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## Finance and Performance Committee

### OPEN MINUTES

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Minutes of a meeting of the Finance and Performance Committee held in the Reception Lounge, Auckland Town Hall, 301-305 Queen Street, Auckland on Thursday, 20 November 2014 at 9.30am.

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#### PRESENT

<b>Chairperson</b>	Cr Penny Webster	Until 11.54am, item C1
<b>Deputy Chairperson</b>	Cr Ross Clow	From 10.03am, item 11
<b>Members</b>	Cr Anae Arthur Anae	Until 11.57am, item C1
	Cr Cameron Brewer	
	Cr Bill Cashmore	
	Dr Cr Cathy Casey	From 12.01pm, item C1
	Cr Linda Cooper	From 11.38am, item C1
	Cr Alf Filipaina	
	Cr Hon Christine Fletcher, QSO	From 9.41am, item 9, Until 1.15pm, item C1
	Deputy Mayor Penny Hulse	From 11.29am, item C1
	Cr Mike Lee	
	Cr Calum Penrose	
	Cr Dick Quax	
	Cr Sharon Stewart, QSM	
	Member David Taipari	From 10.01am, item 11
	Member John Tamihere	From 10.56am, item C1
	Cr Sir John Walker, KNZM, CBE	
	Cr Wayne Walker	
	Cr John Watson	
	Cr George Wood, CNZM	

#### APOLOGIES

Cr Dr Cathy Casey	For lateness
Cr Linda Cooper, JP	For lateness
Cr Ross Clow	For lateness
Cr Chris Darby	For absence
Cr Denise Krum	For absence
Cr Christine Fletcher	For lateness
Deputy Mayor Hulse	For lateness

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**1 Apologies**

Resolution number FIN/2014/68

MOVED by Chairperson MP Webster, seconded by Cr GS Wood:

**That the Finance and Performance Committee:**

- a) **accept the apologies from Cr D Krum and Cr C Darby for absence, Deputy Mayor P Hulse, Member D Taipari, Cr C Casey, Cr L Cooper, and Cr C Fletcher for lateness and Cr A Anae for early departure.**

**CARRIED**

**2 Declaration of Interest**

There were no declarations of interest.

**3 Confirmation of Minutes**

Resolution number FIN/2014/69

MOVED by Chairperson MP Webster, seconded by Cr GS Wood:

**That the Finance and Performance Committee:**

- a) **confirm the ordinary minutes of its meeting, held on Thursday, 23 October 2014, as a true and correct record.**

**CARRIED**

**4 Petitions**

There were no petitions.

**5 Public Input**

There was no public input.

**6 Local Board Input**

There was no local board input.

**7 Extraordinary Business**

There was no extraordinary business.

**8 Notices of Motion**

There were no notices of motion.

**9 Māori Transformational Activity and Expenditure Report 2014/2015 – Quarter One**

*Cr Fletcher entered the meeting at 9.41am*

Resolution number FIN/2014/70

MOVED by Cr GS Wood, seconded by Cr AM Filipaina:

**That the Finance and Performance Committee:**

- a) **note the financial and non-financial information on Māori transformational shift activity in quarter one of the 2014/2015 financial year provided in this report.**

**CARRIED**

**10 Te Tiriti o Waitangi Audit Response work programme 2014/15 Progress update**

Resolution number FIN/2014/71

MOVED by Cr GS Wood, seconded by Chairperson MP Webster:

**That the Finance and Performance Committee:**

- a) **note the progress update on the Treaty Audit response work programme for the 2014/2015 priority actions.**

**CARRIED**

**11 Auckland Council Group first quarter financial results to 30 September 2014**

*Member DE Taipari entered the meeting at 10.01 am.*

*Deputy Chairperson RI Clow entered the meeting at 10.03 am.*

A PowerPoint presentation was provided. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

Resolution number FIN/2014/72

MOVED by Chairperson MP Webster, seconded by Cr GS Wood:

**That the Finance and Performance Committee:**

- a) **receive the report.**

**CARRIED**

**Attachments**

- A 20 November 2014 Finance and Performance Committee - item 11 - Auckland Council Group first quarter financial results to 30 September 2014

**12 Auckland Council performance report for the period 1 July 2014 to 30 September 2014**

A PowerPoint presentation was provided. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

Resolution number FIN/2014/73

MOVED by Chairperson MP Webster, seconded by Deputy Chairperson RI Clow:

