

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

Date: Wednesday 27 April 2022
Time: 4.00 pm
Meeting Room: Council Chambers
Venue: Horowhenua District Council
Levin

Finance, Audit & Risk Committee

OPEN AGENDA

MEMBERSHIP

Chairperson	P Jones	
Deputy Chairperson	Cr C B Mitchell	
Members	Cr D A Allan	Cr W E R Bishop
	Cr R J Brannigan	Cr T N Isaacs
	Mr B J Jackson	Cr S J R Jennings
	Cr V M Kaye-Simmons	Cr R R Ketu
	Deputy Mayor J F G Mason	Cr P Tukapua
	Mayor B P Wanden	

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Horowhenua District Council Service Centre, 126 Oxford Street, Levin
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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

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

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, 30 March 2022

6 Announcements

Infrastructure Operations - Activity Update

File No.: 22/130

1. Purpose

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

2. Recommendation

- 2.1 That Report 22/130 Infrastructure Operations - Activity Update be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

3. Key Highlights and Business Priorities

3.1 Roothing Renewal Finances

The roading renewal finances are managed as programme budgets, rather than project budgets. The sections below outline the year to date and forecast outturn at the end of the financial year per work category.

3.1.1 Unsealed Road Metalling

This budget covers the material supply and spreading of running course on the unsealed road network. There is a slight overspend forecasted, largely due to extra aggregate being required after the December rainfall event.

2021 / 2022 Financial Year			
Original Budget (\$)	Year to date (\$)	Cost to complete (\$)	Variance (\$)
\$45,000	\$37,257	\$49,257	\$4,257

3.1.2 Sealed Road Resurfacing

This budget covers the resurfacing of the sealed road network. There is a moderate overspend on this budget, largely due to increases in aggregate and bitumen costs. This programme is now complete.

2021 / 2022 Financial Year			
Original Budget (\$)	Year to date (\$)	Cost to complete (\$)	Variance (\$)
\$1,250,000	\$1,442,512	\$1,442,512	\$192,512

3.1.3 Drainage Renewals

This budget covers the replacement of all roading drainage assets, including replacing culverts and kerb and channel. There is a moderate over spend forecasted due to the unplanned replacement of the Whitebait Creek culvert on Edinburgh Terrace, Foxton Beach.

2021 / 2022 Financial Year			
Original Budget (\$)	Year to date (\$)	Cost to complete (\$)	Variance (\$)
\$180,000	\$151,106	\$199,606	\$19,606

3.1.4 Sealed Road Pavement Rehabilitation

This budget covers the reconstruction and repair of larger areas of the sealed road network. Any improvement work in a project, such as road widening is taken from the separate Road Improvements budget. There is a significant underspend forecasted in this year's programme, due to consenting delays on the Koputaroa Road bridge replacement, which is required for a large rehabilitation project on Koputaroa Road.

2021 / 2022 Financial Year			
Original Budget (\$)	Year to date (\$)	Cost to complete (\$)	Variance (\$)
\$1,250,000	\$425,165	\$555,165	(\$694,835)

3.1.5 Structures Component Replacements

This budget covers the replacement of parts for road structures and road furniture, such as replacing guard rail or a component of a retaining wall. This budget is mostly spent in the last quarter of the financial year.

2021 / 2022 Financial Year			
Original Budget (\$)	Year to date (\$)	Cost to complete (\$)	Variance (\$)
\$85,000	\$25,873	\$85,873	\$873

3.1.6 Traffic Services Renewal

This budget covers the replacement of traffic signs, street lights and the re-painting of road linemarkings. There is a significant underspend forecasted due to a lower number of streetlights requiring replacement this financial year.

2021 / 2022 Financial Year			
Original Budget (\$)	Year to date (\$)	Cost to complete (\$)	Variance (\$)
\$380,000	\$207,808	\$301,808	(\$78,192)

3.1.7 Footpath Renewals

This budget covers the replacement of existing pedestrian facilities. A moderate underspend is forecasted, due to contractor availability during Covid. It is possible this underspend will be avoided as contractors are increasing productivity in the last quarter in the financial year.

2021 / 2022 Financial Year			
Original Budget (\$)	Year to date (\$)	Cost to complete (\$)	Variance (\$)
\$400,000	\$207,808	\$324,493	(\$75,507)

3.2 Roothing Improvement Finances

The majority of the roading improvement finances are managed as programme budgets, rather than project budgets, with the exception of the Gladstone Road Realignment Project. The improvement programmes are broken down by categories below

3.2.1 Roothing Improvements

This budget covers improvements to the carriageway, it is primarily used for improvements associated with rehabilitation projects. There is a significant underspend forecasted in this year's programme, due to consenting delays on the Koputaroa Road bridge replacement, which is required for a large rehabilitation project on Koputaroa Road.

2021 / 2022 Financial Year			
Original Budget (\$)	Year to date (\$)	Cost to complete (\$)	Variance (\$)
\$1,147,279	\$455,764	\$505,764	(\$641,515)

3.2.2 Road Safety Improvements

This budget covers road improvements aimed at reducing the risk of death and serious injury crashes on the transport network. There is a significant underspend forecasted in this programme partially due to the delay of the Liverpool – Bartholomew Intersection Safety Improvements project, which has been delayed due to delays an associated water reticulation renewal project. This underspend is also partially due to contractor resourcing issues due to Covid.

2021 / 2022 Financial Year			
Original Budget (\$)	Year to date (\$)	Cost to complete (\$)	Variance (\$)
\$500,000	\$107,473	\$247,473	\$247,473

3.2.3 Walking Facilities

This budget covers the construction of new footpaths, as well as improvements to existing facilities. There is a planned underspend of this budget to attempt to remain

close to the originally budgeted local share, as Waka Kotahi failed to approve the Financial Assistance Rate subsidy for this activity.

2021 / 2022 Financial Year			
Original Budget (\$)	Year to date (\$)	Cost to complete (\$)	Variance (\$)
\$350,000	\$106,761	\$206,761	(\$143,239)

3.2.4 Cycling Facilities

This budget covers improvements targeted at building new and improving facilities for cyclists, including cycle lanes and shared paths. There is a planned underspend of this budget to attempt to remain close to the originally budgeted local share, as Waka Kotahi failed to approve the Financial Assistance Rate subsidy for this activity.

2021 / 2022 Financial Year			
Original Budget (\$)	Year to date (\$)	Cost to complete (\$)	Variance (\$)
\$850,000	\$44,375	\$334,375	(\$515,625)

3.3 Roding Services

The following sections summarise the key projects either underway or completed during the last quarter of the financial year.

3.3.1 Gladstone Road Realignment

Progress

The realignment consists of two new bridges over the Makahika Stream and approximately 1.5km of new road. The works commenced under emergency works provisions following a storm event in June 2021. Since that time, the Gladstone Road community has retained access via a temporary track and river ford.

Construction of the permanent realignment began in November 2021. The road and earthworks contracts were awarded to Fulton Hogan and the primary subcontractor Mills Albert Limited. Emmetts Construction were awarded the bridges construction contract.

Construction works to date has focused on the eastern portion of the project. Once the eastern side is complete traffic will be diverted to the completed section, which will eliminate the high risk section of the temporary track.

At the time of writing, all earthworks have been completed on the eastern side, with the road construction to start shortly. The bridge piers have been drilled, however there have been delays on material supply to progress the bridge construction. Work on the bridges is expected to recommence in late April 2022.

Resource consent applications for the works undertaken for the temporary track and the permanent realignment have been submitted. At the time of writing they have not been granted. Construction is able to continue under the emergency works provision of the Resource Management Act, which allows for works such as this concurrent with the processing of consent applications.

Risk & Mitigation

There are three major risks to the project.

(a) Material cost escalation and delays

Rising material costs and supply chain issues have caused delays to the project. The largest effect has been in securing aggregate, steel reinforcing and rock used for erosion protection. Value engineering work is being undertaken to minimise the cost and time impacts of these risks. Nevertheless, there is a high likelihood of a budget increase simply due to the escalating list price of raw materials.

(b) Usability of the temporary track

The temporary track is at risk of closure in inclement weather, due to rapid deterioration of the steep section of the unsealed track, and flood damage to the temporary ford caused by periods of intense or prolonged rainfall. These risks are mitigated by the earthworks contractor's ability to quickly respond to issues as they arise. The project team has also focused on acceleration of the eastern side of the project to alleviate the most at risk section of the temporary track.

(c) Consenting and Compliance

The project is progressing under emergency works provision of the Resource Management Act. The process means that the construction and consenting stages effectively happen in parallel. This can create compliance risks, as potential consent conditions have currently not been set.

This risk is mitigated by ensuring the project has been designed to best practice standards consistent with similar projects in our region. Careful management of the construction methodology and environmental management is prioritised, ensuring that all relevant standards and best practice guidelines are being met.



Figure 1 Gladstone Road Eastern Bridge Location, from the western approach

Finance

Should the risks manifest to their maximum, we predict an overspend by up to \$500,000 to the total project costs. Delays with materials availability and storm events have meant the project will carry forward into the next financial year.

Overall			2021 / 2022 Financial Year				
Budget (\$)	Cost to date (\$)	Completion Date	Original Budget (\$)	Year to date (\$)	Cost to complete (\$)	Forecast outturn cost (\$)	Variance (\$)
\$5,000,000	\$2,279,613	Dec 2022	\$5,000,000	\$2,279,613	\$3,220,387	\$5,500,000	(\$500,000)

3.3.2 Tavistock Road Rehabilitation

Background

This road rehabilitation project covers a 900m section of Tavistock Road, which extends south from the railway level crossing close to Koputaroa Road. The aim of this project is to correct the pavement shape, and slightly widen the road.

The sub-grade soil in this area predominately consists of peat, which regularly causes pavement deformations as the soft subgrade settles and shifts over time. This is a common occurrence on all peat roads. The most cost effective solution to maintaining these roads is to correct the pavement shape and reseal when the condition deteriorates to a point where the level of service is no longer acceptable.

Work completed to Date

Construction started in early March. By the time of the FAR Committee meeting, the road will have been re-built and sealed. The only remaining item to complete is the installation of new guardrail section.



Figure 2 Tavistock Road Locality Plan

3.3.3 Koputaroa Road Rehabilitation

Background

This rehabilitation project covers 950m of Koputaroa Road, extending from near Piaka Road towards the west. The project aims to repair pavement deformations and slightly widen the road where it is cost effective to do so.

Work completed to Date

Construction works commenced in late March and is on track for completion by early May.

Risk & Mitigation

There are no significant risks with this project.



Figure 3 Koputaroa Road. An example of pavement deformation

3.3.4 Ashlea Road Area Wide Pavement Treatment Stage 3

Background

This project starts approximately 3km east of the intersection of Ashlea Road and State Highway 57, and continues east for 1km. The project will repair pavement deformations caused by the weak peat subgrade. It is the latest in a series of rehabilitation projects on Ashlea Road completed over the last 3 years.

Work completed to Date

Construction began in November 2021 and was completed in February 2022.

Risk & Mitigation

There were no significant risks with this project. Works were completed without issue. The design cross section and image below show the before and after.

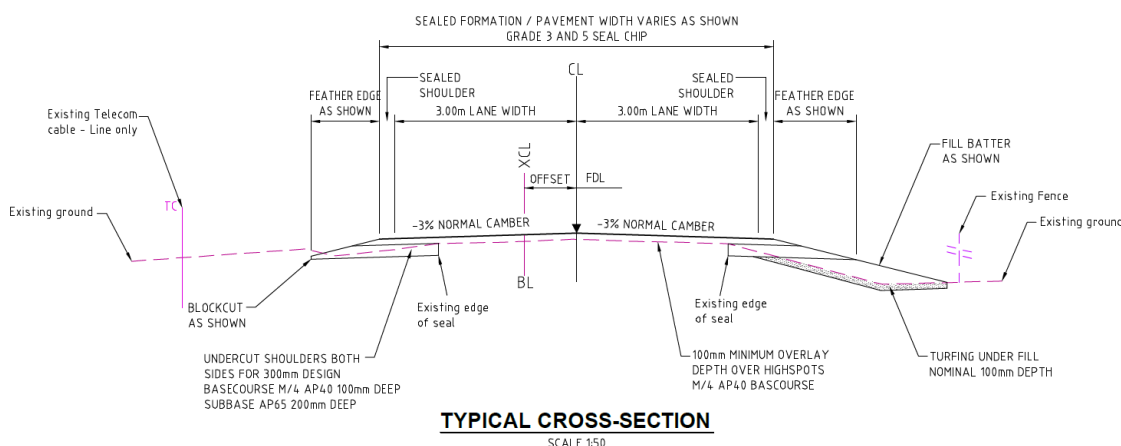


Figure 4 Ashlea Road Area Wide Pavement Treatment Typical Cross Section



Figure 5 Ashlea Road Area Wide Pavement Treatment

3.3.5 Poplar Road Rehabilitation

Background

This project was a rehabilitation of a rural road that had deformed due to weak, peaty underlying soil. The project included additional traffic control challenges from two 90-degree corners, connected by a straight section.

Work completed to Date

Construction began in late January and was completed at the end of February.

Risk & Mitigation

There were no significant risks with this project. Works were completed without issue.

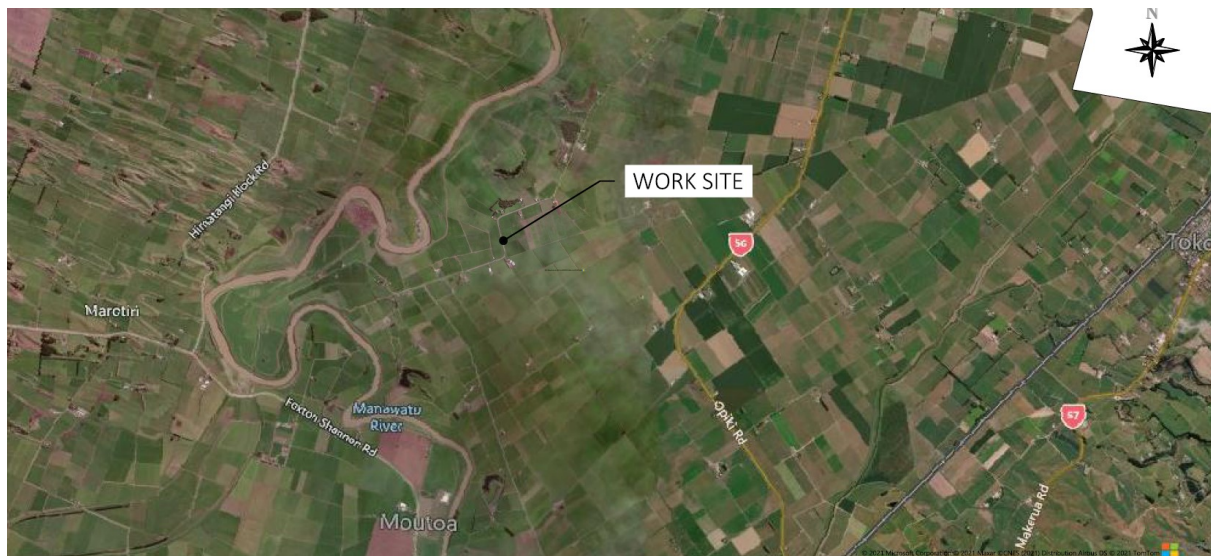


Figure 6 Poplar Road Rehabilitation Locality Plan

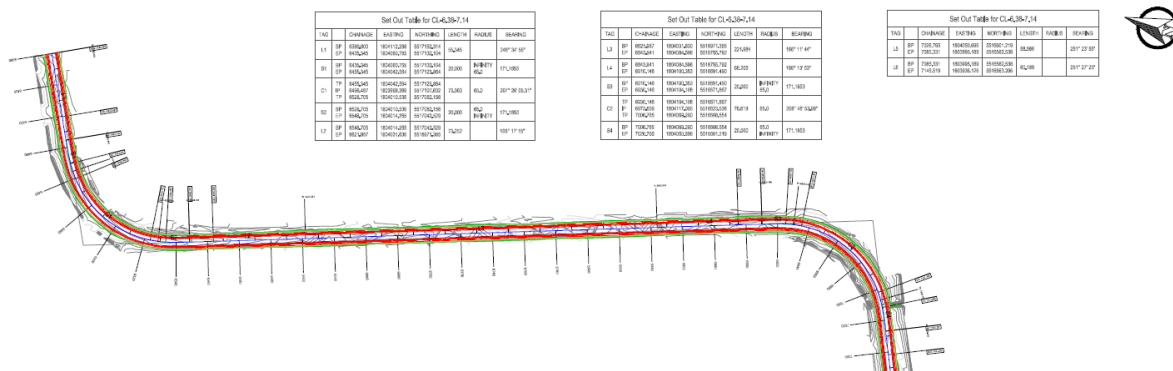


Figure 7 Poplar Road Rehabilitation Design Plan View

3.4 Water and Waste Services

3.4.1 The Pot Irrigation Automation Project

Background

Treated effluent from the Levin Wastewater Treatment Plant (LWWTP) is pumped 7km to the Pot where it is irrigated to land. The Pot site covers 110ha of which about 40ha is currently irrigated. The Pot operates under a resource consent granted in June 2020.

The project will upgrade the existing Irrigation Plant to meet the requirements defined in the latest discharge consent. Irrigation to land currently requires manual actuations of valves to make a change to the selected irrigation areas. After the upgrade, changes to irrigation areas will be controlled remotely by an automated system of sensors. The system will be

fully monitored and alarmed to provide instant notification to the operator of any leaks, which if not identified may breach the resource consent for The Pot.

CR Automation (CRA) was awarded the contract to provide the upgraded system.

The system chosen by HDC is the same as system used to manage Shannon WWTP and Foxton WWTP and relies on a central PLC to communicate with distributed field stations.

The project involves replacing the current manually operated valves with new automatic valves as well as reticulating a network of fibre optic cables and 230VAC power throughout the Pot. Spare capacity will be provided at the end of each cable run to allow for future additional valves and cable redundancy. Pressure transducers will be used downstream of each valve to identify any problems with valves or piping. Feedback from those transducers will be sent back to the Pot operator as part of their ongoing monitoring regime. The valves are installed above the ground for ease of maintenance and operational works.



Figure 8: valve station

The existing irrigation system was designed 35 years ago and has not been upgraded in that time. The Pot Irrigation Automation Project will deliver much-needed upgrades to meet the new consent requirements at the Pot. The new system will improve operational management and enable compatibility with recording and reporting at the site which is also required as part of the resource consent.



Figure 9: Field layout

Progress

Works on site at the Pot started late March 2022. Long lead items were pre-purchased to avoid supply chain issues. The current works involve replacing the manual valves to automated valves. This work will be completed by mid-May.

The full project completion is on track for completion and commissioning by the end of June 2022.

Financials

- The project budget is \$1,150,000
- Cost to date is \$524,000
- Forecast cost to complete is currently \$1,320,000
- Variance is (\$173,843.16)

The variance is due to escalation in raw materials costs, additional costs for specific items such as air relief valves and the uptake of opportunity costs to install extra redundancy.

3.4.2 Wastewater and Stormwater proactive CCTV programme

Background

The LTP21/41 audit identified a need to improve confidence in Council's asset data for wastewater and stormwater reticulation. In response, a CCTV programme has been developed based on criticality and risk factors of wastewater and stormwater reticulation assets within the district. CCTV'ing wastewater pipework also helps to identify groundwater infiltration into the wastewater pipes. Infiltration and Inflow is a problem across the district's

wastewater pipe networks. The outcome from the CCTV footage is used to inform the renewal programme.

Progress

The CCTV programme started in Levin in March 2022. About 4 km of wastewater pipes has been detected to date. Footage has identified a number of unseen problems such as:

- Tree root intrusions inside wastewater pipes.
- Blockages caused by objects such as a car batteries and old mobile phones and large amount of household debris.
- Collapsed wastewater pipes.



The intruding tree roots can be cut back to release blockages in the short term. However, the damaged pipes will still need repair in the future. Similarly, collapsed sections of pipe are programmed for immediate replacement to prevent further leakage. Typically, the damage is a symptom of much wider deterioration of the pipe. In which case the sections are prioritised in the renewal and upgrade programme.

Financials

The CCTV programme is being carried out over two financial years, 21/22 and 22/23. The funding in 21/22 financial year has been sourced from asset conditioning budget allocated in LTP21/41, wastewater pipe renewal project budget and Three Water Reform Stimulus funding.

The budget over two years for works across the District sums to \$666,880, drawn from the various 3-water activities:

- Capex Wastewater = \$38k
- Opex Stormwater = \$95.2k
- Opex Wastewater = \$200k (this is drawn from the 3W Stimulus Fund).
- The balance will be from reticulation renewal projects = \$333.7k.

