



HALF YEARLY REPORT TO SHAREHOLDERS



Period ended 31 December 2023

“COUNCILS PARTNERING FOR VALUE AND SERVICE”



BOPLASS Chair's Report

It is with pleasure the Directors present their 2023/2024 Half Yearly Report to Shareholders demonstrating the considerable contribution the company makes to collaboration between councils.

While BOPLASS typically reports on the substantial financial savings the company makes for its shareholding councils, it is important to also recognise some of the less-tangible benefits that may not always be measured financially, but still provide significant efficiencies or resource savings for all participating councils. Some examples for this year have been:

- The collective work undertaken by the BOPLASS Health and Safety Advisory Group has always been very effective and continues to deliver significant value through supporting productive collaboration between BOPLASS councils, CCO's, and often Waikato councils. While multiple projects have been undertaken by this group, the current project to address the continued increase in aggressive behaviour within public spaces is helping to address a much too common challenge faced by almost all councils. The sharing of information and development of a collective framework for the management of conflict and aggression has been very beneficial for councils and is a great example of best practice being shared for the benefit of all parties.
- The collective BOPLASS programme for aerial imagery and LiDAR data has meant that this information is readily available to councils and their communities. A recent request from Te Puni Kōiri (Ministry of Māori Development) for access to councils LiDAR data was able to be approved and delivered quickly and centrally via BOPLASS, negating time-consuming multiple requests.
- The WOLDS project has made very good progress with a vendor recently appointed for the 20 councils in the BOPLASS and Waikato regions. This involved a single RFP process managed by BOPLASS on behalf of the group; potentially saving tens of thousands of dollars (and resourcing) compared with if 20 councils were to run individual procurement processes.
- In a similar manner the CCTV project being developed across the region by BOPLASS provides significant efficiencies compared with councils undertaking this type of project individually. A single specialist contractor is developing a regional solution, completely removing the usual duplication of effort. Engagement with NZ Police within the project has also been centralised.
- Possibly one of the best examples of unreported savings to councils would be the MahiTahi Local Government Collaboration Portal. This shared resource developed by BOPLASS provides a growing conduit for the sharing of information across local government. The ability for councils to request information or documentation from their peers is exactly how local government should work as, after all, a lot of the time councils are undertaking very similar workstreams.

While BOPLASS will continue to report on the financial savings and benefits achieved, it is pleasing to also recognise some of the less obvious benefits achieved through collaboration. Additional information about current projects is available in the attached report.

We thank staff from the participating councils and acknowledge the support we have received from them.

Yours faithfully

Craig O'Connell
Chair



BOPLASS Ltd

“COUNCILS PARTNERING FOR VALUE AND SERVICE”

HALF YEARLY REPORT TO SHAREHOLDERS

16 FEBRUARY 2024

1 INTRODUCTION

The Local Government Act 2002 requires that the Directors deliver to the Shareholders a report within two months of the end of the first six months of the financial year. The report is required to provide information against the objectives set out in the Statement of Intent. The following report records the objectives of the company and reports on performance against a table of specific performance requirements set out in the Statement of Intent.

2 OBJECTIVES OF BOPLASS LTD

The company exists to provide councils in the Bay of Plenty and Gisborne regions with an umbrella vehicle to investigate, procure, develop and deliver shared services.

Working together with the full support and involvement of staff, we will provide benefit to councils and their stakeholders through improved levels of service, reduced costs, improved efficiency and/or increased value through innovation.

These will be achieved primarily through:

JOINT PROCUREMENT

Being the procurement of services or products by two or more councils from an external provider regardless of whether the service is paid for through BOPLASS or individually by participating councils.

SHARED SERVICES

Being the participation of two or more councils in the provision of a common service which may be jointly or severally hosted.

3 GOVERNANCE

The end of 2023 included changes of Chief Executives at Rotorua Lakes Council and Kawerau District Council. BOPLASS welcomes new directors Andrew Moraes (Rotorua Lakes Council), and Morgan Godfery (Kawerau District Council) to the BOPLASS Board.

4 NATURE AND SCOPE OF ACTIVITIES

The principal nature and scope of the activities of BOPLASS Ltd is to:

- Use joint procurement to add value to goods and services sourced for its constituent councils.
- Facilitate shared services that benefit councils and their stakeholders through improved levels of service, reduced costs, improved efficiency, innovation and/or increased value.
- Pursue best practice in the management of all activities to obtain best value and minimise risk.
- Demonstrate fiduciary responsibility by ensuring that its activities are adequately funded from savings achieved, levies, council contributions, or Government funding where available.
- Allow other councils or organisations to participate in its activities where this will benefit its constituent councils directly or indirectly.
- Represent the collective views of its shareholders in matters with which it is associated.

