



Exceptions Report

For the month of October 2021

Financial Report

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Building and Resource Consents

Customer Services

Financial Report

Statement of Operating and Capital Performance

	This Month 31 October 2021				Indicator	Year to 31 October 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	3,376	3,412	(35)	●		13,953	14,097	(144)	●		41,942	41,942
Activity Revenue and Other Income	715	558	157	●		3,444	2,337	1,107	●		7,430	7,437
Subsidies and Grants - Operational	498	470	29	●		1,767	1,882	85	●		5,259	5,259
Total Operating Income	4,589	4,440	150	●		19,164	18,116	1,048	●		54,631	54,638
Employee Benefits	1,199	1,317	118	●		4,866	5,228	362	●		15,520	15,520
Contractors	65	183	119	●		498	749	251	●		2,283	2,513
Professional Services	1,461	742	(719)	●		2,885	2,945	80	●		9,249	9,289
Repairs and Maintenance	(18)	919	938	●		2,332	2,381	49	●		7,400	7,051
Finance costs	169	214	45	●		680	856	196	●		2,568	2,568
Other Operating Costs	327	495	168	●		2,767	2,546	(221)	●		6,719	6,709
Total Operating Costs	3,202	3,870	669	●		13,988	14,704	717	●		43,719	43,630
Operating Surplus/(Deficit) (before Depreciation)	1,388	569	818	●		5,176	3,412	1,764	●		10,912	11,008
Capital Subsidies	795	3,489	(2,694)	●		7,269	8,242	(973)	●		33,001	33,001
Contributions	109	304	(195)	●		2,104	1,217	887	●		3,880	3,880
Other Capital Revenue	0	0	0	●		8	0	8	●		0	0
Total Capital Revenue	905	3,793	(2,889)	●		9,381	9,458	(78)	●		36,861	36,861
Capital Expenditure	2,564	4,483	1,919	●		6,216	11,981	5,765	●		51,604	64,480
Total Capital Payments	2,564	4,483	1,919	●		6,216	11,981	5,765	●		51,604	64,480
Subtotal Capital	(1,659)	(690)	(970)	●		3,164	(2,522)	5,687	●		(14,743)	(27,619)
Surplus/(Deficit) - before Loan Payments and Depreciation	(272)	(121)	(151)	●		8,340	889	7,451	●		(3,830)	(16,611)

Key: ● Under budget or within 5% of budget

● Over or under budget by 5 - 10%

● Over or under budget by more than 10%

* Capital expenditure & capital subsidies are expressed in reverse as under budget denotes that the delivery of the capital works programme is behind schedule

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 writeoffs related to this amounted to \$623k.	(532)
	Targeted rates for wastewater are ahead of budget due to capital repayments for the Mangawhai scheme but recorded as revenue for accounting purposes.	122
	Water by meter revenue is ahead of budget for the month due to actual high-water consumption in Dargaville area in the month of September and timing differences in other areas.	348
Activity Revenue and Other Income	Activity revenue:	
	<ul style="list-style-type: none"> Building Control – activity revenue \$89k up on budget for the month plus prior year revenue recognition adjustment of \$245k being moved to FY22. 	499
	<ul style="list-style-type: none"> Resource Consenting – activity revenue for the month is ahead of budget, however year to date impacted by prior year revenue recognition adjustment of \$452k being moved to FY22. 	485
	<ul style="list-style-type: none"> The Licences and Registration's fee are higher than budget year to date. 	53
	<ul style="list-style-type: none"> External recovery costs are ahead of budget for the month and year to date. Variance includes waste levy of \$21k and NTA recoveries of \$30k received this month. 	53
	<ul style="list-style-type: none"> Additional Dog registrations and water rates penalties applied in October. 	17
Operating Subsidies and Grants	Operational subsidies from Waka Kotahi are higher for the month and higher than budget for the year to date.	85

Operating Costs:

