

MASTERTON DISTRICT COUNCIL

AGENDA

AUDIT AND RISK COMMITTEE

WEDNESDAY 3 MARCH AT 2.00PM

MEMBERSHIP OF THE COMMITTEE

Philip Jones (Chairperson)

Her Worship the Mayor

Cr B Gare

Cr G McClymont

Cr T Nelson

Cr T Nixon

Cr C Peterson

Iwi representative T Te Tau

Quorum: Four

Notice is given that the meeting of the Masterton District Council Audit and Risk Committee will be held on Wednesday 3 March 2021 at Waiata House, 27 Lincoln Rd, Masterton commencing at 2.00pm.

**RECOMMENDATIONS IN REPORTS ARE NOT TO BE CONSTRUED AS COUNCIL
POLICY UNTIL ADOPTED**

26 February 2021



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AGENDA ITEMS

1. CONFLICTS OF INTEREST (Members to declare conflicts, if any)
2. APOLOGIES
3. PUBLIC FORUM
4. LATE ITEMS
5. **MINUTES OF PREVIOUS MEETING TO BE RECEIVED (173/20)** Pages 401-406

FOR DECISION

6. **WORKPLACE HEALTH AND SAFETY AND STAFF WELLBEING POLICY (024/21)**
Pages 411-415
7. **INVESTMENT POLICY AMENDMENT (029/21)** Pages 416-420

FOR INFORMATION

8. **SERVICE PROVISION REPORT (021/21)** Pages 421-435
9. **NON-FINANCIAL PERFORMANCE 2020/21 SECOND QUARTER REPORT (022/21)**
Pages 436-459
10. **HEALTH AND SAFETY QUARTERLY REPORT (025/21)** Pages 460-466
11. **6 MONTHS TO DATE FINANCIAL REPORT 2020/21 (023/21)** Pages 467-489
12. **REPORT TO THE COUNCIL ON THE AUDIT FOR THE YEAR ENDED 30 JUNE 2020 (028/21)** Pages 490-507

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MATTERS TO BE TAKEN WITH THE PUBLIC EXCLUDED

Moved by

Seconded by

Under section 48 (1) of the Local Government Official Information and Meetings Act 1987 the following matters will be taken with the public excluded :-

Minutes of the previous meeting

13. Receive the Minutes of the previous meeting held with the public excluded 18 November 2020.

General Business

14. Risk Policy and Risk Management Enhancements
15. Update on CouncilMARK Assessment Report
- 16 SLT Risk Discussion.

The general subject of the matters to be considered while the public is excluded, the reason for passing this resolution in relation to the matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution is as follows:-

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Minutes of Previous Meeting held 18 November 2020	See page 405-406	s48(1)(d) That the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any proceeding to which this paragraph applies
Risk Policy and Risk Management Enhancements	7(2)(c)(i) The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied. 7(2)(c)(ii) The withholding of the information is necessary to protect information which is subject to an obligation of	s48(1)(d) That the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any proceeding to which this paragraph applies

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confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to damage the public interest

Update on CouncilMARK Report

7(2)(c)(i)
The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied

SLT Risk Discussion

7(2)(c)(i)
The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied.

s48(1)(d)

That the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any proceeding to which this paragraph applies

7(2)(c)(ii)
The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to damage the public interest.

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173/20

REPORT OF THE AUDIT & RISK COMMITTEE MEETING HELD AT WAIATA HOUSE, LINCOLN ROAD, MASTERTON ON WEDNESDAY 18 NOVEMBER 2020 AT 3.18PM

PRESENT

Philip Jones (Chair), Mayor L Patterson, Councillors B Gare, G McClymont, T Nixon, T Nelson.

IN ATTENDANCE

Chief Executive, Manager Assets and Operations, Manager Finance, Manager Community Facilities and Activities, Communications and Marketing Manager, People and Capability Manager, Hood Aerodrome Manager, Governance Advisor and one media representative.

CONFLICT OF INTEREST

Councillor Nixon declared an interest in relation to the item on Hood Aerodrome in the public excluded part of the agenda as her partner is the Aerodrome Manager and leases land for a hangar at the Aerodrome.

LATE ITEMS FOR INCLUSION UNDER SECTION 46A(7) OF THE LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987

There were no late items.

APOLOGIES

Moved Mayor L Patterson

That the apologies from Councillor C Peterson and Tiraumaera Te Tau for non-attendance and from Councillor McClymont and Councillor Nelson for lateness be accepted.

Seconded by Philip Jones and CARRIED

(Councillor McClymont joined the meeting at 3.23pm)

(Councillor Nelson joined the meeting at 3.25pm)

MINUTES OF PREVIOUS MEETING TO BE RECEIVED (118/20)

Moved by Councillor Nixon

That the minutes of the previous meeting of the Audit and Risk Committee held 19 August 2020 be received.

Seconded by Councillor McClymont and CARRIED

FIRST QUARTER REPORTS (161/20)

The report providing the Committee with the quarterly progress reports against KPIs for Aratoi Regional Trust and Destination Wairarapa was taken as read.

Moved by Mayor L Patterson

That Council receives:

- (a) **the summary results of Key Deliverables for the quarter 1 July – 30 September 2020 from Destination Wairarapa;**
- (b) **the summary results of the Key Result Indicators for the quarter 1 July – 30 September 2020 from Aratoi Regional Trust.**

Seconded by Councillor Nixon and CARRIED

THREE MONTHS TO DATE FINANCIAL REPORT (171/20)

The report providing the Committee with the financial report for the three months to 30 September 2020 was presented by the Manager Finance, who noted that there hadn't been any noticeable impact on rates received due to COVID-19.

The Chair asked whether all the shovel ready projects receiving funding would impact on the work programme. Staff advised that there would be impacts, in particular, with contractor availability and getting materials. Completing the capital works programme will be a challenge.

Moved by Councillor Gare

That the Audit and Risk Committee receives the 3 months to date financial report and commentary, including the Operating and Capital Expenditure Statements contained in Report 171/20.

Seconded by Councillor Nixon and CARRIED

NON-FINANCIAL PERFORMANCE 2020-21 FIRST QUARTER REPORT (170/20)

The report advising the Committee of performance against non-financial measures that are reported at three months was taken as read.

Moved by Mayor L Patterson

That the Audit and Risk Committee receives the Quarter 1 non-financial performance report for the 2020-21 financial year.

Seconded by Philip Jones and CARRIED

LGFA ANNUAL GENERAL MEETING (164/20)

The report advising the Committee of the action taken under delegated authority with respect to voting on resolutions at the Local Government Funding Agency AGM to be held on 19 November was taken as read.

Moved Philip Jones

That the Audit and Risk Committee endorses the proxy vote cast under delegated authority on behalf of the Council at the Local Government Funding Agency's Annual General Meeting being held on 19 November 2020.

Seconded by Mayor L Patterson and CARRIED

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MONITORING OF POLICIES (168/20)

The report providing an update on the policies monitored by the Audit and Risk Committee was taken as read.

Staff advised that it was anticipated that the Health, Safety and Wellbeing Policy would come to the first Audit and Risk Committee meeting in 2021. The Asset Management Policy would go to Council and it was noted that a review of the Revenue and Finance Policy would be begin in 2021 but not as part of the Long Term Plan. Work on the Procurement Policy was underway, and staff would report back on the timeframe.

Moved by Councillor Nelson

That the Audit and Risk Committee

(a) notes that the following policies are monitored by the Audit and Risk Committee;

- **Asset Management Policy**
- **Fraud, Dishonesty and Corruption Control Policy**
- **Health and Safety Policy**
- **Procurement Policy**
- **Revenue and Financing Policy**
- **Risk Management Policy**
- **Significance and Engagement Policy**
- **Sensitive Expenditure Policy**
- **Treasury Management Policy, and**

(b) notes the status update for each of these policies in Report 168/20.

Seconded by Councillor McClymont and CARRIED

HEALTH & SAFETY QUARTERLY REPORT (169/20)

The report providing information to assist elected members carrying out their role under the Health and Safety at Work Act was taken as read.

Moved by Councillor B Gare

That the Audit and Risk Committee notes the content and receives the Health and Safety Report for the first quarter (1 July to 30 September 2020).

Seconded by Councillor T Nixon and CARRIED

REPORT TO THE COUNCIL ON THE INTERIM AUDIT FOR THE YEAR ENDED 30 JUNE 2020 (162/20)

The report providing the Committee with the report from Council's Auditors, Audit NZ, on their interim audit of Council for the year ended 30 June 2020 was taken as read.

The Chair referred to the audit recommendation that the maintenance of the Rating Information Database (RID) needed an independent review and agreed with the staff recommendation that that wasn't necessary for most of the maintenance. If the Committee

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also agreed that only major changes needed reviewing, that needed to be added to the resolution, so Audit NZ were aware of that and the recommendation could be removed from future audit reports.

Moved by Mayor L Patterson

That the Audit & Risk Committee receives the Report on the Interim Audit of Masterton District Council for the year ended 30 June 2020 attached to Report 162/20, noting in relation to the Review of Rating Information Database (RID) updates, that the Committee accepted the risk as identified in the process currently undertaken to review changes to the RID.

Seconded by Philip Jones and CARRIED

NZTA INVESTMENT AUDIT (165/20)

The report providing the Audit and Risk Committee with an overview of the latest NZTA Investment Audit and the actions arising from it was presented by the Manager Assets and Operations.

It was agreed that the next report back on the implementation of the Audit Report's recommendations would be in a year's time, rather than six monthly, and the recommendation was amended accordingly.

Moved by Philip Jones

That the Audit and Risk Committee:

- (i) Notes the contents of the NZTA Investment Audit Report September 2020.**
- (ii) Requests staff provide the Committee with an update on the implementation of the Audit Report's recommendations in November 2021.**

Seconded Councillor T Nixon and CARRIED

HOOD AERODROME SAFETY UPDATE (163/20)

The report updating the Committee on the engagement with stakeholders since the last update to the Committee was presented by the Hood Aerodrome Manager.

With the agreement of the meeting the recommendation was amended to clarify that it was referring to the staff approach to the CAA investigation findings.

Moved by Mayor L Patterson

That the Audit and Risk Committee

- (i) receives Report 163/20 Hood Aerodrome Safety Update.**
- (ii) endorses the *staff* approach being taken to the CAA investigation findings, in particular, to not implement the systemic review of the AIMM data to gain learnings on radio protocols and to focus on good reporting and a strong safety culture at the Aerodrome.**

Seconded by Councillor G McClymont and CARRIED

MATTERS TO BE TAKEN WITH THE PUBLIC EXCLUDED

Moved by Councillor T Nelson

Under section 48 (1) of the Local Government Official Information and Meetings Act 1987 the following matters will be taken with the public excluded :-

Minutes of the previous meeting

14. Receive the Minutes of the previous meeting held with the public excluded 19 August 2020

General Business

15. Risk Register Update
16. SLT Risk Discussion.

The general subject of the matters to be considered while the public is excluded, the reason for passing this resolution in relation to the matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution is as follows:-

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Minutes of Previous Meeting held with the public excluded on 19 August 2020	See page 404-405	s48(1)(d) That the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any proceeding to which this paragraph applies
Risk Register Update	7(2)(c)(i) The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such	S48(1)(d) That the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any proceeding to which this paragraph applies

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information should continue to be supplied.

SLT Risk Discussion

7(2)(c)(i)

The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied.

7(2)(c)(ii)

The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to damage the public interest.

s48(1)(d)

That the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any proceeding to which this paragraph applies

Seconded by Councillor T Nixon and CARRIED

The public was excluded at 4.23 pm

The meeting returned to open session at 4.51 pm

The meeting concluded at 4.51 pm

To:	Audit and Risk Committee
From:	Julie Wallace, Senior Advisor Health and Safety Kate Conroy, People and Capability Manager
Endorsed by:	Kathryn Ross, Chief Executive
Date:	3 March 2021
Subject:	Workplace Health and Safety and Staff Wellbeing Policy
FOR ENDORSEMENT	
Recommendation:	
That the Audit and Risk Committee:	
<ul style="list-style-type: none"> a) notes the Workplace Health and Safety and Staff Wellbeing Policy has been reviewed. b) notes the revised Workplace Health and Safety and Staff Wellbeing Policy was approved by the Senior Leadership Team on 11 February 2021; and c) endorses the revised Workplace Health and Safety and Staff Wellbeing Policy included as Attachment 1 to Report 024/21. 	

PURPOSE

The purpose of this report is to seek endorsement from the Audit and Risk Committee on the revised Workplace Health and Safety and Staff Wellbeing Policy (Attachment 1).

BACKGROUND

The purpose of the Workplace Health and Safety and Staff Wellbeing Policy is to ensure the health, safety, and wellbeing of all workers and all other people in Council workplaces. Having a Health, Safety, and Wellbeing Policy demonstrates that Council is serious about meeting their legislative obligations under the Health and Safety at Work Act 2015.

Under the Health and Safety at Work Act 2015, the Council as a Person Conducting a Business or Undertaking (PCBU) must ensure, so far as is reasonably practicable, the health and safety of Council's employees, volunteers or contractors, and others who may be put at risk by Council work.

An Officer is a person who occupies a position that allows them to exercise significant influence over the management of a business or undertaking. All elected members are officers under the Act, (noting that although elected members have reduced liability, there is still the requirement to exercise due diligence).

REVIEW PROCESS

The review of the Health and Safety and Wellbeing Policy was undertaken. As a result of the review, the following changes and considerations were made:

The policy has been renamed from the Health, Safety and Wellbeing Policy to the Workplace Health and Safety and Staff Wellbeing Policy. The title highlights Council's commitment to maintaining a safe and healthy workplace for workers and others, and Council's staff wellbeing programme.

Changes have not been made to the purpose or scope of the policy; however, the statement of commitment has been revised.

To ensure the policy is action oriented, responsibilities have been defined to give clarity of what is required of Council Senior Leadership Team, Managers, People Leaders, staff and also Contractors and Sub-Contractors.

The following legislation has been referenced as part of the review process:

- [Health and Safety at Work Act 2015](#)
- [Health and Safety at Work \(General Risk and Workplace Management\) Regulations 2016](#)
- [Health and Safety at Work \(Worker Engagement, Participation and Representation\) Regulations 2016](#)
- [Health and Safety at Work \(Asbestos\) Regulations 2016](#)

OPTIONS CONSIDERED

A summary of the options considered is included in the table below:

Option:	Advantages:	Disadvantages:
Option 1: Endorse the revised and renamed Workplace Health & Safety and Staff Wellbeing Policy.	The revised policy reflects current legislation. The revised policy provides clarity of what is required of those who work at Council, including Contractors and Sub-Contractors.	No disadvantages identified.
Option 2: Retain the 2019 Health, Safety and Wellbeing Policy with no changes.	No advantages identified.	Statement of commitment doesn't define requirements of all who work at Council, or fully reflect legislative requirements.

Recommended Option:

Option 1 is recommended. Given elected members' role as officers and the importance of demonstrating a commitment to health and safety, it is recommended the Audit and Risk Committee endorse the Workplace Health and Safety and Staff Wellbeing Policy.

SUPPORTING INFORMATION**Strategic, Policy and Legislative Implications**

In accordance with Health and Safety at Work Act 2015 the Council as a Person Conducting a Business or Undertaking (PCBU) must ensure, so far as is reasonably practicable, the health and safety of Council's employees, volunteers or contractors (including their subcontractors), and that other people are not put at risk by our work. This includes visitors to our workplaces and members of the public who could be affected by the work we do.

Significance, Engagement and Consultation

The recommendation to receive this report does not trigger criteria under the significance and engagement policy.

Financial Considerations

There are no specific financial considerations associated with this update.

Treaty Considerations/Implications for Māori

There are no Treaty considerations or implications for Māori arising out of this report.

Communications/Engagement Plan

Not applicable.

Environmental/Climate Change Impact and Considerations

There are no environmental/climate change impact or considerations arising from this report.

Workplace Health and Safety and Staff Wellbeing Policy

MASTERTON
DISTRICT COUNCIL

TE KAUNIHĀRA Ā-ROHE O WHAKAORIRI

Applicable to:	All Council workers and others	Policy Number:	MDC002
Issued by:	Chief Executive	Date of Approval:	11/2/21
Contact person:	People and Capability Manager	Review Date:	Feb 2022
Endorsed by:			

PURPOSE

The purpose of this policy is to ensure the health, safety and wellbeing of all workers and others in Masterton District Council (Council) workplaces.

SCOPE

This policy applies to all Council workplaces, workers, and others.

Workers - any individual who carries out work for Council in any capacity including employees, apprentices or trainees, work experience placements, volunteers, contractors or subcontractors, and their employees.

Others - visitors, customers, bystanders, anyone who could encounter Council work.

STATEMENT OF COMMITMENT

The Council is committed to meeting its obligations under the Health and Safety at Work Act 2015 and all other relevant legislation and regulations. Council will take all reasonable steps to provide and maintain a safe and healthy workplace, and staff wellbeing programme, for workers and others.

RESPONSIBILITIES

At Council, it's everyone's responsibility to look after their own health, safety and wellbeing, and the safety of other people. Everyone at Council will commit to a culture of health, safety, and wellbeing, and contribute to a healthy and safe workplace by:

- complying with Council health, safety and wellbeing instructions, policies, procedures, and safe ways of working;
- knowing what work-place hazards workers and others could be exposed to and appropriate mitigations;
- reporting any health, safety and wellbeing concerns, hazards, accidents, incidents or near misses as soon as possible;
- role modelling good health, safety, and wellbeing behaviours, and encouraging others to do the same; and
- actively participating in health, safety and wellbeing training and initiatives.

To keep people healthy and safe at work, our Senior Leadership team, Managers and People Leaders will commit to a culture of health, safety, and wellbeing by:

- fostering an environment of continuous improvement, through regularly reviewing our health and safety system, keeping up to date with health and safety matters, and engaging with other councils and businesses on best practice health and safety;
- maintaining, reviewing, and evaluating clear health, safety and wellbeing policies and procedures and helping workers and others in the workplace understand them;
- making available appropriate resourcing for health, safety, and wellbeing;
- encouraging prompt and accurate reporting for all accidents, incidents, near misses and hazards. Undertaking investigations, identifying remedial actions, and putting appropriate mitigations in place. Creating a just culture of open reporting focused on learning, not blame;
- engaging with workers and their representatives in managing workplace health, safety, and wellbeing;
- having health, safety, and wellbeing as a standing agenda item at team meetings;
- ensuring accountability for health, safety, and wellbeing performance by putting health, safety and wellbeing goals in position descriptions, setting health, safety and wellbeing KPIs and including health, safety and wellbeing discussions in performance appraisals;
- working with the People and Capability team to ensure workers are trained and skilled in health, safety, and wellbeing by participating in the Council wide health, safety and wellbeing training program, including bespoke health, safety and wellbeing learning solutions.
- supporting workers who are injured or unwell while they recover and work with them (and any applicable providers) on a return-to-work plan.

To keep healthy and safe while working for Council, Contractors, their Workers and Sub-Contractors will:

- partner with Council Managers and workers in safe ways of working;
- keep communicating during the tenure of the work, and report any health, safety and wellbeing concerns, hazards, accidents, incidents, near misses or initiatives as soon as possible;
- undertake investigations, identifying remedial actions, and putting appropriate mitigations in place.

REVIEW OF POLICY

This policy will be reviewed annually.

RELATED LEGISLATION, REGULATIONS AND DOCUMENTS

[Health and Safety at Work Act 2015](#)

[Health and Safety at Work \(General Risk and Workplace Management\) Regulations 2016](#)

[Health and Safety at Work \(Worker Engagement, Participation and Representation\) Regulations 2016](#)

[Health and Safety at Work \(Asbestos\) Regulations 2016](#)

[Health and Safety Manual](#)

[MDC Good Employer Policy](#)

[MDC/PSA Collective Employment Agreement](#)

To:	Audit and Risk Committee
From:	David Paris, Manager Finance and Kathryn Ross, Chief Executive
Date:	3 March 2021
Subject:	Investment Policy Amendment
RECOMMENDATION	
<p>Recommendation:</p> <p>That the Audit and Risk Committee recommends to Council that:</p> <ul style="list-style-type: none"> a) Council amend its current Investment Policy to allow loans to a greater range of entities b) Council adopts the proposed changes (as highlighted and struck through) to its Investment Policy in Attachment 1 of Report 029/21. 	

Purpose

To present for consideration and recommendation to Council a proposed change to the Investment Policy to enable Council to provide loan funding to a wider range of entities.

Context

The investment policy is part of the Council's Treasury Management Policy (specifically section 7 of the 2020 version).

The current Investment Policy allows the Council to provide loan funding to a Council Controlled Organisation (CCO) or Council Controlled Trading Organisation (CCTO). At this stage we have not established a CCO nor a CCTO. Therefore, loan funding to an external organisation is not possible within the current policy. That said, Council has acted as a guarantor for loans to Trusts in the past and also invests by way of grants to organisations for community initiatives and projects that align with the community outcomes and its Wellbeing Strategy – He Hiringa Tangata, He Hiringa Whenua.

Analysis and Advice

As part of Council's commitment to building trust with its community, it is preferable that any investment is done within a transparent investment policy framework (rather than on an adhoc basis that is inconsistent with policy).

