



Exceptions Report

For the month of August 2021

Financial Report

Capital Programme

Procurement

Building and Resource Consents

Customer Services

Financial Report

Statement of Operating and Capital Performance

	This Month 31 August 2021				Indicator	Year to 31 August 2021				Indicator	Whole Year	
	Actual \$'000	Annual Plan \$'000	Variance \$'000			Actual \$'000	Annual Plan \$'000	Variance \$'000			Annual Plan \$'000	Forecast \$'000
All												
Rates	3,404	3,462	(58)	●		6,767	7,274	(507)	●		41,942	41,942
Activity Revenue and Other Income	579	622	(43)	●		1,870	1,294	576	●		7,437	7,437
Subsidies and Grants - Operational	746	381	365	●		747	818	(71)	●		5,259	5,259
Total Operating Income	4,729	4,465	265	●		9,384	9,386	(2)	●		54,638	54,638
Employee Benefits	1,321	1,319	(3)	●		2,565	2,636	70	●		15,520	15,520
Contractors	177	188	11	●		294	383	89	●		2,513	2,513
Professional Services	493	690	197	●		990	1,423	433	●		9,269	9,269
Repairs and Maintenance	603	467	(136)	●		1,396	991	(405)	●		7,051	7,051
Finance costs	164	214	50	●		332	428	96	●		2,568	2,568
Other Operating Costs	1,287	960	(327)	●		1,814	1,421	(393)	●		6,709	6,709
Total Operating Costs	4,046	3,839	(207)	●		7,390	7,282	(108)	●		43,630	43,630
Operating Surplus/(Deficit) (before Depreciation)	684	626	58	●		1,994	2,104	(111)	●		11,008	11,008
Capital Subsidies	4,344	2,097	2,248	●		5,130	2,181	2,949	●		33,001	33,001
Contributions	865	304	560	●		1,597	608	989	●		3,860	3,860
Other Capital Revenue	18	0	18	●		(2)	0	(2)	●		0	0
Total Capital Revenue	5,226	2,401	2,826	●		6,725	2,790	3,935	●		36,861	36,861
Capital Expenditure	1,365	3,423	2,059	●		2,672	3,895	1,223	●		51,604	64,480
Total Capital Payments	1,365	3,423	2,059	●		2,672	3,895	1,223	●		51,604	64,480
Subtotal Capital	3,862	(1,022)	4,884	●		4,053	(1,105)	5,158	●		(14,743)	(27,619)
Surplus/(Deficit) - before Loan Payments and	4,545	(396)	4,942	●		6,047	999	5,048	●		(3,734)	(16,611)

Key: ● Within 5% of budget

● Over or under budget by 5 - 10%

● Over or under budget by more than 10%

Statement of Operating Performance

Comments on major variances

Operating Income:

Account	Rationale	YTD Variance \$000
Rates Revenue	The variance in penalties is predominately because of changing the status of 19 whenua Maori blocks to non-rateable and writing off the arrears as required by the implementation of the Local Government (Rating of Whenua Maori) Amendment Act that came into force on 1 July 2021. The penalty write-offs related to this amounted to \$623k.	(570)
	Targeted rates for wastewater are ahead of budget due to capital repayments for the Mangawhai scheme but recorded as revenue for accounting purposes.	68
	Water by meter revenue is ahead of budget for the month due to actual high-water consumption in Dargaville area.	92
Activity Revenue and Other Income	Activity revenue:	
	<ul style="list-style-type: none"> Building Control – activity revenue \$33k up on budget plus and prior year revenue recognition adjustment of \$245k being moved to FY22 	312
	<ul style="list-style-type: none"> Resource Consenting – activity revenue for the month is on budget, offset by prior year revenue recognition adjustment of \$452k being moved to FY22 	413
	<ul style="list-style-type: none"> The Licences and Registration's fee are lower this month due to timing difference. 	(189)
Operating Subsidies and Grants	<ul style="list-style-type: none"> External recovery costs are ahead of budget for the month. Waste levy of 21k and NTA recoveries are received this month. 	22
	Operational subsidies from NZTA are higher for the month and slightly lower than budget for the year to date.	(71)

Operating Costs:

