

Notice is hereby given that an ordinary meeting of the Finance, Audit & Risk Committee will be held on:

**Date:** Wednesday 27 October 2021  
**Time:** 4.00 pm  
**Meeting Room:** Council Chambers  
**Venue:** Horowhenua District Council  
Levin

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## Finance, Audit & Risk Committee

### OPEN AGENDA

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#### MEMBERSHIP

<b>Chairperson</b>	Mr Philip Jones	
<b>Deputy Chairperson</b>	Mrs Christine Mitchell	
<b>Members</b>	Mr David Allan	
	Mr Wayne Bishop	
	Mr Ross Brannigan	
	Mr Todd Isaacs	
	Mr Bryan Jackson	
	Mr Sam Jennings	
	Mrs Victoria Kaye-Simmons	
	Mr Robert Ketu	
	Mrs Jo Mason	
	Ms Piri-Hira Tukapua	
	HWTM Bernie Wanden	
<b>Reporting Officer</b>	Mrs Jacinta Straker	(Chief Financial Officer)
<b>Meeting Secretary</b>	Mrs Karen Corkill	

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Full Agendas are available on Council's website  
[www.horowhenua.govt.nz](http://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



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**1 Apologies**

**2 Public Participation**

Due to COVID-19 Alert Level 2 restrictions, this meeting will be held in person; however, members of the public will not be able to attend. The meeting will be livestreamed on Council's Live Meetings page and a screen will be set up in the foyer area of Council's main office for members of the public who wish to watch the meeting, but do not have internet access at home. Guidelines for visiting Council's Customer Service Centres can be viewed on Council's website: <https://www.horowhenua.govt.nz/Council/Council-Meetings> .

Public Participation will be by way of written submission, which will be read out during the meeting. Written submissions will be required by 12 noon on the day of the meeting by email to [public.participation@horowhenua.govt.nz](mailto:public.participation@horowhenua.govt.nz)

**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 Meeting minutes Finance, Audit & Risk Committee, 29 September 2021**

**6 Announcements**



# Health and Safety Report

File No.: 21/432

## 1. Purpose

To provide an update to the Finance Audit and Risk (FAR) Committee on health and safety matters at Horowhenua District Council for the period 1 August to 30 September 2021.

## 2. Recommendation

- 2.1 That Report 21/432 Health and Safety Report 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	Health and Safety Quarterly Report - 1 August 2021 to 30 September 2021	8


### 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)	Tanya Glavas <b>Health &amp; Safety Advisor</b>	
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Approved by	Ashley Huria <b>Business Performance Manager</b>	
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Horowhenua District Council

Health & Safety Report 1 August – 30 September 2021

FAR Committee Meeting 27 October 2021

**Key Highlights:**

- New Zealand, with the exception of Auckland, moved into Alert Level 2 at 11.59 pm Tuesday 7 September 2021. Auckland, Northland and parts of Waikato are in Alert Level 3.
- Risk Assessment and Incident Investigation two day training course with IMPAC completed by the Health and Safety Committee members.
- Health and Safety Significant Risk Register review is underway.
- HDC workplaces are responding well to Alert Level 2 requirements on social distancing, face covering requirements and contact tracing procedures. Customer service teams, Aquatics and Libraries are operating superbly to ensure the safety of staff and customers in these difficult working environments.

**LEAD INDICATORS**

**1. Health & Safety training/inductions**

1 August – 30 September 2021	Mandatory/ Optional	Attendees Completed	Percentage Completed
First Aid Training (Role specific) Ongoing Refresher & Full course	Mandatory/Optional	7	100%
Peoplesafe Induction (New staff)	Mandatory	6	100%
Health & Safety Induction (New Staff)	Mandatory	6	100%
Health and Safety Representative Stage 1 Training	Mandatory	1	100%
Workstation Ergonomic Assessment	Optional	6	As scheduled
Fire Warden Training – Civic Building	Mandatory	0	100%
All Aquatics employees complete H&S Induction and first aid training	Mandatory	8	100%

**Emergency Evacuation Drills (2 per year)**

Levin Aquatic Centre	Completed 10 March 2021
Te Awahou Nieuwe Stroom	Completed 16 March 2021
Foxton Pool	Completed 10 March 2021
Te Takeretanga o Kura-hau-pō	Completed 17 March 2021
Council's Main Office	Completed 15 July 2021



## 2. Health & Safety Contractor Register Process (Pre-qualification of Contractors)

Contractor Numbers	Qualified this Quarter	Pending this Quarter	Expired this Quarter	Qualified last Quarter	Pending last Quarter	Expired last Quarter
81 Qualified	3	2	0	23	4	2
90 Total						

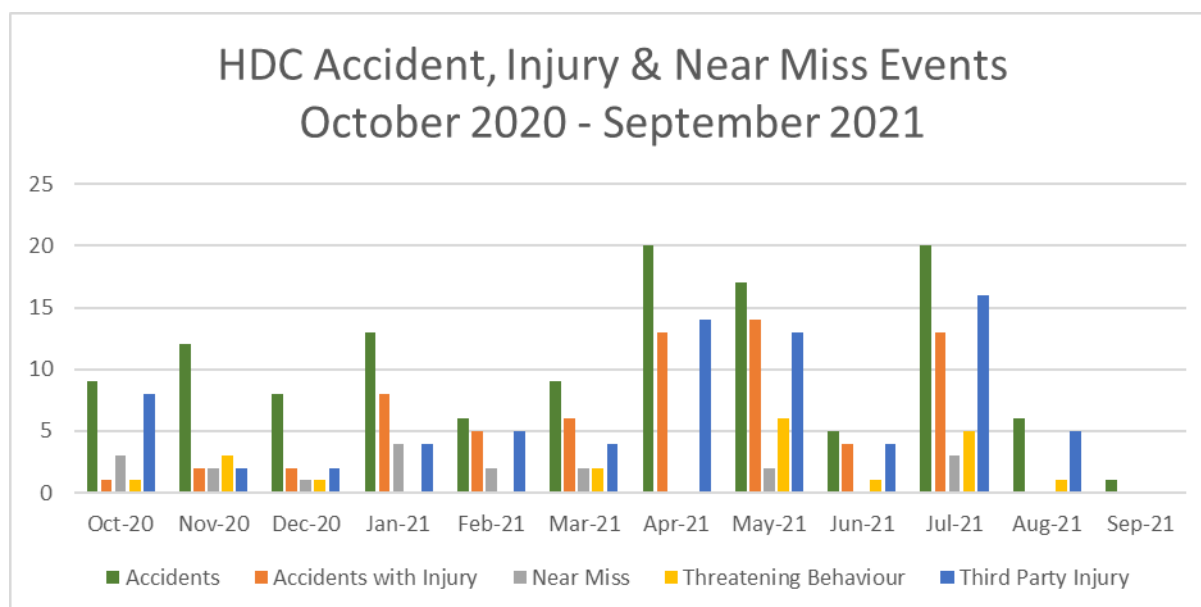
## 3. Health & Safety Committee (HSC) – Health and Safety at Work (Worker Engagement, Participation, and Representation) Regulations 2016

Monthly meetings completed (August via Microsoft Teams and September face to face)

- The Health and Safety Committee met via Teams during Alert Level 3. A positive meeting, including a discussion around ensuring the committee's focus is on the critical areas. This supports the recommendations in the SafePlus Report 2021 and is included in the Health and Safety Annual Plan.
- The annual review of the H&S Significant Risk Register is underway. Committee members are reviewing the register and collaborating with their teams through focus groups to ensure the control actions in place are fit for purpose, to mitigate the risk and reduce the hazard. Confirming the appropriate actions are suitable for the workers, who are exposed to the risk or hazard. The changes and suggestions will be collected and the H&S Advisor will meet with Managers to review the information. The updated draft version will then be shared with SMT to have input before being finalised.

## 4. LAG INDICATORS

Table 1



*Horowhenua District Council experienced **no** Worksafe notifiable events in this quarter.*

Numbers are down across all reporting as Alert Level 4 and 3 lockdowns prevented Aquatics and Libraries from being open. Reporting statistics to note:

- There were two wet rescues at the Levin Aquatic Centre this reporting period.
  - Rescue procedure and reporting completed.
  - Staff reminded parents of the under 8 year's old requirement for responsible monitoring at all times at the pools.
  - Peoplesafe safety plan for Under 8 Child Supervision and identified risks were reviewed.
  - The safety plan was last updated on 27 July 2021.
- The accidents reported from Aquatics were all low level bumps and scrapes, with no ambulance call outs required.
  - All Aquatics staff are first aid trained.
- One incident of threatening behaviour was reported by an Animal Control Officer when dealing with a situation. Two officers were present and defused the situation before leaving.
  - The threat was reported to the Police and the person has been spoken to.
  - The incident was reported in Peoplesafe reporting tool.
  - A team debrief was conducted with the Manager.
  - De-escalation techniques were engaged.
  - Two person team went to this address.
- One staff member was involved in a low speed accident at a round-about involving a member of the public. There were no injuries and light damage to each car.
  - Staff member immediately checked on the person involved to ensure they were okay.
  - Staff member immediately contacted their manager to inform them of the accident.
  - Staff member acknowledges they were not concentrating at the time of the accident, which occurred in low light and rain.
  - The incident was reported in Peoplesafe reporting tool.
- Horowhenua Alliance - One incident reported at the Levin Water Treatment Plant. An operator slipped and fell into one of the desludging ponds. Fortunately, they were not hurt and most of the water had been decanted from the pond prior.
  - Downer health and safety reporting form completed.
  - Downer Zero Harm were notified immediately.
  - Procedures reviewed.
  - Deterrents have been put in place to mitigate the risk by Downer management.
  - Investigations are underway to install barriers around the pond edge.

## 5. COVID-19

- 17 August 2021, all of New Zealand moved to Alert Level 4 at 11.59 pm
- Horowhenua District Council stood up the Incident Management Team to manage the effects of Alert Level 4 closedown on staff and the district.
- Confirmation the Delta variant of the Covid-19 virus was in New Zealand.
- 31 August 2021, all of New Zealand south of Auckland moved to Alert Level 3 at 11.59pm. Auckland and Northland remained at Alert Level 4.
- 7 September 2021, New Zealand (except Auckland) moves to Alert Level 2 at 11.59pm. Auckland remains at Alert Level 4.
- 21 September 2021, Auckland moves to Alert Level 3 at 11.59pm
- Since 21 September there has been a moveable border across the Waikato that has moved to Alert Level 3
- 8 October 2021, Auckland, Northland and part of Waikato are in Alert Level 3. The rest of New Zealand are Alert Level 2.
- As of Friday 15 October 2021, a day before the Super Saturday Vaxathon held across New Zealand, Horowhenua was at 55.3% of the population fully vaccinated.

## 6. Risk Management – Health and Safety at Work Act 2015 (Section 30)

The H&S Critical Risks Register and the H&S Risk Register as a whole is working effectively and being reported on. The control actions are appropriate and engagement of staff at all levels is taken when reviewing the risks and hazards of the work place.

The opportunity for improvement in the SafePlus Report is to develop a way to measure how effective the control actions are. Developing measures will improve the reporting information to FARS and support the Officers (EMs & CEO) of the PCBU to ensure their due diligence for health and safety are met.

We have engaged with Dave Griffith of HR Development and Training Limited to provide guidance and help develop an effective way to measure the effectiveness of the control actions and in turn will report these to Senior Management Team and Finance, Audit and Risk Committee on a quarterly basis.

This is part of the continual improvement for health and safety, and when successfully developed, would support Council to move into the Leadership area of the SafePlus Assessment when next conducted.

## 7. SafePlus March 2021 Recommendations and planned actions.

Recommendations	Actions	Update
<b>LEADERSHIP</b>		
<b>Consider adding threatening and abusive behaviours to the top critical risks reviewed by the FAR Committee.</b>	Reported to FAR meeting 28 April 2021	Completed 30 April 2021

<p><b>Build on what is already provided in the Health and Safety Quarterly Report by configuring the data to present it as a measurement framework that provides insight into:</b></p> <ul style="list-style-type: none"> <li>○ health and safety activities</li> <li>○ critical risks and verifications</li> <li>○ progress on the annual plan</li> <li>○ event reporting and related trends.</li> </ul>	<p>Included as part of ongoing improvements to Health and Safety framework and reporting processes.</p>	<p>Ongoing</p>
<p><b>Develop a set of measures for the SMT and the FAR to monitor and verify the effectiveness of risk controls. This will also assist Elected Council members and the CE meet some due diligence requirements.</b></p>	<p>Objective in the Health and Safety Annual Plan 2021/2022</p>	<p>In progress</p>
<p><b>Ensure any online tools related to health and safety have input from the HSA so data can be captured in relation to the frequency of contractor's exposure to critical risks.</b></p>	<p>Included as part of ongoing improvements to Health and Safety framework and reporting processes.</p>	<p>Ongoing</p>
<p><b>Upskill key council staff so they are safety leaders with contractor management and HDC is a partner with all contractors, rather than defaulting to the larger contractor's health and safety systems.</b></p>	<p>Objective in the Health and Safety Annual Plan 2021/2022</p>	<p>Training booked for November 2021</p>
<p><b>Clarify health and safety roles and responsibilities for council staff working in Alliance Group. This would include their obligations to council in terms of health and safety.</b></p>	<p>Noted and included in communication with HDC staff and the Health and Safety Committee</p>	<p>Not yet progressed</p>
<p><b>WORKER ENGAGEMENT</b></p>		
<p><b>Explore ways to involve more staff in critical risk management. An example</b></p>	<p>Objective in the Health and Safety Annual Plan 2021/2022</p>	<p>In progress</p>

could be running staff focus groups when developing critical risk profiles and mitigations.		
Consider further upskilling Health and Safety Representatives (HSR), especially around risk management.	HSR Stage 2: Risk Assessment and Incident Investigation training booked 23 & 24 August 2021 (postponed)	Completed training for all HS Representatives 4 & 5 October 2021
<b>RISK MANAGEMENT</b>		
Consider reviewing the five critical risks documented in the FAR report. The risks do not seem to align with the business risks. Information on the risks should also cover how the controls are verified. It would be also useful to provide information on which business units are affected by these risks and what is considered the level of risk.	Objective in the Health and Safety Annual Plan 2021/2022	To be reviewed at completion of H&S Risk Register review
Add a column in the risk register as to how the controls will be verified for effectiveness. Each control should then have a methodology as to how it can be verified. For example, staff inspecting roading sites should have completed certain training and their training should be documented. A process should be developed to easily verify all staff associated with this risk have the correct training, and any gaps highlighted.	Objective in the Health and Safety Annual Plan 2021/2022	Included in the H&S Risk Register review underway September 2021
Consider reviewing the risk register to make sure the hierarchy of controls are correct for each individual control and the correct HDC and external guidance is referred for specific risks.	Identified as part of the Health and Safety Risk Register review to be completed last quarter 2021	Included in the H&S Risk Register review underway September 2021
The FAR Committee delivery objectives were that critical risk action plans would be developed for every work	Objective in the Health and Safety Annual Plan 2021/2022	Not yet progressed

<b>group where critical risk or high probability risk has been identified. Review how this objective is tracking.</b>		
<b>Ensure any tools developed by the roading team, or other teams, to inspect or assess contractor's health and safety work and performance, are able to collect data that is useful for the business. Information such as the types of critical risks that contractors are exposed to or create in their work, and frequency would be useful for the HSA to collate as a potential lead indicators. This could inform the effectiveness of controls and how work is being performed safely.</b>	Included as part of ongoing improvements to Health and Safety framework. Health and safety audit questions have been integrated into the Temporary Traffic Management (TTM) short audit form, increasing the H&S audit reporting capability.	In progress
<b>Consider a method of exception reporting to verify whether all relevant staff are now vaccinated.</b>	Contained in the Peoplesafe reporting system.	Not yet progressed
<b>Consider strengthening HDC's health and safety contractor review processes, as there is still a reliance on the contractor's assessment and inspection processes.</b>	Working with Manawatu/Whanganui Local Authority Shared Services Health and Safety Group to strengthen contractor review processes.	Plan underway to align HDC Contractor Prequalification for MWLASS Contractor Prequalification with third party SiteWise Health and Safety Prequalification programme October 2021– February 2022
<b>Consider exploring the work programme concerns that were raised by a member of the Horowhenua Alliance.</b>	Noted and discussed with Horowhenua Alliance Director	Ongoing
<b>Consider creating a health and safety document framework that fits HDC's current health and safety requirements.</b>	Objective in the Health and Safety Annual Plan 2021/2022	In progress
<b>Deep Dive Risk – Working Alone</b>		
<b>Ensure a process is put in place so HDC know which staff may be expected to work alone or in isolation, and that they all have plans in place that confirm to the Working</b>	Plan with identified teams and HR to complete	Not yet progressed

<b>Alone Policy</b>		
<b>Work with the business units to develop their specific procedures based on the policy and best practice controls covered off by the Working Alone Policy. The plans would need to be developed in conjunction with staff and the relevant staff be trained on how to implement the plans.</b>	Identified and part of the Risk Management plan, including review of health and safety risk register.	Included in the H&S Risk Register review underway September 2021
<b>Consider creating some measures for the SMT and FAR report around how many business units have staff who work alone, how many business units have procedures in place and what training has taken place.</b>	Under review.	Ongoing
<b>Deep Dive Risk – PCBU/Contractor Activities</b>		
<b>Consider how HDC can embed a sustainable process to review health and safety on site practices of contractors</b>	Working with Manawatu/Whanganui Local Authority Shared Services Health and Safety Group to strengthen contractor review processes.	Plan underway to align HDC Contractor Prequalification for MWLASS Contractor Prequalification with third party SiteWise Health and Safety Prequalification programme October 2021– February 2022
<b>Undertake more work on upskilling managers on the HSWA requirements for overlapping duties.</b>	Planning for training 2021/2022	Training booked November 2021
<b>Ensure there is consistency in health and safety processes across all contractual arrangements.</b>	Reviewing with Procurement team members.	Not yet progressed
<b>Refer to recommendations relating to contractor management in the risk management section</b>	Working with Manawatu/Whanganui Local Authority Shared Services Health and Safety Group to strengthen contractor review processes.	Plan underway to align HDC Contractor Prequalification for MWLASS Contractor Prequalification with third party SiteWise Health and Safety Prequalification programme October 2021– February 2022



<b>Deep Dive Risk – Mental Health and Wellbeing</b>		
<b>Develop an overarching workplace mental health and wellbeing framework to dovetail into the soon to be developed wellbeing strategy</b>	Included in the mental health and wellbeing strategy development	Ongoing
<b>The framework should be specific about what its intended goals are and how the outcome will be measured. This should also encompass any initiatives and activities that are launched.</b>	Included in the mental health and wellbeing strategy development	Ongoing
<b>Build on the already completed Psychosocial Policy to identify tools and resources available to workplaces to develop the mental health and wellbeing framework.</b>	Included in the mental health and wellbeing strategy development	In progress
<b>Give managers more training on mental health and wellbeing, along with developing processes to assist managers in identifying and dealing with any emerging issues with their staff or members of the public.</b>	Included in training planned for 2021/2022	Training to be confirmed in 2022



**8. Education Piece - Risk Management – Health and Safety at Work Act 2015 (Section 30)**

This education piece is to further explain how Council manages health and safety critical risks by breaking down each piece of information shown in the Health and Safety Significant Risk Register. Each critical risk has information related to it and resources available to support the management of the identified hazards and the associated risks.

From the Significant Risk/Hazard register, the following health and safety Critical Risks for Council have been identified.