Council is committed to working in partnership with others to achieve outcomes. Council has signalled that it has an appetite to invest in strategic partnerships, community outcomes and community led development in the next ten years. A loan from the Council could enable a separate entity (one excluded under our current policy) to progress an initiative that achieves one or more community outcomes or goals of He Hiringa Tangata, He Hiringa Whenua.

Examples of when this might apply include where an entity has received government funding or will receive government funding if it can secure a portion of co-funding from the community for initiatives to promote youth employment, community housing (for example through a Community Housing Provider) or community infrastructure.

A loan from the Council to an entity pursuing these types of projects could be the co-funding (or community funding portion of the project) that enables the initiative to progress and deliver a beneficial outcome for the community; particularly if the loan is provided at less than commercial rates, such as a significantly discounted rate, a nil interest rate, or at our cost of borrowing.

Please note there are restrictions around lending to a Council Controlled Trading Organisation, which would always be applied as they are required by law. These include a prohibition on lending where the terms and conditions are more favourable to the CCTO than those that would apply if the Council (without charging any rate or rate revenue as security) were borrowing the money itself.

Given that a loan to an external party that Council does not control may be higher risk than a loan to CCO or CCTO, each instance of loan (and any concessionary rate) should require Council consideration and resolution, so that Council can assure itself that the risk is acceptable.

The risk of including the potential to offer a loan within the policy is considered low. Individual cases will be assessed. Other councils already allow loans to entities that are not a CCO or CCTO and staff have experience with this, so Council would not be entering uncharted territory. That said, staff would always get external advice (such as legal advice) to provide to Council, as part of any future decision-making process around whether to give a loan or not.

Options Considered

A summary of the options considered is included in the table below.

Option		Advantages	Disadvantages
1	Broaden the Policy to allow loans to other entities	Allows strategic partnerships to be backed up by Council by way of loan funding support Enhanced transparency if the Council does invest / loan fund an external entity	Loan funding comes with some risk – e.g. default due to inability to pay the loan back, however this risk can be mitigated by due diligence, monitoring
2	Do not change the policy	There will be lower risk	Limited ability to enter into strategic partnerships to further Council and community objectives Less transparency if Council does decide to allow loans to other entities in the future

			Council's appetite to work with others may lead to inconsistent decisions
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Option 1 (to amend and broaden the policy to allow loans to other entities) is a good fit with Council's commitments to partnership and wellbeing. The risks can be mitigated (due diligence, regular reporting etc) and Council consideration and resolution of any loan (and any concessionary rate) will ensure that Council is the decision maker on whether the potential reward outweighs any residual risk.

Not extending the policy (option 2) maintains the status quo and would limit the Council's ability to partner with other organisations who are best placed to deliver outcomes for our community and any decision to give a loan to an external party that is not a CCO or CCTO would be a significantly inconsistent decision. Reasons for the decision would be required and would trigger the need to decide whether the policy needed to be reviewed.

Recommended Option

Staff recommend option 1 (to amend and broaden the policy to allow loans to other entities and at concessionary rates) and that the the highlighted and tracked changes to the Investment Policy in Attachment 1 are agreed by Council.

Summary of Considerations

Strategic, Policy and Legislative Implications

The Policy change will help the Council to deliver on its Long Term Plan by allowing loan funding assistance to strategic partner organisations.

Significance, Engagement and Consultation

Consultation on the proposed policy change is not required by law. The change in policy is not considered to be significant. Each decision to provide loan funding will be subject to separate Council consideration and resolution. The significance of those decisions will be separately assessed.

Communications/Engagement

Council will inform the community that the change has been made on its website should the recommendation be agreed.

Financial Considerations

Lending to entities in which the Council has no governance stake is higher risk than only lending to those that Council can exercise control over. This risk will be mitigated by ensuring good legal documentation and other safeguards that will be part of the loan arrangements process. Council's financial position, financial and infrastructure strategies, Long Term Plan and the prevailing environment will form part of any assessment to invest.

Implications for Māori

There are no known specific impacts for Māori from the policy change. However, the policy change is designed to achieve Council's community outcomes and the goals of He Hiringa Tangata, He Hiringa Whenua. Achieving these will positively impact on Māori. There is also increased opportunity to be a co-investor and align with the aspirations of Kahungunu ki Wairarapa and Rangitāne o Wairarapa.

Environmental/Climate Change Impact and Considerations

There are no known impacts for the environment. Any impacts for a particular loan proposal will be considered at that time.

INVESTMENT POLICY

Loan Advances

~~MDC may provide advances to CCOs, CCTOs, charitable trusts and community organisations for strategic and commercial purposes. New loan advances are by Council resolution only.~~

Loan advances may be made from time to time to assist the Council to achieve its investment objectives and Council outcomes. Council approval is required for all loan advances.

Council will make advances and other investments after considering the impact of these on the community and the security and return of the advance.

Council may offer advances at concessionary interest rates (except to a Council Controlled Trading Organisation as per below).

On occasion, Council may approve loans to trusts or other community-based organisations where there is social or community benefit to be achieved from the lending.

Often such lending might be made at significantly discounted or nil interest rates, again in recognition of the clear social and community benefit that is being provided.

~~MDC does not lend money, or provide any other financial accommodation, to a CCO or CCTO on terms and conditions that are more favourable than those that would apply if MDC were borrowing the money or obtaining the financial accommodation.~~

MDC does not lend to CCTOs on more favourable terms than what it can achieve itself, without charging any rate or rate revenue as security. MDC will not guarantee loans to CCTOs in accordance with the LGA (s.62).

MDC may allow time for ratepayers to pay rates via postponement arrangements or other agreements to pay off debts over time. Those arrangements are governed by separate policies and are not regarded as Loan Advances.

MDC reviews the performance of its loan advances on a regular basis to ensure strategic and economic objectives are being achieved. ~~The Manager Finance monitors loan advances and reports to Council annually.~~ Reporting to the Council on the loan advances and guarantees of other entity borrowing must be done at least annually.

To:	Audit and Risk Committee
From:	Andrea Jackson, Manager Community Facilities and Activities Deanna Elwin, Personal Assistant/Grants Administrator Kathryn Ross, Chief Executive
Date:	3 March 2021
Subject:	Service Provision Report
FOR INFORMATION	
Recommendation:	
That Council receives Service Provision Report 021/21, which covers:	
(a) the summary results of the key result areas for the quarter 1 October – 31 December 2020 from Aratoi Regional Trust	
(b) the summary results of key deliverables for the quarter 1 October – 31 December 2020 from Destination Wairarapa	
(c) the summary results of key result areas for the six months 1 July – 31 December 2020 from Connecting Communities Wairarapa	
(d) the summary results of the key initiatives for the six months 1 July – 31 December 2020 from Sport Wellington Wairarapa	

Purpose

The purpose of this report is to provide the committee with the quarterly progress report against key result areas for Aratoi Regional Trust, and key deliverables for Destination Wairarapa; the six-month report against key result areas for Connecting Communities Wairarapa; and key initiatives for Sport Wellington Wairarapa.

Context

The Aratoi Regional Trust, Destination Wairarapa, Connecting Communities Wairarapa and Sport Wellington Wairarapa provide Council with reports for funding they respectively receive, and agreements made through Provision of Services Agreements, Memorandums of Understanding and a Partner Plan.

Funding for these four service providers was confirmed via the 2020/21 Annual Plan.

Subsequent to the adoption of that Plan, CCW indicated in August 2020 that their financial viability was an issue and staff met with the GM of CCW to discuss concerns and agreed to provide the same level of funding (of \$15,300 as in previous years) for the one-year period 1 July – 30 June 2021 for the delivery of 3 school holiday programmes. One of these (September did not eventuate) and in November CCW informed Council that the funding was insufficient to run the remaining events.

The S17A Community Development Review was completed in November 2021, and CCW were informed that the outcome was to bring community development back inhouse from July 2021. At their request the transition of one staff member (in neighbourhood support) has commenced.

The length of time taken by Council staff to complete the review last year has contributed to the situation CCW and Council found themselves at the end of the six months 1 July – 31 December 2020.

Aratoi Regional Trust

The Aratoi Regional Trust provides community infrastructure and a community service, to support council's outcome "*Pride in our Identity and Heritage*".

A three-year term (1 July 2018 to 30 June 2021) Provision of Services Agreement and Memorandum of Understanding is in place between the Aratoi Regional Trust, Masterton Trust Lands Trust and Masterton District Council.

Destination Wairarapa

Destination Wairarapa provides a community public service and supports council's community outcome "*A Thriving and Resilient Economy*".

A three-year term (1 October 2019 to 30 September 2022) Memorandum of Understanding is in place.

Connecting Communities Wairarapa

Connecting Communities Wairarapa provides a community public service to support council's outcome "*An Engaged and Empowered Community*".

The three-year term (1 July 2017 to 30 June 2020) Provision of Services Agreement expired on 30 June 2020 with an interim one-year agreement in place ending on 30 June 2021 after council completed a Section 17A Review on Community Development.

Sport Wellington Wairarapa

Sport Wellington Wairarapa provides a community public service to support council's outcome "*An Engaged and Empowered Community*".

A Partner Plan was established in April 2018 between the Chief Executive, Masterton District Council and Chief Executive Officer, Sport Wellington. This is reviewed annually.

Aratoi Regional Trust

Key Result Areas	Result	Assurance (How Achieved)
<p>A sustainable and thriving organisation:</p> <ul style="list-style-type: none"> ▪ Revenue from other sources (other than Masterton District Council and Masterton Trust Lands Trust) is greater than or equal to 20% of total revenue ▪ Increases in self-generated revenue <ul style="list-style-type: none"> ➤ <i>[Baseline: increase on 2019/20 result]</i> ▪ Resident and visitor satisfaction with Aratoi services <ul style="list-style-type: none"> ➤ <i>[Baseline: to be established, then an increase on the previous year result]</i> 	<p>Achieved</p> <p>In progress</p> <p>In progress</p>	<p>46% of Aratoi's income was from other sources for the period July to December 2020</p> <p>Self-generated income streams for the quarter were 30% above budget due to commissions received from exhibitions, venue hire and donations</p> <p>Baseline to be established</p>
<p>Provider of arts, culture and heritage services that reflect the history and heritage of the Masterton district and wider Wairarapa region:</p> <ul style="list-style-type: none"> ▪ Number of programmes/events/activities undertaken annually that include local artists (or artists that whakapapa to the Wairarapa region) <ul style="list-style-type: none"> ➤ <i>[Baseline: to be established in 2019/20, then no decreases based on the previous year]</i> ▪ Taonga Māori display held annually <ul style="list-style-type: none"> ➤ <i>[Baseline: 1 or more per annum]</i> ▪ Exhibition held that tells the stories of our local history and heritage <ul style="list-style-type: none"> ➤ <i>[Baseline: 1 or more per annum]</i> 	<p>Achieved</p> <p>Achieved</p> <p>Achieved</p>	<p>25+ local artists represented the shop</p> <p>721+ visual artists in exhibitions, including:</p> <ul style="list-style-type: none"> ▪ Mayors for Peace ▪ Little Jewels ▪ Crystal Chain Gang ▪ Terri Te Tau ▪ Andree de Latour ▪ Angela Busby ▪ Dennis Handyside ▪ Madeleine Slavick <p>▪ Terri Te Tau – <i>Whakatau miromiro</i></p> <p>▪ <i>Toi Raranga</i> – The Art of Weaving</p> <p>▪ <i>Toi Raranga</i> – The Art of Weaving</p> <p>▪ Roarr! – Aratoi's Animal Kingdom</p>

Key Result Areas	Result	Assurance (How Achieved)
<p>To professionally manage and maintain all Aratoi assets, including the permanent collection:</p> <ul style="list-style-type: none"> ▪ Collections housed in best practice conditions – adherence to professional museum standards ▪ Taonga, artworks and heritage objects are managed in line with the Aratoi Collection Policy ▪ Collections are documented in line with professional museum standards 	<p>Achieved</p> <p>Achieved</p> <p>Achieved</p>	<p>Housed in best practice conditions with adherence to professional museum standards</p> <p>Managed in accordance with the Aratoi Collection Policy</p> <p>Documented in line with professional museum standards</p>
<p>Genuine partnerships and effective relationships:</p> <ul style="list-style-type: none"> ▪ Iwi and Māori are offered opportunities to contribute towards key projects/initiatives led by Aratoi <ul style="list-style-type: none"> ▪ <i>[Baseline: annual reporting]</i> ▪ Key partnerships are offered to contribute towards key projects/initiatives led by Aratoi <ul style="list-style-type: none"> ▪ <i>[Baseline: annual reporting]</i> 	<p>Achieved</p> <p>In progress</p> <p>Achieved</p>	<p>Two representatives from each of the following iwi are on the Trust Board:</p> <ul style="list-style-type: none"> ▪ Ngāti Kahungunu ki Wairarapa ▪ Rangitāne o Wairarapa <p>Developing exhibition on Māori Performance</p> <ul style="list-style-type: none"> ▪ Lions Club ▪ Hedley’s Booksellers ▪ Kokomai ▪ Cancer Society

Destination Wairarapa

Key Result Areas	Result	Assurance (How Achieved)
<p>To increase the number of visitors to the Wairarapa, the length of time they stay in the region and the amount they spend. Specifically, Destination Wairarapa are tasked with delivering 3% growth in domestic and 6% in international visitor spend per annum and in line with the Tourism Industry Aotearoa's Tourism Beyond 2025 framework. In particular this growth needs to be seen across the winter period. This information will be reported as Wairarapa-wide and by TLA where available.</p>	<p>Achieved</p>	<ul style="list-style-type: none"> ▪ The spend by visitors for the 12 months ended October 2020 was 6% more than the year before despite the impacts of COVID-19 ▪ During the month of October 2020 specifically, the highest growth in visitor spend nationally was experienced, a 35% increase compare to October 2019 ▪ Media article NZ Herald 21 December 2020 – Wairarapa tourism growth boosted by Wellingtonians https://www.nzherald.co.nz/travel/wairarapa-tourism-growth-in-2020-boosted-by-wellingtonians/4A4SVVXVI2H63ZOFVJ6RMK3IZM/
<p>Represent the Wairarapa in the Business Events market in partnership with suitable venues, activities and other services</p>	<p>Achieved</p>	<ul style="list-style-type: none"> ▪ Business Services <ul style="list-style-type: none"> ➤ i-SITES – new Community Banking Hub in Martinborough opened on 27 November 2020 by the Deputy Prime Minister and Masterton i-SITE refit work started for head office staff to move in by end of February 2021 ▪ Teri van Scooten, Verve Consultancy ran a series of workshops in October 2020 on building resilient events with over 30 people from businesses and event organisations attending ▪ Placement of the Wairarapa Lifestyle magazine in the Koru Club lounges ▪ Production of the 2021 Wairarapa Visitor Guide ▪ Coordinated attendance by selected operators at WgtnNZ's Operator day, a showcase in Wellington

Key Result Areas	Result	Assurance (How Achieved)
Represent the Wairarapa in the Inbound market in partnership with suitable venues and activities	Achieved	<ul style="list-style-type: none"> ▪ Labour Weekend 24-26 October 2020 promotion of things to do, see and events ▪ Pukaha Wairarapa Garden Tour, 10th year on 7-8 November 2020 ▪ A Big Weekend promotion of events and activities in the place of the cancelled Toast Martinborough event – the region was full; weather was good and there was plenty on ▪ Hosted a family to our region by Pacific Horizon Motorhomes, encouraging the hiring of motorhomes for busy weekends ▪ Wings Over Wairarapa - sponsored content on STUFF specifically into Auckland for a Wellington Wairarapa and Wings Weekend https://www.stuff.co.nz/travel/back-your-backyard/123571682/have-yourself-a-wellingtonwairarapa-and-wings-weekend
Host the Wairarapa core economic development information around “Buy & Invest”, “Live & Work” and “Study” on the Destination Wairarapa website	Achieved	Accessible on website link https://wairarapanz.com/live-work
To provide a balanced budget	Achieved	Refer to the Quarter 2 General Manager’s and Marketing Board budget variance report for 3 months ended 31 December 2020
To report quarterly to the council, including attending council meetings. The report is to cover progress towards all deliverables.	Achieved	The Quarter 2 General Manager’s and Marketing Board Report has been received and reported on in this report

Connecting Communities Wairarapa

Key Result Areas	Result	Assurance (How Achieved)
<p>Youth Development:</p> <p>1. Wairarapa Rangatahi Development Strategy – participate and complete actions to support the strategy</p>	Achieved	<ul style="list-style-type: none"> ▪ Action plan reviewed, key actions identified as complete, noted actions to continue on annual basis ▪ Strategy is current to 2021, team met to discuss review and revitalisation due to the development being over six years ago ▪ Discussions to engage South Wairarapa District Council have commenced, looking at ways to ensure strategy fits youth, regionwide and how to achieve
<p>2. Youth Council – facilitate, support and enable engagement with Council</p>	Achieved	<ul style="list-style-type: none"> ▪ Support and facilitation provided with the Youth Council meeting three time each month ▪ Collaborative relationship with Councillor Gare on future recruitment, encouraging youth award nominations and process development to engage the Youth Council to review and discuss local council agendas and presenting at the public forums
<p>3. Youth Events – deliver youth driven events</p>	Achieved	<ul style="list-style-type: none"> ▪ Youth Council members provided advice to the event planning team and they volunteered at the Halloween Island community event ▪ Youth Council provided supported and reviewed Youth Awards nominations for the Awards and Grants Committee of Council
<p>4. Youth Groups – enable the establishment and development of Youth Groups in the</p>	Achieved	<ul style="list-style-type: none"> ▪ The Youth Group were supported to develop a youth friendly activity for

Key Result Areas	Result	Assurance (How Achieved)
Masterton district from a community development perspective e.g. Te Awhina Youth Group		<p>the Eastside Community Group's Spring Festival – a mini-colour run. Positive community feedback was received with many commenting it was the highlight of the festival.</p> <ul style="list-style-type: none"> ▪ A pride and place initiative carried out by the Youth Group and they spent an afternoon at Wairua Reserve picking up rubbish ▪ The Youth Group delivered Neighbourhood Support flyers to the entire Masterton East area with the support of Eastside Wairua members and Council's Shift team
<p>Community Development:</p> <p>1. Community Events – facilitate up to two large community events attracting up to 500 people</p>	Achieved	<ul style="list-style-type: none"> ▪ Christmas in the Park – the provision of Santa's Grotto, a Kiwiana Christmas themed area, crafts and 10CC cookie decorating were provided by CCW as part of this event. Regular meetings were held to assist in planning and coordination, sourcing and providing resources/volunteers and helping with the event set-up and pack-down.
<p>2. School Holiday Programmes - hold three programmes, demonstrating delivery of activities that enable more vulnerable students to engage in pro-social, self-esteem building activities</p>	Not Achieved	<ul style="list-style-type: none"> ▪ The October 2020 school holiday programme was unable to be delivered due to the uncertainty around COVID-19. CCW also note the allocation of funding from Council was not enough. However,
<p>3. Neighbourhood Plans - provide facilitation and support a minimum of two communities to develop and progress action plans for community development initiatives; work with the communities and Masterton District Council to produce Neighbourhood Plan reports</p>	Achieved	<ul style="list-style-type: none"> ▪ Solway Neighbourhood Planning Group: <ul style="list-style-type: none"> ➢ Attended regular monthly meetings ➢ Provided secretarial services ➢ Developed, planned and supported the Kirk Reserve sign project ➢ Assisted with letters and community consultation submission to NZTA on State Highway 2 corridor

Key Result Areas	Result	Assurance (How Achieved)
		<ul style="list-style-type: none"> ▪ Upper Plain Neighbourhood Planning Group: <ul style="list-style-type: none"> ➤ Coordinated and provided support for monthly meetings until 30 September 2020, after a survey of members the decision was made to discontinue as a committee. Meetings will continue on informal basis via email/Facebook ➤ Supported and assisted with two initiatives since September, A Keep NZ Beautiful roadside rubbish collection and a Skeets Road plant maintenance working bee
<p>4. Eastside Projects - work with Masterton District Council to deliver up to three projects aimed at supporting neighbourhood regeneration</p>	Achieved	<ul style="list-style-type: none"> ▪ Provided event planning tools, management and funding guidance to the Eastside Community Group (ECG) for their Spring Festival event ▪ Attended and provided support to regular monthly meetings of the ECG ▪ Liaison with Trust House/Te Awhina Community House Coordinator to identify opportunities where support, community connections and capability building can be provided <p>CCW have also noted</p> <ul style="list-style-type: none"> ▪ Cashmere Oaks Community Group: This group was recently formed as a result of two NS groups coming together <p>Council staff note: Cashmere Oaks is not on the Eastside.</p>
<p>Neighbourhood Support (NS):</p> <p>1. Group Numbers – increase groups</p>	Achieved	<ul style="list-style-type: none"> ▪ Reduction in existing groups of 5, addition of two newly formed and potentially four additional to be formed

