Mr M Radcliffe – Manager – Information Services
Mr L Butcher – Programme Director
Ms L Knight – Manager – Strategic Communications
Mr G Caron – Digital and Communications Advisor
Miss G Bragg – Marketing and Social Media Advisor
Ms M Sievwright – Senior Executive Support

1. Apologies

Cr Campbell.

Moved Cr Ludlow, seconded Cr Soper and **RESOLVED** that the apology be accepted.

2. Declaration of Interest

Nil.

3. Public Forum

Nil.

4. Minutes of the Meeting of Finance and Projects Committee held on Tuesday 24 January 2023

A4253736

Moved Cr Soper, seconded Cr Stewart that the minutes of the Finance and Projects Committee held on Tuesday 24 January 2023 be confirmed.

Mrs Coote noted she had not yet reviewed the briefing document as noted in the last minutes.

The motion, now put, was **RESOLVED**.

5. City Streets Stage 1 Cost Update

A4253736

Mr Pearson was in attendance to speak to this item. He was committed to having these works finished by the end of March, and the budget is on track.

The overall allocated budget was \$20.8 million and contingency was being used to keep within budget. The shelter component was the other element which was sought to reduce the scope to keep within the budget.

Moved Cr Pottinger, seconded Cr Soper and **RESOLVED** that the Finance and Projects Committee:

1. Receive the report "City Streets Stage 1 Cost Update".
2. Notes the current cost to complete the project is estimated to be approximately \$20.8m.
3. Notes the estimated cost to complete remains within overall project contingency.

6. 2022 / 2023 Quarter Two Performance

A4299893

Mrs Suter was in attendance to speak to this Item. She took the meeting through some of the key points. It was noted that 65 of the 99 performance measures were on target.

In response to a question around solid waste, it was noted the increase was through a combination of red bin collection and the contamination from MRF. There was a WasteNet meeting being finalised now so these issues would be discussed then. A month by month breakdown analysis would be reported at the next Infrastructure Committee meeting. The overall trend of waste going to landfill was up and this would have a financial impact on households and there was a strong policy being set by central governance to try and drive down waste generation. A previous presentation had shown waste levels were tracking downwards, working on 650 kilograms per capita but this report shows there was more tonnage.

Mrs Christie said for the six months of the year revenue was down slightly but this was a timing issue only. Given some of the changes requested by Council for future years, this had an impact on the current year and the forecast was based on a capital delivery spend of \$59.2 million down from \$79.28 million which was indicated in the Long Term Plan.

It was noted there was a pause on the CAB upgrade and this was because this building was a separate project and not in the Roadmap to Renewal.

The capital programme had decreased to \$50 million, this was due to a pause on projects.

Anderson Park was now up and running as an asset and it was good to see it being managed.

Moved Cr Pottinger, seconded Cr Arnold and **RESOLVED** that the Finance and Projects Committee:

1. Receives the report "2022/2023 Quarter Two Performance" and the Quarter Two Performance Report (A4362526).
2. Recommend to Council to approve the forecast changes outlined Schedule of Forecast Changes in the Quarter Two Performance Report (A4362526).

7. Project Management Office Programme Update

A4345592

Mr Butcher was in attendance to speak to this Item. He took the meeting through the highlights of each project.

It was agreed it would be useful to note within the spend-to-date against plans spend-to-date to get a good view, particularly around the large projects.

It was noted that staff had been working with Rugby Southland.

In respect to 1225 and what had happened in the North Island, and whether there was any impact on the museum project, it was noted that contractors were well in advance of procured steel and panels. This was something that needed to be considered for all projects, as it was hard to know what materials would be impacted.

Moved Cr Soper, seconded Cr Arnold and **RESOLVED**:

1. That the Finance and Projects Committee receive the report 'Project Management Office Programme Update'.

8. Financial Update – December 2022

A4283948

Mrs Christie was in attendance to speak to this Item.

This data was in relation to debt and noted how many people were with arrears. It was noted that for those who had a mortgage, the mortgage holder would be notified of any arrears.

The minimum wage as set by central government would have an impact and it would drive wages up.

Moved Cr Pottinger, seconded Cr Arnold and **RESOLVED** that the Finance and Projects Committee:

1. Receives the report 'Financial Update – December 2022'.
2. That it notes:
 - a. At 31 December 2022, Council had \$104 million of debt outstanding and \$47 million of cash and cash investments, resulting in a Net Debt balance of \$57 million.
 - b. Outstanding debt has increased by \$0.4 million to \$1.8 million at 31 January 2022. The most significant increases are in the 1 and 4 plus months overdue amounts and the Finance team will continue its collection activities.

Recommend to Council

3. That it notes the sensitive expenditure for the period 10 September – 31 December 2022 (A4344882).

9. Business Enhancement Programme – Projects Dashboard

A4283948

Mr Day and Mr Radcliffe were in attendance to speak to this Item.

This was the first time this item had been reported to this committee. This funding was allocated through the Annual Plan process to enhancement the internal systems and processes within Council. It was noted the first table there was no spend allocated to IT strategy but there were a number of projects set aside for internal system enhancement but were yet to get to implementation stage.

In response to a question regarding digital security, it was noted that cyber security was front of mind with everything that was undertaken and extra resource had been implemented. There had been a continued attack on digital resource so staff were ensuring issues were caught in time. Work had been undertaken to separate the 3 waters infrastructure so they were resilient to attack but remain a key target. Staff ensure all services maintain the 3 waters services to ensure there is no vulnerability to attack.

Moved Cr Ludlow, seconded Cr Arnold and **RESOLVED** that the Finance and Projects Committee:

1. Receive the report 'Business Enhancement Programme – Projects Dashboard'.

10. Public Excluded Session

Moved Cr Soper, seconded Cr Stewart and **RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting, namely:

- a. Confirmation of Minutes of the Public Excluded Session of the Finance and Projects Committee Meeting Held on 24 January 2023
- b. Financial Update
- c. Investment Property – Verbal Update
- d. 1225 Procurement – Verbal Update

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
a. Confirmation of Minutes of the Public Excluded Session of the Finance and Projects Committee Meeting Held on 24 January 2023	Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7
b. Financial Update	Section 7(2)(a) Protect the privacy of natural persons, including that of deceased natural persons Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7
c. Investment Property – Verbal Update	Section 7(2)(i) Enable any local authority	Section 48(1)(a)

	holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7
d. Investment Property – Verbal Update	Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7

There being no further business, the meeting finished at 4.33 pm.

MINUTES OF THE EXTRAORDINARY MEETING OF THE FINANCE AND PROJECTS COMMITTEE, HELD IN THE COUNCIL CHAMBERS, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING, 101 ESK STREET, INVERCARGILL ON TUESDAY 21 MARCH 2023 AT 12.00 PM

Present: Cr G M Dermody (Chair)
Mayor W S Clark
Cr T Campbell
Cr D J Ludlow
Cr I R Pottinger
Cr L F Soper
Cr B R Stewart

In Attendance: Cr R I D Bond
Cr P M Boyle
Cr P W Kett
Cr N D Skelt
Rev E Cook – Māngai – Waihopai
Mrs P Coote – Kaikaunihera Māori – Awarua
Mr M Day – Chief Executive
Ms E Moogan – Group Manager – Infrastructure Services
Mr S Gibling – Group Manager – Leisure and Recreation
Mrs P Christie – Acting Group Manager – Finance and Assurance
Mr A Cameron – Chief Risk Officer
Mr M Morris – Manager – Governance and Legal
Mr L Butcher – Programme Director – Project Management Office
Ms K Braithwaite – Digital and Communications Advisor
Ms M Cassiere – Executive Governance Officer

1. Apologies

Nil.

2. Declaration of Interest

Nil.

3. Public Excluded Session

Moved Cr Stewart, seconded Cr Pottinger and **RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting, namely:

a. *Project 1225 Preferred Supplier Report*

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
a. Project 1225 Preferred Supplier Report	Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7

There being no further business, the meeting finished at 12.45 pm.

BUSINESS ENHANCEMENT PROGRAMME – PROJECTS DASHBOARD

To:	Finance and Projects Committee
Meeting Date:	Tuesday 18 April 2023
From:	Mark Radcliffe - Manager - Information Services
Approved:	Patricia Christie - Acting Group Manager - Finance & Assurance
Approved Date:	Friday 31 March 2023
Open Agenda:	Yes
Public Excluded Agenda:	No

Purpose and Summary

This report updates the Committee on the status of Business Enhancement Programme projects.

Recommendations

That the Finance and Projects Committee:

1. Receive the report 'Business Enhancement Programme – Projects Dashboard'.

Background

This is the status report on the Business Enhancement Programme (BEP), a prioritised and sequenced list of projects identified to improve the Customer Experience of Invercargill City Council (ICC) residents, visitors and other stakeholders by increasing Business Productivity via process improvements and technology innovation. The Programme is internally managed by the BEP Governance Board responsible for oversight and management.

Investigation is underway into the feasibility of accelerating the full adoption of the TechnologyOne OneCouncil Enterprise Resource Planning (ERP) service. This will enable benefits, quality improvements and efficiencies to be introduced more quickly. The Change Management impact on the organisation and resource requirements are being explored.

The inflight projects are detailed below.

Property Digitisation

The Property Digitisation project is digitising the Property Records to enable the use of these in electronic form, and allow for the future destruction of the source files. The Property Digitisation project is currently in the delivery phase. To date we have digitised 25% of all property files with 7.4% of property files digitised in the month of February, this is a monthly increase on production by 2%. At the current rate the project is on track for completion in November, with all Property Records being successfully digitised and available.

Digital Preservation

The Digital Preservation solution has been successfully implemented and is now transitioned over to business as usual. This project will be closed out this month. The Digital Preservation solution in place ensures adherence to the Public Records Act 2005 and Contract and Commercial Law Act 2017, a requirement to enable the disposal of physical source records.

