

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

**Date:** Wednesday 23 February 2022  
**Time:** 4.00 pm  
**Meeting Room:** Council Chambers  
**Venue:** Horowhenua District Council  
Levin

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## **Finance, Audit & Risk Committee**

### **OPEN AGENDA**

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#### **MEMBERSHIP**

<b>Chairperson</b>	P Jones	
<b>Deputy Chairperson</b>	Cr C B Mitchell	
<b>Members</b>	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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**Full Agendas are available on Council's website**  
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**Full Agendas are also available to be collected from:**  
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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**

Due to COVID-19 Protection Framework this meeting will be held in person; however, members of the public will not be able to attend. Public Participation will be by way of written submission, which will be read out during the meeting. Written submissions will be required by 12 noon on the day of the meeting by email to [public.participation@horowhenua.govt.nz](mailto:public.participation@horowhenua.govt.nz)

Further information is available on [www.horowhenua.govt.nz](http://www.horowhenua.govt.nz) or by phoning 06 366 0999.

**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, 26 January 2022**



File No.: 22/38

## Customer and Strategy - Activity Update

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### 1. Purpose

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

### 2. Recommendation

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

### 3. Key Highlights and Business Priorities

#### Building

- 3.1 IANZ re-confirmed our accreditation on 11 January 2022 after a period of 3 monthly reporting to them following our notification to MBIE and IANZ under Regulation 6A of the Building (Accreditation of Building Consent Authorities) Regulations 2006. MBIE was satisfied that we had replaced the technical staff who departed in the third quarter of the 2021 calendar year and were substantially compliant with statutory timeframes between September and November 2021.
- 3.2 We have recruited another experienced Building Advisory Officer, who will start at the beginning of March and will mostly be carrying out inspections.
- 3.3 Approximately 89% of building consents granted year to YTD to the end of January have been processed within statutory timeframes. Fifty (50) building consents out of the 434 granted by the end of January, went over the statutory timeframes. The majority of the consents that went over timeframes were processed between October and January. This was largely due to the sudden illness of a key technical staff member in October and his subsequent departure in December, the difficulty in obtaining support from external contractors at that time of the year meant that the team struggled to manage the additional workloads. We are using the services of contractors to assist with processing consents at present.
- 3.4 A change to the building code became effective from 29 November 2021 preventing B1/AS1 from being used on liquefaction-prone ground. As part of these changes new liquefaction maps were released that complied with the MBIE 2017 guidance. The new Horowhenua District liquefaction maps characterise liquefaction at a high level e.g. “unlikely”, “possible” and “undetermined”. The changes to the building code require that liquefaction assessments are undertaken where the liquefaction vulnerability hasn’t been fully characterised, this applies to all areas of the Horowhenua District apart from the areas that are identified as “unlikely”. This change to the building code has been problematic to implement, out of the 99 building consent applications lodged between 29 November 2021 and 31 January 2021, there are currently 38 applications on hold pending the submission of satisfactory liquefaction assessments, this represents 38% of applications submitted of this period. We are currently working with Tonkin & Taylor to develop a more risk based approach than what is required under the MBIE guidance. Tonkin & Taylor are in the process of drafting guidance that would provide a framework for screening out the higher risk properties and enabling officers to accept robust liquefaction assessments that are based on shallow ground investigations. On

1 February we implemented an interim approach for properties that are currently mapped as “undetermined” or are unassessed that also allows us to accept liquefaction assessments that are based on shallow ground investigations. This relates to approximately 18 of the 38 consents that are currently on hold for liquefaction assessments. Once the new guidance has been adopted this will be communicated to the industry and we will offer an industry workshop to explain the guidance.

### Planning

- 3.5 Approximately 65% of land use consents have been processed within statutory timeframes YTD as at the end of January 2022. Twenty-two consents have been processed outside of statutory timeframes.
- 3.6 Approximately 52% of subdivision consents have been processed within statutory timeframes for the YTD to the end of January 2022. Fifty-three consents were processed outside of statutory timeframes.
- 3.7 The level of compliance with statutory timeframes is reflective of the volume of work at present. It is estimated that 35% of subdivision consents processed in the 2021/22 year to the end of January, were lodged prior to the re-introduction of development contributions.
- 3.8 While we were successful in recruiting an intermediate level Resource Management Planner who joined the team in January, instead of being an additional planner to boost the capacity of the team, it ended up cancelling out the departure of an intermediate level planner who left to join a local planning and development consultancy. Recruitment continues for two additional Resource Management Planners to reflect the activity levels. Multiple planning consultants are involved in processing consents to assist with the current consent activity levels and for those where there may be a perceived level of conflict.
- 3.9 One limited notified land use consent was refused by an independent commissioner in January 2022, following the hearing held in December 2021.

### Dogs

- 3.10 Just over 96% of known dogs have been registered for the 2021/22 registration year. As at 13 February 2022, there were 6,077 registered dogs in the district and 233 known un-registered dogs that are recorded on Council’s database. All dog owners of the un-registered dogs were infringed in November 2021 for failing to register their dog/s. Infringement fees are \$300.00 for each un-registered dog, and the fee set by legislation.

### Parking

- 3.11 As previously reported the Covid-19 lockdown in August 2021 and the Waka Kotahi NZ Transport Agency temporary extensions in place to the end of November 2021 are reflected in the YTD income for this activity.
- 3.12 In December 2021 we upgraded all of our parking machines away from a pay-by-space to a pay-by-plate system (PBP). The new PBP system is a ticketless system that uses a vehicle licence plate to record parking time and payment. Customers that pay for metered parking spaces and do not use all of their allocated time in one space will be able to park in another metered space and continue to use their paid parking allocation remaining (up to the maximum 60 minutes allowed parking time in a metered space).
- 3.13 New pay-wave hardware was added to all 25 parking machines during the upgrade that will enable customers to pay for their parking via this payment method. Work is currently underway to have this functionality made available to customers as soon as it is ready.



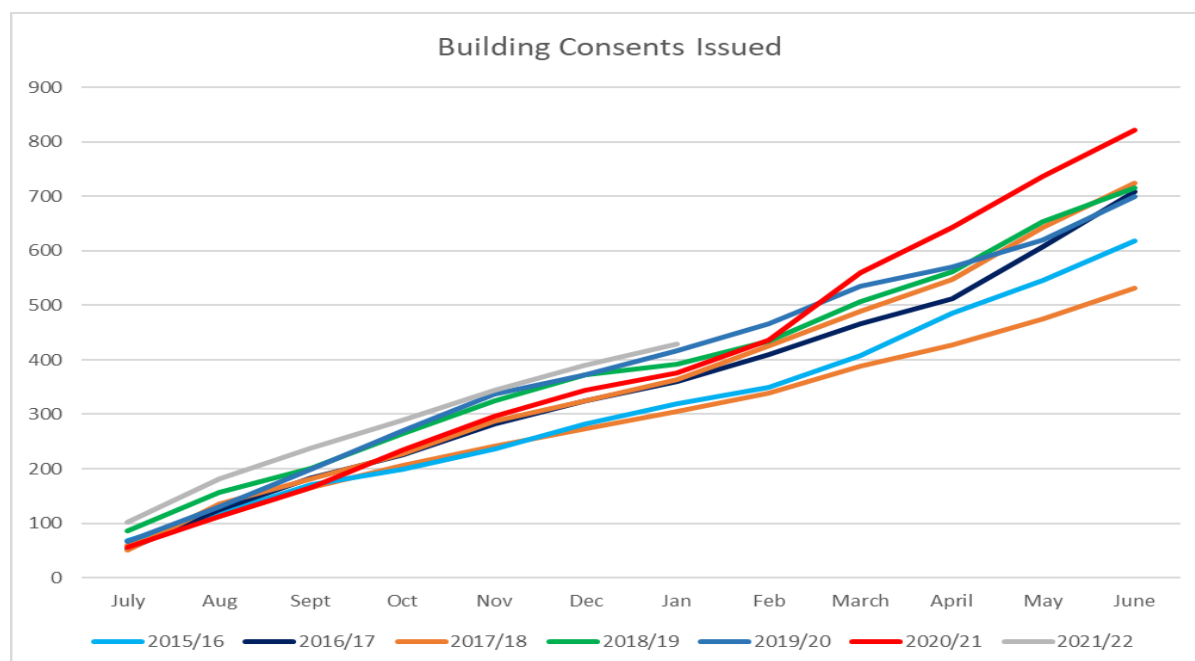
## 4. Trends

4.1 Building consent trends based on data for the period 1 July 2021 to 31 January 2022 are as follows:

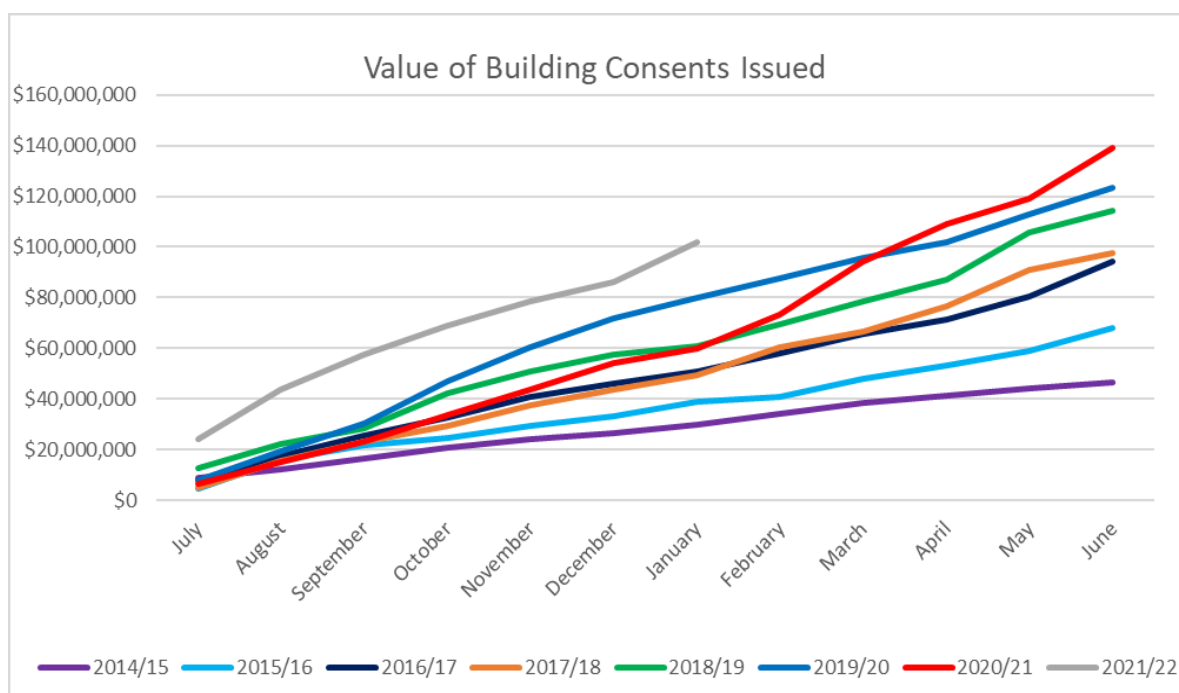
	YTD to 31 January 2022	YTD to 31 January 2021	Trend
No. of building consents lodged	453	430	↑5%
No. of building consents issued	429	376	↑14%
No. of new dwelling consents issued	197	123	↑46%
No. of new dwelling units consented	224	145	↑36%
Value of building consents issued	\$102,913,744	\$60,011,492	↑71%
No. of inspections completed	3,615	3,312	↑9%
No. of enquiries about building control functions	1,485	806	↑84%

The number of building consents lodged and issued is above the number at this point in the financial year compared to the previous seven years.

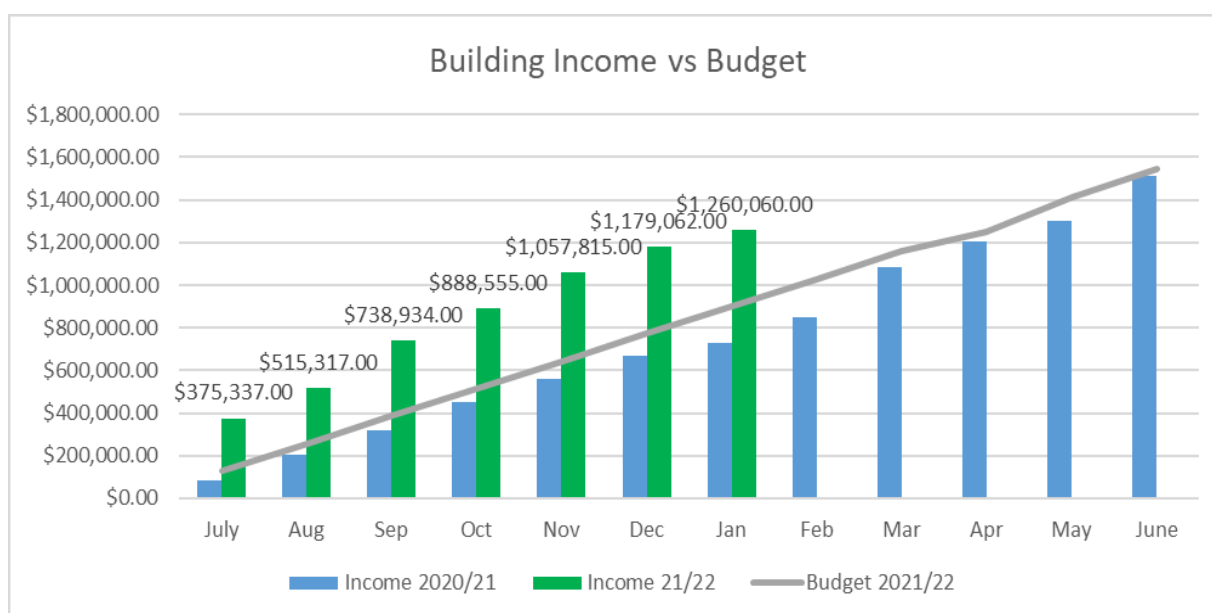
The number of inspections completed YTD continues to track higher than at the same point last year.



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



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



The chart above shows the Building Income against the budget for 2021/22 and a month by month comparison against the previous financial year. Building consent income is over approximately \$359K above the budgeted figure for the end of January 2022, this is due to higher than anticipated levels of activity and the changes in the structure of building consent fees. There is also a mixture of income from consents that were processed under the old fee structure where the majority of the fees were invoiced after the consent was issued, and the new fee structure where the majority of the fees are invoiced for when the consent is lodged. This aspect is likely to further even itself out over the next few months.

