



**Far North
District Council**



Te Kaunihera o Tai Tokerau ki te Raki

AGENDA

Ordinary Te Miromiro - Assurance, Risk and Finance Committee Meeting

Wednesday, 22 February 2023

Time: 9:30 am
Location: Council Chambers
Memorial Avenue
Kaikohe

Membership:

Kahika - Mayor Moko Tepania
Kōwhai – Deputy Mayor Kelly Stratford
Deputy Chairperson John Vujcich
Cr Ann Court
Cr Hilda Halkyard-Harawira
Cr Steve McNally
Cr Penetaui Kleskovic
Cr Tāmāti Rākena
Cr Felicity Foy
Cr Babe Kapa
Cr Mate Radich

Far North District Council
Ordinary Te Miromiro - Assurance, Risk and Finance Committee
Meeting
will be held in the Council Chambers, Memorial Avenue, Kaikohe on:
Wednesday 22 February 2023 at 9:30 am

Te Paeroa Mahi / Order of Business

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1 KARAKIA TIMATANGA / OPENING PRAYER

2 NGĀ WHAKAPĀHA ME NGĀ PĀNGA MEMA / APOLOGIES AND DECLARATIONS OF INTEREST

Members need to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to review the matters on the agenda and assess and identify where they may have a pecuniary or other conflict of interest, or where there may be a perception of a conflict of interest.

If a Member feels they do have a conflict of interest, they should publicly declare that at the start of the meeting or of the relevant item of business and refrain from participating in the discussion or voting on that item. If a Member thinks they may have a conflict of interest, they can seek advice from the Chief Executive Officer or the Team Leader Democracy Support (preferably before the meeting).

It is noted that while members can seek advice the final decision as to whether a conflict exists rests with the member.

3 NGĀ TONO KŌRERO / DEPUTATIONS

No requests for deputations were received at the time of the Agenda going to print.

4 NGĀ KŌRERO A TE KAHIKA / MAYORAL ANNOUNCEMENTS

5 REPORTS

5.1 COUNCIL FINANCIAL REPORT FOR THE PERIOD ENDING 31 DECEMBER 2022

File Number: A4062275

Author: Ajay Kumar, Acting Manager Accounting Services

Authoriser: Janice Smith, General Manager - Corporate Services

TE TAKE PŪRONGO / PURPOSE OF THE REPORT

To provide an overview and information on the current financial position and performance of the Far North District Council as at 31 December 2022.

TE WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

This report provides a summary overview, Statement of Financial Performance, Capital Performance and Borrowing and Investment reports.

NGĀ TŪTOHUNGA / RECOMMENDATION

That the Te Miromiro - Assurance, Risk and Finance Committee

receive the report Council Financial Report for the Period Ending 31 December 2022.

authorise to receive a quarterly financial report going forward as per the formal calendar.

authorise to receive a monthly financial report through a briefing paper outside the quarterly report.

TE TĀHUHU KŌRERO / BACKGROUND

This report provides financial information as at quarter ending 31 December 2022.

TE MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

The report is for information only.

NGĀ PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

There are no financial implications or budgetary provisions required as a result of this report.

NGĀ ĀPITIHINGA / ATTACHMENTS

- 1. Council Financial Report Dec 2022 (Pd6) FINAL - A4065410**  



Far North District Council

Council Financial Report

for the period ending **31-December-2022**

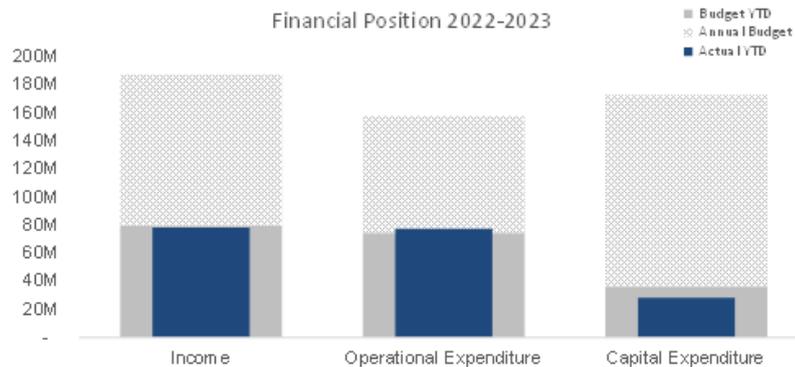
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Financial Overview

Key financial metrics from the Statement of Financial Performance for the Far North District Council as at 31-December-2022.



