



**I, Kitea Tipuna, Tumu Whakarae Taupua Interim Chief Executive Officer, hereby
give notice that
Finance, Audit & Risk Committee Meeting will be held on:**

Date: Tuesday, 25 May 2021
Time: 1.30pm
Location: Council Chamber, Wairoa District Council,
Coronation Square, Wairoa

AGENDA

Finance, Audit & Risk Committee Meeting

25 May 2021

The agenda and associated papers are also available on our website: www.wairoadc.govt.nz

For further information please contact us 06 838 7309 or by email info@wairoadc.govt.nz

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- 1 KARAKIA**
- 2 APOLOGIES FOR ABSENCE**
- 3 DECLARATIONS OF CONFLICT OF INTEREST**
- 4 CHAIRPERSON'S ANNOUNCEMENTS**
- 5 LATE ITEMS OF URGENT BUSINESS**
- 6 PUBLIC PARTICIPATION**

A maximum of 30 minutes has been set aside for members of the public to speak on any item on the agenda. Up to 5 minutes per person is allowed. As per Standing Order 15.1 requests to speak must be made to the Chief Executive Officer at least one clear day before the meeting; however this requirement may be waived by the Chairperson. Requests should also outline the matters that will be addressed by the speaker(s).

7 MINUTES OF THE PREVIOUS MEETING

Ordinary Meeting - 13 April 2021

**MINUTES OF WAIROA DISTRICT COUNCIL
FINANCE, AUDIT & RISK COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, WAIROA DISTRICT COUNCIL, CORONATION SQUARE, WAIROA
ON TUESDAY, 13 APRIL 2021 AT 11.00AM**

PRESENT: His Worship the Mayor Craig Little, Cr Jeremy Harker, Cr Denise Eaglesome-Karekare, Mr Philip Jones (via Zoom)

IN ATTENDANCE: **Kitea Tipuna** (Tumu Whakarae Taupua Interim Chief Executive), **Gary Borg** (Pouwhakarae – Pūtea/Tautāwhi Rangapū Group Manager Finance and Corporate Support), **Stephen Heath** (Pouwhakarae – Hua Pūmau Hapori/Ratonga Group Manager Community Assets and Services), **Kimberley Tuapawa** (Pouwhakarae – Pārongo/Wheako Kiritaki Group Manager Information and Customer Experience), **Simon Mutohori** (Kaiwhakahaere Ratonga Kiritake-Waeture/Customer Service Manager – Regulatory), **Lauren Jones** (Kaikaute Putea/Financial Accountant), **Gay Waikawa** (Kaiurungi Mana Arahi/Governance Officer), **Luke Knight** (Kaiwhakahaere Rawa Property Manager)

1 KARAKIA

Karakia was given by Mr Kitea Tipuna, Tumu Whakarae Taupua Interim Chief Executive.

2 APOLOGIES FOR ABSENCE

APOLOGY

COMMITTEE RESOLUTION 2021/141

Moved: Cr Jeremy Harker

Seconded: Cr Denise Eaglesome-Karekare

That the apology received from Cr Danika Goldsmith be accepted and leave of absence granted.

CARRIED

Nil

3 DECLARATION OF CONFLICT OF INTEREST

Cr Jeremy Harker – Late Agenda-Public Excluded Infrastructure Strategy

4 CHAIRPERSON'S ANNOUNCEMENTS

None

5 LATE ITEMS OF URGENT BUSINESS**LATE ITEM – INFRASTRUCTURE STRATEGY & ASSET MANAGEMENT PLANS****COMMITTEE RESOLUTION 2021/142**

Moved: Cr Jeremy Harker

Seconded: Cr Denise Eaglesome-Karekare

That in accordance with Section 46A (7) of the Local Government Official Information and Meetings Act 1987 the **Item 9.1 – Public Excluded – Infrastructure Strategy & Asset Management Plans** be considered given the item had not come to hand at the time of Agenda compilation and consideration of this matter is required now in order to respond within the timeframe allowed.

CARRIED

6 PUBLIC PARTICIPATION

None.

7 MINUTES OF THE PREVIOUS MEETING**COMMITTEE RESOLUTION 2021/143**

Moved: Cr Denise Eaglesome-Karekare

Seconded: Cr Jeremy Harker

That the minutes [and confidential minutes] of the Ordinary Meeting held on 2 March 2021 be confirmed.

CARRIED

The Work Plan was not included in this Agenda as the documents for the Long Term Plan being priority.

8 GENERAL ITEMS**8.1 FINANCIAL STRATEGY****COMMITTEE RESOLUTION 2021/144**

Moved: Mr Philip Jones

Seconded: Cr Jeremy Harker

That the Committee receives and endorses the draft Financial Strategy, with amendments attached as **Appendix 1**, to Council for inclusion in the draft Long-term Plan 2021-31, subject to completion of audit.

CARRIED

The Chief Financial Officer presented the report and reported on the draft Financial Strategy 2021-31 and the draft Financial Strategy is also a statutory component of the Long Term Plan.

The draft Financial Strategy has been prepared with reference to the draft Infrastructure Strategy, proposed budgets, current funding and rating policies, and independent reports on demographic and economic indicators. It also sets out the funding requirements for Council to deliver sustainable levels of service as described in the draft Long Term Plan.

The Committee discussed:

- Current level of service.
- Rating, reticulation and rubbish.
- Rising cost.
- Minimal borrowing.

8.2 DRAFT FINANCIAL FORECASTS FOR THE LONG-TERM PLAN 2021-31

COMMITTEE RESOLUTION 2021/145

Moved: Cr Jeremy Harker

Seconded: Mr Philip Jones

That:

1. Committee receives and endorses the draft Financial Forecasts with amendments attached as **Appendices**, to Council for inclusion in the draft Long-term Plan 2021-31, subject to completion of audit.

And

2. Acknowledges that these forecasts effectively represent a balanced budget as required by Section 100 of the Local Government Act 2002 and Council believes it is acting prudently as set out Section 101 subsection 1, Local Government Act 2002.

CARRIED

A report was presented by the Chief Financial Officer and reported the draft Financial Forecasts is a statutory component of a Long Term Plan, detailing the proposed budgets for the 10 year period and includes Forecast Financial Statements, Funding Impact Statements for whole of Council as well as Groups of Activities, Financial Prudence Benchmarks, Reserve Funds and Capital Expenditure Programme.

8.3 FINANCIAL PERFORMANCE TO 28 FEBRUARY 2021**COMMITTEE RESOLUTION 2021/146**

Moved: Cr Denise Eaglesome-Karekare

Seconded: His Worship the Mayor Craig Little

That the Committee receive the report.

CARRIED

The Kaikaute Putea Financial Accountant provided a report to the FA&R Committee and reported on the summary report provides information on Council's operating financial performance for the 8 months to 28 February 2021 and forecast to 30 June 2021.

This information report provides an update on Council's progress against objectives established and decisions previously made in the Annual Plan 2021-21 and Long-term Plan 2018-28.

8.4 PROGRESS UPDATE ON LONG TERM PLAN 2021-2031**COMMITTEE RESOLUTION 2021/147**

Moved: Cr Jeremy Harker

Seconded: Cr Denise Eaglesome-Karekare

That the Committee receive the report.

CARRIED

The Committee discussed:

- Level of service and cost.

8.5 LEVELS OF SERVICE SCENARIOS**COMMITTEE RESOLUTION 2021/148**

Moved: His Worship the Mayor Craig Little

Seconded: Cr Denise Eaglesome-Karekare

That the Committee receives and endorses the draft Levels of Service Scenarios, attached as **Appendix 1**, to Council for inclusion in the Consultation Document.

CARRIED

9 PUBLIC EXCLUDED ITEMS

RESOLUTION TO EXCLUDE THE PUBLIC

COMMITTEE RESOLUTION 2021/149

Moved: Cr Denise Eaglesome-Karekare

Seconded: Cr Jeremy Harker

That the public be excluded from the following parts of the proceedings of this meeting at 12.20pm.