Account	Rationale	\$000
Employee Benefits	Employee benefits costs are below budget for the month, mainly due to the time it is taking to fill vacancies in the current environment. With Covid-19 there is pressure on resources, demand for talent, and a squeeze in the employment market.	362
Contractors	The contractor's costs are below budget for the month and year to date.	251
Professional Services	The current month has been impacted by the correction made to move some transportation professional services costs to repairs and maintenance. These costs had been held in professional services while awaiting the final Waka Kotahi approved programme. Otherwise, professional services costs are in line with budget.	80
Repairs and Maintenance	Transportation: - Roothing works maintenance programme on schedule. (Also see comment for Professionals Services)	40
	Flood Protection: Weed control work behind schedule due to the wet weather	127
	Waters: Increase of cost due to Dargaville Wastewater Treatment plant desludging operations.	(43)
	Kaiwaka Wastewater Plant – Filter Optimisation	(61)
	Dargaville and Mangawhai Wastewater – preventative maintenance work completed	(51)
Finance Costs	Below budget due to lower inter-period loan balances.	196
Other Operating Costs	Additional cost for postage, valuation services, software licences and landfill leachate removal costs incurred - timing difference.	113
	Sport Northland – swimming pool operations, repairs, and maintenance Grant paid in the month of September – timing difference, budget was planned to be spend in November.	(334)

Capital Revenue

Account	Rationale	\$000
Capital Subsidies	Capital subsidies are below budget for the month and for year to date due to delays in capital works projects. Unsealed Roothing Improvements subsidy claim of \$2,875,00 was raised in the month of August 2021.	973
Contributions	The contributions are ahead of budget for the year to date: <ul style="list-style-type: none"> Development contributions are ahead of budget for the year to date due to prior year adjustment of revenue being moved to FY22 for accounting purposes 	361

	<ul style="list-style-type: none"> Financial contributions are lower than budget for the month but well ahead of budget for the year to date. 	526
Forecast	Please note that the finance team are still working through transferring the capital funding budgets from FY21 for the approved carry overs in Magiq. This is why the forecast is showing a deficit over and above the budget.	12,684

Public Debt:

The public debt position as at 31 October 2021 is \$44 million and the net debt position (debt less cash) is \$24.7million.

