

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

Date: Wednesday 9 August 2017
Time: 4.00 pm
Meeting Room: Council Chambers
Venue: Horowhenua District Council
Levin

Finance, Audit & Risk Subcommittee

OPEN AGENDA

MEMBERSHIP

Chairperson	Mr Philp Jones	
Deputy Chairperson	Cr Barry Judd	
Members	Mayor Michael Feyen	
	Deputy Mayor Wayne Bishop	
	Cr Ross Brannigan	
	Cr Ross Campbell	
	Cr Neville Gimblett	
	Cr Victoria Kaye-Simmons	
	Cr Jo Mason	
	Cr Christine Mitchell	
	Cr Piri-Hira Tukapua	
	Cr Bernie Wanden	
Reporting Officer	Mr Doug Law	(Chief Financial Officer)
Meeting Secretary	Mrs Karen Corkill	

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

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

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1 Apologies

2 Public Speaking Rights

Notification to speak is required by 12 noon on the day of the meeting. Further information is available on www.horowhenua.govt.nz or by phoning 063660999.

3 Late Items

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

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

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

4 Declarations of Interest

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

5 Confirmation of Minutes

5.1 Meeting minutes Finance, Audit & Risk Subcommittee, 28 June 2017

6 Announcements

Financial Report for the twelve months to 30 June 2017

File No.: 17/379

1. Purpose

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

2. Recommendation

- 2.1 That Report 17/379 on Financial Report for the twelve months to 30 June 2017 be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

3. Issues for Consideration

As included in the **attached** report.

Attachments

No.	Title	Page
A	Financial Reporting - Monthly Report - 30 June 2017	8


Confirmation of statutory compliance

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

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

Signatories

Author(s)	Doug Law Chief Financial Officer	
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Approved by	Doug Law Chief Financial Officer	
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Twelve Month Report

1 July 2016 - 30 June 2017



Executive Summary

A. Trends and Activity of Interest

1. Resource Consenting
 - 188 consents have been lodged and 191 approved as at 30 June 2017 against 134 respectively for the whole of 2015/16. Approved consents include consents under process at 30 June 2016.
 - 81 subdivision consents approved as at 30 June 2017 compared to 32 for the whole of 2015/16.
 - 190 new allotments have been created in 2016/17, 42 Greenbelt Residential, 68 Residential, 79 Rural and 1 Commercial Industrial - 23 lots are at 223 stage and 15 at 224.
2. Building Consents
 - Value of consents issued as at 30 June 2017 is \$94,089,281 against \$67,409,121 as at the same time in 2015/2016 year.
 - 206 new dwelling consents at 30 June 2017 against 164 for the same period in the 2015/2016 year. This is a similar total to the 2007/08 year (209).
 - 716 building consents were lodged during the year ending 30 June 2017, compared to 590 for the 2015/16 year (Up by 21% for the year)
 - 4,258 inspections of consented work conducted during the year ending 30 June 2017, compared to 3,297 for the 2015/16 year.

There has been an increase in consent applications (both resource consenting and building) in the last 7 to 8 weeks and this seems to be becoming the normal trend with no let-up in the number of enquiries that are being handled by staff.

B. Financial Performance

Firstly, the Financial Statements have been prepared to very tight timeframes and were only completed the day before the agenda deadline, so have not undergone a thorough quality assurance check. The full and thorough quality assurance will be completed in the period before the subcommittee meeting. Any changes will be brought to the subcommittee's attention. However, the Financial Performance and Financial Position will not change with only the Cash Flow statement needing a thorough review.

Also we have chosen to combine the financial statements from the Annual Report in the body of the normal Quarterly Report.

Council has achieved an operating loss of (\$1,648,000) against a budgeted surplus of \$3,182,000. However discloses a surplus of \$27,165,000 as at 30 June 2017 against a budgeted surplus of \$14,173,000 due to gains on asset revaluations.

Operational Income

Grants and Subsidies are below budget by \$2.796m mainly due to some Capital subsidies for the Te Awahou project being received in the 2017/18 financial year as well as delayed capital roading projects, and the subsidy on these.

Rates income is lower by \$400k due to;

- lower Water-by-meter income \$140k
- lower rates penalty income \$160k
- higher rates remissions \$230k, offset by

- higher general and targeted rates income \$130k.

The reduce rates penalty income is driven by the fact that we no longer apply penalties to Maori land rates while the true impact of the new rates remissions policies were underestimated in the budget.

Fees and Charges income is above budget by \$1.1m due to;

- higher income in Solid waste \$345k due to increased revenue for land fill and also the Waste rebate income of \$121k was not budgeted for.
- Connection fees water \$95k unbudgeted,
- Connection waste water \$28k, and
- Trade waste (mainly Foxton) \$23k
- Community facilities \$470k mainly due to new income from library services brought in house but unbudgeted.

Other revenue is above budget by \$368k primarily due to;

- unbudgeted income from running the elections for Horizons and the DHB \$97k,
- unbudgeted income from Shannon wastewater farm \$119k,
- unbudgeted income from external payroll processing \$59k,
- roading income relating to petrol tax and sundry charges is above budget by \$91k.

Council has also seen income derived for;

- Vested assets \$459k from developments that were unbudgeted
- Development contributions \$488 , mainly from Forbes Road subdivision sales again unbudgeted
- Gain on Swap derivatives \$630k, partially offsetting the loss of \$1.1m experienced last year. This turn –a-round is caused by long-term Interest rates rising.
- Gain on acquisition of the library trust \$223 (the difference between councils asset for THT and the Trust's equity as at 30/6/16)
- Higher gains on sale from the sale of assets \$126 mainly Forbes Road section sales

Operational expenditure

Lower **external interest** \$400k Lower interest cost has been achieved due to lower effective interest rates than was assumed in the Annual Plan refer to the interest rate movement graph below.

Increased **Employee expenses** \$1.5m due to;

- i. The extra library staff salaries unbudgeted for \$1.2m offset by the lower expenditure in grants \$1.8m
- ii. Other employee benefits and holiday accruals \$0.3m

The **Other expenditure** costs are down by only \$56k but this hides the true movements;

- Grants are unspent by (\$1.9m) , \$1.8m was the former grant to the Library Trust
- Maintenance unspent by (\$600k)
- Other expenses over budget by \$678k
- Professional services over budget by \$1.4m
- Labour charged to Capital projects under by \$862k

Lower maintenance has primarily occurred in Wastewater, Stormwater, Solid Waste, Roding, and Community Facilities Activities.

Other expenses included;

- debt write offs/provision of \$321k
- landfill consent fees over budget \$318k

The higher professional services are in the CEO, Planning and Regulatory, Property, Representation and Community leadership but lower in Solid waste, Community Facilities and Strategic planning Activities.

Depreciation has increased by \$2.8m as major projects in Business services and Aquatics are capitalised and infrastructural assets revalued as at 1 July 2016. This resulted in a recalculation of the depreciation expense for the full year because of the increase in value. This issue was disclosed in the May report to the subcommittee.

Other losses have occurred for;

- Loss on disposal of assets \$476k mainly on land sales including \$240 correction to the prior year sale of the Foxton Beach camp ground
- Loss on revaluation of the forests \$199
- Loss on revaluation of commercial land and buildings \$208k, mainly the Cinema where improvement cost did not reflect in the revaluation
- Increase in the landfill after care provision above budget \$126k.

B. Financial Position

Debt

Council finished the year with \$77m in debt, \$14m of that due within 1 year. Of the \$14m, \$12m is short-term commercial paper due in December 2017. The \$77m was lower than the Annual Plan and LTP year 2 (2016/17) prediction of \$86m. The lower debt level is due to delays in capital expenditure projects especially Te Awahou Nieuwe Stroom, Stormwater and Foxton Wastewater upgrade.

Assets

Capital expenditure at \$25m, is \$11.4m below the budget prediction. Council has revalued all its assets, with infrastructural assets valued as at 1/7/2016. This has meant the recalculation of depreciation for the year, refer to the commentary on depreciation above)

The revaluation increase was \$28.8m made up as follows;

- Wastewater \$7.9m
- Water \$5.1m
- Stormwater \$5m
- Roding \$12m
- Footpaths -\$1.2m

The increase in values will put upward pressure on the targeted rates related to these activities. This is to the increase in funding requirement (depreciation funding) to cover asset renewals in future years based as those renewal costs will be based on the increase in valuations.

Note that the revaluations of operational assets (mainly land and buildings) have not been processed through the ledger as yet. Officers will have the updated financial position statements available early next week to provide to Councillors prior to the subcommittee meeting.

Also of note is the book value of the Pensioner Housing is shown in the current assets section under "non-current assets held for sale", along with some unsold Forbes Road sections.

The cash balance is at \$5m which is \$2m lower than a year ago and \$1m less than budgeted. However, \$5m is enough to maintain Council's liquidity in the short-term Debtors are up \$400k on a year ago but creditors have reduced \$900k.

Prudential Bench marks

Council has met all the bench marks except 2; Balance the Budget and Operational Control. Both have been affected by the delay in receipt of capital grants for the Te Awahou project and delays in subsidised roading capital projects resulting in lower NZTA subsidy.

The Balance the budget is at 95% against a benchmark of at least 100%. However the Financial strategy predicted that the first 3 years of the LTP would show unbalanced budgets using this benchmark. Year two of the LTP (2016/17) showed that Council (without the Te Awahou capital grants) would be at 95% also.

The operations control benchmark does not, at first glance, appear to be correct and a thorough check has not been carried out to prove its accuracy as the cashflow statement was only completed immediately before this report was written. The benchmark will most likely not be met but the 62% may not be correct.



Doug Law
Chief Financial Officer
9 August 2017

Operational Summary

Total revenue	Total expenditure	Total surplus/(deficit)
\$50.66m	\$52.31m	\$(1.64)m
is less than 1% less than the total budget of \$50.59m	is 10% more than the total budget of \$47.41m	is 151% less than the total budgeted surplus of \$3.18m

SUSTAINABILITY

Rates to operating revenue 66%

Rates revenue	\$33.42m
Operating revenue	\$50.66m

66% of operating revenue is derived from rates revenue. Rates revenue excludes penalties and includes water supply by meter and gross of remissions. Operating revenue excludes vested assets, development contributions, asset revaluation gains and gains on derivatives.

Balance budget ratio 95%

Operating revenue	\$49.09m
Operating expenditure	\$51.68m

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 1% more than operating expenditure.

Essential services ratio 130%

Capital expenditure	\$15.28m
Depreciation	\$11.75m

Capital expenditure should be equal or more than depreciation for essential services, for year to date capex is 30% more than depreciation

Net Debt to total projected revenue 141%

Total net borrowing	\$71.92m
Total operating revenue	\$50.66m

With net borrowing of \$71.92m we are still under the set limit of 175% of operating revenue. Total net borrowing is external borrowing less cash at bank.

Interest to rates revenue (LGFA Cov.) 9%

Net interest	\$3.10m
Rates revenue	\$33.42m

9% of rates revenue is paid in interest. Our set limit is 25% of rates revenue. Net interest is interest paid less interest received. Rates revenue excludes penalties and includes water supply by meter and gross of remissions.

Interest to operating revenue (LGFA Cov.) 6%

Net Interest	\$3.10m
Operating revenue	\$50.66m

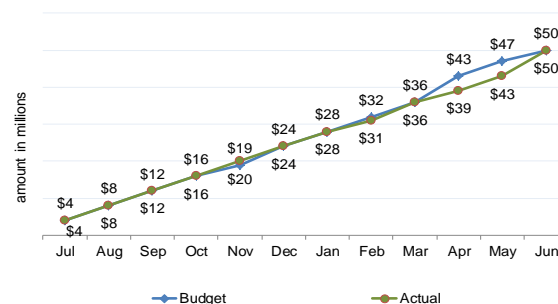
6% of operating revenue is paid in interest. Our set limit is 20% of operating revenue. Net interest is interest paid less interest received. Operating expenditure includes depreciation and excludes loss on derivatives, landfill liability and loss on asset revaluations.

Available financial accommodation to external 114%

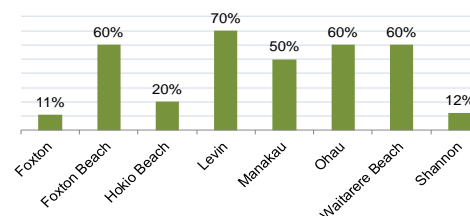
Net debt	\$71.92m
Undrawn committed facilities	\$10.00m

Committed bank facility to enable us to borrow at least 10% of our current external debt immediately, currently we can borrow 5% more than our current debt. Net debt is external debt less cash at bank.

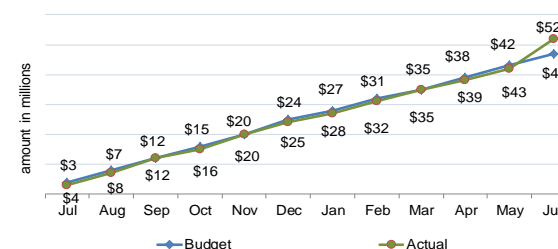
Total Operating Revenue \$m



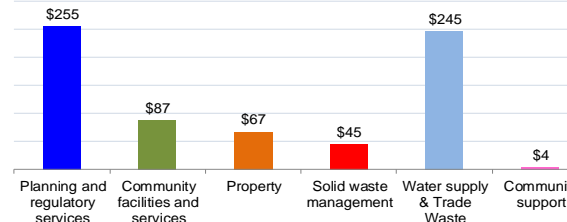
Rates debtors % with arrears



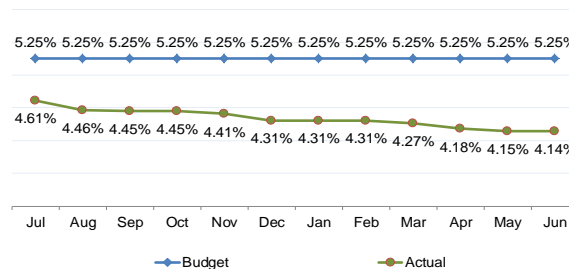
Total Operating Expenditure \$m



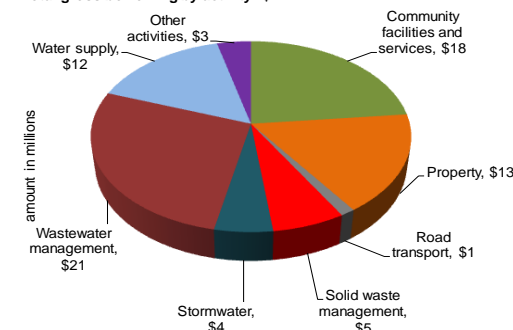
Sundry debtors by activities \$000



Interest rate movement



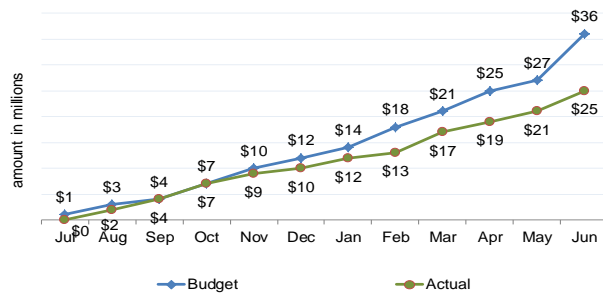
Total gross borrowing by activity \$m



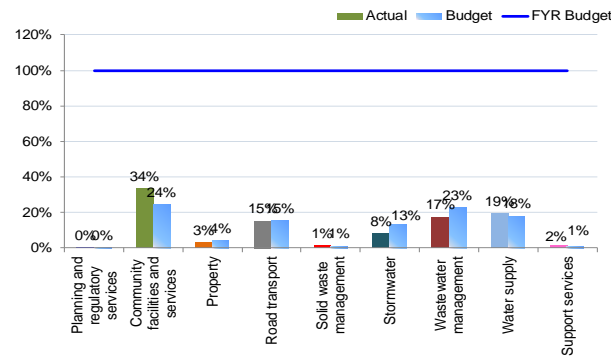
Capital

To meet growth	To improve service	To replace
\$2,306m	\$13,290m	\$9,819m
is 56% less than the YTD budget of \$5,382m	is 27% less than the TD budget of \$18,128m	is 26% less than the total budget of \$13,209m

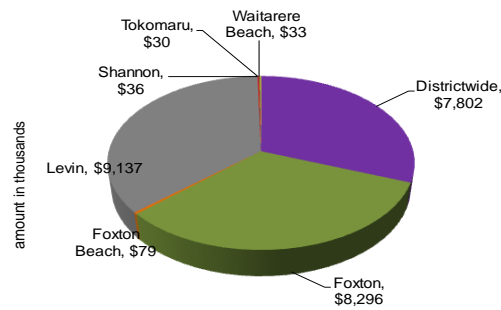
Total Capital Expenditure



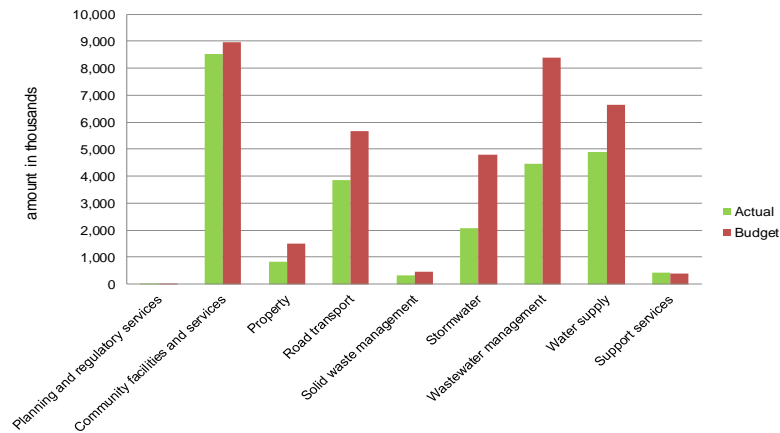
Capital Expenditure By Activity % Percentage



District View - Capital Expenditure \$000



Capital Expenditure By Activity \$000



Statement of Comprehensive Revenue and Expense

	Note	Council Actual \$ 30 June 2017 \$000	Council Budget \$ 30 June 2017 \$000	Council Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2016 \$000
Revenue						
Rates	1	34,498	34,890	33,219		33,219
Interest revenue	2a	53	154	127		146
Grants and subsidies	2b	4,400	7,196	3,578		3,578
Fees and charges	2c	6,321	5,234	5,290		5,702
Other revenue	2d	3,184	2,816	2,927		2,927
Vested assets	2e	459	-	100		100
Development contributions	2f	488	-	381		381
Gain on derivative financial instruments	34	630	-	-		-
Gain on forestry assets at fair value	3,13	-	31	42		42
Gain on acquisition of CCO	3	223	-	-	-	-
Gain on commercial land and buildings revaluations	3	-	92	216		216
Gain on disposal of assets	3	411	180	156		156
Total revenue		50,667	50,593	46,036		46,467
Expenditure						
Employee benefit expenses	4	12,234	10,709	9,532		11,216
	11,12,					
Depreciation and amortisation	35	14,361	11,471	11,536		11,717
Finance costs	6	3,106	3,570	2,986		2,986
Loss on derivative financial instruments	34	-	-	1,101		1,101
Loss on disposal of assets	3	476	-	147		147
Loss on forestry assets at fair value	3,13	199	-	-		-
Loss on commercial land and buildings revaluations	3	208	-	-		-
Increase / (decrease) in landfill provision	17	221	95	115		115
Other expenses	5	21,509	21,566	21,445		20,087
Total expenses		52,315	47,411	46,862		47,369
Surplus / (deficit) before tax		(1,648)	3,182	(826)		(902)
Income tax expense			-	-		-
Surplus / (deficit) after tax		(1,648)	3,182	(826)		(902)
Surplus / (deficit) attributable to: Horowhenua District Council		(1,648)	3,182	(826)		(902)
Other comprehensive revenue and expense						
Gain / (loss) on infrastructural assets revaluations		28,813	10,991	-	-	-
Gain / (loss) on restricted assets revaluation		-	-	-	-	-
Total other comprehensive revenue and expense for the year		28,813	10,991	-	-	-
Total comprehensive revenue and expense (deficit) for the year		27,165	14,173	(826)		(902)
Total comprehensive revenue and expense attributable to Horowhenua District Council		27,165	14,173	(826)		(902)
Interest as percentage of operating revenue		6%	7%	9%		9%
Interest to rates		9%	10%	12%		12%

Explanations of major variances against budget are provided on page 17

Notes

Interest Revenue – The is below budget with lower interest rates in the market.

Grants and Subsidies – Subsidised Roothing Capital Project Foxton Main Street delay and reseals in the district due to the weather, the reseals are under way and expected the Capitial Subsides will be more in line with budget in the following months. Also the Library Grants yet to be received due to being subject to conditions.

Fees and Charges - Parking revenue received is below budget due to the timing of our tickets issued to court and recovery for the fines from the courts. This is anticipated to continue through to 30 June 2017. Regulatory revenue received is over budget with increased activity for Building Consents and Resource Planning.

Other Revenue – Business Services recieved unbudgeted income for Business Advistory (\$123k), Aquatics recieved funding from Kapiti Distict council for lifeguards (\$24K), Governance funds for NZTA (\$97K), People & Capaitily funds for HDC staff working for other Councils (\$59K), Resource Planning (\$58K) and Wastewater (\$119K) for miscellaneous services.

Gains – Property gains on sale for Endowment land, general property and acquisition of Te Horowhenua Trust assets. This also includes the budgeted asset revaluation gains expected at 30 June 2017.

Activity	Gain	Loss	Total
Endowment	405,056	-27,173	377,883
General Property	1,575	-80,000	-78,425
Camp Grounds		-240,000	-240,000
Council Building		-68,570	-68,570
Council Operations	4,783	-10,589	-5,806
Treasury	222,842		222,842
	634,256	-426,332	207,924

Other Expenses – HDC Property rates, Landfill consent fees, and increase in Rates remissions expenditure more than anticipated. Professional Services such as legal costs, increase in consultation for Levin Town Centre Strategy, contractors for Stormwater CCTV for the district.

Loss on Sale – Camp Grounds loss on sale is a correction from the 2014/15 Annual report that was recently discovered and loss on sale of one Endowment property.

Statement of Financial Position

	Note	Council Actual \$ 30 June 2017 \$000	Council Budget \$ 30 June 2017 \$000	Council Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2016 \$000
Assets						
Current assets						
Cash and cash equivalents	7	5,740	6,064	7,400		7,430
Debtors and other receivables	8	6,313	5,381	5,960		6,044
Other financial assets	9	365	470	350		358
Non-current assets held for sale	10	7,508	475	285		285
Total current assets		19,260	12,390	13,995		14,117
Non-current assets						
Plant, property and equipment						
- Operational assets	11	43,030	48,572	43,397		44,594
- Infrastructural assets	11	427,588	419,894	394,713		394,713
- Restricted assets	11	38,260	43,786	38,664		38,664
Intangible assets	12	1,624	1,543	1,718		1,727
Forestry assets	13	1,061	973	952		952
Commercial property	14	5,928	3,831	5,926		5,926
Other financial assets:						
- Investments in CCO's and other similar entities	9	220	2,190	1,836		1,053
- Investment in other entities	9	1,121	-	-		-
Total non-current assets		518,833	520,789	487,206		487,629
Total assets		538,093	533,179	501,201		501,746
Liabilities						
Current liabilities						
Payables and deferred revenue	16	10,927	9,704	11,779		11,650
Provisions	17	1,129	997	940		940
Employee benefit liabilities	18	199	1,003	920		993
Borrowings and other financial liabilities	19	14,000	2,000	16,000		16,000
Total current liabilities		26,255	13,704	29,639		29,583
Non-current liabilities						
Provisions	17	2,272	2,151	2,240		2,240
Employee benefit liabilities	18	166	178	161		161
Derivative financial instruments	34	1,038	-	1,668		1,668
Borrowings and other financial liabilities	19	63,000	84,000	49,000		49,000
Other	20	461	-	2,419		2,419
Total non-current liabilities		66,937	86,329	53,820		53,820
Total liabilities		93,192	100,033	83,459		83,403
Net assets		444,901	433,146	417,742		418,343
Equity						
Retained earnings	21	260,226	267,710	263,345		263,946
Revaluation reserves		176,256	158,438	147,449		147,449
Other reserves		8,419	6,998	6,948		6,948
Total equity		444,901	433,146	417,742		418,343
Total equity attributable to:						
Horowhenua District Council		444,901	433,146	417,742		418,343
Total equity		444,901	433,146	417,742		418,343

Explanations of major variances against budget are provided on page 20

Notes

1. Debtors and other receivables:

Sundry Debtors	\$704K
Rates	\$2,762K
Water Billing	\$746K
Infringements & Other	<u>\$2,101K</u>
	\$6,313K

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

2. Non-current liabilities – Other

LGFA Amortisation Reserve	\$403K
Development Contributions	<u>\$58K</u>
Total	\$461K

Development Contributions of \$57,814 are for 5 properties. Section 197A of the Local Government Act 2002 enables territorial authorities to recover a contribution for developments to fund infrastructure required due to growth. Council made the decision not to collect any further Development Contributions effective from 1 July 2015.

Funding Impact Statement for Whole of Council

	LTP Forecast 2016 \$000	Annual Report Actual 2016 \$000	Annual Plan Forecast 2017 \$000	Actual 2017 \$000	Variance 2017 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	8,824	8,865	9,259	8,978	(281)
Targeted rates	24,476	24,354	25,630	25,520	(110)
Subsidies and grants for operating purposes	1,511	1,530	1,342	1,488	146
Fees and charges	4,880	5,290	5,234	6,321	1,087
Interest and dividends from investments	150	127	154	53	(101)
Local authorities fuel tax, fines, infringement fees, and other receipts	2,643	2,925	2,817	3,184	366
Total operating funding (A)	43,484	43,091	44,436	45,544	1,107
Applications of operating funding					
Payments to staff and suppliers	30,272	30,977	32,275	33,744	1,468
Finance costs	3,300	4,087	3,570	3,106	(464)
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	33,572	35,064	35,845	36,850	1,004
Surplus (deficit) of operating funding (A-B)	8,912	8,027	8,591	8,694	103
Sources of capital funding					
Subsidies and grants for capital expenditure	3,968	2,050	5,854	2,912	(2,942)
Development and financial contributions	-	381	-	488	488
Increase (decrease) in debt	16,153	5,000	18,000	12,000	(6,000)
Gross proceeds from sale of assets	640	1,421	2,640	2,023	(617)
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	20,761	8,852	26,494	17,423	(9,071)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	2,347	1,276	5,382	2,306	(3,076)
- to improve the level of service	16,270	10,283	18,128	13,290	(4,838)
- to replace existing assets	12,800	9,662	13,290	9,819	(3,471)
Increase (decrease) in reserves	-	(4,388)	(600)	1,485	2,085
Increase (decrease) of investments	(1,744)	46	(1,115)	(783)	322
Total applications of capital funding (D)	29,673	16,879	35,085	26,117	(8,968)
Surplus (deficit) of capital funding (C-D)	(8,912)	(8,027)	(8,591)	(8,694)	(103)
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	11,619	11,536	11,471	14,361	2,890
Loans					
		External			
		\$000			
Loans as at 1/07/2016		65,000			
Raised during year		14,840			
Repaid during year		(2,840)			
Loans as at 30/06/2017		77,000			
Interest expense		3,106			

Statement of Rates Debtors

Rate Zone	Assessment Count	Assessments with Arrears	% with Arrears	Total Arrears	Year to Date Arrears	Instalment 1 Arrears	Instalment 2 Arrears	Instalment 3 Arrears	Instalment 4 Arrears	Penalties Arrears	Prior Year Arrears
Foxton	1,269	139	11%	\$260,964	\$161,933	\$15,668	\$22,638	\$34,526	\$64,823	\$24,279	\$99,031
Foxton Beach	1,580	94	6%	\$113,292	\$99,042	\$10,023	\$15,155	\$21,970	\$41,115	\$10,779	\$14,250
Hokio Beach	199	40	20%	\$693,202	(\$14,475)	\$5,729	\$5,853	\$6,426	\$7,561	(\$40,045)	\$707,678
Levin	7,395	513	7%	\$688,178	\$546,187	\$48,216	\$74,871	\$123,512	\$240,870	\$58,718	\$141,991
Manakau	86	4	5%	\$2,212	\$2,099	\$170	\$270	\$270	\$1,301	\$89	\$112
Non Rateable	129	3	2%	\$3,369	\$1,479	\$113	\$205	\$230	\$457	\$475	\$1,890
Ohau	150	9	6%	\$12,032	\$11,636	\$1,010	\$2,318	\$3,193	\$4,579	\$537	\$396
Rural	2,295	122	5%	\$482,856	\$98,199	\$14,105	\$16,235	\$19,695	\$31,795	\$16,370	\$384,657
Rural Lifestyle	2,572	184	7%	\$233,162	\$155,627	\$16,728	\$22,682	\$29,436	\$70,116	\$16,666	\$77,535
Shannon	673	82	12%	\$194,856	\$112,287	\$14,377	\$15,343	\$23,576	\$34,970	\$24,021	\$82,570
Tokomaru	164	11	7%	\$12,779	\$12,779	\$1,556	\$2,497	\$2,645	\$4,989	\$1,093	\$0
Utilities	16		0%								
Waikawa Beach	231	12	5%	\$6,605	\$6,605	\$271	\$350	\$1,242	\$4,314	\$429	\$0
Waitare Beach	949	61	6%	\$59,210	\$50,537	\$2,927	\$5,936	\$10,054	\$26,862	\$4,758	\$8,673
Total 30 June 2017	17708	1274	7%	2,762,718	1,243,936	130,893	184,351	276,773	533,751	118,168	1,518,783
Total 30 June 2016	17783	1,032	8%	2,915,379	1,619,958	150,015	207,234	291,705	597,449	373,555	1,295,421

Statement of Sundry Debtors

Category	Total Outstanding	Current Outstanding	31 - 60 days Outstanding	61 - 90 days Outstanding	Over 90 days Outstanding	Notes
Current debtors						
Aquatic Centre	9,707	9,334	130	216	27	
Building Consents	88,878	73,245	8,419	0	7,214	
Building Fee - BWOFF	2,340	1,365	325	195	455	2
Cemeteries	18,015	17,555	460	0	0	
Dogs	472	0	0	0	472	
Dogs - Debt Collection	5,728	0	0	0	5,728	
Dogs Arrange to pay	129	0	42	0	87	
Fines	1,749	0	82	0	1,667	
General	27,049	24,756	0	220	2,073	5
Health Accreditation Renewals	6,956	3,816	595	1,505	1,040	
Hire	8,521	2,661	649	1,834	3,377	
On Charges	62,878	54,871	260	196	7,551	3
Pension Housing	4,055	3,785	270	0	0	
Resource Consent Fees	22,459	3,501	4,193	0	14,765	4
Rubbish Bags	32,300	20,900	2,280	0	9,120	
Staff Account	4,003	2,348	959	237	460	
Te Takere	12,226	9,592	975	1,198	461	
Waste Transfer Station	4,799	3,775	656	110	258	
Water & Trade Waste	254,625	137,915	95,897	1,636	19,177	
Water Septage - Septic Tank	8,225	4,251	0	1,338	2,636	
Total current debtors	575,113	373,669	116,192	8,685	76,567	
Non current debtors						
Dev Cont New Policy	35,563	0	0	0	35,563	1
Develop Cont Old Policy	29,637	0	0	0	29,637	1
Rental Income Monthly	63,487	28,152	2,342	1,035	31,957	
Total non-current	128,686	28,152	2,342	1,035	97,157	
Total as at 30 June 2017	703,799	401,822	118,533	9,721	173,724	6
Total as at 30 June 2016	664,219	365,575	42,939	20,514	235,191	

Notes and Comments

1. These Development Contribution debtors are being actively pursued. The batch of debt letters sent had a positive effect with several payments being made. Most of the Development Contributions – Old Policy are with the Debt Collection Agency, with the balance of them either being paid off or having an arrangement to pay when the sections sell.
2. 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.
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. In this category there are charges for grazing leases, new connections, car access way and HR charges.
6. Out of the \$174K owing +90 Days, \$140k is provided for in the Doubtful Debts Provision.

Statement of Loans by Parcel

Loan parcels	Maturity	Interest	Opening balance	Raised	Repaid	Closing balance
Due within a year						
Stock	16 Aug 16	6.2750%	2,000,000		2,000,000	0
Stock	15 Mar 17	5.0550%	3,000,000		3,000,000	0
Stock	23 May 17	4.3900%	4,000,000		4,000,000	0
LGFA Short term	12 Dec 16	2.4050%	7,000,000		7,000,000	0
LGFA CP	12 Jun 17	2.1750%	0	10,000,000	10,000,000	0
LGFA CP	12 Jun 17	1.9950%		2,000,000	2,000,000	0
BNZ CAAF	19 Dec 16	3.6500%	0	3,000,000	3,000,000	0
LGFA FRN	15 Dec 17	3.1225%	2,000,000			2,000,000
LGFA CAP	18 Dec 17	2.1350%		12,000,000		12,000,000
Total due within a year						14,000,000
Due within 2 - 5 years						
Stock	15 Nov 18	5.5950%	2,000,000			2,000,000
LGFA Bond	15 Mar 19	4.4500%	4,000,000			4,000,000
LGFA Bond	15 Mar 19	4.7064%	5,000,000			5,000,000
LGFA FRN	15 Mar 19	3.0125%	3,000,000			3,000,000
LGFA FRN	15 May 21	2.9125%	4,000,000			4,000,000
LGFA Bond	15 May 21	4.5650%	5,000,000			5,000,000
LGFA Bond	15 May 21	5.9852%	5,000,000			5,000,000
LGFA Bond	15 May 21	5.8516%	5,000,000			5,000,000
LGFA FRN	18 May 22	2.4750%	3,000,000			3,000,000
Total due within 2 - 5 years						36,000,000
Due after 5 years						
LGFA Bond	15 Apr 25	4.2046%	0	3,000,000		3,000,000
LGFA Bond	15 Apr 23	5.1336%	4,000,000			4,000,000
LGFA BOND	15 Mar 24	3.7200%		4,000,000		4,000,000
LGFA BOND	15 May 24	3.7600%		4,000,000		4,000,000
LGFA FRN	19 May 25	2.5400%	7,000,000			7,000,000
LGFA Bond	15 Jul 26	3.3700%	0	5,000,000		5,000,000
Total due after 5 years						27,000,000
Total			65,000,000	43,000,000	31,000,000	77,000,000

Notes and Comments

Our weighted average interest rate has reduced to 4.14 % at 30 June 2017. This is a saving of \$514K in interest payable compared to the Annual Plan interest rate assumption of 5.25% for 2016/17.