Year to Date

Actual Position as at 31-December-2022

	Actual YTD	Budget YTD	Variance to Budget YTD	% Variance Actual to Budget YTD
Total Income	78.3M	79.7M	- 1.4M	-2%
Operational Expenditure	77.5M	74.5M	3.0M	4%
Net Operating Position	0.9M	5.2M	- 4.4M	-83%
Capital Expenditure	28.4M	36.5M	- 8.1M	-22%

Year End

Forecast Position as at 30-June-2023

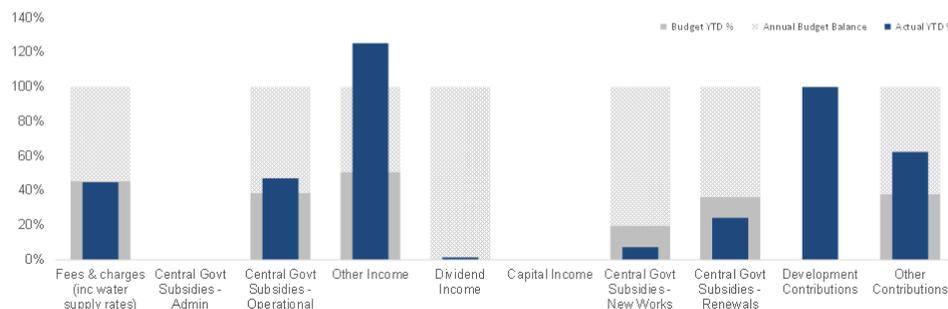
	Annual Forecast	Annual Budget	Forecast Variance to Budget	% Variance Forecast to Budget YTD
Total Income	176.6M	187.4M	- 10.7M	-6%
Operational Expenditure	156.7M	157.8M	- 1.2M	-1%
Net Operating Position	20.0M	29.5M	- 9.6M	-32%
Capital Expenditure	133.0M	172.8M	- 39.8M	-23%

**In the tables above and throughout this report, variances +/- 5% from budget are indicated as on track / green, anything outside this is red.*

Council Financial Performance – Income

Please note these figures relate to the Statement of Financial Performance controllable costs only, which excludes general rates and rates penalties.

Actual YTD	Budget YTD	Variance to Budget YTD	% Variance to Budget YTD	Annual Budget	Annual Forecast	Forecast Variance to Budget	% Forecast Variance to Budget
28.9M	29.7M	- 0.8M	● -3%	87.5M	76.7M	- 10.7M	● -14%



Highlights:

Fees & Charges

- Animal Control registration fees are over budget as the Animal Management team have been undertaking proactive dog registration follow ups to locate unknown and unregistered dogs.
- Resource Consents is behind budget due to the \$402K paid back to customers for not meeting statutory timeframes and the requirement to use a high number of consultants for processing.
- Building Consents applications received has been slowly declining, most likely due to inflation and rising interest rates.
- Income received from the Hokianga Ferry combined with the Government's reduced public transport fare scheme is funding the 50% shortfall.

Central Govt Subsidies – Operational

- Income has been received from Waka Kotahi (NZTA) for initial response repairs undertaken to damaged caused by the July and August 2022 storm. Waka Kotahi (NZTA) have approved funding to undertake design and investigations on the major repair works caused by the August 2022 storm and anticipate additional funding to be considered by Waka Kotahi (NZTA) once design have been approved.
- The TIF funded Paihia Wastewater Feasibility Study and Water Treatment Plant balance of funding has been accrued into this financial year 2022-23.

Other Income

- The balance of Grant funding for the Kawakawa Sewer Treatment Plant Creek Repairs and the Paihia Wastewater Feasibility Study, Moerewa Stormwater Improvements, Paihia Water Treatment Plant, Mayors Taskforce for Jobs project supporting the

displacement of employees due to Covid-19, and DIA funding for the Libraries van lease and APNK fees has been brought into this financial year 2022-23.

