



RĀRANGI TAKE AGENDA

Rautaki, Whakahaere, me te Ahumoni | Strategy, Operations and Finance Committee Meeting

I hereby give notice that a Meeting of the Rautaki, Whakahaere, me te Ahumoni | Strategy, Operations and Finance Committee will be held on:

Te Rā | Date: Thursday, 11 April 2024

Te Wā | Time: 9.30am

**Te Wāhi | Location: Council Chamber
Ground Floor, 175 Rimu Road
Paraparaumu**

**Kris Pervan
Group Manager Strategy & Growth**

Kāpiti Coast District Council

Notice is hereby given that a meeting of the Rautaki, Whakahaere, me te Ahumoni | Strategy, Operations and Finance Committee will be held in the Council Chamber, Ground Floor, 175 Rimu Road, Paraparaumu, on Thursday 11 April 2024, 9.30am.

**Rautaki, Whakahaere, me te Ahumoni | Strategy, Operations and Finance Committee
Members**

Cr Sophie Handford	Chair
Cr Liz Koh	Deputy
Mayor Janet Holborow	Member
Deputy Mayor Lawrence Kirby	Member
Cr Glen Cooper	Member
Cr Martin Halliday	Member
Cr Rob Kofoed	Member
Cr Jocelyn Prvanov	Member
Cr Shelly Warwick	Member
Cr Nigel Wilson	Member
Cr Kathy Spiers	Member
Ms Kim Tahiwī	Member
Mr Huriwai Paki	Member
Ātiawa ki Whakarongotai (André Baker or Janine Huxford)	Member

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1 NAU MAI | WELCOME

2 KARAKIA A TE KAUNIHERA | COUNCIL BLESSING

I a mātou e whiriwhiri ana i ngā take kei mua i ō mātou aroaro *As we deliberate on the issues before us,*

E pono ana mātou ka kaha tonu ki te whakapau mahara huapai mō ngā hapori e mahi nei mātou. *We trust that we will reflect positively on the communities we serve.*

Me kaha hoki mātou katoa kia whaihua, kia tōtika tā mātou mahi, *Let us all seek to be effective and just,*

Ā, mā te māia, te tiro whakamua me te hihiri *So that with courage, vision and energy,*

Ka taea te arahi i roto i te kotahitanga me te aroha. *We provide positive leadership in a spirit of harmony and compassion.*

3 WHAKAPĀHA | APOLOGIES

4 TE TAUĀKĪ O TE WHAITAKE KI NGĀ MEA O TE RĀRANGI TAKE | DECLARATIONS OF INTEREST RELATING TO ITEMS ON THE AGENDA

Notification from Elected Members of:

4.1 – any interests that may create a conflict with their role as an elected member relating to the items of business for this meeting, and

4.2 – any interests in items in which they have a direct or indirect pecuniary interest as provided for in the Local Authorities (Members' Interests) Act 1968

5 HE WĀ KŌRERO KI TE MAREA MŌ NGĀ MEA E HĀNGAI ANA KI TE RĀRANGI TAKE | PUBLIC SPEAKING TIME FOR ITEMS RELATING TO THE AGENDA

6 NGĀ TEPUTEIHANA | DEPUTATIONS

Nil

7 NGĀ TAKE A NGĀ MEMA | MEMBERS' BUSINESS

(a) Leave of Absence

(b) Matters of an Urgent Nature (advice to be provided to the Chair prior to the commencement of the meeting)

8 HE KŌRERO HOU | UPDATES

8.1 UPDATE ON COUNCIL'S REVISED COMPLIANCE AND ENFORCEMENT POLICY

Kaituhi | Author: **Laura Willoughby, Principal Advisor Regulatory Services**

Kaiwhakamana | Authoriser: **James Jefferson, Group Manager Regulatory and Environment**

TE PŪTAKE | PURPOSE

- 1 The purpose of this short report is to update the Committee about the Council's revised Compliance and Enforcement Policy 2024.

TAUNAKITANGA | RECOMMENDATIONS

- A. That the Strategy, Operations and Finance Committee **note** that the Council's operational Compliance and Enforcement Policy has been updated.

