

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

Date: Wednesday 1 November 2017
Time: 4.00 pm
Meeting Room: Council Chambers
Venue: Horowhenua District Council
Levin

Finance, Audit & Risk Subcommittee

OPEN AGENDA

MEMBERSHIP

Chairperson
Members

Mr Philip Jones
Cr Wayne Bishop
Cr Ross Brannigan
Cr Ross Campbell
Mayor Michael Feyen
Cr Neville Gimblett
Cr Barry Judd
Cr Victoria Kaye-Simmons
Cr Jo Mason
Cr Christine Mitchell
Cr Piri-Hira Tukapua
Cr Bernie Wanden

Reporting Officer
Meeting Secretary

Mr Doug Law (Chief Financial Officer)
Mrs Karen Corkill

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

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

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

ITEM	TABLE OF CONTENTS	PAGE
PROCEDURAL		
1	Apologies	5
2	Public Participation	5
3	Late Items	5
4	Declarations of Interest	5
5	Confirmation of Minutes – 20 September 2017	5
6	Announcements	5
REPORTS		
7	Reports	
7.1	Financial Report for the three months to 30 September 2017	7
7.2	Treasury Report	97
7.3	Infrastructure Projects Update	113
7.4	Risk Management Policy	115
7.5	Situational Awareness Update	157
IN COMMITTEE		
8	Procedural motion to exclude the public	159
C1	Undefined Risks for Horowhenua District Council	159

1 Apologies

2 Public Speaking Rights

Notification to speak is required by 12 noon on the day of the meeting. Further information is available on www.horowhenua.govt.nz or by phoning 06 366 0999.

For further information on Public Participation, please see over the page.

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 Subcommittee, 20 September 2017

6 Announcements

Public Participation (further information):

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

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

Meeting protocols

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

Financial Report for the three months to 30 September 2017

File No.: 17/529

1. Purpose

To present to the Finance, Audit & Risk Subcommittee the financial report for the three months to 30 September 2017.

2. Recommendation

- 2.1 That Report 17/529 Financial Report for the three months to 30 September 2017 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	Quarterly Financial Report September 2017	8

Confirmation of statutory compliance

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

- a. containing sufficient information about the options and their benefits and costs, 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)	Doug Law Chief Financial Officer	
-----------	-------------------------------------	---

Approved by	Doug Law Chief Financial Officer	
-------------	-------------------------------------	---

Horowhenua
DISTRICT COUNCIL

Three Month Report

1 July 2017- 30 September 2017



Executive Summary

A. Trends and Activity of Interest

1. Resource Consenting
 - 56 consents have been lodged as at 30 September 2017, compared to 50 at the same time last year. Approved consents include consents under process at 30 June 2017.
 - 17 subdivision consents approved as at 30 September 2017, compared to 13 at the same time last year.
 - 15 lots have reached 223 stage and 13 have reached 224 stage.
2. Building Consents
 - Value of consents issued as at 30 September 2017 is \$23,092,901 being similar as at the same period last year.
 - 59 new dwelling consents at 30 September 2017 against 57 for the same period in the 2016/2017 year.
 - 171 building consents were as at 30 September 2017, compared to 183 for the same period last year.

Both Resource Consent and Building Consent numbers, and the level of enquiries, continue to hold steady.

B. Financial Performance

Council has achieved a surplus of \$2,223,000 as at 30 September 2017 against a budgeted surplus of \$2,756,000.

The following variances are evident

- Fees and charges has pensioner housing rental \$210k that was not budgeted for due to anticipating the sale to occur 1 July 2017.
- Other revenue is over budget reflecting the income generated by the Alliance covering the Operations and Projects team overhead costs (\$313k YTD). This will continue and grow due to the change on operations from when the budgets were formulated.
- Employee costs are \$337k lower than budget reflecting several vacant positions
- Finance costs are below budget by \$123k reflecting the lower interest rates on loans; 4.08% against the Annual Plan assumption of 4.75%
- Depreciation expense is higher (\$603k) than budget due to the revaluations of assets last year that were not reflected in the annual Plan budgets. This trend will continue for the rest of the year.

Rates rebates applications continue to be strong. 1253 applications totalling \$688,377 processed to the end of September (Last year 1224 applications totalling \$671,111).

Doug Law
Chief Financial Officer
1 November 2017

Operational Summary

Total revenue	Total expenditure	Total surplus/(deficit)
\$14.65m	\$12.43m	\$2.22m
is 4% less than the total budget of \$15.23m	is 3% less than the total budget of \$12.92m	is 3% less than the total budgeted surplus of \$2.28m

SUSTAINABILITY

Rates to operating revenue 62%

Rates revenue	\$9.06m
Operating revenue	\$14.65m

62% of operating revenue is derived from rates revenue. Rates revenue excludes penalties and includes water supply by meter and gross of remissions. Operating revenue excludes vested assets, development contributions, asset revaluation gains and gains on derivatives.

Balance budget ratio 117%

Operating revenue	\$14.65m
Operating expenditure	\$12.43m

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 include depreciation and excludes loss on derivatives, landfill liability and loss on asset revaluations. Year to date revenue is 127% more than operating expenditure.

Essential services ratio 117%

Capital expenditure	\$4.1m
Depreciation	\$3.5m

Capital expenditure should be equal or more than depreciation for essential services, for year to date capex is 17.7% more than depreciation

Net Debt to total projected revenue 137%

Total net borrowing	\$72.23m
Total projected operating revenue	\$52.71m

With net borrowing of \$72.23m we are still under the set limit of 175% of operating revenue. Total net borrowing is external borrowing less cash at bank.

Interest to rates revenue (LGFA Cov.) 6%

Net Interest	\$0.56m
Rates revenue	\$9.06m

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 and includes water supply by meter and gross of remissions.

Interest to operating revenue (LGFA Cov.) 4%

Net Interest	\$0.56m
Operating revenue	\$14.65m

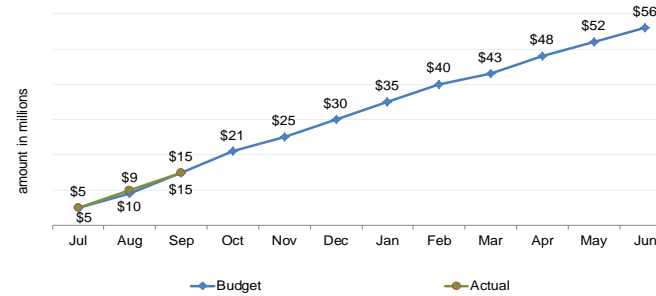
4% of operating revenue is paid in interest. Our set limit is 20% of operating revenue. Net interest is interest paid less interest received.

Available financial accommodation to external 114%

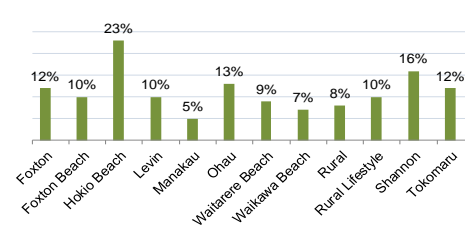
Net debt	\$72.23m
Undrawn committed facilities	\$10.00m

Committed bank facility to enable us to borrow at least 10% of our current external debt immediately, currently we can borrow 14% more than our current debt. Net debt is external debt less cash at bank.

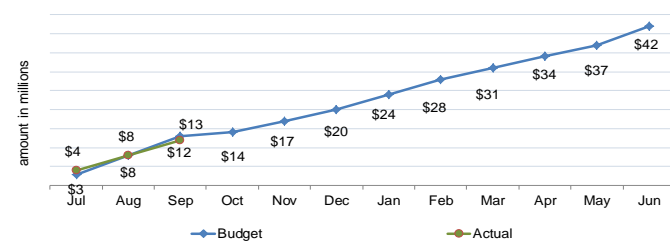
Total Operating Revenue \$m



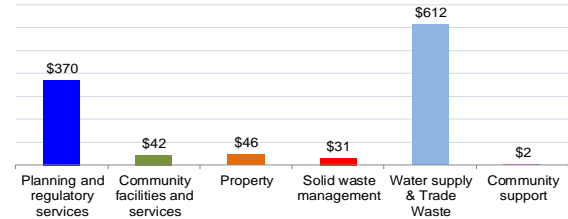
Rates debtors % with arrears



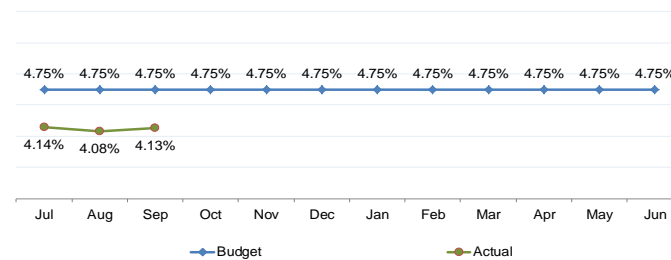
Total Operating Expenditure \$m



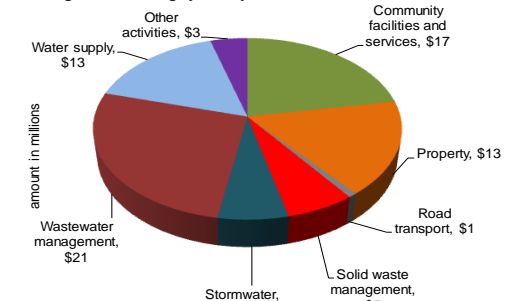
Sundry debtors by activities \$000



Interest rate movement



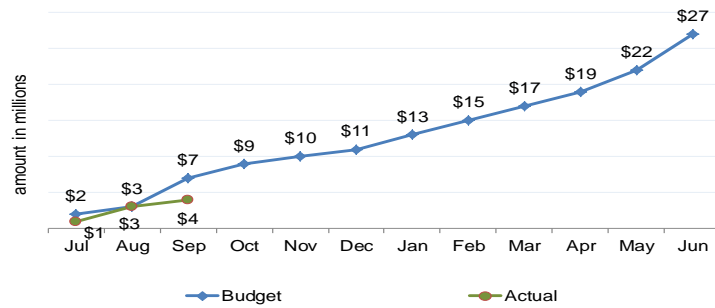
Total gross borrowing by activity \$m



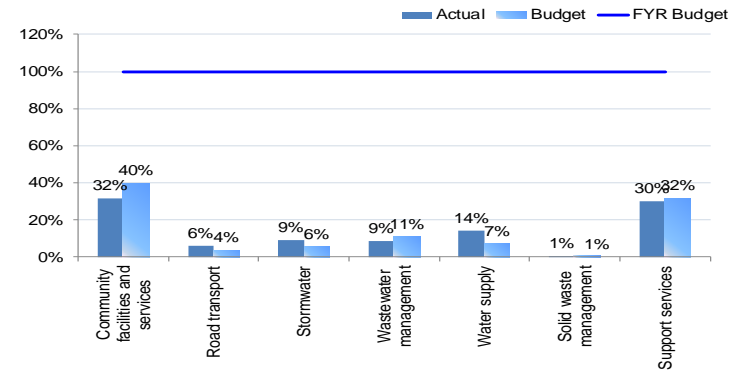
Capital

To meet growth	To improve service	To replace
\$0.49m	\$1.95m	\$1.7m
is 56% less than the YTD budget of \$1.106m	is 26% less than the TD budget of \$2.65m	is 52% less than the total budget of 3.57m

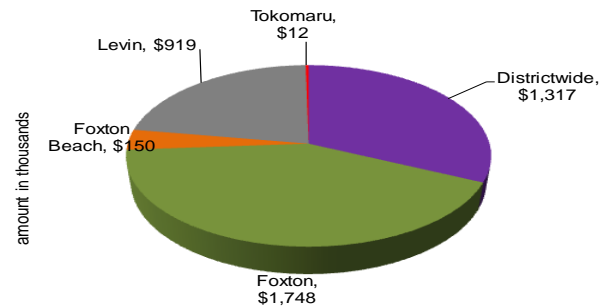
Total Capital Expenditure



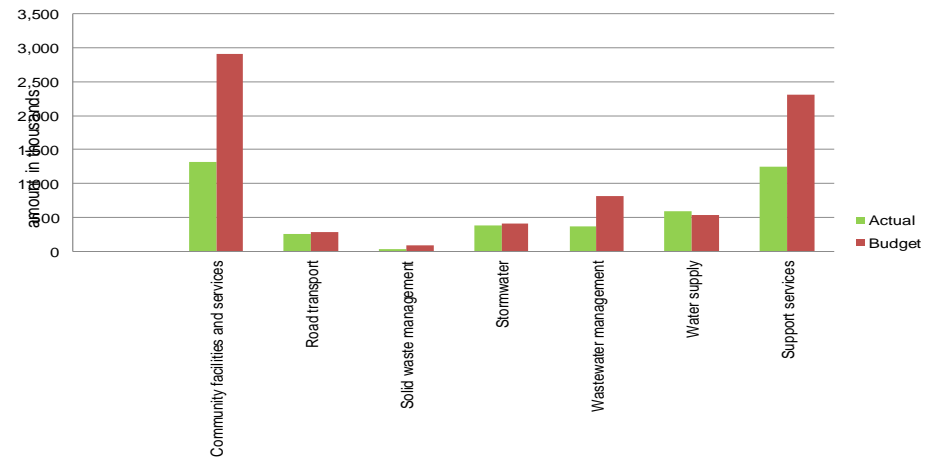
Capital Expenditure By Activity % Percentage



District View - Capital Expenditure \$000



Capital Expenditure By Activity \$000



Statement of Comprehensive Revenue and Expense

Percentage of year completed: 25%	Council Actual \$ 30-Jun-17 \$000	Annual Plan to 30- Jun-18 \$000	Council Actual \$ 30-Sep-17 \$000	Council Budget \$ 30-Sep-17 \$000	YTD Variance \$000	YTD Variance %
	A	B	C	D=C-B	E=D/C	
Revenue						
Rates	34,498	36,790	9,055	8,933	(122)	-1%
Finance revenue	53	70	1	17	16	94%
Grants and subsidies	3,900	7,226	2,453	3,764	1,311	35%
Fees and charges	6,321	5,154	1,515	1,289	(226)	-18%
Other revenue	3,857	3,294	1,514	1,155	(359)	-31%
Vested assets	459	-	17	-	(17)	0%
Development contributions	488	-	-	-	-	0%
Gain on derivative financial instruments	630	-	-	-	-	0%
Other gains	983	359	99	45	(54)	0%
Total revenue	51,189	52,893	14,654	15,203	549	4%
Expenditure						
Employee benefit expenses	12,234	13,174	2,867	3,204	337	11%
Depreciation and amortisation	14,154	11,604	3,504	2,901	(603)	-21%
Finance costs	3,106	3,658	558	681	123	18%
Loss on disposal of assets		1,877	-	-	-	0%
Other losses	733		-	-	-	0%
Increase / (decrease) in landfill provision	221	95	-	-	-	0%
Other expenses	21,683	21,507	5,502	5,661	159	3%
Total expenses	52,131	51,915	12,431	12,447	16	0%
Operating surplus / (deficit) before tax	(942)	978	2,223	2,756	533	19%
Income tax expense	-		-	-	-	
Operating surplus / (deficit) after tax	(942)	978	2,223	2,756	533	19%
Write back of revaluation losses on land & buildings	2,963	-	-	-	-	0%
Surplus (deficit) after tax attributed to Horowhenua District Council	2,021	978	2,223	2,756	533	19%
Other comprehensive revenue and expense						
Gain / (loss) on infrastructural assets revaluations	29,272	5,963	-	-	-	0%
Gain / (loss) on operational assets revaluation	6,418	-	-	-	-	0%
Gain / (loss) on restricted assets revaluation	6,091	-	-	-	-	0%
Total other comprehensive revenue and expense for the year	41,781	5,963	-	-	-	-
Total comprehensive revenue and expense for the year	43,802	6,941	2,223	2,756	533	19%

Notes

Revenue

Rates penalties – The penalties above budgets with an increase prior in years arrears debt and increase in current year debt. It is forecasted the the total penalties for the year will be under budget with increased debt recovery.

Interest Revenue – This is below budget with lower interest rates in the market coupled with lower cash balances than anticipated on order to defer long-term borrowing as long as possible.

Grants and Subsidies – The capital grant for Libraries received is \$1,416K under budget. Subsidised Rooding Capital Project Foxton Main Street and reseals are under way and the Capital Subsidies is above budget with the increased activity.

Fees and Charges – Residential Housing income is \$210K above budget with rents received for Pension Housing and not budgeted for as the portfolio was anticipated to be sold in July 2017. Wastewater income is above budget with Trade Waste in Foxton and Levin.

Other Revenue –

- Building consents revenue is \$93K above budget with increased activity.
- Parking revenue received is \$50K below budget due to the timing of our tickets issued to court and recovery for the fines from the courts. This is anticipated to continue through to 30 June 2018.
- Dog registrations are \$86K above budget with increased registration and prosecutions.
- People and Capability have unbudgeted \$6K for payroll work with other businesses.
- Rooding is \$15K above budget with increased revenue from Petrol Tax.
- Shannon Wastewater has unbudgeted \$6K revenue for grazing.

Gains – Property gains on sale for Endowment land.

Activity	Gain	Loss	Total
Endowment	99,191	0	99,191
	99,191	0	99,191

Expenditure

Employment Benefit Expenses – This is \$337K under budget with the delay in the recruitment of some staffing positions.

Depreciations and amortisation – This is \$603K over budget due to the revaluation on Water and Wastewater assets last financial year unknown when the depreciation budgets were formulated.

Finance Costs – Due to the lower interest rates for Council loans. This is expected to remain under budget to 30 June 2018.

Other Expenses –

- Grants paid to date are under budget by \$108K.
- Maintenance and Material costs are under budget for;
 - Community Facilities and Service by \$151K
 - Wastewater \$71K,
 - Solid Waste \$121K,
 - Property \$43K and
 - Rooding \$250K.
 - These costs are over budget for;
 - Storm Water by \$35K and
 - Water Supply \$240K. This overspend is offset with reduction in internal costs.

Statement of Financial Position

	Council Actual 30 June 2017 \$000	Council Actual 30 Sept 2017 \$000	Council Annual Plan Budget 30 June 2018	Notes
Assets				
Current assets				
Cash and cash equivalents	5,074	4,769	4,953	
Debtors and other receivables	6,790	8,357	6,045	1
Other financial assets	365	365	0	
Assets held for sale	7,508	7,508	285	
Total current assets	19,737	20,999	11,283	
Non-current assets				
Operational assets	52,008	53,275	42,388	
Infrastructural assets	428,046	427,720	419,880	
Restricted assets	44,979	44,534	41,511	
Intangible assets	1,854	1,751	1,608	
Forestry assets	1,500	1,500	1,010	
Commercial property	5,879	5,879	6,219	
Council Controlled Organisations	220	220	1,285	
Investment in other entities	1,121	1,121	0	
Total non-current assets	535,607	536,000	513,901	
Total assets	555,344	556,999	525,184	
Liabilities				
Current liabilities				
Creditors and other payables	10,579	10,531	11,984	
Provisions	1,129	1,129	940	
Employee entitlements	1,155	619	993	
Borrowings	14,000	14,000	14,000	
Total current liabilities	26,863	26,279	27,917	
Non-current liabilities				
Provisions	2,272	2,272	2,431	
Employee entitlements	166	166	161	
Derivative and other financial liabilities	1,038	1,038	1,668	
Borrowings	63,000	63,000	69,000	
Other	461	477	784	2
Total non-current liabilities	66,937	66,953	74,044	
Total liabilities	93,800	93,232	101,961	
Net assets	461,544	463,767	423,223	
Equity				
Retained earnings	263,895	266,118	261,439	
Revaluation reserves	189,230	189,230	153,411	
Other reserves	8,419	8,419	8,373	
Total equity	461,544	463,767	423,223	
Total equity attributable to Horowhenua District Council	461,544	463,767	433,146	

Notes

1. Debtors and other receivables:

Sundry Debtors	\$1,104K
Rates	\$2,824K
Water Billing	\$555K
Infringements and Other	<u>\$3,874K</u>
Total	\$8,357K

A breakdown of Current Sundry Debtors is shown on the Statement of Sundry Debtors.

2. Non-current liabilities – Other

LGFA Amortisation Reserve	\$377K
Development Contributions	<u>\$100K</u>
Total	\$477K

Development Contributions of \$99,685 are for 15 properties. Section 197A of the Local Government Act 2002 enables territorial authorities to recover a contribution for developments to fund infrastructure required due to growth. Council made the decision not to collect any further Development Contributions effective from 1 July 2015.

Funding Impact Statement for Whole of Council

	Annual Plan Forecast 30-Sep-17 \$000	Actual 30-Sep-17 \$000	Variance 30-Sep-17 \$000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	2,444	2,461	17
Targeted rates	6,489	6,594	105
Subsidies and grants for operating purposes	407	337	(70)
Fees and charges	1,289	1,515	226
Interest and dividends from investments	17	1	(16)
Local authorities fuel tax, fines, infringement fees, and other receipts	1,137	1,514	377
Total Operating Funding (A)	11,783	12,422	639
Applications of Operating Funding			
Payments to staff and suppliers	8,865	8,369	(496)
Finance Costs	681	558	(123)
Other operating funding applications			-
Total applications of operating funding (B)	9,546	8,927	(619)
Surplus (deficit) of operating funding (A - B)	2,237	3,495	1,258
Sources of capital funding			
Subsidies and grants for capital expenditure	3,375	2,116	(1,259)
Development and financial contributions			-
Increase (decrease) in debt	2,078		(2,078)
Gross proceeds from sale of assets	1,723	379	(1,343)
Lump sum contributions			-
Other dedicated capital funding			-
Total sources of capital funding (C)	7,175	2,495	(4,680)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	1,106	494	(612)
- to improve the level of service	2,646	1,952	(694)
- to replace existing assets	3,577	1,700	(1,877)
Increase (decrease) in reserves	2,063	2,064	1
Increase (decrease) of investments	20	(220)	(240)
Total applications of capital funding (D)	9,412	5,990	(3,422)
Surplus (deficit) of capital funding (C - D)	(2,237)	(3,495)	(1,258)
Funding Balance ((A-B)+(C-D))	-	-	-
Depreciation	2,901	3,504	603

Statement of Cashflow

**Council
Actual \$
30-Sep-17
\$000**

Cashflow from Operating Activities

Cash was provided from:

Revenue from Rates	10,489
Other Revenue	2,588
Interest Received	(4)
Net GST movement	-
	<u>13,073</u>

Cash was disbursed to:

Suppliers, services and employees	8,747
Interest Paid	542
Net GST movement	227
	<u>9,516</u>
Net Cashflow from Operating Activity	<u>3,557</u>

Cashflows from Investing Activities

Cash was provided from:

Proceeds from asset sales	379
Proceeds from investments	0
	<u>379</u>

Cash was disbursed to:

Purchases of investments	0
Purchase of Assets	4,241
	<u>4,241</u>
Net Cashflow from Investing Activity	<u>(3,862)</u>

Cashflows from Financing Activities

Cash was provided from:

Loans Raised	4,000
	<u>4,000</u>

Cash was disbursed to:

Repayment of Public Debt	4,000
	<u>4,000</u>
Net Cashflow from Financing Activity	<u>0</u>

Net Increase (Decrease) in Cash Held	(305)
Add Opening Cash bought forward	5,074
Closing Cash Balance	<u>4,769</u>

Statement of Rates Debtors

Rate Zone	Assessment Count	Assessments with Arrears	% with Arrears	Total Arrears	Year to Date Arrears	Instalment 1 Arrears	Penalties Arrears	Prior Year Arrears
Foxton	1,268	157	12%	\$252,588	\$76,037	\$62,051	\$13,983	\$176,551
Foxton Beach	1,580	158	10%	\$125,344	\$68,896	\$59,906	\$8,971	\$56,447
Hokio Beach	199	45	23%	\$699,174	\$9,957	\$9,971	\$513	\$689,217
Levin	7,391	717	10%	\$712,861	\$338,336	\$293,544	\$43,677	\$374,525
Manakau	86	4	5%	\$2,012	\$1,202	\$1,045	\$157	\$810
Non Rateable	129	3	2%	\$3,560	\$811	\$548	\$261	\$2,749
Ohau	150	19	13%	\$18,171	\$10,209	\$9,069	\$1,140	\$7,963
Rural	2,287	175	8%	\$468,671	\$66,141	\$58,534	\$9,850	\$402,530
Rural Lifestyle	2,590	248	10%	\$241,885	\$98,065	\$84,582	\$13,085	\$143,820
Shannon	672	105	16%	\$216,783	\$58,265	\$41,249	\$16,902	\$158,518
Tokomaru	164	20	12%	\$18,233	\$8,597	\$7,084	\$1,503	\$9,636
Waikawa Beach	231	17	7%	\$8,833	\$6,678	\$5,985	\$685	\$2,155
Waitarere Beach	949	86	9%	\$56,698	\$33,151	\$28,587	\$4,567	\$23,548
Total at 30 September 2017	17,713	1,754	10%	\$2,824,813	\$776,344	\$662,155	\$115,295	\$2,048,468
Total at 30 September 2016	17,778	1,845	10%	\$3,068,809	\$862,772	\$716,521	\$146,251	\$2,206,037

Statement of Sundry Debtors

Category	Total Outstanding	Current Outstanding	31 - 60 days Outstanding	61 - 90 days Outstanding	Over 90 days Outstanding	Notes
Current debtors						
Aquatic Centre	6,242	4,563	1,194	63	422	
Building Consents	79,893	50,444	14,378	0	15,071	1
Building Fee - BWOFF	2,770	1,770	655	140	205	
Cemeteries	30,092	26,965	3,127	0	0	
Dogs	412	0	0	0	412	
Dogs - Debt Collection	5,605	4	0	0	5,602	
Dogs Arrange to pay	3,168	1,899	837	196	237	
Dogs Pre Payments	75	75	0	0	0	
Fines	1,631	0	0	0	1,631	
General	348,627	325,785	15,853	0	6,989	2
Health Accreditation Renewals	7,300	3,073	2,199	549	1,480	
Hire	5,762	1,122	144	0	4,497	
On Charges	128,910	124,680	0	0	4,230	3
Pension Housing	540	540	0	0	0	
Resource Consent Fees	28,887	6,284	9,653	0	12,950	4
Rubbish Bags	28,500	19,000	5,700	0	3,800	
Te Takere	13,928	11,098	1,980	100	750	
Waste Transfer Station	2,827	2,354	258	43	172	
Water & Trade Waste	282,605	147,724	96,454	17,847	20,579	
Water Septage - Septic Tank	4,064	3,225	468	371	0	
Total current debtors	983,548	730,764	153,890	19,477	79,417	
Non current debtors						
Dev Cont New Policy	50,573	16,051	0	0	34,523	5
Develop Cont Old Policy	24,029	0	0	0	24,029	5
Rental Income Monthly	45,715	17,253	2,286	200	25,976	
Total non-current debtors	120,318	33,303	2,286	200	84,528	
Total as at 30 September 2017	1,103,865	764,067	156,176	19,677	163,945	
Total as at 30 September 2016	631,934	298,898	94,997	7,744	229,295	

Notes and Comments

1. Amongst the Building Consents category, there are some damage deposit bonds in here, as well as extensions of time for a number of the older aged consents.
2. In this category there are charges for grazing leases, new connections, car access way and HR charges. This also includes the Alliance Contract recharge which has increased current period debtors.
3. In the On Charges category, the majority of the 90+ Days debtors have been provided for as Doubtful Debts.
4. Amongst the Resource Consent category, there are some land use bonds. The debtors in this category are being actively pursued, and some of the 90+ Days debtors have been provided for as Doubtful Debts.
5. These Development Contribution debtors are being actively pursued. The batch of debt letters sent had a positive effect with several payments being made. Most of the Development Contributions – Old Policy are with the Debt Collection Agency, with the balance of them either being paid off or having an arrangement to pay when the sections sell.