Cost to date information was not available at the time of writing.

3.4.3 Levin Water Intake

The Levin Water Intake project involves a realignment of the water flow path at the intake gallery of the Levin water treatment plant. The series of storms last year caused the river

path to change direction, leaving the intake gallery almost dry at low flow. Works to redirect the flow to the intake were commenced under emergency works provisions.

Sourcing suitable rock for the revetment walls has proved difficult to source. The project team eventually procured a supplier from Taranaki. Rock started to arrive on site during March. Actual construction works commenced mid-April and are expected to take 2-3 weeks.



3.5 Horowhenua Alliance

The following report from the Horowhenua Alliance summarises their performance during March 2022.

KPI Update

Horowhenua Alliance completed all water and wastewater jobs within contracted timeframes. Stormwater performance measures were met during the month. There were no reported instances of rework for the month of March.

Water quality standards were met. However, there was no update for the water supply measure relating to “firefighting needs” as the testing of hydrants is not planned until June 2022.

Two other exceptions to overall water performance measures show as follows:

- As at 31 March 2022, the “Sustainable Water Supply” YTD average consumption across the district is 393L per person per day. This is calculated based on total water produced, minus commercial consumption, then divided by the connected population. The target measure is ≤ 300 lpcd.
- “Minimal Water Losses” was not achieved district wide, Foxton Beach and Tokomaru achieved the target WBI band for leakage in March as per the below table.

Supply	"Snapshot" Infrastructure Leakage Index
Levin	C
Shannon & Mangaore	C
Foxton	C
Foxton Beach	A
Tokomaru	B

Wastewater performance measures were met for the month however there are two exceptions to YTD performance. These being:

- Response times to site, as these have been impacted by rain events; and
- The number of blockages per 1000 connections being 0.74 higher than the target measure of <8. (8.74)

The CRM 3-waters activity level for the month of March achieved 87.30% completion. There were no overdue sewer events for March, all open jobs were completed and closed within the month. There were four overdue stormwater events that were incorrectly allocated to the Alliance, and twelve overdue water events, the majority sitting under Water Meter Final Reading.

Strategic Update - Operations

Irrigation wet well and pumps servicing at Foxton WWTP has occurred during March with the final stage completed at the end of the month with a modification to the irrigation block manifolds also completed.

Levin water restrictions were moved to level three for Ohau and Levin. Reticulation staff were kept busy dealing with an influx of toby and lateral leaks across the month. Water sampling boxes have been fitted to the reticulation system. The team also carried out smoke testing of sewer mains in Foxton Beach.

Pot holing investigations are well underway for the district renewal programme and Valve and Hydrant painting in Levin has been actioned.

Strategic Update - Projects

There are several projects ongoing at the Levin Wastewater Treatment Plant.

- Septage Station. Beca has been engaged to lead the mechanical and electrical design, the software programming and integration with SCADA. This work needs completing before the pumps can be installed, and a pipeline constructed to the head of plant. These works are planned for completion in December 2022.
- Sludge Tank Temporary Repairs. The site operators have requested a screen be installed as part of these works to reduce unwanted materials entering the tank. A hatch to clear the screen will be included in the new lid.

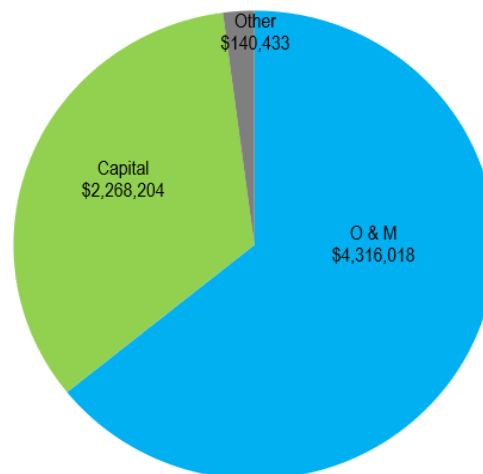
The table below summarises the financial status of the various projects at the Levin WWTP:

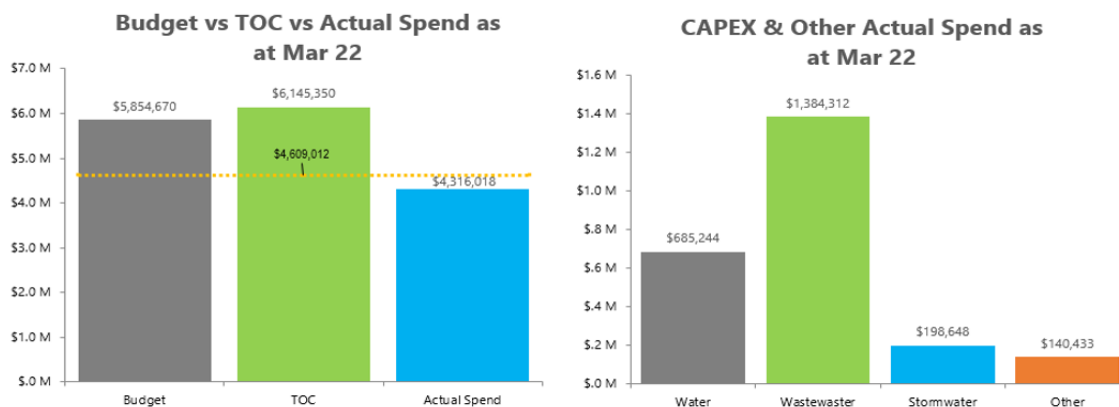
Project	Estimated Total Cost as Reported October '21 ^a	Actual Cost to Date - March 22	Estimated Cost to Complete	Estimated Total Cost as of March '22 ^a	% Complete	Forecast Spend to End of Financial Year	Planned Completion
Digester 1 refurbishment	\$800,000	\$585,000	\$215,000	\$800,000	75%	\$215,000	30 June 2022 ^b
Digester 2 refurbishment	\$800,000	\$0	\$800,000	\$800,000	0%	\$0.00	TBC
Septage receiving station	\$690,000	\$548,096	\$357,005	\$905,000 ^c	55%	\$100,000	Dec-22
Sludge tank temp repair	\$236,000	\$23,000	\$147,000	\$170,000	40%	\$147,000	30-Jun-22
Sludge tank replacement (incl. temporary repairs)	\$1,796,000	\$6,000	\$1,790,000	\$1,796,000	1%	\$6,000	TBC
Headworks modifications	\$506,000	\$509,959	\$5,000	\$506,000	98%	\$3,000	30-Jun-22

Financial Update

Horowhenua Alliance claims total YTD March 2022 - \$6,724,655 split as below 'Total Actual Spend as at March 2022 graph.

Total Actual Spend as at Mar 22





O&M Spend

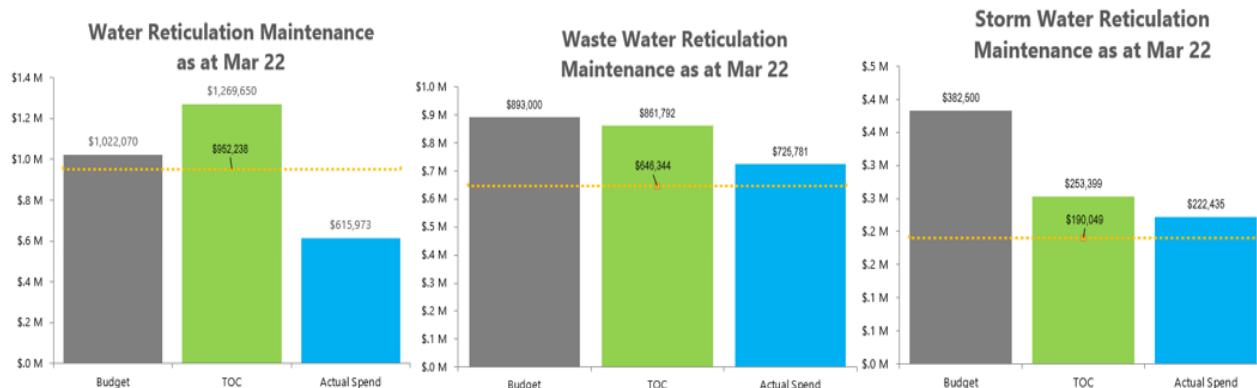
Overall, the Alliance maintenance budget spend as of March 2022 of \$4,316,018 vs TOC of \$6,145,350 equating to 70% spent at 75% of the way through the financial year.

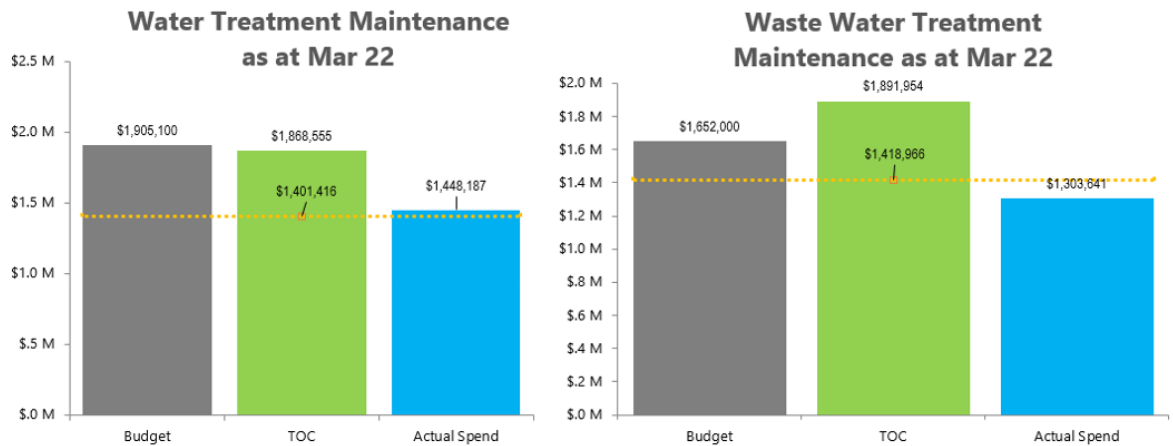
Underspending on water reticulation maintenance is mainly due to seasonal works and water restrictions from previous months. Reviews are in progress for the remaining jobs to be performed for the rest of the financial year.

The wastewater treatment maintenance program is on target to achieve the TOC by June 30, 2022.

Overspending on wastewater reticulation, stormwater reticulation, and water treatment maintenance is primarily due to heavy rain events in December, January & February.

Month	Mar-22			YTD			YTD Variance	
Type	Budget	TOC	Actual	Budget	TOC	Actual	Budget	TOC
Water Reticulation Maintenance	\$ 85,172.50	\$ 105,804.18	\$ 79,035.33	\$ 766,552.50	\$ 952,237.61	\$ 615,972.99	\$ 150,579.51	\$ 336,264.62
Waste Water Reticulation Maintenance	\$ 74,416.67	\$ 71,816.02	\$ 62,088.13	\$ 669,750.00	\$ 646,344.19	\$ 725,781.46	\$ (56,031.46)	\$ (79,437.27)
Storm Water Reticulation Maintenance	\$ 31,875.00	\$ 21,116.54	\$ 33,966.51	\$ 286,875.00	\$ 190,048.90	\$ 222,435.46	\$ 64,439.54	\$ (32,386.56)
Water Treatment Maintenance	\$ 158,758.33	\$ 155,712.88	\$ 195,608.79	\$ 1,428,825.00	\$ 1,401,415.93	\$ 1,448,187.10	\$ (19,362.10)	\$ (46,771.17)
Waste Water Treatment Maintenance	\$ 137,666.67	\$ 157,662.84	\$ 139,742.52	\$ 1,239,000.00	\$ 1,418,965.54	\$ 1,303,641.40	\$ (64,641.40)	\$ 115,324.14
	\$ 487,889.17	\$ 512,112.46	\$ 510,441.28	\$ 4,391,002.50	\$ 4,609,012.16	\$ 4,316,018.41	\$ 74,984.09	\$ 292,993.76





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:

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

Signatories

Author(s)	James Wallace Roading Services Manager	
	Asli Crawford Water & Waste Services Manager	
Approved by	Brent Maguire Group Manager - Infrastructure Development and Operations	

Infrastructure Development - Activity Update

File No.: 22/132

1. Purpose

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

2. Recommendation

- 2.1 That Report 22/132 Infrastructure Development - Activity Update be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

3. Key Highlights and Business Priorities

3.1 Tara-Ika - Enabling Infrastructure

3.1.1 Cambridge-Tararua Wastewater main

Progress

The new wastewater main along Tararua Road (West) and Cambridge Street (South) is progressing well amidst Covid resourcing issues and supply delays. The contractor has completed the watermain upgrade on Cambridge Street. Construction work continues on the upgrade of the wastewater main along Tararua Road (West) and across SH57. Works are on track for completion by June 2022.



3.1.2 Tararua Road Roundabout and Stormwater

Progress

Planning for the Tararua Road Roundabout and stormwater improvements are well underway. HDC has engaged consultants to work on obtaining the required land disturbance consent for the proposed on-site stormwater disposal.

Engineers have been working with the principal landowner to determine the size and location of the pond and treatment area to inform the required consents and wetland treatment design. Procurement for the construction of the pond and treatment area will commence following completion of the design for the facilities over the next quarter. The facility designs are heavily reliant on the plan change and progress of the landowner's scheme plans.

HDC is working with WKNZTA, to enable development and provide significant safety improvements via a roundabout construction at Tararua/SH7 with consideration of Otaki to North Levin (O2NL). HDC is facilitating the purchase of the land by utilising the allocated Crown Infrastructure Partners (CIP) funding. HDC is also working with Electra to advance procure the long lead items ahead of the relocation of electricity cables.

3.1.3 Tara-Ika Financials

The overall project has slowed owing to the prolonged Plan Change 4 (PC4) process and from delays awaiting WKNZTA's developed design thinking toward a developers agreement with HDC and landowners. Officers have had to rework the milestone schedule and agree a new cashflow with CIP. The flow-on effect is a significant carry forward into the next financial year and consequent delay in the first major subdivision application from the principal landowner.

Overall				2021 / 2022 Financial Year				
Project	Budget (\$)	Cost to date (\$)	Completion Date	Original Budget (\$)	Year to date (\$)	Cost to complete (\$)	Forecast outturn cost (\$)	Variance (\$)
Tara-Ika	38,100,000	4,230,100	Dec 2024	7,350,000	1,789,075	3,739,390	5,528,465	(1,821,535)
Tararua Wastewater	3,900,000	1,704,204	June 2022	3,900,000	1,634,189	1,349,345	2,983,534	(916,466)
Tararua Road Roundabout	4,000,000	56,869	Dec 2022	2,250,000	53,704	1,015,000	1,068,704	(1,181,296)
Queen Street Stormwater	2,419,827	352,941	Dec 2022	1,200,000	89,763	846,045	935,808	(264,192)

Competitive pricing, excellent progress and on-site efficiencies have meant the Tararua wastewater project is projected to come in under the expected project budget. The variance of \$916,466 will be carried forward to next financial year to extend the wastewater main east of SH57.

The forecast cost for SH57/Tararua Roundabout of \$1,068,704 is for land purchase and advance material procurement. The variance of \$1,181,296 will be carried forward for construction and service relocation next financial year, supported by cost share agreements with WKNZTA and Electra.

The bulk of the \$1.2M budget for Queen Street Stormwater this financial year is for land acquisition and is subject to final valuation and agreement. The remainder will be carried forward for the construction phase, set to begin in October 2022.

3.2 Waitarere Surf Lifesaving Club

Progress

The Waitarere Beach surf club-building project continues to make good progress. The developed design phase is near completion with detailed design to follow. The building consent application is on track for June 2022. Ecological and fore dune assessments have been completed to support the Horizons Regional Council resource consent application process which is expected back during May 2022.



Financials

At the time of writing, the project is yet to receive the first major progress payment invoice from the contractor. The estimated forecast of \$338,461 for this financial year includes the detailed design and building consent stage only. Delays with Horizons Regional Council's consent process has meant early works will not commence this financial year. The unspent budget of \$1,165,539 will be carried forward to the next financial year.

Overall			2021 / 2022 Financial Year				
Budget (\$)	Cost to date (\$)	Completion Date	Original Budget (\$)	Year to date (\$)	Cost to complete (\$)	Forecast outturn cost (\$)	Variance (\$)
3,158,000	62,461	Sep 2023	1,504,000	62,461	276,000	338,461	(1,165,539)

Risk & Mitigation

Two key risks will need careful management:

- Cost escalation and material availability in the building sector. A key risk for the project is additional funding being required to meet the cost of the building's minimum requirements. Value engineering during the design phase will monitor and manage the project within reason. However, the current economic situation is presenting budget challenges that are beyond our ability to manage directly.
- External co-fund. The LTP budget has assumed a co-fund contribution from external sources. The surf club is preparing a funding application to New Zealand Surf Lifesaving. Other avenues may need to be investigated should that application be unsuccessful.

3.3 North East Levin – Coley pond

Progress

The last quarter has seen excellent progress on the North East Levin (Coley Pond) project. Works have involved the excavation and shaping of the batter slopes and construction of an outlet weir to provide stormwater retention capacity on the Council-owned property at the corner of Roslyn Road and Fairfield Road.

The consent does not allow earthworks between May and October. The site is being prepared for the winter shut down. The side slopes and pond floor will be hydro-seeded, fencing will be reinstated, silt fences will be constructed around the high flow bypass channel.

Earthworks and finishing works will recommence during October. In the meantime, the project team will monitor groundwater levels and finalise the wetland planting design. They will also advance purchase materials to complete the inlet works.

The works crews will be allocated to the Cambridge-Tararua wastewater project to help accelerate that project.



Financials

Due to the extended timeframe to achieve the consent and the winter shutdown, a variance of \$371,091 will be carried forward to the next financial year. The remaining works, including construction of the two additional downstream ponds, is scheduled for completion during the summer of 2022/23.

Overall			2021 / 2022 Financial Year				
Budget (\$)	Cost to date (\$)	Completion Date	Original Budget (\$)	Year to date (\$)	Cost to complete (\$)	Forecast outturn cost (\$)	Variance (\$)
2,804,000	1,624,649	April 2023	1,573,897	757,807	445,000	1,202,807	(371,091)

3.4 Poads Road Water Reservoir

Progress

The project team have made excellent progress toward the proposed new reservoir at Poads Road. Detailed design and site investigations are well underway in support of the upcoming consent application.

The proposed scope includes:

- One intake from the Ohau River and purpose built infiltration gallery with built-in flushing facility
- A single reservoir capable of holding up to 700,000 m³, enough for 37 days' worth of storage for Levin.
- A spillway and drawdown discharge to Ohau River, including a multi-level draw-off arrangement
- Flexible pipe rising main for seismic resilience and a new pipe bridge not connected to vehicle bridge

Ecological assessments have indicated the site is mainly exotic grassland with only two minor potential wetland areas around periphery beyond the boundary of the reservoir. The potential landscape and visual effects are likely to be less than minor. There are several opportunities for improvements to the environment as part of the project.

Geotechnical investigations, including trial pits and boreholes across the footprint has been completed. A full seismology report, including fault location and fault behaviour has been commissioned. A dam-break assessment and dam performance criteria report is underway alongside a full hydrological assessment, river water sampling and groundwater sampling regime.

Council has also separately applied to Horizons for the remaining core water allocation from the Ohau River. Horizons has since issued a number of questions relating to that application which the team are working through.

The team is aiming to lodge the main consent application in June 2022.



Financials

The project is tracking well against its financial year budget.

Overall			2021 / 2022 Financial Year				
Budget (\$)	Cost to date (\$)	Completion Date	Original Budget (\$)	Year to date (\$)	Cost to complete (\$)	Forecast outturn cost (\$)	Variance (\$)
33,611,000	371,794	June 2031	700,000	371,694	280,000	651,794	(48,206)

Risk & Mitigation

This project is a vital lead infrastructure investment to secure Levin's water needs in the medium to long term. The design and construction works themselves are relatively straightforward. The key risk for the project rests with the consent application processes for the core allocation of water and the main works.

The project has commenced with sufficient time to navigate the consent process. Council has also assembled a highly experienced team of subject matter experts to carry out the various investigations.

3.5 Development Engineering – Quarterly Report

Overview

The third quarter of the financial year has seen continued strong performance in the development sector. Year to date has seen 93 subdivision 224c signoffs that have yielded 380 new lots. There are also active engineering assessments for 374 new lots that will be developed over the coming months.

During the third quarter of the year we have seen that, for the first time in the last four years, more lots have been created than are being assessed. This data excludes Tara-Ika, which has yet to submit its first large subdivision application.

Year to date figures are shown in the table below. Subdivision applications, number of lots and certifications are always somewhat lumpy as developers deal with numerous decision points. Nevertheless, the last year has seen a significant trend upwards in the throughput of assessments to new lots. The data is consistent with the assumptions made in the LTP.