- Further operational grant funding has been received for the Mayors Taskforce for Jobs.
- DIA Better Off funding has been received for the 3-Waters transition support and 3-Waters Reform funding has been received for Entity A's asset management working group.
- Insurance claim received last financial year 2021-22 for damage caused by a vessel at the Omapere wharf during a storm in November 2020.
- Operational grant received from the Ministry of Business, Innovation & Employment (MBIE) under the Provincial Growth Fund (PGF) to support capital works for the Ngapipito and Ruapekapeka road sealing projects.
- Grant received from Ministry of Business, Innovation & Employment (MBIE) under the freedom camping initiatives to assist with the transition from the existing freedom camping system to new rules and regulations / bylaws over the 2022-23 summer period across the district.

Central Govt Subsidies – New Works

- Income have not been claimed for the Waipapa Sports Hub and Te Hiku o te Ika (revitalisation) projects funded by the Provincial Growth Fund (PGF) as the milestones have not been met. Coupled with budget classification of the income from planned Provincial Growth Funds (PGF) road sealing projects at Ruapekapeka, Ngapipito and Peria Roads are recorded as other contributions.
- Offset by income received from Waka Kotahi (NZTA) for road-to-zero projects across the district and Aucks Road resilience slip projects ongoing from last financial year 2021-22, income received in the previous financial year from Ministry of Business, Innovation & Employment (MBIE) for public toilet upgrade and enhancements at Waipapa, Waitangi Boat Ramp, Lake Manuwai, Te Paki Stream, and temporary portable toilets across the district has been brought into this financial year 2022-23.

Central Govt Subsidies – Renewals

- Unsealed road metalling, sealed road resurfacing, drainage renewals and bridges & structures renewals program of works are behind schedule with resources prioritised to attend the July and August 2022 storm damage repairs.
- On the other hand, income has been received for pavement rehabilitation works which is ahead of schedule intime for the summer holidays.

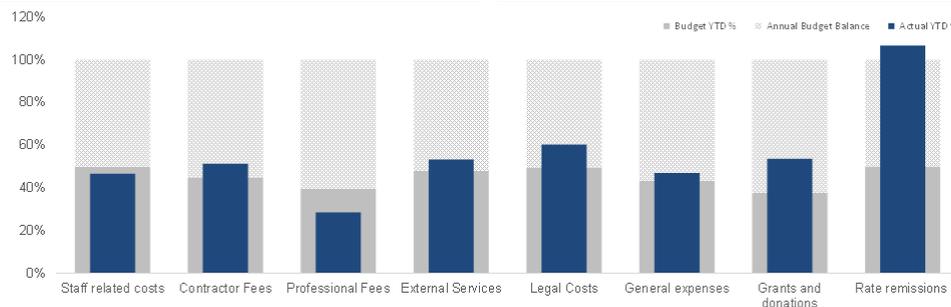
Other Contributions

- Planned Provincial Growth Funds (PGF) capital grant received for the road sealing projects at Ruapekapeka, Ngapipito and Peria Road which are classified as subsidies new works income in the 2022-23 budget.
- The balance of Grant funding for the Southern Animal Welfare Shelter has been accrued into this financial year.
- Income received for the round 6 Tourism Infrastructure Fund (TIF) from MBIE for Kaikohe Freedom Camping enhancement project.
- 3-Waters Reform projects are over budget, the final DIA claim has been received.

Council Financial Performance – Operational Expenditure

Please note these figures relate to the Statement of Financial Performance controllable costs only, which excludes allocations, interest costs, depreciation and other asset costs and gain/loss on disposal.

Actual YTD	Budget YTD	Variance to Budget YTD	% Variance to Budget YTD	Annual Budget	Annual Forecast	Forecast Variance to Budget	% Forecast Variance to Budget
55.0M	52.6M	2.4M	5%	114.1M	113.0M	- 1.2M	-1%



Highlights:

Staff related costs

- Resource Consents salaries are under budget due to staff vacancies.
- There have been some vacancies within Building Consents, as well as some internal staff movement, with staff 'acting up' in some roles. Roles have been filled internally with back-filling of vacated positions well underway.