The general subject matter 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 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
9.1 - Infrastructure Strategy and Activity Management Plans	<p>s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED**COMMITTEE RESOLUTION 2021/150**

Moved: Cr Jeremy Harker

Seconded: Cr Denise Eaglesome-Karekare

That Council moves out of Closed Council into Open Council at 12.27pm

CARRIED

The meeting closed at 12.27pm.

The minutes of this meeting were confirmed at the Finance, Audit & Risk Committee Meeting held on 25 May 2021.

.....

CHAIRPERSON

8 GENERAL ITEMS

8.1 FINANCIAL PERFORMANCE TO 30 APRIL 2021

Author: Lauren Jones, Kaikaute Putea Financial Accountant

Authoriser: Gary Borg, Pouwhakarae – Pūtea / Tautāwhi Rangapū Group Manager
Finance and Corporate Support

Appendices: 1. April 2021 monthly report [↓](#)

1. PURPOSE

- 1.1 This summary report provides information on Council's operating financial performance for the 10 months to 30 April 2021 and forecast to 30 June 2020. No decisions are required by Committee at this stage.
- 1.2 This is an information report-only report because it provides an update on Council's progress against objectives established and decisions previously made in the Annual Plan 2020-21 and Long-term Plan 2018-28.
- 1.3 The full third quarter performance report was presented to Council at its meeting on 04 May 2021.

RECOMMENDATION

The Kaikaute Putea Financial Accountant RECOMMENDS that Committee receive the report.

1. BACKGROUND

- 1.1 Council's minimum statutory obligations regarding reporting, public accountability and financial management are contained in Part 6 of the Local Government Act 2002. Monitoring financial performance on Council's behalf is included in the Committee's Terms of Reference.
- 1.2 Beyond this, regular performance reporting is good practice, keeping Council and the community informed of its financial performance and position.
- 1.3 In addition, reporting during the year provides an indication of full year outcomes and informs the decision-making process for each subsequent Annual Plan and Long-term Plan.
- 1.4 The financial performance report, attached as **Appendix 1**, sets out the financial results.

References (to or from other Committees)

Financial Performance reports are delivered to the Finance, Audit and Risk Committee every month.

Full Performance reports are delivered to Council every quarter.



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 Lauren Jones	Approved by Gary Borg

MONTHLY REPORT

TO 30 APRIL 2021



WAIROA
DISTRICT COUNCIL

INTRODUCTION

This monthly report covers the period 1 July 2020 to 30 April 2021. PGF and other externally funded projects influence our comparison of actual to budgeted financial performance for the period. These impacts are identified and the underlying performance (removing the impact of one-off externally funded revenue and expenses) is used when assessing year on year.

The activity managers have estimated project and operational costs and revenues to estimate the full year financial results as at 31 December 2020, and have revised these based on progress over the last 3 months. A commentary is provided on any significant resultant variances to budget.

FINANCIAL COMMENTARY

At the end of April 2021, Wairoa District Council had an underlying surplus* on operations of \$5 million against a YTD budget of \$8.5 million. The variance relates to primarily to \$5.8 million in NZTA general / renewals subsidy revenue that was budgeted for but has not been received YTD.

The forecast to 30 June 2021 results in an underlying surplus* on operations of \$5.53 million against a budget of \$8.59 million. The main cause of this variance is again NZTA subsidies, with the current forecast indicating that \$2.5 million of budgeted subsidies may not be received.

These financial results reflect the Council's ongoing commitment to managing its finances prudently while delivering community services and critical infrastructure to support the district's growth. However there is a tension between maintaining levels of service and controlling costs. The ratepayers of Wairoa District have indicated during the Long-Term Plan pre-engagement that they wish to maintain current **levels of service** and this is a focus of discussion during the formal consultation and decisions on the LTP. Our SSP measures are reported quarterly and demonstrate how well we are meeting our stated service aims.

The NZTA subsidies are dependent on phasing of workplans, with PGF projects and subsidies covering a lot of the planned capital work YTD. As NZTA subsidies also relate to capital work, the corresponding reduction in expenditure does not offset in the YTD surplus. Total forecast capital works specified in the funding impact statement for transport exceed budget, demonstrating the impact of PGF funding on improving our roading infrastructure where the budget had relied on NZTA subsidies. Council is better off having a capital project fully funded by PGF rather than partially funded by NZTA and/or reserves.

Confirmation of budgeted maintenance funding from NZTA was received in December 2020. Workplans were stepped up at this point, to include an increased focus on NZTA-funded maintenance and capital works, with the intention to utilise and receive all budgeted maintenance and capital contributions from NZTA by year end. The residual subsidy gap forecast to year end relates primarily to budgeted emergency works. This NZTA subsidy is dependent on the frequency and severity of storm events requiring remedial work, with the current financial year not impacted as much to date as previous years therefore resulting in the reduced forecast to year end.

Works budgeted using NZTA funding have a contribution from Council which is either rated for or funded from reserves or loans. Therefore any projects rated for but not completed this financial year will be funded from reserves in future years, meaning there is no duplication in rating. Furthermore, as the Council has not been fully rating for depreciation or recovery of exiting loans in transport there is no risk that funds collected from rates in this activity are duplicated.

*The underlying surplus refers to a adjustment of our actual result for one off project revenues and expenses that come from unbudgeted external funding. Refer to page 5.



NGĀ TAUĀKĪ PŪTEA

FINANCIAL STATEMENTS

HE TAUĀKĪ PŪTEA WHIWHI ME TE PŪTEA WHAKAHAERE

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the period ended 30 April 2021

	YTD				Full year (30 June)			
	Actual \$000	Underlying \$000	AP \$000	2020 \$000	Forecast \$000	Underlying \$000	AP \$000	2020 \$000
Revenue								
Rates	11,877	11,877	13,987	13,215	13,987	13,987	13,987	13,215
Subsidies and grants	21,159	14,353	20,211	18,453	27,622	17,390	20,211	18,453
Petrol tax	63	63	88	75	51	51	88	75
Fees and charges	1,833	1,833	2,101	1,954	2,179	2,179	2,096	1,954
Investment revenue	98	98	928	750	369	369	1,154	750
Miscellaneous revenue	-	-	-	768	-	-	-	768
Total revenue	35,030	28,224	37,315	35,215	44,208	33,976	37,536	35,215
Expense								
Water supply	1,851	1,851	1,830	2,369	2,312	2,312	1,731	2,369
Stormwater	467	467	567	554	554	554	507	554
Wastewater	2,068	1,778	1,747	4,393	2,642	2,255	1,739	4,393
Solid waste	1,312	1,312	1,895	1,900	1,767	1,767	1,915	1,900
Transport	11,153	11,013	13,269	13,862	12,576	12,389	13,277	13,862
Community facilities	1,906	1,843	2,510	2,508	2,305	2,273	2,525	2,508
Planning and regulatory	1,395	1,334	2,694	1,980	1,750	1,689	2,696	1,980
Leadership and governance	3,849	2,522	3,529	3,348	4,829	3,880	3,538	3,348
Corporate	1,260	1,120	697	980	1,312	1,093	1,021	980
Total expense	25,261	23,240	28,738	31,894	30,047	28,212	28,949	31,894
Net surplus (deficit) operations	9,769	4,984	8,577	3,321	14,161	5,764	8,587	3,321
Subvention income	100	100	-	200	250	250	-	200
Taxation	-	-	-	-	-	-	-	-
Net surplus (deficit) for period	9,869	5,084	8,577	3,521	14,411	6,014	8,587	3,521
Other comprehensive revenue and expense								
Fair value movement PP&E	-	-	-	6,050	-	-	-	6,050
Fair value movement in equity investments	-	-	-	(13)	-	-	-	(13)
Total comprehensive revenue and expense for the period	9,869	5,084	8,577	9,558	14,411	6,014	8,587	9,558

