Waikato Local Authority
SHARED SERVICES

STATEMENT OF INTENT FOR 2018/19

30 June 2018

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Waikato Local Authority Shared Services Limited

Introduction

This Statement of Intent is a public declaration of the activities and intentions of the Council Controlled Organisation, Waikato Local Authority Shared Services Limited (WLASS). The statement outlines the proposed work plan for 2018/19 and the Directors' accountabilities to the shareholders for corporate performance, as is intended by Schedule 8 of the Local Government Act 2002.

Local Authority Shared Services Limited was incorporated under the Companies Act 1993 on the 13th day of December 2005, and changed its name to WAIKATO LOCAL AUTHORITY SHARED SERVICES LIMITED (WLASS) on the 4th day of April 2016. WLASS is owned by the 12 Waikato local authorities, with each shareholder owning an equal number of shares and having an equal say in its development. WLASS provides a legal entity, representative of all the shareholding councils, which can enter into contracts and agreements with external suppliers and provide value to the shareholders by reducing costs. WLASS contracts are available to be joined by any shareholder that so chooses.

Much of the work of WLASS is undertaken by Working Parties or Advisory Groups made up of staff representatives from the shareholding councils, with expertise and interest in particular services. The WLASS CEO provides facilitation and co-ordination of the Working Parties, and is an ex officio member of the Advisory Groups.

WLASS also provides support to the Waikato Mayoral Forum and its work streams, including acting as the legal entity to manage all of the contracts arising from the work of the Mayoral Forum and making all contract payments.

Objectives of WLASS

The objectives of WLASS are to:

- enable the Waikato councils to collectively be more effective as a region on the national stage
- contribute to building central government's confidence in the Waikato region, and to encourage central government investment
- achieve effectiveness and efficiency gains
- reduce duplication of effort and eliminate waste through repetition
- make it easier for customers to engage with councils in the Waikato region
- promote and contribute to the development of best practice
- promote business transformation to improve customers' experiences.

Nature and Scope of Current Activities

There are currently 12 major initiatives operating under the WLASS umbrella, plus a support role for the collaborative work streams of the Waikato Mayoral Forum.

1 **Shared Valuation Data Service (SVDS).** This service provides timely and accurate valuation data to the 10 member Councils (Waikato Regional, Hamilton City, Hauraki, Matamata Piako, Rotorua, South Waikato, Thames Coromandel, Waikato, Waipa and Waitomo District Councils). The SVDS has become the accepted valuation database for the region. Data sales significantly reduce costs to the participating councils.

2 **Road Asset Technical Accord (RATA).** RATA was initially established as a centre of excellence for road asset planning in 2014, as a work stream under the Mayoral Forum. The activity transferred to WLASS on 1 July 2016. The aim of RATA is to achieve best practice in road asset management by improving capability, capacity and outcomes through effective collaboration. By leading asset management best practice, RATA delivers better decision making through the effective collection and use of good quality data, and the implementation of good practice processes and systems for data collection, analysis and management.

   Waipa District Council currently acts as the host council for RATA, providing accommodation and overheads (which are fully recovered from the participating councils), and managing the employment agreements/relationships with the three staff members. This activity is fully funded by the nine participating councils (Hamilton City, Hauraki, Matamata Piako, Otorohanga, South Waikato, Thames Coromandel, Waikato, Waipa and Waitomo District Councils, supported by the NZ Transport Agency) and operates as a separate cost centre.

3 **Waikato Regional Transportation Model (WRTM).** This model became fully operational in February 2010. It provides accurate information to Councils and to external users (for a charge) for their transport modelling requirements. The WRTM is the only recognised strategic transport modelling resource in the Waikato Region, and is jointly funded by the NZ Transport Agency. WRTM is making a significant contribution to strategic planning of land use and infrastructure within the region, and has been involved in regionally and nationally significant investigations including: the Waikato Expressway Network Plan; the Waikato Regional Land Transport Strategy and Regional Policy Statement; and transport impact assessments in relation to the development of Ruakura. The activity is fully funded by the seven participating councils (Waikato Regional, Hamilton City, Matamata Piako, Taupo, Thames Coromandel, Waikato, and Waipa District Councils, supported by the NZ Transport Agency), and operates as a separate cost centre. The WRTM has been managed by RATA since 1 July 2016.

4 **Waikato Building Consent Group (WBCG).** The WBCG was initially set up by five Waikato local authorities in 2004 to foster co-operation, collaboration and consistency in building functions, legislative interpretation and process documentation across the partnering councils. The Group now comprises eight councils (Hamilton City, Hauraki, Matamata Piako, Otorohanga, Thames Coromandel, Waikato, Waipa and Waitomo Districts). The WBCG has developed a common quality assurance system with associated supporting documentation and media that meet the legislative requirements of the Building Act 2004 and the Building (Accreditation of Building Consent Authorities) Regulations 2006. These regulations cover all aspects of the operational management and compliance of a Building Consent Authority (BCA).

   Waikato District Council currently acts as the host council for the WBCG, providing accommodation and overheads (which are fully recovered from the WBCG members), and managing the employment agreements/relationships with the two staff members

and any contractors. The activity is fully funded by the participating councils, and operates as a separate cost centre. The activity transferred to WLASS on 1 July 2016.

5 **Future Proof**. This is a collaborative partnership between Hamilton City, Waikato and Waipa Districts, Waikato Regional Council and Tāngata whenua, with assistance from the New Zealand Transport Agency. The partners have jointly developed the Future Proof Growth Strategy and Implementation Plan – a 50-year vision and implementation plan specific to the Hamilton, Waipa and Waikato sub-region (Future Proof sub-region), which was adopted by the partners on 30 June 2009.

The accommodation, overhead and employment arrangements of the Future Proof Planner are managed by Hamilton City Council. The activity is fully funded by the participating councils, and operates as a separate cost centre. Future Proof transferred to WLASS on 1 July 2016.

6 **Energy Management**. WLASS entered into a Collaboration Agreement with the Energy Efficiency Conservation Authority (EECA) in February 2016. This arrangement is estimated to bring in up to $210,000 in revenue from EECA over three years, subject to meeting specific energy saving targets. The activity is fully funded by the 11 participating councils (Matamata Piako was not eligible, as it has previously received EECA funding), and operates as a separate cost centre.

7 **Joint Procurement Initiatives.** WLASS is a party to numerous joint procurement contracts between the company, shareholding Councils and suppliers. Some contracts (e.g. insurance brokerage services; various collective insurance policies; courier and postal services; historic aerial photography) involve all of the shareholding councils. Other joint procurement contracts have been negotiated, but only some of the shareholding councils have chosen to participate (e.g. the Professional Services Panel; computer-generated print, mail house and e-services; IT Professional Services Panel; Internal Audit Services). A part-time procurement specialist was engaged in February 2018 for a period of one year, to:

- Assist all councils to utilise the existing WLASS contracts, AoG contracts and syndicated contracts that are appropriate for each council, to ensure that opportunities for savings are being maximised
- Develop standard regional procurement policies, templates and procedures and provide training in each council
- Manage the existing WLASS contracts to improve relationship management and ensure that their value is being maximised.

The contractor is working directly with staff in each council to ensure that contract savings are being maximised and that good procurement systems and processes are in place.