- **Contractors and sub-contractors - detailed below**
- Working Alone
- Moving stock off the road
- Confined space
- Driving/vehicle related incidents
- People behaviour

Why are Contractors and Sub-Contractors a critical risk?

Hazard	Risk	Likelihood	Consequence	Risk Score	Hierarchy of Control	Person Responsible	How often action is monitored	Reference	Date identified	Last reviewed	Training	Health Monitoring	Final Risk Rating
Contractor & Sub Contractor	Accident or incidents. Prosecution by Worksafe	3. Likely	4. Major	Significant	Administrative	Contract Manager / H&S Advisor	Annually	<a href="https://www.worksafe.govt.nz/managing-health-and-safety/getting-started/understanding-the-law/overlapping-duties/overlapping-duties-quick-guide/">https://www.worksafe.govt.nz/managing-health-and-safety/getting-started/understanding-the-law/overlapping-duties/overlapping-duties-quick-guide/</a>  <a href="https://www.worksafe.govt.nz/managing-health-and-safety/getting-started/understanding-the-law/overlapping-duties/pcb-us-working-together-advice-when-contracting/">https://www.worksafe.govt.nz/managing-health-and-safety/getting-started/understanding-the-law/overlapping-duties/pcb-us-working-together-advice-when-contracting/</a>	17/02/20	29/09/2021		N/A	Significant

Under the Health and Safety at Work Act 2015 (HSWA) WorkSafe expects businesses to be able to explain the steps they have taken to consult, cooperate and coordinate with each other about their overlapping duties, and their arrangements to control risks.

When there are many businesses at the same time working on the same thing to reach a common goal (e.g. construction project) each business has to do what it can (in terms of health and safety), using their influence and control to keep workers safe. This is called an Overlapping Duty. Overlapping Duty is an expectation that businesses with a common work goal will, so far as is reasonably practicable, consult, cooperate and coordinate activities with the other businesses involved so that you can all meet the joint responsibility for your project in respect to health and safety. You cannot just assume that the other business is taking care of things. Council carries out much of its physical work with the use of Contractors. So Council needs to ensure the Contractors engaged have the health and safety competencies to undertake the work and that those competencies are applied in practice (they do what they say they are going to do).

The Contractor Pre-qualification Register holds the health and safety information on contractors for Officers to access, to find out if a company they wish to use is pre-qualified. If the company is on the register they can engage them in the work required. If they are not on the register, an information booklet and application form is sent to the company to complete their health and safety pre-qualification requirement. The approved status is renewed every two years.

- **Hazard:** A hazard is a situation that poses a level of threat to life, health, property, or environment.
- **Risk:** Is the chance or probability that a person will be harmed or experience an adverse health effect if exposed to a hazard.
- **Likelihood:** On a risk matrix represents the likelihood of the most likely consequence occurring in the event of a hazard
- **Consequence:** Consequence is the outcome of an event.
- **Risk Score:** Used during risk assessment to define the level of risk by considering the category of likelihood against the category of consequence severity. This is the score without any Control Actions in place to mitigate the risk.
- **Hierarchy of Control Action:** Use the *hierarchy of controls* to determine the most effective control measures to minimise those risks.
- **Person Responsible:** Job title or position of person/s responsible for contractor health and safety. Usually the Officer who is engaging the contractor for work and the Health and Safety Advisor who reviews and issues the pre-qualification approved status of contractors.
- **How often action is monitored:** Based on type of action and the schedule of the register review
- **Reference:** Supporting documents and Regulatory information
- **Date Identified:** the date the hazard was identified and added to the risk register
- **Last Reviewed:** the date the register was reviewed (Reviews are carried out by multiple groups including staff focus groups, Managers, H&S Committee members and staff who are exposed to the hazard)
- **Training:** Identifies specific training required e.g. working at heights, hot-works, confined spaces.
- **Health Monitoring:** Occupational health monitoring requirements e.g. Hepatitis A&B screening for landfill and waste water work
  
- **Final Risk Rating:** Where the hazard fits in the risk matrix after the elimination or minimisation of the risks, through the detailed control actions that have been implemented. Sometimes risks do not reduce, even with controls in place, due to elements like human behaviour.

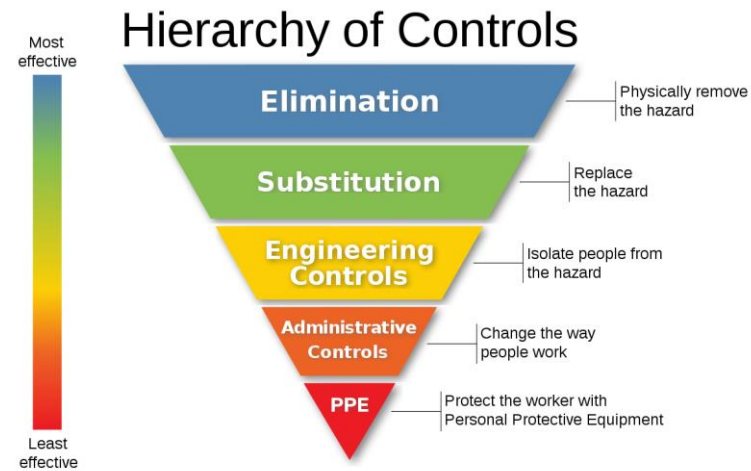
**Contractor and Sub Contractors** - Detailed Control Action

1. Health and safety pre-qualification of contractors and sub-contractors.
2. Contract Managers understand Overlapping Duties and the shared responsibility of contractors, in line with WorkSafe regulation.
3. Health and safety induction of contractor onto site at beginning of job.
4. Health and safety audit completed as required.

**Detailed Control Action for Contractors and Sub-contractors:** The actions taken to eliminate or minimise the risks identified.

1. *Health and safety pre-qualification of contractors and sub-contractors.* First step is to pre-qualify contractors for health and safety so the Council can be sure they understand their own responsibilities under the HSWA. The application looks for evidence of a health and safety policy, health and safety manual, risk register, incident and accident reporting system and other appropriate documentation or evidence for the type of work the contractor is engaged to complete.
2. *Contract Managers understand Overlapping Duties and shared responsibility of contractors, in line with Worksafe regulation.* Information on the Hub guides contract managers to information and supports understanding of Overlapping Duties under the HSWA 2015.
3. *Health and safety induction of contractor onto the site at beginning of the job.* Once pre-qualification is completed and the work is agreed to, an Officer then completes an on-site health and safety induction to discuss work processes and identify any hazards, this is part of the consult, cooperate and coordinate requirement. This is completed for all new worksites.
4. *Health and safety audit completed as required.* There is also a health and safety audit process which can be completed at any time by an Officer, which ensures that what the contractor has said will happen, does. Twelve health and safety audits have been completed by Officers in the quarter being reported on.

RISK MATRIX - SCORE						
RISK HAZARD MANAGEMENT : Purpose - To further improve the method for systematically identifying, assessing and controlling hazards in the workplace as required by the Health & Safety at Work Act 2015						
	Consequence					
Likelihood	1 - Very minor	2 - Minor	3 - Moderate	4 - Major	5 - Catastrophic	
5 - Almost certain	Low	Moderate	Significant	Extreme	Extreme	
4 - Very Likely	Low	Moderate	Significant	High	Extreme	
3 -Likely	Low	Moderate	Significant	Significant	Extreme	
2 - Unlikely	Low	Low	Moderate	Moderate	Moderate	
1 - Extremely unlikely	Low	Low	Low	Low	Low	



File No.: 21/420

## Customer and Strategy - Activity Update

### 1. 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.

### 2. Recommendation

- 2.1 That Report 21/326 Customer and Strategy - Activity Update be received.
- 2.2 That this matter or decision is recognised as not significant in terms of S76 of the Local Government Act.

### 3. Key Highlights and Business Priorities

#### Building

- 3.1 Over 97% of building consents granted year to YTD to the end of September have been processed within statutory timeframes. Six building consents out of the 247 granted by the end of September, went over the statutory timeframes. This was due to a combination of the influx of applications that came in just prior to 30 June 2021, the higher level of consent activity the team are experiencing and the challenges in recruiting for vacant roles and delays in having new staff start.
- 3.2 The Building Consent Authority (BCA) IANZ accreditation re-assessment was carried out from 19-22 April 2021. There are three remaining General Non-Compliances were cleared on 30 August 2021 and the BCA's accreditation was re-confirmed on 06 September 2021.
- 3.3 A notification to MBIE and IANZ under Regulation 6A of the Building (Accreditation of Building Consent Authorities) Regulations 2006 was required in September 2021. This was due to the fact that over 25% of staff who carry out a technical role had left the BCA in the third quarter of the 2021 calendar year and hadn't been replaced by staff with the same competencies within 20 working days. IANZ have requested that the BCA provide reports on a monthly basis demonstrating that it is still largely compliant with statutory timeframes in order to establish that ongoing accreditation of the BCA will not be affected by the changes.
- 3.4 Following some successful recruitment campaigns we have had one new Building Advisory Officer commence work on 13 September and another officer starts on 26 October 2021. Both officers are experienced and have worked within other BCA's.

#### Planning

- 3.5 Approximately 65% of land use consents have been processed within statutory timeframes YTD as at the end of September 2021. Ten consents have been processed outside of statutory timeframes.
- 3.6 Approximately 59% of subdivision consents have been processed within statutory timeframes for the YTD to the end of September 2021. Twenty-two consents were processed outside of statutory timeframes.
- 3.7 It is acknowledged that this is lower than the level the team are usually able to maintain. It is however a reflection of the challenging period the team are experiencing at this point. This is as a result of a combination of factors including the high levels of consent activity; the spike

in activity and consent applications that were lodged just prior to 30 June 2021 when the re-introduction of development contributions was confirmed; the impact of not being able to complete site visits during Level 4 lockdown; ongoing challenges recruiting consent planners and having access to external consultant planners with capacity to help process consents.

- 3.8 One new graduate level Resource Management Planner started joined the team in September and recruitment continues for two Resource Management Planners.
- 3.9 A review of internal planning processes has commenced, we have continued to engage additional contractors to help due to the high numbers of applications being lodged.
- 3.10 The increase in the complexity of consents is reflected by an increase in the number of consents requiring notification. One consent is currently in the middle of the submission period for limited notification and hearings are scheduled for two consents before the end of November.

#### Dogs

- 3.11 Approximately 93% of known dogs have been registered for the 2021/22 registration year. As at 30 September 2021 there were 6,263 known dogs that are recorded on Council's database.

#### Parking

- 3.12 Due to the recent COVID-19 lockdown in August 2021, Waka Kotahi NZ Transport Agency has again allowed temporary extensions to vehicle registration and warrant of fitness requirements from 21 July 2021 through to 30 November 2021.
- 3.13 Waka Kotahi NZ Transport Agency has confirmed the extension is to provide a reasonable amount of time for people to get their transport documents renewed. It is a nationwide approach, and although the Horowhenua is in Alert Level 2, there are other areas in the Country in a higher alert level.

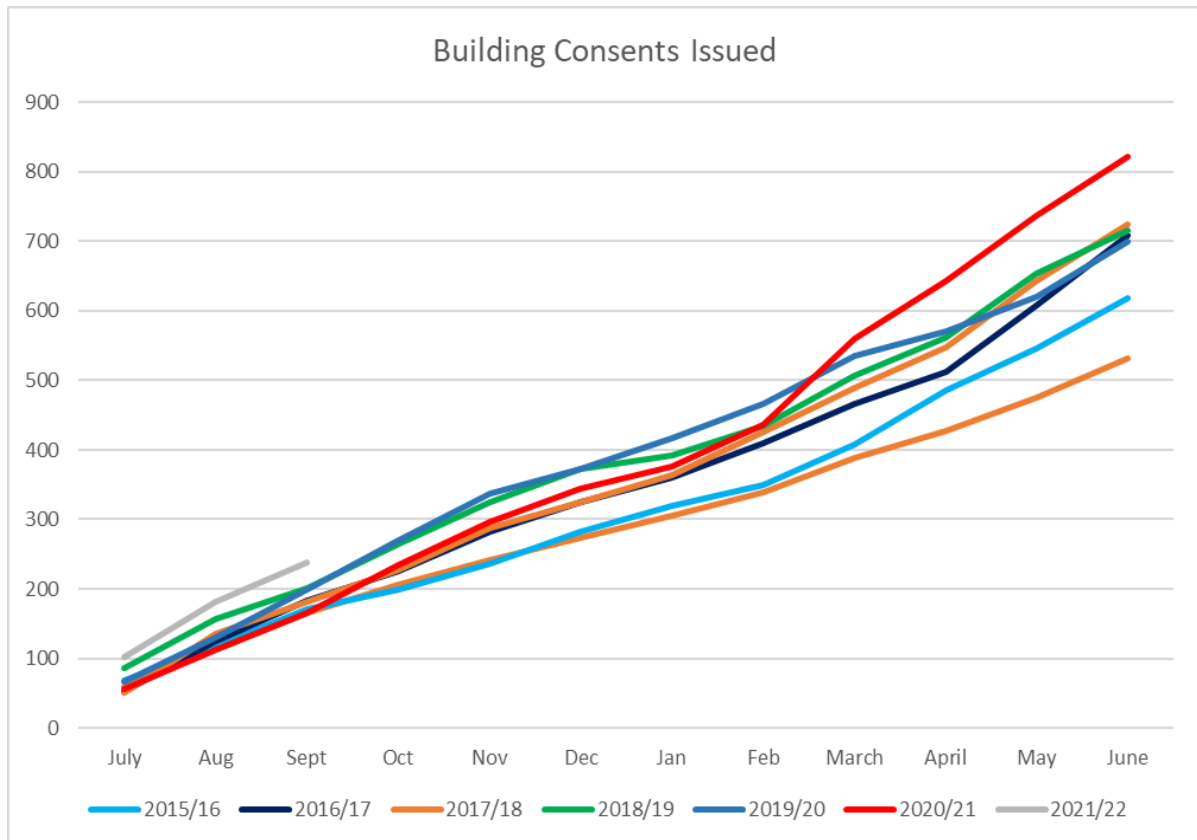
## 4. Trends

- 4.1 Building consent trends based on data for the period 1 July 2021 to September 2021 are as follows:

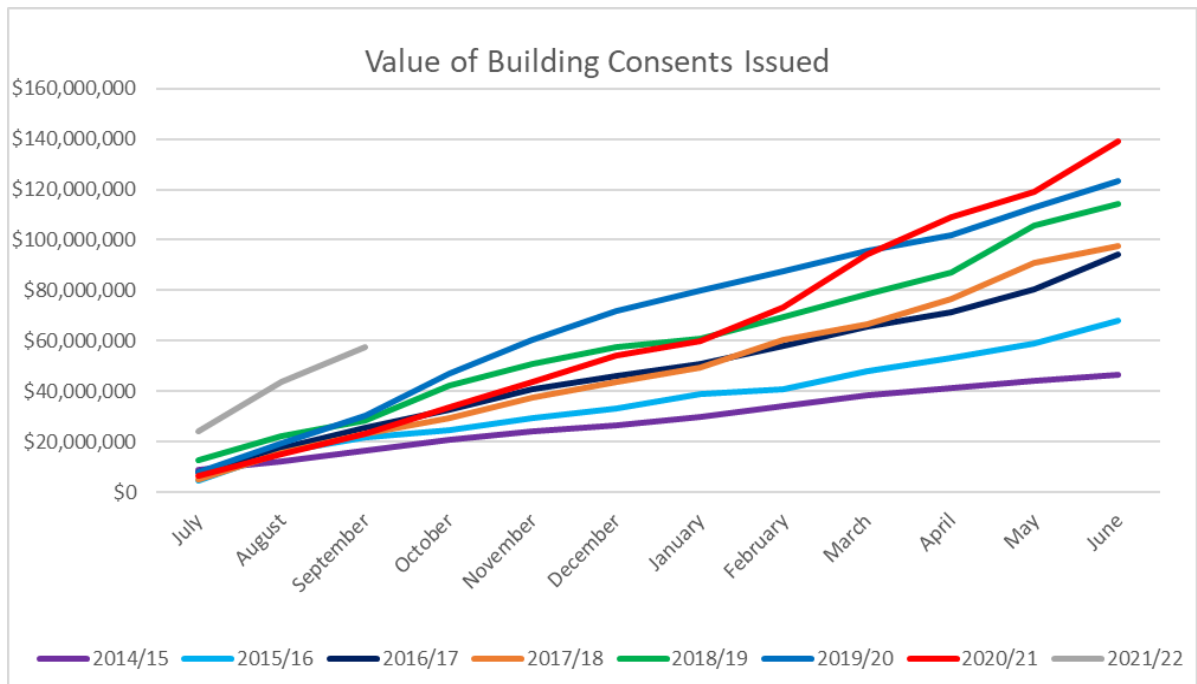
	YTD to 30 September 2021	YTD to 30 September 2020	Trend
<b>No. of building consents lodged</b>	213	203	↑5%
<b>No. of building consents issued</b>	238	165	↑44%
<b>No. of new dwelling consents issued</b>	95	42	↑126%
<b>No. of new dwelling units consented</b>	120	53	↑126%
<b>Value of building consents issued</b>	\$57,419,035	\$22,993,744	↑150%
<b>No. of inspections completed</b>	1,547	1,627	↓5%
<b>No. of enquiries about building control functions</b>	129	208	↓38%

The number of building consents lodged and issued have increased compared to the similar period over the previous financial year and are on par or above the number at this point in the financial year compared to the previous six years.

The number of inspections completed YTD is down slightly from last year, this is due to the impact of the COVID 19 Level 4 lockdown when construction work and inspections couldn't be undertaken.

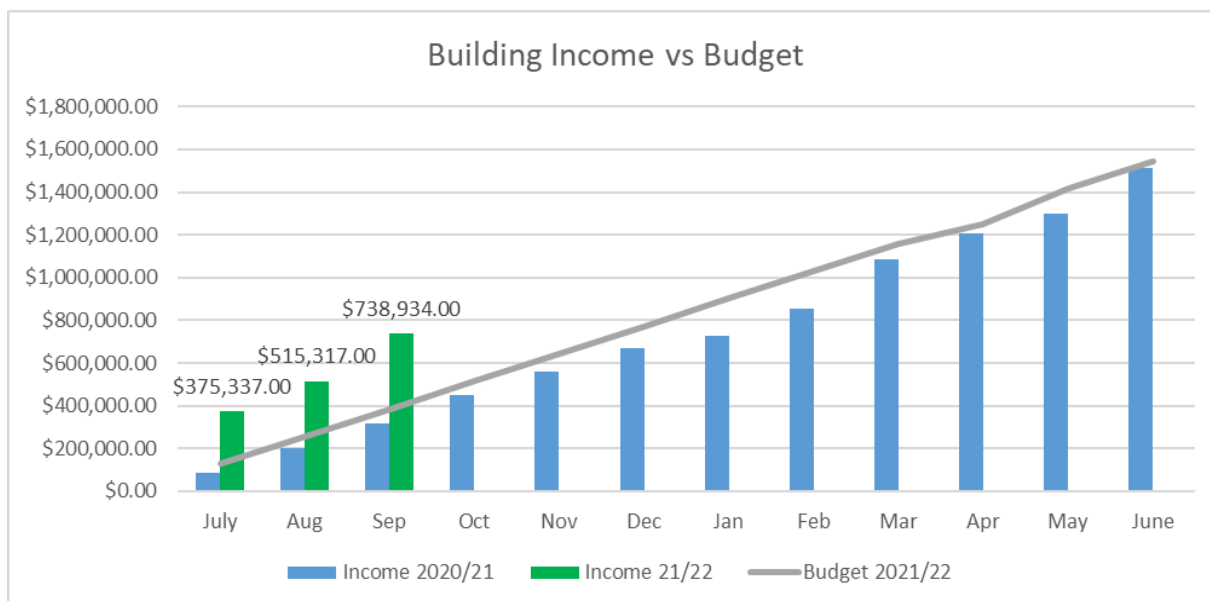


The chart above shows the cumulative total of the number of building consents issued. So far this financial year the number of building consents issued is higher than the same period over the previous six years.