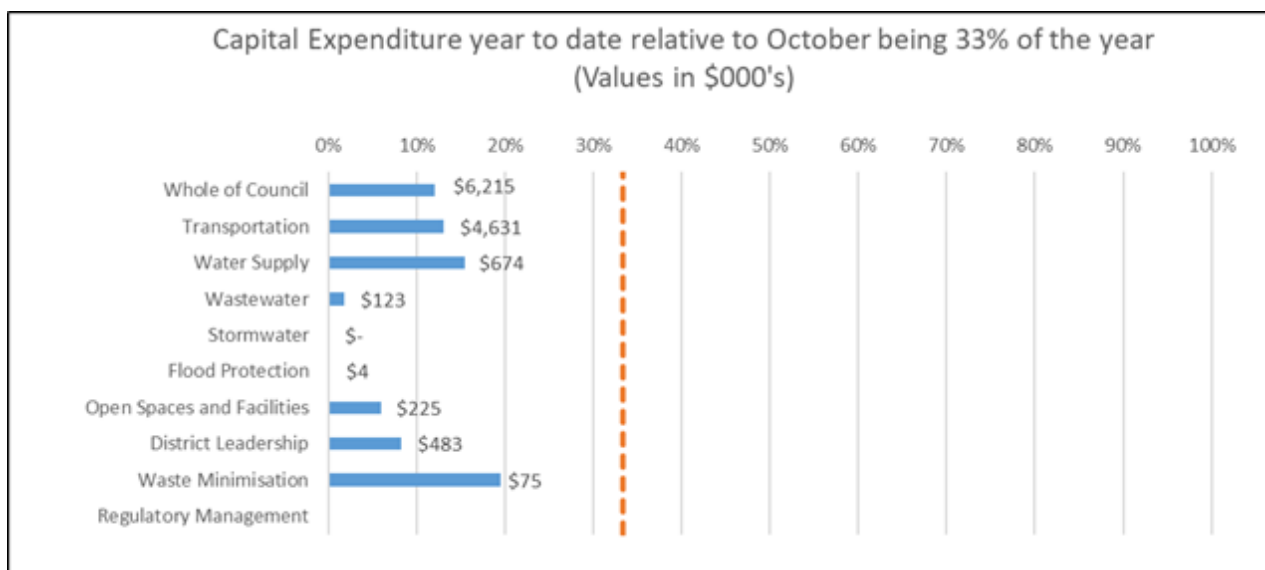
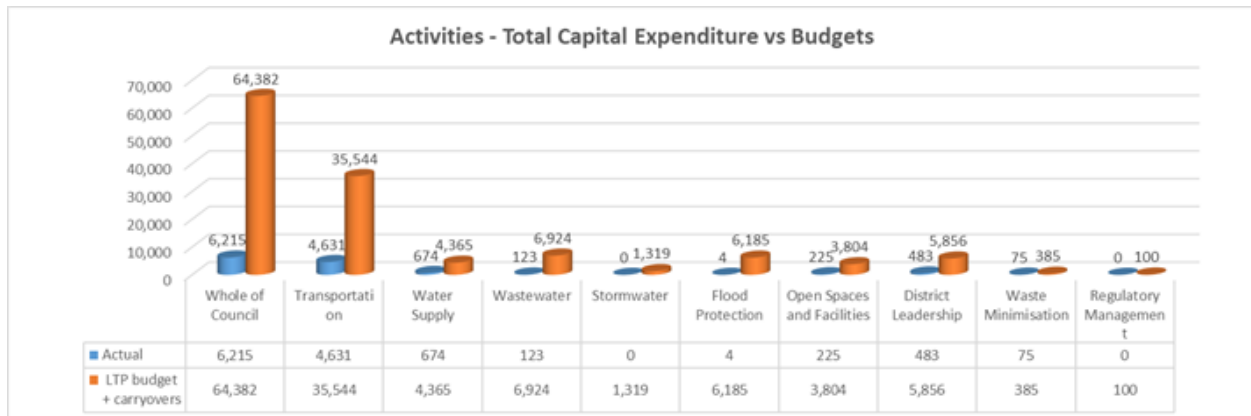
Public Debt and Requirements			
	June 2021	31 October 2021	June 2022
	\$000's	\$000's	\$000's
Debt			
Public Debt	44,000	44,000	45,702
Cash in bank (overnight deposits)	(12,194)	(19,313)	(526)
Net Debt	31,806	24,687	45,176
Reserves (future obligations)			
Development Contribution Reserve	(27,209)	(27,209)	(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	21,650	21,670	17,281
Gross Debt Requirement	65,650	65,670	62,983
Less cash in bank	(12,194)	(19,313)	(526)
Net Debt Requirements	53,456	46,357	62,457

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

Capital Expenditure for the period ended 31 October 2021

Activity - Capital Expenditure	Actual as at 31 October 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
District Leadership, Finance and Internal Services	483	585	102	●	4,801	5,856
Flood Protection and Land Drainage	4	330	326	●	6,060	6,185
Open Spaces and Facilities	225	494	269	●	2,938	3,804
Resource Consents, Building Control and Compliance	0	0	0	●	100	100
Stormwater	0	430	430	●	1,319	1,319
Transportation	4,632	8,469	3,837	●	28,236	35,544
Waste Minimisation	75	0	(75)	●	340	385
Wastewater	122	1,099	977	●	6,076	6,924
Water Supply	675	573	(102)	●	1,734	4,365
	6,216	11,980	5,764		51,604	64,482

The capital expenditure completed this month for Whole of Council is 9.7% against LTP budget plus carryovers.



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

Capital Programme

Progress to date:

	Infrastructure Delivery (FY21/22)						
	Projects in plan to be delivered (FY21/22)	Project's awaiting Business case approval	Projects with BC approved; Not yet assigned to Project Manager	Projects assigned to Project Manager	Projects assigned to project manager; not yet started	Projects assigned to project manager; in progress	Projects completed
	56	20	3	33	11	22	0
Comments				Includes 10 projects provisionally allocated to the 'renewals' programme	Includes: 10 projects provisionally allocated to the 'renewals' programme		

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

Three Waters (DIA funded) update

The Department of Internal Affairs (DIA) have recently announced an extension to the existing Three Waters projects deadline, extending from March 2022 to 30 June 2022. An information paper will be provided to Council in December detailing progress to date on each of these projects.

Kaipara Service Centre – Variation of Agreement to Lease

This project has been significantly delayed due to Covid-19 lockdowns and as a result a variation of the agreement to lease has been signed. The practical completion date has moved from 15 January 2022 with a final date of 14 April 2022 to 12 April 2022 with a final date of 12 July 2022.