TŪĀPAPA | BACKGROUND

- 2 The compliance and enforcement policy outlines the operational approach that Council will take on compliance and enforcement matters within the district. The policy is available to the public on our website to ensure transparency and clarity for everyone involved.
- 3 This policy informs our operational compliance work and sets expectations around how our delegated officers will use powers granted to them via legislation and specific regulations.
- 4 The Council's compliance and enforcement policy was first drafted in 2018 and has now been reviewed and updated – see Attachment 1.
- 5 The policy complies with legislative imperatives, the Solicitor General's Guidelines as well as the best practice guidelines for compliance, monitoring and enforcement, published by the Ministry for the Environment.

HE TAKE | ISSUES

- 6 The key areas that have been updated in the policy are:
 - 6.1 Introduction of a new model that considers additional factors in our response
 - 6.2 Use of a more graduated response that acknowledges positive behaviour – from 'recognise & reward' through to 'full use of powers'.
 - 6.3 Identification of increased opportunity to improve iwi partnerships in Council's compliance, monitoring and enforcement work.
 - 6.4 Legal and iwi representation must sit on the internal decision-making group that may commence formal prosecution on compliance and enforcement matters.
 - 6.5 Introduce recording of compliance level categories on our investigations to enable improved reporting on compliance levels in the district.

NGĀ KŌWHIRINGA | OPTIONS

- 7 There are no other options to consider.

NGĀ MAHI PANUKU | NEXT STEPS

- 8 As this is an operational policy, it will be 'owned' by the Council's Senior Leadership Team, which includes the Chief Executive and all Group Managers.
- 9 The final approval of the revised policy will be sought from the Senior Leadership Team in April 2024.

NGĀ ĀPITI HANGA | ATTACHMENTS

1. Attachment 1 - Compliance and enforcement policy draft 2024 [↓](#)

Compliance Enforcement Policy

Draft

8.2 UPDATE ON THE STRATEGY, OPERATIONS AND FINANCE COMMITTEE WORK PROGRAMME

Kaituhi | Author: **Kris Pervan, Group Manager Strategy & Growth**

Kaiwhakamana | Authoriser: **Kris Pervan, Group Manager Strategy & Growth**

TE PŪTAKE | PURPOSE

1 This paper summarises the update provided on the Committee's 2024 work programme.

TAUNAKITANGA | RECOMMENDATIONS

A. That the Strategy, Operations and Finance Committee **note** the approach for developing the Committee's 2024 work programme.

TŪĀPAPA | BACKGROUND

2 In March we advised the Strategy, Operations and Finance Committee (the Committee) that:

- Work was under way by Council officers to identify quarterly items and topics for the Committee's consideration.
- We would test proposed items and topics with the Committee during March, and seek endorsement of the work programme following this.

HE TAKE | ISSUES

3 The draft work programme, attached, outlines the focus for each quarter over the next year for the Committee's consideration. It provides a general overview of the key work that will progress to this Committee for decision over this period. Of note, the:

- Green areas of the document reflect the delegations for the Committee, as per Standing Orders.
- Items noted are those currently in-track and where known; and work set out aligns to the Long-term Plan and its priorities.
- It is possible that additional items will be incorporated into the Committee's agendas over the year, particularly in areas where a reactive response or additional priorities occur. For example, it is not possible to determine where and when submissions on central government changes will occur or to schedule this in advance.

4 Separate work programmes are in development for the Climate and Environment Committee, and Social Sustainability Committee. Further refinement of the Strategy, Operations and Finance Committee's work programme will occur in late April and early May, to enable reallocation of work between these Committee's and Council, as appropriate, and to ensure that the workloads of the Committees are appropriately shared.

