



# **Exceptions Report**

**For the month of October 2020**

**Financial Report**

**Activities Report**

**Capital Projects Update**

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## October 2020 Financial Report

### Statement of Operating and Capital Performance

	This Month 31 October 2020				Indicator	Year to 31 October 2020				Indicator	Whole Year	
	Actual \$'000	Annual Plan \$'000	Variance \$'000			Actual \$'000	Annual Plan \$'000	Variance \$'000			Annual Plan \$'000	Forecast \$'000
<b>All</b>												
Rates	3,213	3,148	65	●		13,591	13,045	546	●		38,780	38,780
Activity Revenue and Other Income	653	477	176	●		2,621	1,842	779	●		6,454	6,454
Subsidies and Grants - Operational	1,112	363	749	●		5,000	1,575	3,425	●		4,809	6,192
<b>Total Operating Income</b>	<b>4,978</b>	<b>3,988</b>	<b>989</b>	●		<b>21,212</b>	<b>16,461</b>	<b>4,750</b>	●		<b>50,042</b>	<b>51,426</b>
Employee Benefits	1,120	1,159	39	●		4,544	4,592	48	●		13,142	13,142
Contractors	187	130	(56)	●		564	608	44	●		1,888	1,888
Professional Services	548	448	(100)	●		2,224	1,676	(547)	●		4,724	4,863
Repairs and Maintenance	1,402	996	(406)	●		5,038	3,266	(1,772)	●		10,240	12,560
Finance costs	272	238	(33)	●		870	953	84	●		2,860	2,860
Other Operating Costs	352	519	167	●		2,374	2,882	508	●		7,040	7,070
<b>Total Operating Costs</b>	<b>3,881</b>	<b>3,490</b>	<b>(390)</b>	●		<b>15,613</b>	<b>13,977</b>	<b>(1,637)</b>	●		<b>39,894</b>	<b>42,383</b>
<b>Operating Surplus/(Deficit)</b> (before Depreciation)	<b>1,097</b>	<b>498</b>	<b>1,380</b>	●		<b>5,598</b>	<b>2,485</b>	<b>6,387</b>	●		<b>10,148</b>	<b>9,042</b>
Capital Subsidies	637	1,360	(723)	●		1,451	4,634	(3,183)	●		15,081	16,851
Contributions	244	254	(11)	●		1,192	1,017	176	●		3,046	3,046
Other Capital Revenue	0	0	0	●		11	0	11	●		0	0
<b>Total Capital Revenue</b>	<b>880</b>	<b>1,614</b>	<b>(733)</b>	●		<b>2,655</b>	<b>5,651</b>	<b>(2,996)</b>	●		<b>18,127</b>	<b>19,898</b>
Capital Expenditure	1,879	1,368	(511)	●		4,608	7,692	3,084	●		27,822	33,236
<b>Total Capital Payments</b>	<b>1,879</b>	<b>1,368</b>	<b>(511)</b>	●		<b>4,608</b>	<b>7,692</b>	<b>3,084</b>	●		<b>27,822</b>	<b>33,236</b>
<b>Subtotal Capital</b>	<b>(999)</b>	<b>246</b>	<b>(222)</b>	●		<b>(1,953)</b>	<b>(2,042)</b>	<b>(6,080)</b>	●		<b>(9,695)</b>	<b>(13,339)</b>
<b>Surplus/(Deficit)</b> - before Loan Payments and Depreciation	<b>98</b>	<b>744</b>	<b>1,158</b>	●		<b>3,645</b>	<b>443</b>	<b>308</b>	●		<b>453</b>	<b>(4,296)</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	YTD Variance \$000
<b>Rates Revenue</b>	<p>Penalties are ahead of budget for the year to date due to arrears penalties applied (July 2020) and instalment penalties.</p> <p>Water by meter rates overall ahead of budget due to high water readings in Dargaville area. Some of this a timing difference.</p> <p>Targeted rates for wastewater are overall ahead of budget due to growth in Mangawhai area.</p>	<p>117</p> <p>267</p> <p>167</p>
<b>Activity Revenue and Other Income</b>	<p>Activity revenue:</p> <ul style="list-style-type: none"> <li>• Increase in Building Control revenue year to date. This month up \$74k on budget.</li> <li>• Increase in Resource consenting income year to date. This month up \$71k on budget.</li> <li>• Increase in Licences and Registrations fee year to date, primarily for dog control and due mainly to a timing difference</li> <li>• Increase in external recovery costs for the month and year to date.</li> <li>• Campground fee - Kai Iwi Lakes pre booking for the summers season and Labour weekend.</li> </ul>	<p>282</p> <p>156</p> <p>99</p> <p>56</p> <p>115</p>
<b>Operating Subsidies and Grants</b>	<p>Te Tai Tokerau Redeployment Package the "Shovel Ready" project subsidies were invoiced in the month of September.</p> <p>Operational subsidies from NZTA are ahead of budget year to date due to maintenance work completed earlier than scheduled.</p> <p>Revenue raised for PGF funding for Kaipara Kickstart Programme milestone claims.</p> <p><b>This month:</b> Further revenue raised for Kaipara Kickstart Programme.</p>	<p>1,185</p> <p>1,512</p> <p>805</p>

### Operating Costs:

Account	Rationale	\$000
<b>Employee Benefits</b>	Employee benefits costs are on budget for the year to date	
<b>Contractors</b>	<p>The contractor's costs are on budget for the year to date.</p> <p><b>This month:</b> Wastewater and Water Supply - Additional costs for chemicals supplies and plant operations expenditure.</p>	58
<b>Professional Services</b>	<p>The professional services costs are ahead of budget:</p> <p><b>This month:</b> Further increase of costs for the Kaipara Kickstart, Kaipara Kai and Kaipara Moana Investigation projects and Mangawhai Shared path project –work completed ahead of claim been raised - timing difference</p>	547