Key Result Areas	Result	Assurance (How Achieved)
		<ul style="list-style-type: none"> ▪ 2,188 household numbers and an 11% increase in Heads Up newsletter distribution
<p>2. Group Maintenance – implement group support strategy that ensures continuing group engagement</p>	Achieved	<ul style="list-style-type: none"> ▪ Collaborative marketing has resulted in being on “Be Collective” a volunteering platform for three roles – volunteer street contact, WEconnect ‘migrant buddy’ and ‘migrant driving mentor’ and in partnership with Volunteering Wairarapa and Red Cross ▪ WEconnect has created an avenue for new NS groups and connectivity with existing groups to ensure immigrants/volunteers on the programme are being welcomed and offered to join
<p>3. Special Programmes - support groups to target initiatives aimed at increasing community resilience e.g. civil defence awareness, junior neighbourhood support</p>	Achieved	<ul style="list-style-type: none"> ▪ July 2020 attended the WREMO Civil Defence Lansdowne emergency hub drill ▪ 7 November 2020 attended Red Cross Good and Ready Community Resilience and Disaster Readiness day ▪ 18 November 2020 delivered event for NS street coordinators and WE connect volunteers

Sport Wellington Wairarapa

Key Initiatives	Result	Assurance (how achieved)
<p>1. Participation Opportunities: <i>Customer Insights</i> - ensure a thorough understanding of current and potential participants and share information to support informed, evidence-based decision making</p>	Achieved	<ul style="list-style-type: none"> ▪ Voice of Rangatahi 2020: An online survey was run collaboratively from 20 July – 17 November 2020 with Sport NZ, Sport Wellington Wairarapa and Wellington and Wairarapa Secondary Schools <p>This was to understand how physical activity is experienced within a secondary school setting to inform quality physical activity experiences. 941 Rangatahi took part across 11 schools with 78% females and 18% males.</p> <ul style="list-style-type: none"> ➤ Rangatahi reported high satisfaction (86% satisfied – extremely satisfied) ➤ Rangatahi were less satisfied with access to clean and well-maintained facilities, lack of help in developing potential and not being organised/well managed. ➤ 19% stated they would not change anything
<p>2. Participation Opportunities: <i>Integration of Physical Literacy Approach</i> – take a holistic view of the participant and ensure that delivery meets participant needs and inspires ongoing participation</p>	Achieved	<ul style="list-style-type: none"> ▪ Physical activity, including play, active recreation and sport is vital to our region’s social and economic recover from the COVID-19 pandemic. The insights captured relate to young people, adults, older people, deprivation, disability, ethnicity, attitudes and activities. <p>A handbook containing these insights is in draft form and will be circulated at the next reporting period</p>

Key Initiatives	Result	Assurance (how achieved)
<p>3. Participation Opportunities: <i>Low Participant Group Initiatives</i> – work alongside low participation communities to develop targeted programmes and services which reduce barriers and increase participation in sport and physical activity</p>	<p>Achieved</p>	<ul style="list-style-type: none"> ▪ Wairarapa family activity sessions - online and in-person weekly sessions with a focus on nutrition and movement through the term ▪ Wairarapa teen sessions – fortnightly sessions allowed teens to connect with the Wairarapa Programme Advisor to discuss wellbeing, participation in movement and educational ‘healthy kai and healthy bodies’ activities ▪ Wairarapa gentle movement for Mumma’s sessions – in-person and via Zoom sessions offered gentle movement activities for pregnant women and new mums with nutrition information ▪ Kawhe Club – a place for all green prescription participants to come together through COVID-19 Alert Levels, providing participants with opportunities to access nutrition, movement and wellbeing support twice a week ▪ Tamariki through partnered delivery and promotion with Māori and Pasifika organisations ▪ Age Concern Wairarapa have re-engaged to support and promote SAYGO classes ▪ Seventeen Live Stronger for Longer classes are running in the Wairarapa
<p>4. Spaces and Places: Regional Facilities Plan – develop an integrated network of local and regional places and spaces that provide more people in the region</p>	<p>Achieved</p>	<ul style="list-style-type: none"> ▪ Living Well Strategy - meeting regularly with the three Wairarapa councils to discuss different priority areas of the framework

Key Initiatives	Result	Assurance (how achieved)
with better places to participate and support event hosting		<ul style="list-style-type: none"> ▪ Development of a Regional Play framework setting regional outcomes relating to play (with a focus on tamariki). The vision is the Wellington region is a play-friendly region where children have the best start to life through access to quality play.
5. Workforce Excellence: Improving Sports and Clubs Capability – support sports and clubs to grow their capability and deliver high quality sport and active recreation opportunities to participants	Achieved	<ul style="list-style-type: none"> ▪ Six months has been spent working with eight Wairarapa colleges to develop an overview and review of college sport and physical activity. This will enable colleges to transition towards establishing their own sport and physical activity entity to oversee college activities and alignment with Balance is Better principles. ▪ The review included athletics, swimming and cross country, a 2021 seasonal calendar and a lead principal has been identified and insights are being gathered
6. Strategic Investment: Aligned Investment – ensure investment into sport and recreation is aligned and targeted to provide best return and support increased participation	Achieved	<ul style="list-style-type: none"> ▪ Sport NZ Community Resilience Fund (CRF): <ul style="list-style-type: none"> ➤ CRF 1 covered fixed administration costs and helped local and regional organisations affiliated to a Sport NZ national partner remain financially viable through the April – June 2020 COVID-19 period; 183 organisations supported ➤ CRF 1 supported financial hardship through the July – September 2020 period covering fixed administration and some operational costs; 229 organisations.

Key Initiatives	Result	Assurance (how achieved)
		<ul style="list-style-type: none"> ▪ Sport Wellington Return to Play Fund (RTP) – with the Wellington region at COVID-19 Alert Level2, a RTP fund was opened, operating on a first-in, first-served basis until funding was distributed. Applicants could claim for COVID-19 related expenses, up to \$3,000 with proof of purchase. <ul style="list-style-type: none"> ➤ RTP 1 - 17 June 2020, 88 organisations ➤ RTP 2 – 12 August 2020, 17 organisations <p>Refer to the six-month report for the Wairarapa based organisations and clubs supported by the above funds.</p>
7. Budget – provide balanced budget	Achieved	<ul style="list-style-type: none"> ▪ Profit and Loss provided in the Sport Wellington Wairarapa 6 Month Report for the period 1 July - 31 December 2020

SUPPORTING INFORMATION

Strategic, Policy and Legislative Implication

All four service providers contribute towards Council's community outcomes and key strategies: in particular *He Hiringa Tangata*, *He Hiringa Whenua*, the revised 2019-24 Arts, Culture and Heritage Strategy and the Wairarapa Economic Development Strategy.

Significance, Engagement and Consultation

The information contained in this report has been assessed against Council's Significance and Engagement Policy and is of no significance as there is no decision that impacts on any matters identified in the assessment of significance.

Financial Considerations

Funding to the four service providers is via the 2018-28 Long-Term Plan and as stated in the Provision of Services Agreements, Memorandum's of Understanding and Partner Plan.

Treaty Considerations/Implications for Maori

There are no Treaty considerations/Implications for Maori arising out of the reports provided.

Communications/Engagement Plan

There is no requirement for communication or engagement on the reports provided.

Environmental/Climate Change Impact and Considerations

There are no environmental/climate change impact considerations arising out of the reports provided.

To:	Audit and Risk Committee
From:	Tania Madden, Corporate Planner
Endorsed by:	Angela Jane, Manager Strategic Planning
Date:	3 March 2021
Subject	Non-Financial Performance 2020/21 Second Quarter Report
INFORMATION	
Recommendation:	
That the Audit and Risk Committee receives the Quarter 2 non-financial performance report for the 2020/21 financial year.	

PURPOSE

The purpose of this report is to advise the Audit and Risk Committee of performance against non-financial measures that are reported at 6 months. The figures in this report are for the period from 1 July 2020 to 31 December 2020.

EXECUTIVE SUMMARY

This is the second non-financial performance report for Year 3 (2020/21) of the 2018-28 Long-Term Plan (LTP).

Results against performance measures are reported for six activity areas in this first quarter report. The activity areas are:

- Roads and Footpaths
- Water Supply
- Wastewater
- Stormwater
- Solid Waste
- Community Facilities and Parks
- Regulatory

Of the 37 measures that were applicable this quarter, 81.1% (30 measures) were achieved and 18.9% (7 measures) were not achieved. Forty-one measures were scheduled for reporting at the end of the second quarter, however four were not applicable. Two in building and planning because there had been no responses to satisfaction surveys for those services; and one each in parks and building because data was not available this quarter. Further information is provided in Attachment 1.

CONTEXT

The Local Government Act 2002 requires Councils to include performance measures and targets for activity areas in its Long-Term Plan. This is the second non-financial performance report for Year 3 of the 2018-28 Long-Term Plan (LTP).

There are some mandatory measures identified by the Department of Internal Affairs (DIA) that all Councils must report on. These primarily relate to infrastructure services and have been included in our performance measure framework.

Council are required to report on progress against these measures and targets at least annually. Where data is available more frequently, measures are reported quarterly or six monthly. For measures that are reported annually, interim reports are provided where there has been some relevant information or activity that Council should be aware of.

HIGHLIGHTS

Water Activities

Our water infrastructure activities performed well against annual targets as at the end of the 2019/20 year. This has continued into 2020/21 with wastewater, stormwater and water supply services achieving 100% of applicable measures reported on in the first and second quarters.

Roading

The percentage of non-urgent roading customer service requests responded to within timeframes specified improved substantially in quarter one, and this has been maintained at a similar level in quarter two. This measure was not achieved in 2019/20. Year to date the result is achieved with 91.5% of service requests responded to on time. This compares to only an average of 69% across the 2019/20 financial year.

COVID-19 IMPLICATIONS

COVID-19 restrictions impacted the Environmental Health team's ability to complete all inspections and food premise verifications in 2019/20. Some were carried forward into the current financial year. While results look to be not on track, staff advise that they do expect to complete this work and achieve targets at year end.

Participation in the Learn to Swim programme remains low but five schools have enrolled and numbers should increase for the third quarter. This year's result may reflect flow on effects of COVID-19 and associated restrictions that resulted in no swimming lessons being offered in the last quarter of 2019/20.

SUPPORTING INFORMATION

Strategic, Policy and Legislative Implications

Under legislation, Council is required to identify performance measures and targets for its activity areas and periodically report on these. Council must also report on those measures that are identified as mandatory for all Councils.

Significance, Engagement and Consultation

The recommendation to receive this report does not trigger criteria under the significance and engagement policy.

Financial Considerations

There are no specific financial considerations associated with this update.

Treaty Considerations/Implications for Māori

There are considerations or implications specific to Māori arising out of the receipt of this report.

Communications/Engagement Plan

Not applicable.

Environmental/Climate Change Impact and Considerations

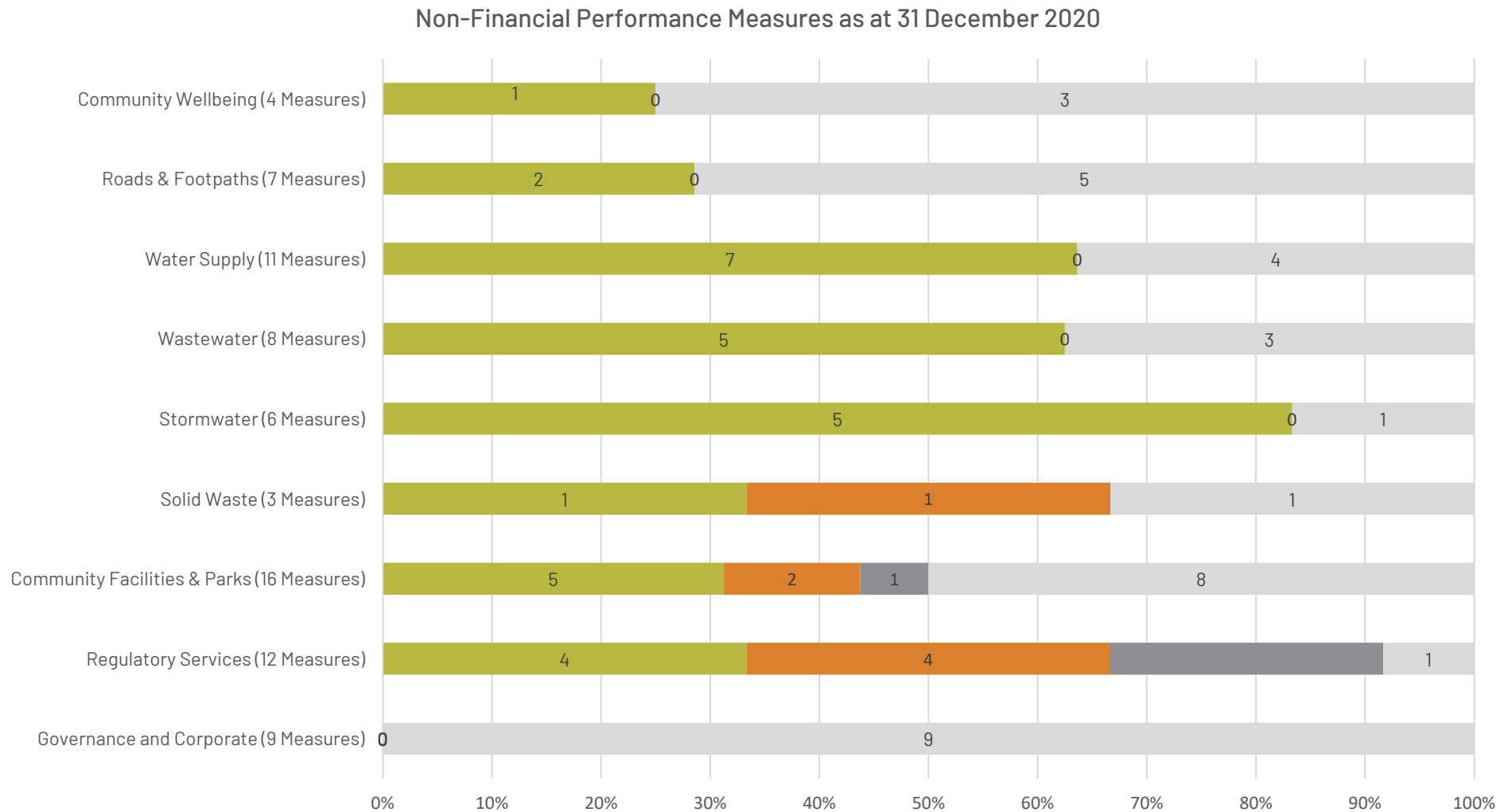
There are no environmental/climate change impacts or considerations arising from the receipt of this report

ATTACHMENT 1: Non-Financial Performance Measures for 2020/21 Quarter 2

The graph below shows the percentage of applicable measures against each activity area that:

- have been achieved as at 31 December 2020 (green); or
- have not been achieved as at 31 December 2020 (orange); or
- were not applicable / data not available as at 31 December (dark grey).

The total number of measures for each activity area is included in brackets next to the activity. Not all measures are reported or were applicable in quarter two.



2020/21 Quarter 1 Non-Financial Performance Measure Results

Measure	2020-21 Annual Target	Q2 Result (as at 31/12/20)	Status at 31/12/2020	2018/19 Results	2019/20 Results	Commentary
Community Wellbeing						
Masterton Gross Domestic Product (GDP) percentage change relative to Wellington region GDP	Equal to or greater than Wellington region average	Data not available at time of report being written due to release date for source report.	Achieved	GDP growth estimate of 0.5% for Masterton compared to -2.0% for the Wellington region.		The Infometrics Quarterly update released on 26 February 2020 states: GDP in Masterton District was provisionally up 0.5% for the year to December 2020 compared to a year earlier. Growth was higher than in New Zealand (-2.6%) and Wellington Region (-2.0%).
Roads and Footpaths						
Percentage of urgent customer service requests responded to within 2 days	95%	100%	Achieved	<p>Year End Result: 98% 421 out of 430</p> <p>2018/19 Quarterly Results: Q1: Not Available Q2: 97% Q3: 97%</p>	<p>Year End Result: 99.7% 347 out of 348</p> <p>2019/20 Quarterly Results: Q1: 100% (107/107) Q2: 99.1% (110/ 111) Q3: 100% (70/70) Q4: 100% (60/60)</p>	<p>YTD Result: 100% 231 out of 231 urgent requests have been responded to within specified timeframes.</p> <p>2020/21 Quarterly Results: Q1: 100% (128/128) Q2: 100% (103/103)</p> <p>Year to date there have been 13 more urgent requests than for the first six months of last year. We have maintained a 100% response rate within two days.</p>

Measure	2020-21 Annual Target	Q2 Result (as at 31/12/20)	Status at 31/12/2020	2018/19 Results	2019/20 Results	Commentary
Percentage of non-urgent customer service requests responded to within the timeframes specified in MDC's Asset Management Plan and placed on appropriate maintenance programme. Specified response times for non-urgent requests vary by category, ranging from 7 days to 30 days.	80%	91.5%	Achieved	Year End Result: 76% 595 out of 785 2018/19 Quarterly Results: Q1: Not Available Q2: 82% Q3: 84%	Year End Result: 69% 515 out of 749 2019/20 Quarterly Results: Q1: Not available Q2: 62.4% (128/205) Q3: 70.6% (161/228) Q4: 76% (75/99)	YTD Result: 91.5% 365 out of 399 non-urgent requests have been responded to within specified timeframes 2020/21 Quarterly Results: Q1: 92.2% (200/217) Q2: 90.7% (165/182) The 2020/21 Q1 result was a large improvement (up 22.6%) on the year end result for last year. Q2 has continued that trend, also exceeding results for the same period last year (up 28.3%).
Water Supply						
Number of complaints received about drinking water clarity, taste, odour, pressure or flow, continuity of supply, or MDC's response to any of these issues	Less than or equal to 6 complaints/1000 connections	0.96 complaints/1000 connections Actual complaints: 9	Achieved	Year End Result: 3.2 complaints/1000 connections Actual Complaints: 29 2018/19 Quarterly Results: Q1: 1/1000 (9) Q2: 1.2/1000 (11) Q3: 0.65/1000 (6) Q4: 0.33/1000 (3)	Year End Result: 3 complaints/1000 connections Actual Complaints: 27 2019/20 Quarterly Results: Q1: 1/1000 (9) Q2: 0.89/1000 (8) Q3: 0.89/1000 (8) Q4: 0.22/1000 (2)	YTD: 0.96 complaints/1000 connections YTD Actual Complaints: 9 2020/21 Quarterly Results: 2020/21 Q1 Result: 0.42/1000 (4) 2020/21 Q2 Result: 0.53/1000 (5)

Measure	2020-21 Annual Target	Q2 Result (as at 31/12/20)	Status at 31/12/2020	2018/19 Results	2019/20 Results	Commentary
Response time to call outs to a fault or unplanned interruption to MDC's networked reticulation system:						
a) attendance at urgent call outs (from notification to arrival on site)	60 minutes or less	20 minutes	Achieved	Year End: 24 minutes 2018/19 Quarterly Results: Q1: 25 minutes Q2: 29 minutes Q3: 14 minutes	Year End: 15 minutes 2019/20 Quarterly Results: Q1: 12.5 minutes Q2: 40 minutes Q3: 16 minutes Q4: N/A - none	YTD: 20 minutes 2020/21 Quarterly Results: Q1: N/A – no call outs Q2: 20 minutes
b) resolution of urgent call outs (from notification to confirmation of resolution)	480 minutes or less	49 minutes	Achieved	Year End: 231 minutes 2018/19 Quarterly Results: Q1: 213 minutes Q2: 245 minutes Q3: 165 minutes	Year End: 25 minutes 2019/20 Quarterly Results: Q1: 22.5 minutes Q2: 342 minutes Q3: 28.5 minutes Q4: N/A - none	YTD: 49 minutes 2020/21 Quarterly Results: Q1: N/A – no call outs Q2: 49 minutes
c) attendance at non-urgent call outs (from notification to arrival on site)	7 days or less	186 minutes	Achieved	Year End: 60 minutes 2018/19 Quarterly Results: Q1: 14 minutes. Q2: 84 minutes Q3: 73 minutes	Year End: 47 minutes 2019/20 Quarterly Results: Q1: 15 minutes Q2: 63 minutes Q3: 55 minutes Q4: 26 minutes	YTD: 186 minutes 2020/21 Quarterly Results: Q1: 665 minutes Q2: 21 minutes Average time from notification to arrival on site has increased compared to the same period last year, however response times in Q2 have reduced compared to Q1 of this year. Staff have been working on the installation of water meters as well as responding to call outs.