Contractor Fees

- Resource Consents contract professional fees is over budget due to vacancies and increased application numbers, the team is largely dependent on contractors to undertake the work. This is partially offset by an income recovery account.
- Wastewater contractor fees were higher than expected, this is largely driven by multiple extreme weather events during July and August 2022.
- Maintenance works ongoing across the roading network mainly for the initial response repairs work caused by the July and August 2022 storm damage. Furthermore, delivery of bike skill program under the community programme category is also underway across the district.
- Economic Planning is under budget. The contribution to Northland Inc. for development of economic strategy has not been paid yet.

Professional Fees

- Stormwater Asset Condition Assessments are under budget, the contract was awarded in July and work has commenced in August, the budget is fully committed.
- Professional fees have not been utilised across Wastewater, however, commitments have been raised.

- Water Schemes professional fees are under budget but commitments have been raised. The Infrastructure professional fees have not been utilised.
- Professional fees are under budget for Climate Change. Spending is especially low due to staffing changes in 2022, although plans are in place to utilise the remaining budget, contracts are yet to be negotiated.
- These are offset by under recovery of the Northland Transport Alliance (NTA) professional services unit time charges and unbudgeted professional fees paid for infrastructure planning and consultants engaged for external funding applications.

External Services

- Wastewater Sludge Management spend is currently under budget. Works were planned to commence over the spring period, however, de-sludging has been delayed while we await consents from the NRC. Work is now expected to commence mid-January.
- Urban Stormwater is under budget. Costs are mainly reactive/unplanned and therefore budget timing is a factor for reporting purposes.
- Initial response repairs work is being undertaken caused by the July and August 2022 storm damage for which funding were approved by Waka Kotahi (NZTA).

Grant and Donations

- Community board grants released as per the resolutions. The unpredictable nature of this activity makes it difficult to set and time budgets accurately.

Rate Remissions

- Rate Remissions are primarily transacted in the first month for the whole year where ongoing remissions have been approved. Additional remissions are received during the year but the timing of these is unpredictable. The unpredictable nature of this activity makes it difficult to set and time budgets accurately.

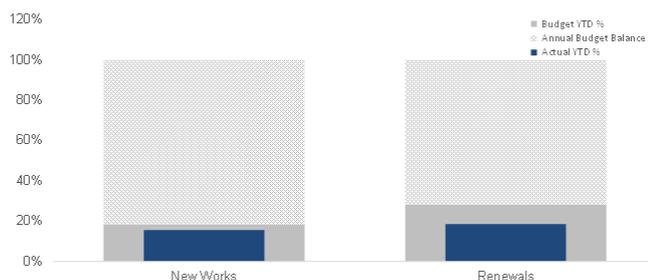
General expenses

- Insurance costs are over following renewal of the Council insurance policies.

Council Financial Performance – Capital Expenditure

These figures are direct from the Statement of Capital Performance.

Actual YTD	Budget YTD	Variance to Budget YTD	% Variance to Budget YTD	Annual Budget	Annual Forecast	Forecast Variance to Budget	% Forecast Variance to Budget
28.4M	36.5M	- 8.1M	● -22%	172.8M	133.0M	- 39.8M	● -30%



Highlights:

New Works

- Kerikeri Domain revitalisation, Waipapa Sports Hub and Te Hiku o te Ika (revitalisation) projects are ongoing from last financial year 2021-22.
- Planned Provincial Growth Funds (PGF) road sealing projects at Ruapekapeka, and Peria Road, Road-to-Zero (road safety) projects across the district and Resilience slip projects at Aucks Road, Manawaora Road, and Gills Road.
- Strategic properties were acquired for the Kerikeri Central Business District Bypass project as per the agenda item 8.6 public excluded Council resolution 2022/61 pursuant to its meeting dated 11 August 2022 and is unbudgeted.
- The Southern Animal Welfare Centre is ahead of budget. Cladding, roofing and joinery is all completed on the administration block. Prefabricated walls are up for the kennels. Onsite wastewater system installation has begun, and perimeter fence is nearing completion. The estimated completion date for the project is by the end of May this year.
- Monument Hill Drought Impact project is under budget, bore headworks and works on the treatment Plant occurred during October. Landowner agreements are currently being finalised. Covid lockdown and approval from the iwi have delayed the project delivery stage.
- Kaitaia New Source (Sweetwater) is under budget. Commissioning of bores are in process with investigations underway to determine solutions for turbidity and sand issues being experienced. The agreement to grant easement is being finalised.
- The MN10 Matawii Dam shares has not been paid.
- Kaikohe discharge Consent is under budget. Internal work is underway, external work is less than expected to date but will pick up later in the financial year.