<b>Repairs and Maintenance</b>	<b>Community activities</b> – Te Tai Tokerau Redeployment Package the “Shovel Ready” project started August 2020 - removal of trees at Mangawhai Community Park and design, build and construct 5 mountain bike tracks at Harding Park.	<b>983</b>
	<b>This month:</b> The Te Tai Tokerau Redeployment Package project costs for the month of October are \$136,449. The total cost of this project is offset by the funding noted above under subsidies and grants.	<b>387</b>
	Roading works maintenance programme is ahead of budget – due earlier completion of scheduled unsealed roads maintenance work. <b>This month:</b> Increase of cost due to Rotu Water Intake Emergency slip repairs work undertaken.	<b>499</b>
<b>Finance Costs</b>	Below budget due to lower inter-period loan balances.	<b>84</b>
<b>Other Operating Costs</b>	Costs overall are lower than budget.	
	<ul style="list-style-type: none"> <li>• Civic Grants not yet distributed to the community groups – timing difference.</li> </ul>	<b>248</b>
	<ul style="list-style-type: none"> <li>• Software licenses not yet paid – timing difference.</li> <li>• Office administration costs.</li> </ul>	<b>152</b> <b>158</b>

### Capital Revenue

Account	Rationale	\$000
<b>Capital Subsidies</b>	Capital subsidies from NZTA are lower than budget year to date, due to projects work not started yet:	
	<ul style="list-style-type: none"> <li>• Roding – capital works is behind projected schedule – timing difference.</li> <li>• District Leadership – PGF projects funding (project milestone to be completed before funding can be claimed).</li> </ul>	<b>(1,473)</b> <b>(1,710)</b>
<b>Contributions</b>	The contributions are overall ahead of budget year to date. <ul style="list-style-type: none"> <li>• Development contributions are lower than budget for this month and year to date.</li> <li>• Financial contributions are ahead of budget for the month and year to date.</li> </ul>	<b>176</b>

**Public Debt:** The public debt position at 31 October 2020 is \$44 million and the net debt position (debt less cash) is \$36.4million.

<b>Public Debt and Requirements</b>			
	<b>June 2020 \$000's</b>	<b>31 October 2020 \$000's</b>	<b>June 2021 \$000's</b>
<b>Debt</b>			
Public Debt	44,000	44,000	51,320
Cash in bank (overnight deposits)	(4,398)	(7,645)	(1,926)
<b>Net Debt</b>	<b>39,602</b>	<b>36,355</b>	<b>49,393</b>
<b>Reserves (future obligations)</b>			
Development Contribution Reserve	(24,702)	(24,702)	(25,415)
Other Reserves	17,848	17,849	13,021
<b>Total reserves (future obligations)</b>	<b>(6,854)</b>	<b>(6,854)</b>	<b>(12,395)</b>
<b>Debt Requirements</b>			
Public Debt	44,000	44,000	51,320
Future obligations	17,848	17,849	13,021
Gross Debt Requirement	61,848	61,849	64,340
Less cash in bank	(4,398)	(7,645)	(1,926)
<b>Net Debt Requirements</b>	<b>57,451</b>	<b>54,204</b>	<b>62,414</b>

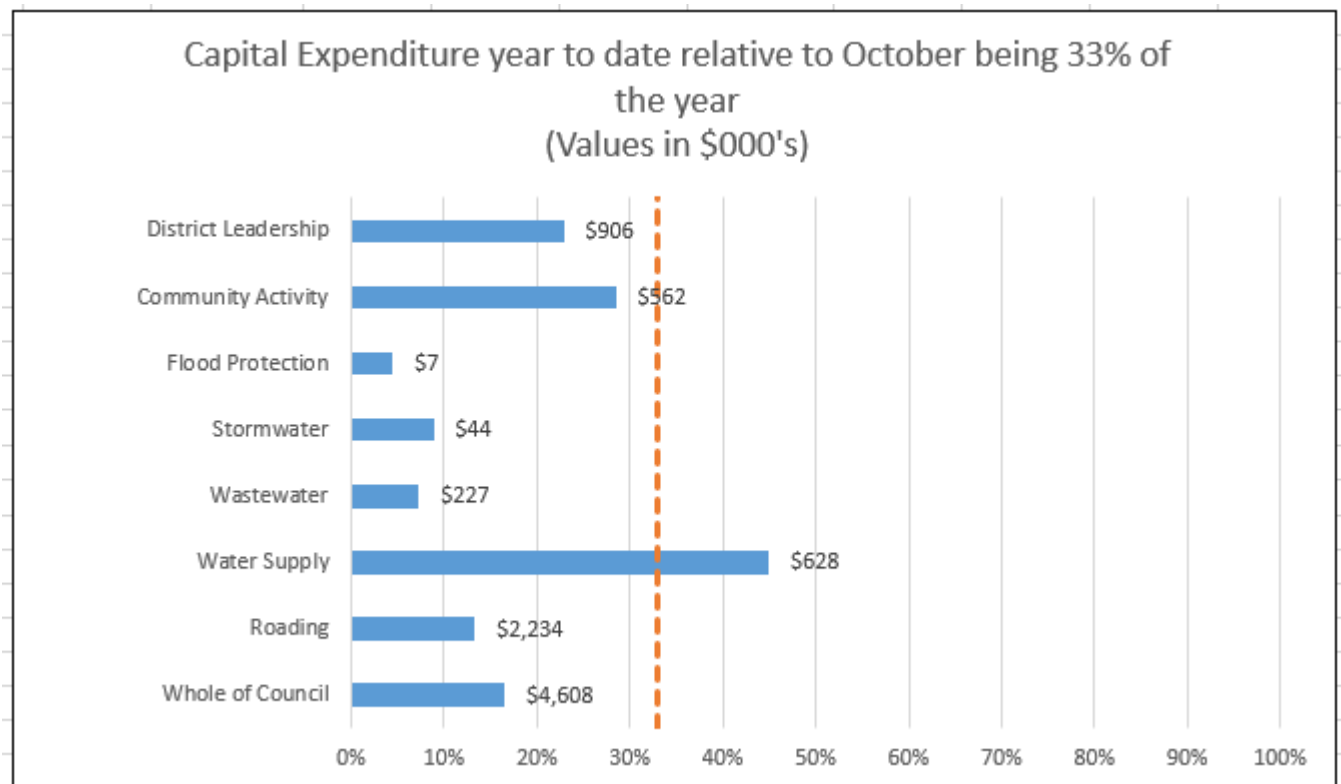
\*Note: Reserves balances are only recalculated at end of year.

