



# **Exceptions Report**

**For the month of July 2020**

**Financial Report**

**Activities Report**

**Capital Projects Update**

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## July 2020 Financial Report

### Statement of Operating and Capital Performance

	This Month 31 July 2020				Indicator	Year to 31 July 2020				Indicator	Whole Year	
	Actual \$'000	Annual Plan \$'000	Variance \$'000			Actual \$'000	Annual Plan \$'000	Variance \$'000			Annual Plan \$'000	
<b>Whole of Council</b>												
Rates	3,676	3,551	126	●		3,676	3,551	126	●		38,780	
Activity Revenue and Other Income	1,084	920	164	●		1,084	920	164	●		6,454	
Subsidies and Grants - Operational	450	423	27	●		450	423	27	●		4,809	
<b>Total Operating Income</b>	<b>5,210</b>	<b>4,893</b>	<b>317</b>	●		<b>5,210</b>	<b>4,893</b>	<b>317</b>	●		<b>50,042</b>	
Employee Benefits	970	1,159	190	●		970	1,159	190	●		13,142	
Contractors	108	206	98	●		108	206	98	●		1,888	
Professional Services	201	546	344	●		201	546	344	●		4,724	
Repairs and Maintenance	964	762	(201)	●		964	762	(201)	●		10,240	
Finance costs	157	238	81	●		157	238	81	●		2,860	
Other Operating Costs	180	1,087	907	●		180	1,087	907	●		7,040	
<b>Total Operating Costs</b>	<b>2,579</b>	<b>3,998</b>	<b>1,419</b>	●		<b>2,579</b>	<b>3,998</b>	<b>1,419</b>	●		<b>39,894</b>	
<b>Operating Surplus/(Deficit)</b> (before Depreciation)	<b>2,631</b>	<b>896</b>	<b>1,102</b>	●		<b>2,631</b>	<b>896</b>	<b>1,102</b>	●		<b>10,148</b>	
Capital Subsidies	400	312	88	●		400	312	88	●		15,081	
Contributions	488	254	634	●		488	254	634	●		3,046	
Other Capital Revenue	0	0	0	●		0	0	0	●		0	
<b>Total Capital Revenue</b>	<b>888</b>	<b>566</b>	<b>722</b>	●		<b>888</b>	<b>566</b>	<b>722</b>	●		<b>18,127</b>	
Capital Expenditure	914	2,319	1,404	●		914	2,319	1,404	●		27,822	
<b>Total Capital Payments</b>	<b>914</b>	<b>2,319</b>	<b>1,404</b>	●		<b>914</b>	<b>2,319</b>	<b>1,404</b>	●		<b>27,822</b>	
<b>Subtotal Capital</b>	<b>(27)</b>	<b>(1,752)</b>	<b>(683)</b>	●		<b>(27)</b>	<b>(1,752)</b>	<b>(683)</b>	●		<b>(9,695)</b>	
<b>Surplus/(Deficit)</b> - before Loan Payments and Depreciation	<b>2,605</b>	<b>(857)</b>	<b>419</b>	●		<b>2,605</b>	<b>(857)</b>	<b>419</b>	●		<b>453</b>	

Key: ● Within 5% of budget

● Over or under budget by 5 - 10%

● Over or under budget by more than 10%

## Statement of Operating and Capital Performance

Comments on major variances

### Operating Income:

Account	Rationale	\$000
<b>Rates Revenue</b>	Penalties are ahead of budget for the year to date due to arrears penalties applied (July 2020) and instalment penalties.	<b>126</b>
<b>Activity Revenue and Other Income</b>	Regulatory activity revenue: <ul style="list-style-type: none"> <li>• Increase in Building Control revenue.</li> <li>• Increase in Resource consenting income.</li> <li>• Decrease in Monitoring and enforcement fees.</li> <li>• Decrease in Roding external recoveries income – timing difference.</li> </ul>	<b>212 49 (9) (160)</b>
<b>Operating Subsidies and Grants</b>	Operational subsidies from NZTA are on than budget.  PGF funding for Kaipara Kickstart Programme not received yet – can only claim at milestones.	<b>(17)</b>

### Operating Costs:

Account	Rationale	\$000
<b>Contractors</b>	Overall reduction of contractor's costs.	<b>98</b>
<b>Professional Services</b>	Costs overall are lower than budget.  Resource consenting activity costs are ahead of budget.  Roding professional services costs are ahead of budget (NTA).  Community Activities, Stormwater, Wastewater and Water supply work schedule planning not started yet – timing difference	<b>29 35</b>
<b>Repairs and Maintenance</b>	Roding works maintenance programme is ahead of budget – due earlier completion of scheduled maintenance work	<b>229</b>
<b>Finance Costs</b>	Below budget due to lower inter-period loan balances.	<b>81</b>
<b>Other Operating Costs</b>	Costs overall are lower than budget.	<b>907</b>

### Capital Revenue

Account	Rationale	\$000
<b>Capital Subsidies</b>	Capital subsidies from NZTA are on budget.	
<b>Contributions</b>	The financial and development contributions are ahead of budget for the month.	<b>234</b>

## Statement of Financial Position

**Public Debt:** The public debt position at 31 July 2020 is \$44 million and the net debt position (debt less cash) is \$39.4 million.

