

2023-2024 Capital Expenditure Forecast

Meeting: Kaipara District Council
Date of meeting: 14 December 2022
Reporting officer: Anin Nama, General Manager Infrastructure Services

Purpose | Ngā whāinga

To seek approval of the changes to the 2022/2023 capital delivery programme as outlined in Attachments 1 & 2.

Executive Summary | Whakarāpopototanga

The Long-Term Plan (LTP) identifies and sets out the Council 10-year capital delivery programme. The programme for the 2022/2023 year (excluding transportation) is \$31.7m (Attachment 1).

In the 2021/2022 financial year, the Council received Government funding for infrastructure related projects in addition to the LTP programme. These projects took priority in delivery as the funding was available for a 12–24-month period. The majority of the projects are completed, however, a number continue and planned for completion during the summer period of 2023 and 2024.

A review of the 2022/2023 capital programme has identified that changes are required, due to the limited asset management planning in the past, along with minimal scope definition and incorrect estimates, resulting in the re-baselining the programme to ensure delivery. Now with better asset management planning in place, staff propose changes to the 2022/2023 programme.

Recommendation | Ngā tūtohunga

That the Kaipara District Council:

- a) Approves the funding in the 2022/2023 financial year of \$1.672m, as set out in Table 1.
- b) Approves the changes of funding between projects in the 2022/2023 year, as set out in Attachment 2.

Context | Horopaki

The Council's 30-year Infrastructure Strategy sets out the Council's long term vision and outcomes. The programme of work is broad and follows the direction of the Council vision. Whereas the Council's LTP sets out a more defined programme over the next 10-years and is consulted on with the Kaipara Community every 3 years. We are currently in the second year of the 2021-2031 LTP.

Since 2020, Council has received various Government funding for various infrastructure related projects, such as shovel ready funding. While this has been welcomed and needed, it has resulted in these projects taking priority over the LTP programme and the carryover of projects.

In addition, while a programme of works has been identified within the LTP, unfortunately, the lack of planning and resources in previous years meant that most projects have minimal scope definition, the timing of the works being incorrect and the cost estimates to complete the projects having low confidence has required in re-baselining of the 2022/2023 programme.

The overall changes to the programme are:

- Additional budget as set out in Table 1.
- changes in funding within the 2022/2023 programme, as set out in Attachment 2.

The Infrastructure Services team have commenced planning work with an initial focus on the three

waters assets within the 30-year Infrastructure Strategy and LTP. The outcome of this work will be shared with the Council at a briefing in the first quarter of 2024. Work also continues for other infrastructure assets, including developing a long-term investment programme for our land drainage districts.

Discussion | Ngā kōrerorero

2022/2023 financial year budget carry overs

A review of the 2022/2023 capital programme (excluding Transportation) has identified a number of projects will not be completed this year and a carryover to the 2023/2024 year required. The carryovers are due to projects requiring additional budget, poor scope definition of projects and timing of the works, these have now been corrected as part of this approval.

A more accurate list of projects will be brought to Council nearer to the end of the financial year when notification is provided to Council on the projects requiring carried over.

2022/2023 Revised amounts for Projects and Funding

The two tables below show projects where changes, additional funding and savings are proposed.

Table 1

Project	Additional funds (\$000')	Reason	Source of funding (\$000')
Pahi toilet	\$497	The existing toilet block is old and at times floods during high tidal events. A new toilet block and disposal system is required and protection from tidal influence. Council also obtained Tourism Infrastructure Fund (TIF) funding.	Revised project estimate is: \$850 Budget available is \$353 made up of: <ul style="list-style-type: none"> \$240 from LTP \$113 from TIF The shortfall of \$497, will be funded from debt funded loan.
Baylys Beach refurbishment	\$350	The existing toilet block is old and in a poor state. Recent spalling of concrete beams has caused the closure of parts of the facility. A refurbishment is required. However, no funding is currently available for this project.	No Funding is available for this project. The shortfall of \$350, will be funded from the District Financial Reserves.
Kaiwaka Rangiora Road Park Development	\$212	This project aims to improve the boat ramp facility, car parking and amenities (additional toilet) at the Rangiora Reserve. Council has obtained TIF funding for this project. The shortfall is due to inflation and poor budgeting in previous years.	Revised project estimate is: \$1,034 Budget available is \$822 made up of: <ul style="list-style-type: none"> \$244 from the Kaiwaka Reserve Fund \$277 from the Car Park Sealing fund \$301 from TIF The shortfall of \$212, will be funded from the 2023/2024 car park sealing fund.
Jack Boyd Drive wastewater extension	\$118	In December 2021, the Council agreed to install at its own cost approx. 200m new sewer line	Revised project estimate is: \$200 Budget available is \$82 made up of: <ul style="list-style-type: none"> \$50 Development Contribution