Corporate File Plan

Following the completion of the property-related file plan improvements, the Corporate File Plan is being redeveloped to support a future-focused Corporate File Plan to support an authoritative source of information for relevant records and improve legislative compliance. 50% of all Corporate File Plans have now been implemented with the remaining 50% completing final review, the remaining plans are scheduled to be completed by the end of May. There has been no contingency spend to date.

Supply Chain and Contracts Management

The Supply Chain and Contract Management (SCCM) project has been initiated to further the implementation of the Supply Chain and Contract Management modules of TechnologyOne OneCouncil. This integrates with our existing financial modules to further digitise the end-to-end, procure-to-pay process.

Scoping and Design was completed in December 2022. Solution Build and Implementation phases are currently underway. A significant portion of solution build, training and testing are in progress with an aim to complete the project by June 2023.

Rates Online

The Rates Online project delivers an online rates portal providing customers with online access to rates notices and will include the functionality to email rates notices directly to customers. The Rates Online project has delivered the first rates mail-out with our new vendor in February. This has achieved a slight reduction to delivery costs. The online service is scheduled for roll-out from 14 April. Final testing is underway with all marketing and training in progress.

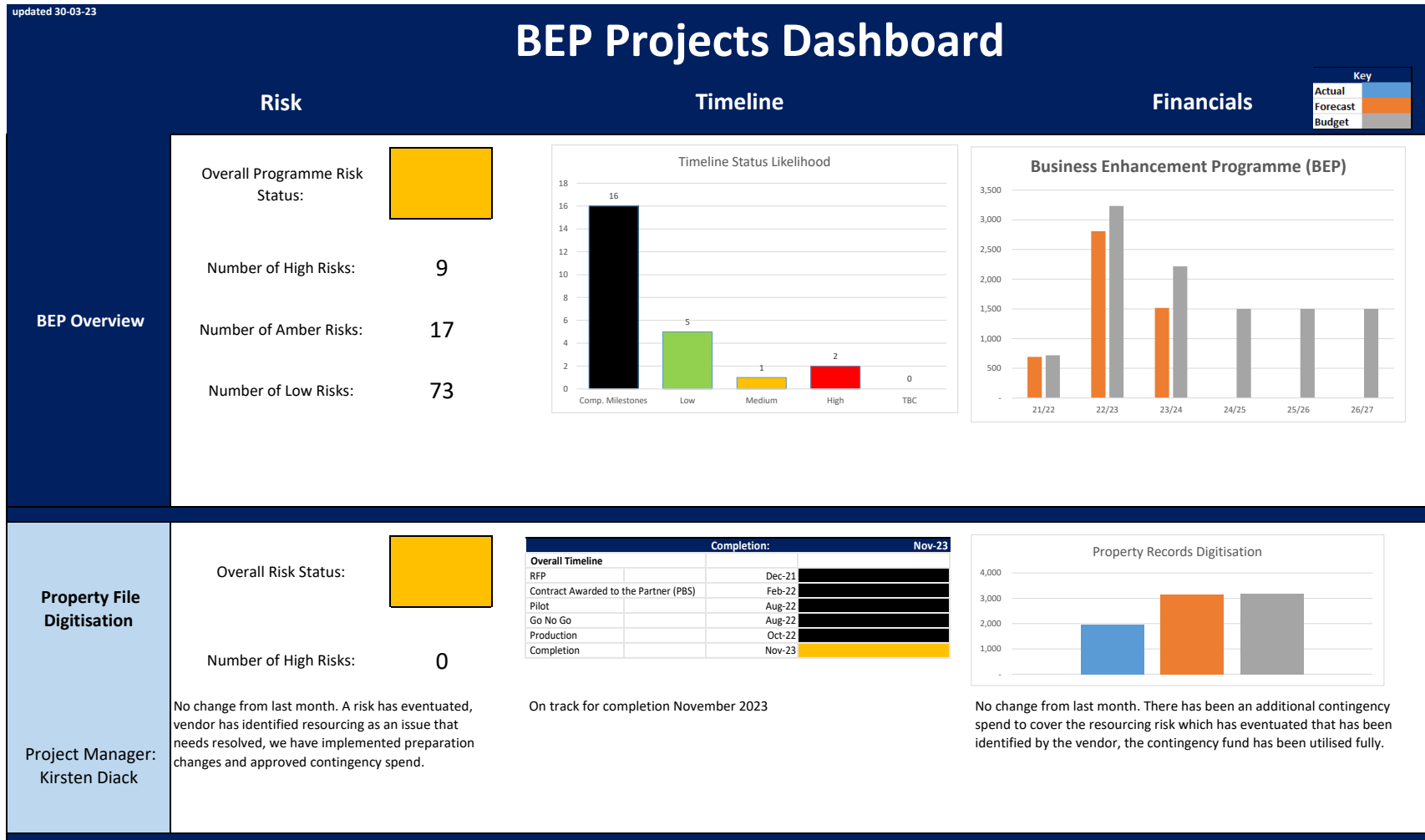
HRIS

The HRIS Project will deliver a configured Human Resources Information System, using the TechnologyOne OneCouncil solution. This will provide access for ICC and external users via a portal and the removal of reliance on spreadsheets and manual processes in the Payroll and People & Capability functions, and align with current Payroll legislation.


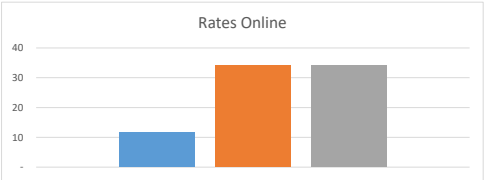

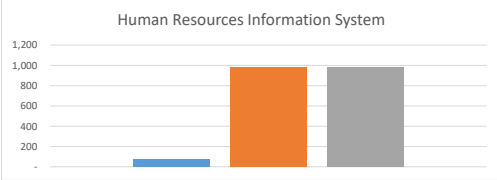
The Project now has the full internal team in place and is using the TechnologyOne Supplier Panel to engage with a third party vendor to assist with completion of Initiation and Design stages.

