

Notice is hereby given that an ordinary meeting of the Horowhenua District Council will be held on:

Date: Wednesday 9 June 2021
Time: 4.00 pm
Meeting Room: Council Chambers
Venue: 126-148 Oxford St
Levin

Council

OPEN AGENDA

MEMBERSHIP

Mayor	Mr Bernie Wanden	
Deputy Mayor	Mrs Jo Mason	
Councillors	Mr David Allan	
	Mr Wayne Bishop	
	Mr Ross Brannigan	
	Mr Todd Isaacs	
	Mr Sam Jennings	
	Mrs Victoria Kaye-Simmons	
	Mr Robert Ketu	
	Mrs Christine Mitchell	
	Ms Piri-Hira Tukapua	
Reporting Officer	Mr David Clapperton	(Chief Executive)
Meeting Secretary	Mrs Karen Corkill	

Contact Telephone: 06 366 0999
Postal Address: Private Bag 4002, Levin 5540
Email: enquiries@horowhenua.govt.nz
Website: www.horowhenua.govt.nz

Full Agendas are available on Council's website
www.horowhenua.govt.nz

Full Agendas are also available to be collected from:
Horowhenua District Council Service Centre, 126 Oxford Street, Levin
Te Awahou Nieuwe Stroom, Foxton,
Shannon Service Centre/Library, Plimmer Terrace, Shannon
and Te Takeretanga o Kura-hau-pō, Bath Street, Levin

ITEM	TABLE OF CONTENTS	PAGE
PROCEDURAL		
1	Apologies	5
2	Public Participation	5
3	Late Items	5
4	Declarations of Interest	5
5	Confirmation of Minutes	5
6	Announcements	5
7	Proceedings of Committees	
	7.1 Proceedings of the Foxton Community Board 19 April 2021	7
	7.2 Proceedings of the Finance, Audit & Risk Committee 28 April 2021	13
REPORTS		
8	Executive	
	8.1 Mayoral Report - April/May 2021	23
	8.2 Monitoring Report to 9 June 2021	27
	8.3 Chief Executive's Report to 9 June 2021	33
IN COMMITTEE		
9	Procedural motion to exclude the public	87
C1	Douglas Street (Plantation Reserve)	87

1 Apologies

2 Public Participation

Notification of a request to speak is required by 12 noon on the day of the meeting by phoning 06 366 0999 or emailing public.participation@horowhenua.govt.nz.

See over the page for further information on Public Participation.

3 Late Items

To consider, and if thought fit, to pass a resolution to permit the Council to consider any further items which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded.

Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, and the Chairperson must advise:

- (i) The reason why the item was not on the Agenda, and
- (ii) The reason why the discussion of this item cannot be delayed until a subsequent meeting.

4 Declarations of Interest

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of the items on this Agenda.

5 Confirmation of Minutes

5.1 Minutes Extraordinary Council Meeting - 19 May 2021

5.2 Open & In Committee Minutes – 25, 26 & 27 May 2021

6 Announcements

Levin Hustle Under-13 Baseball Team

The Levin Hustle Under-13 Team won the New Zealand Under-13 baseball title in April. Coach Hendrix Warren and members of the team will be in attendance to talk about their national title win, and where to from here.

Foxton Community Board

There will be the regular update on behalf of the Foxton Community Board.

Public Participation (further information):

The ability to speak at Council and Community Board meetings provides the opportunity for members of the public to express their opinions/views to Elected Members as they relate to the agenda item to be considered by the meeting.

Speakers may (within the time allotted and through the Chairperson) ask Elected Members questions as they relate to the agenda item to be considered by the meeting, however that right does not naturally extend to question Council Officers or to take the opportunity to address the public audience be that in the gallery itself or via the livestreaming. Council Officers are available to offer advice to and answer questions from Elected Members when the meeting is formally considering the agenda item i.e. on completion of Public Participation.

Meeting protocols

1. All speakers shall address the Chair and Elected Members, not other members of the public be that in the gallery itself or via livestreaming.
2. A meeting is not a forum for complaints about Council staff or Council contractors. Those issues should be addressed direct to the CEO and not at a Council, Community Board or Committee meeting.
3. Elected members may address the speaker with questions or for clarification on an item, but when the topic is discussed Members shall address the Chair.
4. All persons present must show respect and courtesy to those who are speaking and not interrupt nor speak out of turn.
5. Any person asked more than once to be quiet will be asked to leave the meeting.

Proceedings of the Foxton Community Board 19 April 2021

File No.: 21/226

1. Purpose

To present to the Council the minutes of the Foxton Community Board meeting held on 19 April 2021.

2. Recommendation

- 2.1 That Report 21/226 Proceedings of the Foxton Community Board 19 April 2021 be received.
- 2.2 That the Council receives the minutes of the Foxton Community Board meeting held on 19 April 2021.

3. Issues for Consideration

There are no items that require further consideration by Council.

Attachments



There are no attachments for this report.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their advantages and disadvantages, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	David Clapperton Chief Executive	
Approved by	David Clapperton Chief Executive	

Foxton Community Board

OPEN MINUTES

Minutes of a meeting of the Foxton Community Board held in the Ngārongo Iwikātea Room, Te Awahou Nieuwe Stroom, 92 Main Street, Foxton, on Monday 19 April 2021 at 6.00 pm.

PRESENT

Chairperson	Mr D J Roache
Deputy Chairperson	Ms P R Metcalf
Members	Cr D A Allan
	Cr R J Brannigan
	Mr T J Chambers
	Mr J F Girling
	Ms N J Newland

IN ATTENDANCE

Reporting Officer	Mr D M Clapperton
	Ms C H Marheine

1 Apologies

An apology was recorded for Mayor B Wanden.

MOVED by Cr Allan, seconded Cr Girling:

THAT the apology from Mayor B Wanden be accepted.

CARRIED

2 Public Participation

There were no requests for public participation.

3 Late Items

There were no late items.

4 Declaration of Interest

There were no declarations of interest.

5 Confirmation of Minutes

MOVED by Ms Metcalf, seconded Mr Girling:

THAT the minutes of the meeting of the Foxtton Community Board held on Monday, 22 February 2021, be confirmed as a true and correct record.

CARRIED

MOVED by Ms Metcalf, seconded Mr Girling:

THAT the minutes of the Extraordinary meeting of the Foxtton Community Board held on Monday, 22 March 2021, be confirmed as a true and correct record.

CARRIED

6 Announcements

There were no announcements.

7 Reports

7.1 Monitoring Report to 19 April 2021

Purpose

To present to the Foxtton Community Board the updated monitoring report covering requested actions from previous meetings of the Community Board.

Page 8: Victoria Park proposal

Mr Hester advised the site meeting with NZMCA and the Foxtton Racing Club had been confirmed for this month, a further update to be provided to the Board following the meeting.

Page 10: 19/456 Review of Foxtton Beach Freehold Account Policy and Strategy

Mr Clapperton reiterated limited resourcing had resulted in a delay in the engagement of an investment advisor, and it was unlikely this would be completed before 30 June 2021. This would be actioned as soon as possible.

MOVED by Ms Metcalf, seconded Cr Brannigan:

THAT Report 21/131 Monitoring Report to 19 April 2021 be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

7.2 Chairperson's Report to 19 April 2021

Purpose

To present to the Foxtton Community Board matters relating to the Foxtton Community Board area.

MOVED by Mr Chambers, seconded Cr Allan:

THAT Report 21/132 Chairperson's Report to 19 April 2021 be received.

THAT these matters or decisions be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

3.1 PNCC Presentation BPO Nature Calls consultation

Mayor Grant Smith and other staff from Palmerston North City Council (PNCC) provided a presentation to the Community Board on the PNCC Nature Calls Wastewater project and the progress made with community consultation, engagement with Iwi and how PNCC had identified the three best practicable options for further feedback.

Board members expressed their opinions on the three practicable options outlined in the presentation. PNCC confirmed it was seeking further feedback on the three practicable options and would welcome a submission from the Foxton Community Board. PNCC reiterated this was not a formal submission process but feedback would be taken into consideration.

Mr Roache thanked Mayor Smith and PNCC staff for attending the meeting and advised that the Board would submit feedback.

3.2 Horowhenua Crime Prevention Trust presentation

Three members of the Horowhenua Crime Prevention Trust (Ted Melton, Mel Douglas and Brett Gillies) attended the meeting and provided the Board with an overview of the Trust's priorities, an update on the Foxton Beach CCTV project and outlined the steps the Community Board and the Foxton community could take to explore CCTV for Foxton.

The Community Board was supportive of the suggestion for a project group to be formed to explore CCTV for Foxton with the local tourism and development and business sectors and assistance from the Camera Trust.

Mr Roache thanked the attendees from the Horowhenua Crime Prevention Trust for their presentation.

3.3 Foxton Beach Volunteer Fire Brigade presentation

Chris Faithfull, Assistant Area Commander, presented on behalf of the Foxton Beach Volunteer Fire Brigade.

The Foxton Beach Volunteer Fire Brigade attended the Foxton Community Board meeting to seek funding of up to \$60,000 from the Foxton Beach Freeholding Account towards the purchase of a new Foxton Beach Utility Vehicle that could be used to respond to emergencies on the beach and rurally.

The Foxton Beach Rural Fire Brigade had been successful in fundraising \$32,000 towards the new utility vehicle. The total cost of the new utility vehicle would be \$94,850.

The Community Board discussed the request in detail and unanimously supported the request for the provision of up to \$60,000 from the Foxton Beach Freeholding Account towards the total cost of the utility vehicle.

Mr Clapperton suggested a late submission to the 2021- 41 LTP from the Foxton Beach Rural Fire Brigade for this funding request would be acceptable.

MOVED by Cr Brannigan, seconded Mr Chambers:

THAT the Foxton Community Board recommends to the Horowhenua District Council that the sum of up to \$60,000 from the Foxton Beach Freeholding Account be allocated for the purchase of a utility vehicle for the Foxton Beach Volunteer Fire Brigade.

CARRIED

3.4 Board Member Updates

Ms Metcalf took her report as read.

Ms Newland took her reports as read. Ms Newland raised her request to be removed as the Community Board representative for the Foxton Tourism and Development Association (FDTA). The Chair asked the Community Board who would like to replace Ms Newland as the Board representative. Mr Girling volunteered to be the new representative, the Community Board were in support of this and a motion was moved.

MOVED by Cr Allan, seconded Mr Roache:

THAT Mr John Girling be nominated as the new Foxton Community Board representative for the Foxton Tourism and Development Association.

CARRIED

3.6 Foxton Beach Progressive Association Chairperson's Report

Ms Smart provided a verbal report and highlighted the work FBPAI had been focussing on, including the Foxton Beach Community Plan outcomes and their submission to the Horowhenua District Council 2021- 41 LTP. There was further discussion around the need for the Community Board and FBPAI to re-establish their relationship through formal and informal meetings.

3.7 Foxton Beach Freeholding Account

Mr Clapperton advised the Community Board that over the next month or so there would be discussions with Council around the role of Council owned properties in Foxton and across the district to determine the reason for use of the property and holding on to it.

7.3 **Funding Options for Holben Reserve Wetland**

Purpose

This report is to inform the Foxton Community Board of the current position regarding the Holben Reserve Wetland Project.

MOVED by Mr Roache, seconded Ms Metcalf:

THAT Report 21/130 Funding Options for Holben Reserve Wetland be received.

THAT this matter or decision is recognised as not significant in terms of S76 of the Local Government Act.

CARRIED

Speaking to the report, Mr Hester noted:

- The two recent Council submissions to the Freshwater Improvement Fund (FIF) had been unsuccessful. It is was noted this round of FIF was highly contested.
- A budget of around \$20 million had been included in the LTP consultation document for improvements at the Holben Reserve over the 20 year period.
- Officers had been advised to explore other funding options.

The Community Board thanked officers for their continued efforts and initiative and encouraged officers to identify the priorities and options for funding the project in stages.

The Community Board support officers exploring alternative funding sources.

MOVED by Mr Roache, seconded Mr Girling:

THAT the Foxton Community Board supports and recommends to Council that Officers pursue alternative funding options for the desired improvements to the Holben Reserve.

CARRIED

8.14 pm

There being no further business, the Chairperson declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD
AT A MEETING OF FOXTON COMMUNITY BOARD
HELD ON

DATE:.....

CHAIRPERSON:.....

Proceedings of the Finance, Audit & Risk Committee 28 April 2021

File No.: 21/254

1. Purpose

To present to the Council the minutes of the Finance, Audit & Risk Committee meeting held on 28 April 2021.

2. Recommendation

- 2.1 That Report 21/254 Proceedings of the Finance, Audit & Risk Committee 28 April 2021 be received.
- 2.2 That the Council receives the minutes of the Finance, Audit & Risk Committee meeting held on 28 April 2021.

3. Issues for Consideration

The following considered by the Finance, Audit & Risk Committee meeting held on the 28 April 2021 is included in the Chief Executive's Report to the 9 June 2021 Council meeting:

THAT as recommended by the Internal Auditor, the Finance, Audit & Risk Committee recommends that the Horowhenua District Council takes the appropriate steps to formally ratify the procurement of services through the Horowhenua New Zealand Trust, to include the whole of life procurement cost of \$2,100,000 and the first instalment of \$375,000 paid in October 2018.

Attachments

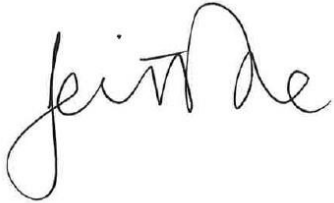

There are no attachments for this report.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their advantages and disadvantages, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Jacinta Straker Chief Financial Officer	
Approved by	Nicki Brady Deputy Chief Executive	

Finance, Audit & Risk Committee

OPEN MINUTES

Minutes of a meeting of the Finance, Audit & Risk Committee held in the Council Chambers, Horowhenua District Council, Levin, on Wednesday 28 April 2021 at 4.00 pm.

PRESENT

Chairperson	Mr P Jones	
Deputy Chairperson	Mrs C B Mitchell	
Members	Mr D A Allan	
	Mr W E R Bishop	
	Mr R J Brannigan	
	Mr T N Isaacs	
	Mr B J Jackson	(to 6.35 pm)
	Mr S J R Jennings	
	Mrs V M Kaye-Simmons	
	Mrs J F G Mason	
	Ms P Tukapua	(to 6.35 pm)
	Mayor B P Wanden	

IN ATTENDANCE

Reporting Officer	Mrs J Straker	(Chief Financial Officer)
	Mr D M Clapperton	(Chief Executive)
	Mrs N Brady	(Deputy Chief Executive)
	Mr D Law	(Chief Financial Officer)
	Mr B Maguire	(Group Manager – Infrastructure Development)
	Mr K Peel	(Group Manager – Infrastructure Operations)
	Mr D McCorkindale	(Group Manager – Customer & Strategy)
	Mrs L Slade	(Group Manager – People & Culture)
	Mr J Paulin	(Financial Accountant)
	Mrs V Miller	(Compliance Manager)
	Ms M Leyland	(Consents Manager)
	Mrs T Glavas	(Health & Safety Advisor)
	Mr B Harvey	(Community Facilities & Events Manager)
	Mrs K J Corkill	(Meeting Secretary)

ALSO IN ATTENDANCE

Mrs R Dean (Internal Auditor, CKS Audit Limited)(to 5.40 pm)

1 Apologies

An apology was recorded for Cr Ketu.

MOVED by Cr Wanden, seconded Cr Jennings:

THAT the apology from Councillor Ketu be accepted.

CARRIED

2 Public Participation

Prior to hearing from those who had requested public participation, the Chair stressed that comments should relate to items on the Agenda; it was not a forum for raising other issues.

Speaking to the Internal Audit Report (21/157) and Iwi Partnerships, Mr Charles Rudd raised concerns he had with regard to accountability and transparency. Mr Rudd provided a copy of his comments.

Mrs Vivienne Bold raised a number of matters of interest to her throughout various reports, Mrs Bold provided a copy of her comments.

Speaking in relation to the Internal Audit Report and Iwi Partnerships, Mr Te Whena Lewis, being from Manakau and being a member of Ngāti Wehi Wehi, asked for more information in relation to the arrangement between Ngāti Wehi Wehi and Council as it was not something he was familiar with.

Acknowledging the comments made by Mr Lewis, Mr Clapperton gave a background to the arrangement which had commenced with the signing of the MOP in 2012. At the time the MOP was signed, the Ngāti Wehi Wehi Trustees were led by Richard Orzecki and a lot of hard work had been put in to developing a relationship between the two entities. On Mr Orzecki's passing, that mantle had fallen on Bob Miritana. In recent years meetings had not been held as regularly due to resourcing at the marae. Mr Clapperton said he would be very happy to meet with Mr Lewis to discuss this further.

Mr Graeme Lindsay highlighted seven areas which concerned him; these were:

- three matters from the Internal Audit Report;
- subdivision consents approved (Customer & Strategy – Activity Update) and the financial impact of not having Development Contributions;
- NE Levin upgrade – consenting and funding;
- Capital expenditure (in the Nine Month Report) – budgeting;
- Water New Zealand National Performance Review (Infrastructure Operations – Activity Update).

Mr Lindsay provided a copy of his comments.

Speaking to the Nine Month Report – Community Facilities Activity – Foxton Beach Wharf Project, Mrs Christina Paton noted that the statement that partial funding for this project would come from the Department of Conservation (DOC) was not correct. With the word repair used in recent reports on the project, she also suggested, with the Foxton Beach Freeholding Account Strategy and Policy stating that the Fund would be used for Capital Works only, it could not be used for operating or maintenance costs of existing infrastructure so it should not be being used for this project.

Mr Clapperton responded that Mrs Paton was correct that DOC should not have been identified as a source of funding; the wording in the report should have said 'key stakeholders'. In terms of the use of the word 'repair', this had been addressed at the last Council meeting where it had been noted that the word 'repair' should be amended to read 'replace' as this was a replacement not a repair, and replacement was a form of renewal and was capital expenditure.

Mrs Paton provided a copy of her comments.

3 Late Items

There were no late items.

4 Declarations of Interest

Cr Jennings declared an interest in Item 21/157 Internal Audit Report, particularly in relation to Recommendation 2.3.

5 Confirmation of Minutes

MOVED by Cr Allan, seconded Mr Jackson:

THAT the Open and In Committee minutes of the meeting of the Finance, Audit & Risk Committee held on Wednesday, 31 March 2021, be confirmed as a true and correct record.

CARRIED

6 Announcements

7 Reports

7.1 Health & Safety Report

Purpose

To provide an update to the Finance Audit and Risk (FAR) Committee on health and safety matters at Horowhenua District Council for the three-month period January to March 2021.

Mrs Glavas and Mrs Slade joined the table to speak to the report and respond to any queries, with Mrs Glavas tabling a more detailed Critical Risk Register document covering the Risk Management information on pages 9-11 in the report. She also advised that the draft report had been received from the SafePlus Audit. This would be responded to by the end of the week and a full report would be included in the next FAR Health & Safety Report.