The chart above shows the cumulative total of the value of building consents issued, which is tracking higher than at the same point over the previous six years.





The chart above shows the Building Income against the budget for 2021/22 and a month by month comparison against the previous financial year. Building consent income is over approximately \$353K above the budgeted figure for the end of September 2021, this is due to higher than anticipated levels of activity and the changes in the structure of building consent fees. There is also a mixture of income from consents that were processed under the old fee structure where the majority of the fees were invoiced after the consent was issued, and the new fee structure where the majority of the fees are invoiced for when the consent is lodged. This aspect is likely to even itself out over the next few months.

Consents issued for new dwelling units are used as a proxy to track supply of new houses in the District. The Long Term Plan 2021-41 includes a new forecasting assumption of 352 new dwelling units between July 2021 and June 2022. Using this assumption and an average of 29 new dwellings per month to achieve this level of 352 new dwelling units, at the end of September 2021 the assumption anticipated 87 new dwelling units. With consents currently issued for 120 new residential dwelling units the supply is currently running ahead of the forecasting assumption based on the 95<sup>th</sup> percentile growth rate.

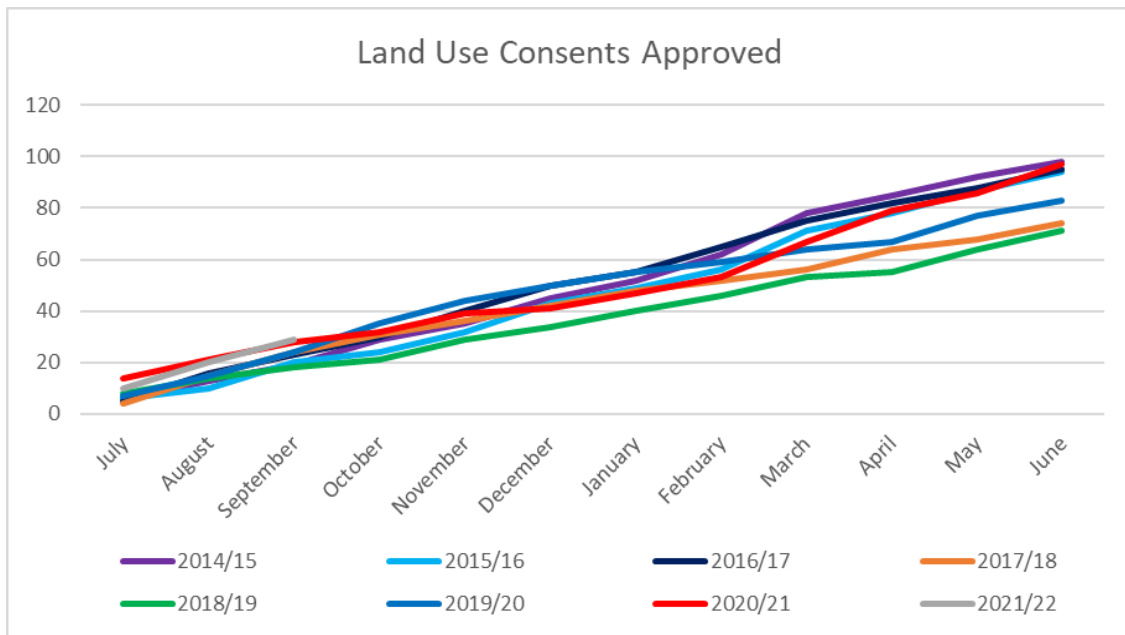
4.2 Planning (resource consenting) trends based on data for the period 1 July 2021 to September 2021 are as follows:

	YTD to 30 September 2021	YTD to 30 September 2020	Trend
<b>No. of resource consent applications lodged</b>	92	78	↑18%
<b>No. of subdivisions consents approved</b>	54	45	↑20%
<b>No. of land use consents approved</b>	29	29	No Change
<b>No. of new allotments created at 223 stage</b>	20	213	↓91%
<b>No. of new allotments created at 224 stage</b>	86	193	↓55%
<b>No. of enquiries about resource consenting activity</b>	494	581	↓15%

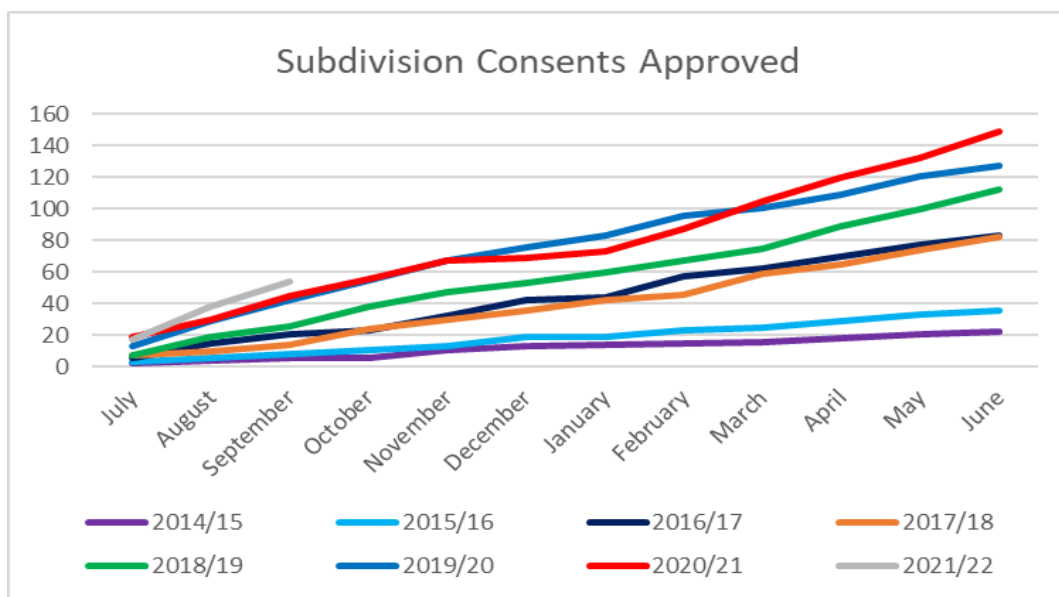


So far this financial year, the total number of resource consents lodged is 18% higher than the same period in the 2020/21 year. There has also been an increase in the complexity of consent applications received recently, with more consents being processed on a Limited Notified basis as applicants are showing signs of taking on greater risk and seeking great levels of non-compliance.

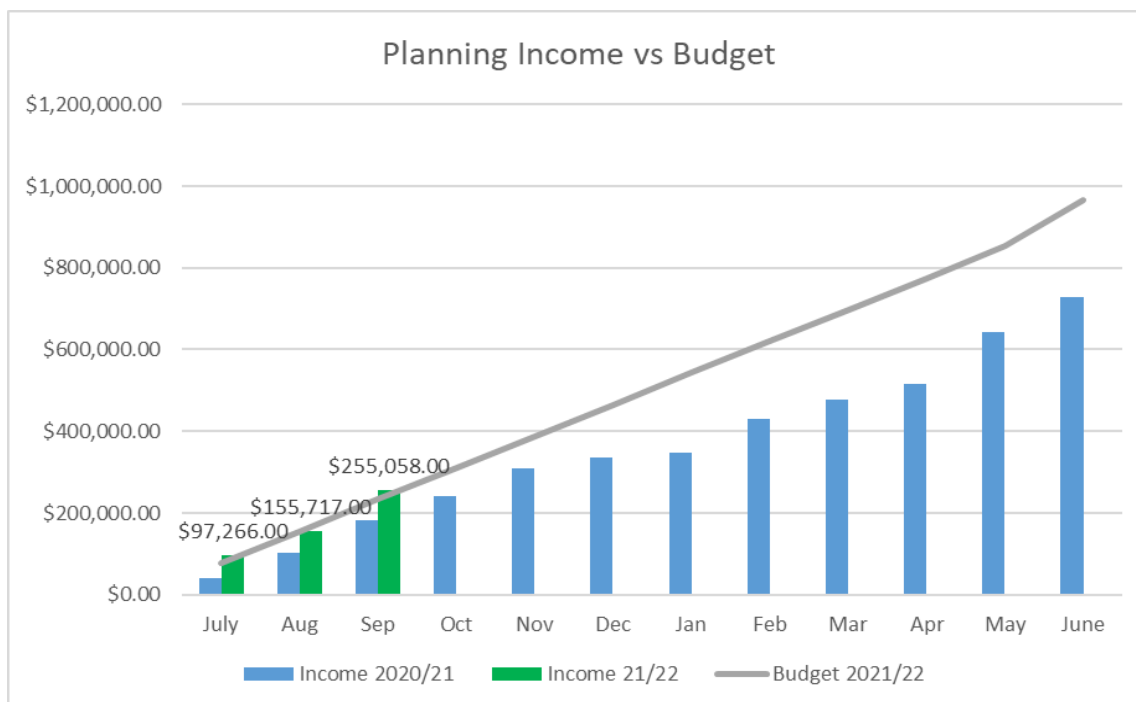
So far this financial year the number of land use consents approved is the same as it was at the same point in previous financial year, while the number of subdivision consents approved is 20% higher than the same period than last year (2020/21) and is tracking well above the prior years.



The chart above shows the cumulative total of land use consents approved. So far this financial year the number of land use consents approved is the same as it was during the same period last year.



The chart above shows the cumulative total of subdivision consents approved. So far this financial year the number of subdivision consents approved is tracking above the previous years.



The chart above shows the planning income against the budget for 2021/22 and a month by month comparison against the previous financial year. Income for this activity is currently approximately \$22K ahead of the budgeted figure for 2021/22.

### 4.3 Parking

Parking trends based on data for the period 1 July 2021 to September 2021 are as follows:

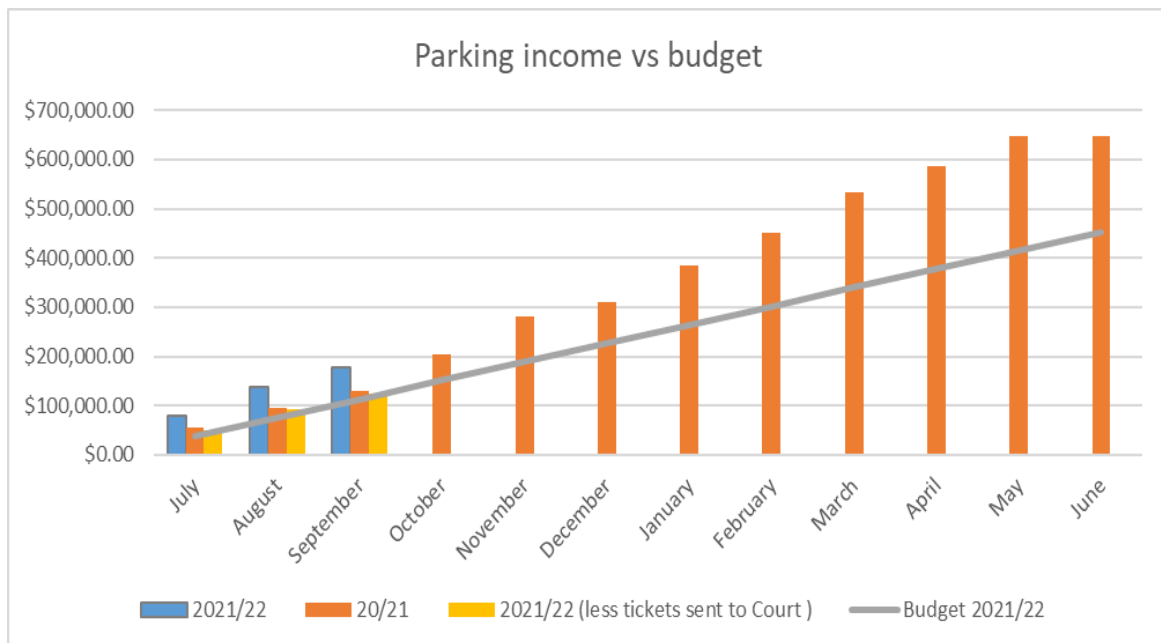
	YTD to 30 September 2021	YTD to 30 September 2020	Trend
<b>No. of infringements issued</b>	988	1,057	↓6%
<b>Value of infringements issued</b>	\$106,446	\$60,906	↑43%
<b>Parking meter income received</b>	\$9,893	\$19,135	↓48%
<b>Infringement income collected by Ministry of Justice</b>	\$60,086	\$63,102	↓5%
<b>Value of infringements cancelled</b>	\$28,034	\$13,998	↑50%

So far this financial year our Parking Wardens have issued 69 less infringements than the number issued during the same period last year, a minor decrease of 6%.

The recent COVID-19 lockdown and the new time extensions provided by Waka Kotahi NZTA for car registrations and warrants of fitness', has had an impact on the number of infringements issued during the months of August and September. Parking enforcement in Horowhenua resumed at COVID Alert Level 2.

So far this financial year the value of tickets is over 40% more than the same period last year (2020/21).

The value of tickets and meter income is tracking on target and meeting the 2021/22 budget projections for the activity.



The chart above shows the Parking Income against the budget for 2021/22, a month by month comparison against the previous financial year, and the difference in amounts ticketed versus sent to court for collections. The graph shows that parking income is on target with the expected income budget for the first quarter.

**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 attachments for this report.

Author(s)	Megan Leyland <b>Consents Manager</b>	
	Vaimoana Miller <b>Compliance Manager</b>	
Approved by	David McCorkindale <b>Group Manager - Customer &amp; Strategy</b>	



# Horowhenua Alliance Report

File No.: 21/447

## 1. Purpose

To provide the Finance Audit and Risk Committee with an update to 30 September 2021.

## 2. Recommendation

- 2.1 That Report 21/447 Horowhenua Alliance Report 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. Monthly Overview

### People

- There are currently 10 vacant positions within the Alliance, and 8 positions filled. During September the Horowhenua Alliance Operations Manager retired who had been with Downer NZ providing local water services for 34 years. This position has been redesigned as Infrastructure Delivery Manager and a successful appointment made.
- There were 21.65 lost days in September due to sickness.
- There are no staff with total leave liability greater than 40 days as at 30 September 2021.

### Zero Harm

There was one incident recorded in September. This was a near miss, no harm incident with a staff member tripping and falling into the desludging pond at the Levin WTP as reported earlier in the agenda within the Health and Safety report. There were no compliance audits or inspections completed during September.

### Risk

At the 28 September 2021 Alliance Board meeting the risk register was discussed and a review requested. This is underway. The two most critical risks remain as staff recruitment and retention; and forward works programming.

### KPI Update

3-waters programmed maintenance works overview for September:

Wastewater – 100% complete.

- o Servicing of the compressor and gas pumps at the Levin WWTP;
- o Minor replacement parts for WWTP generators have been ordered;

Water – 100% complete.

- o Servicing of the blowers at the Shannon WTP;
- o Minor replacement parts for WTP generators have been ordered.
- o A new generator has been successfully installed at the Lady's Mile Bore, Foxton.

Stormwater – No jobs scheduled.

- A new monthly task has been added to check and clear the stormwater grate at Western Park, Levin to assist with improving drainage in this area.

### Customer Request Management

Three waters activity levels achieved 74.56% completion within contracted timeframes.

One formal complaint was received in relation to flooding at Foxton Beach, specifically at the intersection of Dewe Terrace and Fabrin Street. The customer has reported the flooding occurs every time there is heavy rain and has requested that the roadside drains are cleaned to restore their capacity. A meeting is scheduled with Council Officers to discuss the remedial actions.

29 tasks under investigation include:

- 21 stormwater jobs relating to flooding and land drainage enquiries in various states of progress and follow up;
- 4 sewer jobs have been actioned however the CRM's have not been closed out;
- 4 water jobs. Two enquiries relating to water pressure and a toby locate; one loss of water whilst a new water meter was installed; and one contractor damage to toby.

All contracted response times to site were met for September. There have not been any urgent water callouts for the year to date.

There were no reported instances of rework for the month.

### Strategic Update – Operations

- Track refurbishment has been completed at the Shannon and Tokomaru Wastewater Treatment Plants.
- Ballance Street, Shannon (Water main Renewal) – Construction and commissioning is complete apart from asbuilt plans and minor topsoiling that will be completed when ground conditions permit.
- All Council drinking water quality compliance requirements were met for September.

### Strategic Update – Projects

#### Foxton Wastewater Treatment Plant

- Construction of the irrigation area Stages 2 & 3 is complete. The extension to Block K will be completed in the New Year once materials become available.
- Security fencing has been completed; Practical Completion certificate to be issued.

#### Levin Wastewater Treatment Plant

- Digester No. 1. A Condition Assessment report for the tank structure was presented to the 28th September 2021 Alliance Board meeting. The consultant is now preparing designs and drawings for repairs to the pipework and condensation trap. These designs will be used to estimate the costs for this work.
- Septage Station. An above ground balancing tank has been ordered with a lead time of 10-12 weeks. Once the concrete works are complete, work on the pump shed and pipe work will commence.

#### Reticulation Renewals

- Levin Wastewater Inlet Pipe preliminary geotechnical report completed. Site investigations are planned to commence at the beginning of November 2021.
- Shannon Water Supply, Mangahao Road on site investigations and preliminary design has now commenced.

- Technical/engineering staff continue to progress the design works for the remaining water and wastewater renewals within Foxton, Foxton Beach, Levin and Shannon.

## 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 Yorke <b>Alliance Director</b>	
Approved by	David Clapperton <b>Chief Executive</b>	





# Projects Steering Group - Activity Update

File No.: 21/434

## 1. Purpose

To report to the Finance, Audit & Risk Committee on the projects being reported on and discussed by the Projects Steering Group on 6 October 2021.

## 2. Recommendation

- 2.1 That Report 21/434 Projects Steering Group - 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. Project Oversight/Key Highlights

### Update – Surf Life Saving Club Building, Waitāreere Beach

Members discussed: Project update  
Procurement of design and build.

### Reports and Presentations

#### 6.1 State Highway Revocation

HDC had delivered a revocation programme to Waka Kotahi that explained the necessary steps to ensure an agreement was in place prior to lodgement of the Ō2NL Notice of Requirement.

#### 6.2 Levin Landfill Capping Project

The Water & Waste Services Manager presented on the Levin Landfill capping project. Members discussed:

- The need for capping
- Capping options and estimates
- Procurement
- Scope of work
- Adjustment of scope and negotiations to effect savings.

#### 6.3 Infrastructure Development - Quarterly Reporting

New quarterly reporting was presented to the group who were advised that Infrastructure Development would continue this indepth reporting on a quarterly basis to the Finance, Audit & Risk Committee.

#### 6.4 Walkways and Cycleways Presentation

The presentation focused on Waka Kotahi not approving funding for walkways and cycleways which had resulted in Council not being able to proceed with the planned work until funding was confirmed.