Statement of Loans by Parcel

Loan parcels	Maturity	Interest	Opening balance	Raised	Repaid	Closing balance
Due within a year						
LGFA CP	21 Aug 17	1.8950%	0	2,000,000	2,000,000	0
LGFA CP	20 Sep 17	1.9100%	0	2,000,000	2,000,000	0
LGFA FRN	15 Dec 17	3.1225%	2,000,000			2,000,000
LGFA CP	18 Dec 17	2.1350%	12,000,000			12,000,000
Total due within a year				4,000,000	4,000,000	14,000,000
Due within 2 - 5 years						
Stock	15 Nov 18	5.5950%	2,000,000			2,000,000
LGFA Bond	15 Mar 19	4.4500%	4,000,000			4,000,000
LGFA Bond	15 Mar 19	4.7064%	5,000,000			5,000,000
LGFA FRN	15 Mar 19	3.0125%	3,000,000			3,000,000
LGFA FRN	15 May 21	2.9125%	4,000,000			4,000,000
LGFA Bond	15 May 21	4.5650%	5,000,000			5,000,000
LGFA Bond	15 May 21	5.9852%	5,000,000			5,000,000
LGFA Bond	15 May 21	5.8516%	5,000,000			5,000,000
LGFA FRN	18 May 22	2.4750%	3,000,000			3,000,000
LGFA Bond	15 Apr 23	5.1336%	4,000,000			4,000,000
Total due within 2 - 5 years						40,000,000
Due after 5 years						
LGFA Bond	15 Apr 25	4.2046%	3,000,000			3,000,000
LGFA BOND	15 Mar 24	3.7200%	4,000,000			4,000,000
LGFA BOND	15 May 24	3.7600%	4,000,000			4,000,000
LGFA FRN	19 May 25	2.5400%	7,000,000			7,000,000
LGFA Bond	15 Jul 26	3.3700%	5,000,000			5,000,000
Total due after 5 years						23,000,000
Total			77,000,000	4,000,000	4,000,000	77,000,000

Notes and Comments

Our weighted average interest rate has increased to 4.13 % at 30 September 2017. This is a saving of \$490K in interest payable compared to the Annual Plan interest rate assumption of 4.75% for 2017/18.

The weighted average rate is calculated by multiplying the opening loan balance by the interest rate for that loan and dividing the total interest payable for all loans by the total loans. It is recorded in bands as required under GAAP or IPSAS.

Statement of External Loans and Interest by Activity

Activity	Loans as at 30 June 2017	Loans as at 30 Sep 17	Internal Interest Allocated YTD
Land Transport	300,000	550,000	2,175
Stormwater	4,600,000	5,050,000	33,344
Water supply			
Water Levin	9,600,000	9,790,000	69,587
Water Shannon	1,300,000	1,300,000	9,423
Water Foxton	900,000	890,000	6,524
Water Foxton Beach	200,000	200,000	1,450
Water Tokomaru	300,000	300,000	2,175
Total for water supply	12,300,000	12,480,000	89,158
Wastewater Disposal			
Wastewater Levin	8,000,000	8,090,000	57,989
Wastewater Shannon	8,700,000	8,610,000	63,063
Wastewater Foxton	3,400,000	3,240,000	24,645
Wastewater Foxton Beach	0	70,000	0
Wastewater Tokomaru	500,000	500,000	3,624
Wastewater Waitarere	0	0	0
Total for wastewater disposal	20,600,000	20,510,000	149,321
Solid Waste	4,800,000	4,860,000	34,793
Community Facilities & Services			
Libraries	9,600,000	8,890,000	69,587
Pools	4,600,000	4,550,000	33,344
Reserves	1,300,000	1,300,000	9,423
Sports grounds	1,400,000	1,400,000	10,148
Halls	250,000	250,000	1,812
Toilets	500,000	500,000	3,624
Cemeteries	200,000	200,000	1,450
Total for Community Facilities & Service	17,850,000	17,090,000	129,388
Properties			
General properties	1,050,000	990,000	7,611
Council building	5,900,000	5,900,000	42,767
Commercial properties	1,200,000	1,190,000	8,698
Residential housing	5,000,000	5,010,000	36,243
Total for Properties	13,150,000	13,090,000	95,319
Other activities			
Information technology	1,400,000	1,390,000	10,148
District plan	2,000,000	1,980,000	14,497
Total for other	3,400,000	3,370,000	24,645
Total	77,000,000	77,000,000	558,143

Statement of Internal Loans and Interest by Activity

Activity	Loans as at 30 Jun 2017	Loans as at 30 Sep 17	Internal Interest Allocated YTD
Land Transport	135,009	127,785	1,394
Stormwater	99,422	3,115	1,027
Water supply			
Water Levin	96,308	807	994
Water Shannon	36,465	23,100	377
Water Foxton	4,849	9,843	50
Water Foxton Beach	88,438	85,553	913
Water Tokomaru	84,042	80,202	868
Total for water supply	310,102	199,505	3,202
Wastewater Disposal			
Wastewater Levin	127,192	32,352	1,313
Wastewater Shannon	12,178	15,471	126
Wastewater Foxton	35,112	27,707	363
Wastewater Foxton Beach	43,898	45,919	453
Wastewater Tokomaru	25,972	20,713	268
Wastewater Waitare	66,261	65,682	684
Total for wastewater disposal	310,613	207,844	3,207
Solid Waste	90,393	5,191	54
Community Facilities & Services			
Libraries	87,885	81,659	907
Pools	84,155	84,499	869
Reserves	62,672	55,731	647
Sports grounds	14,216	16,709	147
Halls	7,220	4,648	75
Toilets	10,776	5,668	111
Cemeteries	35,312	32,959	365
Beautification	21,267	21,054	220
Total for Community Facilities & Services	323,503	302,927	3,340
Properties			
Commercial properties	3,724	1,741	38
General properties	4,086	53,545	42
Residential housing	69,818	65,363	721
Council building	63,549	3,913	656
Total for properties	141,177	124,562	1,458
Other activities			
Information technology	23,561	21,411	243
District plan	3,496	3,461	36
Total for other	27,057	24,872	279
Total	1,437,276	995,801	13,960

PLANNING AND REGULATORY Funding Impact Statement

	Annual Plan		
	Forecast	Actual	Variance
	30-Sep-17	30-Sep-17	30-Sep-17
	\$000	\$000	\$000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	484	486	2
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1	4	3
Local authorities fuel tax, fines, infringement fees, and other receipts	918	1,008	90
Internal charges and overheads recovered	-	-	-
Total Operating Funding (A)	1,403	1,498	95
Applications of Operating Funding			
Payments to staff and suppliers	123	87	(36)
Finance Costs	27	21	(6)
Internal charges and overheads applied	997	977	(20)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1147	1085	(62)
Surplus (deficit) of operating funding (A - B)	256	413	157
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(4)	-	4
Gross proceeds from sale of assets	-	-	-
Lum sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(4)	-	4
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	13	-	(13)
- to replace existing assets	9	-	(9)
Increase (decrease) in reserves	230	413	183
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	252	413	161
Surplus (deficit) of capital funding (C - D)	(256)	(413)	(157)
Funding Balance ((A-B)+(C-D))	-	-	-
Depreciation	20	20	-

ACTIVITY EXPENDITURE

	Annual Plan Forecast 30-Sep-17 \$000	Actual Sep-17 \$000	Variance \$000
Animal Control	60	57	(3)
Building Consents	281	275	(6)
Building Policy	68	65	(3)
Dog Control	143	138	(5)
Environmental Health	66	68	2
Environmental Health Policy	17	15	(2)
Liquor Licensing	51	50	(1)
Liquor Policy	8	5	(3)
Parking	129	111	(18)
Planning Policy	137	122	(15)
Resource Management	146	149	3
Safety Licensing	61	48	(13)
Total Expenditure	1,167	1,103	(64)

REGULATORY SERVICES – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (17/18)	Actual Performance
District Planning			
Processing of applications under the Resource Management Act (RMA).	Applications under the RMA will be processed within statutory timeframes.	100% compliance with relevant statutory timeframes.	<p>Achieved</p> <p>As at 30 September 2017: 56 applications have been received year-to-date. 100% of applications were completed within statutory timeframes.</p> <p>Note: It is possible that the total number of consents approved and still being processed may exceed the total number of applications that have been received. This is due to the fact that the number of applications received cover the period of 1 July in any one year to 30 June the following year, however consents approved or still being processed in the same period will include applications that may have been received in another year but were not completed from a processing perspective in that year.</p>
Monitoring of District Plan requirements, resource consent compliance and complaints.	Known and reported instances of non-compliance with the District Plan and any resource consents will be responded to and appropriate action will be taken.	100% responded to within 2 working days	<p>Achieved</p> <p>As at 30 September 2017: 18 complaints have been received year-to-date. 100% were responded to within 2 working days.</p>
	Resource consents are monitored for compliance with conditions.	100%	<p>In Progress</p> <p>As at 30 September 2017: 265 consents have been identified as requiring monitoring this year. 55 consents (20%) have been monitored year-to-date, and 54 have been found to be compliant, with 1 non-compliant and requiring further monitoring.</p>
The District Plan provides for a balanced regulatory framework that protects important community and environmental values.	Percent of non-complying resource consents approved as a proportion of all approved consents.	<10%	<p>Achieved</p> <p>As at 30 September 2017, of the 46 consents that have been approved year-to-date, there have been zero (0) non-complying resource consents approved.</p>

REGULATORY SERVICES – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (17/18)	Actual Performance
Building Control			
Carry out Building Consent Authority accreditation functions including enforcement of legislation relating to construction of buildings and structures.	Percent of building consent applications granted within 20 working days or less.	100% of applications	<p>Achieved As at 30 September 2017: 186 consents were granted year-to-date 100% have been granted <21 days.</p> <p>Note: It is possible that the total number of consents approved and still being processed may exceed the total number of applications that have been received. This is due to the fact that the number of applications received cover the period of 1 July in any one year to 30 June the following year, however consents approved or still being processed in the same period will include applications that may have been received in another year but were not completed from a processing perspective in that year.</p>
	Consent applications for new residential dwellings are processed in 18 days or less.	100% of applications	<p>Achieved As at 30 September 2017: 47 new residential dwelling consents were granted 100% have been granted within 18 days</p>
	Reported cases of illegal building work will be responded to within 3 working days.	100% of cases	<p>Achieved As at 30 September 2017: There have been zero (0) reported instances received by Council. 100% have been responded to within 3 working days.</p>

REGULATORY SERVICES – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (17/18)	Actual Performance
Building Control			
Carry out Building Consent Authority accreditation functions including enforcement of legislation relating to construction of buildings and structures.	Percent of private swimming pools on register inspected annually for compliance.	33% of private swimming pools are inspected.	<p>In Progress</p> <p>As at 30 September 2017: There are 236 pools on the register (1/3rd = 79 inspections to be conducted before 30 June 2018). 36% have been inspected year-to-date. Two (2) Notices to Fix have been issued for non-compliant fencing. The measure is reported as “In Progress”, as inspections are conducted throughout 2017/2018. The target achievement/non-achievement will be reported in June 2018.</p>
	Council will maintain its accredited status as a Building Consent Authority.	Accreditation maintained	<p>Achieved</p> <p>Council is an accredited BCA. The latest assessment was held 26-28 April 2017 and the BCA received re-accreditation with 1 Corrective Action Requirement which has subsequently been cleared. The next assessment is due in 2019.</p>

REGULATORY SERVICES – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (17/18)	Actual Performance
Environmental Health – Food Safety			
Food Safety – Food businesses are monitored to ensure compliance with legislation.	Food businesses operating under the Food Act 2014 are verified at the frequency determined by the Food Regulations 2015.	100%	<p>In Progress</p> <p>As at 30 September 2017: 93 premises are operating under the Food Act 2014 26% (24 premises) have been verified year-to-date.</p> <p>The measure is reported as “In Progress”, as verification is conducted throughout 2017/2018. The target achievement/non-achievement will be reported in June 2018.</p>
	Food premises operating under the Food Hygiene Regulations 1974 are inspected.	100%	<p>In Progress</p> <p>As at 30 September 2017: 58 premises are operating under the Food Hygiene Regulations 0% have been inspected year-to-date.</p> <p>The measure is reported as “In Progress”, as inspections are conducted throughout 2017/2018. The target achievement/non-achievement will be reported in June 2018.</p>
Food Safety – Existing food businesses are provided with assistance to transition onto the requirements of the Food Act 2014.	Food businesses are provided with written material about the Food Act 2014 and have opportunities to attend training sessions/seminars	100% of businesses required to transition in Year 2 of the Act (by 31 March 2018) are provided with written information and access to training / mentoring activities.	<p>In Progress</p> <p>As at 30 September 2017, it is estimated that there are 40 food businesses that are required to transition onto a Food Control Plan, and 20 businesses that are required to transition onto a National Programme over this period (by 31 March 2018)</p> <p>The measure is reported as “In Progress”, as transitions are conducted throughout 2017/2018. The target achievement/non-achievement will be reported in June 2018.</p>

REGULATORY SERVICES – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (17/18)	Actual Performance
Liquor Licensing			
Monitoring of licensed premises to ensure compliance with relevant legislation.	Percent of premises that are inspected annually to check for compliance with their licence conditions.	100% of premises are inspected.	In Progress As at 30 September 2017: 72 licensed premises holding 73 operative licences exist. 8% have been inspected year-to-date. The measure is reported as “In Progress”, as inspections are conducted throughout 2017/2018. The target achievement/non-achievement will be reported in June 2018.
	Percent of applications for a licence that will be forwarded to Public Health and the Police for comment.	100% of licence applications	Achieved As at 30 September 2017: 51 applications for licences or certificates have been received. 100% were forwarded as required.
Animal Control			
Reported instances of non-compliance and dog nuisance will be responded to.	Percent of reported instances of non-compliance and dog nuisance will be responded to.	100%	Achieved As at 31 September 2017: 260 complaints have been received. 100% were responded to.
	An after-hours emergency response will be continuously provided.	Achieved	Achieved The service is provided by staff on a weekly roster.
Registration and classification of all known dogs within the District.	Percent of known dogs that will be registered or accounted for annually by 31 October.	100%	In Progress As at 30 September 2017, of the 6,128 known dogs in the District: 5,922 (97%) have been registered 206 (3%) remain unregistered – infringement notices have been issued. The measure is reported as “In Progress”, as it is not due for completion until 31 October 2017. The target achievement/non-achievement will be reported in October 2017.

REGULATORY SERVICES – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (17/18)	Actual Performance
Parking Enforcement			
All parking restricted areas in Levin will be enforced under the provisions of Council's Bylaw and the Transport Regulations.	Enforcement conducted each working day.	Achieved	Achieved Enforcement has been conducted each working day.
General Regulatory Services			
Noise complaints response service will be provided.	Noise complaints services are provided all year round and 90% of complaints will be responded to within 60 minutes.	Achieved	Achieved As at 30 September 2017: 283 complaints have been received 97% were responded to within 60 minutes This service is provided by way of Contract.
Public safety bylaws and other legislation will be enforced.	Percent of reported non compliances and complaints that are responded to within 5 working days.	100%	Achieved As at 30 September 2017: 52 complaints have been received 100% were responded to within 5 working days The breakdown of complaints is as follows: 2 Smoke complaints 4 Litter complaints (2 notices issued) 36 Abandoned Vehicle reports (3 impounded) 10 Health Act Nuisance complaints

COMMUNITY FACILITIES AND SERVICES

Funding Impact Statement

	Forecast 30-Sep-17 \$000	Actual 30-Sep-17 \$000	Variance 30-Sep-17 \$000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	1,213	1,218	5
Targeted rates	1,490	1,496	6
Subsidies and grants for operating purposes	18	-	(18)
Fees and charges	330	328	(2)
Local authorities fuel tax, fines, infringement fees, and other receipts	40	8	(32)
Internal charges and overheads recovered	-	-	-
Total Operating Funding (A)	3,091	3,050	(41)
Applications of Operating Funding			
Payments to staff and suppliers	2,011	1,657	(354)
Finance Costs	215	189	(26)
Internal charges and overheads applied	575	551	(24)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	2,801	2,397	(404)
Surplus (deficit) of operating funding (A - B)	290	653	363
Sources of capital funding			
Subsidies and grants for capital expenditure	2,820	1,401	(1,419)
Development and financial contributions	-	-	-
Increase (decrease) in debt	331	-	(331)
Gross proceeds from sale of assets	-	-	-
Lum sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	3,151	1,401	(1,750)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	75	143	68
- to improve the level of service	590	680	90
- to replace existing assets	782	598	(184)
Increase (decrease) in reserves	1,993	633	(1,360)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	3,441	2,054	(1,387)
Surplus (deficit) of capital funding (C - D)	(290)	(653)	(363)
Funding Balance ((A-B)+(C-D))	-	-	-
Depreciation	233	275	42

ACTIVITY EXPENDITURE

	Annual Plan Forecast 30-Sep-17 \$000	Actual Sep-17 \$000	Variance \$000
Cemeteries	125	126	1
Public Toilets	84	77	(7)
Beautification	169	135	(34)
Reserves	466	447	(19)
Sportsgrounds	295	248	(47)
Halls	61	50	(11)
Libraries & Community Services	1,048	848	(200)
Aquatic Centres	688	660	(28)
Urban Cleaning	95	81	(14)
Total Expenditure	3,031	2,672	(359)

COMMUNITY FACILITIES AND SERVICES

Statement of Capital Expenditure Budget over \$50,000

Group of activities	Work Order	Description	Type	Full year Budget	Year to date Costs vs YTD Budget			General Comments	
					Actual	Budget	Variance in \$		Variance in % to total budget
Community Facilities and Services									
	8852	Levin Aquatic - Replace the Hydroslide	Renewal	120,000	0	15,000	15,000	13%	
	8543	Foxton Aquatic Centre Plan Renewals	Renewal	114,996	0	0	0	0%	
	8579	Te Awahou -Community Centre - Site works and museum fitout	Gwth/Los/Ren	3,252,200	1,203,258	2,748,578	1,545,320	48%	On track for the official opening 18 November 2017
	8830	Library Books / E-Books / Talking Books / DVDs	Renewal	2,000,000	0	35,000	35,000	2%	
	8826	IT equipment Te Awahou	Growth	109,000	94,698	109,000	14,302	13%	On track.
	8871	Shared pathways	LOS	250,000	105	0	(105)	(0%)	
	8551	Waitarere Dune management Dune management - flatten recountour	Renewal	102,900	0	0	0	0%	
	8561	Reserves Renewals	Renewal	158,752	4,383	0	(4,383)	(3%)	
	8568	District Play Equipment	Renewal	75,000	7,627	0	(7,627)	(10%)	
	8574	Foxton Beach Reserves Projects per LTP 2015-2025 (Endowment)	Renewal	276,060	0	0	0	0%	
		Total Community Facilities and Services		6,458,908	1,310,072	2,907,578	1,597,506	55%	

COMMUNITY FACILITIES AND SERVICES – Performance Measures – LTP/Annual Plan (Reserves, Public Halls, Sports Grounds, Cemeteries and Beautification)

Service	How will we measure our performance	Target (17/18)	Actual Performance
Reserves			
Reserves are available for community use.	Sufficient space is available (ha/1000 population).	1	Achieved As at 30 September 2017, Council has over 100 hectares of space available, which is 3.3 ha/1000 population.
Community Halls			
Community Halls are available for public use.	Number of uses per fortnight for the Levin, Foxton and Shannon Halls.	10	Achieved As at 30 September 2017: Levin Memorial Hall was used 87 times Shannon Memorial Hall was used 2 times Foxton Memorial Hall was used 1 time Total = 90 times (an average of 13.85 times per fortnight)
Sports Grounds			
Sports grounds are available for community use.	Percent of time that sport grounds are available for use during their opening hours.	95%	Achieved As at 30 September 2017: 100% of sports grounds were available for use during their opening hours.
Playgrounds			
Playgrounds are safe for users.	Playground facilities comply with relevant standards.	100%	Achieved As at 30 September 2017: 100% of playground facilities complied.
Cemeteries Management			
Cemeteries are managed and maintained to an appropriate standard.	Meet needs according to legal requirements.	Meet	Achieved As at 30 September 2017, there were no legal or regulatory non-compliance instances identified.

COMMUNITY FACILITIES AND SERVICES – Performance Measures – LTP/Annual Plan (Reserves, Public Halls, Sports Grounds, Cemeteries and Beautification)

Service	How will we measure our performance	Target (17/18)	Actual Performance
Cemeteries			
Cemeteries operate to an acceptable level.	All arrangements and interments at Council cemeteries are made satisfactorily before 24 hours from interment.	Achieved	Achieved As at 30 September 2017: 57 interment arrangements were completed satisfactorily before 24 hours from interment.

COMMUNITY FACILITIES AND SERVICES – Performance Measures – LTP/Annual Plan (Aquatic Centres and Recreation)

Service	How will we measure our performance	Target (17/18)	Actual Performance						
Safe aquatic facilities are operating in the District.	Compliance with relevant standards including Pool Safe Accreditation.	100% compliant	<p>Achieved</p> <p>As at 30 September 2017:</p> <p>Levin = 100% Foxton = 100%</p> <p>Both pools have received “Pool Safe” accreditation. “Pool Safe” certification for the year 2017/2018 was received in February 2017 and lasts until April 2018.</p>						
Aquatic Centres meet customer needs.	Percent of customer satisfaction, based on the Annual Customer Satisfaction Survey.	90% Satisfied	<p>Unable to Report</p> <p>This measure is marked as unable to report as the customer satisfaction survey is conducted annually. The customer satisfaction survey is yet to be completed for the 2017/2018 financial year.</p> <p>The results of the most recent survey conducted in the 2016/2017 year are as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>2017 Dissatisfied %</th> <th>2017 Satisfied %</th> </tr> </thead> <tbody> <tr> <td>Swimming Pools</td> <td>11.30</td> <td>88.70</td> </tr> </tbody> </table> <p>This result could be a reflection of the shutdown period as a result of the Levin Aquatics Centre Redevelopment.</p>		2017 Dissatisfied %	2017 Satisfied %	Swimming Pools	11.30	88.70
	2017 Dissatisfied %	2017 Satisfied %							
Swimming Pools	11.30	88.70							

COMMUNITY FACILITIES AND SERVICES – Performance Measures – LTP/Annual Plan (Aquatic Centres and Recreation)

Service	How will we measure our performance	Target (17/18)	Actual Performance
<p>A high quality Swim School operates at the Levin and Foxton Aquatic Centres.</p>	<p>Number of participants in Learn to Swim classes.</p>	<p>400 per term</p>	<p>In Progress 429 = Term Three 392 = Term Four ** 0 = Term One (2018) 0 = Term Two (2018)</p> <p>As at 30 September 2017, there have been 821 out of 1,600 potential participants in Learn to Swim Classes.</p> <p>** Enrolments are still open at the time of the report</p> <p>The final result achieved/not achieved will be reported at the end of term two (2018).</p>
<p>Local clubs are supported to deliver their own events.</p>	<p>Number of events per year held by clubs - clubs growing and taking ownership of their own events and future.</p>	<p>5 per year</p>	<p>In Progress</p> <p>The following events have been scheduled by Aquatics User Clubs/Schools at Levin Aquatics Centre this year:</p> <p>YTD</p> <ul style="list-style-type: none"> ○ Special Olympics Horowhenua – 10 September 2017 ○ Special Olympics NZ Swim Meet – 25 October 2017 ○ Canoe Polo Events – to be confirmed ○ Spring Swim Carnival – Levin Swim Club – to be confirmed ○ Autumn Swim Carnival – Levin Swim Club – to be confirmed ○ Levin Masters Swim Club events – to be confirmed <p>The measure is reported as “In Progress”, as the target is for the year 2017/2018. The target achievement/non-achievement will be reported in June 2018.</p>

COMMUNITY FACILITIES AND SERVICES – Performance Measures – LTP/Annual Plan (Aquatic Centres and Recreation)

Service	How will we measure our performance	Target (17/18)	Actual Performance
<p>Growing existing events and developing new ones for the following areas; children, general public, and retirees.</p>	<p>Number of events per year for children, general public, and retirees.</p>	<p>3 events per group each year</p>	<p>In Progress</p> <p>The following events have been scheduled for 2017/2018:</p> <ul style="list-style-type: none"> ○ Foxton Christmas Pool Party – December 2017 ○ Levin Christmas Pool Party – December 2017 ○ Ageing Well Wellness Week – February 2018 ○ Go Active Kids TRYathlon – March 2018 – Shannon ○ Go Active Kids TRYathlon – March 2018 – Foxton ○ Go Active Kids TRYathlon – March 2018 – Levin ○ Family Fun Day/Children’s Day – March 2018 ○ April – School Holidays – Hydroslide and inflatable challenge <p>The following events have taken place and been delivered by HDC at aquatic facilities this year:</p> <p>YTD</p> <ul style="list-style-type: none"> ○ Group Fitness Launch Party – 8 July 2017 ○ Swimathon Horowhenua – 19th & 20th August 2017 ○ AquaTots – 16 August 2017 ○ AquaTots – 23 August 2017 ○ Special Olympics Horowhenua – 10 September 2017 ○ Community Fun Day – 30 September 2017 <p>The measure is reported as “In Progress”, as the target is for the year 2017/2018. The target achievement/non-achievement will be reported in June 2018.</p>

COMMUNITY FACILITIES AND SERVICES – Performance Measures – LTP/Annual Plan (Community Centres and Libraries)

Service	How will we measure our performance	Target (17/18)	Actual Performance						
Council provides Community facilities for residents, ratepayers, and visitors to access community services including library services.	Communities with library and community facilities providing an integrated and District wider service.	Levin, Foxton, and Shannon	Achieved Library Services are delivered in Levin, Shannon and Foxton.						
	Percent of residents and non-residents satisfied with library and community services.	>85%	<p>Unable to Report</p> <p>This measure is marked as “unable to report” as the customer satisfaction survey is conducted annually. The next survey will take place in 2018.</p> <p>The results of the customer satisfaction survey conducted in the 2016/2017 financial year are as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>2017 Dissatisfied %</th> <th>2017 Satisfied %</th> </tr> </thead> <tbody> <tr> <td>Library Services</td> <td>8.10</td> <td>91.90</td> </tr> </tbody> </table>		2017 Dissatisfied %	2017 Satisfied %	Library Services	8.10	91.90
		2017 Dissatisfied %	2017 Satisfied %						
Library Services	8.10	91.90							
Number of booking counts for community facilities.	380	<p>In Progress</p> <p>In September 2017, 113 bookings have been made for community facilities.</p> <p>YTD: 326 bookings have been made for community facilities.</p> <p>The measure is reported as “In Progress”, as the target is for the year 2017/2018. The target achievement/non-achievement will be reported in June 2018.</p>							
Number of visitor counts to Te Takere, Foxton Library & Service Centre and Shannon Library.	650,000 people across all sites annually	<p>In Progress</p> <p>In September 2017, 57,073 people have visited across all sites.</p> <p>YTD: 170,712 people have visited across all sites.</p> <p>The measure is reported as “In Progress”, as the target is for the year 2017/2018. The target achievement/non-achievement will be reported in June 2018.</p>							

COMMUNITY FACILITIES AND SERVICES – Performance Measures – LTP/Annual Plan (Community Centres and Libraries)

Service	How will we measure our performance	Target (17/18)	Actual Performance										
<p>Customers have access to a range of current information in both print and digital format.</p>	<p>Number of items loaned from the Library across District, including books, magazines etc.</p>	<p>350,000</p>	<p>In Progress</p> <p>As at 30 September 2017, the total number of issues YTD is 77,409.</p> <p>The breakdown for the month of September 2017 is as follows:</p> <table data-bbox="1366 630 1657 805"> <tr> <td>Levin</td> <td>21,805</td> </tr> <tr> <td>Foxton</td> <td>2,131</td> </tr> <tr> <td>Shannon</td> <td>743</td> </tr> <tr> <td>Digital</td> <td>202</td> </tr> <tr> <td>Total</td> <td>24,881</td> </tr> </table> <p>The measure is reported as “In Progress”, as the target is for the year 2017/2018. The target achievement/non-achievement will be reported in June 2018.</p>	Levin	21,805	Foxton	2,131	Shannon	743	Digital	202	Total	24,881
Levin	21,805												
Foxton	2,131												
Shannon	743												
Digital	202												
Total	24,881												

COMMUNITY FACILITIES AND SERVICES – Performance Measures – LTP/Annual Plan (Community Centres and Libraries)

Service	How will we measure our performance	Target (17/18)	Actual Performance
Customers have access to a range of current information in both print and digital format.	Percent of increase in use of website.	+>1%	<p>In Progress</p> <p>As at 30 September 2017, the YTD totals are:</p> <p>Unique Users YTD: 23,012 September 2016: 9,871 September 2017: 6,918</p> <p>Number of Sessions YTD: 33,706 September 2016: 14,319 September 2017: 10,190</p> <p>YTD Comparison totals for July-September 2016: Unique Users: 30,953 Number of Sessions: 45,052</p> <p>The measure is reported as “In Progress”, as the target is for the year 2017/2018. The target achievement/non-achievement will be reported in June 2018. A comparison to the prior year will also be made at year end.</p>
Customers have access to programmes and initiatives that enhance the wellbeing of the District.	Number of programmes delivered.	100	<p>Achieved</p> <p>As at 30 September 2017, 118 programmes have been delivered for the YTD.</p> <p>The breakdown for the month of September 2017 is as follows:</p> <p>Te Takere – 10 (Community), 15 (Learning) Foxton – 2 (Community), 3 (Learning) Shannon – 7 (Community), 3 (Learning)</p>

PROPERTY

Funding Impact Statement

	Forecast 30-Sep-17 \$000	Actual 30-Sep-17 \$000	Variance 30-Sep-17 \$000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	76	77	1
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	183	377	194
Local authorities fuel tax, fines, infringement fees, and other receipt	4	3	(1)
Internal charges and overheads recovered	116	98	(18)
Total Operating Funding (A)	379	555	176
Applications of Operating Funding			
Payments to staff and suppliers	272	532	260
Finance Costs	89	138	49
Internal charges and overheads applied	73	65	(8)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	434	735	301
Surplus (deficit) of operating funding (A - B)	(55)	(180)	(125)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(1,444)	-	1,444
Gross proceeds from sale of assets	1,723	379	(1,344)
Lum sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	279	379	101
Applications of capital funding			
Capital expenditure			
- to meet additional demand	37	-	(37)
- to improve the level of service	3	-	(3)
- to replace existing assets	76	10	(66)
Increase (decrease) in reserves	108	189	81
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	224	199	(25)
Surplus (deficit) of capital funding (C - D)	55	180	125
Funding Balance ((A-B)+(C-D))	-	-	-
Depreciation	52	52	-

ACTIVITY EXPENDITURE

	Annual Plan Forecast 30-Sep-17 \$000	Actual Sep-17 \$000	Variance \$000
Council Building	79	63	(16)
Camping Grounds	1	-	(1)
Commercial Properties	62	79	17
Endowment Property	35	88	53
General Property	192	141	(51)
Residential Housing	-	318	318
Total Expenditure	369	689	320

Notes and Comments

Commercial Property - Expenses over budget with rates paid. This is offset by on charging in the leases for the commercial properties.