MOVED by Cr Jennings, seconded Cr Brannigan:

THAT Report 21/138 Health & Safety Report be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

7.2 Internal Audit Report - Year Ended 30 June 2019

Purpose

For the Internal Auditor (Rachael Dean) on behalf of CKS Audit Limited to present the Finance, Audit and Risk Committee (FAR) with the Final Internal Report undertaken on Horowhenua District Council's compliance with Procurement policies and procedures (excluding Roading) during the year ended 30 June 2019.

With the report taken as read, and with Mrs Dean confirming that this was the same as the report that had been presented, In Committee, at the last FAR meeting, she then talked through the steps that had been undertaken to complete the review and responded to queries.

Mrs Brady confirmed that progress on the Internal Auditor's recommendations would be tracked via a Monitoring Report.

Also raised during the discussion was the need for the Iwi Partnership Agreements to

be updated/refreshed. It was noted that would be a focus for the CE to scope, as well as reporting expectations.

With the inclusion of recommendations to receive the actual Internal Audit Report – Year Ended 30 June 2019, and for quarterly reporting from the CE on the progress of outstanding recommendations, it was:

MOVED by Mr Jones, seconded Mr Jackson:

THAT Report 21/157 Internal Audit Report - Year Ended 30 June 2019 be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

THAT the Finance, Audit & Risk Committee receives the Internal Audit Report – Year Ended 30 June 2019.

THAT as recommended by the Internal Auditor, the Finance, Audit & Risk Committee recommends that the Horowhenua District Council takes the appropriate steps to formally ratify the procurement of services through the Horowhenua New Zealand Trust, to include the whole of life procurement cost of \$2,100,000 and the first instalment of \$375,000 paid in October 2018.

THAT the Chief Executive Officer be asked to report quarterly on the progress of outstanding recommendations in the Internal Audit Report.

CARRIED

Having declared an interest, Cr Jennings ABSTAINED from voting on recommendation 2.3.

7.3 Internal Audit Work Programme

Purpose

For the Internal Auditor (Rachael Dean) on behalf of CKS Audit Limited to present possible areas of interest for Council to consider in setting its next Internal Audit Work Programme.

Mrs Dean and Mrs Brady spoke to the report, with Mrs Brady clarifying the reason this matter had been brought to today's meeting was because it had been an In Committee item at the last FAR meeting and Committee Members had requested that how CKS Audit Limited could assist Council with its future Internal Work Programme should be explored and how that could add value.

The timing of such a programme and what could be covered, such as delegations and zero-based budgeting, was raised, with Mrs Brady saying that was a conversation that Council needed to have.

MOVED by Cr Mitchell, seconded Cr Allan:

THAT Report 21/160 Internal Audit Work Programme be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

Mrs Dean withdrew from the meeting (5.40 pm).

7.4 Finance, Audit and Risk Committee Work Programme

Purpose

To provide the Finance, Audit and Risk Committee with an outline of a Draft Work Programme for consideration alongside receipt of the Final Internal Audit Report.

Mrs Brady was joined at the table by Mrs Straker, Chief Financial Officer, to speak to

this item and respond to any queries, with the need highlighted for input via the LTP and further brainstorming to bring back a proposal to a future FAR meeting to confirm items that should be included. Refinement was also suggested in terms of the timeline for some of the items in the Draft Work Programme as there was a need to get the balance right, bearing in mind resourcing, as it could involve significant work for Officers.

MOVED by Cr Allan, seconded Cr Isaacs:

THAT Report 21/158 Finance, Audit and Risk Committee Work Programme be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

THAT the Finance, Audit & Risk Committee receives the Finance, Audit and Risk Committee Work Programme.

CARRIED

7.5 Community Facilities - Activity Update

Purpose

To provide the Finance, Audit and Risk (FAR) Committee with an update on the projects and activities being undertaken within Community Facilities which form part of the Communities, Partnerships and Business Group.

Mr Harvey joined Mrs Brady at the table, with Mrs Brady stressing the uniqueness of this project for Council as it had been managed within Council's team without a project manager, with a number of things learned that would be taken on board for future projects.

Appreciation was expressed for the detailed report, the awesome job that had been done, with the emailed updates noted as having been very helpful.

MOVED by Cr Isaacs, seconded Cr Tukapua:

THAT Report 21/137 Community Facilities - Activity Update be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

7.6 Infrastructure Development - Activity Update

Purpose

To provide the Finance, Audit and Risk (FAR) Committee with an update on the projects being undertaken by the Infrastructure Development Group.

Mr Maguire spoke to the various items in report, providing further comment where required:

- North East Levin Upgrade Project - 3.4.3 Project Two – Consenting the proposed attenuation area: notification had been received from Horizons that an extension of time had been sought for that hearing following the exchange of information between the various parties and experts. The Commissioner had not confirmed a new date, but it would be between two to four weeks beyond 26 May.

Responding to a query as to what was Council's plan if it did not received a consent for that area, Mr Maguire clarified that the project currently being undertaken was a series of renewals of the road, the 3 Waters, with those to connect into the existing outfall of that attenuation area. There was currently stormwater discharging across that corner at Fairfield and Roslyn Roads so that

- was being connected into until or unless Council got a consent to improve that attenuation area; summed up, Council was renewing the stormwater pipe with a slightly bigger pipe and it would connect to the current outflow.
- Foxton River Loop Regeneration – Stage One – there were now some working barbecues and some shelters were in place, and there would be some action on the roads over the next couple of weeks getting final construction underway. From a financial perspective, Council's contribution was starting to be expended. The good news was that the grass was growing!!
 - Other activities were also progressing well.

MOVED by Cr Brannigan, seconded Cr Bishop:

THAT Report 21/155 Infrastructure Development - Activity Update be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

7.7 Infrastructure Operations - Activity Update

Purpose

To provide the Finance, Audit and Risk (FAR) Committee with an update on the projects being undertaken by the Infrastructure Operations Group.

Speaking to the report, Mr Peel particularly noted:

- It was good to have the replacement Poads Road bridge open, with Council's last bridge building project having been 13 years ago;
- the Water New Zealand National Performance Review was something that Council had voluntarily taken part in as it provided the opportunity to measure itself against its peers;
- in terms of Alliance Reporting, the new Alliance Director had just started and there would be a report in the next FAR Agenda.

MOVED by Mayor Wanden, seconded Cr Brannigan:

THAT Report 21/153 Infrastructure Operations - Activity Update be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

7.8 Customer and Strategy - Activity Update

Purpose

To provide the Finance, Audit and Risk (FAR) Committee with an update on the projects and activities being undertaken within the Customer and Strategy portfolio of Council.

Speaking to the report, Mrs Miller and Ms Leyland drew attention to the changed layout of the information provided in the report, which was a direct response to feedback that had been received from Committee Members.

Ms Leyland also noted:

- on page 81 the Land Use Consents Approved should read 'slightly higher' rather than 'slightly lower' than in previous years;
- the IANZ Building Accreditation had taken place the previous week. The final report had not yet been received, but overall the feedback had been largely positive. One issue that could arise to affect Council's accreditation was in terms of resourcing. If Council lost more than 25% of its staffing (in effect, one Officer), it could trigger additional assessments.

Mrs Miller responded to a query in relation to earthquake-prone buildings, noting that this project had commenced in 2017. 107 buildings had been profiled, with 17 having been deemed earthquake-prone and these were in the priority area. Of those 17 buildings, two owners had approached Council to talk about their options. Council also had an obligation to check buildings in the rest of the district; that work had commenced and needed to be done by July 2022. In terms of priority buildings, the timeframe was 7½ years to complete the required strengthening, i.e. by September 2028.

In relation to comments made by Mrs Bold about the lack of reporting on building consents, Mr Clapperton said that it was not correct; building consent information was updated and provided on a regular basis.

Noting the IANZ Accreditation that had taken place, Mr Clapperton acknowledged the work done by Ms Leyland and her team. They had worked tirelessly over the past four months to ensure they were prepared for the rigorous accreditation process. Ms Leyland had also highlighted a significant risk in terms of resourcing which would require further scrutiny and would be brought to the table in the not too distant future.

With a commendation for the Building Team requested to be included in the recommendations for adoption, it was:

MOVED by Mr Jackson, seconded Cr Mitchell:

THAT Report 21/92 Customer and Strategy - Activity Update be received.

THAT this matter or decision is recognised as not significant in terms of S76 of the Local Government Act.

THAT the exceptional work undertaken by the Building Team to maintain the IANZ accreditation be noted.

CARRIED

7.9 Treasury Report

Purpose

To present to the Finance, Audit & Risk (FAR) Committee the Bancorp Treasury Report for the March 2021 quarter.

With Mr Law commenting on yield curves and the fact that interest rates would eventually go up, it was a matter of what the short and long term risks were, Mr Jones requested that some scenarios be included in the next report as to potential options to protect the long term interest rate risk for Council.

MOVED by Mr Jones, seconded Cr Bishop:

THAT Report 21/42 Treasury Report be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

The meeting adjourned for a meal break (6.35 – 7.05 pm), with Cr Tukapua and Mr Jackson withdrawing at this juncture.

7.10 Nine Month Report 1 July 2020 - 31 March 2021

Purpose

To present to the Finance, Audit & Risk Committee the financial report for the nine months to 31 March 2021.

Speaking to the report, which was taken as read, and responding to any queries, Mrs Straker also noted an error on page 105. In terms of the total surplus shown of \$4.55m, that was correct but it was \$1.3m and 39% more than the YTD budget.

MOVED by Cr Isaacs, seconded Cr Allan:

THAT Report 21/161 Nine Month Report 1 July 2020 - 31 March 2021 be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

7.11 Chief Executive Report - Public Participation

Purpose

To provide Council with the follow up actions undertaken by the Chief Executive following public participation actions of the prior Finance, Audit & Risk Committee on 31 March 2021.

Mrs Brady noted that this report was new and was in response to a number of matters raised by Public Participation speakers becoming actions for Officers to address, or where some follow-up had been proposed.

With members of the public using Public Participation to pose a number of questions with regard to items in the Agenda, how this should be addressed going forward was discussed, with one suggestion being that people who wished to speak be requested to send through any questions prior to the meeting so that a response could be provided at the meeting. These queries need not be regarded as LGOIMAs, although that would depend on the nature and complexity of the question(s).

The Chair commented that it was difficult to know on some occasions whether a speaker was actually addressing an Agenda item, which was the criteria provided under Standing Orders. He said he would like the options explored and would endorse an approach to formalise responses where required.

MOVED by Cr Mitchell, seconded Deputy Mayor Mason:

THAT Report 21/154 Chief Executive Report - Public Participation be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

7.12 FAR Committee – Actions

Purpose

To report back to the Finance, Audit & Risk Committee on requested actions.

Page 146 20/291 - Audit Recommendations

A draft Audit Opinion for Council's 2019/2021 Annual Report had been received by email this afternoon. That would be tabled at the next FAR Committee meeting.

Page 147 Seven Month Report – Property Disposals and Acquisitions

More information on this would be presented to next week's workshop.

MOVED by Cr Jennings, seconded Cr Brannigan:

THAT Report 21/156 FAR Committee - Actions be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

7.27 pm

There being no further business, the Chairperson declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD
AT A MEETING OF THE FINANCE, AUDIT & RISK
COMMITTEE HELD ON

DATE:.....

CHAIRPERSON:.....

File No.: 21/225

Mayoral Report - April/May 2021

1. Purpose

For His Worship the Mayor to report to Council on the community events and Council-related meetings attended

AND FURTHER

To provide Councillors the opportunity to give a brief verbal update on conference/forums attended, or the activities of those organisations/groups for which they are a Council representative.

2. Recommendation

- 2.1 That Report 21/225 Mayoral Report - April/May 2021 be received.
- 2.2 That this matter or decision be recognised as not significant in terms of S76 of the Local Government Act.
- 2.3 That _____ be appointed as a member of the Chief Executive Performance Review Committee for the remainder of the triennium.

3. Mayoral Report – April/May 2021 Meetings and Events

Meetings, events and functions that Mayor Wanden attended during the months of April and May 2021 were:

April 2021

- Visit to The Science Roadshow at Fairfield School
- Foxton Easter Fair
- Horizons Regional Mayors and Chief Executives meeting with Members of Parliament
- Council Meeting
- Zone Three Meeting hosted by Hastings District Council
- Hui with Muaūpoko Tribal Authority – Māori Wards discussion
- Meeting with Grey Power
- National MP's visit
- Tokomaru Ōpiki Boundary Alteration Proposal Hearing in Tokomaru
- Older Person's Network – monthly meeting
- Business After 5
- Dutch Week opening
- ANZAC Day – Dawn Service, Manakau Memorial Service, Levin Home for War Veterans Service, Levin Civic Service and Masonic Lodge Service
- Meeting with developers
- Finance, Audit & Risk Committee meeting
- Matararapa Island (Foxton Wastewater Treatment Plant upgrade) site visit
- Accessing Central NZ Meeting.

May 2021

- Fale Lotu Connections – reopening and blessing of the Free Church of Tonga
- 80th Birthday celebration
- Te Tumatakahuki monthly hui (Hapū representative of Ngāti Raukawa ki te Tonga)

- Projects Steering Group meeting
- Education Horowhenua meeting
- Catch up with MP Terisa Ngobi
- Meeting with Nicole Rosie, Chief Executive of Waka Kotahi
- Waka Kotahi Blessing prior to the commencing of the round-a-bout installation at the intersection of Queen Street and Arapaepae Road
- Long Term Plan Hearings x3
- Shannon Kai Hub – official opening and blessing
- Labour Party Region 3 Conference – Mayoral welcome
- Foxton Volunteer Fire Brigade - Gold Star Award function
- Waiopahu College Junior Leadership Team – facilitated a session on leadership
- Pacific Leaders Fono
- Rangeview residents meeting
- Standard and Poors meeting
- Extraordinary Council meeting – Establishing a Māori Ward decision
- Older Person's Network – monthly meeting
- Jobs for Nature meeting
- HDC and Electra quarterly meeting
- Long Term Plan Deliberations meetings x3
- Wellington Regional Leadership Committee meetings.

4. Chief Executive Performance Review Committee Appointment

Horowhenua District Council has entered into a contract for the delivery of emergency management services with EM Services (2020) Limited, from 1 May 2021 until 30 April 2022.

Ross Brannigan is a director and employee of EM Services (2020) Limited and will be delivering the contracted services to Horowhenua District Council.

Cr Brannigan was appointed as a member of the Chief Executive Performance Review (CEPR) Committee for the 2019-22 triennium. To avoid a conflict of interest, or a perceived conflict of interest, Cr Brannigan has removed himself from this committee.

The Terms of Reference for the CEPR Committee state that there shall be four members. Current members are Cr Bishop (Chair), myself (Deputy Chair) and Deputy Mayor Mason.

The Local Government Act 2002, S41A enables the Mayor to establish committees of Council and appoint chairs. The appointment of members is to be decided by Council.

Nominations for the position will be taken.


Confirmation of statutory compliance


In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their advantages and disadvantages, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

5. Appendices

There are no appendices for this report

Author(s)	Bernie Wanden Mayor	
-----------	-------------------------------	---

Approved by	Bernie Wanden Mayor	
-------------	-------------------------------	---

Monitoring Report to 9 June 2021

File No.: 21/163

1. Purpose

To present to Council the updated monitoring report covering actions arising from resolutions from previous Council meetings and also requested Officer actions.

2. Recommendation

- 2.1 That Report 21/163 Monitoring Report to 9 June 2021 be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

Attachments

No.	Title	Page
A	Horowhenua District Council Monitoring Report	28


Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their advantages and disadvantages, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	David Clapperton Chief Executive	
-----------	-------------------------------------	---

Approved by	David Clapperton Chief Executive	
-------------	-------------------------------------	---

MONITORING – Substantive Council Resolutions						
Item No.	Meeting Date	Item Description	Resolved / Action	Responsible Officer	Progress Status	Officer Comment
20/579	17 Dec 2021 14 April 2021	Douglas Street Former Plantation Reserve Land	<i>THAT in relation to the Douglas Street Former Plantation Reserve Land, the Horowhenua District Council resolves to instruct Officers to consider options for the potential disposal of the land subject to further legal clarification.</i>	Arthur Nelson		Officers are in the process of seeking legal advice following the initial report. A second report to update the position will be brought back to Council in March/April 2021. Due to Officers' workloads, this had not yet been progressed. There would be a report to the June 2021 Council meeting.
21/13	10 Feb 2021	Proceedings of the Foxton Community Board	<i>THAT, as recommended by the Foxton Community Board, the Horowhenua District Council agrees to proceed with the repair of the Manawatū (Foxton Beach) Wharf, and agrees to fund 50% of the project's finished costs from the Foxton Beach Freeholding Account.</i>	Brent Maguire	Completed	The Foxton Beach Wharf project commenced in May 2021. Monthly progress updates will be reported through FAR.
21/126	14 April 2021	Fees and Charges 2021/2022: Food Act and Resource Consenting	<i>THAT the Horowhenua District Council resolves that, with noted amendments, the Food Act Fees and Resource Consenting (Planning)</i>	Vai Miller/ Megan Leyland	Completed	Presented and adopted at the 25 May 2021 Council meeting

MONITORING – Substantive Council Resolutions						
Item No.	Meeting Date	Item Description	Resolved / Action	Responsible Officer	Progress Status	Officer Comment
		(Planning)	<p><i>Fees for the 2021/22 year be used as the Statement of Proposal, with the Summary of Information and the submission form, be consulted on using the special consultative procedure as set out in section 83 of the Local Government Act 2002.</i></p> <p><i>THAT the hearing of any submissions on this matter be heard by the Hearings Committee of Council acting under delegated authority, and a subsequent recommendation be made by the Committee to Council on this matter.</i></p>			

MONITORING – Officer Actions							
Item/ Report No.	Meeting & Date	Item/Report Description	Query/Action	Responsible Officer	Date to Action by	Progress Status	Officer Comment
20/405	23/09/20	Three Waters Service Delivery	Criteria to be defined for the allocation of funding	Asli Crawford			Officers have worked with Principals to agree on a

MONITORING – Officer Actions							
Item/ Report No.	Meeting & Date	Item/Report Description	Query/Action	Responsible Officer	Date to Action by	Progress Status	Officer Comment
20/469	09/12/20	Reforms/Stimulus Programme	under the Resource Maturanga Māori project.				criteria for selecting candidates for Māori Engineering scholarships. It is anticipated that the suitable candidates will be selected by the end of June.
		CE's Report – 3.2 <u>Growth Dashboard</u>	Provision of data on the following to be explored: <ul style="list-style-type: none"> • build-ready lots • infrastructure (wastewater/water supply) capacity • housing affordability 	David McCorkindale		In progress	Officers presented to Councillors on 6 May 2021 and introduced the scope of Proposed Plan Change 7. This presentation outlined the Housing and Business Development Capacity Assessment reports that the Tier 1 and 2 Growth Councils are required to provide under the NPS Urban Development. Although Horowhenua District Council is not required to prepare such a report, it was identified there could be several advantages to doing so especially when dealing with Government agencies. Officers outlined the data that would be appropriate to include in this assessment report for Horowhenua. Officers will

MONITORING – Officer Actions							
Item/ Report No.	Meeting & Date	Item/Report Description	Query/Action	Responsible Officer	Date to Action by	Progress Status	Officer Comment
		3.3 <u>Lincoln Place</u>					confirm the data to be reported with Elected members before preparing the report. Preparation of the report will occur in the second half of 2021.
			Draft Plan to be presented to Council.	David Clapperton			To be scheduled.

