

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

**Date:** **Wednesday 29 April 2020**

**Time:** **1.00 pm**

**via Audio Visual Link**

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

### **OPEN AGENDA**

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#### **MEMBERSHIP**

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

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

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



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**1 Apologies**

**2 Public Participation**

Due to the COVID-19 situation, Council and Committee meetings will be held via audio-visual links. You will be able to watch a live-stream of these meetings via our website

<https://www.horowhenua.govt.nz/CouncilMeetingsLive>

A recording of the meeting will be made available shortly after the meeting has finished. A link to the meeting can be found at <https://www.horowhenua.govt.nz/Council/Your-Council/Council-Meetings-Live>

You can be a part of the decision making process by making a written submission that will be referred to during the meeting, by sending to [publicparticipation@horowhenua.govt.nz](mailto:publicparticipation@horowhenua.govt.nz) or by contacting our Governance Team on 06 366 0999.

**3 Late Items**

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

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

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

**4 Declarations of Interest**

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

**5 Confirmation of Minutes**

**5.1 Meeting minutes Finance, Audit & Risk Committee – 26 February 2020**

**6 Announcements**



# Health & Safety - Quarterly Report

File No.: 20/129

## 1. Purpose

To provide an update to the Finance Audit and Risk (FAR) Committee on health and safety matters at Horowhenua District Council for the six-month period January to March 2020.

## 2. Recommendation

- 2.1 That Report 20/129 Health & Safety - Quarterly Report be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

## 3. Issues for Consideration

As included in the attached Health & Safety Report for the January to March 2020 quarter.

## Attachments



No.	Title	Page
A	Health & Safety Quarterly Update Jan - Mar 2020	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)	Tanya Glavas <b>Health &amp; Safety Advisor</b>	
Approved by	Lisa Slade <b>Group Manager - People &amp; Culture</b>	



**Health & Safety Report**  
**1 January – 31 March 2020**  
**FAR Committee Meeting April 2020**

**Key Updates for this quarterly report:**

- The last Worksafe issued HSWA Improvement Notice for Aquatics was lifted on 10/02/2020
- All required Worksafe actions for Aquatics have been completed
- Health and Safety has been very busy ensuring information regarding Covid-19 is consistent and comes from the MOH, answering questions and concerns from staff about their wellness, stocking up on and delivering hygiene supplies to facilities, advising on health and safety issues specific to the pandemic situation and updating BCP documents.
- Flu vaccination dates booked for staff. These will depend on the Covid-19 Level restrictions.
- Bulk supplies have been purchased and will be stored in the CD storage space. These items are non-perishable and have been purchased in case of any emergency situation. We now have supplies that mean HDC can take care of its own hygiene and cleaning requirements.

**LEAD INDICATORS**

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

1 January – 31 March 2020	Mandatory/ Optional	Attendees in Report Period	Percentage Completed
First Aid Training (Role specific) Ongoing Refresher & Full course	Mandatory	6	83% (5 delayed Due to Covid-19)
Peoplesafe H&S Induction (New staff)	Mandatory	6	66% (3 delayed due to Covid-19)
Health & Safety Induction (New Staff)	Mandatory	6	66% (3 delayed due to Covid-19)
Ergonomic Assessment	Optional	8	As requested
Driver Assessment (Team group at a time)	Mandatory	0	Delayed due to Trainer availability and Covid-19
Mental Health First Aid	Optional	1	As required
Health and Safety Representative Stage 1 Training	Mandatory	3	90% (1 booked in June)
Lockdown Training (onsite at Te Takeretanga o Kura-hau-pō and Te Awahou Nieuwe Stroom)	Optional	23	As required
Crisis Resilience Workshop – Civic Building	Optional	63	As required



## 2. Emergency Evacuation Drills (2 per year)

Levin Aquatic Centre	No drill this period	
Te Awahou	February 2020	Completed
Foxton Aquatics due	February 2020	Completed
Te Takere	No drill this period	
Civic Building	January 2020 – actual evacuation caused by faulty sensor	

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

Contractor Numbers	Qualified in this Quarter	Pending in This Quarter	Expired in this Quarter	Qualified last Quarter	Pending last Quarter	Expired last quarter
68	17	14	0	12	27	12

- Work continues to progress in this area.
- Pending Approvals are new/current Contractors awaiting documentation to be completed.

## 4. Health & Safety Committee (HSC)

- Monthly meetings completed (3)
  - Wellbeing framework discussion. The objective is to empower employees to balance home and work life.
  - Employee Assistance Programme – discussion on grief counselling offered after colleagues' passing. Other options discussed such as Grief Counselling offered at Te Takere in the evenings. Information for this group emailed to the committee.
  - Corona Virus – Pandemic Planning, preparations for the Covid-19 virus. Options on what can be done to assist frontline staff to keep safe. Covid-19 Information posters to be put up in all team areas, along with hand washing hygiene in all toilets.
  - The message, to ensure that all information about hygiene at work, is to come from the Ministry of Health during the Covid-19 pandemic, to be reinforced for all conversations relating to that subject.
  - H&S Plan 2019 – completed evidence of actions. Developing 2020/21 Plan
  - Safe Plus Report recommendations – reviewing evidence of completion for H&S Committee sections. Incorporating Safe Plus recommendations into H&S Plan 2020/21.

## 5. Risk Management

- 11 site specific Significant Risk/Hazard Registers developed for Council sites with input from all site managers.
- Registers identify only significant site hazard/risks and have been reviewed by the Health and Safety Committee as relevant and appropriate.
- Risk Register review date is June 2020.

## 6. H&S Policy Document Progress

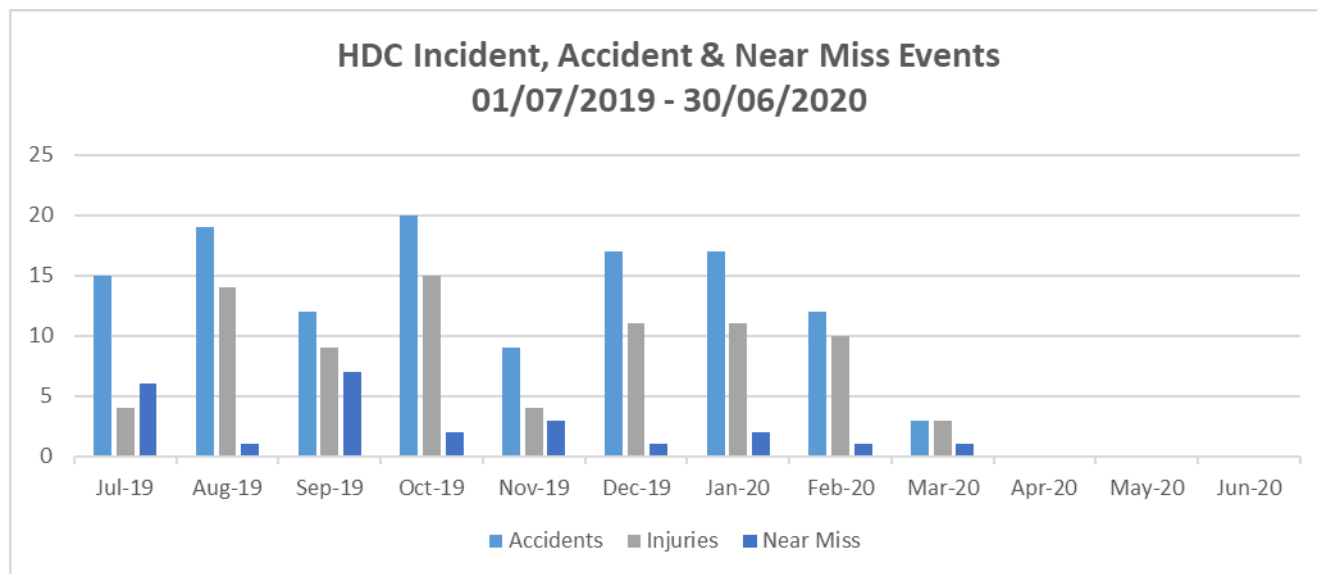
- Health and Safety Plan 2019 review completed and evidence of objectives and actions achieved has been documented.
- Health and Safety Plan July 2020 is being developed with objectives and actions drawn from the Safe Plus Report recommendation and Health and Safety Committee objectives. There are also objectives from the 2019 plan carried over to ensure continued improvement is developed through the annual plan.

## 7. Peoplesafe - Incident Reporting Database

- Improvement project underway from December 2019.
- Meetings held in January and February 2020 to develop plan for improvements
- Meetings held after lockdown are being completed via Zoom to ensure planned improvements can go ahead.

**LAG INDICATORS**

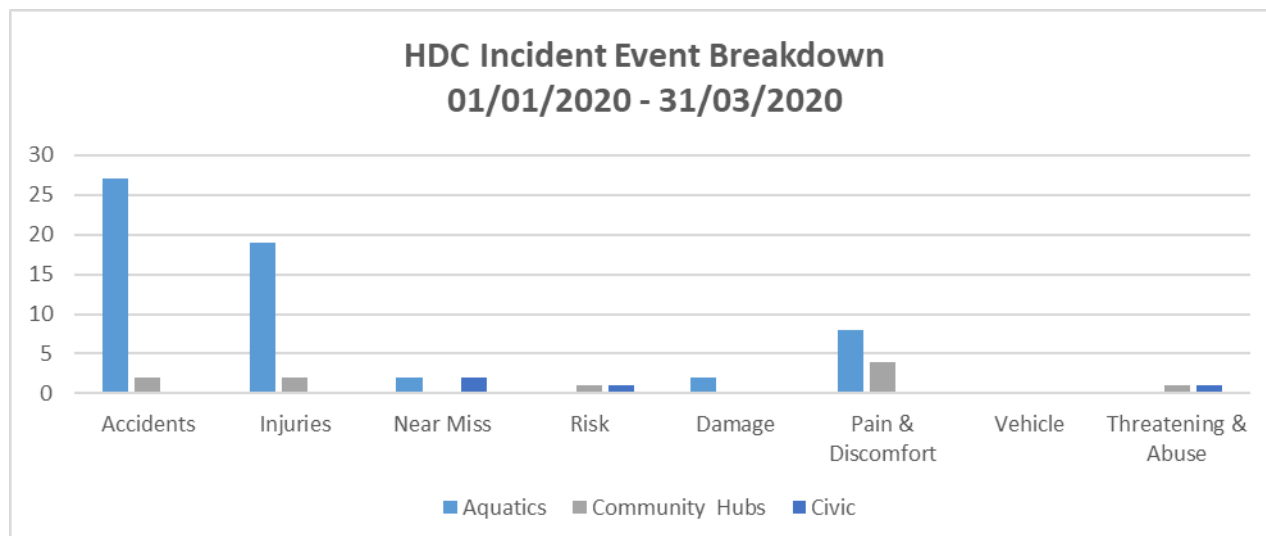
Table 1



Notable Incidents - Library & Community Centres January – March 2020				
Type	Number	Result	Action	Date
Fall down stairs. (February 2020)	1 Member of the Public	Elderly lady miss stepped in middle of 3 long shallow stairs in Te Awahou Nieuwe Stroom and fell. Supported by staff. Declined first aid support or to call an ambulance. After a rest, she was able to walk out by herself.	H&S Advisor completed a H&S review of the stairs at TANS and Te Takeretanga o Kura-hau-pō. Recommendation: Two more handrails to be installed to offer grab support as stairs are very wide. 'Use Handrail' signage at top and bottom of stairs at TT to be installed.	Review completed end of February. Manager received report in March.

Notable Injuries - Aquatics Horowhenua January – March 2020				
Type	Number	Result	Action	Date
Back injury – Thoracic Sprain (January 2020)	1 Staff Member	Staff member was moving an inflatable and injured his back. ACC claim and 5 days off work.	Policy reviewed. Procedures were in place for multi person lifting of heavy or difficult items. This has been reinforced to all staff to ensure 2-3 people available for moving the inflatables onto trolleys used to move the large items easily.	February 2020

Table 2

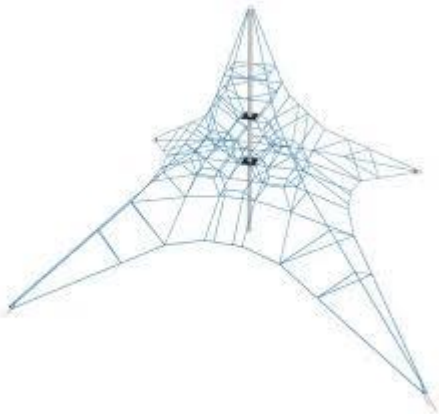


Risk – Threatening Behaviour – Library & Community Centres January – March 2020				
Type	Number	Result	Risk	Response
Aggressive and Abusive behaviour by members of the public (March 2020)	1 Staff member	Staff member serving at the AA Counter was abused verbally, after following NZTA rules and advice over the phone, to ensure correct name is used on documentation. The transaction was completed and person left before the situation escalated to police call.	Mental and emotional harm from verbal abuse. Situation can escalate from verbal to physical quickly. Members of the public can step in to protect the staff member, but escalate the situation.	Support from NZTA with an Authority Number, ensuring the staff member was correct in questioning the name discrepancy. Staff training in crisis resilience, de-escalation techniques and keeping yourself safe. Support from staff in the area who witnessed the abuse.

Risk – Threatening Behaviour – HDC Civic January – March 2020				
Type	Number	Result	Risk	Response
Aggressive and abusive behaviour by members of the public (January 2020)	1 Staff member	2 staff members going to talk to members of the public who have been parking their vehicles on the Village Green near the Paul Ireland Skate Park (not the first time staff have talked to people parking there). Only one staff member approached the group. One of the vehicle owners took offense to the staff member approaching his vehicle and verbally abused him then swung a punch at his head. The staff member deflected the blow. Police were called and the other staff member came and support his colleague.	Physical harm from violence. Mental and emotional harm from verbal and physical abuse.	Police investigated and caught the person involved. Staff member asked police not to charge the person. Police issued a warning to the person. Staff member was supported by colleague and Manager. Staff training in crisis resilience, de-escalation techniques and keeping yourself safe. Two person teams to continue going to situations where there is risk.

Type	Number	Result	Risk	Response
Aggressive and abusive behaviour by members of the public (January 2020)	2 Contractors	During kerbside recycling collection a resident became upset when the contractor would not collect her bin due to glass contamination. After yelling at the contractors she threw a glass bottle at them as they drove away. Bottle missed hitting either of the contractors involved.	Injury from the physical violence. Mental and emotion harm from verbal and physical abuse.	Contract Manager emailed the Company to check in on staff members involved. H&S Advisor emailed and phoned Company to check if support required. No support required and Company completed a review.

**HEALTH AND SAFETY EVENTS THIS QUARTER**

What happened?	Problem Analysis	Lessons Learned	Moving Forwards	Date Completed Updated
<p>16/12/2019 Levin Adventure Park Near Miss during the installation of Tetragode 9300 Pole and climbing net. The middle pole slowing fell over to the ground after crane support had to leave the site and only 3 sides of the net were attached to ground plates. 6.30pm</p> 	<p>Crane support had left before pole secured. Low number of qualified staff from installation company. Losing tension in the structure net on one side of the Tetragode. Ensure contractors and sub-contractors understand their over-lapping responsibilities with HDC. Multiple contractors and companies involved and shared responsibilities because of land ownership and installation responsibilities. I.e. crane company, Play Equipment provider, installation company, Levin Adventure Park Trust, HJDC Project Manager</p>	<p>Crane always needed to support the pole in the process of installation (until the net has been completely contacted to the anchors and tensioned)</p>	<p>Detailed installation plan to be used to ensure repeat of near miss does not happen again.</p>	<p>Installation of the Tetragode 9300 was completed at the end of February. On 2nd March 2020 Playsafe, an independent playground inspector, completed a final inspection on the Tetragode and certified the structure, as well as the cushion fall.</p>
		<p>Sufficient number of qualified staff need to be onsite for this installation process.</p>	<p>Contractors to understand/read requirements of installation procedure from parent company</p>	<p>December 2019</p>
		<p>Improve time management with focus on providing buffer time in case installation stalls</p>	<p>SOP development to allow harden time for foundation plates, crane availability on site, enough workers for installation</p>	<p>Dec 2019 – Feb 2020</p>

What happened?	Actions Taken Immediately	Communication	Moving Forwards	Date Completed
<p>2/3/2020 intersection of Queen Street and Cambridge Street. Contractor company have been on the site for 8-weeks conducting sewer and water renewals. A drainage crew were excavating a section of road in preparation of installing a sump. Service plans and permits were on site and the services had been marked out by a PowerCo authorised agent. The service plans indicated a 32mm PE low-medium pressure gas lateral in the vicinity. The plans and mark out indicated the gas pipe was 2-3 metres away from the planned area of excavation. Prior to commencing the work, the Foreman ran the locator over the intended work area to verify mark out and service plans. The main excavator operator took a break at 1pm and a secondary operator was widening the excavation when he struck the gas pipe with the bucket – tearing a hole in the line. The operator immediately shut down the excavator and evacuated the area including evacuation of a local business within 20m of the strike.</p>	<ul style="list-style-type: none"> <li>• The Project Manager was notified immediately, who in turn contacted PowerCo.</li> <li>• The occupants of Tony's Tyre Service were immediately evacuated.</li> <li>• The intersection was fully closed down and traffic diverted.</li> <li>• The Foreman notified other local business and used the gas detector to test buildings for gas build up.</li> <li>• Emergency services (Fire) were called to assist with suppressing the leak with water spray and Police assisted with keeping the roundabout closed to road-users.</li> <li>• A gas technician responded to the incident to conduct the repair.</li> <li>• TDDA called and conducted site testing.</li> <li>• The client and Worksafe were both Notified.</li> </ul>	<p>Contractor has completed a draft of a 5 Why Investigation Report which HDC has received. The incident was dealt with in a professional and safe manner. The H&amp;S Advisor from HDC and the EHS Advisor from the Contractor company are in communication to ensure clarity and understanding of how the company will handle this incident and if HDC can support due to the over-lapping duty responsibilities involved.</p>	<p>HDC awaiting completion of the 5 Why Investigation Report. Worksafe have not started an investigation into this incident.</p>	<p>5 Why Investigation Report Draft completed 9/3/2020</p>

Report by Tanya Glavas  
**Health & Safety Advisor**





# Projects Update

File No.: 20/67

## 1. Purpose

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

## 2. Recommendation

- 2.1 That Report 20/67 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. Issues for Consideration

As provided in the **attached** reports.

## Attachments



No.	Title	Page
A	Project Report - Tokomaru Water Supply	18
B	Project Report - Tokomaru Wastewater Discharge	23
C	Project Report - Foxton Beach Stormwater Consent	27
D	Project Report - North East Levin Stormwater	31
E	Project Report - Levin Wastewater Discharge	35
F	Project Report - Foxton Wastewater Discharge	40

### 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)	Kevin Peel <b>Group Manager - Infrastructure Operations</b>	
Approved by	David Clapperton <b>Chief Executive</b>	

# Tokomaru Water Supply - Overview

## Project Overview Summary

### Project objective:

Renew water take consent(s) for Tokomaru Water by 30 March 2020, within budget.

Current Status	What's Needed?	Key Dates
<ul style="list-style-type: none"> <li>• Application has been lodged and was notified. Submissions closed October 2019. Two submissions received, both in support.</li> <li>• CIA by Ngati Whakatare completed.</li> <li>• Approvals obtained from Department of Conservation, Drinking Water Assessor, TMI Rangitaane and Fish &amp; Game.</li> <li>• <b>Response to draft conditions provided to Regional Council March 2020; waiting for response / discussions.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Agree draft conditions with Regional Council and submitters.</li> </ul>	<ul style="list-style-type: none"> <li>• Existing consent will continue to be active until new consent is resolved.</li> <li>• Draft conditions received from Regional Council 21 November 2019.</li> </ul>

### Overview of project:



#### Abstraction from Tokomaru River

Infiltration gallery below bed of the river, Horseshoe Bend. There are no structures in the flowing water.



#### Treatment & Storage

Membrane filtration treatment plant located on Tokomaru East Road. Approx. 500 m<sup>3</sup> (2 days) of storage.



#### Community Served

Tokomaru Village & some rural residential properties. Properties outside of the village and any non-residential uses are metered.

- 222 connections of which 34 are metered

Growth is projected. There is residential and greenbelt residential land zoned to the north of the village. Council's Growth Strategy 2040 also identified potential additional growth areas.

**Existing Consent**

- Abstract up to 864 m<sup>3</sup>/day, at maximum rate of 36 m<sup>3</sup>/hr
- No conditions for metering of abstraction
- No conditions requiring water conservation measures

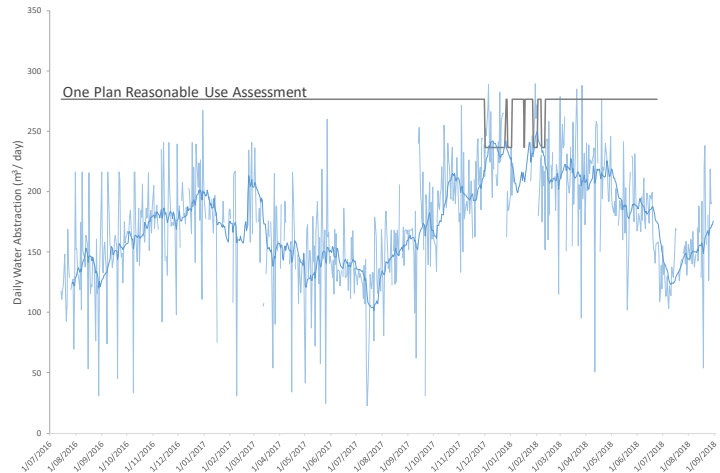
**Consent sought**

- Reduced consent limits to better match demand, but retain higher abstraction rate when needed to fill up storage
- Abstraction metering & telemetry
- Water conservation measures at times of low flow
- Optimise use of storage to reduce abstraction as much as possible during times of minimum flow

**How much water does the community use?**

This graph shows the community's use over the last two years.

The graph shows the water abstracted compared to what would be considered "reasonable and justifiable" under the One Plan policies (grey line). Where the grey line drops down, this is when the River flow was below minimum flow and water conservation measures would be expected to be implemented under the One Plan.

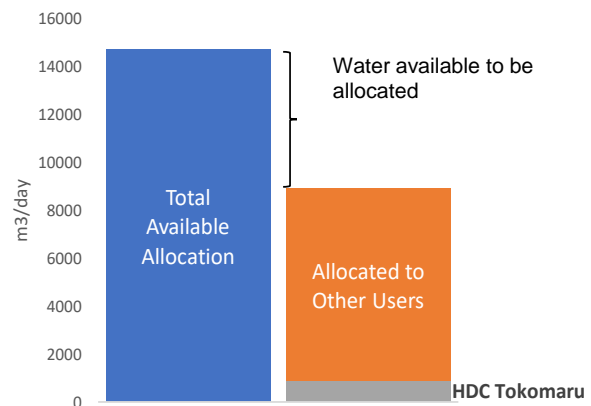


**Water Allocation & Ecological Effects**

Under the One Plan's allocation regime, 61% of the cumulative core allocation for the zone is allocated.

HDC's current allocation for Tokomaru represents 6% of the cumulative core allocation.

The One Plan provides for community takes to continue (with water conservation measures in place) when the River is below minimum flow (240 L/s). An ecological assessment found that the effects of the abstraction when the River is below minimum flow are less than minor.



**Work to date:**

Consent application has been lodged and a s92 request for further information has been responded to. Consultation has been undertaken with key stakeholders as noted below.

The application is currently being processed by Regional Council. The application was publicly notified by Regional Council on 6 September 2019. Submissions closed 4 October 2019.

Two submissions were received, both of which support granting of consent.

Draft conditions were received from Regional Council 21 November 2019. These have been discussed internally and HDC has confirmed its position. **A response to the draft conditions was provided to Regional Council in March 2020 and their technical team is currently considering the requested changes.** The draft conditions are generally acceptable with the exception of a low flow restriction on abstraction. The draft conditions require abstraction to be reduced to 237 m<sup>3</sup>/day at times of low flow. In this situation, if there are extended periods of low flow then supply may be affected. The draft conditions also do not provide for the low flow abstraction limit to be increased as the community grows. An amended suite of conditions has been developed **and has been provided to the Regional Council for their consideration. The amended suite of conditions is seeking the following:**

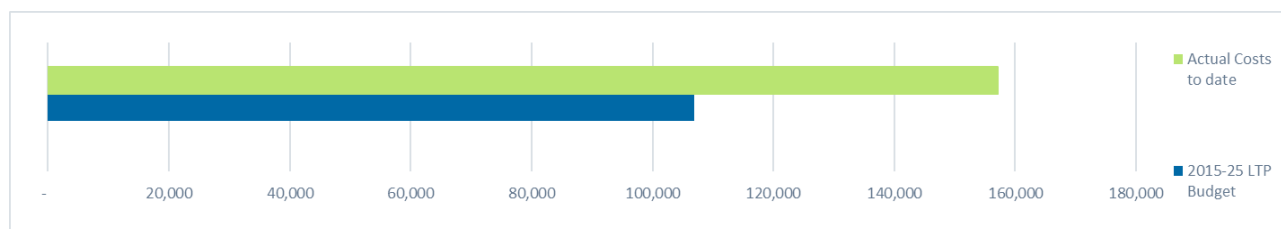
- Expression of the abstraction limit as a 90th percentile which will enable filling of the reservoir following drawdown when managing for low flow conditions.
- An additional condition to enable take above the low flow limit in certain circumstances for continuity of supply
- An ability to increase low flow take as the community grows.
- Amendments to reporting requirements to align timelines.

Draft conditions indicate an expiry date of 2038.

### Financials:

The funding arrangements are reserve funded.

The proposed cost of the project is \$106,910 over the expected lifespan of the project.



### Risk Management:

Risk Area	Risk Description	Initial (GAR)	Initial Risk Assessment without application of a control	Control applied	Residual Risk Assessment (GAR)	Residual Risk Assessment
<b>Strategic</b>	Potential for Quantity of Water allocated to be insufficient for growth.	4C/3L	Significant	Application proposed consent conditions to be structured to allow for further approval at time of growth in the community. HDC proposed amendments would enable growth. This is yet to be agreed with Regional Council. Ensuring water sensitive design.	3C/3L	Significant

<b>Financial</b>	Notification leading to hearing and appeal costs.	4C/4L	High	Consultation and engagement with key stakeholders during submission period. Proceed quickly to pre-hearing to focus on RMA issues. Submissions closed with two in support.	4C/1L	Low
<b>Service Delivery</b>	Consent decision may include significant constraints on take at minimum flow.	4C/4L	High	Interrupted service delivery and extended water restrictions. Significant cost associated with storage to mitigate. Conditions sought by HDC will mitigate this risk, but this is yet to be agreed with Regional Council.	4C/3L	Significant

#### Risks Traffic Light Key

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

#### Communication and Key Stakeholders:

Engagement is ongoing with Ngāti Whakatere and a Cultural Impact Assessment has been commissioned. This was received end of 2019. Recommendations from the CIA were:

1. *HDC agree to enable regular stream health and mātauranga Māori monitoring of the Tokomaru Awa, where possible with annual participation from ngā kura (Tokomaru and Shannon schools) to build intergenerational kaitiaki capacity;*
2. *HDC agree to resource the capacity of Ngāti Whakatere and collaborate directly with the hapū to manage the Tokomaru water supply take and other activities at the Horseshoe Bend Reserve significant area/site;*
3. *HDC agree to resource Ngāti Whakatere to collaborate with Council to develop communication (possibly signage or an information whare similar to Tū te Manawa) acknowledging the cultural significance of the Horseshoe Bend Reserve area; and*
4. *Regular meetings between HDC and Ngāti Whakatere representatives are needed to progress and achieve these recommendations.”*

TMI Rangitaane have been consulted and have provided a letter of support.