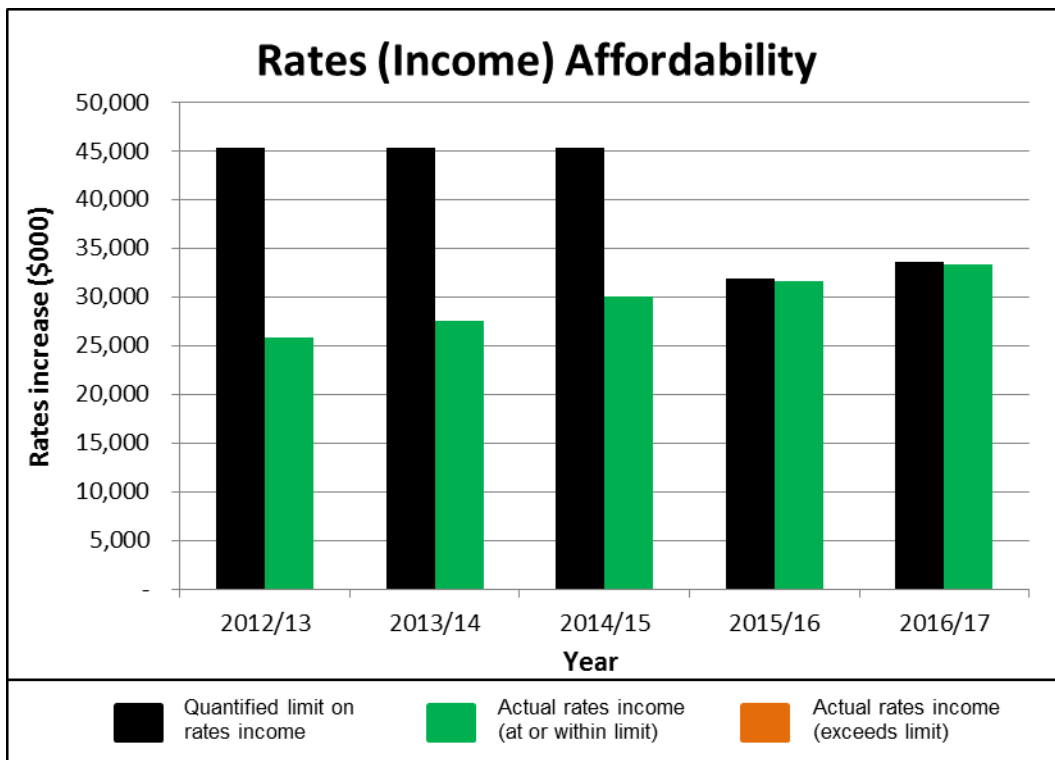
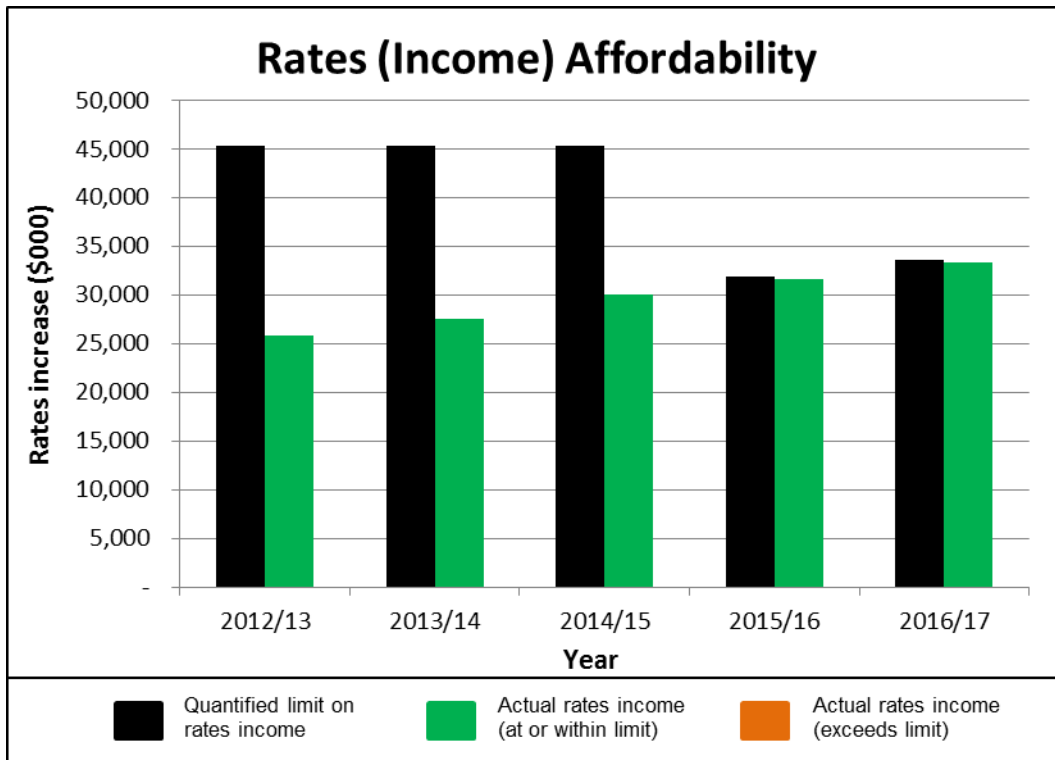
The weighted average rate calculated by multiplying the opening loan balance by the interest rate for that loan and dividing the total interest payable for all loans by the total loans. It is recorded in bands as required under GAAP or IPSAS.

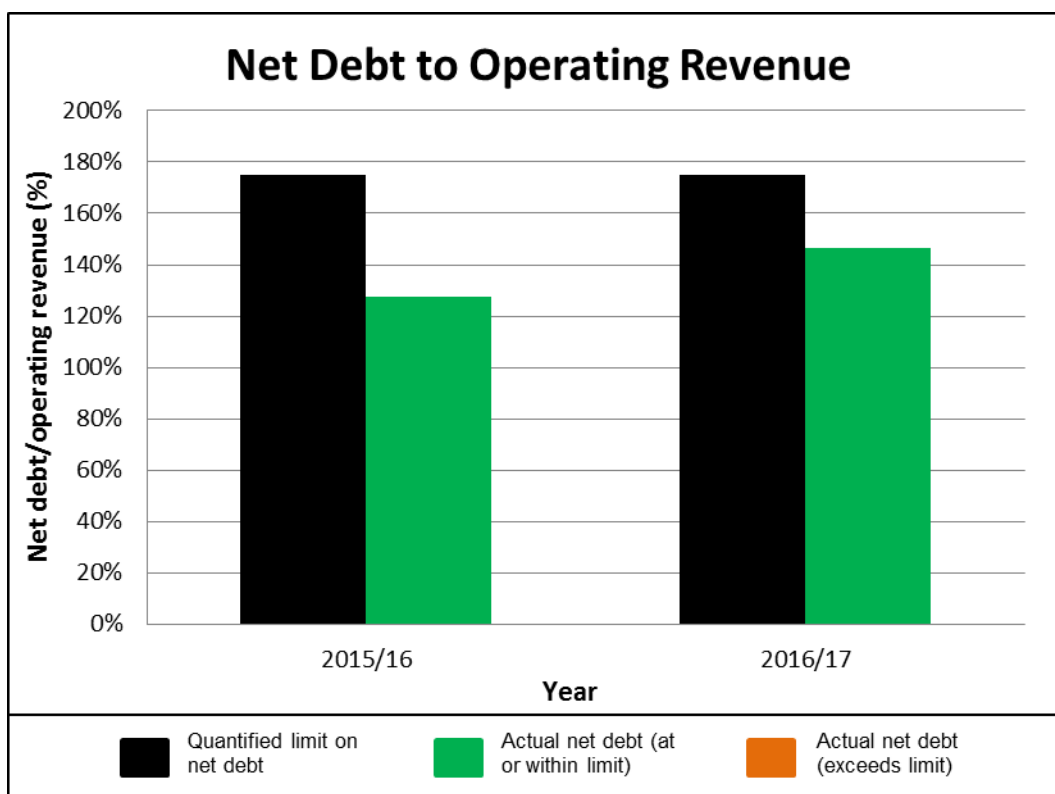
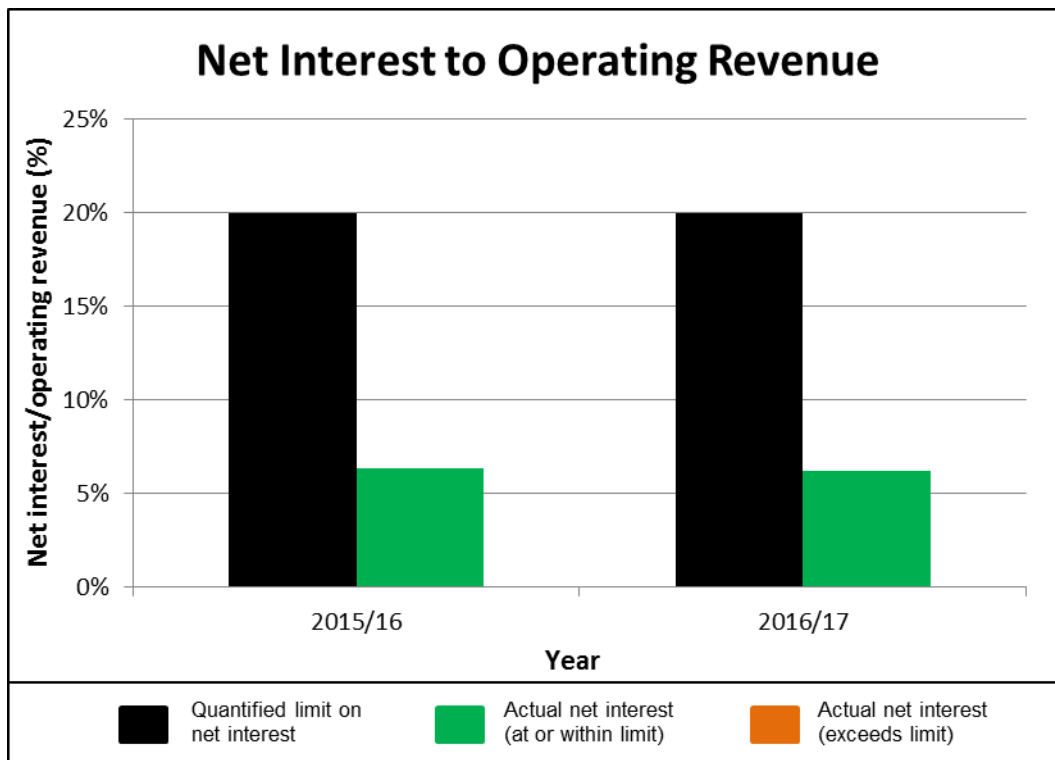
Statement of External Loans and Interest by Activity

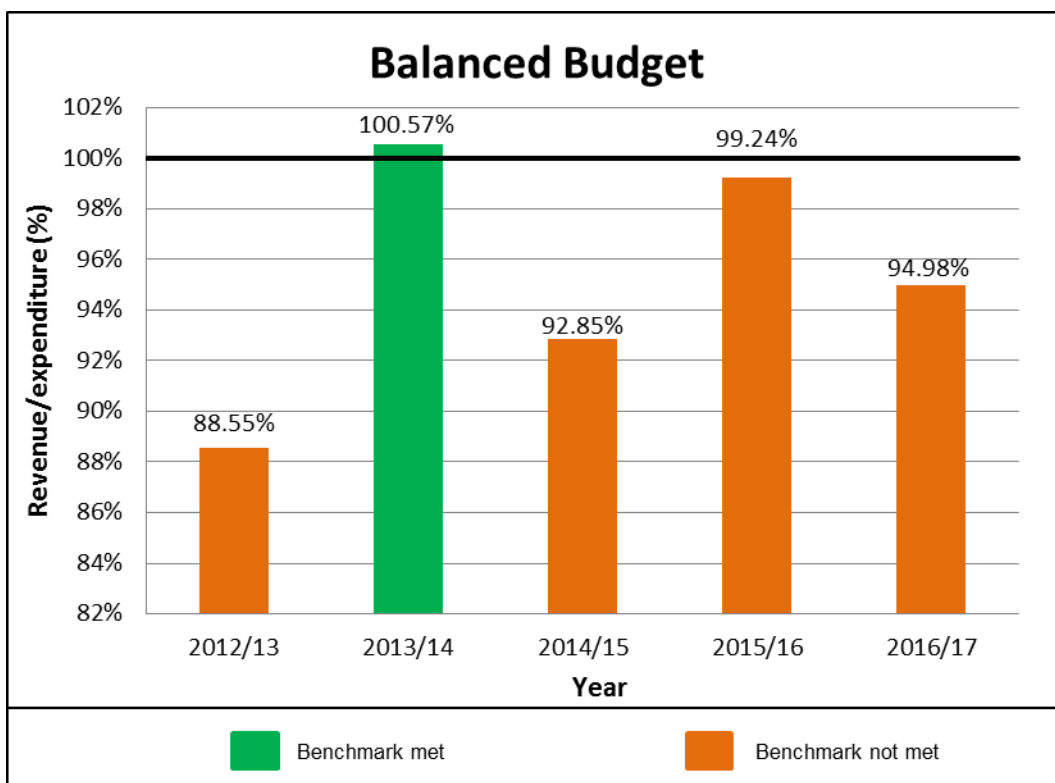
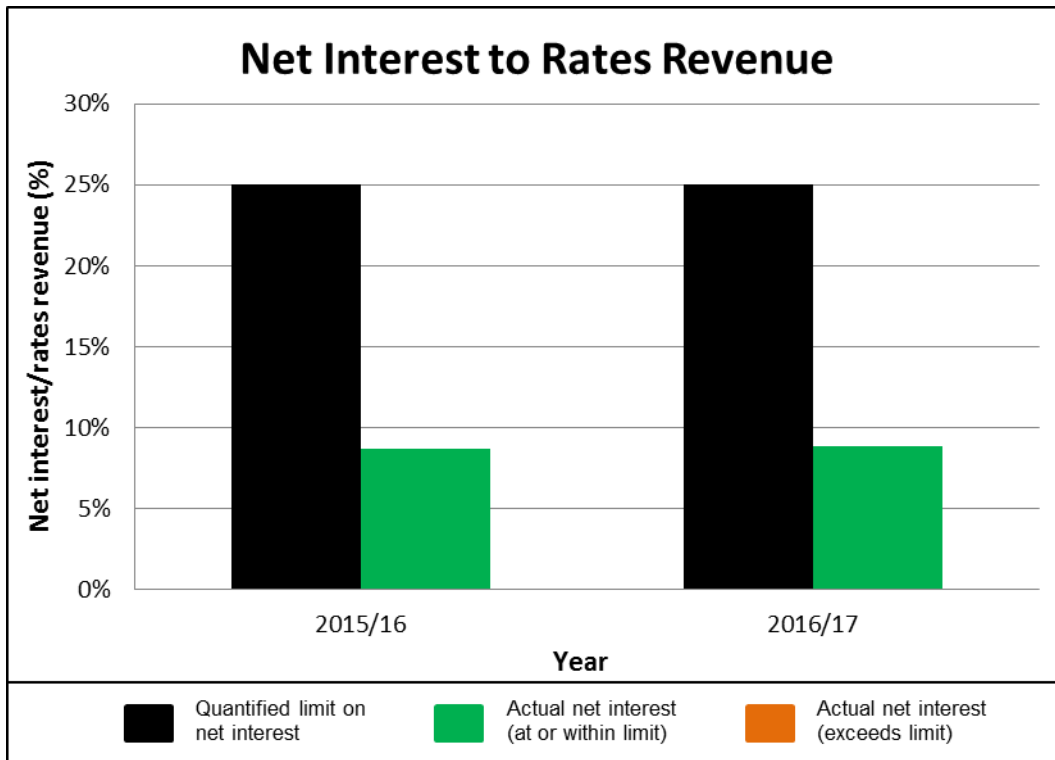
Activity	Loans as at 30 Jun 2016	Loans as at 30 June 2017	Internal Interest Allocated YTD
Land Transport	100,000	300,000	5,215
Stormwater	2,700,000	4,600,000	123,260
Water supply			
Water Levin	5,000,000	9,600,000	238,371
Water Shannon	1,300,000	1,300,000	59,751
Water Foxton	900,000	900,000	41,110
Water Foxton Beach	300,000	200,000	13,832
Water Tokomaru	350,000	300,000	16,312
Total for water supply	7,850,000	12,300,000	369,376
Wastewater Disposal			
Wastewater Levin	7,750,000	8,000,000	351,414
Wastewater Shannon	7,850,000	8,700,000	365,221
Wastewater Foxton	2,300,000	3,400,000	104,432
Wastewater Foxton Beach	200,000	0	9,871
Wastewater Tokomaru	500,000	500,000	23,082
Wastewater Waitarere	0	0	663
Total for wastewater disposal	18,600,000	20,600,000	854,683
Solid Waste	4,550,000	4,800,000	208,023
Community Facilities & Services			
Libraries	7,950,000	9,600,000	360,546
Pools	3,100,000	4,600,000	140,621
Reserves	1,300,000	1,300,000	59,230
Sports grounds	1,400,000	1,400,000	64,126
Halls	250,000	250,000	11,498
Toilets	500,000	500,000	22,916
Cemeteries	100,000	200,000	4,624
Total for Community Facilities & Service	14,600,000	17,850,000	663,561
Properties			
General properties	700,000	1,050,000	32,001
Council building	6,200,000	5,900,000	280,993
Commercial properties	1,100,000	1,200,000	50,465
Residential housing	5,000,000	5,000,000	227,183
Total for Properties	13,000,000	13,150,000	590,642
Other activities			
Information technology	1,400,000	1,400,000	64,219
District plan	2,200,000	2,000,000	99,917
Total for other	3,600,000	3,400,000	164,136
Total	65,000,000	77,000,000	2,978,896

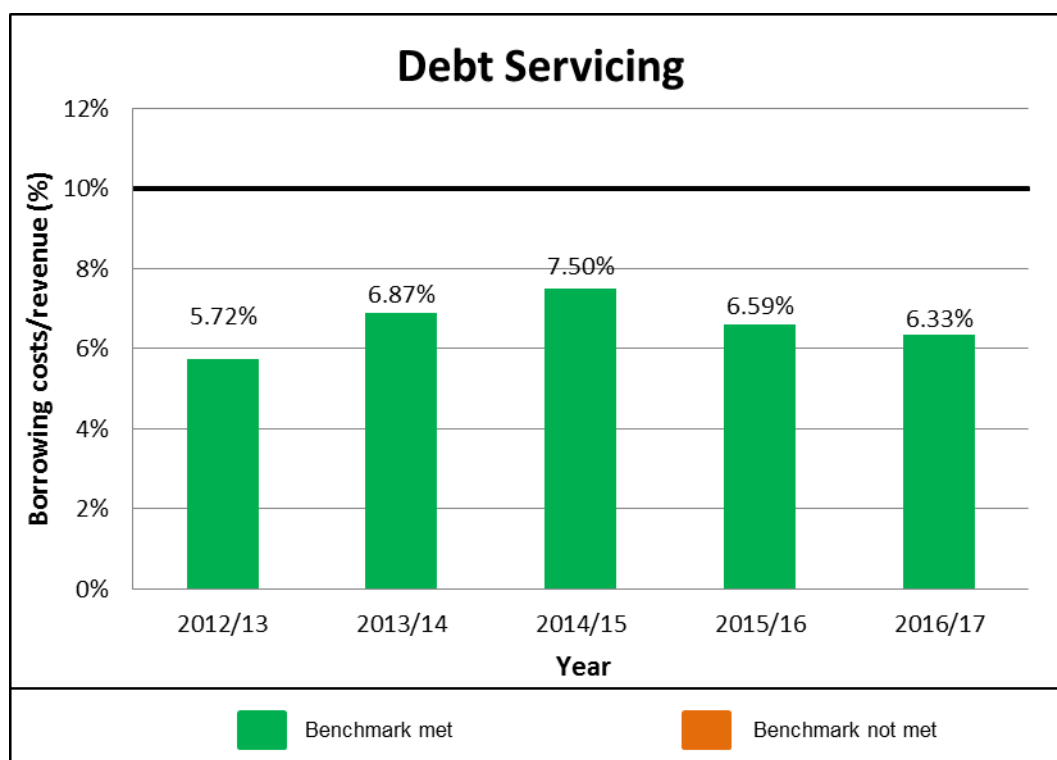
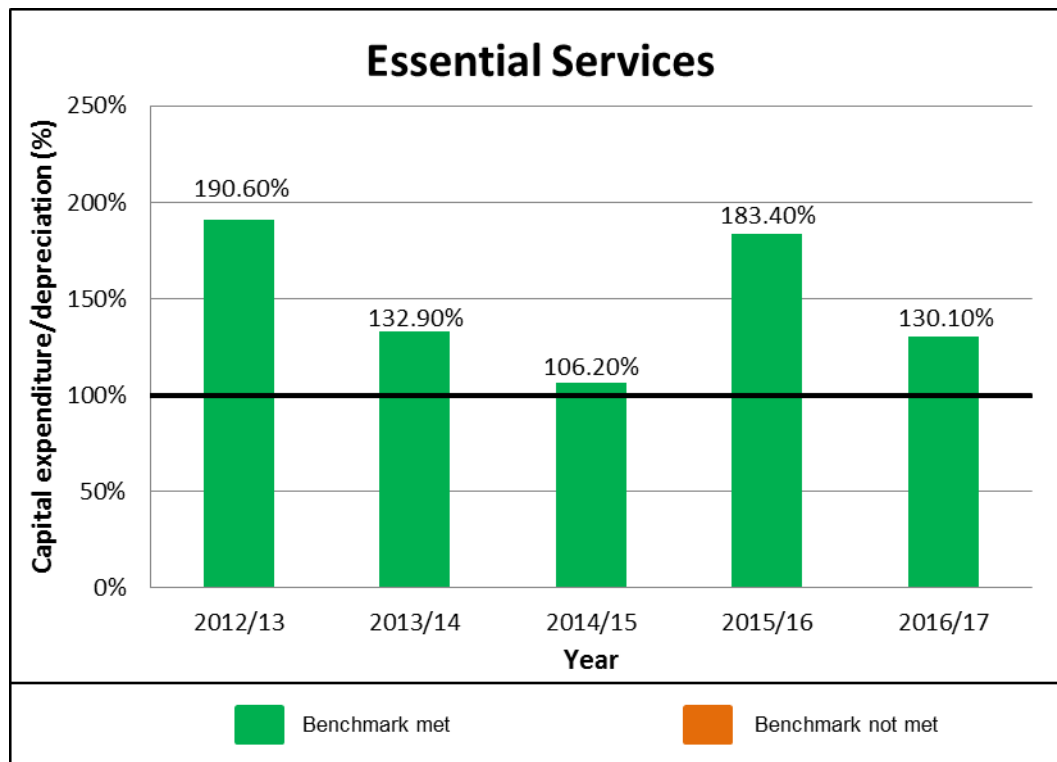
Statement of Internal Loans and Interest by Activity

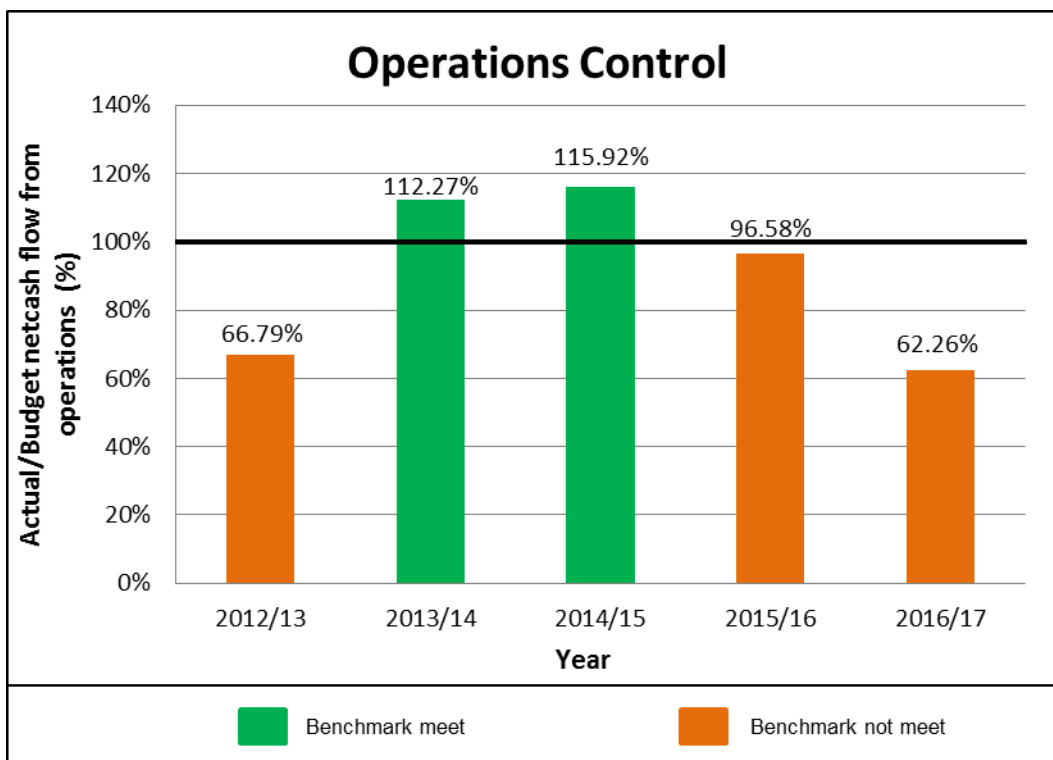
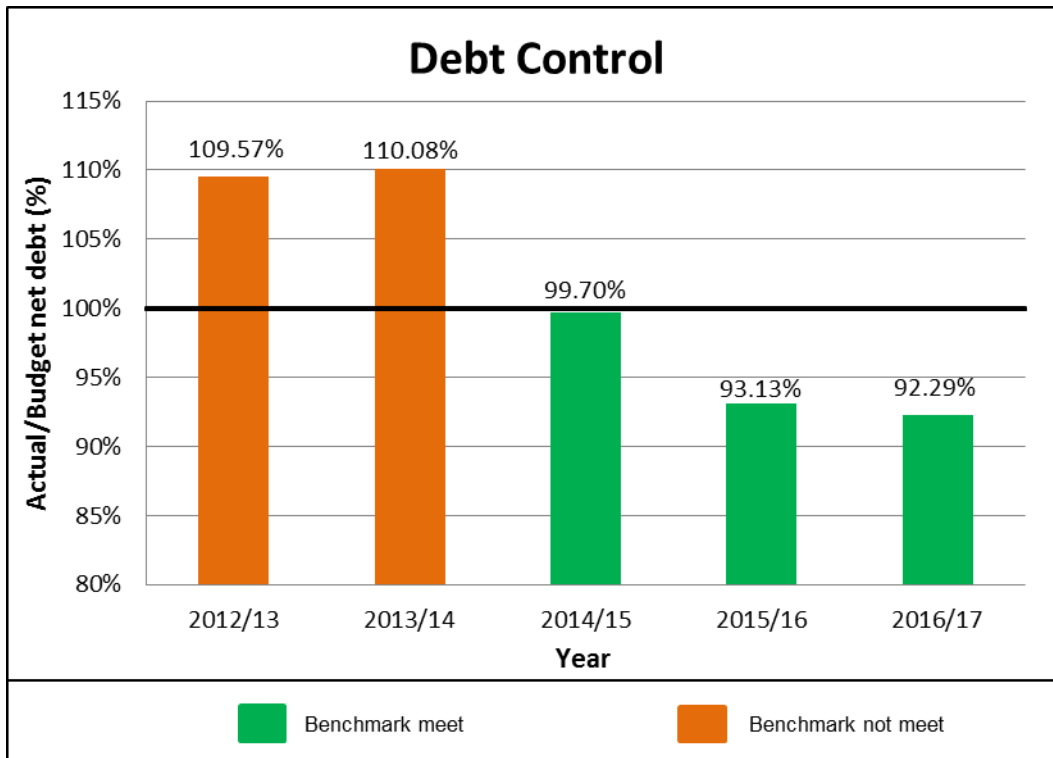
Activity	Loans as at 30 Jun 2016	Loans as at 30 June 17	Internal Interest Allocated YTD
Land Transport	71,273	135,009	2,544
Stormwater	98,187	99,422	3,505
Water supply			
Water Levin	1,234,719	96,308	44,079
Water Shannon	89,345	36,465	3,190
Water Foxton	35,153	4,849	1,255
Water Foxton Beach	25,147	88,438	898
Water Tokomaru	47,456	84,042	1,694
Total for water supply	1,431,820	310,102	51,116
Wastewater Disposal			
Wastewater Levin	33,095	127,192	1,181
Wastewater Shannon	999,165	12,178	35,670
Wastewater Foxton	24,609	35,112	879
Wastewater Foxton Beach	84,469	43,898	3,016
Wastewater Tokomaru	44,895	25,972	1,603
Wastewater Waitarere	69,022	66,261	2,464
Total for wastewater disposal	1,255,255	310,613	44,813
Solid Waste	197,365	90,393	7,046
Community Facilities & Services			
Libraries	40,559	87,885	1,448
Pools	19,022	84,155	679
Reserves	35,113	62,672	1,254
Sports grounds	73,142	14,216	2,611
Halls	17,937	7,220	640
Toilets	27,569	10,776	984
Cemeteries	9,742	35,312	348
Beautification	22,153	21,267	1,004
Total for Community Facilities & Services	245,237	323,503	8,968
Properties			
Commercial properties	65,821	3,724	2,350
General properties	30,068	4,086	1,073
Residential housing	69,818	69,818	2,493
Council building	12,030	63,549	429
Total for properties	177,737	141,177	6,345
Other activities			
Information technology	82,876	94,466	2,959
District plan	26,107	3,496	932
Total for other	108,983	97,962	3,891
Total	3,585,857	1,508,181	128,228











PLANNING AND REGULATORY Funding Impact Statement

	LTP Forecast 2016 \$000	LTP Forecast 2017 \$000	Annual Plan Forecast 2017 \$000	Actual 2017 \$000	Variance 2017 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	1,969	2,008	2,142	2,147	5
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	3	3	3	18	15
Local authorities fuel tax, fines, infringement fees, and other receipts	2,259	2,313	2,313	2,320	7
Internal charges and overheads recovered	-	-	-	-	-
Total operating funding (A)	4,231	4,324	4,458	4,485	27
Applications of operating funding					
Payments to staff and suppliers	652	471	499	542	43
Finance costs	150	155	128	101	(27)
Internal charges and overheads applied	3,324	3,513	3,653	3,660	7
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	4,126	4,139	4,280	4,303	23
Surplus (deficit) of operating funding (A-B)	105	185	178	182	4
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	83	(100)	(95)	(223)	(128)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	83	(100)	(95)	(223)	(128)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	44	1	-	5	5
- to replace existing assets	66	2	3	-	(3)
Increase (decrease) in reserves	78	82	80	(46)	(126)
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	188	85	83	(41)	(124)
Surplus (deficit) of capital funding (C-D)	(105)	(185)	(178)	(182)	(4)
Funding balance ((A-B)+(C-D))	-	-	-	-	-

Depreciation

Loans	External \$000	Internal \$000	Total \$000
Loans as at 1/07/2016	2,200	26	2,226
Raised during year	-	-	-
Repaid during year	(200)	(23)	(223)
Loans as at 30/06/2017	2,000	3	2,003
Interest expense	100	1	101

Notes and Comments

Parking – the revenue received is below budget due to (a) forecast included income from when paid parking was proposed for Levin Mall car park and couldn't be adjusted for this year; (b) – reduction in staff numbers and introduction of electronic ticketing which for a period of time reduced the number of tickets being issued during the transition (this has now been reversed and

ticket numbers returned to normal output); (c) parking income also includes a debit to the income account that continually increases based on the value of tickets progressively processed to the Courts for collection – when the income is received from the court then the income account is once again credited; (d) the value of tickets remitted is also debited to the income account. The income is \$247K for the year, \$535K under budget. The expenditure is below budget due to lower court lodgement fees and internal charges incurred than budgeted.

Building Consents – the revenue received is above budget due to higher than anticipated levels of building activity.

Liquor – the revenue received is above budget due to a higher than anticipated number of new applications received.

Resource Management Applications and Enforcement Consents – the revenue received is above budget due to increased development activity, LIM requests and more complex consent applications being processed than anticipated. The expenditure is over budget due to outsourcing consent processing and the use of consultant planners to assist with current workloads while recruiting for resource management planner roles.

REGULATORY SERVICES – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (16/17)	Actual Performance
District Planning			
Processing of applications under the Resource Management Act (RMA).	Applications under the RMA will be processed within statutory timeframes.	100% compliance with relevant statutory timeframes.	<p>Not Achieved</p> <p>As at 30 June 2017: 188 applications have been received YTD. 190 (99%) applications were completed within statutory timeframes, and 1 application was approved outside the statutory timeframes. This 1 consent was undertaken by a contractor.</p> <p>Note: It is possible that the total number of consents approved and still being processed may exceed the total number of applications that have been received. This is due to the fact that the number of applications received cover the period of 1 July in any one year to 30 June the following year, however consents approved or still being processed in the same period will include applications that may have been received in another year but were not completed from a processing perspective in that year.</p>
Monitoring of District Plan requirements, resource consent compliance and complaints.	Known and reported instances of non-compliance with the District Plan and any resource consents will be responded to and appropriate action will be taken.	100% responded to within 2 working days	<p>Achieved</p> <p>As at 30 June 2017: 55 complaints have been received 100% were responded to within 2 working days</p>

REGULATORY SERVICES – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (16/17)	Actual Performance
District Planning			
Monitoring of District Plan requirements, resource consent compliance and complaints.	Resource consents are monitored for compliance with conditions.	100%	<p>Achieved</p> <p>As at 30 June 2017:</p> <p>104 consents require monitoring (2009 – 2016)</p> <p>100% of consents were monitored</p> <p>124 consents have been monitored YTD. This total included some consents requiring further monitoring.</p>
The District Plan provides for a balanced regulatory framework that protects important community and environmental values.	Percent of non-complying resource consents approved as a proportion of all approved consents.	<10%	<p>Achieved</p> <p>As at 30 June 2017, of the 191 consents that have been approved, there was 1 (<1%) of non-complying resource consents approved.</p>

REGULATORY SERVICES – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (16/17)	Actual Performance
Building Control			
Carry out Building Consent Authority accreditation functions including enforcement of legislation relating to construction of buildings and structures.	Percent of building consent applications granted within 20 working days or less.	100% of applications	<p>Not Achieved As at 30 June 2017: 722 consents were granted YTD 86% have been granted <21 days. A prolonged period of high activity and resource shortage contributed to this measure not being achieved. This measure cannot be achieved. External contracting is currently in place to assist with consent processing.</p> <p>NOTE: It is possible that the total number of consents approved and still being processed may exceed the total number of applications that have been received. This is due to the fact that the number of applications received cover the period of 1 July in any one year to 30 June the following year, however consents approved or still being processed in the same period will include applications that may have been received in another year but were not completed from a processing perspective in that year.</p>
	Consent applications for new residential dwellings are processed in 18 days or less.	95% of applications	<p>Not Achieved As at 30 June 2017: 206 new residential dwelling consents were granted 92% have been granted within 18 days A prolonged period of high activity and resource shortage contributed to this measure not being achieved.</p>
	Reported cases of illegal building work will be responded to within 3 working days.	100% of cases	<p>Achieved As at 30 June 2017: Six (6) reported instances have been received by Council 100% have been responded to within 3 working days</p>

REGULATORY SERVICES – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (16/17)	Actual Performance
Building Control			
Carry out Building Consent Authority accreditation functions including enforcement of legislation relating to construction of buildings and structures.	Percent of private swimming pools on register inspected annually for compliance.	33% of private swimming pools are inspected.	<p>Achieved</p> <p>As at 30 June 2017:</p> <p>There are 210 pools are on the register (1/3rd = 70 inspections to be conducted before 30 June 2017).</p> <p>100% of the 70 pools required to be inspected have been inspected. The target was exceeded, as 83 pools were inspected during the year.</p>
	Council will maintain its accredited status as a Building Consent Authority.	Accreditation maintained	<p>Achieved</p> <p>Council is an accredited BCA. The latest assessment was held 26-28 April 2017 and the BCA received re-accreditation with 1 Corrective Action Requirement.</p> <p>The next assessment is due in 2019.</p>

REGULATORY SERVICES – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (16/17)	Actual Performance
Environmental Health – Food Safety			
Food Safety – Food businesses are monitored to ensure compliance with legislation.	Food businesses operating under the Food Act 2014 are verified at the frequency determined by the Food Regulations 2015.	100%	<p>Achieved</p> <p>As at 30 June 2017: 91 premises are operating under the Food Act 2014 91% (83 premises) have been verified year-to-date.</p> <p>Note: The 8 premises (9%) that were not audited, were not required to be audited in 2016/17 year, but will be audited as outlined in the Food Regulations 2015.</p> <p>Therefore, based on the above, this measure is considered “Achieved”.</p>
	Food premises operating under the Food Hygiene Regulations 1974 are inspected.	100%	<p>Achieved</p> <p>As at 30 June 2017: 65 premises are operating under the Food Hygiene Regulations 100% have been inspected year-to-date.</p>
Food Safety – Existing food businesses are provided with assistance to transition onto the requirements of the Food Act 2014.	Food businesses are provided with written material about the Food Act 2014 and have opportunities to attend training sessions/seminars	100% of businesses required to transition in Year 1 of the Act (by 30 June 2017) are provided with written information and access to training / mentoring activities.	<p>Achieved</p> <p>As at 30 June 2017, 100% of premises required to transition to the Food Act 2014 have now done so.</p>

REGULATORY SERVICES – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (16/17)	Actual Performance
Liquor Licensing			
Monitoring of licensed premises to ensure compliance with relevant legislation.	Percent of premises that are inspected annually to check for compliance with their licence conditions.	100% of premises are inspected.	Achieved As at 30 June 2017: 73 licensed premises holding 75 operative licences exist. 100% have been inspected year-to-date.
	Percent of applications for a licence that will be forwarded to Public Health and the Police for comment.	100% of licence applications	Achieved As at 30 June 2017: 237 licence applications were received. 100% were forwarded.
Animal Control			
Reported instances of non-compliance and dog nuisance will be responded to.	Percent of reported instances of non-compliance and dog nuisance will be responded to.	100%	Achieved As at 30 June 2017: 1,297 complaints have been received. 100% were responded to.
	An after-hours emergency response will be continuously provided.	Achieved	Achieved The service is provided by staff on a weekly roster.
Registration and classification of all known dogs within the District.	Percent of known dogs that will be registered or accounted for annually by 31 October.	100%	Achieved As at 30 June 2017, 100% of known dogs in the District have been accounted for. As at 30 June 2017, there are 6,093 registered dogs in the District.