Chief Executive's Report to 9 June 2021

File No.: 21/164

1. Purpose

For the Chief Executive to update Councillors, or seek endorsement on, a number of matters being dealt with.

2. Recommendation

- 2.1 That Report 21/164 Chief Executive's Report to 9 June 2021 be received.
- 2.2 That these matters or decisions be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 2.3 That the exemption granted under the provisions of Section 7(5) of the Local Government Act 2002 to the Manawatu-Wanganui Local Authority Shared Services Limited (MW LASS Ltd) from being a council-controlled organisation be confirmed, due to the unchanged scope and scale of that organisation.
- 2.4 That the Council Controlled Organisation exemption be extended to the Shannon Community Development Trust for a further three (3) years under section 7 of the Local Government Act, due to the unchanged scope and scale of the Trust and existing robust reporting process.
- 2.5 That the Horowhenua District Council endorses/does not endorse the repayment of the Cricket Foundation's loan of \$100,000.00 (made to enable the addition of a second level to the LCF pavilion at Donnelly Park) using the reserve fund for Financial and Capital Contributions for Parks and Reserves.
- 2.6 That the Horowhenua District Council authorises the Mayor, Deputy Mayor Mason and Cr Brannigan to attend the Local Government New Zealand Conference to be held in Blenheim in July 2021.
- 2.7 That the Horowhenua District Council nominates Deputy Mayor Mason and Councillor Brannigan as the alternates to exercise Council's voting rights should the presiding delegate not be in attendance at the 2021 Annual General Meeting of Local Government New Zealand.
- 2.8 That as recommended by the Internal Auditor and the Finance, Audit & Risk Committee, Horowhenua District Council formally ratifies the procurement of services through the Horowhenua New Zealand Trust, which includes the whole of life procurement cost of \$2,100,000 and the first instalment of \$375,000 paid in October 2018.

3. Chief Executive Updates

3.1 Manawatu-Wanganui Local Authority Shared Services Limited (MW LASS Ltd)

Member Councils in 2010, having resolved that MW LASS Ltd be an exempted organisation under the provisions of Section 7 of the Local Government Act 2002 (LGA 2002). This exemption needs to be reviewed every three years. It is now proposed that Horowhenua District Council, taking into account the matters in Section 7(5) of the LGA and considering MW LASS Ltd to be a small organisation, reconfirms the exemption of MW LASS Ltd as a CCO for a further three years from 1 July 2021 to 30 June 2024.

3.2 Shannon Community Development Trust

CCO Exemption

On 7 November 2012, Council granted the Shannon Community Development Trust exempt status from being a Council Controlled Organisation (CCO) under section 7 of the Local Government Act.

As specified in section 7 (2) of the Local Government Act, the Trust is subject to comparable reporting and monitoring requirements as a CCO, with its annual report and financial statements being prepared in line with the CCO format recommended by Audit New Zealand.

Under section 7(5), exemption can be made by resolution of its Local Authority on the grounds of:

- a) The nature and scope of the activities provided by the organisation; and
- b) The costs and benefits, if an exemption is granted, to the local authority, the organisation and the community.

The Shannon Community Development Trust is a small organisation, with a specific and limited purpose. Its operating revenue is sourced from interest on its Term Deposit, which provides the Trust less than \$15,000 each year, and much less in an environment of low interest rates.

If it were subject to the extra expenses associated with the full regulations of a CCO, such as full audit by Audit New Zealand, its ability to function would be significantly diminished.

Section 7 (6) of the Local Government Act specifies that exemption must be reviewed every three years. Given no significant change to the rationale behind the existing CCO exemption for the Trust since 2012, it is recommended that CCO exemption be continued, with next review in 2024.

3.3 **Levin Cricket Foundation Incorporated (LCF)**

On 7 November 2020, the Council loaned the Cricket Foundation \$100,000 to enable the addition of a second level to the LCF pavilion at Donnelly Park which incorporate facilities to achieve New Zealand Cricket's first class standards.

It is now proposed that this loan will be repaid using the reserve fund for Financial and Capital Contributions for Parks and Reserves (Parks and Recreation Activity). This reserve is to fund Parks and Reserves improvement projects from the accumulated funds from financial and capital contributions under the District Plan prior to the Development Contributions regime. The balance in the account as of 30 June 2020, is \$672,000.

3.4 **Levin Adventure Park - Update**

An update on the status of the Levin Adventure Park Lease is included in the Infrastructure Operations – Activity Update (3.4.2).

3.5 **Local Government New Zealand Conference and AGM – Delegates**

The 2021 Local Government New Zealand (LGNZ) Conference and AGM is being held in Blenheim from 16-17 July.

As Horowhenua District Council (HDC) is a member of Local Government New Zealand, it is entitled to representation at the LGNZ Annual General Meeting (AGM) which is held in conjunction with the conference.

Horowhenua District Council is entitled to three votes at the AGM. The voting entitlement of each member authority is determined by that authority's subscription level.

Mayor Wanden is the presiding delegate responsible for voting on behalf of HDC at the AGM.

Horowhenua District Council delegates are selected on a rotational basis to ensure most or all Councillors are able to attend a LGNZ Conference during their time as an elected member.

Approval is sought for the Mayor, Deputy Mayor Mason, and Cr Brannigan to attend the Conference and for Deputy Mayor Mason and Cr Brannigan to be listed as alternate delegates who can vote on behalf of the Horowhenua District Council at the AGM in case the presiding delegate is not able to attend.

3.6 **Finance, Audit & Risk Committee – 26 May 2021**

Due to the Finance, Audit & Risk Committee May 2021 meeting not proceeding, the reports that would have been presented at that meeting are included in today's Agenda for information to enable Council to be kept abreast of the various activities being reported on, including Activity Updates from Infrastructure Development, Infrastructure Operations, the Ten Month Financial Report 1 July 2020 to 21 April 2021, the Chief Executive's Report relating to Public Participation, and the Officer Action Report.

It is noted also that as per the resolution at the 28 April FAR Committee meeting, a resolution is included to formally ratify the procurement of services through the Horowhenua New Zealand Trust.

Attachments



No.	Title	Page
A	Finance, Audit & Risk Committee Reports 26 May 2021	36

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their advantages and disadvantages, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	David Clapperton Chief Executive	
Approved by	David Clapperton Chief Executive	

Reports - cancelled Finance, Audit & Risk Committee Meeting 26 May 2021

REPORTS

Infrastructure Development - Activity Update

Infrastructure Operations - Activity Update

Ten Month Report 1 July 2020 - 30 April 2021

Chief Executive Report - Public Participation

FAR Committee - Actions

Infrastructure Development - Activity Update

File No.: 21/176

1. Purpose

To provide the Finance, Audit and Risk (FAR) Committee with an update on the projects being undertaken by the Infrastructure Development Group.

2. Recommendation

- 2.1 That Report 21/176 Infrastructure Development - Activity Update be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

3. Key Highlights and Business Priorities

3.1 Foxton River Loop Regeneration – Stage One

3.1.1 Progress update

During April the reserve was lightly harrowed, levelled and under sowed. There is now have a full sole of grass. The playground is starting to take shape and the fort structure is nearly complete.



Work has continued on the new access and carpark near the Foxton River Loop Hall (Red Shed). A concrete pathway linking the reserve through to the carpark has been boxed out this week and is ready to be poured. This will future proof the area if there is a need to extend the path north of the reserve. Soft landscaping will be completed around the carpark to tidy the space.



The Harbour Street roading work and the pathway to Paretao began during May. The plan is for the pathway to finish at the boat ramp on Harbour Street and be incorporated into an upgraded Harbour/Union/Main street intersection.

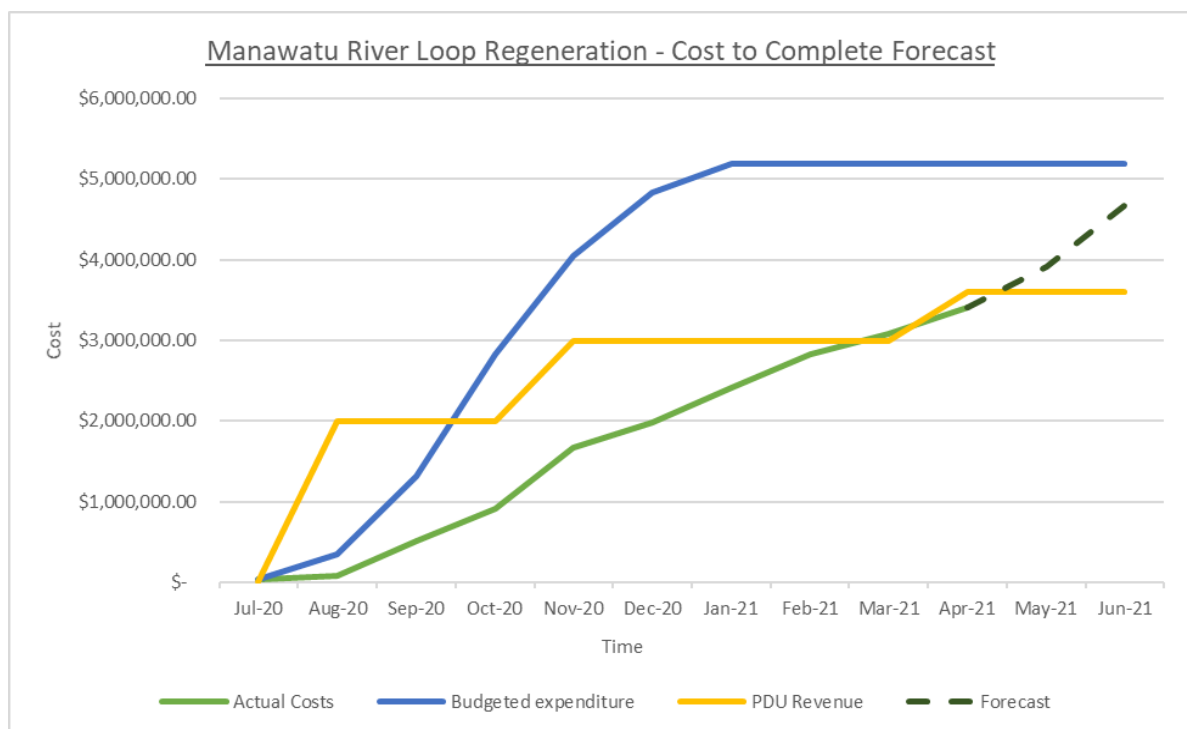
3.1.2 Financials

An overview of the forecast expenditure to the end of the financial year is provided in the chart below.

April was a relatively quiet month on site with approximately \$280K of work performed. The focus has been on procuring the roading contracts and installing park amenities. Bad weather hampered productivity somewhat.

Costs are expected to ramp up next month due to roading works that have just gotten underway. By the end of June the actuals will close in on the budgeted expenditure, apart from the long lead park amenities which are not available for installation until end of August 2021.

Work remains on track for substantial completion by the end of June 2021.



3.1.3 Focus for next month

Activity on Harbour Street will increase over the next month with planned roading improvement and pathway work commencing.

Final playground elements will be installed, once this area is completed the contractor will do soft landscaping to tidy up the area and plant the remaining trees. The lawns will also be mowed properly for the first time.

The handrail from the Whirokino Bridge will be installed along with feature LED lights and a plaque explaining the history of the Bridge.

3.1.4 Risk

No new risks arising this month.

3.2 Crown Infrastructure Partners Enabling Infrastructure for Tara-Ika

3.2.1 Queen Street Sewer Progress Update

The team has made great progress this month at Queen Street. Works are almost complete. The open trenching work has finished at Queen Street East. As-builts have been drawn up ready for the Independent Engineer to sign-off Practical Completion. Final pressure testing was being carried out at the time of writing.

The specialised pipe lining contractor completed the insertion of the new pipe lining along Queen Street (West of SH57) in early May, with the exception of the Queenwood Road cut-in to be completed in early June. This brings the overall length of pipe installed to over 2.4km.

Pavement reinstatement has been completed and traffic management removed in time for Waka Kotahi to start their intersection upgrade at the SH57/Queen St intersection.

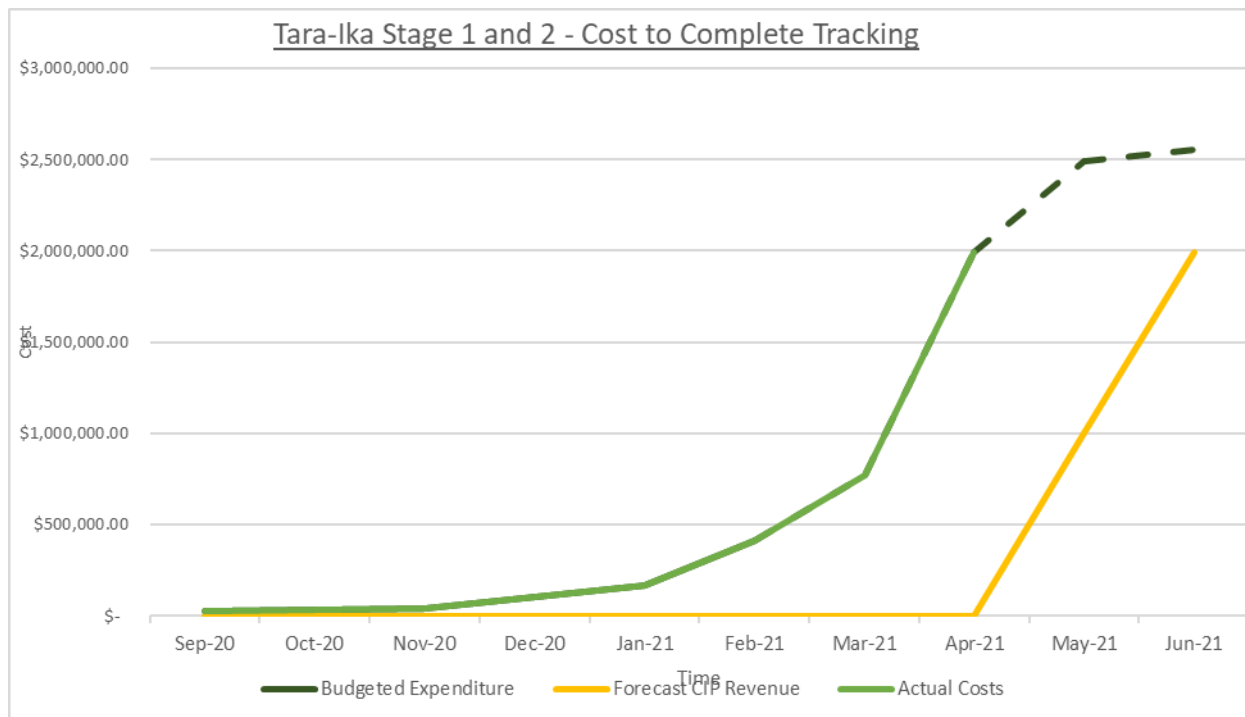
3.2.2 Financials

An overview of the forecast expenditure to the end of the current financial year is provided in the chart below. Actual costs have continued to track in line with forecasted expenditure.

The practical completion of the Queen Street East sewer works will enable Council to claim the first \$1M from the CIP grant funding. Next month Council will be eligible to claim the second CIP payment of \$991K for the completion of the Queen Street West works. Council's co-fund contribution is \$509K drawn from the current LTP.

Note the lag between grant funded revenues and actual costs to date due to the revenue only being claimed upon completion of each stage. The dotted line shows the forecast cost to complete. The difference between the dotted line and the CIP revenue is the Council co-fund.

Works have been completed within the budget.



3.2.3 Focus for next month

Council will be finishing the final driveway reinstatements along Queen Street, as well as the Queenwood Road cut-in. Project practical completion of both sewer stages (Queen Street, East and West of SH57) is planned for completion by the end of June.

Next month the works on the next stage will start – the investigations, design and build of a new sewer main on Tararua Road.

3.2.4 Risks

No new risks arising this month.

3.3 Fale Lotu Connections

3.3.1 Free Church of Tonga

On Saturday 1 May the community came together to celebrate the re-opening and blessing of the newly renovated Free Church of Tonga. The celebration saw speeches from Ministers, members of the church, District Mayor Bernie Wanden, PDU representative Catriona McKay, and Teresa Ngobi – Labour MP for Ōtaki. Mayor Wanden had the official duties of cutting the ribbon and unlocking the doors, followed by the customary handing over of the key to the Church Minister.

The only work remaining is the installation of a new sliding door at the rear building. Delivery expected July 2021.



3.3.2 Samoan Methodist Church

Works got underway at the Samoan Methodist Church. The lining of the kitchen and bathroom areas is now complete. The coming month will involve plastering and painting and vinyl flooring in the kitchen, bathroom and entrance areas. Following this, the plumbing service connections will be installed. It is expected the minor roof remediation works will be completed at the end of May.

3.3.3 Congregational Christian Church of Samoa

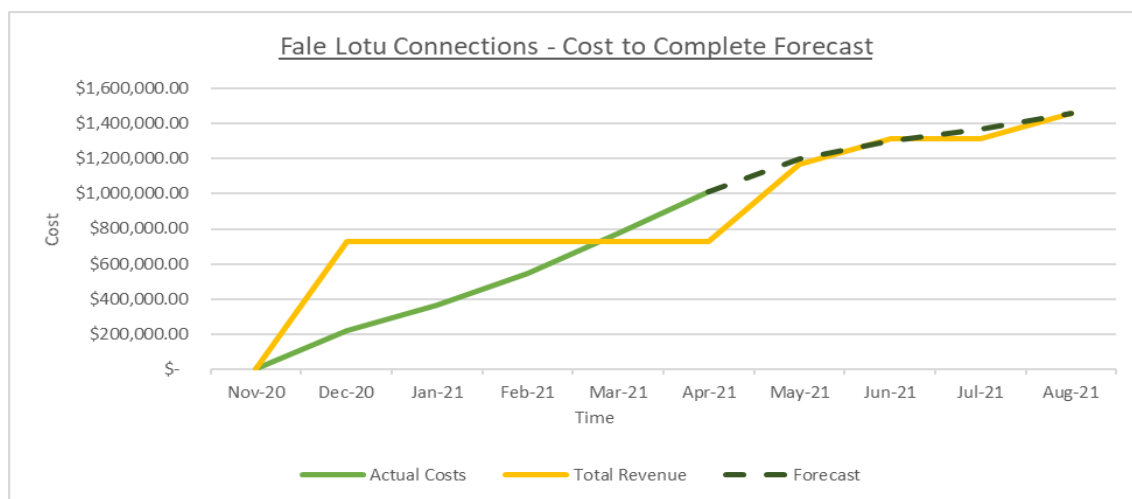
Demolition of the existing kitchen and new bathroom areas continued in April. Post holes were completed for the new kitchen area, these were inspected by Council for sign-off. Following the inspection, the timber framing for the floor was completed. The painting sub-contractor has been onsite working on the front exterior of the building.