Endowment Property – this is over budget with rates payments and development contributions for sold Forbes Road sections.

Residential Housing – no budget was set for this activities direct expenditure due to the expected sale of the Community Housing portfolio. The Community Housing portfolio is expected to be fully transferred to the new owner by the end of November 2017. The expenditure is offset by income received for rents to 30 September 2017.

PROPERTY

Statement of Capital Expenditure Budget over \$50,000

Group of activities	Work Order	Description	Type	Full year Budget	Year to date Costs vs YTD Budget				General Comments
					Actual	Budget	Variance in \$	Variance in % to total budget	
Property									
	8535	General Property Renewals	Renewal	186,900	0	0	0	0%	
	8651	Tararua Industrial Development	Growth	142,100	55	0	(55)	(0%)	
		Total Property		329,000	55	0	(55)	(0%)	

PROPERTY – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (17/18)	Actual Performance
Council operated facilities are available for public hire.	Facilities availability (hrs) and hire charges by annual review.	8 hrs per day and review annually	<p>In Progress</p> <p>Council has three Memorial Hall facilities available for hire.</p> <p>As at 30 September 2017, all were available for at least eight (8) hours per day.</p> <p>The measure is reported as “In Progress”, as the target includes an annual review. The target achievement/non-achievement will be reported in June 2018.</p>
Residential housing is provided for the elderly	Occupancy Rate (Percent)	95% occupied	<p>Achieved</p> <p>As at 30 September 2017, there has been 99.51% occupancy.</p> <p>Note: Council’s Community Housing portfolio is expected to be fully transferred to the new owner by 31 November 2017. This Performance Measure will not be reported in future quarterly reports.</p>
Endowment property is appropriately managed.	Number of sections available for sale.	20 sections	<p>Not Achieved</p> <p>As at 30 September 2017, there is one (1) section available for sale.</p> <p>Council is looking at further subdivision options.</p>
Council’s properties will comply with relevant legislation.	All buildings with compliance schedules will have current building WOF.	Achieved	<p>Achieved</p> <p>As at 30 September 2017, all Council buildings with Compliance Schedules have current BWOFS. All specified systems including fire alarms have been maintained and inspected in accordance with the compliance schedule. This meets the requirement of the Building Act 2004.</p>
Commercial property is appropriately managed.	Rent is within a percentage range of current market rentals at time of review/renewal.	10%	<p>Achieved</p> <p>Current commercial leases are within 10% of the market rate.</p> <p>No reviews/renewals were undertaken during the month of September 2017.</p>

REPRESENTATION AND COMMUNITY LEADERSHIP

Funding Impact Statement

	Forecast 30-Sep-17 \$000	Actual 30-Sep-17 \$000	Variance 30-Sep-17 \$000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	899	902	3
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	1	1
Internal charges and overheads recovered	-	-	-
Total Operating Funding (A)	899	903	4
Applications of Operating Funding			
Payments to staff and suppliers	261	326	65
Finance Costs	-	-	-
Internal charges and overheads applied	587	604	17
Other operating funding applications	-	-	-
Total applications of operating funding (B)	848	930	82
Surplus (deficit) of operating funding (A - B)	51	(27)	(78)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	37	-	(37)
Gross proceeds from sale of assets	-	-	-
Lum sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	37	-	(37)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	37	-	(37)
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	51	(27)	(78)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	88	(27)	(115)
Surplus (deficit) of capital funding (C - D)	(51)	27	78
Funding Balance ((A-B)+(C-D))	-	-	-
Depreciation	-	-	-

ACTIVITY EXPENDITURE

	Annual Plan Forecast 30-Sep-17 \$000	Actual Sep-17 \$000	Variance \$000
Community Board	55	50	(5)
Elections	2	1	(1)
Governance	500	565	65
External Reporting	291	315	24
Total Expenditure	848	931	83

Notes and Comments

Governance – Unbudgeted expenditure for Meeting Grants and Levin Town Centre Strategy with other expenses under budget.

External Reporting – This is slightly over budget due to audit fees for the Annual Report 2016/17.

REPRESENTATION AND COMMUNITY LEADERSHIP – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (17/18)	Actual Performance
Council provides open, accessible processes to local government.	Local body elections will be held in compliance with relevant legislation.	Achieved (only measured in election year)	Achieved Local body elections were held in October 2016.
	Number of complaints upheld against the election process.	0	Achieved To date zero (0) complaints have been upheld following the October 2016 election.
Council supports residents and ratepayers to have their views heard and considered in Council decision making.	Percent of residential and non-residential ratepayers who are satisfied with the way the Council involves the public in its decision making.	>50%	Unable to Report This measure is marked as “unable to report” as the customer satisfaction survey is conducted annually. The next survey will take place in 2018. This measure was not included in the customer satisfaction survey conducted in the 2016/2017 financial year, but it will be included in the 2017/18 survey.
	Council’s Community Engagement Strategy is implemented and reviewed every 3 years.	90% of Annual Work Plan is completed	In Progress Councils’ Community Engagement Strategy is in the implementation phase. It will be reviewed again in 2017.
Council’s planning documents meet statutory requirements and meet Audit NZ standards.	The LTP is completed within the statutory timeframe, including a Financial Strategy which meets the new requirements of the Local Government Act.	Adopted before 30 June (every 3 years)	Achieved Council adopted the Long Term Plan and Financial Strategy on 24 June 2015. The next Long Term Plan and Financial Strategy is on track for adoption by 30 June 2018.
	The Annual Plan will be adopted before 30 June, annually.	Achieved	Achieved The 2017/2018 Annual Plan was adopted at a Council meeting held on 21 June 2017.
	The Annual Report will include an unqualified audit opinion.	Achieved	Achieved The 2017 Annual Report received an unqualified audit opinion.

COMMUNITY SUPPORT Funding Impact Statement

	Annual Plan Forecast 30-Sep-17 \$000	Actual 30-Sep-17 \$000	Variance 30-Sep-17 \$000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	628	631	3
Targeted rates	-	-	-
Subsidies and grants for operating purposes	7	14	7
Fees and charges	-	-	-
Interest and dividends from investments	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	33	1	(32)
Internal charges and overheads recovered	-	-	-
Total Operating Funding (A)	668	646	(22)
Applications of Operating Funding			
Payments to staff and suppliers	336	164	(172)
Finance Costs	-	-	-
Internal charges and overheads applied	352	263	(89)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	688	427	(261)
Surplus (deficit) of operating funding (A - B)	(20)	219	239
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	1	-	-1
Gross proceeds from sale of assets	-	-	-
Lum sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	1	-	(1)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	1	2	1
- to replace existing assets	-	-	-
Increase (decrease) in reserves	(20)	217	237
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(19)	219	238
Surplus (deficit) of capital funding (C - D)	20	(219)	(239)
Funding Balance ((A-B)+(C-D))	-	-	-
Depreciation	3	5	2

ACTIVITY EXPENDITURE

	Annual Plan Forecast 30-Sep-17 \$000	Actual Sep-17 \$000	Variance \$000
Community Development	90	60	(30)
Economic Development	239	142	(97)
Visitor Information	71	23	(48)
Community Grants and Funding	99	62	(37)
District Communication	82	84	2
Rural Fire	-	1	1
Emergency Management	109	61	(48)
Total Expenditure	690	433	(257)

COMMUNITY SUPPORT – Performance Measures – LTP/Annual Plan (Emergency Management and Rural Fire)

Service	How will we measure our performance	Target (17/18)	Actual Performance
Community awareness is promoted and encouraged.	5 media messages promoting preparedness for an emergency will be made to residents and ratepayers annually.	Achieved	<p>In Progress</p> <p>Total number of media releases / public advertising promoting preparedness for an emergency as at 30 September 2017: 2</p> <p>The year-to-date is broken down as follows:</p> <ul style="list-style-type: none"> • New designated Civil Defence Centre story in the Community Connection on 05/07/2017 • Never Happens Happens Daylight Saving Check List Facebook post 22/09/2017

COMMUNITY SUPPORT – Performance Measures – LTP/Annual Plan (Emergency Management and Rural Fire)

Service	How will we measure our performance	Target (17/18)	Actual Performance
<p>Council maintains a functional EOC and trained staff.</p>	<p>Civil Defence and Emergency Management assessment of readiness and capability.</p>	<p>100% of Council staff</p>	<p>Unable to Report Work is in progress to conduct regular EOC Foundation training to all new staff via HDC on-boarding process. Two (2) staff will be undertaking the EOC intermediate course on the 11th and 12th October 2017. One (1) staff member accepted for the next Controllers course, with one (1) staff member deferred until the next course due to limited positions.</p> <p><u>EMIS TRAINING (Emergency Management Information Systems)</u> EMIS Training delivered in September 2017: Nil activity to report Number of HDC staff who participated: Nil Number of external agency staff who participated: Nil Total number of HDC staff who have participated in <u>EMIS</u> training year-to-date: 92 current staff members are trained to at least the Foundation level of EMIS. Total number of external agency staff who have participated in EMIS training year-to-date: 0</p> <p><u>ITF TRAINING (Integrated Training Framework)</u> ITF Training delivered in September 2017: Nil activity to report Number of HDC staff who participated: Nil Number of external agency staff who participated: Nil Total number of HDC staff who have participated in <u>ITF</u> training year-to-date: 77 current staff members are trained to the Foundational level of EMIS. Three (3) staff members are trained to the Intermediate level. Total number of external agency staff who have participated in ITF training year-to-date: Nil local external agency staff at this time.</p>

COMMUNITY SUPPORT – Performance Measures – LTP/Annual Plan (Emergency Management and Rural Fire)

Service	How will we measure our performance	Target (17/18)	Actual Performance
Council maintains a functional EOC and trained staff.	Civil Defence and Emergency Management assessment of readiness and capability.	100% of Council staff	<p>OTHER CIVIL DEFENCE AND EMERGENCY MANAGEMENT TRAINING</p> <p><u>Other CDEM Training</u> delivered in September 2017: Nil Activity to Report</p> <p>Number of HDC staff who participated: Nil Number of external agency staff who participated: Nil</p> <p>Total number of HDC staff who have participated in <u>other CDEM Training</u> year-to-date: Nil Total number of external agency staff who have participated in <u>other CDEM Training</u> year-to-date: Nil</p>
Rural Fire services are provided.	Percentage of call outs that are responded to.	100% of call outs	<p>Unable to Report</p> <p>This service now sits with Fire and Emergency New Zealand (FENZ).</p>

COMMUNITY SUPPORT – Performance Measures – LTP/Annual Plan (Community Engagement)

Service	How will we measure our performance	Target (17/18)	Actual Performance
Council provides effective leadership in advocating, coordinating and facilitating on behalf of community needs.	Number of Community Wellbeing Executive meetings per year. (Note: the schedule for 2015 onwards has changed from 6 weekly to bi-monthly).	5	In Progress As at 30 September 2017, one (1) Community Wellbeing Executive meeting has been held. As this is a yearly target, we will report our achievement/non-achievement at June 2018.
Council supports the vision that young people in the Horowhenua live in a safe and supportive environment, which empowers them to make positive life choices.	Number of Youth Voice meetings per year.	8	In Progress As at 30 September 2017, four (4) Youth Voice meetings have been held. As this is a yearly target, we will report our achievement/non-achievement at June 2018.
	Number of Programmes or projects implemented by Youth Voice.	4	In Progress As at 30 September 2017, three (3) programmes/projects have been implemented by Youth Voice as follows: <ul style="list-style-type: none"> • Electoral Commission Youth Programme Development • Contact Youth Space Youth Hui • Zeal Inflatable Challenge Youth Voice has also contributed to one (1) other event: The Grow Horowhenua Survey Collections. As this is a yearly target, we will report our achievement/non-achievement at June 2018.
	Number of Youth Network meetings per year. (Note: the schedule for 2015 onwards has changed from monthly to bi-monthly).	6	In Progress As at 30 September 2017, two (2) Youth Network meetings have been held. As this is a yearly target, we will report our achievement/non-achievement at June 2018.

COMMUNITY SUPPORT – Performance Measures – LTP/Annual Plan (Community Engagement)

Service	How will we measure our performance	Target (17/18)	Actual Performance
Council supports the vision that Horowhenua residents are empowered to make choices enabling them to live a satisfying and healthy lifestyle.	Number of Older Person Network meetings per year.	10	In Progress As at 30 September 2017, three (3) Older Persons Network meetings have been held. As this is a yearly target, we will report our achievement/non-achievement at June 2018.
	Number of Elder Berries Magazine Publications annually.	4	In Progress The latest issue can be found at: http://www.horowhenua.govt.nz/Community/Positive-Ageing/Elderberries As this is a yearly target, we will report our achievement/non-achievement at June 2018.
Council supports the vision that Horowhenua is a vibrant, creative and friendly community with an abundance of art, rich cultures and a strong sense of heritage.	Number of Creative Communities funding rounds per year.	2	In Progress As at 30 September 2017, one (1) Horowhenua Creative Communities Scheme funding has been completed, awarding a total of \$14,090. The second funding round of the financial year will open in February 2018. As this is a yearly target, we will report our achievement/non-achievement at June 2018.
Council supports the vision that Horowhenua is New Zealand's foremost region in taking joint responsibility for the success of our community through education.	Number of Education Horowhenua meetings per year. (Note: the schedule for 2015 onwards has changed from ad-hoc to quarterly).	4	In Progress As at 30 September 2017, one (1) Education Horowhenua meeting has been held. As this is a yearly target, we will report our achievement/non-achievement at June 2018.

COMMUNITY SUPPORT – Performance Measures – LTP/Annual Plan (Community Engagement)

Service	How will we measure our performance	Target (17/18)	Actual Performance
Council supports the vision that the Horowhenua is fully accessible to all people.	Number of Disability Leadership Forums per year.	4	<p>In Progress</p> <p>As at 30 September 2017, one (1) Disability Leadership Forum has been held.</p> <p>As this is a yearly target, we will report our achievement/non-achievement at June 2018.</p>
Council promotes community empowerment and provides opportunities for community driven initiatives and projects.	Percent of funds distributed through contestable Community Grants and Funding schemes that comply with grant criteria.	100%	<p>In Progress</p> <p>As at 30 September 2017, all available Community Grants and Funding Schemes have been administered as part of the first funding round of the financial year. Funds will be uplifted for these grants throughout October 2017.</p> <p>As this is a yearly target, we will report our achievement/non-achievement at June 2018.</p>

COMMUNITY SUPPORT – Performance Measures – LTP/Annual Plan (Community Engagement)

Service	How will we measure our performance	Target (17/18)	Actual Performance
Council promotes community group empowerment, and provides opportunity for community groups to grow and develop.	Number of Community Capacity and Capability Building Programme workshops or trainings offered.	10	<p>In Progress</p> <p>As at 30 September 2017, two (2) Community Capacity and Capability Building workshops/trainings have been held YTD, and is as follows:</p> <ul style="list-style-type: none"> Community Funding Workshop – July 2017 – 24 attendees Understanding Mental Health – September 2017 – 23 Attendees <p>There are 2 more in the series of 3 Workshops with Virtue Education, which are scheduled for 16 October 2017 and 20 November 2017.</p> <p>As this is a yearly target, we will report our achievement/non-achievement at June 2018.</p>
	Percent of satisfaction with Capacity and Capability Building Programme workshops or training.	80%	<p>Unable to Report</p> <p>As at 30 September 2017, two (2) Community Capacity and Capability Building workshops/trainings have been held YTD, and as surveys are distributed every second programme; no data has been gathered yet.</p> <p>In the 2016/2017 survey of participants, 100% of respondents have indicated that they were 'Satisfied' with the Community Capacity Building Programmes, with 72% of respondents indicating that they were 'Extremely Satisfied'.</p> <p>Note: Surveys are distributed to participants after every 2nd programme.</p> <p>As this is a yearly target, we will report our achievement/non-achievement at June 2018.</p>

COMMUNITY SUPPORT – Performance Measures – LTP/Annual Plan (Community Engagement)

Service	How will we measure our performance	Target (17/18)	Actual Performance
Council promotes community group empowerment, and provides opportunity for community groups to grow and develop.	Number of individuals participating in Capacity and Capability Building Programme workshops or training over the year.	100	<p>In Progress</p> <p>As at 30 September 2017, 47 individuals have participated in Community Capacity and Capability Building Programme workshops or training.</p> <p>As this is a yearly target, we will report our achievement/non-achievement at June 2018.</p>
Council supports beach safety initiatives within communities by providing financial support.	Number of weeks Council funded surf lifesaving service is provided at Foxton and Waitarere Beaches.	6	<p>In Progress</p> <p>As at 30 September 2017, the funding related to the service agreement for the 2017/2018 summer season has been agreed upon and the Service Provision Contract has been signed.</p> <p>The Service Provision Schedule for the six weeks is: Monday to Friday, 11am to 6pm. Starting: Monday, 18 December 2017. Finishing: Friday, 26 Jan 2018.</p> <p>As this is a yearly target, we will report our achievement/non-achievement at June 2018.</p>
Council effectively communicates with its ratepayers and residents.	Number of Council “Community Connections” Newsletters published annually.	10	<p>In Progress</p> <p>As at 30 September 2017, three (3) Community Connections have been published. Copies can be found at: http://www.horowhenua.govt.nz/Community/Community-Engagement/Community-Connection</p> <p>As this is a yearly target, we will report our achievement/non-achievement at June 2018.</p>
	Number of media releases published annually.	100	<p>In Progress</p> <p>As at 30 September 2017, 32 Media Releases have been published.</p> <p>As this is a yearly target, we will report our achievement/non-achievement at June 2018.</p>
	Council provides a 24/7 telephone contact centre operation for people to phone.	100%	<p>Achieved</p> <p>Council's 06 366 0999 telephone number is operational 24/7.</p>

COMMUNITY SUPPORT – Performance Measures – LTP/Annual Plan (Visitor Information)

Service	How will we measure our performance	Target (17/18)	Actual Performance
Council supports the promotion of Horowhenua as a tourism destination.	Communities with Visitor Information financially supported.	Levin, Foxton and Foxton Beach, Shannon	<p>Achieved</p> <p>Levin: A Visitor information service is provided through Te Takere o Kura–Hau–Po.</p> <p>Foxton and Shannon: A contract has been established with De Molen Foxton and Shannon Progressive Association to deliver Visitor Information in Foxton and Shannon.</p>
	Percent of key performance indicators achieved by providers of Visitor Information as set out in annual service level agreement.	>85%	<p>In Progress</p> <p>Visitor Information centers are being supported and kept up to date through the Visitor Information Center group which consists of Council representatives, Foxton, Shannon and Levin Visitor information representatives, with occasional presentations from local Tourism groups.</p> <p>Key Performance Indicators are being delivered as required. Quarterly updates are provided to convey what they are doing in meeting their contract.</p> <p>As this is a yearly target, we will report our achievement/non-achievement at June 2018.</p>
	Percent of key performance indicators achieved by Destination Manawatu (Regional Tourism Organisation) as set out in annual service level agreement.	>85%	<p>No Longer Relevant</p> <p>The contract with CEDA (formally Destination Manawatu) ended on 30 June 2017, and will not be renewed. They are no longer the RTO for Horowhenua.</p>

COMMUNITY SUPPORT – Performance Measures – LTP/Annual Plan (Economic Development)

Service	How will we measure our performance	Target (17/18)	Actual Performance
Council provides strategic leadership in coordinating Economic Development activities across the District.	Councils Economic Development function will meet performance indicators and objectives as defined in the Horowhenua Economic Development Strategy.	90% of annual work plan is completed	<p>In Progress</p> <p>As at 30 September 2017, 15% of the annual work plan has been completed.</p> <p>As this is a yearly target, we will report our achievement/non-achievement at June 2018.</p>
	Number of Economic Development Board meetings held per year.	10	<p>In Progress</p> <p>As at 30 September 2017, three (3) Economic Development Board meetings have been held.</p> <p>As this is a yearly target, we will report our achievement/non-achievement at June 2018.</p>
Council provides opportunities for businesses to collaborate and network resulting in a stronger business sector.	Number of Business networking meetings held per year.	10	<p>In Progress</p> <p>As at 30 September 2017, three (3) Business Networking meetings have been held.</p> <p>As this is a yearly target, we will report our achievement/non-achievement at June 2018.</p>

COMMUNITY SUPPORT – Performance Measures – LTP/Annual Plan (Economic Development)

Service	How will we measure our performance	Target (17/18)	Actual Performance
Council advocates for and facilitates business development and new business investment in the Horowhenua.	Percent of the District’s business community that are satisfied or more than satisfied with the Council’s overall performance in the Economic Development Activity.	>75%	<p>Unable to Report</p> <p>This measure is marked as “unable to report” as the customer satisfaction survey is conducted annually. The next survey will take place in 2018.</p> <p>The results of the customer satisfaction survey for the 2016/2017 financial year, showed customer satisfaction of this activity at 75%.</p>

LAND TRANSPORT Funding Impact Statement

	Forecast 30-Sep-17 \$000	Actual 30-Sep-17 \$000	Variance 30-Sep-17 \$000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	1,021	1,025	4
Subsidies and grants for operating purposes	382	321	(61)
Fees and charges	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	43	58	15
Internal charges and overheads recovered	-	-	-
Total Operating Funding (A)	1,446	1,404	(42)
Applications of Operating Funding			
Payments to staff and suppliers	786	652	(134)
Finance Costs	11	5	(6)
Internal charges and overheads applied	245	110	(135)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,042	767	(275)
Surplus (deficit) of operating funding (A - B)	404	637	233
Sources of capital funding			
Subsidies and grants for capital expenditure	555	714	159
Development and financial contributions	-	-	-
Increase (decrease) in debt	461	-	(461)
Gross proceeds from sale of assets	-	-	-
Lum sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	1,016	714	(302)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	578	961	383
- to replace existing assets	1,179	353	(826)
Increase (decrease) in reserves	(337)	37	374
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	1,420	1,351	(69)
Surplus (deficit) of capital funding (C - D)	(404)	(637)	(233)
Funding Balance ((A-B)+(C-D))	-	-	-
Depreciation	1,194	1,477	283

ACTIVITY EXPENDITURE

	Annual Plan Forecast 30-Sep-17 \$000	Actual Sep-17 \$000	Variance \$000
Subsidised Roding	1,926	1,940	14
Footpaths	252	266	14
Unsubsidised Roding	58	38	(20)
Total Expenditure	2,236	2,244	8

LAND TRANSPORT

Statement of Capital Expenditure Budget over \$50,000

Group of activities	Work Order	Description	Type	Full year	Year to date Costs vs YTD Budget				Contract Awarded	Estimated date of Project Completion*	Project % Completed**	General Comments
				Budget	Actual	Budget	Variance in \$	Variance in % to total budget				
Land Transport	8512	Foxton Townscape Main Street Upgrade	LOS	1,225,000	247,125	275,000	27,875	2%	Higgins	Mar-18	25%	Extra engagement has gone well for North end of Main Street and we should be able to complete entire project this year.