REGULATORY SERVICES – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (16/17)	Actual Performance
Parking Enforcement			
All parking restricted areas in Levin will be enforced under the provisions of Council's Bylaw and the Transport Regulations.	Enforcement conducted each working day.	Achieved	Achieved Enforcement has been conducted each working day.
General Regulatory Services			
Noise complaints response service will be provided.	Noise complaints services are provided all year round and 90% of complaints will be responded to within 60 minutes.	Achieved	Achieved As at 30 June 2017: 1,732 complaints have been received 99% were responded to within 60 minutes This service is provided by way of Contract.
Public safety bylaws and other legislation will be enforced.	Percent of reported non compliances and complaints that are responded to within 5 working days.	100%	Achieved As at 30 June 2017: 238 complaints have been received 100% were responded to within 5 working days The breakdown of complaints is as follows: 78 Smoke complaints 90 Abandoned Vehicle reports (21 impounded) 21 Litter Notices 46 Health Act Nuisance complaints 3 Solid Waste complaints

COMMUNITY FACILITIES AND SERVICES Funding Impact Statement

	LTP Forecast 2016 Note	LTP Forecast 2017 \$000	Annual Plan Forecast 2017 \$000	Actual 2017 \$000	Variance 2017 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	4,608	4,736	4,687	4,697	10
Targeted rates	5,378	5,597	5,495	5,518	23
Subsidies and grants for operating purposes	7	7	7	87	80
Fees and charges	719	730	731	1,281	550
Local authorities fuel tax, fines, infringement fees, and other receipts	217	216	228	91	(137)
Internal charges and overheads recovered	-	-	-	-	-
Total operating funding (A)	10,929	11,286	11,148	11,674	526
Applications of operating funding					
Payments to staff and suppliers	7,352	7,608	7,437	7,357	(80)
Finance costs	821	866	749	673	(76)
Internal charges and overheads applied	1,551	1,583	1,724	1,745	21
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	9,724	10,057	9,910	9,775	(135)
Surplus (deficit) of operating funding (A-B)	1,205	1,229	1,238	1,899	661
Sources of capital funding					
Subsidies and grants for capital expenditure	2,270	2,327	4,132	1,389	(2,743)
Development and financial contributions	-	-	-	63	63
Increase (decrease) in debt	756	2,672	3,248	3,329	81
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	3,026	4,999	7,380	4,781	(2,599)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	174	201	324	374	50
- to improve the level of service	2,018	3,678	4,900	5,032	132
- to replace existing assets	2,076	2,201	3,735	3,126	(609)
Increase (decrease) in reserves	(37)	148	(341)	(1,852)	(1,511)
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	4,231	6,228	8,618	6,680	(1,938)
Surplus (deficit) of capital funding (C-D)	(1,205)	(1,229)	(1,238)	(1,899)	(661)
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	947	994	947	1,310	363
Loans					
	External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2016	14,600	246	14,846		
Raised during year	3,720	265	3,985		
Repaid during year	(470)	(186)	(656)		
Loans as at 30/06/2017	17,850	324	18,174		
Interest expense	664	9	673		

Notes and Comments

Halls – the revenue received is above budget with repayment of a portion of insurance cover on District halls.

Community Hubs - the revenue received is above budget due to receipt of unbudgeted donations and grants that are earmarked for specific programmes or costs.

Reserves – the expenditure is under budget as (a) mowing costs are under budget for the reason identified below in cemeteries i.e. a reapportionment of costs to rectify an initial error. Overall mowing costs across all activities are cost neutral; (b) general contract works have been less than anticipated as focus moves to programmed works.

Sportsgrounds – the revenue received is above budget due to prepayments for sports leases.

Beautification – the expenditure is below budget due to delays in maintenance due to weather conditions.

Cemeteries – the expenditure is over budget as (a) mowing costs in cemeteries increased as a direct result of correcting an initial error in the priced bill of quantities which has resulted in apportioning costs more accurately to the activity. There is as a result a corresponding decrease in the cost of mowing on Reserves. Overall mowing costs across the activities (Reserves, Cemeteries, Urban Cleansing, and Sportsgrounds) are cost neutral. (b) Internment costs are up because more people have been interred to this point than anticipated.

Urban Cleansing – The expenditure is over budget as (a) Solid Waste have started to make an internal charge for green waste tipping since the parks function moved out of infrastructure. Previously no charge was made and consequently no budget for tipping fees has been provided for in the urban cleansing budget; (b) the cost of roadside rubbish bin collection has increased because bins are being emptied more frequently to maintain Level of Service; (c). mowing costs have increased in line with the reapportionment of costs as above in Cemeteries. Mowing costs on reserve have decreased to reflect this. Overall changes across all activities remain cost neutral. The budget for weed control and spraying has been reduced from 78k to 60k between 15-16 and 16-17.

COMMUNITY FACILITIES AND SERVICES

Statement of Capital Expenditure Budget over \$50,000

Group of activities	Work Order	Description	Type	Full Year Costs vs Budget				General Comments
				Actual	Budget	Variance in \$	Variance in %	
Community Facilities and Services	8527	Shannon Memorial Hall - Accesbile Facility's Upgrade	ILS	0	50,000	50,000	0%	Defer budget to 2017-2018. Extremely low use levels at Shannon hall do not suggest the upgrade is cost-effective or contributing to Community outcomes.
	8543	Foxton Aquatic Centre Plan Renewals	REA	28,149	120,480	92,331	77%	Capital work is associated with work required at the Foxton Aquatic Centre to take care of concerns for Summer period. Quotes for outstanding works still awaited but in train for expenditure this financial year.104,500 carried forward to 2017/2018.
	8551	Waitarere Dune management Dune management - flatten recountour	REA	0	102,900	102,900	0%	Work will be programmed following the installation of the new surf-life saving club rooms at Waitarere Beach. \$102,900 carried forward to 2017/2018.
	8561	Reserves Renewals	REA	37,461	61,164	23,703	0%	Will be undertaken in the New Year (Autumn)
	8566	Levin Domain Pathways Resurface	REA	1,071	298,780	297,709	0%	Minor repairs to the Levin cycle track complete. Refurbishment to be Deferred to 2017-2018
	8576	General Network Modelling		0	50,000	50,000	100%	
	8579	Te Awahou	ILS	6,462,167	4,884,556	(1,577,611)	(32%)	On Track. \$1,320,000 carried forward to 2017/2018.
	8625	Levin disable facilities upgrade, hydrotherapy pool	ILS	1,610,724	1,651,528	40,804	2%	Majority of works associated with Levin Aquatic Centre are now completed. Final negotiations with regards to the Project in particular contingencies related to additional required work will be reported to Council in February.
	8692	Cemetery - Foxton Land Development	ILS	129,960	148,480	18,520	0%	Initial scoping works and roading design is complete. Physical works have commenced.
	8699	Levin UV disinfection investigation, and installation Pool 16	ILS	45,000	51,200	6,200	12%	These works have been completed and the full budget available will be spent.
	8700	Levin Install Centaman - online booking Pool 20	ILS	0	56,320	56,320	100%	Currently no budget has been spent as options are still been investigated.
	8706	Halls Renewals	REA	5,749	447,160	441,411	0%	Initial scoping works completede primarily on halls in respect of condition surveys
	8753	Purchase of Library Books		178,546	166,148	(12,398)	(7%)	Books get purchased across each month of the year. Some orders in train. This budget will be fully expended by end of financial year
	Total Community Facilities and Services				8,498,828	8,088,716	(410,112)	(5%)

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

Service	How will we measure our performance	Target (16/17)	Actual Performance
Reserves			
Reserves are available for community use.	Sufficient space is available (ha/1000 population).	1	Achieved As at 30 June 2017, Council has over 100 hectares of space available, which is 3.3 ha/1000 population.
Community Halls			
Community Halls are available for public use.	Number of uses per fortnight for the Levin, Foxton and Shannon Halls.	10	Achieved As at 30 June 2017: Levin Memorial Hall was used 388 times Shannon Memorial Hall was used 20 times Foxton Memorial Hall was used 55 times Total = 463 times (an average of 17.81 times per fortnight)
Sports Grounds			
Sports grounds are available for community use.	Percent of time that sport grounds are available for use during their opening hours.	95%	Achieved As at 30 June 2017: 99.54% of sports grounds were available for use during their opening hours. One field at Shannon Domain was closed for 4 days.
Playgrounds			
Playgrounds are safe for users.	Playground facilities comply with relevant standards.	100%	Achieved As at 30 June 2017: 100% of playground facilities complied.
Cemeteries Management			
Cemeteries are managed and maintained to an appropriate standard.	Meet needs according to legal requirements.	Meet	Achieved As at 30 June 2017, there were no legal or regulatory non-compliance instances identified.

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

Service	How will we measure our performance	Target (16/17)	Actual Performance
Cemeteries			
Cemeteries operate to an acceptable level.	All arrangements and interments at Council cemeteries are made satisfactorily before 24 hours from interment.	Achieved	Achieved As at 30 June 2017: 202 interment arrangements were completed satisfactorily before 24 hours from interment.

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

Service	How will we measure our performance	Target (16/17)	Actual Performance						
Safe aquatic facilities are operating in the District.	Compliance with relevant standards including Pool Safe Accreditation.	100% compliant	<p>Achieved</p> <p>As at 30 June 2017:</p> <p>Levin = 100%</p> <p>Foxton = 100%</p> <p>Both pools have received “Pool Safe” accreditation. “Pool Safe” certification for the year 2017/2018 was received in February 2017 and lasts until April 2018.</p>						
Aquatic Centres meet customer needs.	Percent of customer satisfaction, based on the Annual Customer Satisfaction Survey.	90% Satisfied	<p>Not Achieved</p> <p>The results of the customer satisfaction survey conducted in the 2016/2017 financial year are as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>2017 Dissatisfied %</th> <th>2017 Satisfied %</th> </tr> </thead> <tbody> <tr> <td>Swimming Pools</td> <td>11.30</td> <td>88.70</td> </tr> </tbody> </table> <p>This result could be a reflection of the shutdown period as a result of the Levin Aquatics Centre Redevelopment.</p> <p>The next survey will take place in 2018.</p>		2017 Dissatisfied %	2017 Satisfied %	Swimming Pools	11.30	88.70
	2017 Dissatisfied %	2017 Satisfied %							
Swimming Pools	11.30	88.70							

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

Service	How will we measure our performance	Target (16/17)	Actual Performance
<p>A high quality Swim School operates at the Levin and Foxton Aquatic Centres.</p>	<p>Number of participants in Learn to Swim classes.</p>	<p>400 per term</p>	<p>Not Achieved</p> <p>126 = Term Three (Foxton only) 392 = Term Four 533 = Term One (2017) being 489 Levin and 44 Foxton 451 = Term Two (2017)</p> <p>As at 30 June 2017, there have been 1,502 out of 1,600 potential participants in Learn to Swim Classes.</p> <p>It should be noted that the Levin Aquatic Centre Redevelopment contributed to the decrease in participants and offering of full swim school programmes.</p>
<p>Local clubs are supported to deliver their own events.</p>	<p>Number of events per year held by clubs - clubs growing and taking ownership of their own events and future.</p>	<p>5 per year</p>	<p>Achieved</p> <p>The following events have been scheduled by Aquatics User Clubs/Schools at Levin Aquatics Centre this year:</p> <p>YTD</p> <ul style="list-style-type: none"> ○ Special Olympics – 10 September 2016 ○ Special Olympics – 11 September 2016 ○ Regional Canoe Polo U14 event – 25 September 2016 ○ Spring Carnival – Levin Swim Club – 8 October 2016 ○ Spring Carnival – Levin Swim Club – 9 October 2016 ○ Special Olympics NZ Swim Meet – 26 October 2016 ○ Autumn Swim Carnival – Levin Swim Club – 12 March 2017 <p>Therefore the measure is reported as “Achieved”, as the target for the year 2016/2017 has been met.</p>

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

Service	How will we measure our performance	Target (16/17)	Actual Performance
<p>Growing existing events and developing new ones for the following areas; children, general public, and retirees.</p>	<p>Number of events per year for children, general public, and retirees.</p>	<p>3 events per group each year</p>	<p>Achieved</p> <p>The following events have taken place, delivered by HDC at aquatic facilities this year.</p> <p>YTD:</p> <ul style="list-style-type: none"> ○ Opening Community Day – 24 September 2016 ○ Aquathon (Aquacise classes 2hrs every day) – <ul style="list-style-type: none"> ● 10-14 October 2016 ○ Foxton Christmas Pool Party – 17 December 2016 ○ Levin Christmas Pool Party – 18 December 2016 ○ Ageing Well Wellness Week – 20-24 February 2017 ○ Go Active Kids TRYathlon – 11 March 2017 – Shannon ○ Go Active Kids TRYathlon – 18 March 2017 – Foxton ○ Go Active Kids TRYathlon – 25 March 2017 – Levin ○ Family Fun Day – 4 March 2017 ○ April – Foxton and Levin Aquathon ○ April – School Holidays – Hydroslide and inflatable challenge ○ June – Mid- winter Pool Party

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

Service	How will we measure our performance	Target (16/17)	Actual Performance						
Council provides Community facilities for residents, ratepayers, and visitors to access community services including library services.	Communities with library and community facilities providing an integrated and District wider service.	Levin, Foxton, and Shannon	Achieved Library Services are delivered in in Levin, Shannon and Foxton.						
	Percent of residents and non-residents satisfied with library and community services.	>85%	Achieved The results of the customer satisfaction survey conducted in the 2016/2017 financial year are as follows: <table border="1" data-bbox="1355 609 2132 730"> <thead> <tr> <th></th> <th>2017 Dissatisfied %</th> <th>2017 Satisfied %</th> </tr> </thead> <tbody> <tr> <td>Library Services</td> <td>8.10</td> <td>91.90</td> </tr> </tbody> </table> The next survey will take place in 2018.		2017 Dissatisfied %	2017 Satisfied %	Library Services	8.10	91.90
		2017 Dissatisfied %	2017 Satisfied %						
	Library Services	8.10	91.90						
Number of booking counts for community facilities.	380	Achieved In June 2017, 189 bookings have been made for community facilities. YTD: 1,292 bookings have been made for community facilities.							
Number of visitor counts to Te Takere, Foxton Library & Service Centre and Shannon Library.	650,000 people across all sites annually	Not Achieved In June 2017, 50,981 people have visited across all sites. YTD: 638,119 people have visited across all sites. The annual target of 650,000 people across all sites, fell short by 11,881 people.							

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

Service	How will we measure our performance	Target (16/17)	Actual Performance										
<p>Customers have access to a range of current information in both print and digital format.</p>	<p>Number of items loaned from the Library across District, including books, magazines etc.</p>	<p>350,000</p>	<p>Not Achieved</p> <p>As at 30 June 2017, the total number of issues YTD is 346,169.</p> <p>The breakdown for the month of June 2017 is as follows:</p> <table data-bbox="1366 598 1657 766"> <tr> <td>Levin</td> <td>21,934</td> </tr> <tr> <td>Foxton</td> <td>2,338</td> </tr> <tr> <td>Shannon</td> <td>738</td> </tr> <tr> <td>Digital **</td> <td>236</td> </tr> <tr> <td>Total</td> <td>25,246</td> </tr> </table> <p>** The e-book issues are declining – this is in line with the global trend whereby physical book usage/purchase are on the increase with e-books slowly decreasing.</p> <p>NB: This measure is for e-books only, not digital databases.</p> <p>The annual target of 350,000 items loaned, fell short by 3,831.</p>	Levin	21,934	Foxton	2,338	Shannon	738	Digital **	236	Total	25,246
Levin	21,934												
Foxton	2,338												
Shannon	738												
Digital **	236												
Total	25,246												

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

Service	How will we measure our performance	Target (16/17)	Actual Performance
<p>Customers have access to a range of current information in both print and digital format.</p>	<p>Percent of increase in use of website.</p>	<p>+>1%</p>	<p>Not Achieved As at 30 June 2017, the YTD totals are: 115,274 = unique users 162,389 = sessions The breakdown for the month of June 2017 is: 7,892 = unique users 11,523 = sessions The comparison between years for the total number of unique users is as follows: 2015/16 – 145,567 2016/17 – 115, 853 (-20%) The comparison between years for the total number of sessions is as follows: 2015/16 – 201,442 2016/17 – 168, 039 (-17%)</p>
<p>Customers have access to programmes and initiatives that enhance the wellbeing of the District.</p>	<p>Number of programmes delivered.</p>	<p>100</p>	<p>Achieved As at 30 June 2017, 626 programmes have been delivered for the YTD. The breakdown for the month of June 2017 is as follows: Te Takere – 24 (Community), 17 (Learning) Foxton – 1 (Community), 6 (Learning) Shannon – 9 (Community), 1 (Learning)</p>

PROPERTY Funding Impact Statement

	LTP Forecast 2016 \$000	LTP Forecast 2017 \$000	Annual Plan Forecast 2017 \$000	Actual 2017 \$000	Variance 2017 \$000
Note					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	664	326	230	231	1
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	1,625	1,657	1,637	1,645	8
Local authorities fuel tax, fines, infringement fees, and other receipts	119	137	118	163	45
Internal charges and overheads recovered	556	511	394	557	163
Total operating funding (A)	2,964	2,631	2,379	2,596	217
Applications of operating funding					
Payments to staff and suppliers	1,583	1,282	1,729	2,182	(147)
Finance costs	821	765	598	597	(1)
Internal charges and overheads applied	417	408	393	405	12
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	2,821	2,455	2,720	3,184	(136)
Surplus (deficit) of operating funding (A-B)	143	176	(341)	(588)	353
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(1,895)	(1,585)	(835)	114	949
Gross proceeds from sale of assets	640	655	2,640	1,985	(655)
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding ©	(1,255)	(930)	1,805	2,099	294
Applications of capital funding					
Capital expenditure					
- to meet additional demand	11	513	516	85	(431)
- to improve the level of service	165	63	184	353	169
- to replace existing assets	254	647	816	386	(430)
Increase (decrease) in reserves	458	71	41	687	1,246
Increase (decrease) of investments	(2,000)	(2,048)	(93)	-	93
Total applications of capital funding (D)	(1,112)	(754)	1,464	1,511	647
Surplus (deficit) of capital funding (C-D)	(143)	(176)	341	588	(353)
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	362	369	362	358	(4)
Loans					
	External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2016	13,000	178	13,178		
Raised during year	530	56	586		
Repaid during year	(380)	(92)	(472)		
Loans as at 30/06/2017	13,150	142	13,292		
Interest expense	591	6	597		

Notes and Comments

General Property and Council Building – the revenue received is below budget with less rent received from Commercial Properties with lease negotiations. The expenditure is over budget as condition surveys on Council properties have been undertaken for the purpose of establishing an asset database. This will enable proactive asset management as the information obtained will be used to generate a renewals programme.

PROPERTY

Statement of Capital Expenditure Budget over \$50,000

Group of activities	Work Order	Description	Type	Full Year Costs vs Budget				General Comments
				Actual	Budget	Variance in \$	Variance in %	
Property	8521	Thompson House Interior Refurbishment, Including Kitchen	ILS	343,098	80,000	(263,098)	(329%)	This project is made up of three budgets (PR11, PR12, and PR13) and has a total value of \$174,350. Expenditure to date has been \$202,601. The overspend amounts to approx. 16% and was as a result of a number of structural timbers found to be rotten following removal of wall and roof linings. The project is now 100% complete.
	8523	Thompson House Exterior Renew & Paint	REA	5,410	54,350	48,940	90%	
	8528	Focal Point Cinema Air Conditioning	REA	201,000	197,340	(3,660)	(2%)	Work is complete within budget awaiting final invoice.
	8535	General Property Renewals	REA	97,895	286,925	189,030	66%	Total budget for this scheme is \$286,925 and work is programmed to be completed in June 2017. However, the opportunity has arisen to renew a number of assets prior to June. The current variance represents 15% of the 2016-2017 annual budget for this work and relates primarily to renewals that were not included in the capital projects for 2016-2017. \$1,869,000 carried forward to 2017/2018.
	8651	Tararua Industrial Development	REA	84,535	501,760	417,225	83%	Detailed design work has been completed costs to date, relate to that, and . There is insufficient budget to complete the subdivision. \$142,100 carried forward to 2017/2018.
	8704	Levin Depot Pole Shed Reroof	ILS	0	51,200	51,200	100%	There is insufficient budget to complete the works and as such the project has been deferred.
	8705	Levin Depot New sewer connection	ILS	0	57,569	57,569	100%	There is insufficient budget to complete the works and as such the project has been deferred.
	Total Property				731,939	1,229,144	497,205	40%

PROPERTY – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (16/17)	Actual Performance
Council operated facilities are available for public hire.	Facilities availability (hrs) and hire charges by annual review.	8 hrs per day and review annually	Achieved Council has three Memorial Hall facilities available for hire. As at 30 June 2017, all were available for at least eight (8) hours per day.
Residential housing is provided for the elderly	Occupancy Rate (Percent)	95% occupied	Achieved As at 30 June 2017, there has been 99.22% occupancy.
Endowment property is appropriately managed.	Number of sections available for sale.	20 sections	Not Achieved As at 30 June 2017, there are zero (0) sections available for sale. There has been an increase in the sales of sites. There is a need to revise this Performance Measure down or to put additional sections on the market.
Council's properties will comply with relevant legislation.	All buildings with compliance schedules will have current building WOF.	Achieved	Achieved As at 30 June 2017, all Council buildings with Compliance Schedules have current BWOFS. All specified systems including fire alarms have been maintained and inspected in accordance with the compliance schedule. This meets the requirement of the Building Act 2004.
Commercial property is appropriately managed.	Rent is within a percentage range of current market rentals at time of review/renewal.	10%	Achieved The renewal of 199-201 Oxford Street, Levin for four consecutive terms of five years each from 14 March 2016 was completed. The annual rental was set via market valuation undertaken by an independent registered valuer. Current commercial leases are within 10% of the market rate.

REPRESENTATION AND COMMUNITY LEADERSHIP Funding Impact Statement

	LTP Forecast 2016 Note	LTP Forecast 2017 \$000	Annual Plan Forecast 2017 \$000	Actual 2017 \$000	Variance 2017 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	2,846	2,891	3,036	3,049	13
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1	3	2	99	97
Internal charges and overheads recovered	-	-	-	-	-
Total operating funding (A)	2,847	2,894	3,038	3,148	110
Applications of operating funding					
Payments to staff and suppliers	890	1,002	1,125	1,361	236
Finance costs	-	-	-	-	-
Internal charges and overheads applied	1,915	1,952	1,974	2,427	453
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	2,805	2,954	3,099	3,788	689
Surplus (deficit) of operating funding (A-B)	42	(60)	(61)	(640)	(579)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	-	1	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	-	1	-	-	-
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	-	-	-	-	-
Increase (decrease) in reserves	42	(60)	(61)	(640)	(579)
Increase (decrease) of investments	-	1	-	-	-
Total applications of capital funding (D)	42	(59)	(61)	(640)	(579)
Surplus (deficit) of capital funding (C-D)	(42)	60	61	640	579
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	-	-	-	-	-
Loans					
	External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2016	-	-	-		
Raised during year	-	-	-		
Repaid during year	-	-	-		
Loans as at 30/06/2017	-	-	-		
Interest expense	-	-	-		

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

Service	How will we measure our performance	Target (16/17)	Actual Performance
Council provides open, accessible processes to local government.	Local body elections will be held in compliance with relevant legislation.	Achieved (only measured in election year)	Achieved Local body elections were held in October 2016.
	Number of complaints upheld against the election process.	0	Achieved To date zero (0) complaints have been upheld following the October 2016 election.
Council supports residents and ratepayers to have their views heard and considered in Council decision making.	Percent of residential and non-residential ratepayers who are satisfied with the way the Council involves the public in its decision making.	>50%	Unable to Report As at 30 June 2017, this measure is marked as “Unable to Report” as the customer satisfaction survey for the 2016/2017 financial year has only recently been completed. The results are still being collated and are expected within the next few weeks. Upon completion, achievement/non-achievement against this measure will be reported.
	Council’s Community Engagement Strategy is implemented and reviewed every 3 years.	90% of Annual Work Plan is completed	On Track Councils’ Community Engagement Strategy is in the implementation phase. It will be reviewed again in 2017.
Council’s planning documents meet statutory requirements and meet Audit NZ standards.	The LTP is completed within the statutory timeframe, including a Financial Strategy which meets the new requirements of the Local Government Act.	Adopted before 30 June (every 3 years)	Achieved Council adopted the Long Term Plan and Financial Strategy on 24 June 2015.
	The Annual Plan will be adopted before 30 June, annually.	Achieved	Achieved The 2016/2017 Annual Plan was adopted at a Council meeting held on 1 June 2016.
	The Annual Report will include an unqualified audit opinion.	Achieved	Achieved The 2016 Annual Report received an unqualified audit opinion.

COMMUNITY SUPPORT Funding Impact Statement

	LTP Forecast 2016 \$000	LTP Forecast 2017 \$000	Annual Plan Forecast 2017 \$000	Actual 2017 \$000	Variance 2017 \$000
Note					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	1,835	1,885	2,101	2,105	4
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	27	28	28	27	(1)
Fees and charges	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	13	14	131	60	(71)
Internal charges and overheads recovered	-	-	-	-	-
Total operating funding (A)	1,875	1,927	2,260	2,192	(68)
Applications of operating funding					
Payments to staff and suppliers	931	957	1,108	940	(168)
Finance costs	-	-	-	-	-
Internal charges and overheads applied	911	936	1,112	1,138	26
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	1,842	1,893	2,220	2,078	(142)
Surplus (deficit) of operating funding (A-B)	33	34	40	114	74
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding ©	-	-	-	-	-
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	-	-	-	-	-
Increase (decrease) in reserves	33	34	40	114	74
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	33	34	40	114	74
Surplus (deficit) of capital funding (C-D)	(33)	(34)	(40)	(114)	(74)
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	33	33	39	36	(3)
Loans					
	External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2016	-	-	-		
Raised during year	-	-	-		
Repaid during year	-	-	-		
Loans as at 30/06/2017	-	-	-		
Interest expense	-	-	-		

COMMUNITY SUPPORT

Statement of Capital Expenditure Budget over \$50,000

Group of activities	Work Order	Description	Type	Full Year Costs vs Budget				General Comments
				Actual	Budget	Variance in \$	Variance in %	
Support Services	8690	EDRMS Upgrade	ILS	99,654	102,500	2,846	3%	Project implementation review completed and project closed.
Total Support Services				99,654	102,500	2,846	3%	

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

Service	How will we measure our performance	Target (16/17)	Actual Performance
Community awareness is promoted and encouraged.	5 media messages promoting preparedness for an emergency will be made to residents and ratepayers annually.	Achieved	<p>Achieved</p> <p>Total number of media releases / public advertising promoting preparedness for an emergency as at 31 May 2017: 21</p> <p>The year-to-date is broken down as follows:</p> <ul style="list-style-type: none"> • Emergency Planning Facebook post 03/01/2017 • How to Get Ready Facebook post 03/01/2017 • Get Ready Facebook post 30/12/2016 • Drop Cover Hold Facebook post 27/12/2016 • Get Thru Facebook post 23/12/2016 • Tsunami Evacuation Information Facebook post 19/12/2016 • Getaway Kit Facebook Post 14/12/2016 • Tsunami Information sign instalment Community Connection 07/12/2016 • Drop, Cover, Hold Facebook post 05/12/2016 • Never Happens, Happens Facebook post 24/11/2016 • Drop, Cover Hold Facebook post 16/11/2016 • What would you do Facebook post 14/11/2016 • World Tsunami Awareness Day Facebook post 05/11/2016 • Promoting World Tsunami Awareness Day Facebook post 01/11/2016 • What would you do? Facebook post 19/10/2016 • Get Ready Week Facebook post 13/10/2016 • Never happens? Happens Facebook post 12/10/2016 • What's the plan Stan? Facebook post 11/10/2016 • Get Ready Week Community Connection 05/10/2016 • What would you do? Facebook post 3/09/2016 • Exercise Tangaroa media release 01/09/2016

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

Service	How will we measure our performance	Target (16/17)	Actual Performance
<p>Council maintains a functional EOC and trained staff.</p>	<p>Civil Defence and Emergency Management assessment of readiness and capability.</p>	<p>95% of Council staff</p>	<p><u>EMIS TRAINING (Emergency Management Information Systems)</u> EMIS Training delivered in June 2017: Nil activity to report Number of HDC staff who participated: Nil Number of external agency staff who participated: Nil</p> <p>Total number of HDC staff who have participated in <u>EMIS</u> training year-to-date: 92 current staff members are trained to at least the Foundation level of EMIS. Total number of external agency staff who have participated in EMIS training year-to-date: 2</p> <p><u>ITF TRAINING (Integrated Training Framework)</u> ITF Training delivered in June 2017: Nil activity to report Number of HDC staff who participated: Nil Number of external agency staff who participated: Nil</p> <p>Total number of HDC staff who have participated in <u>ITF</u> training year-to-date: 77 current staff members are trained to the Foundational level of EMIS. Three (3) staff members are trained to the Intermediate level. Total number of external agency staff who have participated in ITF training year-to-date: Nil local external agency staff at this time.</p>

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

Service	How will we measure our performance	Target (16/17)	Actual Performance
<p>Council maintains a functional EOC and trained staff.</p>	<p>Civil Defence and Emergency Management assessment of readiness and capability.</p>	<p>95% of Council staff</p>	<p>OTHER CIVIL DEFENCE AND EMERGENCY MANAGEMENT TRAINING</p> <p><u>Other CDEM Training</u> delivered in June 2017: Nil Activity to Report</p> <p>Number of HDC staff who participated: Nil</p> <p>Number of external agency staff who participated: Nil</p> <p>Total number of HDC staff who have participated in <u>other CDEM Training</u> year-to-date: 55 (Exercise Tangaroa).</p> <p>Total number of external agency staff who have participated in <u>other CDEM Training</u> year-to-date: 12 (Exercise Tangaroa).</p> <p>A Section 17A (Local Government Act 2002) Review is currently taking place investigation cost effectiveness and efficiency of the current delivery of civil defence emergency services and the fit of the current model for the future. This Review is being undertaken in partnership with Rangitikei and Manawatu Councils.</p>

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

Service	How will we measure our performance	Target (16/17)	Actual Performance
Rural Fire services are provided.	Percentage of call outs that are responded to.	100% of call outs	<p>Achieved</p> <p>Total Rural Fire Service Callouts year-to-date: 113</p> <p>All fires were responded to in a timely manner. Nil claims on the National Rural Fire Fighting Fund have been made over the reporting period.</p> <p>Rural Fire Activity for June 2017: Structure: 0 YTD: 9 Vegetation: 1 YTD: 29 Vehicle: 0 YTD: 20 Rubbish: 2 YTD: 34 False Alarm: 0 YTD: 8 Other: 0 YTD: 13</p> <p>HDC Permits issued: 23 HDC Horo VRFF: 1 HDC Tanker: 6</p>

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

Service	How will we measure our performance	Target (16/17)	Actual Performance
Council provides effective leadership in advocating, coordinating and facilitating on behalf of community needs.	Number of Community Wellbeing Executive meetings per year. (Note: the schedule for 2015 onwards has changed from 6 weekly to bi-monthly).	5	Achieved As at 30 June 2017, five (5) Community Wellbeing Executive meetings have been held.
Council supports the vision that young people in the Horowhenua live in a safe and supportive environment, which empowers them to make positive life choices.	Number of Youth Voice meetings per year.	8	Achieved As at 30 June 2017, ten (10) Youth Voice meetings have been held.
	Number of Programmes or projects implemented by Youth Voice.	4	Achieved As at 30 June 2017, seven (7) programmes/projects have been implemented by Youth Voice as follows: <ul style="list-style-type: none"> • Young Leaders Day in August 2016 • Canteen Fundraising in September 2016 • Reverse Colour Run as part of White Ribbon Horowhenua in November 2016 • Consultations with Kapiti and Wellington Youth Councils on Youth Spaces and Programmes for Youth Councils in December 2016 • The Wall of Voices in May 2017 • Youth Week in June 2017 • Foxton Reserve Management Plan Youth Consultation in June 2017 Youth Voice also contributed to five (5) events: a fundraiser for Delhi Slum Schools; the Amazing Race; the kids TRYathlon, ANZAC Day celebrations and the mid-winter pool party.
	Number of Youth Network meetings per year. (Note: the schedule for 2015 onwards has changed from monthly to bi-monthly).	6	Achieved As at 30 June 2017, eight (8) Youth Network meetings have been held.

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

Service	How will we measure our performance	Target (16/17)	Actual Performance
Council supports the vision that Horowhenua residents are empowered to make choices enabling them to live a satisfying and healthy lifestyle.	Number of Older Person Network meetings per year.	10	Achieved As at 30 June 2017, ten (10) Older Persons Network meetings have been held.
	Number of Elder Berries Magazine Publications annually.	4	Achieved As at 30 June 2017, four (4) issues have been published. The latest issue can be found at: http://www.horowhenua.govt.nz/Community/Positive-Ageing/Elderberries
Council supports the vision that Horowhenua is a vibrant, creative and friendly community with an abundance of art, rich cultures and a strong sense of heritage.	Number of Creative Communities funding rounds per year.	2	Achieved The Creative Communities Grant Committee met mid-September for Round 1, which awarded \$12,549. The Creative Communities Grant Committee met again in late March for Round 2, which allocated the remaining \$14,451. Therefore the measure is reported as “Achieved”, as the target for the year 2016/2017 has been met.
Council supports the vision that Horowhenua is New Zealand’s foremost region in taking joint responsibility for the success of our community through education.	Number of Education Horowhenua meetings per year. (Note: the schedule for 2015 onwards has changed from ad-hoc to quarterly).	4	Achieved As at 30 June 2017, six (6) Education Horowhenua meetings have been held.

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

Service	How will we measure our performance	Target (16/17)	Actual Performance
Council supports the vision that the Horowhenua is fully accessible to all people.	Number of Disability Leadership Forums per year.	4	<p>Achieved As at 30 June 2017, four (4) Disability Leadership Forums have been held.</p>
Council promotes community empowerment and provides opportunities for community driven initiatives and projects.	Percent of funds distributed through contestable Community Grants and Funding schemes that comply with grant criteria.	100%	<p>Achieved As at 30 June 2017, the Community Development Grant Round 1 had 36 successful applicants, totalling \$44,122.20, and of those 36 applicants, 100% have been notified of their success.</p> <p>The Community Development Grant round 2 of 2016/17 closed on 28 February 2017. A total of \$25,887.80 was available for distribution.</p> <p>20 Community Development Applications were received and were considered. Of the 20 applications, 14 were approved; 3 were given partial funding and 3 were declined.</p> <p>The total allocated was \$25,130.12. The decisions were ratified by Council on 6 April 2017.</p> <p>A total of 53 organisations have been beneficiaries of Community Development Funding in Rounds 1 and 2.</p>

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

Service	How will we measure our performance	Target (16/17)	Actual Performance
Council promotes community group empowerment, and provides opportunity for community groups to grow and develop.	Number of Community Capacity and Capability Building Programme workshops or trainings offered.	10	<p>Achieved</p> <p>As at 30 June 2017, seventeen (17) Community Capacity and Capability Building workshops/trainings have been held YTD. These are as follows:</p> <ul style="list-style-type: none"> • Professional Speaking Course – September 2016 – 15 attendees • Treasurer 101 Training – October 2016 – 12 attendees • Secretary Training (Minute Taking) – November 2016 – 10 attendees • Chairpersons Training – December 2016 • St John's First Aid Refresher Course – February 2017 – 10 Attendees • St John's First Aid Level 1 Course – February 2017 – 20 Attendees • Kiwisport Workshop – February 2017 – 26 Attendees • Public Speaking Workshop – February 2017 – 10 Attendees • Social Media Workshop – March 2017 – 9 Attendees • Youth Engagement Toolkit – March 2017 – 12 Attendees • Youth Engagement Strategies & Principles – March 2017 – 10 Attendees • Customer Service – April 2017 – 16 Attendees • Child Protection in Sport – April 2017 – 14 Attendees • Team Development – April 2017 – 8 Attendees • History/Heritage Funding Clinic – May 2017 – 13 Attendees • One-on-one Community Funding Clinics – May 2017 – 26 Attendees • Kiwisport Workshop – May 2017 – 12 Attendees
	Percent of satisfaction with Capacity and Capability Building Programme workshops or training.	80%	<p>Achieved</p> <p>In the 2016/2017 survey of participants, 100% of respondents have indicated that they were 'Satisfied' with the Community Capacity Building Programmes, with 72% of respondents indicating that they were 'Extremely Satisfied'.</p> <p>Note: Surveys are distributed to participants after every 2nd programme.</p>

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

Service	How will we measure our performance	Target (16/17)	Actual Performance
Council promotes community group empowerment, and provides opportunity for community groups to grow and develop.	Number of individuals participating in Capacity and Capability Building Programme workshops or training over the year.	100	Achieved As at 30 June 2017, 236 individuals have participated in Capacity and Capability Building Programme workshops or training.
Council supports beach safety initiatives within communities by providing financial support.	Number of weeks Council funded surf lifesaving service is provided at Foxton and Waitarere Beaches.	6	Achieved As at 30 June 2017, the funding related to the service agreement for the 2016/2017 summer season has been paid. The Schedule for the six weeks was: Monday to Friday, 11am to 6pm. Starting: Monday, 19 December 2016 Finishing: Friday, 27 Jan 2017. The six week contract has now concluded. An end of season report has been provided by the Club, and contract discussions are underway for possible contract renewal.
Council effectively communicates with its ratepayers and residents.	Number of Council “Community Connections” Newsletters published annually.	10	Achieved As at 30 June 2017, thirteen (13) Community Connections have been published. Copies can be found at: http://www.horowhenua.govt.nz/Community/Community-Engagement/Community-Connection
	Number of media releases published annually.	100	Achieved As at 30 June 2017, 143 Media Releases have been published.
	Council provides a 24/7 telephone contact centre operation for people to phone.	100%	Achieved Council’s 06 366 0999 telephone number is operational 24/7.