5 FUTURE DEVELOPMENTS

BOPLASS Ltd will continue to work on business cases for joint procurement and shared services that may be provided in the region or cross-regionally.

The Board has adjusted its strategy to ensure that BOPLASS is focused on continuing to deliver savings and value to councils through new and existing joint procurement initiatives while also identifying new shared services opportunities.

Current reviews for joint procurement and shared services cover but are not limited to:

- Archive services
- Building consents
- Business continuity planning
- CCTV monitoring
- Centralised insurance resource
- Consents processing
- Contractor online inductions
- Debt management
- Driver training
- Geospatial services
- High volume print
- Information systems
- Inter-council secondments
- Infrastructure development codes
- Joint software support
- Payroll
- Project management office
- Rates collection
- Regional Civil Defence
- Solid waste regional facilities strategy
- Staff engagement survey systems
- Web services

Other collaborative opportunities may be progressed after the Board has considered individual business cases and formally agreed to take on and deliver (or host/procure etc.) the project.

Joint procurement opportunities will continue to be identified and developed with individual councils engaging under the opt-in principle established by the Board. Joint procurement initiatives will be considered by the Board and/or its advisory groups where there is demonstrated support from two or more member councils.

The Board supports BOPLASS continuing to develop collaboration opportunities outside of the regional boundaries. BOPLASS will continue to proactively explore opportunities to partner with other Local Authorities and shared services organisations within New Zealand where they are developing, or considering developing, cost effective shared services and products that are of value to the Bay of Plenty and Gisborne councils.

BOPLASS development of the Collaboration Portal for the sharing of information on joint procurement or shared services opportunities within the constituent councils has identified a number of duplicate projects across councils that present an opportunity for further collaboration. The BOPLASS Collaboration Portal is becoming widely used by other LASS, councils, and local government organisations and provides an opportunity to assist with the identification and management of inter-regional collaboration opportunities. BOPLASS will continue to develop the Collaboration Portal and make it available to the wider local government community.

6 PERFORMANCE TARGETS

To ensure the company continues to operate effectively in both governance and management terms over the next three years the current SOI targets are to:

- Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.
- Investigate new joint procurement initiatives for goods and services for BOPLASS councils.
- Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.
- Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.
- Communicate with each shareholding council at appropriate levels.
- Ensure current funding model is appropriate.

The Board believes that all targets are being achieved or are on-track to be achieved, as is demonstrated by the following list of current initiatives.

7 CURRENT INITIATIVES

The following initiatives have been under consideration or operating during the first part of the year:

HIGHLIGHTS

- Crime Prevention/CCTV Monitoring – BOPLASS was successful in securing co-funding from MSD for Crime Prevention initiatives in the Bay of Plenty region. Initial work has been undertaken by an independent CCTV consultancy engaged to conduct a CCTV capability maturity assessment survey of the councils involved in the BOPLASS Retail Crime Prevention project. The assessment will ensure councils' requirements are qualified, and the outcomes will be beneficial to local communities.
- Insurance renewals – Despite very challenging markets, insurance renewals have been completed for all councils under the BOPLASS collective programme. Strong underwriter interest in our programme continues to be demonstrated from new and existing syndicates – resulting in competitive pricing. While rate increases were able to be kept to a minimum, most councils premiums have been impacted by large increases in asset valuations over the last 12 months. Underwriters remain very focussed on climate change and the impact on councils' risk profiles. The 2023 significant NZ weather events had less impact on our renewal than anticipated, mainly due to diversification of risk across the BOPLASS portfolio.
- Waste Operator and Licensing Data System (WOLDS) – The development of this shared service is being led by BOPLASS on behalf of BOP, Gisborne, and Waikato councils. A recent tender was awarded for the provision of an Information Management System. Additionally, BOPLASS is exploring options of a shared Administration Service to streamline and centralise services, manage waste contractor licensing, and significantly reduce much of the workload for councils.
- Aerial Imagery – Tenders have been awarded for urban and rural orthophotography covering Taupō, Rotorua, Western BOP, Gisborne and Tauranga regions, with aerial capture to be undertaken during the summer of 2023-24.
- Managing Conflict & Aggression – The BOPLASS Health & Safety advisory group continue to collaborate and share resources to manage an increasing trend of aggressive behaviour within public spaces across BOPLASS councils. Comprehensive material and information have been made available to all BOPLASS councils allowing for a collective approach to developing best practice.
- Contractor and Employee H&S Inductions – A project continues to be investigated to develop a common platform and standard for the development and management of H&S inductions – for both staff and contractor purposes.
- GIS Technical Advisory Group – A GIS technical group has been established, with staff nominated from each BOPLASS council to develop opportunities for further sharing of information and learnings at practitioner level. While investigating further development of system commonality across councils, this also helps enable councils to provide GIS support to each other in civil defence situations.
- GIS Software and Services – A number of key contracts for councils' geospatial software have been reviewed and renewed through collective BOPLASS agreements.