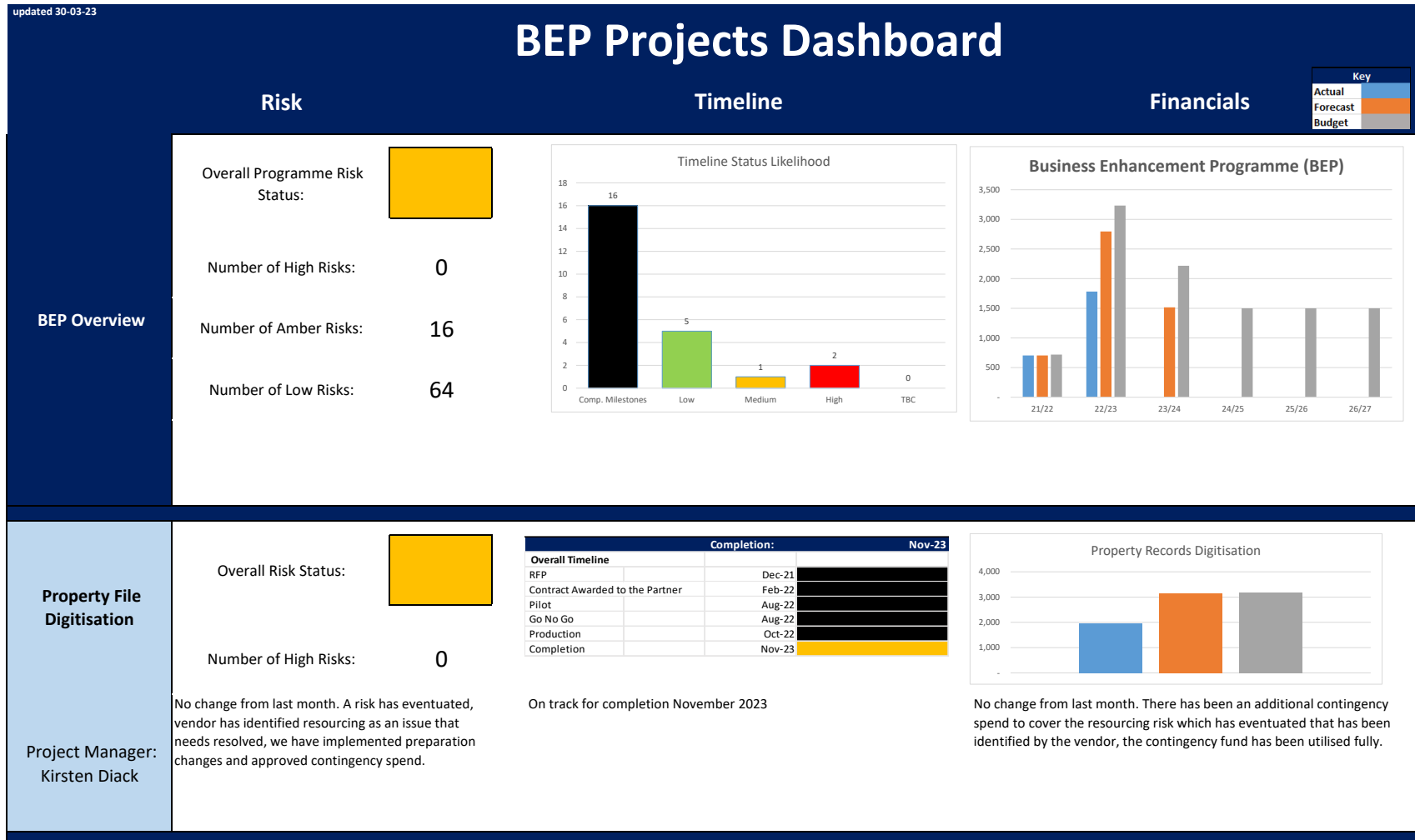
Attachments


1. BEP Programme Dashboard 2023 (Excel) (A4418261)
2. BEP Programme Dashboard 2023 (PDF) (A4470706)



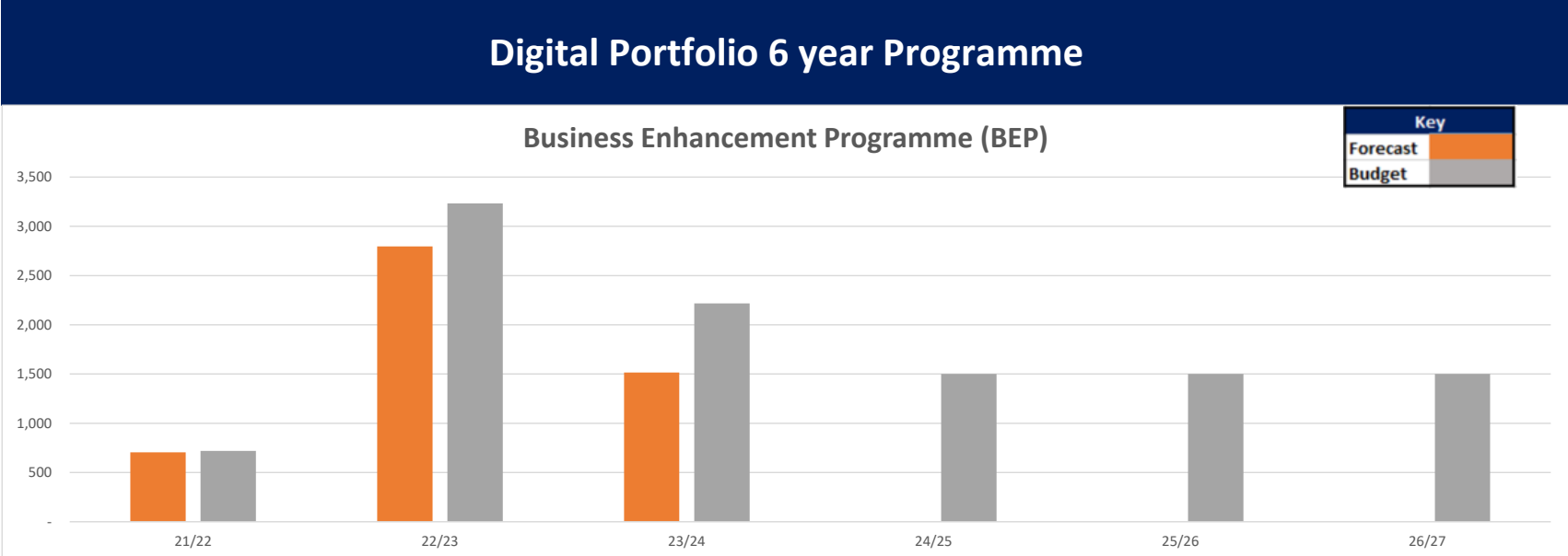
	Risk	Timeline	Financials																					
Digital Preservation Project Manager: Kirsten Diack	Overall Risk Status:  Number of High Risks: 0 Digital Preservation has been implemented.	<table border="1"> <thead> <tr> <th colspan="2">Completion:</th> <th>Sep-25</th> </tr> </thead> <tbody> <tr> <td colspan="3">Overall Timeline</td> </tr> <tr> <td>Contract Awarded to Partner (PBS)</td> <td>Jun-22</td> <td></td> </tr> <tr> <td>Production</td> <td>Sep-22</td> <td></td> </tr> <tr> <td>Close Out - September 2025</td> <td>Sep-25</td> <td></td> </tr> </tbody> </table> <p>The digital Preservation solution has been implemented. This is a delay from the September 2022 production date</p>	Completion:		Sep-25	Overall Timeline			Contract Awarded to Partner (PBS)	Jun-22		Production	Sep-22		Close Out - September 2025	Sep-25		 <p>Digital Preservation</p> <p>This project has been handed to BAU with no contingency spend.</p>						
	Completion:		Sep-25																					
Overall Timeline																								
Contract Awarded to Partner (PBS)	Jun-22																							
Production	Sep-22																							
Close Out - September 2025	Sep-25																							
Corporate File Plan Project Manager: Kirsten Diack	Overall Risk Status:  Number of High Risks: 0 50% of all file plans have been implemented. 50% are completing final reviews for implementation.	<table border="1"> <thead> <tr> <th colspan="2">Completion:</th> <th>Mar-23</th> </tr> </thead> <tbody> <tr> <td colspan="3">Overall Timeline</td> </tr> <tr> <td>BEP Approval</td> <td>Sep-22</td> <td></td> </tr> <tr> <td>Introductions</td> <td>Sep-22</td> <td></td> </tr> <tr> <td>Workshops</td> <td>Oct-22</td> <td></td> </tr> <tr> <td>Development</td> <td>Nov-22</td> <td></td> </tr> <tr> <td>Implementation</td> <td>Dec-22</td> <td></td> </tr> </tbody> </table> <p>Due to other commitments we were unable to fully implement the new file plan by the end of December. It is expected to be completed in March 2023</p>	Completion:		Mar-23	Overall Timeline			BEP Approval	Sep-22		Introductions	Sep-22		Workshops	Oct-22		Development	Nov-22		Implementation	Dec-22		 <p>Corporate File Plan</p> <p>No costs involved in implementation at this stage</p>
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SCCM Project Manager: Kalum Perera	Overall Risk Status:  Number of High Risks: 0 The end-to-end revenue contract scope and benefits have an impact due to system limitations. There will be a potential risk of extending the training & go-live schedule due to end-to-end training delay, consultant change (Lanluas) and unplanned sick	<table border="1"> <thead> <tr> <th colspan="2">Completion:</th> <th>Apr-23</th> </tr> </thead> <tbody> <tr> <td colspan="3">Overall Timeline</td> </tr> <tr> <td>Design review and sign-off</td> <td>Dec-22</td> <td></td> </tr> <tr> <td>Solution Build</td> <td>Feb-23</td> <td></td> </tr> <tr> <td>Training and UAT</td> <td>Mar-23</td> <td></td> </tr> <tr> <td>Go Live</td> <td>Apr-23</td> <td></td> </tr> </tbody> </table> <p>Schedule on track with planned go live in end of April 2023</p>	Completion:		Apr-23	Overall Timeline			Design review and sign-off	Dec-22		Solution Build	Feb-23		Training and UAT	Mar-23		Go Live	Apr-23		 <p>Supply Chain and Contract Management (SCCM)</p> <p>The project is currently progressing through the implementation stage. Significant portions of solution configuration, walkthrough, training and 60% - 70% of testing have been completed. Potential risks have been identified impacting scope, benefits, schedule, and resources. PCG will review project readiness for go-live in early April 2023.</p>			
	Completion:		Apr-23																					
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	Risk	Timeline	Financials																		
<p>Rates Online</p> <p>Project Manager: Kirsten Diack</p>	<p>Overall Risk Status: </p> <p>Number of High Risks: 0</p> <p>Rates online has been implemented and training provided to CS staff. External customers will be introduced to online with their Q4 rates notices in April. The communications plan has been created and is being implemented.</p>	<p>Completion: Mar-23</p> <table border="1"> <thead> <tr> <th>Overall Timeline</th> <th>Completion:</th> <th>Mar-23</th> </tr> </thead> <tbody> <tr> <td>PMF Gate 0 Approved</td> <td>Mar-22</td> <td></td> </tr> <tr> <td>PMF Gate 1 Approved</td> <td>Aug-22</td> <td></td> </tr> <tr> <td>Contract Awarded</td> <td>Nov-22</td> <td></td> </tr> <tr> <td>Implementation</td> <td>Dec-22</td> <td></td> </tr> <tr> <td>Close Out</td> <td>Apr-22</td> <td></td> </tr> </tbody> </table> <p>Q3 rates notices have been sent out by our new supplier with no issues. Plans underway to fully implement to online portal which has already been rolled out to key staff.</p>	Overall Timeline	Completion:	Mar-23	PMF Gate 0 Approved	Mar-22		PMF Gate 1 Approved	Aug-22		Contract Awarded	Nov-22		Implementation	Dec-22		Close Out	Apr-22		<p>Rates Online</p>  <p>The project is on track for online delivery in April within budget</p>
Overall Timeline	Completion:	Mar-23																			
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<p>HRIS</p> <p>Project Manager: Daniel Jackson</p>	<p>Overall Risk Status: </p> <p>Number of High Risks: 0</p> <p>No baseline set yet. Expected resourcing risk has eventuated.</p>	<p>Completion: Jul-24</p> <table border="1"> <thead> <tr> <th>Overall Timeline</th> <th>Completion:</th> <th>Jul-24</th> </tr> </thead> <tbody> <tr> <td>Milestone 1</td> <td></td> <td></td> </tr> <tr> <td>Milestone 2</td> <td></td> <td></td> </tr> <tr> <td>Milestone 3</td> <td></td> <td></td> </tr> <tr> <td>Milestone 4</td> <td></td> <td></td> </tr> <tr> <td>Milestone 5</td> <td></td> <td></td> </tr> </tbody> </table> <p>TBC</p>	Overall Timeline	Completion:	Jul-24	Milestone 1			Milestone 2			Milestone 3			Milestone 4			Milestone 5			<p>Human Resources Information System</p>  <p>The BEP Governance Board requested an updated financial estimate for the Outline Business Case before approving Stage Gate 0. WIP. Financial position will be reforecasted once scope is validated in the business case process</p>
Overall Timeline	Completion:	Jul-24																			
Milestone 1																					
Milestone 2																					
Milestone 3																					
Milestone 4																					
Milestone 5																					