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

Service	How will we measure our performance	Target (16/17)	Actual Performance
Council supports the promotion of Horowhenua as a tourism destination.	Communities with Visitor Information financially supported.	Levin, Foxton and Foxton Beach, Shannon	<p>Achieved</p> <p>Levin: A Visitor information service is provided through Te Takere o Kura–Hau–Po (Te Takere). Foxton and Shannon: A contract has been established with De Molen Foxton and Shannon Progressive Association to deliver Visitor Information in Foxton and Shannon.</p>
	Percent of key performance indicators achieved by providers of Visitor Information as set out in annual service level agreement.	>85%	<p>Achieved</p> <p>Visitor Information centers are being supported and kept up to date through the Visitor Information Center group which consists of Council representatives, Foxton, Shannon and Levin Visitor information representatives, with occasional presentations from local Tourism groups. All centers provided quarterly reports, apart from one that was missed by DeMolen due to staff turnover.</p>
	Percent of key performance indicators achieved by Destination Manawatu (Regional Tourism Organisation) as set out in annual service level agreement.	>85%	<p>Achieved</p> <p>As at 30 June 2017, Destination Manawatu attended 2 Visitor Information meetings and provided advice and support onsite to the Shannon Visitor Information Centre; particularly in regards to merchandise and venue layout.</p> <p>Advice was also provided in regards to creating the best practice model for the Levin Visitor Information Centre and Te Awahou Nieuwe Stroom Visitor Information Centre.</p> <p>Minimal guidelines were provided on operations, policies, procedures and staff management. However when applying for an i-site in Foxton, support and guidelines were provided to make this happen.</p> <p>85% of performance measures were achieved.</p>

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

Service	How will we measure our performance	Target (16/17)	Actual Performance
Council provides strategic leadership in coordinating Economic Development activities across the District.	Councils Economic Development function will meet performance indicators and objectives as defined in the Horowhenua Economic Development Strategy.	90% of annual work plan is completed	<p>Achieved</p> <p>As at 30 June 2017, 90% of the annual work plan has been completed. Major milestones completed are:</p> <ul style="list-style-type: none"> • Completion of Action Plan development per Regional Economic Action Plan (Accelerate25) for Quality Care and Lifestyles for Older People initiative resulting in first stage Government funding of \$250,000. • An Economic Development rebranding and the establishment of the Quarterly Economic Update. • The website was re-organised to provide higher quality information in regards to Horowhenua's Economy, Council services/resources, connections to broader service providers. • A number of business relocations took place with the assistance of the Economic Development Unit. • Recruitment of an Economic Development Support Officer.
	Number of Economic Development Board meetings held per year.	10	<p>Achieved</p> <p>As at 30 June 2017, eleven (11) Economic Development Board meetings have been held.</p>
Council provides opportunities for businesses to collaborate and network resulting in a stronger business sector.	Number of Business networking meetings held per year.	10	<p>Achieved</p> <p>As at 30 June 2017, ten (10) Business Networking meetings have been held.</p>

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

Service	How will we measure our performance	Target (16/17)	Actual Performance
Council advocates for and facilitates business development and new business investment in the Horowhenua.	Percent of the District's business community that are satisfied or more than satisfied with the Council's overall performance in the Economic Development Activity.	>75%	Achieved The results of the customer satisfaction survey for the 2016/2017 financial year, showed customer satisfaction of this activity at 75%.

LAND TRANSPORT Funding Impact Statement

	LTP Forecast 2016 Note \$000	LTP Forecast 2017 \$000	Annual Plan Forecast 2017 \$000	Actual 2017 \$000	Variance 2017 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	3,529	4,467	3,70	3,779	19
Subsidies and grants for operating purposes	1,477	1,236	1,307	1,350	43
Fees and charges	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	316	310	291	364	73
Internal charges and overheads recovered	-	-	-	-	-
Total operating funding (A)	5,322	6,013	5,358	5,493	135
Applications of operating funding					
Payments to staff and suppliers	2,636	2,637	2,931	2,805	(126)
Finance costs	-	102	40	8	(32)
Internal charges and overheads applied	875	895	848	908	60
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	3,511	3,634	3,819	3,721	(98)
Surplus (deficit) of operating funding (A-B)	1,811	2,379	1,539	1,772	233
Sources of capital funding					
Subsidies and grants for capital expenditure	1,698	1,722	1,722	1,524	(198)
Development and financial contributions	-	-	-	129	129
Increase (decrease) in debt	1,706	1,374	1,910	264	(1,646)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	3,404	3,096	3,632	1,917	(1,715)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	160	160	-	-	-
- to improve the level of service	1,891	1,605	2,258	1,359	(899)
- to replace existing assets	3,315	3,332	3,405	2,490	(915)
Increase (decrease) in reserves	(151)	378	(492)	(160)	332
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	5,215	5,475	5,171	3,689	(1,482)
Surplus (deficit) of capital funding (C-D)	(1,811)	(2,379)	(1,539)	(1,772)	(233)
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	4,657	4,697	4,504	5,892	1,388
Loans					
	External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2016	100	71	171		
Raised during year	340	88	428		
Repaid during year	(140)	(24)	(164)		
Loans as at 30/06/2017	300	135	435		
Interest expense	5	3	8		

LAND TRANSPORT

Statement of Capital Expenditure Budget over \$50,000

Group of activities	Work Order	Description	Type	Full Year Costs vs Budget				General Comments
				Actual	Budget	Variance in \$	Variance in %	
Land Transport	8512	Foxton Townscape Main Street Upgrade	ILS	615,937	1,390,000	774,063	56%	Delayed start due to cenotaph protest. \$850,000 carried forward to 2017/2018.
	8626	Footpath Renewal	REA	297,256	400,000	102,744	26%	Multiple sites - This has costs from last financial year.
	8627	New Footpaths	ILS	83,159	100,000	16,841	17%	Multiple sites - This has costs from last financial year.
		Total Land Transport		996,353	1,890,000	893,647	47%	

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

Service	How will we measure our performance	Target (16/17)	Actual Performance
A safe road network.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	0 change or less over a 5 year average.	<p>Unable to Report</p> <p>The statistics for the year ending 30 June 2017 are not yet available.</p> <p>The number of fatalities and serious injury crashes on the local road network is calculated utilising data from the crash analysis system (CAS) database. It compares one year with the next, and as such it will be reported on in as soon as the data becomes available for the year ended 30 June 2017.</p>
Roads in good condition.	The average quality of ride on a sealed local road network measured by smooth travel exposure.	Minimum 85%	<p>Unable to Report</p> <p>We have decided to move away from the traditional Annual Roughness and Condition Rating Survey. Instead we will be engaging Downers to carry out the network data collection utilising their 'Hawkeye' – a high speed data surveying vehicle. The 'Hawkeye' system is equipped with the latest digital camera technology that will provide high resolution video of our roading network, thus providing a virtual drive through of our roads.</p> <p>The benefits of this system will result in a more efficient analysis of the survey data that can be linked to chainage and GPS coordinates, simplifying location of data and features.</p> <p>However, the availability of the 'Hawkeye' is not until November 2017. The condition of the road network can be reported on once the high speed data survey is completed later in 2017/18.</p>
Roads that are maintained well.	The percentage of the sealed local road network that is resurfaced annually.	Minimum of 5% of total area	<p>Achieved</p> <p>The Reseal Programme for 2016/17 was confirmed with a total of 28.31km which equates to 185,025 m². This represents 5.4% of the total sealed local road network.</p> <p>As at 30 June 2017, the actual amount sealed was 186,674m², which exceeds the minimum 5% target.</p>

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

Service	How will we measure our performance	Target (16/17)	Actual Performance
Footpaths are in an acceptable condition.	Target footpath condition rating (% compliant with Councils standards).	Minimum 30% in excellent condition. Maximum 10% in poor condition.	<p>Achieved</p> <p>This year a new system for assessing footpath condition was developed and will be based on a 5 year rotating cycle. A trial condition survey was carried out on 44,711 metres of footpath using our new rating system and this resulted in 77% of these footpaths rated as in excellent condition, 17% rated as average and 6% rated in poor condition.</p> <p>If these results were applied to the total footpath network, it would indicate that the minimum 30% in excellent condition and maximum of 10% in poor condition has been achieved for 2016/2017.</p>
Good response to service requests.	The percentage of customer service requests relating to roads and footpaths to which Council responds within 15 working days.	>95%	<p>Achieved</p> <p>During the month of June 2017, the percentage of requests responded to within 15 days = 96%</p> <p>For the period 1st July 2016 to 30th June 2017, 2,250 CRMs were received, with 97% of requests responded to within 15 working days.</p>

STORMWATER

Statement of Income and Expenditure

	LTP Forecast 2016 \$000	LTP Forecast 2017 \$000	Annual Plan Forecast 2017 \$000	Actual 2017 \$000	Variance 2017 \$000
Note					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	919	970	982	987	5
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	-	-	20	-	(20)
Local authorities fuel tax, fines, infringement fees, and other receipts	98	99	84	66	(18)
Internal charges and overheads recovered	-	-	-	-	-
Total operating funding (A)	1,017	1,069	1,086	1,053	(33)
Applications of operating funding					
Payments to staff and suppliers	399	394	398	259	(139)
Finance costs	163	207	157	127	(30)
Internal charges and overheads applied	143	145	147	159	12
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	705	746	702	545	(157)
Surplus (deficit) of operating funding (A-B)	312	323	384	508	124
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	728	1,266	4,590	1,901	(2,689)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	728	1,266	4,590	1,901	(2,689)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	249	981	3,912	1,757	(2,155)
- to improve the level of service	588	423	797	257	(540)
- to replace existing assets	155	77	76	66	(10)
Increase (decrease) in reserves	48	108	189	329	140
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	1,040	1,589	4,974	2,409	(2,565)
Surplus (deficit) of capital funding (C-D)	(312)	(323)	(384)	(508)	(124)
Funding balance ((A-B)+(C-D))	-	-	-		
Depreciation	498	545	501	571	70
Loans					
	External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2016	2,700	99	2,799		
Raised during year	2,010	3	2,013		
Repaid during year	(110)	(2)	(112)		
Loans as at 30/06/2017	4,600	99	4,699		
Interest expense	123	4	127		

STORMWATER

Statement of Capital Expenditure Budget over \$50,000

Group of activities	Work Order	Description	Type	Full Year Costs vs Budget				General Comments
				Actual	Budget	Variance in \$	Variance in %	
Stormwater	8472	District Wide Reticulation - Unplanned Renewals	REA	21,631	51,900	30,269	58%	Budget is for unplanned works ie as and when they happen. Performed under the Downer contract.
	8475	Levin Queen Street	ILS	48,979	200,000	151,021	76%	Project on-hold due to lack of Archaeological Authority. \$150,000 carried forward to 2017/2018.
	8477	Levin Catchment Management Plan	ILS	16,547	83,040	66,493	80%	Works have commenced. \$65,000 carried forward to 2017/2018.
	8478	Foxton Beach Catchment Management Plan	ILS	26,000	83,040	57,040	69%	Works have commenced.
	8480	Improvements NE Levin	ILS	1,846,848	3,781,000	1,934,152	51%	This is a multi - faceted project. Tenders have been received and are being evaluated. \$1,962,903 carried forward to 2017/2018.
	8714	Shannon Catchment Management Plan	ILS	29,113	83,040	53,927	65%	Works have commenced. \$53,927 carried forward to 2017/2018.
	8715	Development Planning Foxton Beach		0	155,700	155,700	100%	Some preliminary planning has been undertaken. \$155,700 carried forward to 2017/2018.
	8754	Foxton Catchment Management Plan	ILS	36,541	83,040	46,499	56%	Works have commenced.
		Total Stormwater		2,025,658	4,520,760	2,495,102	55%	

STORMWATER – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (16/17)	Actual Performance
An adequate stormwater system.	Number of flooding events that occur in the District.	<5 per year	Achieved Number of flooding events in June 2017 = Nil For the period 1st July 2016 to 30th June 2017, there has been one (1) reported flooding event.
	For each flooding event the number of habitable floors affected per 1,000 connections to Council's stormwater networks.	2 or less	Achieved Number of habitable floors affected in June 2017 = Nil which equates to 0.00 per 1,000 connections. For the period 1st July 2016 to 30th June 2017, there have been three (3) habitable floors affected, which equates to 0.25 per 1,000 connections.
Response to faults.	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.	1 hour	Achieved Median response time for June 2017 = 0hrs 00mins For the period 1st July 2016 to 30th June 2017, the median response time to get to site is 0hrs 00mins.
Customer satisfaction.	The number of complaints received by Council about the performance of its stormwater system expressed per 1,000 properties connected to the system.	<10 per year	Achieved Number of complaints in June 2017 = 1 received, which equates to 0.08 per 1,000 connections. For the period 1st July 2016 to 30th June 2017, nine (9) complaints were received, which equates to 0.74 per 1,000 connections regarding the performance of our stormwater system.

STORMWATER – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (16/17)	Actual Performance																																				
	Percentage of customers satisfied with the stormwater service. As per the Annual Resident Satisfaction Survey.	80%	<p>Unable to Report</p> <p>As at 30 June 2017, this measure is marked as “Unable to Report” as the customer satisfaction survey for the 2016/2017 financial year has only recently been completed.</p> <p>The results are still being collated and are expected within the next few weeks.</p> <p>Upon completion, achievement/non-achievement against this measure will be reported.</p> <p>The results from the 2015/2016 Customer Satisfaction Survey are shown below:</p> <table border="1" data-bbox="1373 754 2132 1038"> <thead> <tr> <th></th> <th>Total %</th> <th>Kere Kere %</th> <th>Levin %</th> <th>Miranui %</th> <th>Waiopahu %</th> </tr> </thead> <tbody> <tr> <td>Very Satisfied</td> <td>4.35</td> <td>2.65</td> <td>6.46</td> <td>0.00</td> <td>3.52</td> </tr> <tr> <td>Satisfied</td> <td>22.16</td> <td>20.35</td> <td>24.31</td> <td>25.00</td> <td>16.20</td> </tr> <tr> <td>Neither Satisfied nor Dissatisfied</td> <td>27.35</td> <td>28.32</td> <td>28.92</td> <td>18.75</td> <td>26.06</td> </tr> <tr> <td>Dissatisfied</td> <td>19.92</td> <td>17.70</td> <td>20.00</td> <td>22.92</td> <td>19.01</td> </tr> <tr> <td>Very Dissatisfied</td> <td>13.88</td> <td>23.01</td> <td>12.31</td> <td>16.67</td> <td>9.86</td> </tr> </tbody> </table>		Total %	Kere Kere %	Levin %	Miranui %	Waiopahu %	Very Satisfied	4.35	2.65	6.46	0.00	3.52	Satisfied	22.16	20.35	24.31	25.00	16.20	Neither Satisfied nor Dissatisfied	27.35	28.32	28.92	18.75	26.06	Dissatisfied	19.92	17.70	20.00	22.92	19.01	Very Dissatisfied	13.88	23.01	12.31	16.67	9.86
	Total %	Kere Kere %	Levin %	Miranui %	Waiopahu %																																		
Very Satisfied	4.35	2.65	6.46	0.00	3.52																																		
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Dissatisfied	19.92	17.70	20.00	22.92	19.01																																		
Very Dissatisfied	13.88	23.01	12.31	16.67	9.86																																		
A sustainable stormwater service.	The number of Abatement Notices, Infringement Notices, Enforcement Orders, and convictions received by the Council in relation to Horizons Regional Council resource consents.	0	<p>Achieved</p> <p>For the period 1st July to 30th June 2017:</p> <p>Abatement Notices = 0</p> <p>Infringement Notices = 0</p> <p>Enforcement Orders = 0</p> <p>Convictions = 0</p>																																				

WATER SUPPLY Funding Impact Statement

	LTP Forecast 2016 \$000	LTP Forecast 2017 \$000	Annual Plan Forecast 2017 \$000	Actual 2017 \$000	Variance 2017 \$000
Note					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	5,360	5,682	5,694	5,577	(117)
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	-	-	27	133	106
Local authorities fuel tax, fines, infringement fees, and other receipts	145	151	138	103	(35)
Internal charges and overheads recovered	-	-	-	-	-
Total operating funding (A)	5,505	5,833	5,859	5,813	(46)
Applications of operating funding					
Payments to staff and suppliers	1,950	1,991	1,998	2,100	102
Finance costs	333	640	527	420	(107)
Internal charges and overheads applied	938	963	972	1,117	145
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	3,221	3,594	3,497	3,637	140
Surplus (deficit) of operating funding (A-B)	2,284	2,239	2,362	2,176	(186)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	48	48
Increase (decrease) in debt	5,127	3,641	4,669	3,328	(1,341)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	5,127	3,641	4,669	3,376	(1,293)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	926	123	120	56	(64)
- to improve the level of service	4,423	3,945	4,951	3,692	(1,259)
- to replace existing assets	1,914	1,329	1,567	1,163	(404)
Increase (decrease) in reserves	148	483	393	641	248
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	7,411	5,880	7,031	5,552	(1,479)
Surplus (deficit) of capital funding (C-D)	(2,284)	(2,239)	(2,362)	(2,176)	186
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	1,926	2,037	2,174	2,381	207
Loans					
	External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2016	7,850	1,432	9,282		
Raised during year	4,850	110	4,960		
Repaid during year	(400)	(1,232)	(1,632)		
Loans as at 30/06/2017	12,300	310	12,610		
Interest expense	369	51	420		

WATER SUPPLY

Statement of Capital Expenditure Budget over \$50,000

Group of activities	Work Order	Description	Type	Full Year Costs vs Budget				General Comments
				Actual	Budget	Variance in \$	Variance in %	
Water Supply	8456	Levin Reticulation- RENEWAL	REA	593,278	830,400	237,122	29%	Tenders for this work have closed and preferred contractor identified. The contract has been awarded. Construction planning is underway. \$214,321 carried forward to 2017/2018.
	8459	Foxtan Beach Edingburg Terrace Bore- RENEWAL	REA	32,377	150,000	117,623	0%	Investigation stage.
	8464	Levin Treatment Plant - Renewals	REA	158,349	51,900	(106,449)	(205%)	Consent renewals underway.
	8466	Levin Clarifier Installation	ILS	753,526	1,000,000	246,474	25%	Clarifier has been constructed overseas and has arrived on site in Levin. The clarifier was commissioned March 2017. \$250,000 carried forward to 2017/2018.
	8468	Reactive renewals - District Wide	REA	178,877	155,700	(23,177)	(15%)	Budget is for unplanned works ie as and when they happen. Performed under the Downer contract.
	8470	Shannon reservoir structural work	REA	6,911	50,000	43,089	86%	Budget will be utilised for consent renewals.
	8717	Foxtan Consents- RENEWAL	REA	8,301	51,900	43,599	84%	Project yet to commence
	8718	Foxtan Beach Development plan	ILS	16,240	99,648	83,408	84%	Some preliminary planning has been undertaken. \$83,000 carried forward to 2017/2018.
	8719	Levin treatment plant upgrade	ILS	2,735,956	3,736,800	1,000,844	27%	A contract has been signed with Filtec to undertake this work. Construction has commenced. \$600,000 carried forward to 2017/2018.
			Total Water Supply		4,483,816	6,126,348	1,642,532	27%

WATER SUPPLY – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (16/17)	Actual Performance
Safe water supply.	Percentage in which the local authority's drinking water supply complies with: (a) part 4 of the Drinking Water Standards (bacteria compliance criteria) in Levin, Shannon, Foxton, Foxton Beach, Tokomaru.	100%	<p>Achieved</p> <p>100% compliance based on explanation detailed below:</p> <p>For the period 1st July 2016 to 30th June 2017, 1,327 samples were collected, of which 1,326 (99%) were analysed. 99% of analysed samples complied with the New Zealand Drinking Water Standards (NZDWS) requirements of <1 E.coli.</p> <p>The report for the Levin reservoir sample that was taken on the 18th of April 2017 cannot be found by the lab, although all other samples taken on the same day were tested. We cannot provide an explanation for the missed result and the Drinking Water Assessors have been notified. They are happy to accept results on the same day for FAC, pH and turbidity at the Levin plant. All three results for the 18th of April 2017 are good.</p>
	(b) part 5 of the Drinking Water Standards (protozoa compliance criteria) in: Levin Shannon Foxton Foxton Beach Tokomaru	100% 100% 100% 100% 100%	<p>Not Achieved</p> <ul style="list-style-type: none"> • Levin: 0% ** • Shannon: 100% • Foxton: 100% • Foxton Beach: 100% • Tokomaru: 100% <p>** Protozoa compliance for Levin can only be achieved after the completion of the upgrade project that includes the installation of a clarifier and a UV unit in June 2017.</p> <p>Some breaches showed up on the data for June 2017, but these were due to maintenance activities that have been evidenced in Infrastructure Data.</p>

WATER SUPPLY – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (16/17)	Actual Performance																																																			
Drinking water that tastes and looks satisfactory.	The total number of complaints received about any of the following (expressed per 1,000 connections): <ol style="list-style-type: none"> 1. Drinking water clarity 2. Drinking water taste 3. Drinking water pressure or flow 4. Continuity of supply; and 5. The Council's response to any of these issues. 	5	Not Achieved As at 30 June 2017: <table border="1" data-bbox="1285 405 2152 927"> <thead> <tr> <th colspan="2"></th> <th colspan="2">YTD Result</th> <th colspan="2">June 2017 Result</th> </tr> <tr> <th colspan="2"></th> <th>Number per 1,000 connections</th> <th>Number of Complaints</th> <th>Number per 1,000 connections</th> <th>Number of Complaints</th> </tr> </thead> <tbody> <tr> <td>1)</td> <td>Clarity</td> <td>2.22</td> <td>29</td> <td>0.00</td> <td>0</td> </tr> <tr> <td>2)</td> <td>Taste</td> <td>1.15</td> <td>15</td> <td>0.00</td> <td>0</td> </tr> <tr> <td>3)</td> <td>Pressure or Flow</td> <td>0.99</td> <td>13</td> <td>0.00</td> <td>0</td> </tr> <tr> <td>4)</td> <td>Continuity of Supply</td> <td>2.90</td> <td>38</td> <td>0.00</td> <td>0</td> </tr> <tr> <td>5)</td> <td>Council Response</td> <td>0.00</td> <td>0</td> <td>0.00</td> <td>0</td> </tr> <tr> <td colspan="2">Total</td> <td>7.26</td> <td>95</td> <td>0.00</td> <td>0</td> </tr> </tbody> </table> <p data-bbox="1379 938 2063 963">Total number of connections as of 30 June 2017 = 13,092</p>						YTD Result		June 2017 Result				Number per 1,000 connections	Number of Complaints	Number per 1,000 connections	Number of Complaints	1)	Clarity	2.22	29	0.00	0	2)	Taste	1.15	15	0.00	0	3)	Pressure or Flow	0.99	13	0.00	0	4)	Continuity of Supply	2.90	38	0.00	0	5)	Council Response	0.00	0	0.00	0	Total		7.26	95	0.00	0
		YTD Result		June 2017 Result																																																		
		Number per 1,000 connections	Number of Complaints	Number per 1,000 connections	Number of Complaints																																																	
1)	Clarity	2.22	29	0.00	0																																																	
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3)	Pressure or Flow	0.99	13	0.00	0																																																	
4)	Continuity of Supply	2.90	38	0.00	0																																																	
5)	Council Response	0.00	0	0.00	0																																																	
Total		7.26	95	0.00	0																																																	

WATER SUPPLY – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (16/17)	Actual Performance					
Response to faults.	The median time from the time that Council received notification to the time that service personnel: a) reach the site for urgent call-outs b) confirm resolution of the fault or interruption of urgent call-outs c) reach the site for non-urgent call-outs d) confirm resolution of the fault or interruption of non-urgent call-outs	a) 1 hour b) 8 hours c) 3 days d) 3 days	Achieved					
			As at 30 June 2017:					
					YTD Result		May 2017 Result	
				Item	Result	Comment	Result	Comment
			a)	Median Time to reach the site for urgent call-outs	0hrs 20mins	Received 25 urgent call-outs and attended to 22 within 1 hour or less	0hrs 00mins	Received 0 and attended to all 0 within 1 hour or less.
			b)	Median Time for resolution of the fault or interruption of urgent call-outs	0hrs 46mins	Received 25 urgent call-outs and resolved 24 within 8 hours or less	0hrs 00mins	Received 0 and resolved all 0 within 8 hours or less.
c)	The median time to reach the site for non-urgent call-outs	4hrs 03mins	Received 577 non-urgent call-outs and attended to 552 within 3 days or less.	19hrs 52mins	Received 49 non-urgent call-outs and attended to 48 within 3 days or less.			
d)	The median time for resolution of the fault or interruption of non-urgent call-outs	6hrs 12mins	Received 577 non-urgent call-outs and resolved 541 in 3 days or less.	21hrs 46mins	Received 49 and resolved 46 non-urgent call-outs in 3 days or less.			

WATER SUPPLY – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (16/17)	Actual Performance																		
Water supply is continual.	Total number of unplanned water shut downs.	30 per year	<p>Achieved</p> <p>Number of unplanned water shut downs for the year-to-date = 24 See table below for breakdown:</p> <table border="1"> <thead> <tr> <th>Result</th> <th>YTD</th> <th>June 2017</th> </tr> </thead> <tbody> <tr> <td>Total shutdowns reported</td> <td>53</td> <td>0</td> </tr> <tr> <td>Total unplanned shut downs</td> <td>24</td> <td>0</td> </tr> <tr> <td>Average unplanned shutdown length in hours</td> <td>2.70</td> <td>0.00</td> </tr> <tr> <td>Reasons for shutdown (most of)</td> <td>Burst Mains</td> <td></td> </tr> <tr> <td>Average # of homes affected</td> <td>22</td> <td>0</td> </tr> </tbody> </table>	Result	YTD	June 2017	Total shutdowns reported	53	0	Total unplanned shut downs	24	0	Average unplanned shutdown length in hours	2.70	0.00	Reasons for shutdown (most of)	Burst Mains		Average # of homes affected	22	0
Result	YTD	June 2017																			
Total shutdowns reported	53	0																			
Total unplanned shut downs	24	0																			
Average unplanned shutdown length in hours	2.70	0.00																			
Reasons for shutdown (most of)	Burst Mains																				
Average # of homes affected	22	0																			
Firefighting needs are met.	Percentage of the network where firefighting flows in urban residential areas meet the NZ Fire Service firefighting water supplies Code of Practice SZ 4509:2008.	76%	<p>Achieved</p> <p>Hydrant testing is now complete for the whole district. The total number of hydrants tested across the district was 1,962 and 129 were below the required firefighting flow of 12.5L/s, bringing the percentage of compliant hydrants for 2016/17 to 93%.</p>																		
Water supply has adequate flow and pressure.	Percentage of the network where supply pressure at the property boundary is not less than 250kPa for on demand connections and 150kPa for restricted flow connections.	100%	<p>Achieved</p> <p>100% of all water connections checked across the district up to June 2017 exceeded pressures of 250kPa at the property boundary.</p> <p>Note – for properties connected as a restricted connection, a certain pressure is required for those properties to be able to get their required number of units. With no complaints about reduction in units it implies that the required pressures are being achieved at the boundaries of properties served by restrictors.</p>																		

WATER SUPPLY – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (16/17)	Actual Performance																		
Consent conditions are met.	Compliance with all water take limits of resource consents.	100%	<p>Achieved</p> <p>For the year-to-date, the percentage of water take which complied with limits of resource consent = 100%</p>																		
Water supply is sustainable.	Average consumption of drinking water per day per resident within the water supply areas (target based on One Plan Section 5.4.3.1).	300lt per day	<p>Not Achieved</p> <p>The average consumption for June 2017 for all supplies except Levin = 324lt/per person/day.</p> <p>For the period 1st July 2016 to 30th June 2017, the average consumption for all supplies except Levin is 346lt/per person/day.</p> <p>Individual supplies are shown in the table below:</p> <table border="1"> <thead> <tr> <th>Supply</th> <th>YTD</th> <th>June 2017</th> </tr> </thead> <tbody> <tr> <td>Foxton</td> <td>465</td> <td>434</td> </tr> <tr> <td>Foxton Beach</td> <td>302</td> <td>273</td> </tr> <tr> <td>Levin</td> <td>422 up to May 2017</td> <td>June data was not available at submission of the report due to an internet fault.</td> </tr> <tr> <td>Shannon/Mangaore</td> <td>389</td> <td>410</td> </tr> <tr> <td>Tokomaru</td> <td>230</td> <td>178</td> </tr> </tbody> </table>	Supply	YTD	June 2017	Foxton	465	434	Foxton Beach	302	273	Levin	422 up to May 2017	June data was not available at submission of the report due to an internet fault.	Shannon/Mangaore	389	410	Tokomaru	230	178
Supply	YTD	June 2017																			
Foxton	465	434																			
Foxton Beach	302	273																			
Levin	422 up to May 2017	June data was not available at submission of the report due to an internet fault.																			
Shannon/Mangaore	389	410																			
Tokomaru	230	178																			
Minimal water losses.	Percentage of real water loss from the network as measured by the standard Infrastructure Leakage Index method.	15%	<p>Unable to Report</p> <p>As at 30 June 2017, this measure is marked as “Unable to Report” as the water balances or water loss estimates will be calculated for the other 4 supply networks towards the end of June 2017. These will be ready for reporting in the July 2017 report.</p> <p>Upon completion, achievement/non-achievement against this measure will be reported.</p> <p>A water loss study was completed for the Levin supply in January 2017. The ILI for the Levin supply as a whole was calculated as 4.5 with a daily leakage rate of 428 litres/connection/day. This places the supply in band C of the World Bank Institute Banding System for categorising Real Losses and indicates that the level and nature of leakage needs to be</p>																		

			further analysed and leakage reduction efforts need to be intensified. Areas of concern have been identified and are currently being investigated.
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WATER SUPPLY – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (16/17)	Actual Performance
Provide water conservation education to the public.	As provided in the Water Demand Management Plan 2014.	Achieved	Achieved Water meter/leak checks pamphlets have been mailed out with water billing invoices generated in June 2017.

WASTEWATER MANAGEMENT Funding Impact Statement

	LTP Forecast 2016 \$000	LTP Forecast 2017 \$000	Annual Plan Forecast 2017 \$000	Actual 2017 \$000	Variance 2017 \$000
Note					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	6,124	6,421	6,396	6,435	39
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	793	1,030	1,030	1,113	83
Local authorities fuel tax, fines, infringement fees, and other receipts	38	43	37	157	120
Internal charges and overheads recovered	-	-	-	-	-
Total operating funding (A)	6,955	7,494	7,463	7,705	242
Applications of operating funding					
Payments to staff and suppliers	2,389	2,380	2,373	2,203	(170)
Finance costs	935	1,452	1,115	899	(216)
Internal charges and overheads applied	670	685	698	959	261
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	3,994	4,517	4,186	4,061	(125)
Surplus (deficit) of operating funding (A-B)	2,961	2,977	3,277	3,644	367
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	249	249
Increase (decrease) in debt	8,619	3,285	5,383	1,056	(4,327)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	8,619	3,285	5,383	1,305	(4,078)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	407	177	285	18	(267)
- to improve the level of service	6,423	3,270	4,710	2,081	(2,629)
- to replace existing assets	4,402	2,493	3,394	2,348	(1,046)
Increase (decrease) in reserves	348	322	271	502	231
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	11,580	6,262	8,660	4,949	(3,711)
Surplus (deficit) of capital funding (C-D)	(2,961)	(2,977)	(3,277)	(3,644)	(367)
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	2,434	2,623	2,234	2,900	666
Loans					
	External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2016	18,600	1,256	19,856		
Raised during year	2,950	132	3,082		
Repaid during year	(950)	(1,076)	(2,026)		
Loans as at 30/06/2017	20,600	311	20,911		
Interest expense	854	45	899		

Notes and Comments

Levin Wastewater – the revenue received is below budget with less trade waste charges with customers improving their wastewater practices and refunds for overcharging in the past year.

Shannon Wastewater – the revenue received is above budget due to unbudgeted land leasing. The expenditure is above budget with increased maintenance costs.

Foxton Wastewater - the revenue received is above budget with the increased Trade Waste tariff charges from 1 July 2016.