<b>Public Debt and Requirements</b>			
	<b>June 2020</b>	<b>31 July 2020</b>	<b>June 2021</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
<b>Debt</b>			
Public Debt	44,000	44,000	51,320
Cash in bank (overnight deposits)	(4,398)	(4,628)	(1,926)
<b>Net Debt</b>	<b>39,602</b>	<b>39,372</b>	<b>49,393</b>
<b>Reserves (future obligations)</b>			
Development Contribution Reserve	(24,702)	(24,702)	(25,415)
Other Reserves	24,538	24,538	13,021
<b>Total reserves (future obligations)</b>	<b>(164)</b>	<b>(164)</b>	<b>(12,395)</b>
<b>Debt Requirements</b>			
Public Debt	44,000	44,000	51,320
Future obligations	24,538	24,538	13,021
Gross Debt Requirement	68,538	68,538	64,340
Less cash in bank	(4,398)	(4,628)	(1,926)
<b>Net Debt Requirements</b>	<b>64,140</b>	<b>63,910</b>	<b>62,414</b>

\*Note: Reserves balances are only recalculated at end of year.

## Activities Net Cost for the period to 31 July 2020

<b>Activity</b>	<b>Actual as at 31 July 2020</b>		<b>Whole Year Annual Plan</b>
	<b>Operating Income \$000's</b>	<b>Operating Costs \$000's</b>	<b>Net Operating Surplus/(Deficit) \$'000</b>
Community Activities	448	293	199
District Leadership	1,056	892	(739)
Regulatory Management	1,091	334	49
Roads and Footpaths	1,354	819	4,427
Wastewater	637	72	3,083
Water Supply	304	96	1,614
Stormwater	165	26	917
Flood Control	67	0	293
Solid Waste	88	47	305
	<b>5,210</b>	<b>2,579</b>	<b>10,148</b>

## Capital Expenditure for the period ended 31 July 2020

Activity - Capital Expenditure	Actual as at 31 July 2020				Whole Year
	Actual \$000's	Annual Plan \$000's	Variance \$000's	Indicator	Annual Plan \$000's
Community Activities	60	164	104	●	1,972
District Leadership	53	330	277	●	3,960
Roads and Footpaths	282	1,396	1,114	●	16,748
Wastewater	65	258	193	●	3,096
Water Supply	447	116	(331)	●	1,396
Stormwater	0	41	41	●	496
Flood Control	7	13	6	●	155
Solid Waste	0	0	0	●	0
	<b>914</b>	<b>2,319</b>	<b>1,405</b>		<b>27,823</b>

## Provincial Growth Fund

### Programme performance:

	Actual from February 2019 to July 2020	Budget from February 2019 to July 2020	Forecast (All programme)
<b>Operating Income</b>	<b>2,374,562</b>	<b>5,058,488</b>	<b>5,160,000</b>
PGF100 Kaipara Kickstart Programme	650,000	1,198,488	1,300,000
PGF101 Kaipara Kickstart Kai	964,156	980,000	980,000
PGF102 Kaipara Kickstart Moana Investigation	420,001	950,000	950,000
PGF103 Kaipara Kickstart Waipoua River Road Investigatio	26,550	120,000	120,000
PGF104 Kaipara Kickstart Waipoua Road Implementation	0	1,480,000	1,480,000
PGF105 Pouto Road Phase 2 (Investigation)	0	330,000	330,000
PGF106 50MAX HPMV Extension - Bridges	0	-	-
PGF108 Pouto Road Phase 1 (Physical Works)	263,855	-	-
PGF111 Kai Water	50,000	-	-
<b>Operating costs</b>	<b>1,652,260</b>	<b>4,969,034</b>	<b>5,170,000</b>
11152 Tomorata Bridge Repairs	5,352		
PGF100 Kaipara Kickstart Programme	421,189	1,099,034	1,300,000
PGF101 Kaipara Kickstart Kai	652,284	980,000	980,000
PGF102 Kaipara Kickstart Moana Investigation	413,602	950,000	950,000
PGF103 Kaipara Kickstart Waipoua River Road Investigatio	27,756	130,000	130,000
PGF104 Kaipara Kickstart Waipoua Road Implementation	11,528	1,480,000	1,480,000
PGF105 Pouto Road Phase 2 (Investigation)	63,994	330,000	330,000
PGF106 50MAX HPMV Extension - Bridges	0	-	-
PGF108 Pouto Road Phase 1 (Physical Works)	25,456	-	-
PGF109 Pouto Road Phase 2 (Physical Works)	1,575	-	-
PGF111 Kai Water	29,524	-	-
<b>Internal charges and recoveries</b>	<b>508,494</b>		
PGF100 Kaipara Kickstart Programme	354,516	-	-
PGF101 Kaipara Kickstart Kai	58,273	-	-
PGF102 Kaipara Kickstart Moana Investigation	47,272	-	-
PGF105 Pouto Road Phase 2 (Investigation)	5,085	-	-
PGF111 Kai Water	43,348	-	-
<b>Capital expenditure</b>	<b>2,593,556</b>	<b>1,630,000</b>	<b>14,000,000</b>
11152 Tomorata Bridge Repairs	2,101,421	1,500,000	2,150,000
PGF100 Kaipara Kickstart Programme	181,899	-	-
PGF103 Kaipara Kickstart Waipoua River Road Investigatio	8,277	-	-
PGF104 Kaipara Kickstart Waipoua Road Implementation	301,959	-	-
PGF105 Pouto Road Phase 2 (Investigation)	0	130,000	7,850,000
PGF107 Kaipara Moana Physical works	-	-	4,000,000
PGF108 Pouto Road Phase 1 (Physical Works)	-	-	-
PGF109 Pouto Road Phase 2 (Physical Works)	-	-	-
<b>Grand Total</b>	<b>2,379,748</b>	<b>1,540,546</b>	<b>14,010,000</b>