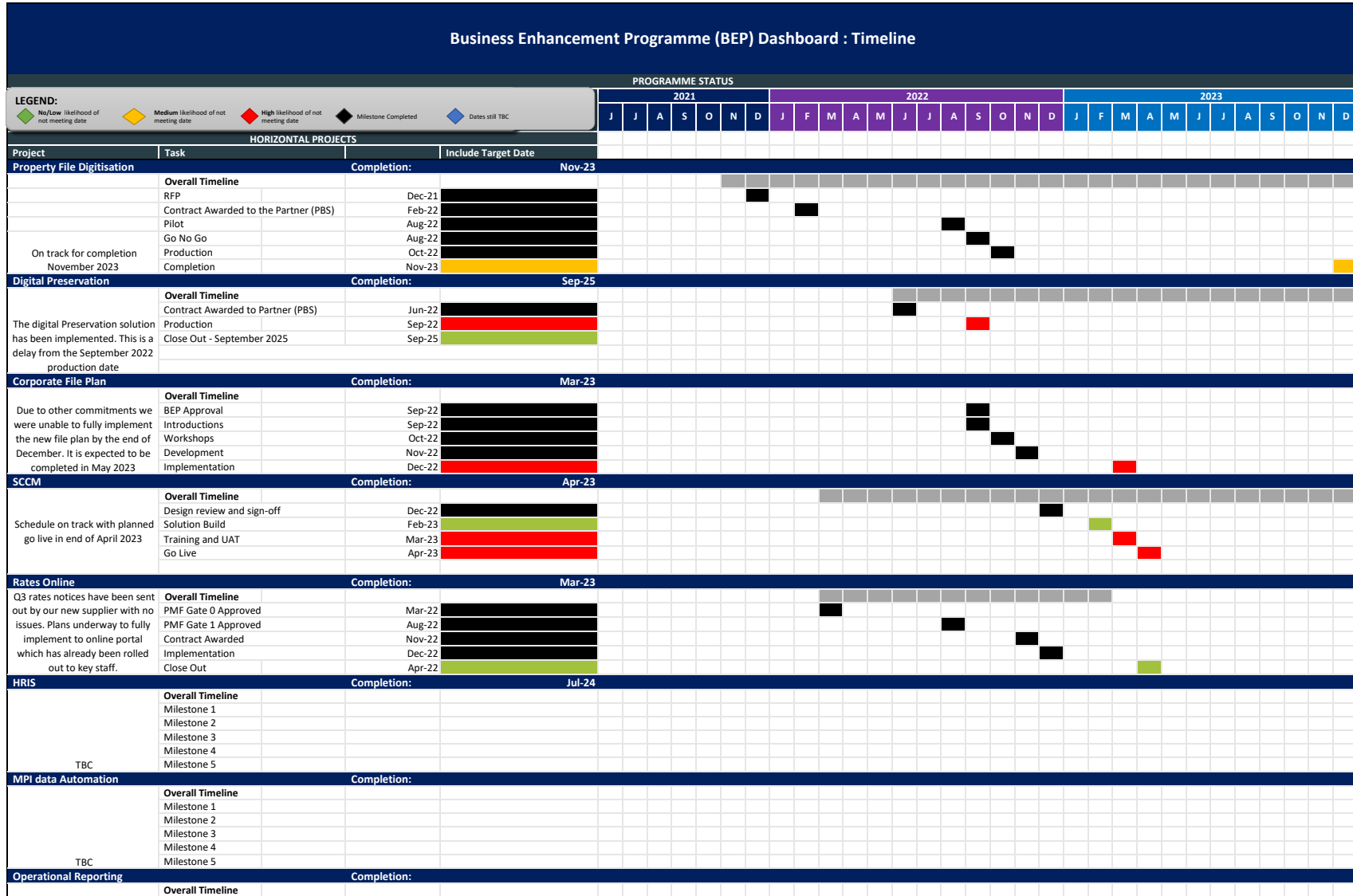
	Risk	Timeline	Financials																					
<p>Digital Preservation</p> <p>Project Manager: Kirsten Diack</p>	<p>Overall Risk Status: </p> <p>Number of High Risks: 0</p> <p>Digital Preservation has been implemented.</p>	<table border="1"> <thead> <tr> <th colspan="2">Completion:</th> <th>Sep-25</th> </tr> </thead> <tbody> <tr> <td colspan="3">Overall Timeline</td> </tr> <tr> <td>Contract Awarded to Partner (PBS)</td> <td>Jun-22</td> <td></td> </tr> <tr> <td>Production</td> <td>Sep-22</td> <td></td> </tr> <tr> <td>Close Out - September 2025</td> <td>Sep-25</td> <td></td> </tr> </tbody> </table> <p>The digital Preservation solution has been implemented. This is a delay from the September 2022 production date</p>	Completion:		Sep-25	Overall Timeline			Contract Awarded to Partner (PBS)	Jun-22		Production	Sep-22		Close Out - September 2025	Sep-25		<p>Digital Preservation</p>  <p>This project has been handed to BAU with no contingency spend.</p>						
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	Risk	Timeline	Financials												
<p>Rates Online</p> <p>Overall Risk Status: </p> <p>Number of High Risks: 0</p> <p>Project Manager: Kirsten Diack</p>	<p>Rates online has been implemented and training provided to CS staff. External customers will be introduced to online with their Q4 rates notices in April. The communications and training plan has been created and is being implemented.</p>	<p>Overall Timeline Completion: Mar-23</p> <table border="1"> <thead> <tr> <th>Overall Timeline</th> <th>Completion:</th> </tr> </thead> <tbody> <tr> <td>PMF Gate 0 Approved</td> <td>Mar-22</td> </tr> <tr> <td>PMF Gate 1 Approved</td> <td>Aug-22</td> </tr> <tr> <td>Contract Awarded</td> <td>Nov-22</td> </tr> <tr> <td>Implementation</td> <td>Dec-22</td> </tr> <tr> <td>Close Out</td> <td>Apr-22</td> </tr> </tbody> </table> <p>Q3 rates notices have been sent out by our new supplier with no issues. Plans underway to fully implement to online portal which has already been rolled out to key staff.</p>	Overall Timeline	Completion:	PMF Gate 0 Approved	Mar-22	PMF Gate 1 Approved	Aug-22	Contract Awarded	Nov-22	Implementation	Dec-22	Close Out	Apr-22	<p>Rates Online</p> <p>The project is on track for online delivery in April within budget</p>
Overall Timeline	Completion:														
PMF Gate 0 Approved	Mar-22														
PMF Gate 1 Approved	Aug-22														
Contract Awarded	Nov-22														
Implementation	Dec-22														
Close Out	Apr-22														
<p>HRIS</p> <p>Overall Risk Status: </p> <p>Number of High Risks: 0</p> <p>Project Manager: Daniel Jackson</p>	<p>No baseline set yet.</p>	<p>Overall Timeline Completion: Jul-24</p> <table border="1"> <thead> <tr> <th>Overall Timeline</th> <th>Completion:</th> </tr> </thead> <tbody> <tr> <td>Milestone 1</td> <td></td> </tr> <tr> <td>Milestone 2</td> <td></td> </tr> <tr> <td>Milestone 3</td> <td></td> </tr> <tr> <td>Milestone 4</td> <td></td> </tr> <tr> <td>Milestone 5</td> <td></td> </tr> </tbody> </table> <p>TBC</p>	Overall Timeline	Completion:	Milestone 1		Milestone 2		Milestone 3		Milestone 4		Milestone 5		<p>Human Resources Information System</p> <p>The BEP Governance Board requested an updated financial estimate for the Outline Business Case before approving Stage Gate 0. WIP. Financial position will be reforecasted once scope is validated in the business case process</p>
Overall Timeline	Completion:														
Milestone 1															
Milestone 2															
Milestone 3															
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Milestone 5															



Business Enhancement Programme (BEP) Dashboard : Overview								
Project	Actuals	Estimate to Complete (ETC)	Total Project Forecast	Budget (incl Contingency)	Forecast Variance to Budget	Remaining Contingency	RAG	Comments
Property Records Digitisation	\$ 1,947,402	\$ 1,213,064	\$ 3,160,466	\$ 3,169,000	\$ 8,534	\$ -	Yellow	No change from last month. There has been an additional contingency spend to cover the resourcing risk which has eventuated that has been identified by the vendor, the contingency fund has been utilised fully.
Digital Preservation	\$ -	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ 15,000	Green	This project has been handed to BAU with no contingency spend.
Corporate File Plan	\$ -	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ 15,000	Green	No costs involved in implementation at this stage
Supply Chain and Contract Management (SCCM)	\$ 353,353	\$ 250,888	\$ 604,241	\$ 664,665	\$ 60,424	\$ 60,424	Green	The project is currently progressing through the implementation stage. Significant portions of solution configuration, walkthrough, training and 60% - 70% of testing have been completed. Potential risks have been identified impacting scope, benefits, schedule, and resources. PCG agreed to push out go-live to May 2023.
Rates Online	\$ 11,605	\$ 22,395	\$ 34,000	\$ 34,000	\$ -	\$ -	Yellow	The project is on track for online delivery in April within budget
HRIS (Human Resources Information System, incl. Payroll)	\$ 72,187	\$ 912,113	\$ 984,300	\$ 984,300	\$ -	\$ -	Green	The BEP Governance Board requested an updated financial estimate for the Outline Business Case before approving Stage Gate 0. WIP. Financial position will be reforecasted once scope is validated in the business case process
MPI data Automation	\$ -	\$ -	\$ -	\$ 12,000	\$ 12,000	\$ 3,600	Green	Currently investigating solutions with vendors.
Operational Reporting	\$ 10,607	\$ 79,393	\$ 90,000	\$ 100,000	\$ 10,000	\$ 10,000	Green	
Budgeting and Forecasting	\$ 74,500	\$ 51,500	\$ 126,000	\$ 140,000	\$ 14,000	\$ 14,000	Green	
Business Enhancement Programme (Overheads)	\$ 16,891	\$ -	\$ 16,891	\$ 16,891	\$ -	\$ -	Green	
BEP Total	\$ 2,486,546	\$ 2,529,353	\$ 5,015,899	\$ 16,669,000				