WASTEWATER MANAGEMENT

Statement of Capital Expenditure Budget over \$50,000

Group of activities	Work Order	Description	Type	Full Year Costs vs Budget				General Comments
				Actual	Budget	Variance in \$	Variance in %	
Wastewater	8483	Foxton Wastewater Treatment Plant - Strategic Upgrade	ILS	992,937	3,914,388	2,921,451	75%	Progressing. \$2,631,186 carried forward to 2017/2018.
	8491	Tokomaru Wastewater Treatment Plant - Consent Renewal	REA	30,719	101,900	71,181	70%	Progressing. \$65,000 carried forward to 2017/2018.
	8494	Waitarere Wastewater Treatment Plant - Planned Renewals	REA	33,391	77,850	44,459	0%	Progressing.
	8498	Foxton Wastewater Reticulation - Renewals	REA	24,870	131,094	106,224	81%	These works form part of the District Wide Wastewater Renewal Contract 16-01. Construction will be undertaken in the second half of the financial year.
	8499	Levin Wastewater Reticulation - Renewals		937,071	536,352	(400,719)	(75%)	These works form part of the District Wide Wastewater Renewal Contract 16-01. Construction will be undertaken in the second half of the financial year.
	8500	Districtwide - Reticulation Unplanned Renewals	REA	101,678	197,223	95,545	48%	Budget is for unplanned works ie as and when they happen. Performed under the Downer contract.
	8501	Levin Wastewater Treatment Plant - Planned	REA	1,157,990	1,933,923	775,933	40%	In progress under Downer contract. \$650,000 carried forward to 2017/2018.
	8502	Levin Wastewater Treatment Plant - Strategic	ILS	904,977	446,340	(458,637)	(103%)	Progressing.
	8503	Levin Wastewater Treatment Plant - Unplanned Renewals	REA	48,370	91,840	43,470	47%	Budget is for unplanned works ie as and when they happen. Performed under the Downer contract.
	8505	Levin WW Tararua Industrial Development	ILS	11,713	100,000	88,287	88%	Preliminary designs are being undertaken for this work. This is part of the wider development work that Parks and Property are undertaking on this site.
	8720	Waitarere Wastewater Treatment Plant - Strategic Upgrade	ILS	0	51,900	51,900	100%	
8722	Development Planning Foxton Beach	ILS	5,735	155,700	149,965	96%	Some preliminary planning has been undertaken. \$144,738 carried forward to 2017/2018.	
Total Wastewater				4,249,451	7,738,510	3,489,059	45%	

WASTEWATER DISPOSAL – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (16/17)	Actual Performance																			
Reliable Wastewater collection and disposal.	The number of dry weather overflows from the wastewater system per 1,000 connections.	<2	<p>Achieved</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">YTD Result</th> <th colspan="2">June 2017</th> </tr> <tr> <th>Number per 1,000 connections</th> <th>Number of Overflows</th> <th>Number per 1,000 connections</th> <th>Number of Overflows</th> </tr> </thead> <tbody> <tr> <td>Dry weather overflows</td> <td>0.90</td> <td>11</td> <td>0.08</td> <td>1</td> </tr> </tbody> </table>		YTD Result		June 2017		Number per 1,000 connections	Number of Overflows	Number per 1,000 connections	Number of Overflows	Dry weather overflows	0.90	11	0.08	1					
	YTD Result		June 2017																			
	Number per 1,000 connections	Number of Overflows	Number per 1,000 connections	Number of Overflows																		
Dry weather overflows	0.90	11	0.08	1																		
Council provides a good response to faults reported.	The median time (hrs) from the time that Council receives a notification, to the time that services personnel reach the site in responding to an overflow or wastewater blockage.	<1 hour	<p>Achieved</p> <table border="1"> <thead> <tr> <th rowspan="2">Median time for:</th> <th colspan="2">YTD Result</th> <th colspan="2">June 2017</th> </tr> <tr> <th>Result</th> <th>Comment</th> <th>Result</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>Overflows only</td> <td>0hrs 30mins</td> <td></td> <td>0hrs 31mins</td> <td></td> </tr> <tr> <td>Wastewater Blockages</td> <td>0hrs 20mins</td> <td></td> <td>0hrs 31mins</td> <td></td> </tr> </tbody> </table>	Median time for:	YTD Result		June 2017		Result	Comment	Result	Comment	Overflows only	0hrs 30mins		0hrs 31mins		Wastewater Blockages	0hrs 20mins		0hrs 31mins	
	Median time for:	YTD Result			June 2017																	
Result		Comment	Result	Comment																		
Overflows only	0hrs 30mins		0hrs 31mins																			
Wastewater Blockages	0hrs 20mins		0hrs 31mins																			
	The median time (hrs) from the time that Council receives a notification, to the time that services personnel confirm a resolution of a blockage or other fault within the wastewater system.	12 hours	<p>Achieved</p> <table border="1"> <thead> <tr> <th rowspan="2">Median time for:</th> <th colspan="2">YTD Result</th> <th colspan="2">June 2017</th> </tr> <tr> <th>Result</th> <th>Comment</th> <th>Result</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>Overflows only</td> <td>2hrs 06mins</td> <td></td> <td>1hr 33mins</td> <td></td> </tr> <tr> <td>Blockages and other faults</td> <td>1hr 47mins</td> <td></td> <td>1hr 33mins</td> <td></td> </tr> </tbody> </table>	Median time for:	YTD Result		June 2017		Result	Comment	Result	Comment	Overflows only	2hrs 06mins		1hr 33mins		Blockages and other faults	1hr 47mins		1hr 33mins	
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Blockages and other faults	1hr 47mins		1hr 33mins																			

WASTEWATER DISPOSAL – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (16/17)	Actual Performance					
The service is satisfactory.	The total number of complaints received (expressed per 1,000 connections to the wastewater system) regarding: a) Wastewater odour; b) Wastewater systems faults; c) Wastewater system blockages d) The Council’s response to issues with its wastewater system. e) Total number of complaints received about any of the above.	a) <8 b) <8 c) <8 d) 8 e) <32	Achieved					
					YTD Result		June 2017	
					Number per 1,000 connections	Number of Complaints	Number per 1,000 connections	Number of Complaints
			a)	Odour	0.33	4	0.00	0
			b)	System Faults	3.61	44	0.16	2
			c)	System blockages	5.00	61	0.57	7
			d)	Councils response	0.08	1	0.00	0
e)	Total	9.02	110	0.73	9			
Total # of connections as of 30 June 2017 = 12,204								

WASTEWATER DISPOSAL – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (16/17)	Actual Performance																																				
The service is satisfactory.	Percentage of customers satisfied with the service, based on the Annual Resident Satisfaction Survey.	82%	<p>Unable to Report</p> <p>As at 30 June 2017, this measure is marked as “Unable to Report” as the customer satisfaction survey for the 2016/2017 financial year has only recently been completed.</p> <p>The results are still being collated and are expected within the next few weeks.</p> <p>Upon completion, achievement/non-achievement against this measure will be reported.</p> <p>The results from the 2015/2016 customer satisfaction survey are shown</p> <table border="1"> <thead> <tr> <th></th> <th>Total %</th> <th>Kere Kere %</th> <th>Levin %</th> <th>Miranui %</th> <th>Waiopehu %</th> </tr> </thead> <tbody> <tr> <td>Very Satisfied</td> <td>5.87</td> <td>1.74</td> <td>8.67</td> <td>4.17</td> <td>4.90</td> </tr> <tr> <td>Satisfied</td> <td>26.15</td> <td>33.91</td> <td>27.24</td> <td>20.83</td> <td>23.08</td> </tr> <tr> <td>Neither Satisfied nor Dissatisfied</td> <td>27.27</td> <td>26.09</td> <td>30.03</td> <td>16.67</td> <td>23.78</td> </tr> <tr> <td>Dissatisfied</td> <td>15.10</td> <td>16.52</td> <td>14.86</td> <td>20.83</td> <td>10.49</td> </tr> <tr> <td>Very Dissatisfied</td> <td>10.35</td> <td>12.17</td> <td>7.74</td> <td>20.83</td> <td>8.39</td> </tr> </tbody> </table> <p>below:</p>		Total %	Kere Kere %	Levin %	Miranui %	Waiopehu %	Very Satisfied	5.87	1.74	8.67	4.17	4.90	Satisfied	26.15	33.91	27.24	20.83	23.08	Neither Satisfied nor Dissatisfied	27.27	26.09	30.03	16.67	23.78	Dissatisfied	15.10	16.52	14.86	20.83	10.49	Very Dissatisfied	10.35	12.17	7.74	20.83	8.39
	Total %	Kere Kere %	Levin %	Miranui %	Waiopehu %																																		
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Satisfied	26.15	33.91	27.24	20.83	23.08																																		
Neither Satisfied nor Dissatisfied	27.27	26.09	30.03	16.67	23.78																																		
Dissatisfied	15.10	16.52	14.86	20.83	10.49																																		
Very Dissatisfied	10.35	12.17	7.74	20.83	8.39																																		
Safe disposal of wastewater.	The number of Abatement Notices, Infringement Notices, Enforcement Orders, and convictions received by the Council in relation to Horizons Regional Council resource consents.	0	<p>Achieved</p> <p>For the period 1st July 2016 to 30th June 2017:</p> <p>Abatement Notices = 0</p> <p>Infringement Notices = 0</p> <p>Enforcement Orders = 0</p> <p>Convictions = 0</p>																																				

SOLID WASTE MANAGEMENT

Statement of Income and Expenditure

	LTP Forecast 2016 \$000	LTP Forecast 2017 \$000	Annual Plan Forecast 2017 \$000	Actual 2017 \$000	Variance 2017 \$000
Note					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	321	356	458	461	3
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	1,741	1,785	1,785	2,131	346
Local authorities fuel tax, fines, infringement fees, and other receipts	22	18	13	13	-
Internal charges and overheads recovered	-	-	-	-	-
Total operating funding (A)	2,084	2,159	2,256	2,605	349
Applications of operating funding					
Payments to staff and suppliers	1,371	1,415	1,614	1,693	79
Finance costs	285	324	267	215	(52)
Internal charges and overheads applied	216	220	219	222	3
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	1,872	1,959	2,100	2,130	30
Surplus (deficit) of operating funding (A-B)	212	200	156	475	319
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	654	(143)	233	143	(90)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	654	(143)	233	143	(90)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	420	71	224	16	(208)
- to improve the level of service	446	10	216	308	92
- to replace existing assets	92	3	2	6	4
Increase (decrease) in reserves	(92)	(27)	(53)	288	341
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	866	57	389	618	229
Surplus (deficit) of capital funding (C-D)	(212)	(200)	(145)	(475)	(319)
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	289	327	269	286	17
Loans					
	External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2016	4,550	198	4,748		
Raised during year	440	-	440		
Repaid during year	(190)	(107)	(297)		
Loans as at 30/06/2017	4,800	90	4,890		
Interest expense	208	7	215		

SOLID WASTE MANAGEMENT

Statement of Capital Expenditure Budget over \$50,000

Group of activities	Work Order	Description	Type	Full Year Costs vs Budget				General Comments
				Actual	Budget	Variance in \$	Variance in %	
Solid Waste	8518	Landfill Development	ILS	15,623	214,361	198,738	93%	Completion of sump biofilter done, cap reshaping etc. progressing. \$198,000 carried forward to 2017/2018.
	8519	Landfill Leachate Pre treatment	ILS	25,777	60,000	34,223	57%	In-house design underway.
	8520	Levin Landfill Energy Recovery / Flare	ILS	338,529	150,000	(188,529)	(126%)	Design, build, deliver and installation contract signed.
Total Solid Waste				379,929	424,361	44,432	10%	

SOLID WASTE – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (16/17)	Actual Performance
Waste Transfer Stations are available at convenient times.	Transfer Stations are available on agreed days at agreed times.	Achieved	Not Achieved 95 % – One early closure occurred in Shannon on the 11th October 2016 due to the fact that the bins were full.
Solid Waste Activities are undertaken in a healthy and safe manner.	No reported incidences of injury or illness attributable to use of the Council's Waste Transfer or Recycling Station facilities.	Achieved	Achieved
Waste Transfer and Recycling Stations have a minimal impact on the immediate and surrounding environment.	No. odour complaints and minimal reports of solid waste in or around: <ul style="list-style-type: none"> • Waste Transfer Stations; and • Recycling Stations 	3 per month 3 per month	Achieved As at 30 June 2017: Zero (0) odour complaints Zero (0) reports of solid waste in or around waste transfer/recycling stations For the period 1st July 2016 to 30th June 2017 the breakdown is as follows: Zero (0) odour complaints Eight (8) reports of solid waste in or around waste transfer/recycling stations
Response to service requests regarding Council's Solid Waste Activities is timely.	Time that all requests are responded to within.	3 days	Not Achieved As at 30 June 2017 we have received: 317 service requests 244 (77%) of these were responded to within 3 days. It must be noted that despite the fact that some CRMs do not have a close out date or have been closed out well outside the 3 day period, this does not mean that the requests were not responded to within the 3 day timeframe. Some close out dates longer than the 3 actual day period, include weekends and public holidays. The contractors also tend to close resolved CRM's in bulk, leaving many open or outside the 3 day period.

SOLID WASTE – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (16/17)	Actual Performance
Levin landfill.	Conditions of resource consents are met.	100%	<p>Not Achieved</p> <p>As at 30 June 2017: 50%</p> <p>For the period 1st July 2016 to 30th June 2017, we have only received 2 reports from Horizons (1 for the month of August 2016 and 1 for the month of February 2017).</p> <p>In the August 2016 report a total of 5 consent conditions were monitored across 2 consents. Of the 5 conditions monitored, 3 were graded as non-complying.</p> <p>In the February 2017 report, 1 was graded as significantly non-compliant.</p> <p>The latest quarterly report from MWH shows the leachate groundwater consents are all compliant.</p>
Kerbside recycling and refuse collection service is available.	Percentage of serviceable households that kerbside recycling shall be offered to.	91%	<p>Achieved</p> <p>As at 30 June 2017: 95%</p> <p>We are currently servicing approximately 95% of households based on the serviceable areas within the District.</p>
Recycling and refuse is collected on time and in a sanitary manner.	<p>Number of complaints about non collection of:</p> <ul style="list-style-type: none"> • Kerbside recycling • Kerbside refuse 	<p>5 per month</p> <p>5 per month</p>	<p>Achieved</p> <p>For the period 1st July 2016 to 30th June 2017, 53 complaints were received regarding Kerbside recycling (equates to 4.42 per month). Six (6) of which were reported in the month of June 2017. . Many of these confused the refuse truck for the recycling truck and reported it erroneously</p> <p>For the period 1st July 2016 to 30th June 2017, 33 complaints were received regarding Kerbside refuse (equates to 2.75 per month). Two (2) of which were reported in the month of June 2017.</p>
Recycling stations are available and accessible in urban centres in Summer.	Recycling stations are available at the agreed locations on the agreed days and times.	Achieved	<p>Achieved</p> <p>As at 30 June 2017, recycling stations are available at all agreeable locations.</p>
Information on Council's recycling and refuse services is available from service centres and on the	Up-to-date brochures will be available at all offices and on the HDC website.	Achieved	<p>Not Achieved</p> <p>Brochures are handed out by the recycling collectors when their recycling crates contain non-recyclables. However, these are not currently available at the offices. Additionally, other means of information dispersion are being looked into such as fridge magnets or stickers for the recycling crates/wheelie bins.</p>

website.			Council is utilising other communication mediums as brochures are not proving to be an effective method of information dissemination. This performance measure will be reviewed as part of the 2017/18 Annual Plan process as it is no longer considered appropriate.
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SOLID WASTE – Performance Measures – LTP/Annual Plan

Service	How will we measure our performance	Target (16/17)	Actual Performance
Affordable recycling service is available.	No user charge set.	Achieved	Achieved As at 30 June 2017.
Customers are content with Council's transfer stations, recycling collection, and refuse collection services offered.	Measured via the Annual Resident Satisfaction Survey.	75%	Unable to Report As at 30 June 2017, this measure is marked as "Unable to Report" as the customer satisfaction survey for the 2016/2017 financial year has only recently been completed. The results are still being collated and are expected within the next few weeks. Upon completion, achievement/non-achievement against this measure will be reported. The results of the 2015/2016 customer satisfaction survey are shown below: 81% of customers were satisfied with recycling services. 83% of customers were satisfied with kerbside rubbish collection services.
Customers are educated on waste minimisation practices.	Education services provided in local schools.	Achieved	Achieved Waste Education is provided in local schools through Zero Waste Education.

APPENDIX

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

Treasury Report

File No.: 17/389

1. Purpose

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

2. Recommendation

- 2.1 That Report 17/389 Treasury Report be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 2.3 That Council borrow and extra \$5m for a term of not less than 3 years and invest this in short-term investments with interest rates that will at least cover the cost of borrowing.

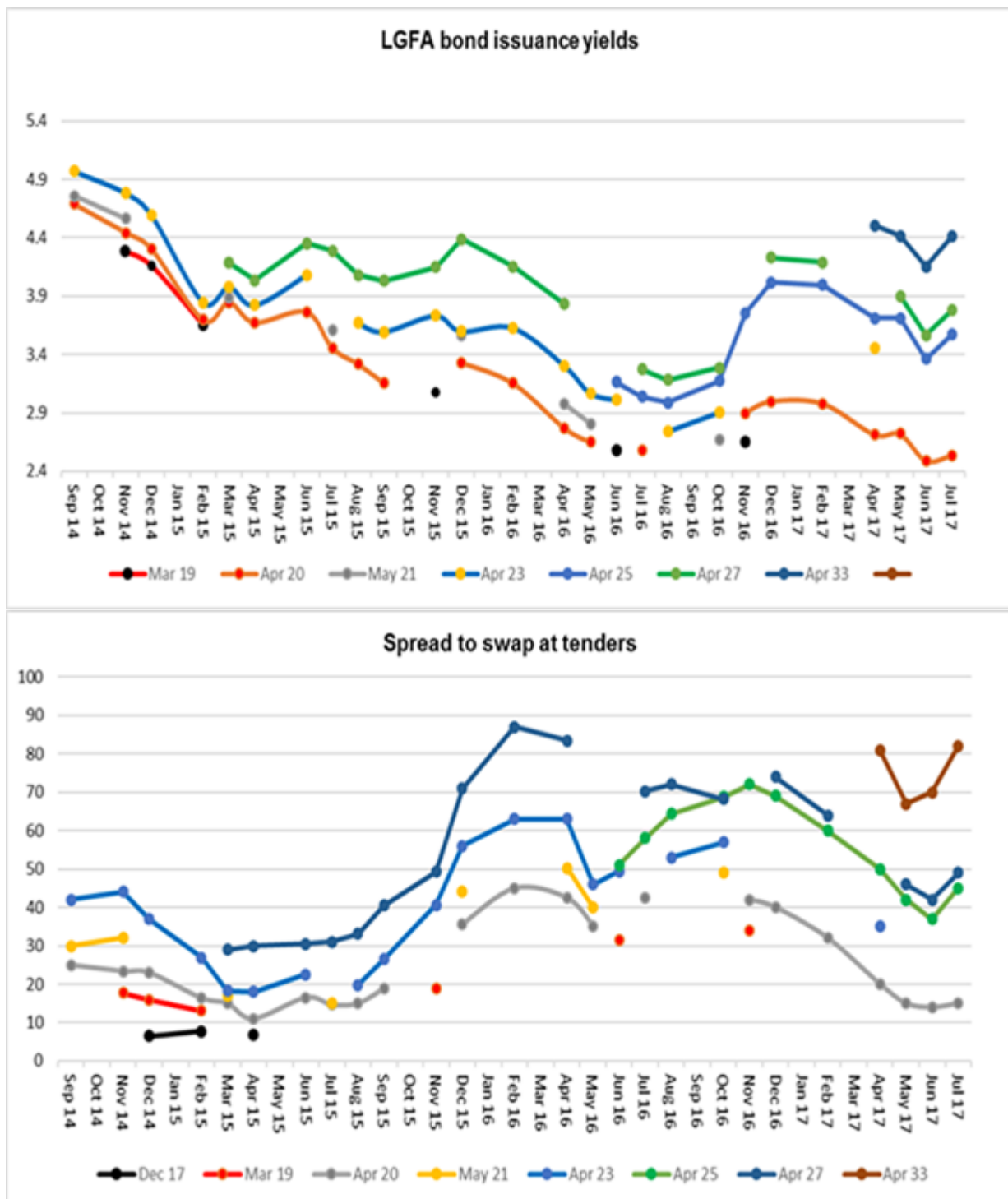
3. Background/Previous Council Decisions

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

4. Issues for Consideration

The last 3 months of the year has seen:

1. The US Federal Reserve raised its target cash rate by 25 basis points (0.25%).
2. A number of central banks around the world concerned about surging household debt
3. Geopolitical concerns especially North Korea
4. The UK General Election reducing the Conservative Party's hold on the Treasury benches
5. French Parliamentary Election consolidating Macron's position
6. New Zealand's economy continuing to be positive
7. Immigration and tourism are still at elevated levels
8. The OCR remains at 1.75% with little likelihood of an increase until mid-2018 although the Reserve Bank is saying it will increase in late 2019
9. It appears as though the short-term interest rates have "bottomed out"
10. The latest LGFA tender for the 19 July result also shows an increased interest cost as well as an increase in swap spreads from the chart shown on page 4 as shown in the charts below.



Council has borrowed a net \$12m this year. On 12 June Council refinanced this \$12m of short term debt at a lower interest rate of 2.075%. Council now has \$12m at this rate until December 2017. It is noted from the LGFA weekly borrowing rates advice of 2 August that the indicative rate has bounced back to 2.145% up 1 basis point from 21 June and 7 basis points from 12 June. This would suggest that the interest rate may have bottomed out for short-term borrowing albeit still much lower than the longer terms on offer.

In May Council refinanced a \$4m fixed rate bond at a rate that had an interest rate of 4.39% with another fixed rate bond of \$4m at 3.76% maturing on 15/5/2024. Council also raised \$4m on LGFA fixed rate bond at 3.72% maturing on 15/03/2024

Borrowing of \$12m this year is higher than expected, but still lower than the Annual Plan suggested, which was \$18m. The delay in major projects has caused a lower need for borrowing; however, a delay in the associated capital grants and subsidies has also occurred. This has meant higher borrowing for the Te Awahou project in particular ahead of the associated capital grants being received.

Council's weighted average interest rate over all our borrowing is 4.14% down from 4.61% in June 2016 and 4.3% in March. This is calculated with the bank line fee and interest rate swaps included. This has been achieved by utilising low cost short-term funds, Interest rates on this source of funds appear to have bottomed out so any further drop in the HDC's costs of funds is limited. This is due to the fact that all loans due in the next financial year are short-term borrowing and a floating rate note (FRN) that already are at low interest rates. The last remaining HDC Bond at an interest rate of 5.95% is not due for refinancing until 15/11/2018.

Note the comment in the report on page 9:

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

Council is compliant with its Liability Management Policy (LMP).

Addressing the Standard and Poors perceived liquidity risk

At the last Subcommittee meeting on 28 June the issue raised by Standard and Poors (S&P) over the risk of refinancing short-term debt, especially Commercial Paper (CP), was raised. This section of the report delves into the issue and proposes a solution.

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

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

Officers are endeavouring to find out the exact nature of S&P's risk assessment of Council's liquidity issue through its Treasury Advisor (Bancorp) approaching S&P directly. However, should the issue remain a risk with S&P's Council needs to address the risk.

The following options have been explored:

1. Increasing the CCAF to \$15m. This was discounted as the extra cost was a one off fee of \$5k and an annual fee of \$10k (in addition to the \$20k annual fee for the existing \$10m facility).
2. Borrowing an extra \$5m and investing this short-term thus increasing Council's cash holdings so that Council would have a minimum of \$5m in cash at any one time. At current interest rates Council could source borrowing due April 2020 at 2.76%, or May 2021 at 3.03% (as at 2/8/2017). However, because Council can borrow at "wholesale" rates and invest at "retail" rates we would be able to invest this \$5m at approximately 3.5% for 180 days with BNZ (as at 20 July) and so achieve a small net gain. This is relatively safe in that as borrowing rates increase (or decrease) so should the short-term investment rates. There is a small risk that Council may not be

able to cover the borrowing costs but that risk would not occur for at least the 3 to 4 years if borrowing is fixed at close to current rates coupled with the likelihood that short-term investment rates are likely to increase. This suggestion has been discussed with our Treasury Advisor who also believes that Council would be able to pursue this course of action cost neutral. This course of action is, therefore, recommended should the Subcommittee believe the risk needs to be addressed.

Attachments


No.	Title	Page
A	Bancorp Treasury Report June 17	101

Confirmation of statutory compliance

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

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

Signatories

Author(s)	Doug Law Chief Financial Officer	
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Approved by	David Clapperton Chief Executive	
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CONFIDENTIAL

TREASURY REPORT

FOR



**HOROWHENUA
DISTRICT
COUNCIL**

AS AT

30 JUNE 2017



BANCORP

BANCORP TREASURY SERVICES LIMITED

AUCKLAND • WELLINGTON • CHRISTCHURCH

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

1. MARKET ENVIRONMENT

1.1 Global Markets Overview (as at 30 June 2017)

Central banks were back in the spotlight last quarter with the Federal Reserve (“Fed”) raising its target cash rate, a number of other central bank leaders expressing worries about surging household debt and the heads of the European Central Bank (“ECB”), Bank of England (“BoE”), and Bank of Canada (“BoC”) broaching the subject of monetary policy normalisation. Geopolitical issues remained prominent as along with the now familiar Trump sideshow, the UK general election, the French parliamentary election and ongoing worries about North Korea featured at various times during the June quarter.

Despite weak jobs and growth reports throughout the quarter, the Fed’s Open Market Committee (“FOMC”) raised the range for the Fed Funds rate by 25 basis points to 1.00%-1.25% in mid-June. The FOMC also hinted that it would start unwinding its quantitative easing programme (i.e. reducing its USD4 trillion of bond holdings). The ‘dot plot’ of FOMC members’ forecasts showed consensus for another 25 basis point Fed rate hike this year and a further three next year, however market consensus is not as optimistic.

The US added 207,000 jobs in April, with a further 152,000 and 222,000 jobs added in May and June respectively (the latter release coming just after the end of the quarter). Adding to the positive news was the fall in the US unemployment rate to a decade low 4.4%. However the US GDP data disappointed, showing economic growth at a modest 1.4% annualised. The Fed dismissed the weak US data, saying that it “*was likely to be transitory.*”

The ECB seemingly shifted to a more neutral stance saying that it expected interest rates would “remain at their present levels for an extended period of time” and dropped a reference to lower interest rates in its forward guidance. Comments by ECB President Mario Draghi stirred up markets when he suggested the ECB would eventually exit its stimulus programme, which the market took to mean soon, ignoring the word ‘eventually’. This caused bond yields to charge higher across the globe. The heads of BoE and BoC had similar comments which put further pressure on interest rates.

During the June quarter the benchmark US 10 year Treasury bond traded in a range of 2.10%-2.42%, closing the quarter at 2.30%. Its German counterpart the 10 year bund traded in a 0.15%-0.47% range, closing the quarter on its high after the ‘tapering’ comments from various central bankers. The 10 year Japanese Government Bond managed to shake off its negative status in mid-April and climbed to a quarterly high of 0.085% by the end of June.

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

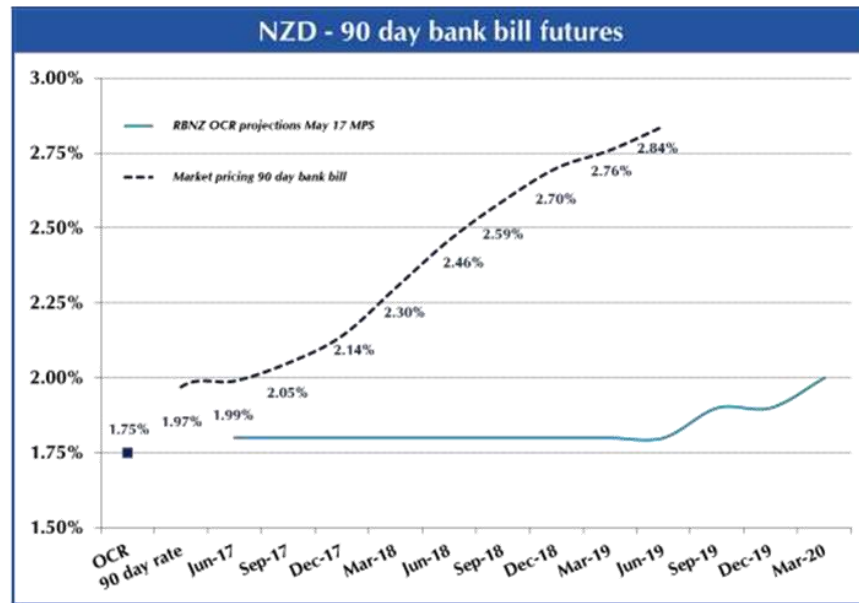
	OCR	90 day	2 year swap	3 year swap	5 year swap	7 year swap	10 year swap
31-Mar-17	1.75%	2.00%	2.32%	2.56%	2.92%	3.19%	3.44%
30-Jun-17	1.75%	1.98%	2.33%	2.54%	2.87%	3.11%	3.35%
Change	Nil	-0.02%	+0.01%	-0.02%	-0.05%	-0.08%	-0.09%

New Zealand data over the June quarter was positive on balance. New Zealand’s terms of trade rose to a 44 year high in the March quarter, buoyed by higher prices for dairy and many other primary industries. Business confidence rose and firms’ outlook for the future improved, but house prices eased, particularly in Auckland.

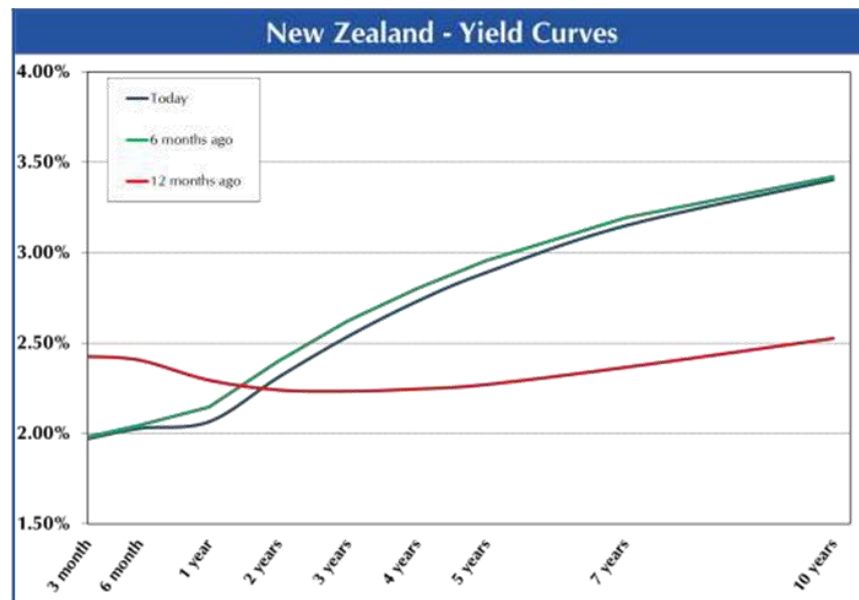
The Reserve Bank of New Zealand’s (“RBNZ”) half-yearly *Financial Stability Report*, released in June, concluded that “New Zealand’s financial system remains sound and is operating effectively.” However, “New Zealand’s financial system remains exposed to three key risks: housing market vulnerabilities, bank funding pressures and dairy sector indebtedness” but “while these risks have reduced in the past six months, they remain elevated.”

New Zealand GDP rose 0.5% in the March quarter, up from 0.4% in December. The outcome was below market and RBNZ forecasts. The March quarter GDP was up 2.5% on a year earlier, from 2.7% in December. However, on a per capita basis GDP fell 0.2%, after a 0.3% decline over the December quarter, fuelling the already emotive immigration debate. On the positive side net inwards migration and surging inbound tourist numbers show signs of holding firm which is good for GDP and, by association the New Zealand dollar, but bad for GDP per capita as seen in the last two quarter’s negative per capita GDP numbers.

Market pricing continues to project an Official Cash Rate (“OCR”) hiking cycle beginning in mid-2018, contrary the RBNZ’s projection. The RBNZ reiterated its view in the May *Monetary Policy Statement* that it expects the OCR to remain at 1.75% until late 2019 because “the level of core inflation has generally remained low.” The chart on the following page illustrates the extent to which markets have priced in OCR rises despite the RBNZ’s neutral stance.



Medium and longer term swap rates continue to mirror the moves in offshore bond markets (principally the US). Over the quarter, New Zealand swap rates drifted lower as the markets sought yield amid uncertain political climates but climbed sharply in late June after central banks talked up an unwinding of stimulus. The 10 year swap rate bottomed out at 3.12% in mid June before rocketing up almost 25 basis points, closing the quarter at 3.35%. The chart below shows the changing shape of the New Zealand yield curve over the past year.



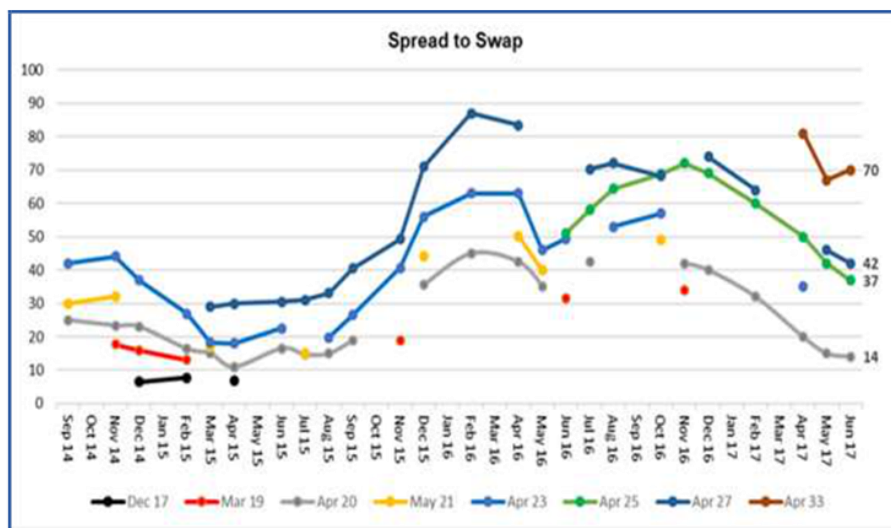
1.3 Local Authority Sector

The last Local Government Funding Agency (“LGFA”) tender for the quarter was held on 15 June. \$376 million of bids were received for the \$190 million of bonds on offer, equating to a bid to issuance ratio of 1.98. Details of the tender were as follows:

- 15 April 2020 maturity - \$35 million issued at a margin of 35.75 basis points over swap for an ‘A+’ rated borrower.
- 15 April 2025 maturity - \$50 million issued at a margin of 57.25 basis points over swap for an ‘A+’ rated borrower.
- 15 April 2027 maturity - \$25 million issued at a margin of 67.25 basis points over swap for an ‘A+’ rated borrower
- 14 April 2033 maturity - \$80 million issued at a margin of 89.5 basis points over swap for an ‘A+’ rated borrower.

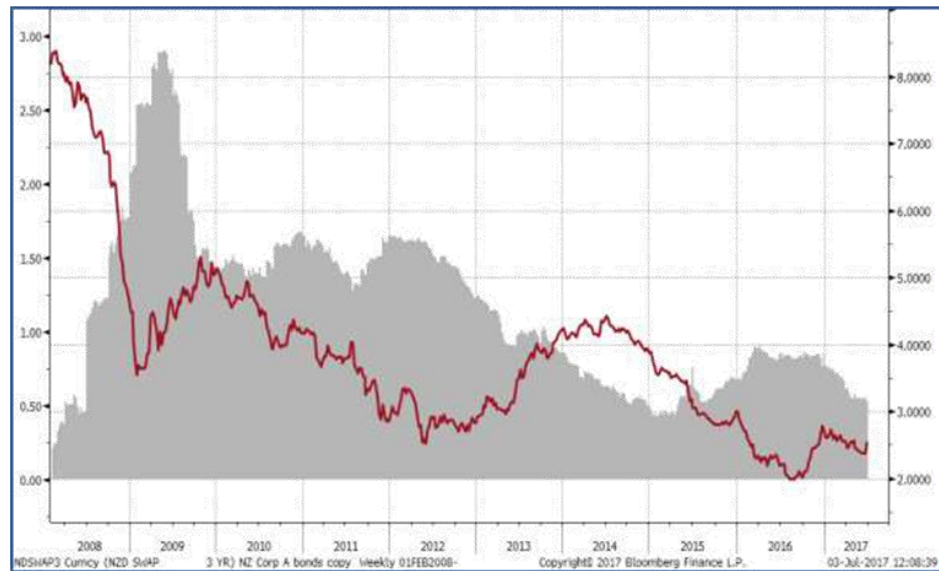
Issuance spreads to swaps for the June tender were slightly lower than the May tender for all but the 2033 maturity which priced 5.5 basis points higher. The June tender continued the trend of lower issuance spreads to swap that has occurred over the previous four tenders. In total, the LGFA issued \$530 million of bonds in the June 2017 quarter.

The chart below depicts the swap spreads for an ‘AA’ rated borrower for the varying LGFA maturity dates going back to September 2014 and shows the sharp decline in spreads that has occurred since November 2016.



1.4 Credit Spreads

The chart below shows credit spreads for the S&P/NZX Corporate 'A' Grade Bond index (the grey shaded area) and the three year swap rate (red line) dating back to 2008. At the end of June 2017, the average credit spread of the index was 53 basis points, compared to 61 basis points at the end of March 2017.



2. FUNDING PROFILE

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

HOROWHENUA DISTRICT COUNCIL BONDS

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

LGFA

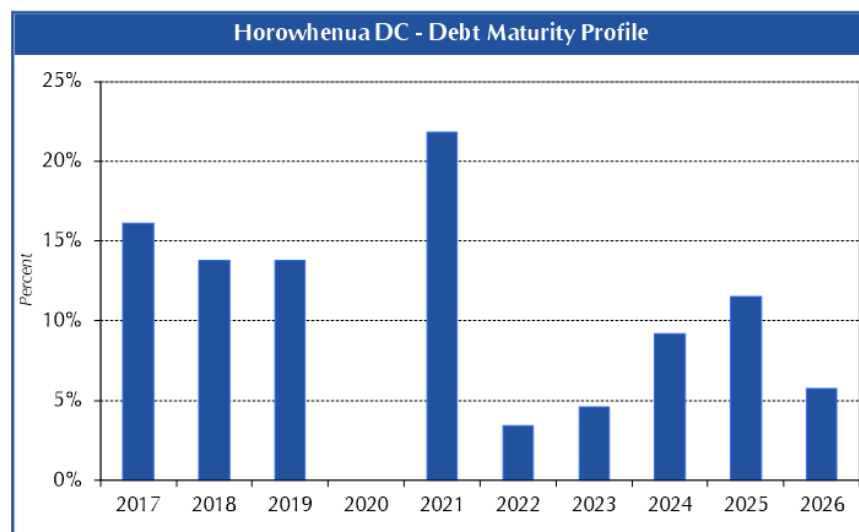
- \$12.0 million CP issued on 12 June 2017, maturing on 18 December 2017 at a margin of 9 basis points equating to an all up rate of 2.135%.
- \$2.0 million FRN issued in February 2013, maturing 15 December 2017, at a margin of 88 basis points.
- \$4.0 million fixed rate bond issued in December 2012, maturing 15 March 2019, at a margin of 113 basis points over swap, equating to a rate of 4.45%.
- \$3.0 million FRN issued in May 2013, maturing 15 March 2019, at a margin of 77 basis points.
- \$5.0 million fixed rate bond issued in February 2013, maturing 15 March 2019, at a margin of 92 basis points over swap, equating to a rate of 4.71%.
- \$4.0 million FRN issued in May 2013 maturing 15 May 2021, at a margin of 84 basis points.
- \$5.0 million fixed rate bond issued in May 2013 maturing 15 May 2021, at a margin of 79 basis points over swap, equating to a rate of 4.56%.
- \$5.0 million fixed rate bond issued in September 2013 maturing 15 May 2021, at a margin of 109 basis points over swap, equating to a rate of 5.99%.
- \$5.0 million fixed rate bond issued in December 2013 maturing 15 May 2021, at a margin of 87 basis points over swap, equating to a rate of 5.85%.
- \$3.0 million FRN issued in May 2015 maturing 18 May 2022, at a margin of 42.5 basis points.
- \$4.0 million fixed rate bond issued in November 2014 maturing 15 April 2023, at a margin of 81 basis points over swap, equating to a rate of 5.13%.
- \$4.0 million fixed rate bond issued in April 2017 maturing 15 March 2024, at a margin of 63 basis points over swap, equating to a rate of 3.72%.
- \$4.0 million fixed rate bond issued in May 2017 maturing 15 May 2024, at a margin of 58 basis points over swap, equating to a rate of 3.76%.

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

During the June quarter, a fixed rate bond matured for \$4.0 million at a rate of 4.39%. New financing or refinancing during the June quarter consisted of two \$4.0 million tranches of 7 year fixed rate debt that were sourced from the LGFA at yields of 3.72% and 3.76%, while an additional \$2.0 million of CP was added to the \$10.0 million already on issue.

As at 30 June, HDC had no drawings under its BNZ facility.

HDC's current debt maturity profile is depicted in the graph below. It indicates a good spread of maturities between 2017 and 2026 and, as such, complies with Section 4.6 of the Liability Management Policy ("LMP") that governs HDC's funding risk management activities. Included in the funding profile is the \$10.0 million Committed Cash Advance Facility with BNZ that matures in October 2018.