This latest variation also provides for an extension beyond July 2022 to a date determined by the cumulative length of Covid level restrictions rather than a set date and will avoid the need for further variations.

Procurement

Procurement in progress/ recently awarded

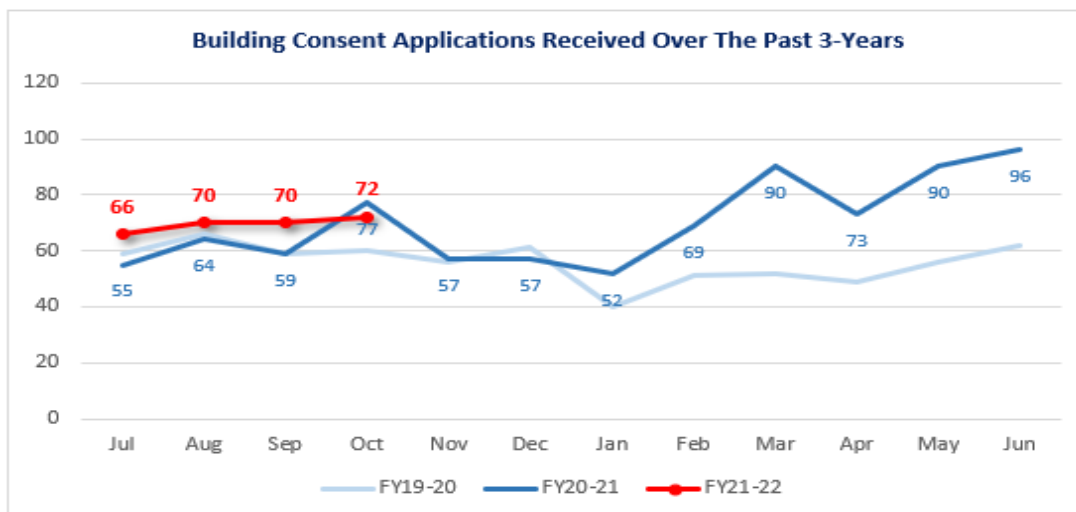
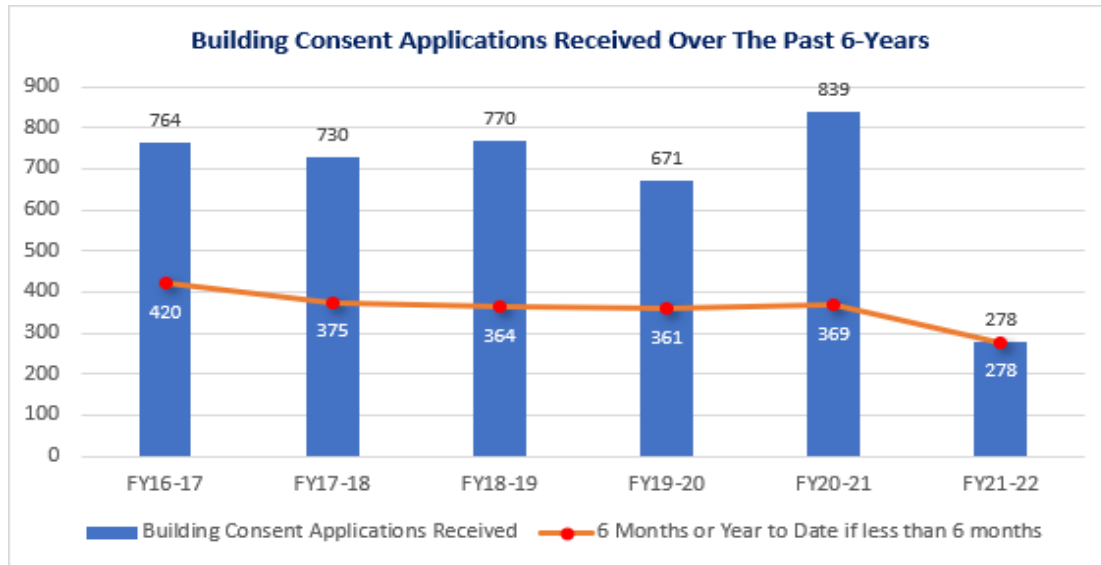
Project	Original cost estimate	Procurement Method	Status
MWWTP new balance tank	\$3.8m	Open market	Tender evaluation complete. Contract to be awarded.
Waipoua River Road	\$1.3m	Direct Appointment	Contract awarded: Fulton Hogan.
Kai Iwi Lakes Security Improvements	~\$340k	Invited Tender	Tender evaluation underway.
Dargaville wastewater renewals	~\$400k	3 Waters panel	Tender repricing received: Evaluation underway.
Maungaturoto Hurndall Street	~\$450k	3 Waters panel	Tender evaluation underway.
Maungaturoto water truck filler	~\$500k	3 Waters panel	Tender evaluation complete. On hold pending project land use issue resolution.
Kaiwaka wastewater renewals	~\$370k	3 Waters panel	KDC exercised its right to reject all offers. Tender being revised, to be re-issued November 2021.
Kaihu Valley Trail – Earthworks	~\$1.4m	Direct Appoint	Contract to be awarded pending receipt of earthworks consent.
Kaihu Valley Trail – Fencing	~\$600k	Invited Tender	Tender evaluation underway. Contract to be awarded pending receipt of earthworks consent.