Next month the timber framing for the new kitchen area will be installed. Once completed, the roof and external cladding will be re-constructed followed by the insulation and internal lining of the walls.

Council has applied to MBiE for a variation to carry out structural strengthening work this month. Re-framing can then start of the old kitchen area and work can be started on the replacement of the roof.

3.3.4 Financials

An overview of the forecast expenditure to the end of the project is provided in the chart below. Actual costs include the 15% deposit required by the contractor at the time of signing contractor agreement. This has been split between the three churches based on their indicative costs.



Council invoiced the Provincial Development Unit for the second instalment payment of \$440K during April. At the time of writing this claim has yet to be paid, which explains the over spend against revenue for April in the graph above.

Council will be applying for the third instalment payment of \$146K at the end of May to be paid in June 2021. Thereafter, as works are completed, and are forecasted to track closely against the cash flow until project completion in August 2021.

3.3.5 Risk and Contingency

Structural strengthening is required at the Congregational Christian Church of Samoa in the hall building. The installation of new steel portal frames, foundations and gravity beams are required to strengthen the building. Council has applied to MBiE for approval to use the project contingency to undertake this work.

This work is critical and takes precedence. To manage the scope of works within budget, construction and installation of the kitchen joinery will be suspended until there is a clearer understanding of total cost to complete. This will allow mitigation of any additional risk around unforeseen costs.

3.4 North East Levin Upgrade Project

3.4.1 Background

The North East Levin Upgrade project comprises two separate projects:

- Project One involves the rehabilitation and widening of Roslyn Road and the renewal (including upsizing for growth) of a piped reticulation network to collect sewer and stormwater off neighbouring residential developments; and
- Project Two involves consenting and, if approved, construction of an improved stormwater detention area at the corner of Roslyn and Fairfield Roads.

3.4.2 Project One - Roslyn Road Upgrade

The project is progressing well, albeit Council has been hampered by the recent wet weather. The site team has been able to catch up lost time. Work is now (almost) out of the trenches. The new sewer and stormwater pipes are completed with just the tie-in to the existing manholes left to construct. The road and pathway works have been commenced.



3.4.3 Project Two – Consenting the proposed attenuation area

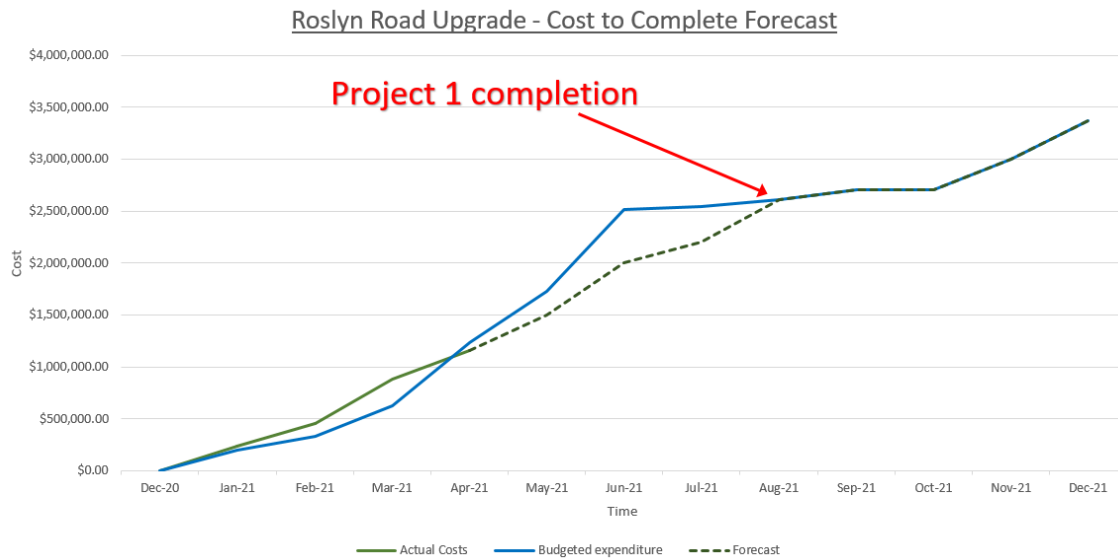
As signaled at the last FAR meeting, a request has been received for further information (RFI) from the Manawatu Whanganui Regional Council (MWRC) pertaining to technical details within Council's hydrological modelling. Subject matter experts from both parties have met and are working on answers to the RFI.

Officials have also agreed a way forward with respect to filing of documents leading up to a rescheduled hearing, provisionally set down for mid-August 2021. Council is to respond to MWRC's RFI request by 2 July 2021. Thereafter, the parties will exchange evidentiary reports and call for any submitter seeking to enter expert evidence by 6 August 2021. Council must file its final submission by 12 August 2021.

3.4.4 Financials

The chart below summarises the total project, including budget allocations for Projects One and Two. Noting that the budget for the Project Two attenuation area remains provisional pending the outcome of the consent. For the purposes of the financial report, it has been assumed that if consented, works on the attenuation area would commence during October 2021.

The forecast cost to complete for Project One is tracking within budget. Council's excellent progress on site has resulted in a slightly lower overall cost to date. With the recent bad weather and the winter months taking hold, a slowdown in productivity on site is forecast which will stretch the practical completion until the end of July. That said, it is forecast that Project One will be delivered on budget.



3.4.5 Focus for next month

Next month Council will undertake final quality assurance and testing prior to tie-ins of piped infrastructure. Roothing will continue with the aim to seal the road at the end of the month.

A public update on the project will be issued via the Council webpage and social media. Affected and adjacent land owners and occupiers will be informed directly.

3.4.6 Risk and Opportunity

Council has worked with Chorus and helped a local business get better, safer access off Roslyn Road. Work was done with Chorus to remove a pole to allow large trucks to access the property in a safer manner. Refer image below – the red circle indicating the pole that has been a hazard to trucks for several years.



3.5 Foxton Waste Water Treatment Plant – Stage Two – Pond Construction

3.5.1 Progress update

Excellent progress last month. During April all pond site stripping was completed and the geogrid was installed. Construction of the southern and south western bund commenced with the inlet and outlet pipe work installed. Construction of the subsoil drains to the west and north have continued.

Throughout May Council continued to construct the pond bunds, moving up in layers and supervised by our specialist geotechnical engineers.

All HDPE gas liner and pond liner materials are now on site. The installation crew will mobilise on 17 May and commence installation – weather dependent.

The project remains on track for completion by 30 June.



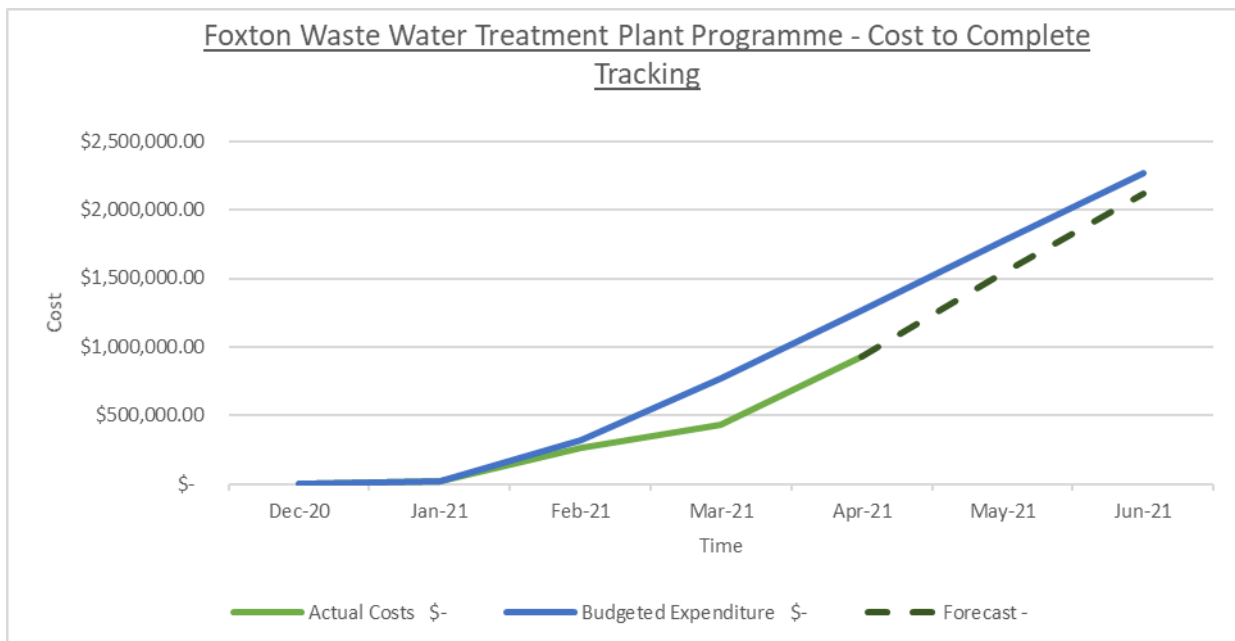
Figure 1 Construction of the western bund.

3.5.2 Financials

An overview of the forecast expenditure to the end of the financial year is provided below.

Bulk earth works were completed in April with a small amount continuing into May. This leaves the construction of bunds and gas liner/liner install to be the large items to be completed in May.

The team's excellent progress and high productivity has meant that tracking is under budget for the month ended April 2021. It is forecasted that the project will be completed within budget.



3.5.3 Focus for next month

The bund construction and subsoils will continue until completion in May. The HDPE liner crew anticipate to finish in May / early June.

3.5.4 Risk and Mitigation

The HDPE liner cannot be laid in high winds or rain. The forecast includes contingency for time delays.

3.6 Foxton Beach Wharf Shared Path and Wharf Maintenance

3.6.1 Progress update

The maintenance of the Foxton Beach Wharf got underway in early May. Over the next month Council will place 800 tonnes of rock to shore up the foreshore area. Council will also extend the existing Manawatū Estuary Shared Pathway to connect to the Wharf.

Materials and plant have been mobilised to site and a safe working area created with temporary fencing. Survey set out has been undertaken marking the crest of the revetment wall, site clearance has commenced removing the damaged gabions and debris.





3.6.2 Financials

Works have only just got underway. There are no actuals to report. Financial tracking will be provided at the next FAR Committee meeting.

3.6.3 Focus for next month

Site clearing will continue and material will be imported where required to bring up the subgrade for the retenant wall. Once the subgrade is brought up to the correct level geofabric will be laid and the rock will be layered on top.

Works on reinstating the eroded car-parking area, landscaping and construction of the new pathway will commence in June.

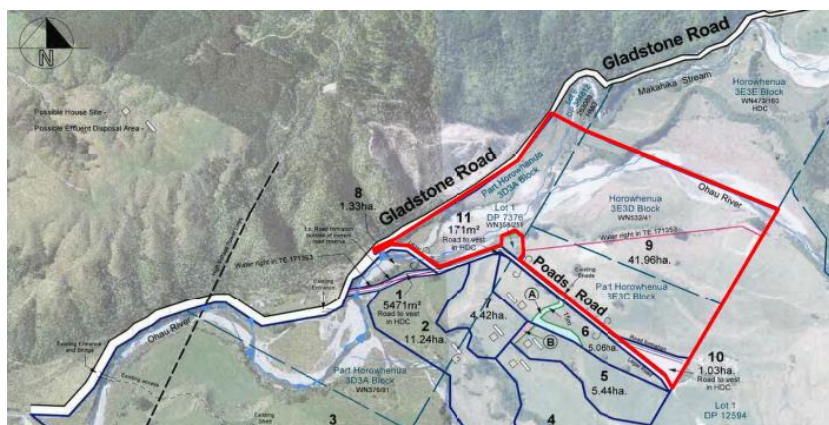
3.6.4 Risk and Mitigation

Tides and bad weather present the highest risk to delivery. Council has made contingency allowances in its construction programme and financial forecast.

3.7 Poads Road Alternative Water Supply for Levin – Feasibility Study

3.7.1 Background

A pre-feasibility desktop study was completed in November 2020 to determine the viability of a potable water storage facility for Levin's future water supply and to meet growth demands. The study site is situated on terraces above the Ohau River at Poads Road as per the map below.



The pre-feasibility desktop study defined potential options for the development of the site. Council resolved to carry out detailed geotechnical engineering investigations to better understand the options and progress with the due diligence process. This will involve core drilling and test pits to collect samples for laboratory analysis as well as installation of monitoring equipment.

3.7.2 Progress update

Damwatch Engineering and Pro-Drill Specialist Drilling Engineers have been appointed to undertake the investigations. Pro-Drill are scheduled to commence with site works on 17 May 2020. The site works will run over a 9-day duration. Following the site works, laboratory testing and results analysis will take place. A final report is due August 2021.

3.7.3 Financials

The project is funded through Central Government's Three Waters stimulus and reform funding. Council has allocated a budget of \$200,000 for this work.

Financial tracking will be provided at the next FAR Committee meeting.

3.7.4 Focus for next month

Major activities for the next period are the onsite drilling, sampling, installation of testing instrumentation and the commencement of laboratory testing.

3.7.5 Risk and Mitigation

Inclement weather delays may occur but no significant impact is expected due to the short duration of the site works. The laboratory has been notified of the schedule to mitigate against delays due to high demand for testing from other projects. There is a low risk that underground services may be damaged during the drilling works. To mitigate this a 'before you dig' analysis has been carried and a services locator is scheduled to complete a services mark-out prior to commencement.

Attachments



There are no attachments for this report.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their advantages and disadvantages, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Daniel Haigh Principal Project Manager	
Approved by	Brent Maguire Group Manager - Infrastructure Development	

Infrastructure Operations - Activity Update

File No.: 21/177

1. Purpose

To provide the Finance, Audit and Risk (FAR) Committee with an update on the projects being undertaken by the Infrastructure Operations Group.

2. Recommendation

- 2.1 That Report 21/177 Infrastructure Operations - Activity Update be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

3. Key Highlights and Business Priorities

3.1 ROADING

3.1.1 2020/21 Resurfacing Programme

Background

Each year Council resurfaces (or as it is more commonly known, reseals) a number of roads around the district. This work typically takes place over the spring and summer seasons, while the weather is warmer and more predictable.

Road resurfacing plays two vital roles – it waterproofs the road and protects the structure underneath, limiting potholes and reducing road failures. It also makes the road smoother to ride on. As a result, our roads are safer, and there are also significant cost savings. By taking care of the belowground pavement structure, it doesn't need to be replaced as often.

The 2020 – 2021 resurfacing programme for this financial year was completed in March.

Work Completed

Resealing work was completed on all or part of the following roads:

- ADKIN AVENUE
- ARAWHATA ROAD
- ASH STREET
- ASH STREET
- CAREX GROVE
- CHURCHILL CRESCENT (SHN)
- FOXTON-SHANNON ROAD
- GARTH ROAD
- GLADSTONE ROAD
- HIMATANGI BLOCK ROAD
- JULYAN STREET
- KAIHINAU ROAD
- KOPUTOROA ROAD
- KOPUTOROA ROAD
- MABEL STREET
- MATIPO STREET (LVN)
- MEADOWVALE DRIVE
- MOTUITI ROAD
- MOUNTAIN VIEW DRIVE

- NICOLAS PLACE
- OKUKU ROAD
- PARK AVENUE
- QUEENWOOD ROAD
- SEABURY AVENUE
- SHEEHAN STREET
- SPCA SERVICE LANE
- SUDENG STREET
- TAINUI STREET WEST
- WAITARERE BEACH ROAD
- WALL ROAD
- WERAROA ROAD

The Reseal Programme

The expected life cycles of seals and reseals depends on traffic loading and pavement strength. The life can range from 1 to 20 years. The expected life cycles of reseals based on seal life experience in the district are shown in the table below.

Table Error! No text of specified style in document.-1: Surface Treatment Average Lives

Surfacing Type	Vehicles Per Day		
	0 - 2,000	2,000 - 10,000	10,000+
• Thin Asphaltic Concrete	20 yrs	18 yrs	15 yrs
• Slurry Seal	7 yrs	5 yrs	4 yrs
• Grade 6 Chip Seal	5 yrs	3 yrs	2 yrs
• Grade 5 Chip Seal	7 yrs	5 yrs	4 yrs
• Grade 4 Chip Seal	12 yrs	9 yrs	7 yrs
• Grade 3 Chip Seal	15 yrs	10 yrs	9 yrs
• Grade 2 Chip Seal	15 yrs	10 yrs	9 yrs
• First Coat Chip Seal (Grade 4)	3 yrs	2 yrs	1 yr
• Grade 3/5 Two Coat Chip Seal	15 yrs	15 yrs	10 yrs
• Grade 4/6 Two Coat Chip Seal	12 yrs	9 yrs	8 yrs

The initial seal (or first coat seal) on a newly prepared basecourse formation has a much shorter life than other seal coats and should be considered as a prime coat. A second coat seal is then usually carried out one to three years after the first coat seal has been applied.

Therefore, when calculating the life of first coat seals, for seal extensions and road reconstructions, these factors must be considered when deciding on the timing of the second coat seal.

Council is required, due to the Department of Internal Affairs Non-Financial Performance Measures, to reseal a minimum of 5% of its sealed network on an annual basis. The total amount of sealed road that Council have is 3,551,091m², meaning that Council is required to seal a minimum of 177,555m² per year. For the last few years, largely due to, and constrained by, the approved budgets, Council have been resealing around that 5% requirement. However, over the long term that isn't sustainable. If only 5% of the network is resealed on an annual basis it would take 20 years to reseal the network. As can be seen in the table above, 15 years is the upper life for a road surface. To achieve an effective reseal cycle of even 15 years, the required quantity of reseal on an annual basis is 242,000m².

To this end, the Roding Team are in the process of lifting the annual programme to around that 242,000m² quantity. This still does not meet the average expected seal lives recommended in the Table above; however, with closely monitored condition based

assessment, and optimised programming, it is believed the proposed quantity should prove sufficient to maintain the current condition of asset. This quantity will need to be revised as assets vested to Council increase due to growth.

This year a total 222,767m² of road was resurfaced, or 6.3%.

Financials

The 2020/21 Subsidised Sealed Road Resurfacing budget was \$1,350,000, however, the total resurfacing costs ended up being \$1,431,245. This exceeded the original budget by \$81,345, due mainly to increasing cost of materials (reseals are subject to significant in variation in cost, mainly due to fluctuations in the cost of bitumen, which is closely related to the cost of oil).

Reductions have been made in other Roothing renewal areas to ensure that overall renewal expenditure has remained within the approved NZTA renewal budget for the year.

