

**Rotorua Lakes Council
Operations & Monitoring Committee**

**Operating Financial Performance
September 2021**



RLC – Summary Operational Result

	Actual	Budget	Better / (Worse)
Rates	28,398	28,186	211
Fees	4,348	4,801	(453)
Subsidies	1,070	872	198
Other	146	158	(12)
Income Total	33,961	34,017	(56)
Operational Costs	15,023	14,541	(481)
Staff	6,886	7,230	344
Utilities	681	849	168
Depreciation	8,442	8,442	(0)
Other	3,178	3,309	132
Total Costs	34,209	34,371	161
Surplus / (Deficit)	(248)	(353)	105

Income:

- Driven by lower planning revenue, lease rental revenue and suppressed parking fees partially **offset by** rates collection and subsidies and grants relating to 3 water reform costs.

Costs:

- Driven by consultancy costs (partially offset by subsidies), professional services required for Three Water Reform initiative, Waste Management costs, grants and contributions for community resilience, waste water consenting fees, **offset by** underspend on staff costs and utilities.

“Other” is comprised of financing, administration, maintenance and internal costs

RLC - Operational Costs

Main Drivers:

- Consultancy fees driven by:
 - Expert advice required in preparation of housing bids
 - Professional services required in the Three Water Reform initiative (offset with DIA funding)
 - Use of consultants to cover staff resource across planning team

- Community Resilience Funding for Rotorua organisations, post Covid19 – (fund closing October 2021)

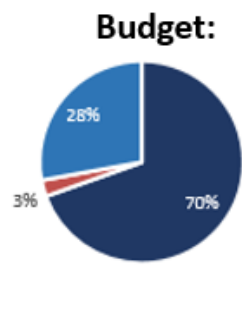
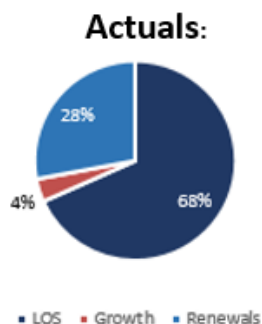
RLC – Net Activity Performance

Activity	YTD Variance	Material Drivers
Community Wellbeing	288	Lower infracore spend with reduced bill of quantities due to covid
Roads and Footpaths	(224)	Lower Waka Kotahi subsidies and higher inner city cleaning costs (Infracore)
Stormwater and Land Drainage	29	
District Development and Regulatory	(445)	Suppressed Parking revenue and additional consultancy requirements across planning
Waste Management	3	
Water Supplies	(52)	Driven by lower water by meter collections
Sewerage & Sewage	444	Driven by increased rates take and lower materials and consumables spend
Community Leadership	65	MHUD budget bid consulting costs, RED marketing costs
Operating Variance to Budget	105	

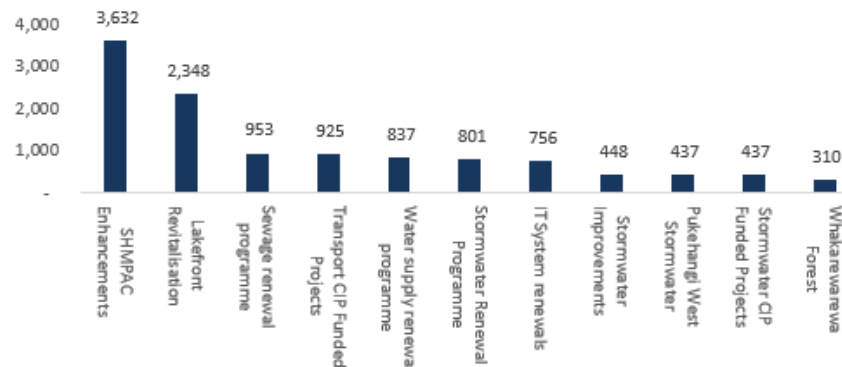
RLC – Capex 2021/2022 YTD (\$m)

What we did vs planned?