Written approval has been obtained from Department of Conservation, Fish and Game Council and a letter of support has been received from the District Health Board.

Two submissions received were in support of grant of consent. No submissions were received in opposition.

**Timeline:**



# Tokomaru Wastewater Discharge - Overview

## Project Overview Summary

### Project objective:

The project's aim is to:

- (a) agree on a renewed five (5) year discharge consent to water with Horizons Regional Council and key stakeholders;
- (b) with the community and key stakeholders, agree on a long term treatment and discharge option before 2022.

Current Status	What's Needed?	Key Dates
<ul style="list-style-type: none"> <li>• Council commitment to land based, long term disposal.</li> <li>• Short term consent sought for discharge to water to provide time to investigate, design, and consent land based option.</li> <li>• MfE Funding assisted with purchase of land.</li> <li>• Work on the long term land disposal project has been initiated.</li> <li>• Wastewater Working Group has been established.</li> <li>• Long Term Project commenced.</li> </ul>	<ul style="list-style-type: none"> <li>• Resolve short term consent with Horizons and submitters.</li> <li>• Investigations Phase of Long Term Treatment and Disposal Project. - <b>In progress with timeframe from March-October 2020.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Council hopes to have short term consent resolved early 2020 - <b>now likely mid 2020</b></li> <li>• Pre-hearing meeting was held 27 February and revised draft conditions <b>have been circulated to submitters. 9 of 15 have agreed to draft conditions; 1 has not accepted draft conditions; 2 have not responded and 3 are in discussions.</b></li> <li>• Collaborative working on long term treatment and disposal option - Long Term consent application to be lodged no later than December 2022.</li> </ul>

### Overview of project:



## Work to date:

### Short-Term Consent

- The existing wastewater discharge is a combination of discharges to ground via the base of a wetland and also discharges direct to Centre Drain at times of high flow.
- A short term (5 year) consent has been sought to allow the status quo operation while the long term land disposal option was progressed.
- The short term consent was publicly notified and a pre-hearing meeting held. The application was on hold while draft conditions were agreed between District and Regional Councils. This included engaging ecologists to develop a monitoring programme which is now being implemented.
- Ngati Whakatere has been engaged to undertake a Cultural Impact Assessment which was completed late 2019.

Conditions for the short-term consent have been agreed with Regional Council and **were circulated to submitters throughout 2019**. The Wastewater Working Group was convened on 27 February 2020. A pre-hearing meeting was immediately after the Working Group's initial meeting for that purpose. At that meeting, a short term consent expiry date of June 2023 was agreed reflecting the proposed lodgement date for the long term option of December 2022. Some minor revisions to the draft conditions were agreed and Regional Council circulated the revised draft conditions to submitters requiring feedback by 20 March 2020. **Current status of submissions is that:**

- 9 have agreed to draft conditions
- 1 has advised they do not accept the draft conditions
- 2 have not responded
- 3 have responded with comments, and discussions are ongoing.

### Long Term Land Based Treatment Option

Council has made a commitment to working with iwi and the community to investigate and implement a long term land based treatment option. **Stakeholder (Working Party) feedback has been that they wish to ensure all options to remove wastewater discharge to water are explored.**

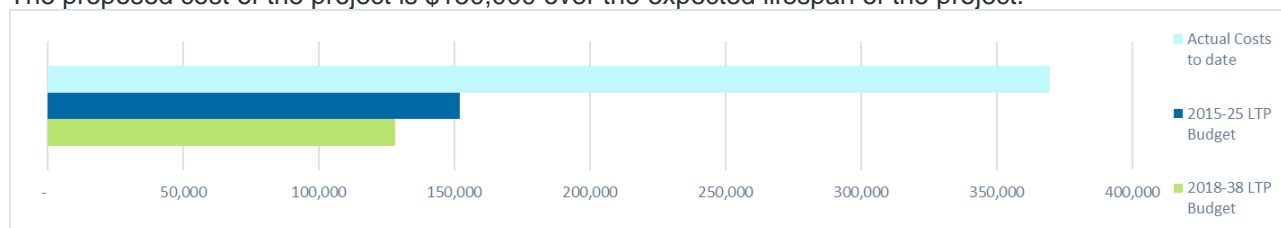
Central government funding has been secured and this has assisted Council to purchase land which is considered suitable for the purpose.

Work is underway on this project with the Wastewater Working Group having been established and the Investigation Phase **commenced March 2020 and is intended to run through to October 2020**. **A key part of this work includes inflow & infiltration assessments (as requested by stakeholders) as well as planning as to how growth areas may be serviced and impacts on wastewater flows over the life of the long term solution.**

## Financials:

The funding arrangements are loan funded.

The proposed cost of the project is \$150,000 over the expected lifespan of the project.





## Risk Management:

Risk Area	Risk Description	Initial (GAR)	Initial Risk Assessment without application of a control	Control applied	Residual Risk Assessment (GAR)	Residual Risk Assessment
<b>Strategic</b>	Potential for HRC to determine not to grant consent.	4C/1 L	Low	Ensure that community is clear that this is a short-term consent to allow for investigation of land based option. Hearing may be required if submissions not resolved. Regional Council support proposed conditions.	4C/1 L	

Risks for long term project are currently being identified.

### Risks Traffic Light Key

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

## Communication and Key Stakeholders:

Council has been engaging with submitters on the short-term discharge consent application as noted above.

A draft consultation plan has been developed for the long term land based disposal project. That plan identifies the likely matters of consultation to include:

- “ Disseminating and communicating information as to how the wastewater services are provided, the quality and amount of discharges, and the Council's understanding of the effects of those discharges on land, water and air quality.
- Obtaining an understanding from tangata whenua as to the effects of the discharges to land, air and water receiving environments, and the relationship of tangata whenua and their culture and traditions with their ancestral lands, water, sites, waahi tapu and other taonga, as well as the ability of tangata whenua to exercise kaitiakitanga.
- Obtaining an understanding from affected parties as to their concerns with the wastewater discharges and how these may be mitigated.
- Working with tangata whenua and with stakeholders to identify and obtain input into the assessment of options for treatment and mitigation.
- Working with community to understand the servicing requirements and desired outcomes.

*In undertaking consultation, Council and its appointed consultants and technical experts will:*

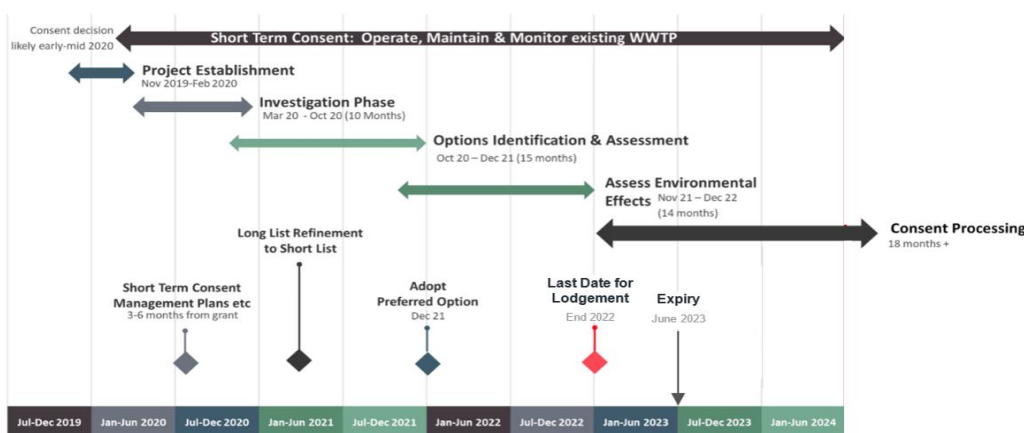
- *be flexible and adaptable to the needs of all parties.*
- *be open with science, data and technical information, and will provide ready access to technical experts.*
- *facilitate a collaborative process and will be proactive about seeking a common understanding of effects and identifying options for mitigation.”*

The Consultation Plan is a living document and HDC intends to conduct an adaptive consultation process which can be flexible to fit the needs of the parties being consulted. Early engagement will focus on identifying the preferred means of engagement, the best methods for provision of information and the type of information and discussions sought.

This notwithstanding, the proposed consultation methods at this time are as follows:

- Separate engagement with each of the three tangata whenua groups and their respective hapu / marae (Ngāti Raukawa ki te Tonga, Ngāti Whakarete and Rangitāne o Manawatu):
  - Initial meetings to establish relationship, provide overview of the project and establish process and scope for consultation and engagement.
  - Liaison as necessary to confirm engagements (scope, timing, costs) for Cultural Impact Assessments.
  - Separate hui with each group throughout the project. The purpose of each hui to be agreed prior to meeting but is likely to include updates on work programme including monitoring and investigation results and outcomes, discussion and understanding of cultural impacts, and workshop style discussions as to potential mitigations.
- **Ngati Whakarete has advised they are considering how they wish to be engaged with during the long term project; site meetings and initial discussions have been held with Rangitāne (February-March 2020) and initial discussion has been held and information is being provided to Muaūpoko Tribal Authority to ascertain if MTA has an interest in the project.**
- Directly Affected Parties: Meetings / workshops with each of these groups during the course of the work programme.
- Tokomaru Wastewater Working Party: Meetings twice yearly during the course of the work programme.
- Wider public consultation: To be undertaken through HDC communications and website, with project newsletters / updates and requests for feedback / comment.

## Timeline:



# Foxton Beach Stormwater Consent

## Project Overview Summary

### Project objective:

To agree on stormwater discharge consent with Horizons Regional Council and key stakeholders.

Current Status	What's Needed?	Key Dates
<ul style="list-style-type: none"><li>• Consents are required for Council's stormwater discharges to the Manawatu Estuary.</li><li>• An application for consent is currently being prepared.</li><li>• Monitoring and engagement with mana whenua is ongoing.</li></ul>	<ul style="list-style-type: none"><li>• Ongoing engagement with mana whenua.</li><li>• Ongoing stormwater monitoring to confirm quality of discharges.</li><li>• Ecological effects assessment.</li><li>• Consultation with affected parties.</li></ul>	<ul style="list-style-type: none"><li>• A draft application has been prepared. Lodgement dates will depend on consultation timing and effects assessment timelines.</li><li>• Intend lodging April - May once plans for Holben wetland are confirmed.</li></ul>

### Overview of project:

The project is to obtain stormwater discharge consents for the existing stormwater network.



The discharge points are shown in the diagram above. There are five discharges direct to the Estuary, some seepage to ground through the attenuation ponds, and some discharges direct to Whitebait Creek.

Council's policy is that properties are required to provide on-site stormwater management (generally through soak pits). The consent application is for Council's stormwater network only and doesn't include the on-site soakage pits on private property.

Some of the discharges are direct to the Estuary (eg those on Dawick, Robbie, and Hartley Streets). The Holben stormwater discharge is a pumped discharge and includes some attenuation and treatment via the plantings and detention areas in the reserve and recreational areas. There are also attenuation ponds in the subdivision to the north-east of the community.

### Work to date:

Modelling of the network has been undertaken to assess network capacity, flooding areas and estimated stormwater quantities.

A monitoring programme of the quality of the stormwater discharges and the effects on the Estuary is underway.

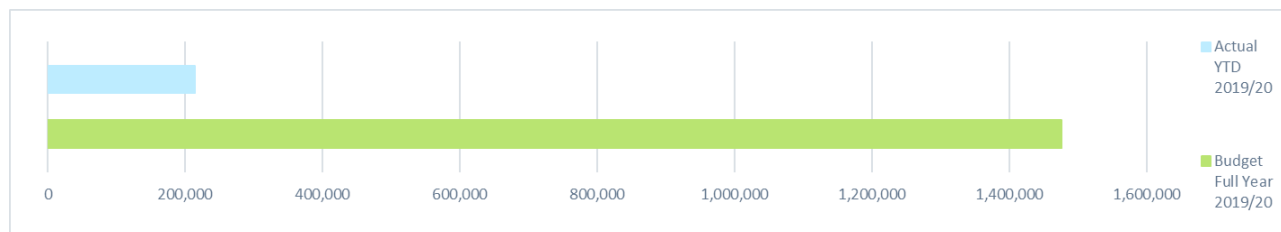
An ecological effects assessment is in progress. The first stage has been to assess likely risks so that the monitoring programme can be refined, and a more detailed effects assessment is now being undertaken in conjunction with the monitoring programme which is being implemented. Consultation is ongoing with iwi groups to develop a framework for cultural health monitoring and undertaking cultural impact assessments.

Monitoring results to date indicate elevated concentrations of zinc, phosphorus and E.Coli have been identified in the discharge from Linklater Ave catchment. Potential sources for these contaminants are currently being investigated. **An interim ecological effects assessment has been completed which has identified elevated levels of E Coli in various locations, as well as high levels of zinc in one of the smaller catchments. An investigations programme is being developed to be implemented once site work restrictions are lifted in order to identify sources of the contaminants and develop remedial programme of actions.**

Council is also working on a proposal to provide stormwater treatment with the Holben Reserve which will assist to improve stormwater quality prior to discharge to the Estuary. The Council's Parks Team is working on this proposal which intends to treat stormwater from the Holben catchment via a new wetland in Holben reserve. The wetland design objective will be to meet receiving water environmental standards prior to discharge. This proposal significantly assists the consenting process as it means that Council can commit to meeting receiving water targets for a significant portion of the urban stormwater which is also the portion that discharges to the most sensitive part of the Estuary.

### Financials:

Budget for Foxton Beach Stormwater Consent is part of a wider Stormwater District Wide budget. So far this year \$180,535 has been spent on the consent.



### Risk Management:

Risk Area	Risk Description	Initial (GAR)	Initial Risk Assessment without application of a control	Control applied	Residual Risk Assessment (GAR)	Residual Risk Assessment
<b>Strategic</b>	Potential for HRC to determine that consent should not be granted.	4C/2 L	Significant	Detailed documentation in the consent application to show that the discharge is controlled effectively. Provide for time and cost for hearing process if needed.	3C/2 L	Moderate
<b>Financial</b>	Cost of hearing and potential appeal process	3C/4 L	Significant	Pre-lodgement consultation. Manage process and pre-hearing discussions to focus on RMA matters as far as possible.	3C/3 L	Significant
	Mitigation costs to address potential effects / consent conditions	3 C/ 3L	Significant	Ensure clear messaging re low risk stormwater system. Effects evidence-based assessment of need for mitigation.	2 C/ 3L	Moderate

### Risks Traffic Light Key

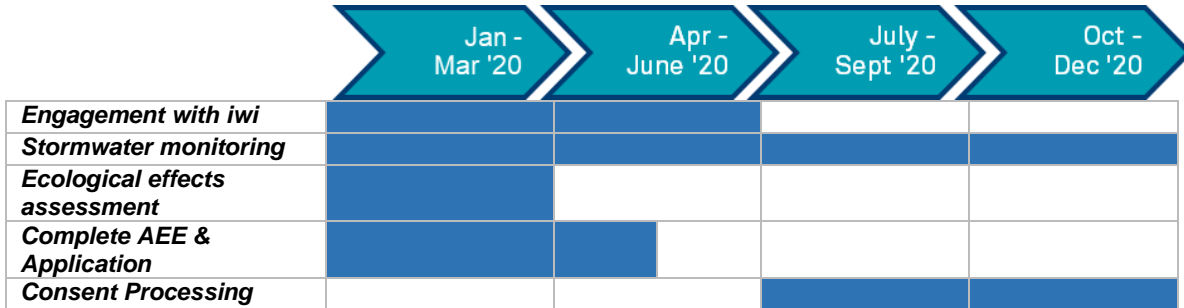
Likelihood	Consequence				
	1 - Very minor	2 - Minor	3 - Moderate	4 - Major	5 - Catastrophic
5 - Almost certain	Low	Moderate	Significant	Extreme	Extreme
4 - Very Likely	Low	Moderate	Significant	High	Extreme
3 -Likely	Low	Moderate	Significant	Significant	Extreme
2 - Unlikely	Low	Low	Moderate	Moderate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

### Communication and Key Stakeholders:

Consultation is ongoing with iwi groups. Discussions have been held with Te Runanga o Raukawa and Rangitaane and feedback received on the monitoring programme. Further feedback is sought on cultural health monitoring and processes to undertake cultural impact assessment(s). Monitoring sessions will be carried out with Raukawa hapu for sharing of information (cultural values, monitoring procedures) and upskilling.

Consultation with the community, Department of Conservation and Fish and Game will also be required.

**Timeline:**



# North East Levin Stormwater (Discharge to Koputaroa Stream Tributary)

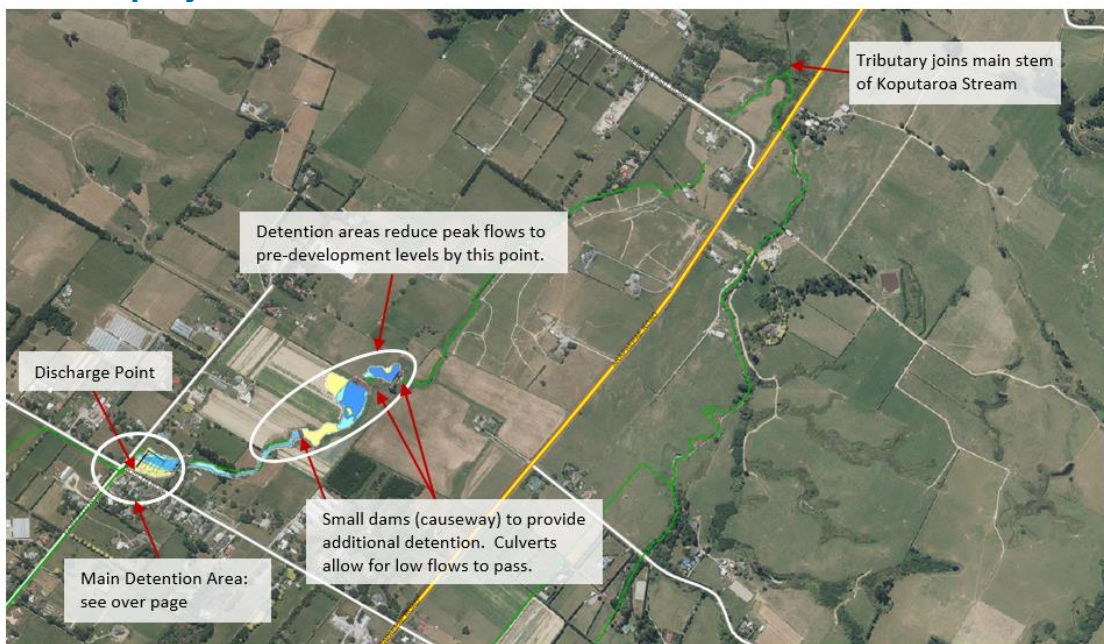
## Project Overview Summary

### Project objective:

To obtain resource consents for additional stormwater discharge to the Koputaroa Stream tributary by December 2019.

Current Status	What's Needed?	Key Dates
<ul style="list-style-type: none"> <li>• Consent required due to increase and change in stormwater that will occur from land use change (residential development).</li> <li>• Application lodged.</li> <li>• Revised AEE submitted 28 June and being processed by Horizons.</li> <li>• Regional Council notification report assessed effects less than minor except for cultural effects which are not yet resolved.</li> <li>• Submissions closed 23 October.</li> </ul>	<ul style="list-style-type: none"> <li>• Work with Regional Council (Rivers) to identify/confirm appropriate mitigation.</li> <li>• <b>Agreement on without prejudice basis has been achieved with Regional Council</b></li> <li>• Engage with submitters on proposed mitigation.</li> <li>• Pre-hearing meeting.</li> <li>• <b>Commencing to work with NZTA re O2NL implications</b></li> </ul>	<ul style="list-style-type: none"> <li>• Pre-hearing may be held 2020.</li> <li>• Hearing to follow if unable to resolve via pre-hearing.</li> </ul>

### Overview of project:



**Reason for Consent**  
Increase in stormwater flows and change in composition due to rezoning and future residential development in North East Levin; redirection of some stormwater away from Lake Horowhenua.  
Consent is also required for construction of mitigation measures (detention areas).

**Proposed Mitigation**  
Council has purchased land at discharge point and will create a treatment and detention area (see over page).  
Additional detention areas proposed on tributary stream.  
Embankments & culverts to be designed for fish passage.  
Erosion & Sediment Control Plans for construction of detention areas.

**Effects Assessment**  
Detention areas designed so that there is no increase in flow in the Koputaroa Stream.  
Ecological assessment considered effects of discharge to be less than minor. No concerns regarding the construction of the detention areas. Recommend fish recovery during construction.  
Planting & maintenance plan to be developed.

## Detention Area Proposal in more detail:



In low flows, stormwater travels through the first stage of the detention area in a zig-zag manner to maximise travel time; this area will be planted with wetland type species to treat stormwater. Planting plan is to be confirmed with iwi and Horizons. The embankment includes a low-level culvert to ensure low flows can continue to flow downstream. In high flows, detention is provided to capture and treat peak runoff. Peak discharge in 100 year event will be less than existing.

### Work to date:

- Cultural Impact Assessment by Muaūpoko Tribal Authority.
- Lodgement of consent application and responses to s92 requests.
- Development of mitigation proposals and design of attenuation area to increased stormwater flows and provide treatment at the discharge point.
- Engagement with mana whenua and landowners on tributary.
- Water quality monitoring & ecological assessment.

A notification decision provided by Regional Council summarised the Regional Council's technical assessment of the information submitted by Regional Council. That assessment identified the effects (after construction of the proposed attenuation areas) were considered less than minor with the exception of cultural effects as cultural impact assessments had not yet been made available from Raukawa or Rangitaane. A CIA has been commissioned from Raukawa. A formal CIA has not been received, however a cultural values statement has been provided by Raukawa. Rangitaane has provided a letter of support.

District Council met with representatives of downstream landowners and has agreed to work with Regional Council to identify any mitigation options which could address issues associated with capacity and performance of the Koputaroa Drainage Scheme including from receiving stormwater from the existing urban area. This work has been discussed with Regional Council (Rivers) and is in progress.

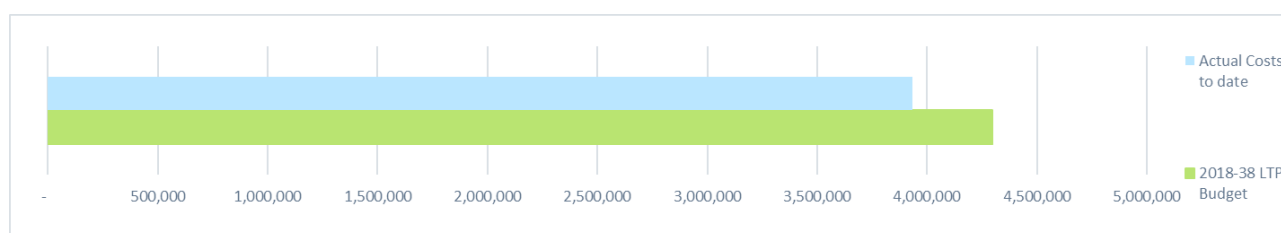


The application was notified and submissions closed 23 October 2019. Sixteen submissions were received of which two are in support and the remainder in opposition. The majority of submitters in opposition are seeking pumping at downstream end of Koputaroa Stream with some also seeking raising of Tavistock Road. These options are being considered at present.

Council is engaging with Horizons Rivers Group and other submitters to seek to identify acceptable mitigation options that will enable consent to be granted. **Council has agreed with Regional Council Rivers Group, on a without prejudice basis, to mitigation measures to address any potential effects on the Koputaroa Drainage Scheme. Draft conditions are being developed and the next steps will be to engage with the other submitters.**

### Financials:

The budget for the consent for additional stormwater discharge to the Koputaroa Stream tributary is part of the wider Improvements to NE Levin project.



### Risk Management:

Risk Area	Risk Description	Initial (GAR)	Initial Risk Assessment without application of a control	Control applied	Residual Risk Assessment (GAR)	Residual Risk Assessment
<b>Strategic</b>	Potential for consent not to be granted. Impact on development in NE sector.	3C/2 L	Moderate	Effects assessment. Clear messaging to the community on the benefits. Costs to be incurred for notification and hearing process if necessary.	3C/2 L	Moderate
<b>Financial</b>	Potential for notification & hearing costs / delays.	3C/4 L	Significant	Manage process and pre-hearing discussions to focus on RMA matters as far as possible.	3C/3 L	Significant

### Risks Traffic Light Key

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

## Communication and Key Stakeholders:

A draft Cultural Impact Assessment has been completed by Muaūpoko Tribal Authority; concerns raised were potential damage of significant sites, leakage to streams and springs, accidental discovery of taonga, and stream's capacity for additional flow and velocity. MTA recommended that consent be granted with conditions that address these concerns. HDC has accepted the conditions recommended by MTA and incorporated these into the application.

Engagement and high-level discussion with Raukawa. Kereru marae have been engaged to prepare a CIA (2017). A formal CIA has not been provided, however Raukawa have developed and provided a cultural values statement.

Regional Council advised they require consultation with Rangitaane o Manawatu as the Koputaroa Stream feeds into the Manawatu River which is within Rangitaane's Statutory Acknowledgement Area. Consultation with Rangitaane has been undertaken and Rangitaane have provided a written letter of support.

Landowners where works are proposed have previously been consulted with and are generally supportive of the proposals. Further engagement with these landowners as well as downstream parties is currently being carried out. Landowners on Koputaroa Stream have expressed significant concerns with potential downstream flooding effects and have submitted in opposition. Council is currently engaging with submitters to seek to identify appropriate mitigation to enable consent to be granted.

NZTA has advised they have no concerns with the proposal and did not submit.