Business Enhancement Programme (BEP) Dashboard : Risks											
PROGRAMME STATUS											
PROGRAMME HEALTH STATUS (1 = GREEN (OK), 2 = AMBER (ON WATCH), 3 = RED (ESCALATE))											
ID	1	2	3	4	5	6	7	8	9	Overall	Commentary
Project	Schedule	Financials	Scope	Resources	Dependencies	Quality	Stakeholder	Benefits	Health and Safety		
Property File Digitisation	2	2	2	2	1	1	1	1	1	2	No change from last month. A risk has eventuated, vendor has identified resourcing as an issue that needs resolved, we have implemented preparation changes and approved contingency spend.
Digital Preservation	2	1	1	1	2	1	1	1	1	2	Digital Preservation has been implemented.
Corporate File Plan	2	1	1	1	1	1	2	2	2	2	50% of all file plans have been implemented. 50% are completing final reviews for implementation.
SCCM	3	1	2	2	1	1	1	2	1	2	Scope : The end-to-end revenue contract scope and benefits have an impact due to system limitations. Schedule : The team has recognised a need of extending the end user training, testing and go-live schedules due to end-to-end training delivery delays, technical issues, unplanned leave, BAU prioritisation and increased scope and the effort required for end-user training delivery. The team is currently assessing the new go-live options with an aim to go live in May 2023.
Rates Online	1	2	2	1	2	1	1	1	1	2	Rates online has been implemented and training provided to CS staff. External customers will be introduced to online with their Q4 rates notices in April. The communications and training plan has been created and is being implemented.
HRIS	1	1	1	1	1	1	1	1	1	1	No baseline set yet.
MPI data Automation	1	1	1	1	1	1	1	1	1	1	Currently investigating solutions with vendors.
Operational Reporting	1	1	1	1	1	1	1	1	1	1	
Budgeting and Forecasting	1	1	1	1	1	1	1	1	1	1	
Overall	Red 0 Amber 16 Green 64									2	Solutions Delivery and Partnership Manager to complete



Business Enhancement Programme (BEP) Dashboard : Timeline																																	
PROGRAMME STATUS																																	
LEGEND:																																	
 No/Low likelihood of not meeting date	 Medium likelihood of not meeting date	 High likelihood of not meeting date	 Milestone Completed	 Dates still TBC																													
HORIZONTAL PROJECTS																																	
Project	Task	Include Target Date	PROGRAMME STATUS																														
			2021				2022				2023																						
			J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
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STRATEGIC CAPITAL PROJECTS REPORT

To:	Finance and Projects Committee
Meeting Date:	Tuesday 18 April 2023
From:	Lee Butcher – Programme Director
Approved:	Erin Moogan - Group Manager - Infrastructure Services
Approved Date:	Monday 27 March 2023
Open Agenda:	Yes
Public Excluded Agenda:	No

Purpose and Summary

This report updates the Committee on the status of Strategic Projects being delivered by the Project Management Office (PMO).

Forecasting Information Request

Following on from the last Finance and Projects Committee meeting, the PMO has looked at adding forecasting data into the report, there is a broad amount of data you can show in forecasting, and most of this is covered in council annual and quarterly reporting. However, the PMO seek further input from the committee regarding the metric and data set they look to see in the report.

One solution to be discussed is looking at forecasting on a year-by-year basis only as a lag data set with commentary on performance.

We also propose the following RAG limits to be discussed at the meeting. (Green = +/- 0% to 15%) (Amber = +/- 16% to 30%) (Red = +/- 31% to 50%).

Elected Member Updates

The PMO office has provided (attached) a sample of an elected member update; this has been worked on following feedback from councillors not present at the Finance and Projects Committee to gain insight on strategic projects in an easy-to-read update format.

The committee meeting will discuss the format, content and other features they want to see. A final version of the report will be tabled at the next Finance and Projects Committee meeting for approval.

Elected member updates will be appended to the PMO strategic capital projects report bi-monthly at the F&P meeting and go forward to full Council following the governance process.

Recommendations

That the Finance and Projects Committee:

1. Receives the report titled 'Strategic Capital Projects Report'.
2. Receives the attached 'ICC PMO Programme Dashboard and Risk Dashboard'.
3. Provides feedback regarding "forecasting data" they wish to have added to the PMO strategic capital projects report.
4. Provides feedback regarding the sample draft "Elected Member update" provided by the PMO.

Background

The PMO carry out oversight and management of eight strategic projects. Through the PMO, Invercargill City Council develops tools and internal staff to manage and deliver projects directly and support better internal processes.

The PMO provides a snapshot of progress, risk, and commentary on the programme through the ICC PMO programme Dashboard presented to the Finance and projects committee bi-monthly.

Attachments

1. Attachment 1 - ICC PMO Programme Dashboard and Risk Dashboard (A4450204)
2. Attachment 2 - ICC PMO Elected member update (sample/draft) (A4461277)

ICC PMO Programme Dashboard (Roadmap To Renewal LTP July 2021 - June 2031)									
Report to 31 March 2023			Programme Sponsor: Erin Moogan			Programme Lead: Lee Butcher			
Project Budget	Spend to date			PMO forecasting - Risk - ETC - tracking					
Project	Budget (inc Cont.)	Actuals (from Tech One)	Remaining	Committed (inc. cont)	Estimate to Complete (ETC)	Contingency (remaining)	Variation - Budget vs ETC	RAG	Comments
City Centre Streets - Stage (100229)	\$ 20,800,000	\$ 18,753,829	\$ 2,046,171	\$ 20,800,000	\$ 20,800,000	1,565,768 (938,562)	\$ -	Yellow	Final tasks are underway; all major works will be completed in the final weeks of March. Some minor tasks will be undertaken in early April, and there will be some work around the development of Dee street. It is good to see the completion of this challenging project; as we move to the close stage, final accounts, claims, and other financials will be concluded. There are significant lessons from stage one to be considered ahead of stage two. Formalities are planned for Mid-April to mark this milestone and open the streets fully to the community.
Stead Street Stop Bank - (100298)	\$ 15,500,000	\$ 14,810,621	\$ 689,379	\$ 15,500,000	\$ 15,200,000	2,000,000 (329,000)	\$ 300,000	Green	The final cultural piece was installed as planned last week, with the main works being completed some months ago we can confidently move this project to the close phase. A major resilience project was finished well by a broad team across many agencies.
Branxholme Water Main - (100349)	\$ 25,348,575	\$ 11,710,303	\$ 13,638,272	\$ 8,294,175	\$ 25,348,575	2,163,104 (2,163,104)	\$ -	Yellow	The contractor installation has been slower in the last period; the team have focused on testing and Q&A from the contractor. It is disappointing to see the slowdown. The tender has closed for stage 2, unfortunately, we have closed the process without a winning bidder for the second time. The team now need to look at the process and how best to move forward.
Rugby Park - (100305)	\$ 4,900,000	\$ 551,054	\$ 4,348,946	\$ 615,000	\$ 615,000	150,000 (150,000)	\$ 4,285,000	Green	The PMO is preparing a report to Council to look at stage two options. Stage one has been fully completed and closed out, resulting in a small saving from the forecasted spend (551k actual vs 615k forecasted)
CAB Refurbishment - (100315)	\$ 16,000,000	\$ 486,117	\$ 15,513,883	\$ 1,726,203	\$ 16,000,000	1,600,000 (1,600,000)	\$ -	Green	Physical building testing is ongoing to support an options report for the council; we have had some resource delays due to illness. The report is running about two weeks behind our schedule. No Physical work or design work has been undertaken since January 2023.
Project 1225 - (100551, 100689, 100715)	\$ 65,660,000	\$ 2,546,272	\$ 63,113,728	\$ 10,127,237	\$ 65,660,000	7,479,700 (6,837,183)	\$ -	Green	A number of milestones have been hit this reporting period; the Tuatara have been moved safely to allow for works to progress inside the Museum. Traffic management, site prep, and site public notices have all progressed. We are in the final stages of onboarding a new design team for 1225 and about to go to market for the experience design team. Our first online community meeting went down well, with positive feedback being received. Progress is also going well at the storage facility, with the main slab pours and steel manufacture all proceeding to plan. Further, behind the scenes, we have finalised the drawings, and manufacture is underway for our specialist racking systems. The PMO has secured extra project management resources to support the Museum Business unit as they gather pace with the relocation. The first storage bins have moved to a temporary holding area ahead of the big move at the end of the year.
Bluff Boat Ramp - (100335)	\$ 1,800,000	\$ 334,434	\$ 1,465,566	\$ 412,245	\$ 1,800,000	270,000 (270,000)	\$ -	Green	Design work on West and East Jetty has moved to the developed design phase; a test pile will be placed on the seabed floor in late April to avoid early oyster season activities. This will allow our designers to fully commit the design to detailed design and construction/fabrication drawing status. our planners are working closely with us so we can submit the required consent for the west jetty as soon as design assurance is achieved.
Housing Innovation - (100653)	\$ 2,145,000	\$ 128,567	\$ 2,016,433	\$ 114,017	\$ 2,145,000	225,352 (225,352)	\$ -	Yellow	Consents are now approved, and the final price pack is due to market on 29/03/2023. Once we have a construction partner, we will re-set and monitor the delivery programme. It has been acknowledged that the front-end programme was ambitious and not managed as we planned; some lessons have been taken from that. The site blessing went well in fine weather and marked the start of a new era of housing for the ICC.
Programme Total	\$ 152,153,575	\$ 49,321,197	\$ 102,832,378	\$ 57,588,878	\$ 147,568,575		\$ 4,585,000		