NGĀ KŌWHIRINGA | OPTIONS

5 There are no options proposed for consideration.

NGĀ MAHI PANUKU | NEXT STEPS

6 The Committee will receive the final version of the work programme for approval at the 16 May meeting.

NGĀ ĀPITIHINGA | ATTACHMENTS

Appendix 1: draft Strategy, Operations and Finance Committee 2024/25 work programme

Mandated role			Proposed items - 2024			Proposed items - 2025	
Scope	Areas of focus		Quarter 4 (April to June)	Quarter 1 (July to Sept)	Quarter 2 (Oct to Dec)	Quarter 3 (Jan to March)	Quarter 4 (April to June)
Strategic	Setting and approving the policy and strategy work programme	<i>Strategic direction</i>	<ul style="list-style-type: none"> Analysis of feedback on Vision Kapiti, and local visions Approach for Vision Kapiti – Phase 2, Kapiti Blueprint Approach for masterplanning and proposed work programme 	<ul style="list-style-type: none"> Approval of Vision Kapiti, and local Vision statements Update on development of Vision Kapiti: Phase 2, Kapiti Blueprint Social needs assessment Refreshing our Recovery plan (post emergencies) 	<ul style="list-style-type: none"> Update on KCDC strategic architecture and update of web presence Update on masterplanning Update on Kapiti’s outcomes framework Funding opportunities 	<ul style="list-style-type: none"> Approval to engage on Vision Kapiti: Phase 2, Kapiti Blueprint Approval to consult on our Recovery plan (post emergencies) Accessibility Approach 	<ul style="list-style-type: none"> Stakeholder feedback on Vision Kapiti: Phase 2, Kapiti Blueprint Approval of new KCDC outcomes report Approval of KCDC Recovery Plan and work programme
		<i>Policies</i>	<ul style="list-style-type: none"> 6-monthly update on Policy Work Programme 	<ul style="list-style-type: none"> Drafting of Local Alcohol Policy 	<ul style="list-style-type: none"> Approval and adoption of updated Policy Work Programme Approval to consult – Road naming and reserve naming policies 	<ul style="list-style-type: none"> Approval to consult – Local Alcohol Policy 	
	Development and/or review of strategies, plans, policies and bylaws	<i>Strategies</i>	<ul style="list-style-type: none"> Update operating strategies - climate and resilience; and environment 	<ul style="list-style-type: none"> Approval of operating strategies: economic development and health Approval to consult on operating strategies - climate and resilience; and environment Approve approach for supporting strategy: Community safety Draft supporting strategy: creativity and culture Youth Approach 	<ul style="list-style-type: none"> Approval of operating strategies - climate and resilience; and environment Approve approach for Supporting strategy: property strategy Draft supporting strategy: CWB 	<ul style="list-style-type: none"> Maori economic development strategy and wellbeing plan Refresh supporting strategy: stormwater management 	
		<i>Bylaws</i>		<ul style="list-style-type: none"> Approval to consult – Freedom Camping Policy and Bylaw 	<ul style="list-style-type: none"> Analysis of submissions – Freedom Camping Policy and Bylaw 		
	Overviewing strategic programmes	<i>Climate related</i>	<ul style="list-style-type: none"> Update on Takutai Kapiti progress 	<ul style="list-style-type: none"> Approval of the Climate Change Think Tank, Phase 2 - Terms of Reference and work programme 	<ul style="list-style-type: none"> Coastal adaptation next steps – post Takutai Kapiti recommendations 		
		<i>Place based growth</i>	<ul style="list-style-type: none"> Update on Complex Development Opportunity - Otaki 		<ul style="list-style-type: none"> Update on Wainuiwhenua Update on Complex Development Opportunity - Otaki 		<ul style="list-style-type: none"> Update on Complex Development Opportunity - Otaki
		<i>Housing</i>	<ul style="list-style-type: none"> Update on Rangiora Road project 	<ul style="list-style-type: none"> Update on Housing strategy progress Older persons housing next steps, post LTP consultation 	<ul style="list-style-type: none"> Older persons housing update 		<ul style="list-style-type: none"> Refresh of Housing and needs assessment, and Housing strategy
	Economic development strategy	<i>Economic development</i>	<ul style="list-style-type: none"> Options for new economic development entity Review of Major Events Funding Policy 	<ul style="list-style-type: none"> EDKB 6-monthly update Approval of new EDKB entity, and next steps 	<ul style="list-style-type: none"> Update on Major Events Standing up new EDKB entity 	<ul style="list-style-type: none"> EDKB 6-monthly update 	<ul style="list-style-type: none"> Update on Major Events
		<i>Workforce</i>	<ul style="list-style-type: none"> Update on Mayors taskforce 	<ul style="list-style-type: none"> Update on education hub 		<ul style="list-style-type: none"> Update on Mayors taskforce 	
		<i>Destination marketing, and Tourism</i>		<ul style="list-style-type: none"> Approval of Kapiti destination story 	<ul style="list-style-type: none"> Update from WellingtonNZ 		
		<i>Sectorss</i>	<ul style="list-style-type: none"> Update on food and beverage cluster 	<ul style="list-style-type: none"> Update on creative cluster 	<ul style="list-style-type: none"> Food and beverage hub 		<ul style="list-style-type: none"> Update on Food and Beverage hub