Consents issued for new dwelling units are used as a proxy to track supply of new houses in the District. The Long Term Plan 2021-41 includes a new forecasting assumption of 352 new dwelling units between July 2021 and June 2022. Using this assumption and an average of 29 new dwellings per month to achieve this level of 352 new dwelling units, at the

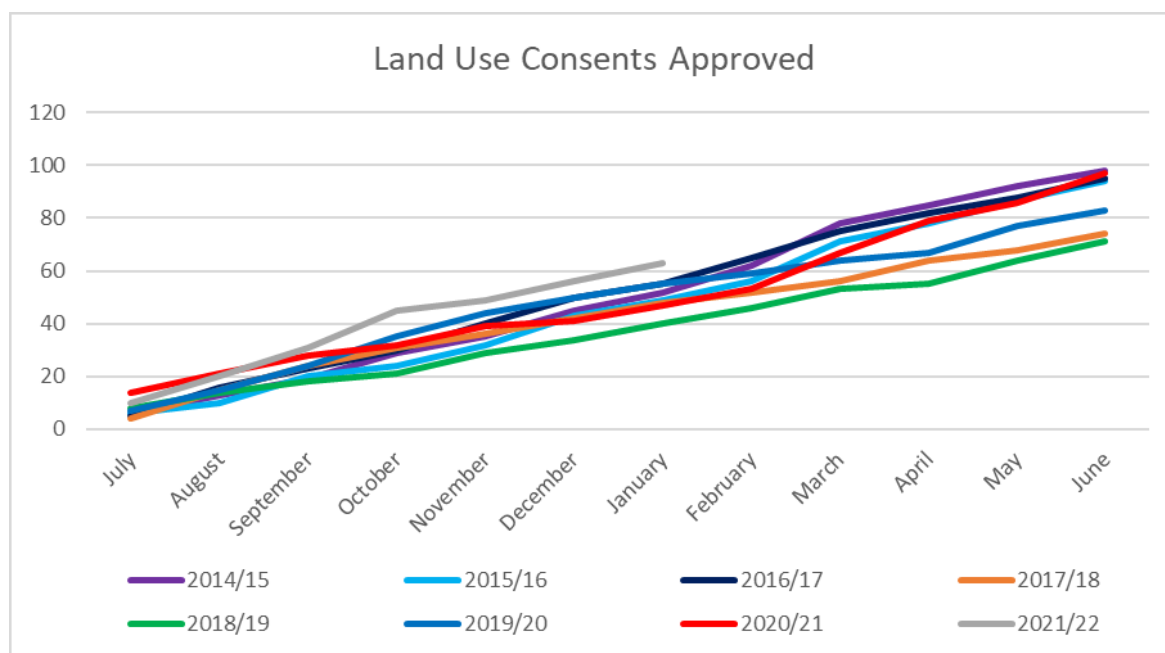
end of January 2022 the assumption anticipated 203 new dwelling units. With consents currently issued for 224 new residential dwelling units the supply is currently running ahead of the forecasting assumption based on the 95<sup>th</sup> percentile growth rate.

- 4.2 Planning (resource consenting) trends based on data for the period 1 July 2021 to 31 January 2022 are as follows:

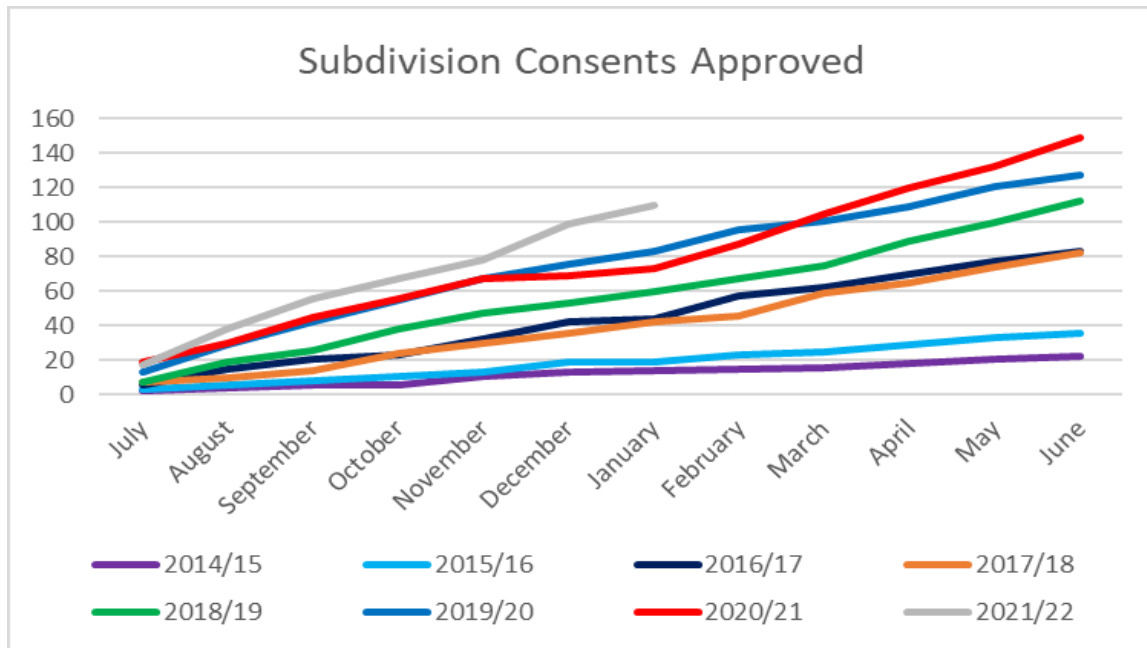
	YTD to 31 January 2022	YTD to 31 January 2021	Trend
<b>Number of resource consent applications lodged</b>	218	184	↑18%
<b>Number of subdivisions consents approved</b>	110	73	↑51%
<b>Number of land use consents approved</b>	63	48	↑31%
<b>Number of new allotments created at 223 stage</b>	142	280	↓49%
<b>Number of new allotments created at 224 stage</b>	147	222	↓34%
<b>Number of enquiries about resource consenting activity</b>	1,112	1,246	↓11%

So far this financial year, the total number of resource consents lodged is 18% higher than the same period in the 2020/21 year. There has also been an increase in the complexity of consent applications received recently, with more consents being processed on a Limited Notified basis.

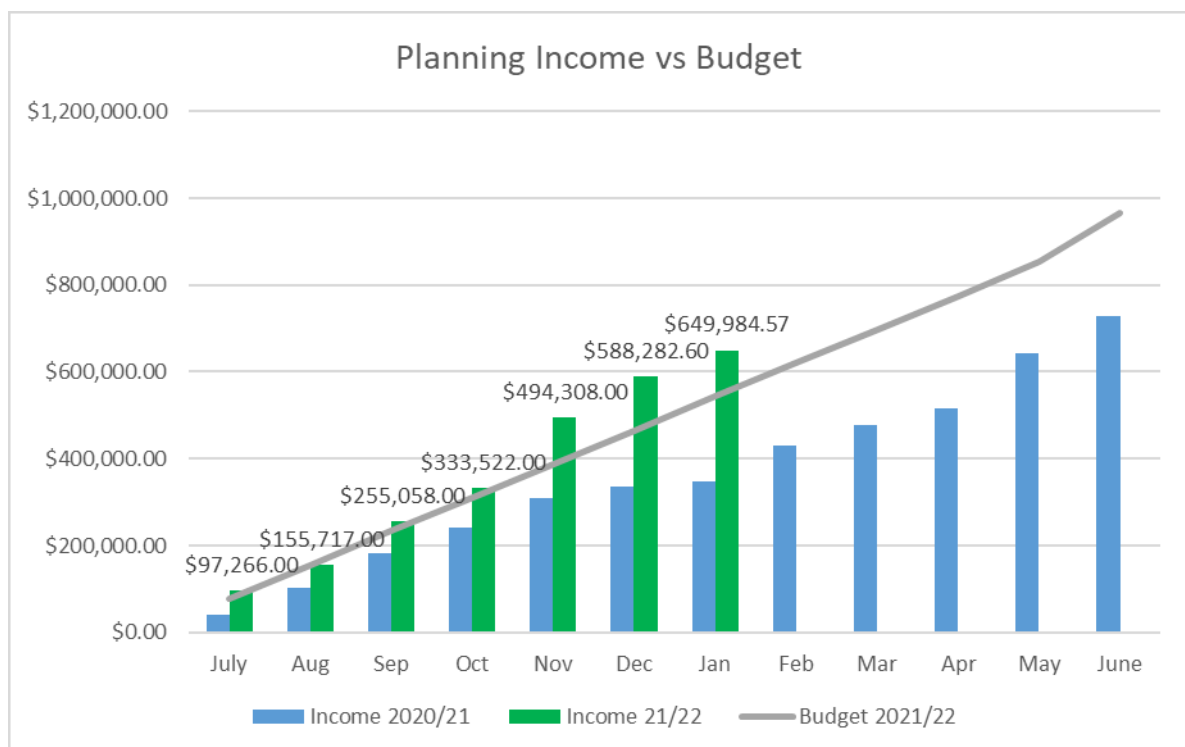
So far this financial year the number of land use consents approved is approximately 31% ahead of the same point in previous financial year and the number of subdivision consents approved is 51% higher than the same period than last year (2020/21) and is tracking well above the prior years.



The chart above shows the cumulative total of land use consents approved. So far this financial year the number of land use consents approved is higher than the previous seven years.



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



The chart above shows the planning income against the budget for 2021/22 and a month by month comparison against the previous financial year. Income for this activity is currently approximately \$107K ahead of the budgeted figure for 2021/22.

### 4.3 Parking

Parking trends based on data for the period 1 July 2021 to 31 January 2022 are as follows:

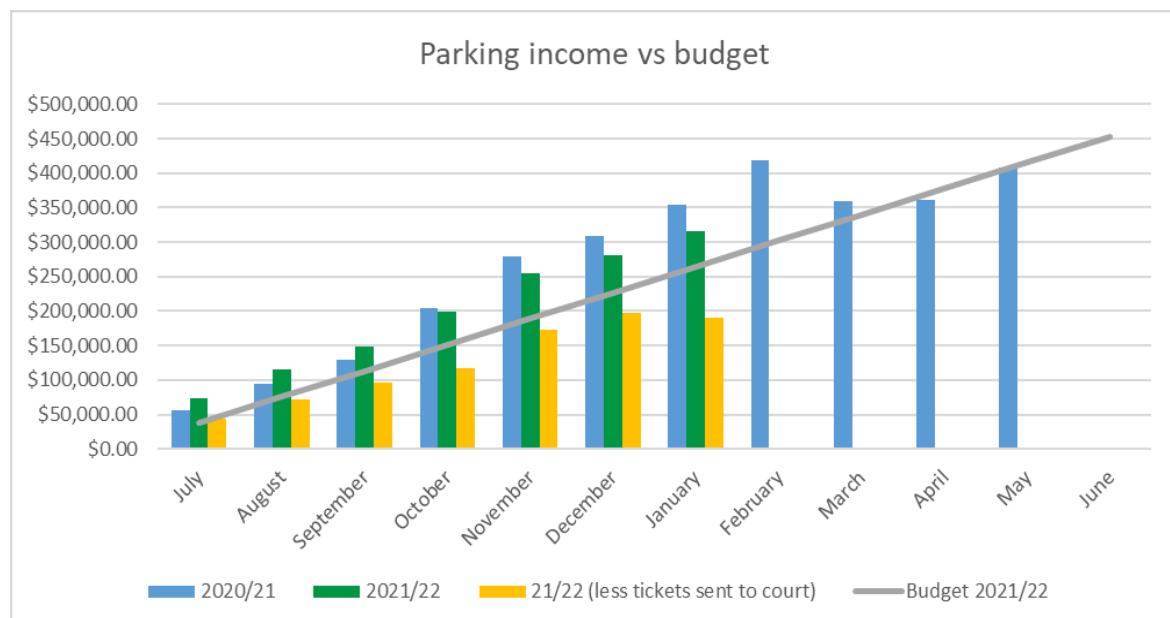
	YTD to 31 January 2022	YTD to 31 January 2021	Trend
<b>No. of infringements issued</b>	1,911	2,763	↓45%
<b>Value of infringements issued</b>	\$200,064	\$259,170	↓29%
<b>Parking meter income received</b>	\$35,010	\$46,151	↓32%
<b>Infringement income collected by Ministry of Justice</b>	\$132,853	\$134,644	↓1%
<b>Value of infringements cancelled</b>	\$52,170	\$54,724	↓4.9%

So far this financial year our Parking Wardens have issued 852 less infringements than the number issued during the same period last year, a significant decrease of 45%.

As previously reported, the impact of the temporary time extensions provided by Waka Kotahi NZTA for car registrations and warrants of fitness' from August to November 2021 and the Covid-19 lockdown in August 2021 has continued to be reflected in the YTD totals. In addition to this parking wardens on leave has had an impact on the total number of tickets issued during the month of December, as has the reduced number of working days during the extended Christmas break from 23 December 2021 to 17 January 2022. The parking meter upgrade work during 13 -17 December 2021 is also likely to have had a slight impact on the parking meter income received during this week.

So far this financial year the value of tickets is over 45% less than the same period last year (2020/21).

Despite the decrease in income compared to the previous year, the overall parking income is tracking on target and meeting the 2021/22 budget projections for the activity.



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




**Confirmation of statutory compliance**

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

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

**5. Appendices**

There are no attachments for this report.

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

# Projects Steering Group - Activity Update

File No.: 22/58

## 1. Purpose

To report to the Finance, Audit & Risk Committee on the projects being reported on and discussed by the Projects Steering Group on 2 February 2022.

## 2. Recommendation

- 2.1 That Report 22/58 Projects Steering Group - Activity Update be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

## 3. Project Oversight/Key Highlights

### Reports / Presentations

#### Development Engineering Quarterly Report

The second quarter report was presented to the Project Steering Group (Group). The Group discussed the statistics presented in the report against wider trends of growth and economic activity across the District. The development sector remains busy with strong demand for Council's engineering and planning services. The quarterly and year to date statistics for new lot creation and yield continue to trend higher than previous years. There is no signal of any slowing down in the immediate future, especially with the Taraika developments soon to commence. The Group will continue to monitor subdivision development activity on a quarterly basis.

#### Gladstone Road update

The Group was provided an update on the Gladstone Road project, detailing site progress, challenges with resourcing and materials availability, and the optioneering and value engineering that has been performed. The project has made use of the excellent summer weather and remains on track for completion this year. Next month will see the establishment on site of the specialist bridge machinery and the beginning of the new bridge construction.

### Update on key infrastructure risks and opportunities

#### Plan change 4 (Taraika)

The Group were updated on the process and progress with the Plan Change 4 provisions and their interfaces with Waka Kotahi's proposed O2NL corridor. Officers from both organisations are working to resolve remaining issues and are hopeful of issuing final statements to the hearing commissioners within the next week. Alongside the plan change process, the Council-led construction of bulk public infrastructure for Taraika continues to make excellent progress. The next stages of construction will require interface with Waka Kotahi's proposed O2NL corridor.

## Attachments


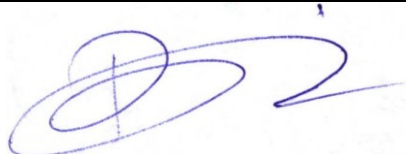
There are no attachments for this report.

**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)	Chloe Marheine <b>Executive Assistant</b>	
Approved by	Brent Maguire <b>Group Manager - Infrastructure Development</b>	



# Treasury Report

File No.: 22/57

## 1. Purpose

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

## 2. Recommendation

- 2.1 That Report 22/57 Treasury Report be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

## 3. Background/Previous Council Decisions

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

## Attachments

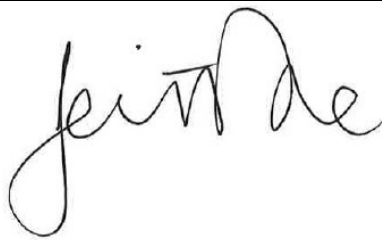

No.	Title	Page
A↓	Horowhenua DC Treasury Report December 2021	19

### 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 DECEMBER 2021**



**BANCORP**

**BANCORP TREASURY SERVICES LIMITED**

**AUCKLAND • CHRISTCHURCH**

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## 1. MARKET ENVIRONMENT

### 1.1 GLOBAL MARKETS OVERVIEW (AS AT 31 DECEMBER 2021)

While 2020 was all about COVID-19 and the massive stimulus injected by governments and central banks around the world, unfortunately the virus certainly didn't disappear in 2021. Although the impact of COVID-19 and the new Omicron variant is still significant as we start 2022, financial market focus has shifted to the ongoing inflationary pressures being felt, the removal of monetary stimulus in a number of jurisdictions to counter this, and the impact that the realignment of China's economic goals (and its zero COVID-19 policy) could have on global growth.