		along a private driveway to connect up to 7 properties into public wastewater network.	<ul style="list-style-type: none"> \$32 Loan <p>The shortfall of \$118 will be funded from debt funded loan.</p>
Dargaville pump station investigation	\$80	This pump station is old and is one of the critical stations in Dargaville. Wastewater overflow regularly occur. It is the improvements and additional pumps are installed to minimise the wastewater overflows.	<p>There is no budget available.</p> <p>The shortfall of \$80 will be funded from Depreciation Reserves.</p>
Murphy Bower gate stop bank improvement	\$215	<p>An upgrade the existing stop banks (approx.) 900m is urgently required to provide flood protection to the Ruawai Community. In 2018, Council approved a sum of \$375K for the project. The revised estimate to complete this work is now estimated at \$590k. The cost increase is due to escalation in material cost.</p> <p>To ensure the works are completed during the summer of 2023, the works will be carried out by local contractors that work with the Raupo Drainage Board.</p>	<p>Revised project estimate is: \$590</p> <p>Budget available is \$375 made up of:</p> <ul style="list-style-type: none"> \$375 Raupo Reserve <p>The shortfall of \$215 will be funded from the Raupo Land Drainage Fund.</p>
Pouto Wharf	\$200	Recent unforeseen rubbish (vehicle) and geotechnical condition may result in additional work.	The shortfall of \$200 will be funded from debt funded loan.
Total	\$1,672		

The review has also identified a number of projects not required. These are outlined in table 2.

Table 2

Project	Surplus funds (\$000')	Reason
Kaiwaka Bush park	\$550	This is Northland Regional Council project and should not have been included with Kaipara District Council LTP.
Chases Gorge	\$219	Emergency rock armouring work are taking place along the stream; therefore, this project is no longer required.
Kaiwaka wastewater renewals	\$116	The project is completed and savings of \$116k identified.
Dargaville wastewater renewals	\$372	A review of the second stage of the project, identified that the works are not required.
Total	\$1,257	

Summary

The lack of Infrastructure Planning in previous years has led to inadequate budgeting in the LTP, where projects have insufficient budget, are poorly scoped and budget being allocated in a wrong year, either early or late, therefore, this report recommends re-allocating funds within the programme and projects requiring additional funds in the 2022/2023 financial year.

Policy and planning implications

There are no known Policy implications

Financial implications

There is no additional financial impact to Council as the funds are within the approved programme. These projects are being discussed as part of the 2023/2024 Annual Plan.

- The overall financial costs have been detailed in the tables 1 and 2 above and Attachments 1 & 2.
- There is additional debt funded loans of \$815k for the Pahi toilet block (\$497k), Jack Boyd Drive reticulation extension (\$118k) and Pouto Wharf (\$200k). The debt funding of these projects is not significant for Council.
- The additional sum of \$350k for the Baylys Beach toilets can be funded from the district financial reserves. There is approximately \$1.6m available.
- The additional sum of \$212k for the Kaiwaka Rangiora Road Park Development will be funded from district financial reserves.
- The additional sum of \$80k for the Dargaville pump station can be funded from the wastewater depreciation reserves fund.
- The additional sum of \$215k for the Murphy Bower gate stop bank improvement will come from Raupo land drainage fund and reserves. The Raupo Land Drainage account has \$590k balance available.

Risks and mitigations

- Should the Council not fund the Rangiora Car Park and the Pahi Toilet block projects, Council will lose the TIF funding associated with these projects.
- Any further delays to the Murphy Bower gate stop bank improvement work poses significant risk to Council and the Ruawai district community.

Significance and engagement | Hirahira me ngā whakapāpā

The decisions or matters of this report are considered to have a low degree of significance in accordance with Councils Significance and Engagement Policy. No feedback is required, and the public will be informed of Councils decision via the agenda and minutes publication of this meeting, on the website and through other media channels.

Next steps | E whaiake nei

The 2022/2023 budget will be updated, and construction work will continue to progress

Attachments | Ngā tapiritanga

	Title
1	The programme for the 2022/2023 financial year (excluding transportation).
2	Summary of programme changes for the 2022/2023 financial year.