Mandated role			Proposed items - 2024			Proposed items - 2025	
Scope	Areas of focus		Quarter 4 (April to June)	Quarter 1 (July to Sept)	Quarter 2 (Oct to Dec)	Quarter 3 (Jan to March)	Quarter 4 (April to June)
		<i>Business support</i>	•	• Update on Factory Report, and start-up and ecosystem	• Update on Tech cluster	• Update on kick-start and ecosystem – leadership and structure	•
	Liaison and planning with other territorial authorities (and bodies)		• Update on Wellington Leadership Committee activity – inclusionary zoning, future development strategy, climate adaptation and emissions, kai strategy, economic development	• Update on Wellington Leadership Committee activity – inclusionary zoning, future development strategy, climate adaptation and emissions, kai strategy, economic development	• Update on Wellington Leadership Committee activity – inclusionary zoning, future development strategy, climate adaptation and emissions, kai strategy, economic development	• Update on Wellington Leadership Committee activity – inclusionary zoning, future development strategy, climate adaptation and emissions, kai strategy, economic development	• Update on Wellington Leadership Committee activity – inclusionary zoning, future development strategy, climate adaptation and emissions, kai strategy, economic development
Financial	Approval of contracts and contract variations outside the Chief Executive’s delegations						
	Financial management, including risk mitigation	<i>Asset management plans</i>	•	•	• Cultural facilities • Asset management programme – water, waste water, coastal, roading, transport, property	•	•
		<i>Reporting</i>	• KCDC nine-monthly performance report • LGFA Draft SOI 2024-27 and half year report	• Final LGFA SOI 2024-27 and Annual Report 2023/24	•	• KCDC Half-yearly performance report • LGFA Draft SOI 2025-28 and half year report	• KCDC performance report to 31 March 2025
	Approval of non - budgeted expenditure						
	Write - offs and remissions (over \$10K)						
	Property purchases or sales, public excluded						
	Financial policies		•	•	•	•	•
Operational	Preparation of the District Plan and Plan Changes		• Update on district plan work programme	• Omnibus plan change	• Update on Plan Change 1E (rural indigenous biodiversity) • Draft coastal plan change provisions	• Approval to consult on draft manawhenua plan change	• Approval to notify on coastal plan change • Approval to notify on Greenfield plan change • Report back on inclusionary zoning study
	Oversight of any shared services initiatives						
	Reviewing and approving community contracts		• Zeal contract			• Social investment programme	
	Receive annual reports from any community or advisory group		• Hockey turf annual report	•	• Zeal 6-monthly report and update		• CWB Trust update
	All regulatory and planning matters from an operational perspective		•	•	• Regulatory update	•	• Regulatory update
	Operational aspects of bylaws		•	• Solid waste bylaw			
	Signing off any submission to an external agency or body		• Submissions related to 100-day plan: fast-track consenting, and Transport GPS	• Submissions update, as released	• Submissions update, as released	• Submissions update, as released	• Submissions update, as released

Mandated role			Proposed items - 2024			Proposed items - 2025	
Scope	Areas of focus		Quarter 4 (April to June)	Quarter 1 (July to Sept)	Quarter 2 (Oct to Dec)	Quarter 3 (Jan to March)	Quarter 4 (April to June)
	Considering and confirming recommendations made by subcommittees						
	Making recommendations to Council on matters of interest to the committee						