Bond rates were up globally over 2021 with the increase in the US10-year Treasury bond yield, by 0.59% to 1.51%, underpinning yields. While most central banks focused on decreasing stimulus by winding down their bond buying programmes, the Reserve Bank of New Zealand (+0.50%) and the Bank of England (+0.15%) hiked their cash rates and implied more hikes over 2022. The US Federal Reserve and the Bank of Canada have indicated that rates will be going up some time in 2022, and the Reserve Bank of Australia has dropped its assertion that there will be no hikes until late 2023. The European Central Bank is now talking about winding down its bond buying programme but, after 20+ years of below target (mainly negative) inflation, the Bank of Japan sees no change to its current monetary settings for the foreseeable future.

Despite the prospect of higher interest rates, most equity markets had another solid year with near zero cash rates in the major economies giving solid support. However, residential housing markets were the star performer in most jurisdictions, supported by low mortgage rates, while closed borders saw tight labour markets push wages higher in many places. According to Knight Frank International's 2021 Q3 survey (released late December), of the 56 countries surveyed annual house prices fell in only two places, Morocco, and Malaysia. Turkey was number one with +35.5% growth for the 12-months reviewed, with South Korea next at +26.4% and New Zealand third at +21.9%. In Australia prices were up 18.9%, in the US they increased by 18.7%, and in the UK, they were up 11.8%. They were even up in Japan (by 8.9%) although China posted gains of 'only' 3.2% as the impact of the Government's 'common prosperity' goal impacted on property speculation. Frank Knight did note however that the annual rate of price increases moderated in Q3 2021, with this trend expected to continue over Q4 and into 2022.

Looking ahead the World Bank slashed its global growth forecast to 4.1% in 2022 and 3.2% in 2023 as nations start to unwind the unprecedented levels of fiscal and monetary policy support as the sharp rise in inflation, debt and income inequality jeopardises the global recovery. Also, Goldman Sachs lowered its growth projections for China from 4.8% to 4.3% based on the expectation of increased restrictions on business activity to contain COVID-19.

## 1.2 NEW ZEALAND MARKET OVERVIEW (AS AT 31 DECEMBER 2021)

	OCR	90 day	2 years	3 years	5 years	7 years	10 years
30 Sep 2021	0.25%	0.65%	1.43%	1.63%	1.87%	2.04%	2.26%
31 Dec 2021	0.75%	0.92%	2.17%	2.42%	2.55%	2.60%	2.64%
Change	+0.50%	+0.27%	+0.74%	+0.79%	+0.68%	+0.56%	+0.38%

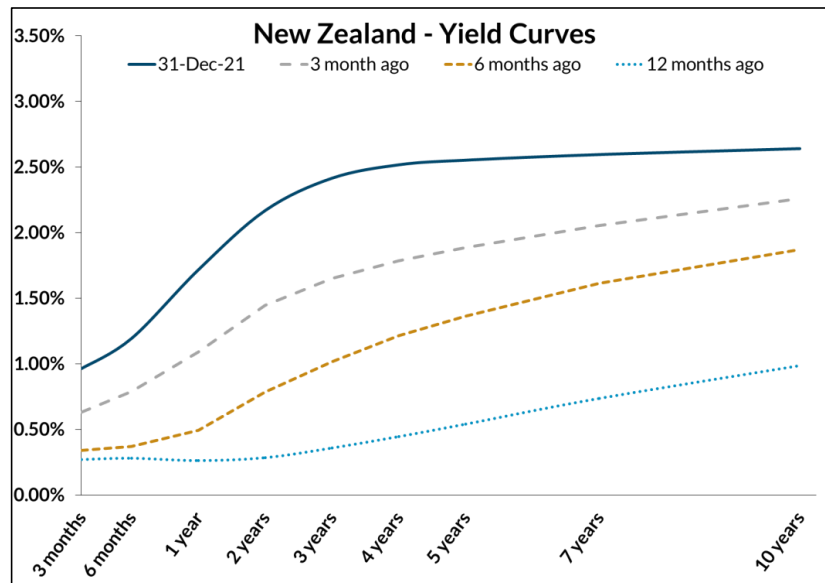
Data released during the fourth quarter showed that the New Zealand economy contracted 3.7% in the September quarter and 0.3% for the year as the COVID-19 induced lockdown that commenced in mid-August had a significant effect on economic activity. However, the unemployment rate fell to a record equalling low of 3.4% in the September quarter while inflation climbed sharply, increasing by 2.2% in the September quarter and 4.9% for the year ending 30 September. Retail sales declined by 8.1% in the September quarter which came as no surprise given the lockdown and the major impact it has on consumer spending.

Despite the surge in COVID-19 Omicron cases around the world, the focus for interest rate markets is squarely on increases in global inflation levels and how 'transitory' current supply chain pressures may be. This is seeing an end to quantitative easing and/or rate hikes priced in throughout the OECD. Domestic financial market pricing has a projected cash rate of 2.25% by the end of 2022, with this quantum of hikes reflected in current swap rates. The 3-year swap rate is up 2.06% from its level of 31 December 2020 whereas the cash rate is 'only' up 0.50%. However, given that financial markets are forward looking there would need to be a more aggressive tightening cycle factored in to see swap rates out to 5-years increase much more, although longer-term rates are influenced by US bond rate moves and if the US10-year rate continues to move higher, then the local curve could steepen.

On balance it appears that interest rate markets have priced in a lot of good news, and it appears that the current 2.75% to 3.00% peak for the OCR priced in for this tightening cycle being the best (worst) case scenario, depending on if you are a borrower or a lender. It may transpire that any significant surprises are to the downside, given the uncertain global outlook, but it is clear that the OCR will go higher this year - the question is, by how much.

Looking ahead, the economy in 2022 could look quite different to the artificially positive economic outcomes of 2020 and 2021 where massive monetary and fiscal stimulus drove up asset prices and underpinned consumer spending. Interest rates are set to rise higher and bank lending has tightened which will hamstring consumer and business sentiment. Our expectation remains for domestic economic data to print softer over coming months which could see a slower interest rate hiking cycle than the market is currently pricing.

The chart on the following page shows the changes in the shape of the New Zealand yield curve over the past 12 months and highlights the significant increase in rates, that has occurred.



### 1.3 LOCAL AUTHORITY SECTOR

Listed below are the credit spreads and applicable interest rates as at 31 December 2021 for Commercial Paper ("CP"), Floating Rate Notes ("FRN") and Fixed Rate Bonds ("FRB"), at which Horowhenua District Council ("HDC") could source debt from the Local Government Funding Agency ("LGFA").

Maturity	Margin	FRN (or CP) Rate	FRB
3 month CP	0.15%	1.19%	N/A
6 month CP	0.15%	1.48%	N/A
April 2022	0.27%	1.32%	1.36%
April 2023	0.28%	1.33%	2.20%
April 2024	0.29%	1.34%	2.59%
April 2025	0.32%	1.37%	2.84%
April 2026	0.37%	1.42%	2.97%
April 2027	0.44%	1.49%	3.07%
April 2028	0.50%	1.55%	3.19%
April 2029	0.54%	1.54%	3.26%
May 2031	0.61%	1.66%	3.35%
April 2033	0.71%	1.76%	3.50%
May 2035	0.79%	1.84%	3.64%
April 2037	0.83%	1.88%	3.72%

Margins for LGFA debt were little changed over the December quarter, however the rise in the underlying 90 day bank bill rate from 0.65% at the end of September to 0.92% at the end of December pushed the yields for FRNs higher. The yields for FRBs increased significantly in line with the increase in the underlying swap rates. For example, the April 2026 bond yield rose from 2.27% to 2.97% and the May 2031 yield from 2.74% to 3.35%.

## 2. FUNDING

As at 31 December 2021, HDC had \$116.0 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 start 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 December including the forward starting debt are as follows (the two tranches of debt in bold were sourced during the December quarter).

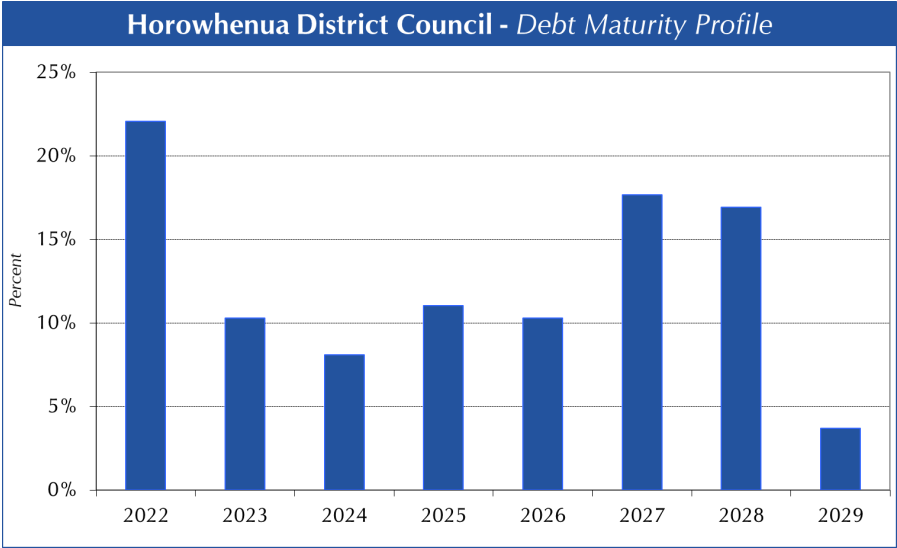
Instrument	Inception	Maturity	Rate	Margin	Amount
<b>BNZ</b>	<b>22-Dec-21</b>	<b>20-Jan-22</b>	<b>3.15%</b>	<b>N/A</b>	<b>2,000,000</b>
<b>CP</b>	<b>Nov-21</b>	<b>28-Feb-22</b>	<b>0.95%</b>	<b>15 bps</b>	<b>16,000,000</b>
FRN	July 18	14-Apr-22	1.47%	50 bps	9,000,000
FRN	May-15	18-May-22	1.295%	42.5 bps	3,000,000
FRB	Nov-14	15-Apr-23	5.1336%	81 bps	4,000,000
FRB	Aug-19	15-Apr-23	1.48%	55 bps	4,000,000
FRN	Feb-18	15-Apr-23	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	1.36%	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	1.36%	61 bps	5,000,000
				<b>TOTAL</b>	<b>\$136,000,000</b>

There was one debt maturity during the quarter - \$16.0 million of CP that was rolled over to mature on 28 February 2022.

As at 31 December, HDC had \$2.0 million drawn from its BNZ \$10.0 million Customised Average Rate Loan facility that expires in November 2022.

HDC's current debt maturity profile (including the \$2 million drawn from the BNZ facility) 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

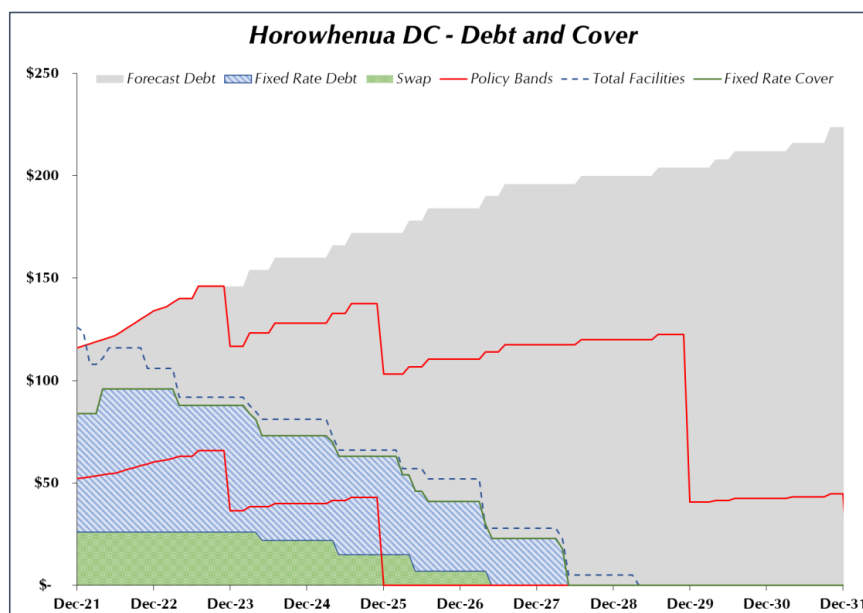
As at 31 December 2021, HDC had \$116.0 million of outstanding debt, and four interest rate swaps, details of these are as follows:

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
		<b>TOTAL</b>	<b>\$26,000,000</b>

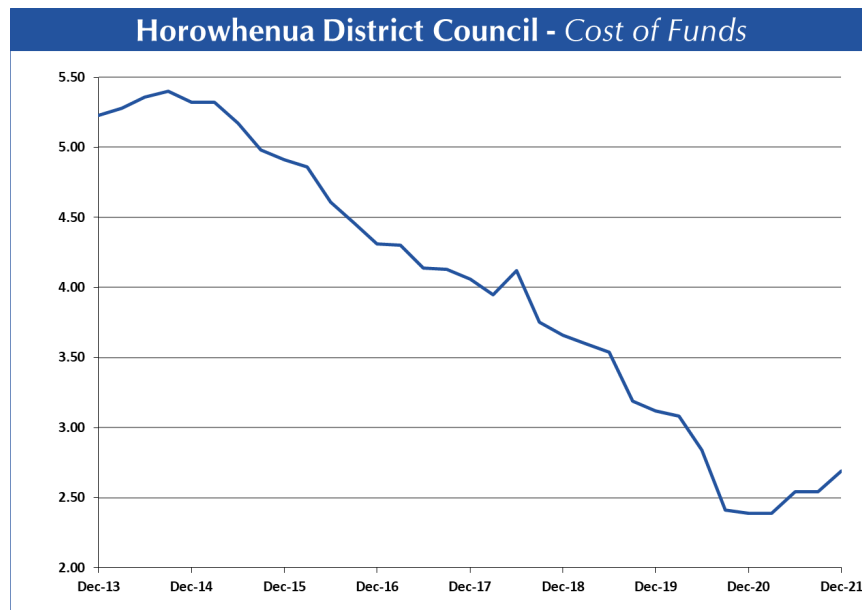
Section 4.3 of the LMP details the Fixed Rate Hedging Percentages that HDC shall adhere to in the management of its debt.

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

The forecast debt and hedging profiles incorporating these parameters, the interest rate swaps and the current and forward starting FRBs are depicted in the following graph. This shows that as at 31 December, 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 December was 2.69%, up from 2.54% at the end of September. The cost of funds exclusive of the bank line fee was 2.67%. 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 December 2013 is depicted in the following graph.



#### 4. POLICY COMPLIANCE (AS AT 31 DECEMBER 2021)

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

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# Finance, Audit and Risk Committee Work Programme

File No.: 22/59

## 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 22/59 Finance, Audit and Risk Committee Work Programme be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 2.3 That the Finance, Audit & Risk Committee receives the Finance, Audit and Risk Committee Work Programme.