- MahiTahi Collaboration Portal – Further growth has been achieved with the MahiTahi Collaboration Portal with additional councils joining and using it as a collaboration tool for sharing information across councils.
- Health insurance – A project is underway to explore benefits of establishing a group scheme across the BOPLASS group.
- Health & Safety training – BOPLASS has renewed a collective agreement for councils' H&S training services with a wider range of services now included. A project is also underway with Waikato councils for the provision of a collective Occupational Health Services provider.
- Print Media Copyright Agency (PMCA) – A collective contract providing savings for all BOPLASS councils has been renegotiated with PMCA.
- Institute of Public Works Engineering Australasia (IPWEA) – BOPLASS has renewed the single BOPLASS membership covering all councils and providing substantial savings. Discounted rates were also negotiated through IPWEA for a BOPLASS NAMS+ subscription, used by council asset managers.
- Media Monitoring Service – A BOPLASS tender has been recently awarded for a new media monitoring provider. The collective approach by councils has resulted in a more cost effective and broader service than previously received by councils. In addition to print, online and broadcast media, the services also cover all forms of social media and 'social listening' services that analyse social media feedback or sentiment.
- High volume print – Following the BOPLASS appointment of a print provider across the councils, options for high-volume print solutions are being investigated. Councils currently use a variety of solutions for their high-volume print runs, often utilising large print equipment, outsourcing to external suppliers, or a mixture of both.
- Te Puni Kōiri (Ministry of Māori Development) – LiDAR data collected by BOPLASS councils has assisted Te Puni Kōiri in understanding climate hazards by allowing them to generate rich analytics and insights of hapori Māori throughout New Zealand, demonstrating beneficial partnerships beyond local government. The collective nature of the BOPLASS LiDAR programme allowed for this data to be provided quickly and simply.
- Driver Training – BOPLASS continues to investigate options for appointing a preferred provider for driver training services.
- Lone worker field solutions – BOPLASS is investigating technologies and solutions to support council staff in lone worker situations.
- Inter-LASS collaboration – A number of procurement projects are underway covering multiple LASS and benefitting from the increased volumes. Collaboration across the regions is driving greater efficiencies within projects under consideration by more than one LASS and allows the projects to be better resourced.
- Communication – BOPLASS continues to regularly engage with our constituent councils, senior management and shareholders to ensure opportunities continue to be

developed to the benefit of all stakeholders. A communications plan is being developed to widen the audience and better inform all levels within councils.

- Viability of Current Funding Model – The sources of BOPLASS funding and the viability of the funding model are regularly reviewed with financial reporting provided to the BOPLASS Board.

8 FINANCIAL REPORTS

8.1 Financial Support and Accounting Services

Accountancy services and support continue to be provided by Tauranga City Council.

8.2 Accounting Policies

The company is compliant with the accounting policies stated in the Statement of Intent.

8.3 Tier 2 PBE Accounting Standards Applied

The financial accounts are prepared with application of Tier 2 accounting standards.

8.4 Financial Reports

Financial Reports for the period to 31 December 2023 are attached.

8.5 Variations

Bank Interest received is up \$19,665 on budget as a result of BOPLASS holding Crime Prevention funding provided by MSD in an interest-bearing account. This project funding is to be committed or drawn down on during this financial year.

Council Contributions are \$13,291 higher than budget because of an inflationary adjustment to the 2023/24 contributions that was not reflected in the original budget.

Crime Prevention was a new project introduced during the current financial year and was therefore not included in the 2023/24 budget. Additional lines have been included in the reporting to report expenditure and revenue for this project.

BOPLASS is reporting a \$45,032 surplus at our six-month position. We believe the company is on track to achieve budget for the financial year.

9 STAFFING, ACCOMMODATION AND SUPPORT

Staff

Staffing levels are unchanged with a part-time administrator continuing to provide additional project support and management of existing activities.