	YTD underlying variance			Forecast underlying variance		
	\$000	%		\$000	%	
Revenue						
Rates	(2,110)	-15%		-	0%	
Subsidies and grants	(5,858)	-29%	A	(2,821)	-14%	A
Petrol tax	(25)	-28%		(37)	-42%	
Fees and charges	(268)	-13%		83	4%	
Investment revenue	(830)	-89%	B	(559)	-60%	B
Miscellaneous revenue	-	0%		-	0%	
Total revenue	(9,091)	-24%		(3,334)	-9%	
Expense						
Water supply	21	1%		483	26%	C
Stormwater	(100)	-18%		(14)	-2%	
Wastewater	31	2%		507	29%	D
Solid waste	(583)	-31%	C	(128)	-7%	
Transport	(2,256)	-17%		(880)	-7%	
Community facilities	(667)	-27%		(230)	-9%	
Planning and regulatory	(1,360)	-50%	D	(1,005)	-37%	F
Leadership and governance	(1,007)	-29%	E	352	10%	
Corporate	423	61%	F	403	58%	G
Total expense	(5,248)	-18%		(512)	-2%	
Subvention income	100	100%	B	250	100%	B

Variance explanations (underlying actual YTD and underlying forecast compared to annual plan)

- A** Underlying subsidies and grant income at half year is 29% (\$5.9m) less than budgeted. Workplans were stepped up at this point, to include an increased focus on NZTA-funded maintenance and capital works, with the intention to utilise and receive all budgeted maintenance and capital contributions from NZTA by year end. By year end it is expected that some of these NZTA works will have been completed and the subsidies claimed, however the forecast revenue still has a shortfall of \$2.8 million. The residual subsidy gap forecast to year end relates primarily to budgeted emergency works. This NZTA subsidy is dependent on the frequency and severity of storm events requiring remedial work, with the current financial year not impacted as much to date as previous years therefore resulting in the reduced forecast to year end.
- B** Investment income is lower than budgeted both at half year and year end. \$250k of this relates to the change of income received from the subsidiary QRS Limited - a dividend had been budgeted for the same amount that is now expected to be received by year end as a subvention payment which appears in a different part of this financial statement. The remaining variance relates to budgeted property sales that are no longer expected to be completed by year end (\$245k) and reduced interest revenue and market gain on investments due to the impacts of COVID-19.
- C** Solid waste expenditure YTD is \$583k (31%) lower than budgeted, due to the timing of the waste levy payment (\$117k less than budgeted YTD), tempered by reduced recycling (\$85k) and landfill monitoring (\$70k) costs. These costs are expected to be back on track to budget by year end.
- D** Planning and regulatory costs YTD are 50% (\$1.36m) lower than budgeted, which is mostly due to unspent YTD budget for the district plan and e plan including consulting (\$702k). These funds are not expected to be spent in the next 3 months, which is the main reason for the favourable variance in expenditure at year end.
- E** Leadership and governance expenditure is 29% (\$1m) below budget. There are significant savings in payroll costs (\$280k), although in some instances these costs have been absorbed by other activities due to staff transfers. Savings have also been made in communications and website costs (78k) and consultancy (\$39k).
- F** Corporate expenses are \$423k above budget at 30 April and are expected to be \$403k (58%) above budget at year end. Budget phasing has impacted some costs, however the main impact on the year end forecast and multiple small overspend in costs for various computer licenses, legal and consultancy costs, insurance and interest charges.

RECONCILIATION: REVENUE AND EXPENDITURE RELATING TO UNBUDGETED PROJECTS AND GRANTS

The Wairoa District Council has been successful in securing external funding for a number of projects. These grants are primarily recognised as revenue in proportion to the amount of expenditure. Some expenditure (especially in relation to PGF funding for transport projects) is capital (reflected in the FIS and the increase in assets on the balance sheet) however the revenue from grants received is shown in the statement of comprehensive revenue and expense. Subsidy and grant revenue therefore shows a positive variance to budget so it is prudent that the statement of comprehensive revenue and expense is adjusted to show the surplus (deficit) excluding these one-off amounts.

Below is a breakdown of key project amounts recognised as revenue, operational and capital expenditure:

	YTD
REVENUE	\$000
Alternate Nuhaka- Ōpoutama Road investigation	194
Māhia East Coast Road traction sealing	2,966
Nuhaka River road	986
Pātangata bridge	695
Rangatahi dropout	765
Recovery emergency event costs	57
Regional Digital Hub income	291
National Library operational subsidy	63
Wairoa youth employment subsidy	16
Waste management grants & subsidies	340
Wairoa CBD upgrade PGF funding	355
Three Waters funding	78
Total unbudgeted revenue	6,806

	\$000
OPERATIONAL EXPENSES	
Alternative Route Nuhaka- Ōpoutama Road investigation	140
Emergency event costs	61
Wairoa youth into employment	196
Wairoa CBD upgrade PGF expense	612
Project support	228
Sewerage resource consent discharge	290
Digital Hub expenses	102
Three Waters funded operational expenses	142
Total unbudgeted operational expenses	1,771

	\$000
CAPITAL EXPENSES	
Rangatahi Dropout Repair PGF	765
Nuhaka River road PGF	1,001
Patangata Bridge PGF	750
Clyde Court and Pilot Hill toilets	355
Big belly bin install	111
Digital Hub capital costs	73
Three Waters DIA funded capital projects	1,544
Total unbudgeted capital expenses	4,599

HE TAUĀKĪ TU PŪTEA

STATEMENT OF FINANCIAL POSITION

As at 30 April 2021

	YTD		Full Year			Variance	
	Actual \$000	AP \$000	Forecast \$000	AP \$000	2020 \$000	\$000	%
Current Assets							
Cash and cash equivalents	4,187	4,105	459	1,972	2,795	82	2%
Inventories	79	57	57	58	78	22	39%
Trade and other receivables	6,544	2,411	3,006	3,120	7,305	4,133	171% A
Financial assets at fair value	-	-	-	-	2,072	-	0%
Total current assets	10,810	6,573	3,522	5,150	12,250		
Current liabilities							
Trade and other payables	8,302	9,076	7,648	9,782	6,480	(774)	-9%
Advance funding - PGF	3,126	-	2,814	-	1,508	3,126	100%
Borrowings	-	-	-	-	1,000	-	0%
Total current liabilities	11,428	9,076	10,462	9,782	8,988		
Working Capital	(618)	(2,503)	(6,940)	(4,632)	3,262		
Non-current assets							
Property, plant and equipment	270,016	279,282	273,442	279,284	274,975	(6,861)	-2%
Work in progress	23,009	20,604	31,339	20,604	5,252		
Investment in subsidiary	1,250	1,250	1,250	1,250	1,250	-	0%
Investment property	405	-	405	-	383	-	0%
Biological asset - forestry	115	260	260	260	115	(145)	-56% B
Available for sale financial assets	21	23	21	23	21	(2)	-9%
Intangible assets	22	198	37	198	37	(176)	-89%
Financial assets held to maturity	144	-	144	-	148	(127)	2%
Financial assets at fair value	5,851	6,122	5,978	8,256	3,882		
Total non-current assets	300,833	307,739	312,876	309,875	286,063		
Non-current liabilities							
Employee entitlements	87	112	66	112	66	(25)	-22%
Landfill aftercare	1,197	730	1,397	730	1,197	467	64%
Borrowings	9,000	10,901	10,000	10,901	8,000	(1,901)	-17% C
Total non-current liabilities	10,284	11,743	11,463	11,743	9,263		
Net assets	289,931	293,493	294,473	293,500	280,062		
Represented by							
Equity	289,931	293,493	294,473	293,500	280,062		

Variance explanations (30 April 2021 actual compared to YTD annual plan)

- A** Trade and other receivables are \$4m higher than budgeted. This is due to timing of billing, collections and payment compared to budget.
- B** The valuation received for the Council's forestry asset as at 30 June 2020 was lower than budgeted. The forest is revalued every 3 years and this valuation took a more comprehensive approach resulting in a more accurate however lower than expected value.
- C** Borrowings are \$1.1m less than budgeted. Borrowings are used to fund capital projects to ensure intergenerational equity. The cash received for Three Waters funding has enabled us to pay off debt whilst retaining an open credit facility. Council's treasury management balances interest payable from debt against interest and gains from investments, whilst ensuring sufficient liquidity to meet payments when due.