## Timeline:

	Jan - Mar '20	Apr - June '20	July - Sept '20	Oct - Dec '20
<b>Engagement with affected parties</b>				
<b>Pre-hearing</b>				
<b>Potential Hearing</b>				

# Levin Wastewater Discharge

## Project Overview Summary **April 2020**



### Project objective:

The Levin Wastewater Discharge upgrade project aims to renew the consent to continue the discharge of wastewater to the property known as the Pot, at Hokio Sand Road, Levin. To achieve this objective the irrigation regime including operation and infrastructure requires upgrading, and various mitigation measures require investigation for potential installation at The Pot or in close proximity to The Pot.

Current Status	What's Needed?	Key Dates
<ul style="list-style-type: none"> <li>❑ Final proposed conditions and HDC closing/right of reply have been submitted to the Hearings panel.</li> <li>❑ The Right of Reply is being accompanied with letters of support by submitters for conditions and 25 year term.</li> <li>❑ Activities at The Pot deemed "non-essential" have been put on hold during Level 4 restrictions.</li> <li>❑ Activities will resume at lower levels in line with government requirements, on a case basis.</li> <li>❑ Preparation for planting set to resume as soon as possible after Level 4.</li> <li>❑ Firewood contractor has paused activity.</li> </ul>	<ul style="list-style-type: none"> <li>• Management of resources to enable rapid mobilisation once the COVID-19 restrictions are eased.</li> <li>• Further pine planting.</li> <li>• Carry out weed management programme in preparation for planting in 2020.</li> <li>• Complete irrigation upgrade designs.</li> <li>• Irrigation automation approval required.</li> </ul>	<ul style="list-style-type: none"> <li>• Automation irrigation design specifications completed April 2020</li> <li>• Decision on consent expected early May.</li> <li>• Further pine planting June 2020.</li> <li>• Waiwiri Stream and major drain planting with native vegetation June 2020</li> </ul>

## Overview of project:

- Located at the end of Hokio Sand Road, the property known as The Pot receives 100% of Levin's wastewater as irrigation.
- This wastewater discharge facility has been in operation since 1991 (1987 development and planting).
- Ownership includes half the property leased from Muaupoko Land Trust and the other half owned by HDC. HDC also own the property to the east known as the Tucker block. The majority of this block currently leased for grazing.
- Currently the site is operated under resource consents 6610 and 6921 that expired December 2018.
- The consent application for renewal of the Levin wastewater discharge was submitted in June 2018.
- The consent application is supported by extensive investigations that began in 2012 to determine the effects of wastewater at the site after near 30 years of operation. The application includes 27 reports that detail the LWWLT and the effects it is having to the environment.
- A trial is being undertaken on 10 ha of the site to determine if irrigating wastewater onto manuka/kanuka dominated ecosystems will improve water quality in the Waiwiri Catchment. This trial is supported with funding from the Ministry for the Environment Freshwater Improvement Fund.
- The consent process is part of a larger programme looking at the management of the site, irrigation redevelopment, replanting, mitigation of impacts on water quality and future planning.

## Work to date:

- Land discharge consent expired December 2018. Council is allowed to continue operating under the old consent conditions until a decision is made on the new consent application.
- Site investigations and data collation for consent renewal began in 2012.
- LEI coordinated groundwater, surface water, soil and ecology investigations and reporting for the consent; and assisted with consultation with the community.
- Consent lodged 22 June 2018 – publicly notified, submission period extended to a 5- month period, 18 submissions received, HDC has engaged experts to prepare evidence and participate in conferencing of issues ready for the hearing.
- This hearing date deferred from August 2019 to late October. This allowed for conferencing of the issues that the previous date did not. Support from submitters prior to the hearing for the proposed changes was not offered at the hearing. Commissioners provided Council an opportunity to go away and refine draft conditions with further discussion with submitters, and adjourned the hearing.
- Revised conditions provided to submitters and have been refined prior to hearing which reconvened 5 March.
- Ngati Raukawa hapu submitters supported revised condition on the basis of a 25-year term. This was presented to the Panel at the hearing. Other submitters were less supportive. HDC has subsequently worked on revised conditions with Muaūpoko Tribal Authority and Muaūpoko Lands Trust. HDC now has their support for refined conditions and a 25-year term. The final Right of Reply and letters of support has been provided to the hearing panel on 17 April.
- There has been correspondence to Hokio A regarding their concerns about effects. There has been no response to an offer of including conditions (at the time of submitting the Right of Reply). Despite this HDC has provided consent conditions that at some stage in the future if required, Hokio A can request further investigation be carried out.
- Irrigation has been fully reinstalled after the pine harvest and the upgrade is underway. This upgrade will match the proposed consent and include expansion of area and automation. A draft design has been prepared and is being reviewed in readiness for approval and then procurement.
- Five year ecosystem trial started at The Pot in 2018; environmental monitoring starting in 2019.
- Consent consultation initiated a catchment care group; this is continuing and will be further supported by requirements in the resource consent conditions.
- Harvest of pine trees was completed early February 2019.
- 20 ha of pines replanted 2018 with further native planting completed in 2019.

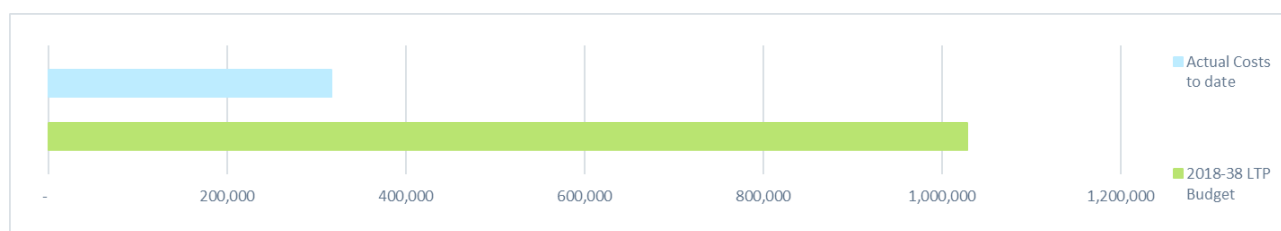
- Another 19 ha of pines and 3 ha native to protect 3.5 km of waterways are scheduled to be planted in 2020.
- The Covid-19 lock-down has restricted access to undertake site preparation. However, using alternative management approaches and existing buffers, timelines should not be affected.
- The remainder of pines and natives are scheduled for planting in 2021.
- Consent has been procured for northern adjacent neighbour to receive wastewater from The Pot; monitoring bores are being installed as required by consent and irrigation design has been initiated.

## Financials:

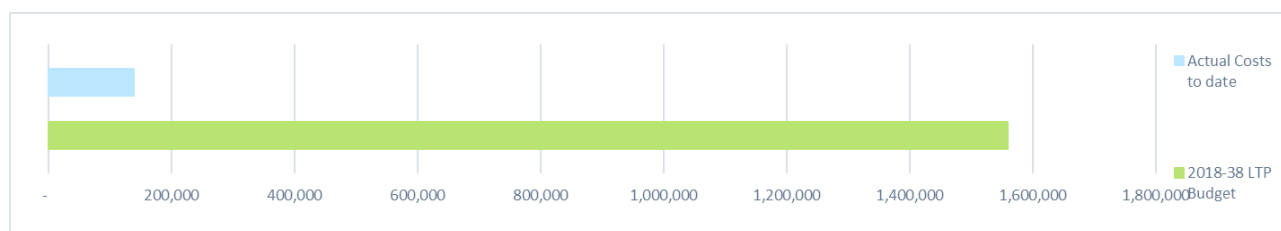
The funding arrangements are loan funded for the Strategic Upgrade part and reserve funded for the renewal port.

The proposed combined cost of the project is \$2,587,000 over the expected lifespan of the project.

### Levin wastewater treatment plant – POT – (Renewal)



### Levin wastewater treatment plant - Strategic upgrade POT – (LOS)



## Risk Management:

Risk Area	Risk Description	Initial (GAR)	Initial Risk Assessment without application of a control	Control applied	Residual Risk Assessment (GAR)	Residual Risk Assessment
<b>Strategic</b>	Community and iwi conflict with consent objectives.	R	Drawn out consent process, leading to community tension and additional costs.	Engagement with community has resulted in concerns incorporated into the revised conditions Establishment of a catchment care group	A	Small number of individual and group concerns
<b>Financial</b>	Exceedance of budget.	A	Short of funds across HDC.	Budget planning and tracking.	G	Minor variations to budget

<b>Service Delivery</b>	Difficult working conditions at The Pot with pine slash and weed growth.	A	Workers frustration. Inefficient practise. Health and safety risks.	Engagement of a site manager; additional staff and a firewood contractor.	G	Conditions are improving as a result of the controls.
	Disruption due to Covid-19	R	Projects not completed on time and tasks not completed to deadlines. Contractors no longer able to provide service due to either business pressures or resourcing.	Maintain strong communication with contractors and supply providers to develop plan post-level 4 lockdown. Ensure contingencies exist if contractors are not available.	G	Some disruptions likely to be expected, but good planning and clear instructions will ensure tasks go as planned. Regular liaison with contractors has helped.
<b>Legal</b>	Council hearing process.	R	Drawn out consenting process leading to significant costs.	Engagement with all parties involved. Detailed response to submissions. Conferencing to reduce issues. Develop conditions to address submitter concerns. Clear time schedule.	A	Unexpected issues may be raised. Lack of engagement and reluctance to accept facts.
	Appeal of consent decision	R	The decision likely to be received, including term may not be acceptable to HDC and/or submitters.	Engage with submitters to develop conditions that address their concerns and justify a longer term consent.	A	There remains uncertainty with some submitters and the potential of any decision being appealed.
<b>Reputational</b>	Appearance of The Pot without tree cover.	A	Judgement of The Pot without trees.	Expert advice for management and a planting plan. Prompt response to any concerns raised from individuals. Firewood contractor engaged.	G	Long term the issues will be resolved

Risks Traffic Light Key

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
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2 - Unlikely	Low	Low	Moderate	Moderate	Moderate
1 - Extremely unlikely	Low	Low	Low	Low	Low

Communication and Key Stakeholders:

Consultation has been undertaken with the community about the re-consenting project for Levin wastewater land treatment at The Pot.

The consultation programme included the following avenues to exchange information:

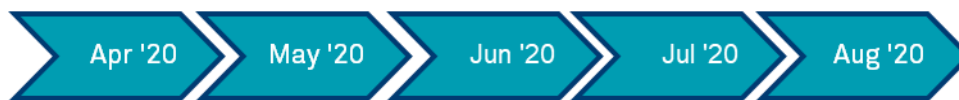
- 11 Meetings since 2016 (18 different representative groups and individuals attended);
- Common web portal for sharing technical reports - Objective Connect;

- Update and invite emails;
- Report Summary Booklet (HDC, 2018:D2a); and

An extended submission period was provided. This resulted in 18 submissions received. The evaluation of the submissions has allowed for the issues to be addressed in the evidence and consequent consent conditions. Expert conferencing has been undertaken in September and provided a positive way forward towards the hearing between experts. What was thought to be community support prior to the hearing did not materialize at the hearing and the Hearing Commissioners invited Council to undertake further consultation. This has occurred and Ngati Raukawa hapu have provided support. Efforts are continuing with submitters to refine conditions and get their approval, particularly with Muaūpoko Tribal Authority.

Muaūpoko Land Trust are now receiving the monthly reports sent to the Regional Council from HDC on the Levin wastewater monitoring.

**Timeline:**



	Apr '20	May '20	Jun '20	Jul '20	Aug '20
<i>Hearings commissioner's decisions for consent</i>					
<i>Irrigation design reports completed.</i>					
<i>Pine and native preparation and planting 2020</i>					
<i>Trial monitoring and management</i>					
<i>Firewood contract</i>					

# Foxton Wastewater Discharge

## Project Overview Summary **April** 2020



### Project Objective:

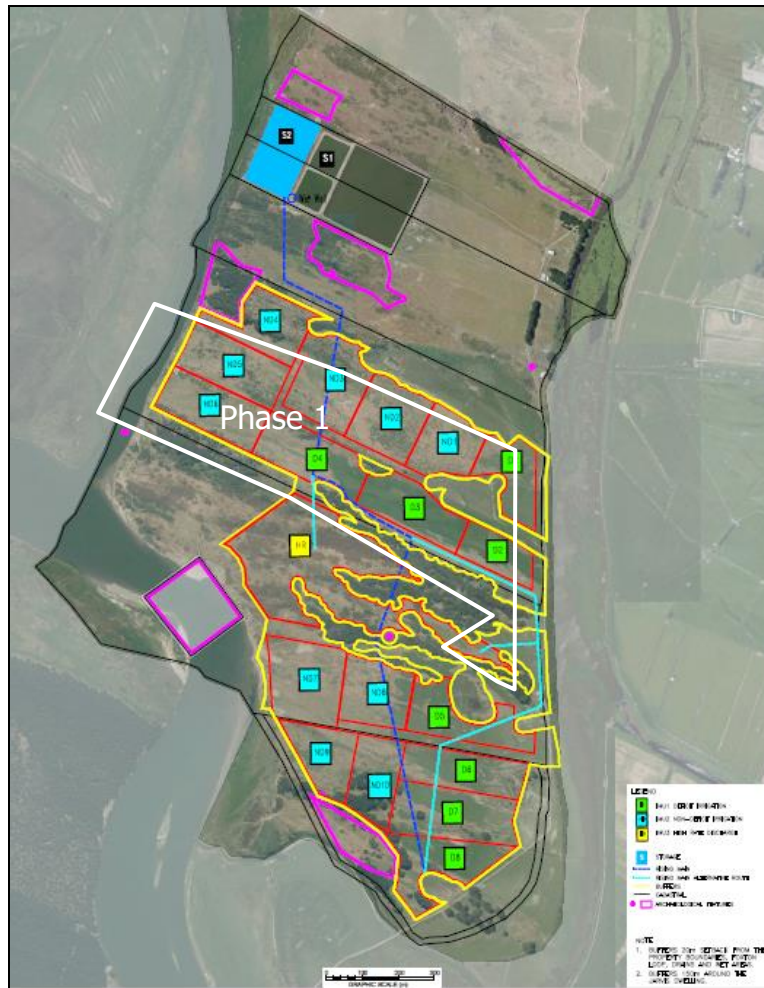
To cease the discharge to Foxton Loop and implement 100 % discharge to land (irrigation of farmland) of all treated wastewater from the Foxton WWTP prior to 4 February 2022.

Current Status	What's Needed?	Key Dates
<ul style="list-style-type: none"> <li>□ Horowhenua Alliance are managing sub-contractors for constructing the first phase of irrigation and WWTP changes.</li> <li>□ The northern part of the farm is being <b>re-grassed and</b> fenced with stock water troughs ready for installing irrigation pipes.</li> <li>□ Materials are being ordered <b>and delivered</b> for construction in <b>May to July (and possibly starting in late April)</b>.</li> <li>□ Construction activities have been deemed non-essential so are on hold during COVID-19 Level 4 restrictions.</li> <li>□ Building consent for the pump shed has been granted.</li> <li>□ Various management plans have been approved by HDC.</li> </ul>	<ul style="list-style-type: none"> <li>• Management of multi-disciplinary team to design and construct new scheme.</li> <li>• Management of land owner and iwi relationships.</li> <li>• Co-ordination of complex range of systems and activities to ensure full integration of WWTP, irrigation, and farm operations.</li> <li>• <b>Management of resources to enable rapid mobilisation once the COVID-19 restrictions are eased.</b></li> <li>• <b>Bringing forward design of the Phase 2 works to make use of COVID-19 lock-down time and enable continuation of works to speed up irrigation expansion.</b></li> <li>• Approval of plans by HDC.</li> </ul>	<ul style="list-style-type: none"> <li>• Consents granted 4 February 2019.</li> <li>• Aiming for commencing the first phase of irrigation by May or June 2020.</li> <li>• Storage pond and the remainder of the irrigation will be built in 2020/21.</li> <li>• 4 February 2022 consent expiry deadline for completing irrigation and storage pond, and for ceasing discharge to Foxton Loop.</li> </ul>



## Overview of project:

- The Foxton WWTP is a 3-pond system located SW of Foxton between the two arms of Foxton Loop on rural land known as Matakarapa. The WWTP was constructed in 1976 and discharges treated wastewater into the western arm of Foxton Loop.
- On 4 February 2019 the Environment Court granted consents to develop and operate a land discharge system to replace the Foxton Loop discharge. This allows irrigation of the area of farmland outlined in yellow on the map below and construction of a new storage pond (blue rectangle). The first phase of irrigation is outlined in white.



## Work to date:

- The project management team continues to actively plan and co-ordinate activities, including contractual arrangements and health and safety requirements.
- Critical timeframes, **materials deliveries**, and complex tasks are being managed to minimise delays for commissioning the first phase of irrigation.
- **Engagement of contractors for modifications around the WWTP has been delayed but this should not affect completion of other tasks within the planned timeframes.**
- **The COVID-19 lock-down restrictions on construction and site works, combined with delays in awarding contracts for the WWTP works, mean that project delivery timelines have been**

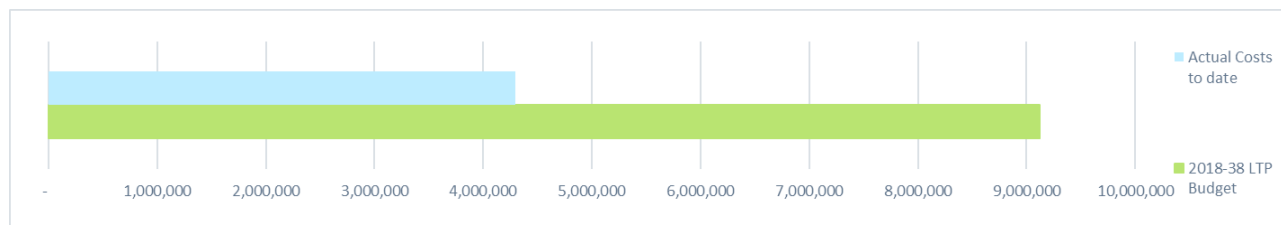
pushed out. Commissioning of Phase 1 may now occur in July, not June as was recently anticipated.

- There continues to be significant collaboration with the farmers.
- The farmers are preparing the pasture, installing stock water systems, and erecting fence posts for irrigation construction.
- Iwi have been kept up-to-date with developments and given opportunities for input, however have been slow to respond to engagement around observers for construction.
- Horizons have queried some details in the amended Erosion and Sediment Control Plan for installing the first phase of irrigation. The Management Plans lodged in 2019 have received HDC's certification and are expected to soon receive Horizons' certification.
- Management Plans for the first phase of irrigation, WWTP modifications and relocation of the discharge channel to Foxton Loop will soon be lodged with Horizons for certification.
- The building consent for the pump shed has been approved.
- Final design and construction of electrical and computer components for the irrigation controls and monitoring systems are under way.
- Planning is under way for the design and construction of the second phase of irrigation, new storage pond, and WWTP bund repairs. The design work has been brought forward to make better use of the COVID-19 lock-down period and to enable construction to start earlier than was previously planned. Irrigation Phase 2 may be able to be constructed immediately after commissioning the first phase of irrigation, which takes advantage of keeping the contractors on-site for longer and avoids a potentially longer period of down-time when the contractors can't return because they are busy on other projects elsewhere.

## Financials:

*The funding arrangements are loan funded.*

*The proposed cost of the project is \$9,123,206 over the expected lifespan of the project.*



- Forecast budgets for a large number of tasks and infrastructure have continued to be refined as tasks are identified and formal cost estimates are developed by each of contractor. Actual costs to date have also been tracked against these estimates.
- Contractors' cost estimates for WWTP modifications have been significantly higher than expected so they have been asked to revise their quotes, but to do this access is needed to the site, which has obviously been put on hold under Level 4.
- Overall costs have risen from initial expectations but are still within the project's and Council's 2019/20 and 2020/21 budgets.
- The COVID-19 lock-down restrictions on construction and site works, combined with delays in awarding contracts for the WWTP works, mean that some costs are expected carry over into July 2020. However, some design work that has been brought forward to April-June 2020 will use some of those funds instead.
- The delays in obtaining resource consents, completing detailed designs, and then confirming contracts mean that funds will need to be made available in Council's 2021/22 budget when preparing the 2021-31 LTP; these funds were not spent in previous years and some of the budgeted funds were not carried forward during recent years' adjustments of Annual Plan budgets.

**Risk Management:**

Risk Area	Risk Description	Initial (GAR)	Initial Risk Assessment without application of a control	Control applied	Residual Risk Assessment (GAR)	Residual Risk Assessment
<b>Strategic</b>	Landowner co-operation.	A	Delays to implementing project cause farm management conflicts.	Robust and frequent landowner engagement.	G	Concerns will be resolved.
	Contractor collaboration.	A	Clashing construction activities cause delays in commissioning irrigation. Reluctance to work together in future.	Robust and regular engagement with all contractors.	G	Collaboration will be achieved and all contractors will work together in future.
<b>Financial</b>	Delays mean that funds are not spent until next year.	G	Provision is not made for carrying funds forward to 2020/21.	Financial planning and on-going cost management.	G	Expenditure is not expected to change annual budgets.
	COVID-19 impact on project delivery	A	There is the potential of component supply delays and staff restrictions that delivery planned for this financial year is not achieved. There may be the need for contractor stand-down.	Supply restrictions only apply to some componentry, and alternative suppliers are being sought. Contractors are planning to do as much as possible before 30 June and to look after staff health.	A	There is still a risk that is largely outside the control of HA and their contractors to deliver. It seems likely that Phase 1 completion will occur during July. There may be the need to consider invoking the force majeure protocols/obligations
<b>Service Delivery</b>	Resource or parts availability and timing cause delays.	A	Delays can compound, affect other contractors and farm management, and add to costs. This may be exacerbated by Covid-19 impacting on materials supply delays.	Strong project and staff management controls. Provision of additional resources. Key components are manufactured in NZ but some alternative suppliers are being sought where there will be a delay in delivery after lock-down restrictions are lifted.	G	Timing and costs will be acceptable.
	Delayed and fragmented contractor engagement causes delays.	A	Completion of WWTP works will determine when the initial irrigation system can be commissioned.	Strong project and contract management to ensure integration of contractor activities.	G	Timelines should not be affected significantly.
	Disruption due to Covid-19	R	Tasks not completed on time and materials not able to be manufactured or delivered. Contractors no longer able to provide service due to either business pressures or resourcing.	Maintain strong communication with contractors and supply providers to develop plan post-level 4 lock-down. Ensure contingencies exist if contractors or key materials are not available.	G	Some disruptions likely to be expected, but good planning and clear instructions will ensure tasks go as planned. Regular liaison with contractors has helped.
<b>Legal</b>	Additional consents may be required.	A	Additional consents can delay construction.	Ideally avoid triggering consents, otherwise identify and promptly	G	Additional consents are unlikely to delay project.

Risk Area	Risk Description	Initial (GAR)	Initial Risk Assessment without application of a control	Control applied	Residual Risk Assessment (GAR)	Residual Risk Assessment
				seek all necessary consents.		
	Horizons' compliance staff may not approve details of Management Plans.	A	Construction is delayed until all relevant Management Plans are certified by Horizons.	Collaborate closely with Horizons and relevant contractors to quickly resolve any issues. Provide draft Plans to Horizons with timelines.	G	Management Plans are unlikely to encounter any certification issues and any concerns will be rapidly resolved.
<b>Reputational</b>	Construction delays keep deferring dates of commissioning.	A	Delays suggest poor management, lack of resourcing, or inadequate capabilities. Landowners and the public lose their confidence in the ability of Council to deliver on time.	Strong project and contract management to ensure that delays are minimised and justifiable. <b>COVID-19 lock-down time is used to advance off-site works and enable next phases to start earlier.</b>	G	Delays do not harm Council's reputation. <b>HDC are using lock-down time positively and efficiently for the project.</b> Landowners will take part in future Council projects.

Risks Traffic Light Key

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

Communication and Key Stakeholders:

Council has been engaging with the landowners and relevant iwi since 2014. Relationships between all parties have generally been supportive and co-operative. The delays to the construction caused by consenting delays and then detailed design and contractual arrangements, and now the **COVID-19 lock-down restrictions** have caused some frustration and uncertainties of farm management planning for the landowners. However, direct involvement of the landowners and frequent communications have enabled them to adapt their farm management plans to the evolving timelines of the project.

Council has been engaging with the key designers and construction contractors to ensure that their designs, roles, and construction programmes are co-ordinated. The timing of each contract is interdependent on the timing of each of the other contracts, so it has been crucial for Council and the contractors to collaboratively develop their designs and timelines. Some key components have long lead-in times, so communication has been important for an understanding of those items and for obtaining approval to order them urgently.

Council has also been engaging with some Horizons staff regarding consent conditions and their expectations of construction methodologies, monitoring requirements, documentation requirements, and reporting. Horizons has given feedback on the Interim Operation and

Management Plan (IOMP), Construction Management Plan (CMP), and Erosion and Sediment Control Plan (ESCP) for irrigation construction; Council has re-submitted an amended ESCP and a CMP addendum for their certification. Council and Horizons staff have discussed the consenting requirements for relocating the discharge channel to Foxton Loop. Compliance communications have also been actively maintained with Horizons staff.

**Timeline:**

		Apr '20	May '20	Jun '20	Jul '20
<b>Construction Management Plans and Erosion &amp; Sediment Control Plans</b>	<b>Submit to HRC for certification. Amend/update if requested.</b>				
<b>Wet well</b>	<b>Deliver to site</b>	Install		Connect to WWTP	
<b>Pump shed</b>	Lodge <b>Outline Plan Waiver application</b>	Construct		Fit out interior	<b>Commission all controls</b>
<b>WWTP connections to wet well</b>	Reduce pond water levels if necessary	<b>Construct</b>		<b>Construct and commission</b>	
<b>Install temporary discharge pipe from wet well to Foxton Loop</b>	Order materials	Construct		Construct and commission	
<b>Irrigation development</b>	<b>Deliver materials</b>	<b>Construct Phase 1 Design Phase 2</b>	<b>Construct Phase 1 Design Phase 2</b>	<b>Construct Phase 1 Design Phase 2</b>	<b>Commission P1</b>
<b>Storage pond and Phase 2 irrigation planning and scheduling</b>		Confirm pond location & size		Start developing detailed designs	Progress detailed design



# Nine Month Report 1 July 2019 - 31 March 2020

File No.: 20/83

## 1. Purpose

To present to the Finance, Audit & Risk (FAR) Committee the financial report for the nine months ended 31 March 2020.

## 2. Recommendation

- 2.1 That Report 20/83 Nine Month Report 1 July 2019 - 31 March 2020 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	Nine Month Report 1 July 2019 - 31 March 2020	48

### 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	
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Approved by	Nicki Brady Deputy Chief Executive	
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**Horowhenua**  
DISTRICT COUNCIL

# Nine Month Report

1 July 2019 – 31 March 2020





## Executive Summary

### A. Trends and Activity of Interest

#### 1. Resource Consenting

- 268 consents have been lodged as at 31 March 2020, compared to 209 at the same time last year.
- 107 subdivision consents have been approved as at 31 March 2020, compared to 78 at the same time last year.
- As at 31 March 2020 a total of 158 new allotments have been created as a result of s223 (approval of title plan) & 140 new allotments have been created as a result of s224 (completion of physical works) certificates being issued for subdivisions.