Mr Clapperton presented several funding scenarios which would be put before 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)	Sue Hori Te Pa <b>Governance and Executive Team Leader</b>	
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Approved by	Christine Mitchell <b>Chair, Project Steering Group</b>	
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# Three Month Report 1 July 2021 - 30 September 2021

File No.: 21/433

## 1. Purpose

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

## 2. Recommendation

- 2.1 That Report 21/433 Three Month Report 1 July 2021 - 30 September 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

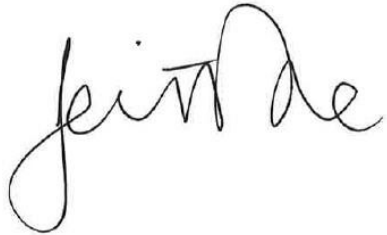
No.	Title	Page
A	Financial Reporting - Monthly Report - 30 September 2021	36

### 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)	Jacinta Straker <b>Chief Financial Officer</b>	
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Approved by	Nicki Brady <b>Deputy Chief Executive</b>	
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**Horowhenua**   
DISTRICT COUNCIL

# Three Month Report

1 July 2021 - 30 September 2021





## Executive Summary

<b>Total Capital Spending</b> <b>\$4.33m</b> is \$5.1m less than the YTD budget of \$9.4m	<b>Grants and Subsidies (Capital &amp; Operating)</b> <b>\$2.61m</b> is 34% less than the YTD budget of \$3.96m	<b>Total net borrowings</b> <b>\$107.8m</b> is 153% of budgeted operating income (financial strategy limit is 225%)
<b>Total revenue</b> <b>\$16.84m</b> is 3% less than the YTD budget of \$17.4m	<b>Total expenditure</b> <b>\$14.90m</b> is 2% less than the YTD budget of \$15.2m	<b>Total surplus/(deficit)</b> <b>\$1.94m</b> is \$0.3m less than the YTD budget of \$2.2m

Overall the level of expenditure is in line with the long term plan. The level of Income is lower as a result of lower capital funding due to the timing of the capital programme.

The Council has completed \$4.3m towards the budgeted capital programme at the end of September. The budget of \$57.4m for 2021/22 includes the \$55.5m approved in the LTP together with \$1.9m in additional approved carry forwards.

The organisation is currently completing forecasting work to assess whether any reprioritisation is required over the three year capital programme. This will help ensure the Council maximises its renewal and upgrade programme.

**Jacinta Straker - Chief Financial Officer**

## Operational Summary

Total revenue	Total expenditure	Total surplus/(deficit)
<b>\$16.84m</b> is 3% less than the YTD budget of \$17.4m	<b>\$14.90m</b> is 2% less than the YTD budget of \$15.2m	<b>\$1.94m</b> is \$0.3m less than the YTD budget of \$2.2m

## SUSTAINABILITY

**Rates to operating revenue** **67%**

Rates revenue	\$10.87m
Operating revenue	\$16.15m

67% 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 - Actual** **108%**

**Balance budget ratio - Target** **100%**

Operating revenue	\$16.15m
Operating expenditure	\$14.90m

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 108% of operating expenditure.

**Net Debt to total projected revenue - Actual** **153%**

**Net Debt to total projected revenue (Borrowings Limit)** **225%**

Total net borrowing	\$107.80m
Total budgeted operating revenue	\$70.35m

With net borrowing of \$107.80m we are still under the set limit of 225% of operating revenue. Total net borrowing is external borrowings less cash at bank.

**Interest to rates revenue - Actual** **4%**

**Interest to rates revenue - Limit** **25%**

Net Interest	\$0.44m
Rates revenue	\$10.87m

4% 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 (LGFA Cov.)



**Interest to operating revenue - Actual** **3%**

**Interest to operating revenue - Limit** **20%**

Net Interest	\$0.44m
Operating revenue	\$16.15m

3% of operating revenue is paid in interest. Our set limit is 20% of operating revenue. Net interest is interest paid less interest received (LGFA Cov).

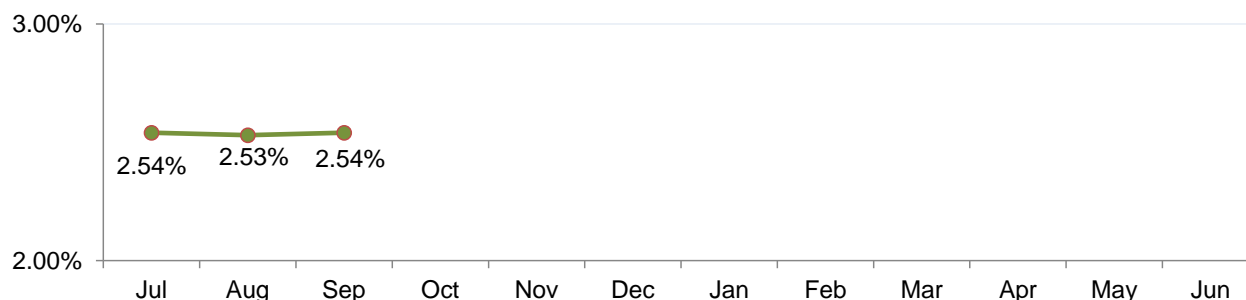
**Available financial accommodation to external indebtedness - Actual** **128%**

**Available financial accommodation to external indebtedness - Minimum required** **110%**

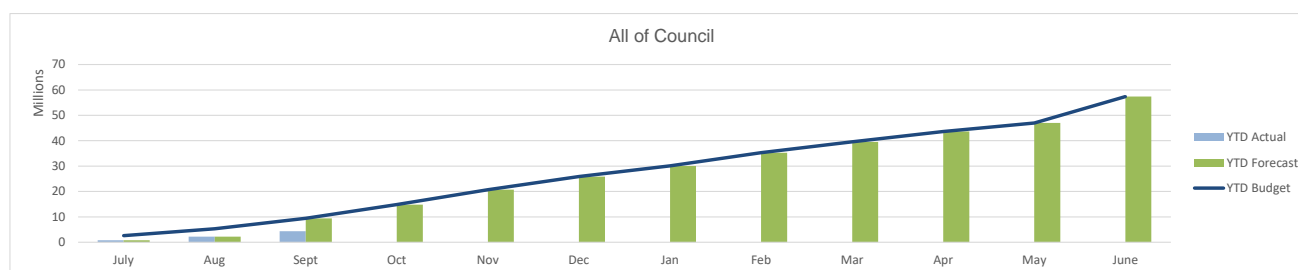
Net debt	\$107.80m
Undrawn committed facilities	\$30.00m

The committed bank facility enables us to borrow up to 128% of our current external debt immediately. The LGFA covenant minimum is 110%.

## Weighted Average Interest rate



## Capital Summary



The Council has completed \$4.3m towards the budgeted capital programme at the end of September. The budget of \$57.4m for 2021/22 includes the \$55.5m approved in the LTP together with \$1.9m in additional approved carry forwards.

The organisation is currently completing forecasting work to assess whether any reprioritisation is required over the three year capital programme. This will help ensure the Council maximises its renewal and upgrade programme.



Work completed so far includes:

- Wastewater - \$1.6m has been spent compared to a year to date budget of \$3.2m. The majority of the spending has been for the Foxton Wastewater Treatment Plant - Strategic Upgrade (\$1.3m). The lower spending relates to the timing of Tara-Ika (\$913k) and the planned renewals and upgrade work for the POT.
- Roading work \$560k compared to a budget of \$2.4m. The lower spending relates to the timing of the Gladstone Road realignment project.
- Stormwater - \$214k of the \$820k year to date budget has been completed. This includes work in Roslyn Road, Queen Street and Tara-Ika. The lower spending includes the Lake Horowhenua Stormwater project (\$125k), Foxton East Drainage scheme (\$126k) and the North East Stormwater Pipeline project (\$194k).
- Water Supply - \$264k of the \$1.5m year to date budget has been completed. This includes renewals across the district (\$127k), work in Ballance Street (\$85k), and work towards the alternate water source project (\$43k)
- Projects across the Community Facilities and Services activity totalling \$352k have been completed of the \$543k year to date budget. This includes reserve renewals (\$145k), purchase of library books (\$66k) and work on Waitarere Domain improvement plan (\$50k).
- The Property activity spending of \$1.2m includes the purchase of strategic land with potential use for the Alternate water source (\$972k) and work on the Foxton Beach Surf Lifesaving club (\$153k).

## Statement of Comprehensive Revenue and Expense

	LTP YTD Sep-21 \$000	Actual YTD Sep-21 \$000	Variance YTD 2021 \$000		Year End Projection 2021 \$000	LTP 2021 \$000		Notes
<b>Revenue</b>								
Rates Revenue	(10,545)	(10,870)	325	😊	(43,447)	(43,447)	😊	
Operational Grants & Subsidies	(533)	(1,307)	774	😊	(2,951)	(2,951)	😊	1
Finance Income	(18)	(4)	(14)	😞	(200)	(200)	😊	
Fees & Charges	(1,249)	(703)	(546)	😞	(4,748)	(4,748)	😊	2
Other Revenue	(980)	(1,961)	981	😊	(3,872)	(3,872)	😊	3
Gains on Disposal of Assets	-	-	-	😊	-	-	😊	
<b>Total Revenue</b>	<b>(13,325)</b>	<b>(14,845)</b>	<b>1,520</b>	😊	<b>(55,218)</b>	<b>(55,218)</b>	😊	
<b>Expenditure</b>								
Employee Benefit Expenses	4,184	3,487	697	😊	18,169	18,169	😊	4
Finance Costs	741	442	299	😊	2,964	2,964	😊	5
Depreciation and Amortisation	3,681	3,713	(32)	😞	14,722	14,722	😊	
Other Expenses	6,629	7,257	(628)	😞	26,933	26,933	😊	6
Loss on Disposal of Assets	-	-	-	😊	-	-	😊	
<b>Total Expenses</b>	<b>15,235</b>	<b>14,899</b>	<b>336</b>	😊	<b>62,788</b>	<b>62,788</b>	😊	
<b>Operating (surplus) deficit before capital revenue and taxation</b>	<b>1,910</b>	<b>54</b>	<b>1,856</b>		<b>7,570</b>	<b>7,570</b>		
Capital Grants and Subsidies	(3,423)	(1,303)	(2,120)	😞	(15,135)	(15,135)	😊	7
Development Contributions	(686)	-	(686)	😞	(2,744)	(2,744)	😊	8
Gain on Derivatives	-	(694)	694	😊	-	-	😊	9
<b>Total (Surplus)/Deficit</b>	<b>(2,199)</b>	<b>(1,943)</b>	<b>(256)</b>	😞	<b>(10,309)</b>	<b>(10,309)</b>	😊	

**Note 1** Operational Grants and Subsidies **favourable** variance of \$774k.

The additional funding relates to the final portion of the PGF funding received for Mahi Space (\$153k), more funding than planned from Waka Kotahi (\$276k) which is mainly due to Gladstone Road, as well as additional economic development funding of \$300k relating to funding received for the Mayor's taskforce for jobs.

The Mayors Taskforce for Jobs (MTFJ) is a nationwide network of New Zealand's Mayors, working together, through Local Government New Zealand (LGNZ) towards the vision of all young people under 25 being engaged in appropriate education, training, work or other positive activity in their communities. The Council was awarded \$250,000 in the 20/21 financial year as a pilot for the programme, and was then successful in securing funding in 21/22 to run the programme for a further 12 months.

**Note 2** Fees & Charges **unfavourable** variance of \$546k year to date is mainly due to less income in the solid waste activity (\$133k) and Wastewater activity (\$270k) due to timing.

**Note 3** Other revenue **favourable** variance of \$981k. This primarily relates to additional revenue received for building consents of approximately \$436k as a result of increased building and development activity in the district and almost \$321k due to the timing of the dog registrations.

In addition \$100k of funding was received from MBIE for the second year of the welcoming communities' programmes. Welcoming Communities Te Waharoa ki ngā Hapori is led by Immigration New Zealand (INZ) in collaboration with the Office of Ethnic Communities, along with the Human Rights Commission. The Horowhenua District Council joined the Welcoming Communities programme, as part of the refugee settlement programme, aimed at welcoming people to the district and improving engagement with the local community.

**Note 4** Employee Benefit Expenses **favourable** variance of \$697k relates to current vacancies across Council operations and also due to the timing of the payroll budget.

**Note 5** Finance Costs **favourable** variance of \$299k relates to lower finance costs and also relates to the timing of the capital budgets.

**Note 6** Other Expenses **unfavourable** variance \$628k as detailed below:

Note 6 Other Expenses	LTP	Actual	Variance		Year End	LTP	Notes	
	YTD	YTD	YTD		Projection			
	Sep-21 \$000	Sep-21 \$000	Sep-21 \$000		Jun-22 \$000	Jun-22 \$000		
Professional Services	1,326	1,340	(14)	☹️	5,751	5,751	☺️	
Materials	28	57	(29)	☹️	119	119	☺️	
Maintenance	4,001	4,451	(450)	☹️	16,296	16,296	☺️	6A
Grants Paid	153	121	32	☺️	603	603	☺️	
Utilities	279	330	(51)	☹️	1,239	1,239	☺️	
Communications	55	65	(10)	☹️	215	215	☺️	
Other Expenses	1,685	1,241	444	☺️	5,473	5,473	☺️	6B
Vehicle Expenses	31	32	(1)	☹️	114	114	☺️	
Treasury Expenses	27	29	(2)	☹️	181	181	☺️	
Labour Recoveries for Capex projects	(956)	(409)	(547)	☹️	(3,058)	(3,058)	☺️	6C
<b>Total Other Expenses</b>	<b>6,629</b>	<b>7,257</b>	<b>(628)</b>	☹️	<b>26,933</b>	<b>26,933</b>	☺️	

- Note 6A Maintenance costs **unfavourable** variance of \$450k. The variance year to date relates to additional emergency management spending of \$108k as a result of the June flooding event, additional spending for the Levin Wastewater Treatment plant of \$391k due to the digester and emergency works of \$615k which primarily relates to Gladstone Road.
- Note 6B Other expenses **favourable** variance \$444k reflecting lower spending across the organisation. \$285k relates to the timing of IT spending and the remaining amount is spread across the organisation.
- Note 6C Labour recoveries for CAPEX projects **favourable** variance \$547k reflecting the lower capital project expenditure and staff time allocation than budgeted. Work on the labour budgets is being completed at part of the capital re-forecasting work.

**Note 7** Capital Grants and Subsidies **unfavourable** variance \$2.1m relates to the timing of the capital programme. Grants for Three Water Stimulus funding are not forecast to be received until later in the year and the timing of the Tara-Ika funding is being reviewed as part of the capital re-forecasting work.

**Note 8** While the Council has assessed new developments for development contributions since 1 July 2021 the invoicing will not occur until separate titles (224C) are applied for and so no revenue has been realised yet.

**Note 9** This is a non-cash gain which reflects the increase in interest rates.

## Statement of Comprehensive Revenue and Expense by Activity

REVENUE	LTP	Year to date (YTD)			Notes
	2021/22	Actual	Budget	Variance	
	\$000	\$000	\$000	\$000	
<b>Significant Activities</b>					
Regulatory Services	(6,147)	(2,279)	(1,529)	750	1
Community Facilities and Services	(15,322)	(3,519)	(3,630)	(111)	
Road Transport	(15,100)	(2,270)	(3,414)	(1,144)	3
Water Supply	(8,829)	(1,859)	(2,097)	(238)	4
Wastewater Management	(12,373)	(1,829)	(3,087)	(1,258)	5
Solid Waste	(4,014)	(864)	(1,065)	(201)	6
Stormwater	(3,143)	(415)	(786)	(371)	7
Treasury	(2,555)	(1,331)	(398)	933	8
Property	(1,419)	(334)	(355)	(21)	
Community Support	(2,843)	(1,058)	(706)	352	9
Representation & Com. Leadership	(4,318)	(1,751)	(1,080)	671	10
<b>Total Activity Revenue</b>	<b>(76,063)</b>	<b>(17,509)</b>	<b>(18,147)</b>	<b>(638)</b>	
<b>EXPENDITURE</b>					
	LTP	Year to date (YTD)			Notes
	2021/22	Actual	Budget	Variance	
	\$000	\$000	\$000	\$000	
<b>Significant Activities</b>					
Regulatory Services	6,147	1,273	1,517	244	1
Community Facilities and Services	13,778	2,946	3,402	456	2
Road Transport	8,050	2,464	2,012	(452)	3
Water Supply	8,518	2,044	2,088	44	
Wastewater Management	9,522	2,519	2,319	(200)	5
Solid Waste	4,337	857	1,031	174	6
Stormwater	1,927	522	478	(44)	
Treasury	3,231	491	567	76	
Property	1,528	332	342	10	
Community Support	2,843	782	741	(41)	
Representation & Com. Leadership	5,873	1,339	1,446	107	
<b>Total Activity Expenditure</b>	<b>65,754</b>	<b>15,569</b>	<b>15,943</b>	<b>374</b>	
<b>Business Units</b>	0	(3)	5	8	
<b>Operating (Surplus)/Deficit</b>	<b>(10,309)</b>	<b>(1,943)</b>	<b>(2,199)</b>	<b>(256)</b>	

- Note 1** Regulatory Services revenue **favourable** variance \$750k. The higher revenue is due to increased building activity. The lower expenditure is due to lower overhead costs so far this year.
- Note 2** Community Facilities and Services – The lower spending of \$456k relates mainly due to the timing of expenditure.
- Note 3** Road Transport – Overall there was \$1.1m lower revenue from NZTA than planned due to lower capital spending and the reduced funding for cycleways. The additional expenditure of \$452k primarily related to funded Emergency works spending on Gladstone Road.
- Note 4** Water Supply revenue **unfavourable** variance \$238k. The lower income relates to the three water stimulus funding not being received for the year yet.
- Note 5** Wastewater revenue **unfavourable** variance \$1.3m. The lower revenue is due to three water stimulus funding, development contributions and Tara-Ika funding not being received for the year yet. The additional expenditure of \$200k relates to maintenance on the digester at the Wastewater Treatment Plant in Levin.
- Note 6** Solid Waste revenue **unfavourable** variance \$201k. This relates to the timing of income received for the activity. The lower expenditure of \$174k relates to the timing of the maintenance programme.
- Note 7** Stormwater **unfavourable** variance \$371k is due to the three waters stimulus funding being received later in the year than anticipated.
- Note 8** Treasury – The majority of the higher revenue of \$933k relates to the gain on interest rate swaps (\$694k).
- Note 9** Community Support revenue **favourable** variance \$352k. The reported variance is a result of additional funding of \$300k received for the Mayor’s taskforce for jobs and funding for the Mahi Space received in prior year but relating to the 2021/22 year.
- Note 10** Representation and Community Leadership revenue **favourable** variance \$671k. The higher income relates to the three water stimulus funding which will be transferred to the relevant activities as the projects are completed.