Account	Rationale	\$000
Employee Benefits	Employee benefits costs are below budget for the month.	70
Contractors	The contractor's costs are below budget for the month.	89
Professional Services	<p>The professional services costs are below budget for the month and year to date. Most of the under spend is in roading but this is mainly a timing difference.</p> <ul style="list-style-type: none"> <u>This month:</u> \$38k for addition planning services to support the Resource Management activity. 	433
Repairs and Maintenance	<u>Transportation:</u> - Roothing works maintenance programme - early start of scheduled unsealed roads maintenance work.	(240)
	<u>Waters:</u> Increase costs due to Dargaville wastewater Treatment plant desludging operations.	(167)
	<u>This month:</u> Kaiwaka Wastewater Plant – Filter Optimisation	(60)
Finance Costs	Below budget due to lower inter-period loan balances.	96
Other Operating Costs	Additional cost for postage, valuation services, software licences and landfill leachate removal costs incurred -timing difference	59
	<u>This month:</u> Sport Northland – swimming pool operations, repairs, and maintenance Grant paid this month – timing difference.	334

Capital Revenue

Account	Rationale	\$000
Capital Subsidies	<p>Capital subsidies are ahead of budget for the month and year to date</p> <p><u>This month:</u> Unsealed Roothing Improvements subsidy of \$2,875,00 for claim one was raised.</p>	2,949
Contributions	<p>The contributions are ahead of budget for the month:</p> <ul style="list-style-type: none"> Development contributions are ahead of budget due to prior year adjustment of revenue being moved to FY22 for accounting purposes Financial contributions are ahead of budget for the month 	<p>613</p> <p>376</p>

Public Debt:

The public debt position as at 31 August 2021 is \$44 million and the net debt position (debt less cash) is \$25.5 million.

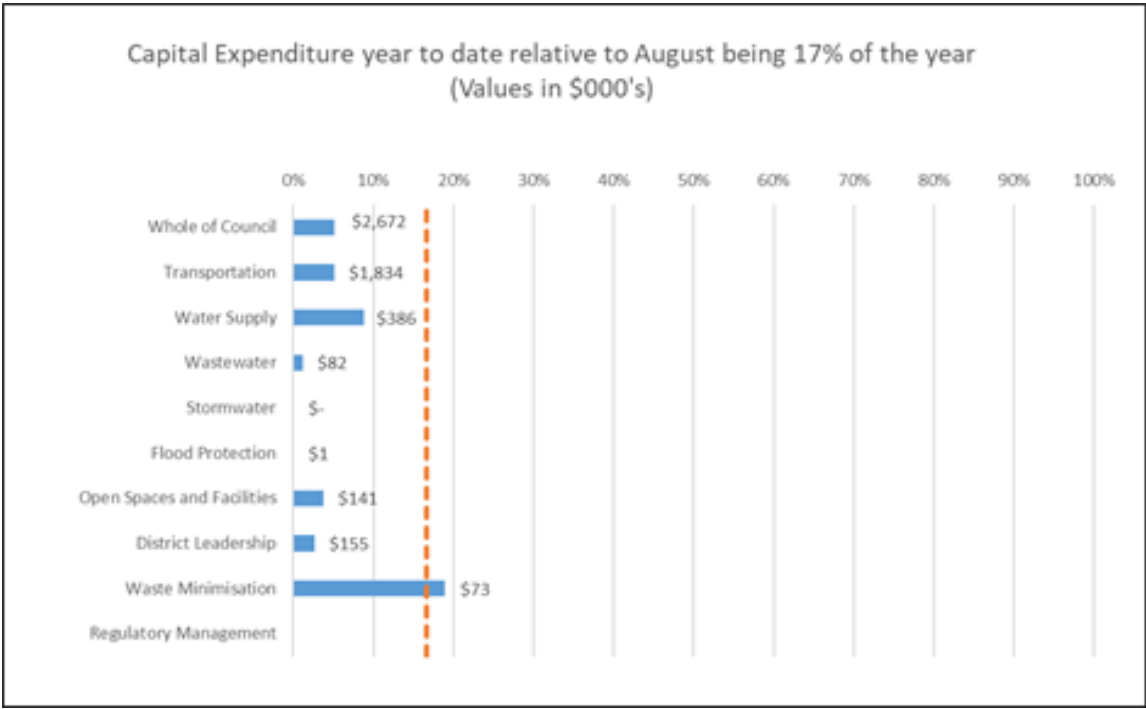
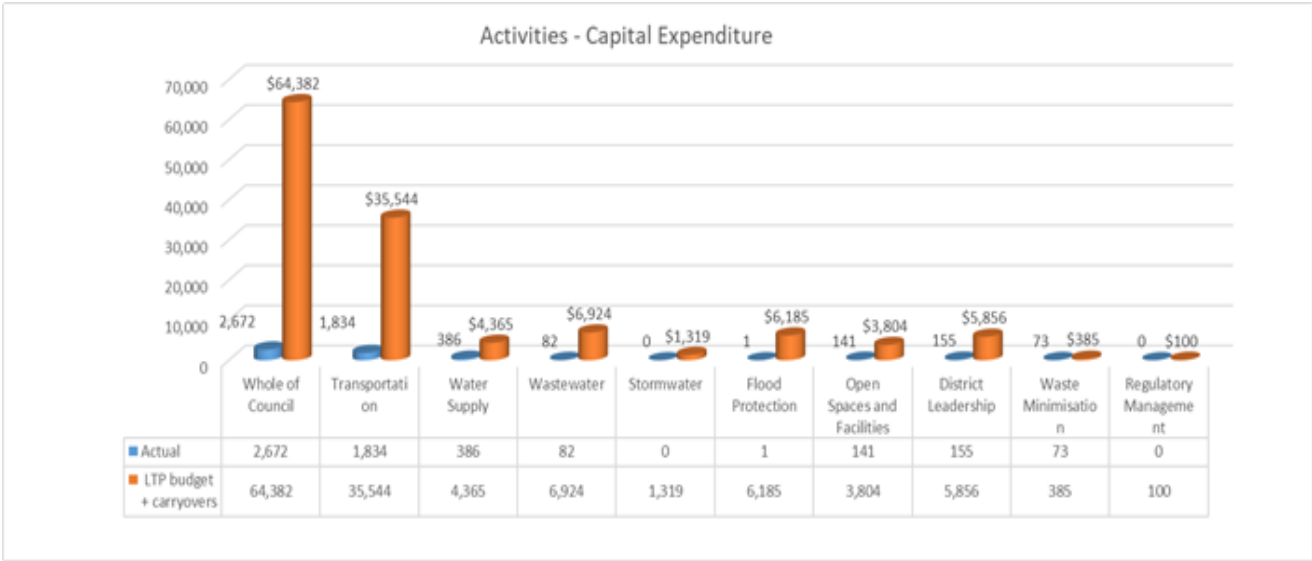
Public Debt and Requirements			
	June 2021	31 August 2021	June 2022
	\$000's	\$000's	\$000's
Debt			
Public Debt	44,000	44,000	45,702
Cash in bank (overnight deposits)	(12,194)	(18,452)	(526)
Net Debt	31,806	25,548	45,176
Reserves (future obligations)			
Development Contribution Reserve	(27,209)	(27,209)	(28,589)
Other Reserves	21,670	21,670	17,281
Total reserves (future obligations)	(5,540)	(5,540)	(11,308)
Debt Requirements			
Public Debt	44,000	44,000	45,702
Future obligations	21,670	21,670	17,281
Gross Debt Requirement	65,670	65,670	62,983
Less cash in bank	(12,194)	(18,452)	(526)
Net Debt Requirements	53,476	47,218	62,457