#### 2. Building Consents

- Value of consents issued as at 31 March 2020 is \$95,748,475 compared to \$78,508,973 for the same period last year.
- 536 consents issued as at 31 March 2020, compared to 507 for the same period last year.
- 173 new dwelling consents were issued as at 31 March 2020 compared to 174 for the same period in the 2018/2019 year.
- 538 building consents were lodged as at 31 March 2020 compared to 502 for the same period in the 2018/19 year.
- Consents have been issued for 213 New Residential Dwelling Units as at 31 March 2020. New residential dwelling units count each self-contained unit individually and include individual dwellings, multi-unit dwellings plus yard built and existing dwellings which are relocated onto a site.

YTD the level of Resource Consenting activity is higher than that was experienced over a similar period in 2018/19.

YTD the level of Building Consenting activity is higher than the same period in 2018/19, the number of consents issued for new dwellings is similar as at the same period last year.

### B. Financial Performance – Operational Expenditure

Council shows a \$1.692m year-to-date (YTD) deficit against a budgeted YTD deficit of \$1.257m. It is 75% through the year and Council has spent 75.03% of the full year's budgeted expenditure and received 75.41% of the full year's budgeted income.

Lower interest rates evident from the effect of the Covid-19 pandemic have decreased interest costs on borrowing but increased the loss on derivatives.

Delays in Rooding capital projects have lowered Council's Rooding subsidy income. Income to the end of March generally is slightly ahead of year to date budgets (except for Rooding Subsidies as noted) however the effect of the Covid-19 pandemic lock down is evident for the forecast year end income from Community Facilities and consent fees.

**Doug Law**  
Chief Financial Officer

20 April 2020

Total revenue	Total expenditure	Total surplus/(deficit)
<b>\$42.17m</b> is 1% less than the total budget of \$42.54m	<b>\$43.86m</b> is 0% more than the total budget of \$43.79m	<b>(\$1.69m)</b> is 34% less than the total budget of -1.26m

## SUSTAINABILITY

### Rates to operating revenue 72%

Rates revenue	\$30.55m
Operating revenue	\$42.17m

72% of operating revenue is derived from rates revenue. Rates revenue excludes penalties, water supply by meter and is gross of remissions. Operating revenue excludes vested assets, development contributions, asset revaluation gains and gains on derivatives.

### Balance budget ratio 98%

Operating revenue	\$42.17m
Operating expenditure	\$42.85m

Operating revenue should be equal or more than operating expenditure. Operating revenue excludes vested assets, development contributions, asset revaluation gains and gains on derivatives. Operating expenditure includes depreciation and excludes loss on derivatives, landfill liability and loss on asset revaluations. Year to date revenue is 98% of operating expenditure.

### Essential services ratio 139%

Capital expenditure	\$15.23m
Depreciation	\$10.94m

Capital expenditure should be equal or more than depreciation for essential services, for year to date capex is 139% of depreciation. Essential Services are Water Supply, Wastewater, Stormwater and Rooding.

### Net Debt to total projected revenue (LGFA Cov.) 155%

Total net borrowing	\$87.14m
Total projected operating revenue	\$56.21m

With net borrowing of \$87.14m we are still under the set limit of 195% of operating revenue. Total net borrowing is external borrowing less cash at bank.

### Interest to rates revenue (LGFA Cov.) 7%

Net Interest	\$2.10m
Rates revenue	\$30.55m

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

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

**5%**

Net Interest	\$2.10m
Operating revenue	\$42.17m

5% of operating revenue is paid in interest. Our set limit is 20% of operating revenue. Net interest is interest paid less interest received.

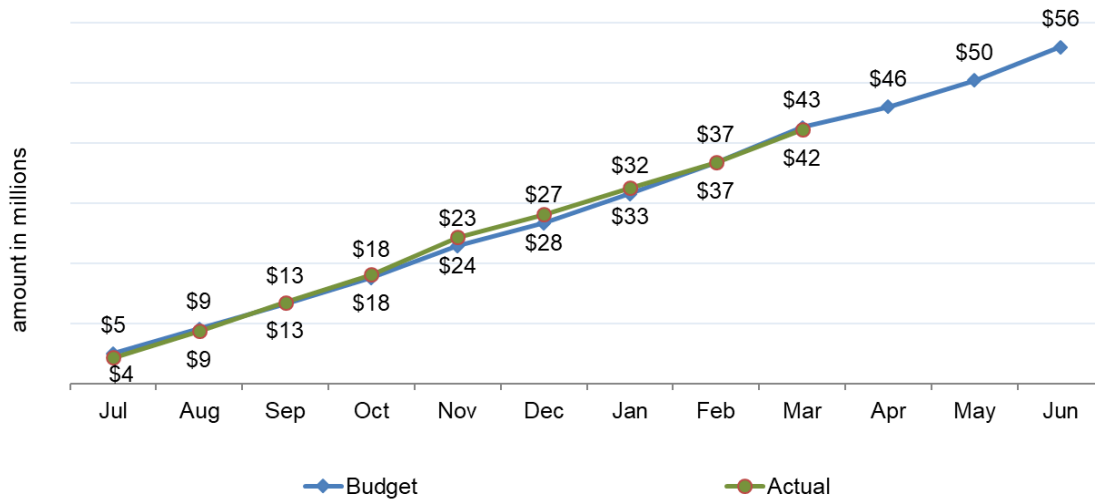
**Available financial accommodation to external indebtedness (LGFA Cov.)**

**111%**

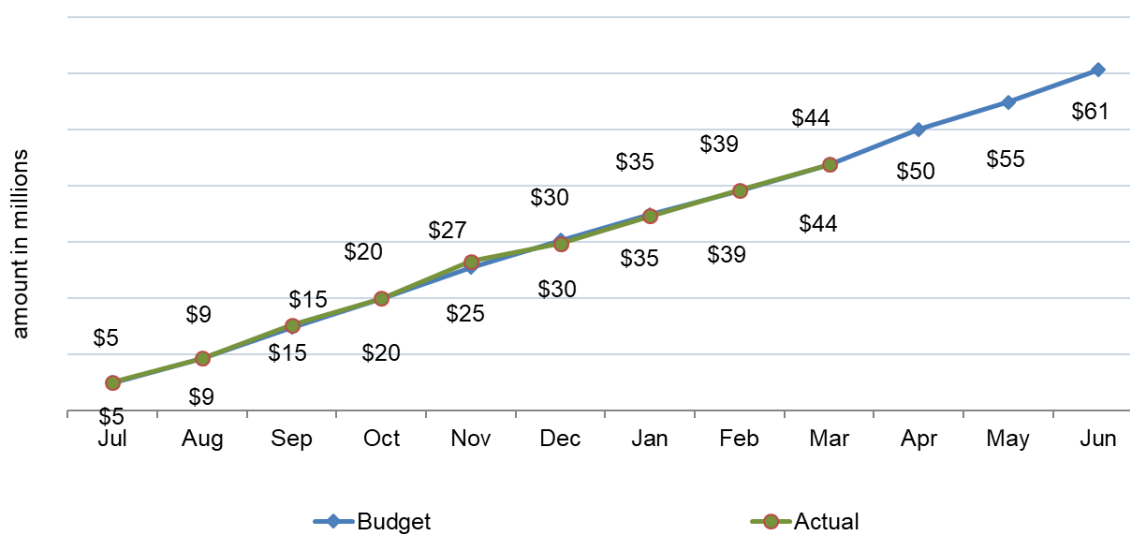
Net debt	\$87.14m
Undrawn committed facilities	\$10.00m

The committed bank facility enables us to borrow up to 111% of our current external debt immediately. The LGFA covenant minimum is 110%.

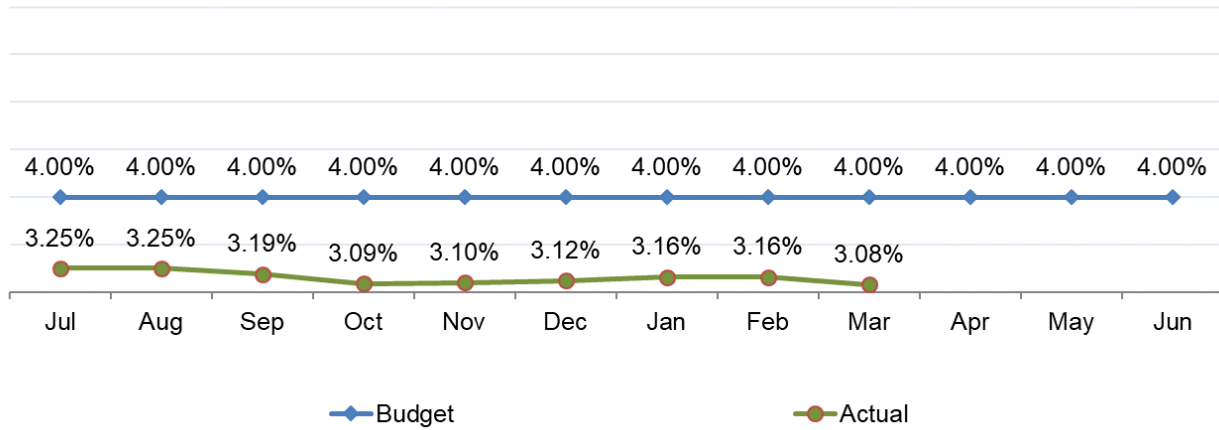
**Total Revenue \$m**



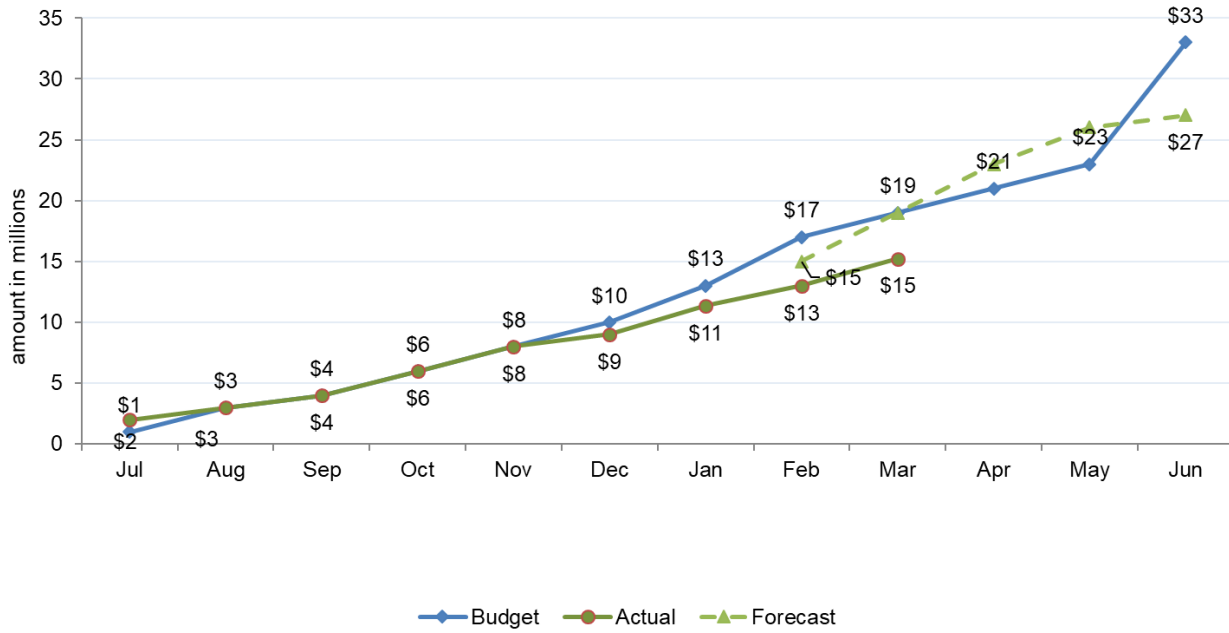
**Total Expenditure \$m**



Interest rate movement



Total Capital Expenditure



## Statement of Comprehensive Revenue and Expense

As at 31 March 2020												
	Annual Report 2018/2019 \$000	Year End Projection 2020 \$000	Annual Plan 2020 \$000	Variance 2020 \$000	Notes	Annual Plan YTD Mar-20 \$000	Actual YTD Mar-20 \$000	C/A % Actual to Budget	Variance YTD 2020 \$000	Var/Bud %	% of Total Bud %	Notes
<b>Revenue</b>												
Rates Revenue	(38,562)	(40,746)	(40,099)	(647)	6	(30,002)	(30,551)	76.2% ☹️	(549)	2%	1.3%	
Grants & Subsidies	(5,524)	(6,598)	(6,462)	(136)		(5,520)	(3,638)	56.3% ☹️	1,882	-34%	-4.4%	1
Finance Income	(423)	(310)	(209)	(101)		(179)	(190)	90.9% ☹️	(11)	6%	0.0%	
Fees & Charges,	(5,355)	(4,475)	(5,110)	635	8	(3,810)	(3,934)	77.0% ☹️	(124)	3%	0.3%	
Other Revenue	(3,521)	(3,580)	(3,926)	346	7	(3,025)	(3,281)	83.6% ☹️	(256)	8%	0.6%	
Development Contributions			-	-					-		0.0%	
Gain on Derivatives							-	☹️	-		0.0%	
Gain Disposal of Assets	(56)	(503)		(503)			(580)	☹️	(580)		1.4%	3
Investment (Gains)/Losses		(122)	(122)	(0)					-		0.0%	
Vested Assets	(453)		-	-			-		-		0.0%	
<b>Total Revenue</b>	<b>(53,894)</b>	<b>(56,334)</b>	<b>(55,928)</b>	<b>(406)</b>		<b>(42,536)</b>	<b>(42,174)</b>	<b>75.41% ☹️</b>	<b>362</b>	<b>-1%</b>	<b>-1%</b>	
<b>Expenditure</b>												
Employee Benefit Expenses	14,661	15,301	15,017	284	11	10,941	10,876	72.4% ☹️	(65)	-1%	-0.1%	
Finance Costs	3,607	3,491	3,870	(379)	9	2,588	2,287	59.1% ☹️	(301)	-12%	-0.7%	4
Depreciation and Amortisation	14,383	14,448	14,448	(0)		10,836	10,938	75.7% ☹️	102	1%	0.2%	
Other Expenses	24,457	25,019	25,082	(63)		19,428	18,722	74.6% ☹️	(706)	-4%	-1.6%	2
Loss on Disposal of Assets	227	-	-	-					-		0.0%	
Revaluation Losses			-	-			-		-		0.0%	
Increase in Landfill Provision	1,298	-	-	-			-		-		0.0%	
Loss on Derivatives	975	1,100		1,100	10		1,007	☹️	1,007		2.3%	5
<b>Total Expenses</b>	<b>59,608</b>	<b>59,359</b>	<b>58,417</b>	<b>942</b>		<b>43,793</b>	<b>43,830</b>	<b>75.03% ☹️</b>	<b>37</b>	<b>0%</b>	<b>0.1%</b>	
<b>Operating (surplus) deficit before taxation</b>	<b>5,714</b>	<b>3,025</b>	<b>2,489</b>	<b>536</b>		<b>1,257</b>	<b>1,656</b>	<b>66.5%</b>	<b>399</b>	<b>32%</b>	<b>31.7%</b>	
Taxation		36		36			36		36			
<b>Operating (surplus) deficit after taxation</b>	<b>5,714</b>	<b>3,061</b>	<b>2,489</b>	<b>572</b>		<b>1,257</b>	<b>1,692</b>	<b>68.0%</b>	<b>435</b>	<b>35%</b>	<b>34.6%</b>	

**Note 1** Grants and Subsidies unfavourable variance of \$1,882k. The significant variance relates to the capital subsidies which are lower than expected due to delays in projects, including the Queen Street roundabout and Poads Road bridge.

**Note 3** Gain on Sale of commercial properties recently sold \$580k

**Note 4** Finance external interest cost favourable variance \$301k  
*Note this reflects the unprecedentedly low interest rates in the bond market.*

**Note 5** Unrealised loss on derivatives (swaps) unfavourable variance of (\$1,007k)  
*Note this reflects the continued fall in interest rates currently being experienced. Rates have recently fallen again reacting to the uncertain global economic conditions due to the economic effect of the Covid 19 pandemic. For reference and comparative purpose, last month the reported loss was \$611k.*

Note 2 Other Expenses	Annual	Year End	Annual	Variance 2020 \$000	Annual Plan	Actual	Variance				Notes
	Report	Projection	Plan		Annual Plan	Actual	% Actual to Budget	YTD 2020 \$000	% Var/Bud %	% of Total Bud %	
	2018/2019 \$000	2020 \$000	2020 \$000		YTD Mar-20 \$000	YTD Mar-20 \$000					
Professional Services		4,952	5,296	(344)	3,835	3,313	62.6%	(522)	-14%	-1.2%	2A
Materials		111	112	(1)	86	90	80.4%	4	5%	0.0%	
Maintenance		15,111	15,002	109	11,324	11,796	78.6%	472	4%	1.1%	
Grants Paid		567	611	(44)	374	409	66.9%	35	9%	0.1%	
Utilities		1,116	1,180	(64)	887	728	61.7%	(159)	-18%	-0.4%	
Communications		265	258	7	193	145	56.2%	(48)	-25%	-0.1%	
Other Expenses		5,083	5,380	(297)	4,393	3,985	74.1%	(408)	-9%	-0.9%	2B
Vehicle Expenses		185	181	4	145	100	55.2%	(45)	-31%	-0.1%	
Treasury Expenses		189	199	(10)	111	84	42.2%	(27)	-24%	-0.1%	
Labour Recoveries for Capex projects		(2,561)	(3,137)	576	(1,921)	(1,928)	61.5%	(7)	0%	0.0%	
<b>Total Other Exepnses</b>		<b>25,019</b>	<b>25,082</b>	<b>(63)</b>	<b>19,427</b>	<b>18,722</b>	<b>74.6%</b>	<b>(705)</b>	<b>-4%</b>	<b>-1.6%</b>	

**Note 2A Professional Services** – favourable variance \$522k, the significant variances are noted below:

- Governance expenditure less than budget due to:
  - Internal Audit delayed (commenced Feb 2020) \$45k
  - Lower legal fees \$46k
  - Sustainable growth budgets underspent by \$386k\*  
*\*Note that the underspend in the Sustainable Growth budget is a result of delays in the professional works being undertaken in association with the Gladstone Green, Foxton Beach and Waitāreke Beach Master Plans, Levin Town Centre and Growth Strategy related work, and work with external stakeholders progressing slower during the Covid-19 lockdown. As certainty around the timing of Covid-19 restrictions increases, budgets will be rephased to reflect the work that will be completed this financial year.*
- Chief Executive professional services expenditure higher than forecasted: (\$147k)
- Planning and Regulatory expenditure to budget variances:
  - Increase in costs to cover staff shortages in RMA consents (\$197k)
  - Lower costs than forecasted in building consents \$52k
- Infrastructural Operations expenditure less than budget due to:
  - Lower consultancy fees \$102k
  - Lower legal fees \$15k
- Road Transport expenditure less than budget by: \$375k
  - Note, underspend relates to Horowhenua Integrated Transport Strategy/O2NL which likely remain unspent at year end.
- Corporate Services expenditure over budget due to:
  - Higher payroll cost while service provision was delivered by external provider (note this has returned in-house) \$76k
  - Increased IBIS Breeze services implementation costs for Council's financial planning software \$13k
  - Increased Information technology project costs \$60k
  - Higher recruitment agency costs than budgeted \$16k
  - Energy management budget incorrectly removed from the Corporate budget, now rectified \$19k

**Note 2B Other Expenses** – favourable variance \$408k, the significant variances are noted below:

- Community Facilities expenditure variances:
  - Library Services software lease arrangements differ
    - to expected budget phasing: \$91k
  - Community Centres reserves rates expense less than
    - budgeted due to error: \$58k
  - Aquatics expenditure higher than budget phasing (\$21k)
- Infrastructural Operations expenditure less than budget by:
  - Software licence fees \$48k
- Property expenditure variances:
  - Rates expense for Endowment property less than budgeted due to property sales in Forbes Rd \$118k
  - Rates expense (\$23k) and Insurance (\$39k) higher than budgeted for Commercial property that was anticipated to be sold as per Council Property Strategy (\$62k)
- Wastewater insurance expenditure less than budgeted \$68k
- Water Supply expenditure higher than budgeted (\$123k)
- Corporate services variances:
  - Higher software licence fees than budgeted (mainly IBIS) (\$21k)
  - Higher hardware lease expense than budgeted (\$25k)
  - Lower cloud host fees than budgeted \$129k

### **Key 2019/2020 Year End Observation Forecasts – Impact of Covid-19**

The COVID-19 pandemic is a rapidly evolving situation and has significantly impacted our Country and communities. It is council's responsibility to maintain essential services in order to maintain the health and wellbeing of our communities through this uncertain time.

Rates fund just over 70% of Council's annual income. In turn, this is then invested back into the community to provide services and support. We are continuing to provide essential services to our community such as water, waste water, rubbish collection, our cemeteries and emergency management. Additionally, we are continuing where possible to deliver business continuity in our other activities, for example maintaining our world of online library resources and e-membership offerings.

Within the Statement of Comprehensive Revenue and Expense report as at 31 March 2020, forecasts have been indicated for year end 30 June 2020. This work has been completed on the basis of assumptions as a result of Covid-19, and the indicative effect on our year end position at 30 June 2020. These indications are shown in the Statement of Comprehensive Revenue and Expense highlighted in yellow. Explanations of these points highlighted are as follows:

**Note 6:** It is anticipated that rates revenue is likely to be over budget at year end due to year to date favourable variance in Levin water metered charges. At 31 March 2020 this is reported as above budget and this trend is likely to continue to 30 June 2020.

**Note 7:** This reflects the anticipated impact on consents income and other council services as a result of Level 4. Further forecasting will be completed based on alert level 3 impacts.

**Note 8:** It is anticipated that the YTD revenue as at 31 March 2020 for Community Hubs and Aquatics will be the year end projection for 30 June 2020. This reflected the facilities closure during alert level 4 and continued closure in alert level 3. In addition, Council has confirmed it will waive all overdue fees associated with library book returns that were unable to occur during our facility closures.

**Note 9:** It is anticipated that the lower interest rates due to the pandemic's effect as noted in the 31 March 2020 financial results will continue a favourable variance on external finance interest costs to year end 30 June 2020.

**Note 10:** It is anticipated that the trend noted on the unrealised loss on derivatives (swaps) as noted in the 31 March 2020 financial results will continue to present a negative effect on Councils year end 30 June 2020 result.

**Note 11:** Council is currently working with the Local Government Response team with regard to the wage subsidy support package offered, and the current criteria for eligibility.

In addition, it should be noted that the fourth quarter rates notice will be issued in May 2020. Processes are in place to work with ratepayers to consider payment options on a case by case basis. This includes working with ratepayers who may be eligible for a rates rebate, and have not yet applied as applications must be submitted by 30 June 2020.



## Statement of Comprehensive Revenue and Expense by Activity

As at 31 March 2020											
75.0%	A	Projected	Variance	C	D	E	F	G	H	I	J
REVENUE	Annual Plan 2019/2020	to 30/06/2020		Year to date (YTD)		C/A		D-C	G/D	% of	Notes to
	\$000	\$000	\$000	This Year	Budget	% Actual		YTD	% Var/Bud	Total Bud	Accounts
				\$000	\$000	to Budget		Variance	%		
<b>Significant Activities</b>											
Regulatory Services	(4,657)	(4,444)	(213)	(3,769)	(3,610)	80.9%	😊	159	4.4%	0.3%	
Community Facilities and Ser	(13,557)	(12,966)	(591)	(9,802)	(10,067)	72.3%	😞	(265)	-2.6%	-0.4%	
Road Transport	(10,638)	(10,638)	(0)	(6,683)	(8,570)	62.8%	😞	(1,887)	-22.0%	-3.0%	1
Water Supply	(6,971)	(7,506)	535	(5,710)	(5,166)	81.9%	😊	544	10.5%	0.9%	2
Wastewater Disposal	(8,548)	(8,548)	(0)	(6,518)	(6,364)	76.3%	😊	154	2.4%	0.2%	
Solid Waste	(2,322)	(2,322)	(0)	(1,734)	(1,729)	74.7%	😊	5	0.3%	0.0%	
Stormwater	(1,324)	(1,324)	(0)	(949)	(941)	71.7%	😊	8	0.9%	0.0%	
Treasury	(3,411)	(3,109)	(302)	(2,255)	(2,517)	66.1%	😞	(262)	-10.4%	-0.4%	
Property	(1,495)	(1,897)	402	(1,734)	(977)	116.0%	😊	757	77.5%	1.2%	3
Community Support	(3,106)	(3,032)	(74)	(2,297)	(2,258)	74.0%	😊	39	1.7%	0.1%	
Representation & Com. Lead	(3,958)	(3,856)	(102)	(2,951)	(3,004)	74.6%	😞	(53)	-1.8%	-0.1%	
<b>Total Activity Revenue</b>	<b>(59,987)</b>	<b>(59,641)</b>	<b>(346)</b>	<b>(44,402)</b>	<b>(45,203)</b>	<b>74.0%</b>	😊	<b>(801)</b>	<b>-1.8%</b>	<b>-1.3%</b>	
<b>Business Units</b>	<b>(23,200)</b>	<b>(23,214)</b>	<b>14</b>	<b>(16,627)</b>	<b>(17,397)</b>	<b>71.7%</b>	😞	<b>(770)</b>	<b>-4.4%</b>	<b>-1.2%</b>	
<b>Total Operating Revenue</b>	<b>(83,187)</b>	<b>(82,856)</b>	<b>(331)</b>	<b>(61,029)</b>	<b>(62,600)</b>	<b>73.4%</b>	😊	<b>(1,571)</b>	<b>-2.5%</b>	<b>-1.9%</b>	
75.0%	A	B		C	D	E	F	G	H	I	J
EXPENDITURE	Annual Plan 2019/2020	Projected to 30/06/2019		Year to date		C/A		D-C	G/D	% of	Notes to
	\$000	\$000	\$000	This Year	Budget	% Actual		YTD	% Var/Bud	Total Bud	Accounts
				\$000	\$000	to Budget		Variance	%		
<b>Significant Activities</b>											
Regulatory Services	4,657	5,220	(563)	3,581	3,499	76.9%	😞	(82)	-2.3%	-0.1%	
Community Facilities and Ser	13,473	14,332	(859)	9,707	10,084	72.0%	😊	377	3.7%	0.6%	
Road Transport	10,348	9,786	562	6,928	7,791	67.0%	😊	863	11.1%	1.4%	4
Water Supply	6,910	6,886	24	5,439	5,201	78.7%	😞	(238)	-4.6%	-0.4%	
Wastewater Disposal	7,422	7,713	(291)	6,074	5,632	81.8%	😞	(442)	-7.8%	-0.7%	
Solid Waste	3,938	3,787	151	2,740	3,004	69.6%	😊	264	8.8%	0.4%	
Stormwater	1,519	1,423	96	1,187	1,149	78.1%	😞	(38)	-3.3%	-0.1%	
Treasury	4,025	3,764	261	3,430	2,713	85.2%	😞	(717)	-26.4%	-1.1%	5
Property	1,548	1,424	124	994	1,152	64.2%	😊	158	13.7%	0.2%	
Community Support	3,106	2,986	120	2,151	2,346	69.3%	😊	195	8.3%	0.3%	
Representation & Com. Lead	5,545	5,262	283	3,866	4,090	69.7%	😊	224	5.5%	0.4%	
<b>Total Activity Expenditure</b>	<b>62,491</b>	<b>62,584</b>	<b>(93)</b>	<b>46,097</b>	<b>46,661</b>	<b>73.8%</b>	😊	<b>564</b>	<b>1.2%</b>	<b>0.9%</b>	
<b>Business Units</b>	<b>23,193</b>	<b>23,332</b>	<b>(139)</b>	<b>16,624</b>	<b>17,196</b>	<b>71.7%</b>	😊	<b>572</b>	<b>3.3%</b>	<b>0.9%</b>	
<b>Total Operating Expenditure</b>	<b>85,684</b>	<b>85,917</b>	<b>(233)</b>	<b>62,721</b>	<b>63,857</b>	<b>73.2%</b>	😊	<b>1,136</b>	<b>1.8%</b>	<b>1.8%</b>	
<b>Operating (Surplus)/Deficit</b>	<b>2,497</b>	<b>3,061</b>	<b>(564)</b>	<b>1,692</b>	<b>1,257</b>		😊	<b>(435)</b>	<b>34.6%</b>	<b>-0.68%</b>	

**Note 1 Road Transport** – unfavourable variance of \$1,887k, the significant variance relates to delays in projects including the Queen Street roundabout and Poads Road bridge.