## 3. Background/Previous Council Decisions

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

## 4. Issues for Consideration

The Work Programme tabled does not include:

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

The Work Programme includes:

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

## Attachments


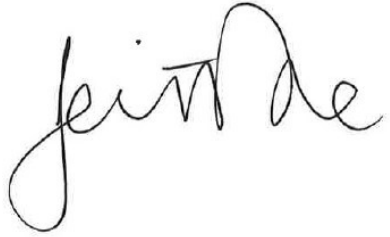
No.	Title	Page
<a href="#">A↓</a>	2022 FAR Committee Work Programme	31

### 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)	Jacinta Straker <b>Chief Financial Officer</b>	
Approved by	Jacinta Straker <b>Chief Financial Officer</b>	

February	March	April	May	June
Activity Reports	Activity Reports	Health and Safety Report	Activity Reports	<i>Audit NZ Interim</i>
Financial Report (January)	Financial Report (February)	Activity Reports	Financial Report (April)	Activity Reports
FAR Work Programme	FAR Work Programme	Bancorp Treasury Report	2021/22 Annual Report	Financial Report (May)
Bancorp Treasury Report (December)	PwC Tax Governance Presentation	Quarter Financial Report (March)	<ul style="list-style-type: none"> <li>Audit Engagement Letter</li> <li>Project Plan</li> </ul>	FAR Work Programme
Risk Workshop	Monitoring Report	FAR Work Programme	FAR Work Programme	Monitoring Report
	Audit Recommendations 2020/21	Draft Internal Audit Work Programme	Rates Review – Stage 1 – Rates Affordability	Audit Recommendations 2020/21
		Monitoring Report - Internal Audit	Risk Report	Risk Report
		Risk Report		

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

- Risk Reporting

***FAR Work Programme 2021***





# Seven Month Report to 31 January 2022

File No.: 22/60

## 1. Purpose

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

## 2. Recommendation

- 2.1 That Report Seven Month Report to 31 January 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 January 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	
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Approved by	Jacinta Straker Chief Financial Officer	
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**Horowhenua**  
DISTRICT COUNCIL

# Seven Month Report

1 July 2021 - 31 January 2022



## Executive Summary

<b>Total Capital Spending</b>  <b>\$11.9m</b> is \$18m less than the YTD budget of \$30.1m	<b>Grants and Subsidies (Capital &amp; Operating)</b>  <b>\$4.3m</b> is \$6.9m less than the YTD budget of \$11.2m	<b>Total net borrowings</b>  <b>\$107.4m</b> is 153% of budgeted operating income (financial strategy limit is 225%)
<b>Total revenue</b>  <b>\$36.7m</b> is 14% less than the YTD budget of \$42.8m	<b>Total expenditure</b>  <b>\$36.4m</b> is 1% higher than the YTD budget of \$36.2m	<b>Total surplus/(deficit)</b>  <b>\$0.3m</b> is \$6.4m less than the YTD budget of \$6.6m

The Council has completed \$11.9m towards the budgeted capital programme at the end of January. The budget of \$57.4m for 2021/22 includes the \$55.5m approved in the LTP together with \$1.9m in additional approved carry forwards.

The organisation is in the process of reforecasting work to reassess the timing for completion of the capital programme. At this stage our best forecast, given the resourcing and supply issues and the current impacts of COVID-19, is that we will complete approximately \$30m of work during this financial year compared to the \$ 57.7m budgeted. An analysis of the forecast at a programme level is included in the capital spending section of this report and further discussion on the reasons for the forecast changes in the timing of the three year capital programme will be presented during the meeting.

Overall the level of operational expenditure is \$196k higher than the level set in the Long Term Plan (LTP). The level of income is \$1.5m lower as a result of lower capital funding due to the timing of the capital programme changing from what was originally planned.

The Council has also completed a high level review of the operational budget and is currently estimating an operating deficit of up to \$477k. This is an initial estimate that will be subject to change as the Council progresses further through the year and look at areas where savings can be made. The key reasons are outlined below, however a significant driver is the reduction in landfill revenue due to lower volumes of waste being taken to the landfill. There are also additional costs related to the review and analysis of landfill options for the future.

<b>Operational Forecast Summary</b>	<b>(More)/ less spending and revenue (\$000)</b>
<b><i>(Operating surplus/(deficit) before capital revenue and taxation)</i></b>	
<b>Employee Costs</b> - This is due to vacancies across the organisation	1,009
<b>CEO</b> - Additional professional services including Interim CE	(244)
<b>Community Facilities</b> - Reduced spending across the activity including events costs	113
<b>Community Facilities</b> - Lower Income due to COVID	(292)
<b>Customer and Strategy</b> - Additional contract resource to support the team	(116)
<b>People and Culture</b> - Relates to additional recruitment across the organisation as well as consultancy support and additional software licencing for upgrades to HR software	(234)
<b>Planning &amp; Regulatory</b> - Higher income due to increased building and subdivision activity	971
<b>Planning &amp; Regulatory</b> - Additional resourcing to support higher workloads	(412)
Representation and Community Leadership	(179)
<b>Road Transport</b> - Net increase in costs due to emergency works for Gladstone Road - This forecast includes an assumption of 62% funding from Waka Kotahi.	(297)
<b>Solid Waste</b> - Relates to additional costs for review and analysis of landfill options for the future as well as reduced revenue. There may be additional pressure of approximately \$100k in reduced revenue but this will be confirmed over the coming month.	(928)
<b>Treasury</b> - Relates to reduced interest costs as a result of lower capital programme. This will be used to offset future interest costs.	167
<b>Wastewater</b> - This is largely due to increased insurance costs.	(118)
<b>Water Supply</b> - This is due to savings in insurance and consulting	74
Other	9
<b>TOTAL</b>	<b>(477)</b>

**Jacinta Straker – Acting Group Manager Business**

## Operational Summary

Total revenue	Total expenditure	Total surplus/(deficit)
<b>\$36.7m</b> is 14% less than the YTD budget of \$42.8m	<b>\$36.4m</b> is 1% higher than the YTD budget of \$36.2m	<b>\$0.3m</b> is \$6.4m less than the YTD budget of \$6.6m

## SUSTAINABILITY

**Rates to operating revenue** **71%**

Rates revenue	\$25.11m
Operating revenue	\$35.20m

71% 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	\$35.20m
Operating expenditure	\$36.41m

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** **153%**

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

Total net borrowing	\$107.43m
Total budgeted operating revenue	\$70.35m

With net borrowing of \$107.43m 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** **6%**

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

Net Interest	\$1.51m
Rates revenue	\$25.11m

6% 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** 4%

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

Net Interest	\$1.51m
Operating revenue	\$35.20m

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

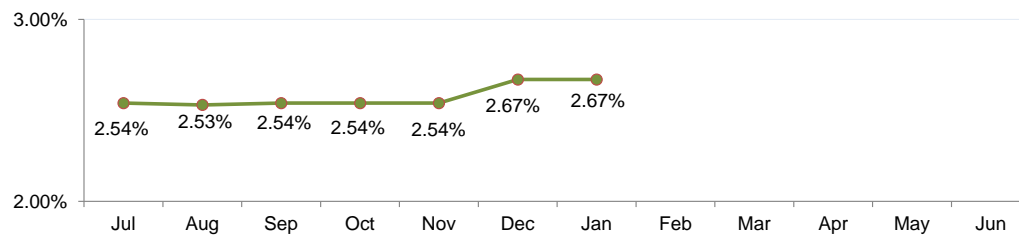
**Available financial accommodation to external indebtedness - Actual** 128%

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

Net debt	\$107.4m
Undrawn committed facilities	\$30.00m

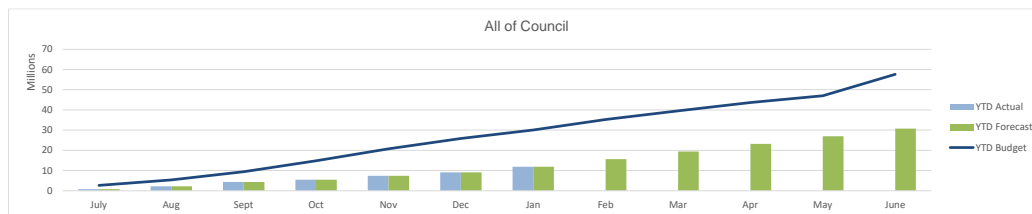
The committed bank facility enables us to borrow up to 128% of our current external debt immediately. The LGFA covenant minimum is 110%.

## 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 \$11.9m towards the budgeted capital programme at the end of January. The budget of \$57.4m for 2021/22 includes the \$55.5m approved in the LTP together with \$1.9m in additional approved carry forwards.

The organisation is in the process of reforecasting work to reassess the timing for completion of the capital programme. Due to resourcing and supply issues and the current impacts of COVID19, the Council is estimating that we will complete approximately \$30m of work during this financial year compared to the \$57.7m budgeted. Further discussion on the reasons for the forecast changes in the timing of the three year capital programme will be presented during the meeting.

Further work is currently being completed to realign the 3 year capital programme. An analysis of the forecast at a programme level is included below. Currently the Council is forecasting to spend \$141m over the first three years of the Long Term Plan (LTP) compared to the \$145m approved as part of the plan.

The table on the following page summarises the capital forecast at a programme level and includes the estimates of the revised 3 year programme. It is important to note that further work needs to be completed to reassess the timing of the work programme for year 2 and 3 of the Long Term Plan as there is currently \$69.1m assigned to year 2 and \$41.2m to year 3. This work will be completed over the next month, in order to balance the capital programme to \$141m over 3 years.



(\$000)	Original LTP Budget 2021-22	Revised Budget 2021-22 (Incl CF)	YTD Actual 2021-22	Forecast Total Spend 2021-22	2023 Total (includes Carryover)	2024	2025	2026	3YR Revised	LTP 3 Year (Incl CF)	Change
<b>Wastewater</b>											
Tara-Ika - Wastewater	3,900	3,900	1,309	2,600	4,193	-	-	-	6,793	7,523	(730)
WW Marae Improvements	259	259	-	-	-	-	-	-	-	259	(259)
WW Property renewals	4	4	-	4	-	4	22	23	7	7	0
WW Pump stations	100	100	20	100	160	159	166	163	419	419	(0)
WW Reticulation	5,247	5,285	87	751	8,477	4,740	5,304	4,336	13,968	14,546	(578)
WW Treatment	5,752	6,093	2,685	4,000	8,739	2,602	5,442	6,731	15,341	17,232	(1,891)
	<b>15,261</b>	<b>15,640</b>	<b>4,101</b>	<b>7,455</b>	<b>21,569</b>	<b>7,505</b>	<b>10,934</b>	<b>11,252</b>	<b>36,529</b>	<b>39,987</b>	<b>(3,458)</b>
<b>Water Supply</b>											
Growth	869	869	235	308	998	598	762	800	1,904	2,035	(131)
Tara-Ika - Water Supply	-	-	(4)	651	2,381	-	-	-	3,032	2,381	652
Water Reticulation network	3,782	3,782	472	800	5,751	2,336	2,476	2,424	8,887	8,368	519
Water Treatment	1,186	1,205	123	300	534	271	278	286	1,105	1,822	(718)
	<b>5,837</b>	<b>5,855</b>	<b>826</b>	<b>2,059</b>	<b>9,664</b>	<b>3,205</b>	<b>3,516</b>	<b>3,510</b>	<b>14,928</b>	<b>14,606</b>	<b>322</b>
<b>Stormwater</b>											
Major Project - Lake Horowhenua	800	800	0	275	1,690	1,752	1,636	1,913	3,717	3,742	(25)
Major Project - Levin East	3,308	3,851	(8)	1,100	1,950	159	164	1,347	3,210	4,166	(956)
Stormwater Reticulation	150	150	13	75	241	170	174	314	486	486	-
Stormwater Pumps Stations	49	49	6	49	47	-	49	-	96	96	-
Stormwater improvements	970	1,206	502	945	863	576	537	485	2,384	2,343	42
Taraika	-	-	71	400	1,968	3	-	-	2,371	4,725	(2,354)
	<b>5,277</b>	<b>6,057</b>	<b>584</b>	<b>2,844</b>	<b>6,759</b>	<b>2,660</b>	<b>2,560</b>	<b>4,059</b>	<b>12,263</b>	<b>15,557</b>	<b>(3,294)</b>
<b>Solid Waste</b>											
Buildings and equipment	87	87	19	207	111	75	79	81	392	272	120
Pre-closure capping and development.	517	1,147	992	1,182	21	241	493	175	1,443	1,620	(176)
	<b>604</b>	<b>1,233</b>	<b>1,011</b>	<b>1,389</b>	<b>131</b>	<b>316</b>	<b>572</b>	<b>256</b>	<b>1,836</b>	<b>1,892</b>	<b>(56)</b>

(\$000)	Original LTP Budget 2021-22	Revised Budget 2021-22 (Incl CF)	YTD Actual 2021-22	Forecast Total Spend 2021-22	2023 Total (includes Carryover)	2024	2025	2026	3YR Revised	LTP 3 Year (Incl CF)	Change
<b>Roading</b>											
Bridges	-	-	-	-	150	300	172	95	450	330	120
Cycle facilities	850	850	1	200	498	1,000	1,241	1,319	1,698	2,800	(1,102)
Drainage	275	275	50	350	200	275	248	264	825	825	-
Footpaths	750	750	169	800	654	750	985	1,046	2,204	2,250	(47)
Major Project - O2NL	-	-	-	-	3,000	-	4,371	5,622	3,000	3,000	-
Major Project - Gladstone Road Realignment	5,000	5,000	21	3,000	5,000	-	-	-	8,000	5,000	3,000
Roads	4,445	4,445	2,138	3,410	6,050	4,595	5,718	6,161	14,055	13,460	595
Taraka - Roothing	4,000	4,000	31	-	3,750	6,900	-	-	10,650	12,900	(2,250)
	<b>15,320</b>	<b>15,320</b>	<b>2,410</b>	<b>7,760</b>	<b>19,302</b>	<b>13,820</b>	<b>12,735</b>	<b>14,506</b>	<b>40,882</b>	<b>40,565</b>	<b>317</b>
<b>Properties</b>											
Animal Control	21	21	-	21	-	-	-	-	21	21	-
Community buildings	1,899	2,149	405	1,249	2,699	433	798	1,808	4,381	4,435	(54)
Depot	79	79	7	79	-	-	-	-	79	79	-
New water source	500	500	2	406	605	526	2,156	2,322	1,537	1,540	(3)
Strategic land and Development	2,700	2,700	972	1,100	2,194	5,645	5,970	-	8,939	5,820	3,120
	<b>5,199</b>	<b>5,449</b>	<b>1,386</b>	<b>2,855</b>	<b>5,498</b>	<b>6,604</b>	<b>8,924</b>	<b>4,130</b>	<b>14,957</b>	<b>11,894</b>	<b>3,062</b>
<b>Community Facilities (Parks, Reserves, Community Centres, Aquatics and Cemeteries)</b>											
Aquatic Facilities	2,037	2,037	55	1,537	1,825	228	480	98	3,589	3,589	0
Community Centres	191	191	5	212	298	110	61	18	620	620	(0)
Libraries - incl books	475	475	216	475	486	711	574	504	1,672	1,672	(0)
	<b>2,703</b>	<b>2,703</b>	<b>277</b>	<b>2,224</b>	<b>2,608</b>	<b>1,049</b>	<b>1,115</b>	<b>620</b>	<b>5,881</b>	<b>5,881</b>	<b>(0)</b>
<b>Community Infrastructure</b>											
Cemeteries	-	-	1	-	123	63	809	714	186	186	-
Foxton Futures	-	-	281	551	-	-	-	-	551	-	551
Halls and Pavillions	27	27	-	27	29	31	31	-	86	86	(0)
Levin Domain Grandstand	-	-	3	3	-	-	-	-	3	160	(157)
Parks and reserves	3,193	3,193	743	1,500	1,846	1,731	2,702	1,747	5,077	6,575	(1,498)
Streams and Lakes	16	16	-	16	16	18	18	19	50	50	0
Taraka - Community Infra	-	-	-	-	-	-	7,007	-	-	-	-
Toilets	506	506	51	506	58	535	63	497	1,098	1,098	0
Tracks and Beach access	50	50	4	50	396	571	283	-	1,016	657	360
	<b>3,792</b>	<b>3,792</b>	<b>1,083</b>	<b>2,653</b>	<b>2,468</b>	<b>2,948</b>	<b>10,913</b>	<b>2,977</b>	<b>8,069</b>	<b>8,813</b>	<b>(744)</b>