HE TAUĀKĪ MANA TAURITE

STATEMENT OF CHANGES IN EQUITY

For the period ended 30 April 2021

	YTD		Full Year		
	Actual \$000	AP \$000	Forecast \$000	AP \$000	2020 \$000
Total equity - opening balance	280,062	284,916	280,062	284,913	270,504
Net surplus (deficit) for period	9,869	8,577	14,411	8,587	3,521
Other comprehensive income	-	-	-	-	6,037
Total comprehensive income	9,869	8,577	14,411	8,587	9,558
Total equity - closing balance	289,931	293,493	294,473	293,500	280,062
Components of equity					
Ratepayer's equity - opening balance	143,500	144,919	143,500	137,936	135,156
Net surplus/(deficit) for period	9,869	8,577	14,411	8,587	3,521
Transfers from restricted reserves	368	-	368	(2,196)	7,166
Transfers to restricted reserves	(289)	-	(289)	4,250	(5,846)
Transfer from revaluation reserve	(2,534)	-	(2,534)	-	3,503
Ratepayer's equity - closing balance	150,914	153,496	155,456	148,577	143,500
Special funds - opening balance	20,756	13,022	20,756	20,003	22,076
Transfer to ratepayer's equity	289	-	289	(4,250)	5,846
Transfer from ratepayer's equity	(368)	-	(368)	2,196	(7,166)
Special funds - closing balance	20,677	13,022	20,677	17,949	20,756
Revaluation reserves - opening balance	115,806	126,975	115,806	126,974	113,272
Net transfer to ratepayer's equity	2,534	-	2,534	-	(3,503)
Revaluation recognised in other comprehensive revenue and expense	-	-	-	-	6,037
Revaluation reserves - closing balance	118,340	126,975	118,340	126,974	115,806
Total equity - closing balance	289,931	293,493	294,473	293,500	280,062

HE TAUĀKĪ KAPEWHITI
STATEMENT OF CASHFLOWS
For the period ended 30 April 2021

		YTD	Full year	
		Actual \$000	Forecast	AP 2020 \$000
Cash flows from operating activities				
<i>Cash was provided from:</i>	Rates received	8,489	14,518	14,737
	Other revenue	28,822	34,925	22,752
	Investment income	98	369	1,154
		100	250	-
<i>Cash was applied to:</i>	Payments to suppliers and employees	(18,270)	(26,945)	(19,129)
	Interest paid	(197)	(202)	(1,186)
Net cash flows from operating activities		19,042	22,915	18,328
Cash flows from investing activities				
<i>Cash was provided from:</i>	Sale of property, plant and equipment	-	-	16
	Insurance proceeds	-	-	-
	Sale of financial assets	2,072	1,928	-
<i>Cash was applied to:</i>	Purchase of financial assets	(1,965)	(2,092)	(2,115)
	Purchase of property, plant and equipment	(17,757)	(26,087)	(20,604)
Net cash flows from investing activities		(17,650)	(26,251)	(22,703)
Cash flows from financing activities				
<i>Cash was provided from:</i>	Loans raised	1,000	2,000	2,702
<i>Cash was applied to:</i>	Borrowings repaid	(1,000)	(1,000)	-
Net cash flows from financing activities		-	1,000	2,702
Net increase/(decrease) in cash and cash equivalents		1,392	(2,336)	(1,673)
Cash and cash equivalents at beginning of period		2,795	2,795	3,645
Cash and cash equivalents at end of period		4,187	459	1,972
Made up of:				
Cash		(18)	6	50
Short term deposits		4,205	453	1,922
Cash and cash equivalents at end of period		4,187	459	1,972

The Council's operating activities YTD have resulted in a net cash inflow of \$4m. This includes the first \$5 million of the \$11 million of Three Waters funding. The cash generated by operating activities has been applied to the purchase of property, plant and equipment (\$17.8m) and an increase in cash held in the form of short term deposits (to \$4m). The increase in investment spending, and reduction in short term deposit from previous months is mostly a result of the utilisation of Three Waters funding. We expect to see all of the \$5 million utilised by 30 June 2021 and the next tranche of cash due in the following financial year. Overall there is a healthy cash balance to meet our operational funding requirements.



HE TAUĀKĪ WHAKAAWEAWE PŪTEA

FUNDING IMPACT STATEMENTS

Understanding Funding Impact Statements

These statements set out Council's sources of operating and capital funding to be used for the 2020/21 financial year, and how this funding is to be applied. Council's sources of operating funding include items such as fees and charges, and its applications of operating funding include items such as payments to staff and suppliers. Council's sources of capital funding include items such as subsidies and grants for capital expenditure, and its applications of capital funding include capital expenditure to improve levels of service or replace existing assets. The difference between the value of total capital funding and application of this funding is the amount that Council needs to fund from rating for depreciation, both in the current year and from reserves which have built up over several years. These statements do not include depreciation. This is because it is a non-cash item. The Whole of Council Funding Impact Statement provides combined totals of all Council's sources of operating and capital sources of funding and application, and activity-level funding impact statements which separates this information into Council's key activity groups such as water supply and waste management.

FUNDING IMPACT STATEMENT FOR 1 JULY 2020 TO 30 APRIL 2021 (WHOLE OF COUNCIL)

	2019/20 AP \$000	2019/20 Actual \$000	2020/21 AP \$000	2020/21 Forecast \$000	YTD AP \$000	YTD Actual \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	3,590	3,590	3,523	3,523	3,317	3,317
Targeted rates (other than a targeted rate for water supply)	9,023	9,626	10,464	10,464	8,339	8,339
Subsidies and grants for operating purposes	6,804	6,965	8,041	7,908	8,041	6,833
Fees and charges	2,060	2,066	2,273	2,270	2,273	1,915
Interest and dividends from investments	570	750	761	619	642	199
Local authorities fuel tax, fines, infringement fees, and other receipts	87	75	88	51	88	64
Total operating funding (A)	22,134	23,072	25,151	24,835	22,700	20,667
Applications of operating funding						
Payments to staff and suppliers	22,191	24,820	23,213	23,783	23,213	20,147
Finance costs	144	459	202	268	83	245
Internal charges and overheads applied	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	22,336	25,279	23,416	24,051	23,296	20,392
Surplus (deficit) of operating funding (A - B)	(202)	(2,207)	1,736	784	(596)	275
Sources of capital funding						
Subsidies and grants for capital expenditure	10,029	11,745	12,168	19,713	12,168	13,968
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	1,880	3,781	2,702	1,174	4,960	777
Gross proceeds from sale of assets	31	-	16	-	16	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	11,939	15,526	14,886	20,887	17,144	14,745
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	9,776	7,103	9,364	10,314	6,516	8,060
- to replace existing assets	6,639	9,347	11,239	15,771	14,086	9,694
Increase (decrease) in reserves	(4,678)	(3,131)	(3,980)	(4,414)	(4,054)	(2,734)
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	11,737	13,319	16,623	21,671	16,548	15,020
Surplus (deficit) of capital funding (C-D)	202	2,207	(1,736)	(784)	596	(275)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge		(5,806)	(5,317)	(6,066)	(815)	(1,076)