Development Engineering Activity for July 2021 – March 2022				
Type	Q1	Q2	Q3	Total
All Engineering Assessments, including building consent	51	335	144	530
Engineering Assessment # Lots	63	243	68	374
Hold Point inspection(s) completed	2	14	6	22
Connection Application(s) completed	10	71	26	107
Section 223 Subdivision Sign-offs	12	44	30	86
Section 223 Subdivision Lots	72	266	128	466
Section 224 Subdivision Sign-offs	9	50	34	93
Section 224 Subdivision Lots	7	166	207	380

Level of Service

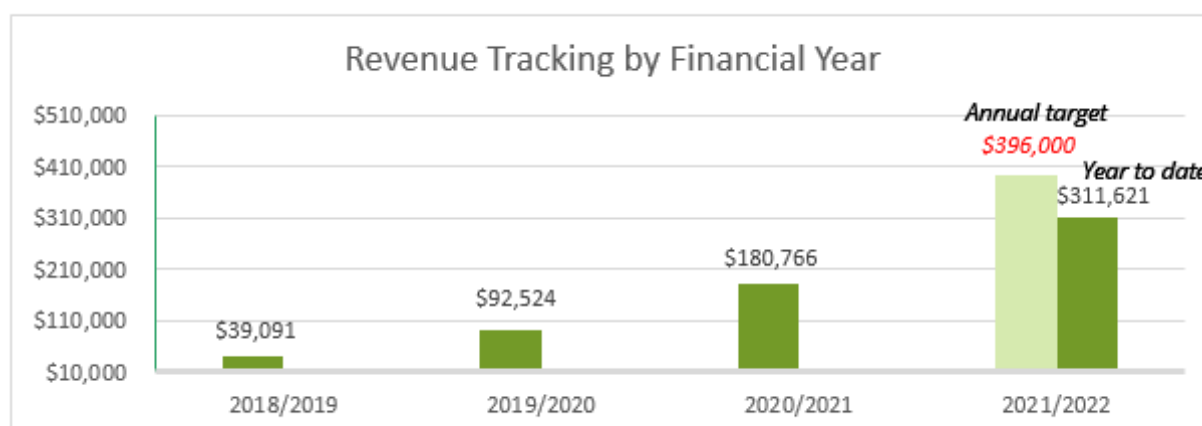
The DE team are continuing to meet their level of service key performance indicators (KPIs) despite the pressure on them from the increased levels of activity. Engineering assessments are completed within 7 workings days, Sec224 signoffs within 10 workings days and CRM enquiries within 5 workings days.



Financial Performance Year to date

The DE team's work is chargeable to developers, defined in Council fees and charges. The Local Government Act 2002, Resource Management Act 1991 and Building Act 2004 puts in place a user pays cost recovery, which authorises Council to charge for development engineering work.

The financial recovery to date is \$311,621. The costs recovered now surpasses the last three years combined. The demand for the DE team's services means they are forecast to achieve an annual return of \$396,000. The chart below compares current year to date figures with previous full year performance.



Attachments


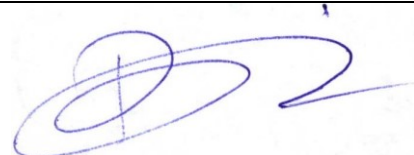
There are no attachments for this report.

Confirmation of statutory compliance

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

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

Signatories

Author(s)	Daniel Haigh Principal Project Manager	
	Joseph Fletcher Development Engineer	
Approved by	Brent Maguire Group Manager - Infrastructure Development and Operations	

Treasury Report

File No.: 22/153

1. Purpose

To present to the Finance, Audit & Risk (FAR) Committee the Bancorp Treasury Report for the March 2022 quarter.

2. Recommendation

- 2.1 That Report 22/153 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
A1	Horowhenua DC Treasury Report March 2022	35

Confirmation of statutory compliance

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

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

Signatories

Author(s)	Jacinta Straker Chief Financial Officer	
Approved by	Jacinta Straker Chief Financial Officer	

CONFIDENTIAL

TREASURY REPORT

FOR



**HOROWHENUA
DISTRICT
COUNCIL**

AS AT

31 MARCH 2022



BANCORP

BANCORP TREASURY SERVICES LIMITED

AUCKLAND • CHRISTCHURCH

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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.

1. MARKET ENVIRONMENT

1.1 GLOBAL MARKETS OVERVIEW (AS AT 31 MARCH 2022)

Omicron was pushed off the front pages of global newspapers on the 24th of February with the Russian invasion of the Ukraine and the consequent upward shift in oil prices to as much as USD130 per barrel (from ~USD 85). Pre-existing concerns over inflation and global supply lines were further magnified by this conflict which is likely to have continuing significant effects on many key products such as oil, wheat and nickel. COVID-19's impacts are still considerable with China, its lockdown of Shanghai, and its population of 26 million people, which are also impacting global supply lines.

The initial reaction from bond markets to the invasion was to push the US 10-year bond yield well below 2.00%, to as low as 1.68% at the start of March on safe-haven demand and to cut the expectations for US Federal Reserve ("Fed") hikes this year. Subsequently, in response to inflation data showing US headline inflation at a fresh 40 year high of 7.9%, the US 10-year bond yield traded above 2.20% for the first time since mid-2019 and finished the quarter at 2.40%, having been as high as 2.55%.

In reaction to the invasion of Ukraine, the S&P500 share index fell by 5.1% and was 14.5% below the all-time highs of 4,814 seen on 4 January. Subsequently, the US equity markets recovered somewhat as bargain hunters discounted the global impact of the conflict, with the S&P500 recovering around 10% from the late February lows. However, there still remains a significant risk of intra-day swings on every new report from the war zone.

Concerns around inflation and a move away from the 'transitory' view of inflation saw the Fed deliver its first rate hike since 2018 in March but it sent slightly mixed messages in its data forecasts. The Fed lowered its growth projections, and upped its inflation forecasts, but didn't see signs of wage inflation while expecting unemployment to drop to 3.5%. The Fed's dot plot endorsed market pricing, suggesting six further hikes this year.

The People's Bank of China ("PBoC") left its medium-term lending rate unchanged in March when the consensus was for a 5 to 10 basis point cut. However recent data has been positive with industrial production and retail sales numbers doubling expectations at 7.5% and 6.7% year to date respectively. In saying this, these numbers were for February and don't consider recent COVID-19 related lockdowns.

The release of the Reserve Bank of Australia minutes from the March meeting confirmed that the central bank is in no hurry to raise the cash rate stating that it is prepared to wait "*until actual inflation is sustainably within the 2 to 3 per cent target band*". However, the market is increasingly sceptical of these views and is now pricing in multiple rate hikes.

1.2 NEW ZEALAND MARKET OVERVIEW (AS AT 31 MARCH 2022)

	OCR	90 day	2 years	3 years	5 years	7 years	10 years
31 Dec 2021	0.75%	0.92%	2.17%	2.42%	2.55%	2.60%	2.64%
31 Mar 2022	1.00%	1.61%	3.29%	3.38%	3.39%	3.39%	3.38%
Change	+0.25%	+0.69%	+1.11%	+0.96%	+0.84%	+0.79%	+0.74%

In New Zealand, the market has continued to price in an aggressive response by the RBNZ to contain inflation. Current market pricing has the Official Cash Rate (“OCR”) at 2.25% by July 2022, 3.00% by December 2022 and 3.50% by May 2023, while the 3-month bank bill rate is projected to reach 3.50% by December 2022 and 3.70% by June 2023. The Reserve Bank of New Zealand’s (“RBNZ”) projections for the OCR that were contained in the *February Monetary Policy Statement* have the OCR at 2.20% by December 2022 and 2.80% by June 2023. This very aggressive pricing especially from the markets is the result of expectations that the inflation rate will climb sharply, currently it is at 5.9% with the RBNZ projecting it to increase to 6.6% in the March 2022 quarter, while one local bank sees it at 7.4% for the same period.

No doubt inflation will increase, driven up sharply, primarily by the surge in fuel prices. This will necessitate sharp increases in the OCR, but whether current market pricing proves to be correct is doubted by some. As history shows, both central banks and the markets tend to move too far in easing and tightening expectations, while there are also concerns that New Zealand households will not be able to withstand the already considerable cost of living increases that flow from increasing mortgage rates, fuel and food costs.

Since January 2004, mortgage and personal debt levels have increased from around NZD100 billion to just under NZD350 billion currently according to the RBNZ. To put that in perspective, the 3.25% increase in the OCR over the 2004 to 2007 tightening cycle would have implied a circa NZD3.3 billion transfer from consumption/savings to debt servicing. A move from 0.25% to 3.25% this cycle will imply a circa NZD10.5 billion impact, a 218% increase. As a comparison, since 2004 New Zealand’s GDP has increased from circa NZD140.0 billion to NZD345.0 billion, a 142.8% increase.

Headwinds for the domestic economy include higher mortgage rates, a higher cost of living, supply shortages, the COVID-19 Omicron outbreak, the impact on consumer confidence that a cooling housing market will have and weak business confidence. This is before considering the potential longer term impact of the Ukraine invasion. On the flipside, unemployment is at record lows and could fall further, and we are seeing signs of wage inflation. New Zealand’s terms of trade remain robust with dairy returns at record levels, and border restrictions are being lifted.

Swap rates have lifted across the yield curve, driven up by sharply higher inflation expectations both in New Zealand and overseas. Over the March quarter the 2 year swap increased from 2.17% to 3.29%, the 5 year swap from 2.55% to 3.38% and the 10 year swap from 2.64% to 3.38%. Whether rates can be sustained at these levels depends on future RBNZ monetary policy action; if the tightening cycle does not materialise to the extent that is currently projected then rates may well decline.

1.3 LOCAL AUTHORITY SECTOR

Listed below are the credit spreads and applicable interest rates as at 31 March 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%	1.75%	N/A
6 month CP	0.15%	2.32%	N/A
April 2023	0.33%	1.93%	3.06%
April 2024	0.36%	1.96%	3.63%
April 2025	0.43%	2.03%	3.80%
April 2026	0.52%	2.13%	3.95%
April 2027	0.59%	2.19%	3.98%
April 2028	0.65%	2.25%	4.07%
April 2029	0.67%	2.27%	4.11%
May 2031	0.71%	2.31%	4.13%
April 2033	0.83%	2.43%	4.21%
May 2035	0.90%	2.50%	4.32%
April 2037	0.94%	2.54%	4.37%

Margins for LGFA debt increased slightly during the quarter, as credit markets tightened up in response to the invasion of Ukraine. The yields for both CP and FRNs increased noticeably in line with the increase in the 3 month bank bill rate. The most pronounced increase however was in the yields for FRBs which increased significantly following sharp rises in global bond yields and the New Zealand swap rates. For example, the April 2026 bond yield rose from 3.02% to 3.95% and the May 2031 yield from 3.35% to 4.13%.

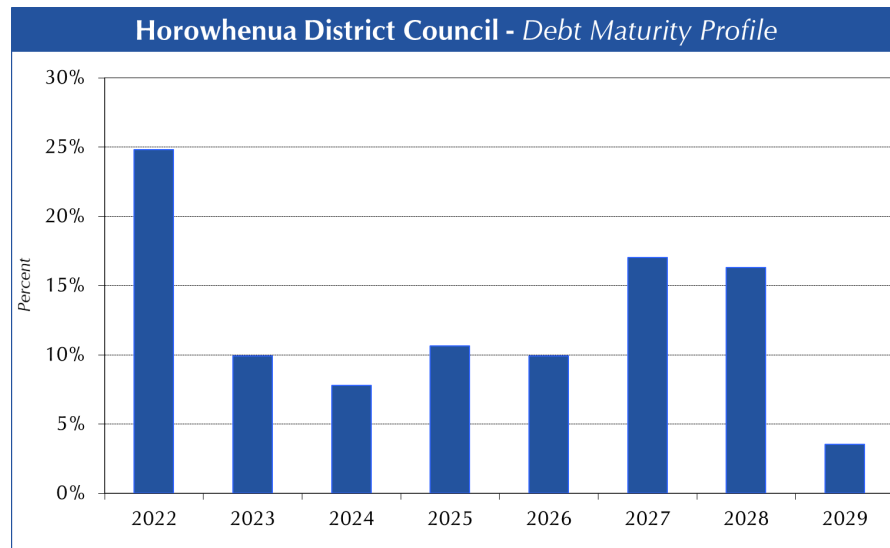
2. FUNDING

As at 31 March 2022, HDC had \$121.0 million of current external debt, up from \$114.0 million at the end of September. The debt is comprised of CP, FRBs and FRNs, all sourced from the LGFA and one tranche of bank debt. In addition, HDC had two tranches of LGFA forward starting debt, one an FRN starting in May 2022 and maturing in April 2027 for \$8.0 million and the other an FRB starting in April 2022 and maturing in May 2028 for \$12.0 million. Details of HDC's debt as at 31 March including the forward starting debt are as follows (the two tranches of debt in bold are the forward starting debt).

Instrument	Inception	Maturity	Rate	Margin	Amount
FRN	July 18	14-Apr-22	1.47%	50 bps	9,000,000
CP	Mar-22	28-Apr-22	1.35%	15 bps	23,000,000
FRN	May-15	18-May-22	1.655%	42.5bps	\$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	1.615%	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	1.85%	81 bps	5,000,000
FRN	May-15	18-May-25	1.72%	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	1.80%	76 bps	5,000,000
FRB	Aug-20	15-Apr-27	1.655%	86 bps	5,000,000
FRB	Aug-21	15-Apr-27	2.12%	39 bps	6,000,000
FRN	May-22	15-Apr-27	TBA	57 bps	8,000,000
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
FRB	Apr-22	15-May-28	2.58%	TBA	12,000,000
FRN	May-21	20-Apr-29	1.69%	61 bps	5,000,000
				TOTAL	\$141,000,000

As at 31 March, HDC had no drawings from its BNZ \$10.0 million Customised Average Rate Loan facility that expires in November 2022.

HDC's current debt maturity profile) is depicted in the graph on the following page, which indicates a good spread of maturities between 2022 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

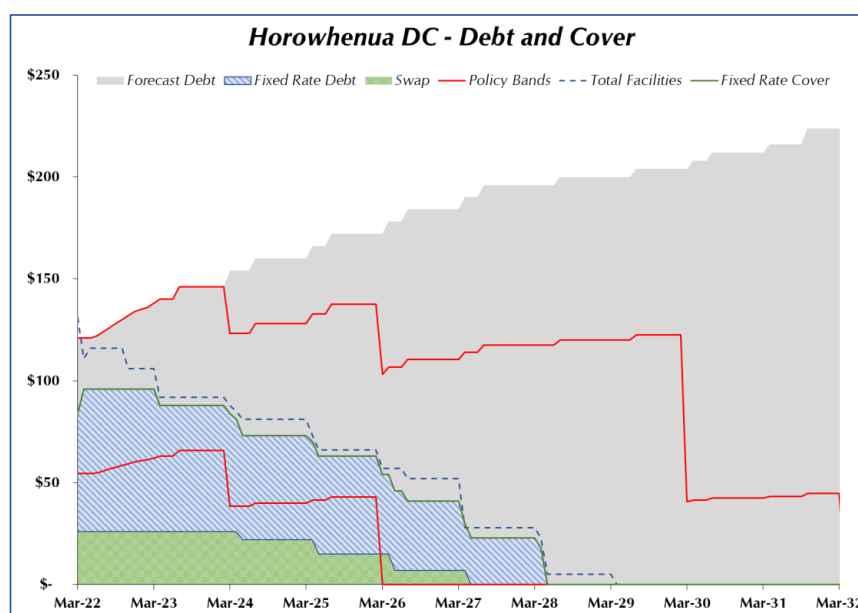
As at 31 March 2022, HDC had \$121.0 million of outstanding debt, and four interest rate swaps, details of these are as follows:

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
TOTAL			\$26,000,000

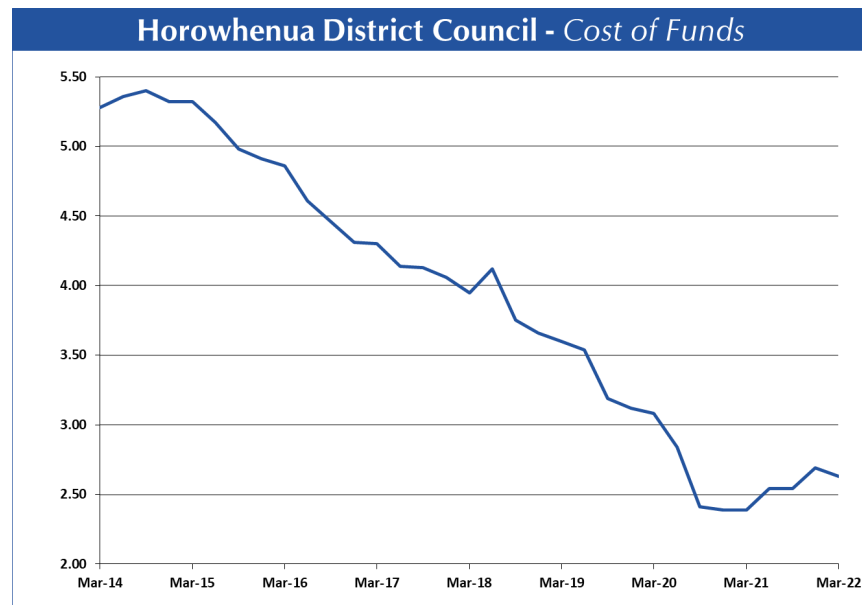
Section 4.3 of the LMP details the Fixed Rate Hedging Percentages that HDC shall adhere to in the management of its debt.

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 31 March, 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 31 March was 2.63%, down from 2.69% at the end of December. The cost of funds exclusive of the bank line fee was 2.61%. 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 March 2014 is depicted in the following graph.



4. POLICY COMPLIANCE (AS AT 31 MARCH 2022)

	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

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Nine Month Report to 31 March 2022

File No.: 22/155

1. Purpose

To present to the Finance, Audit & Risk Committee the financial report for the eight months to 31 March 2022.

2. Recommendation

- 2.1 That Report Nine Month Report to 31 March 2022 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


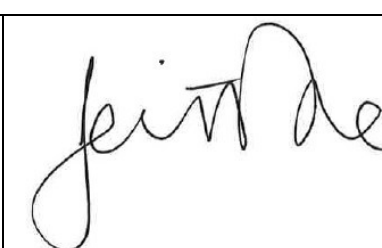
No.	Title	Page
A↓	Financial Reporting - Monthly Report - 31 March 2022	46

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)	Abraham Chamberlain Manager Financial Planning and Reporting	
Approved by	Jacinta Straker Chief Financial Officer	

Horowhenua
DISTRICT COUNCIL

Nine Month Report

1 July 2021 - 31 March 2022



Executive Summary

Total Capital Spending \$18.6m is \$21.0m less than the YTD budget of \$39.6m	Grants and Subsidies (Capital & Operating) \$7.4m is \$6.7m less than the YTD budget of \$14.1m	Total Net Borrowings \$108.3m is 154% of budgeted operating income (financial strategy limit is 225%)
Total Operating Revenue \$42.1m is 4% more than the YTD budget of \$40.6m	Total Operating Expenditure \$48.3m is 4% more than the YTD budget of \$46.4m	Total Surplus/(Deficit) (\$6.2m) is \$.3m less than the YTD budget of -\$5.9m

The Council has completed \$18.6m towards the budgeted capital programme at the end of March. The budget of \$57.7m for 2021/22 includes the \$55.5m approved in the Long Term Plan (LTP) together with \$2.2m in additional approved carry forwards.

The level of capital grants is also lower than budgeted due to the timing of the capital programme changing from what was originally planned.

A revised capex programme forecast has been completed. The forecast capital spend for 2021-22 is expected to be \$27.8m. This is explained in more detail in the capital spending section.

The level of operating income is \$1.6m higher due to higher levels of income in Planning & Regulatory, as a result of increased consenting and building activity. There has also been higher levels of operational grants, including funding for the Mayor's Task for Jobs (\$538k) and Three Waters Stimulus Funding (\$158k).

Overall, the level of operational expenditure is \$1.9m higher than the level set in the Long Term Plan (LTP) which is primarily due to higher emergency works spending for Gladstone Road, higher spending in the landfill activity due to the work required to support the Future of the Levin Landfill Consultation, increased resources to support the additional work in Planning & Regulatory and work required for the Mayors' Task Force for Jobs.

The Council has completed further work on the year end operational forecast to factor in savings and additional costs that may be funded in future years. The Council is currently forecasting the underlying rates surplus/ (deficit) to be in line with the budget after factoring in \$802k of additional net spending that will be funded in the future or will be used to offset future rates. This is outlined on the following page.