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

Capital Expenditure for the period ended 31 August 2021

Activity - Capital Expenditure	Actual as at 31 August 2021				Whole Year	
	Actual YTD \$000's	Long Term Plan \$000's	Variance \$000's	Indicator	Long Term Plan \$000's	Long Term Plan + Carryovers \$000's
Open Spaces and Facilities	141	135	(6)	●	2,938	3,804
District Leadership, Finance and Internal Services	156	310	154	●	4,801	5,856
Transportation	1,833	2,610	777	●	28,386	35,544
Wastewater	81	400	319	●	6,076	6,924
Water Supply	386	255	(131)	●	1,734	4,365
Stormwater	0	155	155	●	1,319	1,319
Flood Protection and Land Drainage	1	30	29	●	6,060	6,185
Waste Minimisation	73	0	(73)	●	340	385
Resource Consents, Building Control and Compliance	0	0	0	●	100	100
	2,671	3,895	1,224		51,754	64,482

The capital expenditure completed this month for whole of Council is 4.2% against LTP budget plus carryovers.



A detailed capital expenditure report can be found in Attachment A.

Capital Programme

General observations and comments

The Infrastructure Delivery team remit for FY21-22 consists of 62 individual Capital projects to be delivered. Progress to date:

Infrastructure Delivery (FY21/22)				
Projects in plan	Project unassigned	Project assigned to project manager		Project completed
		Project not yet started	Project in progress	
62	22	14	26	0

(Note: Table does not include projects delivered via the Northland Transport Alliance)

Kaihu Water Treatment and Truck Filler

This project valued at \$565,000 was to be funded externally by the Department of Internal Affairs with additional funding possibly coming from the Northland Regional Council. This project will not be progressed any further as the Waikaraka Marae has been awarded a grant directly by the Department of Internal Affairs. They will use this to construct their own water treatment plant without the truck filler.