**Note 2 Water Supply** – favourable variance of \$544k, the significant variances noted are:

- Levin Water by meter above budget by \$510k
- Levin connection fees above budget by \$60k\*

\*Note fees collected to date exceed the total years budgeted income

**Note 3 Property activity** – favourable variance \$757k, the significant variances noted are:

- Gain on sale of assets (unbudgeted will continue for the year) \$580k
- Increase rentals on commercial property due to delays in sales \$137k
- Increased rentals on housing and grazing land \$15k

**Note 4 Road transport** – favourable variance \$863k, the significant variances noted are:

- A higher proportion of labour has been charged to capital projects resulting in lower internal charges \$599k
- Horowhenua Integrated Transport Strategy project expense unlikely to progress in current financial year \$375k
- Maintenance expenditure higher than forecasted (\$107k)

**Note 5 Treasury** - unfavourable variance \$717k, the significant variances noted are:

- Interest rate swap loss (\$1,007k)
- Tax expense on the dividend (\$36k)
- External interest saving year to date of \$301k
- Lower bank fees of \$27k

## Statement of Financial Position as at 31 March 2020

	Council Actual 31 Mar 2020 \$000	Council Budget 30 June 2020 \$000	Council Actual 30 June 2019 \$000
Note			
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	27,859	10,571	8,481
Debtors and other receivables	8,066	5,566	6,766
Other financial assets	25	-	375
Non-current assets held for sale	-	542	5,937
<b>Total current assets</b>	<b>35,950</b>	<b>16,679</b>	<b>21,559</b>
<b>Non-current assets</b>			
Plant, property and equipment			
- Operational assets	54,680	49,081	54,169
- Infrastructural assets	462,691	471,158	459,020
- Restricted assets	46,157	49,055	46,001
Intangible assets	1,329	1,818	1,529
Forestry assets	933	1,131	942
Commercial property	1,406	5,979	0
Other financial assets:			
- Investments other entities	220	220	220
- Other	1,794	6,744	1,570
<b>Total non-current assets</b>	<b>569,210</b>	<b>585,186</b>	<b>563,451</b>
<b>Total assets</b>	<b>605,160</b>	<b>601,865</b>	<b>585,010</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables and deferred revenue	11,515	10,718	9,644
Provisions	30	110	30
Employee benefit liabilities	902	723	899
Derivative Financial instruments	-	-	378
Borrowings and other financial liabilities	25,000	9,000	20,000
<b>Total current liabilities</b>	<b>37,447</b>	<b>20,551</b>	<b>30,951</b>
<b>Non-current liabilities</b>			
Provisions	4,811	3,433	4,811
Employee benefit liabilities	167	137	167
Borrowings and other financial liabilities	90,000	101,565	76,000
Derivative financial instruments	3,204	1,329	1,819
Other	138	177	177
<b>Total non-current liabilities</b>	<b>98,320</b>	<b>106,641</b>	<b>82,974</b>
<b>Total liabilities</b>	<b>135,767</b>	<b>127,192</b>	<b>113,925</b>
<b>Net assets</b>	<b>469,393</b>	<b>474,673</b>	<b>471,085</b>
<b>Equity</b>			
Retained earnings	249,123	254,697	250,815
Revaluation reserves	210,857	210,890	210,857
Other reserves	9,413	9,086	9,413
<b>Total equity</b>	<b>469,393</b>	<b>474,673</b>	<b>471,085</b>

Loan parcels	Maturity Date	Interest Rate	Opening balance	Raised	Repaid	Closing balance
<b>Due within a year</b>						
LGFA CP	19 Sep 19	1.6800%	11,000,000		11,000,000	0
LGFA CP	19 Sep 19	1.6100%		5,000,000	5,000,000	0
LGFA CP	19 Dec 19	1.2500%		16,000,000	16,000,000	0
LGFA CP	19 Jun 20	1.3750%		16,000,000		16,000,000
LGFA Bond	15 Apr 20	2.6324%	5,000,000			5,000,000
LGFA FRN	15 Apr 20	1.6200%	4,000,000	0		4,000,000
<b>Total due within a year</b>			<b>20,000,000</b>	<b>37,000,000</b>	<b>32,000,000</b>	<b>25,000,000</b>
<b>Due within 2 - 5 years</b>						
LGFA FRN	17 May 21	2.0325%	4,000,000			4,000,000
LGFA Bond	17 May 21	4.5650%	5,000,000			5,000,000
LGFA Bond	17 May 21	5.9852%	5,000,000			5,000,000
LGFA Bond	17 May 21	5.8516%	5,000,000			5,000,000
LGFA FRN	14 Apr 22	1.7700%	9,000,000			9,000,000
LGFA FRN	18 May 22	1.6050%	3,000,000			3,000,000
LGFA Bond	15 Apr 23	5.1336%	4,000,000			4,000,000
LGFA FRN	15 Apr 23	1.8550%	6,000,000			6,000,000
LGFA Bond	15 Apr 23	1.4800%	0	4,000,000		4,000,000
LGFA Bond	15 Mar 24	3.7200%	4,000,000			4,000,000
LGFA Bond	15 Mar 24	3.7600%	4,000,000			4,000,000
LGFA Bond	15 Apr 24	2.5200%	3,000,000			3,000,000
LGFA Bond	15 Apr 25	4.2046%	3,000,000			3,000,000
LGFA FRN	15 Apr 25	1.2590%		5,000,000		5,000,000
LGFA FRN	19 May 25	1.6700%	7,000,000			7,000,000
<b>Total due within 2 - 5 years</b>			<b>62,000,000</b>	<b>9,000,000</b>	<b>0</b>	<b>71,000,000</b>
<b>Due after 5 years</b>						
LGFA Bond	20 Mar 26	3.3800%	9,000,000			9,000,000
LGFA Bond	15 Jul 26	3.3700%	5,000,000			5,000,000
LGFA FRN	15 Apr 27	2.0400%		5,000,000		5,000,000
<b>Total due after 5 years</b>			<b>14,000,000</b>	<b>5,000,000</b>	<b>0</b>	<b>19,000,000</b>
<b>Total</b>			<b>96,000,000</b>	<b>51,000,000</b>	<b>32,000,000</b>	<b>115,000,000</b>

Activity	External Loans as at 31/03/2020 \$000	Internal Loans as at 31/03/2020 \$000	Total Loans as at 31/03/2020 \$000	LTP Year 2 Budget 2019/20 \$000	Interest Allocated YTD \$000	Loans as at 30/06/2019 \$000
<b>Land Transport</b>	<b>1,600</b>	<b>103</b>	<b>1,703</b>	<b>3,868</b>	<b>45</b>	<b>1,684</b>
<b>Shared Pathways</b>	<b>700</b>	<b>76</b>	<b>776</b>	<b>937</b>	<b>19</b>	<b>710</b>
<b>Stormwater</b>	<b>7,700</b>	<b>73</b>	<b>7,773</b>	<b>9,657</b>	<b>201</b>	<b>7,466</b>
<b>Water supply</b>						
Water Levin	11,300	10	11,310	13,150	304	11,287
Water Shannon	1,200	9	1,209	1,194	34	1,243
Water Foxton	1,200	46	1,246	1,217	34	1,270
Water Foxton Beach	300	30	330	411	9	324
Water Tokomaru	400	30	430	487	11	392
<b>Total for water supply</b>	<b>14,400</b>	<b>125</b>	<b>14,525</b>	<b>16,459</b>	<b>392</b>	<b>14,516</b>
<b>Wastewater Disposal</b>						
Wastewater Levin	10,500	14	10,514	12,436	254	9,438
Wastewater Shannon	7,800	65	7,865	7,968	218	8,086
Wastewater Foxton	5,300	60	5,360	8,459	130	4,801
Wastewater Foxton Beach	200	2	202	301	4	159
Wastewater Tokomaru	700	94	794	846	22	819
Wastewater Waitarere	200	99	299	595	6	213
<b>Total for wastewater disposal</b>	<b>24,700</b>	<b>334</b>	<b>25,034</b>	<b>30,605</b>	<b>634</b>	<b>23,516</b>
<b>Solid Waste</b>						
Landfill	4,500	18	4,518	4,684	124	4,616
Recycling	1,800	4	1,804	2,208	21	768
<b>Total Solid Waste</b>	<b>6,300</b>	<b>22</b>	<b>6,322</b>	<b>6,892</b>	<b>145</b>	<b>5,384</b>
<b>Community Facilities &amp; Services</b>						
Aquatic Centres	4,300	28	4,328	4,714	120	4,438
Reserves	2,000	76	2,076	2,931	54	2,003
Sports grounds	1,300	15	1,315	1,462	36	1,347
Cemeteries	600	91	691	768	15	563
Beautification	0	46	46	55	1	48
Libraries/ Community Centres	10,600	35	10,635	11,216	288	10,666
Halls	200	30	230	228	6	237
Toilets	400	57	457	759	13	471
<b>Total for Community Facilities &amp; Services</b>	<b>19,400</b>	<b>378</b>	<b>19,778</b>	<b>22,133</b>	<b>533</b>	<b>19,773</b>
<b>Properties</b>						
Commercial properties	0	0	0	0	12	1,023
General properties	3,000	0	3,000	821	80	2,982
Council building	5,400	19	5,419	5,713	149	5,541
<b>Total for Properties</b>	<b>8,400</b>	<b>19</b>	<b>8,419</b>	<b>6,534</b>	<b>241</b>	<b>9,546</b>
<b>Other activities</b>						
Information Technology	1,600	79	1,679	1,677	44	1,624
District/strategic planning	3,200	107	3,307	4,057	75	2,790
Animal control	0	25	25	67	1	26
Treasury	27,000	0	27,000	5,000	267	10,500
<b>Total for other</b>	<b>31,800</b>	<b>211</b>	<b>32,011</b>	<b>10,801</b>	<b>387</b>	<b>14,940</b>
<b>Total Gross Debt</b>	<b>115,000</b>	<b>1,341</b>	<b>116,341</b>	<b>107,886</b>	<b>2,597</b>	<b>97,535</b>
Less Cash and Cash equivalents	27,859		27,859	10,571		8,481
<b>Net Debt</b>	<b>87,141</b>	<b>1,341</b>	<b>88,482</b>	<b>97,315</b>		<b>89,054</b>

## Funding Impact Statement for Whole of Council

	LTP Budget 2020 \$000	Annual Report Actual 2019 \$000	AP YTD Budget Mar 2020 \$000	Actual YTD 2020 \$000	Variance YTD \$000
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	10,235	9,547	7,777	7,837	60
Targeted rates	30,368	29,015	22,225	22,714	489
Subsidies and grants for operating purposes	1,478	1,984	1,371	1,528	157
Fees and charges	5,241	5,355	3,810	3,934	124
Interest and dividends from investments	209	423	179	190	11
Local authorities fuel tax, fines, infringement fees, and other receipts	3,674	3,522	3,026	3,281	255
<b>Total operating funding (A)</b>	<b>51,205</b>	<b>49,846</b>	<b>38,388</b>	<b>39,484</b>	<b>1,096</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	36,495	39,118	29,062	29,598	536
Finance costs	4,393	3,607	2,588	2,287	(301)
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>40,888</b>	<b>42,725</b>	<b>31,650</b>	<b>31,885</b>	<b>235</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>10,317</b>	<b>7,121</b>	<b>6,738</b>	<b>7,599</b>	<b>861</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	4,308	3,539	4,149	2,110	(2,039)
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	12,510	16,000	10,360	19,000	8,640
Gross proceeds from sale of assets	-	791	5,250	5,263	13
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>16,818</b>	<b>20,330</b>	<b>19,759</b>	<b>26,373</b>	<b>6,614</b>
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	3,600	785	1,584	479	(1,105)
- to improve the level of service	10,847	9,214	11,990	5,925	(6,065)
- to replace existing assets	12,688	12,667	10,913	8,832	(2,081)
Increase (decrease) in reserves	-	9,604	2,010	18,825	16,815
Increase (decrease) of investments	-	(4,799)	-	(89)	(89)
<b>Total applications of capital funding (D)</b>	<b>27,135</b>	<b>27,451</b>	<b>26,497</b>	<b>33,972</b>	<b>7,475</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(10,317)</b>	<b>(7,121)</b>	<b>(6,738)</b>	<b>(7,599)</b>	<b>(861)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation	14,211	14,383	10,836	10,938	102
<b>Loans</b>					
		<b>30 June 2019 External \$000</b>	<b>31 March 2020 External \$000</b>		
Loans as at 1/07/2019		80,000	96,000		
Raised during period		78,000	51,000		
Repaid during period		(62,000)	(32,000)		
<b>Loans as at 31/3/2020</b>		<b>96,000</b>	<b>115,000</b>		
Interest expense		3,607	2,287		

## Statement of Cashflow

	Council Budget 30 June 2020 \$000	Council Actual 31 Mar 2020 \$000
<b>Cashflow from operating activities</b>		
<b>Cash was provided from:</b>		
Revenue from rates	38,362	29,659
Other revenue	15,684	11,322
Interest received	205	380
Dividends	-	-
<b>Total cash provided</b>	<b>54,251</b>	<b>41,361</b>
<b>Cash was disbursed to:</b>		
Suppliers, services and employees	35,428	28,770
Interest paid	3,800	2,337
Net GST movement	-	773
<b>Total cash disbursed</b>	<b>39,228</b>	<b>31,880</b>
<b>Net cash flow from operating activity</b>	<b>15,023</b>	<b>9,481</b>
<b>Cashflows from investing activities</b>		
<b>Cash was provided from:</b>		
Proceeds from asset sales	7,000	5,263
Proceeds from investments	-	5,158
<b>Total cash provided</b>	<b>7,000</b>	<b>10,421</b>
<b>Cash was disbursed to:</b>		
Purchases of investments	-	-
Purchase of assets	34,517	19,524
<b>Total cash disbursed</b>	<b>34,517</b>	<b>19,524</b>
<b>Net cash flow from investing activity</b>	<b>(27,517)</b>	<b>(9,103)</b>
<b>Cashflows from financing activities</b>		
<b>Cash was provided from:</b>		
Loans raised	26,494	51,000
<b>Total cash provided</b>	<b>26,494</b>	<b>51,000</b>
<b>Cash was disbursed to:</b>		
Repayment of public debt	14,000	32,000
<b>Total cash disbursed</b>	<b>14,000</b>	<b>32,000</b>
<b>Net cash flow from financing activity</b>	<b>12,494</b>	<b>19,000</b>
<b>Net increase (decrease) in cash held</b>	<b>-</b>	<b>19,378</b>
Add opening cash brought forward	10,571	8,481
<b>Closing cash balance</b>	<b>10,571</b>	<b>27,859</b>
<b>Closing balance made up of cash and cash equivalents</b>	<b>10,571</b>	<b>27,859</b>

## Statement of Rates Debtors

Rate Zone	Assessment Count	Assessments Matching Criteria	% Matching Criteria	Total Rates Due	Year to Date Rates Due	Instalment 1 Due	Instalment 2 Due	Instalment 3 Due	Penalties Arrears	Prior Year Arrears
Cancelled	430		0%							
Foxton	1,277	131	10%	\$212,671	\$118,421	\$17,755	\$26,322	\$57,183	\$16,734	\$94,250
Foxton Beach	1,600	145	9%	\$188,873	\$132,625	\$13,070	\$25,422	\$71,982	\$22,154	\$56,248
Hokio Beach	199	40	20%	\$538,654	\$24,389	\$6,615	\$7,219	\$8,640	\$1,914	\$514,265
Levin	7,511	597	8%	\$557,596	\$505,172	\$59,040	\$110,802	\$283,898	\$50,721	\$52,424
Manakau	86	3	3%	\$4,345	\$4,256	\$1,093	\$1,093	\$1,602	\$467	\$89
No Charges	511		0%							
Non Rateable	131	5	4%	\$7,432	\$2,472	\$148	\$432	\$1,255	\$638	\$4,960
Ohau	152	12	8%	\$14,070	\$10,026	\$1,268	\$2,249	\$4,907	\$1,604	\$4,044
Rural	2,197	133	6%	\$410,229	\$102,921	\$13,005	\$19,204	\$47,667	\$23,352	\$307,308
Rural Lifestyle	2,758	231	8%	\$245,265	\$171,252	\$21,560	\$33,855	\$92,534	\$23,162	\$74,013
Shannon	678	85	13%	\$191,899	\$91,963	\$11,491	\$19,011	\$37,438	\$24,022	\$99,936
Tokomaru	166	26	16%	\$20,265	\$19,263	\$1,289	\$3,866	\$12,450	\$1,657	\$1,003
Utilities	17	1	6%	\$561	\$561	\$170	\$170	\$170	\$51	\$0
Waikawa Beach	231	10	4%	\$7,474	\$7,474	\$812	\$1,643	\$3,959	\$1,061	\$0
Waitare Beach	987	51	5%	\$45,770	\$40,896	\$5,574	\$8,324	\$22,829	\$4,167	\$4,874
<b>Total at 31 March 2020</b>	<b>18,931</b>	<b>1,470</b>	<b>8%</b>	<b>\$2,445,104</b>	<b>\$1,231,693</b>	<b>\$152,891</b>	<b>\$259,611</b>	<b>\$646,514</b>	<b>\$171,705</b>	<b>\$1,213,411</b>
Total at 31 March 2019	17,747	1,380	7%	\$2,419,560	\$1,157,289	\$158,712	256,393,	\$557,879	\$182,999	\$1,262,271

- This report excludes assessments with total arrears under \$99.00 and assessments with credit balances.
- The total arrears of \$2,445,104 are for total arrears over \$99.00 as at 31 March 2020. Assessments with total arrears under \$99.00 total \$75,973.

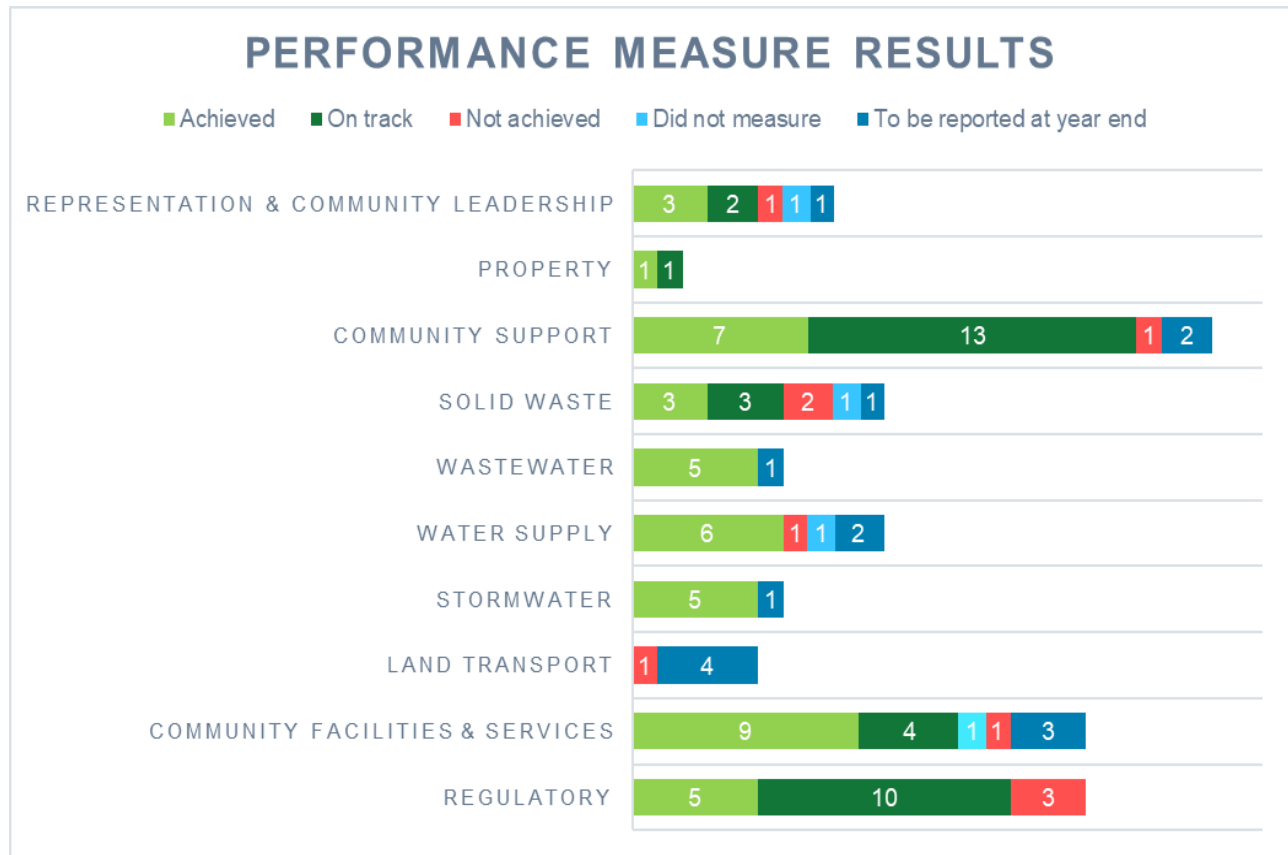


## Statement of Sundry Debtors

Category	Total Outstanding	Current Outstanding	31 - 60 days Outstanding	61 - 90 days Outstanding	Over 90 days Outstanding	Notes
<b>Current debtors</b>						
Aquatic Centre	7,023	4,367	2,657	0	0	
Building - Exempt Work	593	413	0	0	180	
Building Consents	114,448	64,306	32,871	380	16,891	1
Building Fee - BWOFF	5,010	1,890	1,635	320	1,165	
Cemeteries	22,030	10,020	11,950	60	0	
Dogs - Debt Collection	884	0	0	0	884	
Dogs Arrange to pay	776	158	99	40	479	
Dogs Pre Payments	75	0	0	0	75	
Fines	1,631	0	0	0	1,631	
General	433,560	159,194	205,284	3,439	65,644	2
Health Accreditation Renewals	17,583	4,200	2,250	6,295	4,838	
Hire	9,502	1,143	4,760	123	3,477	
On Charges	44,542	32,265	8,241	4,036	0	3
Rental income Annual	592	0	0	0	592	
Resource Consent Fees	23,593	3,637	5,490	400	14,066	4
Rubbish Bags	42,180	26,980	11,400	1,900	1,900	4
Staff Account	3,866	0	1,359	272	2,235	
Swimming Pools	2,380	470	470	155	1,285	
Te Awahou	3,014	1,539	762	0	714	
Te Takere	8,124	4,418	981	1,095	1,631	
Trade Waste	136,913	1,819	372	0	134,722	
Waste Transfer Station	327	0	0	0	327	
Water Septage - Septic Tank	3,370	995	2,375	0	0	
Total current debtors	882,014	317,811	292,954	18,515	252,734	
<b>Non current debtors</b>						
Dev Cont New Policy	19,991	0	0	0	19,991	5
Develop Cont Old Policy	6,055	0	0	0	6,055	5
Rental Income Monthly	81,593	2,781	10,879	102	67,831	
Total non-current debtors	107,639	2,781	10,879	102	93,877	
<b>Total</b>	<b>989,653</b>	<b>320,592</b>	<b>303,833</b>	<b>18,617</b>	<b>346,611</b>	

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 (under old policy) are with the Debt Collection Agency, with the balance of them either being paid off or having an arrangement in place to pay when the sections sell.