This is still an estimate that will be subject to change as the Council progresses further through the year.

Operational Forecast Summary - drivers of the forecast deficit	
	(More) / less spending and revenue (\$000)
Employee Costs - This is due to vacancies across the organisation	1,144
CEO - Additional professional services - This includes the Interim CE fees and is mostly offset by lower employee costs.	(274)
Communities & Partnerships & Business - This is due to lower staff recoveries with the Deputy CE position not in place for the second part of the year (offset by lower employee costs).	(104)
Community Facilities - Reduced spending across the activity including events costs offset by lower income due to COVID	20
Community Infrastructure - This is due to additional revenue and lower spending	(125)
Customer and Strategy - This is due to additional contract resource to support the team	(214)
Infrastructure Operations - This is due to lower staff recoveries as a result of vacancies in the team and lower capital programme. This is partially offset by lower employee costs (above).	(215)
People and Culture - Relates to additional recruitment across the organisation as well as consultancy support and additional software licencing for upgrades to HR software	(224)
Planning & Regulatory - The forecast higher net income is due to increased building and subdivision activity	188
Property - This is due to additional rental income	12
District Plan - District plan work was advanced earlier than originally planned in the District Plan Programme in the LTP.	(232)
Road Transport - The net increase in costs is due to emergency works for Gladstone Road - This forecast includes an assumption of 62% funding from Waka Kotahi.	(232)
Solid Waste - The net overspend relates to reduced revenue and additional costs related to the Future of the Levin Landfill consultation. This excludes additional work required towards a future decision.	(858)
Stormwater - Assume on target to meet budget	-
Treasury - Relates to reduced net interest costs as a result of the lower capital programme. This will be used to offset future interest costs. The forecast will be updated after the capex forecast presentation on 30/3/22.	337
Wastewater Management - Assume on target to meet budget	3
Water Supply - This is due savings across the activity.	(80)
Other	10
Adjust for items not affecting rates surplus/deficit for 2022/23 (See below)	802
Underlying rates surplus/ (deficit)	(43)
Adjust for items not affecting rates surplus/deficit for 2022/23	
Exclude grant for hockey turf - funded by reserves	322
Exclude District Plan brought forward (Funded by borrowings)	250
Exclude Interest savings to be used to reduce rates for 2022/23	(300)
Solid waste - potential to use borrowings to fund the Future of the Levin Landfill consultation and recover through rates (over 3-5 years)	530
Total	802

Abraham Chamberlain – Manager Financial Planning and Reporting

Operational Summary

Total Operating Revenue	Total Operating Expenditure	Total Surplus/(Deficit)
\$42.1m is 4% more than the YTD budget of \$40.6m	\$48.3m is 4% more than the YTD budget of \$46.4m	(\$6.2m) is \$.3m less than the YTD budget of -\$5.9m
SUSTAINABILITY		

Rates to operating revenue **69%**

Rates revenue	\$32.36m
Operating revenue	\$47.03m

69% 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 **97%**

Balance budget ratio - Target **100%**

Operating revenue	\$47.03m
Operating expenditure	\$48.29m

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 97% of operating expenditure.

Net Debt to total projected revenue - Actual **154%**

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

Total net borrowing	\$108.28m
Total budgeted operating revenue	\$70.35m

With net borrowing of \$108.28m 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 **5%**

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

Net Interest	\$1.62m
Rates revenue	\$32.36m

5% 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	\$1.62m
Operating revenue	\$47.03m

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%

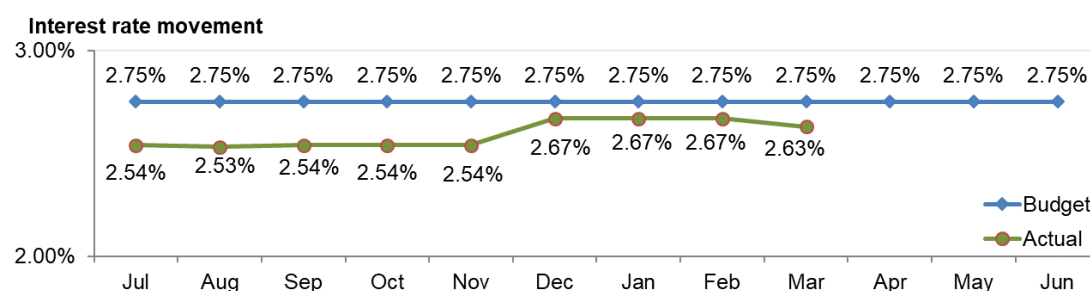
Available financial accommodation to external indebtedness - Minimum required

110%

Net debt	\$108.3m
Undrawn committed facilities	\$30.00m

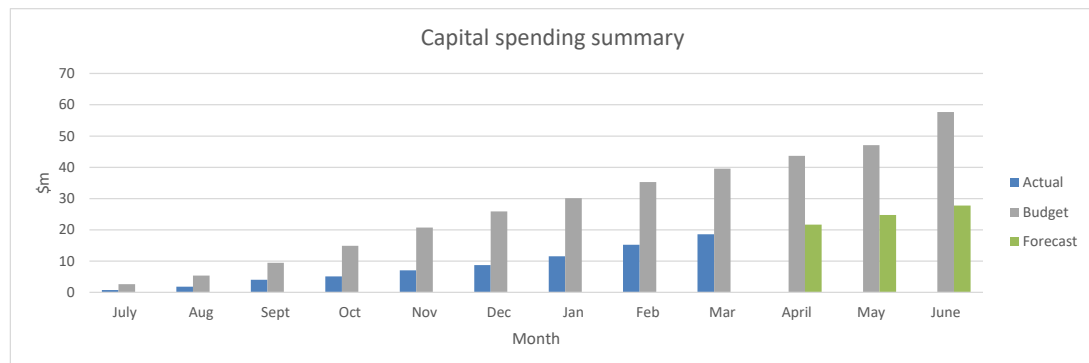
The committed bank facility enables us to borrow up to 128% of our current external debt immediately. The LGFA covenant minimum is 110%.

Weighted Average Interest Rate



Detailed treasury planning will be occurring this month following the re-forecasting work completed. This will help to ensure that Council can optimise its borrowings and keep interest rates as low as possible.

Capital Spending Summary



The Council has completed \$18.6m towards the budgeted capital programme at the end of March. The budget of \$57.7m for 2021/22 includes the \$55.5m approved in the LTP together with \$2.2m in additional approved carry forwards.

A revised capex programme forecast has been completed. The forecast capital spend for 2021-22 is expected to be \$27.8m. The proposed capital programme for 2022-23 Year 2 of the LTP is \$56.2m up from \$47.4m in the LTP. A total 3 year revised programme of \$124.5m down from \$144.9m in the LTP. The remaining amounts will be completed in year 4 and 5 so that the total LTP spend stays the same.

Council's 95% percentile growth assumptions dictate an annual budget of \$56.2m for 2022/23. This provides for all of the lead infrastructure require to keep pace with housing and economic growth. The reality of capital project delivery suggests an annual return of up to \$30m dependent on whether several of the major capital projects proceed at pace.

Under our LTP capital projects delivery strategy, the intention is to spread the deficit in any year across the next five years. It is worth noting that a significant portion of these annual deficits exist in a handful of large, committed capital projects such as Tara-Ika, augmented water supply and the Levin wastewater treatment plant upgrade.

The Council is proposing to set the level of borrowings and associated interest costs for 2022/33 using the \$30m assumption. If the full programme can be completed the Council will seek approval from elected members to spend at a high level. This will be discussed further at the 2022/23 annual plan workshop in May.

It is also currently proposed that savings in interest and depreciation from the lower capital spending this year will be used to offset a portion of the rates increase for 2022/23. Currently this is estimated to be \$300k and will reduce the proposed average rates increase for 2022.23 down from 7.7% to 7.0%.

This is still an estimate that will be subject to change as the Council progresses further through the year.

	Original LTP Budget 2021-22	Revised Budget 2021-22 (Incl CF)	YTD Actual 2021-22	Revised Total Forecast Spend 2021/22	2023 (LTP)	2023 (Revised)	2024	2025	2026	1-3YR Revised	LTP 1-3 Year (Incl CF)	Change
Wastewater												
Tara-Ika - Wastewater	3,900	3,900	1,635	2,757	3,623	4,766	-	-	-	7,523	7,523	-
WW Marae Improvements	259	259	-	-	-	-	-	-	-	-	259	(259)
WW Property renewals	4	4	-	-	-	-	4	22	23	4	7	(4)
WW Pump stations	100	100	60	100	160	160	159	166	163	419	419	(0)
WW Reticulation	5,247	5,285	184	285	4,521	6,000	4,740	5,304	4,336	11,025	14,546	(3,521)
WW Treatment	5,752	6,093	2,914	4,000	8,537	8,537	2,602	5,442	6,731	15,138	17,232	(2,094)
	15,261	15,640	4,792	7,141	16,840	19,463	7,505	10,934	11,252	34,109	39,987	(5,878)
Water Supply												
Growth	869	869	219	219	568	568	598	762	800	1,385	2,035	(650)
Tara-Ika - Water Supply	-	-	3	347	2,381	2,381	-	-	-	2,728	2,381	347
Water Reticulation network	3,782	3,782	637	689	2,250	2,250	2,336	2,476	2,424	5,275	8,368	(3,093)
Water Treatment	1,186	1,205	158	300	347	1,251	271	278	286	1,822	1,822	-
	5,837	5,855	1,018	1,556	5,545	6,450	3,205	3,516	3,510	11,211	14,606	(3,395)
Stormwater												
Major Project - Lake Horowhenua	800	800	24	24	1,190	-	1,752	1,636	1,913	1,776	3,742	(1,966)
Major Project - Levin East	2,804	2,804	380	840	155	2,120	159	164	1,347	3,119	3,119	-
Stormwater Reticulation	150	150	41	41	166	275	170	174	180	486	486	-
Stormwater Pumps Stations	49	49	15	15	47	81	-	49	-	96	96	-
Stormwater improvements	1,474	2,253	552	945	561	869	576	537	619	2,390	3,390	(1,000)
Taraika	-	-	92	92	2,070	1,978	3	-	-	2,073	4,725	(2,652)
	5,277	6,057	1,103	1,956	4,189	5,322	2,660	2,560	4,059	9,938	15,557	(5,619)
Solid Waste												
Buildings and equipment	87	87	25	25	111	111	75	79	81	210	272	(62)
Pre-closure capping and development.	517	1,147	1,497	1,497	232	232	241	493	175	1,970	1,620	350
	604	1,233	1,522	1,522	343	343	316	572	256	2,180	1,892	288

	Original LTP Budget 2021-22	Revised Budget 2021-22 (Incl CF)	YTD Actual 2021-22	Revised Total Forecast Spend 2021/22	2023 (LTP)	2023 (Revised)	2024	2025	2026	1-3YR Revised	LTP 1-3 Year (Incl CF)	Change
Roading												
Bridges	-	-	-	-	30	30	300	172	95	330	330	-
Cycle facilities	850	850	33	200	950	950	1,000	1,241	1,319	2,150	2,800	(650)
Drainage	275	275	145	350	275	275	275	248	264	900	825	75
Footpaths	750	750	309	800	750	750	750	985	1,046	2,300	2,250	50
Major Project - O2NL	-	-	-	-	3,000	-	-	4,371	5,622	-	3,000	(3,000)
Major Project - Gladstone Road Realignment	5,000	5,000	2,281	3,500	-	1,500	-	-	-	5,000	5,000	-
Roads	4,445	4,445	2,494	3,410	4,420	4,420	4,595	5,718	6,161	12,425	13,460	(1,035)
Taraika - Roding	4,000	4,000	54	54	2,000	5,946	6,900	-	-	12,900	12,900	-
	15,320	15,320	5,315	8,314	11,425	13,871	13,820	12,735	14,506	36,005	40,565	(4,560)
Properties												
Animal Control	21	21	-	21	-	-	-	-	-	21	21	-
Community buildings	1,899	2,149	607	479	1,853	3,523	433	798	1,808	4,435	4,435	-
Depot	79	79	12	79	-	-	-	-	-	79	79	-
New water source	500	500	152	500	514	514	526	2,156	2,322	1,540	1,540	(0)
Strategic land and Development	2,700	2,700	972	1,022	1,541	-	5,645	5,970	-	6,667	5,820	848
Civic Building	-	-	0	-	-	-	-	-	-	-	-	-
	5,199	5,449	1,743	2,101	3,907	4,037	6,604	8,924	4,130	12,741	11,894	847
Community Facilities (Parks, Reserves, Community Centres, Aquatics and Cemeteries)												
Aquatic Facilities	2,037	2,037	211	880	1,324	2,481	228	480	98	3,589	3,589	-
Community Centres	191	191	71	191	320	320	34	61	18	545	620	(75)
Libraries - incl books	475	475	337	475	486	486	711	675	504	1,672	1,672	-
	2,703	2,703	619	1,546	2,130	3,286	974	1,216	620	5,806	5,881	(75)
Community Infrastructure												
Cemeteries	-	-	-	-	123	123	63	809	714	186	186	-
Foxton Futures	-	-	367	551	-	-	-	-	-	551	-	551
Halls and Pavilions	27	27	-	27	29	29	31	31	-	86	86	-
Levin Domain Grandstand	-	-	1	3	-	-	-	-	-	3	-	3
Parks and reserves	3,193	3,193	1,407	1,500	1,811	2,658	1,731	2,702	1,747	5,888	6,735	(846)
Streams and Lakes	16	16	4	16	16	16	18	18	19	50	50	-
Taraika - Community Infra	-	-	0	-	-	-	-	7,007	-	-	-	-
Toilets	506	506	124	506	58	58	535	63	497	1,098	1,098	-
Tracks and Beach access	50	50	4	50	36	36	571	283	-	656	657	(0)
	3,792	3,792	1,907	2,653	2,073	2,919	2,948	10,913	2,977	8,520	8,813	(292)
Planning & Regulatory Services												
Animal Equipment and Facilities	84	84	75	84	45	45	26	557	186	155	129	26
	84	84	75	84	45	45	26	557	186	155	129	26

	Original LTP Budget 2021-22	Revised Budget 2021-22 (Incl CF)	YTD Actual 2021-22	Revised Total Forecast Spend 2021/22	2023 (LTP)	2023 (Revised)	2024	2025	2026	1-3YR Revised	LTP 1-3 Year (Incl CF)	Change
Governance & Community Leadership												
Levin Town Centre programme	500	500	1	-	500	-	2,500	-	-	2,500	3,500	(1,000)
	500	500	1	-	500	-	2,500	-	-	2,500	3,500	(1,000)
Community Support												
Minor assets	75	75	15	75	10	-	23	2	9	98	107	(10)
	75	75	15	75	10	-	23	2	9	98	107	(10)
Treasury and Support												
Data and Digital	172	172	55	122	23	73	23	75	24	218	218	-
Fleet	436	490	196	436	134	188	64	400	105	688	688	-
IT - Software and Hardware	280	335	251	335	246	246	472	257	263	1,053	1,053	-
Other	-	-	(2)	-	-	-	-	18	16	-	-	-
	888	997	500	893	403	507	559	751	409	1,959	1,959	-
	42,299	44,105	13,750	20,489	38,342	45,448	27,507	30,318	33,585	93,443	112,606	(19,163)
TOTAL	55,539	57,705	18,609	27,842	47,410	56,243	40,426	52,196	41,413	124,511	144,890	(20,379)

Statement of Comprehensive Revenue and Expense

Statement of Comprehensive Revenue and Expense As at 31 March 2022

	LTP Budget YTD Mar-22 \$000	Actual YTD Mar-22 \$000	Variance YTD Mar-22 \$000		Year End Projection Jun-22 \$000	LTP Jun-22 \$000	Variance Jun-22 \$000		Notes
Revenue									
Rates Revenue	32,329	32,363	34	⊕	43,430	43,447	(17)	⊕	
Operational Grants & Subsidies	1,584	2,479	895	⊕	4,400	2,951	1,449	⊕	1
Finance Income	115	5	(110)	⊖	20	200	(180)	⊖	
Fees & Charges	3,623	3,265	(358)	⊖	4,421	4,748	(327)	⊖	2
Other Revenue	2,902	3,999	1,097	⊕	4,575	3,872	703	⊕	3
Total Revenue	40,553	42,111	1,558	⊕	56,845	55,218	1,627	⊕	
Expenditure									
Employee Benefit Expenses	13,253	12,200	1,053	⊕	17,025	18,169	1,144	⊕	4
Finance Costs	2,223	1,610	613	⊕	2,500	2,964	464	⊕	5
Depreciation and Amortisation	11,042	11,139	(97)	⊖	14,722	14,722	(0)	⊖	
Other Expenses	19,894	23,344	(3,450)	⊖	31,013	26,933	(4,080)	⊖	6
Total Expenses	46,412	48,293	(1,881)	⊖	65,260	62,788	(2,472)	⊖	
Operating surplus/(deficit) before capital revenue and taxation	(5,859)	(6,182)	(323)		(8,415)	(7,570)	(845)		
Capital Grants and Subsidies	12,558	4,920	(7,638)	⊖	14,611	15,135	(524)	⊖	7
Development Contributions	2,058	-	(2,058)	⊖	306	2,744	(2,438)	⊖	8
Investment (Gains)/Losses	13	-	(13)	⊖	17	17	(0)	⊖	
(Gain)/Loss on sale of assets	-	26	26	⊕	26	-	26	⊕	
Gain on Derivatives	-	2,335	2,335	⊕	-	-	-	⊕	9
Total Surplus/(deficit)	8,770	1,099	(7,671)	⊖	6,544	10,326	(3,782)	⊖	

Note 1 Operational Grants and Subsidies **favourable** variance of \$895k.

The additional funding of \$117k in Community Facilities relates to the final portion of the PGF funding received for The Mahi Space, additional funding in Economic Development for the Mayors' Taskforce for Jobs (MTFJ) \$538k and an additional \$158k in Sustainable Growth Planning for Three Waters Stimulus funding originally planned to be capital funding.

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 2020/21 financial year as a pilot for the programme, and was then successful in securing funding in 2021/22 to run the programme for a further 12 months.

Note 2 Fees & Charges **unfavourable** variance of \$358k year to date is mainly due to less income in the solid waste activity due to reduced waste going to the landfill of \$270k and lower revenue from pools, libraries and community centres due to COVID19 of \$257k.

Note 3 Other Revenue **favourable** variance of \$1.1m. This primarily relates to additional revenue received for building consents of \$507k, resource consents of approximately \$76k as a result of increased building and development activity in the district and almost \$147k due to the timing of the dog registrations. Parking revenue is also down \$84k due to COVID19 affecting the number of vehicles parking in the CBD and the impact of the Government extensions for car registrations and warrants of fitness between August and November 2021.

In addition, funding was received from MBIE for the second year of the Welcoming Communities programme with the combined total now at \$100k. 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.

Recovery of costs for O2NL consultancy services totalling \$194k appears as unbudgeted revenue under the Reserves activity.

The additional revenue forecast of \$703k is mainly due to the increased building and resource consent activity. This is partially offset by increased resourcing to support the team.