- Kaitaia Resource Recovery Centre project for the extension of the transfer station building, has experienced initial delay in resourcing. However, contract has been awarded and funds are committed for completion in autumn.
- Various maritime projects are behind schedule:
 - Mill Bay which is out to tender and construction expected to start in April 2023
 - Omapere has completed however awaiting final invoicing
 - Additional work at Te Karaka jetty underway with no claims received as yet
 - Rangitane boat ramp project is on hold awaiting confirmation from the environmental court on the definition of what constitutes a wetland under the National Environmental Standards for Freshwater (NES-F) before consenting process can commence
 - Waipapa Landing carpark sealing project has complete however awaiting final invoicing
 - Mangonui boardwalk extension project is in tender process now with construction expected to commence in April 2023.
- Offset by land purchase at Opononi for public car and boat trailer park with the relocation of budget from Ratcliff Bay, Whangaroa as per Council resolution.

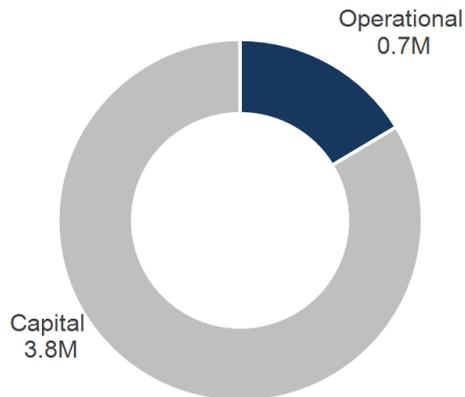
Renewals

- Unsealed road metalling, sealed road resurfacing, drainage renewals and bridges & structures renewals works are behind schedule with resources prioritised to attend the storm damage repairs, however pavement rehabilitation works is ahead of schedule for the summer holiday periods.
- The Rawene Resource Consent and Russell Wastewater Treatment Plant Pond Liner Replacement projects are under budget but fully committed.
- Renewal project for the Lake Ohia Hall in Taipa has been deferred to next financial year 2023-24.
- ICT server and storage renewals project is being scoped in view of the proposed realignment at FNDC with the option of moving into the cloud infrastructure.

Unbudgeted Expenditure

These are additional works not included in the original budget for the current year.

Unbudgeted work greater than \$100,000 must be approved by Council, anything less than that can be approved by a General Manager with appropriate financial delegation.



Unbudgeted Expenditure as at 31-December-2022

**Expenditure over \$100K approved by Council (in grey)*

Unbudgeted Operational		Amount
Water - IAF Kainga Ora Infrastructure	3 Waters Reform - Project Concept Design & Feasibility Costs	550,000
Building Consents (BCA)	Contract Professional Fees	500,000
Water - IAF Kainga Ora Infrastructure	3 Waters Reform - Project Concept Design & Feasibility Costs	84,000
Public Toilets	Repairs & Maintenance Buildings	27,600
Building Consents (BCA)	External Services	27,000
Halls	External Services	14,099
Animal Control	Expenses	11,188
Parks & Reserves	External Services	10,000
Building Consents (BCA)	Consultant Cost Recovery	-475,000
		748,887

Unbudgeted Capital Works		Amount
MN10 Matawii Dam Kaikohe	CAPEX New Works Contract Services	800,000
Remediation Costs 22 Karamea Road,	CAPEX Renewal Works Contract	660,000
Turner Centre Flood Risk Mitigation	Professional Fees	200,000
Kerikeri Squash Relocation	CAPEX New Works Contract Services	150,000
Awanui Township Stormwater -	CAPEX New Works Contract Services	100,000
Marreine Place, Whatuwhiwhi flood	CAPEX New Works Contract Services	100,000

