10.1 Capital Portfolio Monitoring and Budget Update - April 2025

Report To:	Council
Meeting Date:	Wednesday, 28 May 2025
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Purpose

To update Council on the performance of the overall capital portfolio and key projects.

Recommendation

That the Council:

a. receives and notes the Capital Portfolio Monitoring Report (Resolve #2025-110).

Executive Summary

This is the first year of the 2024-34 Long-Term Plan. The 2024-25 total approved capital budget is $46.4 million.

A budget adjustment of $1.071 million was made under Council resolution as a result of changes to the Roading budgets through reductions in NZTA Waka Kotahi subsidy. Budget transfers of $565k have been made since the October 2024 Capital Portfolio Monitoring Report.

The total capital expenditure as of 30 April 2025 is $18.4 million, 40% of the total approved capital budget. Additionally, $12.5 million is contractually committed with a further $4.5 million in the procurement stage.

Context

The following definitions are relevant:
Portfolio - refers to the total organisational capital work budget for 2024-25 FY.
Programme - refers to two or more projects that are managed in a coordinated way to deliver a set of benefits.
Project - refers to the individual project under a particular programme. These projects may have funding from multiple activities and occur across multiple years.

Discussion

Capital Expenditure and Forecasts
For the ten months to 30 April 2025, the actual expenditure to date is $18.4 million, which represents 40% of the total approved budget.

The attached tables summarise the forecast expenditure versus budget and the financial summary for the various capital programmes.

Note:
The $10.8 million uncommitted spend relates to:

- projects that are in the initiation/planning phase with no expenditure
- those projects or programmes which do not require a contract or competitive tender process as per the Procurement Policy
- reactive renewals
- potential savings from projects
- work that is currently on hold and awaiting a decision.

Options

N/A

Linkage to Strategic Plan Priorities

Vibrant culture
Healthy proud and connected community
Environmental sustainability
Economic development
Durable infrastructure

Consultation (Internal and External)

Consultation (both internal and external) took place during the 2024-34 Long Term Plan process.

Financial Considerations

Budgets have been discussed and approved during the 2024-34 Long Term Plan process.

Risks

Portfolio Risks
There are currently three portfolio risks that are being monitored and managed.

Cost escalation
This risk relates to the ongoing dynamic economic environment and the national and international demand for certain materials. The consequences include project delays and escalating costs. The Projects and Programmes team continues to monitor the economic environment and factor these into project planning and delivery strategies.

Capacity within the market
This risk concerns the availability of both materials and labour. The current drive for increased development by Central Government, Local Government, and private developers is placing significant pressure on the consulting and contracting sectors. The high level of resourcing required to meet this regional demand may affect the delivery of future projects and programmes.

To mitigate this, we are reviewing procurement and delivery strategies to package work in a way that secures necessary resources. We are also engaging regularly with other councils across the region to understand their capital programmes and delivery timelines, enabling better coordination.

External providers
This risk relates to project delays caused by dependencies on external utility providers (e.g. Powerco and Firstgas). These providers' internal processes for work approvals are inconsistent and often lack clear timeframes. In addition, any work involving their networks must be carried out by accredited contractors, and the timelines for this work vary based on job priority and when the job is logged.

There are also ongoing issues with timely approvals from network providers such as KiwiRail and Waka Kotahi, which further impact project timelines.

Significance & Engagement Policy

The matters and recommendation contained in this report do not trigger Council's Significance and Engagement Policy.

Reference

2024-34 Long Term Plan

Attachments

1. Capital Expenditure Financial Report