- Note 4** Employee Benefit Expenses **favourable** variance of \$1.1m relates to vacancies across Council operations over the first part of the year and they are forecast to be \$1.5m lower than the budget.
- Note 5** Finance Costs **favourable** variance of \$613k relates to lower capital spending. Currently it is forecast that interest costs will be \$464k lower by the end of the year due to lower capital spending. Interest rates were also budgeted based on 3% but the current weighted average is 2.63%.
- Note 6** Other Expenses **unfavourable** variance \$3.45m as detailed below:

Note 6 Other Expenses	LTP	Actual	Variance		LTP		Notes
	YTD	YTD	YTD		YTD		
	Mar-22 \$000	Mar-22 \$000	Mar-22 \$000		Jun-22 \$000		
Professional Services	4,105	4,886	(781)	⊗	5,751	⊗	6A
Materials	90	108	(18)	⊗	119	⊗	
Maintenance	12,104	13,369	(1,265)	⊗	16,296	⊗	6B
Grants Paid	354	824	(470)	⊗	603	⊗	6C
Utilities	791	907	(116)	⊗	1,239	⊗	
Communications	162	190	(28)	⊗	215	⊗	
Other Expenses	4,173	4,176	(3)	⊗	5,473	⊗	
Vehicle Expenses	86	93	(7)	⊗	114	⊗	
Other Treasury Expenses	101	120	(19)	⊗	181	⊗	
Labour Recoveries for Capex projects	(2,072)	(1,329)	(743)	⊗	(3,058)	⊗	6D
Total Other Expenses	19,894	23,344	(3,450)	⊗	26,933	⊗	

- Note 6A** Professional Services **unfavourable** variance \$781k. The higher spending relates to additional resourcing in Planning & Regulatory to support the increased volume of work of \$272k and additional costs in the Solid Waste activity to support the current Statement of Proposal on the Future of the Levin Landfill of \$452k.
- Note 6B** Maintenance Costs **unfavourable** variance of 1.3m. The primary driver for the increased maintenance costs relate to the Roading activity and emergency works of \$990k for Gladstone Road.
- Note 6C** Grants Paid **unfavourable** variance \$470k. This relates to the \$322k grant to the Hockey Turf which will be funded by releasing the special fund that holds the yearly allocation Council makes for the turf replacement. This takes place in June

- Note 6D Labour Recoveries for CAPEX Projects **unfavourable** variance \$743k reflecting the lower capital project expenditure and lower staff time allocation than budgeted. Work on the labour budget allocation to capex will be completed in the second stage of the capital re-forecasting work.
- Note 7** Capital Grants and Subsidies **unfavourable** variance \$7.6m 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 revenue for Tara-Ika will likely occur next financial year due to the revised timing of the programme.
- 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 meaning no revenue has been realised yet. Current work to assess the timing of the 224C application from the point of application means that we are likely to only receive \$306k for the year. The forecast will be updated for the 2022/23 Annual Plan as well and the supporting modelling will be presented to Council.
- 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		
Significant Activities						
Community Facilities	8,197	6,026	6,148	(122)	⊗	
Community Infrastructure	7,048	4,430	4,686	(256)	⊗	3
Community Support	2,843	2,763	2,153	610	😊	12
Property	1,044	930	783	147	😊	10
Regulatory Services	6,147	5,227	4,585	642	😊	1
Representation & Com. Leadership	4,318	3,400	3,238	162	😊	13
Road Transport	5,323	3,843	3,993	(150)	⊗	
Solid Waste	3,997	2,832	3,060	(228)	⊗	7
Stormwater	1,750	1,244	1,313	(69)	⊗	8
Treasury	3,561	1,909	2,682	(773)	⊗	9
Wastewater Management	9,593	6,227	7,176	(949)	⊗	5
Water Supply	7,472	5,135	5,377	(242)	⊗	4
Total Activity Revenue (A)	61,293	43,966	45,194	(1,228)	⊗	

EXPENDITURE	LTP	Year to date (YTD)				Notes
	2021/22	Actual	Budget	Variance		
	\$000	\$000	\$000	\$000		
Significant Activities						
Community Facilities	8,197	5,697	6,151	454	😊	2
Community Infrastructure	5,581	4,281	4,184	(97)	⊗	
Community Support	2,843	2,409	2,111	(298)	⊗	12
Property	1,528	1,072	1,025	(47)	⊗	
Regulatory Services	6,147	4,430	4,566	136	😊	
Representation & Com. Leadership	5,873	4,712	4,381	(331)	⊗	14
Road Transport	8,050	7,058	6,037	(1,021)	⊗	6
Solid Waste	4,337	3,293	3,116	(177)	⊗	11
Stormwater	1,927	1,409	1,433	24	😊	
Treasury	3,529	2,094	2,643	549	😊	15
Wastewater Management	9,522	7,185	6,956	(229)	⊗	16
Water Supply	8,518	6,459	6,339	(120)	⊗	
Total Activity Expenditure (B)	66,052	50,099	48,942	(1,157)	⊗	

Corporate business Units - net revenue /(exp) - C	15,085	7,232	12,518	5,286	😊	
Total Surplus/(deficit) = A-B+C	10,326	1,099	8,770	7,671	😊	

- Note 1** Planning & Regulatory Services revenue **favourable** variance \$642k. The higher revenue is due to increased subdivision and building activity.
- Note 2** Community Facilities and Services **favourable** expenditure variance of \$454k relates to the capitalisation of staff time budgeted for \$204k and timing of expenditure happening after it was assumed in the LTP.
- Note 3** Community Infrastructure **unfavourable** revenue variance of \$256k relates to the lower Development Contributions revenue received.
- Note 4** Water Supply **unfavourable** revenue variance of \$242k reflects the Development Contributions revenue received.
- Note 5** Wastewater **unfavourable** revenue variance of \$949k reflects the lower Development Contributions revenue received.
- Note 6** Road Transport **unfavourable** expenditure variance of \$1m reflects the emergency works at Gladstone Road that have yet to come through as revenue from Waka Kotahi.
- Note 7** Solid Waste **unfavourable** revenue variance of \$228k relates to lower user charges at the landfill over the last period \$133k and Recycling activity \$103k.
- Note 8** Stormwater **unfavourable** revenue variance of \$69k reflects the lower Development Contributions revenue received.
- Note 9** Treasury **unfavourable** revenue of \$773k due to lower internal interest revenue due to the less internal debt than as forecast.
- Note 10** Property **favourable** revenue variance of \$147k is mostly made up of \$76k of unbudgeted capex funding, \$26k gain on sale, and \$72k unbudgeted rental income from Commercial property.
- Note 11** Solid Waste **unfavourable** expenditure variance of \$177k reflects the additional consultancy fees associated with the landfill deliberations \$452k offset with lower spending on maintenance \$120k and internal charges \$130k.
- Note 12** Community Support **favourable** revenue variance \$610k and **unfavourable** expenditure variance of \$298k. The majority is a result of additional funding received and spent for the Mayors' Taskforce for Jobs (MTFJ). The additional expenditure also relates to the June 2021 Flooding event (\$109k).
- Note 13** Representation and Community Leadership **favourable** revenue variance of which \$162k relates to the three water stimulus funding which will be transferred to the relevant activities as the projects are completed.
- Note 14** Representation and Community Leadership **unfavourable** expenditure variance of \$331k relates mainly to work on O2NL notice of requirement work which is to be reimbursed.
- Note 15** Treasury **favourable** expenditure variance of \$549k relates to lower external interest paid due to the less debt than as planned.
- Note 16** Wastewater **unfavourable** expenditure variance of \$229k relates to \$155k increase in insurance costs and \$142k increase in electricity spending.

Statement of Cashflow as at 31 March 2022

	Council Actual \$ 30 June 2021 \$000	Council Budget \$ 30 June 2022 \$000	Council Actual \$ 31 Mar 2022 \$000
Cashflow from operating activities			
Cash was provided from:			
Revenue from rates	38,644	43,447	31,221
Other revenue	29,285	29,450	15,621
Interest received	89	200	64
Net GST movement	—	—	1,897
Total cash provided	68,018	73,097	48,803
Cash was disbursed to:			
Suppliers, services and employees	44,426	45,003	36,635
Interest paid	2,745	2,964	2,044
Net GST movement	215	—	—
Total cash disbursed	47,386	47,967	38,679
Net cashflow from operating activity	20,632	25,130	10,124
Cashflows from investing activities			
Cash was provided from:			
Proceeds from asset sales	2,038	2,056	339
Proceeds from investments	—	—	—
Total cash provided	2,038	2,056	339
Cash was disbursed to:			
Purchases of investments	102	—	150
Purchase of assets	31,058	47,208	20,347
Total cash disbursed	31,160	47,208	20,497
Net cashflow from investing activity	(29,122)	(45,152)	(20,158)
Cashflows from financing activities			
Cash was provided from:			
Loans raised	53,000	65,022	78,000
Total cash provided	53,000	65,022	78,000
Cash was disbursed to:			
Repayment of public debt	51,000	45,000	65,000
Total cash disbursed	51,000	45,000	65,000
Net cashflow from financing activity	2,000	20,022	13,000
Net increase (decrease) in cash held	(6,490)	—	2,966
Add opening cash brought forward	15,892	11,519	9,402
Closing cash balance	9,402	11,519	12,368
Closing balance made up of cash and cash equivalents	9,402	11,519	12,368

Statement of Financial Position as at 31 March 2022

	Council Actual \$ 30 June 2021 \$000	Council Budget \$ 30 June 2022 \$000	Council Actual \$ 31 Mar 2022 \$000
Assets			
Current assets			
Cash and cash equivalents	9,402	11,519	12,368
Debtors and other receivables	7,587	6,340	6,436
Other financial assets	371	4,360	371
Non-current assets held for sale	1,090	4,293	1,090
Total current assets	18,450	26,512	20,265
Non-current assets			
Plant, property and equipment			
– Operational assets	57,170	44,414	59,110
– Infrastructural assets	605,275	601,858	610,233
– Restricted assets	63,835	71,132	64,656
Intangible assets	1,463	970	1,218
Forestry assets	1,248	1,107	1,248
Derivative financial instruments	–	–	726
Other financial assets:			
– Investments CCO's & similar entities	204	–	204
– Investments in associates	37	220	37
– Other	1,772	1,706	1,922
Total non-current assets	731,004	721,407	739,354
Total assets	749,454	747,919	759,619
Liabilities			
Current liabilities			
Payables and deferred revenue	15,948	13,721	13,852
Provisions	30	30	30
Employee benefit liabilities	1,422	1,060	1,226
Derivative financial instruments	702	–	269
Borrowings and other financial liabilities	28,000	10,000	28,000
Total current liabilities	46,102	24,811	43,377
Non-current liabilities			
Provisions	5,381	6,425	5,381
Employee benefit liabilities	256	207	256
Borrowings and other financial liabilities	80,000	117,821	93,000
Derivative financial instruments	1,296	–	121
Other	(17)	3,615	(17)
Total non-current liabilities	86,916	128,068	98,741
Total liabilities	133,018	152,879	142,118
Net assets	616,436	595,040	617,501
Equity			
Retained earnings	254,154	261,402	255,219
Revaluation reserves	352,517	324,660	352,517
Other reserves	9,765	9,978	9,765
Total equity	616,436	596,040	617,501

Funding Impact Statement for Whole of Council

	Annual Plan Budget 2021 \$000	Annual Report Actual 2021 \$000	LTP Budget 2022 \$000	LTP Budget YTD Mar 2022 \$000	Actual YTD Mar 2022 \$000	Variance YTD Mar 2022 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	10,379	10,305	11,657	8,695	8,769	74
Targeted rates	29,305	28,964	31,790	23,634	23,593	(41)
Subsidies and grants for operating purposes	2,104	6,778	2,101	1,584	2,479	895
Fees and charges	4,551	4,341	4,721	3,623	3,265	(358)
Interest and dividends from investments	206	111	200	121	8	(113)
Local authorities fuel tax, fines, infringement fees, and other receipts	3,191	4,240	4,749	2,895	3,997	1,102
Total operating funding (A)	49,736	54,739	55,218	40,552	42,111	1,559
Applications of operating funding						
Payments to staff and suppliers	39,663	45,305	45,003	33,147	35,543	(2,396)
Finance costs	3,202	2,565	2,964	2,223	1,610	613
Other operating funding applications	–	–	–	–	–	–
Total applications of operating funding (B)	42,865	47,870	47,967	35,370	37,153	(1,783)
Surplus (deficit) of operating funding (A–B)	6,871	6,869	7,251	5,182	4,958	(224)
Sources of capital funding						
Subsidies and grants for capital expenditure	10,676	12,873	15,135	12,558	4,920	(7,638)
Development and financial contributions	–	–	2,744	2,058	–	(2,058)
Increase (decrease) in debt	9,325	2,000	20,022	15,017	13,000	(2,017)
Gross proceeds from sale of assets	5,000	2,040	2,056	1,542	339	(1,203)
Lump sum contributions	–	–	–	–	–	–
Other dedicated capital funding	–	–	–	–	–	–
Total sources of capital funding (C)	25,001	16,913	39,957	31,175	18,259	(12,916)
Applications of capital funding						
Capital expenditure						
– to meet additional demand	2,000	2,616	18,042	13,532	5,571	7,961
– to improve the level of service	16,182	18,211	18,659	13,994	5,612	8,382
– to replace existing assets	12,425	10,872	18,838	14,129	7,425	6,704
Increase (decrease) in reserves	1,265	(7,994)	(8,331)	(5,298)	4,411	(9,709)
Increase (decrease) of investments	–	77	–	–	198	(198)
Total applications of capital funding (D)	31,872	23,782	47,208	36,357	23,217	13,140
Surplus (deficit) of capital funding (C–D)	(6,871)	(6,869)	(7,251)	(5,182)	(4,958)	224
Funding balance ((A–B)+(C–D))	–	–	–	–	–	–
Depreciation	14,848	15,399	14,722	11,042	11,139	(97)

Statement of Rates Debtors

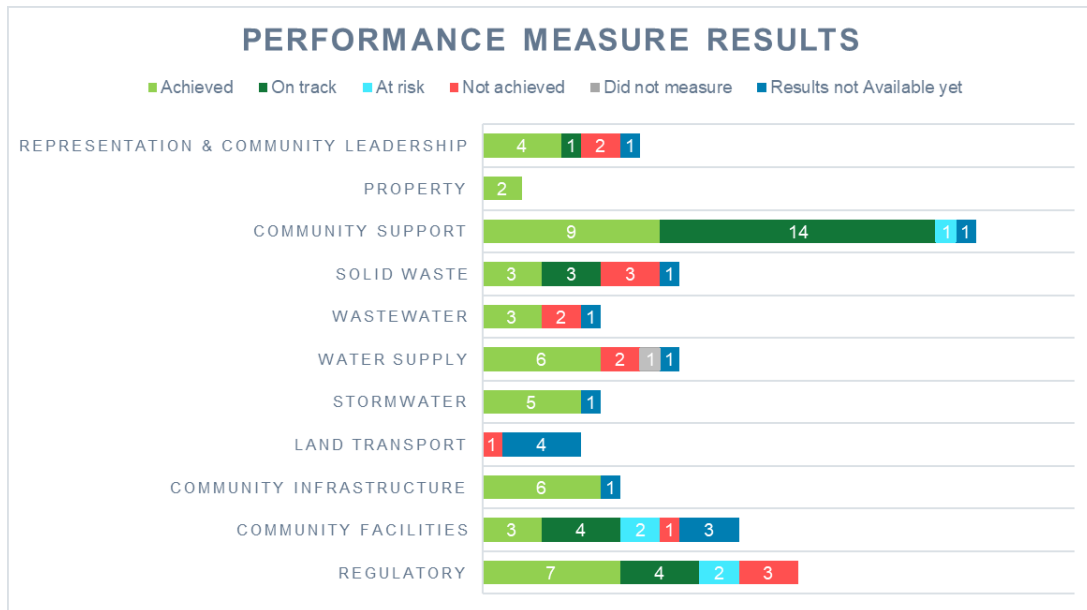
Rate Zone	Assessment Count	Assessments Matching Criteria	% Matching Criteria	Total Rates Due	Year to Date Rates Due (Ahead)	Instalment 1 Due	Instalment 2 Due	Instalment 3 Due	Penalties Arrears	Prior Year Arrears
Cancelled Assessment	550	15	3%	\$136,355	\$2,951	\$885	\$885	\$1,025	\$156	\$133,404
Foxton	1,281	104	8%	\$202,909	\$125,003	\$19,293	\$28,652	\$57,882	\$19,174	\$77,906
Foxton Beach	1,618	106	7%	\$219,888	\$115,907	\$12,545	\$19,142	\$54,305	\$29,917	\$103,981
Hokio Beach	187	32	17%	\$250,682	\$33,209	\$8,273	\$9,821	\$11,876	\$3,358	\$217,472
Levin	7,706	537	7%	\$648,208	\$554,770	\$75,246	\$120,517	\$292,894	\$66,483	\$93,438
Manakau	86	5	6%	\$6,214	\$3,733	\$411	\$894	\$1,669	\$758	\$2,481
No Charges	503	-	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non Rateable	144	3	2%	\$7,646	\$1,273	\$147	\$389	\$657	\$81	\$6,374
Ohau	153	10	7%	\$11,090	\$10,960	\$1,447	\$3,106	\$5,045	\$1,362	\$130
Rural Farming	1,978	119	6%	\$394,332	\$102,072	\$15,317	\$19,352	\$41,250	\$26,327	\$292,261
Rural Other	3,028	231	8%	\$313,648	\$200,920	\$30,574	\$42,825	\$96,622	\$30,903	\$112,728
Shannon	688	87	13%	\$202,021	\$108,480	\$14,380	\$24,657	\$42,271	\$27,172	\$93,541
Tokomaru	164	18	11%	\$17,380	\$17,018	\$1,567	\$2,900	\$10,380	\$2,172	\$363
Utilities	17	-	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Waikawa Beach	231	7	3%	\$7,306	\$5,108	\$443	\$869	\$2,951	\$846	\$2,199
Waitare Beach	999	56	6%	\$49,860	\$46,388	\$5,015	\$10,722	\$25,671	\$4,979	\$3,472
Totals at 31 March 2022	19,333	1,330	7%	\$2,467,540	\$1,327,791	\$185,543	\$284,732	\$644,498	\$213,687	\$1,139,749
Total at 31 March 2021	19,130	1,289	7%	\$2,077,340	\$1,126,647	\$158,251	\$239,471	\$556,738	\$173,666	\$950,692

- This report excludes assessments with total rates due under \$99 and assessment with credit balances.
- The total arrears of \$1,139,749 are for total arrears as at 31 March 2022. The team are currently working to understand the 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 (\$)
Current debtors					
Aquatic Centre	396	0	0	0	396
Building - Exempt Work	413	0	0	0	413
Building Consents	244,345	89,772	24,218	6,946	123,410
Building Fee - BWO	4,225	2,400	320	80	1,425
Cemeteries	27,650	16,855	8,345	0	2,450
Dogs - Debt Collection	2,080	247	0	0	1,834
Dogs Arrange to pay	814	100	553	44	117
Dogs Pre Payments	20	0	0	20	0
General	42,585	35,759	3,899	0	2,927
Health Accreditation Renewals	10,372	4,650	4,313	0	1,409
Hire	9,632	4,427	379	0	4,826
On Charges	405,706	299,110	49,270	0	57,326
Resource Consent Fees	116,424	50,939	29,734	1,200	34,551
Rubbish Bags	26,980	13,680	13,300	0	0
Swimming Pools	1,540	0	0	0	1,540
Te Awahou	4,168	1,631	193	0	2,344
Te Horowhenua Trust General	8,943	0	0	0	8,943
Te Takere	10,715	7,307	664	20	2,724
Trade Waste	86,059	1,149	192	0	84,719
Water Septage - Septic Tank	6,420	6,303	12	0	105
Total current debtors	1,005,058	534,769	136,324	8,412	325,553
Non current debtors					
Dev Cont New Policy	19,741	0	0	0	19,741
Develop Cont Old Policy	6,055	0	0	0	6,055
Rental Income Monthly	72,614	650	20,017	2,617	49,330
Total non-current debtors	98,410	650	20,017	2,617	75,127
Total as at 31 March 2022	1,103,468	535,419	156,341	11,028	400,679
Total as at 31 March 2021	1,876,600	1,562,945	82,546	10,827	103,475

Performance Measure Results



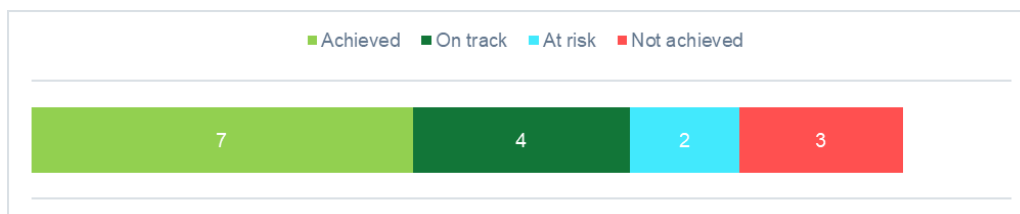
PLANNING AND REGULATORY Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Mar 2022 \$000	Actual Mar YTD 2022 \$000	Variance Mar YTD 2022 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	2,453	1,840	1,842	2
Targeted rates	—	—	—	—
Subsidies and grants for operating purposes	—	—	—	—
Fees and charges	204	153	174	21
Local authorities fuel tax, fines, infringement fees, and other receipts	3,490	2,592	3,211	619
Internal charges and overheads recovered	—	—	—	—
Total operating funding (A)	6,147	4,585	5,227	642
Applications of operating funding				
Payments to staff and suppliers	615	419	566	(147)
Finance costs	1	1	—	1
Internal charges and overheads applied	5,461	4,095	3,813	282
Other operating funding applications	—	—	—	—
Total applications of operating funding (B)	6,077	4,515	4,379	136
Surplus (deficit) of operating funding (A-B)	70	70	848	778
Sources of capital funding				
Subsidies and grants for capital expenditure	—	—	—	—
Development and financial contributions	—	—	—	—
Increase (decrease) in debt	14	11	—	(11)
Gross proceeds from sale of assets	—	—	29	29
Lump sum contributions	—	—	—	—
Other dedicated capital funding	—	—	—	—
Total sources of capital funding (C)	14	11	29	19
Applications of capital funding				
Capital expenditure	—	—	—	—
- to meet additional demand	—	—	—	—
- to improve the level of service	80	60	12	48
- to replace existing assets	4	3	63	(60)
Increase (decrease) in reserves	—	18	802	(785)
Increase (decrease) of investments	—	—	—	—
Total applications of capital funding (D)	84	81	877	(797)
Surplus (deficit) of capital funding (C-D)	(70)	(70)	(848)	(778)
Funding balance ((A-B)+(C-D))	—	—	—	—
Depreciation	70	52	52	—

Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Mar 2022 \$000	Actual Mar YTD 2022 \$000	Variance Mar YTD 2022 \$000
Animal Control	284	213	168	45
Building Consents	1,494	1,071	1,036	35
Building Policy	441	337	335	2
Dog Control	714	537	407	130
Environmental Health	545	409	337	72
Environmental Health Policy	144	108	99	9
Liquor Licensing	267	200	165	35
Liquor Policy	74	55	52	3
Parking	439	329	248	81
Planning Policy	448	336	309	27
Resource Management	1,123	841	1,150	(309)
Safety Licensing	174	131	125	6
Total Expenditure	6,147	4,567	4,431	136

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
Resource Consenting					
RS1	Processing of applications under the Resource Management Act (RMA) 1991.	Applications under the RMA will be processed within statutory timeframes.	95%	<p>At risk</p> <p>As at 31 March 2022, 235 consents have been approved YTD for Land Use, Subdivision, Boundary Activities and “other”, approximately 58% 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 & 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>	D22/39379
Building Consenting					
RS2	Carry out Building Consent Authority functions including enforcement of legislation relating to construction of buildings and structures.	Building consent applications are processed within statutory timeframes.	98%	<p>At risk</p> <p>As at 31 March 2022, 564 building consents were granted YTD, 86% within statutory timeframes.</p> <p>Seventy eight (78) consents have been processed outside the statutory timeframe YTD. This was due to the large numbers of applications received between May-June 2021, delays in replacing staff members who have left and the sudden illness and subsequent departure of a key staff member in October/November. This measure is considered to be in progress as the overall percentage compliance with the KPI is anticipated to change throughout the year.</p>	D22/39331
Building Compliance					
RS9	Carry out territorial authority functions including enforcement of legislation.	100% of BWOs are renewed or Notices to Fix are issued.	Achieve	<p>Not achieved</p> <p>As at 31 March 2022, 317 BWOs are on the register and compliant. One contractor was behind in supplying BWO documentation in November 2021.</p>	

REGULATORY SERVICES – Performance Measures

Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2021/22)	Actual Performance	CM9 Ref														
Resource Management Compliance																			
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	Not achieved As at 31 March 2022, The compliance team continues to respond to reports of non-compliance however the timeframe of 5 working days has not always been achieved. The RMA Monitoring & Compliance Officer role is currently vacant.															
RS16	Public safety bylaws and other legislation will be enforced.	Percent of reported non-compliances and complaints that are responded to within five working days.	100%	Not achieved As at 31 March 2022, 119 complaints received have been responded to. Recruitment into vacant roles continues to be a challenge. The 119 complaints responded to comprise of: <table><tr><th></th><th>Year to Date</th></tr><tr><td>Smoke</td><td>5</td></tr><tr><td>Health Act</td><td>47</td></tr><tr><td>Local Government Act</td><td>43</td></tr><tr><td>Council Bylaws</td><td>23</td></tr><tr><td>Drainage Act</td><td>1</td></tr><tr><td>Total</td><td>119</td></tr></table>		Year to Date	Smoke	5	Health Act	47	Local Government Act	43	Council Bylaws	23	Drainage Act	1	Total	119	
	Year to Date																		
Smoke	5																		
Health Act	47																		
Local Government Act	43																		
Council Bylaws	23																		
Drainage Act	1																		
Total	119																		

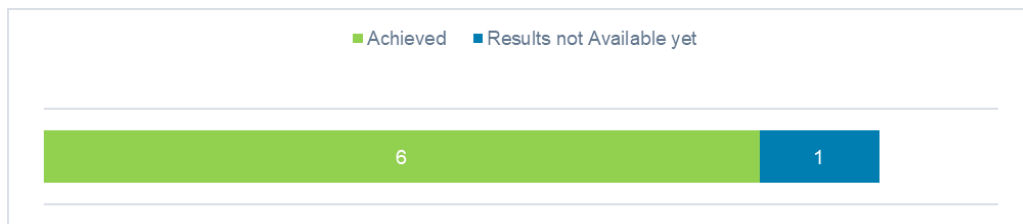
COMMUNITY INFRASTRUCTURE Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Mar 2022 \$000	Actual Mar YTD 2022 \$000	Variance Mar YTD 2022 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	5,325	3,994	3,998	4
Targeted rates	—	—	—	—
Subsidies and grants for operating purposes	—	—	4	4
Fees and charges	285	214	234	20
Local authorities fuel tax, fines, infringement fees, and other receipts	876	57	194	137
Internal charges and overheads recovered	—	—	—	—
Total operating funding (A)	6,486	4,265	4,430	165
Applications of operating funding				
Payments to staff and suppliers	3,686	2,760	2,965	(205)
Finance costs	147	110	82	28
Internal charges and overheads applied	1,028	771	691	80
Other operating funding applications	—	—	—	—
Total applications of operating funding (B)	4,861	3,641	3,738	(97)
Surplus (deficit) of operating funding (A-B)	1,625	624	692	68
Sources of capital funding				
Subsidies and grants for capital expenditure	—	—	—	—
Development and financial contributions	632	474	—	(474)
Increase (decrease) in debt	1,481	1,111	—	(1,111)
Gross proceeds from sale of assets	—	—	—	—
Lump sum contributions	—	—	—	—
Other dedicated capital funding	—	—	—	—
Total sources of capital funding (C)	2,113	1,585	—	(1,585)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	607	455	601	(146)
- to improve the level of service	1,303	977	503	474
- to replace existing assets	1,882	1,412	802	610
Increase (decrease) in reserves	(54)	(635)	(1,214)	579
Increase (decrease) of investments	—	—	—	—
Total applications of capital funding (D)	3,738	2,209	692	1,517
Surplus (deficit) of capital funding (C-D)	(1,625)	(624)	(692)	(68)
Funding balance ((A-B)+(C-D))	—	—	—	—
Depreciation	724	543	543	—

Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Mar 2022 \$000	Actual Mar YTD 2022 \$000	Variance Mar YTD 2022 \$000
Cemeteries	604	450	420	30
Public Toilets	328	246	216	30
Beautification	642	481	354	127
Reserves	2,020	1,515	1,508	7
Sportsgrounds	1,227	919	1,222	(303)
Halls	284	213	214	(1)
Urban Cleaning	480	360	347	13
Total Expenditure	5,585	4,184	4,281	(97)

Performance Measures – LTP/Annual Plan Summary



COMMUNITY FACILITIES Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Mar 2022 \$000	Actual Mar YTD 2022 \$000	Variance Mar YTD 2022 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	—	—	—	—
Targeted rates	6,840	5,130	5,136	6
Subsidies and grants for operating purposes	316	237	354	117
Fees and charges	1,041	781	523	(258)
Local authorities fuel tax, fines, infringement fees, and other receipts	—	—	13	13
Internal charges and overheads recovered	—	—	—	—
Total operating funding (A)	8,197	6,148	6,026	(122)
Applications of operating funding				
Payments to staff and suppliers	5,464	4,102	3,754	348
Finance costs	455	341	245	96
Internal charges and overheads applied	1,316	987	1,082	(95)
Other operating funding applications	—	—	—	—
Total applications of operating funding (B)	7,235	5,430	5,081	349
Surplus (deficit) of operating funding (A-B)	962	718	945	227
Sources of capital funding				
Subsidies and grants for capital expenditure	—	—	—	—
Development and financial contributions	—	—	—	—
Increase (decrease) in debt	1,741	1,306	—	(1,306)
Gross proceeds from sale of assets	—	—	—	—
Lump sum contributions	—	—	—	—
Other dedicated capital funding	—	—	—	—
Total sources of capital funding (C)	1,741	1,306	—	(1,306)
Applications of capital funding				
Capital expenditure	—	—	—	—
- to meet additional demand	—	—	—	—
- to improve the level of service	1,706	1,280	189	1,091
- to replace existing assets	997	748	430	318
Increase (decrease) in reserves	—	(4)	326	(330)
Increase (decrease) of investments	—	—	—	—
Total applications of capital funding (D)	2,703	2,024	945	1,079
Surplus (deficit) of capital funding (C-D)	(962)	(718)	(945)	(227)
Funding balance ((A-B)+(C-D))	-	-	-	-
Depreciation	962	721	818	(97)

Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Mar 2022 \$000	Actual Mar YTD 2022 \$000	Variance Mar YTD 2022 \$000
Libraries and Community Centres	5,384	4,050	3,741	309
Aquatic Centres	2,814	2,101	2,158	(57)
Total Expenditure	8,198	6,151	5,899	252

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												
Community Centres and Libraries																	
CF14	Council provides community facilities for residents, ratepayers, and visitors to access Community services including library services.	Number of visitors to our Community Hubs and Libraries.	≥ 550,000	At risk As at 31 March 2022 <table><tr><th></th><th>February 2022</th><th>Year to Date</th></tr><tr><td>Te Takeretanga o Kura-hau-pō</td><td>15,058</td><td>158,568</td></tr><tr><td>Te Awahou Nieuwe Stroom</td><td>7,106</td><td>61,574</td></tr><tr><td>Shannon Library</td><td>1,281</td><td>12,415</td></tr></table>		February 2022	Year to Date	Te Takeretanga o Kura-hau-pō	15,058	158,568	Te Awahou Nieuwe Stroom	7,106	61,574	Shannon Library	1,281	12,415	D19/98604
			February 2022		Year to Date												
		Te Takeretanga o Kura-hau-pō	15,058		158,568												
		Te Awahou Nieuwe Stroom	7,106		61,574												
		Shannon Library	1,281		12,415												
Te Takeretanga o Kura-hau-pō	≥ 375,000																
Te Awahou Nieuwe Stroom	≥ 150,000																
Shannon Library	≥ 25,000																
CF17	Customers have access to a range of current information in both print and digital format.	Number of items loaned from the libraries across the District, including books, magazines etc.	≥ 270,000	At risk As at 31 March 2022, broken down as follows: <table><tr><th>Library</th><th>Issues</th></tr><tr><td>Levin</td><td>123,751</td></tr><tr><td>Foxton</td><td>14,576</td></tr><tr><td>Shannon</td><td>4,504</td></tr><tr><td>Digital</td><td>10,165</td></tr><tr><td>Total</td><td>153,176</td></tr></table>	Library	Issues	Levin	123,751	Foxton	14,576	Shannon	4,504	Digital	10,165	Total	153,176	D22/12552
					Library	Issues											
					Levin	123,751											
					Foxton	14,576											
					Shannon	4,504											
					Digital	10,165											
					Total	153,176											
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%	Not achieved As at 31 March 2022 <table><tr><th></th><th>2021/22 YTD</th><th>2020/21 YTD</th><th>% change</th></tr><tr><td>Unique users</td><td>58,637*</td><td>67,412*</td><td>-13%</td></tr><tr><td>Sessions</td><td>85,170</td><td>93,525</td><td>-9%</td></tr></table>		2021/22 YTD	2020/21 YTD	% change	Unique users	58,637*	67,412*	-13%	Sessions	85,170	93,525	-9%	D19/98604
						2021/22 YTD	2020/21 YTD	% change									
					Unique users	58,637*	67,412*	-13%									
					Sessions	85,170	93,525	-9%									

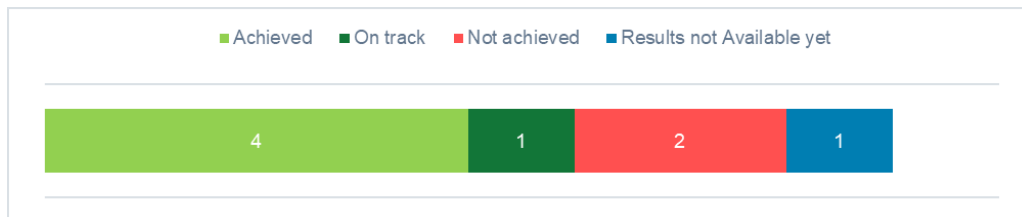
REPRESENTATION AND COMMUNITY LEADERSHIP Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Mar 2022 \$000	Actual Mar YTD 2022 \$000	Variance Mar YTD 2022 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	267	200	200	–
Targeted rates	4,051	3,038	3,042	4
Subsidies and grants for operating purposes	–	–	158	158
Fees and charges	–	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	1	1	1	–
Internal charges and overheads recovered	–	–	–	–
Total operating funding (A)	4,319	3,239	3,401	162
Applications of operating funding				
Payments to staff and suppliers	2,057	1,519	1,530	(11)
Finance costs	107	80	60	20
Internal charges and overheads applied	3,709	2,782	3,122	(340)
Other operating funding applications	–	–	–	–
Total applications of operating funding (B)	5,873	4,381	4,712	(331)
Surplus (deficit) of operating funding (A-B)	(1,554)	(1,142)	(1,311)	(169)
Sources of capital funding				
Subsidies and grants for capital expenditure	–	–	670	670
Development and financial contributions	–	–	–	–
Increase (decrease) in debt	2,055	1,541	–	(1,541)
Gross proceeds from sale of assets	–	–	–	–
Lump sum contributions	–	–	–	–
Other dedicated capital funding	–	–	–	–
Total sources of capital funding (C)	2,055	1,541	670	(871)
Applications of capital funding				
Capital expenditure	–	–	–	–
- to meet additional demand	–	–	–	–
- to improve the level of service	500	375	–	375
- to replace existing assets	–	–	1	(1)
Increase (decrease) in reserves	1	24	(642)	666
Increase (decrease) of investments	–	–	–	–
Total applications of capital funding (D)	501	399	(641)	1,040
Surplus (deficit) of capital funding (C-D)	1,554	1,142	1,311	169
Funding balance ((A-B)+(C-D))	–	–	–	–
Depreciation	–	–	–	–

Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Mar 2022 \$000	Actual Mar YTD 2022 \$000	Variance Mar YTD 2022 \$000
Community Board	182	135	132	3
Elections	11	8	20	(12)
Governance	2,174	1,626	1,696	(70)
External Reporting	1,649	1,204	1,064	140
District Planning	1,858	1,177	1,707	(530)
Growth Response	–	231	93	138
Total Expenditure	5,874	4,381	4,712	(331)

Performance Measures – LTP/Annual Plan Summary



REPRESENTATION AND COMMUNITY LEADERSHIP – Performance Measures

Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2021/22)	Actual Performance	CM9 Ref
Representation and Community Leadership					
RCL2	Council provides open, accessible information and processes to local government and the Community	Official Information requests are processed in accordance with the LGOIMA.	100% compliance rate	Not achieved As at 31 March 2022: 111 LGOIMA requests had been received 101 were processed on time 1 was sent late 10 remain open on time 0 remains open with an extension 3 were withdrawn 2 extensions were applied for, accepted and sent within time. <i>*Late response was provided at EOD completion day, was delivered to the customer the next morning.</i>	
RCL7	Council's planning documents meet statutory requirements and have unqualified audit opinions.	The Annual Report will include an unqualified audit opinion.	Achieve	Not achieved The Annual Report was adopted 16 December. However the report was qualified due to audit unable to verify the completeness of SSP data which was collected by PNCC.	D22/19649

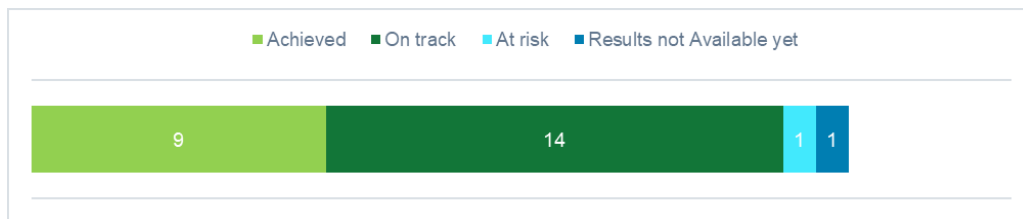
COMMUNITY SUPPORT Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Mar 2022 \$000	Actual Mar YTD 2022 \$000	Variance Mar YTD 2022 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	2,759	2,069	2,071	2
Targeted rates	—	—	—	—
Subsidies and grants for operating purposes	33	33	581	548
Fees and charges	—	—	—	—
Local authorities fuel tax, fines, infringement fees, and other receipts	51	51	110	59
Internal charges and overheads recovered	—	—	—	—
Total operating funding (A)	2,843	2,153	2,762	609
Applications of operating funding				
Payments to staff and suppliers	1,809	1,336	1,595	(259)
Finance costs	—	—	—	—
Internal charges and overheads applied	1,026	770	808	(38)
Other operating funding applications	—	—	—	—
Total applications of operating funding (B)	2,835	2,106	2,403	(297)
Surplus (deficit) of operating funding (A-B)	8	47	359	312
Sources of capital funding				
Subsidies and grants for capital expenditure	—	—	—	—
Development and financial contributions	—	—	—	—
Increase (decrease) in debt	75	56	—	(56)
Gross proceeds from sale of assets	—	—	—	—
Lump sum contributions	—	—	—	—
Other dedicated capital funding	—	—	—	—
Total sources of capital funding ©	75	56	—	(56)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	—	—	—	—
- to improve the level of service	47	35	6	29
- to replace existing assets	28	21	9	12
Increase (decrease) in reserves	8	47	344	(297)
Increase (decrease) of investments	—	—	—	—
Total applications of capital funding (D)	83	103	359	(256)
Surplus (deficit) of capital funding (C-D)	(8)	(47)	(359)	(312)
Funding balance ((A-B)+(C-D))	—	—	—	—
Depreciation	9	7	7	—

Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Mar 2022 \$000	Actual Mar YTD 2022 \$000	Variance Mar YTD 2022 \$000
Community Development	684	509	469	40
Economic Development	914	662	872	(210)
Visitor Information	86	57	67	(10)
Community Grants and Funding	465	379	346	33
District Communication	431	311	274	37
Emergency Management	262	—	382	(187)
Total Expenditure	2,843	2,111	2,409	(297)

Performance Measures – LTP/Annual Plan Summary



COMMUNITY SUPPORT – Performance Measure Not Achieved Measures Only					
Ref	Service	How will we measure our performance	Target (2021/22)	Actual Performance	CM9 Ref
Visitor Information					
CS23	Council supports the promotion of Horowhenua as a tourism destination.	Annual number of visitor information enquiries conducted from Horowhenua i-Sites.	≥ 10,000	At risk As at 31 March 2022, manually collated statistics on Visitor Information enquiries are: 4,568 - YTD	

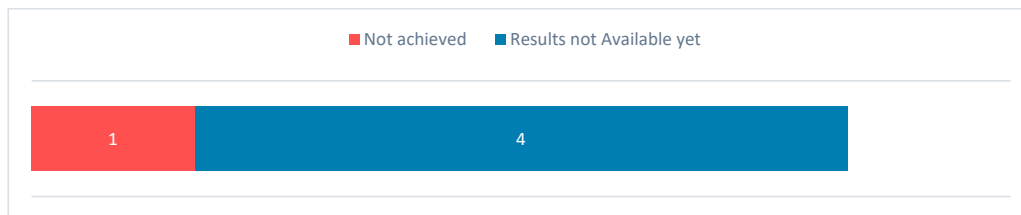
LAND TRANSPORT Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Mar 2022 \$000	Actual Mar YTD 2022 \$000	Variance Mar YTD 2022 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	—	—	—	—
Targeted rates	3,011	2,258	2,261	3
Subsidies and grants for operating purposes	1,752	1,314	1,374	60
Fees and charges	—	—	—	—
Local authorities fuel tax, fines, infringement fees, and other receipts	376	283	208	(75)
Internal charges and overheads recovered	—	—	—	—
Total operating funding (A)	5,139	3,855	3,843	(12)
Applications of operating funding				
Payments to staff and suppliers	2,945	2,208	3,344	(1,136)
Finance costs	153	115	54	61
Internal charges and overheads applied	1,020	765	712	53
Other operating funding applications	—	—	—	—
Total applications of operating funding (B)	4,118	3,088	4,110	(1,022)
Surplus (deficit) of operating funding (A-B)	1,021	767	(267)	(1,034)
Sources of capital funding				
Subsidies and grants for capital expenditure	9,685	8,470	3,336	(5,134)
Development and financial contributions	276	207	—	(207)
Increase (decrease) in debt	4,490	3,368	—	(3,368)
Gross proceeds from sale of assets	—	—	—	—
Lump sum contributions	—	—	—	—
Other dedicated capital funding	—	—	—	—
Total sources of capital funding (C)	14,451	12,045	3,336	(8,709)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	4,960	3,720	357	3,363
- to improve the level of service	6,820	5,115	2,654	2,461
- to replace existing assets	3,540	2,655	2,304	351
Increase (decrease) in reserves	152	1,322	(2,246)	3,568
Increase (decrease) of investments	—	—	—	—
Total applications of capital funding (D)	15,472	12,812	3,069	9,743
Surplus (deficit) of capital funding (C-D)	(1,021)	(767)	267	1,034
Funding balance ((A-B)+(C-D))	—	—	—	—
Depreciation	3,932	2,949	2,949	—

Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Mar 2022 \$000	Actual Mar YTD 2022 \$000	Variance Mar YTD 2022 \$000
Subsidised Roothing	7,278	5,458	5,468	(10)
Footpaths	376	282	282	–
Shared Pathways	161	120	105	15
Unsubsidised Roothing	236	177	214	(37)
Emergency Works	–	–	990	(990)
Total Expenditure	8,050	6,037	7,058	(1,022)

Performance Measures – LTP/Annual Plan Summary



LAND TRANSPORT – Performance Measures – LTP/Annual Plan Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2021/22)	Actual Performance	RM8 Ref
LT5	Good response to service requests*.	The percentage of customer service requests relating to roads and footpaths to which Council responds within 15 working days.	> 95%	Not achieved As of 31 March 2022, Year-to-date 1,349 CRMs have been received with 94.5% closed within 15 working days.	