3.1.2 Gladstone Road Realignment

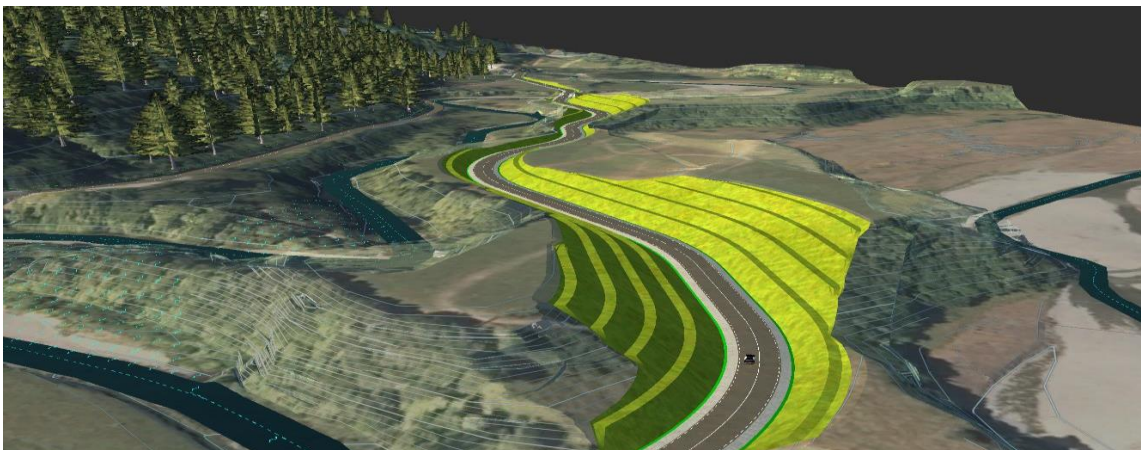
Landslip

The Gladstone Road landslip has been relatively inactive since the last significant road closure, on 26 December 2020. However, further periods of activity are likely over the next few month with the onset of more adverse, winter weather.

The Realignment Project

The Gladstone Road Realignment project, which will resolve the problems with this road, is currently in the detailed design phase. An Early Contractor Involvement (ECI) process is being undertaken to enable the completion of the detailed design of the project and assist with the development of resource consent applications.

Progress on the project has been delayed in the NZTA funding application process, but a funding indication is expected in late May/early June.



Financials

The current engineer's estimate for the project's construction sit at \$4.8M. \$5M, which includes internal casts, has been budgeted for the LTP for financial year 2021/22.

3.2 HOROWHENUA ALLIANCE

An incident of flooding caused by heavy rain and blocked drains saw the Bath street office unusable for most staff. Alternate premises have been secured and the Horowhenua Alliance is now located at the old Court House.

The flooding issue meant that the monthly update was unable to be provided last month. As such, this report includes updates covering the last two months.

Health & Safety

H&S continues to be a key focus for all Horowhenua Alliance staff, as trends, both nationally and locally, see an increase in incidents.

Reporting for March and April has 6 occurrences of damage, one near miss and two injuries with no lost time.

Damage Events:

- Flooding caused by heavy rain and blocked drains of the Bath Street Office.
- Vehicle damage being a small scuff on right front guard of vehicle parked in supermarket carpark.
- Boom of a digger contacting overhead power lines. This caused the lines to arc taking out power to surrounding homes.
- Vehicle windscreen chip/crack.
- Mobile phone issues due to water damage.
- Whilst hydrovacating, came across an 11kv cable which was not on the service plans.

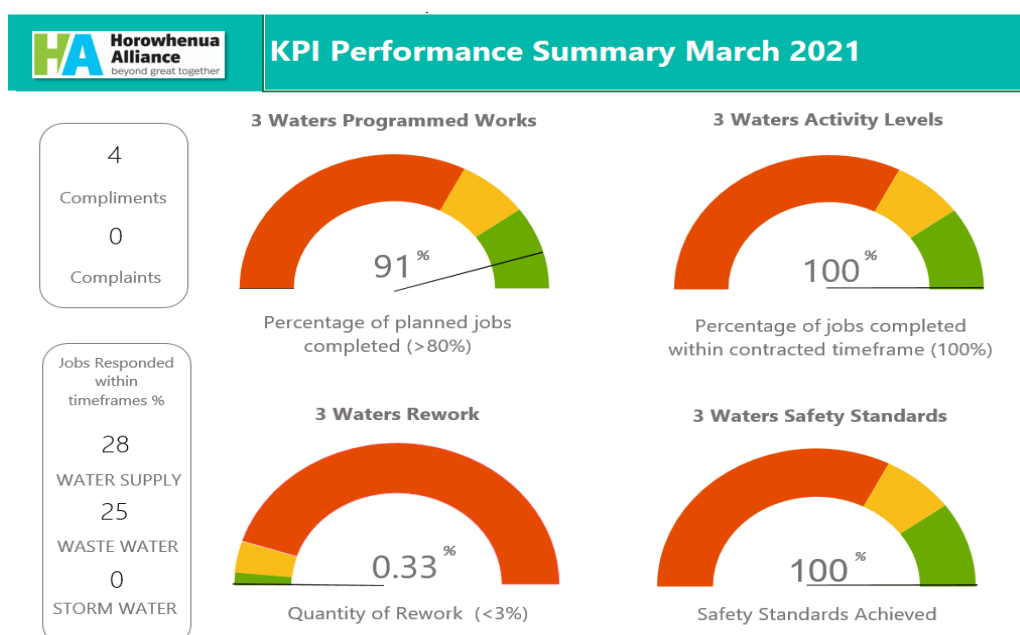
Near Miss

- Wind caught a wastewater sludge bag causing the contents to spill over a staff member.

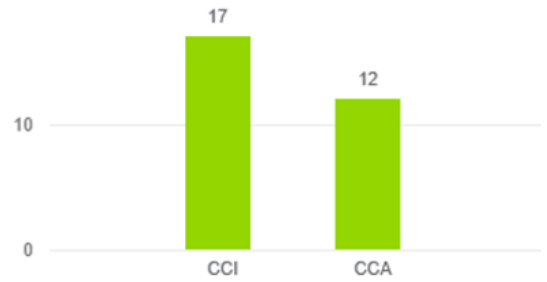
Injuries

- Staff member stepping down from a vehicle slipped from the top of the ladder spraining his ankle. He was placed on light duties until recovered.
- A strain caused through a staff member lifting a generator onto the tray of a ute. This task was identified as a two-person lift.

KPI Update



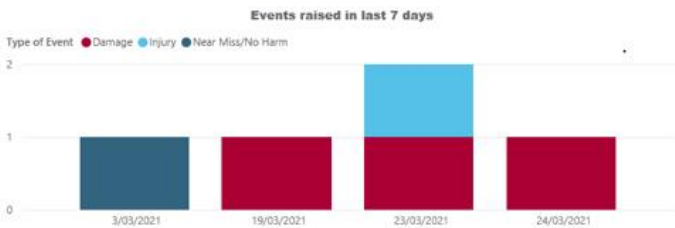
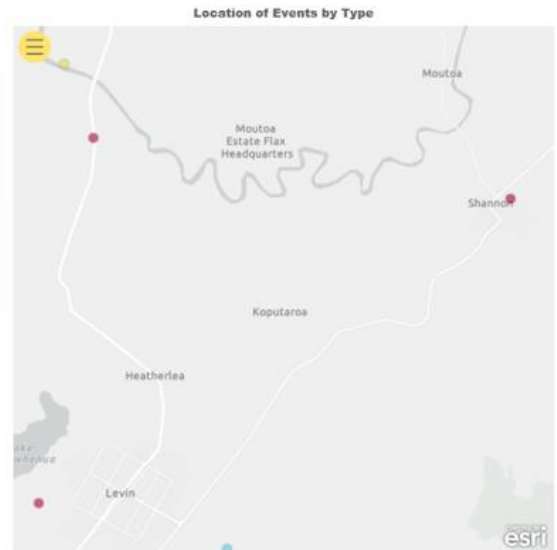
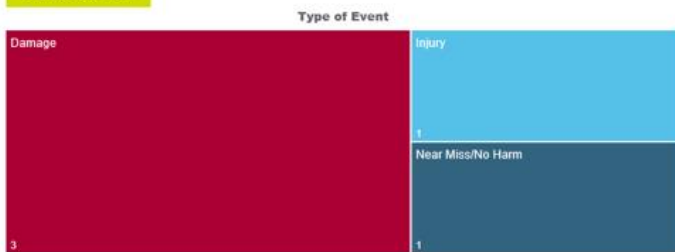
Control Verifications Count



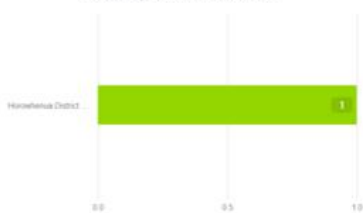
HSE Event Notification Dashboard

- Event Summary -

5
Total Number of Events

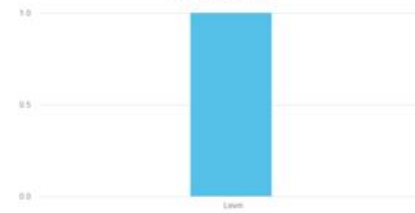


Events by Customer Contract

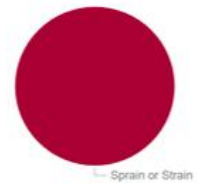


- Commercial in confidence -

Events by Area



Events by Category





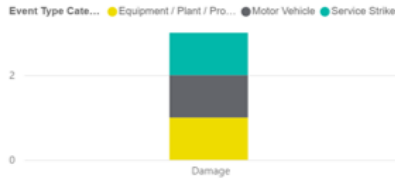
HSE Event Notification Dashboard

- Incident Damage -

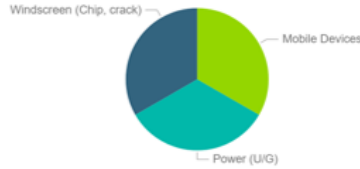
3

Number of Events

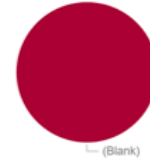
Events by Category



Events by Sub Category



Events by Motor Vehicle Impact Type



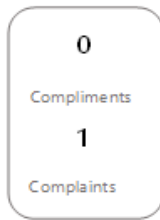
List of Events

Event No.	Submitted By	Date of Event	Location of Event	Event Details	Event Type Category	Customer Contract	Event Type Sub Category	Actual Consequence	Potential Consequence	Potential Likelihood
337230	Peter Giddins	24/03/2021	1043 SH 1, Levin, 5572, New Zealand	Loose chip hit windscreen on newly sealed highway causing it to chip the front windscreen	Motor Vehicle	Horowhenua District Council	Windscreen (Chip, crack)	Low	Low	Possible
336791	Jill Short	23/03/2021	Hokio Beach Rd, Levin, 5510, New Zealand	Foreman's phone has been wet several times working outside in the rain. Phone now can't get internet, randomly turns itself off, intermittently receives and makes calls and can't access wifi.	Equipment / Plant / Property	Horowhenua District Council	Mobile Devices	Low	Low	Rare
335129	Jill Short	19/03/2021	27 Stafford Street, Shannon, Manawatu-Whanganui 4821, New Zealand	Hydrovacating for UG services today discovered an 11kv cable running across road. Other side had been drilled 2 weeks ago. Opened pit on other side of road and found water pipe had been drilled thru 2 ducts. None on service plans. Electra has no idea what 2nd one is.	Service Strike	Horowhenua District Council	Power (UIG)	Low	Medium	Possible

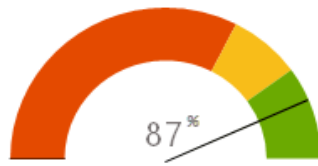
- Commercial in confidence -



KPI Performance Summary April 2021

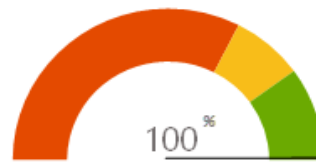


3 Waters Programmed Works



Percentage of planned jobs completed (>80%)

3 Waters Activity Levels

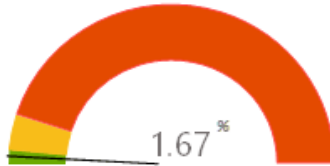


Percentage of jobs completed within contracted timeframe (100%)

Jobs Responded within timeframes %

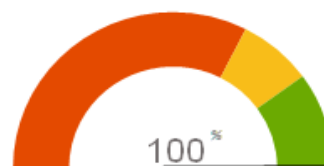
28
WATER SUPPLY
23
WASTE WATER
0
STORM WATER

3 Waters Rework

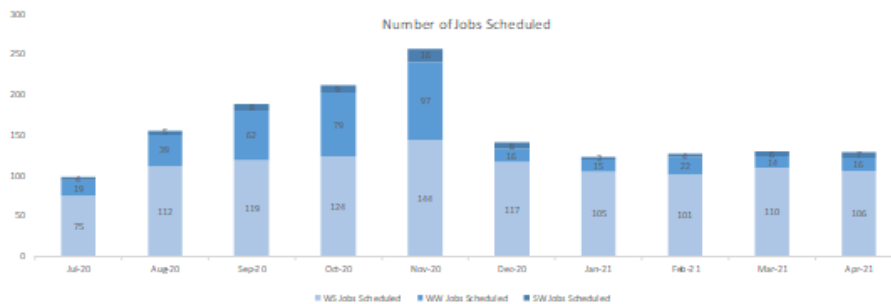


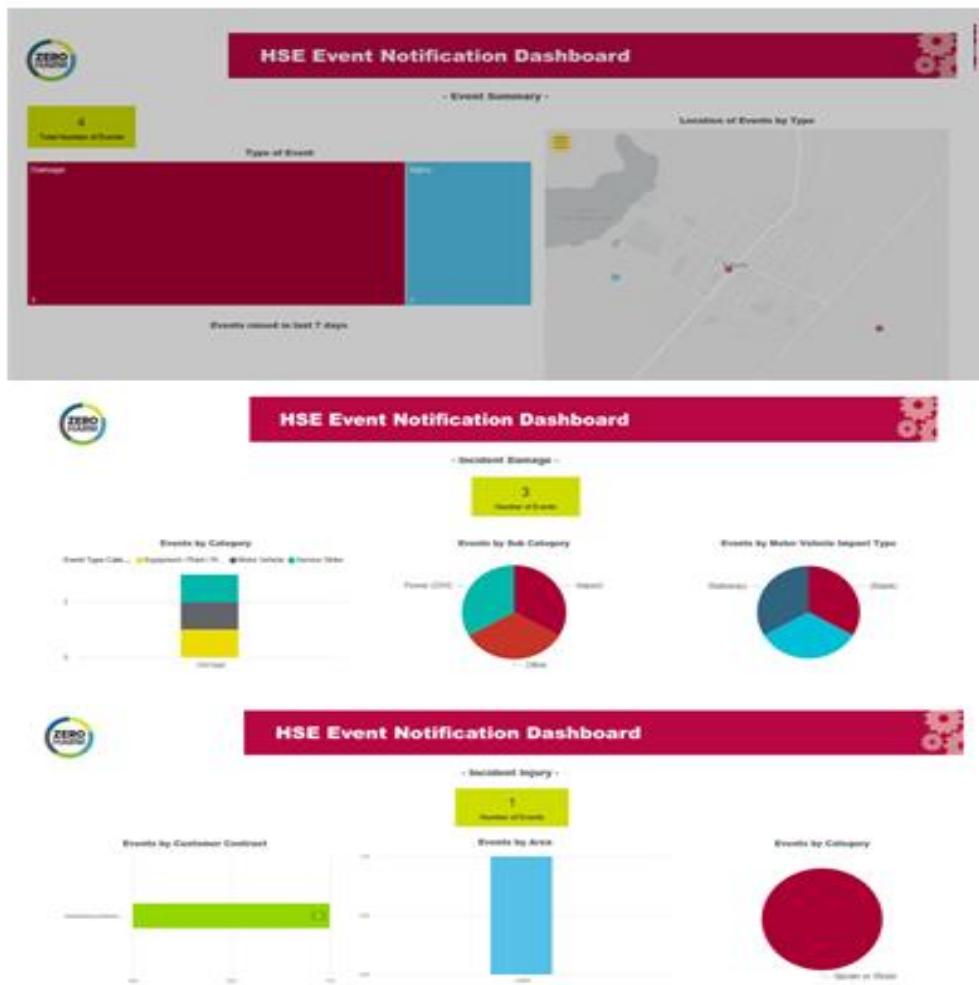
Quantity of Rework (<3%)

3 Waters Safety Standards



Safety Standards Achieved





Strategic Update – Operations

Bruce Marshall, the Horowhenua Alliance’s (Downer) Operations Manager, has provided notice of his intention to retire after 34 years looking after Three Waters in the district, for first the Foxton Borough Council and then Horowhenua District Council. His final day will be 30 September 2021.

Maintenance figures for the current Calendar year

- Water lateral repairs 76
- Toby Replacements 110
- Water mains repairs 8
- Meter installations 87
- New water connections 26
- New sewer connections 15

The February, March and April water quality compliance reports for Horowhenua District Council Drinking Water Supplies show that all compliance requirements have been met.

All Statement of Service Performance (SSP) reports for March have been completed to timeframes.

Level 2 water restrictions remain in place for Levin.

Strategic Update – Projects

Overall spend is below forecast for this time in the financial year.

- Desludging of Foxton Wastewater Ponds - The contractor is returning at the end of this month and it is anticipated all budget will be spent before the end of the financial year.
- Water Reticulation Renewals - This work is in progress and it is anticipated the budget will be spent this financial year.
- Tokomaru Water Treatment Plant – Relocation of equipment into the new building. This work is in progress and it is anticipated the budget will be spent this financial year.
- Foxton Water Treatment Plant - A number of minor projects in progress at this site to complete this financial year.

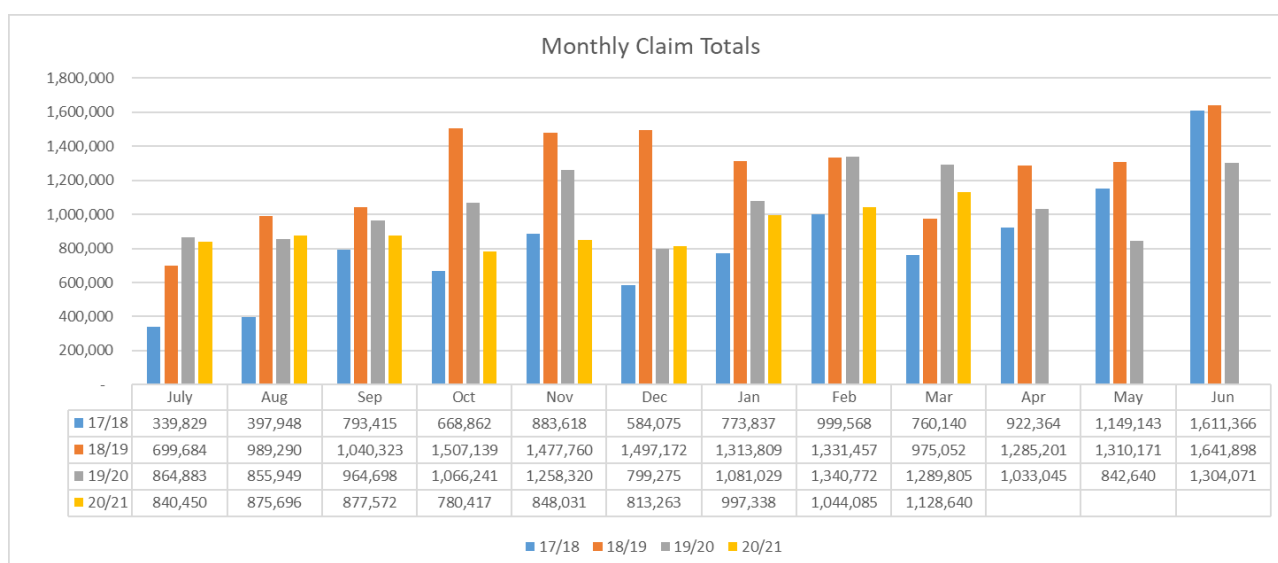
The remaining capital works for this year includes:

- Emptying digester at the Levin Wastewater Treatment Plant to undertake structural assessments. Consultants and contractors have been engaged for investigations and repairs. Emptying of the first digester is scheduled for completion at the end of May.
- The completion of this year's water reticulation renewals in Shannon.