## Performance Measure Results



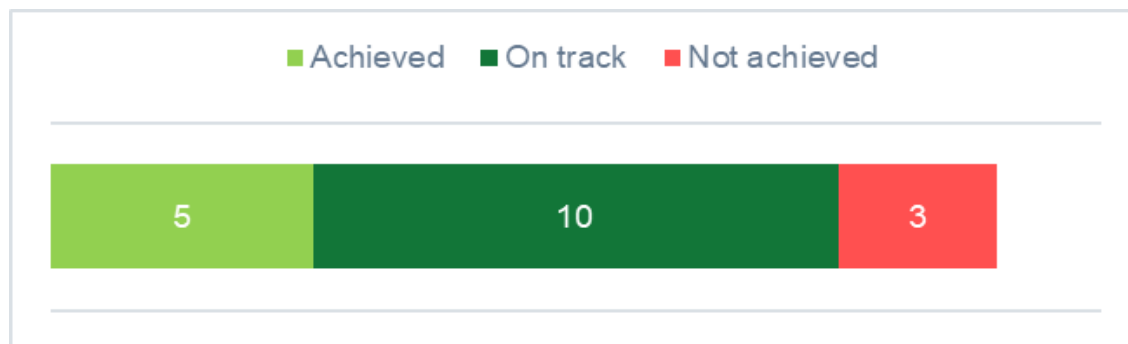
## PLANNING AND REGULATORY

	LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	Annual Plan Forecast Mar 2020 \$000	Mar YTD 2020 \$000	Variance YTD 2020 \$000
Note					
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	1,905	2,115	1,244	1,247	3
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	9	9	7	7	-
Local authorities fuel tax, fines, infringement fees, and other receipts	2,849	2,760	2,359	2,515	156
Internal charges and overheads recovered	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>4,763</b>	<b>4,884</b>	<b>3,610</b>	<b>3,769</b>	<b>159</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	449	434	386	449	63
Finance costs	-	2	-	1	1
Internal charges and overheads applied	4,235	4,368	3,055	3,072	17
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>4,684</b>	<b>4,804</b>	<b>3,441</b>	<b>3,522</b>	<b>81</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>79</b>	<b>80</b>	<b>169</b>	<b>247</b>	<b>78</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(31)	42	34	-	(34)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(31)</b>	<b>42</b>	<b>34</b>	<b>-</b>	<b>(34)</b>
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	25	2	4	-	(4)
- to replace existing assets	23	117	89	7	(82)
Increase (decrease) in reserves	-	3	110	240	130
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>48</b>	<b>122</b>	<b>203</b>	<b>247</b>	<b>44</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(79)</b>	<b>(80)</b>	<b>(169)</b>	<b>(247)</b>	<b>(78)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation	79	79	59	59	-

Loans as at 31 March 2020	External \$000	Internal \$000	Total \$000
Loans as at 1/07/2019	-	-	-
Raised during year	-	-	-
Repaid during year	-	-	-
<b>Loans as at 31/3/2020</b>	<b>-</b>	<b>-</b>	<b>-</b>
Interest expense	-	-	-

Activity Expenditure	LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	30 June 2020 Forecast \$000	Annual Plan Forecast Mar 2020 \$000	Actual 2020 \$000	Variance 2020 \$000
Animal Control	253	262	196	196	188	(8)
Building Consents	1,119	1,131	1,109	840	774	(66)
Building Policy	289	298	271	202	207	5
Dog Control	608	627	618	465	414	(51)
Environmental Health	278	285	293	293	241	(52)
Environmental Health Policy	91	95	79	59	52	(7)
Liquor Licensing	224	232	233	175	148	(27)
Liquor Policy	60	63	54	32	49	17
Parking	577	583	495	370	356	(14)
Planning Policy	320	331	276	207	228	21
Resource Management	687	712	855	444	681	237
Safety Licensing	256	262	333	216	244	28
<b>Total Expenditure</b>	<b>4,762</b>	<b>4,881</b>	<b>4,976</b>	<b>3,499</b>	<b>3,582</b>	<b>83</b>

## Performance Measures – LTP/Annual Plan Summary



## PLANNING AND REGULATORY – Performance Measures Not Achieved Measures Only

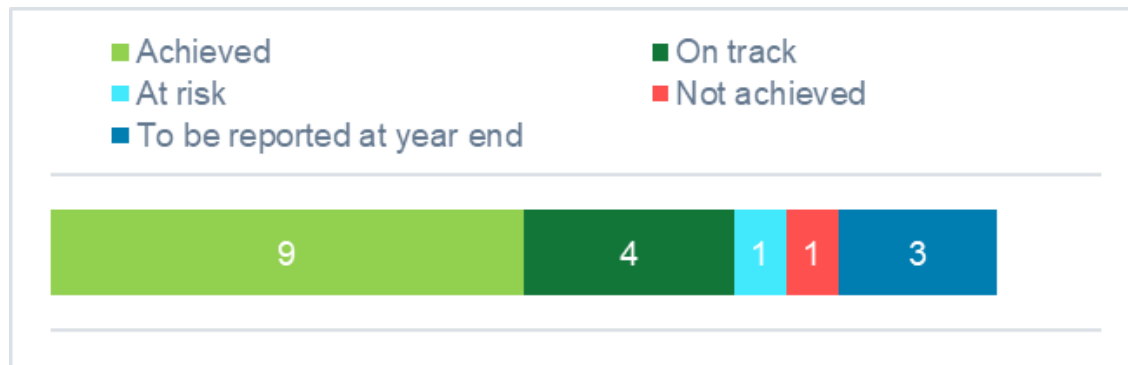
Ref	Service	How will we measure our performance	Target (2019/20)	Actual Performance	RM8 Ref
RS1	Processing of applications under the Resource Management Act (RMA) 1991.	Applications under the RMA will be processed within statutory timeframes.	Achieve	<p><b>Not Achieved</b></p> <p>As at 31 March 2020, 217 consents approved YTD, 97% within statutory timeframes.</p> <p>Six (6) consents were approved outside of statutory timeframes. This has been due to a combination of administrative issues and the high volume of applications received compared to the number of staff available to process applications. Additional monitoring steps have been added to the administrative processes to prevent a reoccurrence of the same issues and recruitment of staff is ongoing.</p>	D20/47905
RS4	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.	Achieve	<p><b>Not achieved</b></p> <p>As at 31 March 2020, 85 food businesses operating on the Simply Safe and Suitable template were verified.</p> <p>Due to the Covid-19 level 4 restrictions, 2 food business verifications were not able to be completed as scheduled during March. Both verifications will be rescheduled post lockdown.</p>	
RS8	All parking restricted areas in Levin will be enforced under the provisions of Council's Bylaw and the Land Transport Regulations.	Enforcement conducted each working day.	Achieve	<p><b>Not Achieved</b></p> <p>Due to the Covid-19 Level 4 restrictions, Parking Services ceased during the lockdown period.</p>	D19/122075

## Community Facilities

	LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	Annual Plan Forecast Mar 2020 \$000	Mar YTD 2020 \$000	Variance 2020 \$000
Note					
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	4,900	5,163	3,898	3,907	9
Targeted rates	6,396	7,094	4,838	4,849	11
Subsidies and grants for operating purposes	14	14	11	-	(11)
Fees and charges	1,604	1,665	1,273	989	(284)
Local authorities fuel tax, fines, infringement fees, and other receipts	229	214	47	57	10
Internal charges and overheads recovered	-	-	-	3	3
<b>Total operating funding (A)</b>	<b>13,143</b>	<b>14,150</b>	<b>10,067</b>	<b>9,805</b>	<b>(262)</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	8,598	9,403	6,630	6,297	(333)
Finance costs	960	1,037	645	533	(112)
Internal charges and overheads applied	2,243	2,326	1,833	1,796	(37)
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>11,801</b>	<b>12,766</b>	<b>9,108</b>	<b>8,626</b>	<b>(482)</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,342</b>	<b>1,384</b>	<b>959</b>	<b>1,179</b>	<b>220</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	1,547	3,091	1,436	5	(1,431)
Gross proceeds from sale of assets	-	-	-	5	5
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>1,547</b>	<b>3,091</b>	<b>1,436</b>	<b>10</b>	<b>(1,425)</b>
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	111	26	32	20	(12)
- to improve the level of service	1,102	843	639	323	(316)
- to replace existing assets	1,910	3,551	1,874	824	(1,050)
Increase (decrease) in reserves	(234)	55	(150)	22	172
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>2,889</b>	<b>4,475</b>	<b>2,395</b>	<b>1,189</b>	<b>(1,205)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,342)</b>	<b>(1,384)</b>	<b>(959)</b>	<b>(1,179)</b>	<b>(220)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation	1,115	1,165	978	1,080	102
<b>Loans as at 31 March 2020</b>					
			External \$000	Internal \$000	Total \$000
Loans as at 1/07/2019			19,400	1,430	20,830
Raised during year			560	108	668
Repaid during year			(560)	(103)	(663)
<b>Loans as at 31/3/2020</b>			<b>19,400</b>	<b>1,435</b>	<b>20,835</b>
Interest expense			510	23	533

Activity Expenditure	LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	30 June 2020 Forecast \$000	Annual Plan Forecast Mar 2020 \$000	Actual 2020 \$000	Variance 2020 \$000
Cemeteries	415	440	433	327	312	(15)
Public Toilets	338	347	334	262	259	(3)
Beautification	688	704	727	545	497	(48)
Reserves	1,948	2,143	2,077	1,629	1,599	(30)
Sportsgrounds	1,149	1,172	1,178	898	863	(35)
Halls	242	246	248	193	182	(11)
Library Services	2,697	3,143	3,270	2,423	2,461	38
Community Centres	2,159	2,351	1,393	1,317	1,034	(283)
Aquatic Centres	2,897	2,993	2,929	2,194	2,230	36
Urban Cleaning	385	393	394	296	271	(25)
<b>Total Expenditure</b>	<b>12,918</b>	<b>13,932</b>	<b>12,983</b>	<b>10,084</b>	<b>9,708</b>	<b>(376)</b>

## Performance Measures – LTP/Annual Plan Summary



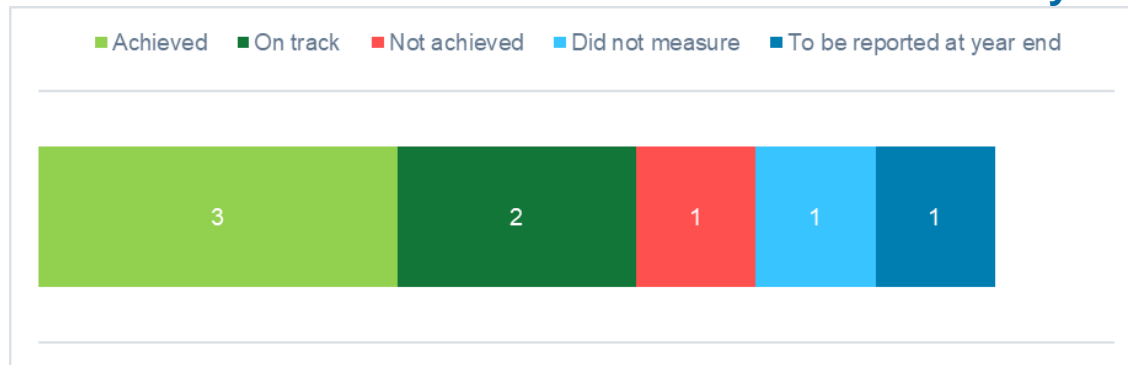


## REPRESENTATION AND COMMUNITY LEADERSHIP

	LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	Annual Plan Forecast Mar 2020 \$000	Mar YTD 2020 \$000	Variance 2020 \$000
Note					
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	431	505	122	123	1
Targeted rates	3,505	3,625	2,666	2,673	7
Subsidies and grants for operating purposes	-	-	-	47	47
Fees and charges	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	3	91	215	109	(106)
Internal charges and overheads recovered	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>3,939</b>	<b>4,221</b>	<b>3,003</b>	<b>2,952</b>	<b>(51)</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	1,207	1,419	1,688	1,230	(458)
Finance costs	99	117	73	75	2
Internal charges and overheads applied	2,855	3,074	2,317	2,551	234
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>4,161</b>	<b>4,610</b>	<b>4,078</b>	<b>3,856</b>	<b>(222)</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(222)</b>	<b>(389)</b>	<b>(1,075)</b>	<b>(904)</b>	<b>171</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	367	330	1,324	(70)	(1,394)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>367</b>	<b>330</b>	<b>1,324</b>	<b>(70)</b>	<b>(1,394)</b>
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	144	1	188	2	(186)
- to improve the level of service	-	-	-	-	-
- to replace existing assets	-	-	-	-	-
Increase (decrease) in reserves	1	(60)	61	(976)	(1,037)
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>145</b>	<b>(59)</b>	<b>249</b>	<b>(974)</b>	<b>(1,223)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>222</b>	<b>389</b>	<b>1,075</b>	<b>904</b>	<b>(171)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation	-	13	10	10	-
<b>Loans as at 31 March 2020</b>					
			External \$000	Internal \$000	Total \$000
Loans as at 1/07/2019			2,700	23	2,723
Raised during year			-	-	-
Repaid during year			(60)	(10)	(70)
<b>Loans as at 31/3/2020</b>			<b>2,640</b>	<b>13</b>	<b>2,653</b>
Interest expense			75	-	75

Activity Expenditure	LTP	LTP	30 June	Annual	Actual	Variance
	Forecast	Forecast	2020	Plan		
	2019	2020	Forecast	Forecast		
	\$000	\$000	\$000	Mar	2020	2020
	\$000	\$000	\$000	\$000	\$000	\$000
Community Board	211	213	215	163	168	5
Elections	3	154	189	127	184	57
Governance	1,874	1,981	1,913	1,430	1,474	44
External Reporting	1,420	1,429	1,435	1,024	1,131	107
District Planning	654	847	1,048	746	575	(171)
Growth Response	-	-	425	600	334	(266)
<b>Total Expenditure</b>	<b>4,162</b>	<b>4,624</b>	<b>5,225</b>	<b>4,090</b>	<b>3,866</b>	<b>(224)</b>

## Performance Measures – LTP/Annual Plan Summary



## REPRESENTATION AND COMMUNITY LEADERSHIP– Performance Measures Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2019/20)	Actual Performance	RM8 Ref
RCL2	Council provides open, accessible processes to local government.	LGOIMA requests responded to within 20 working days.	Achieve	<b>Not Achieved</b> As at 31 March 2020, 153 LGOIMA requests had been received. One hundred and twenty-eight (128) were responded to on time, 3 requests had extensions applied, and 14 were sent late, 11 remain open (the 11 are current).	

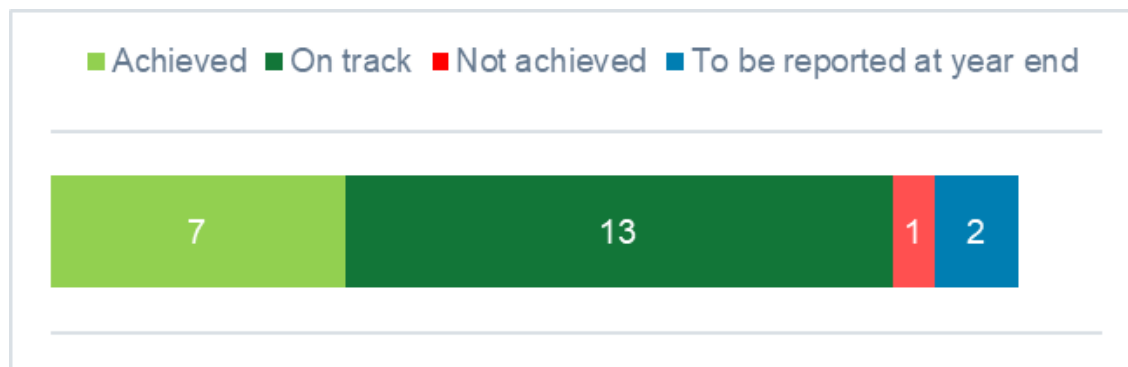
## COMMUNITY SUPPORT

	LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	Annual Plan Forecast Mar 2020 \$000	Mar YTD 2020 \$000	Variance 2020 \$000
Note					
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	2,393	2,471	2,230	2,235	5
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	27	28	28	35	7
Fees and charges	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	130	134	-	27	27
Internal charges and overheads recovered	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>2,550</b>	<b>2,633</b>	<b>2,258</b>	<b>2,297</b>	<b>39</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	1,201	1,247	1,275	1,178	(97)
Finance costs	-	1	-	-	-
Internal charges and overheads applied	1,337	1,370	1,061	962	(99)
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,538</b>	<b>2,618</b>	<b>2,336</b>	<b>2,140</b>	<b>(196)</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>12</b>	<b>15</b>	<b>(78)</b>	<b>157</b>	<b>235</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	23	(1)	(1)	-	1
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>23</b>	<b>(1)</b>	<b>(1)</b>	<b>-</b>	<b>1</b>
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	5	-	-	24	24
- to replace existing assets	18	-	-	-	-
Increase (decrease) in reserves	12	14	(79)	133	212
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>35</b>	<b>14</b>	<b>(79)</b>	<b>157</b>	<b>236</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(12)</b>	<b>(15)</b>	<b>78</b>	<b>(157)</b>	<b>(235)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation	12	13	10	10	-

Loans as at 31 March 2020	External \$000	Internal \$000	Total \$000
Loans as at 1/07/2019	-	-	-
Raised during year	-	-	-
Repaid during year	-	-	-
<b>Loans as at 31/3/2020</b>	<b>-</b>	<b>-</b>	<b>-</b>
Interest expense	-	-	-

Activity Expenditure	LTP	LTP	30 June	Annual	Actual	Variance
	Forecast	Forecast	2020	Plan		
	2019	2020	Forecast	Forecast		
	\$000	\$000	\$000	Mar	2020	2020
Community Development	251	266	663	513	410	(103)
Economic Development	953	974	765	538	599	61
Visitor Information	152	161	208	191	114	(77)
Community Grants and Funding	394	405	461	377	362	(15)
District Communication	319	331	499	408	333	(75)
Emergency Management	481	494	448	320	333	10
<b>Total Expenditure</b>	<b>2,550</b>	<b>2,631</b>	<b>3,044</b>	<b>2,347</b>	<b>2,151</b>	<b>(196)</b>

## Performance Measures – LTP/Annual Plan Summary



## COMMUNITY SUPPORT – Performance Measures (Emergency Management) – Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2019/20)	Actual Performance	RM8 Ref
CS2	Council maintains a functional EOC and trained staff.	Civil defence and emergency management assessment of readiness and capability.	100% of Council staff with EOC roles	<b>Not Achieved</b> As at 31 March 2020, due to cyclic training schedules and new staff appointments and the Covid-19 response.	

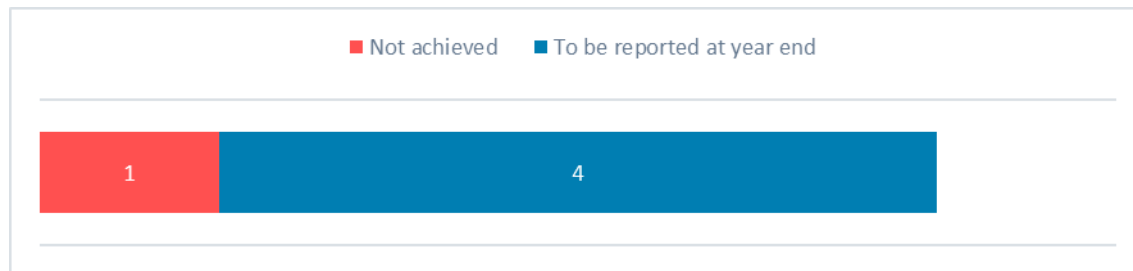
## LAND TRANSPORT

	LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	Annual Plan Forecast Mar 2020 \$000	Mar YTD 2020 \$000	Variance 2020 \$000
Note					
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	4,110	3,486	2,912	2,918	6
Subsidies and grants for operating purposes	1,647	1,436	1,333	1,437	104
Fees and charges	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	340	359	177	218	41
Internal charges and overheads recovered	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>6,097</b>	<b>5,281</b>	<b>4,422</b>	<b>4,573</b>	<b>151</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	2,949	2,593	2,408	2,533	125
Finance costs	91	185	79	65	(14)
Internal charges and overheads applied	1,001	961	1,074	475	(599)
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>4,041</b>	<b>3,739</b>	<b>3,561</b>	<b>3,073</b>	<b>(488)</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,056</b>	<b>1,542</b>	<b>861</b>	<b>1,500</b>	<b>639</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	4,368	4,308	4,149	2,110	(2,039)
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	1,891	1,835	1,736	85	(1,651)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>6,259</b>	<b>6,143</b>	<b>5,885</b>	<b>2,195</b>	<b>(3,690)</b>
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	4,062	4,209	3,449	1,370	(2,079)
- to replace existing assets	3,784	3,458	2,915	2,438	(477)
Increase (decrease) in reserves	469	18	382	(113)	(495)
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>8,315</b>	<b>7,685</b>	<b>6,746</b>	<b>3,695</b>	<b>(3,051)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2,056)</b>	<b>(1,542)</b>	<b>(861)</b>	<b>(1,500)</b>	<b>(639)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation	4,993	5,143	3,855	3,855	-

Loans as at 31 March 2020	External \$000	Internal \$000	Total \$000
Loans as at 1/07/2019	2,300	125	2,425
Raised during year	60	127	187
Repaid during year	(60)	(42)	(102)
<b>Loans as at 31/3/2020</b>	<b>2,300</b>	<b>210</b>	<b>2,510</b>
Interest expense	63	2	65

Activity Expenditure	LTP	LTP	30 June	Annual	Actual	Variance
	Forecast	Forecast	2020	Plan		
	2019	2020	Forecast	Forecast		
	\$000	\$000	\$000	Mar	2020	2020
				\$000	\$000	\$000
Subsidised Roding	7,700	7,482	8,289	6,422	5,807	(615)
Footpaths	1,051	1,076	991	778	752	(26)
Shared Pathways	-	38	48	31	30	(1)
Unsubsidised Roding	283	288	434	186	339	153
<b>Total Expenditure</b>	<b>9,034</b>	<b>8,884</b>	<b>9,762</b>	<b>7,417</b>	<b>6,928</b>	<b>(489)</b>

## Performance Measures – LTP/Annual Plan Summary





## LAND TRANSPORT – Performance Measures Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2019/20)	Actual Performance	RM8 Ref
LT5	Good response to service requests*.	The percentage of customer service requests relating to roads and footpaths to which Council responds within 15 working days.	> 95%	<b>Not Achieved</b> As of 31 March 2020, Year-to-date 1,334 CRMs have been received with 86.5% closed within 15 working days.	

## STORMWATER

	LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	Annual Plan Forecast Mar 2020 \$000	Mar YTD 2020 \$000	Variance 2020 \$000
Note					
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	1,051	1,331	941	943	2
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	-	-	-	6	6
Local authorities fuel tax, fines, infringement fees, and other receipts	89	92	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>1,140</b>	<b>1,423</b>	<b>941</b>	<b>949</b>	<b>8</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	410	421	327	399	72
Finance costs	254	412	240	201	(39)
Internal charges and overheads applied	94	98	73	78	5
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>758</b>	<b>931</b>	<b>640</b>	<b>678</b>	<b>38</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>382</b>	<b>492</b>	<b>301</b>	<b>271</b>	<b>(30)</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	3,143	1,006	1,586	307	(1,279)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>3,143</b>	<b>1,006</b>	<b>1,586</b>	<b>307</b>	<b>(1,279)</b>
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	1,274	285	259	162	(97)
- to improve the level of service	2,073	1,050	1,553	368	(1,185)
- to replace existing assets	86	75	65	99	35
Increase (decrease) in reserves	92	88	11	(51)	(62)
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>3,525</b>	<b>1,498</b>	<b>1,887</b>	<b>578</b>	<b>(1,309)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(382)</b>	<b>(492)</b>	<b>(301)</b>	<b>(271)</b>	<b>30</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation	562	657	509	509	-

Loans as at 31 March 2020	External \$000	Internal \$000	Total \$000
Loans as at 1/07/2019	7,400	66	7,466
Raised during year	520	11	531
Repaid during year	(220)	(4)	(224)
<b>Loans as at 31/3/2020</b>	<b>7,700</b>	<b>73</b>	<b>7,773</b>
Interest expense	200	1	201

Activity Expenditure	LTP	LTP	30 June	Annual	Actual	Variance
	Forecast	Forecast	2020	Plan		
	2019	2020	Forecast	Forecast	2020	2020
	\$000	\$000	\$000	Mar	\$000	\$000
Stormwater Drainage	1,321	1,587	1,149	1,149	1,187	38
<b>Total Expenditure</b>	<b>1,321</b>	<b>1,587</b>	<b>1,149</b>	<b>1,149</b>	<b>1,187</b>	<b>38</b>

## Performance Measures – LTP/Annual Plan Summary



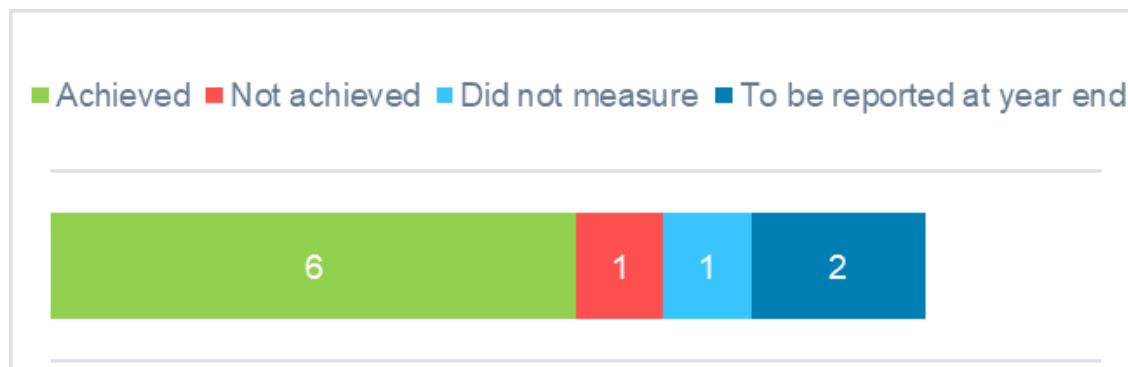
## WATER SUPPLY

	LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	Annual Plan Forecast Mar 2020 \$000	Mar YTD 2020 \$000	Variance 2020 \$000
Note					
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	6,561	6,748	5,080	5,510	430
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	123	126	106	192	86
Local authorities fuel tax, fines, infringement fees, and other receipts	136	122	-	8	8
Internal charges and overheads recovered	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>6,820</b>	<b>6,996</b>	<b>5,186</b>	<b>5,710</b>	<b>524</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	2,999	3,093	2,275	2,600	325
Finance costs	640	674	522	391	(131)
Internal charges and overheads applied	479	497	369	413	44
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>4,118</b>	<b>4,264</b>	<b>3,166</b>	<b>3,404</b>	<b>238</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,702</b>	<b>2,732</b>	<b>2,020</b>	<b>2,306</b>	<b>286</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	685	625	56	9	(47)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>685</b>	<b>625</b>	<b>56</b>	<b>9</b>	<b>(47)</b>
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	439	1,138	250	156	(94)
- to improve the level of service	758	24	256	345	89
- to replace existing assets	2,672	2,350	1,534	2,316	782
Increase (decrease) in reserves	(482)	(155)	37	(502)	(539)
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>3,387</b>	<b>3,357</b>	<b>2,076</b>	<b>2,315</b>	<b>239</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2,702)</b>	<b>(2,732)</b>	<b>(2,020)</b>	<b>(2,306)</b>	<b>(286)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation	2,566	2,611	2,034	2,034	-

Loans as at 31 March 2020	External \$000	Internal \$000	Total \$000
Loans as at 1/07/2019	14,200	316	14,516
Raised during year	600	16	616
Repaid during year	(400)	(207)	(607)
<b>Loans as at 31/3/2020</b>	<b>14,400</b>	<b>125</b>	<b>14,525</b>
Interest expense	386	5	391