Measure	2020-21 Annual Target	Q2 Result (as at 31/12/20)	Status at 31/12/2020	2018/19 Results	2019/20 Results	Commentary
						While response times are longer, they are still well within target.
d) resolution of non-urgent call outs (from notification to confirmation of resolution)	3 months or less	304 minutes	Achieved	Year End: 115 minutes 2018/19 Quarterly Results: Q1: 60 minutes Q2: 21 hours (1267 minutes) Q3: 118 minutes	Year End: 86.5 minutes 2019/20 Quarterly Results: Q1: 81 minutes Q2: 112 minutes Q3: 104 minutes Q4: 46 minutes	YTD: 304 minutes 2020/21 Quarterly Results: Q1: 704 minutes Q2: 43 minutes Average time from notification to arrival on site has increased, compared to the same period last year, however response times in Q2 have reduced compared to Q1 of this year. Staff have been working on the installation of water meters as well as responding to call outs. While response times are longer, they are still well within target.
Council's drinking water supply complies with:						
a) part 4 of the Drinking Water Standards (bacteria compliance criteria)	Fully compliant	Fully compliant	Achieved	Fully compliant	Fully compliant	
b) part 5 of the Drinking Water Standards (protozoal compliance criteria)	Fully compliant	Fully compliant	Achieved	Fully compliant	Fully compliant	

Measure	2020-21 Annual Target	Q2 Result (as at 31/12/20)	Status at 31/12/2020	2018/19 Results	2019/20 Results	Commentary
Wastewater						
Number of complaints received about sewerage odour, system faults, system blockages, MDC's response to issues with its sewerage system	Less than or equal to 8 complaints/1000 connections.	5.11 complaints/1000 connections. Actual Complaints: 48	Achieved	Year End: 5.44 complaints/1000 connections. Actual complaints 49 2018/19 Quarterly Results: Q1: 1.33/1000 (12) Q2: 1.33/1000 (12) Q3: 1.33/1000 (12) Q4: 1.44/1000 (13)	Year End: 5.22 complaints/1000 connections Actual Complaints: 47 2019/20 Quarterly Results: Q1: 2.11/1000 (19) Q2: 1.56/1000 (14) Q3: 1/1000 (9) Q4: 0.56/1000 (5)	YTD: 5.11 complaints/1000 connections Actual Complaints: 48 2020/21 Quarterly Results: Q1: 3.09/1000 (29 complaints) Q2: 2.02/1000 (19 complaints)
Median response time to sewerage overflows resulting from a blockage or other fault to MDC's sewerage system:						
a) attendance (from time of notification to the time service personnel arrive onsite)	6 hours or less	24 minutes.	Achieved	Year End: 34 minutes 2018/19 Quarterly Results: Q1: 31 minutes. Q2: 26 minutes. Q3: 31 minutes.	Year End: 32 minutes 2019/20 Quarterly Results: Q1: 31 minutes Q2: 33 minutes Q3: 33 minutes Q4: 32 minutes	YTD: 24 minutes 2020/21 Quarterly Results: Q1: 27 minutes Q2: 23 minutes

Measure	2020-21 Annual Target	Q2 Result (as at 31/12/20)	Status at 31/12/2020	2018/19 Results	2019/20 Results	Commentary
b) resolution (from time of notification to the time service personnel confirm resolution)	12 hours or less	105 minutes.	Achieved	Year End: 170 minutes 2018/19 Quarterly Results: Q1: 111 minutes. Q2: 165 minutes. Q3: 146 minutes.	Year End: 143 minutes 2019/20 Quarterly Results: Q1: 190 minutes Q2: 149.5 minutes Q3: 143 minutes Q4: 97 minutes	YTD: 105 minutes 2020/21 Quarterly Results: Q1: 153 mins Q2: 63 mins
Number of dry weather sewerage overflows from MDC's sewerage system	Less than or equal to 2/1000 connections	0.74 complaints/1000 connections Actual Complaints: 7	Achieved	Year End Result: 0.33/1000 connections 2018/19 Quarterly Results: Q1: None Q2: None Q3: 0.1/1000 connections	Year End Result: 1.22/1000 connections Actual Complaints: 11 2019/20 Quarterly Results: Q1: 0.44/1000 (4) Q2: 0.33/1000 (3) Q3: 0.22/1000 (2)	YTD: 0.74 complaints/1000 connections Actual: 7 complaints 2020/21 Quarterly Results: Q1: 0.53/1000 (5 complaints) Q2: 0.21/1000 (2 complaints)

Measure	2020-21 Annual Target	Q2 Result (as at 31/12/20)	Status at 31/12/2020	2018/19 Results	2019/20 Results	Commentary
Compliance with MDC's resource consents for discharge from its sewerage system, measured by the number of abatement notices, infringement notices, enforcement orders or convictions received by MDC in relation to those consents	100% - no consent breaches	100% - no consent breaches	Achieved	100% - no consent breaches	100% - no consent breaches	
Stormwater						
Number of flooding events that occur in the district	10 events or less	One flooding event	Achieved	Year End Result: No events All Quarters: No events	Year End Result: No events All Quarters: No events	YTD: one flooding event Q1: No events Q2: One flooding event
For each flooding event, the number of habitable floors affected	Less than or equal to 1/1000 connections	One habitable floor affected	Achieved	Year End result: No habitable floors affected as no events All Quarters: No habitable floors affected as no events	Year End result: No habitable floors affected as no events All Quarters: No habitable floors affected as no events	YTD: One habitable floor affected Q1: No events Q2: One habitable floor affected

Measure	2020-21 Annual Target	Q2 Result (as at 31/12/20)	Status at 31/12/2020	2018/19 Results	2019/20 Results	Commentary
Number of complaints received about the performance of MDC's stormwater system	Less than or equal to 2/1000	1 complaint/1000 connections Actual Complaints: 9	Achieved	Year End: 1.33 complaints/1000 connections Actual: 12 complaints 2018/19 Quarterly Results: Q1: 0.2/1000 (2). Q2: 0.8/1000 (7) Q3: 0.11/1000 (2)	Year End: 0.67 complaints/1000 connections Actual: 6 complaints 2019/20 Quarterly Results: Q1: 0.11/1000 (1) Q2: 0/1000 (None) Q3: 0.55/1000 (5) Q4: 0/1000 (None)	YTD: 1 complaint/1000 connections Actual: 9 complaints 2020/21 Quarterly Results: Q1: 0.44/1000 (4 complaints) Q2: 0.56/1000 (5 complaints) There have been 9 complaints in the first six months of this year compared to only 1 complaint for the same period last year. Results vary given other factors such as the weather. Q1 and Q2 last year were drier than this year. The current year result is comparable with the same period for 2018/19.
Median response time to attend a flooding event (from time of notification to the time service personnel arrive onsite)	60 minutes or less	30 minutes	Achieved	Year End Result: 28 minutes 2018/19 Quarterly Results: Q1: 49 minutes. Q2: 60 minutes. Q3: 41 minutes	Year End: No flooding events N/A No flooding events occurred through the year.	YTD: 30 minutes Q1: No flooding events Q2: 30 minutes

Measure	2020-21 Annual Target	Q2 Result (as at 31/12/20)	Status at 31/12/2020	2018/19 Results	2019/20 Results	Commentary
Compliance with MDC's resource consents for discharge from its stormwater system, measured by the number of abatement notices, infringement notices, enforcement orders or convictions received by MDC in relation to those consents.	100% - no consent breaches	100% - no consent breaches	Achieved	100% - no consent breaches	100% - no consent breaches	
Solid Waste						
Number of call backs due to non-collection of official rubbish bag in each weekly collection	Improvement on previous year (49 call-backs in 2019/20)	10 call-backs	Achieved	Year End: 29 Call Backs 2018/19 Quarterly Results: Q1 Result: 7 Q2 Result: 10 Q3 Result: 2 Q4 Result: 10	Year End: 49 Call Backs 2019/20 Quarterly Results: Q1 Result: 4 Q2 Result: 15 Q3 Result: 18 Q4 Result: 12	YTD: 12 Call backs 2020/21 Quarterly Results: Q1 Result: 2 Q2 Result: 10

Measure	2020-21 Annual Target	Q2 Result (as at 31/12/20)	Status at 31/12/2020	2018/19 Results	2019/20 Results	Commentary
Tonnage of waste transferred to landfill per head of population	Reduction on previous year (Result at Year End: 0.429 tonne per head of population in 2019/20)	0.247 tonne per head of population as at 31/12/20 YTD tonnage is tracking to exceed the previous year. <i>(based on revised est. population as at 30/6/20: 27,500)</i> 6,782 tonnes of waste transferred <i>Note: Statistics NZ revised the estimated population for 30/6/20 after the 2019/20 results were finalized which is why the populations differ in these columns.</i>	Not Achieved	0.560 tonne per head of population. <i>(est. population as at 30/6/19: 25,700)</i> 14,264 tonnes of waste transferred (0.9% increase on previous year)	0.429 tonne per head of population <i>(est. population as at 30/6/20: 26,800)</i> 11,505 tonnes of waste transferred (19.3% decrease on previous year)	YTD Result: 0.247 tonne per head of population was transferred to landfill. YTD 6,782 tonnes of waste has been transferred, compared to 6,149 tonne for the same period last year. This is an increase of 633 tonne or 10.3%. YTD tonnages are currently tracking to exceed 2019/20 year end results but to be less than 2018/19 tonnages. As the target is a reduction on the previous year, this measure is tracking to be 'not achieved' at year end.

Measure	2020-21 Annual Target	Q2 Result (as at 31/12/20)	Status at 31/12/2020	2018/19 Results	2019/20 Results	Commentary
Community Facilities and Parks						
Number of literacy programmes offered (including library promotions and digital literacy)	Increasing over time, and at least baseline (224)	248 programmes	Achieved	612 programmes	480 programmes	<p>Year to date 248 programmes have been delivered compared to 274 programmes for the same period last year.</p> <p>Despite interruptions with programming at the start of the 2020/21 year, programming is increasing steadily. The baseline has been exceeded already, and the measure is on target to also exceed last years' results.</p>
Number of archive feature stories/publications (media and online)	Average of 1 per month/12 per annum	25 stories = average of 4.2 per month	Achieved	126 stories = average of 10.5 per month	40 stories = average of 3.3 per month	<p>YTD: 25 stories = 4.2 per month</p> <p>Note: the large number of publications in the 2018/19 year was due to the 100 years 100 lives project.</p>
Cemetery records accessed online	Maintain baseline (7,447)	4,807 cemetery records accessed online.	Achieved	9,667 cemetery records accessed online.	10,242 cemetery records accessed online.	Year to date 4,807 records have been accessed, compared to 5,039 for the same period last year. This measure is on track to be comparable with the 2018/19 result and exceed the baseline.

Measure	2020-21 Annual Target	Q2 Result (as at 31/12/20)	Status at 31/12/2020	2018/19 Results	2019/20 Results	Commentary
Number of structured activities/events in MDC's parks and sportsgrounds	Increasing utilisation over time (359 at 2018-19).	153 Activities/Events year to date	Not Achieved	Year End: 359 Activities/Events Not reported Quarterly in 2018/19	Year End: 236 Activities/ Events 2019/20 Quarterly Results: Q1: 89 Q2: 99 Q3: 46 Q4: 2	YTD: 153 Activities/Events 2020/21 Quarterly Results: Q1: 19 Q2: 134 Currently this measure is not tracking to achieve the year end target of more than 359 activities/events. Numbers were down in Q1 but there have been more activities/events in Q2 this year than there was for the same period last year. <i>Note: The Q1 report stated that we had 11 activities/events. There were actually 19 bookings through the contractor.</i>
Number of people using the recreational trails that are part of our parks and reserves network	Increasing utilisation over time (312,440 at 2018-19).	Unable to report Q2 results due to issues with loggers and data collection.	Not Applicable	Year End: 312,440 Not reported Quarterly in 2018/19	Year End: 266,783 - 2019/20 Q1 & Q2 result: 148,309 - 2019/20 Q3 & Q4 result: 118,474 There were issues with data loggers in 2019/20 that impacted results. Given that, the actual results in 2019/20 are likely to be higher than the reported result.	YTD: unable to report due to issues with data loggers and data collection. 2020/21 Quarterly Results: Q1: 58,581 Q2: Unable to report Q2 results due to issues with loggers and data collection. Staff are working to resolve these issues, but it is likely that there may be an impact on results for Q3 as well. In the previous report the result for Q1 was reported as 137,184. Staff have since identified an error in the data capture. The result has been revised to correct this.

Measure	2020-21 Annual Target	Q2 Result (as at 31/12/20)	Status at 31/12/2020	2018/19 Results	2019/20 Results	Commentary
Number of structured activities/events that have been run in the War Memorial Stadium	Increasing utilisation over time (52 in 2018/19 vs Baseline of 19)	82 Activities/Events year to date	Achieved	Year End: 52 Activities/Events Not reported Quarterly in 2018/19	Year End: 75 Activities/Events 2019/20 Quarterly Results: Q1: 43 Q2: 7 Q3: 20 Q4: 5	YTD: 82 Activities/Events 2020/21 Quarterly Results: Q1: 27 Q2: 55 There were 55 activities/events in Q2 compared to 7 activities/events for the same period last year. Year to date results exceed both 2018/19 and 2019/20. B-Legends daily afternoon play is now included in the reporting results and will be a key contributor to the increase In addition to B-Legends there were three Community events; two birthday parties; and group fitness activities. Alert Level 2 COVID-19 restrictions were in place for 5 weeks of Q1. Very few sports groups were training, or community groups organising events, during this period impacting results.
Number of landings at Hood Aerodrome	Increasing over time and at least baseline (7,821)	6,428	Achieved	10,890	10,406	YTD: 6,428 landings Q1&Q2: 6,428 landings compared to 5,333 for the same period last year. This measure is on track to be achieved.

Measure	2020-21 Annual Target	Q2 Result (as at 31/12/20)	Status at 31/12/2020	2018/19 Results	2019/20 Results	Commentary
Number of under-12s enrolled in Learn to Swim programmes	Annual increase (475 swim school enrolments in 2019/20 vs Baseline of 589 enrolments)	24 enrolments year to date	Not Achieved	Year End Result: 465 Enrolments Not reported Quarterly in 2018/19	Year End Result: 475 Enrolments 2019/20 Quarterly Results: Q1: 119 Q2: 180 Q3: 176 Q4: 0	YTD: 24 Enrolments 2019/20 Quarterly Results: Q1: 0 Q2: 24 Only one school participated in Q2 resulting in 24 participants compared to 180 in Q2 last year, and as reported previously, no schools participated in Q1. Interest from schools was impacted by academic pressures following the COVID 19 lockdown. Five schools (approximately 300 students) are booked in for Q3 so we expect to see numbers increase but are not expecting to achieve the year-end target.

Measure	2020-21 Annual Target	Q2 Result (as at 31/12/20)	Status at 31/12/2020	2018/19 Results	2019/20 Results	Commentary
Regulatory:						
Number of dog attacks (on people and stock) in our district	Reducing over time and no more than baseline 65 attacks	34 attacks (7 on people and 27 on stock or animals)	Achieved	63 attacks (24 attacks on people and 39 attacks on stock, domestic animals or poultry) Breakdown by quarter not available.	86 Attacks (14 attacks on people / 72 on stock or animals). Q1 & Q2: 35 Attacks (4 attacks on people, 31 on stock or animals). Q3 & Q4 Result: 51 Attacks (10 attacks on people, 41 on stock or animals).	2020/21 Q1 & Q2 Result (1 July - 31 December): 34 attacks (7 on people and 27 on stock or animals). Overall results are comparable with the same period last year with 1 less attack overall. There have been more attacks on people this year (7 compared to 4 last year) and fewer on animals (27 compared to 31 last year).
Number of 'responsible owners' of dogs	Increasing number of 'responsible owners'	7 new owners with RDO (responsible dog owner) status = 184 total with RDO status	Achieved	94 Breakdown by quarter not available.	180 with RDO (responsible dog owner) status Q1 & Q2 Result: 59 new responsible dog owners = 124 total with RDO status Q3 & Q4 Result: 56 new responsible dog owners = 180 total with RDO status	2020/21 Q1 & Q2 result (1 July - 31 December): 7 new owners with RDO status = 184 total with RDO status. This policy was new in 2018. The majority of dog owners who wanted to seek RDO status have now applied. We therefore expect the number of new owners applying each year to decline. The total number of RDO status owners has only increased by 4 despite there being 7 new owners. This reflects changes due to deceased dogs or dogs that have left the district.

Measure	2020-21 Annual Target	Q2 Result (as at 31/12/20)	Status at 31/12/2020	2018/19 Results	2019/20 Results	Commentary
Number of pet/working dogs reunited with their owner or rehomed	Increasing over time and at least baseline (207)	95 (81 returned to owner and 14 rehomed by MDC or the SPCA)	Not Achieved	209 (191 returned to owners, 18 rehomed by MDC or the SPCA) Breakdown by quarter not available.	175 (152 returned to their owners and 23 have been rehomed by MDC or the SPCA) Q1 & Q2 Result: 114 Q3 & Q4 Result: 61	2020/21 Q1 & Q2 Result (1 July - 31 December): 95 The lower number of pets/working dogs reunited or rehomed in the first half of the 2020/21 financial year reflects the lower number of dogs impounded during this period. There were also lower number of impoundments in the second half of 2019/20. Currently, this measure is not on track to achieve the year end target of at least 207 dogs rehomed or returned to owner.
Proportion of known food premises scheduled for assessment or verification in the current financial year that were assessed or verified of safe sale and/or service	At least one inspection per known premises scheduled for assessment or verification in that year	41.4% (70 of 169 registered food sites have been verified year to date). <i>Note: previously we have reported as number of scheduled verifications completed rather than registered food sites.</i>	Not Achieved	92% (129 of 140 scheduled verifications completed)	73% (99 of 135 scheduled verifications completed) Q1 & Q2 Result: 46/66 verifications (inspections) due by 31 December 2019 had been completed. 2019/20 Year End Result: 99/135 verifications (inspections) due by 30 June 2020 had been completed. 36 verifications were not	2020/21 Q1 & Q2 Result: 70/169 scheduled verifications completed. Covid-19 lockdown impacted the team's ability to complete all the scheduled verifications by the end of June 2020. There were no implications for businesses as a result of rescheduling. The remaining inspections were prioritised for July/August 2020. Carrying forward 36 verifications from the previous year has meant increased workloads at the beginning of the current financial year, impacting results. Currently this measure does not look to be on track to be achieved at year end, but we do

Measure	2020-21 Annual Target	Q2 Result (as at 31/12/20)	Status at 31/12/2020	2018/19 Results	2019/20 Results	Commentary
		<i>Reporting of scheduled verifications requires more manipulation of data. Given time restraints for this report the denominator differs.</i>			completed and were rescheduled to the 2020/21 financial year.	expect to complete the remaining verifications and achieve target by year end.
Proportion of known personal services (hair, beauty etc) premises scheduled for assessment or inspection in the current financial year that were assessed or verified of safe sale and/or service	At least one inspection per known premise scheduled for assessment in that year	36.8% (25 of 68 annual health licence inspections had been completed)	Not Achieved	84% (43 of 51 required inspections completed) Breakdown by quarter not available.	84.8% (56 out of 66 required inspections completed) Q1 & Q2 Result: 30/67 annual health licence inspections had been completed. Year End Result: 56/66 annual health licence inspections had been completed. 10 inspections were not completed.	2020/21 Q1 & Q2 Result: 25/68 annual health licence inspections completed Covid-19 lockdown impacted the team's ability to complete all the scheduled inspections by the end of June 2020. There were no implications for businesses as a result of this. The remaining inspections were prioritised in July 2020. Carrying forward 10 inspections from the previous year has meant increased workloads at the beginning of the current financial year, impacting results. Currently this measure does not look to be on track to be achieved at year end, but these inspections are completed in 'batches' with the next round of inspections scheduled for May

Measure	2020-21 Annual Target	Q2 Result (as at 31/12/20)	Status at 31/12/2020	2018/19 Results	2019/20 Results	Commentary
						and June 2021. Given that, we expect to achieve target by year end.
Proportion of known licensed premises assessed or inspected of safe sale and/or service	At least one inspection per known premise scheduled for assessment in that year	100% All 25 premises that have required assessment YTD in 2020-21 have been completed.	Achieved	100% All 32 premises that required assessment in 2018-19 were completed.	100% All 31 premises that required assessment in 2019-20 were completed. Q1 & Q2 Result: 24/76 alcohol licenses had been inspected, and there was 1 Controlled Purchase Operation. Year End result: 31/74 alcohol licences had been inspected. One additional Controlled Purchase Operation was undertaken by Police.	2020/21 Q1 & Q2 Result (as at 31/12/20): 25/75 alcohol licenses had been inspected, and there was 1 Controlled Purchase Operation. Not all premises are required to be assessed annually. Inspections were undertaken for all premises where this was required.
Percentage of consents processed within statutory timeframes	99%	94.9% of building consents processed on time. (average processing time of 13 working days)	Not Achieved	96% (729 of 761 building consents received were processed within statutory timeframes).	91.4% (635 of 695 consents received were processed within statutory timeframes)	The result year to date is a 3.5% improvement on last year's results. Contractors that usually take overflow consents have not been able to keep up with processing demands as all councils face increased building activity.

Measure	2020-21 Annual Target	Q2 Result (as at 31/12/20)	Status at 31/12/2020	2018/19 Results	2019/20 Results	Commentary
		96.9% of resource consents processed on time. (98 consents)	Achieved	100% All 195 resource consents received were processed within statutory timeframes	97.5% (116 of 119 resource consents received were processed within statutory timeframes)	Year to date, 94 of 98 resource consents have been processed on time.
Percentage of planning and building consent applicants that were satisfied with consent process and customer service received	Improving over time, and at least baseline (established in 2018/19)	N/A There have been no survey responses year to date.	Not Applicable	58.3% of building consent applicants who completed the survey were 'very happy', rating their overall experience of dealing with the building team 5/5. 87.5% of respondents rated their overall experience at least 3/5 and 12.5% rated this less than 3/5. This result establishes the baseline.	100% of building consent applicants who completed the survey were 'very happy', rating their overall experience of dealing with the building team 5/5. There were only 2 responses to the satisfaction survey for building consents.	
	Improving over time, and at least baseline (established in 2019/20)	N/A There have been no survey responses year to date.	Not Applicable	No data from planning consent applicants due to survey error. Baseline to be established on 2019-20 results.	66.7% of resource consent applicants who completed the survey were 'very happy' rating their overall experience of dealing with the planning team 5/5.	