LAND TRANSPORT (ROADS) – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (17/18)	Actual Performance
A safe road network.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	0 change or less over a 5 year average.	<p>Unable to Report</p> <p>This measure is marked as unable to report as it is a yearly target reported as at 30 June 2018.</p> <p>The number of fatalities and serious injury crashes on the local road network is calculated utilising data from the crash analysis system (CAS) database. It compares one year with the next, and as such it will be reported on in as soon as the data becomes available for the year ended 30 June 2018.</p>
Roads in good condition.	The average quality of ride on a sealed local road network measured by smooth travel exposure.	Minimum 85%	<p>Unable to Report</p> <p>Council has moved away from the traditional Annual Roughness and Condition Rating Survey. Instead it will be engaging Downers to carry out the network data collection utilising 'Hawkeye' – a high speed data surveying vehicle. The 'Hawkeye' system is equipped with the latest digital camera technology that will provide high resolution video of Council's roading network, thus providing a virtual drive through of roads.</p> <p>The benefits of this system will result in a more efficient analysis of the survey data that can be linked to chainage and GPS coordinates, simplifying location of data and features.</p> <p>However, 'Hawkeye' is not available until November 2017. The condition of the road network can be reported on once the high speed data survey is completed later in 2017/18.</p>
Roads that are maintained well.	The percentage of the sealed local road network that is resurfaced annually.	Minimum of 5% of total area	<p>Unable to Report</p> <p>This measure is marked as unable to report as it is a yearly target reported as at 30 June 2018.</p> <p>The Reseal Programme for 2017/18 is confirmed, with a total of 29.25km which equates to 212,773m². This represents 6.21% of the total sealed local road network.</p> <p>The actual amount sealed will be reported on following the completion of the reseal season which is at the end of June 2018.</p>

LAND TRANSPORT (FOOTPATHS) – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (17/18)	Actual Performance
Footpaths are in an acceptable condition.	Target footpath condition rating (% compliant with Councils standards).	Minimum 30% in excellent condition. Maximum 10% in poor condition.	<p>Unable to Report</p> <p>This measure is marked as unable to report as it is a yearly target reported as at 30 June 2018.</p> <p>This year a new system for assessing footpath condition has been developed and will be based on a 5 year rotating cycle. An average condition rating can be determined at the end of this year based on the percentage of actual rating survey completed as at 30 June 2018.</p>
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%	<p>Achieved</p> <p>During the month of September 2017, the percentage of requests responded to within 15 days = 95%</p> <p>For the period 1st July 2017 to 30th September 2017, 653 CRMs were received, with 96% of requests responded to within 15 working days.</p>

STORMWATER Funding Impact Statement

	Forecast 30-Sep-17 \$000	Actual 30-Sep-17 \$000	Variance 30-Sep-17 \$000
	\$0	\$0	\$0
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	275	276	1
Subsidies and grants for operating purposes	-	-	-
Fees and charges	5	-	(5)
Local authorities fuel tax, fines, infringement fees, and other rec	-	-	-
Internal charges and overheads recovered	-	-	-
Total Operating Funding (A)	280	276	(4)
Applications of Operating Funding			
Payments to staff and suppliers	105	135	30
Finance Costs	62	49	(13)
Internal charges and overheads applied	41	27	(14)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	208	211	3
Surplus (deficit) of operating funding (A - B)	72	65	(7)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	908	-	(908)
Gross proceeds from sale of assets	-	-	-
Lum sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	908	-	(908)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	672	310	(362)
- to improve the level of service	286	89	(197)
- to replace existing assets	15	14	(1)
Increase (decrease) in reserves	8	(348)	(356)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	980	65	(915)
Surplus (deficit) of capital funding (C - D)	(72)	(65)	7
Funding Balance ((A-B)+(C-D))	-	-	-
Depreciation	125	143	18

ACTIVITY EXPENDITURE

	Annual Plan Forecast 30-Sep-17 \$000	Actual Sep-17 \$000	Variance \$000
Stormwater Drainage	334	354	20
Total Expenditure	334	354	20

STORMWATER

Statement of Capital Expenditure Budget over \$50,000

Group of activities	Work Order	Description	Type	Full year Budget	Year to date Costs vs YTD Budget				General Comments
					Actual	Budget	Variance in \$	Variance in %	
Stormwater									
	8475	Levin Queen Street	LOS	150,000	0	0	0	0%	This money is to assist with the Ministry for the Environment (MFE) project. The MFE project will determine the timeframes for this work. This is a stormwater (SW) quality improvement project (SW discharge to the Lake) possibly contracting wetland areas.
	8474	Levin Catchment Management Plan	LOS	65,001	28,624	0	(28,624)	(44%)	Cost of fully reticulated stormwater network was obtained to give options to manage stormwater. Draft catchment management plan has been received and have been presented to the Council as part of stormwater network analysis.
	8714	Shannon Catchment Management Plan	LOS	56,867	0	0	0	0%	
	8883	District Wide Improvement Works	Grwth/LOS	534,552	26,111	0	(26,111)	(5%)	Planning started and some minor improvements undertaken.
	8715	Development Planning Foxton Beach	GRWTH	155,700	56	51,900	51,844	33%	Planning started
	8480	Improvements NE Levin	Grwth/LOS	2,462,904	320,256	357,895	37,639	2%	Contract awarded to Higgins. Project approximately 40% complete.
		Total Stormwater		3,425,024	375,047	409,795	34,748	8%	

d) STORMWATER – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (17/18)	Actual Performance
An adequate stormwater system.	Number of flooding events that occur in the District.	<5 per year	<p>Achieved</p> <p>Number of flooding events in September 2017 = Nil</p> <p>For the period 1st July 2017 to 30th September 2017, there have been zero (0) reported flooding events.</p>
	For each flooding event the number of habitable floors affected per 1,000 connections to Council's stormwater networks.	2 or less	<p>Unable to Report</p> <p>Number of habitable floors affected in September 2017 = Nil which equates to 0.00 per 1,000 connections.</p> <p>For the period 1st July 2017 to 30th September 2017, there have been zero (0) habitable floors affected, which equates to 0.00 per 1,000 connections.</p>
Response to faults.	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.	1 hour	<p>Unable to Report</p> <p>Median response time for September 2017 = 0hrs 00mins</p> <p>Note: There have been no flooding events.</p> <p>For the period 1st July 2017 to 30th September 2017, the median response time to get to site is 0hrs 00mins, due there having been no flooding events.</p>
Customer satisfaction.	The number of complaints received by Council about the performance of its stormwater system expressed per 1,000 properties connected to the system.	<10 per year	<p>Achieved</p> <p>Number of complaints in September 2017 = Nil received, which equates to 0.00 per 1,000 connections.</p> <p>For the period 1st July 2017 to 30th September 2017, one (1) complaint was received, which equates to 0.08 per 1,000 connections regarding the performance of our stormwater system.</p>

e) STORMWATER – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (17/18)	Actual Performance																																				
	Percentage of customers satisfied with the stormwater service. As per the Annual Resident Satisfaction Survey.	80%	<p>Unable to Report</p> <p>As at 30 September 2017, this measure is marked as “Unable to Report” as the customer satisfaction survey for the 2016/2017 financial year has only recently been completed. The results are still being collated and are expected in the near future.</p> <p>Upon completion, achievement/non-achievement against this measure will be reported.</p> <p>The results from the 2015/2016 Customer Satisfaction Survey are shown below:</p> <table border="1"> <thead> <tr> <th></th> <th>Total %</th> <th>Kere Kere %</th> <th>Levin %</th> <th>Miranui %</th> <th>Waiopahu %</th> </tr> </thead> <tbody> <tr> <td>Very Satisfied</td> <td>4.35</td> <td>2.65</td> <td>6.46</td> <td>0.00</td> <td>3.52</td> </tr> <tr> <td>Satisfied</td> <td>22.16</td> <td>20.35</td> <td>24.31</td> <td>25.00</td> <td>16.20</td> </tr> <tr> <td>Neither Satisfied nor Dissatisfied</td> <td>27.35</td> <td>28.32</td> <td>28.92</td> <td>18.75</td> <td>26.06</td> </tr> <tr> <td>Dissatisfied</td> <td>19.92</td> <td>17.70</td> <td>20.00</td> <td>22.92</td> <td>19.01</td> </tr> <tr> <td>Very Dissatisfied</td> <td>13.88</td> <td>23.01</td> <td>12.31</td> <td>16.67</td> <td>9.86</td> </tr> </tbody> </table>		Total %	Kere Kere %	Levin %	Miranui %	Waiopahu %	Very Satisfied	4.35	2.65	6.46	0.00	3.52	Satisfied	22.16	20.35	24.31	25.00	16.20	Neither Satisfied nor Dissatisfied	27.35	28.32	28.92	18.75	26.06	Dissatisfied	19.92	17.70	20.00	22.92	19.01	Very Dissatisfied	13.88	23.01	12.31	16.67	9.86
	Total %	Kere Kere %	Levin %	Miranui %	Waiopahu %																																		
Very Satisfied	4.35	2.65	6.46	0.00	3.52																																		
Satisfied	22.16	20.35	24.31	25.00	16.20																																		
Neither Satisfied nor Dissatisfied	27.35	28.32	28.92	18.75	26.06																																		
Dissatisfied	19.92	17.70	20.00	22.92	19.01																																		
Very Dissatisfied	13.88	23.01	12.31	16.67	9.86																																		
A sustainable stormwater service.	The number of Abatement Notices, Infringement Notices, Enforcement Orders, and convictions received by the Council in relation to Horizons Regional Council resource consents.	0	<p>Achieved</p> <p>For the period 1st July 2017 to 30th September 2017:</p> <p>Abatement Notices = 0 Infringement Notices = 0 Enforcement Orders = 0 Convictions = 0</p>																																				

WATER SUPPLY Funding Impact Statement

	Forecast 30-Sep-17 \$000	Actual 30-Sep-17 \$000	Variance 30-Sep-17 \$000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	1,428	1,430	2
Subsidies and grants for operating purposes	-	-	-
Fees and charges	6	59	53
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Internal charges and overheads recovered	-	-	-
Total Operating Funding (A)	1,434	1,489	55
Applications of Operating Funding			
Payments to staff and suppliers	525	798	273
Finance Costs	161	131	(30)
Internal charges and overheads applied	263	132	(131)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	949	1,061	112
Surplus (deficit) of operating funding (A - B)	485	428	(57)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	117	-	(117)
Gross Proceeds from Sale of assets	-	-	-
Lum sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	117	-	(117)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	31	-	(31)
- to improve the level of service	228	196	(32)
- to replace existing assets	466	534	69
Increase (decrease) in reserves	(123)	(302)	(180)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	602	428	(174)
Surplus (deficit) of capital funding (C - D)	(485)	(428)	57
Funding Balance ((A-B)+(C-D))	-	-	-
Depreciation	499	595	96

ACTIVITY EXPENDITURE

	Annual Plan Forecast 30-Sep-17 \$000	Actual Sep-17 \$000	Variance \$000
Foxton Water	184	249	65
Foxton Beach Water	191	190	(1)
Levin Water	817	951	134
Moutoa Water	-	-	-
Shannon Water	181	170	(11)
Tokomaru Water	75	97	22
Water Races	-	-	-
Total Expenditure	1,448	1,657	209

Notes and Comments

Foxton, Levin and Tokomaru Water Supply – increased costs for maintenance which is offset by reduced internal charges.

WATER SUPPLY

Statement of Capital Expenditure Budget over \$50,000

Group of activities	Work Order	Description	Type	Full year Budget	Year to date Costs vs YTD Budget				General Comments
					Actual	Budget	Variance in \$	Variance in % to total budget	
Water Supply	8456	Levin Reticulation- RENEWAL	Renewal	1,069,601	348,894	264,103	(84,791)	(8%)	Work being undertaken by the Horowhenua Alliance. Construction commenced.
	8887	Foxton Beach consents- RENEWAL	Renewal	53,455	0	0	0	0%	
	8888	Tokomaru Consents- RENEWAL	Renewal	106,910	0	0	0	0%	
	8889	Shannon - Mangaore Consents- RENEWAL	Renewal	106,910	0	10,000	10,000	9%	
	8466	Levin Clarifier Installation	LOS	250,000	84,530	180,000	95,470	38%	Additional costs to come.
	8719	Levin treatment plant upgrade	LOS	600,000	91,057	41,000	(50,057)	(8%)	Carried forward from last year. To be used for Foxton New Reservoir and Foxton Beach Green Sand Filters.
	8718	Foxton Beach Development plan	Growth	83,000	0	3,500	3,500	4%	Planning started
	8468	Reactive renewals - District Wide	Renewal	160,365	60,625	34,240	(26,385)	(16%)	For reactive repairs. To cover unscheduled maintenance issues.
	Total Water Supply		2,430,241	585,106	532,843	(52,263)	(10%)		

WATER SUPPLY – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (17/18)	Actual Performance
Safe water supply.	Percentage in which the local authority's drinking water supply complies with: (a) part 4 of the Drinking Water Standards (bacteria compliance criteria) in Levin, Shannon, Foxton, Foxton Beach, Tokomaru.	100%	<p>Not Achieved</p> <p>99.70% compliance.</p> <p>For the period 1st July 2017 to 30th September 2017, 335 samples were collected, of which 335 (100%) were analysed.</p> <p>A positive E.coli alert was received for a Levin reservoir sample from the 7th September. The three consecutive day samples were all clear of E.coli for the reservoir.</p> <p>99.70% of analysed samples complied with the New Zealand Drinking Water Standards (NZDWS) requirements of <1 E.coli.</p>
	(b) part 5 of the Drinking Water Standards (protozoa compliance criteria) in: Levin Shannon Foxton Foxton Beach Tokomaru	100% 100% 100% 100% 100%	<p>Achieved</p> <ul style="list-style-type: none"> • Levin: 100% • Shannon: 100% • Foxton: 100% • Foxton Beach: 100% • Tokomaru: 100%

WATER SUPPLY – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (17/18)	Actual Performance					
Drinking water that tastes and looks satisfactory.	The total number of complaints received about any of the following (expressed per 1,000 connections): <ol style="list-style-type: none"> 1. Drinking water clarity 2. Drinking water taste 3. Drinking water pressure or flow 4. Continuity of supply; and 5. The Council's response to any of these issues. 	4	Achieved					
			As at 30 September 2017:					
					YTD Result		September 2017 Result	
					Number per 1,000 connections	Number of Complaints	Number per 1,000 connections	Number of Complaints
			1)	Clarity	0.15	2	0.00	0
			2)	Taste	0.00	0	0.00	0
			3)	Pressure or Flow	0.76	10	0.15	2
			4)	Continuity of Supply	0.61	8	0.15	2
5)	Council Response	0.00	0	0.00	0			
		Total	1.52	20	0.30	4		
Total number of connections as of 30 September 2017 = 13,132								

WATER SUPPLY – Performance Measures – LTP/Annual Plan

Achieved					
As at 30 September 2017:					
Item	YTD Result		September 2017 Result		Comment
	Result	Comment	Result	Comment	
a) Median Time to reach the site for urgent call-outs	0hrs 36mins	Received 8 urgent call-outs and attended to 7 within 1 hour or less	0hrs 25mins	Received 2 urgent call-outs and attended to 2 within 1 hour or less.	
b) Median Time for resolution of the fault or interruption of urgent call-outs	1hr 22mins	Received 8 urgent call-outs and resolved 8 within 8 hours or less	0hrs 35mins	Received 2 urgent call-outs and resolved 2 within 8 hours or less.	
c) The median time to reach the site for non-urgent call-outs	16hrs 05mins	Received 109 non-urgent call-outs and attended to 103 within 3 days or less.	18hrs 39mins	Received 41 non-urgent call-outs and attended to 37 within 3 days or less.	
d) The median time for resolution of the fault or interruption of non-urgent call-outs	19hrs 03mins	Received 109 non-urgent call-outs and resolved 100 in 3 days or less.	19hrs 52mins	Received 41 non-urgent call-outs and resolved 37 in 3 days or less.	

WATER SUPPLY – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (17/18)	Actual Performance																		
Water supply is continual.	Total number of unplanned water shut downs.	30 per year	<p>Achieved</p> <p>Number of unplanned water shut downs for the year-to-date = 3</p> <p>See table below for breakdown:</p> <table border="1"> <thead> <tr> <th>Result</th> <th>YTD</th> <th>September 2017</th> </tr> </thead> <tbody> <tr> <td>Total shutdowns reported</td> <td>6</td> <td>1</td> </tr> <tr> <td>Total unplanned shut downs</td> <td>3</td> <td>1</td> </tr> <tr> <td>Average unplanned shutdown length in hours</td> <td>3.80</td> <td>3.00</td> </tr> <tr> <td>Reasons for shutdown (most of)</td> <td>Split Pipe</td> <td>Burst Main</td> </tr> <tr> <td>Average # of homes affected</td> <td>22</td> <td>4</td> </tr> </tbody> </table>	Result	YTD	September 2017	Total shutdowns reported	6	1	Total unplanned shut downs	3	1	Average unplanned shutdown length in hours	3.80	3.00	Reasons for shutdown (most of)	Split Pipe	Burst Main	Average # of homes affected	22	4
Result	YTD	September 2017																			
Total shutdowns reported	6	1																			
Total unplanned shut downs	3	1																			
Average unplanned shutdown length in hours	3.80	3.00																			
Reasons for shutdown (most of)	Split Pipe	Burst Main																			
Average # of homes affected	22	4																			
Firefighting needs are met.	Percentage of the network where firefighting flows in urban residential areas meet the NZ Fire Service firefighting water supplies Code of Practice SZ 4509:2008.	80%	<p>Unable to Report</p> <p>The testing of firefighting flows is an annual activity and is conducted by measuring the flow through fire hydrants. The total number of hydrants tested across the district in the 2016/17 financial year was 1,962 where 1,833 were above the required firefighting flow of 12.5L/s, bringing the percentage of compliant hydrants to 93%.</p> <p>The next hydrant testing is scheduled for later in the 2017/18 financial year. As this is a yearly target, we will report our achievement/non-achievement at June 2018.</p>																		
Water supply has adequate flow and pressure.	Percentage of the network where supply pressure at the property boundary is not less than 250kPa for on demand connections and 150kPa for restricted flow connections.	100%	<p>Not Achieved</p> <p>97% of all water connections checked across the district up to September 2017 exceeded pressures of 250kPa at the property boundary. The cause of a drop in pressure for 2 connections in Foxton was likely due to an internal leak.</p> <p>Note – for properties connected as a restricted connection, a certain pressure is required for those properties to be able to get their required number of units. With no complaints about reduction in units it implies that the required pressures are being achieved at the boundaries of properties served by restrictors.</p>																		

WATER SUPPLY – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (17/18)	Actual Performance																		
Consent conditions are met.	Compliance with all water take limits of resource consents.	100%	<p>Achieved</p> <p>For the year-to-date, the percentage of water take which complied with limits of resource consent = 100%</p> <p>Note: Received a notification from Horizons on a reported exceedance with our hourly water take at Shannon for the 27th of September. Our data did not show an exceedance, so Horizons are investigating the accuracy of their data.</p>																		
Water supply is sustainable.	Average consumption of drinking water per day per resident within the water supply areas (target based on One Plan Section 6.4.3.1).	300lt per day	<p>Not Achieved</p> <p>The average consumption for September 2017 for all supplies = 360lt/per person/day.</p> <p>For the period 1st July 2017 to 30th September 2017, the average consumption for all supplies is 370lt/per person/day.</p> <p>Individual supplies are shown in the table below:</p> <table border="1"> <thead> <tr> <th>Supply</th> <th>YTD</th> <th>September 2017</th> </tr> </thead> <tbody> <tr> <td>Foxton</td> <td>415</td> <td>417</td> </tr> <tr> <td>Foxton Beach</td> <td>267</td> <td>262</td> </tr> <tr> <td>Levin</td> <td>431</td> <td>400</td> </tr> <tr> <td>Shannon/Mangaore</td> <td>506</td> <td>554</td> </tr> <tr> <td>Tokomaru</td> <td>181</td> <td>217</td> </tr> </tbody> </table>	Supply	YTD	September 2017	Foxton	415	417	Foxton Beach	267	262	Levin	431	400	Shannon/Mangaore	506	554	Tokomaru	181	217
Supply	YTD	September 2017																			
Foxton	415	417																			
Foxton Beach	267	262																			
Levin	431	400																			
Shannon/Mangaore	506	554																			
Tokomaru	181	217																			

WATER SUPPLY – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (17/18)	Actual Performance
Minimal water losses.	Percentage of real water loss from the network as measured by the standard Infrastructure Leakage Index method.	15%	<p>Not Achieved</p> <p>The percentage of real water loss from the network as measured by the standard Infrastructure Leakage Index method doesn't make sense; the ILI is not a % measurement. The ILI is a dimensionless performance indicator that relates the current level of real water loss to the unavoidable level of real water loss in a system, taking into account the length of pipes, number of connections and average operating pressure. As such it is a metric benchmarking for performance comparison with other water suppliers.</p> <p>With reference to the recommendation in the NZ Water Loss Guidelines (p18), this measurement can be changed to the IWA Performance Indicator Litres/service connection/day (Op 27). This is the preferable process benchmarking of progress towards reaching target for reductions in real losses, and should be the basis for ongoing monitoring.</p> <p>Based on ILI the target for all supplies will be to achieve a WBI Band B – between 2 and 4.</p> <p>Using Litres/service connection/day will have different targets for each supply.</p> <p>A water loss study was completed for the Levin supply in January 2017 and for all other supplies in June 2017, the results are summarised in the table below.</p> <p>Leak detection equipment has been procured and after training of reticulation staff, will be used for ongoing level 1 active leakage control. Higher level of leak detection such as leak noise correlation will be outsourced to specialist sub-contractors as and when required.</p> <p>Improved network monitoring options are currently being investigated.</p>

WATER SUPPLY – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance						Target (17/18)		Actual Performance						
	Number Connections	Length of mains (km)	Conn/km	AZNP (meters)	NDF (hours/day)	Avg Daily Demand ⁴ (m ³)	The Snapshot Daily Leakage ² (September 2016)			"Snapshot" Infrastructure Leakage Index					
						m ³ /day	Conn/km>20: litres/connection/day	Conn/km<20: m ³ /km/day	95% Conf. Limits	% Water Loss (SEE NOTE 1 BELOW)	The Snapshot Night Leakage rate (m ³ /hr)	The Unavoidable Annual Real Losses (m ³ /hr)	I/L (dimensionless)	which is in WBI Band	
Foxton	1,180	29.3	40	35.9	22.6	1,600	464.4	393.58		6.2%	29.0%	20.55	2.20	9.34 D	
Foxton Beach	1,600	26.4	61	39.1	23.5	530	35.3	22.03		54.1%	6.7%	1.50	2.86	0.52 A	
Shannon	727	23.3	31	48.3	23.9	680	305.5	420.22		6.2%	44.9%	12.78	2.01	6.35 C	
Mangaore ³	35	2.6	14	50.8	24.1	60	22.0	8.54	55.1%	36.7%	0.91	0.16	5.80	C	
Tokomaru	206	6.0	34	30.7	23.9	153	37.2	180.41		8.7%	24.3%	1.56	0.35	4.44 C	
Entire Levin Supply	8,415	215.2	39	75.9	23.7	8,500	3,601.5	427.99		10.6%	42.4%	151.96	33.54	4.53 C	
Total Snapshot Daily Leakage (m³/day)							4,466								
<p>Notes: 1. Please note that the % Water Loss is shown as indicative only and should not be used as a performance indicator. When losses are expressed as a % of System Input (or Water Supplied) volume, the resulting figure is heavily influenced by the consumption. I.e. when consumption per service connection changes (lower in winter) the % real losses changes (increases) even if Real Losses volume per day remains the same.</p> <p>2. The IWA definition of Real Losses includes only leakage on the mains and service connections up to the boundary. This is difficult to quantify in an unmetered network and a Minimum Nightflow Analysis method is therefore used to calculate the volume of water loss. This method inherently includes in it a portion of water loss that could be regarded as consumption, i.e. Billed Unmetered Consumption. This should be taken into account when evaluating the performance indicators shown.</p> <p>3. Mangaore values to still be confirmed as no flow information is available. The Mangaore reservoir level drop was used to estimate night flow.</p> <p>4. This varies greatly between winter and summer, peak and off peak consumption. Please refer to Note 1.</p>															
Provide water conservation education to the public.	As provided in the Water Demand Management Plan 2014.						Achieved		<p>Achieved</p> <p>Water meter/leak checks pamphlets continue to be mailed out with water billing invoices.</p> <p>New meter checks brochures are being compiled by the Communications Team.</p>						

WASTEWATER MANAGEMENT Funding Impact Statement

	Forecast 30-Sep-17 \$000	Actual 30-Sep-17 \$000	Variance 30-Sep-17 \$000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	1,594	1,600	6
Subsidies and grants for operating purposes	-	-	-
Fees and charges	298	364	66
Local authorities fuel tax, fines, infringement fees, and other receipts	-	6	6
Internal charges and overheads recovered	-	-	-
Total Operating Funding (A)	1,892	1,970	78
Applications of Operating Funding			
Payments to staff and suppliers	651	664	13
Finance Costs	270	217	(53)
Internal charges and overheads applied	182	111	(71)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,103	992	(111)
Surplus (deficit) of operating funding (A - B)	789	978	189
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	1,163	-	(1,163)
Gross proceeds from sale of assets	-	-	-
Lum sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	1,163	-	(1,163)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	171	17	(154)
- to improve the level of service	882	(2)	(884)
- to replace existing assets	908	162	(746)
Increase (decrease) in reserves	(9)	801	810
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	1,952	978	(974)
Surplus (deficit) of capital funding (C - D)	(789)	(978)	(189)
Funding Balance ((A-B)+(C-D))	-	-	-
Depreciation	566	724	158

ACTIVITY EXPENDITURE

	Annual Plan Forecast 30-Sep-17 \$000	Actual Sep-17 \$000	Variance \$000
Foxton Wastewater	167	144	(23)
Foxton Beach Wastewater	152	141	(11)
Levin Wastewater	914	1,020	106
Shannon Wastewater	290	277	(13)
Tokomaru Wastewater	55	35	(20)
Waitarere Beach Wastewater	91	100	9
Total Expenditure	1,669	1,717	48

Notes and Comments

Levin Wastewater – increased deprecation with the revaluation of the assets, LAPP insurance and consents for Levin Treatment Plant.