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

Activity	Actual as at 31 October 2020			Whole Year Annual Plan
	Operating Income \$000's	Operating Costs \$000's	Net Operating Surplus/(Deficit) \$000's	Net Operating Surplus/(Deficit) \$'000
Community Activities	3,104	2,708	396	199
District Leadership	3,387	3,474	(87)	(739)
Regulatory Management	2,652	2,172	480	49
Roads and Footpaths	6,613	4,133	2,480	4,427
Wastewater	2,711	1,202	1,509	3,083
Water Supply	1,446	1,183	263	1,614
Stormwater	663	288	375	917
Flood Control	263	126	137	293
Solid Waste	373	327	46	305
	<b>21,212</b>	<b>15,613</b>	<b>5,599</b>	<b>10,148</b>

## Capital Expenditure for the period ended 31 October 2020

Activity - Capital Expenditure	Actual as at 31 October 2020				Whole Year	
	Actual YTD \$000's	Annual Plan \$000's	Variance \$000's	Indicator	Annual Plan \$000's	Forecast \$000's
Community Activities	562	703	141	●	1,722	3,099
District Leadership	906	2,015	1,109	●	3,809	3,935
Roads and Footpaths	2,234	3,583	1,349	●	17,148	19,793
Wastewater	227	488	261	●	3,096	3,363
Water Supply	628	522	(106)	●	1,396	2,253
Stormwater	44	226	182	●	496	638
Flood Control	7	155	148	●	155	155
Solid Waste	0	0	0	●	0	0
	4,608	7,692	3,084		27,822	33,236



## Activities Report

### Key

	Budget	Scope	Programme
	Within budget	Scope clear and approved	On track or complete
	May exceed budget	Some scope changes required	Could be delayed
	EM approval of budget change likely required	EM approval of scope changes requires	Highly likely to be delayed
	N/A	N/A	N/A

### General observations and comments

Overall, we are on track to deliver our business as usual programme in most activities. Exceptions include

- Stormwater where three key projects have been delayed due to landowner issues
- Roading where a greater proportion of some major projects (Notably Mangawhai Shared Path and Pouto) are likely to run into the next financial year

There have been a number of changes from the Annual Plan Budget which are not reflected in the budget figures;

- Redeployment Package
- Shovel Ready Programme
- 3 Waters Reform (next month)
- Carry Over from 2019/20

Officers are working through these changes and a paper will be brought to Council early in the new year. It is noted that since last month, forecasting has been corrected to include the Redeployment project

**Roading**

	Budget (\$k)	Scope	Programme	Comment
<b>Income</b>				
Subsidies and Grants - Operational				Increased income due to Tai Tokerau Redeployment Package. \$969K invoiced not budgeted.
Subsidies and Grants – Capital				Claim submitted late in October.
<b>Expenditure - Opex</b>				
Professional Services				Flagged as over budget however this is being resolved with finance. Issue relates to how external costs are processed within the NTA/KDC.
Repairs and maintenance				Spend over budget mainly due to Redeployment spend not being in budget at start of year (\$266) Spending is ahead of budget but behind for the quarter. Expect to spend total budget by year end.
<b>Capex</b>				
Bridges and Structures				
Roadworks unsealed				Later start to programme as it was drier than expected in July.
Low Cost Low Risk				Some projects carried over / forecast entirely in July. These should be executed this year. Additional funds from MBIE likely to result in roll over to next year for Mangawhai Shared Path.
Drainage				
Sealed resurfacing				
Sealed				



**Parks and Recreation**

	Budget	Scope	Programme	Comment
<b>Income</b>				Increased financial contributions in October - \$647k YTD  Higher income mainly due to redeployment package as well as pre-booking for Kai Iwi Lakes.
<b>Expenditure Operating</b>				Repairs and Maintenance – Redeployment has now been forecast. Amber flag due to running slightly ahead of budget.
<b>Expenditure Capex</b>				
Kai Iwi Lakes				\$350k allocated in Annual Plan for security improvements. Independent Security report complete and scope recommendation will be made to Governance Group. Scope is now clear.
Taharoa Domain				The priority this quarter has been utilizing the Redeployment package. As a result, some of the projects in the Annual Plan will be delayed until after the summer season.
Pou Tu o Te Rangi Harding Park				Work programme changed due to Redeployment Programme. New programme approved by Governance will be completed this year. Projects handed over to delivery.
District Parks and Reserves				Baylys Beach Boardwalk progressing well.
Mangawhai Parks and Reserves				Consultation with the community has provided some good solutions. We can look forward to getting this project underway.
Dargaville Parks and Reserves				
Mangawhai Public Toilets				Toilet has been ordered but may be delayed due to supplier workloads.
District Public Toilet				Delay to Maungaturoto programme due to planning requirements. Solution has been developed to allow works to progress.