Please note the all programme budget to be updated with Shovel Ready projects in the month of August.

Please note these financials have been put together with a view of the Programme to Date. This programme of works officially commenced on the 3 February 2019.

## **Activities Report**

### **Kaipara KickStart Programme (PGF)**

The Kaipara Kickstart programme continues to meet all contractual obligations and enjoys a positive and respected relationship with PGF/MBIE representatives.

Kaipara Kai contract concluded 30 June 2020. The Kai Hub is now operational, being funded through to 30 June 2021 with the underspend of Kai project funding. The Kai Water project, to establish two demonstration horticultural sites, is progressing as planned.

Kaipara Wharves – physical works contract for Dargaville Pontoon has been executed. Other physical work sites (Pahi, Beach Landing and Pouto) are progressing as planned.

Kaipara Roothing Package – Unsealed Network funding of \$8.06m, team has focussed on regular discussions with PDU representatives (local and Central Government) to confirm funding sources. A resolution is expected mid August, which still enables prioritised work to commence this coming spring.

An update across the Kaipara KickStart programme will be provided at the next Council briefing session.

## **Shovel Ready Projects**

### **Funding applications for Crown Investment Partnerships (CIP)**

Funding announcements have been made with regards Kaiwaka foot bridges and Mangawhai Heads to Village Shared Paths. The next step is to develop the contract with MBIE.

We are still awaiting decisions on CIP applications including the Kaihu Valley Trail and stopbanks.

**Redeployment Package (former Forestry Redeployment Application)**

Works have commenced and are progressing well in the following sites;

- Mangawhai Community Park, removal of gum trees and wilding pines.
- Pou Tu o Te Rangi, pest plant removal, clearance and implementation of pest plant plan continuing.
- Kai-iwi Lakes – Taharoa Domain, area wide removal of pest plants and implementation of pest plant plan. – Safety induction for work crews completed in preparation for commencement onsite on 3 August.

38 jobs have already been created including 18 who were previously unemployed and 28 who are local to Kaipara.

Activities	Contractor	Budget
Mangawhai Community Park tree removal	Orang-Otang	\$207,000
Mangawhai Community Park stump removal and re-vegetation	Delivery Contractor TBC	\$45,000
Mangawhai Community Park carpark surface works and sand-dune removal	Delivery Contractor TBC	\$75,000
Mangawhai Community Park tree removal	Waterways Ltd	\$40,000
Memorial park - removal of pest plants	Downer	\$20,000
Metal track through Memorial Park Bush	Downer	\$10,000
Clearing of vegetation at PToTR/HP Pa Site (LTP)	Turf Tamer	\$20,000
Omana Road Reserve tree and pest plant removal	Downer	\$20,000
Implementation of Pest Plant Plan at Taharoa (LTP)	Te Roroa/Turf Tamer	\$500,000
Implementation of Pest Plant Plan at PToTR/HP (LTP) and clearance and establishment of mountain bike track.	Downer/Andrew Younger	\$100,000
Install Kauri Dieback proof tracks at Kaiwaka Reserve (includes \$100k of wash stations that NRC may contribute to)	Downer/4sight	\$360,000
Kaiwaka Oneriri Road Intersection clean up (LTP)	Turf Tamer	\$30,000
Clearing of vegetation for Thelma South walkway (LTP)	Orang-Otang	\$1,500
Matakohe/Ruawai bike track Te Kowhai Road	Delivery Contractor TBC	\$100,000