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(\$000)	Original LTP Budget 2021-22	Revised Budget 2021-22 (Incl CF)	YTD Actual 2021-22	Forecast Total Spend 2021-22	2023 Total (includes Carryover)	2024	2025	2026	3YR Revised	LTP 3 Year (Incl CF)	Change
<b>Planning &amp; Regulatory Services</b>											
Animal Equipment and Facilities	84	84	60	84	74	26	557	120	184	129	55
	<b>84</b>	<b>84</b>	<b>60</b>	<b>84</b>	<b>74</b>	<b>26</b>	<b>557</b>	<b>120</b>	<b>184</b>	<b>129</b>	<b>55</b>
<b>Governance &amp; Community Leadership</b>											
Levin Town Centre programme	500	500	-	500	500	2,500	-	-	3,500	3,500	0
	<b>500</b>	<b>500</b>	<b>0</b>	<b>500</b>	<b>500</b>	<b>2,500</b>	<b>0</b>	<b>0</b>	<b>3,500</b>	<b>3,500</b>	<b>0</b>
<b>Community Support</b>											
Minor assets	75	75	7	75	10	23	2	9	107	107	0
	<b>75</b>	<b>75</b>	<b>7</b>	<b>75</b>	<b>10</b>	<b>23</b>	<b>2</b>	<b>9</b>	<b>107</b>	<b>107</b>	<b>0</b>
<b>Treasury and Support</b>											
Data and Digital	172	172	28	122	73	23	75	24	218	218	(0)
Fleet	436	436	-	436	134	64	400	105	634	634	0
IT - Software and Hardware	280	335	138	255	326	472	257	263	1,053	1,053	(0)
Other	-	-	1	-	-	-	18	16	-	-	-
	<b>888</b>	<b>943</b>	<b>167</b>	<b>813</b>	<b>533</b>	<b>559</b>	<b>751</b>	<b>409</b>	<b>1,905</b>	<b>1,905</b>	<b>(0)</b>
<b>TOTAL</b>	<b>55,539</b>	<b>57,651</b>	<b>11,911</b>	<b>30,710</b>	<b>69,117</b>	<b>41,213</b>	<b>52,578</b>	<b>41,848</b>	<b>141,039</b>	<b>144,836</b>	<b>(3,796)</b>

## Statement of Comprehensive Revenue and Expense

	LTP Budget YTD Jan-22 \$000	Actual YTD Jan-22 \$000	Variance YTD Jan-22 \$000		Year End Projection 2022 \$000	LTP 2022 \$000	Variance 2022 \$000		Notes
<b>Revenue</b>									
Rates Revenue	25,077	25,106	29	☺	43,447	43,447	(0)	☺	
Operational Grants & Subsidies	1,223	1,914	691	☺	4,231	2,951	1,280	☺	1
Finance Income	19	5	(14)	☹	20	200	(180)	☹	
Fees & Charges	2,802	2,433	(369)	☹	4,115	4,748	(633)	☹	2
Other Revenue	2,204	3,381	1,177	☺	4,843	3,872	971	☺	3
<b>Total Revenue</b>	<b>31,325</b>	<b>32,839</b>	<b>1,514</b>	<b>☺</b>	<b>56,656</b>	<b>55,218</b>	<b>1,438</b>	<b>☺</b>	
<b>Expenditure</b>									
Employee Benefit Expenses	10,458	9,435	1,023	☺	17,160	18,169	1,009	☺	4
Finance Costs	1,729	1,509	220	☺	2,600	2,964	364	☺	5
Depreciation and Amortisation	8,588	8,664	(76)	☹	14,722	14,722	-	☺	
Other Expenses	15,443	16,806	(1,363)	☹	30,221	26,933	(3,288)	☹	6
<b>Total Expenses</b>	<b>36,218</b>	<b>36,414</b>	<b>(196)</b>	<b>☹</b>	<b>64,703</b>	<b>62,788</b>	<b>(1,915)</b>	<b>☹</b>	
<b>Operating surplus/(deficit) before capital revenue and taxation</b>	<b>(4,893)</b>	<b>(3,575)</b>	<b>1,318</b>		<b>(8,047)</b>	<b>(7,570)</b>	<b>(477)</b>		
Capital Grants and Subsidies	9,929	2,359	(7,570)	☹	14,491	15,135	(644)	☹	7
Development Contributions	1,601	-	(1,601)	☹	306	2,744	(2,438)	☹	8
Investment (Gains)/Losses	10	-	(10)	☹	17	17	(0)	☹	
(Gain)/Loss on sale of assets	-	26	26	☺	-	-	-	☺	
Gain on Derivatives	-	1,473	1,473	☺	1,473	-	1,473	☺	9
<b>Total (Surplus)/Deficit</b>	<b>6,647</b>	<b>283</b>	<b>(6,364)</b>	<b>☹</b>	<b>8,239</b>	<b>10,326</b>	<b>(2,087)</b>	<b>☹</b>	

**Note 1** Operational Grants and Subsidies **favourable** variance of \$691k.

The additional funding of \$134k in Community Facilities relates to the final portion of the PGF funding received for The Mahi Space, additional funding in Economic Development for Mayor's Taskforce for Jobs (MTFJ) and an additional \$158k in Sustainable Growth Planning for Three Waters Stimulus funding originally planned to be capital funding.

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

**Note 2** Fees & Charges **unfavourable** variance of \$369k year to date is mainly due to less income in the solid waste activity due to reduced waste going to the landfill of \$244k and lower revenue from pools, libraries and community centres due to COVID19 of \$206k.

**Note 3** Other revenue **favourable** variance of \$1.2m. This primarily relates to additional revenue received for building consents of \$561k, resource consents of approximately \$83k as a result of increased building and development activity in the district and almost \$258k due to the timing of the dog registrations.

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

The additional revenue forecast of \$971k is due to the increased building and resource consent activity. This is partially offset by increases resourcing to support the team.

**Note 4** Employee Benefit Expenses **favourable** variance of \$1.0m relates vacancies across Council operations over the first part of the year and they are forecast to be \$1.1m lower than the budget.

**Note 5** Finance Costs **favourable** variance of \$220k relates to lower capital spending. Currently it is forecast that interest costs will be \$364k 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 2.67%.

**Note 6** Other Expenses **unfavourable** variance \$1.4m as detailed below:

Note 6 Other Expenses	LTP	Actual	Variance		Year End	LTP	Variance	Notes
	YTD	YTD	YTD		Projection	YTD	YTD	
	Jan-22 \$000	Jan-22 \$000	Jan-22 \$000		Jun-22 \$000	Jun-22 \$000	Jun-22 \$000	
Professional Services	3,307	3,905	(598)	⊗	6,658	5,751	(907)	⊗ 6A
Materials	69	74	(5)	⊗	119	119	-	⊗
Maintenance	9,402	9,741	(339)	⊗	17,295	16,296	(999)	⊗ 6B
Grants Paid	324	432	(108)	⊗	603	603	(0)	⊗
Utilities	635	758	(123)	⊗	1,267	1,239	(28)	⊗
Communications	127	148	(21)	⊗	218	215	(3)	⊗
Other Expenses	3,410	2,529	881	⊗	5,599	5,473	(126)	⊗ 6C
Vehicle Expenses	73	56	17	⊗	115	114	(1)	⊗
Other Treasury Expenses	90	93	(3)	⊗	108	181	73	⊗
Labour Recoveries for Capex projects	(1,994)	(930)	(1,064)	⊗	(3,058)	(3,058)	0	⊗ 6D
<b>Total Other Expenses</b>	<b>15,443</b>	<b>16,806</b>	<b>(1,363)</b>	<b>⊗</b>	<b>28,924</b>	<b>26,933</b>	<b>(1,991)</b>	<b>⊗</b>

**Note 6A** Professional Services **unfavourable** variance \$598K. The higher spending relates to additional resourcing in Planning & Regulatory to support the increased volume of work of \$177k and additional costs in the Solid Waste activity to support the current Statement of Proposal on when to close the Levin Landfill of \$398k.

The additional spending forecast of \$907k is primarily for resource planning and building consents to support the additional volume of work in the team of \$521k, and \$564k in additional spending related to additional costs related to the review and analysis of landfill options for the future.

**Note 6B** Maintenance costs **unfavourable** variance of \$339k. The primary driver for the increased maintenance costs relate to the roading activity and emergency works of \$614k for Gladstone Road.

The additional spending of \$1.1m forecast relates to \$259k for the waters activity which is funded by the Three Waters Stimulus fund, \$108k for the flooding event and \$614k for Gladstone Road. Currently it is assumed that the Council will receive 62% funding for Gladstone Road but it has not been confirmed yet.

**Note 6C** Other expenses **favourable** variance \$881k reflecting lower spending across the organisation. \$300k relates to Community Facilities and \$359k relates to the timing of IT spending and the remaining amount is spread across the organisation.

The reduced spending forecast of \$126k is largely due to the Community Facilities activity who is planning to reduce their spending by \$156k due to fewer events, lower licencing and travel costs.

- Note 6D    Labour recoveries for CAPEX projects **unfavourable** variance \$1.1m 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 and so 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					
Regulatory Services	6,147	4,393	3,566	827	1
Community Facilities and Services	8,197	4,745	4,782	(37)	
Road Transport	5,139	3,003	2,974	29	3
Water Supply	7,355	3,992	4,161	(169)	4
Wastewater Management	8,156	4,674	4,651	23	5
Solid Waste	4,002	2,210	2,459	(249)	6
Stormwater	1,749	967	1,020	(53)	7
Treasury	2,555	1,097	1,243	(146)	8
Property	1,219	741	711	30	
Community Support	2,843	2,025	1,626	399	9
Representation & Com. Leadership	4,318	2,680	2,519	161	10
Total Activity Revenue	51,680	30,527	29,712	(815)	

EXPENDITURE	LTP	Year to date (YTD)			Notes
	2021/22	Actual	Budget	Variance	
	\$000	\$000	\$000	\$000	
Significant Activities					
Regulatory Services	6,147	3,353	3,552	199	1
Community Facilities and Community Infrastructure	8,197	4,271	4,810	539	2
Road Transport	8,050	5,269	4,696	(573)	3
Water Supply	8,518	4,724	4,927	203	4
Wastewater Management	9,522	5,293	5,407	114	5
Solid Waste	4,337	2,402	2,430	28	
Stormwater	1,927	1,053	1,115	62	
Treasury	(1,879)	(547)	(804)	(257)	8
Property	1,528	838	797	(41)	
Community Support	2,843	2,093	1,841	(252)	9
Representation & Com. Leadership	5,873	3,520	3,399	(121)	
Total Activity Expenditure	55,063	32,269	32,170	(99)	
Business Units	(4,187)	1,742	2,458	716	
Operating (Surplus)/Deficit	102,556	64,538	64,340	(198)	

- Note 1** Regulatory Services revenue **favourable** variance \$827k. The higher revenue is due to increased subdivision and building activity. The lower expenditure is due to lower overhead costs so far this year.
- Note 2** Community Facilities and Services **favourable** variance of \$539k. The lower spending relates mainly due to the timing of expenditure.
- Note 3** Road Transport **unfavourable** expenditure variance of \$573k which primarily related to funded emergency works spending on Gladstone Road. The Council is working towards receiving funding for a portion of this from Waka Kotahi.
- Note 4** Water Supply revenue **favourable** variance \$99k. The higher income relates to Three Waters Stimulus funding.
- Note 5** Wastewater expenditure **favourable** variance \$114k which is mainly due to lower interest costs.
- Note 6** Solid Waste **unfavourable** revenue variance \$249k. The lower revenue relates to lower volumes being received at the Levin landfill. While expenditure is currently lower than budget, the activity is forecast to be overspent by approximately \$950k due to lower revenue and additional costs associated with review and analysis of landfill options for the future.
- Note 7** Stormwater – The activity is in line with budget.
- Note 8** Treasury – The lower revenue of \$146k lower interest revenue due to the Council not holding deposits as forecast.
- Note 9** Community Support revenue **favourable** variance \$399k and **unfavourable** expenditure variance of \$252k. The reported revenue variance is a result of additional funding received for the Mayor's Taskforce for Jobs (MTFJ) and funding for The Mahi Space received in prior year but relating to the 2021/22 year. The expenditure variance relates to timing of the new economic development services contract and \$109k relates to the June Flooding event.
- Note 10** Representation and Community Leadership revenue **favourable** variance \$161k. The higher income relates to the three water stimulus funding which will be transferred to the relevant activities as the projects are completed.



## Statement of Cashflow as at 31 January 2022

	Council Actual \$ 30 June 2021 \$000	Council Budget \$ 30 June 2022 \$000	Council Actual \$ 31 Jan 2022 \$000
<b>Cashflow from operating activities</b>			
<b>Cash was provided from:</b>			
Revenue from rates	38,644	43,447	21,624
Other revenue	29,285	29,450	11,028
Interest received	89	200	64
Net GST movement	–	–	3,014
<b>Total cash provided</b>	<b>68,018</b>	<b>73,097</b>	<b>35,730</b>
<b>Cash was disbursed to:</b>			
Suppliers, services and employees	44,426	45,003	30,132
Interest paid	2,745	2,964	1,943
Net GST movement	215	–	–
<b>Total cash disbursed</b>	<b>47,386</b>	<b>47,967</b>	<b>32,075</b>
<b>Net cashflow from operating activity</b>	<b>20,632</b>	<b>25,130</b>	<b>3,655</b>
<b>Cashflows from investing activities</b>			
<b>Cash was provided from:</b>			
Proceeds from asset sales	2,038	2,056	337
Proceeds from investments	–	–	–
<b>Total cash provided</b>	<b>2,038</b>	<b>2,056</b>	<b>337</b>
<b>Cash was disbursed to:</b>			
Purchases of investments	102	–	150
Purchase of assets	31,058	47,208	14,594
<b>Total cash disbursed</b>	<b>31,160</b>	<b>47,208</b>	<b>14,744</b>
<b>Net cashflow from investing activity</b>	<b>(29,122)</b>	<b>(45,152)</b>	<b>(14,407)</b>
<b>Cashflows from financing activities</b>			
<b>Cash was provided from:</b>			
Loans raised	53,000	65,022	29,000
<b>Total cash provided</b>	<b>53,000</b>	<b>65,022</b>	<b>29,000</b>
<b>Cash was disbursed to:</b>			
Repayment of public debt	51,000	45,000	16,000
<b>Total cash disbursed</b>	<b>51,000</b>	<b>45,000</b>	<b>16,000</b>
<b>Net cashflow from financing activity</b>	<b>2,000</b>	<b>20,022</b>	<b>13,000</b>
<b>Net increase (decrease) in cash held</b>	<b>(6,490)</b>	<b>–</b>	<b>2,248</b>
Add opening cash brought forward	15,892	11,519	9,402
<b>Closing cash balance</b>	<b>9,402</b>	<b>11,519</b>	<b>11,650</b>
<b>Closing balance made up of cash and cash equivalents</b>	<b>9,402</b>	<b>11,519</b>	<b>11,650</b>