Measure	2020-21 Annual Target	Q2 Result (as at 31/12/20)	Status at 31/12/2020	2018/19 Results	2019/20 Results	Commentary
					<p>100% rated the service at least 3 out of 5.</p> <p>This establishes the baseline.</p>	
Percentage of commercial buildings that have a current Building Warrant of Fitness (BWOFF)	At least 80%	The systems for reporting data for this measure are changing. At the current time it is not possible to provide a number with confidence.	Not Applicable	67% (267 of 398 active compliance schedules are current)	64% (224 of 352 active compliance schedules are current)	525 compliance schedule records are being transferred to a new system that will enable better monitoring and reporting in future.

To:	Audit and Risk Committee
From:	Julie Wallace, Senior Advisor Health and Safety, and Kate Conroy, People and Capability Manager
Endorsed by:	Kathryn Ross, Chief Executive
Date:	3 March 2021
Subject:	Health and Safety Quarterly Report
FOR INFORMATION	
Recommendation: The Audit and Risk Committee notes the content and receives the Health and Safety Report for the second quarter (1 October 2020 to 31 January 2021).	

PURPOSE

Under the Health and Safety at Work Act 2015, all elected members are deemed 'officers' and must exercise a duty of due diligence in relation to health and safety.

These quarterly reports provide information to assist elected members to carry out that role.

EXECUTIVE SUMMARY

Training and development of staff continues to be a key focus.

Monitoring and reporting of all incidents and risks continue to be raised and discussed by the Health and Safety (H&S) Committee.

We have reviewed and updated our Health, Safety, and Wellbeing Policy, our Incident Investigation form, our Contractor and Volunteer Health and Safety Procedure, and our Covid-19 Alert Level response plans.

KEY UPDATES FOR THE QUARTER**Health and Safety Resourcing**

Previously we have used the services of a consultant for some Health and Safety work. In January 2021 we employed a Senior Health and Safety Adviser for three days per week, on a 12-month fixed term contract. In addition to supporting business units across the Council by providing expert health and safety advice, the key objective of the role is to lead the development of health and safety systems and policy.

Workplace Health and Safety and Staff Wellbeing Policy

The previous Health, Safety, and Wellbeing Policy has been reviewed. The revised Workplace Health and Safety and Staff Wellbeing Policy has been approved by the Senior Leadership Team (SLT) and submitted to Audit and Risk Committee for endorsement.

Key changes are:

- A title change to highlight Council's commitment to maintaining a safe and healthy workplace for workers and others, and Council's staff wellbeing program.
- Defined responsibilities, which give more clarity of what is required of all who work for the Council (including SLT, Managers, People Leaders, Contractors, and Sub-Contractors).
- Reference to related legislation – Health and Safety at Work Act (HSAW) 2015 and Regulations.

Review Covid-19 Alert Level System

The Council's COVID Alert Level Transition Plan was revised in January in accordance with Ministry of Health guidelines. All site-specific plans have subsequently been reviewed and updated.

Health and Safety Reporting System Review

The review of our current health and safety system and analysis of options to address the shortfalls in the system is ongoing. Current shortfalls include the inability to have other parties report incidents or hazards (such as Hood Aerodrome users and Contractors), limited logon access, no ability to log information via a mobile phone app, manual extraction of data for reporting, and no ability to electronically gather contractor health and safety information.

We are currently looking at modules for Risk, Incidents, and Contractors. We have had demonstrations from two providers and have met with a local council to discuss their experience developing and implementing a Contractor module via one of the providers.






We are also exploring options to share Health, Safety, and Wellbeing information on an Intranet, and the option of developing an in-house system. We are scheduled to attend a meeting with another council who will share their experiences developing their own in-house health, safety, and wellbeing electronic system.

Health and Safety Training: Accident and Incident Investigation Training

The People and Capability team is working with Council People Leaders and the H&S Committee to improve how incidents and accidents are investigated. A training session was held in November 2020 with one final session scheduled for 26th March 2021.

DUE DILIGENCE SUMMARY

There have been no changes to the traffic light reporting (below) this quarter, focus remains on improving the current Health and Safety System.

COUNCIL OFFICERS H&S DUE DILIGENCE PLAN MONITORING			
	Objectives	Status	Rating
Know	Keep up to date with Health and Safety matters	Health, Safety, and Wellbeing is a standing item at each SLT meeting. Requests and issues from the H&S committee are escalated via the People and Capability Manager. Each SLT member is also able to escalate requests and issues via this forum.	
Understand	Understand the nature of the Council's business and its hazards and risks	Top organisational risks continue to be reviewed and assessed with each work group to identify specific work group risks (ongoing). The Hazard & Risk Register is being updated as we work on these with each work group.	
Resource	Ensure Council has appropriate resources and processes to manage risks to health and safety	Our H&S Consultant has been engaged as a twelve-month fixed term employee, three days a week. Action items are addressed on a priority basis. The current Health and Safety reporting system is being reviewed for update or change to meet the requirements of the organisation.	
Monitor	Ensure there are appropriate reporting and investigation processes in place	The H&S system ensures work group managers are in copy of and take action in conjunction with the People and Capability team. We are upskilling our People Leaders and the Health and Safety Committee to ensure that Investigations are completed for all reported incidents, accidents and near misses. We have developed an Accident/Incident Investigation Handbook and updated the Incident Reporting form to compliment the training and assist in undertaking incident investigations.	
Comply	Ensure that Council has, and implements, processes for complying with duties under the HSAW Act 2015	Processes are being reviewed across all work groups in consultation with H&S Committee and subject matter experts.	

		The ongoing message to staff and managers is that H&S is everyone's responsibility (not just the committee's and P&C's) and that all workers and managers are expected to give H&S high priority across all activities carried out by Council.	
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TOP HEALTH AND SAFETY RISKS ORGANISATION-WIDE

Description of risk	Controls and reduction measures	Update
COVID-19 Global pandemic Public health risk	<ul style="list-style-type: none"> Workplace H&S plans Hygiene protocols Contact tracing 	The Council continues to support and encourage contact tracing. H&S discussions at SLT are focused on the need to remain vigilant and the need to be prepared for potential community transmission in future. Council Covid plans, and Workplace plans have been reviewed and updated.
Vehicles, Roads, Driving (1) Driver risk factors (2) Journey risk factors (3) Vehicle risk factors (4) Working with/near vehicles risk factors.	<ul style="list-style-type: none"> Driver training Fleet maintenance Hazard identification 	The updated RT base unit has been installed in Waiata House (vehicles have RT units) but support is required to work through some technical issues. Training has yet to be delivered, and we are working with Teletronics on training design and delivery. Driver training options are currently being explored. A vehicle checklist has been developed to ensure fleet vehicles are maintained.
Interacting with customers Violence, mental health issues, conflict	<ul style="list-style-type: none"> De-escalation training Personal safety training Leadership support for staff 	Aggressive and/or abusive customer events continue to be reported. Each specific incident continues to be investigated by the department manager and procedures updated, and training provided where appropriate. Extensive training for personal safety and conflict de-escalation took place in September 2020.
Stressors Fatigue (physical & mental), time pressure,	<ul style="list-style-type: none"> Employee Assistance Programme (EAP) Leadership support 	Council Employee assistance programme (EAP) provider Vitae's proactive service continues.

bullying, harassment, mental health	<ul style="list-style-type: none"> • Staff engagement 	<p>People Leaders communicate and offer staff the opportunity to contact Vitae to speak to counsellors.</p> <p>Wellbeing programme under development</p>
<p>Personal safety</p> <p>Knowing where people are, that they are accounted for, tracking when out of the office for safety purposes, after hours, working alone</p>	<ul style="list-style-type: none"> • Sign in/ out kiosks • Lone worker tracking system review • MiCollab / Outlook • Regular communication in teams • Personal safety training 	<p>Each work group has their own system, given that their circumstances vary (e.g. call outs for animal control).</p> <p>Options for lone worker tracking systems are still being explored and functionality may become available through an upgrade or new H&S system.</p>
<p>Contractor Management</p> <p>Consultation, cooperation, coordination, and monitoring</p>	<ul style="list-style-type: none"> • Regular communication between contractors and Council relationship managers • Quarterly/ annual reporting 	<p>Contractors need to satisfy Council they have robust H&S systems in place.</p> <p>Work has commenced to audit contractor compliance and provide support as required.</p> <p>Council Contractor process and forms have been redesigned and following SLT signoff, will be rolled out to staff and Contractors.</p>

INDICATORS

Lag indicators

These indicators measure our performance in the form of past statistics.

All incidents that have been notified via the H&S system are reviewed by the appropriate manager as well as the H&S Committee, who must be satisfied that appropriate action has been taken to reduce the likelihood of future incidents.

Incident type	Q3 Mar 20	Q4 June 20	Q1 Sept 20	Q2 Jan 21
Serious Harm / Lost time injury	0	0	0	0
Medical Treatment Injury (beyond First Aid)	2	1	0	3

Lead indicators

Lead indicators are proactive in nature and look at regular activity carried out to prevent accidents, injuries and/or incidents and control risk.

Lead Indicators	
H&S committee meetings	<p>Meetings are held 6-weekly.</p> <p>We continue to shift the focus of the agenda to bring balance to traditional items such as the review of incidents, accidents, hazards, risks, updates on action items, with a more pro-active focus.</p> <p>Health and Safety Committee members completed a questionnaire telling us what we can do to improve health and safety, what works with the current meeting format, what we could do to get more from of our meetings, including being more solution focussed and action oriented.</p> <p>The Hood Safety Group continue to meet with actions feeding to the Council as appropriate.</p>
H&S training	Accident and Incident investigation training.
Staff awareness/communication	Training sessions have built awareness across the organisation of the importance of everyone's role in H&S.
Staff inductions	All new staff have been inducted following our established H&S induction process.
Wellbeing initiatives	<p>Employee Assistance Program (EAP) contracted onsite visits continue to occur, with the representative ensuring coverage of Council workplaces.</p> <p>Work is underway on a structured, branded Wellbeing Program.</p>
<p>Good catch A good catch is action oriented; staff recognise a situation or condition with potential to cause an incident but didn't because of corrective action and/or timely intervention by the employee.</p> <p>Near miss is defined as an event not causing harm, but potential to.</p>	<p>All incidents notified via the H&S system are reviewed by the appropriate manager who must be satisfied that appropriate action has been taken to reduce the likelihood of future incidents.</p> <p>Note: Two good catches were reported this quarter where situations were assessed by staff with potential to cause harm and remedial action was put in place. The total figures for first aid incidents, minor injury incidents, non-injury incidents (includes behavioural) and customer incidents totals 11 for Q2.</p>

Good catch summary (Previously recorded as Near Miss)			
Q3 Mar 20	Q4 June 20	Q1 Sept 20	Q2 Jan 21
9	0	0	2

WELLBEING

Proposed Wellbeing Program

Work is underway on developing a structured, branded Wellbeing Programme at Council. The proposed model will have varied programmes and activities, encompassing current wellbeing initiatives, enabling employees to personalise what wellbeing means to them.

The programme will be underpinned by the Te Whare Tapa Whā Model of Health, incorporating the areas of body, mind, soul, and connection.

Workplace Culture

In December 2020, the CE launched the All In programme for Council staff. In association with the All In programme, the current Bullying and Harassment Policy is under review and at the time of writing this report, all staff (not on leave) had recently attended a session about appropriate and inappropriate behaviour in the workplace.

Following these sessions, we are working with an external provider to identify further opportunities to upskill people leaders, in order to champion a good working culture, and to enable them to manage issues in a fair and open manner, both formally and informally.

SUPPORTING INFORMATION

Strategic, Policy and Legislative Implications

In accordance with Health and Safety at Work Act 2015, the Council as a Person Conducting a Business or Undertaking (PCBU) must ensure, so far as is reasonably practicable, the health and safety of Council's employees, volunteers or contractors (including their subcontractors), and other people, are not put at risk by our work. This includes visitors to our workplaces and members of the public who could be affected by the work we do.

Significance, Engagement and Consultation

The recommendation to receive this report does not trigger criteria under the significance and engagement policy.

Financial Considerations

There are no specific financial considerations associated with this update.

Treaty Considerations/Implications for Māori

There are no Treaty considerations or implications for Māori arising out of this report.

Communications/Engagement Plan

Not applicable.

Environmental/Climate Change Impact and Considerations

There are no environmental/climate change impact or considerations arising from this report.

To:	Audit and Risk Committee
From:	David Paris, Manager Finance
Date:	3 March 2021
Subject:	6 Months to Date Financial Report 2020/21
FOR INFORMATION	
Recommendation:	
That Audit & Risk Committee receives the 6 months to date financial report and commentary, including the Operating and Capital Expenditure Statements contained in Report 023/21.	

PURPOSE

To provide the Audit and Risk Committee with the financial report for the three months to 31 December 2021.

EXECUTIVE SUMMARY

The **Rates Requirement Summary** to 31 December 2021 shows the Council's net spending of rates funding at \$15.5 m compared to \$15.7m planned year to date, 1.2% less. Variances from the budgeted position, where they are significant, are explained in the commentary below. Overall, the Council's net spending shows some unders and overs but overall is close to the planned position after six months of the financial year.

The **Statement of Revenue & Expenditure** shows a YTD (after 6 months) accounting deficit of \$587,500. This is \$799,100 better than the planned YTD deficit, due to three main things: higher financial contributions than planned, more external income and lower personnel costs.

Variances from Plan include:

- Financial Contributions of \$349,400 were 62.1% ahead of planned and reflect the continuing strong level of activity of urban subdivision development;
- Other revenue higher than planned is due to several things including higher transfer station income, some unplanned Govt grants being received and building & planning consent fee income running ahead of planned.
- In the expenditure area, personnel costs are running 7.1% below the plan at 6 months YTD partly due a number of positions allowed in the plan being filled part way through the year or are not yet filled. Other operating expenditure of \$12.7m is running very close to the planned level.

The **Summary Statement of Capital Expenditure** at halfway through the year shows \$5.83m spent (last year \$5.93m), which is 24% of the full year capital budget. The detailed list of capital expenditure

for 2020/21 and spend to date is included on the pages at the end of this report. Commentary on variances and progress on some items is included in the capital statements along with the projected expenditure by year end.

Commentary on Operating/Funding Statements

This commentary should be read in conjunction with the Operating/Funding Statements for the 6 months to 31 December 2020 for each of the Council's operating areas, as listed on the following pages.

The variances shown may not translate to the full year result, but the Plan figures for six months to date have been adjusted to match expected timing of income and expenditure, where known.

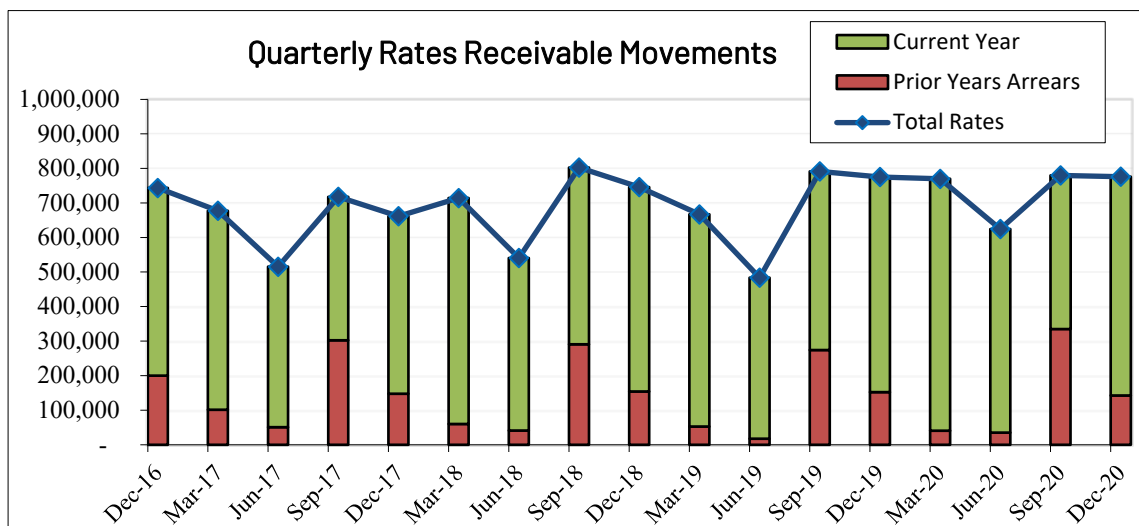
In the Activity areas:

- Roading overall is close to the planned rates required. Subsidised maintenance spending is 8.2% less than expected, but is offset by retaining walls/dropout repairs work that carried over from the prior year. The non-subsidised rural maintenance work is \$1.1m versus \$0.1m last year. This year includes the tree removal project that has been funded by a Govt grant. Some footpath renewals work has been done in the first quarter, but most renewals will be completed over the summer months.
- Urban Water Supply operating costs have been higher than planned for reticulation (including leak detections) and lower for water treatment costs.
- In the urban Wastewater activity, the rates requirement is 1.2% less than planned with costs running close to planned. Income from lease of land and sale of baleage are both marginally below planned.
- In rural wastewater, Castlepoint scheme has seen work done on an aerator unit and pump station resulting in costs above the planned level.
- Solid Waste revenue (gate fees) at Nursery Road is running 5.4% ahead of planned and revenue from refuse bag sales is 11.4% above the plan for 6 months to date. The tonnes of waste collected from blue bags remains tracking lower than the prior year. The tonnes of waste sent to landfill were 6,782 vs last year to date of 6,194, so direct costs are 3.4% more than planned. Recycling costs are 8.6% more than planned as volumes of recyclable materials leaving the Nursery Road site have exceeded the budget estimates.
- The Parks & Reserves YTD expenditure is tracking 5.8% below planned levels. Housing for the Elderly income is down (lower occupancy during periods when units are renovated) and costs are higher where some repairs & renovation work has been brought forward.
- Other Property and Mawley Park are both showing income better than planned and slightly lower costs YTD.
- The Airport income reflects \$80k unplanned income from capital contributions from new hangar sites (joining infrastructure). Operating costs have been 8% above planned YTD.
- Library operating costs have run 7.2% less than the level planned.
- Community Development income reflects grant income of \$42k which was not budgeted, but these are offset by costs associated with those grants.
- Resource Management and Planning income from financial contributions is 25% ahead of plan, while consent fee income is 92% ahead of plan (\$98.3k vs \$51.1k)

- Environmental Health has achieved operating cost savings of 10.4% YTD.
- Building Services revenue is 17.7% more than planned while operating costs are close the planned level YTD. Legal costs continue to be incurred (re Waiata House claim and others).
- Parking Control has run a deficit of \$24k as income from meters and fines are 22.4% below plan. The YTD Plan timing has taken account of the COVID-response measure of allowing free parking until 31 August, but income levels have not immediately returned to pre-COVID levels.
- Emergency Management income reflects unplanned Government funding to assist with Pasifika community recovery.
- Internal functions are showing lower expenditure than planned across most areas, largely related to staff vacancies for some of the three month period.
- Interest income is 16.2% less than planned as returns on Council’s investments fell below planned expectations YTD.

Rates Receivable

The graph below provides a picture of the changes in the value of rates receivable by quarter.



At the end of December 2020, the balance of rates unpaid was \$775,999, very close to the level of 12 months ago. Arrears from prior years were \$142,432, which is 22.8% of the balance of all arrears at 30 June 2020. This compares to \$152,092 and 31.4% at 31 December 2020.

Current year rates unpaid at 31 December 2020 were 1.7% up, at \$633,567 compared to \$622,899 at 31 Dec 2019. The level of unpaid rates has not moved up to any extent over the last six months, or compared to the prior years. The last two instalments of rates (due 22 Feb and 20 May) will be telling indicators of whether there is an emerging issue with ability to pay rates.