## Building and Resource Consents

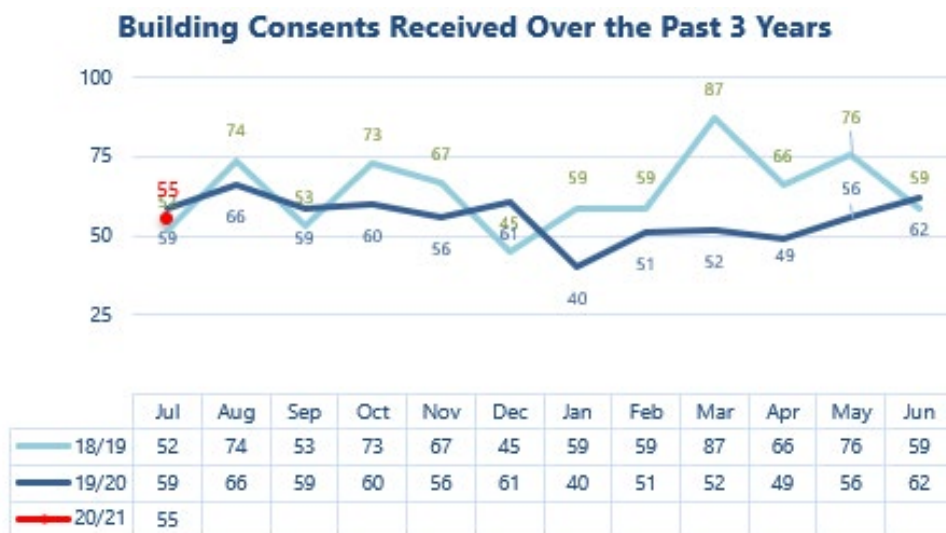
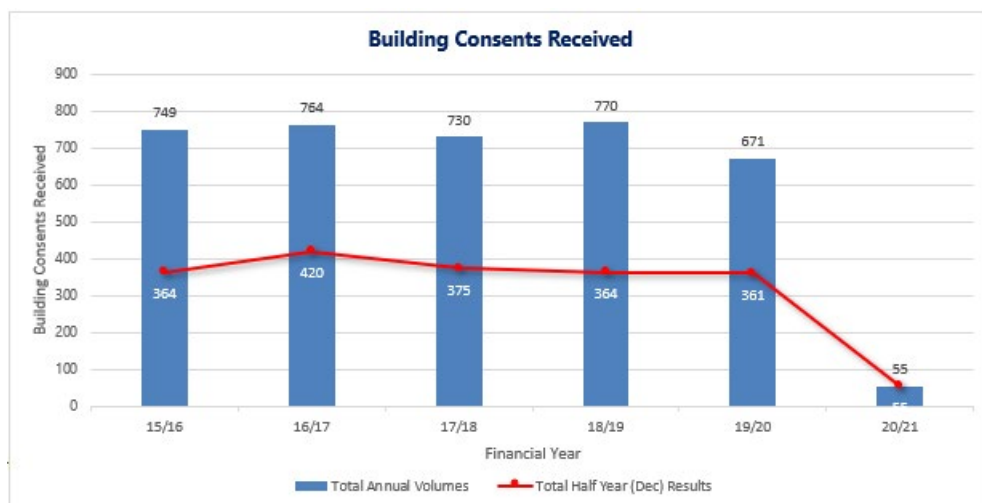
*Note: Tables containing shaded cells do not contain calculations as these are not currently measured.*

Consents	Received		% On Time	Average Working Days	YTD % On Time
	2019	2020			
Resource Consent Applications	27	31	95%	17.85	95%
224 Applications	6	12	100%	1	
Building	Received		% On Time	Average Working Days	YTD % On Time
	2019	2020			
Building Consent Applications	59	55	98%	11.3	98%
CCC Applications	81	59	98%	5.92	98%

1 x Resource Consent processed 17 days overdue to late lwi interest.