FUNDING IMPACT STATEMENT FOR 1 JULY 2020 TO 30 APRIL 2021 FOR WATER SUPPLY

	2019/20 AP \$000	2019/20 Actual \$000	2020/21 AP \$000	2020/21 Forecast \$000	YTD AP \$000	YTD Actual \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	1,289	1,289	1,295	1,295	1,192	1,192
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees and charges	309	307	307	293	307	243
Internal charges and overheads recovered	427	535	436	536	436	402
Internal interest income	65	-	124	-	124	-
Interest and dividends from investments	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	2,090	2,131	2,163	2,124	2,059	1,837
Applications of operating funding						
Payments to staff and suppliers	1,039	1,315	781	1,246	782	989
Finance costs	-	-	-	-	-	-
Internal charges and overheads applied	833	893	827	908	827	690
Internal interest charged	-	186	83	44	83	37
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	1,872	2,394	1,693	2,198	1,692	1,716
Surplus (deficit) of operating funding (A - B)	219	(263)	470	(74)	367	121
Sources of capital funding						
Subsidies and grants for capital expenditure	-	-	-	980	-	78
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	3	274	140	600	243	344
Gross proceeds from sale of assets	9	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	12	274	140	1,580	243	422
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	97	50	20	1,036	50	96
- to replace existing assets	293	239	1,155	1,083	1,125	622
Increase (decrease) in reserves	(159)	(278)	(565)	(613)	(565)	(175)
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	231	11	610	1,506	610	543
Surplus (deficit) of capital funding (C-D)	(219)	263	(470)	74	(367)	(121)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge		(592)	(572)	(650)	(572)	(539)

FUNDING IMPACT STATEMENT FOR 1 JULY 2020 TO 30 APRIL 2021 FOR STORMWATER

	2019/20 AP \$000	2019/20 Actual \$000	2020/21 AP \$000	2020/21 Forecast \$000	YTD AP \$000	YTD Actual \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	415	415	373	373	383	383
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees and charges	-	2	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-
Internal interest income	39	-	95	-	95	-
Interest and dividends from investments	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	453	417	469	373	478	383
Applications of operating funding						
Payments to staff and suppliers	118	105	117	120	117	112
Finance costs	-	-	-	-	-	-
Internal charges and overheads applied	159	133	153	35	153	29
Internal interest charged	55	141	106	148	106	114
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	331	379	377	303	376	255
Surplus (deficit) of operating funding (A - B)	122	38	92	70	102	128
Sources of capital funding						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	231	43	8	(68)	(2)	(125)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	231	43	8	(68)	(2)	(125)
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	386	81	100	5	-	74
- to replace existing assets	108	58	-	3	100	29
Increase (decrease) in reserves	(140)	(58)	-	(6)	-	(101)
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	353	81	100	2	100	3
Surplus (deficit) of capital funding (C-D)	(122)	(38)	(92)	(70)	(102)	(128)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge		(222)	(192)	(252)	(192)	(210)

FUNDING IMPACT STATEMENT FOR 1 JULY 2020 TO 30 APRIL 2021 FOR WASTEWATER

	2019/20 AP \$000	2019/20 Actual \$000	2020/21 AP \$000	2020/21 Forecast \$000	YTD AP \$000	YTD Actual \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	1,163	1,163	1,513	1,513	1,075	1,075
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees and charges	130	25	105	47	105	56
Internal charges and overheads recovered	1	-	-	-	-	-
Internal interest income	64	-	67	-	67	-
Interest and dividends from investments	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	1,358	1,188	1,686	1,560	1,247	1,131
Applications of operating funding						
Payments to staff and suppliers	815	3,630	999	1,833	999	1,413
Finance costs	-	-	-	-	-	-
Internal charges and overheads applied	307	134	295	96	295	80
Internal interest charged	54	268	179	277	179	215
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	1,177	4,032	1,474	2,206	1,473	1,708
Surplus (deficit) of operating funding (A - B)	181	(2,844)	213	(646)	(226)	(577)
Sources of capital funding						
Subsidies and grants for capital expenditure	-	-	-	1,871	-	1,564
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	62	3,053	1,545	1,119	1,983	630
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	62	3,053	1,545	2,990	1,983	2,194
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	-	217	-	2,308	1,420	1,575
- to replace existing assets	798	222	2,691	472	1,271	495
Increase (decrease) in reserves	(556)	(230)	(933)	(436)	(933)	(454)
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	243	209	1,757	2,344	1,757	1,617
Surplus (deficit) of capital funding (C-D)	(181)	2,844	(213)	646	226	577
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge		(410)	(275)	(435)	(275)	(362)

FUNDING IMPACT STATEMENT FOR 1 JULY 2020 TO 30 APRIL 2021 FOR WASTE MANAGEMENT

	2019/20 AP \$000	2019/20 Actual \$000	2020/21 AP \$000	2020/21 Forecast \$000	YTD AP \$000	YTD Actual \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	984	984	1,260	1,260	910	910
Subsidies and grants for operating purposes	-	-	-	645	-	494
Fees and charges	641	635	635	687	635	543
Internal charges and overheads recovered	-	-	-	-	-	-
Internal interest income	-	-	-	-	-	-
Interest and dividends from investments	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	1,626	1,620	1,897	2,592	1,545	1,947
Applications of operating funding						
Payments to staff and suppliers	1,299	1,511	1,512	1,470	1,512	1,082
Finance costs	-	21	-	-	-	-
Internal charges and overheads applied	224	52	216	27	216	22
Internal interest charged	58	197	61	204	60	158
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	1,582	1,781	1,790	1,701	1,788	1,262
Surplus (deficit) of operating funding (A - B)	44	(161)	107	891	(243)	685
Sources of capital funding						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	570	473	(107)	(468)	243	(356)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	570	473	(107)	(468)	243	(356)
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	570	312	-	636	-	542
- to replace existing assets	-	-	-	-	-	-
Increase (decrease) in reserves	44	-	-	(213)	-	(213)
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	614	312	-	423	-	329
Surplus (deficit) of capital funding (C-D)	(44)	161	(107)	(891)	243	(685)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge		(130)	(107)	(68)	(107)	(51)

FUNDING IMPACT STATEMENT FOR 1 JULY 2020 TO 30 APRIL 2021 FOR TRANSPORT

	2019/20 AP \$000	2019/20 Actual \$000	2020/21 AP \$000	2020/21 Forecast \$000	YTD AP \$000	YTD Actual \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	62	62	101	101	58	58
Targeted rates (other than a targeted rate for water supply)	3,449	3,449	3,594	3,594	3,188	3,188
Subsidies and grants for operating purposes	6,744	6,429	7,887	5,833	7,887	5,447
Fees and charges	49	54	52	75	52	55
Internal charges and overheads recovered	-	-	-	-	-	-
Internal interest income	-	-	-	-	-	-
Interest and dividends from investments	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	10,305	9,994	11,635	9,603	11,185	8,748
Applications of operating funding						
Payments to staff and suppliers	8,747	8,254	8,526	7,461	8,526	6,984
Finance costs	-	-	-	-	-	-
Internal charges and overheads applied	1,635	89	1,562	1	1,562	3
Internal interest charged	3	1,412	39	1,449	39	1,120
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	10,385	9,755	10,127	8,911	10,127	8,107
Surplus (deficit) of operating funding (A - B)	(80)	239	1,509	692	1,058	641
Sources of capital funding						
Subsidies and grants for capital expenditure	10,029	11,694	11,568	16,363	11,568	11,891
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	426	(182)	(1,508)	(693)	(1,058)	(641)
Gross proceeds from sale of assets	8	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	10,463	11,512	10,060	15,670	10,510	11,250
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	7,882	5,248	6,362	5,042	3,087	5,034
- to replace existing assets	4,893	8,456	7,120	13,947	10,394	8,383
Increase (decrease) in reserves	(2,393)	(1,953)	(1,914)	(2,628)	(1,914)	(1,526)
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	10,383	11,751	11,568	16,362	11,568	11,891
Surplus (deficit) of capital funding (C-D)	80	(239)	(1,509)	(692)	(1,058)	(641)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge		(4,185)	(3,142)	(3,665)	(3,142)	(3,048)