8 **Historic Aerial Photos.** In May 2015, WLASS entered into a Memorandum of Understanding with LINZ to scan the Waikato Historic Aerial Photos archive. The LINZ Crown archive contains over 500,000 historic aerial photo negatives captured by surveys flown over New Zealand between 1936 and 2005. All of the shareholding councils are participating in this 4-year project, which includes a subsidy of $56,000 from LINZ. The project is running ahead of schedule and is now expected to be completed by the end of 2018. The information is now freely available to the public on a website (http://www.retrolens.nz/map/), which acknowledges the participation of WLASS.

9 **Waikato Regional Aerial Photography Service (WRAPS)**. WRAPS was set up in the 1990s for the supply of colour, digital, ortho-rectified, aerial photography for the Waikato Region. So far, there have been five WRAPS contracts – 2002, 2007, 2012, and 2016. The current WRAPS contract is scheduled for completion by June 2018. Consideration

is currently being given to changing the frequency of coverage to 4-yearly. WRAPS became a WLASS project in December 2014 and is fully funded by the 12 participating councils.

10 **Aligned Resource Consent Planning.** The toolkit developed last financial year to provide regional consistency and best practice processes in the administration of resource consenting has now been implemented, and is being used by 10 councils (Taupo and Otorohanga are not participating). WLASS controls the documentation on the WLASS website, and a Steering Group manages the process for making updates and amendments to the templates and documents in the toolkit.

11 **Regional Infrastructure Technical Specifications (RITS).** The RITS document sets out how to design and construct transportation, water supply, wastewater, stormwater and landscaping infrastructure in the eight participating councils' areas (Hamilton City, Hauraki, Waikato, Waipa, Matamata-Piako, Otorohanga, Waitomo, and South Waikato District Councils). Prior to developing RITS, each council had its own Infrastructure Technical Specifications, which resulted in different standards having to be met across the Waikato region. The purpose of RITS is to provide a single regional guide and specifications for building public infrastructure.

The RITS is published on the WLASS website (http://www.waikatolass.co.nz/), and ongoing maintenance of the document is the responsibility of a Project Co-ordinator, managed by WLASS.

12 **Local Government Contractor Health & Safety Pre-qualification Scheme.** The contract with SHE Assure to manage the Local Government Health & Safety Contractor Pre-qualification Scheme, which was developed by WLASS, continues to operate well. Twenty councils and one CCO are now using the scheme and over 1,500 contractors have registered, which enables them to be pre-qualified to work for any of the participating councils.

Work in Progress

Asset Valuation

The Asset Valuation Working Party has developed a regional asset valuation template and is currently preparing a schedule of regional asset classes, components, lives and unit rates. A methodology for calculating regional Unit Rates and Base Lives from the collated data is also in preparation. This information will be vital to ensure regional consistency in asset revaluations.

Once the template has been finalised, it is proposed to send it to Audit NZ for review and sign off as an approved document for Asset Valuations. This will enable all participating councils to use the same template with confidence that it meets audit requirements, as well as improving regional consistency in the approach to asset valuation, which should have flow-on insurance benefits. Ongoing maintenance of the regional asset valuation template will become the responsibility of WLASS.

Shared Valuation Data Service (SVDS)
The contract with Intergen for SVDS support and hosting services expires on 1 February 2018. Over the past few months, a project team comprising members of the SVDS Advisory Group has been looking at the ongoing provisioning of SVDS, and assessing options. In late September, the project team recommended a change from SVDS to a "Software as a Service" (SaaS) option. If implemented, there would be a significantly improved application, reduced risks, reduced operational costs, and a potentially large capital expenditure would be avoided.

A decision to change from SVDS to SaaS is contingent on the proposed new product being successfully used for Auckland's revaluation. However, it has recently emerged that there have been some issues with that, and it will take some time for Auckland to sort these issues out and to identify the cause of their problems - which may or may not lie with the product that the SVDS Advisory Group currently prefer.

Therefore a recommendation on the preferred solution to replace SVDS has been delayed to allow the team to gain a clearer picture of Auckland's experiences. Once that information is available, the team will assess the next steps. That determination will probably be made in the first quarter of 2018. If the decision is to continue with replacing SVDS with the chosen product, development of the detailed business case will then be undertaken, and presented to the Board. It is anticipated that this decision will be made prior to finalisation of the 2018/19 SOI, and that the financial implications will be fully costed and included in the final budget.

RATA
It is being proposed that Taupo District Council will join RATA from 1 July 2018. However, as Taupo won't be participating in the Data Collection contracts for a couple of years, the impacts are not significant in terms of additional expenses, but their participation will reduce the contribution required from each council to fund RATA's overheads.

Proposed New Activities

In response to the challenge set in the 2016/17 SOI (to "*investigate business transformation opportunities which will improve customer experiences and provide added value, particularly within the digital field of operation*"), a number of projects commenced in the 2017/18 financial year which are likely to result in new work streams for WLASS.

The projects currently being investigated are:

Strategic Review of WLASS
The Board is currently investigating the advantages and disadvantages of expanding the role of WLASS to provide additional services to shareholders (and potentially to markets outside the Waikato). Discussions are underway with BOPLASS to identify potential synergies that might arise from amalgamating the two LASS's, and to understand the capability that would be required to take on this new role – including the governance structure, the design of a contracting model, the design of specific services, managing risk, separating the roles of director and the purchaser of services, indicative costs and establishment timelines.

As the current CEO is retiring in April 2018, an interim CEO is being appointed for a period of a year, while this review is being carried out.

Waikato Data Portal
Geographic Information Systems (GIS) in the Waikato region are characterised by a wide range of systems and software and are at varying levels of maturity. A business case is in preparation for a proposed Waikato Data Portal, which would underpin a regional approach to the provision of spatial information and open data, and enhance the customer experience by providing a single site where customers could access spatial information and other types of data from councils across the Waikato region. The business case will include details of the financial

implications for each council associated with implementing the project (if the proposal is to "Go"). It is anticipated that a decision will be made prior to finalisation of the 2018/19 SOI, and that, if the decision is to proceed, the financial implications will be fully costed and included in the final budget.

Digital Strategy
Work is in progress to define the scope for the development of a WLASS Digital Strategy, what the challenges are, what success would look like, and to make recommendations to the Board on the next steps.

Additional Costs

Apart from the projects discussed above (under Proposed New Activities), no new costs have been included in this draft Statement of Intent.

Waikato Mayoral Forum

Establishment of the **Waikato Mayoral Forum** in 2012 resulted in the creation of five work streams to investigate collaborative opportunities in the areas of governance, spatial planning, two waters, roading, and economic development. An additional work stream for bylaws and policies was created in 2013, focussing on reducing the number and standardising the format of Council policies and bylaws, and developing RITS.

The governance work stream is currently in abeyance. The spatial plan work stream is now known as the Waikato Plan, and is governed by a Joint Committee, which was established in July 2015. New funding to implement the Waikato Plan over the coming three years has been included, noting that funding from external parties is expected to contribute to the cost of this project in Years 2 and 3.

The two-waters project is no longer an active Mayoral Forum project. Hamilton City, Waipa District and Waikato District councils have all been considering options for the future delivery of water services as a result of the Mayoral Forum project. As noted above, the roading work stream (RATA) transferred into WLASS on 1 July 2016. The Economic Development work stream has developed a strategy, and implementation of the "Waikato Means Business" plan was devolved to an independent Steering Group in July 2015. The work of the Policy and Bylaws work stream is in abeyance.