Procurement planned for month of November

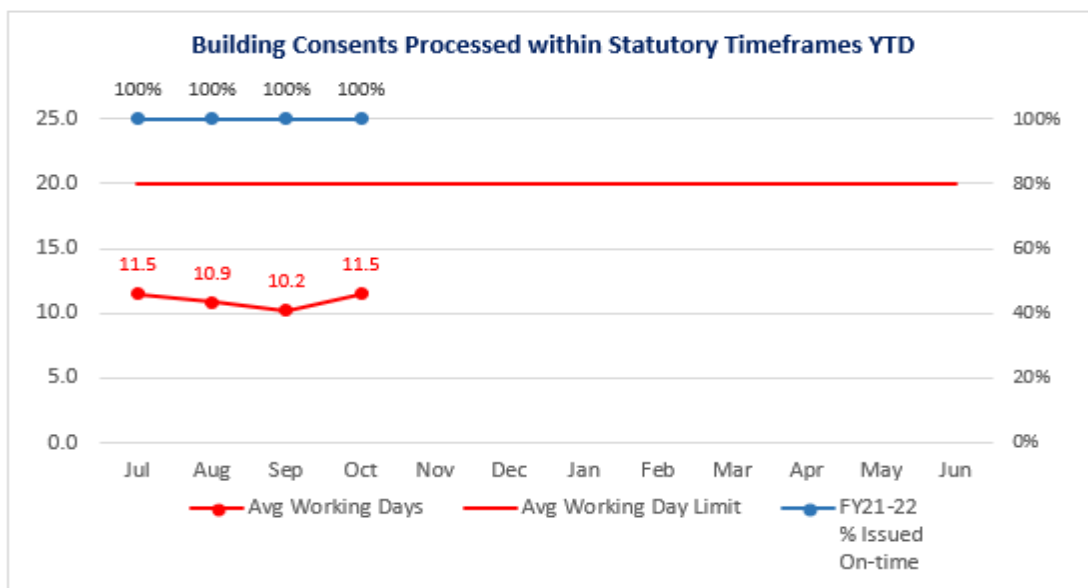
Project	Procurement cost estimate	Procurement Method	Comments
Dargaville to Te Kopuru Stopbanks	~\$240,000	Direct Appoint	Short procurement timeframe due to MBIE contractual requirements and construction season.
Raupo Upgrade	~\$200,000	Direct Appoint	Short procurement timeframe due to MBIE contractual requirements and construction season.
WTP and Reservoir Ruawai	~\$130k	No less than two competitive quotes	