**Waters and Waste**

Water Supply	Budget	Scope	Programme	Comment
Income				Dargaville income ahead of time.
Expenditure Opex				
Contractors				
Management Services				Not a significant budget issue. Costs associated with LTP/AP initially coded to water but is being redistributed
Repairs and Maintenance				\$499k spent year to date relates to Rotu. Emergency Works which is not included in the Annual Plan budget.
Expenditure Capex				
Dargaville - 939 Northern Raw Water Crossings				
Dargaville - 965 Northern Raw Water Renewals				
Ruawai - 937 Ruawai WTP				
Wastewater	Budget	Scope	Programme	Comment
Income				
Expenditure Opex				
Management Services				Maungaturoto – overspend on CCTV due to an event occurring which required immediate investigation.
Other Operating Costs Dargaville Wastewater Pond Desludging – 2019 - 2021				
Expenditure Capex				
Dargaville				
Mangawhai and Kaiwaka Wastewater Renewals				Modelling is being accelerated to identify projects. Also opportunity to explore extension to disposal system this year is being investigated.

Stormwater	Budget	Scope	Programme	Comment
Income				
Expenditure Opex				
Repairs and maintenance				Ahead of programme but comfortable that will deliver within budget.
Management Services				Underspend due to insufficient CCTV being carried out. The team are working with suppliers to address this.
Expenditure Capex				
Eveline Street Stormwater Construction				Delayed start of works to allow landowner to complete private works.
Wood Street				Business Case being completed to confirm scope. Will require golf course support
Chases Gorge				Waiting on landowner approval before construction can commence.
Land Drainage	Budget	Scope	Programme	Comment
Income				
Expenditure – Opex				
Expenditure – Capex				

Solid Waste	Budget	Scope	Programme	Comment
Expenditure – Opex				Budget increased to \$73k
Hakaru Management Costs				

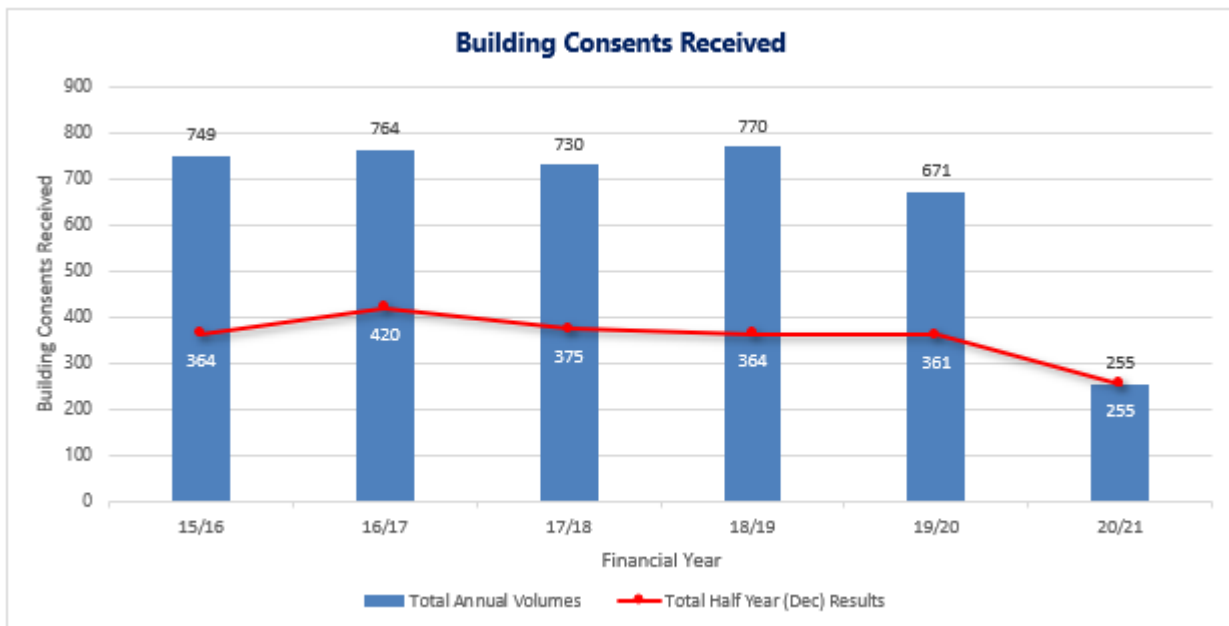
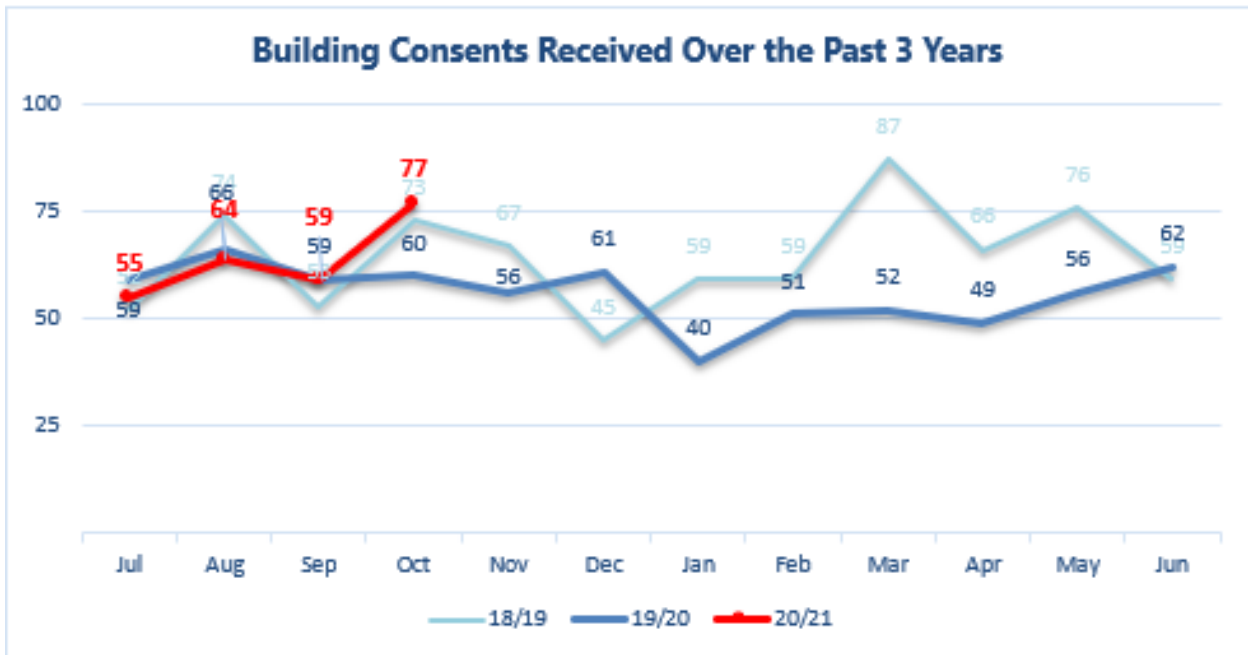
## Tender Programme