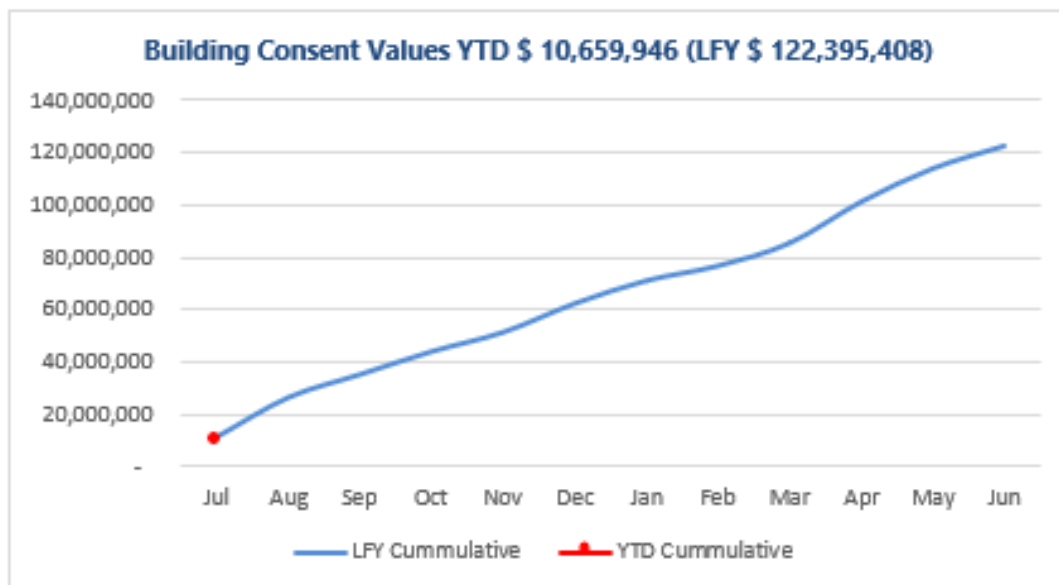
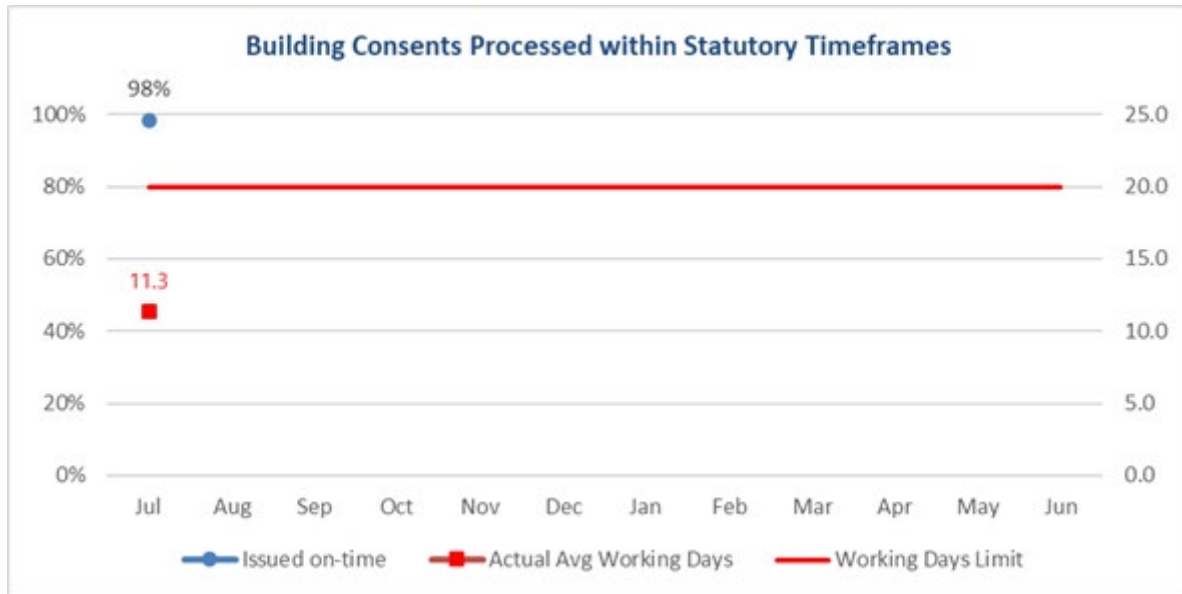
1 x Building Consent completed on day 24 due to a specialist engineering review.

1 x Code Compliance Certificate (CCC) overdue as a result of the building consent application system identifying a historic outstanding CCC.



Variance 18/19 vs 19/20





Building Consent Values YTD \$ 10,659,946 (LFY \$ 122,395,408)							
Month	Commercial	Other	New & Relocates	Mangawhai	Total	YTD Cumulative	LFY Values/Month
Jul	64,000	2,202,833	7,899,113	5,534,113	10,165,946	10,165,946	11,299,463
Aug							15,047,664
Sep							8,749,474
Oct							8,763,048
Nov							7,375,928
Dec							10,977,695
Jan							8,717,773
Feb							5,634,341
Mar							8,715,483
Apr							15,788,924
May							12,688,615
Jun							8,637,000
YTD BC Values	64,000	2,202,833	7,899,113	5,534,113	10,165,946		122,395,408

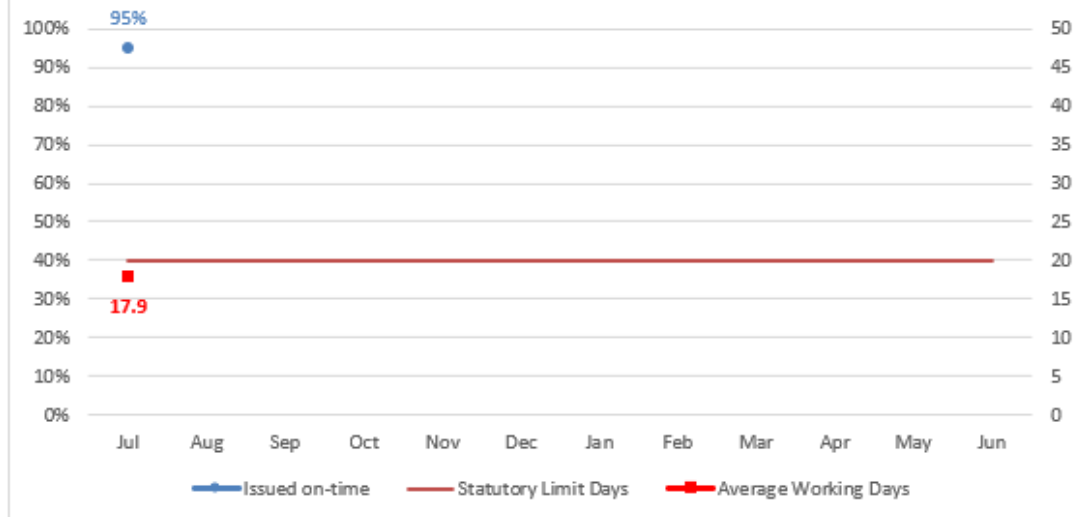
## Resource Consents Received Over Past 3 Years