3. DEBT AND HEDGING PROFILE

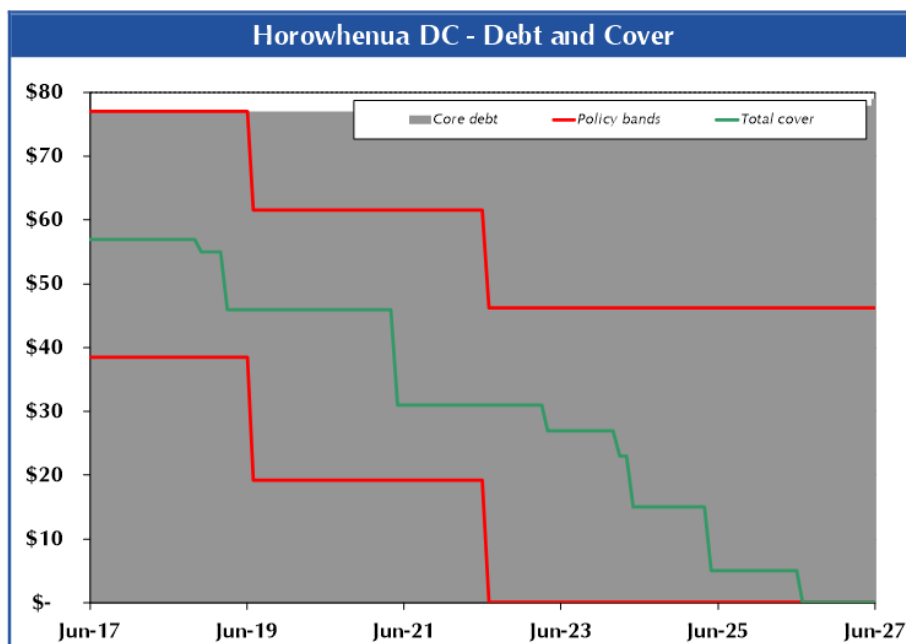
As at 30 June 2017, HDC had \$77.0 million of external debt (as detailed in the previous section) and two interest rate swaps, as follows:

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

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

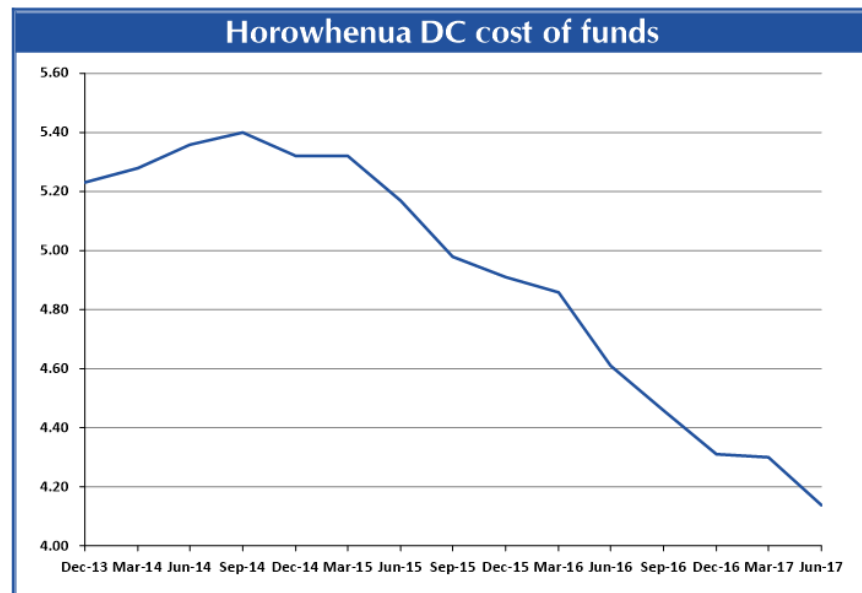
Fixed Rate Hedging Percentages		
	Minimum Fixed Rate Amount	Maximum Fixed Rate Amount
0-2 years	50%	100%
2-5 years	25%	80%
5-10 years	0%	60%

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



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

HDC's cost of funds (inclusive of the bank line fee) as at 30 June 2017 was 4.14%, down from 4.30% at the end of the March 2017 quarter. HDC's cost of funds is noticeably lower than many of its peers in the local government sector, indicating the success of its funding and interest rate risk management programme that has been carried out over the last several years. The cost of funds is depicted in the graph below.



4. POLICY COMPLIANCE (AS AT 30 JUNE 2017)

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

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Infrastructure Projects Update

File No.: 17/364

1. Purpose

To provide the Finance, Audit & Risk Subcommittee with an update on projects being undertaken by the Projects Team.

2. Recommendation

- 2.1 That Report 17/364 Infrastructure Projects Update be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

3. Background

Information is provided in the attached reports.

4. Issues for Consideration

There are no issues for consideration.

Attachments

No.	Title	Page
A	Wastewater Reticulation Renewals 2016/17	114
B	Water Reticulation Renewals 2016/17	119
C	Levin Water Treatment Plant Upgrade	126
D	NE Levin Stormwater	132

Confirmation of statutory compliance

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

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

Signatories

Author(s)	Gerry O'Neill Projects Manager	
Approved by	Gallo Saidy Group Manager - Infrastructure Services	

<p>To: Finance, Audit & Risk Committee</p> <p>CC: Gallo Saidy – Group Manager Infrastructure Services</p> <p>Project Manager: Gerry O’Neill</p> <p>Engineer Representative: Thushantha Heenkenda</p>	<p>PROJECT STATUS REPORT #6 as of 30 June 2017</p> <p>CONTRACT 16/01 WASTEWATER RETICULATION RENEWALS 2016/17</p> <p>PROJECT PHASE : CONSTRUCTION</p>	<p>Overall Project Status</p> <p style="text-align: center;">C</p>
<p>Project Manager Satisfaction Index (1 poor, 10 excellent)</p>		<p>8</p>

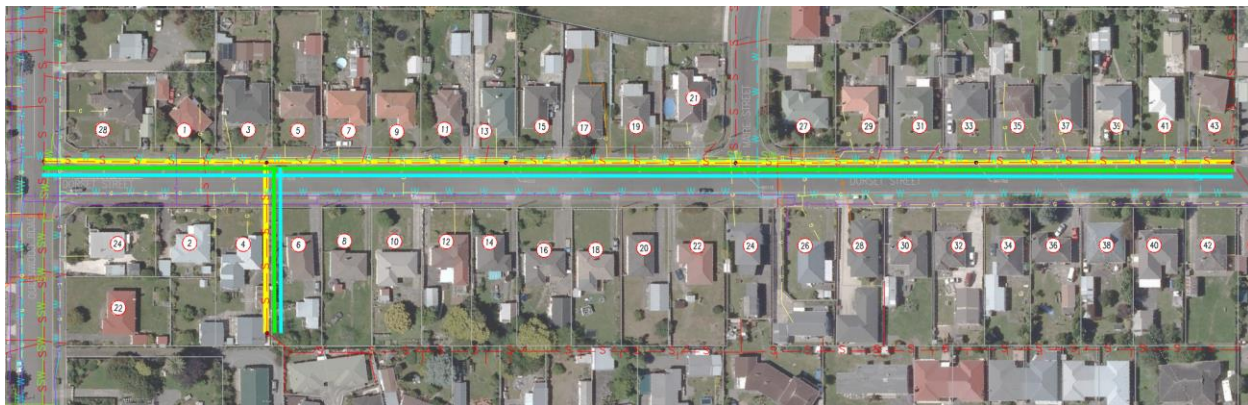
OS On Schedule
 NI Not progressing as scheduled but no impact on deliverables
 OT Off Track
 C Completed
 NS Not Started

PROJECT OBJECTIVES AND STATUS

Project Summary

This project is for the renewal of approximately 1,062m of 150 mm diameter wastewater reticulation main (including 105m on Winchester Street which was added as a variation) and approximately 780 m of associated 100 mm diameter laterals in Levin and Foxton in the following streets:

- Area 1 : Dorset Street and Eton Place – Levin



- Area 2 : Winchester Street - Levin



Winchester Street additional length



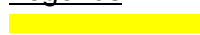


- Area 3 : Chester Street - Levin



- Area 4 : Cook Street – Foxton



Legends

-  Planned Work
-  Completed and commissioned
-  Line tested

The Contract was awarded to Tatana Contractors' Limited and was initially due to be completed by 31 May 2017.

The total budget for this project is \$ 717,180.00 which is split as follows:

- Construction component: \$ 657,180.00 (inclusive of contingency and the additional work on Winchester Street).
- Project management: \$ 60,000.00 (including miscellaneous costs for surveys, newspaper ads etc.)

The work was completed using a combination of Pipe-bursting and open trench methodology.

General

At the time of writing this report the contractor had completed all the works in following roads:

- Dorset Street in Levin,
- Eton Place in Levin,
- Winchester Street in Levin,
- Chester Street in Levin,
- Cook Street in Foxton.

Although the works were intended to be completed by 31 May 2017, unusually high rainfall in December 2016, January 2017 and April 2017 delayed the works and HDC granted a time only extension until 30 June 2017 to complete the outstanding works and also to undertake the additional work on Winchester Street. All works were completed within this time.

Complaints/Concerns Received During Reporting Period

Nil

Financial

Description	Expenditure	Contract Price / Budget	Available	% Spent
Contractor Cost	\$ 510,456.45	\$607,180.00	\$96,723.55	84.07%
Project Management Costs*	\$ 55,840.13	\$60,000.00	\$4,159.87	93.07%
Contingency Sum	\$ -	\$50,000.00	\$50,000.00	0.00%
TOTAL	\$ 566,296.58	\$717,180.00	\$150,883.42	78.96%

Note: * Project Management Costs include costs for HDC staff and Downers

There is approximately \$16,000 of work that the contractor still needs to claim for. There was some saving on the contract as some existing laterals were new (PVC) and could be transferred without replacing them. In addition there were lower road reinstatement costs due to the contractor using trenchless methodology in some areas¹.

Variations to Date

1. Winchester street pipe renewal extension for further 105m with 5 laterals. Contact amount is \$57,180.00. (These costs are included in the Contract Price and Expenditure above).

Open Risks

There are currently no open risks.

Open Issues

There are currently no open issues.

¹ It's not possible to use trenchless technology in some areas as the pipe needs to have an even gradient for the wastewater to flow.

Key Milestone / Deliverable	Due Date	Status	% Planned (based on total length of main)	% Complete (based on total length of main)	Progress
Project Planning with Contractor	Start date 12 October 2016 End date 9 November 2016		100%	100%	Completed.
Area 1 :Dorset Street and Eton Place - Levin Main -482m	Start 14 Nov , 2016 End 30 June 2017		100%	100%	Completed
Area 2 Winchester Street - Levin Main (190+105)m	Start 13 March 2017 End 12 May 2017		100%	100%	Completed.
Area 3: Chester Street - Levin Main 155m	Start 13 February 2017 End 14 April 2017		100%	100%	Completed.
Area 4 Cook Street - Foxton Main 130m	Start 09 January 2017 End 21 April 2017		100%	100%	Completed.

<p>To: Finance, Audit & Risk Committee</p> <p>CC: Gallo Saily – Group Manager Infrastructure Services</p> <p>Project Manager: Gerry O’Neill</p> <p>Engineers Representative: Ronaldo Serrano</p>	<p align="center">PROJECT STATUS REPORT #4</p> <p align="center">AS OF 17 July 2017</p> <p align="center">CONTRACT 901/2016/57 WATER MAIN RETICULATION RENEWALS 2016/17</p> <p align="center">PROJECT PHASE : CONSTRUCTION</p>	<p align="center">Overall Project Status</p> <p align="center">OS</p>
<p align="center">Project Manager Satisfaction Index (1 poor, 10 excellent)</p>		<p align="center">8</p>



On Schedule



Not progressing as scheduled but no impact on deliverables



Off Track



Completed



Not Started

PROJECT OBJECTIVES AND STATUS

Project Summary

This project was for the renewal of approximately 615m of 100mm diameter and 380m of 63 mm diameter water mains and the associated laterals. 770m of 150mm water main on Bartholomew Rd was subsequently added as a variation to the contract The renewals of mains are in the following areas in Levin:

- Rata Street - Levin



- McKenzie Street - Levin



- William Street



- Beatty Street

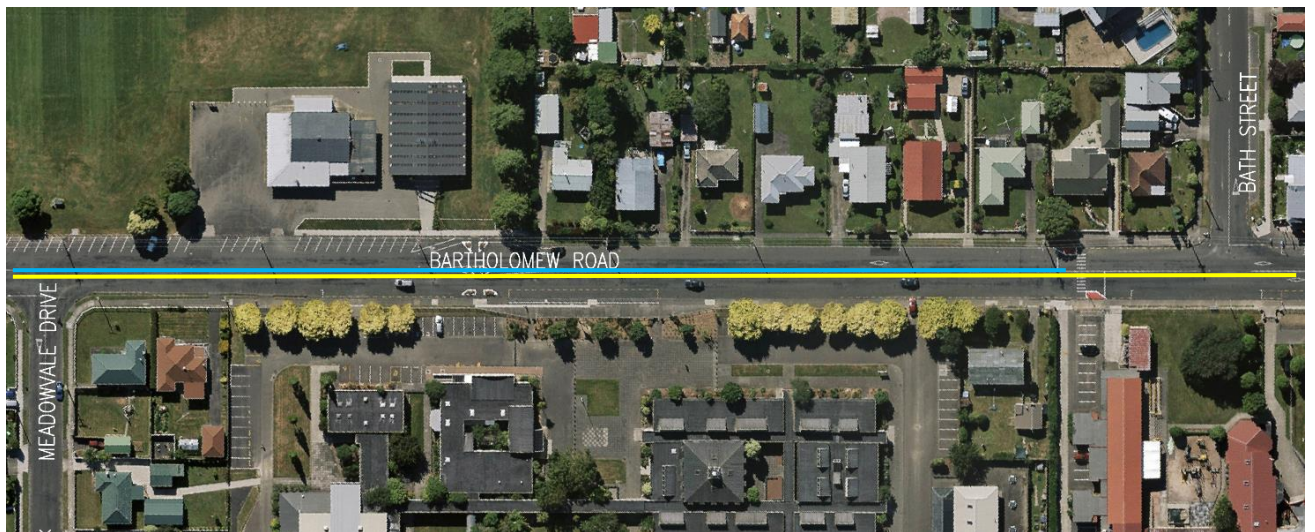


Legends

- Planned
- Laid and tested
- Deleted due to revision
- Commissioned

Variation works

Bartholomew Road (from Bath Street to Liverpool St)



The Contract was awarded to Higgins Contractors Ltd (Levin) and the revised completion date is 30 June 2017. The revised completion date was due to additional works along Bartholomew Rd.

The total budget for this project is \$ 764,453.87 which is split as follows:

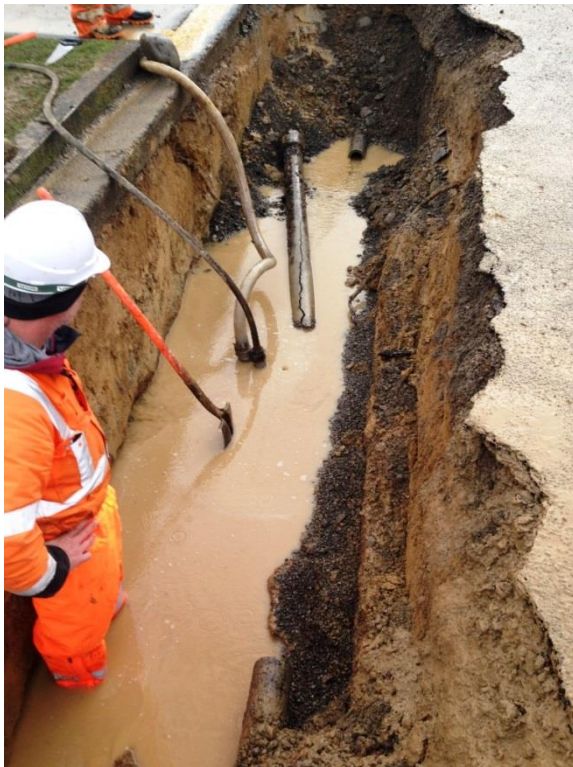
- Construction component: \$ 702,403.87 (inclusive of contingency)
- Project management: \$ 62,050.00 (HDC staff costs plus miscellaneous costs for surveys, newspaper ads etc.)

The work is being completed using a combination of trenchless and open trench methodology.

General

At the time of writing this report all the works on Rata Street, McKenzie Street, Beatty Street and William Street have been completed with the exception of some footpath restoration on Rata Street. The contractor has laid 740m out of 770m of 150mm diameter PVC water main on Bartholomew Road; which was added to the original works as a variation.

While installing the new water line, the old existing water line on the other side of the road burst. Higgins stopped the work they were undertaking and transferred their equipment to excavate the burst pipe; allowing the emergency repair to be completed within 3 hours. The Horowhenua Alliance then completed the connection.



Existing 100mm diameter asbestos cement pipe showing a large longitudinal crack; proof that the old pipe has reached its end of life.

Financial

<i>Description</i>	<i>Expenditure</i>	<i>Contract Price / Budget</i>	<i>Available</i>	<i>Percentage Expenditure</i>
Contract Cost	\$265,797.88	\$346,736.70	\$80,938.82	77%
Variation - Bartholomew	\$160,805.51	\$355,667.17	\$194,861.66	45%
Project Management Cost	\$49,233.00	\$65,000.00	\$15,767.00	75%
Contingency Sum ²	\$1,039.40		-\$1,039.40	100%
TOTAL	\$476,875.79	\$767,403.87	\$290,528.08	62.14%

Variations to Date

- Variation 1 – Installation of 770m of 150mm uPVC on Bartholomew Road. With associated fittings and pavement reinstatement.
- Time extension to 31 July 2017.

The renewal of Bartholomew Road was initially planned for 2017/18, and was brought forward to 2016/17.








Open Risks

There are currently no open risks

Open Issues


There are currently no open issues






² For Downer water shutdown costs and public notice

Key Milestone / Deliverable	Due Date	Status	% Planned (based on total length of main)	% Complete (based on total length of main)	Progress
Project Planning with Contractor	Start date 14 Nov 2016 End date 30 Nov 2016		100%	100%	Complete.
Rata Street Main 190m	Start 9 Jan 2017 End 29 March 2017		100%	100%	Completed
McKenzie Street Main 170m	Start 7 Dec 2016 End 20 April 2017		100%	100%	Completed
William Street and Beatty Street William St 208m -100mm 208m – 63mm	Start 25 Jan 2017 End 27 Feb 2017		100%	100%	Completed
Beatty St 220m – 100m	Start 31 Jan 2017 End 22 May 2017		100%	100%	Completed
Bartholomew St • Bath St to Meadowvale Road Section • Meadowvale Road to Liverpool St Section	Programme Revised Completion Date 31 July 2017	 	0 % 0 %	75% 95%	12 laterals and 30 meters of 150mm uPVC to be completed this week for Meadowvale to Bath Remaining works connection of 150mm from Bartholomew Road to 375mm truck main Liverpool

Construction Progress Photos



<p>To: Finance, Audit & Risk Committee</p> <p>CC: Gallo Saidy – Group Manager Infrastructure Services</p> <p>Engineers Representative : Garth Flores</p> <p>Project Manager: Gerry O’Neill</p>	<p>PROJECT STATUS REPORT AS OF 18 JULY 2017 CONTRACTS 15/14, 15/18 & 15/19 LEVIN WTP UPGRADE PROJECT PHASE CONSTRUCTION</p>	<p>Overall Project Status</p> <div style="text-align: center; margin-top: 20px;">  </div>
<p>Project Manager Satisfaction Index (1 poor, 10 excellent)</p>		<p>9</p>

-  On Schedule
-  Not progressing as scheduled but no impact on deliverables
-  Off Track
-  Completed
-  Not Started

PROJECT OBJECTIVES AND STATUS

The project consists of three contracts:

- 15/14: Levin WTP Upgrade (Design and Build for Civil, Mechanical and Electrical Works)
- 15/18: Design and Supply of Clarifier Package
- 15/19: Design and Supply of UV Package

H₂ope Consulting has been assisting HDC with the process design and tender evaluations. Appointments have been made on Contracts 15/14, 15/18 and 15/19.

The project will see the Levin Water Treatment Plant (WTP) upgraded to ensure the plant is resilient and continues to produce water that is safe for human consumption and that complies with the Drinking Water Standards of New Zealand.

The upgrades to the plant were officially opened by Hon. Peter Dunne on Tuesday 18 July 2017.

Significant progress over the last reporting period includes:

15/14: Levin WTP Upgrade (Design and Build for Civil, Mechanical and Electrical Works)

The physical works have been completed and the contractor is working through the snag list to resolve some unforeseen issues with the plant upgrade.

15/18: Design and Supply of Clarifier Package:

Veolia have completed their portion of the project and will be providing final training on 1 August 2017.

15/19: Design and Supply of UV Package:


Xylem has successfully completed their portion of the project.












Outstanding work:










- Veolia training.
- Resolving snags on Filtec's Contract (15/14)

Value add: Contractors working for the Parks and Property team are busy undertaking some refurbishment work to the existing filter building. This work was identified by the Parks and Property team during a visit on site.

Project satisfaction index comment: The project is completed with only minor matters to tidy up.

Key Milestone / Deliverable	Due Date	Status	% Plan- ned	% Complete	Progress
UV Unit					
Xylem Appointment	22 Mar 2016		100%	100%	Completed.

Key Milestone / Deliverable	Due Date	Status	% Plan- ned	% Complete	Progress
Design Confirmation	13 May 2016		100%	100%	Completed.
UV fabrication	30 Jun 2016		100%	100%	Completed.
UV sea transport	Start 9 Jul 16 End 20 Aug 16		100%	100%	Completed.
UV delivery	Target date 31 Jan 2017		100%	100%	Completed.
Commissioning and testing	Target date 30 Apr 2017		100%	100%	Completed.
Actiflo Unit (Clarifier)					
Veolia Appointment	3 March 2016		100%	100%	Completed.
Design Confirmation	16 May 2016		100%	100%	Completed.
Actiflo fabrication	15 August 2016		100%	100%	Completed.
Actiflo sea transport	Start 31 Aug 16 End 15 Oct 16		100%	100%	Completed.
Actiflo delivery	31 Oct 2016		100%	100%	Completed.
Commissioning and testing	Target date 30 Apr 2017		100%	100%	Installation and testing completed. Final training to be provided.

Key Milestone / Deliverable	Due Date	Status	% Plan- ned	% Complete	Progress
Main Works Contract					
Filtec Appointment	13 May 2016		100%	100%	Completed.
Design Confirmation	16 May 2016		100%	100%	Completed.
Site Establishment	31 August 2016		100%	100%	Completed.
Installation of Clarifier	30 November 2016		100%	100%	Completed.
Installation of UV	31 March 2017		100%	100%	Completed.
Construction of Dosing Building	31 March 2017		100%	100%	Completed.
Construction of Chlorine Building	31 March 2017		100%	100%	Completed.
Electrical Works	31 March 2017		100%	100%	Completed.
Testing and commissioning	30 April 2017		100%	100%	All major works are completed. Resolving minor snags to be completed.

Risks Register Risks 001 – 009 closed. There are no open risks.

Issues Register:

Whilst it is not strictly speaking an issue, the speedy resolution of the snags is important to ensure the project can formally be concluded.

Project Financials – Contracts Awarded (A)

Description	Expenditure	Contract Price	Available	% Spent
15/14 – Filtec	\$2,649,446.28	\$2,700,000.00	\$50,553.72	98%
15/18 – Veolia	\$963,602.00	\$1,049,387.00	\$85,785.00	92%
15/19 - Xylem	\$174,719.98	\$174,720.00	\$0.02	100%
TOTAL	\$3,787,768.26	\$3,924,107.00	\$136,338.74	97%

Project Financials - Other Costs Related to the Project (B)

Description	Expenditure	Contract Price / Budget	Available	% Spent
Consultants - H2ope	\$98,512.92	\$105,000.00	\$6,487.08	94%
Other ³	\$147,541.31	\$180,000.00	\$32,458.69	82%
Project Management Costs	\$85,330.16	\$95,000.00	\$9,669.84	90%
TOTAL	\$331,384.39	\$380,000.00	\$48,615.61	87%


Project Financials – Combined (A + B)

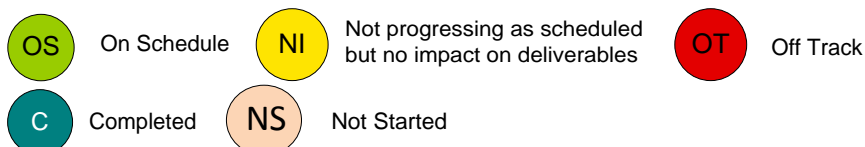
Description	Expenditure	Contract Price / Budget	Available	% Spent
COMBINED TOTAL	\$4,119,152.65	\$4,304,107.00	\$184,954.35	96%

³ Other costs include Downer costs, legal fees, Electra work, tender advertising costs and miscellaneous other costs related to the project.



Opening ceremony (July 2017)

<p>To: Finance, Audit & Risk Committee</p> <p>CC: Gallo Saily – Group Manager Infrastructure Services</p> <p>Engineers Representative : Ronaldo Serrano</p> <p>Project Manager: Garth Flores</p>	<p>PROJECT STATUS REPORT AS OF 18 JULY 2017 CONTRACT 901/2016/62 NORTH-EAST QUADRANT LEVIN PROJECT PHASE: PLANNING & CONSTRUCTION</p>	<p>Overall Project Status</p> <p style="text-align: center;"></p>
<p>Project Manager Satisfaction Index (1 poor, 10 excellent)</p>		<p>7</p>



PROJECT OBJECTIVES AND STATUS

- **Purpose**

The purpose of this report is to update the Finance, Audit & Risk Committee on the progress to date on the North-East (NE) Levin Quadrant Stormwater Upgrade project.

- **Progress up to 18 July 2017**

Significant milestones achieved during the reporting period include:

- Higgins has installed 100 % of the pipeline along Fairfield Road.
- HDC officers have had a hui at Kereru Marae with Raukawa hapu to discuss the project.
 - HDC officers accompanied representatives of the Raukawa hapu on a site visit to show them the extent of the NE Levin catchment and the proposed upgrade works.
 - HDC has been busy with ongoing consultation with stakeholders and iwi.
 - Higgins temporarily resealed a portion of Fairfield Road to mitigate the disruption to residents who use the road.
 - There was some surface flooding in the Kennedy and Fairfield areas recently, but the Higgins team on site went the extra mile to make sure residents were not adversely impacted.

- **Key actions to progress this project over the next month**

- Installation of new pumpstations at Kennedy Park and Okarito Avenue.
- Submit resource consent application to Horizons Regional Council.

- **Project Frustrations**

- Poor weather has resulted in significant delays along Fairfield Road and has made the construction a very messy affair.
- Discussions with affected stakeholders prior to lodging the consent are taking longer than anticipated.

Kennedy Park Pumpstation and Rising Main Upgrades

Key Milestone / Deliverable	Due Date	Status	% Complete	Progress
Investigation and Concept Design	August 2016	C	100%	Completed.
Tender Review and Evaluation	January 2017	C	100%	Completed.
Supply of Pumps	September 2016	C	100%	Completed.
Pumpstation Retrofitting	May 2017	NI	0%	Not started.
Rising Main Installation	May 2017	NI	95%	Connections outstanding.
Road Reinstatement	July 2017	NI	90%	Some sections are sub-standard and will need to be redone.
Project complete	July 2017	NI	0%	Not started.

Fairfield Road Stormwater Pipeline

Key Milestone / Deliverable	Due Date	Status	% Complete	Progress
Investigation and Concept Design	August 2016	C	100%	Completed.
Tender Review and Evaluation	January 2017	C	100%	Completed.
New Pipeline with limited discharge end structure	June 2017	C	100%	Completed.
Rehabilitate Fairfield Road	December 2017	NI	0%	Main rehabilitation works postponed until after winter.
Remove modified end-structure	December 2017	NI	0%	Not started.
Project complete	December 2017	NI	0%	Not started.

Koputaroa Stream Improvements

Key Milestone / Deliverable	Due Date	Status	% Complete	Progress
Investigation and Concept Design	Feb 2017	NI	90%	
Consenting Process	June 2017	OT	50%	
Construction	April 2018	OT	0%	

Expenditure on the project

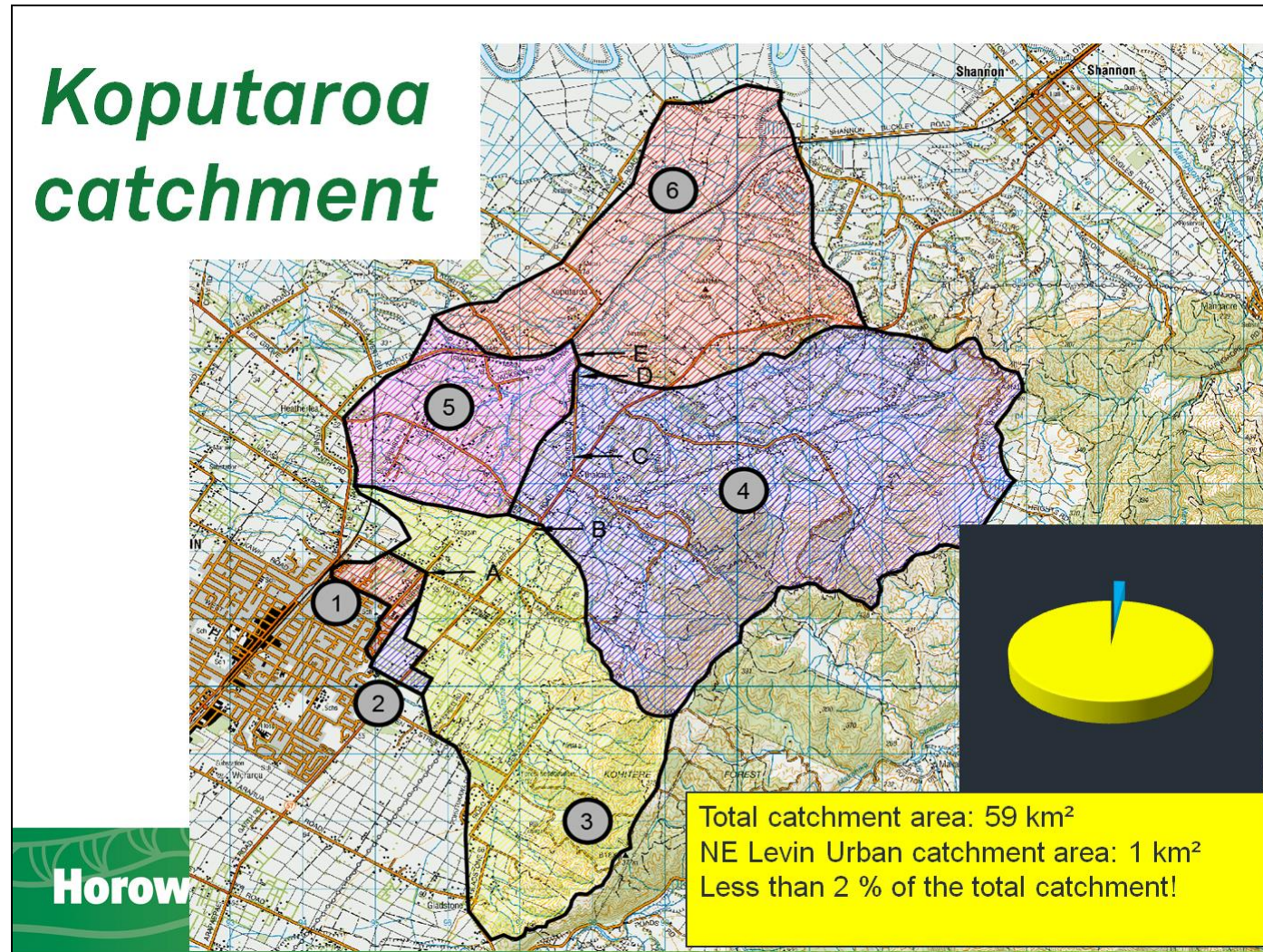
Description	Expenditure	Contract Price / Budget	Available	% Spent
KSB Pumps	\$39,366.60	\$44,564.00	\$5,197.40	88%
Assmuss Pipes	\$53,782.55	\$52,727.99	-\$1,054.56	102%
Kennedy/ FF Pipelines	\$930,533.65	\$2,743,632.14	\$1,813,098.49	51%
Stream Improvements (Estimated budget)	\$-	\$250,000.00	\$250,000.00	0%
Contingency	\$-	\$150,000.00	\$150,000.00	0%
TOTAL	\$1,023,682.80	\$3,240,924.13	\$2,217,241.33	32%

Notes:

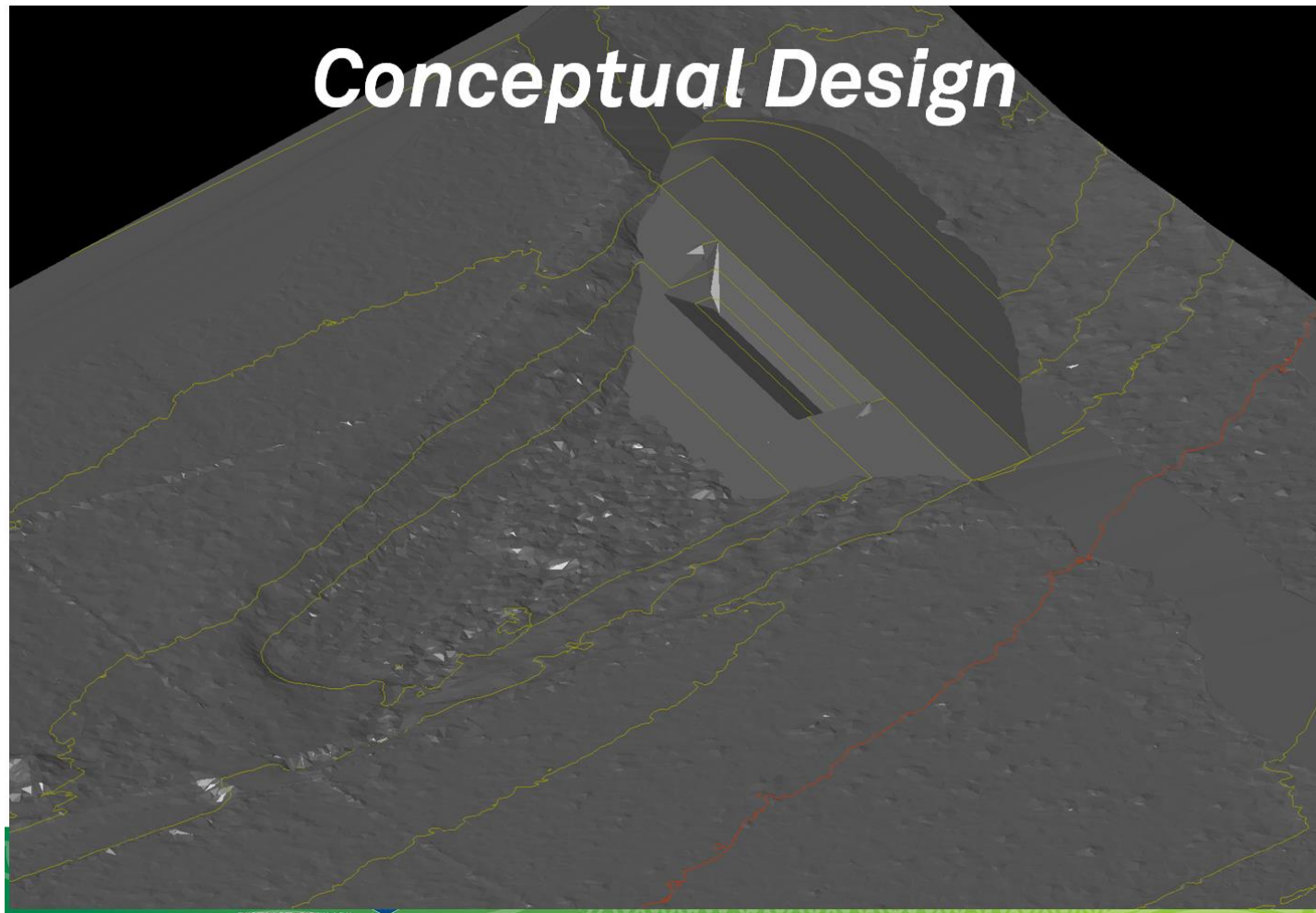
The increase in the Assmuss costs was due to additional cost for hiring a “hi-ab” to unload the pipes.

Project Risks

Risk Number	Name	Description	Mitigation measures
Risk 001	Construction risks	<i>The construction will have deep excavations.</i>	Contractors will need safe working procedures and trench shields to eliminate / mitigate these and other construction risks.
Risk 002	Construction Risks	<i>There are many unknown service crossings in the area.</i>	Contractors to have a safe work procedure to confirm if the unknown service is live or obsolete before proceeding.
Risk 003	Health and Safety	<i>Traffic Management on this section of the road has been challenging to date.</i>	Contractor has installed temporary traffic lights to assist traffic management.
Risk 004	Public Safety	<i>There is a risk to the public if they enter work areas.</i>	Adequate site signage and cordon off works areas.



Koputaroa Catchment Map used during consultation with iwi (June 2017).



3D model of conceptual design of pond – used during consultation with iwi (June 2017).