Building and Resource Consents

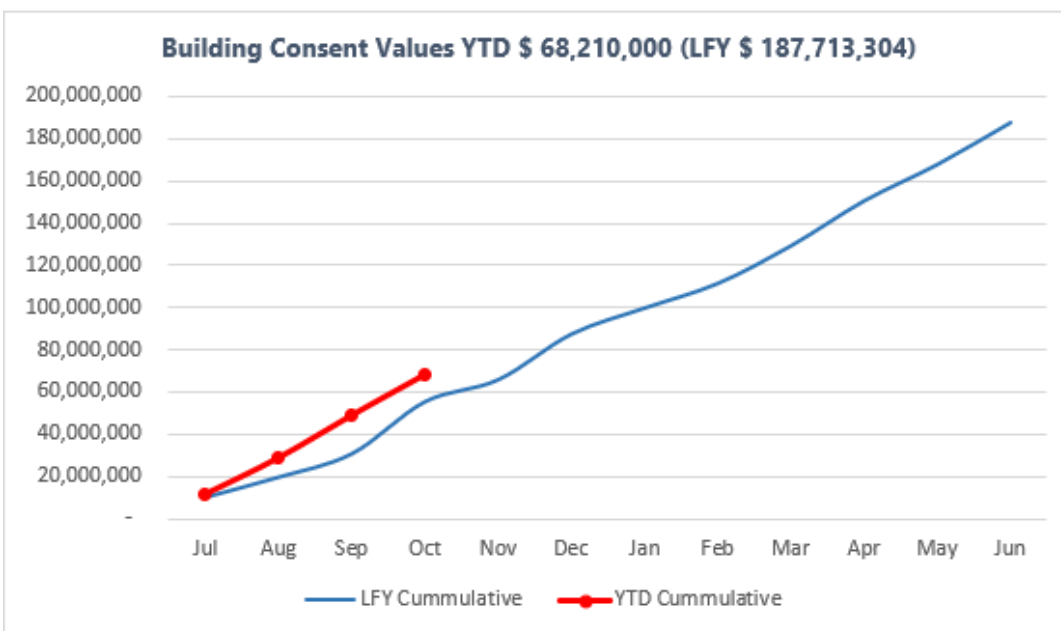
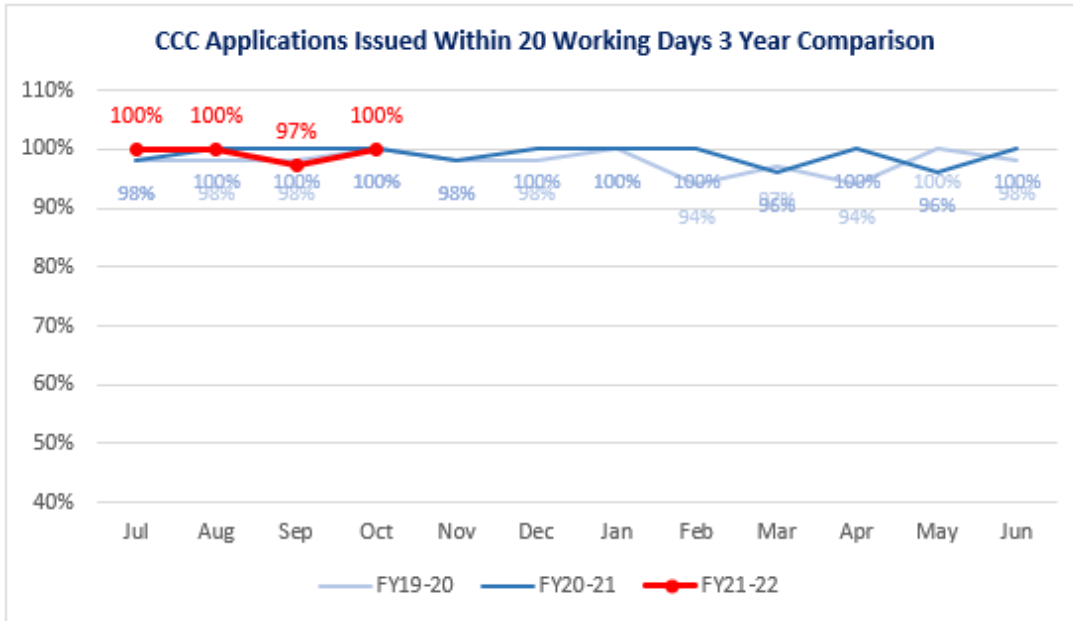
Building Consents