Procurement

Procurement in progress/ contracts awarded in month of August

Project	Original cost estimate	Procurement Method	Status
MWWTP new balance tank	~\$1.9m	Open market	RFP closed; evaluation underway
Dargaville wastewater renewals	~\$400k	3 Waters panel	Tender issued; currently open
Kai Iwi Lakes: Security Improvements	~\$300k	Invited Tender	Tender period extended due to L4 Covid lockdown
Waipoua River Road	~\$1.6m	Direct Appointment	Re-establishing pricing with identified contractor
Maungaturoto Raw Watermain renewal	\$720k	3 Waters panel	Contract awarded- Ventia
Maungaturoto Hurndall Street	~\$450k	3 Waters panel	Tender evaluation underway
Maungaturoto water truck filler	~\$500k	3 Waters panel	Tender to be issued in September

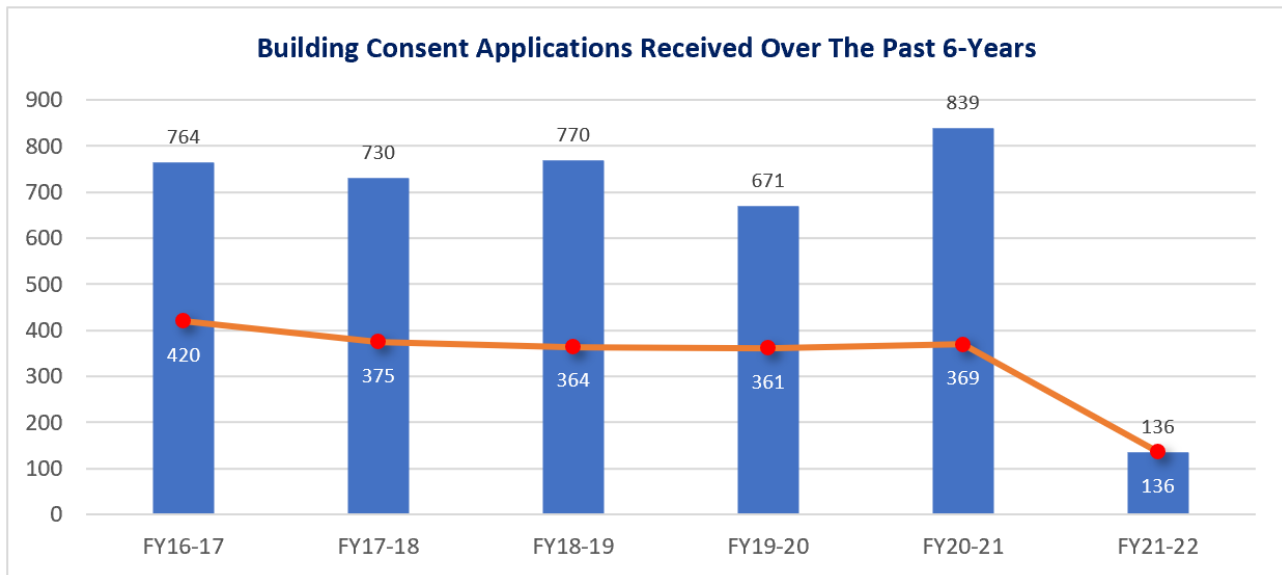
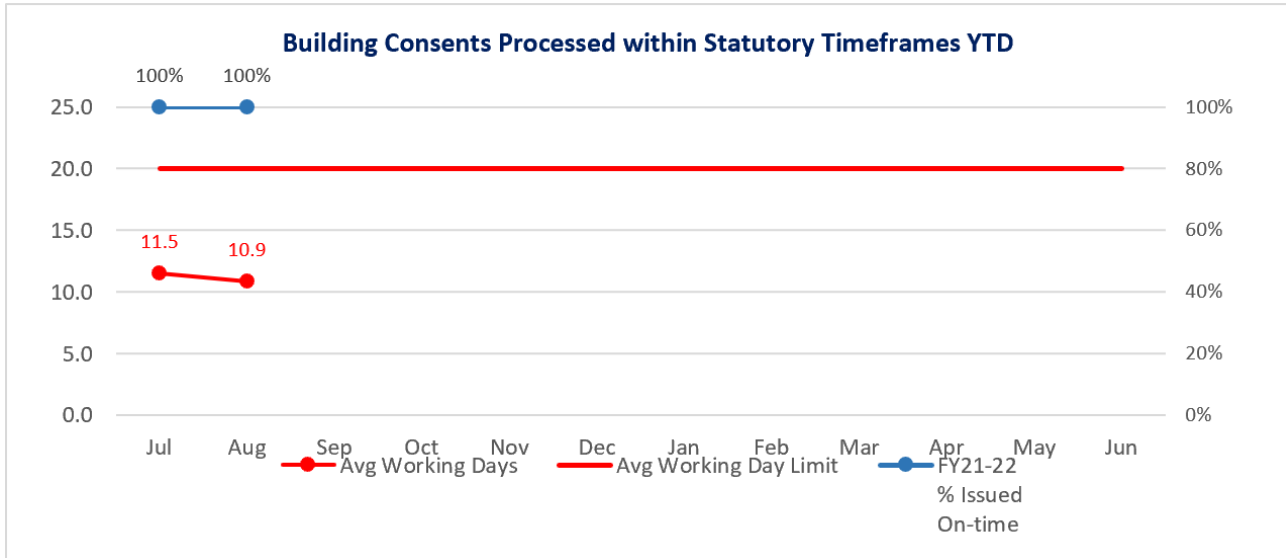
Procurement planned for month of September