Activity Expenditure	LTP	LTP	30 June	Annual	Actual	Variance
	Forecast	Forecast	2020	Plan		
	2019	2020	Forecast	Forecast		
	\$000	\$000	\$000	Mar	2020	2020
				2020	\$000	\$000
Foxton Water	1,059	1,094	1,073	799	747	(52)
Foxton Beach Water	823	841	838	618	594	(24)
Levin Water	3,625	3,714	3,708	2,894	3,175	281
Shannon Water	750	767	739	548	605	57
Tokomaru Water	426	456	469	341	318	(23)
Ohau Water	-	2	-	-	-	-
Waitarere Beach Water	-	2	-	-	-	-
<b>Total Expenditure</b>	<b>6,683</b>	<b>6,876</b>	<b>6,827</b>	<b>5,200</b>	<b>5,439</b>	<b>239</b>

## Performance Measures – LTP/Annual Plan Summary



## WATER SUPPLY – Performance Measures Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2019/20)	Actual Performance	RM8 Ref												
WS2	Safe water supply*.	(b) part 5 of the Drinking Water Standards (protozoa compliance criteria) in:  Levin Shannon Foxton Foxton Beach Tokomaru	Achieved Achieved Achieved Achieved Achieved	<p><b>Not Achieved</b> As at 29 February 2020:</p> <table border="1"> <thead> <tr> <th>Scheme</th> <th>Year to Date %</th> </tr> </thead> <tbody> <tr> <td>Levin</td> <td>100%</td> </tr> <tr> <td>Shannon</td> <td>100%</td> </tr> <tr> <td>Foxton</td> <td><sup>1</sup>100%</td> </tr> <tr> <td>Foxton Beach</td> <td>100%</td> </tr> <tr> <td>Tokomaru</td> <td>100%</td> </tr> </tbody> </table> <p><sup>1</sup> Three minute turbidity event at Foxton came up twice in March and both incidents were due to a spike following and/or during a backwash event. SCADA has been checked and necessary modifications were done and have asked to have the filter outlet valve checked in case it's leaking during a filter to waste operation, causing the turbidity spikes.</p>	Scheme	Year to Date %	Levin	100%	Shannon	100%	Foxton	<sup>1</sup> 100%	Foxton Beach	100%	Tokomaru	100%	D20/47486
Scheme	Year to Date %																
Levin	100%																
Shannon	100%																
Foxton	<sup>1</sup> 100%																
Foxton Beach	100%																
Tokomaru	100%																

## WASTEWATER MANAGEMENT

	LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	Annual Plan Forecast Mar 2020 \$000	Mar YTD 2020 \$000	Variance 2020 \$000
Note					
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	6,890	7,734	5,453	5,465	12
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	1,058	1,085	814	979	165
Local authorities fuel tax, fines, infringement fees, and other receipts	177	178	97	74	(23)
Internal charges and overheads recovered	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>8,125</b>	<b>8,997</b>	<b>6,364</b>	<b>6,518</b>	<b>154</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	2,411	2,546	2,006	2,465	459
Finance costs	1,072	1,474	755	634	(121)
Internal charges and overheads applied	435	449	364	469	105
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>3,918</b>	<b>4,469</b>	<b>3,125</b>	<b>3,568</b>	<b>443</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>4,207</b>	<b>4,528</b>	<b>3,239</b>	<b>2,950</b>	<b>(289)</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	304	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	8,030	3,777	5,599	1,519	(4,080)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>8,334</b>	<b>3,777</b>	<b>5,599</b>	<b>1,519</b>	<b>(4,080)</b>
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	1,823	2,149	855	139	(716)
- to improve the level of service	5,237	3,363	4,776	2,138	(2,638)
- to replace existing assets	5,389	2,270	3,209	2,340	(869)
Increase (decrease) in reserves	92	523	(3)	(148)	(146)
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>12,541</b>	<b>8,305</b>	<b>8,838</b>	<b>4,469</b>	<b>(4,369)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(4,207)</b>	<b>(4,528)</b>	<b>(3,239)</b>	<b>(2,950)</b>	<b>289</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation	3,118	3,349	2,506	2,506	-
<b>Loans as at 31 December 2020</b>					
		External \$000	Internal \$000	Total \$000	
Loans as at 1/07/2019		23,200	315	23,515	
Raised during year		2,260	156	2,416	
Repaid during year		(680)	(217)	(897)	
<b>Loans as at 31/3/2020</b>		<b>24,780</b>	<b>254</b>	<b>25,034</b>	
Interest expense		629	5	634	

Activity Expenditure	LTP	LTP	30 June	Annual	Actual	Variance
	Forecast	Forecast	2020	Plan		
	2019	2020	Forecast	Forecast		
	\$000	\$000	\$000	Mar	2020	2020
				\$000	\$000	\$000
Foxton Wastewater	661	917	759	561	555	(6)
Foxton Beach Wastewater	617	674	694	502	542	40
Levin Wastewater	3,936	4,257	4,377	3,137	3,583	446
Shannon Wastewater	1,175	1,191	1,167	877	906	29
Tokomaru Wastewater	210	253	221	203	164	(39)
Waitare Beach Wastewater	439	524	452	351	325	(26)
<b>Total Expenditure</b>	<b>7,038</b>	<b>7,816</b>	<b>7,670</b>	<b>5,631</b>	<b>6,075</b>	<b>444</b>

## Performance Measures – LTP/Annual Plan Summary





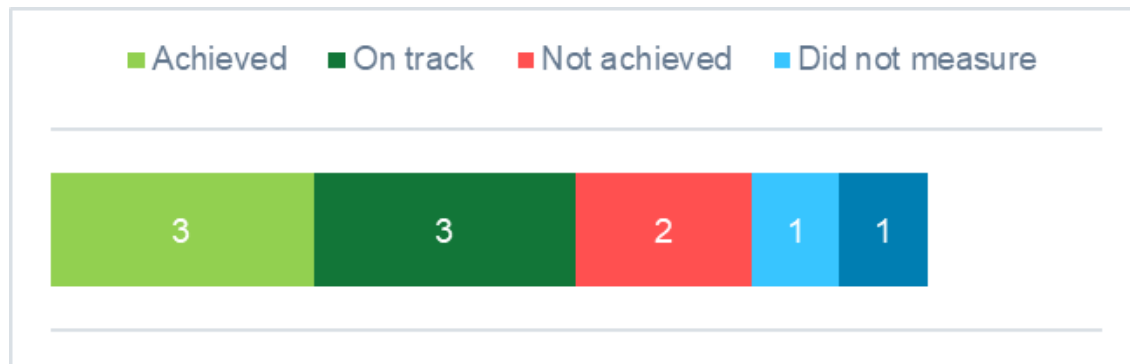
## SOLID WASTE MANAGEMENT

	LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	Annual Plan Forecast Mar 2020 \$000	Mar YTD 2020 \$000	Variance 2020 \$000
Note					
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	315	350	334	335	1
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	2,142	2,187	1,395	1,397	2
Local authorities fuel tax, fines, infringement fees, and other receipts	10	22	-	2	2
Internal charges and overheads recovered	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>2,467</b>	<b>2,559</b>	<b>1,729</b>	<b>1,734</b>	<b>5</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	1,521	1,551	2,366	2,143	(223)
Finance costs	238	286	148	145	(3)
Internal charges and overheads applied	83	85	255	216	(39)
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,842</b>	<b>1,922</b>	<b>2,769</b>	<b>2,504</b>	<b>(265)</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>625</b>	<b>637</b>	<b>(1,040)</b>	<b>(770)</b>	<b>270</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	964	185	1,689	(97)	(1,786)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>964</b>	<b>185</b>	<b>1,689</b>	<b>(97)</b>	<b>(1,786)</b>
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	1,153	413	812	838	26
- to replace existing assets	18	5	293	90	(203)
Increase (decrease) in reserves	418	404	(457)	(1,795)	(1,339)
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,589</b>	<b>822</b>	<b>649</b>	<b>(867)</b>	<b>(1,516)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(625)</b>	<b>(637)</b>	<b>1,040</b>	<b>770</b>	<b>(270)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation	286	325	235	235	-

Loans as at 31 March 2020	External \$000	Internal \$000	Total \$000
Loans as at 1/07/2019	5,300	16	5,316
Raised during year	30	11	41
Repaid during year	(130)	(8)	(138)
<b>Loans as at 31/3/2020</b>	<b>5,200</b>	<b>19</b>	<b>5,219</b>
Interest expense	145	-	145

Activity Expenditure	LTP	LTP	30 June	Annual	Actual	Variance
	Forecast	Forecast	2020	Forecast		
	2019	2020	Forecast	Mar		
	\$000	\$000	\$000	\$000	2020	2020
Roadside Collection Bags	192	196	259	194	303	109
Landfill	978	1,074	1,521	1,190	904	(286)
Recycling Centres	643	656	1,635	1,377	1,291	(86)
Waste Transfer Stations	315	321	327	243	241	(2)
<b>Total Expenditure</b>	<b>2,128</b>	<b>2,247</b>	<b>3,742</b>	<b>3,004</b>	<b>2,739</b>	<b>(265)</b>

## Performance Measures – LTP/Annual Plan Summary



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

Ref	Service	How will we measure our performance	Target (2019/20)	Actual Performance	RM8 Ref									
SW4	Response to service requests regarding Council's Solid Waste Activities is timely.	Time all requests are responded to.	Within 3 working days	<p><b>Not Achieved</b> As at 31 March 2020:</p> <table border="1"> <thead> <tr> <th>For the Month</th> <th>Year to Date</th> <th>Still Open</th> </tr> </thead> <tbody> <tr> <td>46/59</td> <td>593/1614</td> <td>15/1614</td> </tr> </tbody> </table> <p><b>Note:</b> The average response time for closed CRM's is 3.4 working days. We are currently moving towards a new CRM system which should help to improve response times.</p>	For the Month	Year to Date	Still Open	46/59	593/1614	15/1614	D20/48373			
For the Month	Year to Date	Still Open												
46/59	593/1614	15/1614												
SW5	Recycling and refuse is collected on time and in a sanitary manner.	Number of complaints per-month about non collection of: Kerbside recycling Kerbside refuse	< 6 per month < 6 per month	<p><b>Not Achieved</b> As at 31 March 2020:</p> <table border="1"> <thead> <tr> <th></th> <th>For the Month</th> <th>Year to Date</th> </tr> </thead> <tbody> <tr> <td>Kerbside recycling</td> <td>3</td> <td>166</td> </tr> <tr> <td>Kerbside refuse</td> <td>4</td> <td>46</td> </tr> </tbody> </table> <p><b>Note:</b> Recycling complaints are only counted if the recycling was genuinely missed. Complaints are verified using the video footage from the recycling trucks. Prior to the camera footage being easily accessible, all complaints were considered genuine.</p>		For the Month	Year to Date	Kerbside recycling	3	166	Kerbside refuse	4	46	D20/48373
	For the Month	Year to Date												
Kerbside recycling	3	166												
Kerbside refuse	4	46												

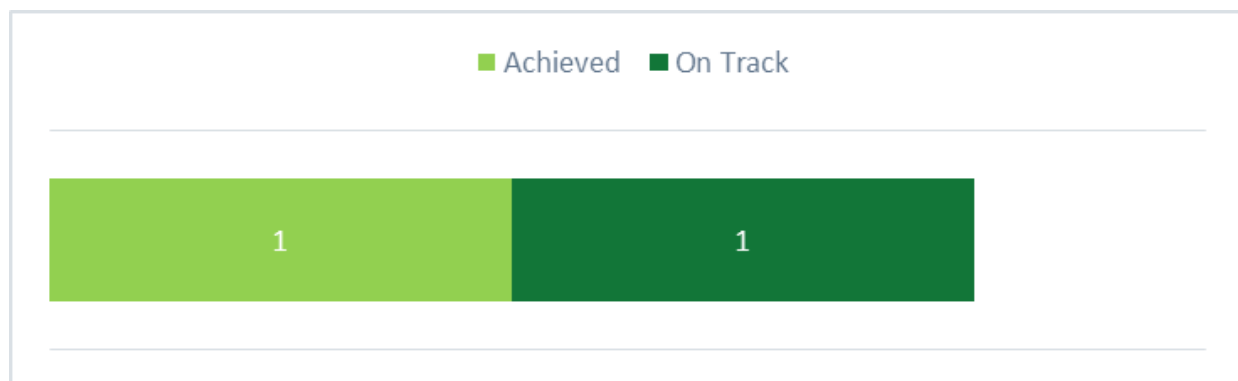
## PROPERTY

	LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	Annual Plan Forecast Mar 2020 \$000	Mar YTD 2020 \$000	Variance 2020 \$000
Note					
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	702	1,083	748	749	1
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	728	169	216	363	147
Local authorities fuel tax, fines, infringement fees, and other receipts	140	134	2	29	27
Internal charges and overheads recovered	459	467	331	318	(13)
<b>Total operating funding (A)</b>	<b>2,029</b>	<b>1,853</b>	<b>1,297</b>	<b>1,459</b>	<b>162</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	1,441	1,182	871	746	(125)
Finance costs	409	302	284	242	(42)
Internal charges and overheads applied	290	301	154	150	(4)
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,140</b>	<b>1,785</b>	<b>1,309</b>	<b>1,138</b>	<b>(171)</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(111)</b>	<b>68</b>	<b>(12)</b>	<b>321</b>	<b>333</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(5,537)	632	(1,682)	(1,127)	555
Gross proceeds from sale of assets	7,000	-	5,250	5,213	(37)
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>1,463</b>	<b>632</b>	<b>3,569</b>	<b>4,086</b>	<b>518</b>
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	143	1	-	-	-
- to improve the level of service	60	455	158	233	75
- to replace existing assets	1,331	434	456	251	(205)
Increase (decrease) in reserves	(182)	(190)	2,942	3,923	981
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,352</b>	<b>700</b>	<b>3,557</b>	<b>4,407</b>	<b>851</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>111</b>	<b>(68)</b>	<b>12</b>	<b>(321)</b>	<b>(333)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation	211	215	163	163	-

Loans as at 31 March 2020	External \$000	Internal \$000	Total \$000
Loans as at 1/07/2019	9,400	176	9,576
Raised during year	260	-	260
Repaid during year	(1,260)	(127)	(1,387)
<b>Loans as at 31/3/2020</b>	<b>8,400</b>	<b>49</b>	<b>8,449</b>
Interest expense	239	3	242

Activity Expenditure	LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	30 June 2020 Forecast \$000	Annual Plan Forecast Mar 2020 \$000	Actual 2020 \$000	Variance 2020 \$000
Council Building	307	313	258	235	226	(9)
Camping Grounds	6	6	6	5	4	(1)
Commercial Properties	317	117	74	34	112	78
Endowment Property	555	375	252	234	89	(145)
General Property	709	722	813	632	551	(81)
<b>Total Expenditure</b>	<b>1,894</b>	<b>1,533</b>	<b>1,404</b>	<b>1,140</b>	<b>982</b>	<b>(158)</b>

## Performance Measures – LTP/Annual Plan Summary



## COMMUNITY FACILITIES AND SERVICES– Performance Measures

Ref	Service	How will we measure our performance	Target (2019/20)	Actual Performance	RM8 Ref
<b>Sportsgrounds</b>					
CF5	Sports grounds are available for Community use.	Percent of time that sport grounds are available for use during their opening hours.	95%	<p><b>Not Achieved</b></p> <p>During March 2020, 80.65% of sports grounds were available for use during their opening hours.</p> <p>The sportsgrounds were closed due to Covid-19 Level 4 Lockdown from 26 March 2020.</p>	<p><b>D20/47540</b></p> <p><b>D20/48818</b></p>

## 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.: 20/130

## 1. Purpose

To present to the Finance, Audit & Risk (FAR) Committee the Bancorp Treasury Report for the March 2020 quarter.

## 2. Recommendation

- 2.1 That Report 20/130 Treasury Report be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

## 3. Background/Previous Council Decisions

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

## 4. Issues for Consideration

- 4.1 The world economy is facing major issues resulting from the pandemic. The real impact of this was felt in March. Interest rates worldwide have decreased and are now at new historic lows for New Zealand. The New Zealand Treasury has entered the global phenomena of “quantitative easing” (QE) for the first time in our history, although they are calling it “Large-Scale Asset Purchase” (LSAP). This means that it will buy government bonds and now local government bonds. Basically printing money. This would ordinarily create hyper-inflation; however, we are not in ordinary times and inflation is not predicted to increase any time soon. The reason for Treasury buying local government bonds was to ensure confidence in the bond market and enable Local Government to continue to borrow through that market through the LGFA.
- 4.2 The NZ Reserve Bank has reduced the OCR to 0.25%, a 50bps drop, as an emergency measure, reacting to the pandemic lock down and the economic downturn that this would create. As an example of this affecting Council, an interest rate reset on \$9m FRN for the 14 April was at 0.94% down from 1.77% on 14 January 2020. Refer to the graph on page 3 to see the dramatic drop in interest rates in NZ.
- 4.3 Note that the graph on page 6 no longer shows any risk of Council breaking its hedging policy bands. This is because of the combined effect of taking out two new forward start swaps and also the recent changes to Council's Liability Management Policy passed at Council's meeting in June 2019.
- 4.4 Elected Members' attention is drawn to the commentary on Council's debt portfolio on page 4. At the bottom of that page, note that Council has prefunded the \$9m repaid on the 15 April 2020 and invested \$10m at rates between 81 basis points (0.81%) and 147 basis points (1.47%) higher than it has borrowed, which will produce a profit in excess of \$110k.
- 4.5 Council's cost of funds was at 3.08% as at 31 March, down from 3.12% at 31 December and 3.54% at the end of June 2019. With recent interest rate resets and debt repayments in April 2020 this has reduced to 3.00%. Refer to the graph on page 7 and the movement shown in the March 2020 Financial report.

## Attachments

No.	Title	Page
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A	Bancorp Treasury Report March 2020	99
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**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 <b>Chief Financial Officer</b>	
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Approved by	Nicki Brady <b>Deputy Chief Executive</b>	
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CONFIDENTIAL

TREASURY REPORT

FOR



**HOROWHENUA  
DISTRICT  
COUNCIL**

AS AT

31 MARCH 2020



**BANCORP**

BANCORP TREASURY SERVICES LIMITED

AUCKLAND • WELLINGTON • CHRISTCHURCH

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## 1. MARKET ENVIRONMENT

### 1.1 GLOBAL MARKETS OVERVIEW (AS AT 31 MARCH 2020)

While events in January and February were important in their own right, the real focus for the quarter was in March when the full impact of the COVID-19 pandemic was felt. During this month equity and commodity prices plunged, bond rates fell to new all-time lows and currencies had massive intra-day swings.

In response to the virus, the Federal Reserve ("Fed") cut the cash rates by 1.00% on 15 March, to a 0.0% to 0.25% range, this after an emergency cut of 50 basis points on 3 March. The Fed also announced unlimited Quantitative Easing ("QE") and for the first time ever, the Fed will be able to purchase corporate bonds and make direct loans to companies. The US government announced multiple stimulus packages. The first announcement was for USD8.3 billion, phase two was for USD104 billion and phase three, was for a massive USD2.2 trillion. The White House is talking about a further USD2 trillion of infrastructure linked spending.

The global benchmark for long term interest rates, the US 10 year Treasury bond had an extremely volatile quarter. At the beginning of January, it was trading at 1.94%, on 9 March it touched a low of 0.39%, rebounded to 1.27% by 18 March and finished the quarter at 0.69%. The sharp bounce off the unprecedented lows was a result of various Fed measures to provide support to the financial system and the announcements of several government support packages.

The European Central Bank ("ECB") disappointed the market by not cutting its benchmark rate, but it offered unlimited liquidity at the deposit rate to the banking sector to provide bridge financing, it lowered the rate on its longer-term refinancing operations to banks by 0.25%, and the governing council increased bond purchases by EUR120 billion for the current year.

The Bank of England ("BOE") cut its benchmark interest rate by 50 basis points to 0.25%, and the British Chancellor unveiled a GBP30 billion spending package. The BOE then cut another 15 basis points on 19 March, alongside a QE increase of GBP200 billion. The PBoC, the Chinese central bank, has also cut interest rates and the Chinese Government announced on 26 March that it was looking to implement CNY2.4 trillion (USD344 billion) of stimulus and deliver CNY1 trillion (USD145 billion) in tax cuts.

The global stimulus measures have brought some stability to financial markets, with currency volatility declining and credit spreads edging back from the blowouts seen in mid-March. Equity markets have also rebounded. With governments globally providing liquidity at unprecedented levels, we may be starting to see the first green shots of recovery (or at least stabilisation) but the COVID-19 crisis still has a long way to go and, at some stage someone will ask, how are we going to pay for all of this stimulus? That in itself could be sowing the seeds of the next selloff.

## 1.2 NEW ZEALAND MARKET OVERVIEW (AS AT 31 MARCH 2020)

	OCR	90 day	2 years	3 years	5 years	7 years	10 years
31 December 2019	1.00%	1.29%	1.28%	1.32%	1.44%	1.59%	1.78%
31 March 2020	0.25%	0.50%	0.53%	0.55%	0.63%	0.75%	0.93%
Change	-0.75%	-0.79%	-0.75%	-0.77%	-0.81%	-0.84%	-0.85%

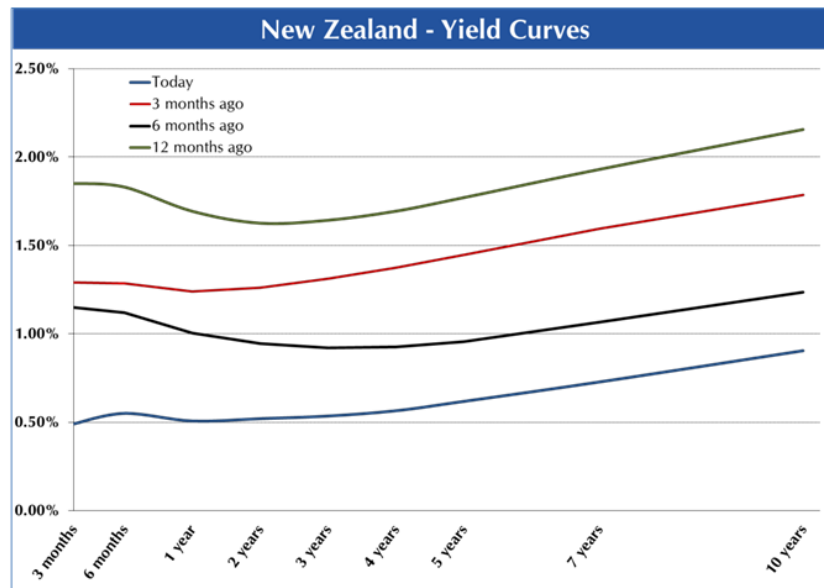
Following the 75 basis point cut to 0.25% on 16 March, the Reserve Bank of New Zealand (“RBNZ”) also delivered a Large-Scale Asset Purchase (“LSAP”) programme on 23 March, committing to purchase up to NZD30 billion of New Zealand government bonds across a range of maturities over the next 12 months.

However, the RBNZ has made it clear that it is prepared to take further action if necessary. Adrian Orr, stated, “the aim of our QE programme is to keep rates very low,” adding, “we are in a great position to be doing this.” To support the RBNZ, on 23 March, Finance Minister Grant Robertson increased the business support package by an additional NZD4.0 billion to the previously announced NZD12.1 billion for the support package.

The Government also announced that it, and the banking sector, would implement a NZD6.25 billion Business Finance Guarantee Scheme for small and medium-sized businesses by offering 12 month low interest rate loans to the banks and take 80% of any credit losses that may eventuate. Another scheme has been added, for a similar amount, with a loan term of 3 years. The Government has also introduced six-month principal and interest payment holidays for mortgage holders and SME’s whose incomes have been affected by COVID-19.

Swap rates have again reached fresh lows, following global bond yields. Domestic swap rates are down dramatically, with the 5 year swap rate currently 0.63%, compared to 1.44% at the end of December and the 10 year swap is now 0.93%, down from levels above 1.75% at the end of December. At the short end of the yield curve the 90 day bank bill rate is at 0.50%, with this rate anchored by the OCR which is at 0.25% and likely to stay there for a very long time. However, the RBNZ appears to have ruled out negative short term interest rates, which have been a feature of Japanese and European interest rates for quite some time.

The chart on the following page shows the extent to which New Zealand interest rates have fallen over the past 12 months, with the dramatic fall from levels that prevailed a year ago clearly evident.



### 1.3 LOCAL AUTHORITY SECTOR

Listed below are the credit spreads and applicable interest rates as at 31 March for Commercial Paper (“CP”), Floating Rate Notes (“FRN”) and Fixed Rate Bonds (“FRB”), at which Horowhenua District Council (“HDC”) could source debt from the Local Government Funding Agency (“LGFA”) as. The numbers in brackets are those that prevailed at the end of December.

Maturity	Credit Spread	FRN (or CP) Rate	Fixed Rate Bond
3 month CP	0.50% (0.12%)	1.01% (1.32%)	N/A
6 month CP	0.50% (0.12%)	1.05% (1.32%)	N/A
May 2021	0.74% (0.41%)	1.23% (1.61%)	1.20% (1.58%)
April 2022	0.83% (0.44%)	1.32% (1.64%)	1.32% (1.68%)
April 2023	0.95% (0.54%)	1.44% (1.74%)	1.42% (1.78%)
April 2024	1.04% (0.60%)	1.53% (1.80%)	1.58% (1.92%)
April 2025	1.17% (0.65%)	1.66% (1.85%)	1.73% (2.05%)
April 2027	1.39% (0.79%)	1.88% (1.99%)	1.98% (2.26%)
April 2029	1.48% (0.80%)	1.97% (2.00%)	2.30% (2.50%)
April 2033	2.08% (0.98%)	2.57% (2.18%)	3.06% (2.79%)

As can be seen from the table, credit spreads have increased exponentially during the March quarter. However, the fall in underlying interest rates has more than compensated for the increase in the credit spreads, with overall borrowing costs lower (with the exception of the 2033’s), especially at the short to medium end of the yield curve.