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

Awarded		Procurement process underway	
Month	Estimate	Procurement Method	Comment
<b>Complete</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
Waihue Road Bridge	\$500k	Open Market	Awarded – United Civil
Rotu Water intake Slip Repair	\$590k	Selected ECI	Emergency works awarded UCCL
Kaipara Toilet Facilities Various Install only	\$150k	Selected   PQM	Awarded - Wilsons Earthmoving.
<b>Current</b>			
Pouto Road Sealing - Quarry - Stage 1 & 2 (Provisional)	\$5m	- Closed - Open Market	Preferred Tenderer Broadspectrum
Waipoua River Road	\$1m	Direct Appointment	Preferred - Fulton Hogan and Te Roroa
Pahi Wharf Upgrade	\$480k	Direct Appointment	Preferred Tenderer Bellingham
Hakaru Closed Fill Landfill Leachate	\$460k	Open Market   PQM	On tenderlink for second time following no tenderers
Kaihu Valley Trail - Head Contractor - Bridges	- \$2m - \$2m	Direct Appointment	Preferred - Wilson Earthworks Bridges to be procured as D&C
Mangawhai Community Plan - Insley Street Intersections - Shared Path 2021 phase 1  <i>Potential for future sections</i>	\$10m	Open Market   PQM	ROI closed. RFP now to be issued in January.
Pouto Wharf Design Build	\$1.3m		ROI Closed. Evaluation on quality to shortlist to two.

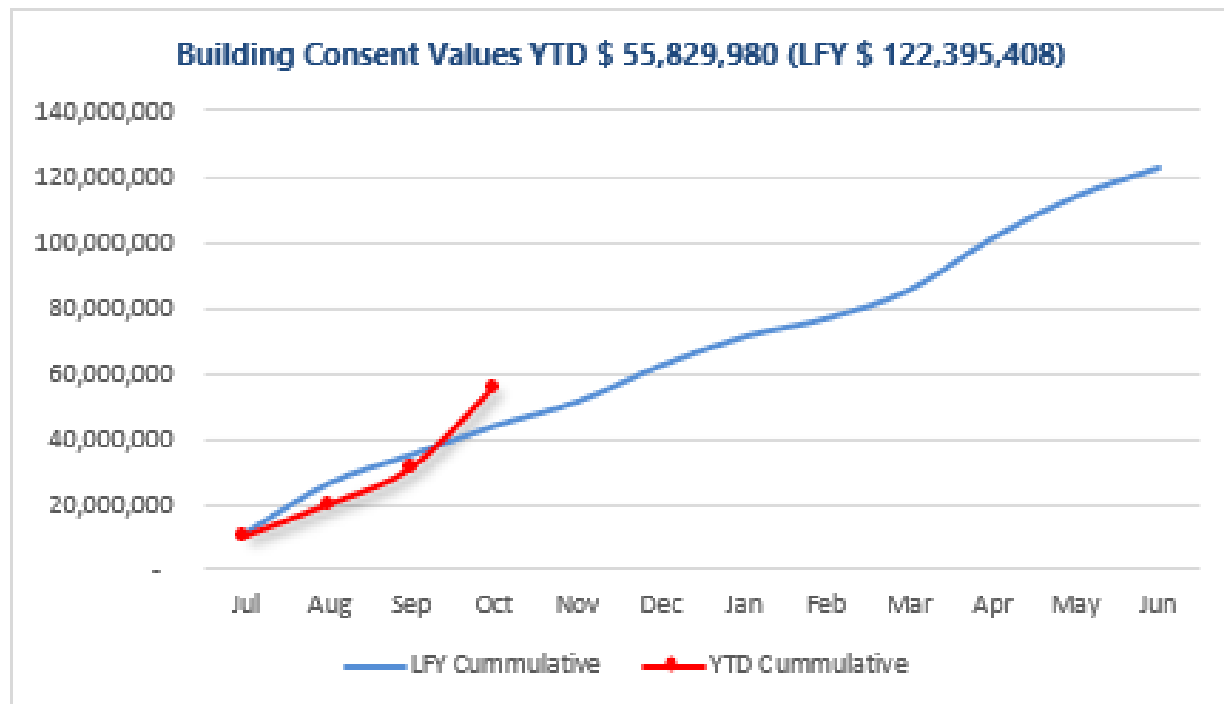
Next quarter			
MCP – Coastal Walkway Stage 2	tbc	Open Market   PQM	Scope of work has changed to include carpark. Now going to the market.
Chases Gorge Stormwater Improvements	\$200k	Open Market   PQM	Tendered in one section.
Mangawhai Waste Treatment Plant – Balancing Tank	\$1.5m	ROI October	
Eveline Street Stormwater	\$150k	Open Market   PQM	
3 Waters Reform – Panel - Ruawai watermain renewals Maungaturoto raw watermain renewal Hurndall Street watermain renewal Maungaturoto truck filler; Dargaville, Kaiawaka and Mangawhai WW renewals.	\$4m	Closed Panel	Proposed Panel to be established– Ventia, Forte and United Civil.  To be confirmed.
Maungaturoto reservoir replacement	\$500k	Direct	Timbertank (To be confirmed).
3 to 12 months			
Bridge Replacement and Renewals	\$1.2m		
MCP Future Packages	\$15.5m		