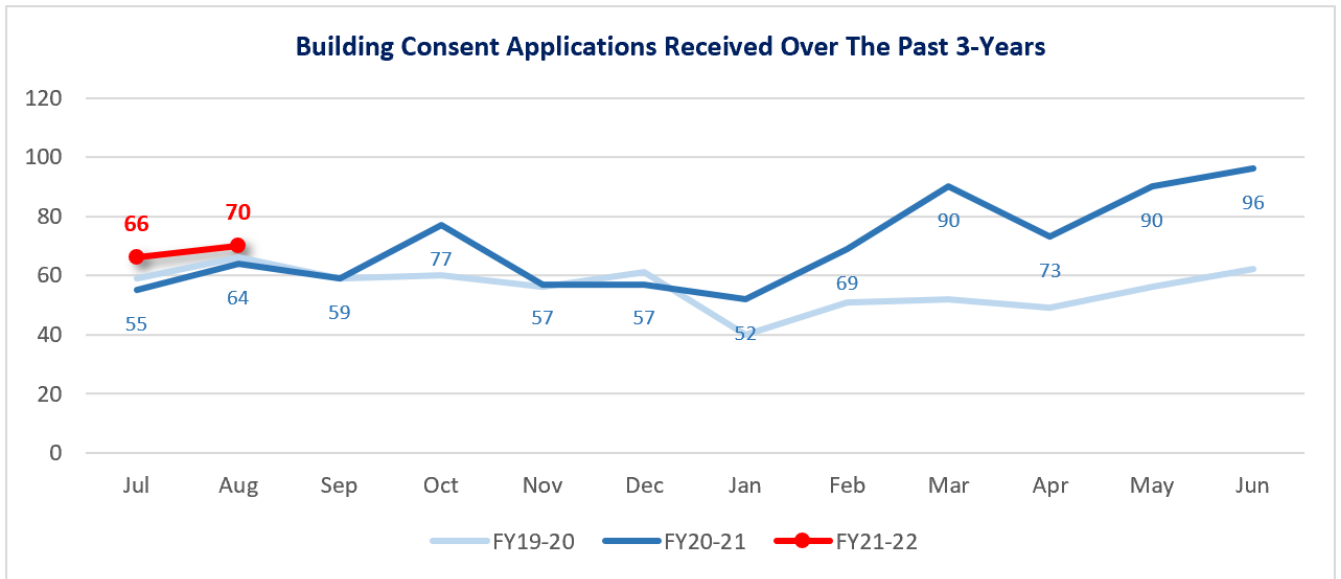
Project	Estimate	Procurement Method	Comments
Kaiwaka wastewater renewals	\$370k	3 Waters panel	Tender to be issued in September