**That the Finance and Performance Committee:**

- a) **note the performance report for the three months ended 30 September 2014, highlighting:**
- i) **net favourable operating surplus of \$1,067 million, which is \$33 million favourable compared to budget.**

- ii) capital expenditure of \$100 million.
- b) note the following highlights and achievements:
  - i) Waiheke Library reopened in a new library building in the heart of Oneroa on Saturday 26 July. The ceremonial opening of the new library began with a dawn blessing by Ngāti Pāoa, and was followed by a civic opening.
  - ii) the Youth Advisory Panel organised two youth-led and delivered award events:
    - the I Am Auckland awards - celebrating people and organisations who support youth development (in partnership with The Cube)
    - the Tamaki Makaurau Awards - celebrating youth leadership and young people making a difference in communities (in partnership with Hapai te Hauora and Te Runanga o Ngati Whatua).
  - iii) delivery of a successful locally focused fitness campaign across all council operated gyms (with the exception of Tepid Baths due to capacity restrictions). 2,242 new members were acquired over the 4 week time period which was above the target of 1,500.
  - iv) a new shared space in O'Connell Street was opened on 19 September delivering another attractive and character-filled link in the city's laneway circuit. This attractive space provides for outdoor dining, encourages pedestrian engagement and reflects the unique character of the surrounds.
  - v) Federal Street shared space has also opened for business, signalling completion of a successful Public Private Partnership project and the transformation of the street to a pedestrian-friendly space destined to become an entertainment destination for Aucklanders and visitors alike.
  - v) Auckland Heritage Festival 2014 campaign launched. This year's theme 'Courage has many resting places' - helps us to commemorate the centenary of the First World War. The event open day was on 27 September, with a parade led by the Royal New Zealand Artillery band, serving troops, cadet forces and vintage military vehicles.
  - vi) the 4th tranche of 17 Special Housing Areas was announced on 12 September 2014. The total number of Special Housing Area's is now 80.

**CARRIED**

#### **Attachments**

- A 20 November 2014 Finance and Performance Committee - item 12 - Auckland Council performance report for the period 1 July 2014 to 30 September 2014

### **13 Consideration of Extraordinary Items**

There were no extraordinary items.

The meeting adjourned at 10.40am and reconvened at 10.50am

Secretarial Note: The meeting agreed that Item C1 : IS Transformational Programme budget update be considered in the open section of the meeting. The report published in the confidential agenda is attached to the official copy of these minutes and is available on the Auckland Council website as minutes attachments.

**C1 IS Transformational Programme budget update**

*Member J Tamihere entered the meeting at 10.56 am.  
Cr AM Filipaina left the meeting at 11.00 am.  
Cr AM Filipaina returned to the meeting at 11.23 am.  
Deputy Mayor PA Hulse entered the meeting at 11.29 am.  
Cr LA Cooper entered the meeting at 11.38 am.  
Chairperson MP Webster left the meeting at 11.54 am.  
Cr AJ Anae left the meeting at 11.57 am.  
Member DE Taipari left the meeting at 11.44 am.  
Member DE Taipari returned to the meeting at 11.59 am.  
Cr CM Casey entered the meeting at 12.01 pm.  
Cr AM Filipaina left the meeting at 12.15 pm.  
Member DE Taipari left the meeting at 12.44 pm.  
Cr AM Filipaina returned to the meeting at 12.51 pm.  
Member DE Taipari returned to the meeting at 1.00 pm.  
Cr CE Fletcher left the meeting at 1.15 pm.*

Secretarial Note: The Chairperson vacated the chair in favour of the Deputy Chairperson at 11.54am.

A powerpoint presentation was presented in support of the item.  
A copy of which is attached to the official copy of these minutes and is available on the Auckland Council website as minutes attachment.

MOVED by Deputy Mayor PA Hulse, seconded by Cr GS Wood:

That the Finance and Performance Committee:

- a) note the update and progress being made on the Organisation IS Transformation programme
- b) note the reprioritisation of the programme to optimise the overall outcomes of the programme and note that no additional funding for the IS transformation programme is requested
- c) approve the re-phasing of \$24 million of IS transformation budget forward to the 2015 and 2016 years in order to optimise overall programme outcomes
- d) note the extended and intensified quality assurance and testing programme at a cost of \$13m
- e) agree that the Council's IT programme progress including NewCore be reported to this Committee on a quarterly basis
- f) agree that the item and report be considered in the open section of the meeting.