Accommodation and Support

We continue to appreciate the office space provided to us by BOP Regional Council and the support that is offered for IT and Accounting services by Tauranga City Council.

BOP LASS LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE MONTH ENDED 31 DECEMBER 2023

	Actual YTD	Budget YTD	Total Budget	YTD Variance
REVENUE				
Revenue - Core	198,275	165,319	330,637	32,956
Bank Interest Received	24,165	4,500	9,000	19,665
Council Contribution	174,110	160,819	321,637	13,291
Revenue - Projects	870,585	861,586	1,210,200	8,999
Bank Interest Received	1,443	86	200	1,357
Aerial Photography Revenue	139,241	150,000	300,000	(10,759)
Collaboration Portal Revenue	26,000	22,500	45,000	3,500
Lease Revenue - ICN	74,172	65,000	130,000	9,172
Lease Revenue - Video Conference	18,380	24,000	24,000	(5,620)
Projects - Recoveries Revenue	597,820	600,000	710,000	(2,180)
Crime Prevention Revenue	13,530	0	0	13,530
Rebates	0	0	1,000	0
TOTAL OPERATING REVENUE	1,068,860	1,026,904	1,540,837	41,956
EXPENSES				
Expenditure - Core	201,641	201,902	390,103	-261
ACC	716	450	900	266
Accommodation & Travel	5,148	2,200	2,200	2,948
Accounting & Audit	6,006	11,000	22,000	(4,994)
Administration	9,109	9,000	18,000	109
Amortisation	845	1,000	2,000	(155)
Bank Fees	1	100	200	(99)
Conferences	0	1,100	2,100	(1,100)
Depreciation	2,147	2,500	5,000	(353)
Directors Costs	9,657	11,500	23,000	(1,843)
Fringe Benefit Tax	500	1,750	3,500	(1,250)
General & Catering	0	1,200	2,400	(1,200)
Health & Safety	0	500	1,000	(500)
Insurance	11,517	11,500	11,500	17
Interest Paid - TCC Loan	0	0	0	0
Legal	0	1,250	2,500	(1,250)
Salaries	148,574	143,202	286,403	5,372
Salaries - Projects OpEx	(6,970)	(9,500)	(19,000)	2,530
Staff Support Costs	9,723	9,000	18,000	723
Staff Training Costs	504	1,000	2,000	(496)
Subscriptions	4,163	500	1,000	3,663
Tax Advice	0	2,650	5,300	(2,650)
Expenditure - Projects	822,187	825,003	1,150,734	(29,876)
Aerial Photography Expense	139,241	150,000	300,000	(10,759)
Collaboration Portal OpEx	13,611	14,543	28,874	(932)
Lease Expense - ICN	78,711	62,400	124,800	16,311
Lease Expense - Video Conference	19,175	22,560	22,560	(3,386)
Projects - Recoveries Expenditure	557,919	575,500	674,500	(17,581)
Crime Prevention	13,530	0	0	(13,530)
TOTAL OPERATING EXPENDITURE	1,023,827	1,026,905	1,540,837	(3,077)
OPERATIONAL SURPLUS / (DEFICIT) BEFORE TAX	45,032	0	0	45,032

BOP LASS LTD
STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2023

	Actual YTD
Bank	
Cheque Account	545,141
Trust A/c Aerial Photography	31,568
Crime Prevention	968,916
Term Deposit 182 days Maturing March 2024	250,000
Total Bank	1,795,625
Current Assets	
Trade Debtors	465,084
Accrued Revenue	17,318
Tax Payable (Tax Receivable)	18,933
Prepayments	22,726
Total Current Assets	524,060
Non-current assets	
Intangible - Computer Software	79,175
Intangible - Amortisation	(72,964)
Computer Equipment at cost	4,516
Less Accumulated Depreciation on Computer Equipment	(4,219)
Inter Council Network	25,097
Accumulated Depreciation Inter Council Network	(10,686)
Total Non-current assets	20,919
TOTAL ASSETS	2,340,604
Current Liabilities	
Business Credit Card	25
Trade Creditors	71,531
Accrued Expenses	4,537
Accrued Leave Entitlements	22,272
GST Collected, Paid, Payments (Refunds)	69,164
Retentions	36,020
Income in Advance	2,057,925
PAYE Accruals Payable	5,578
TCC Loan	0
Total Liabilities	2,267,053
NET ASSETS	73,552
Equity	
Current Year Earnings	45,032
Retained Earnings	(70,482)
Share capital	99,002
TOTAL EQUITY	73,552