Building and Resource Consents

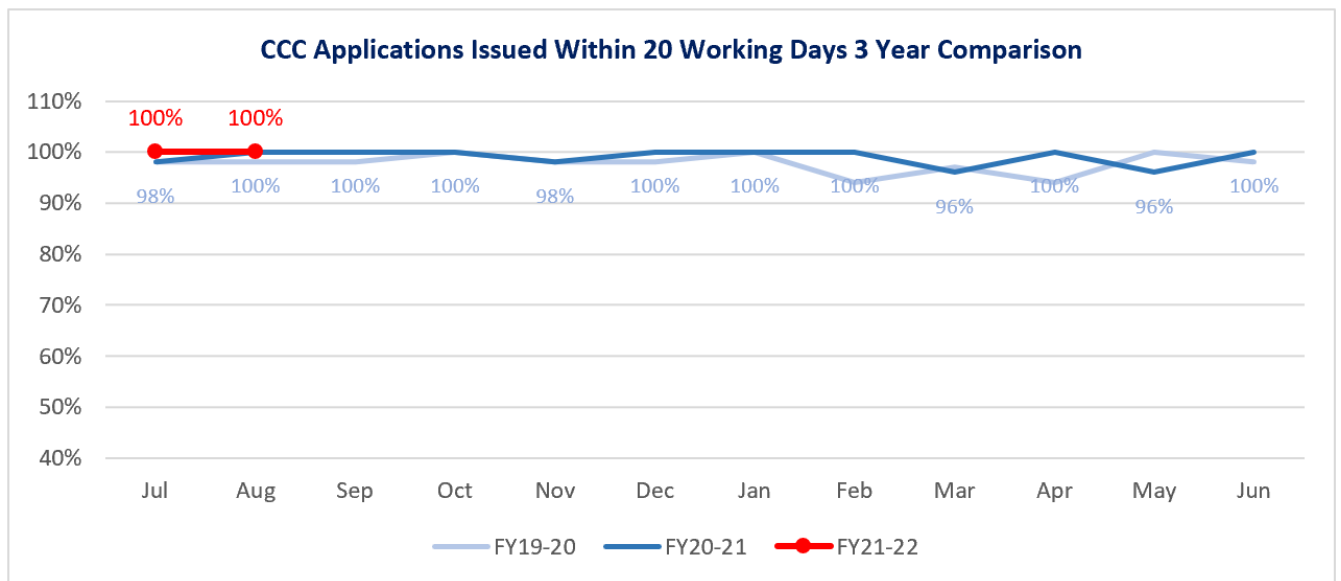
Building Consents

Building Consents issued 100% on time for the month of August.





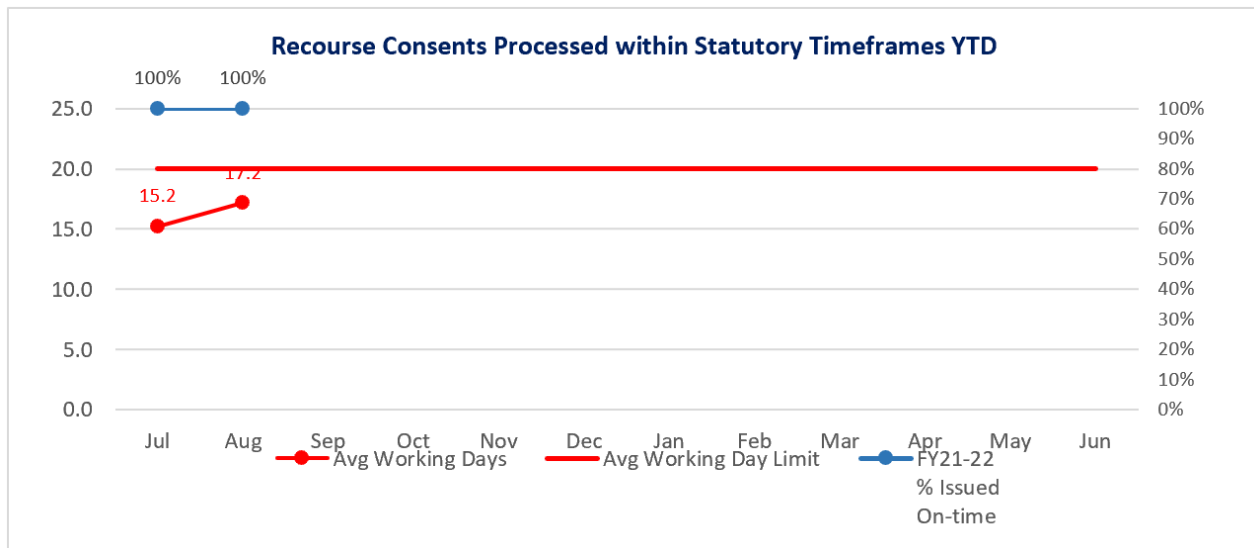
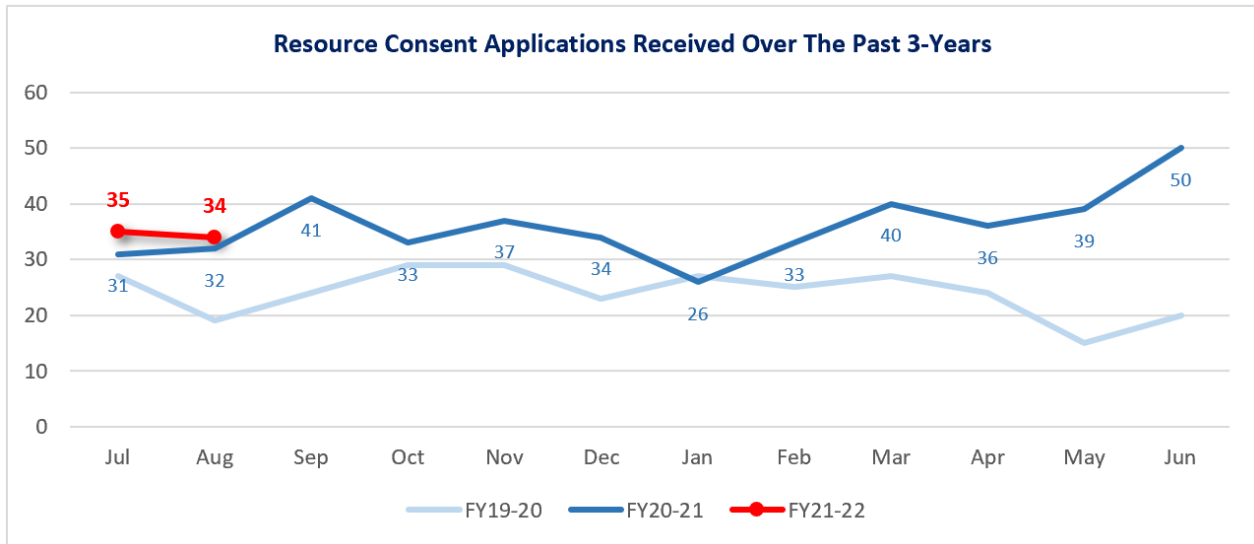
Building Code Compliance Certificates (CCC's) issued 100% on time for the month of August.