FUNDING IMPACT STATEMENT FOR 1 JULY 2020 TO 30 APRIL 2021 FOR COMMUNITY FACILITIES

	2019/20 AP \$000	2019/20 Actual \$000	2020/21 AP \$000	2020/21 Forecast \$000	YTD AP \$000	YTD Actual \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	767	767	786	786	708	708
Targeted rates (other than a targeted rate for water supply)	1,452	1,452	1,256	1,256	1,342	1,342
Subsidies and grants for operating purposes	60	29	39	(282)	39	(170)
Fees and charges	48	66	70	77	70	79
Internal charges and overheads recovered	-	-	-	-	-	-
Internal interest income	-	-	-	-	-	-
Interest and dividends from investments	-	-	-	1	-	1
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	2,327	2,314	2,151	1,838	2,159	1,960
Applications of operating funding						
Payments to staff and suppliers	1,737	1,837	1,908	1,773	1,908	1,501
Finance costs	-	-	-	-	-	-
Internal charges and overheads applied	299	142	290	57	290	46
Internal interest charged	23	268	69	281	69	217
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	2,060	2,247	2,268	2,111	2,267	1,764
Surplus (deficit) of operating funding (A - B)	267	67	(116)	(273)	(108)	196
Sources of capital funding						
Subsidies and grants for capital expenditure	-	-	600	424	600	362
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	127	51	627	389	619	(145)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	127	51	1,227	813	1,219	217
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	121	153	1,546	635	1,557	454
- to replace existing assets	230	58	78	38	67	33
Increase (decrease) in reserves	44	(93)	(513)	(133)	(513)	(74)
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	395	118	1,111	540	1,111	413
Surplus (deficit) of capital funding (C-D)	(267)	(67)	116	273	108	(196)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge		(262)	(237)	(195)	(237)	(146)

FUNDING IMPACT STATEMENT FOR 1 JULY 2020 TO 30 APRIL 2021 FOR PLANNING AND REGULATORY

	2019/20 AP \$000	2019/20 Actual \$000	2020/21 AP \$000	2020/21 Forecast \$000	YTD AP \$000	YTD Actual \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	112	112	193	193	103	103
Targeted rates (other than a targeted rate for water supply)	1,084	1,084	1,219	1,219	1,001	1,001
Subsidies and grants for operating purposes	-	12	-	38	-	28
Fees and charges	452	589	631	725	631	626
Internal charges and overheads recovered	-	-	-	-	-	-
Internal interest income	-	-	-	-	-	-
Interest and dividends from investments	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	1,648	1,797	2,044	2,175	1,735	1,758
Applications of operating funding						
Payments to staff and suppliers	1,560	1,532	2,015	1,115	2,015	914
Finance costs	18	22	-	9	-	7
Internal charges and overheads applied	336	10	598	7	597	4
Internal interest charged	5	369	7	552	7	421
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	1,919	1,933	2,621	1,683	2,619	1,346
Surplus (deficit) of operating funding (A - B)	(271)	(136)	(577)	492	(884)	412
Sources of capital funding						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	17	136	650	(492)	884	(412)
Gross proceeds from sale of assets	9	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	26	136	650	(492)	884	(412)
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	62	73	-	-	-	-
- to replace existing assets	-	38	-	-	-	-
Increase (decrease) in reserves	(307)	(111)	73	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	(245)	-	73	-	-	-
Surplus (deficit) of capital funding (C-D)	271	136	577	(492)	884	(412)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge		(45)	(74)	(66)	(74)	(49)

FUNDING IMPACT STATEMENT FOR 1 JULY 2020 TO 30 APRIL 2021 FOR LEADERSHIP AND GOVERNANCE

	2019/20 AP \$000	2019/20 Actual \$000	2020/21 AP \$000	2020/21 Forecast \$000	YTD AP \$000	YTD Actual \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	2,705	2,705	2,603	2,603	2,500	2,500
Targeted rates (other than a targeted rate for water supply)	655	655	540	540	606	606
Subsidies and grants for operating purposes	-	496	115	1,455	115	1,035
Fees and charges	312	219	302	187	302	160
Internal charges and overheads recovered	-	-	-	-	-	-
Internal interest income	-	-	-	-	-	-
Interest and dividends from investments	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	3,672	4,075	3,561	4,785	3,523	4,301
Applications of operating funding						
Payments to staff and suppliers	1,817	1,849	1,971	3,118	1,971	2,548
Finance costs	1	-	1	1	1	1
Internal charges and overheads applied	1,630	12	1,644	2	1,644	2
Internal interest charged	3	1,551	31	1,704	31	1,317
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	3,450	3,412	3,647	4,825	3,647	3,868
Surplus (deficit) of operating funding (A - B)	222	663	(86)	(40)	(124)	433
Sources of capital funding						
Subsidies and grants for capital expenditure	-	51	-	76	-	73
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	6	(95)	86	40	124	(433)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	6	(44)	86	116	124	(360)
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	11	629	-	76	-	73
- to replace existing assets	11	36	-	-	-	-
Increase (decrease) in reserves	207	(46)	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	228	619	-	76	-	73
Surplus (deficit) of capital funding (C-D)	(222)	(663)	86	40	124	(433)
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge		(55)	(59)	(76)	(59)	(57)

FUNDING IMPACT STATEMENT FOR 1 JULY 2020 TO 30 APRIL 2021 FOR CORPORATE FUNCTIONS

	2019/20 AP \$000	2019/20 Actual \$000	2020/21 AP \$000	2020/21 Forecast \$000	YTD AP \$000	YTD Actual \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	(56)	(56)	(160)	(160)	(52)	(52)
Targeted rates (other than a targeted rate for water supply)	(1,469)	(866)	(586)	(586)	(1,357)	(1,357)
Subsidies and grants for operating purposes	-	-	-	220	-	-
Fees and charges	117	168	171	179	171	153
Internal charges and overheads recovered	5,119	4,685	5,314	5,153	5,314	3,975
Internal interest income	265	796	1,295	269	547	224
Interest and dividends from investments	570	750	761	618	642	198
Local authorities fuel tax, fines, infringement fees, and other receipts	87	75	88	51	88	64
Total operating funding (A)	4,634	5,552	6,885	5,744	5,353	3,205
Applications of operating funding						
Payments to staff and suppliers	5,059	4,786	5,385	5,650	5,385	4,604
Finance costs	126	416	201	258	82	237
Internal charges and overheads applied	122	39	166	-	166	-
Internal interest charged	233	120	1,006	167	257	126
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	5,540	5,361	6,759	6,075	5,890	4,967
Surplus (deficit) of operating funding (A - B)	(906)	191	126	(331)	(537)	(1,762)
Sources of capital funding						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	437	28	1,261	748	1,924	1,915
Gross proceeds from sale of assets	5	-	16	-	16	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	442	28	1,277	748	1,940	1,915
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	647	340	1,336	575	401	211
- to replace existing assets	306	240	195	228	1,129	132
Increase (decrease) in reserves	(1,417)	(361)	(127)	(386)	(127)	(190)
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	(464)	219	1,403	417	1,403	153
Surplus (deficit) of capital funding (C-D)	906	(191)	(126)	331	537	1,762
Funding balance ((A-B) + (C-D))	-	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge		(104)	(659)	(659)	(659)	(489)



PROJECT SUMMARY

Each year the Council budgets for a number of projects varying from computer purchases through to infrastructural improvements. These projects form part of our work in project budget and are funded in one of 4 ways:

Reserve funding: Reserves are built up each year from depreciation (a non-cash charge which forms part of our expense in the statement of comprehensive income) and from retained earnings (when a project was rated for in one year but not completed or deferred – the residual budget that was rated for is transferred to reserves and then this is utilised in future periods to ensure projects are not rated for twice).