The Mayoral Forum are considering potential new work streams for the new triennium, and there may be a further role for WLASS, which already provides administrative and financial support both to the Mayoral Forum and its work streams. A review of Future Regional Strategic Collaboration Opportunities is currently underway, which may identify new initiatives.

Governance

WLASS has twelve Directors, with each Director representing a shareholder Council.

Unless otherwise agreed by the appointing Councils, each Director shall be the Chief Executive of a local authority. In addition, the Board may appoint up to three professional directors to supplement the Directors' expertise. At this time, no independent directors have been appointed to the Board.

WLASS conducts itself in accordance with its constitution, its annual Statement of Intent as agreed with shareholders, the provisions of the Local Government Act 2002, and WLASS policies.

Directors

The current Directors of WLASS are:

Director	Position	Director Appointed By
Gavin Ion (Chair)	Chief Executive, Waikato District Council	Waikato District Council
Blair Bowcott	Executive Director, Special Projects, Hamilton City Council	Hamilton City Council
Langley Cavers	Chief Executive, Hauraki District Council	Hauraki District Council
Don McLeod	Chief Executive, Matamata-Piako District Council	Matamata-Piako District Council
Dave Clibbery	Chief Executive, Otorohanga District Council	Otorohanga District Council
Geoffrey Williams	Chief Executive, Rotorua District Council	Rotorua District Council
Craig Hobbs	Chief Executive, South Waikato District Council	South Waikato District Council
Gareth Green	Chief Executive, Taupo District Council	Taupo District Council
Rob Williams	Chief Executive, Thames-Coromandel District Council	Thames-Coromandel District Council
Vaughan Payne	Chief Executive, Waikato Regional Council	Waikato Regional Council
Garry Dyet	Chief Executive, Waipa District Council	Waipa District Council
Chris Ryan	Chief Executive, Waitomo District Council	Waitomo District Council

Activities for which the Board seeks Compensation

Additional shared services may be developed during the year that this Statement of Intent is current. Any such services will only be delivered by WLASS after the Directors have agreed that the proposed new service meets the objectives of WLASS.

Shareholders will continue to contribute to the operational costs of the WLASS on an annual basis. Specific projects will be funded solely by those councils which choose to participate, subject to funding approval from each participating council.

Performance Targets

To ensure that the Company continues to operate effectively and efficiently, the performance targets for 2018/19 are as follows:

TARGET	METHOD	MEASURE
Procurement Joint procurement initiatives for goods and services for WLASS councils will be investigated and implemented.	Procurement is from sources offering best value, service, continuity of supply, and/or opportunities for integration.	The Procurement Specialist has developed standard regional procurement policies, templates and procedures and provided training in each council by the end of the financial year. New suppliers are awarded

		contracts through a competitive tender process.
Collaborative Projects Priorities for collaboration are identified, business cases are developed for the highest priority projects, and the projects are implemented.	The focus is on shared services which will benefit all councils.	A minimum of three priority projects for collaboration are identified per annum. If considered of value, business cases are developed for approval by the Board, and the projects are implemented.
Existing WLASS Contracts Existing contracts are managed and renegotiated as required.	Appointed vendors deliver on the terms of their contracts and deliver value to the shareholders.	The WLASS Contracts Register is maintained and managed. Contracts which are due for renewal are tested for competitiveness and either renegotiated or re-tendered through a competitive process.
Cashflow The company shall maintain a positive cashflow position.	The Financial Accountant reviews cashflow monthly, and the WLASS Board reviews the financial statements quarterly.	The WLASS Board reviews the financial statements at least quarterly.
Cost Control Administration expenditure shall be managed and monitored.	The Financial Accountant and Chief Executive review expenditure monthly.	Administration expenditure shall not exceed budget by more than 5%, unless prior approval is obtained from the Board.
Reporting Six monthly reports provided to Shareholders.	The Chief Executive prepares a written report for the WLASS Board every meeting. One 6-monthly and one Annual Report are prepared for shareholders.	The Board shall provide a written report on the business operations and financial position of WLASS to the shareholders every six months. Every second report shall be the Annual Report, which includes a report that all of the statutory requirements of the WLASS are being adhered to.
Waikato Mayoral Forum The company shall provide administrative support to the Mayoral Forum work streams and to the Mayoral Forum.	Mayoral Forum projects shall be managed financially through the WLASS.	Approved invoices for Mayoral Forum projects are paid by the 20th of the month following their receipt.
Shared Valuation Data Services (SVDS) The SVDS is reliable, well maintained and available to all users.	A Contract Manager is appointed for SVDS. The Contract Manager monitors performance of the contractors and reports quarterly to the SVDS Advisory Group.	The SVDS is available to users at least 99% of normal working hours. The SVDS Advisory Group meets at least 6-monthly.

	Risks associated with the SVDS are well managed. The long-term provision of SVDS services is achieved.	The Annual Business Plan is accepted by the Advisory Group by 31 March 2019, and includes consideration of strategic and operational risks, a disaster recovery plan, and a business continuity plan. The timetable and milestones for implementing the long-term provision of SVDS Services (as agreed by the Board), are being achieved.
Insurance Achieve the relevant KPIs in Appendix 4 of the Insurance Brokerage contract with Aon.	The Insurance Broker delivers on the terms of their contract and provides value to the participating councils.	Strategic advice provided by Aon on the insurance programme structure is assessed as satisfactory in the annual WLASS Shareholders' survey by the participating councils. The day-to-day service provided by Aon is assessed as satisfactory in the annual WLASS Shareholders' survey by the participating councils.
RATA Deliver better data for decision making across the Waikato Region, enabling more consistent best practice	Quarterly update reports are provided to all stakeholders participating in the Data Collection contracts. Data supplied by contractors is of good quality and meets all of the participating councils' requirements.	Reports are presented to stakeholders in October/January/April and July each year. Reports on progress presented to WLASS Board as at 30 December and 30 June. All data are reviewed for compliance and all good practice requirements are met. Procurement of services complies with WLASS and NZTA's procurement requirements.
Lead engagement and increase capability within the sector	Innovation: Identify opportunities to modify standard approaches and/or develop new approaches that will lead to optimal asset management. Leadership: Lead engagement and increase capability within the sector.	Present to a national conference on RATA innovations at least once per year. At least two RATA guidance documents detailing good practice are produced each year. RATA Forums are held 2-monthly to share learnings and experience.

Waikato Regional Transport Model (WRTM) The WRTM is reliable, well maintained and available to all users.	RATA manages the WRTM on behalf of the participating councils, and monitors the performance of the model supplier (currently Traffic Design Group). RATA reports quarterly to the WRTM Project Advisory Group.	All modelling reports requested from the model supplier are actioned within the agreed timeframe, scope and budget. A report from RATA on any new developments and on the status of the model is provided to the WLASS Board at least every six months. The quality of the base model complies with NZTA guidelines (as set out in the NZTA's Economic Evaluation Manual), and is independently peer reviewed each time the model is updated.
Waikato Building Consent Group Provide strategic direction and actively pursue improvements in Building Control across the Waikato region.	Implement the strategic priorities detailed in the "Build Waikato" May 2017 strategic review document.	Milestones for the five strategic review work streams are achieved for: • Digital experience and technology: a common online customer experience. Success is defined as user friendly, convenient, quick, end-to end management and communication, measured by customer surveys and systems comparisons. • People capability. Success is defined as a successful recruitment and training programme, measured by compliance with BCA Reg. 8 - 11. • Quality assurance. Success is defined as continued accreditation and increased service consistency, measured by accreditation outcomes, BCA annual audits, and customer surveys. • Lift industry competency and compliance. Success is measured by increased industry compliance, with reduced RFIs, and reducing percentages of application or building consent rejection. • Central government: engagement and legislative influence. Success is measured by legislative submissions and outcomes.