Projects Update - Non-Capital Projects

File No.: 17/376

1. Purpose

To provide a status update, identify key risks and milestones for key non-capital projects or programmes of work that are being undertaken by officers.

2. Recommendation

- 2.1 That Report 17/376 Projects Update - Non-Capital Projects 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. Long Term Plan 2018-2038

3.1 Project Background

Section 93 of the Local Government Act 2002 requires the Council to have a Long Term Plan (LTP) that covers a period of at least 10 years and requires the plan to be updated every three years. The Council is due to update its existing LTP, and is planning on preparing a 20 year LTP in recognition of the levels of growth the district is facing. Horowhenua District Council must adopt the LTP 2018-38 by 30 June 2018.

Section 93 also sets out that the purpose of the LTP is to

- (a) Describe the activities of the local authority; and
- (b) Describe the community outcomes of the local authority's district or region; and
- (c) Provide integrated decision-making and co-ordination of the resources of the local authority; and
- (d) Provide a long-term focus for the decisions and activities of the local authority; and
- (e) Provide a basis for accountability of the local authority to the community; and
- (f) Provide an opportunity for participation by the public in decision making processes on activities to be undertaken by the local authority.

The LTP is a unique program of work, made up of dozens of projects covering all aspects of Council's business and activities. A successful LTP requires the coordination of multiple dependent projects requiring involvement from all departments throughout the organisation. Managing this project requires not only the right level of resourcing (people and skills), but careful sequencing of projects and a complete, accurate base of underlying information.

3.2 Project Status

The LTP Programme is currently completing the planning and assessment tranches.

Planning Phase Deliverables:

- Programme Charter (*Draft*)
- Programme Plan & Schedule (*Draft*)
- Quality Assurance Plan (*Draft*)
- Communication Plan (*Draft*)
- Engagement Plan (*Draft*)
- Information Management Plans (*Draft*).

Assessment Phase Deliverables:

- Significance & Engagement Policy (*Complete*)
- Strategic Direction Setting (*In progress*)
- Strategic Issues Identified (*In progress*)
- Review Existing Plans & Strategies (*In progress*)
- Environmental Scan (*In progress*)
- Assumptions (*In progress*)
- Activity Budgets (*Future Task*)
- Asset Management Plans (*In progress*)
- Pre-consultation and engagement (*Future Task*).

3.3 Key Risks

Risk	Mitigation
A lack of clear understanding of the Council's strategic direction and risk appetite results in an impact on the quality of project planning and policy review and development.	Schedule briefings early in the programme to confirm Council's strategic direction and risk appetite. Treat the project plans as working documents, consistently revising with future developments.
Elected members unable to attend briefings which results in not feeling sufficiently informed on key LTP related topics to allow for effective and timely decision making.	When applicable, send Council Briefing Summaries of the topics to be discussed and supply the presentation slide deck after the briefing. Offer catch-up sessions on specific topics.
The tight timeframe and limited council briefings results in a short amount of time for Councillors to make strategic decisions.	Additional briefings may need to be scheduled, including half-day or longer workshops. The Councillors need to be aware of the timeframes and critical order of how decisions should be made.
The Annual Report Audit in August will divert focus of key Programme team members, causing delay to completing critical project tasks.	The LTP team will work with the individual's timeframes to ensure everyone is aware of these constraints and will escalate if tasks are delayed. Careful and considered scheduling of tasks during this timeframe.
Limited resources in various council departments will result in strained workloads for many business-as-usual (BAU) tasks.	The project manager will provide timeframes early on to allow for key stakeholders to manage operation workloads to the best of their ability.

3.4 Key Milestones

The LTP Programme consists of seven tranches, each of which consists of a series of projects. The projects while typically diverse in nature, together will accomplish critical outcomes that are necessary to progress to the next phase.

Tranche	Description	Start Date	End Date
Planning	<p>Outcome: LTP Critical Roadmap Established</p> <ul style="list-style-type: none"> ▪ Task schedule / Project Plan ▪ Quality Assurance Plan ▪ Communications & Engagement Plans ▪ Information Management Plan 	4/07/2017	31/08/2017
Assessment	<p>Outcome: Strong Understanding of HDC's Community and Surroundings</p> <ul style="list-style-type: none"> ▪ Significance & Engagement Policy ▪ Strategic Direction Setting ▪ Strategic Issues Identified ▪ Review Existing Plans & Strategies ▪ Environmental Scan ▪ Assumptions ▪ Activity Budgets ▪ Asset Management Plans ▪ Pre-consultation & engagement? 	4/07/2017	29/09/2017
Development	<p>Outcome: Required Strategies, Policies, and Supporting Information is Developed</p> <ul style="list-style-type: none"> ▪ Formal Review of Financial Policies ▪ Revenue and Finance Policy ▪ Remissions of Rates on Maori Freehold Land ▪ Funding Infrastructure ▪ Financial Modelling ▪ Financial Forecasting Statements ▪ Financial Strategy ▪ Infrastructure Strategy ▪ Activity Statements including Statement of Service Provisions 	9/08/2017	1/12/2017
Compilation	<p>Outcome: Draft LTP Consultation Document and Supporting Information is Compiled</p> <ul style="list-style-type: none"> ▪ Creation of the Draft Consultation Document ▪ Compile Supporting Information ('Draft' LTP) 	28/08/2017	08/12/2017
Consultation	<p>Outcome: Draft Audit and Engagement With the Community Completed</p> <ul style="list-style-type: none"> ▪ Audit of Consultation Document and Supporting Information ▪ Formal Community Consultation ▪ Analysis of Submissions ▪ Develop Draft Responses (if applicable) ▪ Hearings ▪ Deliberations 	22/01/2018	01/06/2018
Adoption	<p>Outcome: The 2018-38 LTP is Adopted into Legislation by Council</p> <ul style="list-style-type: none"> ▪ Formal Audit ▪ Formal Adoption of LTP 	4/06/2018	29/06/2018
Closure	<p>Outcome: Measure the Success of the Programme and Reflect on Lessons Learnt</p>	10/07/2018	16/07/2018

(Refer Attachment LTP 2018-2038 Project Structure Diagram)

4. Growth Response Programme

4.1 Project Background

The Growth Response programme involves co-coordinating all projects related to Growth Response across the organisation including the interface with NZTA on the Otaki to North Levin (O2NL) project, Levin Town Centre and Horowhenua Growth Strategy. Purpose is to ensure that all projects being undertaken across Council have integrated work programs and alignment with Council's Strategic Direction and Annual/Long Term Plans.

4.2 Project Status

Otaki to North Levin (O2NL)

Submission to NZTA's first round of engagement on the RONS O2NL project endorsed at Council Strategy Committee meeting (5 July 2017). Council will continue to be actively involved with the Community and NZTA in what is one of the most significant projects ever undertaken in Horowhenua as it moves towards the next round of engagement in October 2017. Currently reviewing Terms of Reference for interaction with NZTA and the Community through the following groups:

- Project Reference Group (Community, Iwi, Council and NZTA) - To serve as the key mechanism for stakeholder and community input into the decision making process
- Project Steering Group (Council and NZTA) – To allow NZTA and HDC to work together collaboratively to exchange information and share views on a range of topics related to the project and the Horowhenua District
- Project Governance Group (Council and NZTA) – To collectively monitor the setup and management of project to ensure the realisation of benefits in the best interests of respective organisations. Provides an avenue for escalation of issues that may affect or hinder the project.

Levin Town Centre Redevelopment

Completion of initial public consultation carried out in 2016 to establish key issues to be incorporated into the Levin Town Centre Strategy. Working Draft Levin Town Centre Strategy to be taken back to Council in the second half of 2017 including consideration of the following issues prior to the next round of public engagement:

- Impact of 1 July 2017 Earthquake Prone Building legislation on the Levin Town Centre and wider district
- Potential methods for Council to facilitate/influence the project
- Effects and timing of a possible Levin Bypass (RONS O2NL)
- Engagement with Building/Land Owners and occupiers
- Engagement with Iwi and Community
- Integration with other Council strategies.

- Horowhenua Growth Strategy

This project involves a review of the Horowhenua Development Plan 2008.

A working draft Growth Strategy has been prepared. It is in the process of being extended out to 2040 to align with the strategic work Council is developing Horowhenua 2040 and the Long Term Plan 2018-2038.

The review undertaken and based on assumptions of the forecasted population and the distribution of it, has identified that to accommodate the potential forecasted growth

additional land will need to be released through rezoning land for future residential and greenbelt residential development.

The next phase of the project involves engaging with key stakeholders including landowners whose land could be potentially rezoned, undertaking technical assessments of the potential growth areas.

4.3 Key Risks

Risk	Mitigation
<u>Otaki to North Levin</u>	
NZTA Engagement process and timing for release of information may result in a disconnect between Council and Community views/issues	Continue to engage with NZTA to understand process for stakeholder involvement and timing/order for release of information leading up to the next round of engagement in October 2017.
Limited engagement with local community and Iwi to understand their perspectives could result in a lack of alignment between desirable community outcomes and Council's Strategies and Project Principles	Continued involvement with NZTA process (Particular emphasis on the Project Reference Group) and investigation/implementation of other Council initiatives for engagement
Council assessment of NZTA proposals is not undertaken in a robust and transparent way so it is perceived by the community to be biased assessment.	Investigation of an evaluation model to enable robust and transparent assessment of the proposal outcomes against Council's Strategies and Principles for development of the RONS project.
<u>Levin Town Centre</u>	
Earthquake Prone Building Legislation could result in substantial requirements for strengthening or removal of buildings within the town centre.	Council is working to understand the impacts of new 1 July 2017 Legislation and subsequent effect on Levin and the wider district.
Lack of Council enablement/Ability to influence project may reduce the opportunities and desired outcomes for the project.	Investigation of options for council to influence the project outcomes including managing the effects of Earthquake Prone Buildings or redevelopment potential
Ineffective engagement could result in limited buy-in from stakeholders and result in issues with progressing the projects identified in the strategy	Engagement Strategy has been developed to understand requirements of numerous stakeholders including Community, Building Owners, Businesses and Iwi
Potential for Levin bypass as a result of O2NL Expressway to adversely affect businesses in the Levin Town Centre	Develop an understanding the effects of a potential Levin bypass (Economic) and associated opportunities for revocation and redevelopment
<u>Growth Strategy</u>	
Proceeding with the Growth Strategy work without having certainty of the Expressway corridor, results in confusion for the community and potential rework once the location is confirmed.	Careful and clear messaging during engagement. Having a key check point in programme to consider location of expressway before proceeding to Plan Change process. Accept some potential for rework if expressway corridor impacts on a

	future growth area.
Not proceeding with the Growth Strategy work until the expressway corridor is identified delays the ability to release additional land for development to meet the forecast demand resulting in growth being restricted or happening in an ad-hoc manner.	Proceed with work on the Growth Strategy concurrently while Expressway corridor is being confirmed so that there is reduced delay once the location is known. Having a key check point in programme to consider location of expressway before proceeding to Plan Change process.
The forecast distribution of proposed growth across the district based on historic development trends may result in land being released in locations that are different to where development actually occurs.	Check the distribution assumptions as more recent information or trends becomes available. Accept the risk and manage through the provision and availability of land for development in a range of locations.
The identification of future growth areas results in misplaced expectations of when infrastructure may be provided to a growth area.	Signal the phasing of land release through the District Plan Change and the timing of Council infrastructure provision through the Infrastructure Strategy and LTP.

4.4 Key Milestones

Otaki to North Levin

- October 2017 – Second Round of NZTA consultation
- Early 2018 – Announcement of preferred option
- Late 2018 – Route refinement
- 2019 – RMA application and further Council/Community Feedback
- 2021 – Construction begins.

Levin Town Centre Redevelopment

- Second half of 2017 – Reengagement with all stakeholders to further develop draft strategy.

Horowhenua Growth Strategy

- August – November 2017
- Engage with key stakeholder and landowners affected by the Growth Strategy.
- Commission and/or undertake technical assessments for proposed growth areas
- Preparation of Structure Plans for future growth areas
- Analyse feedback from engagement
- Prepare Growth Strategy for adoption by Council and to guide the development of a plan change to the District Plan.

5. Section 17A Service Delivery Reviews

5.1 Project Background

Section 17A of the Local Government Act 2002 requires all Local Authorities to review the cost-effectiveness of current arrangements for meeting the needs of communities within its district or region for good-quality local infrastructure, local public services, and performance of regulatory functions.

Subsection 2 requires 17A reviews to be undertaken:

- (a) in conjunction with consideration of any significant change to relevant service levels;

- (b) within 2 years before the expiry of any contract or other binding agreement relating to the delivery of the infrastructure, service, or regulatory function; and
- (c) at such other times as the local authority considers desirable, but not later than 6 years following the last 17A review of the infrastructure, service or regulatory function.

Subsection 3 provides that Local Authorities are not required to undertake a 17A review:

- (a) to the extent the delivery of the infrastructure, service, or regulatory function is governed by legislation, contract, or other binding agreement such that it cannot reasonably be altered within the following 2 years; or
- (b) if the Local Authority is satisfied the potential benefits of undertaking a review in relation to the infrastructure, service, or regulatory function does not justify the cost of undertaking a review.

Subsection 4 sets out the options for governance, funding, and delivery of infrastructure, services, and regulatory functions which must be considered as part of a section 17A review.

Transitional provisions of the Local Government Act contained within Schedule 1AA require all Local Authorities to have undertaken their first section 17A reviews by 8 August 2017.

5.2 Project Status

The following activities have completed a section 17A review as part of their contract procurement process:

- Land Transport (Roads & Footpaths)
- Community Facilities & Services (Reserves & Beautification)
- Community Facilities & Services (Cemeteries)
- Community Facilities & Services (Halls)
- Community Facilities & Services (Public Toilets)
- Community Facilities & Services (Sports Grounds)
- Property (Commercial & Endowment)
- Property (Residential Housing)

The following activities have completed a section 17A review outside of contract procurement processes:

- Community Facilities & Services (Swimming Pools)
- Community Facilities & Services (Libraries)
- Community Support (Emergency Management & Civil Defence) – Rural Fire was not reviewed due to the enactment of the Fire and Emergency New Zealand Act 2017
- Regulatory Services (District Planning Consenting)
- Regulatory Services (District Plan Policy)
- Regulatory Services (Building Consents)
- Regulatory Services (Building Policy)
- Regulatory Services (Environmental Health)
- Regulatory Services (Liquor Licensing)
- Dog Control (Regulatory Services)
- Regulatory Services (Parking Enforcement)

- Regulatory Services (Customer Services)
- Regulatory Services (General Regulatory Services)

The following activities are not disclosed in Council's Long Term Plan, a review is proposed of these activities but outside of the section 17A review framework:

- Finance
- Debt Collection
- Land Information Management
- Records Management & Support

The 'Information Communication Technology' activity is not disclosed in Council's Long Term Plan, a review has been undertaken outside the section 17A review framework with a further review to occur in 2018 following transition to the 'cloud'.

The People & Capability (aka Human Resources) activity is not disclosed in Council's Long Term Plan. A section 17A review has not been undertaken nor is one proposed.

A resolution from Council is included in the agenda for the July Council meeting seeking approval from Council to not undertake a formal review pursuant to section 17A(3)(b) of the Local Government Act 2002 for;

- Community Support (Visitor Information)
- Community Support (Economic Development)

as the potential benefits of undertaking a review of these activities do not justify the cost of undertaking the review.

5.3 Key Risks

Risk	Mitigation
Due to use of external consultants to undertake review not all analytical information is currently held by HDC.	Where information is not held in HDC records, further information has been or will be sought from consultants to complete HDC records.
No standardized HDC template for section 17A reviews resulting in inconsistent documentation.	Accept the risk for first round of s17A Reviews. It is recommended HDC utilize a standard s17A review template for future reviews to ensure all relevant aspects are considered and there is consistency throughout the organization. The template would be a more technical document with the ability to draft a public-facing document if needed.
No section 17A review project folders in Council's Electronic Document Record Management System, documents are stored in various locations and difficult to locate.	It is recommended specific project folders are created in Council's EDRMS for storage of all relevant information for ease of reference in future including auditing/review.

5.4 Key Milestones

All activities requiring section 17A review have completed their first review by 8 August 2017.

Attachments

No.	Title	Page
A	LTP 2018-2038 Project Structure Diagram	149

Confirmation of statutory compliance

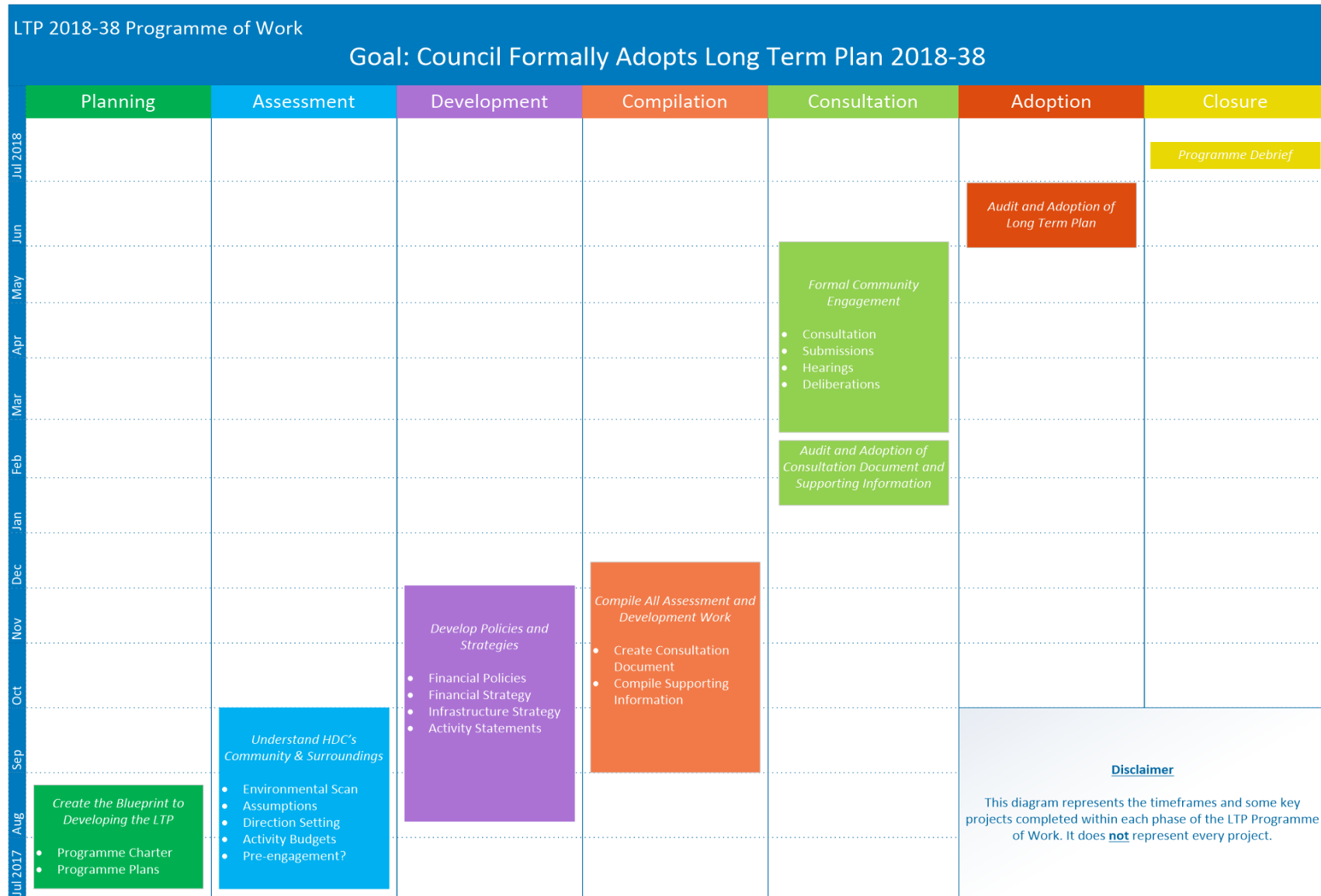
In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- 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 McCorkindale Senior Manager - Strategic Planning	
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Approved by	David Clapperton Chief Executive	
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Overview of TOU Energy Reports

File No.: 17/382

1. Purpose

To provide the Finance, Audit and Risk Subcommittee with a view of the internal time of use (TOU) electricity reporting developed.

2. Recommendation

- 2.1 That Report 17/382 Overview of TOU Energy Reports 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

Council developed an Energy Framework and associated action plan at the beginning of 2016. This framework for the twelve month period focused on three initial areas:

- Internal Energy Management Plan
- Internal Energy Dashboard Programme
- Regional Programme.

Measuring and managing energy use is important to enable reporting and improvement opportunities to be identified. Targeted electricity and gas reporting has been developed at an accumulated level as well as detailed site specific.

Our time of use electricity reporting is one part of the wider programme and includes overview and technical summary reports for each site.

The first live run of the time of use reporting occurred in May 2017.

4. Issues for Consideration

For the purpose of providing the FAR Subcommittee with insights to what has been developed a single site from the May report is profiled below.

Below is the overview report for Foxton Water Treatment Plant TOU installation:

Trend information which has been established with the 2015/2016 and 2016/2017 usage is included. Capture of this information allows a direct variance comparison between months and years.

The trend graph is designed to represent this at a glance.



May Management Report



Horowhenua District Council
Foxton Water Treatment Plant - 0016097024ELC5F

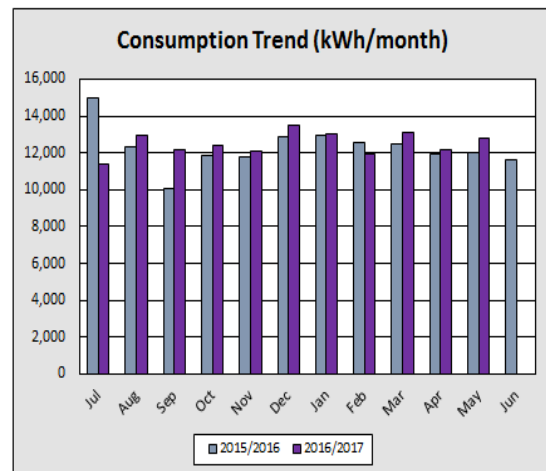
Reporting Period (inclusive): 1-May-17 to 31-May-17

Time of Use (ToU) Electricity Installation

Month	2014/2015 Usage (kWh/month)	2015/2016 Usage (kWh/month)	Variance (cf last year)	2016/2017 Usage (kWh/month)	Variance (cf last year)
Jul	0	14,972	-	11,371	24.1%
Aug	0	12,307	-	12,958	(5.3%)
Sep	0	10,056	-	12,138	(20.7%)
Oct	0	11,868	-	12,380	(4.3%)
Nov	0	11,755	-	12,084	(2.8%)
Dec	0	12,851	-	13,511	(5.1%)
Jan	0	12,983	-	13,046	(0.5%)
Feb	0	12,596	-	11,970	5.0%
Mar	0	12,503	-	13,081	(4.6%)
Apr	0	11,934	-	12,188	(2.1%)
May	0	12,034	-	12,814	(6.5%)
Jun	0	11,604	-	0	-

YTD Total:	0	135,860	-	137,541	(1.2%)
Annual Total:	0	147,464	-		

Note: Metered kWh



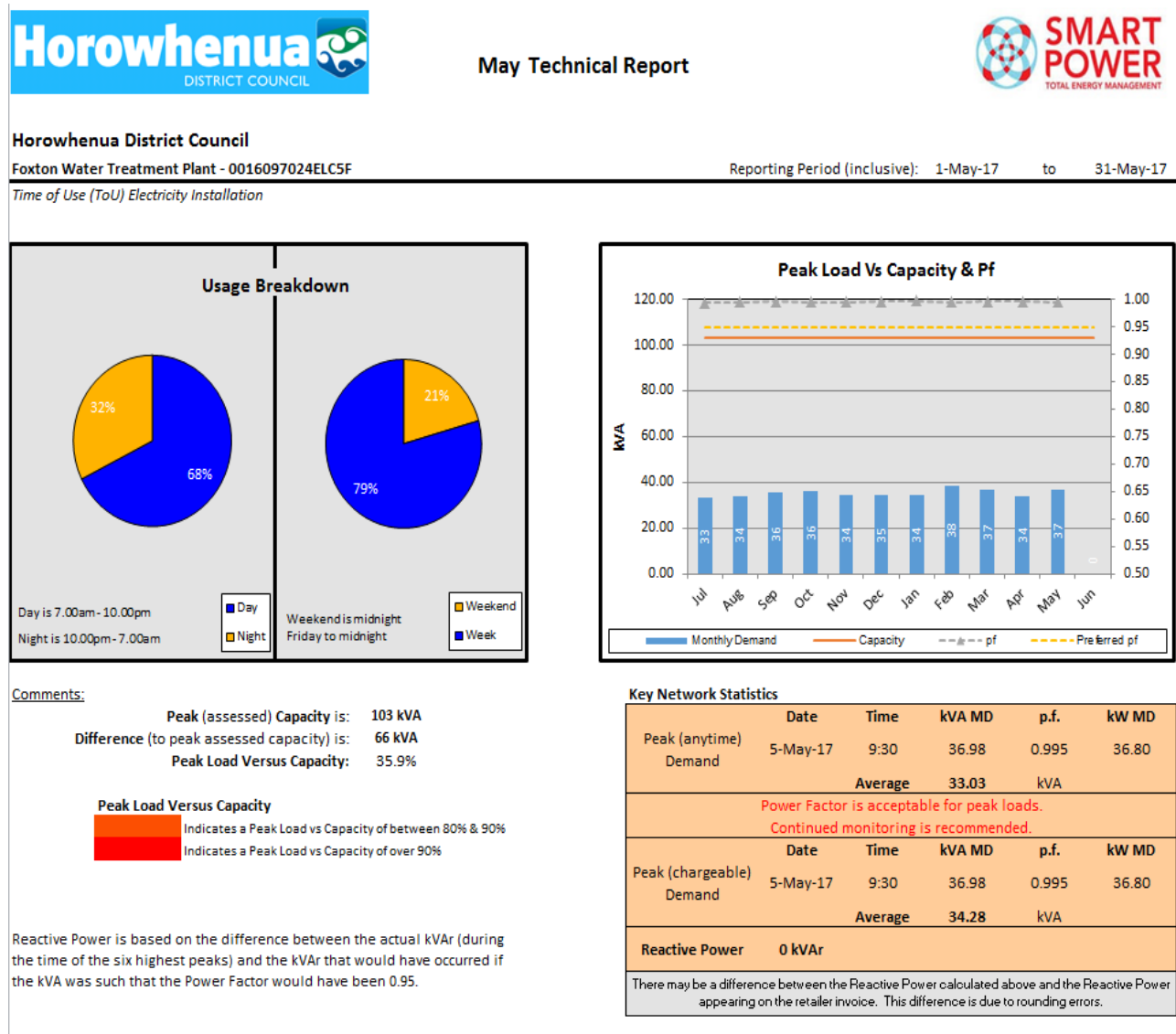
	This Year kWh	Last Year kWh	Variance
Rolling 3 Month Average Consumption	12,695	12,157	(4.4%)
Rolling 6 Month Average Consumption	12,768	12,484	(2.3%)
Rolling 12 Month Average Consumption	12,429		

Cells highlighted in pink indicate an increase in consumption (over last year) of more than 10%.

Comments:

Consumption within expected range; nothing to note in particular.

Below is an overview of the technical report for Foxton Water Treatment Plant TOU installation:
The technical graph includes usage breakdown in day/night and week/weekend along with load analysis and key statistics.



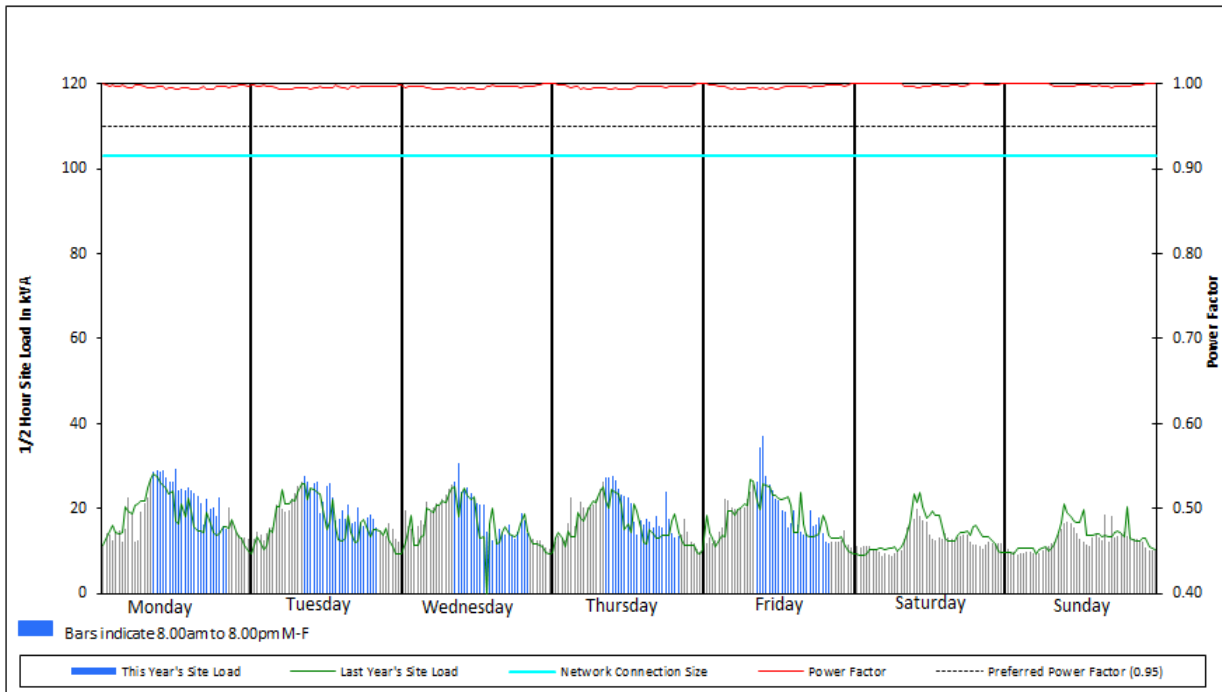
For each TOU installation the weekly energy profile graphs are also available. This enables view of a specific week of a month in graphical form:



Energy Profile Graph

Horwhenua District Council
Foxton Water Treatment Plant
ICP # 0016097024ELC5F

Week Commencing Monday 1-May-17



Key:

- Last Year's Site Load Vs This Year's Site Load* - This is the difference between the green line & bars. It is then easy to see how energy was being used at the exact same time last year compared to this year. Very useful in identifying trends or change.
- Network Connection Size* - This is simply the "size of the pipe". The capacity (in kVA) that a site pays for whether any power is used or not.
- Power Factor (pf)* - Power Factor is defined as the ratio between real power (kW) and apparent power (kVA). Technically, 0.95 is the most cost effective point to reach as beyond this you need to spend a lot more money for very little gains.

Attachments



There are no attachments for this report.

Confirmation of statutory compliance

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

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

Signatories

Author(s)	Nicki Brady Group Manager - Business Services	
Approved by	David Clapperton Chief Executive	

Risk Management Update

File No.: 17/384

1. Purpose

To provide an update on progress of the Risk Management Policy and Framework review.

2. Recommendation

- 2.1 That Report 17/384 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 Finance, Audit and Risk Subcommittee endorse inclusion of the risk analysis, evaluation and treatment criteria into the Risk Framework.

3. Background/Previous Council Decisions

The Risk Management Policy and Framework became due for review in July 2017. At the FAR Subcommittee meeting in June input was sought for consideration as part of the review and since further feedback has been received from Philip Jones.

4. Issues for Consideration

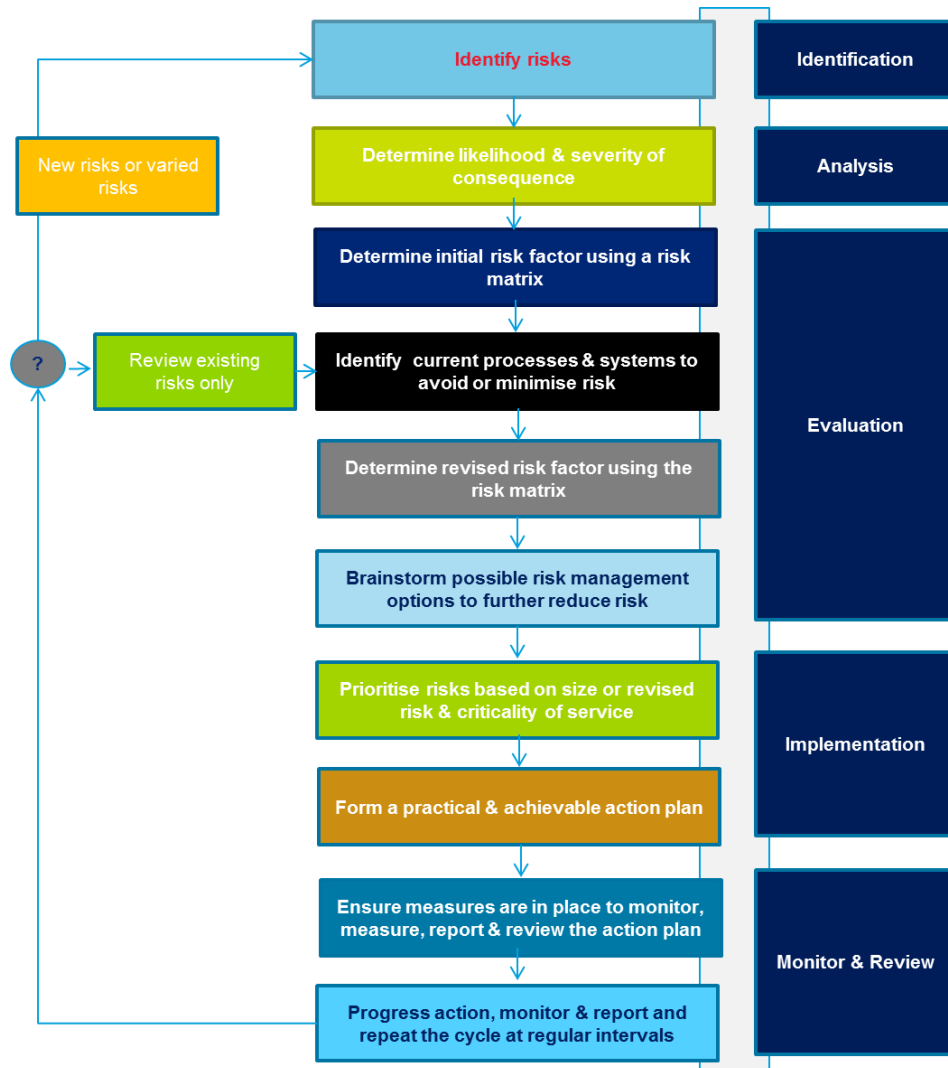
In most part the Risk Management Policy and Framework remain current and meet good practice. The two exceptions identified as part of the review are:

1. The need to include an agreed risk analysis methodology and evaluation and treatment criteria for organisation wide use within the framework.
 - Risk analysis is used to understand the nature of the risk and to determine its consequence. The level of impact that the risk results in is a combination of the likelihood of the event occurring and the consequence of the event.
 - Likelihood is the chance of something happening. The likelihood scale describes how likely or often an event is expected to occur. For physical assets the likelihood of some events can be estimated by condition assessments for example. For other events such as natural disasters, legislation change or political risks the likelihood of occurrence is more difficult to determine.
 - Consequences of an event are the impacts that it has on the social, environmental or economic wellbeing of the community or Council. The most appropriate means of qualitatively assessing the consequences of an event occurring is to consider the impacts on Council's operations (Financial, Service Delivery, Reputation, Legal etc.)
 - Risk evaluation is the process of comparing the results of the risk analysis to determine whether a risk of a particular level is tolerable or acceptable.
 - Risk treatment involves selecting one or more measures to control, mitigate and/or minimize the risk and as such implementing those measures where appropriate.

A risk analysis methodology and evaluation and treatment criteria exist as part of our asset management plan framework and reflect the process used within the organisation risk register to date.

With this in mind, a level of consistency has already been gained across a broad section of the organisation.

An overview of the matrix applied by the asset management process is provided in a summary chart below:



The risk matrix used for evaluation is as follows:

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

The table below details the action plan to minimise and or mitigate the risk to levels acceptable to the organisation:

Risk	Score	Actions
Low	0-5	Examine where un-needed can be reduced
Moderate	6-10	Managed by routine procedures
Significant	11-15	Management responsibility must be specified and risk reviewed
High	16-20	Senior management attention to manage risk
Extreme	21-25	Immediate action required to reduce risk

2. The need to workshop and refresh Council's risk appetite statement

- Officers are currently working to identify an appropriate date and time to workshop this with Philip Jones and the FAR Subcommittee. Further information will be provided on this as soon as confirmed.