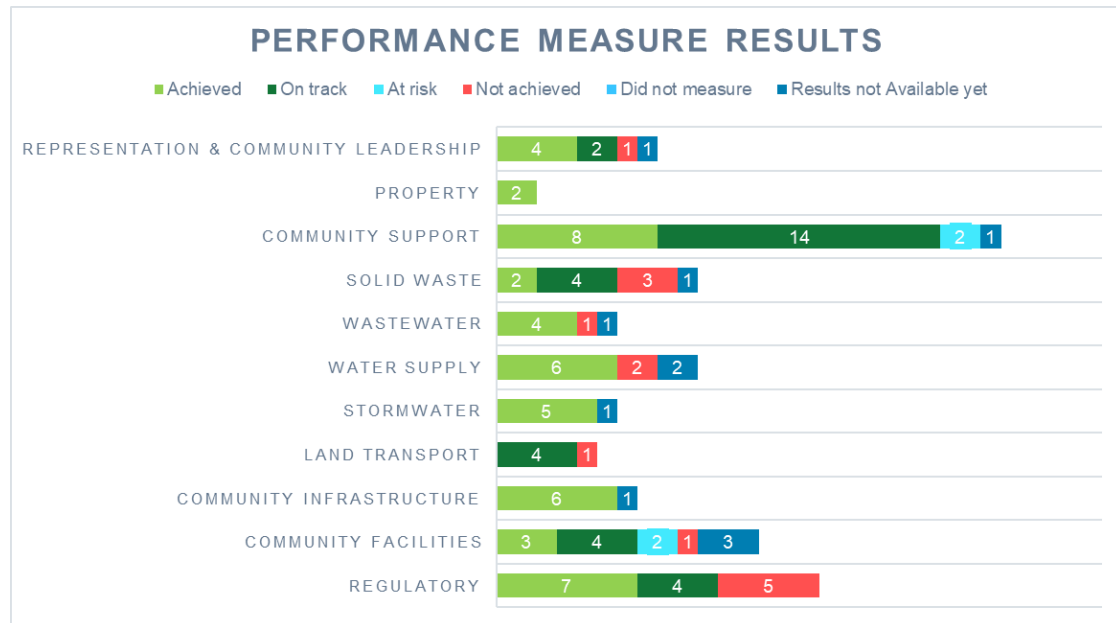
## Statement of Financial Position as at 31 January 2022

	Council Actual \$ 30 June 2021 \$000	Council Budget \$ 30 June 2022 \$000	Council Actual \$ 31 Jan 2022 \$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9,402	11,519	11,650
Debtors and other receivables	7,587	6,340	10,937
Other financial assets	371	4,360	371
Non-current assets held for sale	1,090	4,293	1,090
<b>Total current assets</b>	<b>18,450</b>	<b>26,512</b>	<b>24,351</b>
<b>Non-current assets</b>			
Plant, property and equipment			
– Operational assets	57,170	44,414	58,186
– Infrastructural assets	605,275	601,858	607,107
– Restricted assets	63,835	71,132	64,048
Intangible assets	1,463	970	1,280
Forestry assets	1,248	1,107	1,248
Commercial property	–	–	–
Other financial assets:			
– Investments CCO's & similar entities	204	–	204
– Investments in associates	37	220	37
– Other	1,772	1,706	1,922
<b>Total non-current assets</b>	<b>731,004</b>	<b>721,407</b>	<b>734,032</b>
<b>Total assets</b>	<b>749,454</b>	<b>747,919</b>	<b>758,383</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables and deferred revenue	15,948	13,721	12,964
Provisions	30	30	30
Employee benefit liabilities	1,422	1,060	1,222
Derivative financial instruments	702	–	–
Borrowings and other financial liabilities	28,000	10,000	28,000
<b>Total current liabilities</b>	<b>46,102</b>	<b>24,811</b>	<b>42,414</b>
<b>Non-current liabilities</b>			
Provisions	5,381	6,425	5,381
Employee benefit liabilities	256	207	256
Borrowings and other financial liabilities	80,000	117,821	93,000
Derivative financial instruments	1,296	–	630
Other	(17)	3,615	(17)
<b>Total non-current liabilities</b>	<b>86,916</b>	<b>128,068</b>	<b>99,250</b>
<b>Total liabilities</b>	<b>133,018</b>	<b>152,879</b>	<b>141,664</b>
<b>Net assets</b>	<b>616,436</b>	<b>595,040</b>	<b>616,719</b>
<b>Equity</b>			
Retained earnings	254,154	261,402	254,437
Revaluation reserves	352,517	324,660	352,517
Other reserves	9,765	9,978	9,765
<b>Total equity</b>	<b>616,436</b>	<b>596,040</b>	<b>616,719</b>

## Funding Impact Statement for Whole of Council

	Annual Plan Budget 2021 \$000	Annual Report Actual 2021 \$000	LTP Budget 2022 \$000	LTP Budget YTD Jan 2022 \$000	Actual YTD Jan 2022 \$000	Variance YTD Jan 2022 \$000
<b>Sources of operating funding</b>						
General rates, uniform annual general charges, rates penalties	10,379	10,305	11,657	6,647	6,762	115
Targeted rates	29,305	28,964	31,790	18,428	18,346	(82)
Subsidies and grants for operating purposes	2,104	6,778	2,101	1,223	1,914	691
Fees and charges	4,551	4,341	4,721	2,802	2,432	(370)
Interest and dividends from investments	206	111	200	25	8	(17)
Local authorities fuel tax, fines, infringement fees, and other receipts	3,191	4,240	4,749	2,200	3,377	1,177
<b>Total operating funding (A)</b>	<b>49,736</b>	<b>54,739</b>	<b>55,218</b>	<b>31,325</b>	<b>32,839</b>	<b>1,514</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers	39,663	45,305	45,003	25,901	26,241	(340)
Finance costs	3,202	2,565	2,964	1,729	1,509	220
Other operating funding applications	—	—	—	—	—	—
<b>Total applications of operating funding (B)</b>	<b>42,865</b>	<b>47,870</b>	<b>47,967</b>	<b>27,630</b>	<b>27,750</b>	<b>(120)</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>6,871</b>	<b>6,869</b>	<b>7,251</b>	<b>3,695</b>	<b>5,089</b>	<b>1,394</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital expenditure	10,676	12,873	15,135	9,929	2,359	(7,570)
Development and financial contributions	—	—	2,744	1,601	—	(1,601)
Increase (decrease) in debt	9,325	2,000	20,022	11,680	13,000	1,321
Gross proceeds from sale of assets	5,000	2,040	2,056	1,199	337	(862)
Lump sum contributions	—	—	—	—	—	—
Other dedicated capital funding	—	—	—	—	—	—
<b>Total sources of capital funding (C)</b>	<b>25,001</b>	<b>16,913</b>	<b>39,957</b>	<b>24,409</b>	<b>15,696</b>	<b>(8,713)</b>
<b>Applications of capital funding</b>						
Capital expenditure						
– to meet additional demand	2,000	2,616	18,042	10,525	4,803	5,722
– to improve the level of service	16,182	18,211	18,659	10,884	2,593	8,291
– to replace existing assets	12,425	10,872	18,838	10,989	4,516	6,473
Increase (decrease) in reserves	1,265	(7,994)	(8,331)	(4,294)	11,022	(15,516)
Increase (decrease) of investments	—	77	—	—	(2,149)	2,149
<b>Total applications of capital funding (D)</b>	<b>31,872</b>	<b>23,782</b>	<b>47,208</b>	<b>28,104</b>	<b>20,785</b>	<b>7,319</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(6,871)</b>	<b>(6,869)</b>	<b>(7,251)</b>	<b>(3,695)</b>	<b>(5,089)</b>	<b>(1,394)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Depreciation	14,848	15,399	14,722	8,588	8,664	(76)

## Performance Measure Results



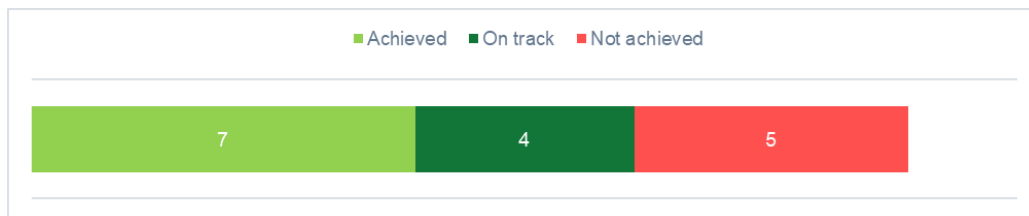
## PLANNING AND REGULATORY Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Jan 2022 \$000	Actual Jan YTD 2022 \$000	Variance Jan YTD 2022 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	2,453	1,431	1,433	2
Targeted rates	—	—	—	—
Subsidies and grants for operating purposes	—	—	—	—
Fees and charges	204	119	140	21
Local authorities fuel tax, fines, infringement fees, and other receipts	3,490	2,016	2,820	804
Internal charges and overheads recovered	—	—	—	—
<b>Total operating funding (A)</b>	<b>6,147</b>	<b>3,566</b>	<b>4,393</b>	<b>827</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	615	326	406	(80)
Finance costs	1	1	—	1
Internal charges and overheads applied	5,461	3,185	2,907	278
Other operating funding applications	—	—	—	—
<b>Total applications of operating funding (B)</b>	<b>6,077</b>	<b>3,512</b>	<b>3,313</b>	<b>199</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>70</b>	<b>54</b>	<b>1,080</b>	<b>1,026</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	—	—	—	—
Development and financial contributions	—	—	—	—
Increase (decrease) in debt	14	8	—	(8)
Gross proceeds from sale of assets	—	—	29	29
Lump sum contributions	—	—	—	—
Other dedicated capital funding	—	—	—	—
<b>Total sources of capital funding (C)</b>	<b>14</b>	<b>8</b>	<b>29</b>	<b>21</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	—	—	—	—
- to improve the level of service	80	47	—	47
- to replace existing assets	4	2	60	(58)
Increase (decrease) in reserves	—	13	1,049	(1,036)
Increase (decrease) of investments	—	—	—	—
<b>Total applications of capital funding (D)</b>	<b>84</b>	<b>62</b>	<b>1,109</b>	<b>(1,047)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(70)</b>	<b>(54)</b>	<b>(1,080)</b>	<b>(1,026)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Depreciation	70	41	41	—

## Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Jan 2022 \$000	Actual Jan YTD 2022 \$000	Variance Jan YTD 2022 \$000
Animal Control	284	166	128	38
Building Consents	1,494	834	747	87
Building Policy	441	262	251	11
Dog Control	714	416	314	102
Environmental Health	545	318	262	56
Environmental Health Policy	144	84	76	8
Liquor Licensing	267	156	126	30
Liquor Policy	74	43	39	4
Parking	439	256	193	63
Planning Policy	448	261	239	22
Resource Management	1,123	654	895	(241)
Safety Licensing	174	102	83	19
<b>Total Expenditure</b>	<b>6,147</b>	<b>3,552</b>	<b>3,353</b>	<b>199</b>

## Performance Measures – LTP/Annual Plan Summary



## REGULATORY SERVICES - Performance Measures – LTP/Annual Plan

### Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2021/22)	Actual Performance	CM9 Ref
<b>Resource Consenting</b>					
RS1	Processing of applications under the Resource Management Act (RMA) 1991.	Applications under the RMA will be processed within statutory timeframes.	95%	<p><b>Not Achieved</b></p> <p>As at 31 January 2022, 198 consents have been approved YTD for Land Use, Subdivision, Boundary Activities and "other", approximately 60% of consents were approved within statutory timeframes.</p> <p>This has been due to high volume of applications received compared to the number of staff &amp; contractors available to process applications. This measure is considered to be in progress as the overall percentage compliance with the KPI is anticipated to change throughout the year.</p>	D22/11719
<b>Building Consenting</b>					
RS2	Carry out Building Consent Authority functions including enforcement of legislation relating to construction of buildings and structures.	Building consent applications are processed with in statutory timeframes.	98%	<p><b>Not Achieved</b></p> <p>As at 31 January 2022, 434 building consents were granted YTD, 89% within statutory timeframes.</p> <p>Fifty (50) 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>	D22/10795
<b>Building Compliance</b>					
RS9	Carry out territorial authority functions including enforcement of legislation.	100% of BWOFs are renewed or Notices to Fix are issued.	Achieve	<p><b>Not achieved</b></p> <p>As at 31 January 2022, 317 BWOFs are on the register and compliant. One contractor was behind in supplying BWOF documentation in November 2021. The contractor is now compliant.</p>	

## REGULATORY SERVICES - Performance Measures – LTP/Annual Plan 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	<b>Not Achieved</b> As at 31 January 2022, The compliance team continues to respond to reports of non-compliance however the timeframe of 5 working days has not always been achieved.													
General Regulatory Services																	
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%	<b>Not Achieved</b> As at 31 January 2022, 98 complaints received have been responded to, however there are a further 11 complaints outstanding that still require attention. Recruitment into vacant roles continues to be a challenge.  The 98 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>33</td></tr><tr><td>Local Government Act</td><td>41</td></tr><tr><td>Council Bylaws</td><td>19</td></tr><tr><td><b>Total</b></td><td><b>98</b></td></tr></table>		Year to Date	Smoke	5	Health Act	33	Local Government Act	41	Council Bylaws	19	<b>Total</b>	<b>98</b>	
	Year to Date																
Smoke	5																
Health Act	33																
Local Government Act	41																
Council Bylaws	19																
<b>Total</b>	<b>98</b>																



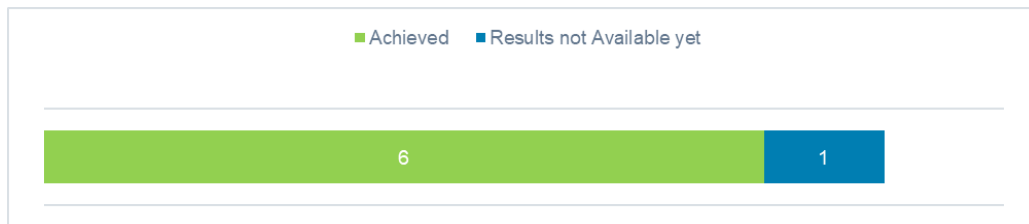
## COMMUNITY INFRASTRUCTURE Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Jan 2022 \$000	Actual Jan YTD 2022 \$000	Variance Jan YTD 2022 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	5,325	3,106	3,110	4
Targeted rates	–	–	–	–
Subsidies and grants for operating purposes	–	–	4	4
Fees and charges	285	166	185	19
Local authorities fuel tax, fines, infringement fees, and other receipts	876	45	122	77
Internal charges and overheads recovered	–	–	–	–
<b>Total operating funding (A)</b>	<b>6,486</b>	<b>3,317</b>	<b>3,421</b>	<b>104</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	3,686	2,146	2,062	84
Finance costs	147	86	59	27
Internal charges and overheads applied	1,028	600	522	78
Other operating funding applications	–	–	–	–
<b>Total applications of operating funding (B)</b>	<b>4,861</b>	<b>2,832</b>	<b>2,643</b>	<b>189</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,625</b>	<b>485</b>	<b>778</b>	<b>293</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	–	–	–	–
Development and financial contributions	632	368	–	(368)
Increase (decrease) in debt	1,481	864	–	(864)
Gross proceeds from sale of assets	–	–	–	–
Lump sum contributions	–	–	–	–
Other dedicated capital funding	–	–	–	–
<b>Total sources of capital funding (C)</b>	<b>2,113</b>	<b>1,232</b>	<b>–</b>	<b>(1,232)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	607	354	430	(76)
- to improve the level of service	1,303	760	274	486
- to replace existing assets	1,882	1,098	379	719
Increase (decrease) in reserves	(54)	(495)	(305)	(190)
Increase (decrease) of investments	–	–	–	–
<b>Total applications of capital funding (D)</b>	<b>3,738</b>	<b>1,717</b>	<b>778</b>	<b>939</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,625)</b>	<b>(485)</b>	<b>(778)</b>	<b>(293)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Depreciation	724	422	422	–

## Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Jan 2021 \$000	Actual Jan YTD 2021 \$000	Variance Jan YTD 2021 \$000
Cemeteries	604	350	324	26
Public Toilets	328	191	162	29
Beautification	642	374	274	100
Reserves	2,020	1,179	1,200	(21)
Sportsgrounds	1,227	714	680	34
Halls	284	166	153	13
Urban Cleaning	480	280	272	8
<b>Total Expenditure</b>	<b>5,585</b>	<b>3,254</b>	<b>3,065</b>	<b>189</b>