WASTEWATER MANAGEMENT

Statement of Capital Expenditure Budget over \$50,000

Group of activities	Work Order	Description	Type	Full year Budget	Year to date Costs vs YTD Budget			General Comments	
					Actual	Budget	Variance in \$		Variance in % to total budget
Wastewater	8483	Foxton Wastewater Treatment Plant - Strategic Upgrade	LOS	2,092,918	107,579	90,000	(17,579)	(1%)	At consent stage
	8890	Foxton Wastewater Treatment Plant - Pond Desludge	Ren/LOS	450,000	4,254	7,250	2,996	1%	At planning stage.
	8891	Foxton Beach Wastewater Treatment Plant - Strategic Upgrade	LOS	267,275	66,315	11,100	(55,215)	(21%)	At consent stage
	8892	Foxton Beach Wastewater Treatment Plant - Planned Renewals	Renewal	142,190	0	24,000	24,000	17%	
	8491	Tokomaru Wastewater Treatment Plant - Consent Renewal	Renewal	65,000	11,744	12,000	256	0%	
	8720	Waitarere Wastewater Treatment Plant - Strategic Upgrade	LOS	240,548	0	6,800	6,800	3%	This is currently awaiting consent.
	8498	Foxton Reticulation - Renewals	Renewal	167,265	0	0	0	0%	Work being undertaken as part of the District Wide renewals by the Horowhenua Alliance. Construction commenced.
	8499	Levin Reticulation - Renewals	Renewal	433,889	22,559	15,000	(7,559)	(2%)	Work being undertaken by the Horowhenua Alliance. Construction commenced.
	8500	Districtwide - Reticulation Unplanned Renewals	Renewal	192,973	26,819	30,000	3,181	2%	For reactive repairs. To cover unscheduled maintenance issues.
	8501	Levin Treatment Plant - Planned Renewals	Renewal	1,826,673	47,134	420,000	372,866	20%	
	8502	Levin Wastewater Treatment Plant - Strategic Upgrade	LOS	545,241	58,010	105,000	46,990	9%	
	8503	Levin Treatment Plant - Unplanned Renewals	Renewal	94,592	3,665	0	(3,665)	(4%)	
	8722	Development Planning Foxton Beach	Growth	144,738	9,460	14,500	5,040	3%	Planning started.
	8893	Development Work - North East Levin	Growth	245,893	2,816	70,000	67,184	27%	Designs complete. Planning procurement.
	8894	Development Planning Waitarere Beach	Growth	160,365	84	1,000	916	1%	Not yet started.
	8505	Levin Tararua Industrial Development	Growth	88,287	0	0	0	0%	On hold until decision made whether Council develops this site.
	Total Wastewater		7,157,847	360,438	806,650	446,212	55%		

WASTEWATER DISPOSAL – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (17/18)	Actual Performance				
Reliable Wastewater collection and disposal.	The number of dry weather overflows from the wastewater system per 1,000 connections.	<2	Achieved				
				YTD Result		September 2017	
				Number per 1,000 connections	Number of Overflows	Number per 1,000 connections	Number of Overflows
			Dry weather overflows	0.16	2	0.08	1
Council provides a good response to 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 or wastewater blockage.	<1 hour	Achieved				
			Median time for:	YTD Result		September 2017	
				Result	Comment	Result	Comment
			Overflows only	0hrs 05mins		0hrs 05mins	
			Wastewater Blockages	0hrs 24mins		0hrs 18mins	
	The median time (hrs) from the time that Council receives a notification, to the time that services personnel confirm a resolution of a blockage or other fault within the wastewater system.	12 hours	Achieved				
			Median time for:	YTD Result		September 2017	
				Result	Comment	Result	Comment
			Overflows only	2hrs 01mins		3hrs 01mins	
			Blockages and other faults	2hrs 00mins		3hrs 34mins	

WASTEWATER DISPOSAL – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (17/18)	Actual Performance					
The service is satisfactory.	The total number of complaints received (expressed per 1,000 connections to the wastewater system) regarding: a) Wastewater odour; b) Wastewater systems faults; c) Wastewater system blockages d) The Council’s response to issues with its wastewater system. e) Total number of complaints received about any of the above.	a) <5 b) <8 c) <8 d) 8 e) <29	Achieved					
					YTD Result		September 2017	
					Number per 1,000 connections	Number of Complaints	Number per 1,000 connections	Number of Complaints
			a)	Odour	0.16	2	0.00	0
			b)	System Faults	0.65	8	0.16	2
			c)	System blockages	1.71	21	0.32	4
			d)	Councils response	0.08	1	0.00	0
e)	Total	2.60	32	0.48	6			
Total # of connections as of 30 September 2017 = 12,312								

WASTEWATER DISPOSAL – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (17/18)	Actual Performance																																				
The service is satisfactory.	Percentage of customers satisfied with the service, based on the Annual Resident Satisfaction Survey.	84%	<p>Unable to Report</p> <p>As at 30 September 2017, this measure is marked as “Unable to Report” as the customer satisfaction survey for the 2016/2017 financial year has only recently been completed.</p> <p>The results are still being collated and are expected in the near future. Upon completion, achievement/non-achievement against this measure will be reported.</p> <p>The results from the 2015/2016 customer satisfaction survey are shown</p> <table border="1"> <thead> <tr> <th></th> <th>Total %</th> <th>Kere Kere %</th> <th>Levin %</th> <th>Miranui %</th> <th>Waiopehu %</th> </tr> </thead> <tbody> <tr> <td>Very Satisfied</td> <td>5.87</td> <td>1.74</td> <td>8.67</td> <td>4.17</td> <td>4.90</td> </tr> <tr> <td>Satisfied</td> <td>26.15</td> <td>33.91</td> <td>27.24</td> <td>20.83</td> <td>23.08</td> </tr> <tr> <td>Neither Satisfied nor Dissatisfied</td> <td>27.27</td> <td>26.09</td> <td>30.03</td> <td>16.67</td> <td>23.78</td> </tr> <tr> <td>Dissatisfied</td> <td>15.10</td> <td>16.52</td> <td>14.86</td> <td>20.83</td> <td>10.49</td> </tr> <tr> <td>Very Dissatisfied</td> <td>10.35</td> <td>12.17</td> <td>7.74</td> <td>20.83</td> <td>8.39</td> </tr> </tbody> </table> <p>below:</p>		Total %	Kere Kere %	Levin %	Miranui %	Waiopehu %	Very Satisfied	5.87	1.74	8.67	4.17	4.90	Satisfied	26.15	33.91	27.24	20.83	23.08	Neither Satisfied nor Dissatisfied	27.27	26.09	30.03	16.67	23.78	Dissatisfied	15.10	16.52	14.86	20.83	10.49	Very Dissatisfied	10.35	12.17	7.74	20.83	8.39
	Total %	Kere Kere %	Levin %	Miranui %	Waiopehu %																																		
Very Satisfied	5.87	1.74	8.67	4.17	4.90																																		
Satisfied	26.15	33.91	27.24	20.83	23.08																																		
Neither Satisfied nor Dissatisfied	27.27	26.09	30.03	16.67	23.78																																		
Dissatisfied	15.10	16.52	14.86	20.83	10.49																																		
Very Dissatisfied	10.35	12.17	7.74	20.83	8.39																																		
Safe disposal of wastewater.	The number of Abatement Notices, Infringement Notices, Enforcement Orders, and convictions received by the Council in relation to Horizons Regional Council resource consents.	0	<p>Achieved</p> <p>For the period 1st July 2017 to 30th September 2017:</p> <p>Abatement Notices = 0 Infringement Notices = 0 Enforcement Orders = 0 Convictions = 0</p>																																				

SOLID WASTE MANAGEMENT Funding Impact Statement

	Forecast 30-Sep-17 \$000	Actual 30-Sep-17 \$000	Variance 30-Sep-17 \$000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	82	82	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	465	384	(81)
Local authorities fuel tax, fines, infringement fees, and other receipts	-	1	1
Internal charges and overheads recovered	-	-	-
Total Operating Funding (A)	547	467	(80)
Applications of Operating Funding			
Payments to staff and suppliers	391	350	(41)
Finance Costs	60	51	(9)
Internal charges and overheads applied	61	29	(32)
Other operating funding applications	-	-	-
Total applications of operating funding (B)	512	430	(82)
Surplus (deficit) of operating funding (A - B)	35	37	2
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	37	-	(37)
Gross proceeds from sale of assets	-	-	-
Lum sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	37	-	(37)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	85	24	(61)
- to improve the level of service	-	-	-
- to replace existing assets	17	2	(15)
Increase (decrease) in reserves	-29	11	40
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	72	37	(35)
Surplus (deficit) of capital funding (C - D)	(35)	(37)	(2)
Funding Balance ((A-B)+(C-D))	-	-	-
Depreciation	67	72	5

ACTIVITY EXPENDITURE

	Annual Plan Forecast 30-Sep-17 \$000	Actual Sep-17 \$000	Variance \$000
Roadside Collection Bags	53	26	(27)
Landfill	279	309	30
Recycling Centres	176	121	(55)
Waste Transfer Stations	72	46	(26)
Total Expenditure	580	502	(78)

Notes and Comments

Landfill – this is over budget with increased rates and consent fees and consultancy for the Environment Court Appeal and advice for Levin Landfill.

SOLID WASTE MANAGEMENT

Statement of Capital Expenditure Budget over \$50,000

Group of activities	Work Order	Description	Type	Full year Budget	Year to date Costs vs YTD Budget				General Comments
					Actual	Budget	Variance in \$	Variance in % to total budget	
Solid Waste	8516	Cap Shape Correction	Renewal	62,050	2,480	20,683	18,203	29%	
	8518	Landfill Development	Growth	329,704	23,702	65,941	42,239	13%	
	Total Solid Waste				391,754	26,182	86,624	60,442	70%

SOLID WASTE – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (17/18)	Actual Performance
Waste Transfer Stations are available at convenient times.	Transfer Stations are available on agreed days at agreed times.	Achieved	Achieved As at 30 September 2017, transfer stations have been available on agreed days.
Solid Waste Activities are undertaken in a healthy and safe manner.	No reported incidences of injury or illness attributable to use of the Council's Waste Transfer or Recycling Station facilities.	Achieved	Achieved As at 30 September 2017, no reports of incidences or injuries from the transfer or recycling stations.
Waste Transfer and Recycling Stations have a minimal impact on the immediate and surrounding environment.	No. odour complaints and minimal reports of solid waste in or around: <ul style="list-style-type: none"> • Waste Transfer Stations; and • Recycling Stations 	3 per month 3 per month	Achieved As at 30 September 2017: Zero (0) odour complaints Zero (0) reports of solid waste in or around waste transfer/recycling stations For the period 1st July 2017 to 30th September 2017 the breakdown is as follows: Zero (0) odour complaints Zero (0) reports of solid waste in or around waste transfer/recycling stations
Response to service requests regarding Council's Solid Waste Activities is timely.	Time that all requests are responded to within.	3 days	Achieved As at 30 September, we have received: 73 service requests 45 (62%) of these were responded to within 3 days. It must be noted that despite the fact that some CRMs do not have a close out date or have been closed out well outside the 3 day period, this does not mean that the requests were not responded to within the 3 day timeframe. Some close out dates longer than the 3 actual day period, include weekends and public holidays. The contractors also tend to close resolved CRM's in bulk at the end of the month, instead of as they go, leaving many open or outside the 3 day period. Significantly more than is stated were actually responded to within 3 days, or will vary results month to month.

SOLID WASTE – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (17/18)	Actual Performance
Levin landfill.	Conditions of resource consents are met.	100%	Not Achieved As at 30 September 2017: 80% For the period 1st July 2017 to 30th September 2017, we have received one (1) abatement notice from Horizons regarding one of the consent conditions.
Kerbside recycling and refuse collection service is available.	Percentage of serviceable households that kerbside recycling shall be offered to.	91%	Achieved As at 30 September 2017: 95% We are currently servicing approximately 95% of households based on the serviceable areas within the District.
Recycling and refuse is collected on time and in a sanitary manner.	Number of complaints about non collection of: <ul style="list-style-type: none"> • Kerbside recycling • Kerbside refuse 	5 per month 5 per month	Achieved For the period 1st July 2017 to 30th September 2017, 16 complaints were received regarding Kerbside recycling (equates to 5.30 per month). Four (4) of which were reported in the month of September 2017. For the period 1st July 2017 to 30th September 2017, 9 complaints were received regarding Kerbside refuse (equates to 3.00 per month). One (1) of which was reported in the month of September 2017.
Recycling stations are available and accessible in urban centres in Summer.	Recycling stations are available at the agreed locations on the agreed days and times.	Achieved	Achieved As at 30 September 2017, recycling stations are available at all agreeable locations.
Information on Council's recycling and refuse services is available from service centres and on the website.	Up-to-date brochures will be available at all offices and on the HDC website.	Achieved	Not Achieved Brochures are handed out by the recycling collectors when their recycling crates contain non-recyclables. However, these are not currently available at the offices. Additionally, other means of information dispersion are being looked into such as fridge magnets or stickers for the recycling crates/wheelie bins. Brochures are currently being designed.

SOLID WASTE – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (17/18)	Actual Performance
Affordable recycling service is available.	No user charge set.	Achieved	Achieved As at 30 September 2017.
Customers are content with Council's transfer stations, recycling collection, and refuse collection services offered.	Measured via the Annual Resident Satisfaction Survey.	75%	Unable to Report As at 30 September 2017, this measure is marked as "Unable to Report" as the customer satisfaction survey for the 2016/2017 financial year has only recently been completed. The results are still being collated and are expected in the near future. Upon completion, achievement/non-achievement against this measure will be reported. The results of the 2015/2016 customer satisfaction survey are shown below: 81% of customers were satisfied with recycling services. 83% of customers were satisfied with kerbside rubbish collection services.
Customers are educated on waste minimisation practices.	Education services provided in local schools.	Achieved	Achieved Waste Education is provided in local schools through Zero Waste Education.

APPENDIX

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

Treasury Report

File No.: 17/546

1. Purpose

To present to the Finance, Audit & Risk Subcommittee the Bancorp Treasury Report for the September 2017 quarter.

2. Recommendation

- 2.1 That Report 17/546 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.
- 2.3 That Council borrow and extra \$5m for a term of not less than 2 years and invest this in short-term investments with interest rates that will cover the cost of borrowing.

3. Background/Previous Council Decisions

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

4. Issues for Consideration

The first 3 months of the year has seen:

1. The Bank of Canada raised its target cash rate by 2 x 25 basis points (0.5%).
2. The US Federal Reserve is signalling its continued rate increase bias and reduction in Bond buying programme, often called “Quantitative Easing”, as is the European central Bank.
3. Two successive Hurricanes will dampen growth and jobs market.
4. A number of central banks around the world concerned about surging household debt
5. Geopolitical concerns especially North Korea
6. New Zealand’s economy continuing to be positive with some cracks beginning to show with housing markets in Auckland easing.
7. Immigration and tourism are still at elevated levels
8. NZ election result uncertainty effecting volatile interest rates
9. The OCR remains at 1.75% with little likelihood of an increase until mid-2018 although the Reserve Bank is saying it will increase in late 2019
10. It appears as though the short-term interest rates have “bottomed out”

Council has \$12m at 2.135% rate until December 2017. It is noted from the LGFA weekly borrowing rates advice of 18 October that the indicative rate has slightly lowered to 2.125% from 2.145% in August down 2 basis points. This would suggest that the interest rate may be bouncing around the bottom and unlikely to see any further dramatic decreases in short-term rates albeit still much lower than the longer terms on offer.

No long-term borrowing has occurred this year as yet, with lower than expected capital expenditure and the \$5.25m sale of Pensioner housing increasing our cash and therefore need to borrow in the medium term at least.

Council's weighted average interest rate over all our borrowing is 4.13% slightly down from 4.14% in June 2017 and down from 4.61% in June 2016. This is calculated with the bank line fee and interest rate swaps included. This has been achieved by utilising low cost short-term funds, Interest rates on this source of funds appear to have bottomed out so any further drop in the HDC's costs of funds is limited. This is due to the fact that all loans due in this financial year are short-term borrowing and a floating rate note (FRN) that already are at low interest rates. The last remaining HDC Bond at an interest rate of 5.95% is not due for refinancing until 15/11/2018.

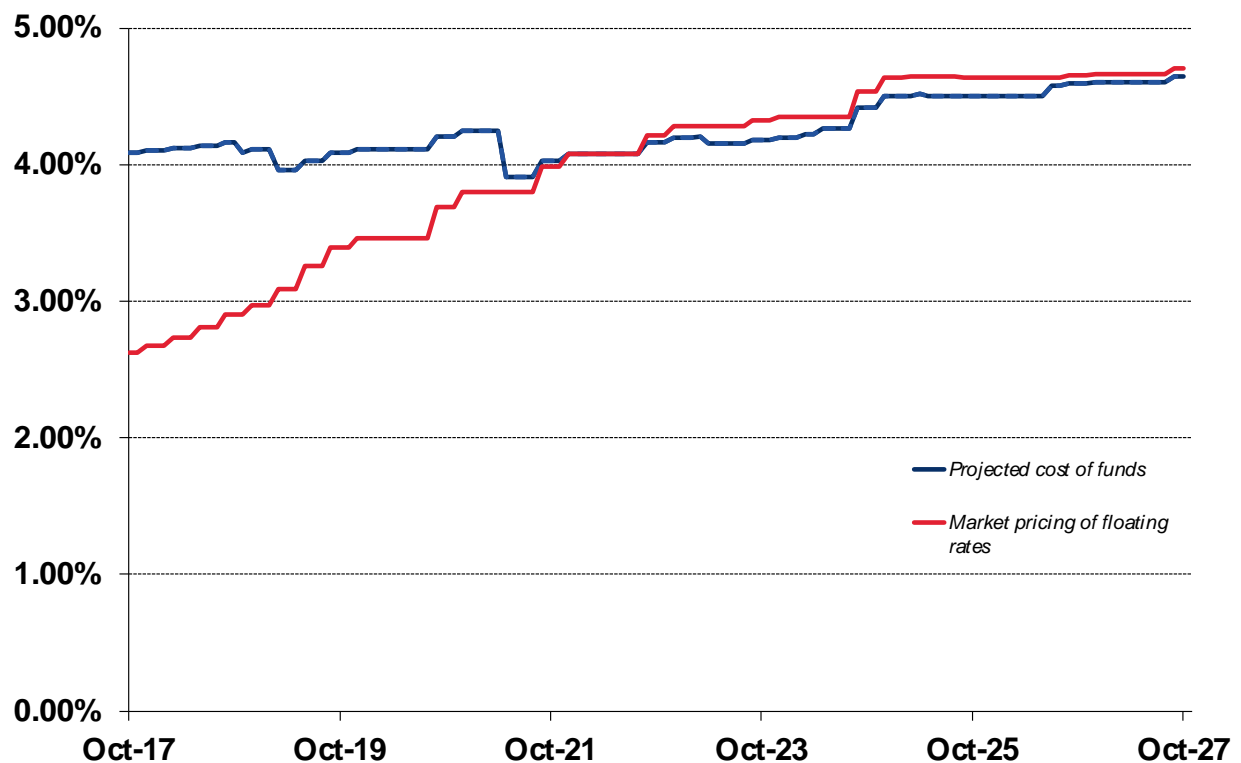
Note the comment in the report on page 9:

"HDC's cost of funds... is noticeably lower than many of its peers in the local government sector, indicating the success of its funding and interest rate risk management programme that has been carried out over the last several years."

Below is an assessment of Council's future cost of funds for 10 years as calculated by Bancorp.

Horowhenua DC cost of funds (future)

HDC - Interest rate projections (including margins)



Addressing the Standard and Poors perceived liquidity risk

At the Subcommittee meeting on 9 August a report was presented that suggested a solution to the issue raised by Standard and Poors (S&P) over the risk of refinancing short –term debt, especially Commercial Paper (CP). This section of the report delves into the issue and proposes a solution.

The issue is that S&P believe there is a risk of Council not being able to refinance the \$12m Council has in CP when it falls due. S&P believe Council needs to have a standby facility or cash reserves available to refinance the CP if the debt market “dried up” inexplicably, as it did in early 2008. Officers do not share S&P’s perception that a risk actually exists. This is because;

1. Council has a BNZ Committed Cash Advance Facility (CCAF) of \$10m
2. Council is able to borrow at short notice (i.e. less than 24 hours) from LGFA using its short-term borrowing facility and its bespoke lending facility. LGFA has a committed borrowing facility with the Central Government’s Debt Management Office (DMO) of \$1B as well as cash reserves of its own that would cover any such borrowing.

Officers are endeavouring to find out the exact nature of S&P’s risk assessment of Council’s liquidity issue through its Treasury Advisor (Bancorp) approaching S&P directly. However, this has not yet been successful with the interaction not having occurred as yet. If it should occur before the meeting I will verbally update committee members with any result. Should the issue remain a risk with S&P’s Council needs to address the risk.

The following options have been explored:

1. Increasing the CCAF to \$15m. This was discounted as the extra cost was a one off fee of \$5k and an annual fee of \$10k (in addition to the \$20k annual fee for the existing \$10m facility).
2. Borrowing an extra \$5m and investing this short-term thus increasing Council’s cash holdings so that Council would have a minimum of \$5m in cash at any one time. At current interest rates Council could source borrowing due April 2020 at 2.66%, or May 2021 at 3.06% (as at 26/10/2017). However, because Council can borrow at “wholesale” rates and invest at “retail” rates we would be able to invest this \$5m at approximately 3.48% (3.5% August) for 180 days with BNZ (as at 27 October) and so achieve a small net gain. This course of action has been discussed with both LGFA and Bancorp staff. Both agreed that as borrowing rates increase (or decrease) so should the short-term investment rates. I am confident that Council will be able to cover the borrowing costs, probably making a small profit.
3. The risk is that Council will invest at interest rates below the interest rate on the borrowings. This is extremely unlikely as the Investment rates have consistently been approximately 1% higher than the borrowing rate through LGFA as described above. This premise has now been tested 3 times and discussed with several colleagues and Treasury advisors who have all said it is possible to remain cost neutral, with the possibility making about \$25k profit every 180 day period.

Attachments


No.	Title	Page
A	Bancorp Treasury Report QE Sept 17	101

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 benefits and costs, 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)	Doug Law Chief Financial Officer	
-----------	--	---

Approved by	Doug Law Chief Financial Officer	
-------------	--	--

CONFIDENTIAL

TREASURY REPORT

FOR



**HOROWHENUA
DISTRICT
COUNCIL**

AS AT

30 SEPTEMBER 2017



BANCORP

BANCORP TREASURY SERVICES LIMITED

AUCKLAND • WELLINGTON • CHRISTCHURCH

CONTENTS

1. MARKET ENVIRONMENT.....	1
1.1 GLOBAL MARKETS OVERVIEW (AS AT 30 SEPTEMBER 2017).....	1
1.2 NEW ZEALAND MARKET OVERVIEW (AS AT 30 SEPTEMBER 2017).....	2
1.3 LOCAL AUTHORITY SECTOR	4
1.4 CREDIT SPREADS.....	5
2. FUNDING PROFILE.....	6
3. DEBT AND HEDGING PROFILE.....	8
4. POLICY COMPLIANCE (AS AT 30 SEPTEMBER 2017)	10

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

1. MARKET ENVIRONMENT

1.1 Global Markets Overview (as at 30 September 2017)

Market direction in the September quarter was again dictated by central bank rhetoric and actions, with 'backup' provided by doses of on/off geopolitical risks. The Bank of Canada ("BoC") raised its Policy Interest Rate twice (25 basis points each). The Federal Reserve ("Fed") announced plans to reduce its USD4.5 trillion balance sheet, albeit by not reinvesting 'only' USD10 billion of bonds maturing each month, while sticking to its previously signalled path of interest rate rises in 2017 and 2018. The Bank of England ("BoE") shifted closer to battling rising inflation. The European Central Bank ("ECB") again signalled an intention to consider unwinding its quantitative easing programme. The Bank of Japan ("BoJ") and Reserve Bank of Australia ("RBA") repeated their respective 'on hold' mantras.

The Fed's Open Market Committee ("FOMC") consensus for the federal funds rate (known as the dot plot) was unchanged at the FOMC's September meeting and indicated one more 25 basis point rate rise in 2017 and three in 2018. The dot plot for 2019 and beyond was 25 basis points lower than in June. US Treasury yields rose in September in response to the Fed's persistent signalling of interest rate rises and the October start of its balance sheet unwinding. The yield on the 10 year Treasury bond ended September at 2.33%, up from 2.12% at the end of August.

US economic data has remained relatively firm, although two devastating hurricanes during the September quarter will have an effect on growth and the jobs market. The unemployment rate remains near its multi-decade low and the economy is growing at an annual rate of 3.1%, ticking enough boxes for the Fed to stick to its normalisation path. Inflation still remains below target, but this has not held back the Fed.

The ECB hinted that its bond buying programme may be scaled back thanks to some better than expected economic growth and inflation figures. The suggestion whipped the markets into a euro buying frenzy, sending the EUR/USD above 1.2000 for the first time since January 2015 before the USD strength returned and reversed much of the EUR/USD's gains.

Interest rate markets had a slightly volatile quarter as the flows of funds between safe haven and risky assets were dictated by rhetoric between and actions by the US and North Korea. US 10 year Treasury yields fell to a post-US election low of 2.01% before climbing back to close the quarter at 2.33%. Global bond yields followed a similar pattern, although the German 10 year bond yield had the added influence of ECB rhetoric, which pushed it to an 18 month high at 0.60%, then it fell with US Treasury yields to as low as 0.31% on risk off sentiment before settling at 0.46% at the end of the quarter.

1.2 New Zealand Market Overview (as at 30 September 2017)

	OCR	90 day	2 year swap	3 year swap	5 year swap	7 year swap	10 year swap
30-Jun-17	1.75%	1.98%	2.33%	2.54%	2.87%	3.11%	3.35%
30-Sep-17	1.75%	1.96%	2.21%	2.40%	2.74%	3.00%	3.27%
Change	Nil	-0.02%	-0.12%	-0.14%	-0.13%	-0.11%	-0.08%

New Zealand GDP rose 0.8% in the June quarter, in line with expectations, with annual GDP growth for the June 2017 year at 2.7%. GDP per capita was less promising; rising 0.3% in the June quarter, following a flat result in the March quarter and a fall in the December 2016 quarter as the migration boom negated the wider benefits.

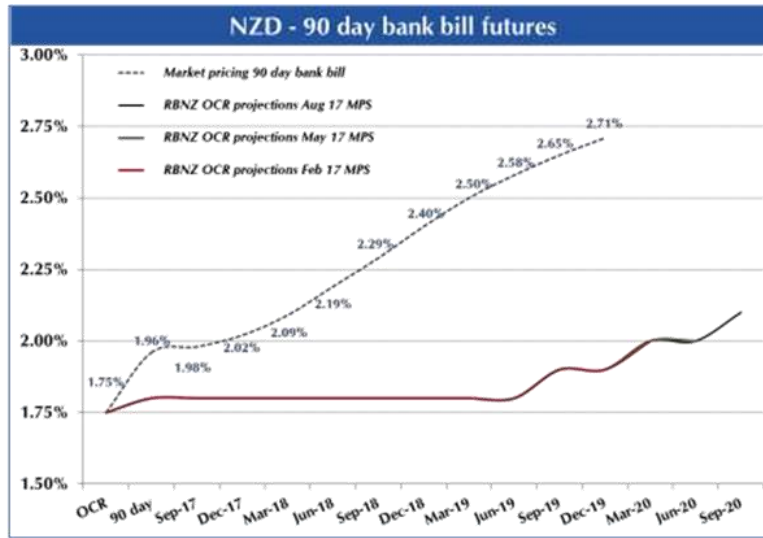
Strong export and domestic demand have underpinned economic growth, with prices for key exports close to record highs providing an added stimulus. Butter topped USD6,000 per tonne and Whole Milk Powder sat over USD3,000 per tonne for the quarter. Meat, log and fruit prices all remain elevated, providing excellent returns for exporters.

However, some cracks are beginning to show in the New Zealand economy, with the latest ANZ business confidence measure falling to 0% in September from 18.3% in August and 19.4% in July. The housing market continues to slow, which should translate into weaker consumer confidence and spending in the months ahead as 'house value wealth' is dented from "affordability constraints, and a tightening in credit conditions", as the Reserve Bank of New Zealand ("RBNZ") put it.

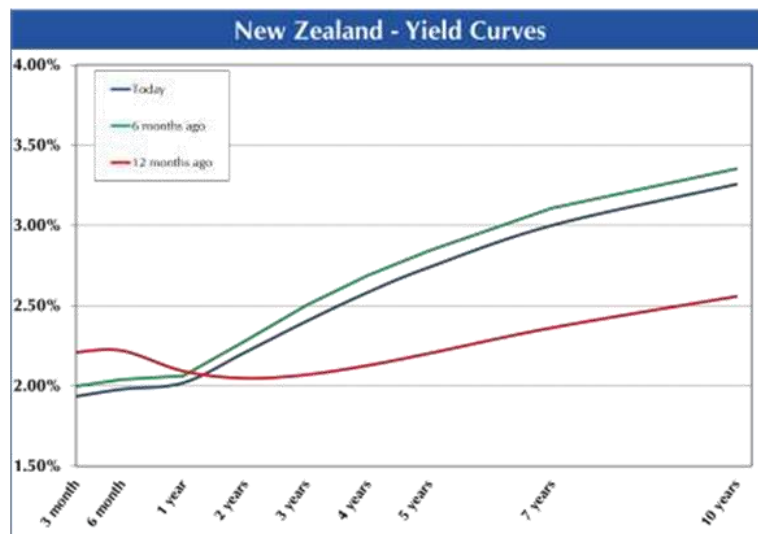
The general election in late September was as predicted by the opinion polls with Winston Peters in the position of King (or Queen) maker. The election risk in late September kept the NZD/USD volatile, trading in a wide 0.7150 to 0.7435 range. The interest rate markets shrugged off the inconclusive election result, with medium and longer term interest rates taking their lead from offshore bond markets, notably the US.

At its September *Official Cash Rate ("OCR") Review*, the RBNZ kept the OCR at 1.75%. Its statement not only delivered an entirely predictable and expected outcome (i.e. an unchanged OCR and a neutral monetary policy bias) but was almost a repeat of the August *Monetary Policy Statement ("MPS")* announcement.

The divergence between market pricing and the RBNZ's projections remains, as illustrated in the chart on the following page, although the gap has narrowed since the beginning of 2017. The February, May and August MPS projections overlap as there was no change to the RBNZ's projections.



Medium and longer term swap rates remain dictated by offshore bond market moves. Over the quarter, New Zealand swap rates mirrored the 'down then up' move seen in global markets. The 10 year swap rate fell as low as 3.03% in early September before climbing to close the quarter at 3.27%. The chart below shows the changing shape of the New Zealand yield curve over the past year.