ICC PMO Programme Dashboard: Risks (Overview)										
Report to 31 March 2023			Programme Sponsor: Erin Moogan				Programme Lead: Lee Butcher			
PROGRAMME STATUS										
PROGRAMME HEALTH STATUS (1 = GREEN (OK), 2 = AMBER (ON WATCH), 3 = RED (ESCALATE))										
ID	ITEM	City Streets	Stead Street Stop Bank	Ruby Park STG 1/3	CAB Refurb	Project 1.225	Branxholme	Bluff Boat Ramp	Healthy Homes	DESCRIPTION
1	Schedule	2	1	1	1	1	2	1	2	<p>City streets stage 1 - Planned completion is 30/03/2023, with minor tasks and defects completed in April 2023.</p> <p>Healthy Homes - We have secured consent for the development, and the blessing was carried out in March; the project remains amber due to us falling behind in the programme of works; once a contractor has been secured (early April 2023), we will re-set the delivery stage and monitor that progress in this report.</p> <p>Branxholme - The PMO team has flagged concerns in the testing programme and close-out plan for stage one; the contractor has had a late change in project management, and the PMO team are working closely to manage the close-out and QA of stage 1, including testing and handover. All main pipe lay works are complete (3 months late); there will be limited disruption to traffic and the community as we close out stage 1. We have failed to secure a contractor for stage 2 on our programme; the PMO team are busy looking at options and will report once we have a revised schedule.</p>
2	Financials	2	1	1	1	1	2	1	1	<p>City streets stage 1 - Final account and contract issues are being worked through; the ETC is under close review as we close out the project financially, contract and physical work. With a number of final issues being resolved (contamination), we expect the ETC to come close to budget.</p> <p>Branxholme - Stage 1 is still tracking our budget. Due to the delay in stage 2, we will not be spending to our fy 22/23 forecast. PMO is looking at re-forecasting the next two years with finance over the coming month.</p>
3	Scope	1	1	2	2	1	1	1	1	<p>Rugby Park - A report will come back to Council before progressing with any further work.</p> <p>CAB - A report will come back to Council before progressing with any further work.</p>
4	Resources	1	1	1	1	1	1	1	1	
5	Dependencies	1	1	1	1	1	1	1	1	
6	Quality	2	1	1	1	1	1	1	1	<p>City streets stage 1 - The project team through Q&A checks have noted cracking in some pre-formed units, this is being addressed by the contractors however they will be disruptive to replace and the project team want to flag this to ICC.</p>
7	Stakeholder	1	1	1	1	1	1	1	1	
8	Benefits	1	1	1	1	1	1	1	1	
9	Health & Safety	2	1	1	1	1	1	1	1	<p>City streets stage 1 - Remains amber as we close out activities and work close to Dee street and other developments.</p>
	Overall	2	1	1	1	1	2	1	2	<p>City streets stage 1 - A very challenging project delivered in at a challenging time, We will take a number of lessons from this project into stage 2 and other significant street scape projects.</p> <p>Rugby Park - A paper has been requested from Council, no further physical works will be undertaken.</p> <p>CAB - A paper has been requested from Council and, no further physical works will be undertaken.</p>

APRIL 2023, VOLUME ONE

Elected Member Update

Branxholme Pipeline Upgrade



Branxholme Pipeline Upgrade

Invercargill City Council is renewing the water main pipeline from the Branxholme water treatment plant to the City Reservoir (Water Tower). The project will replace 10.5km section of 600mm, which has been broken down into stages, the current stage is for a 3.5km section between Pomona Road West and McIvor Road.

Project Milestones

Project Achievements

- All pipe for stage one installed
- Continued reduction in safety incidents
- Excellent public feedback
- Liaison with other Stakeholders (Waka Kotahi)
- Archeological Authority approved for next stages of project

Upcoming Achievements

- Air valve installed
- Stage one pipe pressure tested
- Stage one complete (mid-April)
- Next Stage awarded

FINANCIAL INFORMATION

BUDGET

\$25,348,575

SPENT

\$12.21M

COMMITMENTS

\$12.918M

FORECAST TO COMPLETE

\$13.13M





"As with all projects, it is nice when they reach the end and you can reflect on everyone's achievements. For this project, the team have experienced a few challenges along the way with drilling under the Waihopai River and Waikiwi Stream, and installing a pipe along North Road all occurring simultaneously. With these challenges the team have developed and now have skills to overcome the next challenge of delivering the remaining sections."

-Tim Connell, Project Manager

Monthly Summary

There have been three construction fronts over the past month as follows:

Trenching Crew 1

Trenching completed along Pomona Rd to ST 560 Working around the Pomona Road intersection with many services will slow down progress

Trenching Crew 2

Trenching completed to ST 800

Drill Shots

Fences have been reinstated at Waihopai site. Top up and grade low area of reinstatement. Levelled the scrap car yard to Bernie's satisfaction. Reinstated the swale Trimmed and levelled the Farm Chief yard. Undercut the area adjacent to the driveway. Dressed the entire area.

Additional Items

Central Southland Excavation installed the duct adjacent to the Waikiwi Bridge

APRIL 2023, VOLUME ONE

Elected Member Update



Housing Innovation

This project is part of the long-term goal and plan (LTP) of creating a programme to replace and increase housing stock while improving the level of service. The Council housing stock of 215 units, with a mix of studio, single and double units. Several of the complexes are no longer fit for purpose due to the design and condition of the buildings, coupled with the tenants' aging population; new delivery systems are increasing in demand.

Project Milestones

Project Achievements

- Site Assessments complete (PSI/DSI)
- RFQ – tender 1st step
- Resource Consent Issued
- Building Consent Approved
- Title Amalgamation Issued
- Site Blessing

Upcoming Achievements

- RFQ – tender 2nd step
- Construction Contract signed
- Construction begins

FINANCIAL INFORMATION

BUDGET

\$2,145,000

SPENT

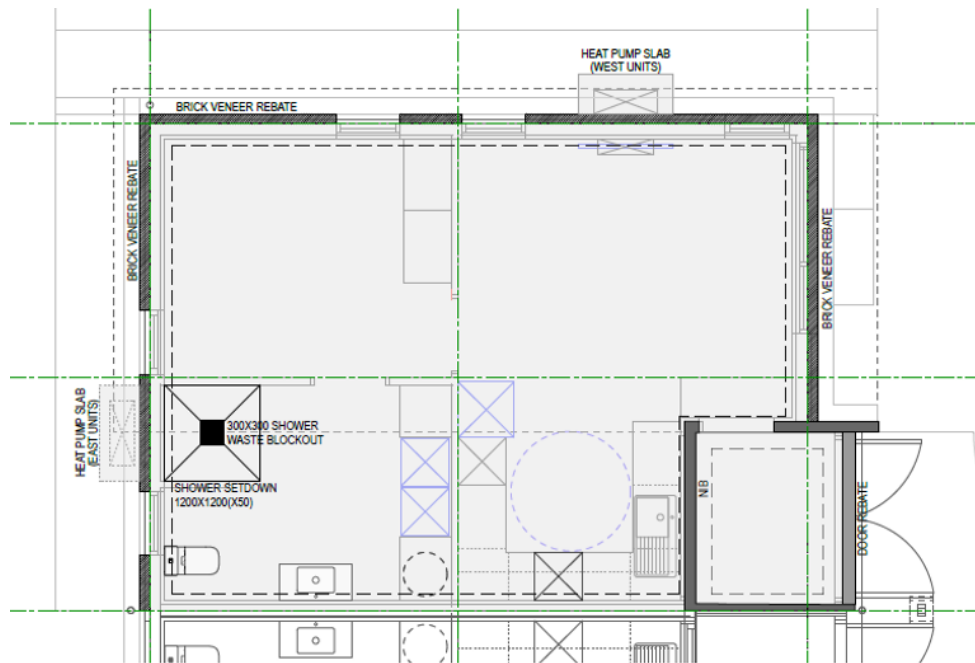
\$128,772

COMMITMENTS

\$134,614

FORECAST TO COMPLETE

\$2.145M



"These units will be built strong, sustainably, to love and to last and will represent a pilot project that aims to modernise the Council's model for the delivery of housing services to meet the needs of some of our most vulnerable people."

-Renatta Hardy, Project Manager

Monthly Summary

Look Ahead

Council is building four (4) new units on Stirrat S. The units are being created using sustainable materials that are also sustainable for our people to live in – warm, dry, easy to heat and easy to fix with a focus on tenants' independent living and their changing needs of people as they age.

Key considerations: Design, Cost, Ecologically Sustainable Development (ESD), Healthy Homes, Long Life/Low Maintenance

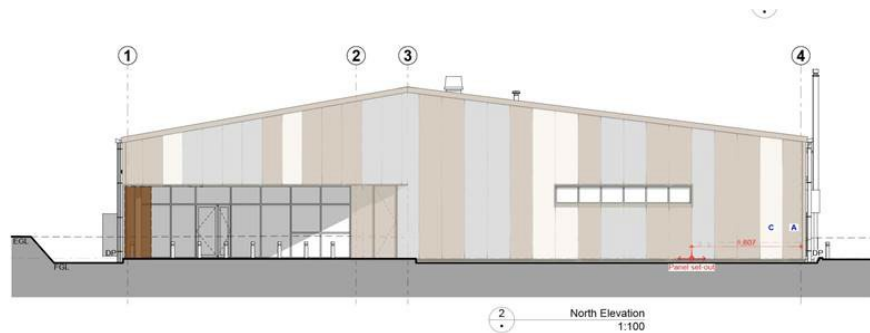
The four new units are the first step in revitalising the Council housing.

The new units are developed and aim to:

- tenant focused,
- raising the level of comfort and care
- have a universal, efficient design
- modernising the delivery model for housing service,
- meet an identified community need for a vulnerable segment of the population

APRIL 2023, VOLUME ONE

Elected Member Update



Tisbury Storage Facility

Being part of the 1225 project, the 'sophisticated performance-based Tisbury Storage Facility will permanently house the existing Southland Museum and Art Gallery collection that isn't displayed in the new museum. Both ABL & ICC teams were collaboratively involved in the design process, and PMO arranged the peer review of contractor design with the brief performance consultants. The project is currently in the delivery stage.