9 PŪRONGO | REPORTS

9.1 LGFA DRAFT STATEMENT OF INTENT 2024-2027 AND 2023-24 HALF-YEAR REPORT

Kaituhi | Author: **Jing Zhou, Chief Financial Officer**

Kaiwhakamana | Authoriser: **Mark de Haast, Group Manager Corporate Services**

TE PŪTAKE | PURPOSE

- 1 The purpose of this report is to provide the Strategy, Operations and Finance Committee with the Local Government Funding Agency (LGFA) Draft Statement of Intent 2024-27 (draft SOI) and their half year report to 31 December 2023.

HE WHAKARĀPOPOTO | EXECUTIVE SUMMARY

- 2 Not required.

TE TUKU HAEPAPA | DELEGATION

- 3 The Council's Strategy, Operations and Finance Committee has the authority to consider this report.

TAUNAKITANGA | RECOMMENDATIONS

- A. That the Strategy, Operations and Finance Committee **receives and notes** the Local Government Funding Agency's draft Statement of Intent 2024-27 attached as Appendix 1 to this report.
- B. That the Strategy, Operations and Finance Committee **receives and notes** the Local Government Funding Agency's half year report to 31 December 2023 attached as Appendix 2 to this report.

TŪĀPAPA | BACKGROUND

- 4 The LGFA was incorporated in 2011 with the primary objective of optimising the debt funding terms and conditions for participating local authorities. This includes providing savings in annual interest costs, making longer-term borrowings available and enhancing the certainty of access to debt markets.
- 5 The LGFA issues bonds to wholesale and retail investors and on-lends the funds raised to participating local authorities (PLAs) with borrowing needs. The quality of the LGFA's credit rating and the liquidity created by issuing homogenous local authority paper, ensures that participating councils can raise funds on better terms than if they were issuing in their own name.
- 6 In 2012, Kāpiti Coast District Council (the Council) became a principal shareholding local authority¹ in the LGFA. As at 30 June 2023, the Council holds 0.4% or 200,000 ordinary shares. Ordinary shares rank equally with one vote attached to each ordinary share and have a face value of \$1 per share.
- 7 The LGFA meets the Local Government Act (LGA) 2002 definition of a Council Controlled Organisation (CCO) and as a shareholder in a CCO, the Council must regularly undertake

¹ principal shareholding local authorities are those which invest capital in the LGFA and are expected to receive a return on that capital.

performance monitoring of that organisation to evaluate its contribution to the achievement of the Council’s desired outcomes.

- 8 As a CCO, the LGFA must deliver to its shareholders a draft SOI on or before 1 March each year. The LGFA board must consider any comments from its shareholders in relation to the draft SOI and deliver a final SOI on or before 30 June.
- 9 The Council’s monitoring obligations are assisted by the Shareholders’ Council whose role is to represent all the shareholders and ensure that all individual shareholder views are heard. The Shareholders’ Council comprises five to ten appointees from the council shareholders, and one from the Crown.

HE KÖRERORERO | DISCUSSION

He take | Issues

LGFA draft SOI 2024-2027

- 10 Strategic priority areas, and the objectives and performance targets that sit within each area, are summarised on the following table:

Strategic priorities	Objectives	Performance targets
Governance, capability, and business practice	<ul style="list-style-type: none"> • Demonstrate best practice corporate governance. • Set and model high standards of ethical behaviour. • Achieve the shareholder-agreed objectives and performance targets specified in the SOI. • Ensure products and services offered to participating borrowers are delivered in a cost-effective manner. • Be a good employer by providing safe working conditions, training and development and equal opportunities for staff. 	<ul style="list-style-type: none"> • Always comply with the shareholder foundation policies and the Board-approved Treasury Policy. • Maintain LGFA’s credit rating equal to the NZ government sovereign rating where both entities are rated by the same Rating Agency. • Succession plans be in place for the Board and staff and be reviewed annually. • Total operating income for the year to 30 June 2025 >\$29.8m. • Total operating expenses for the year to 30 June 2025 <\$15.6m.
Optimising financial services for local government	<ul style="list-style-type: none"> • Provide interest savings relative to alternative sources of financing. • Offer flexible short and long-term lending products that meet the borrowing requirements for borrowers. • Deliver operational best practice and efficiency for lending services. • Ensure certainty of access to debt markets, subject always to operating in accordance with sound business practice. 	<ul style="list-style-type: none"> • Share of aggregate long-term debt funding to the Local Government sector >80%. • Total lending to participating borrowers >\$22 billion. • Annual survey of participating borrowers who borrow as to the value added to the borrowing activities >85% satisfaction score. • Successfully refinance 100% existing loans to councils and LGFA bond maturities as they fall due. • Meet 100% borrower lending requests from participating borrowers, where those requests meet LGFA operational and covenant requirements.