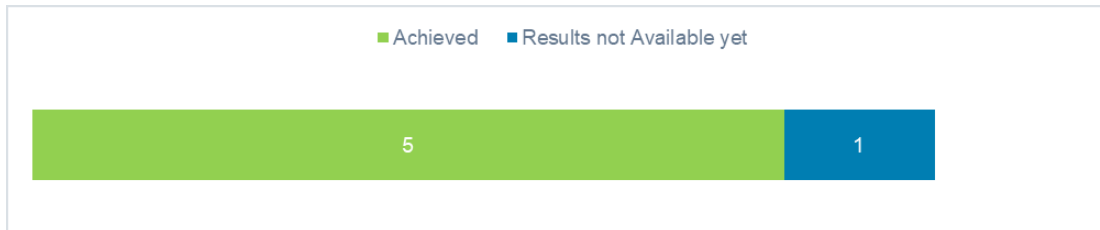
STORMWATER Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Mar 2022 \$000	Actual Mar YTD 2022 \$000	Variance Mar YTD 2022 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	–	–	–	–
Targeted rates	1,656	1,242	1,244	2
Subsidies and grants for operating purposes	–	–	–	–
Fees and charges	–	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	93	70	–	(70)
Internal charges and overheads recovered	–	–	–	–
Total operating funding (A)	1,749	1,312	1,244	(68)
Applications of operating funding				
Payments to staff and suppliers	565	424	364	60
Finance costs	254	190	132	58
Internal charges and overheads applied	376	282	376	(94)
Other operating funding applications	–	–	–	–
Total applications of operating funding (B)	1,195	896	872	24
Surplus (deficit) of operating funding (A-B)	554	416	372	(44)
Sources of capital funding				
Subsidies and grants for capital expenditure	1,300	975	–	(975)
Development and financial contributions	94	70	–	(70)
Increase (decrease) in debt	3,389	2,542	–	(2,542)
Gross proceeds from sale of assets	–	–	–	–
Lump sum contributions	–	–	–	–
Other dedicated capital funding	–	–	–	–
Total sources of capital funding (C)	4,783	3,587	–	(3,587)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	2,006	1,505	746	759
- to improve the level of service	3,115	2,336	319	2,017
- to replace existing assets	156	117	38	79
Increase (decrease) in reserves	60	45	(731)	776
Increase (decrease) of investments	–	–	–	–
Total applications of capital funding (D)	5,337	4,003	372	3,631
Surplus (deficit) of capital funding (C-D)	(554)	(416)	(372)	44
Funding balance ((A-B)+(C-D))	–	–	–	–
Depreciation	716	537	537	–

Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Mar 2022 \$000	Actual Mar YTD 2022 \$000	Variance Mar YTD 2022 \$000
Stormwater Drainage	1,927	1,433	1,409	24
Total Expenditure	1,927	1,433	1,409	24

Performance Measures – LTP/Annual Plan Summary



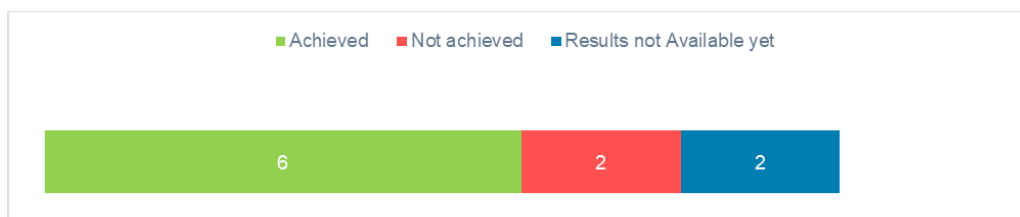
WATER SUPPLY Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Mar 2022 \$000	Actual Mar YTD 2022 \$000	Variance Mar YTD 2022 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	—	—	—	—
Targeted rates	7,165	5,165	5,098	(67)
Subsidies and grants for operating purposes	—	—	—	—
Fees and charges	62	47	34	(13)
Local authorities fuel tax, fines, infringement fees, and other receipts	128	77	4	(73)
Internal charges and overheads recovered	—	—	—	—
Total operating funding (A)	7,355	5,289	5,136	(153)
Applications of operating funding				
Payments to staff and suppliers	3,805	2,844	3,005	(161)
Finance costs	471	353	250	103
Internal charges and overheads applied	852	639	701	(62)
Other operating funding applications	—	—	—	—
Total applications of operating funding (B)	5,128	3,836	3,956	(120)
Surplus (deficit) of operating funding (A-B)	2,227	1,453	1,180	(273)
Sources of capital funding				
Subsidies and grants for capital expenditure	1,254	941	—	(941)
Development and financial contributions	220	165	—	(165)
Increase (decrease) in debt	1,912	1,434	—	(1,434)
Gross proceeds from sale of assets	—	—	—	—
Lump sum contributions	—	—	—	—
Other dedicated capital funding	—	—	—	—
Total sources of capital funding (C)	3,386	2,540	—	(2,540)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	1,420	1,065	294	771
- to improve the level of service	517	388	108	280
- to replace existing assets	3,899	2,924	616	2,308
Increase (decrease) in reserves	(223)	(384)	162	(546)
Increase (decrease) of investments	—	—	—	—
Total applications of capital funding (D)	5,613	3,993	1,180	2,813
Surplus (deficit) of capital funding (C-D)	(2,227)	(1,453)	(1,180)	273
Funding balance ((A-B)+(C-D))	—	—	—	—
Depreciation	3,338	2,503	2,503	—

Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Mar 2022 \$000	Actual Mar YTD 2022 \$000	Variance Mar YTD 2022 \$000
Foxton Water	1,222	918	793	125
Foxton Beach Water	959	719	641	78
Levin Water	4,693	3,508	3,823	(315)
Shannon Water	975	731	740	(9)
Tokomaru Water	529	397	403	(6)
Ohau Water	67	51	47	4
Waitarere Beach Water	20	15	12	3
Total Expenditure	8,518	6,339	6,459	(120)

Performance Measures – LTP/Annual Plan Summary



WATER SUPPLY – Performance Measures – LTP/Annual Plan

Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2021/22)	Actual Performance	RM8 Ref												
WS7	Water supply is sustainable*	Average consumption of drinking water per person per day (lpcd) within the water supply areas (target based on Horizons One Plan - Section 5.4.3.1). lpcd – litres per capita per day.	≤ 300 lpcd	Not achieved As at 31 March 2022, YTD average consumption across the district is 393L/person/day. This is calculated based on total water produced, minus commercial consumption, then divided by the connected population.	D21/111614												
WS9	Minimal water losses*.	Real water loss performance of the network as measured by the standard World Bank Institute Band for Leakage.	Band “B”	Not achieved A system for the monitoring of night flow trends, which form the basis of this performance assessment, has been implemented for all the supplies. The assessment which determines achievement/non-achievement has been updated with the values for March 2022 as shown in the table below. <table><tr><th>Supply</th><th>"Snapshot" Infrastructure Leakage Index</th></tr><tr><td>Levin</td><td>C</td></tr><tr><td>Shannon & Mangaore</td><td>C</td></tr><tr><td>Foxton</td><td>C</td></tr><tr><td>Foxton Beach</td><td>A</td></tr><tr><td>Tokomaru</td><td>B</td></tr></table> Only Foxton Beach and Tokomaru achieved the target WBI band for Leakage in March.	Supply	"Snapshot" Infrastructure Leakage Index	Levin	C	Shannon & Mangaore	C	Foxton	C	Foxton Beach	A	Tokomaru	B	D22/26606
Supply	"Snapshot" Infrastructure Leakage Index																
Levin	C																
Shannon & Mangaore	C																
Foxton	C																
Foxton Beach	A																
Tokomaru	B																

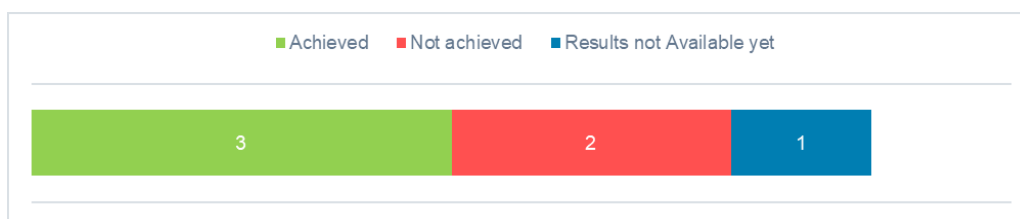
WASTEWATER MANAGEMENT Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Mar 2022 \$000	Actual Mar YTD 2022 \$000	Variance Mar YTD 2022 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	–	–	–	–
Targeted rates	6,854	5,140	5,146	6
Subsidies and grants for operating purposes	–	–	–	–
Fees and charges	1,191	893	986	93
Local authorities fuel tax, fines, infringement fees, and other receipts	112	65	95	30
Internal charges and overheads recovered	–	–	–	–
Total operating funding (A)	8,157	6,098	6,227	129
Applications of operating funding				
Payments to staff and suppliers	3,903	2,764	3,217	(453)
Finance costs	921	691	450	241
Internal charges and overheads applied	869	652	670	(18)
Other operating funding applications	–	–	–	–
Total applications of operating funding (B)	5,693	4,107	4,337	(230)
Surplus (deficit) of operating funding (A-B)	2,464	1,991	1,890	(101)
Sources of capital funding				
Subsidies and grants for capital expenditure	2,693	2,020	915	(1,105)
Development and financial contributions	1,523	1,142	–	(1,142)
Increase (decrease) in debt	8,682	6,512	–	(6,512)
Gross proceeds from sale of assets	–	–	–	–
Lump sum contributions	–	–	–	–
Other dedicated capital funding	–	–	–	–
Total sources of capital funding (C)	12,898	9,674	915	(8,759)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	7,306	5,480	3,402	2,078
- to improve the level of service	2,465	1,849	379	1,470
- to replace existing assets	5,491	4,118	1,011	3,107
Increase (decrease) in reserves	100	218	(1,987)	2,205
Increase (decrease) of investments	–	–	–	–
Total applications of capital funding (D)	15,362	11,665	2,805	8,860
Surplus (deficit) of capital funding (C-D)	(2,464)	(1,991)	(1,890)	101
Funding balance ((A-B)+(C-D))	–	–	–	–
Depreciation	3,797	2,848	2,848	–

Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Mar 2022 \$000	Actual Mar YTD 2022 \$000	Variance Mar YTD 2022 \$000
Foxton Wastewater	1,139	854	772	(82)
Foxton Beach Wastewater	819	614	654	40
Levin Wastewater	5,412	3,897	3,952	55
Shannon Wastewater	1,183	888	886	(2)
Tokomaru Wastewater	336	252	208	(44)
Waitarere Beach Wastewater	565	423	689	266
Ōhau Wastewater	37	27	24	(3)
Total Expenditure	9,522	6,956	7,185	230

Performance Measures – LTP/Annual Plan Summary



WASTEWATER MANAGEMENT – Performance Measures – LTP/Annual Plan

Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2021/22)	Actual Performance	RM8 Ref																							
WW3	Council provides a good response to wastewater system faults reported*.	The median time (hrs) from the time that Council receives a notification, to the time that services personnel reach the site in responding to an overflow resulting from a wastewater blockage or other fault.*	< 1 hour	Not achieved As at 31 March 2022: <table><tr><th></th><th>Year to Date</th></tr><tr><td>Response time</td><td>1hr 38mins*</td></tr></table> *Rain events in early and mid-February contributed to the slower response times. Priority was given to resolving issues with the system before attending to individual properties		Year to Date	Response time	1hr 38mins*	D21/144917																			
	Year to Date																											
Response time	1hr 38mins*																											
WW5	The service is satisfactory*	<p>The total number of complaints received (expressed per 1000 connections to the wastewater system) regarding:</p> <p>Wastewater odour;</p> <p>Wastewater systems faults;</p> <p>Wastewater system blockages; and</p> <p>Council's response to issues with its wastewater system.</p> <p>Total number of complaints received about any of the above.</p>	<p>< 4</p> <p>< 6</p> <p>< 8</p> <p>< 4</p> <p>< 22</p>	Achieved except for Blockages As at 31 March 2022: <table><tr><th rowspan="2"></th><th colspan="2">Year to Date</th></tr><tr><th>Per 1000 Connections</th><th>No. of Complaints</th></tr><tr><td>Odour</td><td>0.46</td><td>6</td></tr><tr><td>Faults</td><td>1.84</td><td>24</td></tr><tr><td>Blockages</td><td>8.74</td><td>114</td></tr><tr><td>Council's Response</td><td>0</td><td>0</td></tr><tr><td>Total</td><td>11.04</td><td>144</td></tr><tr><td colspan="3">Number of connections as at 1 July 2021 = 13,048</td></tr></table>		Year to Date		Per 1000 Connections	No. of Complaints	Odour	0.46	6	Faults	1.84	24	Blockages	8.74	114	Council's Response	0	0	Total	11.04	144	Number of connections as at 1 July 2021 = 13,048			D21/144917
	Year to Date																											
	Per 1000 Connections	No. of Complaints																										
Odour	0.46	6																										
Faults	1.84	24																										
Blockages	8.74	114																										
Council's Response	0	0																										
Total	11.04	144																										
Number of connections as at 1 July 2021 = 13,048																												

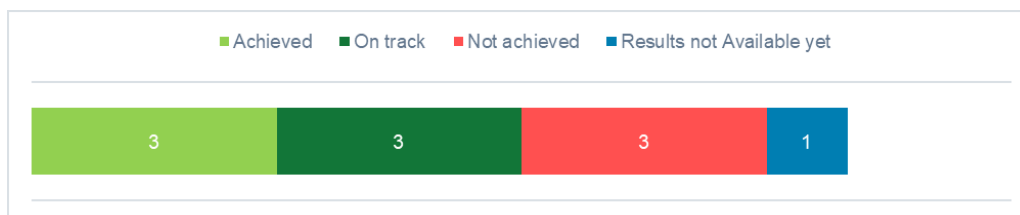
SOLID WASTE MANAGEMENT Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Mar 2022 \$000	Actual Mar YTD 2022 \$000	Variance Mar YTD 2022 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	–	–	–	–
Targeted rates	2,214	1,660	1,662	2
Subsidies and grants for operating purposes	–	–	–	–
Fees and charges	1,767	1,392	1,122	(270)
Local authorities fuel tax, fines, infringement fees, and other receipts	21	11	48	37
Internal charges and overheads recovered	–	–	–	–
Total operating funding (A)	4,002	3,063	2,832	(231)
Applications of operating funding				
Payments to staff and suppliers	3,159	2,233	2,540	(307)
Finance costs	223	167	106	61
Internal charges and overheads applied	567	425	356	69
Other operating funding applications	–	–	–	–
Total applications of operating funding (B)	3,949	2,825	3,002	(177)
Surplus (deficit) of operating funding (A-B)	53	238	(170)	(408)
Sources of capital funding				
Subsidies and grants for capital expenditure	3	2	–	(2)
Development and financial contributions	–	–	–	–
Increase (decrease) in debt	183	137	–	(137)
Gross proceeds from sale of assets	–	–	–	–
Lump sum contributions	–	–	–	–
Other dedicated capital funding	–	–	–	–
Total sources of capital funding (C)	186	139	–	(139)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	42	32	17	15
- to improve the level of service	335	251	70	181
- to replace existing assets	227	170	1,435	(1,265)
Increase (decrease) in reserves	(365)	(76)	(1,692)	1,616
Increase (decrease) of investments	–	–	–	–
Total applications of capital funding (D)	239	377	(170)	547
Surplus (deficit) of capital funding (C-D)	(53)	(238)	170	408
Funding balance ((A-B)+(C-D))	–	–	–	–
Depreciation	388	291	291	–

Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Mar 2022 \$000	Actual Mar YTD 2022 \$000	Variance Mar YTD 2022 \$000
Roadside Collection Bags	478	359	301	(58)
Landfill	1,537	1,027	1,312	285
Recycling Centres	1,884	1,401	1,311	(90)
Waste Transfer Stations	438	329	369	40
Total Expenditure	4,337	3,116	3,293	177

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	<div><div><div>Not achieved</div><div>As at 31 March 2022: These figures are not currently unavailable under the current system. The Kerbside and Transfer Station quantities are amalgamated.</div></div><table><tr><th></th><th>March 2022</th><th>Year to Date</th></tr><tr><td>Total Recycling</td><td>185.87 tonnes</td><td>1,690.22 tonnes</td></tr><tr><td>Percentage of Waste Production</td><td>10.0%</td><td>10.5%</td></tr></table><div>Please note glass recycling was suspended starting 28 March 2022 as a result of the ongoing omicron outbreak.</div></div>		March 2022	Year to Date	Total Recycling	185.87 tonnes	1,690.22 tonnes	Percentage of Waste Production	10.0%	10.5%	D21/103441
	March 2022	Year to Date												
Total Recycling	185.87 tonnes	1,690.22 tonnes												
Percentage of Waste Production	10.0%	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	<div><div><div>Not achieved</div><div>CRMs closed at 31 March 2022:</div></div><table><tr><th>March 2022</th><th>Year to Date</th></tr><tr><td>67/72</td><td>794/800</td></tr></table><div>Responded within 3 working days:</div><table><tr><th>March 2022</th><th>Year to Date</th></tr><tr><td>54/67</td><td>526/794</td></tr></table></div>	March 2022	Year to Date	67/72	794/800	March 2022	Year to Date	54/67	526/794	D22/22920	
March 2022	Year to Date													
67/72	794/800													
March 2022	Year to Date													
54/67	526/794													

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	Not achieved		D22/40977	
					March 2022		Year to Date
				Kerbside recycling	13 total complaints		136 total complaints
				Kerbside refuse	6 total complaints		37 total complaints
				Please note: These numbers include all complaints of non-collection, including those where the bin was not collected for a legitimate reason. These reasons could include: <ul style="list-style-type: none">- Bin was put out on the wrong week- Bin was not out at time of collection- Bin was not collected due to contamination Missed collection CRMs are actioned by Low Cost Bins.			