## Performance Measures – LTP/Annual Plan Summary



## COMMUNITY FACILITIES Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Jan 2022 \$000	Actual Jan YTD 2022 \$000	Variance Jan YTD 2022 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	–	–	–	–
Targeted rates	6,840	3,990	3,994	4
Subsidies and grants for operating purposes	316	184	326	142
Fees and charges	1,041	607	406	(201)
Local authorities fuel tax, fines, infringement fees, and other receipts	–	–	18	18
Internal charges and overheads recovered	–	–	–	–
<b>Total operating funding (A)</b>	<b>8,197</b>	<b>4,781</b>	<b>4,744</b>	<b>(37)</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	5,464	3,216	2,766	450
Finance costs	455	265	177	88
Internal charges and overheads applied	1,316	768	815	(47)
Other operating funding applications	–	–	–	–
<b>Total applications of operating funding (B)</b>	<b>7,235</b>	<b>4,249</b>	<b>3,758</b>	<b>491</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>962</b>	<b>532</b>	<b>986</b>	<b>454</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	–	–	–	–
Development and financial contributions	–	–	–	–
Increase (decrease) in debt	1,741	1,016	–	(1,016)
Gross proceeds from sale of assets	–	–	–	–
Lump sum contributions	–	–	–	–
Other dedicated capital funding	–	–	–	–
<b>Total sources of capital funding (C)</b>	<b>1,741</b>	<b>1,016</b>	<b>–</b>	<b>(1,016)</b>
<b>Applications of capital funding</b>				
Capital expenditure	–	–	–	–
- to meet additional demand	–	–	–	–
- to improve the level of service	1,706	995	15	980
- to replace existing assets	997	582	262	320
Increase (decrease) in reserves	–	(29)	709	(738)
Increase (decrease) of investments	–	–	–	–
<b>Total applications of capital funding (D)</b>	<b>2,703</b>	<b>1,548</b>	<b>986</b>	<b>562</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(962)</b>	<b>(532)</b>	<b>(986)</b>	<b>(454)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation	962	561	637	(76)

## Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Jan 2022 \$000	Actual Jan YTD 2022 \$000	Variance Jan YTD 2022 \$000
Libraries and Community Centres	5,384	3,151	2,805	346
Aquatic Centres	2,814	1,659	1,590	69
<b>Total Expenditure</b>	<b>8,198</b>	<b>4,810</b>	<b>4,395</b>	<b>415</b>

## Performance Measures – LTP/Annual Plan Summary



## COMMUNITY FACILITIES - Performance Measures – LTP/Annual Plan Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2021/22)	Actual Performance	CM9 Ref												
Community Centres and Libraries																	
CF19	Customers have access to a range of current information in both print and digital format.	<p>Percent of increase in use of websites and online engagement.</p> <p>Note: These numbers include statistics for Te Takeretanga o Kura-hau-pō website, OPAC, and Kete Horowhenua.</p>	+> 1%	<p><b>Not Achieved</b></p> <p>As at 31 January 2022</p> <table><tr><th></th><th>2021/22 YTD</th><th>2020/21 YTD</th><th>% change</th></tr><tr><td>Unique users</td><td>46,303</td><td>53,424</td><td>-13%</td></tr><tr><td>Sessions</td><td>66,906</td><td>73,543</td><td>-9%</td></tr></table>		2021/22 YTD	2020/21 YTD	% change	Unique users	46,303	53,424	-13%	Sessions	66,906	73,543	-9%	D19/98604
	2021/22 YTD	2020/21 YTD	% change														
Unique users	46,303	53,424	-13%														
Sessions	66,906	73,543	-9%														

## REPRESENTATION AND COMMUNITY LEADERSHIP

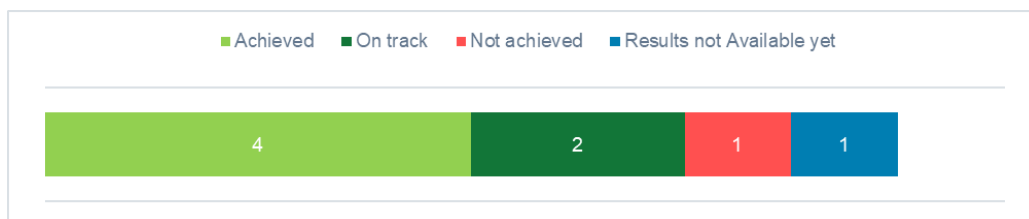
### Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Jan 2022 \$000	Actual Jan YTD 2022 \$000	Variance Jan YTD 2022 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	267	156	156	–
Targeted rates	4,051	2,363	2,366	3
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	–	–	–	–
<b>Total operating funding (A)</b>	<b>4,319</b>	<b>2,519</b>	<b>2,681</b>	<b>162</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	2,057	1,173	1,127	46
Finance costs	107	62	43	19
Internal charges and overheads applied	3,709	2,164	2,350	(186)
Other operating funding applications	–	–	–	–
<b>Total applications of operating funding (B)</b>	<b>5,873</b>	<b>3,399</b>	<b>3,520</b>	<b>(121)</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(1,554)</b>	<b>(880)</b>	<b>(839)</b>	<b>41</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	–	–	670	670
Development and financial contributions	–	–	–	–
Increase (decrease) in debt	2,055	1,199	–	(1,199)
Gross proceeds from sale of assets	–	–	–	–
Lump sum contributions	–	–	–	–
Other dedicated capital funding	–	–	–	–
<b>Total sources of capital funding (C)</b>	<b>2,055</b>	<b>1,199</b>	<b>670</b>	<b>(529)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	–	–	–	–
- to improve the level of service	500	292	–	292
- to replace existing assets	–	–	–	–
Increase (decrease) in reserves	1	27	(169)	196
Increase (decrease) of investments	–	–	–	–
<b>Total applications of capital funding (D)</b>	<b>501</b>	<b>319</b>	<b>(169)</b>	<b>488</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>1,554</b>	<b>880</b>	<b>839</b>	<b>(41)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Depreciation	–	–	–	–

## Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Jan 2021 \$000	Actual Jan YTD 2021 \$000	Variance Jan YTD 2021 \$000
Community Board	182	106	102	4
Elections	11	6	16	(10)
Governance	2,174	1,271	1,305	(34)
External Reporting	1,649	942	810	132
District Planning	1,858	896	1,233	(337)
Growth Response	—	415	651	(236)
<b>Total Expenditure</b>	<b>5,874</b>	<b>3,399</b>	<b>3,520</b>	<b>(121)</b>

## Performance Measures – LTP/Annual Plan Summary



## REPRESENTATION AND COMMUNITY LEADERSHIP – Performance Measures – LTP/Annual Plan Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2021/22)	Actual Performance	CM9 Ref
<b>Representation and Community Leadership</b>					
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	<b>Not Achieved</b> As at 31 January 2022: 90 LGOIMA requests had been received 81 were processed on time 1 was sent late 3 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>	



## COMMUNITY SUPPORT Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Jan 2022 \$000	Actual Jan YTD 2022 \$000	Variance Jan YTD 2022 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	2,759	1,609	1,611	2
Targeted rates	—	—	—	—
Subsidies and grants for operating purposes	33	17	314	297
Fees and charges	—	—	—	—
Local authorities fuel tax, fines, infringement fees, and other receipts	51	1	100	99
Internal charges and overheads recovered	—	—	—	—
<b>Total operating funding (A)</b>	<b>2,843</b>	<b>1,627</b>	<b>2,025</b>	<b>398</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,809	1,237	1,469	(232)
Finance costs	—	—	—	—
Internal charges and overheads applied	1,026	599	618	(19)
Other operating funding applications	—	—	—	—
<b>Total applications of operating funding (B)</b>	<b>2,835</b>	<b>1,836</b>	<b>2,087</b>	<b>(251)</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>8</b>	<b>(209)</b>	<b>(62)</b>	<b>147</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	—	—	—	—
Development and financial contributions	—	—	—	—
Increase (decrease) in debt	75	44	—	(44)
Gross proceeds from sale of assets	—	—	—	—
Lump sum contributions	—	—	—	—
Other dedicated capital funding	—	—	—	—
<b>Total sources of capital funding ©</b>	<b>75</b>	<b>44</b>	<b>—</b>	<b>(44)</b>
<b>Applications of capital funding</b>				
Capital expenditure	—	—	—	—
- to meet additional demand	—	—	—	—
- to improve the level of service	47	27	—	27
- to replace existing assets	28	16	7	9
Increase (decrease) in reserves	8	(209)	(69)	(140)
Increase (decrease) of investments	—	—	—	—
<b>Total applications of capital funding (D)</b>	<b>83</b>	<b>(165)</b>	<b>(62)</b>	<b>(103)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(8)</b>	<b>209</b>	<b>62</b>	<b>(147)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Depreciation	9	5	5	—

## Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Jan 2021 \$000	Actual Jan YTD 2021 \$000	Variance Jan YTD 2021 \$000
Community Development	684	408	357	51
Economic Development	914	645	838	(193)
Visitor Information	86	43	52	(9)
Community Grants and Funding	465	344	322	22
District Communication	431	248	218	30
Emergency Management	262	152	305	(153)
<b>Total Expenditure</b>	<b>2,842</b>	<b>1,840</b>	<b>2,092</b>	<b>(252)</b>

## Performance Measures – LTP/Annual Plan Summary



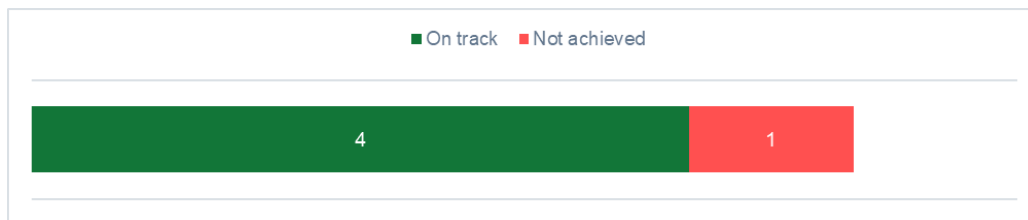
## LAND TRANSPORT Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Jan 2022 \$000	Actual Jan YTD 2022 \$000	Variance Jan YTD 2022 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	–	–	–	–
Targeted rates	3,011	1,756	1,758	2
Subsidies and grants for operating purposes	1,752	1,022	1,106	84
Fees and charges	–	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	376	196	139	(57)
Internal charges and overheads recovered	–	–	–	–
<b>Total operating funding (A)</b>	<b>5,139</b>	<b>2,974</b>	<b>3,003</b>	<b>29</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	2,945	1,717	2,351	(634)
Finance costs	153	90	39	51
Internal charges and overheads applied	1,020	595	586	9
Other operating funding applications	–	–	–	–
<b>Total applications of operating funding (B)</b>	<b>4,118</b>	<b>2,402</b>	<b>2,976</b>	<b>(574)</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,021</b>	<b>572</b>	<b>27</b>	<b>(545)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	9,685	6,750	1,657	(5,093)
Development and financial contributions	276	161	–	(161)
Increase (decrease) in debt	4,490	2,619	–	(2,619)
Gross proceeds from sale of assets	–	–	–	–
Lump sum contributions	–	–	–	–
Other dedicated capital funding	–	–	–	–
<b>Total sources of capital funding (C)</b>	<b>14,451</b>	<b>9,530</b>	<b>1,657</b>	<b>(7,873)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	4,960	2,893	527	2,366
- to improve the level of service	6,820	3,978	538	3,440
- to replace existing assets	3,540	2,065	1,345	720
Increase (decrease) in reserves	152	1,166	(726)	1,892
Increase (decrease) of investments	–	–	–	–
<b>Total applications of capital funding (D)</b>	<b>15,472</b>	<b>10,102</b>	<b>1,684</b>	<b>8,418</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,021)</b>	<b>(572)</b>	<b>(27)</b>	<b>545</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>0</b>
Depreciation	3,932	2,294	2,294	–

## Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Jan 2022 \$000	Actual Jan YTD 2022 \$000	Variance Jan YTD 2022 \$000
Subsidised Roothing	7,278	4,245	4,137	108
Footpaths	376	219	222	(3)
Shared Pathways	161	94	92	2
Unsubsidised Roothing	236	138	165	(27)
Emergency Works	—	—	654	(654)
<b>Total Expenditure</b>	<b>8,051</b>	<b>4,696</b>	<b>5,270</b>	<b>(573)</b>

## 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%	<b>Not Achieved</b> As of 31 January 2022, Year-to-date 1,061 CRMs have been received with 94.5% closed within 15 working days.	

## STORMWATER Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Jan 2022 \$000	Actual Jan YTD 2022 \$000	Variance Jan YTD 2022 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	–	–	–	–
Targeted rates	1,656	966	967	1
Subsidies and grants for operating purposes	–	–	–	–
Fees and charges	–	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	93	54	–	(54)
Internal charges and overheads recovered	–	–	–	–
<b>Total operating funding (A)</b>	<b>1,749</b>	<b>1,020</b>	<b>967</b>	<b>(53)</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	565	329	245	84
Finance costs	254	148	95	53
Internal charges and overheads applied	376	220	295	(75)
Other operating funding applications	–	–	–	–
<b>Total applications of operating funding (B)</b>	<b>1,195</b>	<b>697</b>	<b>635</b>	<b>62</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>554</b>	<b>323</b>	<b>332</b>	<b>9</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	1,300	758	–	(758)
Development and financial contributions	94	55	–	(55)
Increase (decrease) in debt	3,389	1,977	–	(1,977)
Gross proceeds from sale of assets	–	–	–	–
Lump sum contributions	–	–	–	–
Other dedicated capital funding	–	–	–	–
<b>Total sources of capital funding (C)</b>	<b>4,783</b>	<b>2,790</b>	<b>–</b>	<b>(2,790)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	2,006	1,170	461	709
- to improve the level of service	3,115	1,817	111	1,706
- to replace existing assets	156	91	12	79
Increase (decrease) in reserves	60	35	(252)	287
Increase (decrease) of investments	–	–	–	–
<b>Total applications of capital funding (D)</b>	<b>5,337</b>	<b>3,113</b>	<b>332</b>	<b>2,781</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(554)</b>	<b>(323)</b>	<b>(332)</b>	<b>(9)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Depreciation	716	418	418	–

## Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Jan 2022 \$000	Actual Jan YTD 2022 \$000	Variance Jan YTD 2022 \$000
Stormwater Drainage	1,911	1,115	1,053	62
<b>Total Expenditure</b>	<b>1,911</b>	<b>1,115</b>	<b>1,053</b>	<b>62</b>

## Performance Measures – LTP/Annual Plan Summary



## WATER SUPPLY Funding Impact Statement

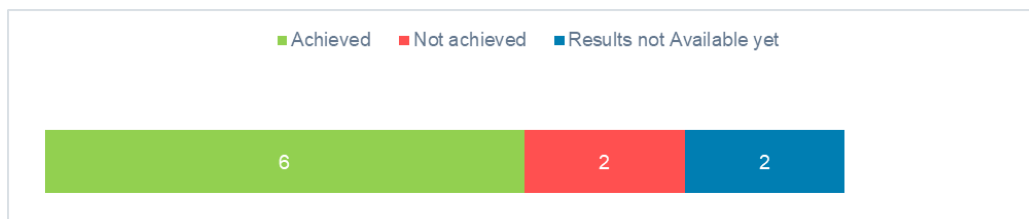
	LTP Forecast 2022 \$000	LTP Forecast Jan 2022 \$000	Actual Jan YTD 2022 \$000	Variance Jan YTD 2022 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	—	—	—	—
Targeted rates	7,165	4,064	3,960	(104)
Subsidies and grants for operating purposes	—	—	—	—
Fees and charges	62	36	31	(5)
Local authorities fuel tax, fines, infringement fees, and other receipts	128	60	3	(57)
Internal charges and overheads recovered	—	—	—	—
<b>Total operating funding (A)</b>	<b>7,355</b>	<b>4,160</b>	<b>3,994</b>	<b>(166)</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	3,805	2,207	2,046	161
Finance costs	471	275	180	95
Internal charges and overheads applied	852	497	552	(55)
Other operating funding applications	—	—	—	—
<b>Total applications of operating funding (B)</b>	<b>5,128</b>	<b>2,979</b>	<b>2,778</b>	<b>201</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,227</b>	<b>1,181</b>	<b>1,216</b>	<b>35</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	1,254	732	—	(732)
Development and financial contributions	220	129	—	(129)
Increase (decrease) in debt	1,912	1,115	—	(1,115)
Gross proceeds from sale of assets	—	—	—	—
Lump sum contributions	—	—	—	—
Other dedicated capital funding	—	—	—	—
<b>Total sources of capital funding (C)</b>	<b>3,386</b>	<b>1,976</b>	<b>—</b>	<b>(1,976)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	1,420	828	273	555
- to improve the level of service	517	302	84	218
- to replace existing assets	3,899	2,274	469	1,805
Increase (decrease) in reserves	(223)	(247)	390	(637)
Increase (decrease) of investments	—	—	—	—
<b>Total applications of capital funding (D)</b>	<b>5,613</b>	<b>3,157</b>	<b>1,216</b>	<b>1,941</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2,227)</b>	<b>(1,181)</b>	<b>(1,216)</b>	<b>(35)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(0)</b>
Depreciation	3,338	1,947	1,947	—



## Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Jan 2022 \$000	Actual Jan YTD 2022 \$000	Variance Jan YTD 2022 \$000
Foxton Water	1,222	715	581	134
Foxton Beach Water	959	559	483	76
Levin Water	4,693	2,724	2,732	(8)
Shannon Water	975	569	551	18
Tokomaru Water	529	308	331	(23)
Ohau Water	67	39	37	2
Waitarere Beach Water	20	12	10	2
<b>Total Expenditure</b>	<b>8,465</b>	<b>4,926</b>	<b>4,725</b>	<b>203</b>

## 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	<p><b>Not Achieved</b></p> <p>As at 31 January 2022, YTD average consumption across the district is 446L/person/day compared to December 2021 where the average water consumption was at 376L/person/day:</p> <p>There was an average increase in water demand, across the district of about 20%. This resulted in the imposing of water restrictions level 2 for Levin, Foxton and Foxton Beach water supplies.</p>	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”	<p><b>Not Achieved</b></p> <p>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 November 2021 as shown in the table below.</p> <table><tr><th>Supply</th><th>"Snapshot" Infrastructure Leakage Index</th></tr><tr><td>Levin</td><td>C</td></tr><tr><td>Shannon &amp; 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>C</td></tr></table> <p>Only Foxton Beach achieved the target WBI band for Leakage in November. Increase in demand has been noticeable across all the supplies and is the only change that could have contributed to the change leakage index calculations.</p>	Supply	"Snapshot" Infrastructure Leakage Index	Levin	C	Shannon & Mangaore	C	Foxton	C	Foxton Beach	A	Tokomaru	C	D21/175580
Supply	"Snapshot" Infrastructure Leakage Index																
Levin	C																
Shannon & Mangaore	C																
Foxton	C																
Foxton Beach	A																
Tokomaru	C																

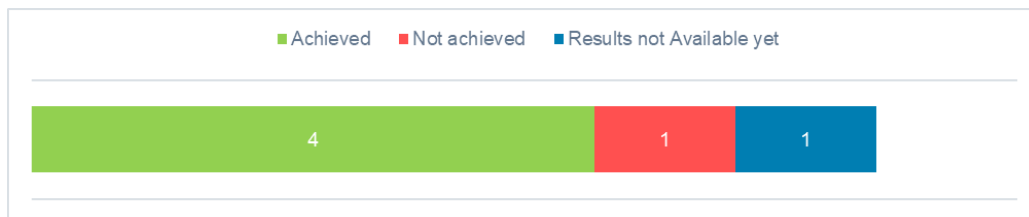
## WASTEWATER MANAGEMENT Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Jan 2022 \$000	Actual Jan YTD 2022 \$000	Variance 2022 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	—	—	—	—
Targeted rates	6,854	3,998	4,002	4
Subsidies and grants for operating purposes	—	—	—	—
Fees and charges	1,191	602	596	(6)
Local authorities fuel tax, fines, infringement fees, and other receipts	112	51	76	25
Internal charges and overheads recovered	—	—	—	—
<b>Total operating funding (A)</b>	<b>8,157</b>	<b>4,651</b>	<b>4,674</b>	<b>23</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	3,903	2,148	2,228	(80)
Finance costs	921	537	325	212
Internal charges and overheads applied	869	507	526	(19)
Other operating funding applications	—	—	—	—
<b>Total applications of operating funding (B)</b>	<b>5,693</b>	<b>3,192</b>	<b>3,079</b>	<b>113</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,464</b>	<b>1,459</b>	<b>1,595</b>	<b>136</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	2,693	1,571	33	(1,538)
Development and financial contributions	1,523	888	—	(888)
Increase (decrease) in debt	8,682	5,065	—	(5,065)
Gross proceeds from sale of assets	—	—	—	—
Lump sum contributions	—	—	—	—
Other dedicated capital funding	—	—	—	—
<b>Total sources of capital funding (C)</b>	<b>12,898</b>	<b>7,524</b>	<b>33</b>	<b>(7,491)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	7,306	4,262	3,099	1,163
- to improve the level of service	2,465	1,438	163	1,275
- to replace existing assets	5,491	3,203	839	2,364
Increase (decrease) in reserves	100	80	(2,473)	2,553
Increase (decrease) of investments	—	—	—	—
<b>Total applications of capital funding (D)</b>	<b>15,362</b>	<b>8,983</b>	<b>1,628</b>	<b>7,355</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2,464)</b>	<b>(1,459)</b>	<b>(1,595)</b>	<b>(136)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Depreciation	3,797	2,215	2,215	—

## Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Jan 2022 \$000	Actual Jan YTD 2022 \$000	Variance Jan YTD 2022 \$000
Foxton Wastewater	1,139	665	567	(98)
Foxton Beach Wastewater	819	477	479	2
Levin Wastewater	5,412	3,029	2,976	(53)
Shannon Wastewater	1,183	690	659	(31)
Tokomaru Wastewater	336	196	152	(44)
Waitarere Beach Wastewater	565	329	442	113
Ōhau Wastewater	37	21	19	(2)
<b>Total Expenditure</b>	<b>9,491</b>	<b>5,407</b>	<b>5,294</b>	<b>(114)</b>

## Performance Measures – LTP/Annual Plan Summary



## Performance 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	<div><div><div><div><div><b>Not Achieved</b></div><div>As at 31 January 2022:</div></div><table><tr><th></th><th>Year to Date</th></tr><tr><td>Response time</td><td>1hr 38mins*</td></tr></table></div><div><i>*Prolonged rain event in December had contributed to the longer response time reported above for January.</i></div></div></div>		Year to Date	Response time	1hr 38mins*	D21/144917
	Year to Date								
Response time	1hr 38mins*								

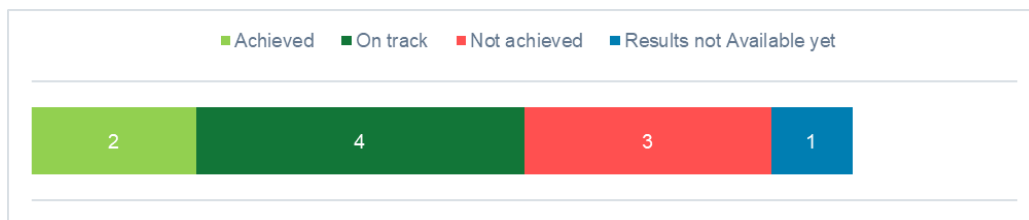
## SOLID WASTE MANAGEMENT Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Jan 2022 \$000	Actual Jan YTD 2022 \$000	Variance Jan YTD 2022 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	–	–	–	–
Targeted rates	2,214	1,291	1,293	2
Subsidies and grants for operating purposes	–	–	–	–
Fees and charges	1,767	1,159	915	(244)
Local authorities fuel tax, fines, infringement fees, and other receipts	21	8	2	(6)
Internal charges and overheads recovered	–	–	–	–
<b>Total operating funding (A)</b>	<b>4,002</b>	<b>2,458</b>	<b>2,210</b>	<b>(248)</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	3,159	1,743	1,819	(76)
Finance costs	223	130	76	54
Internal charges and overheads applied	567	331	281	50
Other operating funding applications	–	–	–	–
<b>Total applications of operating funding (B)</b>	<b>3,949</b>	<b>2,204</b>	<b>2,176</b>	<b>28</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>53</b>	<b>254</b>	<b>34</b>	<b>(220)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	3	1	–	(1)
Development and financial contributions	–	–	–	–
Increase (decrease) in debt	183	107	–	(107)
Gross proceeds from sale of assets	–	–	–	–
Lump sum contributions	–	–	–	–
Other dedicated capital funding	–	–	–	–
<b>Total sources of capital funding (C)</b>	<b>186</b>	<b>108</b>	<b>–</b>	<b>(108)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	42	25	11	14
- to improve the level of service	335	195	69	126
- to replace existing assets	227	132	930	(798)
Increase (decrease) in reserves	(365)	9	(976)	985
Increase (decrease) of investments	–	–	–	–
<b>Total applications of capital funding (D)</b>	<b>239</b>	<b>362</b>	<b>34</b>	<b>328</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(53)</b>	<b>(254)</b>	<b>(34)</b>	<b>220</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Depreciation	388	226	226	–

## Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Jan 2022 \$000	Actual Jan YTD 2022 \$000	Variance Jan YTD 2022 \$000
Roadside Collection Bags	478	279	236	(43)
Landfill	1,537	807	1,069	262
Recycling Centres	1,884	1,089	865	(224)
Waste Transfer Stations	438	255	232	(23)
<b>Total Expenditure</b>	<b>4,337</b>	<b>2,430</b>	<b>2,402</b>	<b>(28)</b>

## Performance Measures – LTP/Annual Plan Summary



## SOLID WASTE – Performance Measures – LTP/Annual Plan

### Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2020/21)	Actual Performance	RM8 Ref									
SW2	Recycling is encouraged	Level of recycling at: Kerbside Transfer stations	≥ 40% of total waste ≥ 50% of total waste	<p><b>Not Achieved</b> As at 31 January 2022: These figures are not currently unavailable under the current system. The Kerbside and Transfer Station quantities are amalgamated.</p> <table><tr><th></th><th>January 2022</th><th>Year to Date</th></tr><tr><td>Total Recycling</td><td>219.8 tonnes</td><td>1,323.6 Tonnes</td></tr><tr><td>Percentage of Waste Production</td><td>12.7 %</td><td>10.6%</td></tr></table> <p><b>Please Note:</b> Recycling services were suspended from 18 August, when New Zealand entered alert level 4.</p>		January 2022	Year to Date	Total Recycling	219.8 tonnes	1,323.6 Tonnes	Percentage of Waste Production	12.7 %	10.6%	D21/10344
	January 2022	Year to Date												
Total Recycling	219.8 tonnes	1,323.6 Tonnes												
Percentage of Waste Production	12.7 %	10.6%												
SW4	Response to service requests regarding Council's Solid Waste Activities is timely.	Time all requests are responded to.	Within 3 working days	<p><b>Not Achieved</b> As at 31 January 2022: <b>Responded within 3 working days:</b></p> <table><tr><th>January 2022</th><th>Year to Date</th></tr><tr><td>96/111</td><td>608/627</td></tr></table> <p><b>CRMs closed at 31 January 2022:</b></p> <table><tr><th>January 2022</th><th>Year to Date</th></tr><tr><td>53/111</td><td>398/608</td></tr></table>	January 2022	Year to Date	96/111	608/627	January 2022	Year to Date	53/111	398/608	D21/17795	
January 2022	Year to Date													
96/111	608/627													
January 2022	Year to Date													
53/111	398/608													



## SOLID WASTE – Performance Measures – LTP/Annual Plan

### Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2020/21)	Actual Performance	RM8 Ref									
SW5	Recycling and refuse is collected on time and in a sanitary manner.	Number of complaints per-month about non collection of: Kerbside recycling Kerbside refuse	< 6 per month < 6 per month	<p><b>Not Achieved</b></p> <p>As at 31 January 2022:</p> <table><tr><th></th><th>January 2022</th><th>Year to Date</th></tr><tr><td>Kerbside recycling</td><td>25 total complaints</td><td>100 total complaints</td></tr><tr><td>Kerbside refuse</td><td>3 total complaints</td><td>29 total complaints</td></tr></table> <p><b>Please note:</b></p> <p>Cameras on the recycling truck are used to verify if a collection was missed by the driver or was not collected for another reason. Other reasons for non-collection may include:</p> <ul style="list-style-type: none"><li>- Bin out on the wrong week</li><li>- Bin was not out at time of collection</li><li>- Bin was not collected due to contamination</li></ul> <p>As the rubbish trucks do not have cameras all missed bag complaints are considered to be missed in error.</p> <p>Missed collection CRMs are completed by Low Cost Bins.</p>		January 2022	Year to Date	Kerbside recycling	25 total complaints	100 total complaints	Kerbside refuse	3 total complaints	29 total complaints	D21/177955
	January 2022	Year to Date												
Kerbside recycling	25 total complaints	100 total complaints												
Kerbside refuse	3 total complaints	29 total complaints												

## PROPERTY Funding Impact Statement

	LTP Forecast 2022 \$000	LTP Forecast Jan 2022 \$000	Actual Jan YTD 2022 \$000	Variance Jan YTD 2022 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	852	497	497	–
Targeted rates	–	–	–	–
Subsidies and grants for operating purposes	–	–	–	–
Fees and charges	171	111	159	48
Local authorities fuel tax, fines, infringement fees, and other receipts	194	102	83	(19)
Internal charges and overheads recovered	405	236	174	(62)
<b>Total operating funding (A)</b>	<b>1,622</b>	<b>946</b>	<b>913</b>	<b>(33)</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,088	544	550	(6)
Finance costs	195	114	103	11
Internal charges and overheads applied	377	220	204	16
Other operating funding applications	–	–	–	–
<b>Total applications of operating funding (B)</b>	<b>1,660</b>	<b>878</b>	<b>857</b>	<b>21</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(38)</b>	<b>68</b>	<b>56</b>	<b>(12)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	200	117	–	(117)
Development and financial contributions	–	–	–	–
Increase (decrease) in debt	4,511	2,631	–	(2,631)
Gross proceeds from sale of assets	650	379	196	(183)
Lump sum contributions	–	–	–	–
Other dedicated capital funding	–	–	–	–
<b>Total sources of capital funding ©</b>	<b>5,361</b>	<b>3,128</b>	<b>196</b>	<b>(2,932)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	1,700	992	2	990
- to improve the level of service	1,500	875	1,259	(384)
- to replace existing assets	1,999	1,166	125	1,041
Increase (decrease) in reserves	124	163	(1,134)	1,297
Increase (decrease) of investments	–	–	–	–
<b>Total applications of capital funding (D)</b>	<b>5,323</b>	<b>3,196</b>	<b>252</b>	<b>2,944</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>38</b>	<b>(68)</b>	<b>(56)</b>	<b>12</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Depreciation	266	155	155	–

## Activity Expenditure

Activity Expenditure	LTP Forecast 2022 \$000	LTP Forecast Jan 2022 \$000	Actual Jan YTD 2022 \$000	Variance Jan YTD 2022 \$000
Council Building	266	156	156	—
Camping Grounds	20	12	9	3
Commercial Properties	—	—	24	(24)
Endowment Property	363	118	94	24
General Property	872	511	555	(44)
<b>Total Expenditure</b>	<b>1,521</b>	<b>797</b>	<b>838</b>	<b>(41)</b>

## Performance Measures – LTP/Annual Plan Summary



## APPENDIX

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