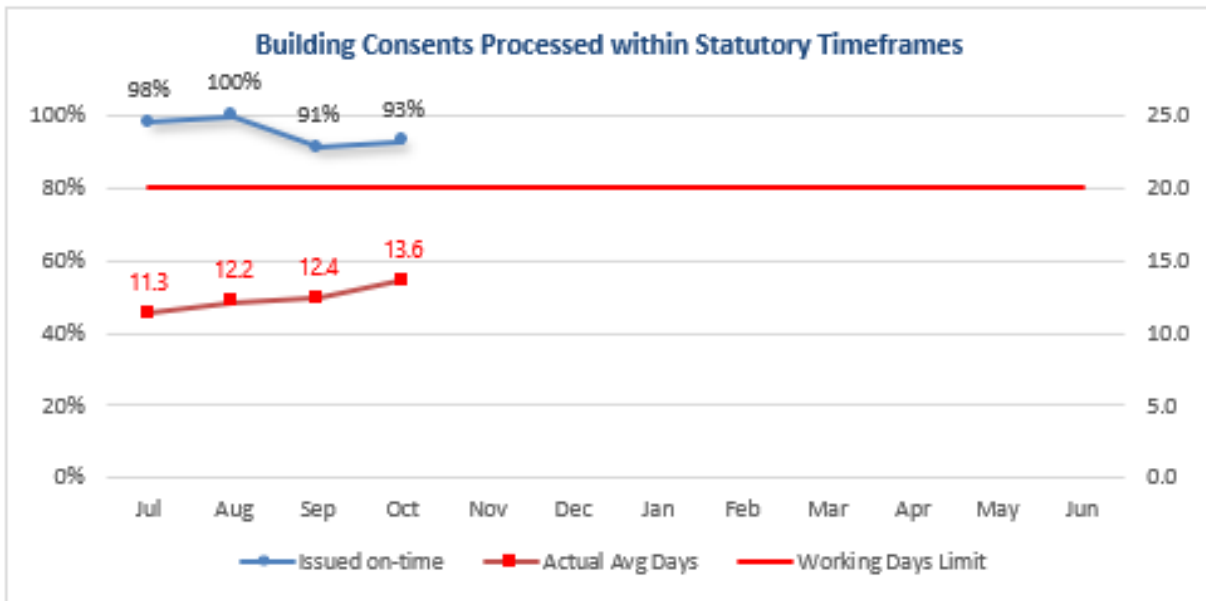
## Building and Resource Consents



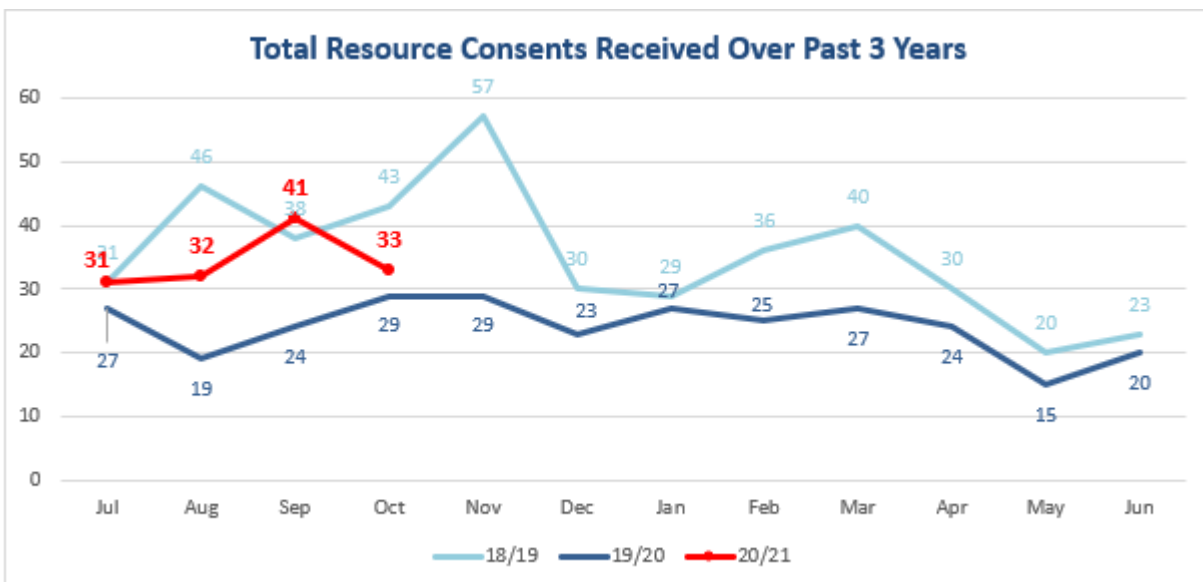
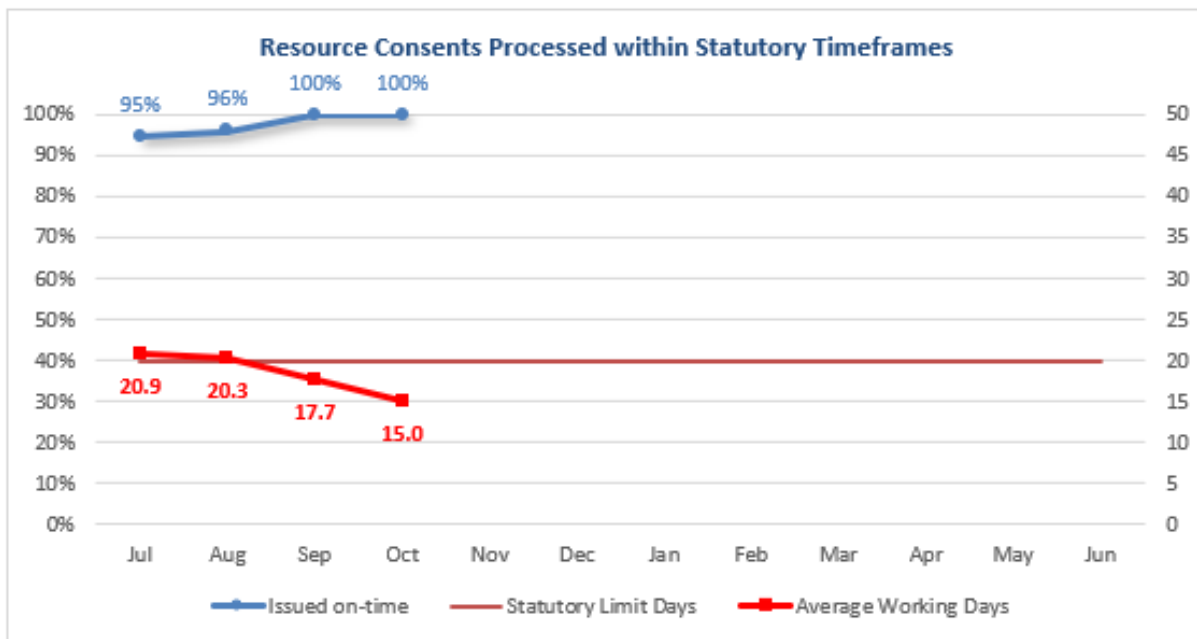
### Building Consent Values YTD \$ 55,829,980 (LFY \$ 122,395,408)

Month	Commercial	Other	New & Relocates	Mangawhai Value of New & Relocates	Total	YTD Cumulative
Jul	64,000	2,202,833	7,899,113	5,534,113	10,165,946	10,165,946
Aug	50,000	2,725,551	6,760,500	5,740,500	9,536,051	19,701,997
Sep	960,000	1,062,757	9,087,423	5,909,243	11,110,180	30,812,177
Oct	7,144,500	2,567,683	14,958,620	9,006,700	24,670,803	55,482,980
Nov						
Dec						
Jan						
Feb						
Mar						
Apr						
May						
Jun						
YTD BC Values	8,218,500	8,558,824	38,705,656	26,190,556	55,482,980	





Building consent target of 100% was not met for October 2020 with 2 x Building Consents issued on day 21 and 2 issued on day 27 due to late processing as a result of resourcing constraints.