PROPERTY Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Mar 2022 \$000	Actual Mar YTD 2022 \$000	Variance Mar YTD 2022 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	852	639	640	1
Targeted rates	—	—	—	—
Subsidies and grants for operating purposes	—	—	—	—
Fees and charges	171	143	192	49
Local authorities fuel tax, fines, infringement fees, and other receipts	194	131	97	(34)
Internal charges and overheads recovered	405	304	272	(32)
Total operating funding (A)	1,622	1,217	1,201	(16)
Applications of operating funding				
Payments to staff and suppliers	1,088	699	732	(33)
Finance costs	195	146	142	4
Internal charges and overheads applied	377	283	269	14
Other operating funding applications	—	—	—	—
Total applications of operating funding (B)	1,660	1,128	1,143	(15)
Surplus (deficit) of operating funding (A-B)	(38)	89	58	(31)
Sources of capital funding				
Subsidies and grants for capital expenditure	200	150	—	(150)
Development and financial contributions	—	—	—	—
Increase (decrease) in debt	4,511	3,383	—	(3,383)
Gross proceeds from sale of assets	650	488	196	(292)
Lump sum contributions	—	—	—	—
Other dedicated capital funding	—	—	—	—
Total sources of capital funding ©	5,361	4,021	196	(3,825)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	1,700	1,275	152	1,123
- to improve the level of service	1,500	1,125	1,260	(135)
- to replace existing assets	1,999	1,499	330	1,169
Increase (decrease) in reserves	124	211	(1,488)	1,699
Increase (decrease) of investments	—	—	—	—
Total applications of capital funding (D)	5,323	4,110	254	3,856
Surplus (deficit) of capital funding (C-D)	38	(89)	(58)	31
Funding balance ((A-B)+(C-D))	—	—	—	—
Depreciation	266	200	200	—

Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Mar 2022 \$000	Actual Mar YTD 2022 \$000	Variance Mar YTD 2022 \$000
Council Building	266	200	200	—
Camping Grounds	20	15	11	4
Commercial Properties	—	—	42	(42)
Endowment Property	363	152	120	32
General Property	872	657	698	(41)
Total Expenditure	1,528	1,025	1,072	(47)

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

File No.: 22/156

Draft Risk Strategy and Work Plan

1. Purpose

To provide the Finance, Audit and Risk Committee with an outline of a Draft Enterprise Risk Management Strategy and Work Plan

2. Recommendation

- 2.1 That Report 22/156 Draft Risk Strategy and Work Plan be received.
- 2.2 That this matter or decision is recognised as not significant in terms of S76 of the Local Government Act.
- 2.3 That the Finance, Audit & Risk Committee notes the Draft Enterprise Risk Management Strategy and Work Plan

3. Issues for Consideration


The Council has previously developed a risk framework including a draft policy and risk appetite, although the framework was not formally adopted.


Notwithstanding this, risk conversations are starting to take place regularly and good risk management takes place in several areas. For example in Health Safety and Wellbeing and Infrastructure delivery.

More recently, Council has been reviewing its risk framework with the intention to improve and enhance risk practices. The Risk Management Strategy and Work Plan supports the further improvement initiatives to raise risk maturity enabling it to have appropriate oversight of the Council's risk activities.

4. Appendices

No.	Title	Page
A	Horowhenua District Council - Risk Strategy and Workplan 06 April 2022.1	101

Author(s)	Ashley Huria Business Performance Manager	
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Approved by	Jacinta Straker Chief Financial Officer	
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With you, every step of the way



Horowhenua District Council

Draft

Enterprise Risk Management | Strategy and Work Plan

2022-2024

Enterprise Risk Management | Strategy and Work Plan

Prepared for:

Horowhenua District Council

Aon New Zealand

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The Aon logo, consisting of the word "Aon" in a bold, white, sans-serif font, is positioned in the bottom right corner of the page. It is overlaid on a blurred background image of people in a meeting room, with a large, light gray hexagonal shape partially covering the image.

Strategic Vision for Enterprise Risk Management

Horowhenua District Council (Council) is committed to the effective management of risk and recognises that risk is present in everything in all its business activities.

The Council is on a risk management maturity journey. It has a vision to lift risk capability and maturity by implementing and embedding the core elements of a Risk Management framework to enable effective risk management that enables good decision-making and maximises opportunities for its residents and ratepayers.

Supporting Council's Strategy and Long Term Plan

In the next 20 years, it is expected that the Council will be experiencing significant population growth. The Council's Long-Term Plan 2021-2041¹ sets out the Council's key outcomes and priorities in responding to the growth.








To support the Council in the delivery of the Council's Long-Term Plan (LTP), the Council will need to consider the impact of uncertainties on its objectives². The Council's vision is to enhance its risk capability and maturity across its different business groups using a deliberate and integrated approach will positively support the delivery of its community outcomes. To support the delivery of this vision the Council has recently refreshed its risk management initiatives including conducting management and elected member workshops and risk reviews.

The Council's risk function plays an important role in supporting the delivery of the council's strategy and aligns with the delivery of its community outcomes (Ngā Putanga Hapori):

¹[Long Term Plan 2021-2041 \(Te Mahere Tūroa\) - Horowhenua District Council](#)

² Definition of "Risk" ISO 31000:2018

Figure 1 - Community Outcomes (Long Term Plan)

 Vibrant Economy	 Outstanding Environment	 Fit for purpose Infrastructure	 Partnership with Tangata Whenua	 Strong Communities
<ul style="list-style-type: none"> • We are business friendly. • We will work with others to enable our economy to grow. • We support diversity and resilience in our local economy. • We aspire for economic security for all of our people. • We seize growth opportunities for our district. 	<ul style="list-style-type: none"> • We contribute to improving our natural environment for current and future generations to enjoy. • We protect the important natural features in our district. • We ensure our built environment supports the wellbeing of our people. • We manage competing pressures on resources sustainably. 	<ul style="list-style-type: none"> • We develop and maintain facilities and infrastructure to meet the needs of current and future generations. • We provide efficient, reliable and affordable infrastructure. • We work with partners to develop infrastructure that enables growth. • Our community facilities and infrastructure are resilient, helping us to respond to climate change and natural hazards. 	<ul style="list-style-type: none"> • We will uphold Te Tiriti o Waitangi and its principles. • We build mutually respectful partnerships with tangata whenua. • We support Mana Whenua to maintain and enhance tikanga with their ancestral lands and waterways, wāhi tapu and other taonga. • We support whanau, marae, hapū and iwi in achieving their aspirations. • We recognise the role of Mana Whenua as kaitiaki of their rohe. 	<ul style="list-style-type: none"> • We value the diversity of our people. • We recognise the value of our district's heritage and its contribution to our communities sense of identity and pride. • We take an inclusive approach and encourage our people to participate in local decision making. • We provide infrastructure and services as a foundation for resilient and connected communities. • We build collaborative relationships with service providers to help enable all of our people to live positive and health lifestyles. • We help create facilities and places where people of all ages and backgrounds feel included, safe and connected.

How Risk Management Links to Council Strategies and Outcomes:

- A good risk management framework supports and facilitates change and supports growth by enabling council to take advantage of opportunities and innovation.
- Risk management enables and improves council use of data and information to make better decisions.
- By increasing awareness and understanding of risk and the management of risks, better outcomes can be achieved.

1 Risk Strategy Overview

Council's focus will be on the following three aspects:

Figure 2 - Risk Strategy Focus Areas



2 Context and Background

A Changing Risk Landscape

Risk is ever present in our highly volatile world. Risks are increasingly more interconnected and interdependent than ever before, and organisations need to place a greater focus on identifying emerging risks and building resilience.

The COVID19 pandemic exposed several vulnerabilities in operating models and risk approaches. Councils have justifiably focused on managing impacts of the pandemic, but at the same time, they are increasingly aware of other challenges like regulatory changes, climate change, supply chain disruption, cyber and people risks.

Councils are experiencing higher expectations from communities, stakeholders, and regulatory bodies around how risks are managed and governed. Existing and emerging risks will continue to challenge councils across the country as councils deliver on their Long-Term Plans.

Office of the Auditor General Review

In October 2021, the Office of the Auditor General ("OAG") produced a report ³ outlining key observations and recommendation on the findings on risk management practices undertaken by local councils. This was a follow up report from a 2016 finding ⁴ noting that risk management is one of the least mature elements of governance in the

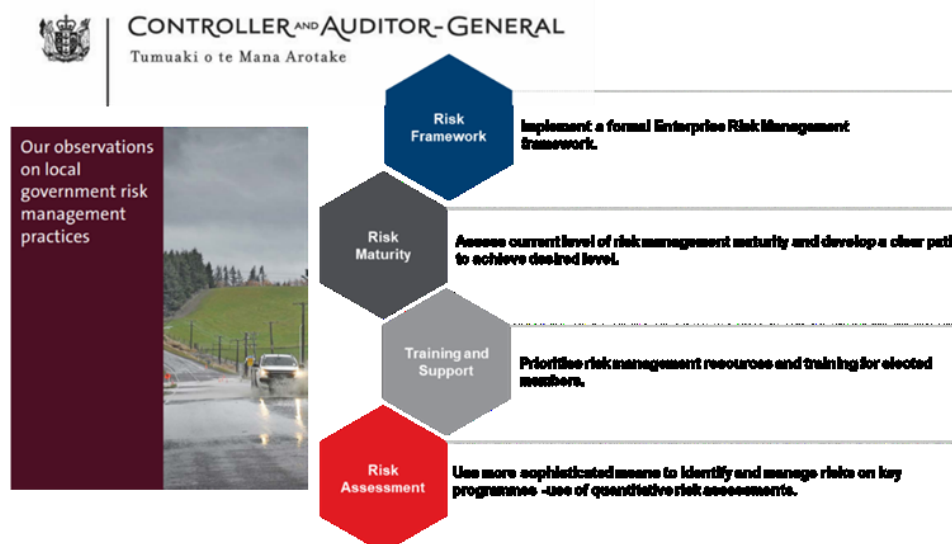
³ <https://oag.parliament.nz/2021/risk-management/docs>

⁴ Reflections from OAG audits: Governance and accountability

public sector. A survey of councils was undertaken and, additionally, four councils (Auckland, Waipa, Environment Canterbury and Queenstown-Lakes) were selected for in depth case studies.

The OAG made four significant recommendations which are outlined in the following figure.

Figure 3 -OAG Risk Management Recommendations for Councils



In brief, the report found that not all councils surveyed had implemented a formal risk management framework, recommending that a centralised framework is used to ensure consistency in practices applied across the council.

In the report, the OAG encourages Chief Executives and elected members to consider the maturity of their existing risk management practices and prepare a clear plan for improving maturity. This involves carrying out regular reviews of risk management activities to inform progress and areas of improvement.

The role of elected members was discussed, and it found that elected members need to maintain an overall view of their council's strategic objectives, being aware of obstacles to achieving those and receive assurance that the council is managing risks well. OAG observed that more could be done to support elected members as they consider the risks faced by the council, particularly how these are factored into their decision-making.

Using specialist tools such as quantitative risk assessments is encouraged to provide councils with a better understanding of risks to deliver complex programmes of work and how risks may be reduced.

Finally, the report acknowledges that while implementing risk management takes time and resourcing, the consequences of not adequately managing risks are significant- and often resulting in large and unexpected expenditure, service failure and a loss of public trust and confidence.

Council's Risk Management Journey

Improving risk maturity is a journey that takes time and commitment. Council has previously developed a risk framework including a draft policy and risk appetite, although the framework was not formally adopted. Notwithstanding this, risk conversations take place regularly and good risk management takes place in several areas.⁵

⁵ For example in Health Safety and Wellbeing and Infrastructure delivery.

More recently Council has been reviewing its risk framework with the intention to improve and enhance risk practices. Council's Finance Risk and Audit Committee supports the further improvement initiatives to raise risk maturity enabling it to have appropriate oversight of the Council's risk activities.

Scope and Purpose of the Risk Strategy

This risk strategy prioritises areas that help take Council forward in lifting its risk management capabilities and maturity. It reflects Council's current place on its risk journey and to better enable Council to prepare for future growth through the 5 key community outcomes of ***Vibrant Economy, Outstanding Environment, Fit for Purpose Infrastructure, Partnership with Tangata Whenua, Strong Communities.***

3 Focus Areas for 2022-2024

To help deliver on the vision, the risk strategy is focussed on the following three areas:

1. Raising Risk Awareness and Understanding for all Staff and Elected Members.

At present there are varying levels of understanding of risks within the Council. Simple but relevant and practical discussions with staff on a regular basis will help raise the level of understanding and awareness thereby promoting better risk practices.

This can be undertaken in a number of ways, for example through developing risk resources available in a central repository (e.g. Council intranet) easily accessible for all staff. Resources available would provide guidance and tools on risk management for all staff including risk management processes of identifying, assessment and management in line with ISO standards.

Relevant groups should be identified to participate in risk workshops. The workshops would include risk areas of particular focus to the Council, for example in the following areas:

- Health Safety & Wellbeing
- Project and Programme Management
- Environmental Risks
- Integrity/ Conflicts of Interest
- Legal/ Regulatory and Compliance

As appropriate, training and awareness in relevant topics may well be extended to include elected members.

Through the Council's Governance development programme, elected members will be supported in their role as governors to identify and consider risks when making decisions. This is particularly important at the beginning of a new triennial with new members coming on board.

The intention is that these training programmes will eventually become "business as usual" and part of the learning culture of the organisation.

The Risk Manager, supported by the Senior Leadership team, will continue to proactively support the business units with this. Regular reinforcements of key messages – rewarding good risk taking and consequences for poor risk behaviours – are encouraged. Undertaking reviews and lessons learnt from events/incidents is useful to focus staff on future actions to improve risk maturity. The Chief Executive, Chair of the Finance Risk and Audit Committee and Senior Leaders in council have important roles to play to support a strong risk culture.

It is important to develop and roll out a programme to support both staff and elected members of the key principles of managing risks, in line with best practice.⁶ It is important that the programmes take place with sufficient regularity and relevance so that these are not seen as a compliance exercise.

Over time council may wish to consider implementing digitised e-learning tools as part of the compulsory onboarding of staff and elected members.

⁶ ISO 31000:2018 risk management process.

2. Adopting and Embedding a Formal Enterprise Risk Management Framework

Whilst there are regular risk conversations taking place at Council with pockets of excellent risk management practices occurring in some areas, most of these are taking place at an informal basis. Best practice requires that risk management practices are formalised and structured as part of a risk management framework. The OAG recommendations⁷ state the following:

Councils should have a clearly defined framework for managing risk. A risk management framework supports a consistent approach to managing risks throughout a council. It also provides a way for a council to compare the different types of risk that it must deal with, whether they are project-based risks, day-to-day operational risks, or longer-term strategic risks.

There is significant research that supports the adoption of a risk framework. In the new risk landscape where risks are increasingly interconnected and interdependent, an enterpriser risk framework that integrates the management of risks across the business and relates this back to the Council's strategy will be critical in supporting the Council deliver on its LTP outcomes.

The strategy seeks to introduce foundational risk management systems to be implemented and integrated across the Council business units. While an Enterprise Risk Management framework may typically include the following elements below, it is important that a framework is developed that is appropriate to meet the Council's needs cognisant of where the Council is in its risk maturity journey. A risk framework should not be overly simplistic where it may lack the ability to identify root causes of risks at the same time it should not be overly complicated to the extent that it is not successfully implemented or embedded.

The risk framework, once adopted, should be reviewed regularly⁸ to measure its effectiveness and ensure it continues to be relevant to the Council.

Key elements of an enterprise risk management framework are shown below:

Figure 4 - Elements of an Enterprise Risk Management Framework



The adoption of a framework will be through several steps, undertaken in a logical sequence which when completed will form the Risk Framework for council. The attached plan sets out the actions and activities anticipated for the next 3 years to achieve this.

3. Improving Risk Communication and Reporting

As risks are interconnected, it is critical that risk information is provided in a transparent and timely manner with information flowing up and down and across the organisation to the right people within council. These are decision-

⁷ Paragraph 2.1, page 11 of the OAG Report

⁸ We suggest a review is undertaken every 3 years in line with a new council with the adoption of council's LTP or when there are significant changes to council's strategy or operations.

makers who are able to take appropriate action to respond to the risks. It is also important that the flow of information within the organisation happens with potential bad news rapidly communicated without fear of blame.

There is acknowledgement that there is presently limited risk reporting taking place to the Council and Finance Risk and Audit Committee, with the exception of good reporting in the Health Safety & Wellbeing and Infrastructure areas.

This strategy also aims to improve risk communication and collaboration across council and bring these aspects under one enterprise reporting framework. This enables the Senior Management Team, the Finance Risk and Audit Committee and Council to have visibility across the organisation as a whole and understanding risk profiles in these key risk areas. For example the following other areas could be included as part of regular reporting: Cyber/ IT, Legal/ Regulatory, Assurance, Project and Programme Management.

Consideration should be given to the level of granularity of information to be provided depending on where (and to whom) the risks are to be communicated. Generally, as risks are reported up to full Council and committees, the focus should be on strategic (as opposed to operational type) risks which will enable discussions and decisions to be made at the appropriate level. Operational risks tend to be reported at management level where the controls and mitigations generally sit. There are occasions where operational risks may escalate into material risks requiring the attention of governors.

The format of reporting at full Council / committee level should support the inclusion of risk based decision-making and provide sufficient information to enable risk-reward conversations to take place.

By applying the Risk Framework (referred to above) staff across the different business units in the Council will operate within a consistent framework and that key risks are accurately reported through the Enterprise Risk Management system.

To achieve this, there will be a staged development of key reporting based on key risk areas – over time it is anticipated that the reports will be sufficiently broad to provide the Finance Risk Audit Committee with appropriate level of oversight for key risks across the Council. An example could be along the following lines:

Figure 5 - Example of Enterprise Risk Reporting



4 Enterprise Risk Management Work Plan

A plan is set out below to achieve the Risk Strategy:

Strategy Element	2022*	2023*	2024*
Risk Framework	Develop and adopt Risk Strategy & Work Plan 2022-2024.	Develop/refresh and adopt Risk Appetite.	Review Progress of Risk Strategy and Plan.
Risk Framework	Review, update and adopt HDC Risk Policy		
Risk Framework / Risk Communication	Review and adopt Risk Matrix and Assessment Framework.	Develop and implement Project Management Risk Framework.	Review Project Management Risk reporting.
Risk Framework / Risk Communication	Develop Top Risk Register.	Refine Top Risk Register. Review and update Operational/Departmental Risk Registers.	
Risk Communication	Review and implement reporting templates	Review and implement reporting templates. Report against Risk Appetite.	
Risk Framework / Risk Communication		Implement deep dives of top strategic risks. Develop Risk Assurance programme.	Implement Risk Assurance programme. Focus on controls and mitigations.
Risk Awareness and Training	Develop training programme for staff and elected members.	Roll out elected member training programme Phase 1	Elected member training programme Phase 2
Risk Awareness and Training	Develop internal resources including intranet pages and guidelines	Roll out internal resources for staff.	Continue to update internal resources including-use of digital and E-learning.
Risk Framework			Independent assessment of Enterprise Risk Maturity.
Risk Framework			Review and Plan for Risk Strategy 2025-2027

Note: * References to years relate to Calendar year



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Finance, Audit and Risk Committee Work Programme

File No.: 22/154

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 22/154 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 notes the Finance, Audit and Risk Committee Work Programme.

3. 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

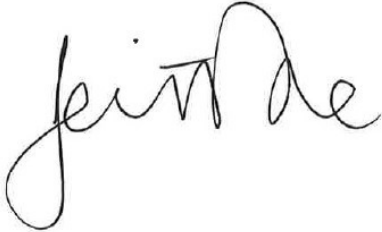
No.	Title	Page
A	2021-22 FAR Committee Work Programme	115

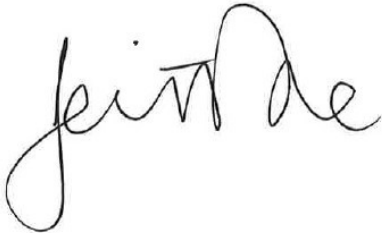
Confirmation of statutory compliance

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	Jacinta Straker Chief Financial Officer	
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April	May	June	August	September
<p>Activity Reports</p> <ul style="list-style-type: none"> Infrastructure Project Steering <p>Bancorp Treasury Report</p> <p>Quarterly Financial Report (March)</p> <p>FAR Work Programme</p> <p>Risk Strategy and Framework</p>	<p>Activity Reports</p> <ul style="list-style-type: none"> Customer & Strategy Project Steering <p>Financial Report (April)</p> <p>FAR Work Programme</p> <p>Insurance Strategy and Plan</p> <p>2021/22 Annual Report</p> <ul style="list-style-type: none"> Audit Engagement Letter Project Plan <p>Monitoring Report</p> <p>Audit Recommendations 2020/21</p>	<p>Activity Reports</p> <ul style="list-style-type: none"> Project Steering Committee <p>Financial Report (May)</p> <p>FAR Work Programme</p> <p>Health & Safety Report</p> <p>Risk Appetite and Register</p> <p>Draft Internal Audit Work Programme for 2022/23</p> <p>Monitoring Report - Internal Audit</p>	<p>Activity Reports</p> <ul style="list-style-type: none"> Infrastructure Project Steering Committee <p>Quarterly Financial Report (June)</p> <p>FAR Work Programme</p> <p>PwC Tax Governance Presentation</p> <p>Rates Review – Stage 1 – Rates Affordability</p>	<p>Activity Reports</p> <ul style="list-style-type: none"> Customer & Strategy Project Steering Committee <p>Financial Report (August)</p> <p>FAR Work Programme</p> <p>Health & Safety Report</p>

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 Quarterly (February/May/August/November)
- Zero based budgeting

FAR Work Programme 2021/22