Variance 18/19 vs 19/20

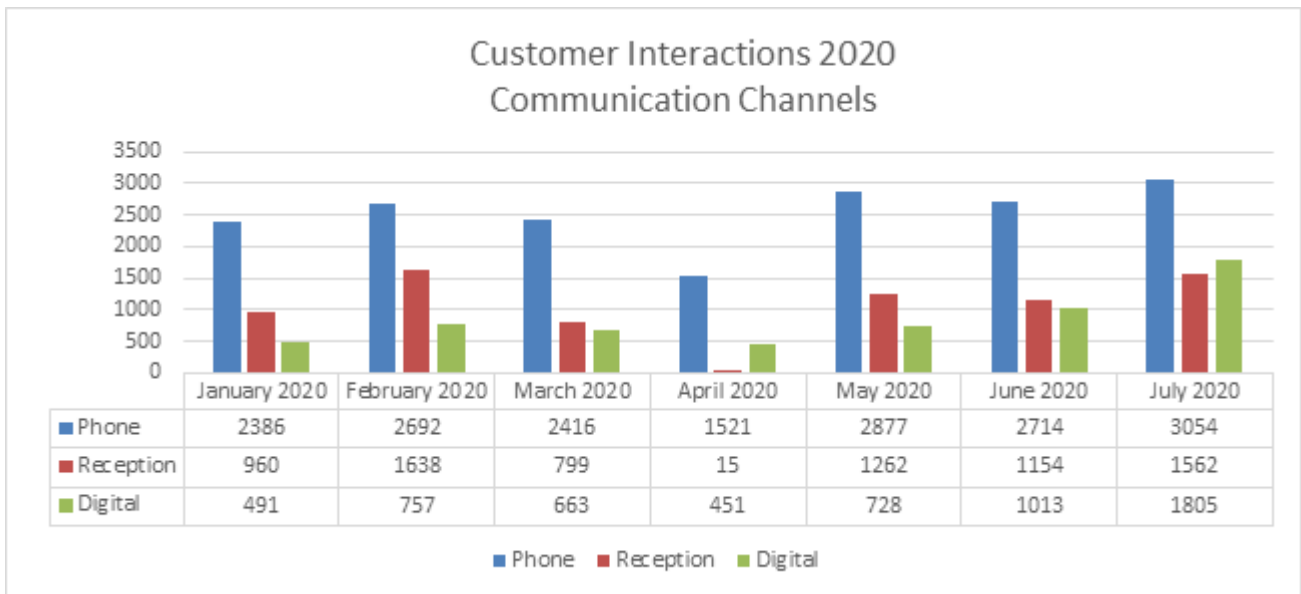
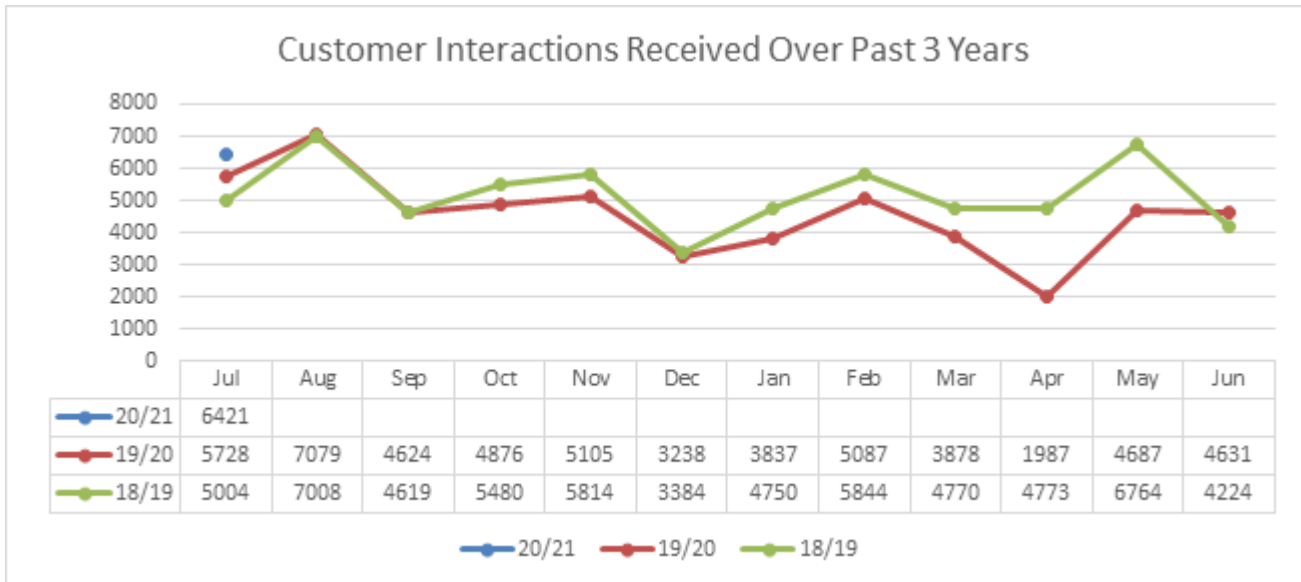