Project Milestones

Project Achievements

- 100% Design Completed
- Site Blessing, Sod- turning, and ABL site establishment completed
- Received building consent
- Foundations poured
- Water Supply installed

Upcoming Achievements

- Continue bulk excavation to carpark
- Complete underslab services
- Sand blinding, DPM and reo to next concrete pour area,
- Storage area grids A-F, scheduled
- Incoming power and fibre trench internally to site



FINANCIAL INFORMATION

BUDGET

\$10,260,000

SPENT

\$1.98M

COMMITMENTS

\$9.161M

FORECAST TO COMPLETE

\$10.073M



The Tisbury Storage Facility work is moving fast. Ticking another milestone off the list with a central concrete pour on Friday, end of March. The team expects the erecting and bolting of the structural steel-frame work to start from the first week of April and finish by the end of the month.

- Renatta Hardy, Project Manager

Monthly Summary

The work for the main building platform has been laid with a central concrete pour for the Storage area scheduled for Friday, 31 March 2023.

Main Contractor ABL continued bulk excavation to the carpark and prepared for incoming power and fibre trench internally to the site. Preparation work for the plant room and tank pads is completed.



APRIL 2023, VOLUME ONE

Elected Member Update



City Streets Stage One

The City Centre Streets Upgrade Project covers the renewal of 3-waters infrastructure, roading, furnishing and amenities across Don and Esk Street in Invercargill. This is the first project agreed under the City Centre Masterplan implemented to make public spaces more attractive for people to want to visit and spend time in; creating a city centre with a sense of pride. Esk and Don Street anchor and connect the key developments such as Invercargill Central, The Langlands Hotel, HWR Tower and Kelvin Hotel.

Project Milestones

Project Achievements

- 3-waters replacement of the foul sewer main in Esk Street and renewed stormwater connections completed.
- Cultural narrative installations complete and Karakia/blessing undertaken for the 2 no. tohu whenua in front of Market Lane on Esk Street and the Courts on Don Street along with 6 no. kāhui rama light poles.
- Paving completion across Esk Street.
- All raingardens across both streets, completed, tested, passed and final planting and mulching underway.
- Vapour blasting stencilling and bronze sculptures installation underway.

Upcoming Achievements

- Overall project completion and reopening of Esk Street to vehicle traffic one way and Don Street two way.

FINANCIAL INFORMATION

BUDGET

\$19,947,800

SPENT

\$19,780,292

COMMITMENTS

\$20,837,005

FORECAST TO COMPLETE

\$21,743,790



"The final finishing touches are starting to emerge across Esk and Don Street this month as elements such as the bronze sculptures, cultural narrative markers are installed and artwork such as the Weka is returned to the Esk Street. Feedback from the public, retailers and businesses across both streets has been positive and Downer/ICC continue to keep all informed in respect of progress and planned disruptions. Key Downer site personnel who have been involved since commencement of construction will begin to demob from the project towards the end of this month, so be sure to say hello and thanks when you see them out on the street."

-Scott Paterson, Project Manager

Project Milestones Continued

Upcoming Achievements continued

- Completion of remaining follow, discover and explore elements.
- Lighting commissioning including dimming profiles and coloured projectors.
- Asphaltting reinstatement at Esk/Dee and Don/Dee Street intersections.
- Defects remediation and close out.

Monthly Summary

Works are full steam ahead to project completion this month. Paving has been completed across Esk Street with most of the street now open to pedestrian foot traffic. Don Street has had the final stage at the Don/Kelvin Street intersection surfacing completed which will be open to vehicle traffic from the end of March 2023.

Downer are working on the final tie in's and integration with the existing roadway on Dee Street for both Esk and Don Streets which will see most of the traffic management removed from Dee Street with the exception of the traffic management for the HWR/Naylor Love site.

APRIL 2023, VOLUME ONE

Elected Member Update

FINANCIAL INFORMATION

BUDGET

\$55,000,000

SPENT

\$457,265

COMMITMENTS

\$866,649

FORECAST TO COMPLETE

\$54,500,000

Project 1225 – Southland Museum

The Invercargill City Council is undertaking the ambitious target of building a new modern & immersive museum for Southland.

The Project will comprise of two main components being Base Build & Experience.

As the name suggests the Base Build will be complete in Dec 2025 with the Experience & Fitout complete mid to late 2026.

Project Milestones

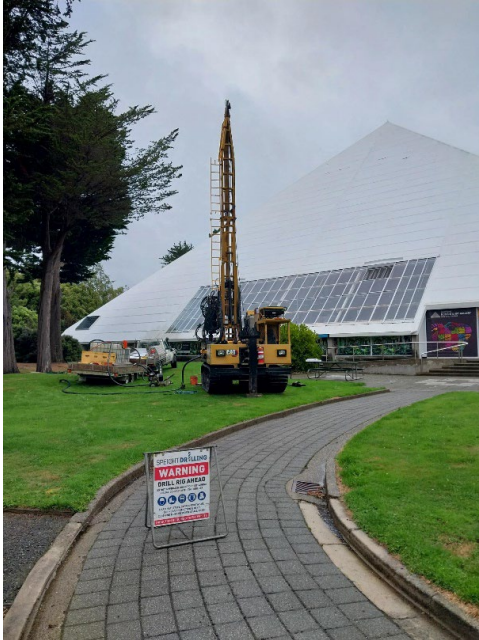
Project Achievements

- The Base Build Design team has been selected. FJMT.
- Signage has been placed at two visual spots by the Museum alerting the public to what's coming
- Geotechnical testing has been completed within & around the Existing Museum with minimal disruption to operations
- A services plan surrounding the museum has been undertaken using Ground Penetrating Radar (GPR)
- The RFP for the Experience Design Team has been tendered through GETs

Upcoming Achievements

- Base Build Concept design underway
- Councillor & Stakeholder meet & greet with new Base Build Design Team
- Pricing packages received for the Site establishment of Hoardings & associated Civil works to form the future construction site
- Supplier briefing presented to prospective Experience designers
- Demolition package underway





We have been ticking along really well, and bringing these architects on board is another major milestone towards a beautiful new museum that our community can feel proud of.

- Nigel Skelt, Lead Councillor

Monthly Summary

The Southland Museum is currently on track & following the 1225 programme.

The main focus this month has been landing the most competent & experienced design team possible. The large turnout of 11 tenders from NZ & abroad showed the appetite within the design world for such an exciting project. With over 3000 pages of reading to get through the TET team did an impressive job of keeping to the allotted three day time frame, resulting in the first round of evaluations getting the nominees down to six.

From there the Legal team & Quantity surveyor's did their due diligence giving us a clear top three to organise presentations with.

All three of the final nominees showed they could have provided a quality product, but the clear winner was FJMT through the confidence they instilled in our TET evaluation team & the impressive amount of Civic buildings they have produced already.

Through careful planning & a non-invasive methodology the Geotechnical testing was successfully completed inside the Museum using manholes in the floor & geophones to send impact waves through the ground. Outside the Museum more traditional geotechnical testing was used with Test Pits, bore holes & CPTs.

FINANCIAL UPDATE – FEBRUARY 2023

To:	Finance and Projects Committee
Meeting Date:	Tuesday 18 April 2023
From:	Patricia Christie – Acting GM Finance and Assurance
Approved:	Michael Day - Chief Executive
Approved Date:	Thursday 13 April 2023
Open Agenda:	Yes
Public Excluded Agenda:	No

Purpose and Summary

The purpose of this report is to provide an update on the Council's financial position including:

- High level Treasury update
- Level of debt owed to Council from rates and operations to February 2023

As this report is outside the normal quarterly reporting, the full treasury, expense and sensitive expenditure reporting has not been provided.

Recommendations

That the Finance and Projects Committee:

1. Receives the report 'Financial Update – February 2023'.

Background

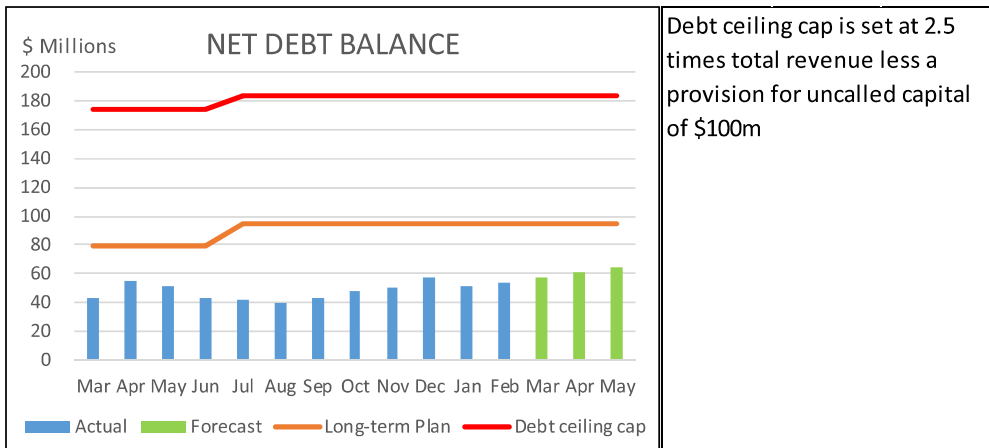
This report provides the Council with an update on key financial issues and areas for Council including the regular reporting of net debt of Council (Borrowings and investments) and debt owed to Council (Debt Management).