	Fulfil the roles and responsibilities set out in clause 9 of the WBCG's Memorandum of Understanding, 2016.	There is a common understanding and buy-in by all BCAs for the WBCG vision and actions that are taken to achieve this vision, measured by: i. Full participation in WBCG projects and programmes ii. Audits demonstrating implementation and compliance with the agreed QA systems iii. Consistency in service delivery, measured by customer surveys. Risk management is visible through regular reviews of the Risk Register. All funding requirements are met by each of the participating councils. Minimum of two reports presented to the WLASS Board on the Group's activities.
Future Proof Planning for growth in the sub-region is co-ordinated and collaborative. The Future Proof budget is well managed and monitored. Future Proof influences and inputs into District Plan, Regional Plan, growth strategy and any other planning processes which manage growth within the sub-region and neighbouring regions.	Joint preparation and input into Phase 2 of the Strategy update. Bi-monthly reports presented to Waikato Plan and Future Proof Chief Executive Group, and six monthly and annual reports to WLASS Board. Future Proof works collaboratively and provides input into the planning work undertaken by all FP partners and any other relevant planning authorities.	Phase 2 of the Future Proof Strategy is adopted by the Future Proof Implementation Committee no later than December 2018. The overall Future Proof work programme is delivered within the approved budget. Future Proof makes submissions (using RMA and Local Government processes), on District Plans, LTPs, growth management planning documents, and any central government initiatives which have the potential to impact growth management planning in the sub-region.
Shareholder Survey Shareholders are satisfied with the performance of WLASS.	An annual survey of shareholders is undertaken to assess satisfaction levels with WLASS.	A survey of shareholders is undertaken each year, and the results are reported to all shareholders.
Review of Benefits Shareholders are informed of the benefits being provided to shareholding councils by WLASS.	The benefits of WLASS (including financial and non-financial achievements) are regularly analysed and reported to shareholders.	Information on the financial and non-financial benefits being achieved by WLASS are included in the 6-monthly and Annual Report to shareholders.

		The WLASS website is regularly maintained and updated.

Policy Statements

Statement of Accounting Principles

Financial statements are for a company wholly owned by the 12 local authorities within the Waikato Region, in the proportion of one share per local authority. Financial statements are prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with the New Zealand Generally Accepted Accounting Practice (NZ GAAP), the Financial Reporting Act 1993 and the NZ Financial Reporting Standard No. 42.

Specific Accounting Principles

The following particular principles, which have a significant effect on measurement of the financial position, will apply:

- Receivables are recorded at their face value, less any provisions for impairment.
- Investments are valued at the prevailing market value.
- Fixed assets are recorded at cost, less accumulated depreciation.

Intangible Assets

Where intangible assets are purchased, such as intellectual property and computer software, these are capitalised and written off on a straight line basis over their expected life, but over no greater than seven years.

Depreciation / Amortisation is provided on a straight-line basis on all assets other than land, and shall align with normal accepted depreciation for the types of services being developed.

Impairment Testing

Assets with a finite life are reviewed annually for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Balance Sheet Ratios

The Local Government Act 2002 requires the Statement of Intent to include the projected ratio of shareholders' funds to total assets within the Forecast Statement of Financial Position.

WLASS is budgeted to have an accumulated shareholders fund of $435,903 at 30 June 2018, which relates to 55.6% of total assets. The only liabilities of WLASS are trade creditors.

The Forecast Financial Statements for 2017/18 are included as part of this Statement of Intent.

Procedures for the Purchase and Acquisition of Shares

The Board will give approval before WLASS subscribes for, purchases, or otherwise acquires shares in any company or other organisation, which is external to the Group.

Inventories

It is not envisaged that the company will hold inventories, other than those that might relate to providing computer-based services to a number of parties. They will be valued at net realisable value.

Taxation

Taxation will be provided as required against the company, in line with the required legislation.

In accordance with the Public Audit Act 2001 and the Local Government Act 2002, the Auditor General will be responsible for the audit of the company's financial statements.

As the current shared services are on a cost recovery basis, it is not envisaged that any dividends will be paid.

Value of Shareholders' Investment

The Directors' estimate of the commercial value of the shareholders' investment in WLASS is equal to the shareholders equity in the company. Reassessment of the value of this shareholding shall be undertaken on or about 1 April each year.

Distributions to Shareholders

The Company is not expected to make profits that would ordinarily be distributed by way of dividends. Any surplus funds remaining from an activity or from the annual operations of the Company shall be carried forward to the ensuing year and may be used to reduce service costs, invest in further developing other services, and/or as the Directors may decide.

Compensation

The Directors of WLASS will not receive any fees or expenses for work undertaken on behalf of the company.

As the basis of funding for WLASS, payment will be sought from all local authorities that receive services from WLASS.

Information Provided to Shareholders

The company will deliver the following information to shareholders:

- Within two months of the end of the first half of the financial year, a 6-monthly report, including a Statement of Financial Performance, a Statement of Changes in Equity, a Statement of Financial Position, and a Statement of Cashflows and Service Performance.

- Within three months of the end of the financial year, an audited Statement of Financial Performance, Statement of Changes in Equity, Statement of Financial Position, a Statement of Cashflows and Service Performance, plus a summary of how the company has fared against its objectives.

Review of Statement of Intent

The Directors shall approve by 1 March of each year a Draft Statement of Intent for distribution to, and consideration by, the shareholders.

The shareholders must provide any comments or feedback on the Draft Statement of Intent within two months of receipt of the document. The Directors must consider all comments that are received, and shall deliver the completed Statement of Intent to the shareholders by 30 June.

Financials

Company Summary

Waikato Local Authority Shared Services
Company Summary
For the Year Ended 30 June 2019