## Resource Consents Processed within Statutory Timeframes

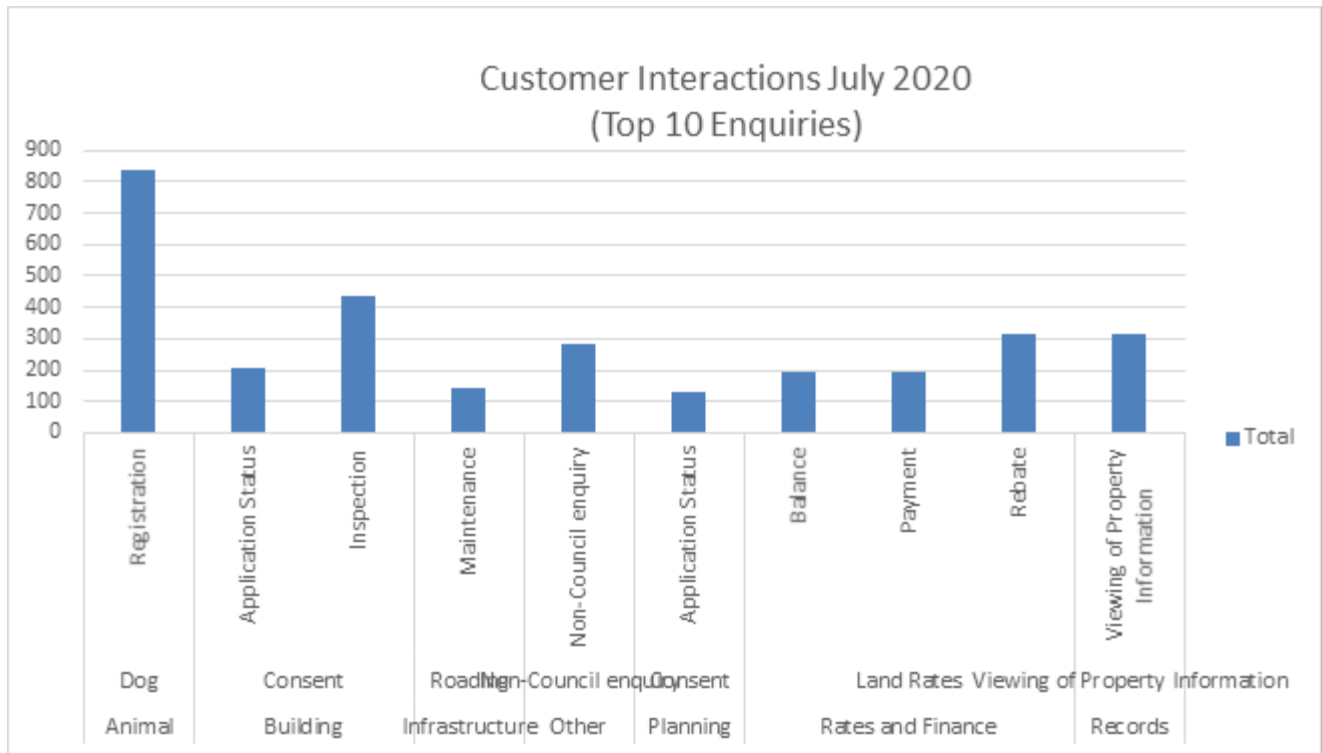


## Customer Services – July 2020

Total Customer interactions	Digital	Reception	Total Calls	Average Speed Answer (min:sec)	Average call abandonment (%)	Calls FTE
6421	1805	1562	3054	2.04	13	1.80



\* Digital – Email, Website, Social media



\* Other – FENZ, NZTA, NRC, Utility Companies

## Tender Programme

The 2020/21 tender programme as issued to Civil Contractors NZ (CCNZ)