Financials

Project spend is below forecast for this time of the year but remains on track for the end of the year.

A request was received from the Finance Audit and Risk Committee for a comparison of figures with previous years, the below graph represents the Claim totals for the current year to date, and the three previous years the Horowhenua Alliance has been operating.



3.4 COMMUNITY INFRASTRUCTURE AND PROPERTY

3.4.1 Shannon Jailhouse – Project Update

Background

The Shannon Jailhouse is a 27m² wooden structure that was used historically to incarcerate local offenders for short periods of time. It contains two small cells and was used from 1911 to 1972 by the Police. In 1972, when the building was decommissioned, Council purchased it and located it in Te Maire Park as a feature, and the building was managed and administered by the local Progressive Association between 1972 and 1996 in that location.

Throughout the period between 1972 and 1996 the Jailhouse came under increasing threat from vandalism and, by reason of reducing its vulnerability to such damage, it was transferred to Owlcatraz as part of that attraction.

Whilst at Owlcatraz the facility was leased to the owner by Council at a minimum rent that recognised the owner would be responsible for maintenance and management of the building. After its transfer to Owlcatraz, the Jailhouse was used to display historical documents and exhibition pieces to showcase the previous use of the building, and to provide historical context. Over its 24-year stay at Owlcatraz, well over one million visitors passed through its doors enjoying the historic information provided by tour guides.



Jailhouse at Owlcatraz



Jailhouse on move

In March 2020 the owners sold Owlcatraz, leaving the Jailhouse without a location. It was uplifted in late 2020 (as per the photos above), and with the agreement of a community-minded business was placed in its yard where it is currently undergoing refurbishment.

Procurement

The building, following its relocation, required a number of repairs, including removal of existing paint, replacement of damaged weather-boards, replacement of some structural timbers and a roof replacement. The work estimates are less than \$60k and, in line with procurement guidelines/policy, a number of quotes were sought from local providers for the various aspects of repair.

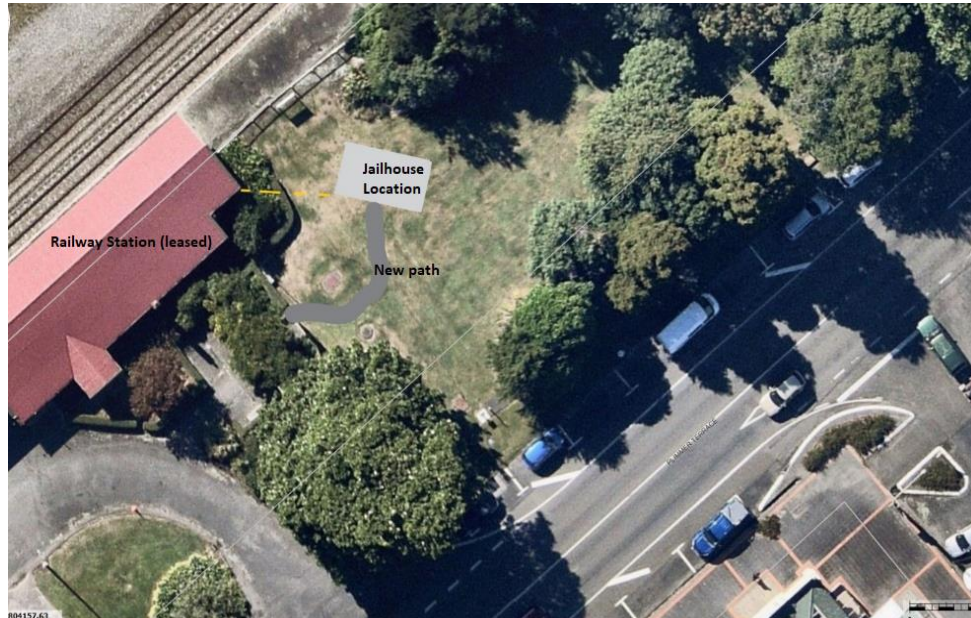
Work Completed

Timber work (weatherboards and structural) has been completed, as has the roof replacement. The Jailhouse is now currently being painted at the private yard.



Further Work

Once the physical works are complete the Jailhouse will be relocated to Te Maire Park in close proximity to the railway station, which is currently leased by the Shannon Progressive Association, in the location shown below.



Additional works will include the installation of a path and foundations for the Jailhouse, connecting power and a CCTV system. Management and administration of the Jailhouse will be overseen by the Progressive Association via a Memorandum of Understanding (MoU). It is anticipated that the Jailhouse will be in its new position by the end of June 2021.

Financials

All refurbishment work is being completed out of existing budgets. Ongoing internal maintenance and management of the Jailhouse will be completed by the Progressive Association (under the MoU), there is, as such, no implication for rates.

External repairs will be managed by HDC, however, given the current refurbishment works it is not anticipated there will be the requirement for further renewals within the next 5-7 years.

3.4.2. Levin Adventure Park – Update

Background

Levin Adventure Park is an iconic feature of Levin and has a 5 star rating on Trip Advisor. Located on State Highway 1 at the southern entrance to the Levin township, it is a popular site for travellers as well as being a recreational asset to the Horowhenua community. The Levin Adventure Park is located on Crown Land and the Levin Adventure Park Charitable Trust (LAPT) is the lessee. The lease expired in February 2021 and the organisation was in discussion with agents of the Crown (Colliers) about renewing the lease.

Colliers, as agents for the Crown, initially granted a three-year lease on behalf of the Crown to the LAPT, with a further three year Right of Renewal. However, the Crown included a number of provisions in the lease that were not acceptable to the Trust. Foremost of these was a six-month break period clause that allows the Crown to terminate its lease with the LAPT at any period over the course of the new lease, provided they give six-month's notice. This would then necessitate the LAPT removing its improvements, at its cost.

Clearly as a charitable organisation the LAPT does not have access to large sums of capital if this particular clause were activated by the Crown, consequently, on 16 October 2020, the LAPT provided Council formal notice of its intention to wind-up and not re-engage with the Crown as Lessee.

Given the importance of the Levin Adventure Park locally, and as a national destination within the Horowhenua, a report was taken to Council. The report, with agreement from the LAPT, asked for further direction in relation to the matter. Council passed the following resolution.

“THAT the Horowhenua District Council seeks agreement from the Crown for the assignment of the lease for the Levin Adventure Park, on the proposed terms and conditions, from the Levin Adventure Park Trust to the Horowhenua District Council.”

Current Position

Given the resolution from the Council meeting of 11 November 2020 officers have been in discussion with Colliers, as Agents for the Crown, in respect of taking over the lease for the Levin Adventure Park.

An initial draft lease was provided to Officers on 7 April 2021 asking for comment. The lease was based on the initial lease provided to the LAPT. However, despite discussion between Officers and Colliers in respect of changing the lease term from three to five years, removal of the break clause, and a reduction in rental costs (given the insecure nature of the lease), Colliers as Agents of the Crown have maintained the existing provisions. A final lease has since been provided to Council for consideration (17 May 2021).

Future Actions

Given that the land concerned has been identified for a possible future settlement it is unlikely that the Crown's position will shift in the short-term, unless there is a significant change in circumstances. However, Council taking over the lease provides the opportunity of (a) considering other options for the relocation of the park, or (b) initiating discussions with parties who have declared an interest in the site around the longer-term viability of the site.

As such, Officers will respond to Colliers (as Agents of the Crown) confirming that Council will take over the lease, and the lease document will be prepared for execution by the organisation within the next two to three weeks.

Financials

There are no financial implications in respect of this matter. Whilst initially the LAPT was solely responsible for the operation and maintenance of the Park, with Council contributing towards improvement and running costs via its annual planning process, Council contractors have been undertaking all maintenance of the site, via operational budgets, from 2009. Costs for maintaining the park have been included in the LTP 2021-2041 budgets.

Attachments



There are no attachments for this report.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their advantages and disadvantages, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	James Wallace Roading Services Manager	
Approved by	Kevin Peel Group Manager - Infrastructure Operations	

Ten Month Report 1 July 2020 - 30 April 2021

File No.: 21/179

1. Purpose

To present to the Finance, Audit & Risk Committee the financial report for the ten months to 30 April 2021

2. Recommendation

- 2.1 That Report 21/179 Ten Month Report 1 July 2020 - 30 April 2021 be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

3. Issues for Consideration

As included in the **attached** report.

Attachments

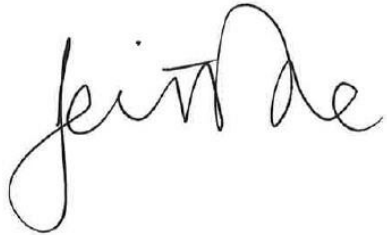
No.	Title	Page
A	Financial Reporting - Monthly Report - 30 April 2021 - FAR Committee	

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their advantages and disadvantages, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Jacinta Straker Chief Financial Officer	
-----------	---	---

Approved by	Nicki Brady Deputy Chief Executive	
-------------	--	---



Horowhenua 
DISTRICT COUNCIL

Ten Month Report

1 July 2020 - 30 April 2021

Executive Summary

Total revenue	Total expenditure	Total surplus/(deficit)
\$55.96m is 11% more than the YTD budget of \$50.38m	\$51.23m is 8% more than the YTD budget of \$47.64m	\$4.73m is \$2.0m more than the YTD budget of \$2.7m

The Council revenue for the year is higher due to the Council's success in securing funding from the Provincial Growth Fund. This has also resulted in higher capital and operational funding as the projects are completed.

Total Capital Spending	Grants and Subsidies (Capital & Operating)	Total net borrowings
\$22.04m is \$3m less than the YTD budget of \$25.0m	\$15.37m is 41% more than the YTD budget of \$10.9m	\$95.2m is 158% of budgeted operating income (financial strategy limit is 195%)

The Council has completed \$22.04m towards the capital programme at the end of April and is forecasting to complete \$31.7m by the end of June. Variances within activity areas are explained within the report.

It is important to note that \$2.5m of the capital budget was recorded within the operating results as it relates to work completed as part of the Manawatū River Loop project within the Manawatū river corridor. This is the responsibility of the Department of Conservation, and so has been treated as an operating expense.

Factoring in this spend, the Council has completed \$24.5m of the year to date budgeted amount of \$25m.

The additional grants and subsidies income forecast primarily relates to additional income received from the Provincial Growth Fund on behalf of the Free Church of Tonga, Samoan Methodist Church, and the Congregational Christian Church of Samoa received as part of the Fale Lotu Connections Project.

It should be noted that the Provincial Growth Fund Grants are paid on a milestone payment basis, in some cases across a number of years i.e. The Mahi Space which is \$400k across the 2020–2022 years. The graph below does not include the portion of the grant that relates to the 2021/22 year.

Jacinta Straker - Chief Financial Officer

Operational Summary

Total revenue	Total expenditure	Total surplus/(deficit)
\$55.96m is 11% more than the YTD budget of \$50.38m	\$51.23m is 8% more than the YTD budget of \$47.64m	\$4.73m is \$2.0m more than the YTD budget of \$2.7m
S U S T A I N A B I L I T Y		

Rates to operating revenue 60%

Rates revenue	\$32.64m
Operating revenue	\$54.82m

60% of operating revenue is derived from rates revenue. Rates revenue excludes penalties, water supply by meter and is gross of remissions. Operating revenue excludes vested assets, development contributions, asset revaluation gains and gains on derivatives.

Balance budget ratio 107%

Operating revenue	\$54.82m
Operating expenditure	\$51.23m

Operating revenue should be equal or more than operating expenditure. Operating revenue excludes vested assets, development contributions, asset revaluation gains and gains on derivatives. Operating expenditure includes depreciation and excludes loss on derivatives, landfill liability and loss on asset revaluations. Year to date revenue is 107% of operating expenditure.

Net Debt to total projected revenue (LGFA Cov.) 158%

Total net borrowing	\$95.21m
Total budgeted operating revenue	\$60.41m

With net borrowing of \$95.21m we are still under the set limit of 195% of operating revenue. Total net borrowing is external borrowings less cash at bank.

Interest to rates revenue (LGFA Cov.) 7%

Net Interest	\$2.26m
Rates revenue	\$32.64m

7% of rates revenue is paid in interest. Our set limit is 25% of rates revenue. Net interest is interest paid less interest received. Rates revenue excludes penalties, water supply by meter and gross of remissions.

Interest to operating revenue (LGFA Cov.) **4%**

Net Interest	\$2.26m
Operating revenue	\$54.82m

4% of operating revenue is paid in interest. Our set limit is 20% of operating revenue. Net interest is interest paid less interest received.

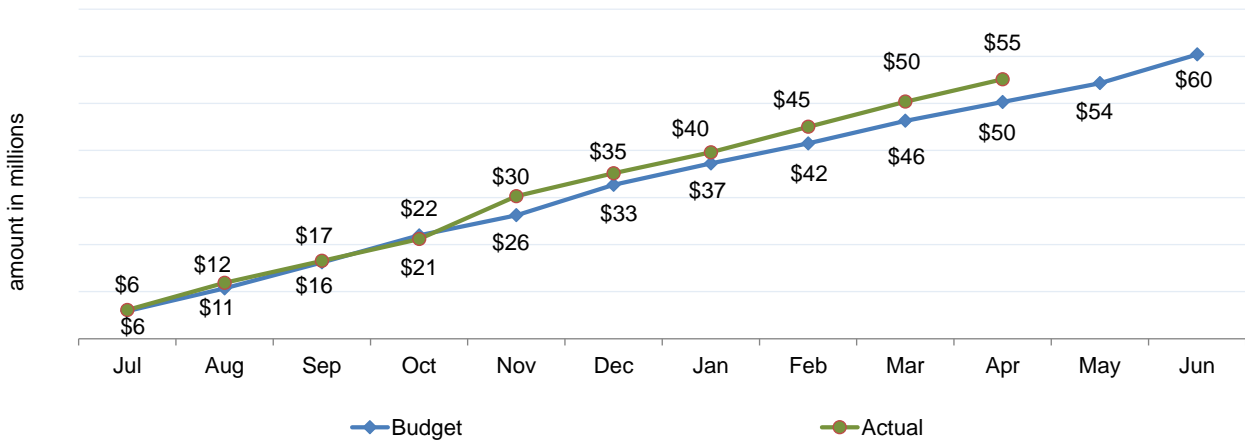
Available financial accommodation to external indebtedness (LGFA Cov.) **132%**

Net debt	\$95.21m
Undrawn committed facilities	\$30.00m

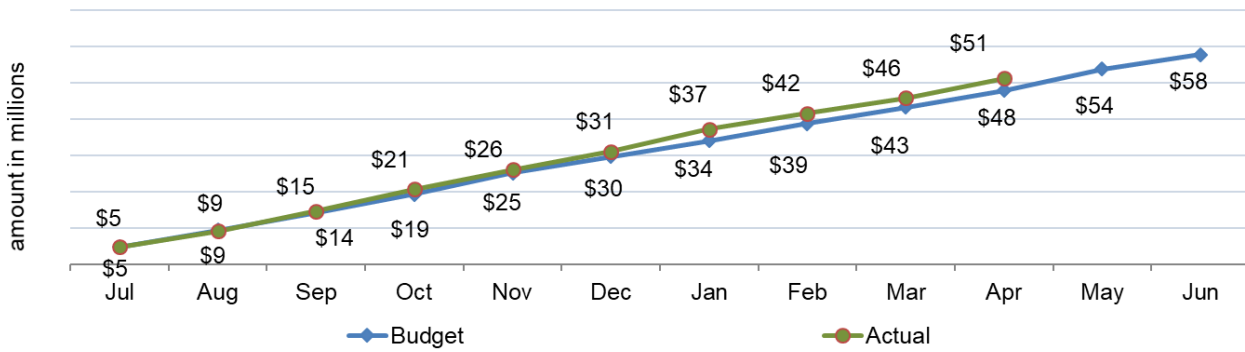
The committed bank facility enables us to borrow up to 132% of our current external debt immediately. The LGFA covenant minimum is 110%.

With regard to the available financial accommodation to external indebtedness (LGFA Covenant), the Council has secured a further \$20m in facilities to increase liquidity and ensure ongoing compliance with our ratios given the increasing borrowings requirements signalled in the LTP.

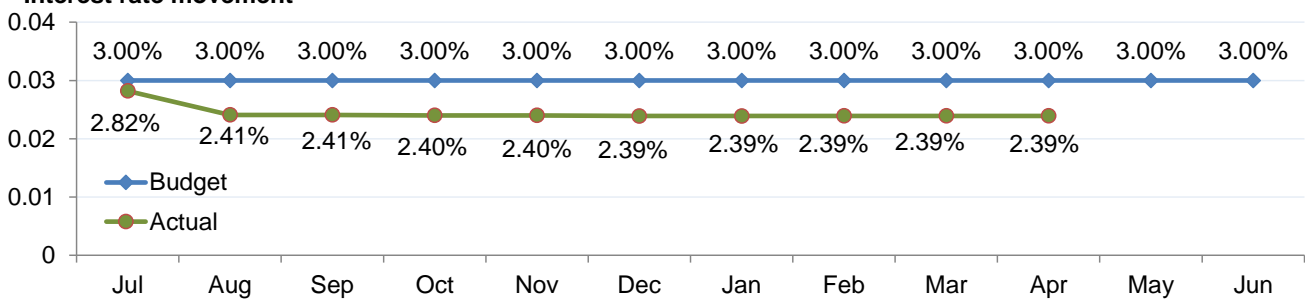
Total Revenue \$m



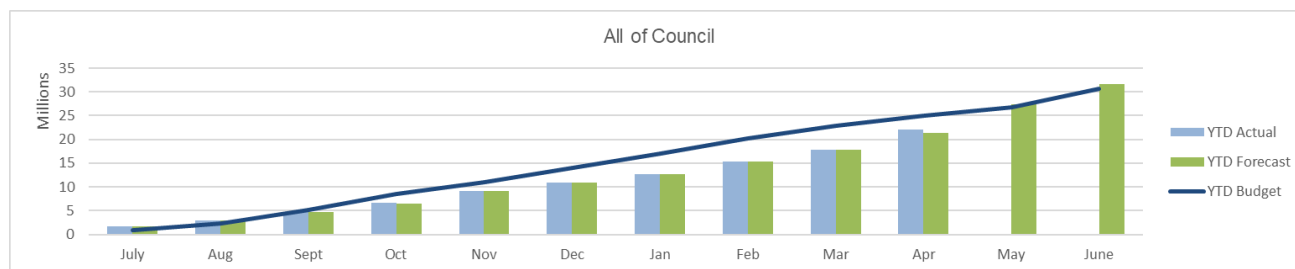
Total Expenditure \$m



Interest rate movement



Capital Expenditure Summary

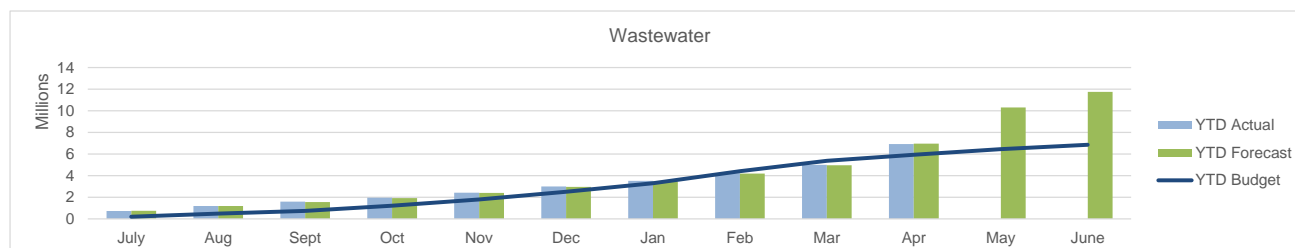


The Council has completed \$22.04m towards the capital programme at the end of April and is forecasting to complete \$31.7m compared to a \$30.6m capital budget by the end of June. Variances within activity areas are explained within the capital activity graphs below.