	Budget 2017/18	Budget 2018/19	Variance	Budget 2019/20	Budget 2020/21
Income					
Company Administration	301,788	298,284	(3,503)	300,294	306,742
Procurement	599,655	419,166	(180,489)	309,166	319,166
Information Technology	43,600	37,577	(6,023)	37,577	37,577
Energy Management	124,200	136,500	12,300	0	0
Shared Valuation Data Service (SVDS)	649,648	683,685	34,037	698,726	609,122
Road Asset Technical Accord (RATA)	930,621	978,560	47,939	1,765,754	965,453
Waikato Regional Transport Model (WRTM)	102,299	103,542	1,243	103,752	104,778
Waikato Building Consent Group	316,105	318,385	2,280	325,390	332,548
Future Proof	580,977	544,091	(36,886)	409,091	384,091
Waikato Mayoral Forum	471,672	525,000	53,328	500,000	500,000
Total Income	4,120,565	4,044,790	(75,775)	4,449,749	3,559,477
Operating Expenditure					
Company Administration	301,788	298,284	(3,503)	300,294	306,742
Procurement	572,655	505,166	(67,489)	309,166	319,166
Information Technology	43,600	37,577	(6,023)	37,577	37,577
Energy Management	124,200	136,500	12,300	0	0
Shared Valuation Data Service (SVDS)	684,864	635,635	(49,229)	494,970	435,021
Road Asset Technical Accord (RATA)	951,598	1,015,800	64,202	1,800,380	959,968
Waikato Regional Transport Model (WRTM)	102,299	103,542	1,243	103,752	104,778
Waikato Building Consent Group	316,105	562,010	245,905	325,390	332,548
Future Proof	580,977	544,091	(36,886)	409,091	384,091
Waikato Mayoral Forum	471,672	571,439	99,767	500,000	500,000
Total Operating Expenditure	4,149,757	4,410,044	260,286	4,280,619	3,379,891
Earnings before interest, tax and depreciation/ amortisation (EBITA)	(29,193)	(365,254)	(336,061)	169,130	179,587
Non-Cash Operating Expenditure					
Company Admin Non-Cash Expenditure	171	256	85	0	0
SVDS Non-Cash Expenditure	91,223	90,444	(779)	45,000	112,222
WRTM Non-Cash Expenditure	72,916	72,916	0	0	0
Total Non-Cash Operating Expenditure	164,310	163,616	(694)	45,000	112,222
Earnings before interest and tax (EBIT)	(193,503)	(528,870)	(335,367)	124,130	67,365
Net Surplus (Deficit) before tax	(193,503)	(528,870)	(335,367)	124,130	67,365
Company Admin Net Surplus (Deficit) before tax	(171)	(256)	(85)	0	0
Procurement Net Surplus (Deficit) before tax	27,000	(86,000)	(113,000)	0	0
IT Net Surplus (Deficit) before tax	0	0	0	0	0
Energy Mgmt Net Surplus (Deficit) before tax	0	0	0	0	0
SVDS Net Surplus (Deficit) before tax	(126,439)	(42,394)	84,045	158,756	61,880
RATA Net Surplus (Deficit) before tax	(20,977)	(37,240)	(16,263)	(34,626)	5,485
WRTM Net Surplus (Deficit) before tax	(72,916)	(72,916)	0	0	0
Building Net Surplus (Deficit) before tax	0	(243,625)	(243,625)	0	0
Future Proof (Deficit) before tax	0	0	0	0	0
Mayoral Forum Net Surplus (Deficit) before tax	0	(46,439)	(46,439)	0	0
Net Surplus (Deficit) before tax	(193,503)	(528,870)	(335,367)	124,130	67,365
Capital Expenditure					
SVDS Enhancements	10,384	0	(10,384)	0	0
SaaS provision Implementation & Mods	0	250,000	250,000	200,000	100,000
Total Capital Expenditure	10,384	250,000	239,616	200,000	100,000

Company Administration

Waikato Local Authority Shared Services
Company Admin
For the Year Ended 30 June 2019

Waikato Local Authority SHARED SERVICES

	Notes	Budget 2017/18	Budget 2018/19	Variance	Budget 2019/20	Budget 2020/21
Income						
Company Administration Member Charges		213,531	213,802	271	213,808	218,512
Recovery of Admin Costs		78,256	70,482	(7,774)	72,178	73,608
Interest Received	1	10,000	14,000	4,000	14,308	14,623
Total Income		301,788	298,284	(3,503)	300,294	306,742
Expenses						
Accounting/ Financial Services	1	48,000	43,500	(4,500)	44,457	45,435
External Accounting/ Financial Services	1	5,095	5,600	505	5,723	5,849
Audit Fees		20,600	20,600	0	20,910	21,220
IT Services		94	96	2	98	100
Bank Charges	1	510	400	(110)	409	418
Legal Fees		2,548	2,500	(48)	2,555	2,611
Value Financials Licence Fee		2,784	2,784	0	2,845	2,907
Sundry Expenses		1,325	1,351	26	1,381	1,411
Professional Fees		2,548	2,598	51	2,656	2,714
Insurance		2,768	2,739	(29)	2,799	2,861
Shared Services Contractors	2	199,724	150,000	(49,724)	200,000	204,400
Company Secretary Services		5,605	5,717	112	5,842	5,971
Mileage Costs	2	10,190	10,000	(190)	10,220	10,445
Review of WLASS	3	0	50,000	50,000	0	0
WLASS Website		0	400	400	400	400
Total Expenses		301,788	298,284	(3,503)	300,294	306,742
Earnings before interest, tax and depreciation/ amortisation (EBITA)		**0**	**0**	**(0)**	**0**	**0**
Non-Cash Expenses						
Depreciation	4	171	256	85	0	0
Earnings before interest and tax		(171)	(256)	(85)	0	0
Net Surplus (Deficit) before tax		**(171)**	**(256)**	**(85)**	**0**	**0**

Notes

1) Based on 2017/18 actual costs.
2) The budget has been reduced by $50K in 2018/19 to reflect actual costs in 2017/18. An allowance of $50K has been added in years 2 and 3 for additional resources to be engaged to progress new work streams, following completion of the strategic review of WLASS.
3) Proposed new budget for continuation of strategic review.
4) MoneyWorks to be full amortised by 30 June 2019. Financial system under review.

Procurement

Waikato Local Authority Shared Services
Procurement of Shared Services
For the Year Ended 30 June 2019

Waikato Local Authority SHARED SERVICES

	Notes	Budget 2017/18	Budget 2018/19	Variance	Budget 2019/20	Budget 2020/21
Income						
Procurement Member Charges	1	20,000	80,000	60,000	20,000	20,000
N3 Membership Fee Recovery		18,000	18,000	0	18,000	18,000
Value Financials Fee Recovery	2	30,946	30,946	0	30,946	30,946
Insurance Brokerage Fee Recovery	3	150,300	200,300	50,000	150,300	160,300
Infometrics Fee Recovery	4	69,920	69,920	0	69,920	69,920
Health and Safety Working Party		5,000	5,000	0	5,000	5,000
WRAPS Recovery	5	153,489	0	(153,489)	0	0
Regional Infrastructure Tech Spec Co-ordinator	6	0	15,000	15,000	15,000	15,000
Historical Aerial Photos Recovery		77,000	0	(77,000)	0	0
Aligned Resourse Consent Planning		75,000	0	(75,000)	0	0
Total Income		599,655	419,166	(180,489)	309,166	319,166
Expenses						
Professional Services	1	20,000	80,000	60,000	20,000	20,000
N3 Membership Fee Recovery		18,000	18,000	0	18,000	18,000
Value Financial Fees	2	30,946	30,946	0	30,946	30,946
Insurance Brokerage Fee Payable	3	150,300	200,300	50,000	150,300	160,300
Infometrics	4	69,920	69,920	0	69,920	69,920
Health and Safety Working Party		5,000	5,000	0	5,000	5,000
WRAPS Services	5	153,489	0	(153,489)	0	0
Regional Infrastructure Tech Spec Co-ordinator	6	0	15,000	15,000	15,000	15,000
Historical Aerial Photos Services		50,000	31,000	(19,000)	0	0
Aligned Resourse Consent Planning		75,000	0	(75,000)	0	0
Procurement Advisor	7	0	55,000	55,000	0	0
Total Expenses		572,655	505,166	(67,489)	309,166	319,166
Earnings before interest, tax and depreciation/ amortisation (EBITA)	7	**27,000**	**(86,000)**	**(113,000)**	**0**	**0**
Earnings before interest and tax		27,000	(86,000)	(113,000)	0	0
Net Surplus (Deficit) before tax		**27,000**	**(86,000)**	**(113,000)**	**0**	**0**