1.3 Local Authority Sector

The last Local Government Funding Agency (“LGFA”) tender for the quarter was held on 24 August, at which \$110 million of bonds were issued. \$327 million of bids were received, equating to a bid to issuance ratio of 2.97. Details of the tender were as follows:

- 15 April 2020 maturity - \$30 million issued at a margin of 36.8 basis points over swap for an ‘A+’ rated borrower.
- 15 May 2021 maturity - \$30 million issued at a margin of 45.6 basis points over swap for an ‘A+’ rated borrower.
- 15 April 2023 maturity - \$39 million issued at a margin of 59.0 basis points over swap for an ‘A+’ rated borrower.
- 14 April 2027 maturity - \$11 million issued at a margin of 82.5 basis points over swap for an ‘A+’ rated borrower.

The tender was mixed, with very good support for the 2020 and 2021 maturities and average support for the 2023 maturity, while support for the 2027 maturity was disappointing. Since May 2017, credit margins for LGFA debt have increased, especially in the two tenders held in the September quarter. This is partly in response to the higher than usual level of LGFA issuance in the June quarter (\$580 million of debt was tendered), which appears to have left the market somewhat saturated with LGFA debt. However, we do not regard this saturation as being a long term feature of the LGFA debt market.

The chart below shows the LGFA issuance margins (to the underlying swap rate) dating back to September 2014 for a ‘AA’ rated borrower and depicts the sharp increase in margins especially in the longer dated maturities over the past two to three months.



1.4 Credit Spreads

The chart below shows credit spreads for the S&P/NZX Corporate 'A' Grade Bond index (the grey shaded area) and the three year swap rate (red line) dating back to 2008. At the end of September 2017, the average credit spread of the index was 58 basis points, compared to 53 basis points at the end of June 2017.



2. FUNDING PROFILE

As at 30 September 2017, Horowhenua District Council (“HDC”) had \$77.0 million of external debt, comprising a combination of Commercial Paper (“CP”), Fixed Rate Bonds and Floating Rate Notes (“FRN”), of which all but one tranche had been sourced from the LGFA. Details of HDC’s debt at 30 September 2017 were as follows:

HOROWHENUA DISTRICT COUNCIL BONDS

- \$2.0 million issued in November 2011, maturing on 15 November 2018, at a margin of 150 basis points over swap, equating to a rate of 5.59%.

LGFA

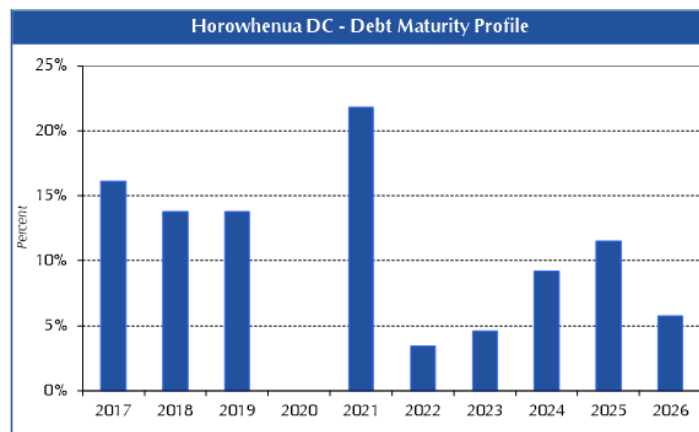
- \$12.0 million CP issued on 12 June 2017, maturing on 18 December 2017 at a margin of 9 basis points equating to an all up rate of 2.075%.
- \$2.0 million FRN issued in February 2013, maturing 15 December 2017, at a margin of 88 basis points.
- \$4.0 million fixed rate bond issued in December 2012, maturing 15 March 2019, at a margin of 113 basis points over swap, equating to a rate of 4.45%.
- \$3.0 million FRN issued in May 2013, maturing 15 March 2019, at a margin of 77 basis points.
- \$5.0 million fixed rate bond issued in February 2013, maturing 15 March 2019, at a margin of 92 basis points over swap, equating to a rate of 4.71%.
- \$4.0 million FRN issued in May 2013 maturing 15 May 2021, at a margin of 84 basis points.
- \$5.0 million fixed rate bond issued in May 2013 maturing 15 May 2021, at a margin of 79 basis points over swap, equating to a rate of 4.56%.
- \$5.0 million fixed rate bond issued in September 2013 maturing 15 May 2021, at a margin of 109 basis points over swap, equating to a rate of 5.99%.
- \$5.0 million fixed rate bond issued in December 2013 maturing 15 May 2021, at a margin of 87 basis points over swap, equating to a rate of 5.85%.
- \$3.0 million FRN issued in May 2015 maturing 18 May 2022, at a margin of 42.5 basis points.
- \$4.0 million fixed rate bond issued in November 2014 maturing 15 April 2023, at a margin of 81 basis points over swap, equating to a rate of 5.13%.
- \$4.0 million fixed rate bond issued in April 2017 maturing 15 March 2024, at a margin of 63 basis points over swap, equating to a rate of 3.72%.

Formatted: subhd UL Bold Char, Font: Bold, Small caps

- \$4.0 million fixed rate bond issued in May 2017 maturing 15 May 2024, at a margin of 58 basis points over swap, equating to a rate of 3.76%.
- \$3.0 million fixed rate bond issued in March 2017 maturing 15 April 2025 at a margin of 77 over swap, equating to a yield of 4.20%.
- \$7.0 million FRN issued in May 2015 maturing 19 May 2025, at a margin of 49 basis points.
- \$5.0 million fixed rate bond issued in July 2016 maturing in 15 July 2026 at a margin of 84 basis points over swap equating to a rate of 3.37%.

There were no bond or FRN maturities during the September quarter and no new bonds or FRNs were issued. As at 30 September, HDC had no drawings under its BNZ \$10.0 million Committed Cash Advance Facility that matures in October 2018.

HDC's current debt maturity profile is depicted in the graph below. It indicates a good spread of maturities between 2017 and 2026 and, as such, complies with Section 4.6 of the *Liability Management Policy* ("LMP") that governs HDC's funding risk management activities. Included in the funding profile is the BNZ facility.



3. DEBT AND HEDGING PROFILE

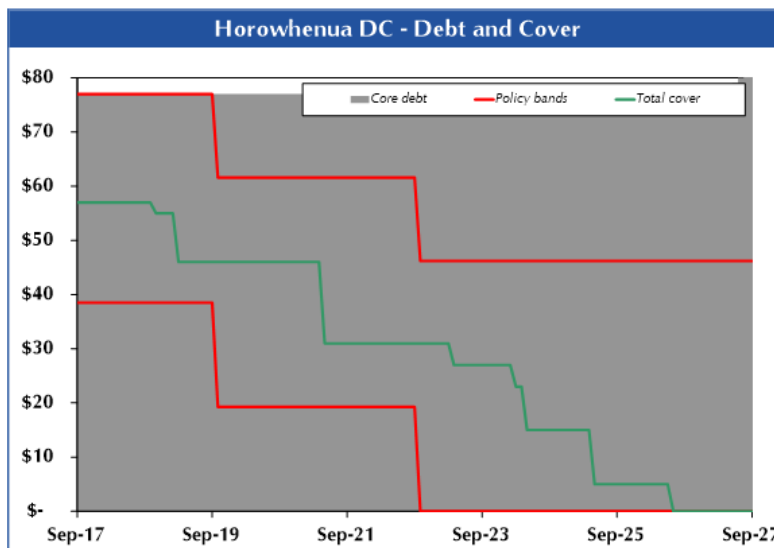
As at 30 September 2017, HDC had \$77.0 million of external debt (as detailed in the previous section) and two interest rate swaps, as follows:

- \$4.0 million, commenced 18 February 2013, maturing 18 May 2024, at 4.015%.
- \$7.0 million, commenced 18 May 2015, maturing 18 May 2025, at 4.75%.

Section 4.3 of the LMP details the Fixed Rate Hedging Percentages as in the table below:

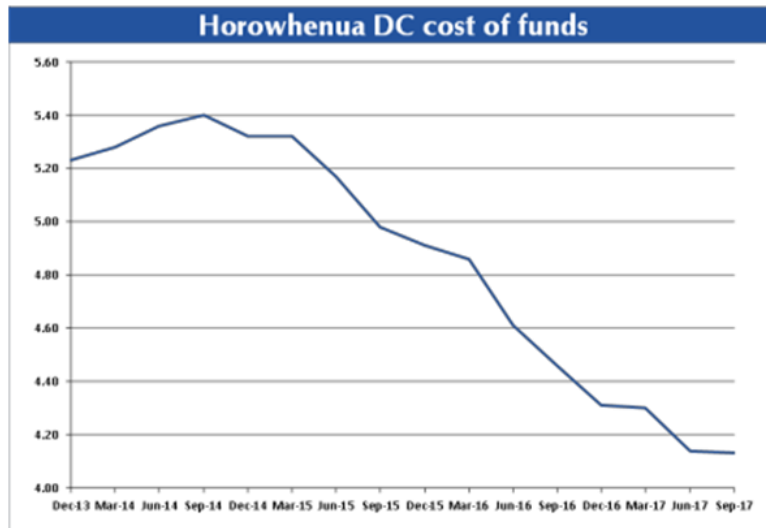
Fixed Rate Hedging Percentages		
	Minimum Fixed Rate Amount	Maximum Fixed Rate Amount
0-2 years	50%	100%
2-5 years	25%	80%
5-10 years	0%	60%

The debt and hedging profiles incorporating these parameters is depicted in the graph below. Included in the fixed rate hedging percentages are the fixed rate bonds and interest rate swaps.



The graph indicates that, as at 30 September 2017, HDC was compliant with the fixed rate hedging percentages contained in the LMP.

HDC's cost of funds (inclusive of the bank line fee) as at 30 September 2017 was 4.13%, marginally down from 4.14% at the end of the June 2017 quarter. HDC's cost of funds is noticeably lower than many of its peers in the local government sector, indicating the success of its funding and interest rate risk management programme that has been carried out over the last several years. The cost of funds is depicted in the graph below.



4. POLICY COMPLIANCE (AS AT 30 SEPTEMBER 2017)

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

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

Infrastructure Projects Update

File No.: 17/525

1. Purpose

To update the Finance, Audit & Risk Subcommittee on the projects being undertaken by the Projects team.

2. Recommendation

- 2.1 That Report 17/525 Infrastructure Projects 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. Background/Previous Council Decisions

Information is provided in the attached reports.

4. Issues for Consideration

There are no issues for consideration.

Attachments


No.	Title	Page
A	Water Renewal - Fairfield Road <i>(Under Separate Cover)</i>	
B	2016/17 Water Main Renewals <i>(Under Separate Cover)</i>	
C	Foxton WWTP Desludge <i>(Under Separate Cover)</i>	
D	Foxton New Reservoir <i>(Under Separate Cover)</i>	
E	NE Levin Stormwater <i>(Under Separate Cover)</i>	



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 benefits and costs, 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)	Gerry O'Neill Projects Manager	
-----------	-----------------------------------	---

Approved by	Dan Gerrard Alliance Manager	
	Gallo Saidy Group Manager - Infrastructure Services	

Risk Management Policy

File No.: 17/533

1. Purpose

To provide the Finance, Audit and Risk Subcommittee with the draft Risk Policy as agreed at the 13 September 2017 workshop.

2. Recommendation

- 2.1 That Report 17/533 Risk Management Policy be received.
- 2.2 That the Finance, Audit and Risk Subcommittee endorse the draft policy to proceed to Council adoption.
- 2.3 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

- 3.1 On 13 September 2017 Philip Jones facilitated a briefing with the FAR Subcommittee exploring HDC's current risk policy, areas of improvement identified by officers and requirements of elected members.
- 3.2 The FAR Subcommittee at this briefing agreed that the Risk Policy should be adopted and owned by Council and requested that the policy returned to the FAR Subcommittee in draft for review at the 1 November 2017 meeting.

4. Issues for Consideration

- 4.1 As agreed with the FAR Subcommittee on 13 September 2017, officers have made the changes to the Risk Policy to include appendix attachments within the policy providing:
 - Descriptors of Consequence – these have been amended to reflect the five key risk areas.
 - Descriptors of Likelihood
 - Roles, Responsibilities and Reporting
- 4.2 Although it was agreed that the Risk Framework and associated process appendices were operational documents, these have also been provided in draft for provision of the FAR Subcommittee review.
- 4.3 The risk framework sets out the risk management process and reiterates the five key risk areas. Officers have made changes to the framework to include:
 - Additional descriptors by consequence level for areas of Heightened Interest have also been developed e.g Health & Safety, Information Management.
 - Reporting requirements
 - Risk Appetite Statement
- 4.4 In addition to the review of the Risk Policy and Framework, officers have identified an opportunity to establish an internal risk committee to consider timely identification of risks and their implications for the five key areas of strategy, finance, legislation, service delivery and reputation and to report to the Leadership Team. Terms of Reference (**attached**) have been created for the committee membership.

Attachments



No.	Title	Page
A	Working Draft Risk Policy V 1.8 - 25 October 2017	117
B	Risk Management Framework V2.11	130
C	Risk Committee Terms of Reference V1.3 - 19 October 2017	152

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 benefits and costs, 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)	Nicki Brady Group Manager - Customer & Regulatory Services	
Approved by	David Clapperton Chief Executive	

Risk Management Policy

Section	1. Executive
Contact	2. Chief Executive Officer
Approval	3. Council
Date Approved	4.
Next Review	5. Draft 1.8
TRIM Doc. No.	6.

1. Purpose

Horowhenua District Council (HDC) shall establish a Risk Management Policy to facilitate a current, comprehensive and effective risk management framework and associated procedures, internal controls, and governance for effective identification and management of Council's significant risks.

2. Scope

All HDC Council Officers and elected members (through the Finance, Audit and Risk Subcommittee) shall play a role in the successful implementation of this policy.

Risk identification and management shall be undertaken across all HDC activities as part of strategic planning, strategic analysis, annual and long term planning, business and community partnerships, business case development, procurement plan development, project and programme management, contract management, and day to day operations.

3. Commencement

This policy comes into effect on xx November 2017.

4. Definitions

For the purpose of this policy, unless otherwise stated, the following definitions shall apply:

- 4.1 Risk: the threat or possibility that an event, action or set of circumstances will adversely or beneficially affect HDC's ability to achieve its objectives;
- 4.2 Risk Appetite: the communication of the level of risk we are prepared to tolerate or accept in the pursuit of our strategic objectives and delivering our services to the community;

- 4.3 Risk Management: the culture, processes and structures that are directed towards the effective management of potential opportunities and possible adverse effects within HDC's environment;
- 4.4 Risk Management Framework: provide the foundations for designing, implementing, monitoring, reviewing and continually improving risk management throughout HDC;
- 4.5 Risk Management Plan: A risk register with systematic application of the practices relating to communicating, consulting and establishing the context of risk;
- 4.6 Risk Management Process: overall process of risk identification, risk analysis and risk evaluation;
- 4.7 Risk Mitigation/Treatment: process to modify risk which can involve avoiding the risk, accepting the risk to pursue an opportunity, removing the source of the risk, changing the likelihood or consequence, sharing risk, and/or retaining the risk by informed decision.

5. Principles

The Risk Management Process at HDC shall be based on the following principles and shall be consistent with the Joint Australian New Zealand International Standard Risk Management- Principles and Guidelines (AS/NZS ISO 31000:2009):

- 5.1 Risk management creates and protects Value by contributing to the achievement of HDC's strategic objectives and improving performance, e.g. via legislative and regulatory compliance, use of reliable and accurate information and metrics for decision-making, effective and consistent project management, operational efficiency and robust governance;
- 5.2 Risk management is an integral part of all organisational processes including governance, strategic planning, project management, change management and the business as usual activities of HDC;
- 5.3 Risk management is part of decision-making by helping decision-makers at all levels in HDC to accurately assess situations, make informed choices, prioritise actions and select the most appropriate course of action to resolve risk issues within HDC;
- 5.4 Risk management addresses uncertainty by identifying, describing and resolving the nature and source of that uncertainty within HDC;
- 5.5 Risk management is systematic, structured and timely to ensure consistent, comparable and reliable results which contribute to efficiency through a risk a management framework and risk management plan;
- 5.6 Risk management is based on the best available information including historical data, experience, stakeholder feedback, observation, evidence, forecasts, expert judgement while taking into account any limitations of the data or modelling used, or possible divergence of expert opinion. To achieve this all HDC report templates shall include a consideration of risk of strategic, financial, legal, reputational and service delivery risk.
- 5.7 Risk management is tailored to align with the vision and strategic outcomes of HDC and its risk appetite and to enable the reporting of risk issues quickly to the appropriate level of HDC;
- 5.8 Risk management is transparent and inclusive to ensure that the views of all HDC stakeholders are taken into account in the process of identifying, assessing and treating risks and to ensure that risk management remains relevant and up-to-date;
- 5.9 Risk management is dynamic, iterative and responsive to change by ensuring that the HDC risk management framework and risk management plan is sufficiently agile to sense and respond to changes in the external and internal context of Horowhenua, including changes in knowledge. This process facilitates continual improvement of the organisation which improves HDC's capability of achieving its goals and by building the organisation's capacity to recognise and reduce risk in both the present and the future.

6. Objectives

Risk shall be determined in the context of the Vision of the Council and the Strategic Community Outcomes to achieve: a healthy local economy and a District that is growing; a sustainable environment; a community of knowledge, culture and diversity where people are proud to live; safe, resilient and healthy communities; and positive leadership and effective partnerships.

7. Risk Appetite

HDC shall establish, at least annually, a Statement of Risk Appetite to provide guidance to the Chief Executive on the level of risk HDC is willing to take to achieve its strategic objectives. HDC shall require the Chief Executive to ensure that risks are measured, consistent and compatible with the capacity to

manage and do not expose HDC, or its stakeholders, to an unknown, unmanaged or unacceptable degree of risk. The annual statement of risk appetite shall be incorporated into HDC's Risk Management Framework and shall focus on strategic, financial, legal, reputational and service delivery risk.

The acceptable tolerance for risk shall be determined on the following scale:

Low Risk: Avoidance of any form of risk and uncertainty;

Medium Risk: Preference for safe delivery options that have a low degree of inherent risk;

High Risk: Eager to be innovative and to choose service delivery options offering potentially higher quality/customer satisfaction despite greater inherent risk in these activities.

All HDC Council Officers shall have a duty of care to consider and report on risk, including when they are working in partnership with other organisations, and to ensure compliance, at all times, with the Risk Management Framework and the Risk Appetite set by HDC.

HDC shall be supportive to all Council Officers who manage necessary, calculated and measured risk in the context of the Risk Appetite Statement, in order to achieve the objectives set by HDC.

8. Risk Management Process

HDC shall draw on the best practice principles outlined in ASNZ 31000 to identify, analyse, assess, and report risks which may have a deleterious effect on the Vision and Strategic Community Outcomes and to identify a reporting structure for HDC. The Risk Management Process shall develop a Risk Matrix of Consequence (C) against Likelihood (L) which shall allow the prioritisation and treatment of identified risk. The steps involved in the Risk Management Process shall include:

8.1 Identification of Risk

Staff members shall be empowered, and required by the Chief Executive, to identify and communicate risks to the 5 key areas of Strategic, Financial, Legal, Reputational and Service Delivery using an agreed reporting mechanism to escalate such risks. Appropriate risks shall be recorded in a Risk Management Plan held on behalf of the Chief Executive to ensure that the impact on the Vision or strategic outcomes is managed.

8.2 Analysis of Risk

Risks shall be reviewed and analysed to identify the potential consequences and the likelihood of occurrence on the objectives of HDC grouped in 5 key areas of Strategic, Financial, Legal, Reputational and Service Delivery.

Refer Appendix 1 - outlines the categorisation of Consequence (Impact), on a scale from Very Minor to Catastrophic, by key area. These descriptors are the initial benchmarking, are an integral part of the Risk Management Framework and will evolve as more metrics are sourced from events and lessons learnt from projects.

Refer Appendix 2 - outlines the categorisation of Likelihood, on a scale from Extremely Unlikely to Almost Certain, by key area.

8.3 Assessment of Risk

The seriousness of risk shall be categorised as a function of Consequence and Likelihood as per best practice and shall involve selecting the most appropriate combination of consequence and likelihood levels known at the time. Risk assessment categories from Low to Extreme are shown in Table 1 below.

Table 1

Likelihood	Consequence				
	1 - Very minor	2 - Minor	3 - Moderate	4 - Major	5 - Catastrophic
5 - Almost certain	Low	Moderate	Significant	Extreme	Extreme
4 - Very Likely	Low	Moderate	Significant	High	Extreme
3 -Likely	Low	Moderate	Significant	Significant	Extreme
2 - Unlikely	Low	Low	Moderate	Moderate	Moderate
1 - Extremely unlikely	Low	Low	Low	Low	Low

Risk	Actions
Low	Examine where un-needed action can be reduced, Advisory Line Manager
Moderate	Managed by routine procedures, Advisory Line Manager
Low	Managed by routine procedures, Advisory Line Manager
Moderate	Managed by Group Manager and Advisory to Leadership Team
Significant	Managed by Group Manager and Advisory to Chief Executive
Significant	Managed by Group Manager and Immediate Advisory to Chief Executive & Leadership Team for review and action
High	Chief Executive & Leadership Team attention to review and manage risk and to report to next Finance, Audit and Risk Sub-committee
Extreme	Chief Executive immediate action required to reduce risk Immediate Advisory and consultation with Chair & Deputy Chair of Finance, Audit and Risk Sub-committee advised with subsequent reporting to the Sub-committee

8.4 Roles, Responsibilities & Reporting

HDC shall assign specific risk responsibilities to specific roles to provide clarity and to strengthen the risk management framework. A reporting structure shall be in place to ensure that HDC, the Chief Executive and delegates are advised timeously of risk as appropriate.

Appendix 3 - identifies roles, responsibilities and reporting requirements.

9. Related Procedures/Documents

Policies and frameworks which support this policy:

- HDC Risk Appetite Statement
- HDC Risk Management Framework
- HDC Business Continuity Plan
- HDC Procurement Policy and Guidelines
- HDC-Downer Alliance 3-Water Operations, Maintenance & Renewals Agreement
- HDC Fraud Policy
- HDC Health and Safety Policy
- HDC Information Management Policy
- HDC Media and Communications Policy
- HDC Electronic Communication Policy
- HDC Gift and Rewards Policy

10. Acknowledgement

For the Future of this policy and associated procedures it is acknowledged that as Horowhenua District Council embeds a consistent risk management process into its everyday practice, additional material may be developed to support those already available to Council Officers.

APPENDIX 1 - Descriptors of Consequence

Consequence (C)	1	2	3	4	5
Risk Area	Very Minor	Minor	Moderate	Major	Catastrophic
Strategic	No impact on the Vision and Strategic Community Outcomes Consultation on Annual or LTP, strategies or revised Vision & Community Outcomes delayed by less than 5 working days	Inconvenience or short delay in achieving the Vision and Strategic Community Outcomes Consultation on Annual or LTP, strategies or revised Vision & Community Outcomes delayed by 3-5 working days	Significant difficulty introduced to achievement of the Vision and Strategic Community Outcomes Lost opportunity to contribute positively to one or more of the Vision and Strategic Community Outcomes	Failure to achieve a specific Strategic Community Outcome Lost opportunity to significantly advance a specific Strategic Community Outcomes	Failure to achieve multiple Strategic Community Outcomes Lost opportunity to significantly advance multiple Strategic Community Outcomes
Financial	Single loss of up to \$1,000 to a part of the Horowhenua community	Single loss of \$1,000-\$10,000 to a part of the Horowhenua community	Single loss of \$10,000-\$100,000 to a part of the Horowhenua community	Single loss of \$100,000-\$500,000 to a part of the Horowhenua community	Single loss of more than \$500,000 to a part of the Horowhenua community
Service Delivery	Temporary problem with organisational capability resulting in no impact on external service delivery Essential service unaffected Non-essential service delays of 4 hours or less Reduced hours for amenity	Loss of organisational capability in some areas resulting in reduced support to external delivery activities and subsequent delays of 8-24 hours to households and 8 hours to a specific business or industry Essential service delayed 4 hours Non-essential service delays of 8 hours or less Amenity closed for up to a week	Organisation unable to function normally for less than 24-48 hours Serious reduction in organisational capability leading to delays of 8-24 hours to a specific business or industry Essential service delayed 8 hours Non-essential service delays of 8-24 hours Amenity closed for 1 week to 1 month	Organisation unable to function normally for 48-72 hours Serious reduction in organisational capability leading to delays of 24-48 hours to a specific business or industry Essential service delayed 24-48 hours Amenity closed for 1-2 months	Organisation unable to function for more than 72 hours Serious reduction in organisational capability leading to delays of 48 hours or more to a specific business or industry Essential service delayed 48 hours or more Permanent closure of amenity

Legal	One-off minor regulatory or legislative non-compliance with no direct impact on the community's health or wellbeing and no prosecution	One-off minor regulatory or legislative non-compliance with low potential impact on the community's health or wellbeing Inconsequential audit qualification	Complaint to the Ombudsman, Auditor-General or other statutory office Multiple related minor non-compliances due to an underlying systemic issue Significant breach or non-compliance resulting in regulatory scrutiny Judicial Review (BCA/RMA decision)	Significant breach or non-compliance, or multiple breaches or non-compliances, resulting in regulatory action and/or restrictions on Council activities Systemic failure resulting in maximum fines or penalties	Litigation by the community Court proceeding or criminal action for breach or non-compliance Potential for imprisonment of elected member or staff Judicial review on a matter of rates or other funding, or on a matter with significant financial impact
Reputational	Negative feedback from individuals Short-term 'letters to the editor' (or online equivalent) commentary No change to overall dissatisfaction in Satisfaction Survey (13%)	Short-term loss of confidence among small sections of the community Regional adverse political or media comment for one or two days Sustained 'letters to the editor' (or online equivalent) commentary in usual sources Change to overall dissatisfaction in Satisfaction Survey (15%)	Short-term and manageable loss of community confidence Regional adverse political or media comment for more than two days Significant social media commentary or campaign from new sources Change to overall dissatisfaction in Satisfaction Survey (17%)	Loss of community confidence requiring significant time to remedy National adverse political or media comment for more than two days Regional adverse political or media comment for more than one week Requirement for (televised) public explanation Change to overall dissatisfaction in Satisfaction Survey (19%)	Insurmountable loss of community confidence National adverse political or media comment for more than one week Requirement for (televised) public apology or defence Adverse comments or questions in Parliament Change to overall dissatisfaction in Satisfaction Survey (22%)

APPENDIX 2 - Descriptors of Likelihood

Likelihood (L)	Score	Descriptor
Almost Certain	5	The event is expected to occur e.g. 80% chance within the next 12 months
Very Likely	4	The event will probably occur e.g. 25% chance within the next 12 months or once in 4 years
Likely	3	The event might occur e.g. 10% chance within the next 12 months or once in 10 years
Unlikely	2	The event will probably not occur e.g. 4% chance within the next 12 months or once in 25 years
Extremely Unlikely	1	The event is not expected to occur e.g. 1-2% chance within the next 12 months or once in 50+ years