It is important to note that \$2.5m of the capital budget was recorded within the operating results as it relates to work completed as part of the Manawatū Rover Loop project within the Manawatū river corridor. This is the responsibility of the Department of Conservation, and so has been treated as an operating expense.

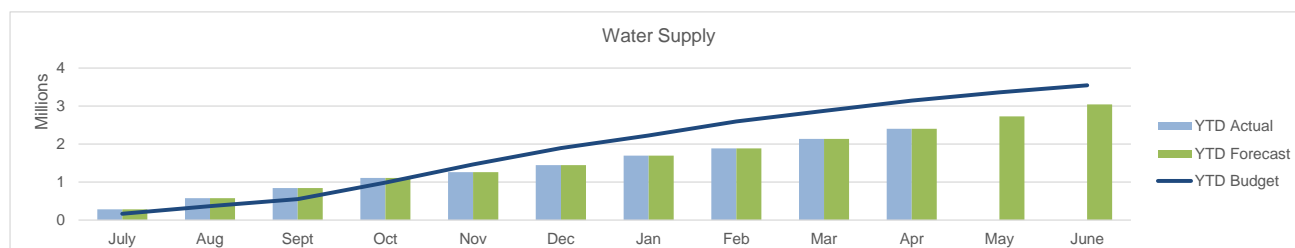
Factoring in this spend, the Council has completed \$24.5m of the year to date budgeted amount of \$25m.

Wastewater Activity



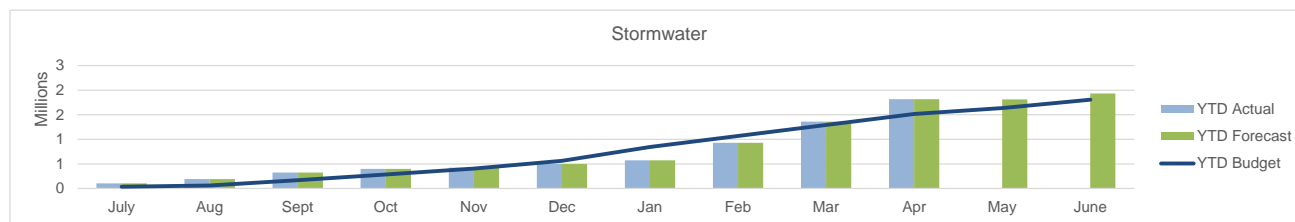
The additional expenditure of \$4.4m forecast in this activity relates to additional work being completed this year on the Foxton wastewater treatment plant of \$2.9m, as well as expenditure on Tara-Ika of \$2.3m which is not included in the budget. The Tara-Ika project however will receive \$1.9m of funding from the Crown. The additional expenditure on the Foxton wastewater treatment plant is planned to be offset by reduced spending across other activities.

Water Supply Activity



The Water Supply activity is currently underspent by \$741k and is forecast to be \$584k underspent by the end of the year. The lower spending YTD and forecast, relates to lower spending on new Levin development areas of \$779k. The focus has been on completing work in the Wastewater activity for the Tara-Ika growth area.

Stormwater Activity

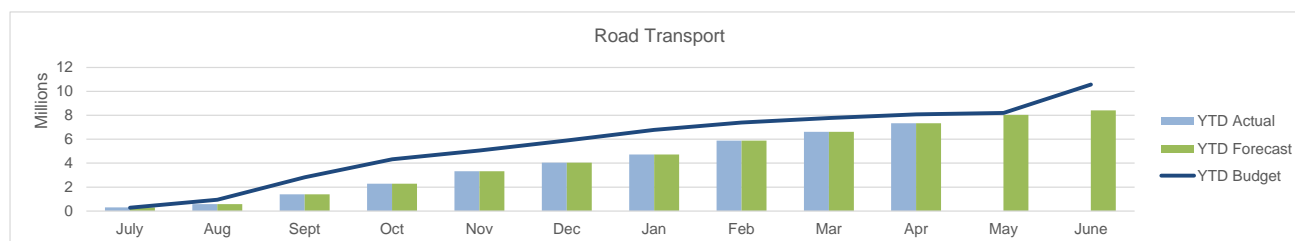


The Stormwater activity is currently overspent by \$299k and is forecast to be overspent by \$377k at the end of the year.

There is additional spending forecast of \$1.7m for Roslyn Road but this funded externally by the Three Waters Stimulus Fund.

The remaining budget of \$493k for the Foxton East Drainage Scheme is being managed by Horizons and it is expected that this budget will need to be carried forward into 2021/22

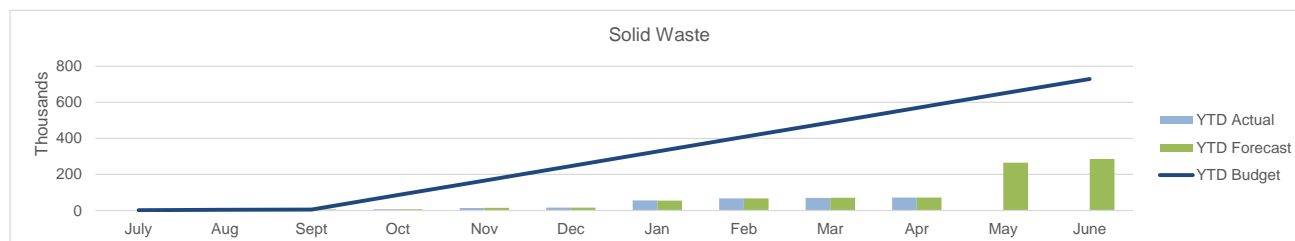
Road Transport Activity



The Roothing activity is currently underspent by \$745k and is forecast to be \$2.2m underspent by the end of the year.

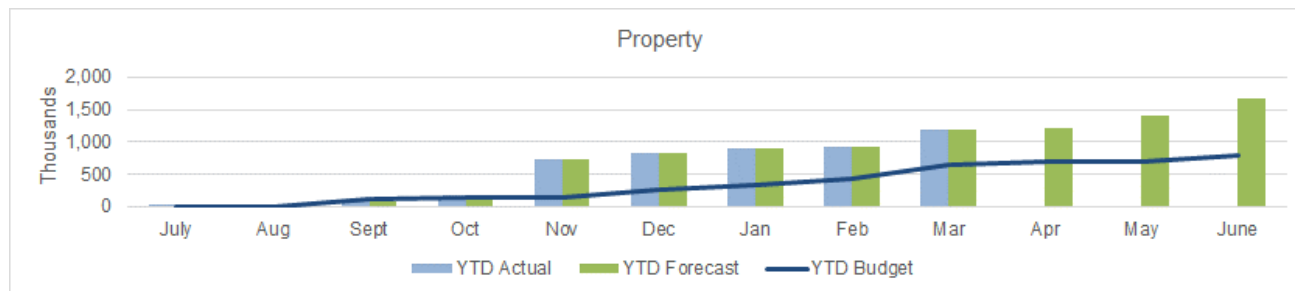
The lower spending forecast at year end relates to a provisional budget for road improvements for Ō2NL (\$1.7m) which has not been required in the current year and, as such, has not been approved by NZTA. A further \$500k for improvements to rail crossings has also not been spent, as rail crossing projects are reliant upon business cases being submitted from KiwiRail, before the funding is approved by Waka Kotahi (NZTA). To date no business cases have been received and no rail crossing upgrades are now expected to occur this financial year.

Solid Waste Activity



The Solid Waste activity is currently underspent by \$497k and is forecast to be \$444k underspent by the end of the year. The forecast remaining budget is planned to be carried forward into the 2021/22 year.

Property Activity

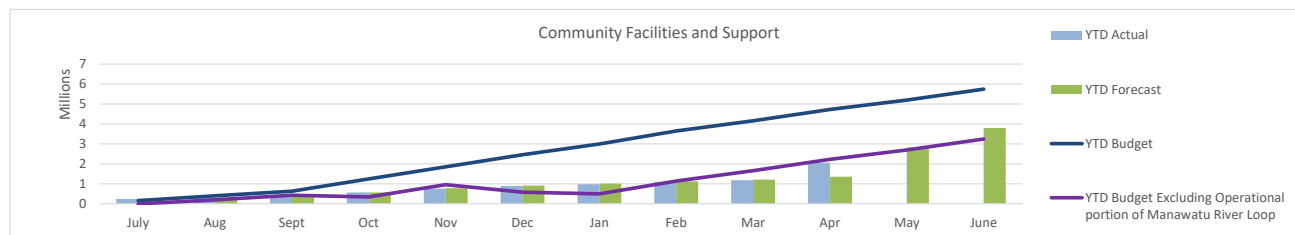


The Property activity is currently overspent by \$487k and is forecast to be \$1.5m overspent by the end of the year.

The additional spending primarily relates to the purchase of strategic land at 28 Durham Street Levin (\$675k). Additional borrowings will not be required however due to the Council receiving \$1.9m in proceeds from the sale of the Roe St property to the Horowhenua NZ Trust.

It is also anticipated that there will be additional spending this year for the Foxton Beach Surf club. This additional amount will be funded by a grant from the surf club. Overall it is estimated that the total project cost will be \$1.485m. This will mean that \$150k will be completed next year.

Community Facilities Activity (includes a number of activities including Aquatics, Libraries and Community Centres, Parks, Reserves, Sportsgrounds and Cemeteries)



The Community Facilities activity is currently underspent by \$1.2m and is forecast to be \$1.9m underspent by the end of the year.

The underspend so far relates mostly to the Foxton Futures project (\$2.2m). A significant portion of the project is related to the river, which is the responsibility of the Department of Conservation, and so will be treated as an operating expense. The full amount to be treated with operating expense is \$2.5m. Within this activity there is also additional expenditure planned for the Foxton Beach Wharf Project. This will be partially funded by the Foxton Beach Freeholding account. This project will be completed in early 2021/22.

Statement of Comprehensive Revenue and Expense

	Annual Plan	Actual	Variance		Year End	Annual	Variance		Notes
	YTD	YTD	YTD		Projection	Plan			
	Apr-21	Apr-21	2021		2021	2021	2021		
	\$000	\$000	\$000		\$000	\$000	\$000		
Revenue									
Rates Revenue	(32,876)	(32,642)	(234)	⊖	(39,386)	(39,684)	(298)	⊖	
Operational Grants & Subsidies	(1,676)	(6,708)	5,032	⊕	(7,470)	(2,104)	5,366	⊕	1
Finance Income	(150)	(11)	(139)	⊖	(50)	(200)	(150)	⊖	2
Fees & Charges	(3,738)	(3,552)	(186)	⊖	(4,273)	(4,551)	(278)	⊖	
Other Revenue	(2,735)	(3,160)	425	⊕	(3,687)	(3,197)	490	⊕	3
Gains on Disposal of Assets		(86)	86	⊕	(86)	-	86	⊕	
Total Revenue	(41,175)	(46,159)	4,984	⊕	(54,951)	(49,736)	5,216	⊕	
Expenditure									
Employee Benefit Expenses	13,100	12,050	1,050	⊕	14,796	15,771	975	⊕	4
Finance Costs	2,453	2,274	179	⊕	2,702	3,202	500	⊕	5
Depreciation and Amortisation	12,374	12,463	(89)	⊖	14,848	14,848	0	⊕	
Other Expenses	19,710	23,599	(3,889)	⊖	29,351	23,892	(5,459)	⊖	6
Loss on Disposal of Assets	-	842	(842)	⊖	842	-	(842)	⊖	7
Total Expenses	47,637	51,228	(3,591)	⊖	62,539	57,713	(4,826)	⊖	
Operating (surplus) deficit before capital revenue and taxation	6,462	5,069	1,393		7,587	7,977	390		
Capital Grants and Subsidies	(9,201)	(8,660)	(541)	⊖	(10,591)	(10,676)	(85)	⊖	8
Vested Assets		(23)	23	⊕	-	-	-	⊕	
Gain on Derivatives		(1,119)	1,119	⊕	-	-	-	⊕	9
Total (Surplus)/Deficit	(2,739)	(4,733)	1,994		(3,004)	(2,699)	305		

Note 1 Operational Grants and Subsidies **favourable** variance of \$5.0m. The significant activities that derive the operating grants and subsidies revenue relate to Community Facilities, Community Support and Road Transport.

The additional funding reported and forecast for the end of the year, relates to PGF funding received on behalf of Fale Lotu Connections for local church upgrades that Council is managing on behalf of the local churches (\$1.4m), The Mahi Space (\$400k) and the Manawatū River Loop at Foxton (\$2.5m).

Note 2 Finance income **unfavourable** variance of \$139k year to date and forecast variance of \$150k for the year, is due to not prefunding our loans as planned. This is offset by lower finance costs.

Note 3 Other revenue **favourable** variance of \$425k. This primarily relates to additional revenue received in Regulatory as a result of increased building and development activity in the district.

Note 4 Employee Benefit Expenses **favourable** variance of \$1.1. Overall this is forecast to be \$975k below budget by the end of the year.

Note 5 Finance Costs **favourable** variance of \$179k. This current and forecast year end reduction in finance costs relates to lower interest rates. The interest expense is forecast to be \$500k below budget for the year.

Note 6 Other Expenses **unfavourable** variance \$3.9m as detailed below:

Note 5 Other Expenses	Annual Plan	Actual	Variance		Year End	Annual	Variance	Notes
	YTD	YTD	YTD		Projection	Plan		
	Apr-21 \$000	Apr-21 \$000	Apr-21 \$000		2021 \$000	2021 \$000	2021 \$000	
Professional Services	3,554	5,412	(1,858)	⊗	7,050	4,282	(2,768)	⊗ 6A
Materials	83	87	(4)	⊗	111	107	(4)	⊗
Maintenance	12,063	13,895	(1,832)	⊗	17,014	14,683	(2,332)	⊗ 6B
Grants Paid	395	362	33	⊕	622	670	48	⊕
Utilities	902	849	53	⊕	1,119	1,113	(5)	⊗
Communications	173	175	(2)	⊗	222	216	(6)	⊗
Other Expenses	4,421	4,073	348	⊕	5,260	5,058	(202)	⊗ 6C
Vehicle Expenses	93	78	15	⊕	109	129	20	⊕
Treasury Expenses	137	84	53	⊕	165	163	(2)	⊗
Labour Recoveries for Capex projects	(2,111)	(1,416)	(695)	⊗	(2,321)	(2,529)	(208)	⊗ 6D
Total Other Expenses	19,710	23,599	(3,889)	⊗	29,351	23,892	(5,459)	⊗

Note 6A Professional services **unfavourable** variance of \$1.9m relates to:

- \$1.1k relates to spending the grant received from the Provincial Growth Fund on behalf of the Free Church of Tonga, Samoan Methodist Church, and the Congregational Christian Church of Samoa received as part of the Fale Lotu Connections Project. The total amount forecast to be spent and received in grants this year is \$1.4m
- \$271k relates to additional spending in Regulatory for planning consultants which will be recovered through revenue.
- The landfill activity has incurred additional spending of \$402k which relates to:
 - Consulting fees and Project Management Group (PMG) expenses to meet the conditions of the HEKA landfill agreement, including the robust analysis required to inform the PMG on the decision of whether the landfill should close early and related requirements for remediation of the site (\$247k)
 - Consultancy fees for the preparation of a business case for the future of the landfill and its operations that include scanning wider aspects that affect Council and the community (\$152k).

Note 6B Maintenance costs **unfavourable** variance of \$1.8m. The significant activities that derive maintenance costs relate to Wastewater, Water Supply, Stormwater, Solid Waste, Road Transport and Community Facilities and Services.

The variance year to date and forecast is primarily within Community Facilities and Services Reserves activity, and relates to \$2.5m of expenditure for the PGF funded phase 1 of the shovel ready Manawatū River Loop at Foxton project. This project was originally budgeted as a CAPEX project however \$2.5m of the work is treated as operational as it related to work along the river which is the responsibility of the Department of Conservation.

Note 6C Other expenses **favourable** variance \$348k reflecting lower spending across the organisation. The additional spending planned relates to some costs related to the Manawatū River Loop projects (\$60k) together with additional software licencing for reporting and modelling software.

Note 6D Labour recoveries for CAPEX projects **unfavourable** variance \$695k reflecting the lower capital project expenditure and staff time allocation than budgeted. It is expected to be \$208k below budget at year end.

Note 7 This is due to the sale of some industrial land owned by Council in Roe Street Levin to the Horowhenua NZ Trust (HNZT) for economic development purposes.

Note 8 Capital Grants and Subsidies **unfavourable** variance \$541k. The significant grants that derive the capital grants and subsidies are Road Transport, PGF funding including funding for the Manawatū River Loop at Foxton Project and Three Waters Stimulus Funding. Refer to the executive summary for a summary of the projects that are planned to receive central government funding.

Note 9 Gain on derivatives **favourable** variance \$1.2m. Long-term interest rates have begun to rise meaning the some of the historical revaluation losses have been clawed back.