Resource Consents

Resource Consents issued 100% on time for the month of August.

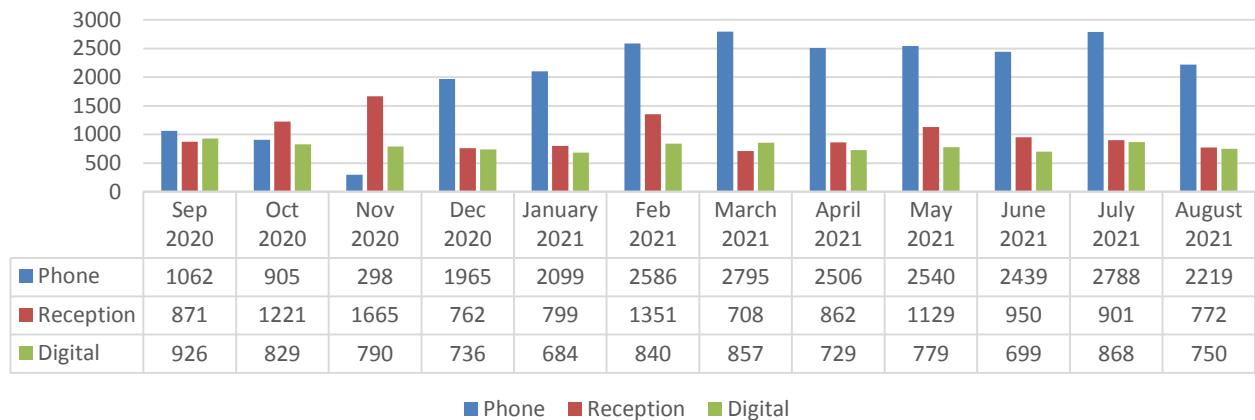
The Ministry for the Environment annually collects data from councils on the processing of resource consents. Highlighted in Attachment B are the latest results. It shows Kaipara listed as the 25th highest Council for the number of subdivision consents processed. While the data doesn't tell us how many sections were created per subdivision it does reflect that we are still a Council of high growth compared to all other councils in New Zealand.