## 2. FUNDING

As at 31 March 2020, HDC had \$115.0 million of external debt, comprising a combination of Commercial Paper ("CP"), FRBs and FRNs, all sourced from the LGFA. Details of HDC's debt at 31 March 2020 are as follows:

Instrument	Inception	Maturity	Rate	Margin	Amount
CP	Dec-19	Jun-20	1.375%	12 bps	\$16,000,000
FRB	Nov-17	Apr-20	2.6324%	38 bps	\$5,000,000
FRN	July 18	Apr-20	1.62%	34 bps	\$4,000,000
FRB	May-13	May-21	4.565%	79 bps	\$5,000,000
FRB	Sep-13	May-21	5.9852%	109 bps	\$5,000,000
FRB	Dec-13	May-21	5.8516%	87 bps	\$5,000,000
FRN	May-13	May-21	2.035%	84 bps	\$4,000,000
FRN	July 18	Apr-22	1.77%	50 bps	\$9,000,000
FRN	May-15	May-22	1.605%	42.5 bps	\$3,000,000
FRB	Nov-14	Apr-23	5.1336%	81 bps	\$4,000,000
FRB	Aug-19	Apr-23	1.48%	55 bps	\$4,000,000
FRN	Feb-18	Apr-23	1.855%	57.5 bps	\$6,000,000
FRB	Apr-17	Mar-24	3.72%	63 bps	\$4,000,000
FRB	Mar-19	Apr-24	2.52%	54 bps	\$3,000,000
FRB	May-17	May-24	3.76%	58 bps	\$4,000,000
FRB	Mar-17	Apr-25	4.2046%	77 bps	\$3,000,000
FRN	Mar-20	Apr-25	1.259%	81 bps	\$5,000,000
FRN	May-15	May-25	1.67%	49 bps	\$7,000,000
FRB	Mar-19	Mar-26	3.38%	78 bps	\$9,000,000
FRB	Jul-16	Jul-26	3.37%	84 bps	\$5,000,000
FRN	Aug-19	Apr-27	2.04%	76 bps	\$5,000,000
				<b>TOTAL</b>	<b>\$115,000,000</b>

In the September 2019 quarter, HDC entered into several prefunding transactions in which the funds were borrowed from the LGFA and then placed on deposit. As at 31 March, one tranche of funding and one deposit remained, details as follows.

- \$5.0 million of CP borrowed (out of a total CP of \$16.0 million), maturing on 19 June 2020 at a rate of 1.375%.

As the funds were not immediately required the proceeds from the prefunding were placed on deposit as follows:

- \$5.0 million with BNZ maturing 28 April 2020 at a rate of 2.73%.

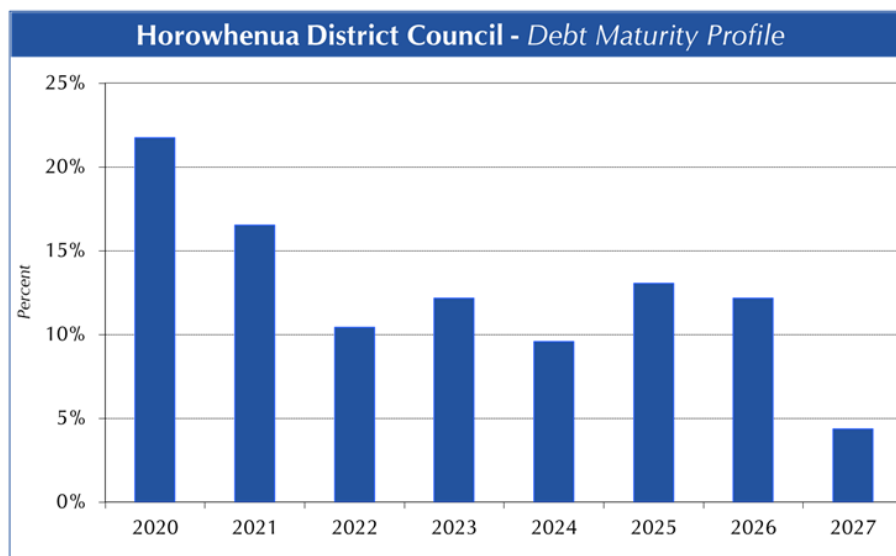
In total the prefunding and associated investing transactions, including the ones that have matured, will produce a gain to HDC in excess of \$110,000.



During the March quarter HDC raised an additional \$5.0 million from the LGFA using a FRN maturing in April at a margin of 81 basis points, equating to a rate of 1.259%

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

HDC's current debt maturity profile (excluding the BNZ facility) is depicted in the following graph which indicates a good spread of maturities between 2020 and 2027. Additionally, HDC is compliant with Section 4.6 of the Liability Management Policy ("LMP"), which governs HDC's funding risk management activities.



### 3. DEBT AND HEDGING PROFILE

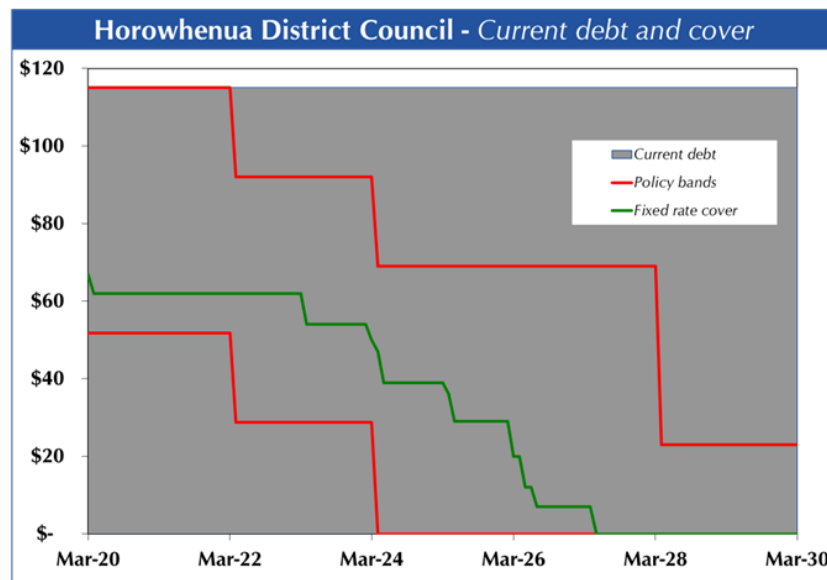
As at 31 March 2020, HDC had \$115.0 million of debt, and two current interest rate swaps and two forward starting interest rate swaps, as follows:

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

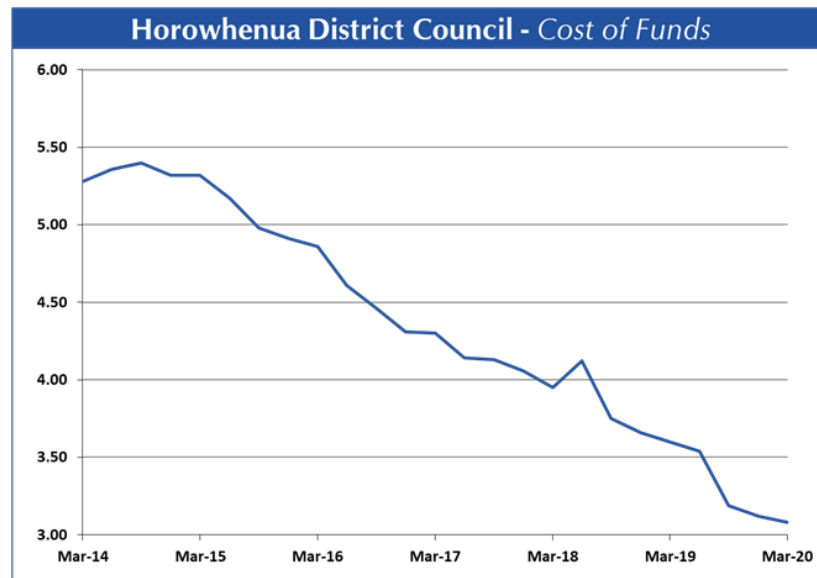
Section 4.3 of the LMP details the Fixed Rate Hedging Percentages that HDC shall adhere to in the management of its debt.

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

The debt and hedging profiles incorporating these parameters are depicted in the following graph. This shows that as at 31 March 2020, HDC was compliant with Section 4.3 of the LMP.



HDC's cost of funds (inclusive of the bank line fee) as at 31 March 2020 was 3.08%, down from 3.12% at the end of December 2019. The cost of funds exclusive of the bank line fee was 3.06%. HDC's cost of funds remains lower (in many cases noticeably so) than the large majority of its peers in the local government sector, indicating the success of its funding and interest rate risk management programme over the last several years. The cost of funds dating back to March 2014 is depicted in the following graph.



#### 4. POLICY COMPLIANCE (AS AT 31 MARCH 2020)

	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>	√

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# Chief Executive's Report

File No.: 20/135

## 1. Purpose

To update the Finance, Audit & Risk Committee with regard to Council's initial response to the COVID-19 pandemic.

## 2. Recommendation

- 2.1 That Report 20/135 Chief Executive's Report be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

## 3. Issues for Consideration

- 3.1 The COVID-19 pandemic has created unprecedented economic and social circumstances, particularly during the lockdown period. The country is in a national state of emergency, most businesses during level 4 lockdown are closed and those who can open as we move to level 3 will have limitations on operations. Many people are working reduced hours and/or being supported by the Government wage subsidy scheme.
- 3.2 The current understanding of the COVID-19 pandemic is a significant economic downturn, with economic analysis from Infometrics (the Council's economic and demographic forecasting service provider), at this stage, indicating potentially around an eight to ten per cent reduction to Gross Domestic Product (GDP). Unemployment will likely increase to around ten per cent. The impact will not be even across the board with some sectors (such as tourism and retail) impacted more than others (such as the food sector). The economic recovery may take several years. The community's wellbeing is therefore being tested.
- 3.3 It is noted that Council is considering potential changes to the draft Annual Plan 2020/21 which was adopted for community consultation on 20 March 2020. These changes will consider rates and capital expenditure amendments, and to provide a short-term response and community relief package as part of the Annual Plan process.
- 3.4 The focus of the Council will then move to the longer term requirements for the community, with a particular focus on the social and economic impacts of the COVID-19 pandemic for the preparation of the Long Term Plan 2021-41.
- 3.5 The purpose of this report is to address the first of the short-term COVID-19 response initiatives for Council consideration.
- 3.6 Council officers are monitoring the ongoing impact of the COVID-19 pandemic on the economic outlook. These include monitoring Treasury forecasts showing the different scenarios that may take place and the impacts of each of these scenarios, as well as receiving updated information from Infometrics and other information sources on a regular basis.
- 3.7 Council officers have fielded a number of calls regarding what options are available to ratepayers for rates relief following the lockdown. This is anticipated to increase significantly after the fourth quarter rates instalment notices are issued in mid-May.
- 3.8 The Local Government Act 2002 and Local Government (Rating) Act 2002 only enable two forms of rates relief – remissions and postponement.
- 3.9 A remission is effectively a reduction or waiver, while a postponement is a delay (often with interest and an administration fee). Penalties are set by the Council as part of its rates

- resolution, and are subject to the same rating rules (as they effectively become a rate themselves).
- 3.10 Remissions result in reduced income for the Council, and this is then 'picked up' from other ratepayers. Providing a remission in essence simply shifts the burden of rates.
- 3.11 A postponement, in contrast, means the Council borrows funds to cover the rates postponed, and then the Council repays the borrowing once the ratepayer pays the postponed rates. This means that other ratepayers do not pay increased rates, although there may be an impact if, combined, postponements impact on the Council's balance sheet too heavily.
- 3.12 Postponements are, in normal circumstances, long-term and often only paid back upon sale of the property by an estate rather than having a time bound repayment obligation.
- 3.13 Sections 85 and 87 of the Local Government (Rating) Act 2002 only allow rates remissions or postponements in accordance with an adopted policy. Council does not have an operative postponement policy, a proposed rates postponement policy is to be considered within the agenda of this meeting but has not been consulted on; however, the current Remissions Policy is attached.
- 3.14 Council officers also note that the remission of rates for the fourth quarter instalment is not legally possible as we have already passed the rates resolution that forces us legally to apply these. Legal advice has been provided to Local Government as part of a recent webinar on this topic. It was also noted that remissions of penalties intended must be in the current Rates Remission Policy, unfortunately this is not the case in Council's current policy.
- 3.15 Council officers have considered options specific to the fourth quarter installment, and although the current Council rates remission policy does not have a specific clause to allow remission for hardship, Council could offer penalty remission using an existing clause relating to payment plans.
- 3.16 Council could, for ratepayers and businesses proven to be affected, offer a remission of penalties on the fourth quarter instalment as part of that process. This could be achieved by extending the period of repayment through an agreed payment plan, and therefore remit the penalties as part of that process.
- 3.17 This approach would achieve both the short term goal of remitting the fourth instalment penalties, and also a longer term benefit as we provide the best support to our community members who are experiencing hardship, and empower them over time to get back on track with an arrangement they can meet.
- 3.18 In terms of removing penalties for the next 2020/2021 rating year, there are a number of options for Council to consider;
- The status quo (set penalties) but for a lower percentage (say 5%).
  - To make a change to the current Remission Policy for rates penalties that enables officers to remit penalties to those businesses and ratepayers who need it. It is suggested that the criteria for eligibility could be the same as for the proposed Rates Postponement Policy (also included within the agenda for this meeting). Such an amendment, would need to be consulted on as soon as possible to enable the amendment to be operable for the 2020/21 rating year first instalment.
  - To not provide for penalties in the next rates resolution.
- 3.19 It should be noted in Council's consideration, that no penalties at all could cause an increase in rate debtors outstanding, with no real way of knowing the individual circumstances of the extra people not paying. Presumably, Council would still need to follow the normal debt collection process on any instalment amount that remained unpaid, increasing collections costs and causing a cash-flow issue which would impact on Council's ability to offer longer credit terms or weekly creditors payments.

3.20 In addition to the options outlined above for the fourth quarter installment of the current rating year, and the options for the next 2020/2021 rating year, Council has agreed the following actions will be considered at the 6 May Council meeting:

- Consent fees relief and refunds for those not progressing with their projects;
- Rent relief or deferment for Community groups and businesses that are unable to pay their rent;
- 90-day credit terms for non-rate invoices;
- No increase in fees and charges for 2020/21, as well as 90 days to pay;
- Reconfigure and bring forward the Community Grants funding to ease viability for organisations. Council may consider prioritising allocation from remaining existing grant budgets to applications which contribute to community recovery from the effects of COVID-19.

3.21 Council has already established, or is in the process of implementing:

- Moving from a monthly cycle of payment of supplier invoices to a weekly cycle. This will assist key suppliers to maintain regular cash flows, and in turn allow them to meet their payroll obligations so that the maximum possible number of staff in the region retain their jobs.
- An economic and social recovery team within our civil defence structure. This function is liaising directly with regional counterparts, government agencies and Council's economic development delivery partner, The Horowhenua New Zealand Trust.
- A Financial Resilience Working Party to assess the impact of COVID -19 on Council's finances and develop financial strategies to ensure Council's ability to withstand the recovery post COVID-19. The Working Party will comprise Elected members, including the Mayor, Council's independent members on the Finance Audit and Risk Committee, representatives from key Council partners and Council Officers.
- Waiver of overdue fees on library book returns for the period of lockdown and facility closures.
- Offering credits or refunds of remaining swim school lessons that were unable to be completed due to facility closures.

3.22 Council officers are currently investigating and exploring:

- Bringing forward, or increasing parts of the District's capital programme to stimulate business and create jobs. This includes working closely with government officials on how we ensure our District is part of any Wellington or Horizons region economic stimulus package to help reduce social and economic impacts, and advocating for our businesses and communities to access these packages. These discussions include possible co-funding arrangements, and opportunities range across roading, housing, masterplan infrastructure development and other transformational projects linked to our Growth Strategy. As part of this Council within a community partnership has already progressed a Provincial Growth Fund application for Foxton Futures.
- Social procurement opportunities as a way to ensure any investment maximises community uplift through the engagement of local suppliers, and a focus on wider economic, cultural, community and environmental benefits. Additional emphasis will be given to the full range of social procurement opportunities in our current and future capital works programme, including those projects accelerated by government investment. Contracts could be constructed to mandate certain levels of re-employment of workers who had their employment affected by COVID-19, and employment of local residents.

## Attachments



No.	Title	Page
A	Rates Remissions Policy – 1 June 2018 ( <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)	David Clapperton <b>Chief Executive</b>	
Approved by	David Clapperton <b>Chief Executive</b>	



# Draft Rates Postponement Policy

File No.: 20/131

## 1. Purpose

To present to the Finance, Audit & Risk Committee a draft Rates Postponement Policy for consideration prior to it going out for public consultation as required by the Local Government Act 2002 (LGA), subsequent to its adoption by the Horowhenua District Council.

## 2. Recommendation

- 2.1 That Report 20/131 Draft Rates Postponement Policy be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 2.3 That the Finance, Audit and Risk Committee recommends that the Horowhenua District Council adopts the Draft Rates Postponement Policy for public consultation.

## 3. Background/Previous Council Decisions

- 3.1 Council does not currently have a Rates Postponement Policy.
- 3.2 Such a policy is authorised under section 102(3)(b) of the Local Government Act 2002 (LGA).
- 3.3 The policy must conform with s 110 LGA, which provides:

*“110 Rates postponement policy*

  - (1) *A policy adopted under [section 102\(3\)\(b\)](#) must state—*
    - (a) *the objectives sought to be achieved by a postponement of the requirement to pay rates; and*
    - (b) *the conditions and criteria to be met in order for the requirement to pay rates to be postponed.*
  - (2) *In determining a policy under [section 102\(3\)\(b\)](#), the local authority may consider the matters set out in [Schedule 11](#).*
  - (2A) *If a policy is adopted under [section 102\(3\)\(b\)](#), the policy—*
    - (a) *must be reviewed at least once every 6 years using a consultation process that gives effect to the requirements of [section 82](#); and*
    - (b) *may be revoked following the review under paragraph (a)”.*
- 3.4 Once such a policy is adopted the Local Government Rating Act 2002 (LG(R)A) section 87 forces Councils to apply the policy:

*“87 Postponement of requirement to pay rates*

  - (1) *A local authority must postpone the requirement to pay all or part of the rates on a rating unit (including penalties for unpaid rates) if—*
    - (a) *the local authority has adopted a rates postponement policy under [section 110](#) of the Local Government Act 2002; and*
    - (b) *the ratepayer has applied in writing for a postponement; and*
    - (c) *the local authority is satisfied that the conditions and criteria in the policy are met.*

- (2) *the local authority must give notice to the ratepayer—*
- (a) *identifying the postponed rates; and*
  - (b) *stating when, or in which circumstances, the rates will become payable.”*

#### 4. Issues for Consideration

- 4.1 Council is looking to provide targeted relief to ratepayers and small businesses affected by the alert level 3 and 4 in place for the COVID-19 pandemic. Not all businesses and ratepayers will be affected by the economic downturn from the pandemic response. Main Street shops, cafes, restaurants, tourist attractions, accommodation providers and ratepayers who have been made redundant will need some relief while other business and ratepayers may be affected to a lesser extent.
- 4.2 A rate postponement policy enables Councils to postpone rates rather than writing them off as a remissions policy would do. Rates fund just over 70% of Council's annual income. In turn, this is then invested back into the community to provide you services and support. Council can ill afford to reduce income long-term as we strive to maintain service levels while endeavouring to balance the budget and avoid loan funding operational costs
- 4.3 Postponement Policies do come with increased administrative work and complexities, however. They will also create short-term cash flow deficits.
- 4.4 Attached to this report is a suggested wording for a Postponement Policy that could be used for any emergency and so be available long-term. At the foot of the policy is a suggested wording for the Council resolution that would need to be passed after the adoption of the policy, setting out how the eligible rating units would be identified under the policy. The resolution also provides for officers to negotiate rents relief for affected Council commercial tenants.
- 4.5 A Rates Postponement Policy must be consulted on under S102(4) LGA
- 4.6 Consultation on the policy will take 30 Days. This means that for the policy to be effective for the 2020/21 financial year, the consultation, submission hearings and adoption must be done by the Council's July meeting at the latest, for Council to adopt the policy at that meeting. This will to allow our rating systems to be set up to account for the new policy before the first installment..
- 4.7 It is hard to quantify how many businesses or individual ratepayers will apply for postponement. However, there are;
- 181 retail rating units currently paying \$\$722k in rates
  - 12 tourist attraction rating units paying \$31k in rates
  - 13 accommodation rating units paying \$47k in rates
  - 358 Industrial rating units paying \$957k in rates.

#### Attachments

No.	Title	Page
A	HDC Draft Rates Postponement Policy April 2020	116



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

## Horowhenua District Council Draft Rates Postponement Policy April 2020

### Purpose

To enable Council to postpone the requirement to pay all or part of the rates on a rating unit under Section 87 of the Local Government (Rating) Act 2002 where a rates postponement policy has been adopted and the conditions and criteria in the policy are met.

### Postponement for Extraordinary or Emergency Events

#### Objective

To provide a rates postponement to ratepayers experiencing financial hardship directly resulting from an event that affects their ability to pay rates.

For the purpose of this policy the following definitions will apply:

- **Event:** as defined by Council resolution. An event may be natural or economic in nature, and will identify the type and location of properties affected.
- **Financial hardship:** as a result of an event, affected ratepayer income reduces to a level where paying Council rates would result in financial hardship.
- **Rating unit:** a property affected by the identified event.
- **Small business:** a business operated by a small business person, small partnership or closely-held company as defined in section YA 1 of the Income Tax Act 2007.

Once an event has been declared by Council, the criteria and application process (including an application form, if applicable), will be made available. Council may set a timeframe for the event. Council may review the criteria and/or timeframe of an event through subsequent resolutions.

Council resolution will include:

- a. the event triggering the policy; and
- b. how the event is expected to impact the community; and
- c. the types or location of properties effected by the event.

No application for postponement can be made under this policy unless declared by Council.

### ***Conditions and Criteria***

This policy will only apply to rating units used for residential purposes or by small businesses (as defined above).

The rateable value of the property cannot be greater than \$1.5m.

The ratepayer must demonstrate, to the Council's satisfaction, where paying the rates would result in financial hardship.

The applicant must demonstrate to Council's satisfaction that the ratepayer has taken all steps necessary to claim any central government benefits or allowances the ratepayer is properly entitled to receive to assist with the payment of rates. Evidence such as official correspondence will assist in this process.

Only the person/s entered as the ratepayer (in the case of a closely-held company every director must sign the application form), or their authorised agent, may make an application for rates postponement for an event that resulted in financial hardship.

The ratepayer must be the current owner of the property, and has owned the property for 182 days continuously at the time the event is declared by Council.

The entity entered on Council's rating information database as the 'ratepayer' must not own any other rating units, other than a residential property, in the case of business or in the case of a business, their residential property.

Where the Council decides to postpone rates the ratepayer must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

Council will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover Council's administrative and financial costs. Fees will be set as part of the Council resolution identifying an event.

Postponed rates will remain postponed until:

- a. The ratepayer/s cease to be the owner or occupier of the rating unit; or
- b. 365 days (or 366 days if the period corresponds with a leap year) after the Council resolves the effects are no longer felt in the community. At that date, the ratepayer must make arrangements to repay outstanding rates; or
- c. A date specified by Council.

Suggested resolution of Council:

That the Horowhenua District Council as interim measures under the Council Rates Postponement Policy, pending further Council amendment:

Approves the following actions be taken on a case by case basis in relation to rates, water by meter **and rental payments**? affected by the COVID-19 level 4 shutdown:

- a. Remit penalties on rates and water accounts if the customer meets current policy criteria;
- b. Provide delayed payment options for up to six months (or two rates instalments) for customers using the following criteria:
  - (i) Commercial (Non-residential) customers
    1. A 30% reduction in revenue; or
    2. Qualification for a Government support package; or
    3. Qualification for a mortgage "holiday" from the bank.
  - (ii) Residential (owner/occupied) customers, where the property is the residence
    1. Evidence of loss of employment; or
    2. Payment from an employer under the government support package; or
    3. Qualification for a mortgage "holiday" from the bank; **and**
  - (iii) **For lease/rent payments under an ADLS lease with clause 27.5 a "fair proportion" of rent not payable be determined case by case**
  - (iv) **That the same proportion apply to other lease payments where the customer can show a COVID-19 shutdown related drop in income.**
- c. Payment plans must be entered into with the Finance Management and Rating Officers and be maintained throughout the shutdown and beyond;
- d. Any actions approved would only be available to customers who are not in arrears with Council as at 1 July 2019 (arrears are determined as more than one (1) instalment owing).

# Horowhenua District Council Covid-19 Risk Management Update

File No.: 20/132

## 1. Purpose

To update the Finance, Audit & Risk Committee on the controls being implemented by staff and the Incident Management Team (IMT) to manage the risks associated with Horowhenua District Council's (HDC) response to Covid-19.

## 2. Recommendation

- 2.1 That Report Horowhenua District Council Covid-19 Risk Management 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.
- 2.3 That the Horowhenua District Council Covid-19 Risk Matrix be noted.

## 3. Background/Previous Council Decisions

- 3.1 During 2019 and into 2020, HDC had been required to be more proactive in response to higher than previously assessed District Growth projections. The challenges and opportunities HDC faced in responding to these growth levels included the requirement to review our Structure, Strategies and Plans, and increase our organisational agility to cater for increased Customer and Business demands. HDC assessed that up until the global spread of the Pandemic–Covid-19 during January to March 2020, these challenges and opportunities primarily impacted the Strategic and Service Delivery Risk categories and would have remained consistent for 2020.
- 3.2 Throughout February, March and April 2020 however, the real impacts of Covid-19 on our Community and Community Outcomes started to become increasingly apparent. Consequently, HDC is taking a measured and analytical approach and is implementing actions aimed at reducing the risk associated with Covid-19 response and recovery. At present, it appears the Social and Economic areas are likely to experience the highest levels of disruption as a result of Covid-19, which is also expected to continue into the transition and recovery phases. The enduring impacts of the Covid-19 on our risk categories are therefore continuing to be assessed and treated as our understanding of this event improves and matures.
- 3.3 In March 2020, an Incident Management Team (IMT) was established to commence coordinating and implementing HDCs response to Covid-19. This included establishing a risk management function. At present, the IMT and applicable Council staff are managing risks which are classed into five Risk Categories – Strategic, Reputational, Financial, Service Delivery, and Legal, which is consistent with HDCs Risk Policy and Framework. The HDC Covid-19 Risk Matrix has been developed and is being reported separately; however, where there are applicable linkages they do feedback back into HDCs extant organisational risk register and vice versa.

## 4. Issues for Consideration

- 4.1 At present, the FAR Committee should note that National and Regional Recovery structures, frameworks and plans are in the initial stages of development. A comprehensive

understanding on what the requirements for Horowhenua District's transition and recovery efforts are, therefore, also in their infancy. The current Covid-19 Risk Matrix is therefore largely reflective of risks identified with response, but it is a dynamic document which will be updated as our understanding of the impacts of Covid-19 improve; Government and Regional policy, planning and guidance further develops; and the risks associated with Covid-19 are further assessed.

- 4.2 In March the Council's Risk Workshop was postponed. The FAR Committee should note the intention remains to reconvene this workshop (once conditions allow) to further assess the risks impacting Horowhenua District and construct Council's Risk Appetite Statement.

## Attachments

No.	Title	Page
A	HDC Emergency Management Covid-19 Risk Matrix as at 22 April 20 (Under separate cover)	

### 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)	Steven Magi <b>Information Services Manager</b>	
Approved by	Lisa Slade <b>Group Manager - People &amp; Culture</b>	