Statement of Comprehensive Revenue and Expense by Activity

REVENUE	Annual Plan	Year to date (YTD)			Notes
	2020/21	Actual	Budget	Variance	
	\$000	\$000	\$000	\$000	
Significant Activities					
Regulatory Services	(5,186)	(4,575)	(4,433)	142	😊 1
Community Facilities and Services	(17,141)	(15,531)	(14,763)	768	😊 2
Road Transport	(13,004)	(9,868)	(10,301)	(433)	😞 3
Water Supply	(6,859)	(5,205)	(5,475)	(270)	😞 4
Wastewater Management	(7,486)	(6,228)	(6,074)	154	😊
Solid Waste	(2,990)	(2,461)	(2,472)	(11)	😞
Stormwater	(1,505)	(1,236)	(1,155)	81	😊
Treasury	(2,429)	(3,245)	(2,760)	485	😊 5
Property	(1,317)	(1,349)	(911)	438	😊 6
Community Support	(2,779)	(2,628)	(2,316)	312	😊
Representation & Com. Leadership	(3,608)	(6,406)	(3,004)	3,402	😊 7
Total Activity Revenue	(64,304)	(58,733)	(53,664)	5,069	😊
Business Units	(22,818)	(17,053)	(18,553)	(1,500)	😞
Total Operating Revenue	(87,122)	(75,786)	(72,217)	3,569	😊
EXPENDITURE	Annual Plan	Year to date (YTD)			Notes
	2020/21	Actual	Budget	Variance	
	\$000	\$000	\$000	\$000	
Significant Activities					
Regulatory Services	5,186	3,801	4,283	482	😊 8
Community Facilities and Services	13,354	13,272	10,987	(2,285)	😞 9
Road Transport	9,730	7,264	8,117	853	😊 10
Water Supply	7,125	5,893	5,959	66	😊
Wastewater Management	7,835	6,703	6,587	(116)	😞
Solid Waste	3,669	3,623	2,997	(626)	😞 11
Stormwater	1,644	1,219	1,376	157	😊
Treasury	4,133	3,037	3,257	220	😊
Property	1,297	1,826	1,000	(826)	😞 12
Community Support	2,778	2,261	2,421	160	😊
Representation & Com. Leadership	4,819	5,105	3,939	(1,166)	😞 13
Total Activity Expenditure	61,570	54,004	50,923	(3,081)	😞
Business Units	22,853	17,049	18,555	1,506	😊 14
Total Operating Expenditure	84,423	71,053	69,478	(1,575)	😞
Operating (Surplus)/Deficit	(2,699)	(4,733)	(2,739)	1,994	😊
Other Comprehensive income					

- Note 1** Regulatory Services revenue **favourable** variance \$142k. The higher revenue is due to increased building activity.
- Note 2** Community Facilities and services revenue **favourable** variance \$768k. The lower revenue is due to the remaining portion of the \$3.8m PGF grant not yet being received as originally planned.
- Note 3** Road transport revenue **unfavourable** variance \$433k. The lower revenue is due to less Waka Kotahi (NZTA) funding being claimed as a result of less capital work being undertaken YTD, this is expected to recover by the end of the year.
- Note 4** Water supply income **unfavourable** variance \$270k. The lower revenue is due to lower levels of water billed than planned.
- Note 5** Treasury Income **favourable** variance \$485k. The additional revenue is due to the gain on the interest rates swaps of \$1.2m.
- Note 6** Property Income **favourable** variance \$438k. The additional revenue is due grant funding from the Foxton Beach Surf Lifesaving Club.
- Note 7** Representation and Community Leadership income **favourable** variance \$3.4m. The significant reported variance relates to the first milestone payment of the PGF funded Fale Lotu Connections (\$1.2m) and Three Waters Stimulus Funding.
- Note 8** Regulatory Services expenditure **favourable** variance \$482k. The reported variance is a result of lower internal charges allocated to the Regulatory Services activity than projected.
- Note 9** Community Facilities and Services **unfavourable** variance of \$2.3m. Refer to notes **6A** and **6B** for the explanation which outlines the expenditure for the PGF funded phase 1 of the shovel ready Manawatū River Loop at Foxton project.
- Note 10** Roading expenditure **favourable** variance \$853k. The reported variance relates to lower consultant spending for the year so far.
- Note 11** Solid Waste expenditure **unfavourable** variance \$626k. The landfill activity has incurred additional spending which relates to:
- Consulting fees and Project Management Group (PMG) expenses to meet the conditions of the HEKA landfill agreement, including the robust analysis required to inform the PMG on the decision of whether the landfill should close early and related requirements for remediation of the site (\$247k)
 - Consultancy fees for the preparation of a business case for the future of the landfill and its operations that include scanning wider aspects that affect Council and the community (\$152k).
- Note 12** Property expenditure **unfavourable** variance \$826k. This is due to the sale of some industrial land owned by Council in Roe Street Levin to the Horowhenua NZ Trust (HNZT) for economic development purposes.
- Note 13** Representation and Community Leadership **unfavourable** variance \$1.2m. This primarily relates to additional spending as a result of the funding from the Provincial

Growth Fund on behalf of the Free Church of Tonga, Samoan Methodist Church, and the Congregational Christian Church of Samoa received as part of the Fale Lotu Connections Project.

Note 14 Business Unit expenditure **favourable** variance \$1.5m. The reported variance is a result of lower personnel costs, in addition to lower costs for training and professional services so far this year.

APPENDIX

Asset maintenance contract	General contract works, repairs, planned and unplanned maintenance, materials and consumables, cleaning and hygiene, inspections and reporting.
Finance cost	Interest on borrowings and interest on swaps.
Gains	Fair value revaluation gain and gain on sale.
General grants	Grants given to various organisations and individuals like Creative NZ, neighbourhood support, beach wardens, community development and youth scholarships.
Grants and subsidies	Grants and subsidies received from government and other organisations for roading, library, community hubs, cemeteries and aquatic centres.
Infringements and fines	Parking tickets, Prosecutions on WOFs and unregistered vehicles.
Employee benefits	Salaries and wages, training costs, FBT and ACC levies, superannuation, and staff recognition.
Other expenses	Printing, publication, postage, stationery, advertising, food and catering, photocopying, internet and communication and any other office expenses.
Professional services	Consultants, contractors, membership fees, legal fees, lab services, audit fees or any other professional services charges.
Regulatory revenue	Planning fees, building fees, animal fees, liquor fees and health fees.
Rendering of services	Commissions, car income, and any other income received for rendering services.
Rental income	Rent from Halls, residential and commercial properties, grazing land, reserves and other lease income.
Targeted rates	Rates for roading, waste management, representation and governance, stormwater, wastewater, water by meter and water supply.
User charges	Revenue received from admission, shop sale, Cemetery fees, trade waste, utility connection, events and exhibitions.
Utilities	Water use, electricity and gas charges

Chief Executive Report - Public Participation

File No.: 21/167

1. Purpose

To provide Council with the follow up actions undertaken by the Chief Executive following public participation actions of the prior Finance, Audit & Risk Committee on 28 April 2021.

2. Recommendation

- 2.1 That Report 21/167 Chief Executive Report - Public Participation be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

3. Background/Previous Council Decisions

At the 28 April 2021 Finance, Audit & Risk Committee meeting, the following public participation was recorded:

- Mr Charles Rudd speaking to the Internal Audit Report Year Ended 30 June 2019 Page 34 Iwi Partnerships.
- Mrs Vivienne Bold speaking to the Internal Audit Report Year Ended 30 June 2019 pages 18 and 25, Customer and Strategy Activity Update Page 78 and Nine Month Report 1 July 2020 to 31 March 2021 Page 112.
- Mr Te Whena Lewis speaking to Internal Audit Report Year Ended 30 June 2019 Page 34 Iwi Partnerships.
- Mr Graeme Lindsay speaking to Internal Audit Report Year Ended 30 June 2019, Infrastructure Development Activity Update NE Levin Upgrade Project, Infrastructure Operations Activity Update National Water Performance Review and Customer and Strategy Activity Update Page 81 Consents Approved.
- Mrs Christina Paton speaking to Nine Month Report 01 June 2020 to 31 March 2021.

4. Issues for Consideration

Updates from the Chief Executive Officer in response to the public participation are noted as follows:

- Mr Charles Rudd - No further action.
- Mrs Vivienne Bold
 - What happened to the sale of 72 Cambridge Street?
 - Lot 1, 2 and 3, which includes 72 Cambridge Street were sold to Horowhenua New Zealand Trust.
 - Mrs Bold stated it was good to receive Building Consent trends, however noted it was disappointing that this information had not been forthcoming with the last information provided in January 2020.
 - It is noted that the Finance Audit and Risk Committee has been receiving a detailed Activity update in this format for many months, for example these can be found on the agenda for the following Finance, Audit and Risk Committee meetings; 24 February 2021, 25 November 2020 and 30 September 2020. Prior to September 2020, components of these trends were incorporated into the Financial Report and Growth Dashboard.

- Mr Te Whena Lewis
 - The Chief Executive offered to meet with Mr Lewis to discuss his views if he wished to do so.
- Mr Graeme Lindsay
 - Internal Audit Report for the year ended 30 June 2019 is now approximately two years out of date. When can we expect the internal audit report for the financial year ending 2020?
 - The internal audit report focus area selected for 2020 was Procurement. As noted by the internal auditor in her presentation of the Audit report, it is not recommended that Council undertake another procurement audit in the next two to three years. The procurement internal audit commenced in February 2020, at that time most recent complete financial year was the 2018/2019 year ended 30 June 2019. The internal audit process was interrupted in March 2020 by the COVID-19 pandemic, it was resumed in November 2020.
 - The introduction on page 21 presents a statement of information being withheld from public access. Without going into details, ratepayers would expect lists to be published as an aid to open information access, accountability and transparency.
 - Rachael Dean responded to this point in her presentation of the Internal Audit Report. Mrs Dean noted the first paragraph under the Introduction and Background section referred to by Mr Lindsay was “It is our understanding that HDC consider there are sufficient good reasons under the Local Government Official Information and Meetings Act 1987 to enable information pertaining to this review to be withheld from public access.” Mrs Dean confirmed this paragraph is a standard clause included in a procurement audit report, it denotes that during a procurement audit confidential and commercially sensitive information is access including but not limited to in committee reports and minutes and tender documentation.
 - Annual Payments to provide financial contributions for some (management) groups for “fee-for-service” could well be extended to other groups to service community needs. This is a feature of the fiduciary relationship between HDC and all ratepayers which needs to be respected in the future.
 - No action, statement.
 - Subdivision consents approved, shows increase in the number of subdivisions for each year. HDRRA reported a loss of \$21 million approximately through not having development contributions. This figure was contested by two councilors at the recent HDRRA forum. Subsequent discussions with the Chief Financial Officer showed that this figure was accurate and correct with 95% to 99% confidence.
 - Based on an estimated DC Levy per lot of \$13,308 and using the new lots added from 2015 to 2020 of 770, the estimated revenue that was lost as a result of removing DC levies during 2019 to 2021 would be approximately \$10m.
 - NE Levin Upgrade. Page 109 suggests an additional forecast of \$1.6 million for Roslyn Road with this hopefully being paid through the three waters stimulus fund, which currently does not exist.
 - The Chief Executive responded to this point within public participation to confirm that Horowhenua District Council received \$4.34 for the first phase of the 3 Waters Stimulus Fund, of which \$2m of that across two financials years is allocated to this project.

- Capital expenditure summary shows underspending for the year to date. Is this due to lack of planning, or lack of contractors to proceed with the works?
 - Council has two teams dedicated to infrastructure development and operations, including one team specifically dedicated to delivering major capital projects such as the lead infrastructure for Tara-Ika.
 - Capital forecasting of the current year to June 2021 is based on construction windows and contracted milestones. The forecast line of the capital graphs provided within the Financial Report indicates the projected expenditure to occur in the three months to year end.
 - Looking forward into future financial years, Council is implementing a long term procurement plan to provide a clear forward works programme that will provide long term certainty for contractors and suppliers to deliver the capital programme.
- The documentation from Water New Zealand Appendix 1 shows Horowhenua District Council “mostly completed” data however “audit queries were not returned”. The data provided by HDC is among the lowest quality provide by all service authorities. Is this acceptable to the Governance Group of Councilors?
 - GM Infrastructure Operations (Kevin Peel) responded to this point as part of the agenda item update on Infrastructure Operations. Mr Peel pointed Committee members to page 3 of the report which states ‘Horowhenua supplied all data requested.’
- Mrs Christina Paton
 - Mrs Paton drew attention to page 110 of the Nine Month report ‘Within this activity there is also additional expenditure planned for the Foxton Beach Wharf Project. This will be partially funded by the Department of Conservation and by the Foxton Beach Freeholding account. This project will be completed in early 2021/22’. Mrs Paton outlined that she had spoken with the Department of Conservation and they confirmed they had no intention and would not fund this project.
 - The Chief Executive Officer responded to Mrs Paton and Elected Members within public participation to confirm that Mrs Paton was correct and this was an error in the report, for which he apologised. Mr Clapperton confirmed this should refer to “key stakeholders” as there are various funding sources.
 - Mrs Paton drew attention to the Freehold Account Strategy/Policy and reference to funding of Capital infrastructure not maintenance of existing infrastructure.
 - The Chief Executive noted that at the 31 March 2021 Finance, Audit and Risk Committee, the interpretation of repair vs renewal was covered with regard to terminology.

Attachments



Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their advantages and disadvantages, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and

preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	David Clapperton Chief Executive	
Approved by	David Clapperton Chief Executive	

FAR Committee - Actions

File No.: 21/181

1. Purpose

To report back to the Finance, Audit & Risk Committee on requested actions.

2. Recommendation

- 2.1 That Report 21/181 FAR Committee - Actions be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

3. Issues for Consideration

As attached.

Attachments

No.	Title	Page
A	Finance, Audit & Risk Committee - Officer Actions 2020/2021	


Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their advantages and disadvantages, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Lisa Slade Group Manager - People & Culture	
-----------	---	---

Approved by	Lisa Slade Group Manager - People & Culture	
-------------	---	---

HOROWHENUA DISTRICT COUNCIL
FINANCE, AUDIT & RISK COMMITTEE
OFFICER ACTIONS
Queries from meeting to be addressed

Date	Item/Report No.	Item/Report Description	Query/Action	Responsible Officer	Date to Action by	Progress Status	Officer Comment
29/07/20	20/291	<u>Monitoring Report – Audit Recommendations 20/08/2019</u>	Letter requested from Audit noting recommendations that have been cleared	Jacinta Straker		In progress	This action should be combined with 21/156 as we have now received the 2019/2020 draft management letter and recommendations.
27/01/21			Response being pursued from Audit NZ.	Jacinta Straker		In progress	Draft Management Letter tabled at the May FAR Committee meeting.
28/04/21	21/156						
30/09/20	20/361		A site visit to be arranged for Elected Members to the Foxton Wastewater Treatment Plan	Kevin Peel	March 2021	Complete	A further site visit took place on Thursday 29 April 2021. A visit was held on Wednesday 24 March 2021. Unfortunately, 4 Elected Members were unable to attend. A second visit is being arranged for these members on 29 April 2021.

HOROWHENUA DISTRICT COUNCIL
FINANCE, AUDIT & RISK COMMITTEE
OFFICER ACTIONS
Queries from meeting to be addressed

Date	Item/Report No.	Item/Report Description	Query/Action	Responsible Officer	Date to Action by	Progress Status	Officer Comment
25/11/20	20/465	<u>Customer & Strategy – Activity Update</u>	To provide further information with regard to current and future consenting activity – trends to be identified in the growth dashboard	Megan Leyland		In progress	Awaiting changes to reports and processes
27/01/21	20/584	<u>Health & Safety Report</u>	Near miss reporting – further on this for the next FAR meeting	Tanya Glavas	April 21	Completed	Will be updated at next FAR committee meeting
24/02/21	21/40	<u>Infrastructure Operations – Activity Update</u>	Agenda Page 33: – Monthly Compliance Reporting for Drinking Water Supply – Water Treatment – why N/A for FB, Levin and Shannon – Chemical Compliance Requirements – explanation of the acronyms	Kevin Peel	March 2021	Completed	Explained/updated in the Alliance's monthly reports. Acronyms will no longer be used.
31/03/21		<u>Public Participation</u>	Respond to issues raised by Vivienne Bold in relation to the various	David Clapperton		Completed	CE distributed notes from Vivienne Bold to Councillors as there were

HOROWHENUA DISTRICT COUNCIL
FINANCE, AUDIT & RISK COMMITTEE
OFFICER ACTIONS
Queries from meeting to be addressed

Date	Item/Report No.	Item/Report Description	Query/Action	Responsible Officer	Date to Action by	Progress Status	Officer Comment
			notes Eight Month Report – Statement of Comprehensive Revenue & Expense by Activity				no specific questions to be able to formulate a response.
		<u>Infrastructure Operations – Activity Update</u>	Levin Wastewater Treatment Plant digesters – one digester had failed and replacement options being looked at - report to come to Council, including any risks to Council	Kevin Peel	July 2021	Ongoing	It will take 2-3 months to decommission the digester before an in-depth inspection can take place to ascertain what options are available. A cost/benefit evaluation will then be undertaken on the available options to determine the appropriate way forward. Following this work a report will be prepared for Elected Members.
28/04/21		<u>Public Participation – Internal Audit Report</u>	To meet with Mr Te Whena Lewis to provide more information about the arrangement between Ngāti Wehi Wehi and Council	David Clapperton		Ongoing	

HOROWHENUA DISTRICT COUNCIL
FINANCE, AUDIT & RISK COMMITTEE
OFFICER ACTIONS
Queries from meeting to be addressed

Date	Item/Report No.	Item/Report Description	Query/Action	Responsible Officer	Date to Action by	Progress Status	Officer Comment
	21/138	<u>Health & Safety Report</u>	SafePlus Audit report to be included in the next FAR Health & Safety Report	Tanya Glavas			
		<u>Internal Audit Report – Year Ended 30 June 2019</u>	<i>THAT the Chief Executive Officer be asked to report quarterly on the progress of outstanding recommendations in the Internal Audit Report.</i>	David Clapperton		In progress	Monitoring Report created, first quarter report due at the June FAR Committee Meeting.
	21/158	<u>Finance, Audit & Risk Committee Work Programme</u>	Proposal to confirm items to be included to be brought back to a future FAR meeting	Nicki Brady/ Jacinta Straker		Completed	Work programme briefing with Council 19 th May 2021
	21/155	<u>Infrastructure Development – Activity Update</u>	How were the barbeques at the Foxton River Loop powered	Brent Maguire		Completed	The BBQs are electric. They are hard-wired into the Park's electrical circuit which made them robust, reliable and always available.
	21/153	<u>Infrastructure Operations – Activity Update</u> Water NZ National	With the data in the Infrastructure leakage index being from 2010, more current data for	Kevin Peel		Completed	The 2010 reference in the Infrastructure Leakage Index refers to the document 'Water New

HOROWHENUA DISTRICT COUNCIL
FINANCE, AUDIT & RISK COMMITTEE
OFFICER ACTIONS
Queries from meeting to be addressed

Date	Item/Report No.	Item/Report Description	Query/Action	Responsible Officer	Date to Action by	Progress Status	Officer Comment
		Performance Review	Horowhenua was requested				Zealand, Water Loss Guidelines, 2010' the data record was HDCs current leakage data from the previous year.
	21/92	<u>Customer & Strategy – Activity Update</u>	New Dwelling Units consented - just over 200 over the past few years, with the trend going up – information requested as to what that would equate to in lost revenue with DCs not being in place	Jacinta Straker		Completed	Addressed in the CE's Public Participation Report 21/167 – 26 May 2021
	21/42	<u>Treasury Report</u>	Some scenarios requested as to potential options to protect the long term interest rate risk for Council	Jacinta Straker		In Progress	Work being undertaken to support LTP deliberations

Exclusion of the Public : Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded 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 Douglas Street (Plantation Reserve)

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
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.	s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	s48(1)(a) 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.