Statement of Revenue & Expenditure						
6 months 2019/20 Actual	6 Months Year to Date to 31 December 2020				Full Year 2020/21	
	Revenue	6 months 2020/21 Actual	6 months 2020/21 Plan	Variance		
15,345,479	Rates Revenue*	15,843,286	15,818,022	25,264 0.2%	32,366,946	
248,032	Interest Received (external)	257,915	288,000	(30,085) -10.4%	577,838	
2,203,583	NZTA Rooding Subsidies	2,636,242	2,714,965	(78,723) -2.9%	7,165,235	
794,772	Financial Contributions	911,956	624,010	287,946 46.1%	1,258,000	
4,464,775	Fees, Charges & Other Revenue	5,385,246	4,996,050	389,196 7.8%	9,460,611	
23,056,641	Total Operating Revenue	25,034,645	24,441,047	593,598 2.4%	50,828,630	
	Expenses					
4,800,976	Personnel Costs	5,221,663	5,618,088	396,425 7.1%	10,972,239	
11,377,285	Other Operating Expenditure	12,711,506	12,684,127	(27,379) -0.2%	23,989,164	
1,201,297	Interest Expense	1,101,123	1,074,396	(26,727) -2.5%	2,148,779	
6,026,171	Depreciation & amortisation	6,587,813	6,451,014	(136,799) -2.1%	12,901,945	
23,405,728	Total Operating Expenses	25,622,105	25,827,625	205,520 0.8%	50,012,127	
(\$349,087)	Operating Surplus/(Deficit)	(\$587,460)	(\$1,386,578)	\$799,118	\$816,503	

*Rates Revenue excludes rates on Council properties

Summary Statement of Capital Expenditure					Full Year Forecast 2020/21	Comments on progress
	YTD 31-Dec-20 \$	Plan YTD 31-Dec-20 \$	Full Year Plan 2020/21 \$			
Rooding	1,937,974	2,640,910	9,360,195	8,313,741	Masterton revamp project c/fwd to 2021/22	
Water Services	1,174,061	1,277,000	4,150,480	2,471,530	Water meter installation - c/fwd funding for completion	
Wastewater Services	1,332,768	1,355,000	2,055,000	2,037,400		
Stormwater Services	28,968	47,000	402,000	383,750		
Solid Waste Services	0	45,210	90,420	0		
Parks, Reserves & Sportsfields	401,449	410,858	3,174,704	1,940,466	Skate park project c/fwd to 2021/22	
Wellbeings	26,430	30,000	120,000	60,000		
Other Property	413,420	307,950	1,415,900	733,901	Civic facility design provision will not be all spent	
Recreation Centre	42,433	46,000	280,000	280,000		
Housing for the Elderly	37,369	42,026	266,050	236,050		
Library & Archive	103,271	126,626	566,250	241,250		
Airport	177,165	190,000	1,810,000	540,000	Runway & lights expected carried forward	
Regulatory Services	34,368	40,500	510,000	280,000		
Corporate Services	119,558	119,762	215,525	245,525		
TOTAL COUNCIL	\$ 5,829,234	\$ 6,678,842	\$ 24,416,524	\$ 17,763,613		
% spent of full year Plan	24%			73%		

2020/21 6 Months to 31 December 2020

2019/20 6 months	Rates Requirement Summary	2020/21 6 Months	2020/21 YTD Plan	Variance		2020/21 Full Year Plan
\$		\$	\$	\$	%	\$
	RATES REQUIRED BY ACTIVITY					
	Transport					
2,387,409	Roading	2,929,860	2,939,445	9,585		6,483,252
	Water Services					
1,704,192	Urban Water supply	1,761,108	1,703,148	(57,960)		3,387,678
(12,229)	Rural Water supplies & races	(32,847)	(36,757)	(3,910)		103,545
	Sewerage Services					
2,659,955	Urban Sewerage system	2,379,877	2,351,634	(28,243)		6,533,166
115,506	Rural Sewerage systems	170,344	162,660	(7,684)		335,295
	Stormwater Services					
223,304	Stormwater	278,527	288,364	9,837		561,016
	Solid Waste Services					
377,977	Solid Waste Services	322,823	367,033	44,210		926,554
157,867	Waste Minimisation Services	253,143	194,412	(58,731)		245,422
	Community Facilities/Activities					
1,493,775	Parks, Reserves & Sportsfields	1,566,963	1,585,329	18,366		3,075,430
571,115	Trust House Recreation Centre	609,289	625,297	16,008		1,168,128
32,937	Cemeteries	54,872	68,200	13,327		138,961
1,078,595	Library & Archive	1,118,701	1,159,988	41,287		2,251,287
468,119	District Building	279,965	276,280	(3,685)		562,993
108,519	Housing for Elderly	107,601	68,142	(39,460)		55,118
427,238	Other Property	368,243	414,990	46,747		844,580
113,103	Hood Airport	88,378	71,517	(16,861)		326,409
62,347	Mawley Holiday Park	47,802	60,557	12,755		167,710
	Community Wellbeing					
607,069	Community Development	503,786	495,739	(8,047)		907,723
252,944	Arts & Culture	255,745	268,728	12,983		523,398
492,338	Economic Devlpmt & Promo	616,614	627,083	10,469		1,016,481
68,139	Environmental Initiatives	139,045	152,456	13,411		247,723
	Planning & Regulatory Services					
495,526	Resource Mgmt & Planning	443,996	501,645	57,649		885,274
219,529	Building Development	286,467	358,391	71,924		641,044
219,485	Environmental Services	219,655	268,196	48,541		516,493
(33,132)	Parking Control	39,230	14,882	(24,348)		5,771
21,080	Animal Services	(375)	3,619	3,994		86,864
95,286	Emergency Management	117,897	122,712	4,815		246,931
	Governance					
471,732	Representation	377,474	377,472	(1)		793,599
47,257	Internal Functions (net)	219,924	215,140	(4,784)		-
\$ 14,926,980	Total Rates Requirement	\$ 15,524,106	\$ 15,706,301	\$ 182,195	1.2%	\$ 33,037,845
	RATES INCOME					
15,952,390	Masterton District Council rates	16,549,712	16,536,422	13,290		33,072,845
15,952,390		16,549,712	16,536,422	13,290		33,072,845
128,670	Penalty Income	48,146	42,500	5,646		145,000
(90,563)	Rates Remissions	(93,746)	(90,000)	(3,746)		(180,000)
\$ 15,990,497	Net Rates Income	\$ 16,504,112	\$ 16,488,922	\$ 15,190	0.1%	\$ 33,037,845
\$ 1,063,517	Surplus/(Deficit) of Rates Income	\$ 980,006	\$ 782,622	\$ 197,385	1.3%	\$ 0

MASTERTON DISTRICT COUNCIL

2019/20 6 months	Operating/Funding Statements 2020/21 6 months YTD	2020/21 6 months	Plan 6 months	Variance	%	2020/21 Full Year Plan
Roading						
ROADS, STREETS, FOOTPATHS & PARKING AREAS						
2,203,583	Income: NZTA subsidies	2,636,242	2,714,965	(78,723)		7,165,235
377,343	Petrol Tax & Other Income	1,263,782	1,029,578	234,204		1,299,147
446,000	Transfers from Reserves	403,290	310,828	92,462		1,923,122
<u>3,026,925</u>	Sub Total	<u>4,303,314</u>	<u>4,055,371</u>	<u>247,943</u>	6.1%	<u>10,387,504</u>
2,321,878	Expenses: Subsidised Maintenance	2,893,237	3,150,240	257,003	8.2%	6,393,310
1,451,665	Subsidised Renewals	1,803,395	1,863,912	60,517		6,447,989
430,171	Emergency Works - retaining walls	295,154	0	(295,154)		180,000
3,112	Construction (Waipoua Bridge)	0	0	-		285,000
100,071	Non-Subsidised - Rural Maintenance	1,108,719	899,230	(209,489)		1,032,878
609,291	Non-Subsidised - Urban Maintenance	529,975	564,696	34,721		1,016,005
124	Non-Subsidised - Urban Renewals	12,426	13,000	574		457,206
2,506,861	Depreciation	2,800,602	2,800,602	0		5,601,202
165,206	less Transfer to Reserves	211,529	125,000	(86,529)		250,000
<u>7,588,379</u>	Sub Total	<u>9,655,037</u>	<u>9,416,680</u>	<u>(238,357)</u>	-2.5%	<u>21,663,590</u>
(2,191,864)	less Depn not rated	(2,421,864)	(2,421,864)	-		(4,843,728)
17,819	plus Loan Repaymt	0	0	-		50,894
<u>\$2,387,409</u>	Net Cost - Rates Required	<u>\$2,929,860</u>	<u>\$2,939,445</u>	<u>9,585</u>	0.3%	<u>\$6,483,252</u>

2019/20 6 months		MASTERTON DISTRICT COUNCIL Operating/Funding Statements 2020/21 6 months YTD		2020/21 6 months	Plan 6 months	Variance	2020/21 Full Year Plan
Water Supplies							
URBAN WATER SUPPLY							
195,401	Income: Metered water charges	188,241	207,168	(18,927)			414,340
-	Transfers from Reserves	20,000	20,000	-			20,000
195,401	sub total	208,241	227,168	(18,927)			434,340
-							
633,241	Expenses: Water reticulation costs	669,877	594,850	(75,027)			1,027,112
668,960	Water treatment costs	647,550	691,912	44,362	6.4%		1,338,420
635,917	Depreciation	754,422	746,058	(8,364)			1,492,099
1,938,117	sub total	2,071,849	2,032,820	(39,029)	-1.9%		3,857,631
(44,250)	less Depn not rated	(102,500)	(102,504)	(4)			(205,000)
5,726	plus Loan Repaymt	0	0	-			169,389
\$1,704,192	Net Cost - Rates Required	\$1,761,108	\$1,703,148	(57,960)	-3.4%		\$3,387,680
RURAL WATER SUPPLIES & RACES							
187,972	Income: User charges	205,047	195,939	9,108			217,697
16,500	Transfers from Reserves	0	0	-			0
204,472	sub total	205,047	195,939	9,108			217,697
158,975	Expenses: Rural water supplies	144,448	134,318	(10,130)	-7.0%		265,270
33,681	Depreciation	40,686	37,800	(2,886)			75,595
-	less Transfer to Reserves	0	0	-			0
192,656	sub total	185,134	172,118	(13,016)			340,865
(3,311)	less Depn not rated	(12,934)	(12,936)	(2)			(25,868)
2,898	plus Loan Repaymt	0	0	-			6,246
(\$12,229)	Net Cost - Rates Required	(\$32,847)	(\$36,757)	(\$3,910)	10.6%		\$103,546

2019/20 6 months	Operating/Funding Statements 2020/21 6 months YTD	2020/21 6 months	Plan 6 months	Variance	2020/21 Full Year Plan
Wastewater Services					
URBAN WASTEWATER SYSTEM					
206,704	Income: External income	174,717	212,194	(37,477) -21.5%	482,940
65,000	Transfers from Reserves	65,000	65,000	-	220,000
271,704	sub total	239,717	277,194	(37,477)	702,940
715,985	Expenses: Sewerage reticulation	716,856	701,651	(15,205)	1,322,300
1,550,717	Wastewater treatment	1,340,740	1,367,665	26,925 2.0%	2,675,215
1,101,319	Depreciation	1,191,999	1,189,512	(2,487)	2,379,011
-	less Transfer to Reserves	0	0	-	0
3,368,021	sub total	3,249,595	3,258,828	9,233 0.3%	6,376,526
(576,625)	less Depn not rated	(630,000)	(630,000)	-	(1,260,000)
140,263	plus Loan Repaymt	0	0	-	2,119,580
2,659,955	Net Cost - Rates Required	\$2,379,877	\$2,351,634	(\$28,243) -1.2%	\$6,533,166
RURAL WASTEWATER SCHEMES					
9,750	Income: User charges	0	154	(154)	8,322
139,020	Riversdale Beach cap. contributions	83,911	61,500	22,411	123,000
25,000	Transfers from Reserves	30,000	30,000	-	68,000
173,770	sub total	113,911	91,654	22,257	199,322
37,615	Expenses: Castlepoint sewerage scheme	63,746	46,597	(17,149) -37%	85,821
96,667	Riversdale sewerage scheme	100,448	107,006	6,558 6%	202,927
19,169	Tinui sewerage scheme	8,218	7,399	(819)	14,654
143,503	Depreciation	159,778	159,750	(28)	319,499
296,953	sub total	332,190	320,752	(11,438) -3.6%	622,901
(110,985)	less Depn not rated	(127,935)	(127,938)	(3)	(255,870)
103,308	plus Loan Repaymt	80,000	61,500	(18,500)	167,586
115,506	Net Cost - Rates Required	\$170,344	\$162,660	(7,684)	\$335,295

2019/20 6 months	MASTERTON DISTRICT COUNCIL Operating/Funding Statements 2020/21 6 months YTD	2020/21 6 months	Plan 6 months	Variance	2020/21 Full Year Plan
Stormwater					
STORMWATER					
	Income: Miscellaneous income	0	0	-	0
67,500	Transfers from Reserves	41,888	41,500	388	93,000
67,500	sub total	41,888	41,500	388	93,000
175,111	Expenses: Stormwater maintenance	213,230	222,680	9,450	404,622
148,344	Depreciation	162,335	162,336	2	324,669
323,454	sub total	375,565	385,016	9,451	729,291
(32,650)	less Depn not rated	(55,150)	(55,152)	(2)	(110,300)
-	plus Loan Repaymt	0	0	-	35,025
\$223,304	Net Cost - Rates Required	\$278,527	\$288,364	9,837 3.4%	\$561,016
Solid Waste					
SOLID WASTE MANAGEMENT					
125,006	Income: Refuse bag recoveries	109,898	98,688	11,210 11.4%	197,370
1,276,250	Transfer station gate fees	1,378,262	1,307,764	70,498 5.4%	2,565,525
43,194	Waste levy recovery	45,535	50,000	(4,465)	100,000
-	Transfers from Reserves	0	0	-	173,600
1,444,449	sub total	1,533,695	1,456,452	77,243 5.3%	3,036,495
170,067	Expenses: Refuse Collection	150,926	151,884	958 0.6%	303,774
1,072,198	Waste transfer & disposal	1,123,197	1,086,163	(37,034) -3.4%	2,198,375
636,976	Recycling & Composting	779,444	717,628	(61,816) -8.6%	1,398,656
125,951	Rural Landfills	131,094	137,222	6,129	270,970
2,005,192	sub total	2,184,661	2,092,897	(91,764) -4.4%	4,171,775
-	less Transfer to Reserves	0	0	-	0
(45,500)	less Depn not rated	(75,000)	(75,000)	-	(150,000)
20,601	plus Loan Repaymt	0	0	-	186,697
\$535,844	Net Cost - Rates Required	\$575,966	\$561,445	(14,521) -2.6%	\$1,171,977
Surplus as a % of Operating Expenditure -0.7%					

2019/20 6 months		MASTERTON DISTRICT COUNCIL Operating/Funding Statements 2020/21 6 months YTD		2020/21 6 months	Plan 6 months	Variance	2020/21 Full Year Plan
Community Facilities & Activities							
PARKS, RESERVES & SPORTSFIELDS							
11,786	Income: Parks & reserves	11,659	12,582	(923)			25,161
16,393	Sports fields	5,943	4,030	1,913			14,712
50,540	Transfers from Reserves	74,000	82,500	(8,500)			183,000
<u>78,720</u>	Sub Total	<u>91,602</u>	<u>99,112</u>	<u>(7,510)</u>			<u>222,873</u>
1,093,277	Expenses: Parks & reserves	1,095,701	1,163,284	67,583			2,223,908
235,829	Sportsfields	267,702	287,992	20,290			505,382
322,661	Depreciation	376,162	314,166	(61,996)			628,340
(81,000)	less Depn not rated	(81,000)	(81,000)	-			(162,000)
1,728	plus Loan Repaymt	0	0	-			102,675
<u>1,572,495</u>	Sub Total	<u>1,658,564</u>	<u>1,684,441</u>	<u>25,877</u>			<u>3,298,305</u>
<u>\$1,493,775</u>	Net Cost - Rates Required	<u>\$1,566,963</u>	<u>\$1,585,329</u>	<u>18,366</u>	1.2%		<u>\$3,075,432</u>
TRUST HOUSE RECREATION CENTRE							
8,750	Income: Lease & other income	8,750	7,500	1,250			35,420
-	Transfers from Reserves	40,000	60,000	(20,000)			140,000
<u>8,750</u>	sub total	<u>48,750</u>	<u>67,500</u>	<u>(18,750)</u>			<u>175,420</u>
401,830	Expenses: Recreation Centre	501,257	543,307	42,050			1,017,554
288,716	Depreciation	286,781	279,492	(7,289)			558,990
<u>690,546</u>	sub total	<u>788,039</u>	<u>822,799</u>	<u>34,760</u>			<u>1,576,544</u>
(123,500)	less Depn not rated	(130,000)	(130,002)	(2)			(260,000)
12,820	plus Loan Repaymt	0	0	-			27,005
<u>\$571,115</u>	Net Cost - Rates Required	<u>609,289</u>	<u>625,297</u>	<u>16,008</u>	2.6%		<u>\$1,168,129</u>
CEMETERIES							
56,550	Income: Burial Fees & Sale of Plots	41,387	41,776	(389)			79,778
-	Transfers from Reserves	0	0	-			35,000
<u>56,550</u>	sub total	<u>41,387</u>	<u>41,776</u>	<u>(389)</u>	-0.9%		<u>114,778</u>
89,487	Expenses: Operating costs	96,259	109,976	13,717			253,740
<u>\$32,937</u>	Net Cost - Rates Required	<u>54,872</u>	<u>68,200</u>	<u>13,327</u>	19.5%		<u>\$138,962</u>

2019/20 6 months	MASTERTON DISTRICT COUNCIL Operating/Funding Statements 2020/21 6 months YTD	2020/21 6 months	Plan 6 months	Variance	2020/21 Full Year Plan
DISTRICT BUILDING					
214,980	Income: Rental - District Building	264,626	265,344	(719)	530,680
-	Transfers from Reserves	0	0	-	0
<u>214,980</u>	sub total	<u>264,626</u>	<u>265,344</u>	<u>(719)</u>	<u>530,680</u>
446,884	Expenses: Operating & maintenance	367,327	373,678	6,351 1.7%	636,777
108,568	Ext rent & office costs	77,603	94,284	16,681	188,570
75,313	Depreciation	99,661	73,662	(25,999)	147,322
<u>630,765</u>	sub total	<u>544,591</u>	<u>541,624</u>	<u>(2,967)</u>	<u>972,669</u>
-	less Depn not rated	-	-	-	-
52,335	plus Loan Repaymt	0	0	-	121,004
<u>\$468,119</u>	Net Cost - Rates Required	<u>\$279,965</u>	<u>\$276,280</u>	<u>(\$3,685)</u> -1.3%	<u>\$562,993</u>
HOUSING FOR THE ELDERLY					
218,654	Income: Rental income	198,050	215,196	(17,146)	430,404
-	Grants & Donations	0	0	-	0
-	Transfers from Reserves	35,000	37,500	(2,500)	75,000
<u>218,654</u>	sub total	<u>233,050</u>	<u>252,696</u>	<u>(19,646)</u>	<u>505,404</u>
283,353	Expenses: Housing for the Elderly	323,915	308,832	(15,083)	536,513
188,820	Depreciation	146,736	142,008	(4,728)	284,009
<u>472,172</u>	sub total	<u>470,651</u>	<u>450,840</u>	<u>(19,812)</u> -4%	<u>820,522</u>
(145,000)	less Depn not rated	(130,000)	(130,002)	(2)	(260,000)
-	plus Loan Repaymt	0	0	-	0
-	plus Tsfs to reserves	0	0	-	0
<u>108,519</u>	Net Cost - Rates Required	<u>107,601</u>	<u>68,142</u>	<u>(\$39,460)</u>	<u>\$55,118</u>

MASTERTON DISTRICT COUNCIL		2020/21	Plan		2020/21
6 months	Operating/Funding Statements	2020/21	6 months	Variance	Full Year Plan
0	2020/21 6 months YTD	6 months	6 months		
OTHER PROPERTY					
213,383	Income: Rental - Other Properties	158,667	134,620	24,047 17.9%	269,218
25,000	Mawley Holiday Park	228,327	222,042	6,285 2.8%	444,084
5,000	Forestry recoveries (net)	30,898	22,500	8,398	45,000
369,999	Transfers from Reserves	0	0	-	85,000
132,515	sub total	417,891	379,162	38,729 10.2%	843,302
145,933	Expenses: Other Property maintenance	135,470	125,744	(9,726)	228,213
59,955	Public Conveniences	164,932	176,290	11,359	359,684
136,607	Rural Halls & Fire Stations	65,506	69,469	3,963	186,854
238,534	Property Development	89,676	90,699	1,023	175,692
32,691	Mawley Park	256,020	261,941	5,921	497,470
179,643	Forestry	35,631	40,265	4,634	66,012
925,877	Depreciation	132,702	136,296	3,594	272,586
(83,500)	sub total	879,937	900,705	20,768 2.3%	1,786,512
17,206	less Depn not rated	(46,000)	(45,996)	4	(92,000)
-	plus Loan Repaymt	0	0	-	161,080
-	plus Tsfs to reserves	-	-	-	-
\$489,585	Net Cost - Rates Required	\$416,045	\$475,547	\$59,502 12.5%	\$1,012,290
AIRPORT					
194,734	Income: Operating Income	259,518	175,548	83,970	244,101
5,000	Transfers from Reserves	0	0	-	20,000
199,734		259,518	175,548	83,970	264,101
259,041	Expenses: Operating Costs	248,246	230,025	(18,221) -8%	434,073
40,808	Depreciation	44,650	42,042	(2,608)	84,079
-	less Transfer to Reserves	80,000	0	(80,000)	0
100,115	Operating (Surplus)/Deficit	113,378	96,519	(16,859)	254,051
(24,500)	less Depn not rated	(25,000)	(25,002)	(2)	(50,000)
37,488	plus Loan Repaymt	0	0	-	122,358
\$113,103	Net Cost - Rates Required	\$88,378	\$71,517	(\$16,861)	\$326,409