Notes

1) Increase in 2018/19 to provide for new Professional Services Panel (PSP) tender and legal review process.
2) The councils involved are Taupo including two CCO's, Waitomo District, Waikato Regional Council and WLASS.
3) Provision of $10k every second year to meet with London Underwriters. Note: The brokerage contract will be re-tendered in 2018/19, and new rates will apply from 2019/20. An additional $40K has also been budgeted in 2018/19, to engage Lion Partnership to undertake a review as part of the brokerage contract tender
4) The councils involved are Hamilton City, Hauraki, Matamata-Piako, South Waikato, Thames Coromandel, Waikato District and Waikato Regional Councils.
5) Next WRAPS contract will be in 2020/21, but budget is not yet known.
6) To fund a contractor to manage and review requests for changes/improvements/updates to the document. Funded only by those Councils using RITS (all of the shareholding Councils, excluding Rotorua, Taupo, Thames Coromandel and Waikato Regional).
7) Funds transferred from revenue in advance.

Information Technology

Waikato Local Authority Shared Services
Information Technology (IT)
For the Year Ended 30 June 2019

	Notes	Budget 2017/18	Budget 2018/19	Variance	Budget 2019/20	Budget 2020/21
Income						
IT Initiative Contributions		43,600	35,000	(8,600)	35,000	35,000
Waikato Data Portal Project	1	0	0	0	0	0
Collaboration Portal Additional Licences		0	1,577	1,577	1,577	1,577
Meeting Expenses		0	1,000	1,000	1,000	1,000
Total Income		43,600	37,577	(6,023)	37,577	37,577
Expenses						
Waikato Data Portal Project	1	0	0	0	0	0
GIS Shared Data Portal	2	7,600	0	(7,600)	0	0
Collaboration Portal	3	35,000	36,577	1,577	36,577	36,577
Meeting Expenses		1,000	1,000	0	1,000	1,000
Total Expenses		43,600	37,577	(6,023)	37,577	37,577
Earnings before interest, tax and depreciation/ amortisation (EBITA)		**0**	**0**	**0**	**0**	**0**
Earnings before interest and tax		0	0	0	0	0
Net Surplus (Deficit) before tax		**0**	**0**	**0**	**0**	**0**

Notes

1) Business case will determine cost of project.
2) This project is now included as part of the Waikato Data Portal project.
3) All councils are involved except Rotorua and Taupo, who are participating via BOPLASS.

Energy Management

Waikato Local Authority Shared Services
Energy Management
For the Year Ended 30 June 2019

	Notes	Budget 2017/18	Budget 2018/19	Variance	Budget 2019/20	Budget 2020/21
Income						
EECA Collaboration - Council Contributions	1	89,200	101,500	12,300	0	0
EECA Revenue		35,000	35,000	0	0	0
Total Income		124,200	136,500	12,300	0	0
Expenses						
EECA Collaboration		89,200	101,500	12,300	0	0
Professional Services Costs		35,000	35,000	0	0	0
Total Expenses		124,200	136,500	12,300	0	0
Earnings before interest, tax and depreciation/ amortisation (EBITA)		**0**	**0**	**0**	**0**	**0**
Earnings before interest and tax		0	0	0	0	0
Net Surplus (Deficit) before tax		**0**	**0**	**0**	**0**	**0**

Notes

1) All councils are involved, except Matamata-Piako, who were not eligible. The Agreement expires on 30 April 2019.

Shared Valuation Data Service (SVDS)

Waikato Local Authority Shared Services
Shared Valuation Data Service (SVDS)
For the Year Ended 30 June 2019

Waikato Local Authority SHARED SERVICES

	Notes	Budget 2017/18	Budget 2018/19	Variance	Budget 2019/20	Budget 2020/21
Income						
SVDS Member Charges		206,980	211,120	4,140	215,764	115,764
TA Valuation Services Recovery		80,189	80,189	0	81,953	83,718
SVDS Enhancements Recovery	1	10,414	0	(10,414)	0	0
SVDS Data & Software Sales		352,065	392,376	40,311	401,008	409,641
Total Income		649,648	683,685	34,037	698,726	609,122
Expenses						
Hosting Contract		49,592	0	(49,592)	0	0
Software Contract		107,470	0	(107,470)	0	0
RVSL Holding & Application Support	2	0	86,700	86,700	22,152	0
Management Services		288,568	294,339	5,771	73,585	0
TA Valuation Services		79,954	81,553	1,599	83,347	85,181
SaaS Hosting	3	0	31,000	31,000	200,000	256,000
SaaS Contingency	3	0	25,000	25,000	25,000	25,000
Consultancy Fees		24,192	24,192	0	24,724	25,268
DVR Data Services Project Manager		45,000	45,000	0	20,000	0
Software Support Contingency		6,369	15,000	8,631	15,000	15,000
Support & Hosting Contract Renewal Consulting		50,000	0	(50,000)	0	0
Security Certificates		300	300	0	307	0
Insurance	4	1,385	4,309	2,923	4,339	1,465
Legal Fees	5	8,000	8,000	0	4,176	4,268
Secretarial Services		3,057	3,118	61	3,187	3,257
On charge of WLASS Admin Costs		20,977	17,124	(3,853)	19,154	19,582
Total Expenses		684,864	635,635	(49,229)	494,970	435,021
Earnings before interest, tax and depreciation/ amortisation (EBITA)		**(35,216)**	**48,050**	**83,266**	**203,756**	**174,102**
Non-Cash Expenses						
Depreciation	6,7	91,223	90,444	(779)	45,000	112,222
Earnings before interest and tax		(126,439)	(42,394)	84,045	158,756	61,880
Net Surplus (Deficit) before tax		**(126,439)**	**(42,394)**	**84,045**	**158,756**	**61,880**
Capital Expenditure						
Enhancements	1	10,384	0	(10,384)	0	0
SaaS provision Implementation & Mods	8	0	250,000	250,000	200,000	100,000
Total Capital Expenditure		10,384	250,000	239,616	200,000	100,000
Total Cash Expenditure	8	(45,599)	(201,950)	(156,350)	3,756	74,102

Notes

1) No further enhancement work to be done on the SVDS asset.
2) Hosting and Software contracts to be combined into Hosting & Application support contract. Finishing in 2019/20.
3) Estimated costs for new service provider. Cost to increase as Councils switch from SVDS.
4) Professional indemnity and technology liability insurance finishing 2019/20.
5) Provision in 2017/18 to tie in with contract review.
6) SVDS Asset to be fully depreciated by 30 June 2019.
7) Depreciation to begin on the new asset after implementation project finishes in December 2019.
8) Cash surplus is allocated to the cost for implementation of new asset; total $550,000 spread over three years.