Strategic priorities	Objectives	Performance targets
Environmental and social responsibility	<ul style="list-style-type: none"> • Develop sustainability strategy to include the estimated financial impacts of climate change. • Improve sustainability outcomes within LGFA. 	<ul style="list-style-type: none"> • Comply with the Health and Safety at Work Act 2015. • Maintain Toitu carbon zero certification. • Meet reduction targets outlined in carbon reduction management plan. • Increase two new GSS loans and three new borrowers into CALs. • Issuance of LGFA bonds under SFF. • Ensure annual report is prepared in compliance with applicable GRI standards. • Meet all mandatory climate reporting standards.
Effective management of loans	<ul style="list-style-type: none"> • Proactively monitor and review each participating Borrower's financial position including its financial headroom under LGFA policies. • Analyse finances at the Council group level where appropriate and report to shareholders. • Endeavour to meet each participating borrower annually, including meeting with elected officials as required, or if requested. • Work with central government and local government to facilitate a sector-wide successful transition of debt under the Local Water Done Well Programme. 	<ul style="list-style-type: none"> • Review 100% of participating Borrowers' financial position. • Arrange to meet each participating Borrower over a 15-month period, including meeting with elected officials as required, or if requested.
Industry leadership and engagement	<ul style="list-style-type: none"> • Take proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues. • Assist the local government sector with significant matters such as the Local Water Done Well Reforms and Future for Local Government. • Maintain productive relationships with central government representatives. • Support councils and CCOs in development of reporting disclosures of the impacts of sector activity on climate change 	<ul style="list-style-type: none"> • Report on actions undertaken and progress made on sector issues. • Identifying any legislative or central government policy changes that may impact LGFA and undertake formal or informal submissions. • Assis the local government sector to understand any legislative or central government policy changes that may impact LGFA. • Report on the alignment of LGFA and councils' climate and emissions reporting requirements. • Report back in how we are helping smaller councils understand future reporting requirements.

- 11 The following points regarding the draft SOI are worth noting:
- 11.1 The draft SOI, including financial forecasts, assumes that there are no implications for LGFA from the Local Water Done Well Programme. The LGFA are awaiting further information as the enabling legislations is introduced in June and December 2024 but will assume in the meantime a business-as-usual approach to council and CCO borrowing. The final SOI in June 2024 will be updated from this draft to incorporate any future announcements and will include a statement if there have been any material changes to the LGFA forecast assumptions.
 - 11.2 LGFA profitability is forecast to remain strong with projections for Net Operating Gain of \$15.1 million, \$13.1 million, and \$10.1 million for the next three years. However, they remain cautious in placing too much emphasis on the year two (2025-26) and three (2026-27) forecasts given they have \$7.1 billion of LGFA bonds and \$7.5 billion of council and CCO loans maturing over the three-year SOI forecast period. This is because assumptions regarding the amount and timing of refinancing and interest rates have material impact on financial projects.
 - 11.3 The forecast for outstanding council short and long-term loans as at June 2025 is \$22.08 billion and to be \$24.45 billion as at June 2026 (from \$20.3 billion and \$21.5 billion in the previous SOI. This increase reflects a higher starting position as at 30 June 2024 and councils undertaking further capex and continued high utilisation of short-term borrowing from LGFA.
 - 11.4 Net interest income is expected to gradually reduce over the forecast period as the balance sheet grows from increased council lending but is offset by a larger holding of liquid assets and slightly lower forecast interest rates.
 - 11.5 A modest narrowing in lending margins is assumed as more councils and CCOs take up the Climate Action Loan (CAL) product and undertake more Green, Social and Sustainability (GSS) lending. Given the recent announcement from S&P Global Ratings regarding the lowering of the trend within the local government sector institutional framework, LGFA has assumed no further improvement in the credit quality of the sector.
 - 11.6 Compared to the previous SOI, issuance and operating expenses, excluding Approved Issuer Levy are forecast to be approximately \$700k higher in the 2024-25 and \$600k higher in 2025-26 financial years. This is due to forecast higher IT, HR and legal costs associated with increased foreign currency issuance, water reforms and increased staffing.
 - 11.7 The proposed SOI performance targets are similar to the previous SOI. The focus remains on sustainability, assisting councils with greenhouse gas (GHG) emission reporting, monitoring the credit quality of the sector, and assisting with the implementation of Local Water Done Well Programme.
- 12 The draft Statement of Intent 2024-27 is attached as Appendix 1 to this report.