## Statement of Financial Position as at 30 September 2021

	Council Actual \$ 30 June 2021 \$000	Council Budget \$ 30 June 2022 \$000	Council Actual \$ 30 Sept 2021 \$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9,402	11,519	11,340
Debtors and other receivables	7,752	6,340	10,488
Other financial assets	371	4,360	371
Non-current assets held for sale	2,064	4,293	2,064
<b>Total current assets</b>	<b>19,589</b>	<b>26,512</b>	<b>24,263</b>
<b>Non-current assets</b>			
Plant, property and equipment			
– Operational assets	56,913	44,414	57,911
– Infrastructural assets	593,153	601,858	592,832
– Restricted assets	63,411	71,132	63,409
Intangible assets	1,301	970	1,228
Forestry assets	1,248	1,107	1,248
Commercial property	–	–	–
Other financial assets:			
– Investments CCO's & similar entities	204	–	204
– Investments in associates	16	220	16
– Other	1,772	1,706	1,922
<b>Total non-current assets</b>	<b>718,018</b>	<b>721,407</b>	<b>718,770</b>
<b>Total assets</b>	<b>737,607</b>	<b>747,919</b>	<b>743,033</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables and deferred revenue	16,148	13,721	14,324
Provisions	30	30	30
Employee benefit liabilities	1,222	1,060	1,222
Derivative financial instruments	702	–	–
Borrowings and other financial liabilities	28,000	10,000	28,000
<b>Total current liabilities</b>	<b>46,102</b>	<b>24,811</b>	<b>44,980</b>
<b>Non-current liabilities</b>			
Provisions	5,381	6,425	5,381
Employee benefit liabilities	256	207	256
Borrowings and other financial liabilities	80,000	117,821	86,000
Derivative financial instruments	1,296	–	(100)
Other	(17)	3,615	(17)
<b>Total non-current liabilities</b>	<b>86,916</b>	<b>128,068</b>	<b>91,520</b>
<b>Total liabilities</b>	<b>133,018</b>	<b>152,879</b>	<b>136,500</b>
<b>Net assets</b>	<b>604,589</b>	<b>595,040</b>	<b>606,533</b>
<b>Equity</b>			
Retained earnings	254,506	261,402	256,450
Revaluation reserves	340,318	324,660	340,318
Other reserves	9,765	9,978	9,765
<b>Total equity</b>	<b>604,589</b>	<b>596,040</b>	<b>606,533</b>

## Funding Impact Statement for Whole of Council

	Annual Plan Budget 2021 \$000	Annual Report Actual 2021 \$000	LTP Budget 2022 \$000	LTP Budget YTD Sep 2021 \$000	Actual YTD Sep 2021 \$000	Variance YTD Sep 2021 \$000
<b>Sources of operating funding</b>						
General rates, uniform annual general charges, rates penalties	10,379	10,304	11,657	2,701	2,873	172
Targeted rates	29,305	28,964	31,790	7,843	7,997	154
Subsidies and grants for operating purposes	2,104	6,601	2,101	533	1,307	774
Fees and charges	4,551	4,341	4,721	1,249	703	(546)
Interest and dividends from investments	206	111	200	24	7	(17)
Local authorities fuel tax, fines, infringement fees, and other receipts	3,191	4,242	4,749	975	1,959	984
<b>Total operating funding (A)</b>	<b>49,736</b>	<b>54,563</b>	<b>55,218</b>	<b>13,325</b>	<b>14,846</b>	<b>1,521</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers	39,663	45,014	45,003	10,813	10,744	69
Finance costs	3,202	2,565	2,964	741	442	299
Other operating funding applications	–	–	–	–	–	–
<b>Total applications of operating funding (B)</b>	<b>42,865</b>	<b>47,579</b>	<b>47,967</b>	<b>11,554</b>	<b>11,186</b>	<b>368</b>
<b>Surplus (deficit) of operating funding (A–B)</b>	<b>6,871</b>	<b>6,984</b>	<b>7,251</b>	<b>1,771</b>	<b>3,660</b>	<b>1,889</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital expenditure	10,676	13,215	15,135	3,423	1,303	(2,120)
Development and financial contributions	–	–	2,744	686	–	(686)
Increase (decrease) in debt	9,325	2,045	20,022	5,006	1,799	(3,207)
Gross proceeds from sale of assets	5,000	2,040	2,056	514	–	(514)
Lump sum contributions	–	–	–	–	–	–
Other dedicated capital funding	–	–	–	–	–	–
<b>Total sources of capital funding (C)</b>	<b>25,001</b>	<b>17,300</b>	<b>39,957</b>	<b>9,629</b>	<b>3,102</b>	<b>(6,527)</b>
<b>Applications of capital funding</b>						
Capital expenditure						
– to meet additional demand	2,000	2,609	18,042	891	101	790
– to improve the level of service	16,182	18,217	18,659	4,913	3,426	1,487
– to replace existing assets	12,425	10,872	18,838	3,655	807	2,848
Increase (decrease) in reserves	1,265	(7,491)	(8,331)	1,941	4,577	(2,637)
Increase (decrease) of investments	–	77	–	–	(2,149)	2,149
<b>Total applications of capital funding (D)</b>	<b>31,872</b>	<b>24,284</b>	<b>47,208</b>	<b>11,400</b>	<b>6,762</b>	<b>4,638</b>
<b>Surplus (deficit) of capital funding (C–D)</b>	<b>(6,871)</b>	<b>(6,984)</b>	<b>(7,251)</b>	<b>(1,771)</b>	<b>(3,660)</b>	<b>(1,889)</b>
<b>Funding balance ((A–B)+(C–D))</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Depreciation	14,848	15,323	14,722	3,681	3,713	(32)
<b>Loans</b>						
					<b>External \$000</b>	
Loans as at 1/07/2021					108,000	
Raised during year					6,000	
Repaid during year					–	
<b>Loans as at 30/09/2021</b>					<b>114,000</b>	



## Statement of Rates Debtors

Rate Zone	Assessment Count	Assessments Matching	% Matching Criteria	Total Rates Due	Year to Date Rates Due (Ahead)	Instalment 1 Due	Penalties Arrears	Prior Year Arrears
Cancelled Assessment	544	14	3%	\$134,314	\$910	\$885	\$27	\$133,404
Foxton	1,279	138	11%	\$207,475	\$84,082	\$71,147	\$12,918	\$123,393
Foxton Beach	1,615	151	9%	\$243,312	\$95,297	\$75,133	\$20,175	\$148,016
Hokio Beach	187	33	18%	\$233,659	\$13,399	\$11,487	\$1,904	\$220,260
Levin	7,641	797	10%	\$742,670	\$478,905	\$428,593	\$50,304	\$263,765
Manakau	86	9	10%	\$6,035	\$3,458	\$3,010	\$445	\$2,577
No Charges	502		0%					
Non Rateable	138	8	6%	\$10,344	\$2,050	\$1,704	\$351	\$8,295
Ohau	152	13	9%	\$11,735	\$5,683	\$4,888	\$798	\$6,052
Rural Farming	2,013	160	8%	\$385,049	\$76,026	\$60,601	\$16,264	\$309,023
Rural Other	3,012	310	10%	\$335,682	\$152,131	\$128,884	\$23,280	\$183,551
Shannon	684	111	16%	\$200,482	\$65,793	\$48,430	\$17,362	\$134,689
Tokomaru	164	15	9%	\$11,538	\$7,002	\$5,973	\$1,033	\$4,536
Utilities	17	6	35%	\$5,929	\$5,875	\$5,334	\$539	\$54
Waikawa Beach	231	12	5%	\$7,620	\$5,036	\$4,394	\$643	\$2,584
Waitarere Beach	995	77	8%	\$54,105	\$40,630	\$36,148	\$4,476	\$13,475
<b>Totals at 30 September 2021</b>	<b>19,260</b>	<b>1,854</b>	<b>10%</b>	<b>\$2,589,951</b>	<b>\$1,036,277</b>	<b>\$886,612</b>	<b>\$150,518</b>	<b>\$1,553,673</b>
Totals at 30 September 2020	17,995	1,503	8%	\$2,112,601	\$758,463	\$635,856	\$122,618	\$1,354,138

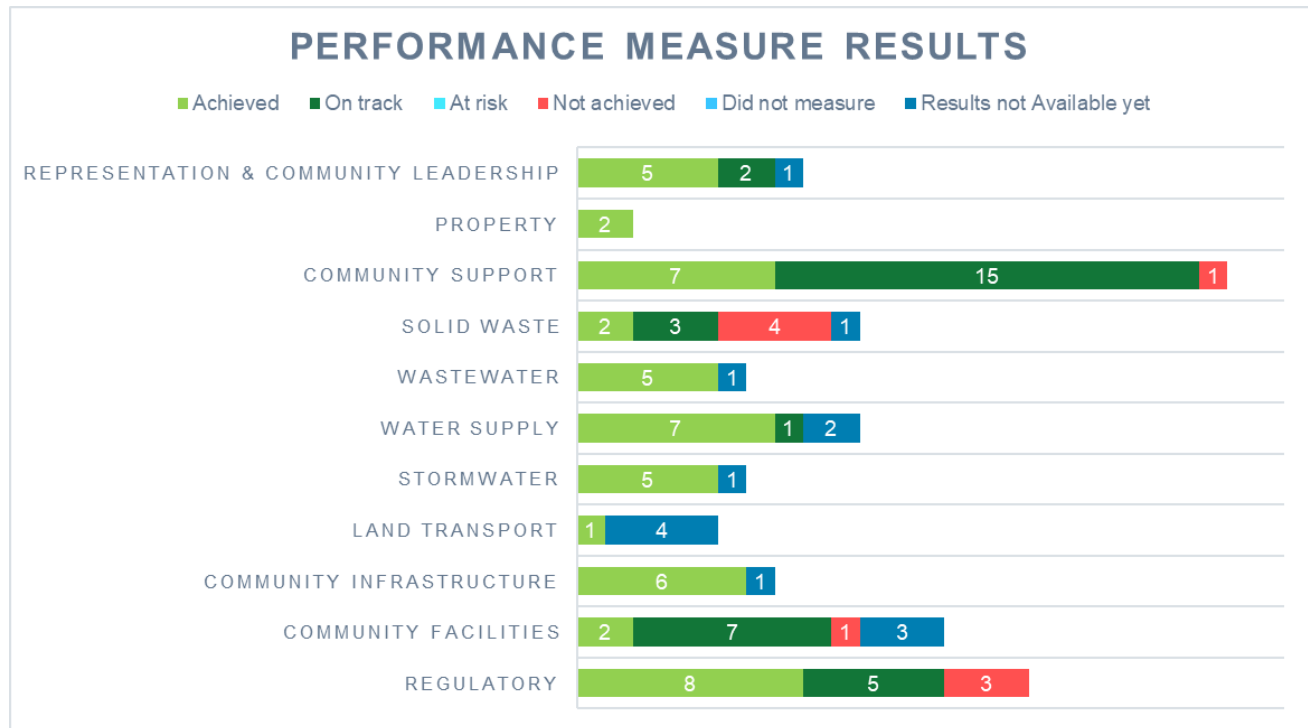
- This report excludes assessments with total arrears under \$99 and assessment with credit balances.
- The total arrears of \$1,553,673 are for total arrears over \$99 as at 30 September 2021. The team are currently working with customers to understand why there are increases in the number of customers with outstanding balances.



## Statement of Sundry Debtors

Category	Total Outstanding	Current Outstanding	31 - 60 days Outstanding	61 - 90 days Outstanding	Over 90 days Outstanding	Doubtful Debts Provision
<b>Current debtors</b>						
Aquatic Centre	5,990	3,110	1,163	0	1,718	3,088
Building - Exempt Work	2,839	694	418	0	1,728	
Building Consents	390,848	249,587	78,664	33,147	29,450	1,819
Building Fee - BWO	5,185	2,240	400	160	2,385	630
Cemeteries	17,680	15,180	2,500	0	0	
Dogs - Debt Collection	1,834	0	0	0	1,834	
Dogs Arrange to pay	3,324	3,268	0	0	56	
Dogs Pre Payments	98	98	0	0	0	
General	265,744	71,915	191,232	70	2,527	1,295
Health Accreditation Renewals	15,136	10,479	1,234	678	2,745	3,038
Hire	12,234	2,725	4,371	50	5,089	3,643
On Charges	69,487	2,603	49,664	0	17,220	
Resource Consent Fees	83,689	36,959	5,976	1,512	39,242	11,432
Rubbish Bags	34,998	19,000	3,800	7,296	4,902	
Swimming Pools	1,695	0	0	0	1,695	150
Te Awahou	9,404	751	1,899	70	6,684	
Te Takere	6,564	844	1,210	387	4,124	
Trade Waste	11,557	381	179	0	10,996	
Water Septage - Septic Tank	2,968	2,968	0	0	0	
Total current debtors	948,633	424,867	345,238	43,370	135,159	25,095
<b>Non current debtors</b>						
Dev Cont New Policy	19,741	0	0	0	19,741	19,741
Develop Cont Old Policy	6,055	0	0	0	6,055	6,055
Rental Income Monthly	68,164	21,134	10,237	0	36,794	52,584
Total non-current debtors	93,960	21,134	10,237	0	62,590	78,380
<b>Total at 30 September 2021</b>	<b>1,042,593</b>	<b>446,000</b>	<b>355,475</b>	<b>43,370</b>	<b>197,749</b>	<b>103,475</b>
<b>Total as 30 September 2020</b>	<b>677,416</b>	<b>223,169</b>	<b>92,148</b>	<b>19,166</b>	<b>342,934</b>	

## Performance Measure Results



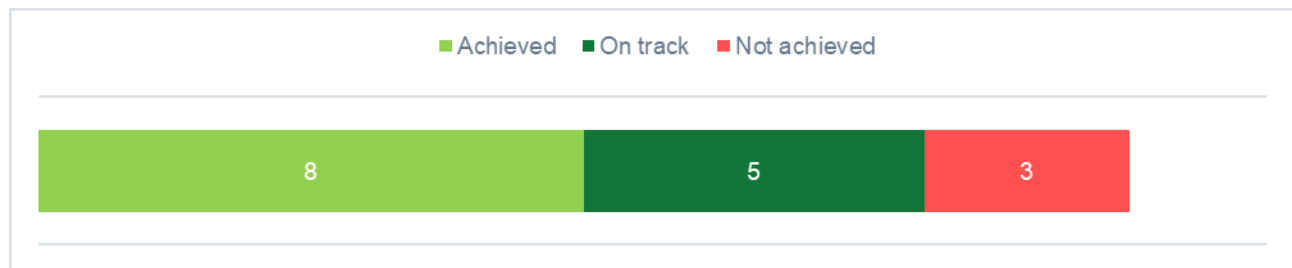
## PLANNING AND REGULATORY Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Sep 2021 \$000	Actual Sep YTD 2021 \$000	Variance Sep YTD 2021 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	2,453	613	614	1
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	204	51	48	(3)
Local authorities fuel tax, fines, infringement fees, and other receipts	3,490	864	1,617	753
Internal charges and overheads recovered	-	-	-	-
<b>Total operating funding (A)</b>	<b>6,147</b>	<b>1,528</b>	<b>2,279</b>	<b>751</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	615	135	132	3
Finance costs	1	-	-	-
Internal charges and overheads applied	5,461	1,365	1,124	241
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>6,077</b>	<b>1,500</b>	<b>1,256</b>	<b>244</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>70</b>	<b>28</b>	<b>1,023</b>	<b>995</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	14	4	-	(4)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>14</b>	<b>4</b>	<b>-</b>	<b>(4)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	80	4	1	3
- to replace existing assets	4	-	-	-
Increase (decrease) in reserves	-	28	1,022	(995)
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>84</b>	<b>32</b>	<b>1,023</b>	<b>(992)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(70)</b>	<b>(28)</b>	<b>(1,023)</b>	<b>(995)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation	70	17	17	-

## Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Sep 2021 \$000	Actual Sep YTD 2021 \$000	Variance Sep YTD 2021 \$000
Animal Control	284	71	54	17
Building Consents	1,494	355	298	57
Building Policy	441	112	101	11
Dog Control	714	177	134	43
Environmental Health	545	136	97	39
Environmental Health Policy	144	36	29	7
Liquor Licensing	267	67	47	20
Liquor Policy	74	18	15	3
Parking	439	110	77	33
Planning Policy	448	112	86	26
Resource Management	1,123	279	306	(27)
Safety Licensing	174	44	29	15
<b>Total Expenditure</b>	<b>6,147</b>	<b>1,517</b>	<b>1,273</b>	<b>244</b>

## Performance Measures – LTP/Annual Plan Summary



## REGULATORY SERVICES - Performance Measures Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2021/22)	Actual Performance	CM9 Ref
<b>Resource Consenting</b>					
RS1	Processing of applications under the Resource Management Act (RMA) 1991.	Applications under the RMA will be processed within statutory timeframes.	95%	<p><b>Not Achieved</b></p> <p>As at 30 September 2021, 36 consents have been approved YTD for Land Use, Subdivision, Boundary Activities and “other”, approximately 62% of consents were approved within statutory timeframes.</p> <p>This has been due to high volume of applications received compared to the number of staff &amp; contractors available to process applications. This measure is considered to be in progress as the overall percentage compliance with the KPI is anticipated to change throughout the year.</p>	D21/14145 4
<b>Building Consenting</b>					
RS2	Carry out Building Consent Authority functions including enforcement of legislation relating to construction of buildings and structures.	Building consent applications are processed with in statutory timeframes.	98%	<p><b>Not Achieved</b></p> <p>As at 30 September 2021, 247 building consents were granted YTD, 97.6% within statutory timeframes.</p> <p>Six (6) consents have been processed outside the statutory timeframe YTD. This was due to the large numbers of applications received between May-June 2021 and staff leaving.</p>	D21/14133 6
<b>Resource Management Compliance</b>					
RS10	Monitoring of District Plan requirements, resource consent compliance and complaints.	Known and reported instances of non-compliances with the District Plan and any resource consents will be responded to within five working days.	Achieve	<p><b>Not Achieved</b></p> <p>As at 31 August 2021, The RMA monitoring and compliance role has been vacant since December 2020, creating a delay in Officer responses. The timeframe of 5 working days has not always been achieved. The new officer starts on 27 September 2021.</p>	

## COMMUNITY INFRASTRUCTURE Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Sep 2021 \$000	Actual Sep YTD 2021 \$000	Variance Sep YTD 2021 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	5,325	1,331	1,333	2
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	285	71	82	11
Local authorities fuel tax, fines, infringement fees, and other receipts	876	-	27	27
Internal charges and overheads recovered	-	-	-	-
<b>Total operating funding (A)</b>	<b>6,486</b>	<b>1,402</b>	<b>1,442</b>	<b>40</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	3,686	922	792	130
Finance costs	147	37	35	2
Internal charges and overheads applied	1,028	257	209	48
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>4,861</b>	<b>1,216</b>	<b>1,036</b>	<b>180</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,625</b>	<b>186</b>	<b>406</b>	<b>220</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	632	158	-	(158)
Increase (decrease) in debt	1,481	370	-	(370)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>2,113</b>	<b>528</b>	<b>-</b>	<b>(528)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	607	-	2	(2)
- to improve the level of service	1,303	115	161	(46)
- to replace existing assets	1,882	179	72	107
Increase (decrease) in reserves	(54)	420	171	249
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>3,738</b>	<b>714</b>	<b>406</b>	<b>308</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,625)</b>	<b>(186)</b>	<b>(406)</b>	<b>(220)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation	724	181	181	-

## Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Sep 2021 \$000	Actual Sep YTD 2021 \$000	Variance Sep YTD 2021 \$000
Cemeteries	604	150	135	15
Public Toilets	328	82	66	16
Beautification	642	161	115	46
Reserves	2,020	505	473	32
Sportsgrounds	1,227	308	261	47
Halls	284	71	61	10
Urban Cleaning	480	120	106	14
<b>Total Expenditure</b>	<b>5,585</b>	<b>1,397</b>	<b>1,217</b>	<b>180</b>