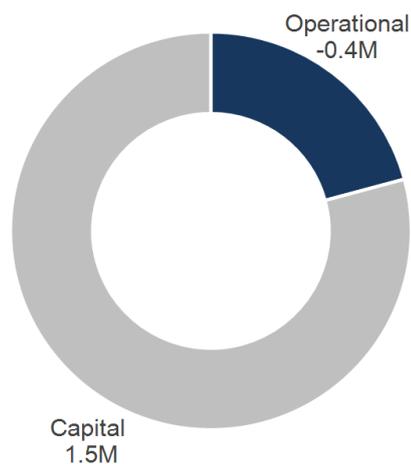
Opononi Resource Consent	CAPEX Renewal Works Licenses and	100,000
Kohukohu Resource Consent	CAPEX Renewal Works Licenses and	100,000
Ahipara Wastewater Analysis	Professional Fees	100,000
Kaikohe Wastewater Analysis	Professional Fees	100,000
Waitangi Boat Ramp Toilets (TIF)	CAPEX New Works Contract Services	80,000
13 Homestead Road Remedial Works,	CAPEX New Works Contract Services	49,453
Kerikeri Walkways	CAPEX Renewal Works Contract Services	41,500
Tree Management Eastern Ward	External Services	37,000
Bledisloe Domain	CAPEX Renewal Works Contract Services	30,954
CCTV Procter Library Kerikeri	CAPEX New Works Contract Services	24,572
Marino Place Kaikohe Toilet Renewals	CAPEX New Works Contract Services	24,000
Awanui Sportsground	CAPEX New Works Contract Services	23,824
Kaitaia Airport Security	CAPEX New Works Contract Services	20,000
Dog Pound Northern	CAPEX New Works Contract Services	14,990
Korora Park Trees	External Services	12,650
Mangonui Parks and Reserves	CAPEX New Works Contract Services	12,000
CCTV Paihia Library	CAPEX New Works Contract Services	11,915
Kaitaia Cemetery	CAPEX New Works Contract Services	10,701
CCTV Hokianga i-SITE	CAPEX New Works Contract Services	5,840
New Driveway 195 Puketona Road	CAPEX Renewal Works Contract Services	5,405
Kaingaroa Hall	CAPEX Renewal Works Contract Services	4,919
Moerewa Parks & Reserves	CAPEX New Works Contract Services	4,573
CCTV Rawene Service Centre	CAPEX New Works Contract Services	2,840
Hokianga i-Site Intruder Alarm System	CAPEX New Works Contract Services	2,107
Cobham Rd Public Toilets	CAPEX Renewal Works Contract Services	1,998
Awanui Township Stormwater -	General Separate Fund Withdrawals	-100,000
Kerikeri Squash Relocation	Recoveries	-150,000
Turner Centre Flood Risk Mitigation	General Separate Fund	-200,000
Remediation Costs 22 Karamea Road,	General Separate Fund Withdrawals	-660,000
		1,721,240

Unbudgeted Roding		Amount
Kerikeri Ring Road Development	CAPEX New Works Contract Services	2,000,000
Hall Road Streetlights - Arvida	CAPEX New Works Contract Services	60,000
Daroux Drive Unsealed Upgrade, Waipapa	CAPEX New Works Contract Services	37,900
Daroux Drive Unsealed Upgrade, Waipapa	External Services	8,000
		2,105,900
		<u>4,576,027</u>

Budget Movements

These are budgets timed in future years, brought forward into the current year (positive values) OR budgets timed in the current year to be moved out to future years (negative values).

The figures that follow exclude the \$5M Roothing budget adjustment moved out to future years to reflect the lower of FNDC or NZTA budget.



Budget Movements as at 31-December-2022

General Ledger	Comment	Amount
Parks & Reserves	Tfr to PR Tree Management	-1,000
Parks & Reserves	Tfr to PR Tree Management	-5,000
Parks & Reserves	Tfr to PR Tree Management	-34,000
Parks & Reserves	Tfr to PR Tree Management	-50,000
District Facilities Administration	Reforecast savings for Te Hiku Netball Project code 141729	-50,000
Infrastructure Project Delivery - Admin	Reforecast savings for Te Hiku Netball Project code 141729	-51,250
Parks & Reserves	Tfr to PR Tree Management	-60,000
Parks & Reserves	Tfr to PR Tree Management	-150,000
		-401,250