Issues

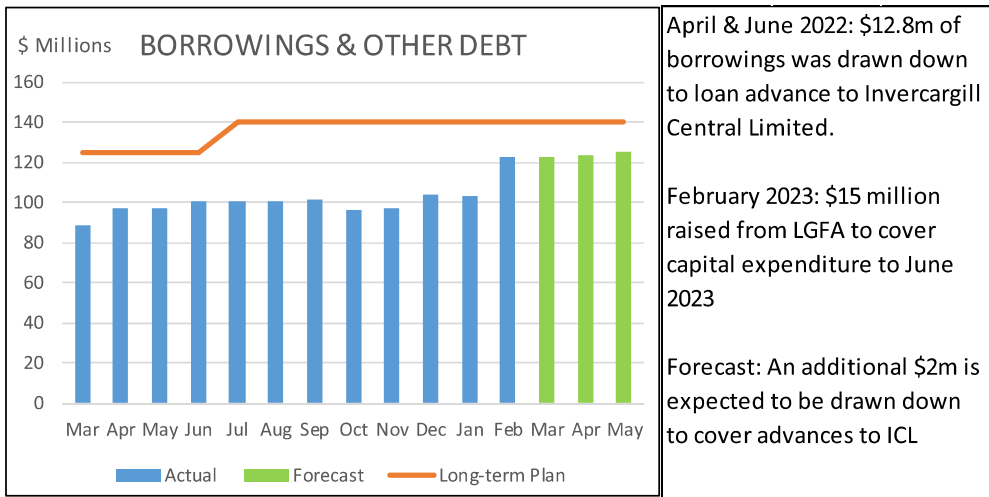
Net debt and Treasury update

At 28 February 2023 the key treasury and net debt balances were:

Credit Rating	Net Debt Balance	Borrowings & other debt
AA+	\$54m	\$123m
		LESS: Cash & Cash Investments
		\$69m



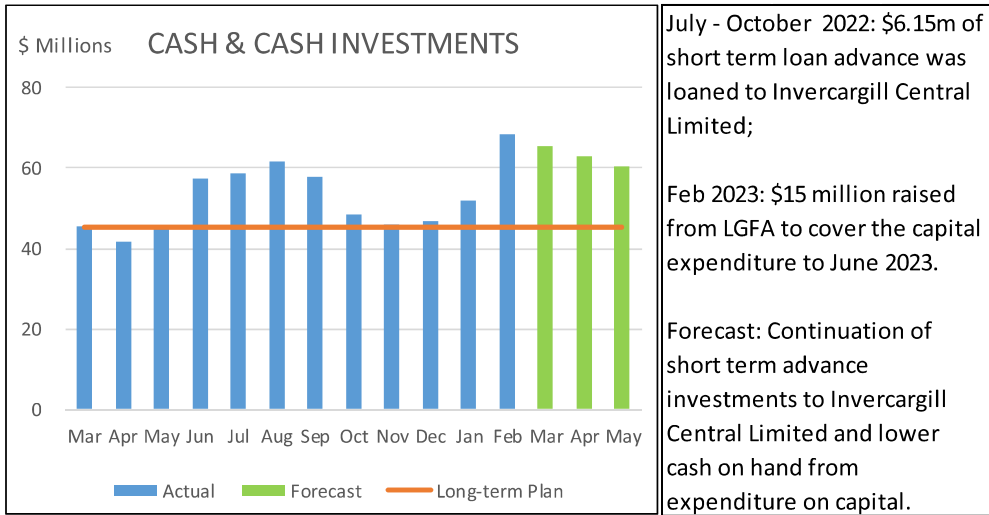
Debt ceiling cap is set at 2.5 times total revenue less a provision for uncalled capital of \$100m



April & June 2022: \$12.8m of borrowings was drawn down to loan advance to Invercargill Central Limited.

February 2023: \$15 million raised from LGFA to cover capital expenditure to June 2023

Forecast: An additional \$2m is expected to be drawn down to cover advances to ICL



July - October 2022: \$6.15m of short term loan advance was loaned to Invercargill Central Limited;

Feb 2023: \$15 million raised from LGFA to cover the capital expenditure to June 2023.

Forecast: Continuation of short term advance investments to Invercargill Central Limited and lower cash on hand from expenditure on capital.

Net Debt Breakdown

Borrowings & other debt				Note
Borrowings				
<u>Party</u>	<u>Maturity date</u>	<u>Interest rate</u>		
LGFA	Apr-23	4.78% Fixed	\$10,000,000	A
LGFA	Apr-23	4.91% Fixed	\$5,000,000	A
LGFA	Apr-23	5.05% Fixed	\$15,000,000	A
LGFA	Oct-23	0.44% Fixed	\$5,000,000	
LGFA	Feb-24	5.65% Fixed	\$24,670,000	B
LGFA	Apr-24	5.40% Floating	\$10,000,000	
LGFA	Apr-25	1.49% Fixed	\$15,000,000	
LGFA	Oct-25	0.59% Fixed	\$8,500,000	
LGFA	Apr-26	1.09% Fixed	\$10,000,000	
LGFA	Apr-27	2.62% Fixed	\$10,000,000	
LGFA	May-28	4.06% Fixed	\$10,000,000	
Accrued interest payable			\$613,697	
			Total	\$123,783,697
Other debt				
LGFA Borrower Notes			(\$1,307,500)	
Environment Southland - Clean Air Scheme			\$200,000	
			Total	(\$1,107,500)
TOTAL BORROWINGS & OTHER DEBT				\$122,676,197
LESS: Cash & Cash Investments				
Cash and cash equivalents				\$24,740,814
Term Deposits				
<u>Party</u>	<u>Maturity date</u>	<u>Interest rate</u>		
BNZ	Apr-23	4.58%	\$4,243,715	A
SBS	Jul-23	3.86%	\$4,183,598	
WP	Oct-23	4.40%	\$5,163,344	
SBS	Jan-24	6.00%	\$124,980	
SBS	Jan-24	6.00%	\$4,208,877	
Accrued interest receivable			\$178,809	
			Total	\$18,103,323
Other Investments				
Share investments			\$1,101,118	
Loan advances issued - Invercargill Central Limited			\$24,670,000	C
Loan advances issued - Other			\$49,180	
			Total	\$25,820,298
TOTAL CASH & CASH INVESTMENTS				\$68,664,435
NET DEBT BALANCE				\$54,011,761

^A At the end of April, there are \$30 million of borrowings and a \$4 million term deposit maturing. Both borrowings and term deposits will be continued with terms to be assessed closer to maturity date due to movements in the interest rate market.

^B The loan of \$24.67 million has been used to fund the ICL advance investment.

^C As of March 31st, the outstanding loan balance advanced to ICL amounted to \$24.67 million.

Invercargill Central Limited Loan

At 28 February the current balance of the loan is \$24.7 million. The maximum facility is \$31.45 million.

Debt ManagementSundry (Non-rates) Debt

At 28 February 2023 the non-rates debtors outstanding was \$1.1 million (5.6% of the \$19.5 million of year to date revenue (excluding rates, subsidies, grants, interest and dividends)), a decrease of \$0.6 million from January 2023.

The table below details the total Council debt and the age of the debt.

	As at 28 February 2023					As at 31 January 2023				
	1 Month	2 Months	3 Months	4 + Months	Total	1 Month	2 Months	3 Months	4 + Months	Total
Grand Total	573,038	111,958	36,070	435,932	1,156,998	951,900	79,657	35,593	776,635	1,843,785

Of the above balance \$0.3 million (\$0.6 million at 31 January 2023) relates to debtors with outstanding debts over \$5,000 and more than 2 months overdue. Details of these are provided in the public excluded paper.

Debt Write Off

From 1-28 February 2023 \$2,476.67 total Sundry (non-rates) debt has been written off. Debts are only written off following an extensive review of amounts which are two or more months overdue where it was not considered cost effective to be sent to our external debt collectors for debt recovery.

Rates Debtors

The table below summarises at March the amount of rates arrears and penalties charged. These relate to rates levied in the 2021/22 financial years or earlier. This table does not include any unpaid 2022/23 rates.

Rates arrears per rating year	Rating Year					Total
	2021-2022	2020-2021	2019-2020	2018-2019	2017 & older	
As at March 2023	681,270	120,899	34,960	15,361	26,046	878,536
As at January 2023	832,952	145,938	46,012	23,919	34,820	1,083,641
As at November 2022	1,055,366	161,968	49,391	24,387	35,232	1,326,343
As at August 2022	1,738,026	205,383	59,252	29,208	37,872	2,069,742
As at May 2022	0	361,845	79,793	37,308	39,606	518,552

93.0% (Jan 73.0%, Nov 92.4%, Aug 95.7%, May 96%) of Council's rates arrears by value are owed on 373 (Jan 453, Nov 451, August 1099, May 202) properties with amounts greater than \$1,000 outstanding.

Council offers ratepayers who get behind in their rates the opportunity to enter into a payment plan arrangement. Those ratepayers who are in arrears with a payment plan are not charged rates penalties.

In those situations where there is no payment plan arranged (and followed), Council has a number of debt recovery methods available to it under the Rating Act. These include collection from the mortgage holder (where there is a mortgage) and court judgement. The final recovery method is a rating sale where Council obtains a court judgement to sell the property to recover the rates owed and the costs incurred.

At present overdue rates debt totalling \$63,511 (January \$125,125) is with PR Law for debt recovery.

Water Billing

Water billing relates to invoices raised quarterly to non-residential ratepayers who use more than a prescribed m3 of water. At present the threshold for charging is use above 249m3.

The total value of water bills overdue at March 2023 \$1,869, due to a few large arrears that was cleared by customers (January \$17,032, October \$63,285, August \$48,676, May \$21,828, February \$26,867, November \$30,403) relating to 88 (January 78, August 137, May 83, February 89, November 101) customers. The majority of this relates to water charged in the 2021/22 financial years or earlier. The vast majority of these are for amounts under \$1,000 while 76% (\$14,271) of the outstanding amount relates to 10 customers.

Dog Registrations

The total value of dog registrations unpaid at March 2023 is \$190,132 (January \$192,461, October \$197,205, August \$256,002, May \$106,683, February \$111,223, November \$117,507) relating to 1,009 animals (January 1,525, August 2,216, May 1,105, February 1,149, November 1,860). \$90,570 (January \$80,658, August \$80,708, May \$85,350, February \$90,100) of this debt relates to the 2022 dog registration period while \$88,241 of this debt relates to the current 2023 dog registration period.

We do note that the current legislation prevents us from offering instalment payments for dog registrations.

Next Steps

Collection activities will continue on outstanding debtors and rates arrears.

The report to the next committee meeting will include a full treasury report, expense analysis and sensitive expenditure.

Attachments

Not applicable