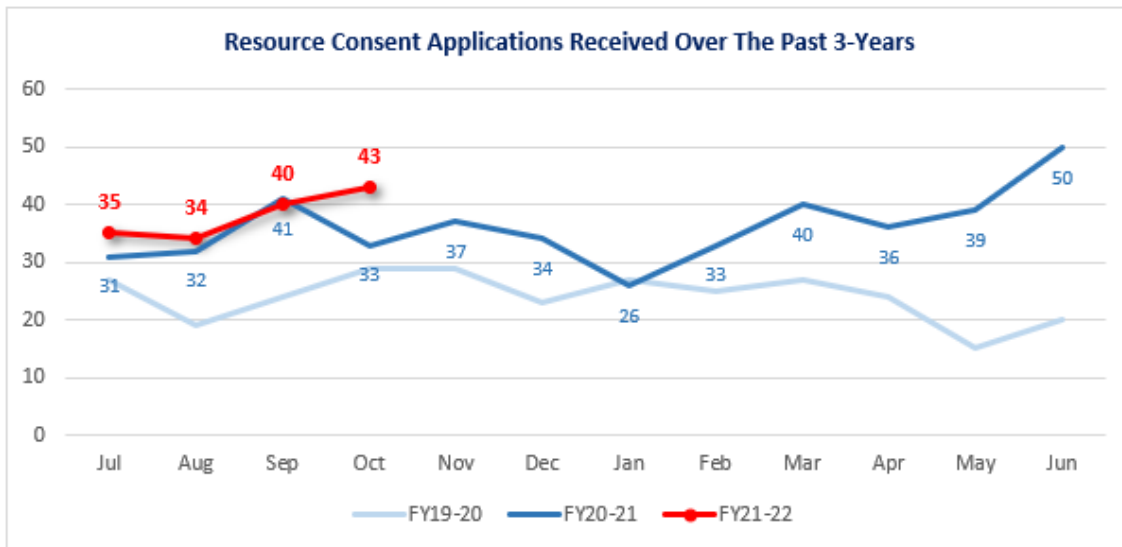
Building Consents processed in October within statutory timeframes were at 100%



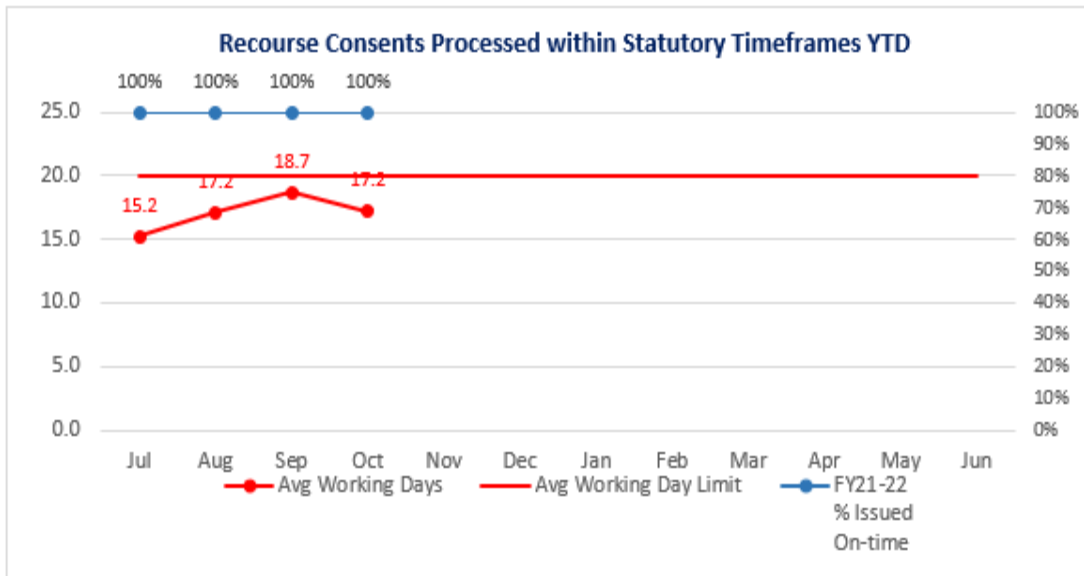
Code Compliance Certificates (CCC) issued in October within statutory timeframes were at 100%.