## Performance Measures – LTP/Annual Plan Summary



## COMMUNITY FACILITIES Funding Impact Statement

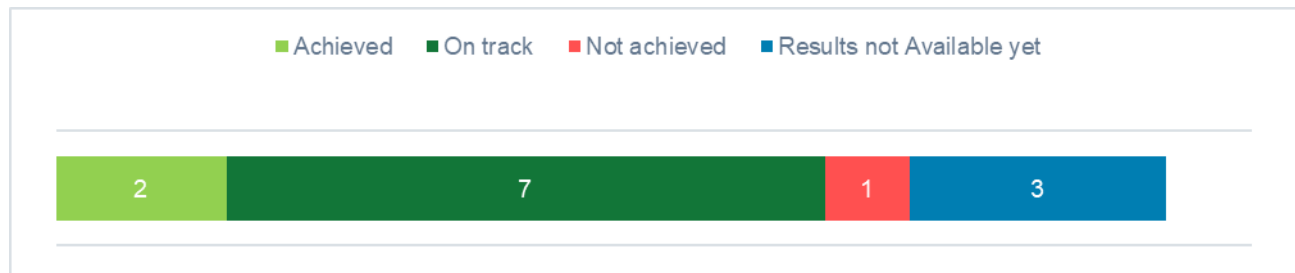
	LTP Forecast 2022 \$000	LTP Forecast Sep 2021 \$000	Actual Sep YTD 2021 \$000	Variance Sep YTD 2021 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	6,840	1,710	1,712	2
Subsidies and grants for operating purposes	316	79	193	114
Fees and charges	1,041	260	162	(98)
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	11	11
Internal charges and overheads recovered	-	-	-	-
<b>Total operating funding (A)</b>	<b>8,197</b>	<b>2,049</b>	<b>2,078</b>	<b>29</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	5,464	1,322	1,066	256
Finance costs	455	114	106	8
Internal charges and overheads applied	1,316	329	327	2
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>7,235</b>	<b>1,765</b>	<b>1,499</b>	<b>266</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>962</b>	<b>284</b>	<b>579</b>	<b>295</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	1,741	435	-	(435)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>1,741</b>	<b>435</b>	<b>-</b>	<b>(435)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	1,706	132	48	84
- to replace existing assets	997	118	70	48
Increase (decrease) in reserves	-	469	461	8
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>2,703</b>	<b>719</b>	<b>579</b>	<b>140</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(962)</b>	<b>(284)</b>	<b>(579)</b>	<b>(295)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation	962	240	273	(33)



## Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Sep 2021 \$000	Actual Sep YTD 2021 \$000	Variance Sep YTD 2021 \$000
Libraries and Community Centres	5,384	1,323	1,167	156
Aquatic Centres	2,814	682	605	77
<b>Total Expenditure</b>	<b>8,198</b>	<b>2,005</b>	<b>1,772</b>	<b>233</b>

## Performance Measures – LTP/Annual Plan Summary



## COMMUNITY FACILITIES - Performance Measures Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2021/22)	Actual Performance	CM9 Ref												
<b>Community Centres and Libraries</b>																	
CF19	Customers have access to a range of current information in both print and digital format.	Percent of increase in use of websites and online engagement.  Note: These numbers include statistics for Te Takeretanga o Kura-hau-pō website, OPAC, and Kete Horowhenua.	+> 1%	<p><b>Not Achieved</b> As at 30 September 2021</p> <table border="1"> <thead> <tr> <th></th> <th>2021/22 YTD</th> <th>2020/21 YTD</th> <th>% change</th> </tr> </thead> <tbody> <tr> <td>Unique users</td> <td>19,921</td> <td>23,969</td> <td>-18%</td> </tr> <tr> <td>Sessions</td> <td>29,133</td> <td>35,264</td> <td>-19%</td> </tr> </tbody> </table>		2021/22 YTD	2020/21 YTD	% change	Unique users	19,921	23,969	-18%	Sessions	29,133	35,264	-19%	
	2021/22 YTD	2020/21 YTD	% change														
Unique users	19,921	23,969	-18%														
Sessions	29,133	35,264	-19%														

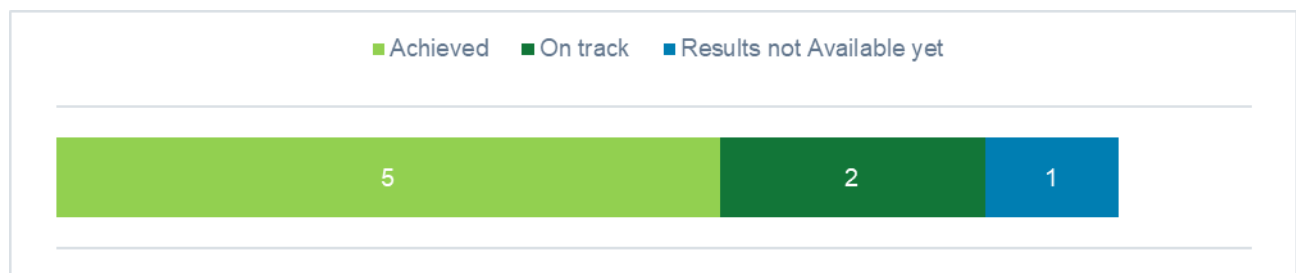
## REPRESENTATION AND COMMUNITY LEADERSHIP Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Sep 2021 \$000	Actual Sep YTD 2021 \$000	Variance Sep YTD 2021 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	267	67	67	-
Targeted rates	4,051	1,013	1,014	1
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1	-	1	1
Internal charges and overheads recovered	-	-	-	-
<b>Total operating funding (A)</b>	<b>4,319</b>	<b>1,080</b>	<b>1,082</b>	<b>2</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	2,057	492	476	16
Finance costs	107	27	26	1
Internal charges and overheads applied	3,709	927	836	91
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>5,873</b>	<b>1,446</b>	<b>1,338</b>	<b>108</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(1,554)</b>	<b>(366)</b>	<b>(256)</b>	<b>110</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	670	670
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	2,055	514	-	(514)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>2,055</b>	<b>514</b>	<b>670</b>	<b>156</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	500	125	-	125
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	1	23	414	(391)
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>501</b>	<b>148</b>	<b>414</b>	<b>(266)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>1,554</b>	<b>366</b>	<b>256</b>	<b>(110)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation	-	-	-	-

## Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Sep 2021 \$000	Actual Sep YTD 2021 \$000	Variance Sep YTD 2021 \$000
Community Board	182	45	40	5
Elections	11	3	13	(10)
Governance	2,174	526	445	81
External Reporting	1,649	393	305	88
District Planning	1,858	404	535	(131)
Growth Response	-	75	-	75
<b>Total Expenditure</b>	<b>5,874</b>	<b>1,446</b>	<b>1,338</b>	<b>108</b>

## Performance Measures – LTP/Annual Plan Summary



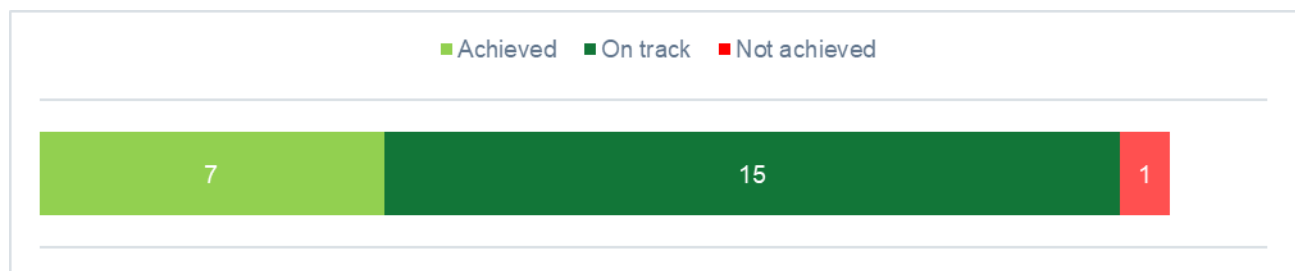
## COMMUNITY SUPPORT Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Sep 2021 \$000	Actual Sep YTD 2021 \$000	Variance Sep YTD 2021 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	2,759	690	690	-
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	33	17	267	250
Fees and charges	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	51	-	100	100
Internal charges and overheads recovered	-	-	-	-
<b>Total operating funding (A)</b>	<b>2,843</b>	<b>707</b>	<b>1,057</b>	<b>350</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,809	482	538	(56)
Finance costs	-	-	-	-
Internal charges and overheads applied	1,026	257	243	14
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,835</b>	<b>739</b>	<b>781</b>	<b>(42)</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>8</b>	<b>(32)</b>	<b>276</b>	<b>308</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	75	19	-	(19)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding ©</b>	<b>75</b>	<b>19</b>	<b>-</b>	<b>(19)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	47	20	-	20
- to replace existing assets	28	39	-	39
Increase (decrease) in reserves	8	(72)	276	(348)
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>83</b>	<b>(13)</b>	<b>276</b>	<b>(289)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(8)</b>	<b>32</b>	<b>(276)</b>	<b>(308)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation	9	2	2	-

## Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Sep 2021 \$000	Actual Sep YTD 2021 \$000	Variance Sep YTD 2021 \$000
Community Development	684	173	155	18
Economic Development	914	181	170	11
Visitor Information	86	20	25	(5)
Community Grants and Funding	465	159	123	36
District Communication	431	144	116	28
Emergency Management	262	64	194	(130)
<b>Total Expenditure</b>	<b>2,842</b>	<b>741</b>	<b>783</b>	<b>(42)</b>

## Performance Measures – LTP/Annual Plan Summary



## COMMUNITY SUPPORT – Performance Measures – LTP/Annual Plan (Emergency Management) – Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2021/22)	Actual Performance	RM8 Ref
CS2	Council maintains a functional EOC and trained staff.	Civil defence and emergency management assessment of readiness and capability.	Council's EOC (and alternate EOC) are fully functional, designated staff are trained and qualified, and Council meets its obligations under the CDEM Act.	<p><b>Not Achieved</b></p> <p>As at 30 September 2021, due to a lack of training opportunities for new staff to gain Emergency Management competencies, legacy impacts of Covid-19, and the late 2020 vacancy of the Emergency Management Officer position.</p>	

## LAND TRANSPORT Funding Impact Statement

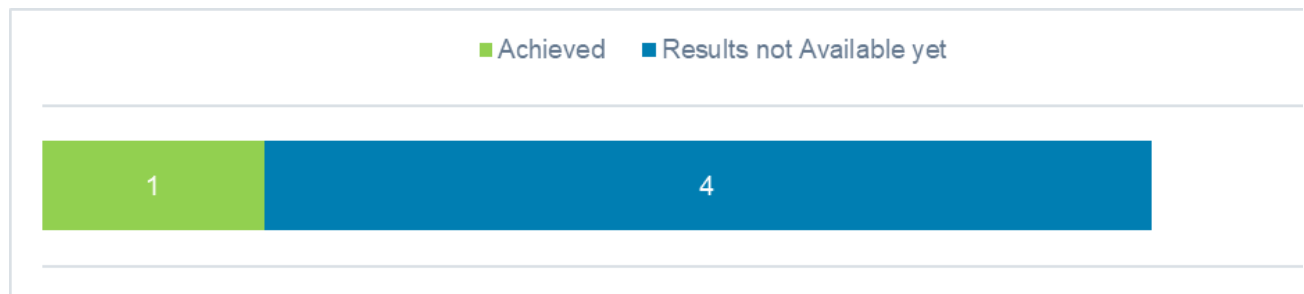
	LTP Forecast 2022 \$000	LTP Forecast Sep 2021 \$000	Actual Sep YTD 2021 \$000	Variance Sep YTD 2021 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	3,011	753	754	1
Subsidies and grants for operating purposes	1,752	438	844	406
Fees and charges	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	376	71	72	1
Internal charges and overheads recovered	-	-	-	-
<b>Total operating funding (A)</b>	<b>5,139</b>	<b>1,262</b>	<b>1,670</b>	<b>408</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	2,945	736	1,268	(532)
Finance costs	153	38	23	15
Internal charges and overheads applied	1,020	255	191	64
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>4,118</b>	<b>1,029</b>	<b>1,482</b>	<b>(453)</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,021</b>	<b>233</b>	<b>188</b>	<b>(45)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	9,685	2,060	601	(1,459)
Development and financial contributions	276	69	-	(69)
Increase (decrease) in debt	4,490	1,123	-	(1,123)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>14,451</b>	<b>3,252</b>	<b>601</b>	<b>(2,651)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	4,960	-	-	-
- to improve the level of service	6,820	348	401	(53)
- to replace existing assets	3,540	2,035	159	1,876
Increase (decrease) in reserves	152	1,102	229	873
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>15,472</b>	<b>3,485</b>	<b>789</b>	<b>2,696</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,021)</b>	<b>(233)</b>	<b>(188)</b>	<b>45</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation	3,932	983	983	-



## Activity Expenditure

Activity Expenditure		LTP Forecast 2022 \$000	LTP Forecast Sep 2021 \$000	Actual Sep YTD 2021 \$000	Variance Sep YTD 2021 \$000
Subsidised Roothing	7,097	7,278	1,819	1,646	173
Footpaths	1,004	376	94	104	(10)
Shared Pathways	-	161	40	29	11
Unsubsidised Roothing		236	59	71	(12)
Emergency Works	456	-	-	615	(615)
<b>Total Expenditure</b>	<b>8,557</b>	<b>8,051</b>	<b>2,012</b>	<b>2,465</b>	<b>(453)</b>

## Performance Measures – LTP/Annual Plan Summary



## STORMWATER Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Sep 2021 \$000	Actual Sep YTD 2021 \$000	Variance Sep YTD 2021 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	1,656	414	415	1
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	93	-	-	-
Internal charges and overheads recovered	-	-	-	-
<b>Total operating funding (A)</b>	<b>1,749</b>	<b>414</b>	<b>415</b>	<b>1</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	565	142	162	(20)
Finance costs	254	63	57	6
Internal charges and overheads applied	376	94	124	(30)
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,195</b>	<b>299</b>	<b>343</b>	<b>(44)</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>554</b>	<b>115</b>	<b>72</b>	<b>(43)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	1,300	325	-	(325)
Development and financial contributions	94	23	-	(23)
Increase (decrease) in debt	3,389	847	-	(847)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>4,783</b>	<b>1,195</b>	<b>-</b>	<b>(1,195)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	2,006	53	45	8
- to improve the level of service	3,115	633	169	464
- to replace existing assets	156	135	-	135
Increase (decrease) in reserves	60	489	(142)	631
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>5,337</b>	<b>1,310</b>	<b>72</b>	<b>1,238</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(554)</b>	<b>(115)</b>	<b>(72)</b>	<b>43</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation	716	179	179	-

## Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Sep 2021 \$000	Actual Sep YTD 2021 \$000	Variance Sep YTD 2021 \$000
Stormwater Drainage	1,911	478	522	(44)
<b>Total Expenditure</b>	<b>1,911</b>	<b>478</b>	<b>522</b>	<b>(44)</b>

## Performance Measures – LTP/Annual Plan Summary



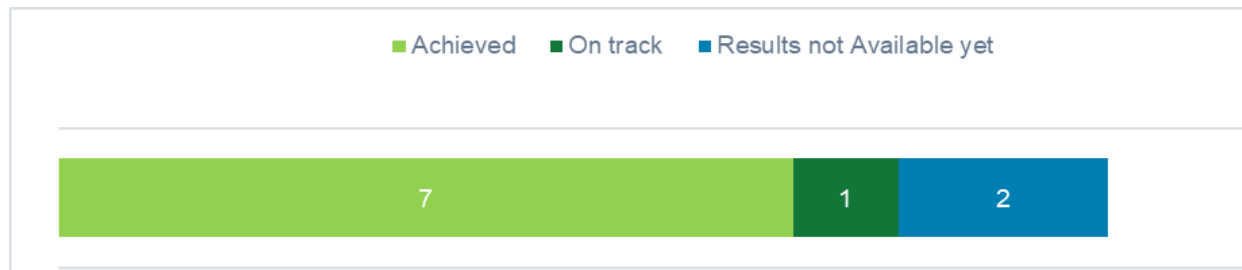
## WATER SUPPLY Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Sep 2021 \$000	Actual Sep YTD 2021 \$000	Variance Sep YTD 2021 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	7,165	1,686	1,832	146
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	62	15	26	11
Local authorities fuel tax, fines, infringement fees, and other receipts	128	-	1	1
Internal charges and overheads recovered	-	-	-	-
<b>Total operating funding (A)</b>	<b>7,355</b>	<b>1,701</b>	<b>1,859</b>	<b>158</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	3,805	923	873	50
Finance costs	471	118	108	10
Internal charges and overheads applied	852	213	230	(17)
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>5,128</b>	<b>1,254</b>	<b>1,211</b>	<b>43</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,227</b>	<b>447</b>	<b>648</b>	<b>201</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	1,254	314	-	(314)
Development and financial contributions	220	55	-	(55)
Increase (decrease) in debt	1,912	478	-	(478)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>3,386</b>	<b>847</b>	<b>-</b>	<b>(847)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	1,420	146	45	101
- to improve the level of service	517	933	43	890
- to replace existing assets	3,899	376	175	201
Increase (decrease) in reserves	(223)	(161)	385	(546)
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>5,613</b>	<b>1,294</b>	<b>648</b>	<b>646</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2,227)</b>	<b>(447)</b>	<b>(648)</b>	<b>(201)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation	3,338	834	834	-

## Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Sep 2021 \$000	Actual Sep YTD 2021 \$000	Variance Sep YTD 2021 \$000
Foxton Water	1,222	304	240	64
Foxton Beach Water	959	240	205	35
Levin Water	4,693	1,146	1,262	(116)
Shannon Water	975	244	217	27
Tokomaru Water	529	132	101	31
Ohau Water	67	17	16	1
Waitarere Beach Water	20	5	4	1
<b>Total Expenditure</b>	<b>8,465</b>	<b>2,088</b>	<b>2,045</b>	<b>43</b>

## Performance Measures – LTP/Annual Plan Summary



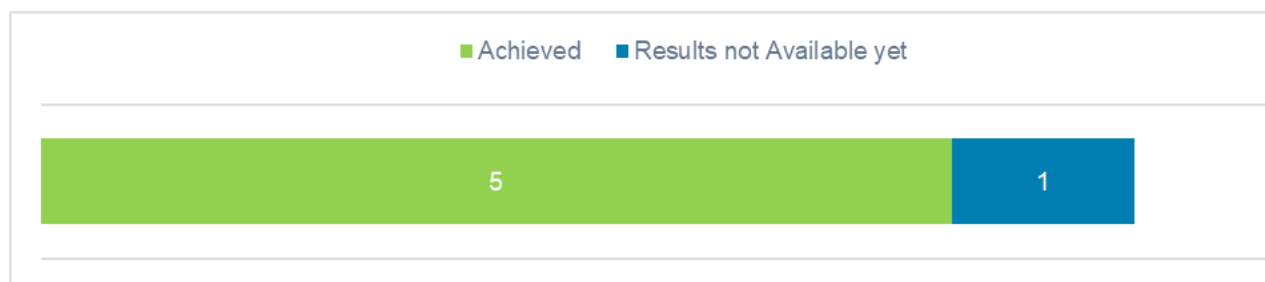
## WASTEWATER MANAGEMENT Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Sep 2021 \$000	Actual Sep YTD 2021 \$000	Variance 2019 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	6,854	1,713	1,715	2
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	1,191	298	31	(267)
Local authorities fuel tax, fines, infringement fees, and other receipts	112	-	50	50
Internal charges and overheads recovered	-	-	-	-
<b>Total operating funding (A)</b>	<b>8,157</b>	<b>2,011</b>	<b>1,796</b>	<b>(215)</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	3,903	922	1,158	(236)
Finance costs	921	231	194	37
Internal charges and overheads applied	869	217	217	-
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>5,693</b>	<b>1,370</b>	<b>1,569</b>	<b>(199)</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,464</b>	<b>641</b>	<b>227</b>	<b>(414)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	2,693	673	33	(640)
Development and financial contributions	1,523	381	-	(381)
Increase (decrease) in debt	8,682	2,171	-	(2,171)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>12,898</b>	<b>3,225</b>	<b>33</b>	<b>(3,192)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	7,306	691	7	684
- to improve the level of service	2,465	2,037	1,400	637
- to replace existing assets	5,491	486	219	267
Increase (decrease) in reserves	100	652	(1,366)	2,018
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>15,362</b>	<b>3,866</b>	<b>260</b>	<b>3,606</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2,464)</b>	<b>(641)</b>	<b>(227)</b>	<b>414</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation	3,797	949	949	-

## Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Sep 2021 \$000	Actual Sep YTD 2021 \$000	Variance Sep YTD 2021 \$000
Foxton Wastewater	1,139	285	223	(62)
Foxton Beach Wastewater	819	205	185	(20)
Levin Wastewater	5,412	1,299	1,597	298
Shannon Wastewater	1,183	296	307	11
Tokomaru Wastewater	336	84	66	(18)
Waitarere Beach Wastewater	565	141	132	(9)
Ōhau Wastewater	37	9	8	(1)
<b>Total Expenditure</b>	<b>9,491</b>	<b>2,319</b>	<b>2,518</b>	<b>199</b>

## Performance Measures – LTP/Annual Plan Summary



## SOLID WASTE MANAGEMENT Funding Impact Statement

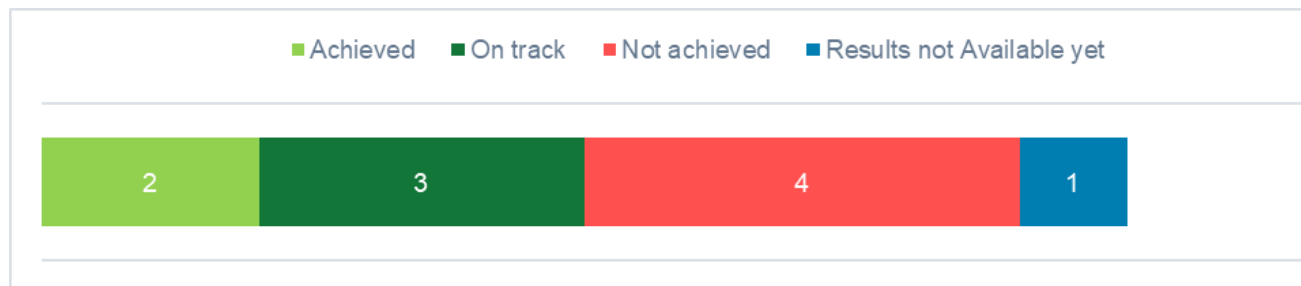
	LTP Forecast 2022 \$000	LTP Forecast Sep 2021 \$000	Actual Sep YTD 2021 \$000	Variance Sep YTD 2021 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	2,214	553	554	1
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	1,767	505	309	(196)
Local authorities fuel tax, fines, infringement fees, and other receipts	21	-	1	1
Internal charges and overheads recovered	-	-	-	-
<b>Total operating funding (A)</b>	<b>4,002</b>	<b>1,058</b>	<b>864</b>	<b>(194)</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	3,159	737	600	137
Finance costs	223	56	46	10
Internal charges and overheads applied	567	142	114	28
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>3,949</b>	<b>935</b>	<b>760</b>	<b>175</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>53</b>	<b>123</b>	<b>104</b>	<b>(19)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	3	1	-	(1)
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	183	46	-	(46)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>186</b>	<b>47</b>	<b>-</b>	<b>(47)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	42	1	-	1
- to improve the level of service	335	9	2	7
- to replace existing assets	227	136	66	70
Increase (decrease) in reserves	(365)	24	36	(12)
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>239</b>	<b>170</b>	<b>104</b>	<b>66</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(53)</b>	<b>(123)</b>	<b>(104)</b>	<b>19</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation	388	97	97	-



## Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Sep 2021 \$000	Actual Sep YTD 2021 \$000	Variance Sep YTD 2021 \$000
Roadside Collection Bags	478	120	84	(36)
Landfill	1,537	336	388	52
Recycling Centres	1,884	467	302	(165)
Waste Transfer Stations	438	109	83	(26)
<b>Total Expenditure</b>	<b>4,337</b>	<b>1,032</b>	<b>857</b>	<b>(175)</b>

## Performance Measures – LTP/Annual Plan Summary



## SOLID WASTE – Performance Measures – LTP/Annual Plan Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2020/21)	Actual Performance	RM8 Ref									
SW2	Recycling is encouraged	Level of recycling at: Kerbside Transfer stations	≥ 40% of total waste ≥ 50% of total waste	<p><b>Not Achieved</b> As at 30 September 2021: These figures are not currently separable under the current system. The Kerbside and Transfer Station quantities are amalgamated.</p> <table border="1"> <thead> <tr> <th></th> <th>September 2021</th> <th>Year to Date</th> </tr> </thead> <tbody> <tr> <td>Total Recycling</td> <td>241.70 tonnes</td> <td>510.00 Tonnes</td> </tr> <tr> <td>Percentage of Waste Production</td> <td>12.9 %</td> <td>10.5%</td> </tr> </tbody> </table> <p><b>Please Note:</b> Recycling services were suspended from 18 August, when New Zealand entered alert level 4.</p>		September 2021	Year to Date	Total Recycling	241.70 tonnes	510.00 Tonnes	Percentage of Waste Production	12.9 %	10.5%	D21/103441
	September 2021	Year to Date												
Total Recycling	241.70 tonnes	510.00 Tonnes												
Percentage of Waste Production	12.9 %	10.5%												
SW4	Response to service requests regarding Council's Solid Waste Activities is timely.	Time all requests are responded to.	Within 3 working days	<p><b>Not Achieved</b> As at 30 September 2021: <b>Responded within 3 working days:</b></p> <table border="1"> <thead> <tr> <th>September 2021</th> <th>Year to Date</th> </tr> </thead> <tbody> <tr> <td>61/80</td> <td>142/206</td> </tr> </tbody> </table> <p><b>CRMs closed at 30 September 2021:</b></p> <table border="1"> <thead> <tr> <th>September 2021</th> <th>Year to Date</th> </tr> </thead> <tbody> <tr> <td>80/97</td> <td>206/238</td> </tr> </tbody> </table>	September 2021	Year to Date	61/80	142/206	September 2021	Year to Date	80/97	206/238	D21/142883	
September 2021	Year to Date													
61/80	142/206													
September 2021	Year to Date													
80/97	206/238													

## SOLID WASTE – Performance Measures – LTP/Annual Plan Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2020/21)	Actual Performance	RM8 Ref										
SW5	Recycling and refuse is collected on time and in a sanitary manner.	Number of complaints per-month about non collection of: Kerbside recycling Kerbside refuse	< 6 per month < 6 per month	<p><b>Achieved – Recycling</b> <b>Not Achieved – Refuse</b> As at 30 September 2021:</p> <table border="1"> <thead> <tr> <th></th> <th>September 2021</th> <th>Year to Date</th> </tr> </thead> <tbody> <tr> <td>Kerbside recycling</td> <td>15 total complaints 4 missed</td> <td>29 total complaints 7 missed</td> </tr> <tr> <td>Kerbside refuse</td> <td>9 total complaints</td> <td>15 total complaints</td> </tr> </tbody> </table> <p><b>Please note:</b> Cameras on the recycling truck are used to verify if a collection was missed by the driver or was not collected for another reason. Other reasons for non-collection may include:</p> <ul style="list-style-type: none"> <li>- Bin out on the wrong week</li> <li>- Bin was not out at time of collection</li> <li>- Bin was not collected due to contamination</li> </ul> <p>As the rubbish trucks do not have cameras all missed bag complaints are considered to be missed in error.</p> <p>Missed collection CRMs are completed by Low Cost Bins.</p>		September 2021	Year to Date	Kerbside recycling	15 total complaints 4 missed	29 total complaints 7 missed	Kerbside refuse	9 total complaints	15 total complaints	D21/142883	
	September 2021	Year to Date													
Kerbside recycling	15 total complaints 4 missed	29 total complaints 7 missed													
Kerbside refuse	9 total complaints	15 total complaints													
SW10	Sustainable solid waste management.	The number of: Abatement Notices; Infringement Notices; Enforcement Orders; and Convictions  Received by Council in relation to Horizons Regional Council resource consents.	0 0 0 0	<p><b>Not Achieved</b> As at 30 September 2021:</p> <table border="1"> <thead> <tr> <th></th> <th>Year to Date</th> </tr> </thead> <tbody> <tr> <td>Abatement Notice</td> <td>0</td> </tr> <tr> <td>Infringement Notice</td> <td>1</td> </tr> <tr> <td>Enforcement Order</td> <td>0</td> </tr> <tr> <td>Convictions</td> <td>0</td> </tr> </tbody> </table> <p>In July 2021 Horowhenua district council were issued an infringement notice for the Levin Landfill in relation to condition 5(e) of consent 6011.</p>		Year to Date	Abatement Notice	0	Infringement Notice	1	Enforcement Order	0	Convictions	0	D21/126484
	Year to Date														
Abatement Notice	0														
Infringement Notice	1														
Enforcement Order	0														
Convictions	0														

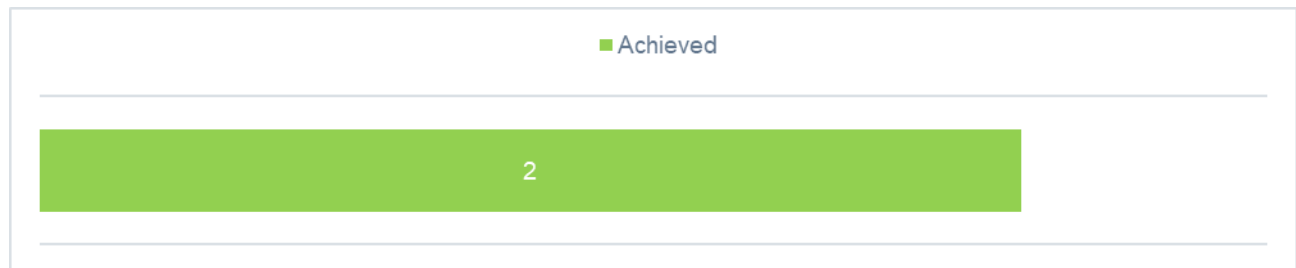
## PROPERTY Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Sep 2021 \$000	Actual Sep YTD 2021 \$000	Variance Sep YTD 2021 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	852	213	213	-
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	171	48	46	(2)
Local authorities fuel tax, fines, infringement fees, and other receipts	194	-	74	74
Internal charges and overheads recovered	405	101	85	(16)
<b>Total operating funding (A)</b>	<b>1,622</b>	<b>362</b>	<b>418</b>	<b>56</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,088	233	209	24
Finance costs	195	49	61	(12)
Internal charges and overheads applied	377	94	79	15
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,660</b>	<b>376</b>	<b>349</b>	<b>27</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(38)</b>	<b>(14)</b>	<b>69</b>	<b>83</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	200	50	-	(50)
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	4,511	1,128	-	(1,128)
Gross proceeds from sale of assets	650	163	-	(163)
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding ©</b>	<b>5,361</b>	<b>1,340</b>	<b>-</b>	<b>(1,340)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	1,700	-	2	(2)
- to improve the level of service	1,500	375	1,125	(750)
- to replace existing assets	1,999	101	29	72
Increase (decrease) in reserves	124	850	(1,087)	1,937
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>5,323</b>	<b>1,326</b>	<b>69</b>	<b>1,257</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>38</b>	<b>14</b>	<b>(69)</b>	<b>(83)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation	266	67	67	-

## Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Sep 2021 \$000	Actual Sep YTD 2021 \$000	Variance Sep YTD 2021 \$000
Council Building	266	67	67	-
Camping Grounds	20	5	4	1
Commercial Properties	-	-	2	(12)
Endowment Property	363	51	42	9
General Property	872	219	206	13
<b>Total Expenditure</b>	<b>1,521</b>	<b>342</b>	<b>331</b>	<b>11</b>

## Performance Measures – LTP/Annual Plan Summary



## 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

# Treasury Report

File No.: 21/440

## 1. Purpose

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

## 2. Recommendation

- 2.1 That Report 21/440 Treasury Report 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

This Quarterly Treasury Report is produced by Council's Treasury Advisors, Bancorp Treasury Services Limited, for the benefit of Senior Management and Council.

## Attachments


No.	Title	Page
A	Horowhenua DC Treasury Report September 2021	80

### 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	
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Approved by	Nicki Brady Deputy Chief Executive	
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CONFIDENTIAL

TREASURY REPORT

FOR



**HOROWHENUA  
DISTRICT  
COUNCIL**

AS AT

30 SEPTEMBER 2021



**BANCORP**  
BANCORP TREASURY SERVICES LIMITED

AUCKLAND • CHRISTCHURCH



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## 1. MARKET ENVIRONMENT

### 1.1 GLOBAL MARKETS OVERVIEW (AS AT 30 SEPTEMBER 2021)

Central bankers around the globe adopted a more hawkish stance in September as employment slowly crept back to 2019 levels and several supply shocks continue to push inflation above target ranges. Economists have lowered their forecasts for global and US growth for 2021 and 2022 as the COVID-19 Delta variant continues to create issues and add uncertainty to the already clouded outlook. Meanwhile, material weakness in recent Chinese data, the new 'common prosperity' approach, along with the Evergrande drama has the market thinking there could be some serious issues going forward for the world's second largest economy.

The US Federal Reserve ("Fed") left its key benchmark interest rate unchanged in the September meeting, but the minutes suggested tapering will start in November or December stating *"If progress continues broadly as expected the Committee judges that a moderation in the pace of asset purchases may soon be warranted. While no decisions were made, participants generally viewed that as long as the recovery remains on track, a gradual tapering process that concludes around the middle of next year is likely to be appropriate."* The Fed's 'dot plots' also signalled that interest rate increases may follow more quickly than expected, with 9 out of 18 policymakers projecting interest rates will rise in 2022. Members now see the US economy growing at 5.9% in 2021, 3.8% in 2022, and 2.5% in 2023.

The US 10 year Treasury bond yield started and finished the quarter at 1.46%. However, it reached a low of 1.18% in July, before shooting up to 1.53% in September after the Fed meeting confirmed market expectations of the tapering process beginning this year.

Chinese data continues to undershoot expectations, with August's retail sales numbers significantly underperforming expectations and manufacturing PMIs on the cusp of turning contractionary. Authorities also provided more information on their 'Common Prosperity' drive which consists of *"two core priorities: achieving high-quality growth and sharing wealth."* Beyond that, *"narrowing the income gap"* and *"equalizing access to basic public services and narrowing the urban-rural gap"* are the objectives. Meanwhile, China's 1 year onshore swap rate surged to its highest level in almost 4 years, signalling market worries over liquidity shortages on the inevitable default of local property developer Evergrande.

In an entirely predictable move, the Reserve Bank of Australia ("RBA") left its cash and 3-year yield target rates unchanged in September. RBA Governor, Philip Lowe, also announced *"the Delta outbreak has delayed, but not derailed the economic recovery"* while reiterating *"the cash rate is unlikely to rise before 2024 given sluggish wage growth."* The RBA has explicitly said it will not increase the cash rate until actual inflation is sustainably within the 2.0%–3.0% target range, and that it won't be enough for inflation to just sneak across the 2.0% line for a quarter or two.

1.2 NEW ZEALAND MARKET OVERVIEW (AS AT 30 SEPTEMBER 2021)

	OCR	90 day	2 years	3 years	5 years	7 years	10 years
30 Jun 2021	0.25%	0.33%	0.78%	1.00%	1.36%	1.62%	1.88%
30 Sep 2021	0.25%	0.65%	1.43%	1.63%	1.87%	2.04%	2.26%
Change	0.0%	+0.32%	+0.65%	+0.63%	+0.51%	+0.42%	+0.38%

The New Zealand government's decision to lock down the country following the discovery of the COVID-19 Delta strain in the wider community necessitated the Reserve Bank of New Zealand ("RBNZ") delaying its ("Official Cash Rate") OCR hiking cycle in August. The RBNZ's own OCR forecasts project the rate to increase to 0.60% by December 2021, with further increases every quarter until December 2022, before the cash rate eventually tops out at 2.10% in March 2024. The RBNZ expects these hikes to slow the economy as it also pared back its GDP growth forecasts.

Post the meeting, a speech by RBNZ Assistant Governor, Christian Hawkesby, stated that "the August MPS noted that we had more confidence that employment was at its maximum sustainable level and that pressures on capacity would feed through into more persistent inflation pressures over the medium-term." Following this speech, market pricing is now assigning a 88% probability of a 25 basis point hike in the OCR to 0.50% in October and has a 92% probability that it will be at 0.75% by the end of November. By the end of 2022, market pricing and RBNZ projections for the OCR are closely aligned around 1.50%.

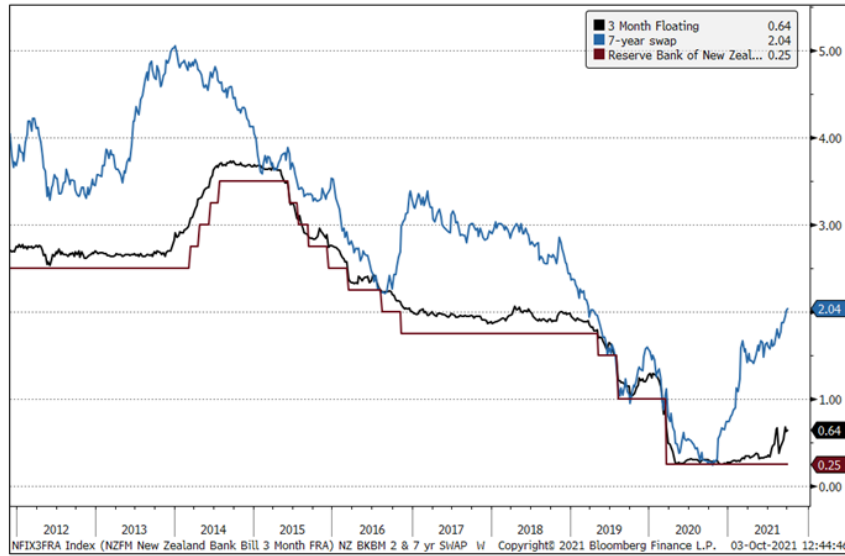
While there may be some potholes in the road ahead for the New Zealand economy, the June quarter GDP print looked at how the country was doing before the Delta intrusion and, by all accounts it was doing very nicely. June quarter GDP grew by 2.8%, expanding at a pace more than twice the rate anticipated by economists, who were forecasting a modest 1.1% gain. And while there will be the inevitable slowdown in the September quarter given the lockdowns, the June quarter GDP print will essentially 'force' the RBNZ Governor to act on 6 October.

The domestic unemployment rate and participation rate outperformed market expectations in the second quarter. The unemployment rate decreased to 4.7% while the participation rate increased to 70.4%, against expectations of 4.9% and 70.2%. Private sector wages also had a small win as they were up 0.4% for the quarter.