Awarded	Procurement process underway
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Month	Estimate	Procurement Method	Comment
<b>Quarter 1</b>			
Dargaville Water Renewals – Package 1	\$450k	Open Market   PQM	Awarded - Forte
Baylys Beach Boardwalk	\$200k	Selected   LPC	Awarded - Robinsons
Dargaville Pontoon	\$350k	Selected   LPC	Awarded – Bellingham Marine
Dargaville Water Renewals – Package 2	\$1.1m	Open Market   PQM	Awarded – United Civil
<b>Quarter 2</b>			
Kaipara Toilet Facilities Various Install only	\$150k	Selected   PQM	In progress
Waihue Road Bridge	\$500k	Open Market	Awarded – United Civil
<b>Quarter 3</b>			
Hakaru Closed Fill Landfill Leachate	\$460k	Open Market   PQM	Industry briefing in September
MCP – Coastal Walkway Stage 2	tbc	Selected	Negotiating with Broadspectrum
Pouto Road Sealing <ul style="list-style-type: none"> <li>- Quarry</li> <li>- Stage 1 (including Provisional Stage 2)</li> </ul>	\$5m	<ul style="list-style-type: none"> <li>- Closed</li> <li>- Open Market</li> </ul>	In progress
Waipoa River Road	\$1m	Direct Appointment	Fulton Hogan and Te Roroa
Kaihu Valley Trail <ul style="list-style-type: none"> <li>- Head Contractor</li> <li>- Bridges</li> </ul>	\$5m	Direct Appointment	Wilson Earthworks
Mangawhai Community Plan <ul style="list-style-type: none"> <li>- Insley St Intersections</li> <li>- Shared Path 2021 phase 1</li> </ul> <i>Potential for future sections</i>	\$10m	Open Market   PQM	ROI to be issued late August followed by Industry briefing
Chases Gorge Stormwater Improvements	\$200k	Open Market   PQM	
<b>2021</b>			
Bridge Replacement & Renewals	\$1.2m		
MCP Future Packages	\$15.5m		
Eveline St Stormwater	\$150k	Open Market   PQM	

## Capital Projects Update

	On track or complete
	Could be delayed
	Highly likely to be delayed

## Roading

Programme for the 2020/2021 year	Stage	% Complete/ Status
Sealed Road Resurfacing	Construction	0%
Sealed Road Pavement Rehabilitation	Construction	0%
Structure Component Replacement	Construction	0%
Low Cost Low Risk		
➤ Lighting	Construction	0%
➤ Associated improvements	Construction	0%
➤ Bridges	Construction	0%
➤ New Footpath	Construction	0%
➤ Resilience	Construction	0%
➤ Safety	Construction	0%
➤ School Zones	Construction	0%
➤ Redeployment – New Footpath	Construction	0%

**Note:** Being the first month of the financial year and the winter season work hasn't started yet.

**Parks and Reserves**

<b>Programme for the 2020/2021 year</b>	<b>Stage</b>	<b>% Complete/ Status</b>
Taharoa Domain/Kai Iwi Lakes	Business Case – Security accommodation Design - redevelop changing rooms to additional toilets. Construction - Bollards at Lake Waikare.	10%
Pou Tu o Te Rangi Harding Park	Due to funding through the Te Tai Tokerau Redeployment Package covering some of the approved work, this plan is being redeveloped. Planning has started on other projects.	5%
Mangawhai Community Park	Business Case - wetland development plan. Design - wetland crossing above the Historic Village	5%
Mangawhai Coastal Walkway and Linkages	Pre-implementation	65%
Mangawhai Esplanade Development	Business Case	70%
Toilet Amenities	Pre-Implementation	70%
Walking/Cycling Strategy Implementation	Business Case – Focus on progression of the Kaihu Valley Trail.	0%
Playgrounds	Business Case	0%
Baylys Beach Boardwalk	Construction – Risk assessment concluded	60%
Community Infrastructure Dargaville	Planning.	0%
Community Infrastructure District	Planning.	0%
Park Improvements	Planning.	0%
Hard Surface Renewal	Construction - Moir Street toilets; Memorial Park stage 2 accessway sealing is planned for summer.	10%
Rangiora Road Reserve Development Plans	Pre-implementation	70%
955 Dargaville Pontoon	Construction	20%
964 Pahi Pontoon	Pre-implementation	10%



## Four Waters

### Water Supply

Programme for the 2020/2021 year	Stage	% Complete/ Status
946 Dargaville CBD Watermain Renewal 19.20	Construction	80%
947 SH14 Watermain Renewal	Construction	80%
Reeves Street Watermain	Construction	90%
937 Ruawai WTP	Mobilisation	20%
939 Northern Raw Water Crossings	Design	90%
965 Northern Raw Water Renewals	Design	50%

### Wastewater

Programme for the 2020/2021 year	Stage	% Complete/ Status
Dargaville Wastewater Pond Desludging – 2019 - 2021	Construction	25%
Maungaturoto Wastewater Treatment Plant Upgrade	Construction	95%
966 MCWWTP Upgrade Balance Tank	Concept Design	10%
935 Outfall Pumpstation	Tender	50%
935 Outfall Pumpstation	Construction, mobilisation	10%

### Stormwater

Programme for the 2020/2021 year	Stage	% Complete/ Status
Eveline Street Stormwater Construction	Tender Prep	30%

### Land Drainage

Programme for the 2020/2021 year	Stage	% Complete/ Status
Kaihu Valley Floodgate 49 Replacement	Construction	100%