APPENDIX 3 - Roles, Responsibilities and Reporting

	Role & Responsibility	Reporting Requirements
Council	<p>To be assured that a risk management framework is in place and that risks are being appropriately managed.</p> <p>Support corporate Risk Management including risk management as an element of the Councils' Long Term Plan and Annual Plans as well as other strategies, plans and documents.</p> <p>To agree, as required, the risk appetite policy (recommended by Finance, Audit and Risk Sub-Committee).</p>	<p>To receive, consider and action, as soon as practicable, High and Extreme risks identified by Finance, Audit and Risk Sub-Committee.</p>
Finance, Audit and Risk Sub-Committee	<p>The Committee Terms of Reference responsible for risk has responsibility to:</p> <p>Review whether management has in place a current, comprehensive and effective risk management framework for effective identification and management of Council's significant risks;</p> <p>Consider whether appropriate action is being taken by Management to mitigate Council's high and extreme risks.</p> <p>Provide guidance and governance to support significant and/or high profile elements of the risk management spectrum.</p> <p>Advise Council on matters of risk and provide objective advice and recommendations for consideration.</p> <p>To receive, on a quarterly basis, a report on the risk management plan of HDC.</p> <p>To determine, on an annual basis or more regularly depending on legislation and market forces, the risk appetite of HDC and to promulgate this to Council for ratification.</p>	<p>To report to Council all risks classified as High and Extreme.</p> <p>To review and decide on reports from the Chief Executive risks classified as High and Extreme, including risk treatment, as a set agenda item at each meeting.</p> <p>To receive and agree, on an ad hoc basis, reports from Project Leads on classified as High and Extreme as part of project reporting and to review risk management.</p> <p>To receive and note the Risk Management Plan of HDC on a quarterly basis.</p> <p>To receive a quarterly report on the movement of risk assessments and risk trends and which outlines a work programme for the treatment of risk.</p>
Chief Executive	<p>Appoint a Business Owner for each of the five key areas of risk.</p> <p>Approve the risk management framework and recommend it to the Finance, Audit & Risk Committee.</p> <p>Establish a Risk Management Committee to review and treat identified risks.</p> <p>Establish risk reporting on the 5 key areas across and throughout HDC as a business as usual process.</p> <p>Report extreme and high risks to the Finance, Audit</p>	<p>To receive and agree, on a monthly basis, a report on the risk management plan of HDC.</p> <p>To receive reports on an as required basis of all significant classified as High and Extreme risks identified and to approve the recommendations for the management of these risks.</p> <p>To receive reports from the Risk Management Committee, on an as-required basis, on risks classified as Significant, High & Extreme which require</p>

	<p>and Risk Committee and/or Council with treatment options.</p> <p>Oversee and promote a risk management culture across HDC including the development of capability of all staff to support a risk management process.</p> <p>Develop Key Performance Indicators (KPIs) for risk across HDC.</p> <p>Ensure the development of a Risk Management Plan (Risk Register) across the organisation.</p> <p>Provide direction and advice on the management of risks and ensure that appropriate treatment measures are in place to mitigate Council exposure in accordance with the Risk Appetite Statement.</p> <p>Ensure that the Council's organisation vision and values (relevant to risk) are aligned and synchronised with the strategic direction (including Community outcomes and budgetary considerations) and culture.</p> <p>Ensure that risk management is considered in everything Council undertakes and is incorporated in the messages given to the organisation.</p> <p>Support the Finance, Audit and Risk Committee in delivering its duties.</p> <p>Support the internal audit process.</p> <p>Review reports of identified breaches of policy and take appropriate action to mitigate associated risks and to prevent reoccurrence of such breaches.</p>	<p>immediate Chief Executive guidance.</p> <p>To receive risks from identified breaches of HDC policies, guidelines and frameworks.</p>
<p>Leadership Team</p>	<p>Endorse the risk management framework and champion it to the organisation.</p> <p>Provide direction on risk tolerance at a general and risk-specific level.</p> <p>Advises Risk Lead of risk management issues raised in business plans.</p> <p>Advises Risk Lead of changes identified to risk management plan from group reports.</p> <p>Maintain the overall responsibility for the effective and efficient management of all risks related to Council activities.</p> <p>Promotes a risk management culture across HDC where:</p> <ul style="list-style-type: none"> • we recognise that some risks may be positive and present an opportunity for HDC; • risk management is a core competence of all HDC staff; 	<p>Receive and consider Risk Management Plan on a monthly and exception basis.</p> <p>Receive and consider other risk-related reports on an as-required basis.</p> <p>Receive initial risk assessment through submitted Business Cases of strategic, financial, service delivery, legislation and reputational issues.</p>

	<ul style="list-style-type: none"> • we do not see risk as a barrier but as a normal consequence of an agile and effective business determined to improve our community; • our community has trust and confidence in our ability to overcome uncertainty for their benefit; • our view of risk is community wide, integrated and holistic; and • we achieve our objectives having minimised threats and captured opportunities. <p>Communicate and raise awareness of risk management to Council managers and staff.</p> <p>Assist in setting the Council's risk attitude.</p> <p>Ensure that Council's assets and operations, together with liability risks and hazards to the public, are adequately protected through appropriate risk planning and budgeting, internal audit processes, and appropriate internal systems and controls.</p> <p>Ensure that a risk management process is in place and reviewed at least quarterly, or as required, for all risks for timely updating and continuous improvement.</p> <p>Integrate risk management with Council's policies, processes and practices.</p>	
<p>Risk Management Committee</p>	<p>Monitor effective implementation of the risk management framework across the organisation.</p> <p>Integrate risk management with Councils policies, process and practices.</p> <p>Ensure that the Risk Management Process is applied consistently across HDC.</p> <p>Review reports of Significant, High & Extreme risks across HDC.</p> <p>Through the Chair escalates Red Risks (Significant, High & Extreme) and areas of heightened risk to Chief Executive as soon as is practicable.</p> <p>Through the Chair advises Chief Executive on emerging risk trends as required.</p> <p>Develop a quarterly Risk Report for Finance Audit Risk Sub-committee which shows the movement of risk assessment and risk trends and outlines a work programme for the treatment of risk.</p> <p>Assists with the development of appropriate KPIs on risk across the organisation</p>	<p>Receive and consider at least fortnightly, or as required, reports of Significant, High and Extreme risks and ensure direct and immediate promulgation to Chief Executive.</p> <p>Receive and review monthly the Risk Management Plan to ensure it remains appropriate for reporting to the Leadership Team.</p>

Alliance	Utilises a Risk Management process to create a Risk Register to be reported to Principals Group as per the 3-Water Operations, Maintenance & Renewals Agreement.	Report the Alliance Risk Register (Risk Management Plan) to the Risk Management Committee on a monthly basis.
Group Managers	<p>'Own' risks relevant to, or arising from, their groups.</p> <p>Lead and promote a risk management culture within their groups.</p> <p>Ensure that their unit and project managers review and report on risks across the 5 key areas and action these with the guidance of the risk appetite statement either by their delegate authority or escalation to the group manager.</p> <p>Develop Key Performance Indicators (KPIs) for risk across their Group.</p> <p>Identify and report breaches of HDC policies, guidelines and frameworks within their Group and report to the Chief Executive.</p>	Receive weekly reports on an exception basis from staff on the risk assessment of staff and project leads on strategic, financial, service delivery, legislation and reputational issues.
Risk Lead	<p>Chair the Risk Management Committee</p> <p>Co-ordinate the risk management process and promote a risk management culture..</p> <p>Monitor weekly reports for risk management issues.</p> <p>Escalates Red Risks (Significant, High & Extreme) and areas of heightened risk to Chief Executive as soon as is practicable.</p> <p>Advises Chief Executive on emerging risk trends as required.</p> <p>Assist with the development of the Risk Management Plan.</p> <p>Ensures the Risk Management Plan is kept current and up to date.</p> <p>Plan, and execute reviews and audits of the Risk Management Plan.</p> <p>Measure and report the effectiveness and adequacy of risk management and internal control processes and systems, and report to the Leadership Team.</p> <p>Assist with the education of staff on risk management.</p> <p>Provide technical assistance on risk management.</p> <p>Facilitate the management of cross-organisational risks.</p> <p>Report breaches of Policy to the Chief Executive.</p>	<p>Receives all reports on additions, deletions and amendments to the Risk Management Plan.</p> <p>Receives copies of all unit weekly/monthly reporting on risk.</p>
Unit & Project	Lead and promote a risk management culture within their units.	Receive weekly reports on an exception basis from staff on the risk assessment of staff and project leads on strategic,

<p>Manager</p>	<p>Manage activity/project/asset risks within agreed tolerance levels/Council Risk Appetite.</p> <p>Develop, populate and manage the risk management plan for their unit in accordance with the risk management framework.</p> <p>Be responsible for the registration and maintenance of risks in the risk management plan from their business unit and at a Council-wide level as required and appropriate.</p> <p>‘Own’ risks relevant to or arising from, their teams.</p> <p>Ensure risk management and process are imbedded in strategies, policies, business plans, contracts, and standard operating procedures.</p> <p>Proactively seek out to implement best practice in all facets of business including asset management planning, emergency management planning, and disaster and recovery plans.</p> <p>Report breaches of Policy to the Group Manager.</p>	<p>financial, service delivery, legislation and reputational issues.</p>
<p>Staff</p>	<p>Identify and provide support to treat risk as it occurs in their area.</p> <p>Escalation of risk issues within their area to line manager.</p> <p>As appropriate, ‘own’ risks, controls or mitigations within their area of responsibility.</p> <p>Report to their line manager any risk to achievement of the vision and strategic outcomes of HDC as it is identified.</p>	<p>Prepares exception reporting on risk issues in their area.</p> <p>Considers and notes aggregated report from unit on risk issues.</p>
<p>Contractors and Partners</p>	<p>Provide support in identifying risk as it occurs.</p> <p>Ensure Council’s assets and operations, together with liability risks and hazards to the public, are adequately protected through adherence to Council’s policies and procedures.</p> <p>Respond immediately to the investigation of any report of a hazard or incident received from a resident, Council officer, employee or visitor.</p> <p>Adhere to legislative, regulatory and corporate legislation and standards.</p> <p>Maintain appropriate and adequate insurances are required under their contract.</p> <p>Ensure that they conduct their daily duties in a manner that shall not expose Council to loss or risk, and that these duties are done in accordance with the relevant procedures, policies, and legislative requirements.</p>	<p>Advises HDC lead contact of all identified risks for promulgation as appropriate to the line manager.</p>

Risk Management Framework

Section	- Leadership Team
Contact	- Group Manager Customer and Regulatory Services
Approval	- Leadership Team
Date Approved	-
Next Review	-
HPE Record	-
Version	- 2.11

Contents

Content	Page
Introduction	
Definitions	
Context	
Principles	
Application	
Risk Management Process	
- Appetite for Risk	
- Identification of Risk	
- Analysis of Risk	
- Consequence of Risk	
- Areas of Heightened Interest	
- Likelihood of Risk	
- Assessment of Risk	
- Gross Risk	
- Residual Risk Assessment	
- Treatment of Risk	
- Reporting of Risk	
- Monitoring & Review	
Review of the Framework	
Appendix 1: Risk Appetite Statement	

1. Introduction

Most of us think and act as though life is largely free of risk. We don't take risks do we?

In 2016, 51,319 of us were injured in the gym, 62,337 on the rugby field, ACC paid out \$326,841 for jogging injuries and about \$100,000 for pumpkin related injuries. Risk is part of our daily lives. Everything we do involves risk. There are dangers in every type of travel, but there are dangers in staying home — 25% of all fatal accidents occur there. There are dangers in eating — Campylobacter is endemic in the New Zealand Flock of chickens. There are dangers in exercising and dangers in not getting enough exercise. Risk is an unavoidable part of our everyday lives yet we still enjoy taking part in rugby, jogging, pumpkins and eating chicken by managing the risks we are exposed to daily.

Risk Management is recognised as an integral part of good management practice and is an important aspect of internal controls.

Horowhenua District Council (HDC) is committed to the effective management of risk and recognises that risk is present in everything we do. For risk management to be effective it must be integrated into Council's governance, business operations, projects, policies, processes and decision-making as part of everyone's BAU. HDC has directed that a Risk Management process be in place by December 2017 and the following chart shows the flow of responsibility for HDC.



The successful management of risk is essential to enable Horowhenua District Council to support the Horowhenua region by making informed decisions and fulfilling its objectives. The Terms of Reference for the Finance, Audit & Risk Sub-committee state that, on behalf of Council, it will:

- “review whether management has in place a current, comprehensive and effective risk management framework and associated procedures for effective identification and management of Council’s significant risks;
- consider whether appropriate action is being taken by Management to mitigate Council’s significant risks.”

2. Definitions

Like many other management processes Risk Management uses terminology which may need defining. The following section develops a glossary of definitions used by HDC

- **Consequence** – The outcome of an event expressed qualitatively or quantitatively, being a loss, injury, disadvantage or gain. There may be a range of possible outcomes associated with an event.
- **Continuous Disclosure** - the principle whereby all occurrences that may have an impact on the level of risk in the organisation are recorded, communicated and taken into account in reviewing risks
- **Cross Enterprise Risk** - these are risks which might occur within one activity but have potential impacts or unintended consequences in other parts of the organisation.
- **Gross Risk** – the amount of Risk the organisation carries prior to the application of any control or mitigation strategies
- **Initial Risk** – the gross level of risk without any controls in place
- **Level of Risk** – the magnitude of a risk or combination of risks, expressed in terms of the combination of consequence and their likelihood.
- **Likelihood** – used as a qualitative description of probability or frequency.
- **Residual Risk** – the level of risk expected once further management actions (solutions) are effectively implemented.
- **Revised Risk** - the remaining level of risk after existing controls have been assessed for their effectiveness. Revised Risk is referred to in the International Infrastructure Management Manual as Current Risk.
- **Risk** –the chance of something happening that will have an impact upon objectives. It is measured in terms of consequences and likelihood.
- **Risk Appetite**- the “degree” of “broad-based” risk that is acceptable for our Council; and it is specific and meaningful enough to offer practical guidance for decision-making, but which reflects the practical realities of making trade-offs across business objectives.
- **Risk Assessment** – the overall process of risk identification, risk analysis and risk evaluation.
- **Risk Analysis** –the process to comprehend the nature of risk and to determine the level of risk
- **Risk Evaluation** – the process of comparing the results of risk analysis with risk criteria to determine whether the risk and/or its magnitude is acceptable or tolerable
- **Risk Identification** –the process of finding, recognising and describing risks
- **Risk Management** – the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects
- **Risk Management Process** – the systematic application of management policies, procedures and practices to the task of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risk

- **Risk Owner** – the person or entity with the accountability and authority to manage a risk
- **Risk Reporting**- who should be advised about risks classified low to extreme across the 5 key areas of strategy, finance, legislation, service delivery and reputation and the regularity
- **Risk Transfer** - the process of transferring risk to a third party through insurance or contract or some other means
- **Risk Treatment** – the process to reduce residual risk
- **Risk Type** – the type of risk includes Strength, Weakness, Opportunity or Threat. This can then be used as part of a SWOT analysis for the business.

3. Context

Our definition of risk is taken from the AS/NZ ISO 31000 Risk Management Standard which defines risk as the effect of uncertainty on objectives. As described in the definition uncertainty may be either negative or positive. It could be a threat to the achievement of our objectives, or an opportunity to achieve objectives more quickly, efficiently or effectively.

As the risk framework matures more emphasis will be given to positive risk (opportunities). Additional descriptors of the consequences of specific risks will become available based on lessons learnt.

4. Principles

HDC has statutory obligation to achieve the objectives set out in the Local Government Act 2002 i.e. 'to meet the current and future needs of our communities for good quality local infrastructure, local public services, and performance of regulatory functions'.

Effective risk management directly contributes to meeting these statutory objectives by reducing the threats to success and realising opportunities to obtain success. It also provides organisational resilience in responding to, managing and recovering from emergency situations.

It is important for HDC staff and stakeholders to have a shared understanding of what an effective risk management framework looks like. To achieve this, HDC has adopted a set of standard principles to communicate what our organisation is aiming to achieve in regard to risk management and how to know when we have achieved. Risk Management at HDC is based on the following principles and is consistent with the Joint Australian New Zealand International Standard Risk Management- Principles and Guidelines (AS/NZS ISO 31000:2009):

- **Risk management creates and protects Value**

by contributing to the achievement of HDC's strategic objectives and improving performance, e.g. via legislative and regulatory compliance, use of reliable and accurate information and metrics for decision-making, effective and consistent project management, operational efficiency and robust governance;

- **Risk management is an integral part of all organisational processes**

including governance, strategic planning, project management, change management and the business as usual activities of HDC;

- **Risk management is part of decision-making**

by helping decision-makers at all levels in HDC to accurately assess situations, make informed choices, prioritise actions and select the most appropriate course of action to resolve risk issues within HDC;

- **Risk management addresses uncertainty**

by identifying, describing and resolving the nature and source of that uncertainty within HDC;

- **Risk management is systematic, structured and timely**

to ensure consistent, comparable and reliable results which contribute to efficiency through a risk management framework and risk management plan;

- **Risk management is based on the best available information**

including historical data, experience, stakeholder feedback, observation, evidence, forecasts, expert judgement while taking into account any limitations of the data or modelling used, or possible divergence of expert opinion. To achieve this all HDC report templates will include a consideration of risk of strategic, financial, legal, reputational and service delivery risk.

- **Risk management is tailored**

to align with the vision and strategic outcomes of HDC and its risk appetite and to enable the reporting of risk issues quickly to the appropriate level of HDC;

- **Risk management is transparent and inclusive**

to ensure that the views of all HDC stakeholders are taken into account in the process of identifying, assessing and treating risks and to ensure that risk management remains relevant and up-to-date.

- **Risk management is dynamic, iterative and responsive to change**

by ensuring that the HDC risk management framework and risk management plan is sufficiently agile to sense and respond to changes in the external and internal context of Horowhenua, including changes in knowledge.

- **Risk management facilitates continual improvement of the organisation**

by implementing risk treatments which improve the organisation's capability of achieving its goals and by building the organisation's capacity to recognise and reduce risk in both the present and the future.

5. Roles and Responsibilities

Everyone involved in HDC either at elected member or officer level will have a role in the management of risk to the Horowhenua community. The following table highlights the roles and responsibilities within HDC.

Role & Responsibility	
Council	To be assured that a risk management framework is in place and that risks are being appropriately managed. Support corporate Risk Management including risk management as an element of the Councils' Long Term Plan and Annual Plans as well as other strategies, plans and documents. To agree, as required, the risk appetite policy (recommended by Finance, Audit and Risk Sub-

	Committee).
Finance, Audit and Risk Sub-Committee	<p>The Committee Terms of Reference responsible for risk has responsibility to:</p> <p>Review whether management has in place a current, comprehensive and effective risk management framework for effective identification and management of Council's significant risks;</p> <p>Consider whether appropriate action is being taken by Management to mitigate Council's high and extreme risks.</p> <p>Provide guidance and governance to support significant and/or high profile elements of the risk management spectrum.</p> <p>Advise Council on matters of risk and provide objective advice and recommendations for consideration.</p> <p>To receive, on a quarterly basis, a report on the risk management plan of HDC.</p> <p>To determine, on an annual basis or more regularly depending on legislation and market forces, the risk appetite of HDC and to promulgate this to Council for ratification.</p>
Chief Executive	<p>Appoint a Business Owner for each of the five key areas of risk.</p> <p>Approve the risk management framework and recommend it to the Finance, Audit & Risk Committee.</p> <p>Establish a Risk Management Committee to review and treat identified risks.</p> <p>Establish risk reporting on the 5 key areas across and throughout HDC as a business as usual process.</p> <p>Report extreme and high risks to the Finance, Audit and Risk Committee and/or Council with treatment options.</p> <p>Oversee and promote a risk management culture across HDC including the development of capability of all staff to support a risk management process.</p> <p>Develop Key Performance Indicators (KPIs) for risk across HDC.</p> <p>Ensure the development of a Risk Management Plan (Risk Register) across the organisation.</p> <p>Provide direction and advice on the management of risks and ensure that appropriate treatment measures are in place to mitigate Council exposure in accordance with the Risk Appetite Statement.</p> <p>Ensure that the Council's organisation vision and values (relevant to risk) are aligned and synchronised with the strategic direction (including Community outcomes and budgetary considerations) and culture.</p> <p>Ensure that risk management is considered in everything Council undertakes and is incorporated in the messages given to the organisation.</p> <p>Support the Finance, Audit and Risk Committee in delivering its duties.</p> <p>Support the internal audit process.</p> <p>Review reports of identified breaches of policy and take appropriate action to mitigate associated risks and to prevent reoccurrence of such breaches.</p>
Leadership	Endorse the risk management framework and champion it to the organisation.

<p>Team</p>	<p>Provide direction on risk tolerance at a general and risk-specific level.</p> <p>Advise Risk Lead of risk management issues raised in business plans.</p> <p>Advise Risk Lead of changes identified to risk management plan from group reports.</p> <p>Maintain the overall responsibility for the effective and efficient management of all risks related to Council activities.</p> <p>Promotes a risk management culture across HDC where:</p> <ul style="list-style-type: none"> • we recognise that some risks may be positive and present an opportunity for HDC; • risk management is a core competence of all HDC staff; • we do not see risk as a barrier but as a normal consequence of an agile and effective business determined to improve our community; • our community has trust and confidence in our ability to overcome uncertainty for their benefit; • our view of risk is community wide, integrated and holistic; and • we achieve our objectives having minimised threats and captured opportunities. <p>Communicate and raise awareness of risk management to Council managers and staff.</p> <p>Assist in setting the Council's risk attitude.</p> <p>Ensure that Council's assets and operations, together with liability risks and hazards to the public, are adequately protected through appropriate risk planning and budgeting, internal audit processes, and appropriate internal systems and controls.</p> <p>Ensure that a risk management process is in place and reviewed at least quarterly, or as required, for all risks for timely updating and continuous improvement.</p> <p>Integrate risk management with Council's policies, processes and practices.</p>
<p>Risk Management Committee</p>	<p>Monitor effective implementation of the risk management framework across the organisation.</p> <p>Integrate risk management with Council's policies, process and practices.</p> <p>Ensure that the Risk Management Process is applied consistently across HDC.</p> <p>Review reports of Significant, High & Extreme risks across HDC</p> <p>Through the Chair escalate Red Risks (Significant, High & Extreme) and areas of heightened risk to Chief Executive as soon as is practicable.</p> <p>Through the Chair advise Chief Executive on emerging risk trends as required.</p> <p>Develop a quarterly Risk Report for Finance Audit Risk Sub-committee which shows the movement of risk assessment and risk trends and outlines a work programme for the treatment of risk.</p> <p>Assists with the development of appropriate KPIs on risk across the organisation</p>
<p>Alliance</p>	<p>Utilises a Risk Management process to create a Risk Register to be reported to Principals Group as per the 3-Water Operations, Maintenance & Renewals Agreement.</p>

<p>Group Managers</p>	<p>'Own' risks relevant to, or arising from, their groups.</p> <p>Lead and promote a risk management culture within their groups.</p> <p>Ensure that their unit and project managers review and report on risks across the 5 key areas and action these with the guidance of the risk appetite statement either by their delegate authority or escalation to the group manager.</p> <p>Develop Key Performance Indicators (KPIs) for risk across their Group.</p> <p>Identify and report breaches of HDC policies, guidelines and frameworks within their Group and report to the Chief Executive.</p>
<p>Risk Lead</p>	<p>Chair the Risk Management Committee</p> <p>Co-ordinate the risk management process and promote a risk management culture.</p> <p>Monitor weekly reports for risk management issues.</p> <p>Escalates Red Risks (Significant, High & Extreme) and areas of heightened risk to Chief Executive as soon as is practicable.</p> <p>Advises Chief Executive on emerging risk trends as required.</p> <p>Assist with the development of the Risk Management Plan.</p> <p>Ensures the Risk Management Plan is kept current and up to date.</p> <p>Plan, and execute reviews and audits of the Risk Management Plan.</p> <p>Measure and report the effectiveness and adequacy of risk management and internal control processes and systems, and report to the Leadership Team.</p> <p>Assist with the education of staff on risk management.</p> <p>Provide technical assistance on risk management.</p> <p>Facilitate the management of cross-organisational risks.</p> <p>Report breaches of Policy to the Chief Executive.</p>
<p>Unit & Project Managers</p>	<p>Lead and promote a risk management culture within their units.</p> <p>Manage activity/project/asset risks within agreed tolerance levels/Council Risk Appetite.</p> <p>Develop, populate and manage the risk management plan for their unit in accordance with the risk management framework.</p> <p>Be responsible for the registration and maintenance of risks in the risk management plan from their business unit and at a Council-wide level as required and appropriate.</p> <p>'Own' risks relevant to or arising from, their teams.</p> <p>Ensure risk management and process are imbedded in strategies, policies, business plans, contracts, and standard operating procedures.</p> <p>Proactively seek out to implement best practice in all facets of business including asset management planning, emergency management planning, and disaster and recovery plans.</p> <p>Report breaches of Policy to the Group Manager.</p>
<p>Staff</p>	<p>Identify and provide support to treat risk as it occurs in their area.</p>

	<p>Escalation of risk issues within their area to line manager.</p> <p>As appropriate, 'own' risks, controls or mitigations within their area of responsibility.</p> <p>Report to their line manager any risk to achievement of the vision and strategic outcomes of HDC as it is identified.</p>
Contractors and Partners	<p>Provide support in identifying risk as it occurs.</p> <p>Ensure Council's assets and operations, together with liability risks and hazards to the public, are adequately protected through adherence to Council's policies and procedures.</p> <p>Respond immediately to the investigation of any report of a hazard or incident received from a resident, Council officer, employee or visitor.</p> <p>Adhere to legislative, regulatory and corporate legislation and standards.</p> <p>Maintain appropriate and adequate insurances are required under their contract.</p> <p>Ensure that they conduct their daily duties in a manner that shall not expose Council to loss or risk, and that these duties are done in accordance with the relevant procedures, policies, and legislative requirements.</p>

6. Risk Management Process

Risk events are occurrences that we know might happen but we cannot know when or where they will occur, what the impact will be, and if they will occur at all. Examples are:

- natural events - storms, earthquakes, land slides, or extreme temperatures affecting Council's service delivery functions;
- third party damage to an asset causing it to fail and deliver a reduced level of service; or
- change in legislation which has an impact on the vision and strategic objectives of HDC.

Council requires that there is a **systematic** application of management policies, procedures and practices to the task of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risk. Finance, Audit and Risk Sub-committee expect that Council Officers will:

- consider strategic, financial, legislative, reputational and service delivery risks as business as usual;
- embed a risk culture throughout the organisation with staff routinely reporting upwards on risks across the five key areas ; and
- tailor business planning and processes of the organisation e.g. Business Cases and Procurement Plans to include a consideration of strategic, financial, legislative, reputational and service delivery risks.

A Risk Management Process will meet Council's requirements and expectations. Each year Council will agree on practical guidance for decision-making which reflects the realities of trade-offs across business objectives. This is called **Risk Appetite** and is about the Council forming an overall view on a proposal or action where greater risk taking is justified (for example with new initiatives) or where there is a need to minimise risks (for example in the delivery of essential services which Communities depend on).

The focus is on five key areas of our business, operations and performance:

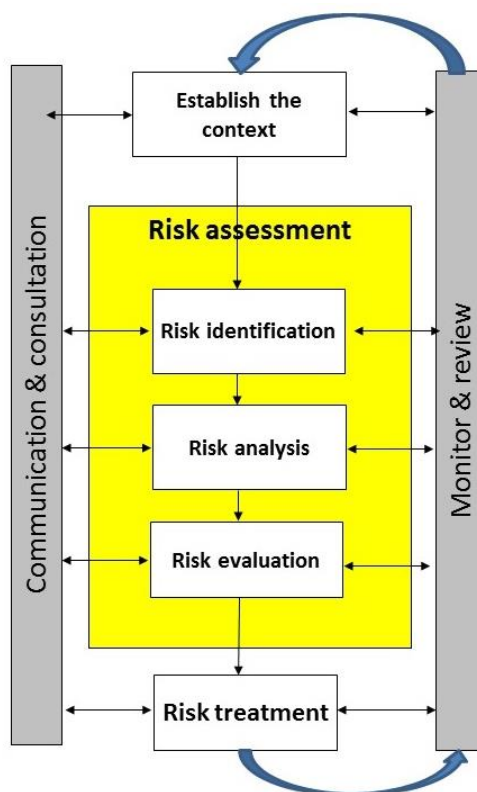
- Strategy- events which affect the achievement of the Vision and Community Objectives
- Financial – events which cause unplanned financial losses or changes which affect the balance sheet, assets and liabilities, Council funding, income and spending levels. This does not include unforeseen reactive repairs to assets accounted for within normal operating budgets.
- Service Delivery – events which cause denial or impairment of Council service/s to the Horowhenua Community
- Legal – events which will lead to Council facing legal action through a failure or series of failures and non-compliance with the risk of fines, losses and other sanctions.
- Service Delivery – events which cause denial or impairment of Council service/s to the Community
- Reputation – events which may, regardless of the cause, promote a sustained negative view from wider regional, national and international communities of both Council and the District's communities.