2019/20 6 months	MASTERTON DISTRICT COUNCIL Operating/Funding Statements 2020/21 6 months YTD		2020/21 6 months	Plan 6 months	Variance	2020/21 Full Year Plan
LIBRARY & ARCHIVE						
19,561	Income:	Donations Income	26,567	26,016	551	31,631
39,729		Operating Income	15,977	22,894	(6,917)	58,419
-		Transfers from Reserves	0	0	-	0
59,291		Sub Total	42,544	48,910	(6,366)	90,050
78,646	Expenses:	Book purchases	110,532	90,000	(20,532)	180,000
795,273		Library operating costs	789,641	850,939	61,298	1,593,453
189,259		Archive operating costs	188,112	208,565	20,453	435,603
157,482		Depreciation	166,960	153,396	(13,564)	306,782
1,220,659			1,255,245	1,302,900	47,655	2,515,838
(7,750)		less Depn not rated	(4,000)	(4,002)	(2)	(8,000)
3,325		plus Loan Repaymt	0	0	-	13,498
(78,349)		capex transfers	(90,000)	(90,000)	-	(180,000)
\$1,078,595		Net Cost - Rates Required	\$1,118,701	\$1,159,988	\$41,287	\$2,251,286
COMMUNITY DEVELOPMENT						
20,158	Income:	Misc. & Grant Income	58,969	16,900	42,069	47,600
13,070		Internal Recoveries	23,148	23,148	-	46,296
191,766		Transfers from Reserves	150,414	154,500	(4,086)	334,000
224,994		Sub Total	232,531	194,548	37,983	427,896
832,064	Expenses:	Com devlpmt grants & project costs	736,316	690,287	(46,029)	1,335,619
-		less Transfer to Reserves	0	0	-	0
\$607,069		Net Cost - Rates Required	\$503,786	\$495,739	(8,047)	\$907,723
ARTS & CULTURE						
17,923	Income:	Misc. & Grant Income	15,210	15,250	(40)	30,500
-		Transfers from Reserves	2,597	3,000	(403)	40,000
17,923		Sub Total	17,807	18,250	(443)	70,500
270,867	Expenses:	Arts & Culture	273,552	286,978	13,426	593,898
\$252,944		Net Cost - Rates Required	\$255,745	\$268,728	12,983	\$523,398

2019/20 6 months	MASTERTON DISTRICT COUNCIL Operating/Funding Statements 2020/21 6 months YTD		2020/21 6 months	Plan 6 months	Variance	2020/21 Full Year Plan
ECONOMIC DEVELOPMENT & PROMOTION						
10,059	Income:	Misc. & Grant Income	12,478	6,200	6,278	6,700
-		Transfers from Reserves	80,000	80,000	-	282,000
<u>10,059</u>			<u>92,478</u>	<u>86,200</u>	<u>6,278</u>	<u>288,700</u>
		Sub Total				
260,512	Expenses:	Econ. devlpmt projects	462,160	470,731	8,571	794,791
141,178		Destination Wairarapa	141,457	140,000	(1,457)	280,000
63,371		Events grants	64,287	65,000	713	136,500
36,576		CBD Amenities costs	41,188	37,552	(3,636)	92,294
<u>501,638</u>			<u>709,092</u>	<u>713,283</u>	<u>4,191</u>	<u>1,303,585</u>
759		plus Loan Repaymt	0	0	-	1,595
<u>502,397</u>			<u>709,092</u>	<u>713,283</u>	<u>4,191</u>	<u>1,305,180</u>
		Sub Total				
<u>\$492,338</u>		Net Cost - Rates Required	<u>\$616,614</u>	<u>\$627,083</u>	<u>10,469</u>	<u>\$1,016,480</u>
					1.7%	
ENVIRONMENTAL INITIATIVES						
10,000	Income:	Internal Recoveries	10,000	10,000	-	20,000
-		Misc.	943	0	943	0
-		Transfers from Reserves	0	0	-	50,000
<u>10,000</u>			<u>10,943</u>	<u>10,000</u>	<u>943</u>	<u>70,000</u>
		Sub Total				
78,139		Environmental grants & project costs less Transfer to Reserves	149,988	162,456	12,468	317,723
<u>\$68,139</u>		Net Cost - Rates Required	<u>\$139,045</u>	<u>\$152,456</u>	<u>13,411</u>	<u>\$247,723</u>
					8.8%	

2019/20 6 months	MASTERTON DISTRICT COUNCIL Operating/Funding Statements 2020/21 6 months YTD	2020/21 6 months	Plan 6 months	Variance	2020/21 Full Year Plan
Regulatory Services					
RESOURCE MANAGEMENT & PLANNING					
63,007	Income: Consent Fees & Other Income	98,298	51,100	47,198	102,204
490,966	Financial Contributions	546,672	437,506	109,166	875,000
700	Transfers from Reserves	79,935	80,750	(815)	401,500
<u>554,672</u>	Sub Total	<u>724,905</u>	<u>569,356</u>	<u>155,549</u>	<u>1,378,704</u>
345,956	Expenses: Operating costs	406,184	420,789	14,605 3.5%	1,116,266
153,276	River scheme contrib. (GWRC)	156,045	152,712	(3,333)	152,712
550,966	less Transfer to Reserves	606,672	497,500	(109,172)	995,000
<u>1,050,198</u>	Sub Total	<u>1,168,901</u>	<u>1,071,001</u>	<u>(97,900)</u>	<u>2,263,978</u>
<u>\$495,526</u>	Net Costs - Regulatory Services	<u>\$443,996</u>	<u>\$501,645</u>	<u>57,649</u> 11.5%	<u>\$885,274</u>
ENVIRONMENTAL HEALTH					
62,814	Income: Fees & Licences	63,019	62,572	447	129,124
128,474	Internal Recoveries	130,299	130,302	(3)	260,600
-	Transfers from Reserves	0	0	-	10,000
<u>191,288</u>	Sub Total	<u>193,318</u>	<u>192,874</u>	<u>444</u>	<u>399,724</u>
410,773	Expenses: Operating costs	412,973	461,070	48,097 10.4%	916,216
<u>410,773</u>	Sub Total	<u>412,973</u>	<u>461,070</u>	<u>48,097</u>	<u>916,216</u>
<u>\$219,485</u>	Net Cost - Rates Required	<u>\$219,655</u>	<u>\$268,196</u>	<u>48,541</u> 18.1%	<u>\$516,492</u>

2019/20 6 months	MASTERTON DISTRICT COUNCIL Operating/Funding Statements 2020/21 6 months YTD		2020/21 6 months	Plan 6 months	Variance	2020/21 Full Year Plan
BUILDING SERVICES						
605,391	Income:	Consent fees & charges	603,765	513,166	90,599 17.7%	1,059,340
36,500		Transfers from Reserves	86,517	100,000	(13,483)	117,500
641,891		Sub Total	690,282	613,166	77,116	1,176,840
861,420	Expenses:	Operating costs	875,232	871,557	(3,675) -0.4%	1,697,884
-		Legal fees	101,517	100,000	(1,517)	120,000
-		less Transfer to Reserves	0	0	-	0
861,420		Sub Total	976,749	971,557	(5,192)	1,817,884
\$219,529		Net Cost - Rates Required	\$286,467	\$358,391	71,924	\$641,044
PARKING CONTROL						
140,612	Income:	Meters & Fines	74,316	95,758	(21,442) -22.4%	215,511
107,480	Expenses:	Operating Costs	113,546	110,640	(2,906) -2.6%	221,282
-		Tsf to reserves	0	0	-	0
107,480		Sub Total	113,546	110,640	(2,906)	221,282
(33,132)		Operating (Surplus)/Deficit	39,230	14,882	24,348	5,771
-		Loan Repaymt (net)	0	0	-	0
(\$33,132)		Net Cost - Rates Required () = surplus	\$39,230	\$14,882	(24,348)	\$5,771
ANIMAL CONTROL						
385,250	Income:	Dog registrations & Pound fees	386,646	386,200	446 0.1%	395,530
-		Grant Income	0	0	-	0
703		Transfers from Reserves	526	0	526	30,000
385,954		Sub Total	387,172	386,200	972	425,530
250,236	Expenses:	Operating costs	265,588	265,125	(463) -0.2%	512,395
-		less Depn not rated	-	-	-	-
156,797		less Transfer to Reserves	121,209	124,694	3,485	0
\$21,080		Net Cost - Rates Required	(\$375)	\$3,619	\$3,994	\$86,865

2019/20 6 months	MASTERTON DISTRICT COUNCIL Operating/Funding Statements 2020/21 6 months YTD	2020/21 6 months	Plan 6 months	Variance	2020/21 Full Year Plan
EMERGENCY MANAGEMENT					
17,386	Income: Recoveries	25,682	7,548	18,134	25,595
-	Transfers from Reserves	0	0	-	20,000
17,386	Sub Total	25,682	7,548	18,134	45,595
110,172	Expenses: Operating costs	142,079	128,760	(13,319)	289,526
2,500	less Transfer to Reserves	1,500	1,500	-	3,000
112,672	Sub Total	143,579	130,260	(13,319)	292,526
\$95,286	Net Cost - Rates Required	\$117,897	\$122,712	\$4,815 3.9%	\$246,931
Governance					
REPRESENTATION					
260,447	Income: Internal Allocation	264,533	264,534	(1)	529,066
1,016	Recoveries - election & governance	0	0	-	0
18,288	Transfers from Reserves	0	0	-	28,000
279,752	Sub Total	264,533	264,534	(1)	557,066
240,635	Expenses: Councillors remuneration costs	253,498	262,750	9,252	391,092
131,038	Election costs	847	0	(847)	25,000
10,004	Consultation & publications	10,000	10,000	-	47,000
369,808	Other support costs	377,661	369,256	(8,405)	887,573
-	less Transfer to Reserves	0	0	-	0
751,484	Sub Total	642,006	642,006	(0)	1,350,665
\$471,732	Net Cost - Representation	\$377,474	\$377,472	(1) 0.0%	\$793,599
Internal Functions					
ROAD ENGINEERING CONSULTANCY					
386,377	Income: Internal recoveries	416,505	416,508	(3)	833,010
0	External recoveries	0	5,106	(5,106)	10,210
386,377	Sub Total	416,505	421,614	(5,109)	843,220
403,492	Expenses: Operating costs	437,074	433,512	(3,562)	843,220
-	less Transfer to Reserves	0	0	-	0
\$17,115	Net Cost - Rates Required	\$20,569	\$11,898	(8,671)	\$0

2019/20 6 months	MASTERTON DISTRICT COUNCIL Operating/Funding Statements 2020/21	2020/21 6 months	Plan 6 months	Variance	2020/21 Full Year Plan
ASSET & PROJECT MANAGEMENT					
694,571	Income: Internal recoveries	841,209	881,208	(39,999)	1,762,419
44,571	Corporate Services Apportionment	0	0		0
6,945	External recoveries	3,318	10,242	(6,924)	20,480
<u>746,087</u>	Sub Total	<u>844,527</u>	<u>891,450</u>	<u>(46,923)</u>	<u>1,782,899</u>
779,811	Expenses: Operating costs	878,235	926,969	48,734	1,782,899
<u>\$33,724</u>	Net Cost - Rates Required	<u>\$33,708</u>	<u>\$35,519</u>	<u>1,811</u>	<u>\$0</u>
CORPORATE SERVICES					
208,038	Income: Misc Income	318,783	308,298	10,485	636,339
400,221	Interest Income	363,340	433,800	(70,460) (16.2%)	867,599
-	Transfers from Reserves	0	0	-	35,000
<u>608,259</u>		<u>682,123</u>	<u>742,098</u>	<u>(59,975)</u>	<u>1,538,938</u>
471,584	Expenses: Administration	475,445	491,116	15,671 3.2%	967,119
735,333	Finance	839,383	824,310	(15,073) (1.8%)	1,627,469
434,826	Information Services	494,850	526,397	31,547 6.0%	859,841
331,594	Strategic Planning	524,178	546,454	22,276 4.1%	1,046,535
270,807	CE's Office	252,597	266,687	14,090 5.3%	534,250
305,063	Communications & Promotion	322,307	338,681	16,374 4.8%	669,413
228,684	Human Resources	296,729	319,634	22,905 7.2%	641,216
105,566	Vehicle fleet costs	114,253	108,986	(5,267)	217,973
206,504	Transfers to Reserves (interest)	232,966	192,500	(40,466)	385,000
<u>(2,485,285)</u>	Corporate Services Apportionment	<u>(2,704,939)</u>	<u>(2,704,944)</u>	<u>(5)</u>	<u>(5,409,878)</u>
<u>604,677</u>		<u>847,770</u>	<u>909,821</u>	<u>62,051</u>	<u>1,538,938</u>
<u>(\$3,582)</u>	Net Cost - Rates Required	<u>\$165,647</u>	<u>\$167,723</u>	<u>\$2,076</u>	<u>\$0</u>

CAPITAL EXPENDITURE STATEMENTS

CAPITAL EXPENDITURE	YTD	YTD Plan	YTD Variance	Full Year Plan	Forecast YE	
6 Months Year to Date	\$	\$		\$	\$	
Department / Project	31 December 2020	31 December 2020		2020/21	2020/21	Comments
Roading						
<u>Subsidised Roothing</u>						
Roothing renewals - rural	684,303	708,502	24,199	2,579,160	2,779,160	Predicted oversepnd on renewals, offset by underspend on maintance
Roothing renewals - urban	297,053	327,212	30,159	1,747,429	1,747,429	
Bridge renewals	3,874	5,000	1,127	115,000	115,000	
Footpath upgrading (incl reseals)	449,753	456,000	6,247	672,000	672,000	
Bridge - Waipoua river eastern bridge design	-	-	-	285,000	256,500	
Rural/Urban minor improvements	368,413	367,196	(1,217)	1,264,400	1,264,400	NZTA funds now approved - working on spending it all
Cycleways	-	-	-	70,000	70,000	
<u>Non- Subsidised Roothing</u>						
Car park seal renewals	12,426	10,000	(2,426)	407,206	619,000	Essex St carpark let to PCL start in March finish this year
Under verandah lighting	-	-	-	180,000	309,000	over spend as additional work identified
Gordon Street upgrade	-	-	-	400,000	0	To be carried fwd
Millard Ave - design	11,210	25,000	13,790	50,000	35,000	To go to detail design
CBD Recycling Bins	-	-	-	10,000	0	Masterton revamp
Town Centre upgrade	68,735	700,000	631,265	1,400,000	404,044	Masterton revamp
Neighbourhood Planning - provision	-	-	-	120,000	0	No current initiatives, funding to be carried forward
Carpark Lighting - safety initiative	42,208	42,000	(208)	60,000	42,208	Project complete
Total Roothing	1,937,974	2,640,910	702,936	9,360,195	8,313,741	

CAPITAL EXPENDITURE	YTD	Budget YTD	YTD Variance	Full Year	Forecast YE	
6 Months Year to Date	\$			\$	\$	
Department / Project	31 December 2020	31 December 2020		2020/21	2020/21	Comments
Water Services						
Water reticulation renewals	800,898	900,000	99,102	1,800,000	1,800,000	Projected to be spent
Water connection replacements	65,603	50,000	(15,603)	50,000	50,000	additional spend will end up coming from the water meter project
Reservoir upgrades	-	-	-	20,480	20,480	
WTP equipment renewals	54,576	40,000	(14,576)	40,000	40,000	
WTP building renewals	-	-	-	20,000	20,000	
Water meters - installation project	208,157	220,000	11,843	1,800,000	300,000	Install of majority of meters forecast to be completed. Additional laterals work will carry forward
Wainuioru water supply	6,525	7,000	475	50,000	50,000	
WTP - sludge handling upgrades	-	-	-	200,000	40,000	Design work, larger job in next year
Castlepoint water supply upgrades	3,433	-	(3,433)	-	0	
Opaki race consent renewal	-	-	-	50,000	50,000	Consent application will be done this year
Emergency package plant	33,819	50,000	16,181	100,000	100,000	
Millard Ave - design	1,050	10,000	8,950	20,000	1,050	
Total Water Services	1,174,061	1,277,000	102,939	4,150,480	2,471,530	
Wastewater Services						
Network Investigations	-	-	-	50,000	50,000	work scheduled
Wastewater Renewals	1,121,979	1,150,000	28,021	1,300,000	1,300,000	
WWTP equipment	162,481	155,000	(7,481)	310,000	310,000	
Homebush farm - irrigation	-	-	-	300,000	300,000	to be finished by July
Riversdale Beach - scheme renewals	22,996	35,000	12,004	70,000	70,000	
Castlepoint - scheme renewals	22,912	5,000	(17,912)	5,000	5,000	
Millard Ave - design	2,400	10,000	7,600	20,000	2,400	
Total Wastewater Services	1,332,768	1,355,000	22,232	2,055,000	2,037,400	
Stormwater Services						
Stormwater renewals	27,218	45,000	17,782	330,000	330,000	
Stormwater consent	-	-	-	52,000	52,000	to be complete by July
Urbanisation of Millard Ave	1,750	2,000	250	20,000	1,750	
Total Stormwater Services	28,968	47,000	18,032	402,000	383,750	
Solid Waste Services						
Landfill capping	-	20,210	20,210	40,420	0	
Transfer station renewals	-	25,000	25,000	50,000	0	
Total Solid Waste Services	-	45,210	45,210	90,420	-	

CAPITAL EXPENDITURE	YTD	Budget YTD	YTD Variance	Full Year	Forecast YE	
6 Months Year to Date	\$	\$		\$	\$	comment
Department / Project	31 December 2020	31 December 2020		2020/21	2020/21	
Community Facilities/Activities						
<u>Parks, Reserves & Sports fields</u>						
Q E Park - renewal project	9,886	9,126	(760)	90,250	90,250	will be spent
Upgrade structures incl playgrounds	19,427	27,500	8,073	275,000	225,000	
Henley Lake - Buildings upgrades	29,848	30,000	152	140,000	140,000	Pump station upgrade - underway now (Feb), on track to complete and spend all
Henley Lake - consent & upgrading	29,591	30,000	409	80,000	80,000	
Recreation Trails	-	-	-	124,200	124,200	Allocated to Waipoua bridge project
Parks & Open spaces - signage	-	-	-	4,042	4,042	
Street trees additions & replacements	-	-	-	16,750	16,750	
Recreational trails - extensions	30,282	32,232	1,951	124,462	124,462	McJorow trail extension completed. Balance allocated to Waipoua bridge project
Percys Reserve up-grade	42,556	50,000	7,444	50,000	50,000	
Henley lake overflow carpark - regrass	-	-	-	30,000	30,000	On track
Castlepoint seawall handrails	6,545	7,000	455	30,000	30,000	On track
Memorial Park upgrades	50,428	50,000	(428)	500,000	80,000	Detail design and consent application this year, added to next year Plan
Sports facilities building	19,658	25,000	5,342	250,000	250,000	Cladding work for April completion, delays due to supply chain issues
Colin Pugh Sports Bowl	114,609	110,000	(4,609)	110,000	114,609	No further work planned this year
Mauriceville Domain	5,523	-	(5,523)		0	
Skatepark upgrade	37,061	40,000	2,939	1,350,000	571,953	Projected spend by 30 June. Balance of project in 2021/22
Waipoua Cycle & pedestrian bridge	2,500	-	(2,500)	-	9,200	using budget from 8053251 & 8053258
	401,449	410,858	9,409	3,174,704	1,940,466	
<u>Conveniences</u>						
Public conveniences - incl Bannister St	10,648	10,000	(648)	20,000	20,000	On track to spend budget
Castlepoint Toilet Upgrade	237,573	125,000	(112,573)	250,000	237,573	Project completion this year
	248,221	135,000	(113,221)	270,000	257,573	
<u>Recreation Centre</u>						
Outdoor pools plant and upgrade	-	-	-	80,000	80,000	On track to spend all capital cost codes for THRC
Other plant & equipment	42,085	45,000	2,915	60,000	60,000	
Stadium renewals	-	-	-	30,000	30,000	
THRC - Interior renewals	348	1,000	652	70,000	70,000	
THRC - Exterior renewals	-	-	-	40,000	40,000	
	42,433	46,000	3,567	280,000	280,000	
<u>Cemeteries</u>						
Cemetery renovations & extensions	3,025	4,450	1,425	268,900	50,000	Project for development added to LTP
	3,025	4,450	1,425	268,900	50,000	
<u>District Building</u>						
Office equipment & systems	7,196	10,000	2,804	20,000	20,000	
Building upgrades	909	2,500	1,591	55,000	55,000	Vehicle compound - starting end March
Civic Centre - stage one design	45,702	45,000	(702)	250,000	61,328	Project now part of LTP
Queen street - leasehold improv.	-	-	-	15,000	0	on hold
Queen street - furn & fittings	-	-	-	7,000	0	on hold
	53,807	57,500	3,693	347,000	136,328	

CAPITAL EXPENDITURE	YTD	Budget YTD	YTD Variance	Full Year	Forecast YE	
6 Months Year to Date	\$	\$		\$	\$	comment
Department / Project	31 December 2020	31 December 2020		2020/21	2020/21	
<u>Housing for the Elderly</u>						
Interior equipment renewals	4,120	7,000	2,880	70,000	70,000	using for heatpumps
Window upgrades	-	-	-	50,000	50,000	using for heatpumps
Replace/renew roofs Panama	6,678	7,526	848	51,050	51,050	using for heatpumps
Upgrades and renewals	26,571	27,500	929	95,000	65,000	Not all will be spent
	37,369	42,026	4,657	266,050	236,050	
<u>Other Properties</u>						
Rental property upgrades	6,982	7,500	518	35,000	35,000	
Earthquake Strengthening	2,205	2,000	(205)	50,000	50,000	library building and assessments for Bowls & Pioneer
Rural halls upgrades	4,722	5,000	278	60,000	0	Rolled budgets into LTP
Asbestos removal - provision	84,091	84,000	(91)	320,000	140,000	Some work will be completed
Mawley Park - upgrades	10,366	12,500	2,134	65,000	65,000	Replacing electrical system for powered sites
	108,366	111,000	2,634	530,000	290,000	
<u>Library & Archive</u>						
Library - book stock renewals	79,062	90,000	10,938	180,000	180,000	
Library - computer & equipment replac	539	22,876	22,337	45,750	45,750	
Library - renewal furniture/fittings	990	5,500	4,510	15,500	15,500	
Library - Building upgrade - design	8,317	8,250	(67)	200,000	0	Part of the new Civic Facility review
Library - Learning Centre	14,363	-	(14,363)	-	0	
Archive - extension (incl. shelving)	-	-	-	125,000	0	Part of the new Civic Facility review
	103,271	126,626	23,355	566,250	241,250	
<u>Airport</u>						
Airport - runway light replacement	-	-	-	150,000	0	Deferred - pending runway project
Airport - runway development	12,405	20,000	7,595	1,160,000	40,000	Deferred - pending runway project
Airport regulatory (fencing misc.)	5,517	5,000	(517)	80,000	80,000	On-track to spend
Hanger area expansion incl services	159,243	165,000	5,757	420,000	420,000	Work underway
	177,165	190,000	12,835	1,810,000	540,000	
TOTAL Community Facilities/Activities	1,175,107	1,123,460	(51,647)	7,512,904	3,971,667	

CAPITAL EXPENDITURE	YTD	Budget YTD	YTD Variance	Full Year	Forecast YE	
6 Months Year to Date	\$	\$		\$	\$	Comments
Department / Project	31 December 2020	31 December 2020		2020/21	2020/21	
Wellbeings						
Economic Development & Promotion						
Christmas decorations	11,455	10,000	(1,455)	20,000	20,000	
Flag Trax	14,975	20,000	5,025	40,000	40,000	
Security camera renewals	-	-	-	50,000	0	
Street History Signage	-	-	-	10,000	0	
	26,430	30,000	3,570	120,000	60,000	
Regulatory Services						
Animal Control - equipment	765	10,000	9,235	20,000	20,000	
Animal Control - animal shelter (stage 1)	28,224	28,000	(224)	400,000	180,000	Project underway, majority to be spent in 2021/22
Animal & Bylaws Signage	-	-	-	10,000	0	
Building Control - equipment	-	-	-	14,000	14,000	
EM/CD Radios upgrade	2,106	2,000	(106)	58,000	58,000	
Env. Health - equipment	435	500	65	8,000	8,000	
Parking meter replacement	2,838	-	(2,838)	-	0	
	34,368	40,500	6,132	510,000	280,000	
Corporate Services						
IT equipment replacement	45,554	45,000	(554)	90,000	120,000	Server upgrade brought forward
GIS - aerial photography	2,428	2,762	334	25,525	25,525	
Pool Vehicle replacement	71,576	72,000	424	100,000	100,000	
	119,558	119,762	204	215,525	245,525	
Total	\$5,829,234	\$6,678,842	\$849,608	\$24,416,524	\$17,763,613	

To:	Audit and Risk Committee
From:	David Paris, Manager Finance
Endorsed by:	Kathryn Ross, Chief Executive
Date:	3 March 2021
Subject	Report to the Council on the Audit for the year ended 30 June 2020
FOR INFORMATION	
Recommendation:	That Audit & Risk Committee receives the Report on the Audit of Masterton District Council for the year ended 30 June 2020 attached to Report 028/21.