Attachments



No.	Title	Page
A	Risk Management Framework - Version 1.0 - Final	160
B	HDC Risk Appetite Statement - Version 1.0 - Final	170
C	Risk Management Policy - Version 1.0 - Final	175

Confirmation of statutory compliance

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

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

Signatories

Author(s)	Nicki Brady Group Manager - Business Services	
Approved by	David Clapperton Chief Executive	









Risk Management Framework

Adopted: 12 July 2016

Version: 1.0

Next Review: 01 July 2017

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 www.horowhenua.govt.nz  enquiries@horowhenua.govt.nz



1. Definition

Our definition of risk is taken from the ISO31000 Risk Management Standard which defines risk as the effect of uncertainty on objectives. To us that means the threat or possibility that an event, action or set of circumstances, will adversely or beneficially, affect Horowhenua District Councils (HDC) ability to achieve its objectives.

As described in the definition uncertainty may be either negative or positive. It could be a threat to the achievement of our objectives, or an opportunity to achieve objectives more quickly, efficiently or effectively.

In general terms, risk management is the combination of specialist and general activities undertaken to methodically address risks.

HDC will define on an annual basis a statement of risk appetite wherein the leadership team is responsible for determining the nature and the extent of the significant risks it is willing to take in achieving our strategic objectives for the year. Overall, HDC will take fair, measured and targeted levels of risk to achieve our strategy and delivery of Council services in support of this.

2. Purpose

This risk management framework sets out HDC's arrangements for ensuring that robust, reliable risk management is implemented throughout our organisation, and meets our risk management obligations.

The purpose of this framework is to:

- Ensure that effective risk management is implemented at all levels, and across all activities of the organisation
- Inform staff of the organisation's expectations in regard to our risk management journey

3. Scope

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

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

This risk management framework recognises that risks may have short, medium and/or long-term impact on the organisation, requiring different management approaches.

HDC's risk hierarchy includes:

- Strategic risks associated with achieving the organisation's longer-term strategic objectives
- Financial risks associated with the risk of changes in HDC's funding condition and circumstances
- Service delivery risks associated with the activities of HDC's business as usual operations
- Legal risks associated with action being taken against HDC, or of HDC breaching law or compliance
- Reputational Risk associated with the risk of a damaged perception of HDC



This framework is approved by the Leadership Team and applies to:

- All HDC staff and managers
- All HDC business and project activities

4. Principles

It is important for HDC staff and stakeholders to have a shared understanding of what an effective risk management framework looks like. To achieve this, HDC has adopted a set of standard principals to communicate what our organisation is aiming to achieve in regard to risk management and how to know when we have achieved.

Principles from the ISO 31000 Risk Management Standard have been selected for HDC's risk framework and the leadership team is committed to ensuring that each of these principles are promoted and implemented.

1. Risk management creates and protects Value
 - a. by contributing to the achievement of objectives and improving performance, eg via legislative and regulatory compliance, use of reliable and accurate information for decision-making, effective project management, operational efficiency and robust governance
2. Risk management is an integral part of all organisational processes
 - a. including governance, strategic planning, project management, change management and business as usual activities
3. Risk management is part of decision-making
 - a. by helping decision-makers at all levels in the organisation to accurately assess situations, make informed choices, prioritise actions and select the most appropriate course of action
4. Risk management addresses uncertainty
 - a. by identifying and describing the nature and source of that uncertainty
5. Risk management is systematic, structured and timely
 - a. to ensure consistent, comparable and reliable results which contribute to efficiency
6. Risk management is based on the best available information
 - a. including historical data, experience, stakeholder feedback, observation, evidence, forecasts, expert judgement
 - b. while taking into account any limitations of the data or modelling used, or possible divergence of expert opinion
7. Risk management is tailored
 - a. to align with the organisation's external and internal context and risk profile
 - b. to be relevant - it is not a one size fits all approach
8. Risk management is transparent and inclusive
 - a. to ensure that the views of all stakeholders are taken into account in the process of identifying, assessing and treating risks
 - b. to ensure that risk management remains relevant and up-to-date.



9. Risk management is dynamic, iterative and responsive to change
 - a. to ensure that risk management senses and responds to changes in the external and internal context, including changes in knowledge. New risks emerge, current risks change and others disappear.

10. Risk management facilitates continual improvement of the organisation
 - a. by implementing risk treatments which improve the organisation's capability of achieving its goals
 - b. by building the organisation's capacity to recognise and reduce risk in both the present and the future.

5. Risk Management Maturity Model

HDC has taken the first step towards an organisational approach to risk management with the creation of a risk management framework.

It is acknowledged that our organisation will be on a journey through the various stages of maturity in risk management and that at any one time, different parts of the organisation may be at different maturity stages.

All parts of HDC will be moving towards greater maturity with the end goal of achieving a synergised approach to risk by the end of 2017.

It is when the organisation is in sync that the greatest benefits of risk management are gained and the greatest value added to the organisation.



The following diagram sets out the adapted framework which HDC will follow to establish sound risk management practices.

Figure 1: Risk management framework adapted from AS/NZS ISO 31000:2009





6. Risk Governance

The mandate for risk management comes from the Chief Executive.

The Leadership Team is committed to ensuring sustainable and effective risk management at HDC, and this commitment must be mirrored by staff at all levels in the organisation.

The Leadership Team will lead commitment by:

- endorsing and implementing the risk management framework, strategy, and policy and ensuring that these are updated to remain relevant
- understanding the value added by risk management and communicating this to staff and stakeholders
- aligning risk management activities with the achievement of organisational objectives
- ensuring legislative and regulatory compliance
- assigning accountabilities and responsibilities for risk management at appropriate levels within the organisation
- ensuring that risks can be raised without fear of punitive outcome
- allocating the necessary resources to risk management, e.g. training and education opportunities, expert advice, facilitation and coordination
- challenging decisions and proposals
- creating an organisational culture which encourages transparent identification and open discussion of risks, i.e. threats and opportunities
- monitoring the effectiveness of HDC risk management and ensuring actions are taken to continually improve it

7. Risk Management Context

The local government environment which we operate within has potential to impact on our ability to achieve objectives.

The environment also sets some parameters for the way risk management must be implemented, e.g. legislative requirements, policy and procedural principles.

A number of risk controls are currently in place within our internal organisation and these will continue to evolve and mature as we progress on our journey.

The high level controls which exist within our internal context are as follows:

Governance and Structure

- Ensuring clear lines of responsibility and accountability exist for achieving Council objectives and there is regular reporting on progress.

Objectives

- Our LTP and Strategic Plan is the primary source of objectives for Council with risks associated to Council not achieving these objectives on time and within budget.



Policies and Procedures	<ul style="list-style-type: none"> • Implementation of policies and procedures is an important risk control. • Council policy documents specify responsibilities for actions which must be taken by staff and managers across the organisation to ensure regulatory and legislative compliance, and monitoring of contractors' and suppliers' performance. • Council internal audit programme audits compliance with policies relating to high risks.
Resources	<ul style="list-style-type: none"> • Council is committed to implementing effective risk management. • Staff will be required to attend risk management education and implement risk management within their areas of responsibility.
Information Systems	<ul style="list-style-type: none"> • Council's information systems are being developed to achieve unified information across the organisation. The implementation of the Business Ownership Teams (BOT) will address ensuring the strategic direction for our systems is clear and aligned to our overall direction. • Relevant organisational information is an essential requirement for effective risk management and Council acknowledges that risk management may be compromised to some extent as the organisation continues to embed a good culture of records management and ensuring accurate, timely information is always available.
Contractual Relationships	<ul style="list-style-type: none"> • Council has activity contracted out through third parties who oversee work. This does add some complexity to the Council's risk management environment through the liability that Council holds for work done under its responsibility as principal contractor.
Capability	<ul style="list-style-type: none"> • Staff numbers, skill, turnover and availability is actively managed to ensure Council's ability to function efficiently and effectively.
Organisational Factors	<ul style="list-style-type: none"> • Council's culture, structure, staff morale, business goals and objectives, projects and business processes are recognised as driver for the achievement of our goals.

8. Risk Areas and Types Of Risk

There are various types of risks relevant to local government which fall within our five high level categories of strategic, financial, service delivery, legal and reputational risks.

Specific risks for HDC have been grouped to enable the development of specific approaches for each risk type through the implementation of this framework.

Types Of Risk	
Strategic planning risks	Procurement risks
Asset management planning risks	Project management risks
Service level risks	Contract management risks
Natural hazard risks	Communication risks
Environmental risks	Health and Safety risks
Systems/information risks	Specific asset(s) risk
People risks	
Financial risks	

9. Risk Management Documentation

The foundation documents for risk management within Horowhenua District Council are defined below.

Document	Purpose	Endorsed By
Risk Appetite Statement (reviewed annually)	Determines the nature and the extent of the risk HDC is willing to take in achieving our strategic objectives.	Council Leadership Team
Risk Management Framework (reviewed annually)	Why and how HDC plans to ensure effective risk management and who is responsible To describe the rationale for risk management and the foundations and arrangements for ensuring that effective risk management is implemented at all levels throughout the organisation.	Council Leadership Team
Risk Management Policy (reviewed annually)	Principles of risk management To specify: <ul style="list-style-type: none"> the linkages with business processes to ensure that risk management is fully integrated into all business activities, while avoiding duplication and gaps the accountabilities of staff and managers for implementing risk management within their area of control expectations of risk management performance at individual, group and organisational level 	Council Leadership Team
Risk Management Toolkit	Provide information and guidance to HDC staff on managing risk	Principal Risk Manager



10. Risk Management Responsibilities

Position	Roles and Responsibilities
<p>Elected members through the Project and Audit, Risk and Finance Committees</p> <p><i>Promote a risk management culture</i></p>	<ul style="list-style-type: none"> ▪ Monitor and review the effectiveness of risk management and its contribution to governance annually ▪ Seek assurance from Internal Audits that risk management is operating appropriately and as designed ▪ Ensure that the risk assessments included in reports to the projects and audit, risk and finance committee are used to inform decision making
<p>Chief Executive Officer</p> <p><i>Ensure Council-wide risk management</i></p>	<ul style="list-style-type: none"> ▪ Champion the risk management policy and framework to ensure its achievement. ▪ Review and ensure acceptable level of management of council-wide risks ▪ Approve an annual statement on the effectiveness of risk management in the Council ▪ Ensure senior management staff can provide assurance on the effectiveness of controls to mitigate risks ▪ Review the risk register and risk management procedures to ensure they are operating effectively
<p>Leadership Team</p> <p><i>Ensure Department-wide risk management</i></p>	<ul style="list-style-type: none"> ▪ Ensure that risks identified within their area of responsibility are managed effectively and efficiently ▪ Ensure their department service planning and performance management is informed by risk management ▪ Ensure that risk management is cascaded sufficiently throughout their department ▪ Ensure staff are familiar with risk management ▪ Offer guidance and advice to staff

<p>Principal Risk Manager</p> <p><i>Supports promotion, improvement and training in risk management</i></p>	<ul style="list-style-type: none"> ▪ Support Group Managers/Senior Managers ▪ Ensure staff have access to training in risk management where required ▪ Support Risk Champions ▪ Review and update the risk management policy, framework and other associated material
<p>Risk Champions</p> <p><i>Support risk management procedures in the Departments</i></p>	<ul style="list-style-type: none"> ▪ Report to Group Managers/Senior managers ▪ Ensure Risk Registers are updated for their department ▪ Ensure departmental risk management includes sufficient consideration of partnership and project risks
<p>Risk Owners</p> <p><i>Ensure risk is managed</i></p>	<ul style="list-style-type: none"> ▪ Ensure the risk is appropriately recorded in the register ▪ Ensure the action plan identified for managing the risk is achieved and sufficient controls are in place to manage the risk
<p>Business Continuity Officer</p>	<p>Ensure that the Business Continuity Plan includes management of the appropriate risks</p>
<p>Health and Safety Committee</p>	<p>Report to the Audit, Risk and Finance committee on any health and safety compliance issues</p>
<p>Project Sponsors and Project Managers</p>	<p>Responsible for the assessment, management, monitoring and reporting of project risks to relevant Group Managers/Senior Managers</p>
<p>All staff</p>	<p>Everyone has a part to play in identifying, assessing and managing risks. If you know of a risk in your area of work that is not already recognised and recorded you should share this information with your manager and/or the departmental risk champion</p>
<p>Internal Audit</p> <p>(Audit New Zealand and MWLASS Internal Auditor)</p>	<p>Review the risk management process and provide assurance as to its effectiveness</p> <p>Review the management of risks as part of their on-going audit plan</p>

Risk Appetite Statement

Section	Leadership Team
Contact	Group Manager Business Services
Approval	Leadership Team
Date Approved	12 July 2016
Next Review	01 July 2017
TRIM Doc. No.	D16/23869

Introduction and Background

This annual statement of risk appetite is drawn up by Horowhenua District Council (HDC), wherein the leadership team is responsible on an annual basis for determining the nature and the extent of the significant risks it is willing to take in achieving Council's strategic objectives.

It is intended that this statement is approved jointly alongside review of HDC's strategic plan to ensure that the risks HDC is willing to take to achieve its strategic objectives are measured, consistent and compatible with our capacity to sustain and manage risk and do not expose HDC, or its stakeholders, to an unknown, unmanaged or unacceptable degree of risk exposure.

The approved statement of risk appetite is incorporated as part of HDC's risk management framework.

Definition Of Risk Appetite

The risk appetite of HDC can be defined as "the communication of the level of risk we are prepared to tolerate or accept in the pursuit of our strategic objectives and delivering our services to the community".

Risk is defined as "the effect of uncertainty on objectives" and to HDC that means the threat or possibility that an event, action or set of circumstances, will adversely or beneficially, affect HDC's ability to achieve its objectives.

Risks can be seen not only as the more conventional threat or hazard type risks; they can also take the form of positive risk opportunities, or benefits to be exploited or innovated on, which in context for HDC can enhance, increase and accelerate the achievement of our strategic objectives.

HDC's statement of risk appetite exists to clearly and fully state and quantify, and also to disclose the nature and extent of the key types of risks HDC is willing to embrace as part of the delivery of our strategy.



Generally organisational attitudes to risk can be said to range across a spectrum of attitudes and appetites, ranging from **Low Risk** or risk adverse appetites at one end of the scale (avoidance of any form of risk and uncertainty), through to intermediary **Medium Risk** or cautious approach to risk (preference for safe delivery options that have a low degree of inherent risk) to a **High Risk** risk-seeking position (eager to be innovative and choose service delivery options offering potentially higher quality/customer satisfaction despite greater inherent risk in these activities).

HDC Statement Of Risk Appetite

Overall HDC's key risk areas can be defined as follows:

Strategic Risk

This is the risk arising from the possible consequences of strategic decisions taken by HDC, or the risk of a failure to achieve our strategic vision, and should be identified and assessed at the Senior Leadership level of HDC.

Financial Risk

This is the risk of changes in the Council's financial condition and circumstances, for example, in its balance sheet assets and liabilities, its funding, income and spending levels.

Service Delivery Risk

This is the risk arising from the nature of HDC's business and operations, for example, the risk of a failure to deliver statutory or other services to residents, to fail to provide required quality in services, or to fail to provide appropriate services in the event of an emergency.

Legal Risk

This is the risk of successful legal action being taken against HDC, or of HDC breaching law in its activities and operations, and also the risk of losses, possible fines, and other sanctions arising from non-compliance.

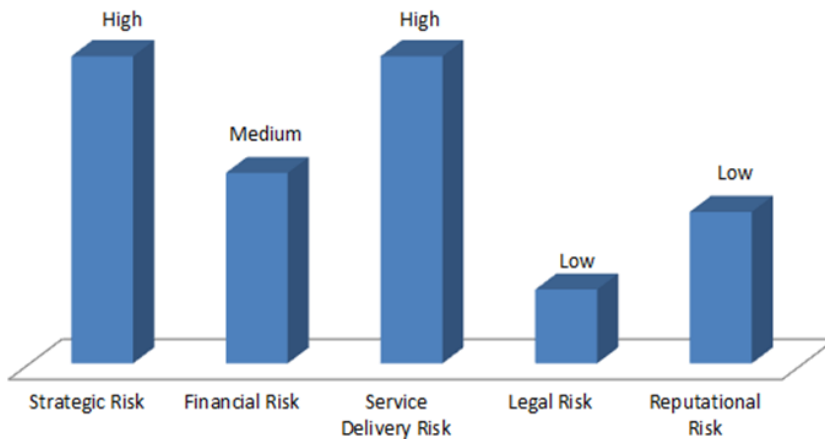
Reputational Risk

This is the risk of a significantly adverse or damaging perception of the Council by the general public, businesses and Horowhenua residents.

HDC will overall take fair, measured and targeted levels of risk to achieve our strategy and delivery of Council services in support of this.



Statement Of Risk Appetite 2016-2017



HDC will be innovative and will consider all potential business and service options, choosing those options in risk terms that are most likely to result in successful delivery but at the same time will provide an acceptable level of return to HDC, a reduction in operating costs, operating efficiencies and economies of scale.

Where significant risks arise HDC will take effective action to mitigate these to minimal and safe levels of risk exposure.

HDC accepts in regard to the taking of risk that there may often be early failure and set-back in the process of obtaining the returns and outcomes of HDC's strategic vision, particularly in regard to the development of new and innovative processes which are necessary to realise that vision.

HDC will be supportive to all Council Officers in taking necessary, calculated and measured risk in order to achieve the objectives set.

HDC Strategic Risk 2016-2017

During 2016-2017 and beyond HDC will continue to look at all services to seek better ways of achieving agreed outcomes with additional emphasis on the need for transformational change looking at how HDC delivers its services and involves its partners.

The landscape and range of transformational change includes taking action to revitalise our District's regional economy.

HDC is required to be proactive in relation to the impending District growth projections. In order to meet these challenges, HDC will have to plan, act, and resource itself adequately. Namely, HDC will need to look at reducing or removing barriers to growth; being more responsive to customers and investors; have the right skills; be solutions focused; innovative; and, have a business mind-set.



The goal of the Growth Response Horowhenua programme is to lead a programme that has a positive impact in providing leadership to the Horowhenua District, which in turn assists the community in realising growth in the Horowhenua. The programme will ensure all projects that support the Growth Response goals are coordinated.

The challenges and opportunities HDC is faces in responding to growth has increased the level of total business risk required to be taken on by HDC in order to deliver its vision. HDC believes that over 2016-2017 and beyond, it has the leadership in place to bear this higher level of risk and to manage and mitigate it downwards to appropriate and acceptable levels of risk exposure.

Risk Management 2016-2017

It is rare for any significant risk facing HDC to be purely composed of just one type of risk, or to relate solely in impact to just one area. Most significant and large scale risks will be commonly composed of several risks and often have a relationship and inter-dependency in impact and likelihood.

The unifying factor in HDC's key, potentially large-scale and significant risks, is that they are inter-related in this way and form part of a wider collection of risks and risk exposure to HDC.

HDC recognises that all risks should not be managed to the same extent but it should be noted that all significant risk (i.e. critical or catastrophic) will in all circumstances where possible be managed down to a low or very low risk exposure.

Reporting and escalation of risks within HDC is based on the organisational structure and normal reporting lines. As part of the escalation process, the next management level up will be alerted to the risk and will therefore review and reassess it in terms of its impact and likelihood on the achievement of objectives and will take action as appropriate.

This may mean:

- Managing the risk directly in terms of its mitigation and control
- Transferring risk, if possible, appropriate, or cost effective to do so
- Changing the activity to reduce the risk
- Exiting the activity

HDC acknowledges that risk is part and parcel of what we do. Our aim is to consider all options to respond to risk appropriately in order to make informed decisions throughout our organisation.

Duty Of Officers

All HDC staff, including when they are working in partnership with other organisations, have a general duty and responsibility as part of their actions on behalf of Council to manage risk as an integral part of their role, which includes ensuring they comply at all times with the risk framework and provisions of the risk appetite of HDC as outlined in this document.

Monitoring Of Organisational Compliance

Compliance with this risk appetite statement will be regularly monitored and reported on an on-going basis. Compliance will also be monitored by Audit New Zealand as part of our annual audit process.



Signed by Leadership Team:

Chief Executive:		Date: <u>9/08/2016</u>
Group Manager Customer & Community Services		Date: <u>12/08/2016</u>
Chief Financial Officer:		Date: <u>9/08/2016</u>
Senior Manager People and Capability:		Date: <u>9/08/2016</u>
Group Manager Business Services:		Date: <u>10/08/2016</u>
Group Manager Infrastructure Services:		Date: <u>9/08/2016</u>
Senior Manager Strategic Planning:		Date: <u>9/08/2016</u>
Economic Development Manager:		Date: <u>10/08/2016</u>

Risk Management Policy

Section	Leadership Team
Contact	Group Manager Business Services
Approval	Leadership Team
Date Approved	12 July 2016
Next Review	01 July 2017
TRIM Doc. No.	D16/5103

Purpose

To ensure that risk management forms part of Horowhenua District Council's (HDC) internal control and governance arrangements.

HDC is committed to the implementation of a comprehensive risk management framework, but acknowledges that it will take some time for our risk maturity to grow. HDC is working towards the end goal of achieving a synergised approach to risk across the organisation by the end of 2017.

Principals

Risk Management at HDC is based on the following principles:

- Risk management creates and protects Value*
 - by contributing to the achievement of objectives and improving performance, e.g. via legislative and regulatory compliance, use of reliable and accurate information for decision-making, effective project management, operational efficiency and robust governance
- Risk management is an integral part of all organisational processes*
 - including governance, strategic planning, project management, change management and business as usual activities
- Risk management is part of decision-making*
 - by helping decision-makers at all levels in the organisation to accurately assess situations, make informed choices, prioritise actions and select the most appropriate course of action
- Risk management addresses uncertainty*
 - by identifying and describing the nature and source of that uncertainty
- Risk management is systematic, structured and timely*



- a. to ensure consistent, comparable and reliable results which contribute to efficiency
6. Risk management is based on the best available information
 - a. including historical data, experience, stakeholder feedback, observation, evidence, forecasts, expert judgement
 - b. while taking into account any limitations of the data or modelling used, or possible divergence of expert opinion
7. Risk management is tailored
 - a. to align with the organisation's context and risk profile
 - b. to be relevant - it is not a one size fits all approach
8. Risk management is transparent and inclusive
 - a. to ensure that the views of all stakeholders are taken into account in the process of identifying, assessing and treating risks
 - b. to ensure that risk management remains relevant and up-to-date.
9. Risk management is dynamic, iterative and responsive to change
 - a. to ensure that risk management senses and responds to changes in the external and internal context, including changes in knowledge. New risks emerge, current risks change and others disappear.
10. Risk management facilitates continual improvement of the organisation
 - a. by implementing risk treatments which improve the organisation's capability of achieving its goals
 - b. by building the organisation's capacity to recognise and reduce risk in both the present and the future.

Scope

This is an organisation wide policy. All staff members and elected members (through the Projects and Audit, Finance and Risk committee) play a role in the successful implementation of this policy in conjunction with the Risk Management Framework.

Risk identification and management is to be undertaken across all of our activities as part of our:

- Strategic planning
- Strategic analysis
- Annual planning
- Business case development
- Procurement plan development
- Project and programme management
- Day to day operations

Failure to comply with this policy may result in disciplinary action.

Definitions

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

- **Risk Appetite:** the communication of the level of risk we are prepared to tolerate or accept in the pursuit of



our strategic objectives and delivering our services to the community.

- **Risk:** the threat or possibility that an event, action or set of circumstances will adversely or beneficially affect Horowhenua District Council's ability to achieve its objectives.
- **Risk Management:** the culture, processes and structures that are directed towards the effective management of potential opportunities and possible adverse effects within Council's environment.
- **Risk Management Framework:** provide the foundations for designing, implementing, monitoring, reviewing and continually improving risk management throughout Horowhenua District Council.
- **Risk Management Process:** systematic application of the practices relating to communicating, consulting and establishing the context of risk.
- **Risk Assessment:** overall process of risk identification, risk analysis and risk evaluation.
- **Risk Mitigation/Treatment:** process to modify risk which can involve avoiding the risk, accepting the risk to pursue an opportunity, removing the source of the risk, changing the likelihood or consequence, sharing risk, and/or retaining the risk by informed decision.
- **Risk Control:** a measure put in place to modify risk and it can include any process, policy, device, practice, or other actions which modify risk.
- **Risk Owner:** person or entity with the accountability and authority to manage risk.
- **Internal Controls:** Internal controls are the processes, policies and procedures we use to govern HDC's work, or any additional mitigating actions that we take to deal with a particular, or potential situation.

Related Procedures/Documents

Policies and frameworks which support this policy:

- HDC Risk Appetite Statement
- HDC Risk Management Framework
- HDC Business Continuity Plan
- HDC Procurement Policy and Guidelines
- HDC Fraud Policy
- HDC Health and Safety Policy
- HDC Information Management Policy
- HDC Media and Communications Policy
- HDC Electronic Communication Policy
- HDC Gift and Rewards Policy

Relevant Reference Materials:

- AS/NZS ISO 31000:2009 – Principals and Guidelines

It is acknowledged that as Horowhenua District Council embeds consistent risk management into our everyday



practice, additional material may be developed to support those already available to staff.

Signed by Leadership Team:

Chief Executive:		Date: 1/08/2016
Group Manager Customer & Community Services:		Date: 1/08/2016
Chief Financial Officer:		Date: 16/08/2016
Senior Manager People and Capability:		Date: 1/08/2016
Group Manager Business Services:		Date: 16/08/2016
Group Manager Infrastructure Services:		Date: 1/08/2016
Senior Manager Strategic Planning:		Date: 16/08/2016
Economic Development Manager:		Date: 5/08/2016

Strategic Risk Report

File No.: 17/387

1. Purpose

To provide a report on the top 5 strategic risks and treatments applied to reduce each risk, so that the FAR Subcommittee can endorse/or not endorse that the risks are managed to an acceptable level.

2. Recommendation

- 2.1 That Report 17/387 Strategic Risk Report be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 2.3 That the FAR Subcommittee endorses/does not endorse that the risk treatment has managed the risk to an acceptable level.

3. Background/Previous Council Decisions

The risks presented within the attached report have been evaluated to determine the risk level and whether the risk is tolerable in its current state or whether further action is required.

The residual risk was considered to be too high therefore risk treatments have been applied to reduce the risk.

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

4. Issues for Consideration

- It should be noted that risk severity is not static. It is affected by changes in both our internal and external environments. When these changes occur, risks may need to be escalated or de-escalated. For this reason all risks are actively monitored and managed including monitoring the effectiveness of treatments applied.
- If a risk cannot be controlled/contained within its current level or the rating continues to remain high or escalate further, even after mitigations are implemented, this would trigger review.
- For clarity the ownership of the risk can also be escalated or de-escalated if required. This might occur where a risk rating moves from high to extreme whereby it would

immediately trigger escalation to senior management and associated processes for notification to the FAR Subcommittee.

- Establishment of a positive risk culture within the organisation was an important focus within the Risk Framework. All officers are empowered, and expected, to identify and communicate risks. An environment is encouraged where risk and issues are discussed openly within business units and the importance of risk management is understood and incorporated into business operations.

Attachments

No.	Title	Page
A	Risk Management - Key Strategic Risks Outline to FAR Subcommittee	181


Confirmation of statutory compliance

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

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

Signatories

Author(s)	Nicki Brady Group Manager - Business Services	
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Approved by	David Clapperton Chief Executive	
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Strategic Risk Overview

This report details actions and outcomes associated with the organisation's strategic risk activities.

Cyber Security (High reduced to Moderate) ↓

In response to recent international ransomware cyber-attacks the Cyber risk level and treatment effectiveness was reviewed. It was determined that existing treatments required review for effectiveness and as such this been completed with additional processes and internal controls applied.

As a precaution, it was also reiterated (via email) to all staff the organisational policy requirements and best practice behaviours associated with computer security.

1. Council Actions

- a. Council has further mitigations in place with the planned IT infrastructure to cloud migration and the layers of monitoring and reporting built into this process in the 2017/2018 work programme.

Project Management/Contract Management (Moderate) ↔

Council has implemented a programme of works based on the Annual Plan, in addition to this there is an agreed programme of work to deliver on the organisations response to growth and business excellence needs.

Audit New Zealand has identified that while HDC has generally followed good practice with regard to project management and contract management in the past, their review identifies that the organisation is at risk without implementation of an organisation wide framework for project and contract management.

As identified in the monitoring report to the FAR meeting on the 28 June 2017, this risk has been acknowledged by the leadership team and as such the 2017/2018 work programme reflects the need to develop and adopt a cross-organisational project management and contract management methodology.

The programme will be supported by an engagement plan and training plan to help embed the organisation wide framework in Councils organisational culture.

1. Council Actions

- a. Mitigations have been put in place to develop a new approach to the way in which risk and procurement are considered in our upcoming LTP process, it is envisaged that this will lead to benefits in the management of agreed projects which emerge from this process with the upfront contribution of these assessments.
- b. Interim registers have been developed to manage existing and new Council contracts, these are reported on monthly.
- c. 2017/2018 work programme reflects the need to develop and adopt a cross-organisational project management and contract management methodology.

Stakeholder Engagement (High reduced to Moderate) ↓

It has been identified that Council could fail to deliver on one of our core objectives to have meaningful two way engagement and communication with our community due to our customers, communities and key stakeholders being disengaged as a result of perceived inadequate engagement practices and procedures.

In addition to this it has emerged that there is equally a risk that operating in a reactive space challenges maintaining consistent communication with staff.

1. Council Actions

- a. Mitigations have been identified and are under way with:
 - Significance and Engagement Policy reviewed and adopted by Council in 2017
 - Development of a Governance and Engagement Policy
 - Project established to look at the development of a Maori Engagement Strategy
 - Engagement plan developed under Long Term Plan Framework
 - Engagement plan developed under Horowhenua 2040 Framework

Future Growth (High reduced to Significant) ↓

Insights on the impact of the speed of growth had demonstrated that our growth has surpassed planned growth forecasts. New Zealand Institute of Economic Research (NZIER) has undertaken an assessment of Horowhenua's socio-economic outlook. As a result Horowhenua District Council resolved the following growth assumptions:

- 4,900 additional households
- 3,000 additional jobs
- 8,600 more people

In the past, our focus was on the delivery of infrastructure and local community services. We had several strategies and plans, the most significant of which was the Long-Term Plan which set out our planned infrastructure and local community services to justify and set the rates.

The opportunity has been presented for HDC to widen our vision for the Horowhenua and our aspirations for the next twenty years plus.

2. Council Actions

- a. Strategic Issues for the Horowhenua will need to be well considered in our LTP process both from an officer and elected member point of view and a briefing is set to occur with elected member's as well as introductions at the community forum on the 2 August 2017.
- b. Horowhenua 2040 Strategy introduced to Council 12th July 2017. A work programme for initial engagement with key stakeholders to be developed.
- c. Growth Response Group and lead established
- d. Growth Strategy Review

Poor perception of Council (Significant) ↔

Perception of Local Government organisations is low and Horowhenua is not exempt.

In addition to this it has emerged that there is equally a risk that operating in a reactive space challenges maintaining consistent communication with staff.

1. Council Actions
 - a. Employee Media training
 - b. Project to develop a Maori Engagement Strategy
 - c. Maori Advisory Committee
 - d. Communications Strategy Review
 - e. Governance and Engagement Policy
 - f. Development of an internal communication strategy

Emerging Risks

Standard and Poors

On 17 May 2017 Standard and Poors (S&P) affirmed Council's A+ long-term credit rating and A-1 short-term issuer rating with a stable outlook. However, this year they included a paragraph they have called the "Downside scenario".

This paragraph states:

"We might lower our rating if we perceive that the council's financial management has deteriorated. This could occur if political disagreements within the council delay important fiscal decisions or lead to a significant deterioration in strategic planning or financial outcomes. We could also lower our rating if the council were to significantly boost its capital expenditure without offsetting adjustments to revenue or operating expenditure, and further weaken its liquidity coverage."

This identifies 3 risk areas;

- The current political situation
- Any major changes to our capital programme without increasing revenue and operational expenditure
- Or weaken our liquidity.

The political risk is only where we fail to make "important fiscal decisions". These could include a failure to adopt an Annual Plan, LTP, Rates resolutions, Financial and Infrastructural strategies and the like or perhaps implement plans/decisions that are fundamental to Council's overall financial position/sustainability.

S&P consider that, although Council has shown a lower capital spend, the expenditure need still exists, specifically mentioning Council's capital works programme which is termed "poor budgeting performance" even though operational budgeting is good.

S&P mark Council up for things like financial management, ability to rate and strong institutional and legal frameworks. They have moderated their economic outlook to "broadly supportive" from the previous assessment of weak.

S&P comment that they consider Council's liquidity management to have weakened. This relates to the increase in the use of short-term borrowing (commonly called Commercial Paper or CP). This was \$7m at 30 June 2016 but coupled with borrowing due within 12 months (\$9m) results in a current debt level of \$16m. Currently this is \$14m. S&P are of

the opinion that the refinancing risk of this (especially the CP) was greater. This is primarily a result of the GFC experiences in 2008/9. However, it was argued that currently at least, this risk is no higher than normal especially now that LGFA provide bespoke lending at short notice and Council has the BNZ \$10m Committed Cash Advance Facility (CAAF). Whilst unable to convince S&P otherwise the credit rating has not been adversely impacted.

1. Council Actions

- a. Officers are investigating what if anything can be done to reduce liquidity risk for next year. It may be as simple as increasing the CAAF to \$15m, but that will come at a cost.




Integrity of In-Committee sessions of Council

In the past few months items from In-Committee sessions have been publicly released by unknown persons. This affects the credibility of Council and stakeholder trust in Council's procedures.

1. Council Actions

- a. Review and strengthen Standing Orders

Icon Legend

-  Reduction
-  No Shift
-  Increase

Monitoring Report to 9 August 2017

File No.: 17/381

1. Purpose

To present to the Finance, Audit & Risk Subcommittee Monitoring Reports covering requested actions from previous meetings of the Subcommittee.

2. Recommendation

- 2.1 That Report 17/381 on Monitoring Report to 9 August 2017 be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

Attachments



No.	Title	Page
A	Finance Audit & Risk Subcommittee - Monitoring Report from 28 June 2017	186

Confirmation of statutory compliance

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

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

Signatories

Author(s)	Nicki Brady Group Manager - Business Services	
Approved by	Nicki Brady Group Manager - Business Services	

MONITORING REPORT HOROWHENUA DISTRICT COUNCIL Finance, Audit & Risk Subcommittee							
Meeting Date	Item No.	Item Description	Resolved/Action Required	Responsible Officer	Date to Action by	Date Completed	Officer Comment
28 June 2017	17/292	Financial Report for the eleven months to 31 May 2017	Email Crs - Resource Consents created – split a to which were at the s223 and s224 stage	D Law			
			Cash flow statement to be included each meeting				
			Annual Report and key monthly reports to be in the same format				
	17/297	Audit Engagement & Arrangement letter	First draft of Annual Report to FARS mtg		9 August		
			<i>THAT the ordinary Finance Audit and Risk Subcommittee meeting scheduled for 20 September 2016 considers the draft Annual Report and recommends its adoption to Council.</i>		20 Sept		
	18/299	Horowhenua District Council's risk of future involvement in the LAPP fund insurance facility	<i>THAT the Subcommittee continues to review the risks associated with continued LAPP membership and reviews</i>	D Law			

<p style="text-align: center;">MONITORING REPORT</p> <p style="text-align: center;">HOROWHENUA DISTRICT COUNCIL</p> <p style="text-align: center;">Finance, Audit & Risk Subcommittee</p>							
Meeting Date	Item No.	Item Description	Resolved/Action Required	Responsible Officer	Date to Action by	Date Completed	Officer Comment
			<p><i>its membership before April 2018 in time for a possible withdrawal from LAPP.</i></p> <p><i>THAT the Subcommittee be informed of the number of participating Councils as soon as practicable after that information is available.</i></p>				
	17/286	Health and Safety Quarterly Report to 31 May 2017	For next quarterly report key statistics to provide a trend analysis of near misses and reportable instances – what are the top 5-10 risks, what needed to be done to reduce those risks, and timetable for same.	D Weir			This information will be included in the next Quarterly Health and Safety Report .
	17/293	Standard and Poors Credit Rating	<i>THAT the Finance, Audit & Risk Subcommittee requests the Chief Financial Officer submit a report to the 9 August 2017 Subcommittee</i>	D Law			

MONITORING REPORT HOROWHENUA DISTRICT COUNCIL Finance, Audit & Risk Subcommittee							
Meeting Date	Item No.	Item Description	Resolved/Action Required	Responsible Officer	Date to Action by	Date Completed	Officer Comment
			<i>meeting exploring options for addressing the liquidity risk identified in the Standard and Poors Credit Rating report</i>				
	17/528	Projects Update	North East Levin Stormwater – report requested on the status of the RMA process	G O'Neill	9 August 2017		
			To be reported back to the FARS: - Non-capital projects - Policy Development - S17A Review - Holistic update on overall growth response - LTP development process	S Wood D Haigh N Mangione			
	17/307	Risk Management Update	Risk Management Framework to be emailed to Subcommittee seeking to identify the five top risks and how these should be reported	N Brady			

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

The following motion is submitted for consideration:

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

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

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

C1 Internal Audit Peer Review

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. s7(2)(f)(ii) - The withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of such members, officers, employees and persons from improper pressure or harassment.	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.