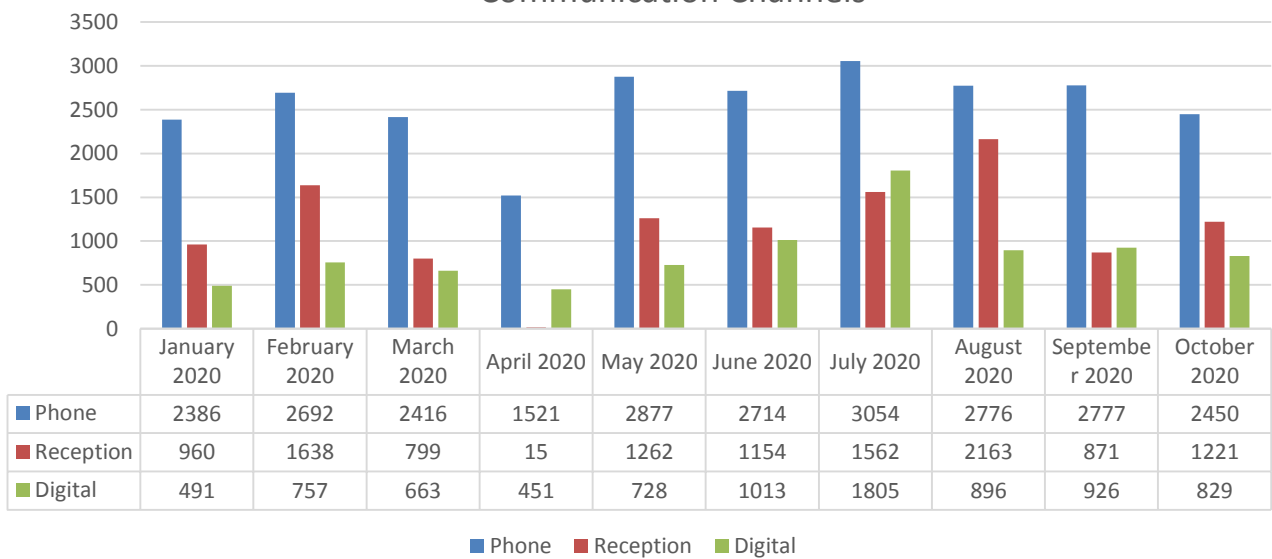




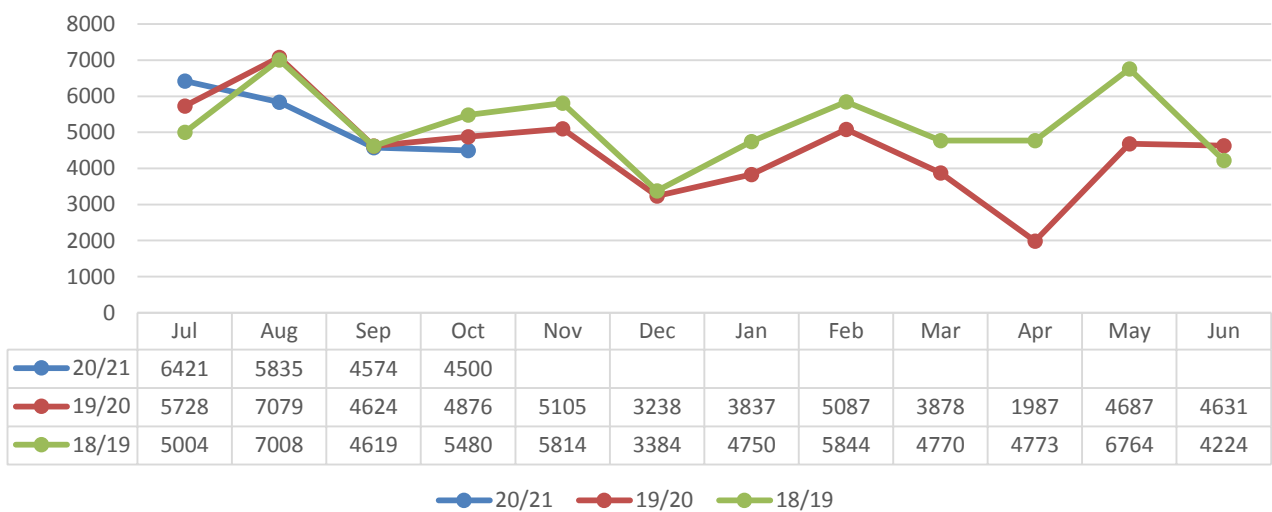
## Customer Services – September 2020

Total Customer interactions	Digital	Reception	Total Calls	Average Speed Answer (sec)	Average call abandonment (%)	Calls FTE
4500	829	1221	2450	88	13	2.08

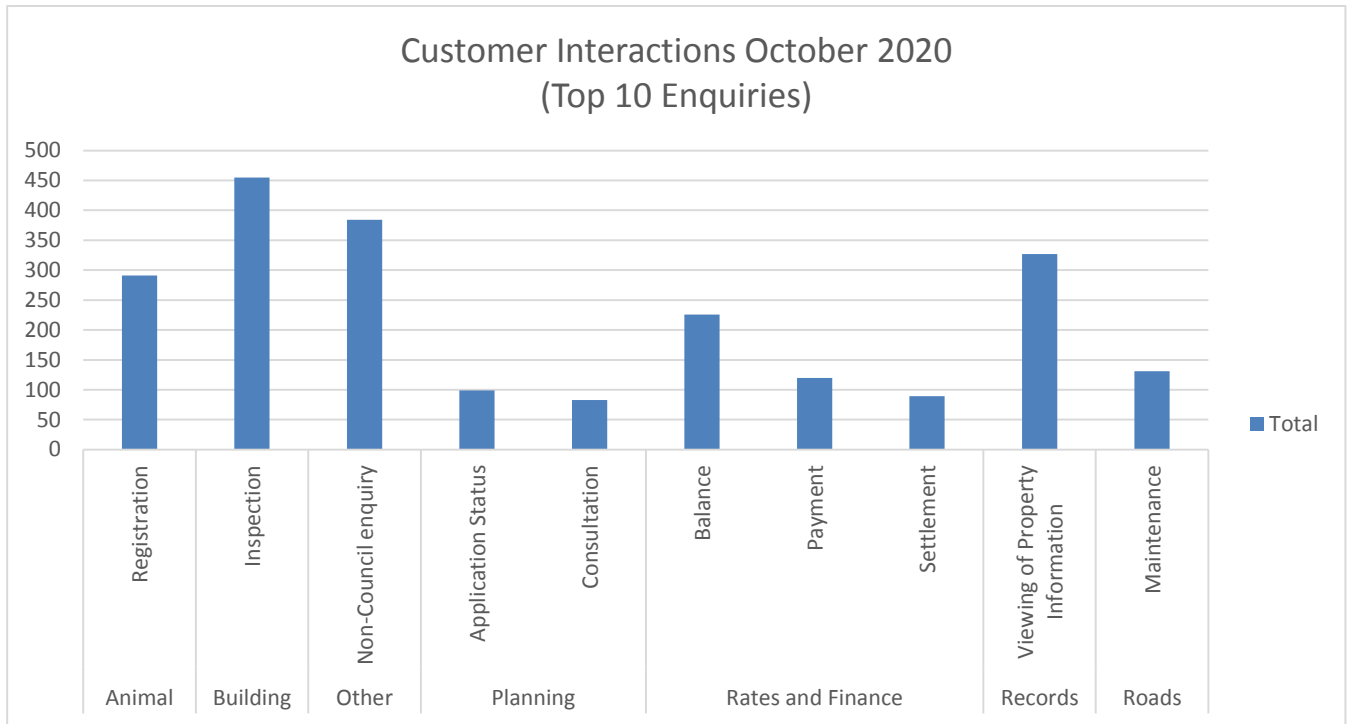
Customer Interactions 2020  
Communication Channels



Cutomer Interactions Received Over Past 3 years



\* Digital – Email, Website, Social media



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