Purpose

To provide the Audit and Risk Committee with the final Report from Council's Auditors, Audit New Zealand on their audit of Council for the year ended 30 June 2020.

Executive Summary

The Council's auditors, Audit New Zealand, undertook their audit from 12 October 2020. They were onsite for two weeks and then completed some aspects of the work remotely. The Council adopted the audited Annual Report on 25 November 2020. The relaxation of the usual statutory deadline of 31 October 2020 was due to the impacts of COVID-19 on both the Council and the auditors resourcing.

The attached report of the auditor includes one new item. This relates to the infrastructural asset revaluation and the recommendations made by the valuers (WSP) in relation to improvements they will expect to see in the quality of Council's detailed asset data. A management comment has been provided. It refers to the Council's asset management plans and the improvement programme in place to improve the quality of the underlying data.

The report is attached (see Attachment 1).

**Report to the Council
on the audit of**

Masterton District Council

For the year ended 30 June 2020

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Key messages

We have completed the audit for the year ended 30 June 2020. This report sets out our findings from the audit and draws attention to areas where the Masterton District Council (the District Council) is doing well and where we have made recommendations for improvement.

This report should be read in conjunction with our 2019/20 interim audit findings that were included in our interim report to the Council (dated 3 November 2020). Our interim report included audit findings relating to areas of audit focus and progress against previous recommendations.

Audit opinion

We issued an unmodified audit opinion with the inclusion of an emphasis of matter paragraph to draw the readers' attention to the relevant notes in the annual report that describe the overall impact of Covid-19 on the District Council, which given the significance of the pandemic, is a standard addition to audit opinions issued on behalf of the Auditor-General for public entities with a 30 June 2020 balance date.

Matters identified during the audit

We have not identified any significant new audit issues to bring to your attention. We have raised one recommendation which is summarised in section 1.1 of this report.

Business risks and areas of focus

In our audit plan we identified areas that we consider to be a significant risk or specific areas of audit focus for the 2019/20 audit. They are as follows:

Impact of Covid-19: Since Covid-19 was declared a pandemic in the early part of 2020, it has had and continues to have an impact on the operations and financial results of the District Council.

The District Council prepared an assessment of the impact on its operations including, changes to internal controls, activities, financial and performance results, the assumptions around the fair value of assets and possible impairment. We have reviewed this assessment and related information.

We assessed the Council's disclosure in the financial statements and statement of service performance around these impacts and concluded that it was appropriate.

Revaluation of infrastructure assets: The District Council revalued its infrastructure assets for the 2019/20 financial statements. It used an independent external valuer to perform this work in accordance with the District Council's internal policies and the financial reporting framework.

We reviewed the valuation methodology used by the independent external valuer and assessed the methodology and underlying assumptions as reasonable. The independent valuer has raised recommendations for the District Council to work through for future valuations.

Thank you

We would like to thank the Council, management and staff for their assistance during the audit.

A handwritten signature in blue ink, appearing to read 'John Whittal', is positioned above the printed name.

John Whittal
Appointed Auditor
26 February 2021

1 Recommendations



Our recommendations for improvement and their priority are based on our assessment of how far short current practice is from a standard that is appropriate for the size, nature, and complexity of your business. We use the following priority ratings for our recommended improvements.

Priority	Explanation
Urgent	Needs to be addressed <i>urgently</i> These recommendations relate to a significant deficiency that exposes the District Council to significant risk or for any other reason need to be addressed without delay.
Necessary	Address at the earliest reasonable opportunity, <i>generally within six months</i> These recommendations relate to deficiencies that need to be addressed to meet expected standards of best practice. These include any control weakness that could undermine the system of internal control.
Beneficial	Address, <i>generally within six to 12 months</i> These recommendations relate to areas where the District Council is falling short of best practice. In our view it is beneficial for management to address these, provided the benefits outweigh the costs.

1.1 New recommendations

The following table summarises our recommendations and their priority.

Recommendation	Reference	Priority
Revaluation of property, plant and equipment The independent valuer has raised recommendations for the District Council to work through for future valuations. These recommendations should be implemented and monitored to ensure the valuations remain appropriate.	3	Necessary

1.2 Status of previous recommendations

Set out below is a summary of the action taken against previous recommendations. Appendix 1 sets out the status of previous recommendations in detail.

Priority	Priority			
	Urgent	Necessary	Beneficial	Total
Open	-	2	4	6
Implemented or closed	-	-	-	-
Total	-	2	4	6

2 Our audit report

2.1 We issued an unmodified audit report



We issued an unmodified audit report on 25 November 2020. This means we were satisfied that the financial statements and statements of service performance present fairly the District Council's activity for the year and its financial position at the end of the year.

We issued an unmodified audit opinion with the inclusion of an emphasis of matter paragraph to draw the readers' attention to the relevant notes in the annual report that describe the overall impact of Covid-19 on the District Council, which given the significance of the pandemic, is a standard addition to audit opinions issued on behalf of the Auditor-General for public entities with a 30 June 2020 balance date.

In forming our audit opinion, we considered the following matters. Refer to sections 3 and 4 for further detail on these matters.

- The risk of management override of internal controls.
- Asset revaluations and fair value assessment.
- Covid-19 Implications.

2.2 Uncorrected misstatements

The financial statements are free from material misstatements, including omissions. During the audit, we have discussed with management any misstatements that we found, other than those which were clearly trivial. There were no significant misstatements identified during the audit that required correcting.

2.3 Quality and timeliness of information provided for audit



Management needs to provide information for audit relating to the annual report of the District Council. This includes the draft annual report with supporting working papers. At the start of the audit we were provided with a good quality draft annual report, and supporting working papers.

We continue to recommend a review is completed over the annual report to consider whether some information can be removed, or adjusted, to make the annual report more concise and clear to the reader.

3 Matters raised in the Audit Plan



In our Audit Plan of District Council, we identified the following matters as the main audit risks and issues (Procurement, contract management and Civic centre development were reported in interim report):

Audit risk/issue	Outcome
The risk of management override of controls	
<p>There is an inherent risk in every organisation of fraud resulting from management override of internal controls. Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Auditing standards require us to treat this as a risk on every audit.</p>	<p>We updated our understanding of systems and controls over key financial systems within the District Council and related controls. During the final audit visit, we focused our substantive audit testing on inherently high-risk areas, including journal entries and accounting estimates. We did not identify any unusual or one-off transactions, including those with related parties for further evaluation.</p> <p>In completing our procedures, we did not identify any evidence of management override.</p>
Asset revaluations and fair value assessments	
<p>The District Council has adopted a policy to revalue its infrastructure and land and building assets on a cyclical basis. The District Council last revalued its infrastructure assets during the 2016/17 financial year, and land and buildings in the 2017/18 financial year.</p> <p>We understand that the Council will be revaluing their infrastructure assets in the 2020 financial year. The quality of the underlying asset information is a crucial part of these valuations, particularly given the 2018-28 LTP qualified audit opinion arising from the absence of reliable information on three-water infrastructure to forecast renewals expenditure.</p> <p>The risk is that the valuations do not appropriately reflect the depreciated replacement cost of the assets, through such factors as the adoption of inappropriate remaining lives and/or replacement costs, and incorrect asset quantities. As well as resulting in and inappropriate valuation, any over or</p>	<p>The District Council revalued its infrastructure assets for the 2019/20 financial statements. It used an independent external valuer (WSP) to perform this work in accordance with the District Council's asset data, internal policies and the financial reporting framework.</p> <p>We have reviewed the methodology used by the valuers (including assumptions applied and relevant factors considered) and confirmed these are appropriate and reasonable.</p> <p>The valuations were completed in line with the relevant accounting standard, PBE IPSAS 17 Property, Plant and Equipment.</p> <p>We have reviewed how the valuation results have been reflected in the District Councils financial statements and the associated disclosures in the annual report. We are satisfied that these comply with the requirements of PBE IPSAS 17 Property, Plant and Equipment and are fairly stated in the District Council's financial statements.</p> <p>From the work completed infrastructural assets were fairly stated however the</p>

Audit risk/issue	Outcome
<p>understatements of the valuations directly impacts depreciation and Council's rating requirements.</p> <p>The Council will need to complete its own quality assurance review of any valuations performed by external consultants.</p>	<p>independent valuer did raise recommendations for the District Council to work through for future valuations. We recommend that these recommendations should be implemented and monitored to ensure the valuations remain appropriate.</p> <p>Management comment</p> <p><i>The valuers recommendations relate to improving our data and information at the component level of the asset inventories. Staff will continue to work on improving the data and will implement the recommendations as part of our asset management plan improvement programme.</i></p> <p>Our review of the fair value assessments for those asset classes not revalued this year, confirmed that the carrying value of the assets was not materially different than the fair value of the assets.</p>

4 Public sector audit



The District Council is accountable to their local community and to the public for its use of public resources. Everyone who pays taxes or rates has a right to know that the money is being spent wisely and in the way the District Council said it would be spent.

As such, public sector audits have a broader scope than private sector audits. As part of our audit, we have considered if the District Council has fairly reflected the results of its activities in its financial statements and non-financial information.

We also consider if there is any indication of issues relevant to the audit with:

- compliance with its statutory obligations that are relevant to the annual report;
- the District Council carrying out its activities effectively and efficiently;
- the District Council incurring waste as a result of any act or failure to act by a public entity;
- any sign or appearance of a lack of probity as a result of any act or omission, either by the District Council or by one or more of its members, office holders, or employees; and
- any sign or appearance of a lack of financial prudence as a result of any act or omission by a public entity or by one or more of its members, office holders, or employees.

We did not identify issues in any issues to bring to your attention in relation these areas.

5 Useful publications



Based on our knowledge of the District Council, we have included some publications that the Council and management may find useful.

Description	Where to find it
Covid-19 Impact on Public Sector Reporting	
<p>The state of emergency in response to the Covid-19 coronavirus has significantly impacted most public sector entities. The consequences for the completion of annual reports and the annual financial statements are one part of this impact.</p> <p>We have developed a series of Bulletins in response:</p> <ul style="list-style-type: none"> • revaluations of Property, Plant and Equipment and investment property; • service performance reporting; and • financial reporting. 	<p>On our website under good practice.</p> <p>Link: Covid-19 bulletins</p>
Client updates	
<p>As part of our response to the Covid-19 situation, we developed online client updates to replace the in-person sessions that were cancelled.</p> <p>This year's material is accessible via video presentations on our website. You can explore the material at a pace that takes account of your busy schedule.</p> <p>The themes respond to challenges that our clients now face, such as planning for unexpected events or dealing with additional reporting requirements related to Covid-19 and climate change.</p>	<p>On our website under publications and resources.</p> <p>Link: Client updates</p>

Description	Where to find it
Model Financial Statements	
<p>Our Model Financial Statements reflect best practice we have seen. They are a resource to assist in improving financial reporting. This includes:</p> <ul style="list-style-type: none"> • significant accounting policies are alongside the notes to which they relate; • simplifying accounting policy language; • enhancing estimates and judgement disclosures; and • including colour, contents pages and subheadings to assist the reader in navigating the financial statements. 	<p>Link: Model Financial Statements</p>
Tax matters	
<p>As the leading provider of audit services to the public sector, we have an extensive knowledge of sector tax issues. These documents provide guidance and information on selected tax matters.</p> <p>This includes new guidance on the reduction in deferred tax on buildings that was reintroduced as part of the Covid-19 response package.</p>	<p>On our website under good practice.</p> <p>Link: Tax Matters</p> <p>Link: Reduction in deferred tax on buildings</p>
Client Substantiation File	
<p>When you are fully prepared for an audit, it helps to minimise the disruption for your staff and make sure that we can complete the audit efficiently and effectively.</p> <p>We have put together a tool box called the Client Substantiation File to help you prepare the information you will need to provide to us so we can complete the audit work that needs to be done. This is essentially a tool box to help you collate documentation that the auditor will ask for.</p>	<p>On our website under good practice.</p> <p>Link: Client Substantiation File</p>

Description	Where to find it
Long-term plans and consultation documents	
<p>Having audited long-term plans (LTPs) since 2006, we understand the significant effort that councils invest in preparing an LTP.</p> <p>We want to make the audit process for the 2021-31 LTPs and consultation documents as straightforward as possible, so we've put together some information to help councils to:</p> <ul style="list-style-type: none"> • understand our responsibilities and our main focus areas in the audit; • prepare better documents for their communities; and • develop project plans that make their LTP process go smoothly. 	<p>On our website under good practice.</p> <p>Link: Long-term plans and consultation documents</p>
Conflicts of interest	
<p>The Auditor-General has recently updated his guidance on conflicts of interest. A conflict of interest is when your duties or responsibilities to a public organisation could be affected by some other interest or duty that you have.</p> <p>The update includes a printable A3 poster, an animated video on predetermination and bias, gifts and hospitality, and personal dealings with a tenderer. There is also an interactive quiz.</p> <p>These can all be used as training resources for your own employees.</p>	<p>On the Office of the Auditor-General's website under 2019 publications.</p> <p>Link: Conflicts of interest</p>
Severance payments	
<p>Because severance payments are discretionary and sometimes large, they are likely to come under scrutiny. The Auditor-General has released updated good practice guidance on severance payments. The guide is intended to help public sector employers when considering making a severance payments to a departing employee. It encourages public organisations to take a principled and practical approach to these situations. The update to the 2012 good practice guidance reflects recent case law and changes in accounting standards.</p>	<p>On the OAG's website under 2019 publications.</p> <p>Link: Severance payments</p>

Description	Where to find it
Good practice	
<p>The OAG’s website has been updated to make it easier to find good practice guidance. This includes resources on:</p> <ul style="list-style-type: none"> • audit committees; • conflicts of interest; • discouraging fraud; • good governance; • service performance reporting; • procurement; • sensitive expenditure; and • severance payments. 	<p>On the OAG’s website under good practice. Link: Good practice</p>
Procurement	
<p>The OAG are continuing their multi-year work programme on procurement.</p> <p>They have published an article encouraging reflection on a series of questions about procurement practices and how processes and procedures can be strengthened.</p> <p>Whilst this is focused on local government, many of the questions are relevant to all types of public sector entities.</p>	<p>On the OAG’s website under publications. Link: Procurement article</p>

Appendix 1: Status of previous recommendations

Open recommendations

Recommendation	First raised	Status
Necessary		
<p>Procurement</p> <p>The District Council maintains appropriate documentation, proportionate to the value and risk of each procurement, to support evaluation of pre-conditions, and to demonstrate that conflict of interest management processes followed. Appropriate documentation is important to demonstrate that a robust process was followed, which supports accountability.</p>	Interim 19/20	<p>In progress.</p> <p>We will review progress against this during our 2021 audit.</p>
<p>Procurement Policy – staff training</p> <p>We recommend staff receive training on the updates to the Procurement Policy and policy requirements as soon as practicable.</p>	2016/17	<p>In progress.</p> <p>Management comment</p> <p><i>The 2017 policy remains under review. The Policy team of Council are looking to develop options to bring back to the Council to incorporate local and social procurement. Training will follow the policy's adoption of the updated policy.</i></p> <p>We will review progress against this during our 2021 audit.</p>
Beneficial		
<p>Contract Management – roading</p> <p>Management is due to update the roading Contract Management Plan (CMP), the update should ensure that the CMP reflects what the Council requires in terms of the frequency and content of reporting and meetings. Management should ensure that actual contract management is operating in line with the CMP.</p> <p>We also recommend that management complete a regular formal review of the contractor's performance using the quarterly contract performance evaluation template set out in the contract.</p>	Interim 19/20	<p>In progress.</p> <p>We will review progress against this during our 2021 audit.</p>

Recommendation	First raised	Status
<p>Contract management</p> <p>We recommend the District Council improves its contract management and reporting processes by implementing a standardised approach to contract management.</p>	2016/17	<p>In progress.</p> <p>Management comment</p> <p><i>The new Projects team will implement better project reporting and contractor management, with a move towards a more standardised contract management approach. The Council runs numerous contracts for a range of different services, each having their own specific requirements, deliverables and contract terms. A standardised approach will be a work in progress for some time.</i></p> <p>We will review progress against this during our 2021 audit.</p>
<p>Timeliness of reconciliations</p> <p>We recommend review of monthly bank, debtors and creditors reconciliations should occur before the end of the next month.</p>	2016/17	<p>In progress.</p> <p>Through our testing of reconciliations, we have found that most reconciliations have been prepared and reviewed before the end of the next month. However, we continued to identify instances where this was not the case.</p> <p>Management comment</p> <p><i>We have had a focus on improved timeliness. Bank recs are done daily (as the main control), rates & debtors' recs are done within the recommended timeframe, creditors' recs can sometimes be delayed. We now have improved Finance department capacity.</i></p> <p>We will review progress against this during our 2021 audit.</p>
<p>Review of annual report</p> <p>We recommend a review is completed over the annual report to consider whether some information can be removed, or adjusted, to make the annual report more concise and clear to the reader.</p>	2018/19	<p>In progress.</p> <p>We will review progress against this during our 2021 audit.</p>

Appendix 2: Disclosures

Area	Key messages
Our responsibilities in conducting the audit	<p>We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the financial statements and performance information and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001.</p> <p>The audit of the financial statements does not relieve management or the District Council of their responsibilities.</p> <p>Our Audit Engagement Letter contains a detailed explanation of the respective responsibilities of the auditor and the District Council.</p>
Auditing standards	<p>We carried out our audit in accordance with the Auditor-General's Auditing Standards. The audit cannot and should not be relied upon to detect all instances of misstatement, fraud, irregularity or inefficiency that are immaterial to your financial statements. The District Council and management are responsible for implementing and maintaining your systems of controls for detecting these matters.</p>
Auditor independence	<p>We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners, issued by New Zealand Auditing and Assurance Standards Board.</p> <p>In addition to the audit we have carried out engagements in the audit of the Debenture Trust Deed, which are compatible with those independence requirements. Other than the audit and this engagement, we have no relationship with, or interests in, the District Council.</p>
Fees	<p>The audit fee for the year is \$112,663, as detailed in our Audit Proposal Letter.</p> <p>Other fees charged in the period are \$4,000, for the 2019 Debenture Trust Deed review.</p>
Other relationships	<p>We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the District Council that is significant to the audit.</p> <p>We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with the District Council during or since the end of the financial year.</p>

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