\$3.9m of renewals vs a budget of \$5.4m
\$9.5m of LOS vs \$13.4m budget



Top 10 Projects by YTD Spend (\$'000)



Capital Expenditure by Activity & Top 10 under/over spend by Project YTD

Activity Category	YTD Actual	YTD Budget	Capex Project	Underspend	Capex Project	Overspend
Community Wellbeing	7.3	11.6	Lakefront Revitalisation	(1.9)	Core software & hardware	0.8
Community Leadership	2.2	1.4	SHMPAC Enhancements	(1.9)	IT System renewals	0.3
Stormwater and Land Drainage	1.6	2.2	Sewage renewal programme	(1.2)	Stormwater Improvements	0.3
Roads and footpaths	1.1	1.4	Stormwater Renewal Programme	(0.7)	Rotorua Museum Enhancements	0.2
Water Supplies	1.0	1.0	Transport CIP Funded Projects	(0.2)	Aquatic Centre	0.1
Sewerage and Seweage	0.6	1.7	Rotorua Energy Events Centre	(0.2)	Rotoiti/Rotoma sewage system	0.1
Waste Management	0.1	0.0	Rotorua Museum	(0.1)	Landfill Expansion	0.1
District Development & Regulatory	0.0	0.0	International Stadium	(0.1)	Corporate Property Renewals	0.1
<i>Intentionally blank</i>	0.0	0.0	Corporate Strategic Projects	(0.1)	Transport (Sub) Renewal Programme	0.0
<i>Intentionally blank</i>	0.0	0.0	Transport (Sub) Improvements	(0.1)	Sewage Improvements	0.0
Total YTD	14.0	19.3	Total top 10 Underspend vs YTD Bud	(6.6)	Total top 10 overspend	1.9

RLC – Infracore repayment

- Company was formed Jul 2015 with approx. \$1.5m of debt
- Debt increased to \$2.8m during the early years of the company operating
- Recent Business Optimisation Programme initiated by CEO Matthew Scott
- Company has generated Operating surpluses and cash reserves
- Focus on repaying approx. \$900,000 of debt by year end
- Agreement – to match \$1 of debt repaid
- Allow Infracore to transition for the future

RLC – Treasury Summary (\$m)

DEBT

Total Debt - **\$256m**

Liquidity Ratio (>110%) – **123%**

Weighted average capital cost – **2.69%**

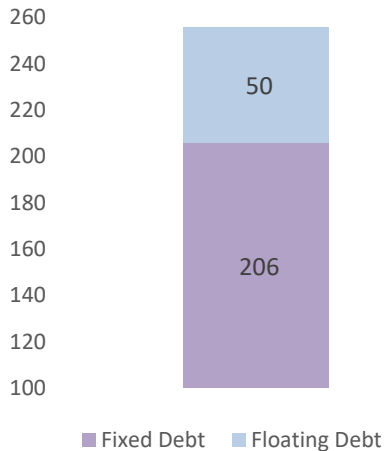
CASH

Call account balance - **\$17m**

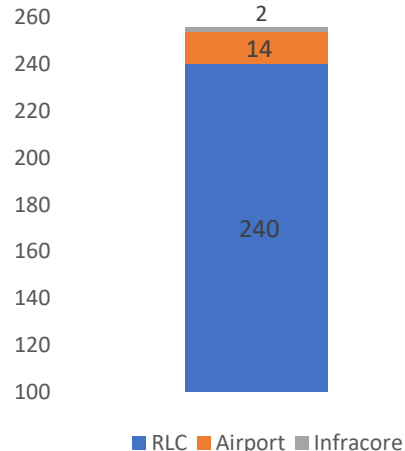
Term deposit balance - **\$1m**

Cash on hand - **\$3m**

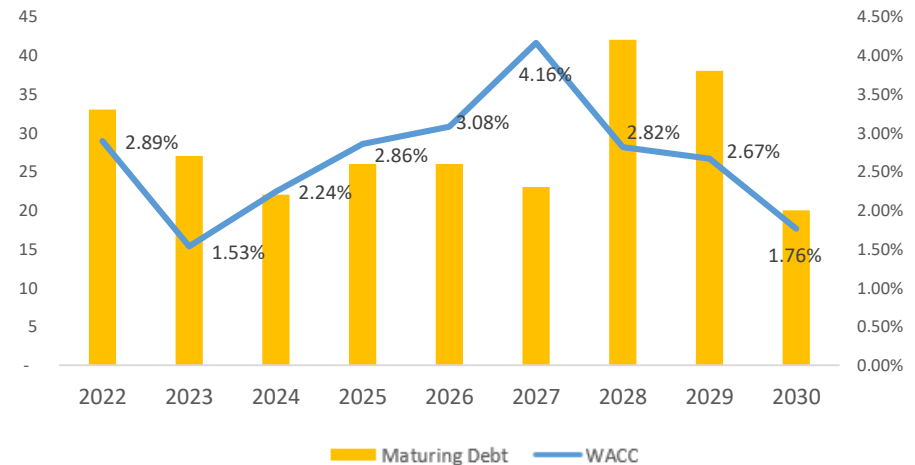
Debt Type



CCO Related Debt



LGFA DEBT MATURITY per CY



RLC – Treasury Summary – Debt Forecast per LTP