A statement of Risk Appetite is approved by Council annually and the current statement (agreed by elected members on 13 September 2017) is attached as Appendix 1.

HDC has adopted the best practice principles outlined in ISO 31000 to identify, analyse, assess, and report risks which may have a deleterious effect on the Vision and Strategic Community Outcomes and to identify a reporting structure for HDC. The Risk Management process will develop a matrix of Consequence (C) v Likelihood (L) which will allow the prioritisation and determination of treatment of identified risk.

Key steps involved in the Risk Management Process are:

HDC will draw on the best practice principles outlined in ISO 31000 to identify, analyse, evaluate and treat risks which may have a deleterious effect on the Vision and Strategic Community Outcomes. The Risk Management Process will develop a Risk Matrix of Consequence (C) v Likelihood (L) which will allow the prioritisation of identified risk. The process comprises a number of steps as detailed below:



Identification of risk

HDC will draw on the best practice principles outlined in ISO 31000 to identify, analyse, evaluate and treat risks which may have a deleterious effect on the Vision and Strategic Community Outcomes. The methodology will develop a Risk Matrix of Consequence (C) v Likelihood (L) which will allow the prioritisation of identified risk. The steps involved are:

- Staff members are empowered, and required by the Chief Executive, to identify and communicate risks to five key areas of Strategic, Financial, Legal, Service Delivery and Reputation through line managers. Appropriate risks will be recorded in a Risk Management Plan held on behalf of the Chief Executive to ensure that the impact on the Vision or strategic outcomes is managed.
- Risk identification is the process of finding, recognising and describing risks. This is a process we should all consider and contribute to. Key questions when identifying risks **might** include:
 - What are the risks to achieving the Council's objectives, particularly relating to sustainable delivery to the agreed levels of service?
 - What is the source of each risk?
 - What might happen?
 - What would the effect be?
 - What implications does the risk have for other areas?
 - When where, why and how are these risks likely to occur?
 - Who might be involved or impacted?

- What controls presently exist?
- What could cause the control to not have the desired effect on the risk?

Analysis of Risk

Risk should be considered in the context of consequence (impact of the risk) and the likelihood (probability of the risk happening). Most risk systems scale consequence and likelihood from 1-5 and HDC will use this scoring system.

It is difficult to identify where the impact of an event may fall and it is the usual practice to provide an indicative descriptor table to place the consequence or impact. In this stage of its risk development, HDC is focusing on the five key risk areas and you will find descriptors for levels of consequence later in this document. As the risk management process matures additional descriptors will become available and you are encouraged to give feedback on the existing descriptors or suggest additions based on your professional judgement.

Consequence of Risk

Consequences of an event are the impacts that it has on the social, environmental or economic wellbeing of the community or Council. The most appropriate means of qualitatively assessing the consequences of an event occurring is to consider the impacts on the 5 key areas of strategy, finance, legislation, service delivery and reputation.

Additionally, there will be a focus on areas of heightened interest which impact on the five key areas will include:

- Environmental – events which will lead to environmental damage such as destruction of natural habitat, impairments to ecosystems or loss of biodiversity
- Human Resource – events which cause Council difficulty in sustaining good human resources to maintain Levels of Service, or which cause harm to individuals employed by or contracted to Council. This is about harm to people, not legal consequences (see Legal)
- Information Management – events which cause disruption to or loss of Council's underpinning IT infrastructure.
- Political / Governance – events where an inability on Councils part to make prudent forward moving decisions to promote the needs of the Community may attract negative public reaction or put it under Central Government scrutiny or control. This risk type is about continuance of good democratic and decision making processes, not financial or legal failure.

Each of these areas is then assessed using the standard Consequence levels of:

- Very minor
- Minor
- Moderate
- Major
- Catastrophic

The following table is a series of qualitative descriptors of levels of consequence for the key areas which are not exhaustive but will help you consider the correct level from the point of view of the Council as the Risk Owner.

Consequence (C)	1	2	3	4	5
Risk Area	Very Minor	Minor	Moderate	Major	Catastrophic
Strategic	No impact on the Vision and Strategic Community Outcomes Consultation on Annual or LTP, strategies or revised Vision & Community Outcomes delayed by less than 5 working days	Inconvenience or short delay in achieving the Vision and Strategic Community Outcomes Consultation on Annual or LTP, strategies or revised Vision & Community Outcomes delayed by 3-5 working days	Significant difficulty introduced to achievement of the Vision and Strategic Community Outcomes Lost opportunity to contribute positively to one or more of the Vision and Strategic Community Outcomes	Failure to achieve a specific Strategic Community Outcome Lost opportunity to significantly advance a specific Strategic Community Outcomes	Failure to achieve multiple Strategic Community Outcomes Lost opportunity to significantly advance multiple Strategic Community Outcomes
Financial	Single loss of up to \$1,000 to an individual household or business or community	Single loss of \$1,000-\$10,000 to an individual household or business or community	Single loss of \$10,000-\$100,000 to an individual household, business or community	Single loss of \$100,000-\$500,000 to an individual household or business or community	Single loss of more than \$500,000 to an individual household or business or community
Service Delivery	Temporary problem with organisational capability resulting in no impact on external service delivery Essential service unaffected Non-essential service delays of 4 hours or less Reduced hours for amenity	Loss of organisational capability in some areas resulting in reduced support to external delivery activities and subsequent delays of 8-24 hours to households and 8 hours to a specific business or industry Essential service delayed 4 hours Non-essential service delays of 8 hours or less Amenity closed for up to a week	Organisation unable to function normally for less than 24-48 hours Serious reduction in organisational capability leading to delays of 8-24 hours to a specific business or industry Essential service delayed 8 hours Non-essential service delays of 8-24 hours Amenity closed for 1 week to 1 month	Organisation unable to function normally for 48-72 hours Serious reduction in organisational capability leading to delays of 24-48 hours to a specific business or industry Essential service delayed 24-48 hours Amenity closed for 1-2 months	Organisation unable to function for more than 72 hours Serious reduction in organisational capability leading to delays of 48 hours or more to a specific business or industry Essential service delayed 48 hours or more Permanent closure of amenity
Legal	One-off minor regulatory or legislative non-compliance with no direct impact on the community's	One-off minor regulatory or legislative non-compliance with low potential impact on the community's	Complaint to the Ombudsman, Auditor-General or other statutory office Multiple related	Significant breach or non-compliance, or multiple breaches or non-compliances, resulting in regulatory action	Litigation by the community Court proceeding or criminal action for breach or non-

	health or wellbeing and no prosecution	health or wellbeing Inconsequential audit qualification	minor non-compliances due to an underlying systemic issue Significant breach or non-compliance resulting in regulatory scrutiny Judicial Review (BCA/RMA decision)	and/or restrictions on Council activities Systemic failure resulting in maximum fines or penalties	compliance Potential for imprisonment of elected member or staff Judicial review on a matter of rates or other funding, or on a matter with significant financial impact
Reputational	Negative feedback from individuals Short-term 'letters to the editor' (or online equivalent) commentary No change to overall dissatisfaction in Satisfaction Survey (13%)	Short-term loss of confidence among small sections of the community Regional adverse political or media comment for one or two days Sustained 'letters to the editor' (or online equivalent) commentary in usual sources Change to overall dissatisfaction in Satisfaction Survey (15%)	Short-term and manageable loss of community confidence Regional adverse political or media comment for more than two days Significant social media commentary or campaign from new sources Change to overall dissatisfaction in Satisfaction Survey (17%)	Loss of community confidence requiring significant time to remedy National adverse political or media comment for more than two days Regional adverse political or media comment for more than one week Requirement for (televised) public explanation Change to overall dissatisfaction in Satisfaction Survey (19%)	Insurmountable loss of community confidence National adverse political or media comment for more than one week Requirement for (televised) public apology or defence Adverse comments or questions in Parliament Change to overall dissatisfaction in Satisfaction Survey (22%)

Additional descriptors by consequence level for areas of **Heightened Interest** have been developed e.g. Health & Safety & Environmental shown below. As the maturity of the risk framework increases additional descriptors will be developed.

Consequence (C)	1	2	3	4	5
Risk Area	Very Minor	Minor	Moderate	Major	Catastrophic
Environmental	Environmental damage cleaned up within hours of event. No contamination	Environment restored after one week clean-up. On-site release immediately contained	Environmental damage requiring up to 1 year to reverse. On-site release contained with outside assistance	Widespread environmental damage reversed after 1 year. Off-site release with significant detrimental effects	Permanent widespread environmental damage and loss of biodiversity. Toxic release off-site with major detrimental effect
Information Management	Key information systems disrupted for 2 hours. Minor breach of information security and information loss, fixed within hours.	Key information systems disrupted for 1 working day.	Key information systems disrupted for 2-3 working days. Loss of all information systems for 1 hour	Key information systems disrupted for a week. Financial system not available at year-end. Loss of archived records / backup. Loss of all information systems > 1 day. Theft or misuse of private / restricted information.	Loss of all historical information (backups). Widespread unauthorised entry to information systems.
Health & Safety	No injury but potential for minor injury through a near miss. Minor injury on site not requiring medical attention	Minor injury requiring First Aider assistance. Injury requiring medical attention on site	Some injuries requiring 111 assistance but not hospitalisation physical or mental trauma requiring GP or EAP follow up. Serious illnesses through network failure Injury requiring hospitalisation	severe/traumatic injuries requiring immediate hospitalisation with potential for long term recovery or fatality. Widespread illness requiring hospitalisation through network failure Multiple injuries on site	Fatality. Widespread loss of life through network failure Multiple loss of life on site

Likelihood of Risk

Likelihood is the chance of something happening. The likelihood scale describes how likely or often an event is expected to occur. For physical assets the likelihood of some events can be estimated by condition assessments. For other events such as natural disasters or political risks the likelihood of occurrence is more difficult to determine and probably even more difficult for outsiders to understand e.g. the 1 in a hundred years flood. The descriptors below are provided as a guide to help rank the likelihood of occurrence of each risk.

Score	Likelihood	Descriptor
5	Almost Certain	The event is expected to occur e.g. 80% chance within the next 12 months
4	Very Likely	The event will probably occur e.g. 25% chance within the next 12 months or once in 4 years
3	Likely	The event might occur e.g. 10% chance within the next 12 months or once in 10 years
2	Unlikely	The event will probably not occur e.g. 4% chance within the next 12 months or once in 25 years
1	Extremely Unlikely	The event is not expected to occur e.g. 1-2% chance within the next 12 months or once in 50+ years

As the HDC obtains more metrics on projects, events and occurrences, it is likely that a more quantitative and statistical approach to likelihood descriptors will emerge.

Assessment of Risk

- The seriousness of risk can be best categorised as a function of Consequence and Likelihood (as per best practice and ISO31000) and involves selecting the most appropriate combination of consequence and likelihood levels determined using the most current information. Risk categories from Low to Extreme are shown in the form of traffic light indications Table 1 below.
- Council's risk management process requires an initial and revised risk assessment to be undertaken to determine the risk rating. The matrix below shows how the Likelihood and Consequence scores are combined to yield a total risk score for a described event. Your professional judgement will also help you to revise the traffic light at the margins of these risks (e.g. you may consider it appropriate to move an amber significant to red in order that the Leadership Team become aware of this more quickly)

Traffic Light System

Table1

Likelihood	Consequence				
	1 - Very minor	2 - Minor	3 - Moderate	4 - Major	5 - Catastrophic
5 - Almost certain	Low	Moderate	Significant	Extreme	Extreme
4 - Very Likely	Low	Moderate	Significant	High	Extreme
3 -Likely	Low	Moderate	Significant	Significant	Extreme
2 - Unlikely	Low	Low	Moderate	Moderate	Moderate
1 - Extremely unlikely	Low	Low	Low	Low	Low

Gross Risk

When the assessment of risk is done without regard for any current risk mitigation or control method it produces the raw, untreated or **gross risk**.

Revised Risk Assessment

At the revised risk assessment stage, existing mitigation and control methods are considered. The risk is then re-assessed for Likelihood, Consequence taking these current mitigation or control methods in to account. This helps quantify the effectiveness of the controls.

The Effectiveness of Controls includes:

- Weak – Totally ineffective in avoiding or mitigating associated risk events.
- Some Weakness – Not fulfilling requirements, little measurement or effect on overall risk.
- Satisfactory – Just fulfils requirements, effects hard to measure (or haven't been audited or measured), improvement required.
- Some Strength – Fulfils requirements, robust and measurable, room for improvement.
- Strong – Fulfils requirements thoroughly, very robust and positive measurable effects.

Residual Risk Assessment

Residual risk is the difference between the gross risk and revised risk, in other words how much risk do we have taking our current measures into account. Residual Risk also helps to determine how much risk can be expected if further proposed management actions are effectively implemented. Thus the acceptability of the current level of revised risk should be determined.

Different forms of **Risk Treatment** may include:

- Tolerate - accept the risk, fund and resource and risk impacts (Risk has controls in place, nothing more can economically be done to decrease the risk, so it is accepted at its current level)
- Treat - mitigate, or manage the risk through strategic planning, organisational improvements, technical improvements or procedural changes.
- Eliminate - eliminate the risk completely by selling the asset, closing the service etc.
- Transfer - buy increased insurance, contract services, improve contract terms

Where it is decided that the current level of risk is too high and cannot be tolerated then further management options should be considered to treat, eliminate or transfer the risk to an acceptable level. Implementation of additional treatment options will impose a further cost on HDC which should be assessed.

The table below provides a guideline to the responses that should be made within each band of residual risk scores.

Risk	Actions
Low	Examine where un-needed action can be reduced, Advisory to Line Manager
Moderate	Managed by routine procedures, Advisory to Line Manager
Low	Managed by routine procedures, Advisory to Line Manager
Moderate	Managed by Group Manager and Advisory to Leadership Team
Significant	Managed by Group Manger and Advisory to Chief Executive
Significant	Managed by Group Manager and Immediate Advisory to Chief Executive & Leadership Team for review and action
High	Chief Executive & Leadership Team attention to review and manage risk and to report to next Finance, Audit and Risk Sub-committee
Extreme	Chief Executive immediate action required to reduce risk Immediate Advisory to and consultation with Chair & Deputy Chair of Finance, Audit and Risk Sub-committee with subsequent reporting to the Sub-committee

Significant to Extreme levels of Residual Risk will require management actions or solutions that should be programmed into Annual Business Plans to ensure the level of risk is reduced where deemed appropriate.

7. Reporting of Risk

	Reporting Requirements
Council	To receive, consider and action, as soon as practicable, High and Extreme risks identified by Finance, Audit and Risk Sub-Committee.
Finance Audit and Risk Sub-Committee	<p>To report to Council all risks classified as High and Extreme.</p> <p>To review and decide on reports from the Chief Executive risks classified as High and Extreme, including risk treatment, as a set agenda item at each meeting.</p> <p>To receive and agree, on an ad hoc basis, reports from Project Leads on classified as High and Extreme as part of project reporting and to review risk management.</p> <p>To receive and note the Risk Management Plan of HDC on a quarterly basis.</p> <p>To receive a quarterly report on the movement of risk assessments and risk trends and which outlines a work programme for the treatment of risk.</p>
Chief Executive	<p>To receive and agree, on a monthly basis, a report on the risk management plan of HDC.</p> <p>To receive reports on an as required basis of all significant classified as High and Extreme risks identified and to approve the recommendations for the management of these risks.</p> <p>To receive reports from the Risk Management Committee, on an as-required basis, on risks classified as Significant, High & Extreme which require immediate Chief Executive guidance.</p> <p>To receive risks from identified breaches of HDC policies, guidelines and frameworks.</p>
Leadership Team	<p>Receive and consider Risk Management Plan on a monthly and exception basis.</p> <p>Receive and consider other risk-related reports on an as-required basis.</p> <p>Receive initial risk assessment through submitted Business Cases of strategic, financial, service</p>

	delivery, legislation and reputational issues.
Risk Management Committee	Receive and consider at least fortnightly, or as required, reports of Significant, High and Extreme risks and ensure direct and immediate promulgation to Chief Executive. Receive and review monthly the Risk Management Plan to ensure it remains appropriate for reporting to the Leadership Team.
Alliance	Report the Alliance Risk Register (Risk Management Plan) to the Risk Management Committee on a monthly basis.
Group Managers	Receive weekly reports on an exception basis from staff on the risk assessment of staff and project leads on strategic, financial, service delivery, legislation and reputational issues.
Risk Lead	Receives all reports on additions, deletions and amendments to the Risk Management Plan. Receives copies of all unit weekly/monthly reporting on risk.
Unit & Project Manager	Receive weekly reports on an exception basis from staff on the risk assessment of staff and project leads on strategic, financial, service delivery, legislation and reputational issues.
Staff	Prepares exception reporting on risk issues in their area. Considers and notes aggregated report from unit on risk issues.
Contractors	Advises HDC lead contact of all identified risks for promulgation as appropriate to the line manager.

Monitoring and Review

Monitoring of the Risk Management process is a means whereby the Council can consistently:

- Appraise its performance
- Re-assess its approach
- Move closer to achieving its objectives through the refinement of its Risk Management Policies

8. Operation of the Framework

Information from staff is the foundation of the risk management process. The first step is letting your manager or supervisor know that you have identified something (e.g. a barrier, blockage, lack of resource) in your work area which might stop HDC from achieving what it is trying to do for our community. For example:

- A vital piece of equipment is missing its operation manual and you are concerned that it will fail or cause harm.
- External contacts have commented that a supplier is laying off staff.
- A work process has been affected by a change of legislation.
- A published policy has errors or is missing the vital word “not”.

Sometimes small errors or initial risks can have major impacts. As computing developed in the 20th century, programmers allocated two digits to the year without thinking of what would happen when 1999 turned into 2000. The result was the “Y2K” problem which had a worldwide cost of US\$308,000,000,000 (US\$308 billions)!

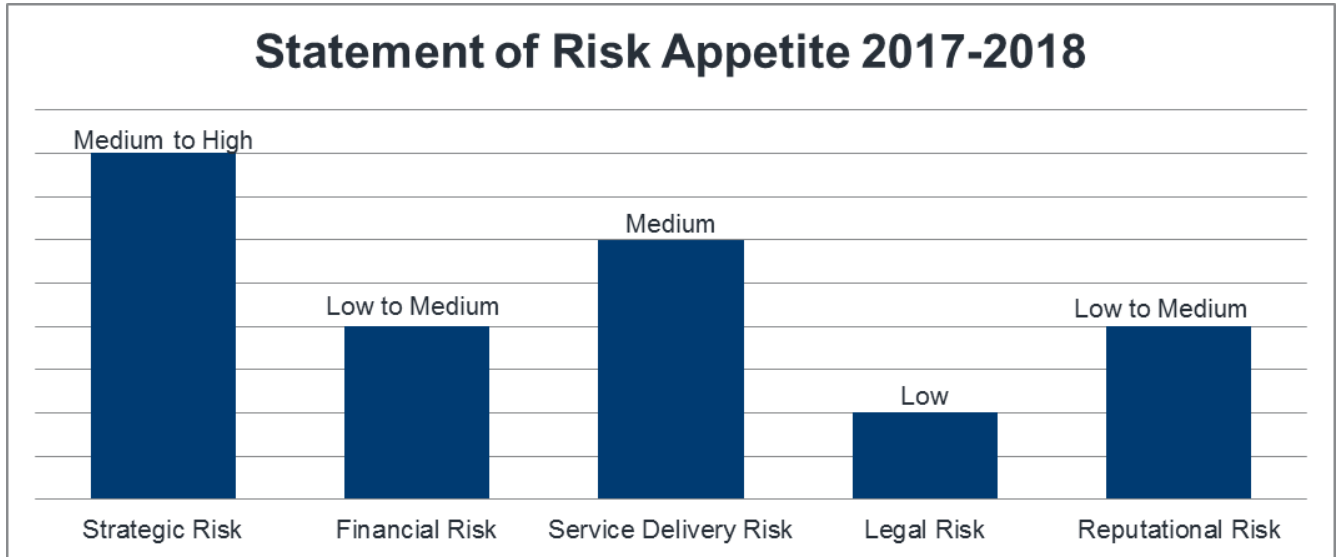
Group managers will collect and assess risks being identified by staff and highlighted by the Risk Management Committee. Some will be easily remedied within the work area and will be business as usual. Some will require decision making at a higher level and may require further investigation. The flow of reports will allow Council, the Chief Executive and his leadership team to be aware of potential pressures and uncertainties on the achievement of the Vision and Community Outcomes for Horowhenua.

Review

This document is to be reviewed annually, as delegated, and approved by the Chief Executive.

Appendices

Appendix 1 – Risk Appetite Statement 2017-2018



Agreed by elected members at the Risk Workshop on 13 September 2017

Risk Management Committee Terms of Reference

Section	Leadership Team
Contact	Group Manager Customer and Regulatory Services
Approval	Leadership Team
Date Approved	
Next Review	Draft 1.3
TRIM Doc. No.	

Document Control	1
Table of Contents	1
Purpose	2
Responsibilities	2
Membership	2
Meeting Procedures	3
Meetings	4
Resources	4
Sign Off	5

1. Purpose

1.1 The Risk Management Committee:

The Risk Management Committee is to be established to consider timeously identified risks and their implications for the five key areas of strategy, finance, legislation, service delivery and reputation and to report to the Leadership Team.

2. Responsibilities

2.1 The Risk Management Committee will:

Monitor the effective implementation of the risk management framework across the organisation;

Facilitate the integration of risk management with Council policies, process and practices;

Review the Risk Management Plan on a monthly basis and escalate/report as appropriate to the Leadership Team & Chief Executive;

Receive and consider at least fortnightly, or as required, reports of Significant, High and Extreme risks and ensure direct and immediate promulgation of these to the CE;

Escalate, as appropriate, heightened risk areas

Assist in the development of KPIs on risk management across the organisation.

3. Membership

3.1 The Risk Management Committee comprises of the following:

Job Title	
Chief Executive (ex officio)	Risk Lead (Chair)
Representative Infrastructure Group	Representative Community Services
Representative Strategy & Development Group	Representative Customer & Regulatory Group
Representative of Finance	Representative of People & Capability
Representative of the Alliance	Committee Secretary

3.2 Members are responsible for:

- Recommending items for discussion from their Group;

- Attending meetings;
 - Positively representing the areas of interest applicable to their role/group;
 - Maintaining objectivity;
 - Actively participating and contributing to meetings.
- 3.3 The role of Chair is filled by the Risk Lead or delegate.
- 3.4 The Chair is to:
- Ensure the Committee functions correctly;
 - Set the agenda and run the meetings;
 - Ensure any action is allocated to a responsible party;
 - Ensure that any heightened or new **Red Risk** is escalated to the Chief Executive as soon as is practicable;
 - Advise the Chief Executive on emerging risk trends as required;
 - Ensure objectivity among Steering Group members;
 - Ensure appropriate input is provided to applicable activities.

4. Meeting Procedures

4.1 Process

4.1.1 Members will commit themselves to functioning in an environment that creates and extends opportunities for:

- Contributing to Council's Good to Great journey;
- A collaborative approach to decision making, enabling all members to present their views and opinions;
- Working together in a manner which displays commitment to Council's values of Greatness, Real Unity, Energy, Achievement and Trust.

4.1.2 The Risk Management Committee will seek to:

- Support, engage, canvass and represent HDC Groups;
- Disseminate information to key stakeholders and the organisation in an efficient and timely manner;
- Promote a risk culture across HDC where:
 - we recognise that some risks may be positive and present an opportunity for HDC;
 - risk management is a core competence of all HDC staff;

- we do not see risk as a barrier but as a normal consequence of an agile and effective business determined to improve our community;
 - our community has trust and confidence in our ability to overcome uncertainty for their benefit;
 - our view of risk is community wide, integrated and holistic; and
 - we achieve our objectives having minimised threats and captured opportunities.
- Ensure that risk forms a part of their Group reporting;
 - Ensure that the Risk Management Process is applied consistently across HDC;
 - Develop a quarterly Risk Report for Finance Audit Risk Sub-committee which shows the movement of risk assessment and risk trends and outlines a work programme for the treatment of risk.
 - Ensure that risk registers or risk management plans from partners are integrated into the HDC Risk Management Plan.

4.1.3 A quorum shall be 4 members of the Committee.

4.2 Decision Making

4.2.1 Decisions will be made by consensus.

4.3 Minutes and Agendas

- Agendas will be compiled by the Committee Secretary in consultation with the Chair. Urgent items are to be tabled on the day with an explanatory statement;
- Minutes will be taken and distributed by the Committee Secretary
- Agendas will be distributed on the Monday prior to the meeting. Minutes will be distributed on the Monday following the meeting.

5. Meetings

5.1 The Risk Management Committee will meet every two weeks for no more than one hour on the second and fourth Thursdays of each month at 1100.

6. Resources

Additional resources available include:

- Risk Policy
- Risk Management Framework
- Risk Appetite Statement of HDC

Signed by Leadership Team:

Chief Executive: _____ Date: _____

Group Manager Customer
& Community Services: _____ Date: _____

Chief Financial Officer: _____ Date: _____

Group Manager
Community Services: _____ Date: _____

Group Manager
Infrastructure Services: _____ Date: _____

Group Manager
Corporate Services: _____ Date: _____

Group Manager
Strategy & Development: _____ Date: _____

Situational Awareness Update

File No.: 17/551

1. Purpose

To provide a situational awareness update (under the umbrella of the Risk Framework) to the FAR Subcommittee.

2. Recommendation

- 2.1 That Report 17/551 Situational Awareness 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. Background/Previous Council Decisions

- 3.1 In recent months officers with feedback from the FAR Subcommittee have been working to consider appropriateness of the risk management process across HDC.
- 3.2 The revised operational framework reflects the process that will be applied to risks identified from the context of information, government foci, market forces, regulation and legislation known at the time of identification.
- 3.3 However, these contexts are not always constant. As an organisation this inconstancy is recognised and part of our risk culture is to ensure that our leaders are “situationally aware” through up to date information on trends and the changing environment.

4. Issues for Consideration

As a result of the change of government, it is important that elected members consider that there may be a potential opportunity for, or threat to, achieving Council Vision and Strategic Outcomes on the basis of the initial policy announcements and to be situationally aware of e.g.

- *The \$1b per annum Regional Development (Provincial Growth) Fund* is a potential opportunity to support the economic development strategy and H2040;
- *Significant investment in regional rail* may provide additional economic growth potential but there may also be a potential negative impact to the RONS programme, Levin Town Centre strategy and economic growth if the focus moves from road to rail;
- *Planting 100 million trees per year* is an opportunity for economic growth;
- *Commitment to relocate government functions into the regions* is an opportunity for economic growth;
- *Reform government procurement rules to give New Zealand companies greater access* may provide more opportunity for public private alliance;
- *Pilot the Youth Education, Training & Employment and Ready for Work initiatives* may provide opportunity for economic growth through local workforce development
- *Higher water quality standards for urban and rural using measurements which take into account seasonal differences* may have an impact on budget for infrastructure and lead to higher service delivery expectations.
- *Ensure work visas issued reflect genuine skills shortages* could impact the recruitment of engineers required for the Building (Earthquake Prone Buildings) Amendment Act 2016 programme;
- *Hold a Public Inquiry “A decade after Shand” to investigate the drivers of local government costs and its revenue base* may have an impact on future funding and LTPs;

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 benefits and costs, 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)	Nicki Brady Group Manager - Customer & Regulatory Services	
Approved by	David Clapperton Chief Executive	

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

The following motion is submitted for consideration:

That the public be excluded from the following part(s) of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

C1 Undefined Risks for Horowhenua District Council

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 6 and 7.	s6(b) - The making available of the information would be likely to endanger the safety of a person. s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. s7(2)(c)(i) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied.	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 6 and 7.