Road Asset Technical Accord (RATA)

Waikato Local Authority Shared Services
Road Asset Technical Accord (RATA)
For the Year Ended 30 June 2019

	Notes	Budget 2017/18	Budget 2018/19	Variance	Budget 2019/20	Budget 2020/21
Income						
Data Collection	1	320,985	321,300	315	1,062,880	202,356
Member Charges	2	591,636	600,500	8,864	645,261	704,217
Project Management (WRTM)		18,000	18,000	0	18,000	18,000
IDS licence fees	3	0	38,760	38,760	39,613	40,880
Total Income		930,621	978,560	47,939	1,765,754	965,453
Expenses						
Data Collection	1	320,985	321,300	315	1,062,880	202,356
IDS licence fees	3	0	38,760	38,760	39,613	40,880
Forward Works Programme Tours		5,095	3,000	(2,095)	3,066	3,133
Waikato RATA Forum	4	3,057	1,500	(1,557)	1,533	1,567
Benchmarking of Reg Road Outcomes		20,380	20,000	(380)	20,440	22,484
Deterioration Modelling		47,893	30,000	(17,893)	30,660	31,335
Staff and Contractor Services	5	361,000	434,000	73,000	456,834	470,631
External Contractor (Data Collection)		7,133	0	(7,133)	0	0
On charge of WLASS Admin Costs		20,977	21,240	263	19,154	19,582
Overheads	6	165,078	146,000	(19,078)	166,200	168,000
Total Expenses		951,598	1,015,800	64,202	1,800,380	959,968
Earnings before interest, tax and depreciation/ amortisation (EBITA)	7	**(20,977)**	**(37,240)**	**(16,263)**	**(34,626)**	**5,485**
Earnings before interest and tax		(20,977)	(37,240)	(16,263)	(34,626)	5,485
Net Surplus (Deficit) before tax		**(20,977)**	**(37,240)**	**(16,263)**	**(34,626)**	**5,485**

Notes

1) Data collection is charged monthly in arrears based on actual work done. Discussions for commitment by Councils to begin in 2018.
2) Member charges are calculated on the basis of each council's participation, as detailed in the RATA Business Plan, with the expected addition of Taupo District Council from 1 July 2018.
3) IDS licences are charged to participating Councils based on actual fees.
4) Formerly Asset Managers' Forum.
5) Recruited new staff member in Asset Information Engineer position.
6) Waipa District Council provides RATA with full support services, including vehicles, staff training/development, IT/phones, stationery, accommodation, communications and Group Manager support.
7) Revenue in advance to offset deficit.

Waikato Regional Transport Model (WRTM)

Waikato Local Authority Shared Services
Waikato Regional Transport Model (WRTM)
For the Year Ended 30 June 2019

	Notes	Budget 2017/18	Budget 2018/19	Variance	Budget 2019/20	Budget 2020/21
Income						
WRTM Member Charges		90,299	91,542	1,243	91,752	92,778
External User Recovery		12,000	12,000	0	12,000	12,000
Total Income		102,299	103,542	1,243	103,752	104,778
Expenses						
WRTM Project Manager		18,000	18,000	0	18,000	18,000
Minor Model Upgrades		30,570	31,181	611	31,867	32,568
Peer Review		5,095	5,197	102	5,311	5,428
Annual Scheduling of Works Review		4,586	4,678	92	4,781	4,886
Insurance		1,385	1,403	18	1,433	1,465
External User Costs		10,000	10,000	0	10,000	10,000
HIS Input into National Survey	1	25,000	25,000	0	25,000	25,000
On charge of WLASS Admin Costs		7,663	8,083	420	7,359	7,430
Total Expenses		102,299	103,542	1,243	103,752	104,778
Earnings before interest, tax and depreciation/ amortisation (EBITA)		**0**	**0**	**(0)**	**0**	**0**
Non-Cash Expenses						
Depreciation	2	72,916	72,916	0	0	0
Earnings before interest and tax		(72,916)	(72,916)	(0)	0	0
Net Surplus (Deficit) before tax		**(72,916)**	**(72,916)**	**(0)**	**0**	**0**

Notes

1) Provisional Sum - HIS research topic with NZTA at present. Assumes input into national survey. Actual costs to be scoped with MOT.
2) The WRTM asset will be fully depreciated by 30 June 2019. The model will be substantially reviewed during 2018/19 with new census data and a software platform review.

Waikato Building Consent Group

Waikato Local Authority Shared Services
Waikato Building Consent Group
For the Year Ended 30 June 2019

	Notes	Budget 2017/18	Budget 2018/19	Variance	Budget 2019/20	Budget 2020/21
Income						
Member Charges	1	276,105	318,385	42,280	325,390	332,548
Accumulated Fund	2	40,000	0	(40,000)	0	0
Total Income		316,105	318,385	2,280	325,390	332,548
Expenses						
Salaries		220,600	180,600	(40,000)	184,573	188,634
Contracted Services		0	40,000	40,000	40,880	41,779
Strategic Review / Work Plan	3	0	243,625	243,625	0	0
Vehicle Expenses		20,389	20,389	0	20,838	21,296
Training / Professional Fees		6,400	6,400	0	6,541	6,685
Operating Costs		653	653	0	667	682
Communications / IT Costs		3,000	3,000	0	3,066	3,133
Annual Subscriptions		400	400	0	409	418
On charge of WLASS Admin Costs		7,663	9,943	2,280	10,162	10,386
Overheads	4	57,000	57,000	0	58,254	59,536
Total Expenses		316,105	562,010	245,905	325,390	332,548
Earnings before interest, tax and depreciation/ amortisation (EBITA)	3	**0**	**(243,625)**	**(243,625)**	**0**	**0**
Earnings before interest and tax		0	(243,625)	(243,625)	0	0
Net Surplus (Deficit) before tax		**0**	**(243,625)**	**(243,625)**	**0**	**0**

Notes

1) Participating councils are Hamilton City, Hauraki, Matamata Piako, Otorohanga, Thames Coromandel, Waikato, Waipa and Waitomo District councils.
2) The Accumulated Fund relates to the original five councils (Hamilton, Matamata-Piako, Otorohanga, Waikato and Waipa) and has now been fully expended.
3) Revenue received in advance to offset deficit.
4) Waikato DC provides the Building Consent Group with support services, including accommodation, IT, HR and Group Manager support.

Future Proof

Waikato Local Authority Shared Services
Future Proof
For the Year Ended 30 June 2019