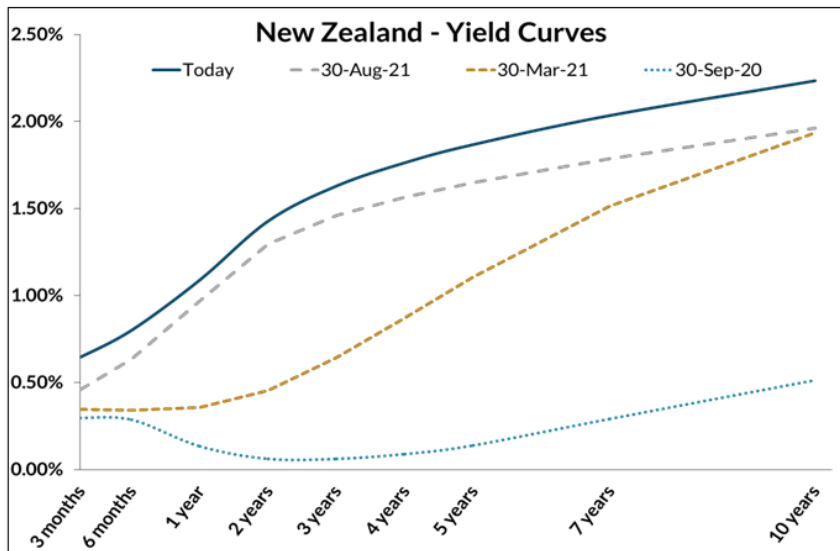
The local yield curve flattened over the quarter, with the market indicator spread between the 2 and 10 year swap rates narrowing from 143 basis points at the end of June to 110 basis points by the end of September. The short end of the curve was driven up by the rate hikes priced in by the market, while the 10 year swap rate climbed in September due to rising long term yields in the US. BKBM has also increased to 0.65% in anticipation of October's 25bp rate hike.

**NZ Interest rate graphs:**

The graph below shows the OCR, 90 day BKBM and the 7 year swap rate. It illustrates that prior to the start of the last hiking cycle in 2014, the 7 year increased sharply in anticipation of future OCR hikes, however once the hiking materialised, the 7 year rate actually started falling.



There is very little downside risk priced into the NZ yield curve illustrated below.



### 1.3 LOCAL AUTHORITY SECTOR

Listed below are the credit spreads and applicable interest rates as at 30 September 2021 for Commercial Paper (“CP”), Floating Rate Notes (“FRN”) and Fixed Rate Bonds (“FRB”), at which Horowhenua District Council (“HDC”) could source debt from the Local Government Funding Agency (“LGFA”).

Maturity	Margin	FRN (or CP) Rate	FRB
3 month CP	0.15%	0.78%	N/A
6 month CP	0.15%	1.01%	N/A
April 2022	0.27%	0.90%	1.09%
April 2023	0.38%	0.96%	1.62%
April 2024	0.34%	0.97%	1.88%
April 2025	0.40%	1.03%	2.08%
April 2026	0.46%	1.09%	2.27%
April 2027	0.51%	1.14%	2.37%
April 2029	0.54%	1.17%	2.58%
May 2031	0.59%	1.22%	2.74%
April 2033	0.68%	1.31%	2.93%
April 2037	0.74%	1.37%	3.16%

Margins for LGFA debt were little changed over the September quarter, however the rise in the underlying 90 day bank bill pushed the yields for FRNs higher. The yields for FRBs were noticeably higher during the quarter due to the increases in swap rates which were driven by moves in offshore bond yields and expectations for the RBNZ to increase the OCR starting in the fourth quarter of 2021.

## 2. FUNDING

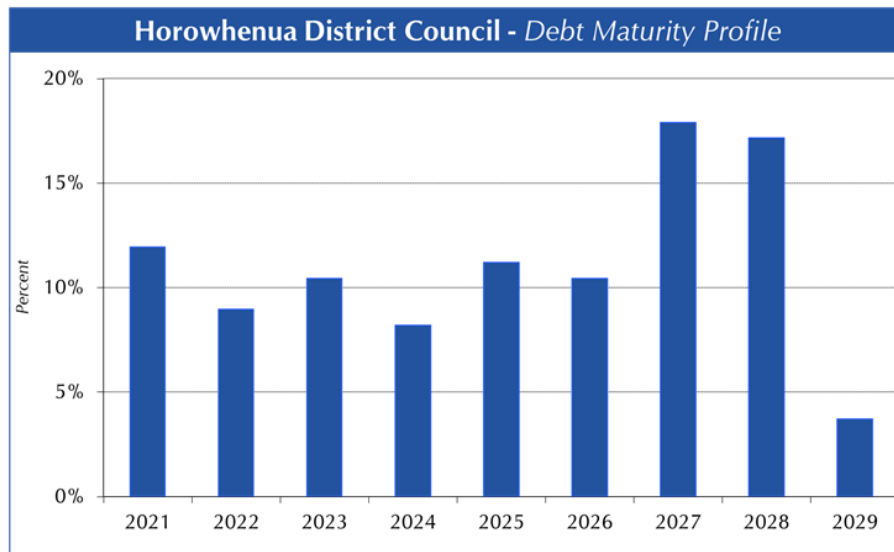
As at 30 September 2021, HDC had \$114.0 million of current external debt, up from \$108.0 million at the end of June. The debt was comprised of CP, FRBs and FRNs, all sourced from the LGFA. In addition, HDC had two tranches of LGFA forward start debt, one an FRB for \$12.0 million and the other an FRN for \$8.0 million. Details of HDC's debt as at 30 September including the forward starting debt are as follows (the three tranches of debt in bold were sourced during the September quarter).

Instrument	Inception	Maturity	Rate	Margin	Amount
CP	Jun-21	29-Nov-21	0.56%	20 bps	16,000,000
FRN	July 18	14-Apr-22	0.83%	50 bps	9,000,000
FRN	May-15	18-May-22	0.97%	42.5 bps	3,000,000
FRB	Nov-14	15-Apr-23	5.1336%	81 bps	4,000,000
FRB	Aug-19	15-Apr-23	1.48%	55 bps	4,000,000
FRN	Feb-18	15-Apr-23	0.985%	57.5 bps	6,000,000
FRB	Apr-17	15-Mar-24	3.72%	63 bps	4,000,000
FRB	Mar-19	15-Apr-24	2.52%	54 bps	3,000,000
FRB	May-17	15-May-24	3.76%	58 bps	4,000,000
FRB	Mar-17	15-Apr-25	4.2046%	77 bps	3,000,000
FRN	Mar-20	15-Apr-25	1.22%	81 bps	5,000,000
FRN	May-15	18-May-25	1.04%	49 bps	7,000,000
FRB	Mar-19	20-Mar-26	3.38%	78 bps	9,000,000
FRB	Jul-16	15-Jul-26	3.37%	84 bps	5,000,000
FRN	Aug-19	15-Apr-27	1.17%	76 bps	5,000,000
FRB	Aug-20	15-Apr-27	1.655%	86 bps	5,000,000
<b>FRB</b>	<b>Aug-21</b>	<b>15-Apr-27</b>	<b>2.12%</b>	<b>39 bps</b>	<b>6,000,000</b>
<b>FRN</b>	<b>May-22</b>	<b>15-Apr-27</b>	<b>TBA</b>	<b>57 bps</b>	<b>8,000,000</b>
FRB	Aug-20	15-Apr-28	1.675%	88 bps	5,000,000
FRB	May-21	15-May-28	2.11%	53 bps	6,000,000
<b>FRB</b>	<b>Apr-22</b>	<b>15-May-28</b>	<b>2.58%</b>	<b>TBA</b>	<b>12,000,000</b>
FRN	May-21	20-Apr-29	1.065%	61 bps	5,000,000
				<b>TOTAL</b>	<b>\$134,000,000</b>

There were no debt maturities during the September quarter.

As at 30 September, HDC had no drawings under its BNZ \$10.0 million Customised Average Rate Loan facility that expires in November 2022.

HDC's current debt maturity profile (excluding the BNZ facility) is depicted in the graph on the following page which indicates a good spread of maturities between 2021 and 2029. Additionally, HDC is compliant with Section 4.6 of the Liability Management Policy ("LMP"), which governs HDC's funding risk management activities.



### 3. DEBT AND HEDGING PROFILE

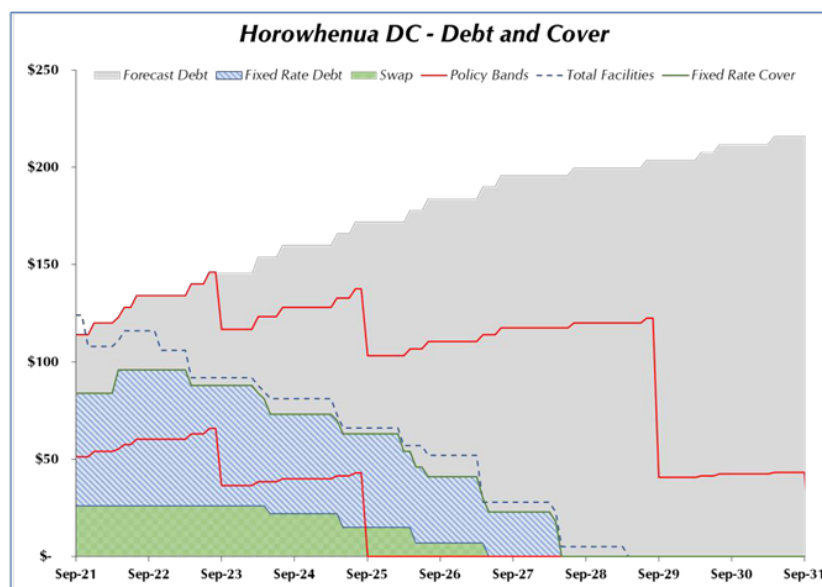
As at 30 September 2021, HDC had \$114.0 million of current debt, and four interest rate swaps, details of these are as follows:

Start Date	Maturity Date	Rate	Amount
18-Feb-13	18-May-24	4.015%	\$4,000,000
18-May-15	18-May-25	4.75%	\$7,000,000
17-May-21	15-May-26	2.15%	\$8,000,000
17-May-21	17-May-27	2.25%	\$7,000,000
		<b>TOTAL</b>	<b>\$26,000,000</b>

Section 4.3 of the LMP details the Fixed Rate Hedging Percentages that HDC shall adhere to in the management of its debt.

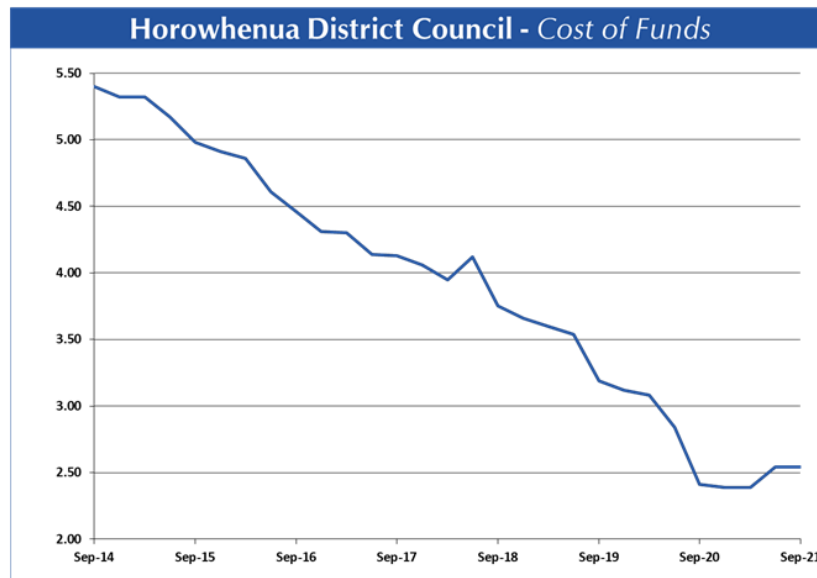
Fixed Rate Hedging Percentages		
	Minimum Fixed Rate Amount	Maximum Fixed Rate Amount
0-2 years	45%	100%
2-4 years	25%	80%
4-8 years	0%	60%
8+ years	0%	20%

The forecast debt and hedging profiles incorporating these parameters, the interest rate swaps and the current and forward starting FRBs are depicted in the following graph. This shows that as at 30 September, HDC was compliant with Section 4.3 of the LMP. The graph incorporates the maturity profile of the debt facilities which is indicated by the dotted blue line.





HDC's cost of funds (inclusive of the bank line fee) as at 30 September was 2.54%, unchanged from the end of June. The cost of funds exclusive of the bank line fee was 2.52%. HDC's cost of funds remains lower (in many cases noticeably so) than a large number of its peers in the local government sector, indicating the success of its funding and interest rate risk management programme over the last several years. The cost of funds dating back to September 2014 is depicted in the following graph.



#### 4. POLICY COMPLIANCE (AS AT 30 SEPTEMBER 2021)

	Yes/No
<i>Have all transactions been entered into compliance with policy?</i>	Yes
<i>Are the fixed rate hedging percentages within policy control limits?</i>	Yes
<i>Is HDC maintaining liquidity within policy control limits?</i>	Yes
<i>Are all counterparty exposures within policy control limits?</i>	Yes
<i>Is HDC compliant with the financial covenants contained in the LMP</i>	Yes

This document has been prepared by Bancorp Treasury Services Limited ("BTSL"). Whilst all reasonable care has been taken to ensure the facts stated are accurate and the opinions given are fair and reasonable, neither BTSL nor any of its directors, officers or employees shall in any way be responsible for the contents. No liability is assumed by BTSL, its directors, officers or employees for action taken or not taken on the basis of this document.

# Finance, Audit and Risk Committee Work Programme

File No.: 21/439

## 1. 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.

## 2. Recommendation

- 2.1 That Report 21/439 Finance, Audit and Risk Committee Work Programme be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 2.3 That the Finance, Audit & Risk Committee receives the Finance, Audit and Risk Committee Work Programme.

## 3. Background/Previous Council Decisions

- In November 2020 the Finance, Audit and Risk Committee requested, via the Chair, an outline of a work programme for consideration.
- The initial work programme was agreed at the April 2021 meeting.
- At the 28 July 2021 meeting it was agreed that the proposed FAR work programme would be presented at every meeting.

## 4. Issues for Consideration

The Work Programme tabled does not include:

- Reporting outcomes which may be agreed as part of The Horowhenua Alliance Principals Group discussions.
- Confirmation of all areas of focus and timing for Internal Audit. These items will be added as the audits are agreed.
- Additional focus areas to be discussed by the Finance, Audit and Risk Committee through workshops.

The Work Programme includes:

- All current reporting expectations agreed by the Finance, Audit and Risk Committee.
- Anticipated Audit New Zealand work programme, noting dates to be confirmed for those in italics.

## Attachments

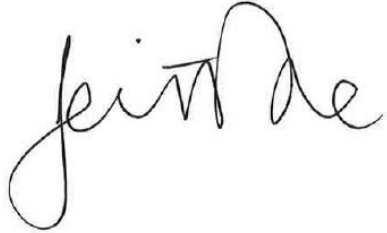

No.	Title	Page
A	FAR Work Programme	93

### 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 <b>Chief Financial Officer</b>	
Approved by	Nicki Brady <b>Deputy Chief Executive</b>	

October	November	December	January	February	March	April	May	June
Health and Safety Report	Audit NZ Annual Report Final Audit		Audit NZ (LTP)	Audit NZ (LTP)	Activity Reports	<i>Audit NZ Interim</i>	Activity Reports	<i>Audit NZ Interim</i>
Activity Reports	2020/21 Annual Report		Health and Safety Report	Activity Reports	Financial Report (February)	Health and Safety Report	Financial Report (April)	Activity Reports
Bancorp Treasury Report	Audit Engagement Letter		Activity Reports	Financial Report (January)	Draft FAR Work Programme	Activity Reports	2021/22 Annual Report	Financial Report (May)
Quarter Financial Report (September)	Activity Reports		Bancorp Treasury Report	FAR Work Programme	Monitoring Report	Bancorp Treasury Report	<ul style="list-style-type: none"> <li>Audit Engagement Letter</li> <li>Project Plan</li> </ul>	FAR Work Programme
FAR Work Programme	Financial Report (October)		FAR Work Programme	<i>AON Insurance Workshop (Meeting date to be confirmed)</i>	Internal Audit	Quarter Financial Report (March)	Monitoring Report	Monitoring Report
	FAR Work Programme		Audit NZ Management Letter	Monitoring Report	FAR Work Programme	Finalised FAR Work Programme	Audit Recommendations 2020/21	Internal Audit
	Monitoring Report		Internal Audit Report – Payroll Tax	Audit Recommendations 2020/21	PwC Tax Governance Presentation	Finalised Internal Audit Report		Risk Report
	Audit Recommendations 2019/20		Risk Report	Quarter Financial Report (December)	Rates Review – Stage 1	Draft Internal Audit Work Programme	FAR Work Programme	
	Risk Report					FAR Work Programme Risk Report		

Below are additional topics discussed by some members the Finance, Audit and Risk Committee for consideration to potentially include in the future work programme

- Risk Reporting



## FAR Committee - Actions

File No.: 21/438

### 1. Purpose

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

### 2. Recommendation

- 2.1 That Report 21/438 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

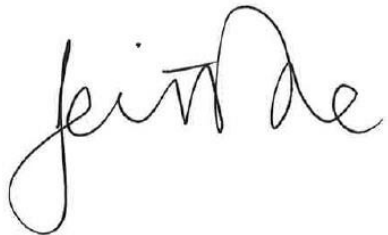
No.	Title	Page
A	Finance, Audit & Risk Committee - Officer Actions 2020/2021	96

#### 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 <b>Chief Financial Officer</b>	
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Approved by	Nicki Brady <b>Deputy Chief Executive</b>	
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**HOROWHENUA DISTRICT COUNCIL**  
**FINANCE, AUDIT & RISK COMMITTEE**  
**OFFICER ACTIONS**  
**Queries from meeting to be addressed**

<b>Date</b>	<b>Item/ Report No.</b>	<b>Item/Report Description</b>	<b>Query/Action</b>	<b>Responsible Officer</b>	<b>Date to Action by</b>	<b>Progress Status</b>	<b>Officer Comment</b>
25/11/20	20/465	<u>Customer &amp; 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
31/03/21		<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	David Clapperton	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.
30/06/21	21/42	Treasury Report	Some scenarios requested as to potential options to protect the long	Jacinta Straker		Complete	Bancorp attended the September meeting to discuss Council's



**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
			term interest rate risk for Council				approach to Treasury.
25/08/21	21/337	Health & Safety Report	Enhanced risk management reporting, over time, in response to the SafePlus comment <i>“some risk controls were being monitored but effectiveness of controls were not being verified”</i> .	Tanya Glavas		In progress	Enhanced risk management reporting to include verification of controls, under development with support from HR Dev Ltd.
	21/332	Horowhenua Alliance – Activity Update	Update on recent event, particularly in relation to the Water Treatment Plant requested	David Yorke		Complete	Localised Flooding Event June 2021 included in September FAR Committee Meeting. Levin Water Treatment Plant debrief scheduled for 13 October 2021 Council meeting.
29/09/21	21/378	Two Month Report 1 July – 31 August 2021	Welcoming Communities Programme – to be circulated to EMs	Nicki Brady		Complete	Circulated to Elected Members on 1 October 2021.
	21/392	Finance, Audit & Risk Committee Work Programme	Council’s Risk Register – what should be added in terms of risk due to the	Ashley Huria		In progress	To be reported to the November FAR meeting

**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
			proposed reforms – Local Government, RMA, and Three Waters to be considered. Also what was learned during the recent CouncilMARK process to be included				