LGFA Half Year Report

- 13 LGFA half year report for the six-month period to 31 December 2023 has highlighted the following:
- 13.1 As at 31 December 2023, LGFA had a market value of loans outstanding of \$18.8 billion which followed record lending of \$2.63 billion over the six-month period. LGFA added two new CCOs as members over the six months, bringing the number of members to 72 councils and five CCOs.

- 13.2 LGFA focuses on sustainability. They launched the Climate Action Loan (CAL) product for council and CCO members in December 2022 to incentivise borrowers through a lower loan margin if they have an approved greenhouse gas (GHG) emission reduction plan in place and are meeting their reduction targets. On 31 December 2023, CALs have a total of \$1.2 billion across four councils. The Green, Social and Sustainable (GSS) loans provide a discounted borrowing margin to councils and CCOs for eligible projects. Over the six-month period LGFA approved a further project as eligible for GSS lending, bringing the number of eligible projects to six across six councils. LGFA also published their first Annual Impact Review report for the NZX listed Sustainable Financing Bond. They are having ongoing dialogue with councils relating to GHG emission reporting and reduction and are currently preparing for their first report under Climate Related Disclosure requirements for the 2024 Annual Report.
- 13.3 LGFA's Net Operating Profit for the six-month period was \$5.2 million, which is slightly below the SOI forecast due to higher costs from increased issuance, and the establishment and issuance under foreign currency programmes. However, they expect to meet the full year SOI forecast by June 2024. Their assets are \$21.77 billion and Shareholder Equity is \$109.4 million as at 31 December 2023.
- 13.4 LGFA has been assisting Central and Local Government with the implementation of the water reform programme and with councils and CCO members on promoting sustainability. A further highlight was LGFA being voted by market participants for an unprecedented five awards at the KangaNews Awards including New Zealand Debt Issuer of the Year award for the second consecutive year. Their focus remains on adding value to the local government sector through:
- Providing cheaper loans.
 - Enabling easier access to markets.
 - Providing reliable financing.
 - Underpinning confidence.
 - Encouraging sustainability.
 - Enhancing capital markets.
 - Being a centre of expertise.
- 14 The Local Government Funding Agency's half year report to 31 December 2023 is attached as Appendix 2 to this report.

Ngā kōwhiringa | Options

- 15 There are no options to consider with this report.

Mana whenua

- 16 There are no mana whenua considerations arising from this report.

Panonitanga āhuarangi | Climate change and Environment

- 17 There are no climate change and environment considerations within this report.

Ahumoni me ngā rawa | Financial and resourcing

- 18 There are no financial considerations within this report.

Ture me ngā Tūraru | Legal and risk

- 19 There are no legal considerations arising from the matters in this report.

Ngā pānga ki ngā kaupapa here | Policy impact

- 20 In accordance with the LGA 2002, the Council has provided information on all of its CCOs in its 2021/41 Long Term Plan.