Loan funding: Borrowings are used to fund capital projects which exceed reserve amounts, , or for brand new assets for which no alternative funding is available. This ensures intergenerational equity in costs.

Subsidies / grants: Subsidies and/or grants can cover all or part of a project cost. Council has a number of PGF grants which fully cover current projects. NZTA subsidies are received on a cost share basis, ranging from a minimum of 75% of the cost of roading infrastructure that meet the NZTA criteria.

Sale proceeds: For some assets, in particular vehicles, sale proceeds of a fully or partially depreciated asset are utilised in conjunction with the depreciation reserve to fund a replacement purchase. Insurance proceeds are used in the same way when relating to an asset replacement or repair.

PROJECT MONITORING

Project monitoring is achieved through reports to the infrastructural and Economic Development committees on a regular basis. Risks associated with projects are highlighted to the relevant committee. The salient points on projects from the most recent meetings are summarised below:

Infrastructure Committee

Meeting : 18 May 2021

Kitchener Street piping open drain/safety improvements- Following rainfall intensities of up to 27mm/hr, one section of the culverts currently being installed along Kitchener Street (Clyde Road Corner to Hospital Entrance) floated. This is a very uncommon occurrence for concrete culverts. Each culvert weighs 4.2 tonne. It appears that the water from the heavy rain has penetrated the backfill around the culverts getting under the culverts creating an uplift. Ground water also attributes to this. This uplift can amount to up to 1 tonne of pressure per 1 square metre of pipe surface. Normally there would be added weight additional to the weight of the culverts, created by the water inside the culverts which keeps the downward forces greater than the upward forces. However due to Fulton Hogan still being in the process of installing the culverts, they had a very efficient dewatering system in place. This resulted in only a little amount water being in the culverts. Also backfilling above the culverts had not been completed. Fulton Hogan have Construction Insurance in place which is being looked at to cover this incident. The effected section of culverts are being removed and re-laid.

Wastewater Consent : the last month has seen a few developments with the wastewater programme. After experts from the Regional Council and WDC team met at the end of March, there has been further refinement of the consent conditions. They are collectively in agreement on most. These will be submitted back to the hearing panel for consideration. The management of the wastewater abatement notice is requiring WDC and HBRC to meet and agree on what needs to occur, specifically whether modifications can be made to the existing discharge structure before the consent is granted. HBRC have not confirmed a meeting date yet. There has been a meeting of the Matangirau Reserve board to update them on the consent process and reiterate the proposal and its current status. The need to potentially change the concession application was also discussed. Staff are in the process of developing a master plan for the Wairoa WWTP facilities. This includes identification and tracking of future project. This include projects funded through the 3 water funding allocation. There has been a meeting with land owners to discuss irrigation design. There is to be a follow up meeting before the end of May.

Project Smart Meter Installation is experiencing supply and resourcing problems which resulted in a delayed start. Fulton Hogan have recently employed staff to get the delivery programme under way. Fulton Hogan have indicated Gisborne staff will also be available if required to ensure target delivery dates are met. Delivery of this

project remains one of the most significant risks due to its size and value. As a result, WDC have imposed conditions on Fulton Hogan via. Separable Portions detailed in NTC #15, to provide tension and ensure FH's commitment to deliver by March 2022 is legitimate.

Blue Bay water supply: The quality of discharge from the Blue Bay / Opoutama Wastewater Treatment Plant is currently non-compliant and breaching conditions of resource consent AUTH-118685-02. WDC were ordered to meet discharge conditions or cease discharge from the plant by 31 July 2021. WDC submitted a request under section 325A(4) of the Resource Management Act (1991) to amend the deadline to comply, specified in Abatement Notice EAC-20428, by three months to 31 October 2021, to allow enough time to implement a suitable upgrade solution. HBRC agreed to this extension on 23/04/2021, removing the risk of breaching the abatement notice at this time.

Overall DIA 3 Waters Project Risk

Quarterly reporting to the Department of Internal Affairs (DIA) has identified several key risks to the project. The table below is taken from the most recent April quarterly report and identifies the current top 5 risks to the project.

Quarter 2 (April 2021) Update		
Top 5 Risks and Contractor Claims		
Risk Name	Risk Level	Commentary
Completion of programme by 31 March 2022	High	Current programme indicates completion by March 2022. However, some works are yet to be procured, and some are experiencing resourcing issues which may become more of an issue closer to the completion date. The programme completion deadline is putting extra pressure on our already stressed resources, especially in a small town like Wairoa where it can be difficult to attract skilled suppliers and competition.
Under expenditure - \$11.04M programme is significant compared to prior years' expenditure.	Medium	Three new WDC staff have been appointed to deliver this stimulus package. Suppliers are also resourcing to accommodate influx of work, however some are having issues finding suitably skilled staff.
Minor variation to existing consent and landowner approval required for the Opoutama/Blue Bay WWTP effluent disposal field.	Low	This amendment is ready to be lodged. This should not present any risk to programme delivery.
Smart metering (\$2.98M) is new to the Wairoa DC.	Medium	Fulton Hogan Gisborne have provided the expertise to begin delivery, originally planned to start March 2021, but has been delayed to April 2021. They are currently delivering a metering programme for Gisborne District Council, and have proven experience in this area. However, there remains a significant risk to completion in such a tight timeframe due to lack of resource readily available. The programme and completion trajectory will be monitored closely. Fulton Hogan will continue to advertise for extra resource as delivery begins to roll out.
Covid related delays for overseas equipment orders	High	This remains a significant risk to our delivery programme. Suppliers are experiencing shortages in the country and delays when ordering from overseas some items as basic as pipes. Other items with supply shortages/delays that have impacted our programme include: Inlet screens, water manifolds, water meter boxes.
Lack of suppliers available to deliver accelerated works programme in such a tight timeframe	High	As indicated above, resourcing a delivery programme of this scale in such a tight timeframe comes with its challenges. Wairoa often relies on suppliers from outside of the district, and this case is no different. Currently the largest risk to delivery is the 'smart' metering programme which has been allocated over a quarter of the funding alone.

Blue Bay taps: In October 2018 council put the Blue Bay water treatment plant upgrade on hold and at the time installed three roadside non-potable water taps prior to Christmas 2018. Council had no obligation to offer this service and it was done as a good will gesture for Blue Bay residents as they were expecting water for the 2018 Christmas holiday period. At the time Wairoa District Council were also concerned that Blue Bay residents may try to access water from other riskier sources. The taps are connected to the existing non-potable water supply, and allow the residents over the holiday periods to use this for general use such as, filling up caravan grey water

systems etc. Council have recently reviewed the risk and now consider it appropriate to remove the 3 roadside taps due to increasing risks such as:

- Locals going into the Blue Bay subdivision and filling and taking bulk water in 1,000 Litre cubes on trailers.
- Public health risk will increase with the upgrade of the Opoutama/Blue Bay wastewater treatment plant.
- Ongoing vandalism, taps broken, hose removed, signage removed.
- Fire and Emergency New Zealand has expressed concern that the water tank levels may diminish over time as the public taps are utilised potentially resulting in insufficient water supply in the event of an emergency leaving the three fire hydrants compromised.

Council will communicate the removal of the three roadside taps to the property owners with the intention of removing the 3 x road side taps by approx. end of July / August 2021.