Resource Consents



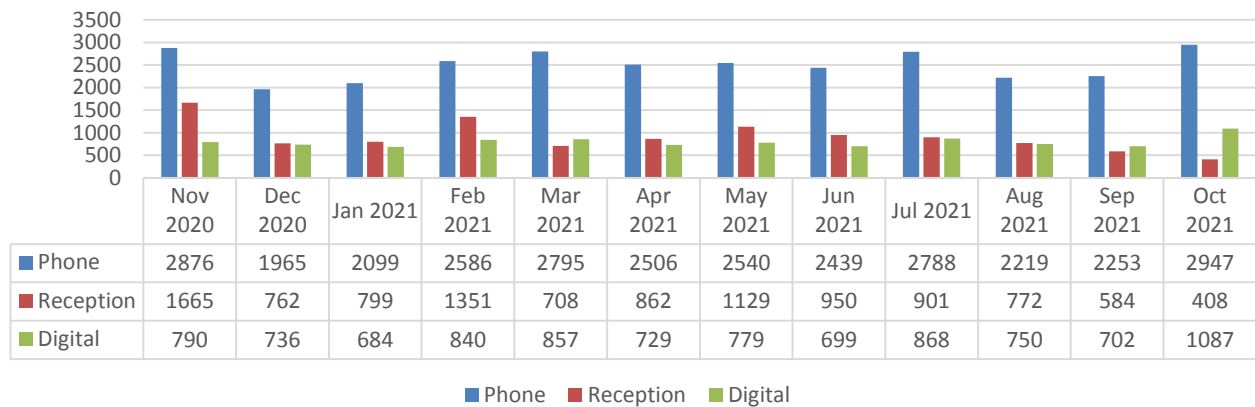
Resource Consents processed in October within statutory timeframes were at 100%.



Customer Services

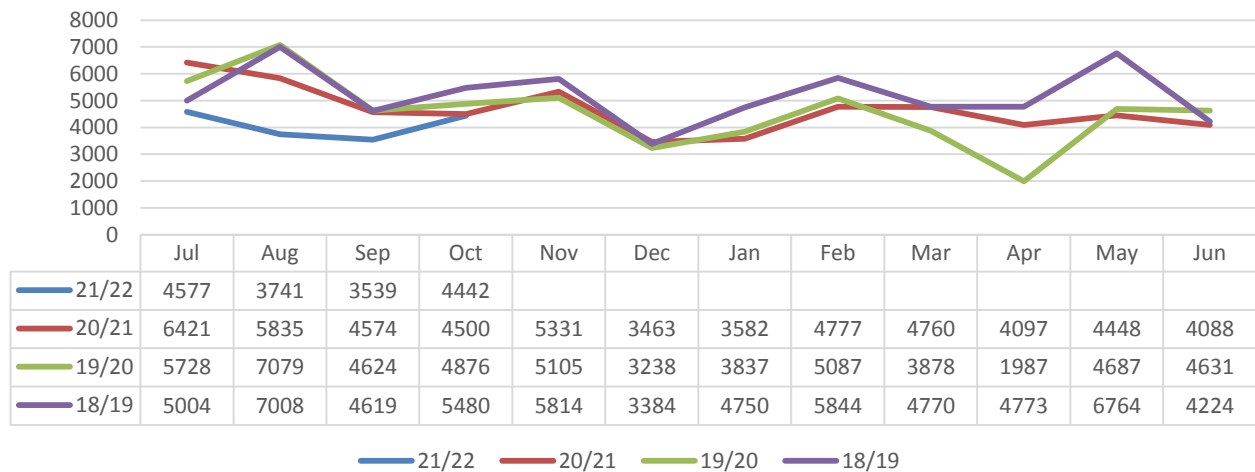
Month	Total Customer interactions	Digital	Reception	Total Calls	Average Speed Answer (sec)	Average call abandonment (%)	Calls FTE
October	4442	1087	408	2947	129	13	2.97

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

Narrative

The quantity of customer interactions answered this month has increased across phone and digital communication channels – the highest in volume since July 2020. 30% of phone interactions were received in the last four days of the month.

Both offices remain open at reduced hours to enable adherence to covid alert level restrictions.

Reporting of interaction types was not completed this month due to the migration to the Genysys Pure Cloud phone system throughout the month. As the team were working on two systems, data recorded relating to the types of interactions are inaccurate.