MOVED by Cr CE Brewer, seconded by Cr D Quax an amendment by way of addition:

- g) note that on 29 November 2012 councillors were advised that the "total cost of the programme is \$71m made up of \$58.1m CAPEX and \$12.9m OPEX" while the 20 November 2014 report states that "total NewCore (CAPEX) costs post reset are \$124m" with any additional operational expenditure not specified, and the committee records its utmost concern around future cost escalations and the project's impact on Auckland Council's other non-NewCore IT budget

A division was called for, voting on which was as follows:

**For**

Cr CE Brewer  
Cr ME Lee  
Cr D Quax  
Cr SL Stewart

**Against**

Cr CM Casey  
Cr WB Cashmore  
Deputy Chairperson RI Clow  
Cr LA Cooper

**Abstained**

Cr JG Walker	Cr AM Filipaina
Cr WD Walker	Deputy Mayor PA Hulse
Cr J Watson	Cr CM Penrose
	Member DE Taipari
	Member J Tamihere
	Cr GS Wood

The motion was declared LOST by 7 votes to 10.

MOVED by Cr J Walker, seconded by Cr S Stewart an amendment by way of addition:

g) agree that this item be referred to the Governing Body 27 November 2014 meeting.

A division was called for, voting on which was as follows:

<u>For</u>	<u>Against</u>	<u>Abstained</u>
Cr CE Brewer	Cr WB Cashmore	
Cr CM Casey	Deputy Chairperson RI	
Cr ME Lee	Clow	
Cr D Quax	Cr LA Cooper	
Cr SL Stewart	Cr AM Filipaina	
Cr JG Walker	Deputy Mayor PA Hulse	
Cr WD Walker	Cr CM Penrose	
Cr J Watson	Member DE Taipari	
	Member J Tamihere	
	Cr GS Wood	

The motion was declared LOST by 8 votes to 9.

Resolution number FIN/2014/74

MOVED by Deputy Mayor PA Hulse, seconded by Cr GS Wood the following substantive motion:

**That the Finance and Performance Committee:**

- a) **note the update and progress being made on the Organisation IS Transformation programme**
- b) **note the reprioritisation of the programme to optimise the overall outcomes of the programme and note that no additional funding for the IS transformation programme is requested**
- c) **approve the re-phasing of \$24 million of IS transformation budget forward to the 2015 and 2016 years in order to optimise overall programme outcomes**
- d) **note the extended and intensified quality assurance and testing programme at a cost of \$13m**
- e) **agree that the Council's IT programme progress including NewCore be reported to this Committee on a quarterly basis**
- f) **agree that the item and report be considered in the open section of the meeting.**

**CARRIED**

Secretarial Note: Pursuant to Standing Orders 3.15.5, Cr C Casey, Cr S Stewart, Cr J Watson, Cr M Lee, Cr J Walker, Cr W Walker, Cr D Quax and Cr C Brewer requested for their votes against the motion be recorded:

#### **Attachments**

- A 20 November 2014 Finance and Performance Committee - item C1 -IS Transformational Programme budget update powerpoint

- B 20 November 2014 Finance and Performance Committee item C1 -IS Transformational Programme budget update report

**14 Procedural motion to exclude the public**

Resolution number FIN/2014/75

MOVED by Deputy Chairperson RI Clow, seconded by Cr GS Wood:

**That the Finance and Performance Committee:**

- a) **exclude the public from the following part(s) of the proceedings of this meeting.**

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 follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

**C1 Interim Regional Community Funding 2014/2015**

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
<p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>In particular, this report is confidential on the basis that it discusses individual organisation's financial information and permission has not been sought for disclosure to the public..</p>	<p>s48(1)(a)</p> <p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>

The text of these resolutions is made available to the public who are present at the meeting and form part of the minutes of the meeting.

**CARRIED**

10.35.am The public was excluded.

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not publicly available.

10.42am The public was re-admitted.



**RESTATEMENTS**

It was resolved while the public was excluded:

**C1 Interim Regional Community Funding 2014/2015**

That the Finance and Performance Committee:

- c) confirm that there be no restatement of the confidential report, attachments or resolutions

1.37 pm

The Chairperson thanked Members for their attendance and attention to business and declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD  
AT A MEETING OF THE FINANCE AND  
PERFORMANCE COMMITTEE HELD ON

**DATE:**.....

**CHAIRPERSON:**.....