Economic Development Committee

Meeting : 11 May 2021

Te Wairoa E Whanake

Contact milestones to date have been met. Designs have been finalised and plans are being prepared for consenting. Interior finishing and fixtures are being finalised, sourced and costed. Concrete repair is underway on the beams and columns. Archaeological assessments have been submitted and Heritage NZ is expected to grant authority by the end of May which will enable construction in the courtyard to begin. There are no major changes to the project timeline. An updated Business Case is being developed for Stage 2, using existing project information. This will be reported to the EDC as well as Finance Audit and Risk Committee.

Centennial Library and Archive Redevelopment

The external funding project to source funding of the proposed redevelopment is progressing to schedule.

Tourism Infrastructure Fund: Two new funding applications have been submitted to MBIE for this funding round.

At 31 March 2021, activity managers reviewed the projects under their control and forecast spend and completion as at 30 June 2021. This forecast was assessed against the full year budget. Explanations were provided for any projects which activity managers identified may have significant deviation from the original budget or other issues.

The projects have been split into 3 categories for reporting:

1. Unbudgeted externally funded projects
2. Budgeted projects on track
3. Current projects requiring highlight

The below projects are funded by PGF or other unbudgeted external funding:

As most of these projects were awarded after the 2021 Annual Plan was completed, there was no budget allocated and therefore they need to be reported separately as their inclusion in total projects would skew variance results.

	To 30 June 2021 (\$000)	Funding source		
	Forecast spend	Subsidy	Reserve	Loan
Three waters	3,278	100%	0%	0%
Community Facilities	964	100%	0%	0%
Digital Hub	76	100%	0%	0%
Roading	9,439	100%	0%	0%
Waste Management	124	100%	0%	0%
Total	13,881			

The below projects were budgeted for or arose out of business as usual operations.

	To 30 June 2021 (\$000)					Funding source		
	Forecast spend	Full year budget	Carryover from prior budgets	Total budget	Forecast variance	Subsidy	Reserve	Loan
Three waters	1,714	1,961	190	2,152	(438)	A	0%	100%
Administration	93	72	16	88	5		0%	100%
Community Facilities*	410	313	33	346	64		0%	100%
IT	3,451	534	103	637	2,814		0%	100%
Engineering BAU	40	40	-	40	-		0%	60%
Property**	251	145	80	225	26		0%	100%
Roading BAU	11,714	9,686	3,821	13,507	(1,793)	B	76%	33%
Waste Management	513	-	258	258	255	C	0%	100%
Total	18,186	12,753	4,500	17,253	933			

* Including carparks, footpaths, halls, playgrounds

** Pensioner and staff housing, commercial property

A Variance relates to budgeted spend on Fitzroy Plant and flood control protection at intake not expected to be utilised by year end. The Fitzroy Plant is dependent on the Waste Water Consent before commencing.

B This variance relates to NZTA subsidies budgeted for not expected to be received, refer also analysis in the financial statements.

C \$220K of this variance relates to the Recycling Centre Renewal which will be paid for by the waste levy.

Issues have been identified with the below projects: either a need has arisen that was not budgeted for, or other constraints have occurred which mean the activity managers responsible have highlighted these projects.

	To 30 June 2021 (\$000)					Activity manager comment
	Forecast spend	Full year budget	Carryover from prior budgets	Total budget	Forecast variance	
Nuhaka River road (PGF project)	1,096	0	0	0	(1,096)	PGF funding came after the development of the budget. Design changes have seen cost increase. This will be offset against emergency works, RS5613. Road is complete.
Tuai sand filters	35	0	0	0	(35)	Sandbeds are impacting on effluent quality, poor irrigation, sand used in original design no longer produced. Have to seek alternative product or design. This investigation into alternatives may continue into the next financial year.
Library building	150	1,500	0	1,500	1,350	Likely carryover for expanded development.
Replacement building for archive storage	36	1,000	0	1,000	964	Council endorsed Library/Archives development on 20 Oct. Grant awarded from National libraries, to be spent by 30 June.
Tuai playground equipment	0	40	0	40	40	Carryover from previous budgets to facilitate Tuai playground redevelopment, subject to community led design and delivery, this is an ongoing project, supported by council. Will likely be carry over again due to slow community development
Basketball court	0	0	100	100	100	Delays due to COVID19 and PGF funding taking priority. Unlikely to be developed this FY, may need to carryover/reassess in LTP. Funds held to reserve for this area's enhancement.
Pavement Rehabilitation	756	756	0	756	0	This budget is not approved through Waka Kotahi. However, there is allowance in the low cost low risk Waka Kotahi budget (TIO) that will be used to offset this amount.
Traffic services renewals	81	231	0	231	150	M,O, & R cost scope adjustment saw this budget being reduced in Waka Kotahi (TIO)
Rangatahi dropout repair (PGF Project)	1,100	0	0	0	(1,100)	PGF - funding came after the development of the budget. Nuhaka River Road design costs mean this needs to be offset by RS5613, as this is an original emergency works project.
Total	3,254	3,527	100	3,627	373	

8.2 FA&R WORK PLAN

Author: Gay Waikawa, Kaiurungi Mana Ārahi Governance Officer

Authoriser: Kitea Tipuna, Tumu Whakarae Taupua Interim Chief Executive Officer

Appendices: 1. FA&R Work Plan-25 May 2021 [↓](#)



1. PURPOSE

This report provides information for Committee on the FA&R Annual Work Plan. 1.2
Attached is the FA&R Annual Work Plan from the FA&R Committee meeting held on
Tuesday, 2 March 2021.

RECOMMENDATION

The Kaiurungi Mana Ārahi Governance Officer RECOMMENDS that Committee receive the report.

Signatories

	
Author Gay Waikawa	Approved by Kitea Tipuna

FA&R COMMITTEE – WORK PLAN

No	ACTION TO BE TAKEN	RESPONSIBLE	CLOSED/OPEN
1	Establish an outstanding report to management register with a regular update.		Ongoing
2	Full draft Annual report NLT 29 Sept 2020 to be reviewed by FAR before submitting to Auditors	Finance and Corporate Support Department	Closed
3	Interim report on risk against Council risk policy – update on progress Present a report on risk at next FA&R Committee.	Interim Chief Executive	Ongoing
4	Provide an update where Council is at with all policies and bylaws.	Pouwhakarae – Pārongo/Wheako Kiritaki Group Manager Information and Customer Experience	Open
Kaiurungi Matua Kaupapa Here me te Mana Ārahi Senior Policy and Governance Advisor provided a table of Council policies that need refreshing, amending, updating, consulting, reviewing and developing. An update of Council bylaws will be presented at the next FA&R Committee.			
5	Capitalisation policy	Pouwhakarae – Pūtea/Tautāwhi Rangapū Group Manager Finance and Corporate Support), and (Pouwhakarae – Hua Pūmau Hapori/Ratonga Group Manager Community Assets and Services	Open
Capitalisation policy to be presented at next FA&R meeting.			
6	Gap analysis of renewals programme	Pouwhakarae – Pūtea/Tautāwhi Rangapū Group Manager Finance and Corporate Support), and (Pouwhakarae – Hua Pūmau Hapori/Ratonga Group Manager Community Assets and Services	Open
Requires further discussion.			
7	Depreciation of gap and level of service – renewals	Pouwhakarae – Pūtea/Tautāwhi Rangapū Group Manager Finance and Corporate Support), and (Pouwhakarae – Hua Pūmau	Open

	programme – Report on where Council is at.	Hapori/Ratonga Group Manager Community Assets and Services	
	Requires further discussion.		
8	Provide update on lone worker – health & safety	Kaiurungi Kore Whakawhara Zero Harm Officer	Open
	Update on lone worker-health and safety will be presented in public excluded as it has not been through internal process.		
9	Provide update – Forecast procedure – half yearly and March of every year.	Finance and Corporate Support Department	Open
	Being managed and forecast more practically.		
10	Provide capital expenditure	Kaikaute Putea Financial Accountant	Open