Waikato Local Authority SHARED SERVICES

	Notes	Budget 2017/18	Budget 2018/19	Variance	Budget 2019/20	Budget 2020/21
Income						
Member Charges	1	580,977	544,091	(36,886)	409,091	384,091
Total Income		580,977	544,091	(36,886)	409,091	384,091
Expenses						
Implementation Advice		110,000	110,000	0	110,000	110,000
Tāngata Whenua Implementation Advice		15,000	10,000	(5,000)	10,000	10,000
Independent Chair		45,000	45,000	0	25,000	25,000
Tāngata Whenua Forum (NKAOTW)		15,000	20,000	5,000	15,000	15,000
Future Proof Planner		65,000	70,000	5,000	70,000	70,000
Future Proof & Waikato Plan Administrator		0	15,000	15,000	15,000	15,000
On charge of WLASS Admin Costs		20,977	14,091	(6,886)	14,091	14,091
Office Support / Services / Mileage	2	15,000	15,000	0	15,000	15,000
Future Proof Implementation Projects						
Waikato DP Review		15,000	10,000	(5,000)	0	0
General Submissions		20,000	25,000	5,000	25,000	15,000
Cross-Boundary issues with Auckland Council		5,000	5,000	0	5,000	5,000
Data for Monitoring		5,000	5,000	0	10,000	10,000
Strategy Actions - Implementation		20,000	30,000	10,000	70,000	70,000
Water Policy Group Projects	3	10,000	10,000	0	10,000	10,000
Future Proof Strategy Update - Phase 1						
Future Proof Strategy Update 1		25,000	0	(25,000)	0	0
Publishing		15,000	0	(15,000)	0	0
Consultation		45,000	0	(45,000)	0	0
Future Proof Strategy Update - Phase 2						
Future Proof Strategy Update 2	4	50,000	50,000	0	0	0
NPS Assessments incl. Data Requirements		50,000	25,000	(25,000)	0	0
Consultation		0	30,000	30,000	0	0
Publishing		0	15,000	15,000	0	0
RPS and DP Changes to Implement NPS		15,000	20,000	5,000	15,000	0
Update Future Proof website		20,000	20,000	0	0	0
Total Expenses		580,977	544,091	(36,886)	409,091	384,091
Earnings before interest, tax and depreciation/ amortisation (EBITA)		**0**	**0**	**0**	**0**	**0**
Earnings before interest and tax		0	0	0	0	0
Net Surplus (Deficit) before tax		**0**	**0**	**0**	**0**	**0**

Notes

1) Participating councils are Hamilton City, Waikato and Waipa Districts and Waikato Regional Council.
2) Hamilton City Council provides the support services for Future Proof, including accommodation and operational costs.
3) Implementing Three Waters Action Plan and other Water Policy Group projects.
4) Update to meet the requirements of the NPS.

Waikato Mayoral Forum

Waikato Local Authority Shared Services
Waikato Mayoral Forum
For the Year Ended 30 June 2019

Waikato Local Authority SHARED SERVICES

	Notes	Budget 2017/18	Budget 2018/19	Variance	Budget 2019/20	Budget 2020/21
Income						
Waikato Plan Implementation	1	466,672	0	(466,672)	0	0
External Funding		0	130,000	130,000	247,500	247,500
Contributing Councils		0	390,000	390,000	247,500	247,500
Meeting Expenses Recovery		5,000	5,000	0	5,000	5,000
Total Income		471,672	525,000	53,328	500,000	500,000
Expenses						
Waikato Plan Implementation		466,672	520,000	53,328	495,000	495,000
Strategic Collaboration	2	0	46,439	46,439	0	0
Meeting Expenses		5,000	5,000	0	5,000	5,000
Total Expenses		471,672	571,439	99,767	500,000	500,000
Earnings before interest, tax and depreciation/ amortisation (EBITA)		**0**	**(46,439)**	**(46,439)**	**0**	**0**
Earnings before interest and tax		0	(46,439)	(46,439)	0	0
Net Surplus (Deficit) before tax	2	**0**	**(46,439)**	**(46,439)**	**0**	**0**

Notes

1) External funding of $130,000 is expected to contribute to income in 2018/19, and $247,500 (50%) is expected from external sources thereafter. The budget assumes that the Waikato Plan project continues over the next 3 years. However, if one or more of the participating councils decides not to continue funding their share of the project, the project may not continue.
2) Funds transferred from 2017/18 revenue in advance.

Balance Sheet

Waikato Local Authority Shared Services
Balance Sheet
For the Year Ended 30 June 2019

Waikato Local Authority SHARED SERVICES

	Budget 2017/18	Budget 2018/19	Variance	Budget 2019/20	Budget 2020/21
CAPITAL					
Shares - SVDS	1,607,001	1,607,001	0	1,607,001	1,607,001
Shares - WRTM	1,350,000	1,350,000	0	1,350,000	1,350,000
Profit and Loss	(2,328,930)	(2,367,172)	(38,242)	(2,896,042)	(2,771,911)
Plus Current Year Operating Surplus/(Deficit)	(38,242)	(528,870)	(490,628)	124,130	67,365
TOTAL CAPITAL FUNDS	**589,829**	**60,959**	**(528,870)**	**185,090**	**252,455**
ASSETS					
CURRENT ASSETS					
Prepayments	2,692	1,554	(1,138)	3,272	3,344
Accounts Receivable	3,394	36,617	33,223	36,701	37,111
RWT On Interest	1,820	3,920	2,100	4,006	4,094
Local Authority Shared Services 00	0	0	0	0	0
Local Authority Shared Services On-Call	623,031	282,239	(340,792)	479,952	636,505
GST Paid	(48,066)	(3,295)	44,770	(45,937)	(109,561)
TOTAL CURRENT ASSETS	582,871	321,035	(261,837)	477,994	571,493
NON-CURRENT ASSETS					
SVDS - Intangible Asset	3,085,506	3,085,506	0	3,085,506	3,085,506
WRTM - Intangible Asset	2,296,855	2,296,855	0	2,296,855	2,296,855
MoneyWorks Software	1,195	1,195	0	1,195	1,195
Accumulated Depreciation	(5,041,294)	(5,205,604)	(164,310)	(5,250,604)	(5,362,826)
TOTAL NON-CURRENT ASSETS	342,262	177,952	(164,310)	132,952	20,730
NET ASSETS	**925,134**	**498,987**	**(426,147)**	**610,946**	**592,223**
LESS CURRENT LIABILITIES					
Accounts Payable	323,831	422,629	98,798	410,226	323,906
Accounts Payable Accrual	11,473	15,399	3,925	15,630	15,862
TOTAL CURRENT LIABILITIES	335,305	438,028	102,723	425,856	339,768
NET WORKING CAPITAL	**589,829**	**60,959**	**(528,870)**	**185,090**	**252,455**

Statement of Cashflows

Waikato Local Authority Shared Services
Statement of Cashflows
For the Year Ended 30 June 2019

Waikato Local Authority SHARED SERVICES

	Budget 2017/18	Budget 2018/19	Variance	Budget 2019/20	Budget 2020/21
Cashflows from Operating Activities					
Interest Received	10,000	14,000	4,000	14,308	14,623
Receipts from Other Revenue	4,077,839	4,044,790	(33,049)	4,449,749	3,559,477
Payments to Suppliers	(4,085,276)	(4,406,124)	(320,848)	(4,276,613)	(3,375,796)
Taxes Paid	(1,260)	3,920	5,180	4,006	4,094
Goods & Services tax (net)	6,679	(5,166)	(11,845)	6,261	(45,845)
Net cash from operating activities	7,982	(348,580)	(356,562)	197,712	156,553
Capital Enhancements	(10,384)	0	10,384	0	0
Net cash from investing activities	(10,384)	0	10,384	0	0
Net increase in cash, cash equivalents and bank accounts	(2,401)	(348,580)	(346,179)	197,712	156,553
Opening cash and cash equivalents and bank overdrafts	633,221	630,820	(2,401)	282,239	479,952
Closing cash, cash equivalents and bank accounts	**630,820**	**282,240**	**(348,580)**	**479,952**	**636,505**
Summary of Bank Accounts					
BNZ - Call a/c	630,820	282,239	(348,581)	479,952	636,505
Closing Balance of Bank	**630,820**	**282,239**	**(348,581)**	**479,952**	**636,505**