TE WHAKAWHITI KŌRERO ME TE TŪHONO | COMMUNICATIONS & ENGAGEMENT

Te mahere tūhono | Engagement planning

- 21 An engagement plan is not needed for this report to be considered.

Whakatairanga | Publicity

- 22 There are no publicity considerations.

NGĀ ĀPITI HANGA | ATTACHMENTS

1. Draft Statement of Intent 2024-2027 [↓](#)
2. 2023-24 Half Year report [↓](#)

9.2 CONTRACTS UNDER DELEGATED AUTHORITY

Kaituhi | Author: **Jayne Nock, Executive Assistant Group Manager Corporate Services**

Kaiwhakamana | Authoriser: **Sean Mallon, Group Manager Infrastructure and Asset Management**

TE PŪTAKE | PURPOSE

1 This report provides an update on any contracts over \$250,000 accepted under delegated authority for the period 1 October 2023 to 31 March 2024.

HE WHAKARĀPOPOTO | EXECUTIVE SUMMARY

2 Not required.

TE TUKU HAEPAPA | DELEGATION

3 The Strategy, Operations and Finance Committee has delegated authority to consider this report under the following delegation in the 2022-2025 Governance Structure, Section B.1 - *This Committee will deal with all decision-making that is of a strategic, operational and financial nature and not the responsibility of the Council.*

TAUNAKITANGA | RECOMMENDATIONS

A. That the Strategy, Operations and Finance Committee **notes** there was one contract accepted under delegated authority over \$250,000 for the period 1 October 2023 to 31 March 2024.

TŪĀPAPA | BACKGROUND

4 Contracts for the 2023/2024 year are listed at Appendix 1.

HE KŌRERORERO | DISCUSSION

5 There was one contract accepted under delegated authority during the period 1 October to 31 March 2024. This contract relates to the completion of final detailed design for the Paekākāriki seawall. The design of the proposed Paekākāriki seawall is based on a similar concept to the proposed Raumati seawall (timer structure) and Beca Limited have successfully completed the majority of the Raumati works.

He take | Issues

6 2023-C109 Paekākāriki Seawall Upgrade

- Exemption from tender; engaged consultants were unable to deliver in suitable timeframe. There were synergies with this project and Raumati Seawall (Beca currently engage for this project).
- Beca Limited have been engaged for this project for the sum of \$353,500 in January 2024.
- Budget for 2024/2025. First year \$2,338,202.

Ngā kōwhiringa | Options

7 There are no further options to be considered within this report.

Mana whenua

8 There are no tangata whenua considerations within this report.

Panonitanga Āhuarangi me te Taiao | Climate change and Environment

9 There are no climate change considerations within this report.

Ahumoni me ngā rawa | Financial and resourcing

10 There are no financial and resourcing issues in addition to those already noted in this report.

Tūraru ā-Ture me te Whakahaere | Legal and Organisational Risk

11 There are no legal and risk considerations arising from this report.

Ngā pānga ki ngā kaupapa here | Policy impact

12 There are no current or future impacts to Council policies within this report.

TE WHAKAWHITI KŌRERO ME TE TŪHONO | COMMUNICATIONS & ENGAGEMENT

Te mahere tūhono | Engagement planning

13 There are no engagement planning considerations arising from this report.

Whakatairanga | Publicity

14 There are no publicity considerations arising from this report.

NGĀ ĀPITI HANGA | ATTACHMENTS

1. Contracts for the 2023/2024 year [↓](#)

10 KARAKIA WHAKAMUTUNGA | CLOSING KARAKIA

Kia tau ngā manaakitanga ki runga i a tātou katoa,	<i>May blessings be upon us all,</i>
Kia hua ai te mākihikihi, e kī ana	<i>And our business be successful.</i>
Kia toi te kupu	<i>So that our words endure,</i>
Kia toi te reo	<i>And our language endures,</i>
Kia toi te wairua	<i>May the spirit be strong,</i>
Kia tau te mauri	<i>May mauri be settled and in balance,</i>
Ki roto i a mātou mahi katoa i tēnei rā	<i>Among the activities we will do today</i>
Haumi e! Hui e! Taiki e!	<i>Join, gather, and unite! Forward together!</i>