Customer Services

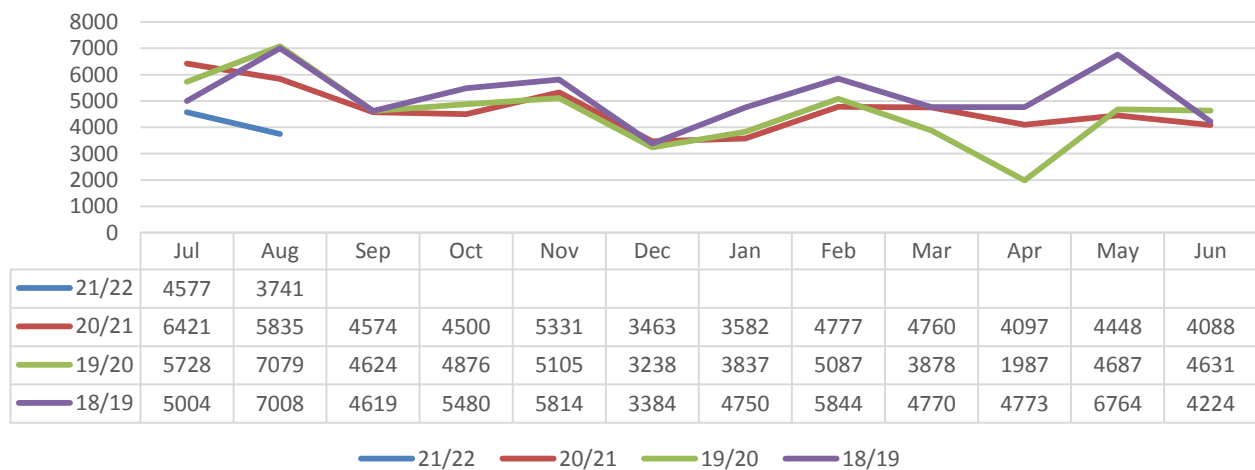
Month	Total Customer interactions	Digital	Reception	Total Calls	Average Speed Answer (sec)	Average call abandonment (%)	Calls FTE
August	3741	750	772	2219	303	23	1.99

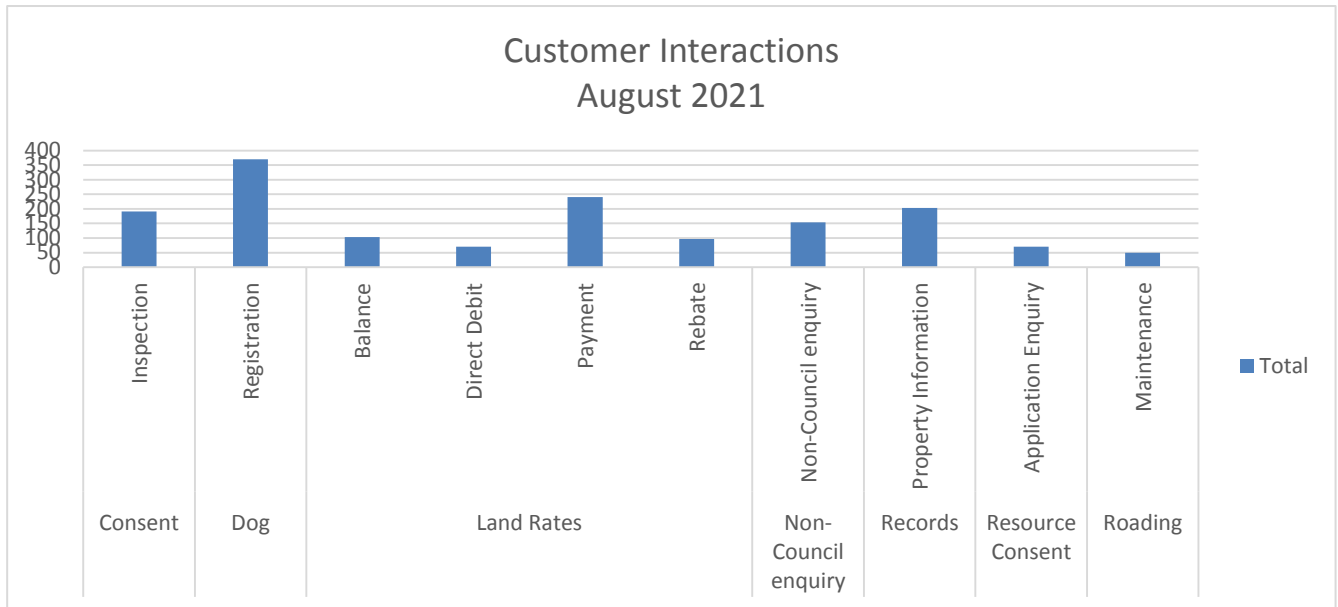
Customer Interactions 21/22
Communication Channels



* Digital – Email, Website, social media

Customer Interactions Received Over Past 3 Years





* Other – FENZ, NZTA, NRC, LINZ, CAB, Utility Companies