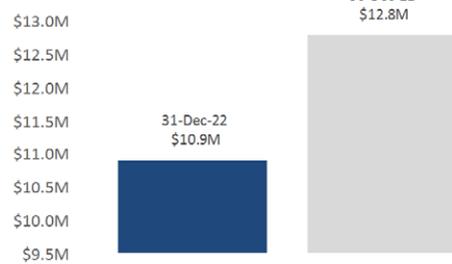
Project Ledger	Comment	Amount
Opua-Paihia Walkway Boardwalk	Opua-Paihia Walkway Boardwalk budget transfer from FY 24/25 into FY21/22	600,000
Kaikohe Streetscape UpGrade	Forecast LOS budget transferred from FY23/24 Kaikohe Streetscape	535,000
East Coast Adamson St Stormwater	Tfr from Future Budget GM Approved	175,000
Tree Management Eastern Ward	Tfr from Opex Approved by Nina Gobie	150,000

Russell Landfill Upgrade	Reforecast jrnal to decline russell landfill weighbridge grant	132,000
Te Hiku Sports Hub - Netball Courts	Forecast budget from Opex savings for Te Hiku Netball Court project	101,250
Kororipo Basin Building	Forecast Renewals Budget from FY45/46 Kororipo Basin - Plough & Feather	81,074
348a SH12 Omapere - stream culverting & pipe renewal	Reforecast SH12 Omapere Stream Culvert & Pipe Renewal	79,303
Tree Management Northern Ward	Tfr from Opex Approved by Nina Gobie	60,000
Tree Management Eastern Ward	Tfr from Opex Approved by Nina Gobie	50,000
Council Staff Transitional Housing	Forecast Budget movement from roading to purchase furnitures staff transitional	44,000
Tree Management WesternWard	Tfr from Opex Approved by Nina Gobie	34,000
Paihia halls renewals	Forecast budget for Paihia Hall Window Replacements from FY 25/26 into 22/23	30,000
Bledisloe Domain	Forecast Renewals Budget not carried forward Bledisloe Domain Lighting	23,661
Kerikeri Walkways	Reforecast journal for Charlies Rock walkway reinstatement	16,555
Marino Place Kaikohe Toilet Renewals (DFP0572)	Forecast Renewals budget transferred from FY24/25 for Marino Place toilets	12,000
Kerikeri Mainstreet Development	Forecast Renewals Budget from FY23/24 Kerikeri Irrigation	11,931
CCTV Procter Library Kerikeri	Reforecast CCTV Libraries & Service Centres	10,348
Parks & Reserves Eastern	Reforecast jrnal for tfer renewals budget Lily Pond Lane works	10,000
CCTV Paihia Library	Reforecast CCTV Libraries & Service Centres	9,700
Cobham Rd Public Toilets	Reforecast jrnal for Kerikeri Cobham Rd Toilet	8,122
Tree Management Northern Ward	Tfr from Opex Approved by Nina Gobie	5,000
New Driveway 195 Puketona Road	Unbudgeted expenditure 195 Puketona Rd Driveway Repair	4,500
Kaingaroa Hall	Unbudgeted expenditure Kaingaroa Hall replacement of water tank	3,840
Tree Management WesternWard	Tfr from Opex Approved by Nina Gobie	1,000
Hihi Discharge Consent	Remove Budget for Last Years Overspend	-3,162
Kohukohu Hall	Reforecast jrnal to reduce PR budget in 22/23 by overspent in 21/22	-13,385
HFTE Omapere, House Renovations	Reforecast jrnal to reduce PR budget in 22/23 by overspent in 21/22	-17,499
Hihi Discharge Consent	Remove Budget for Last Years Overspend	-19,918
Te Hiku Sports Hub - Clubroom Development	Reforecast jrnal to reduce PR budget in 22/23 by overspent in 21/22	-57,529
Russell Landfill Upgrade	Reforecast jrnal to decline russell landfill weighbridge grant	-200,000
Lindvart Park PGF Gymnasium	Reforecast jrnal to reduce PR budget in 22/23 by overspent in 21/22	-350,000
		1,526,791
		<u>1,125,541</u>

Treasury Report

Cash Position

Compared to same time last year



	31-Dec-22	30-Dec-21
ASB General Fund	\$ 3.7M	\$ 5.7M
ASB Special Funds	\$ 5.2M	\$ 5.1M
Investments	\$ 2.0M	\$ 2.0M
Total Cash	\$ 10.9M	\$ 12.8M

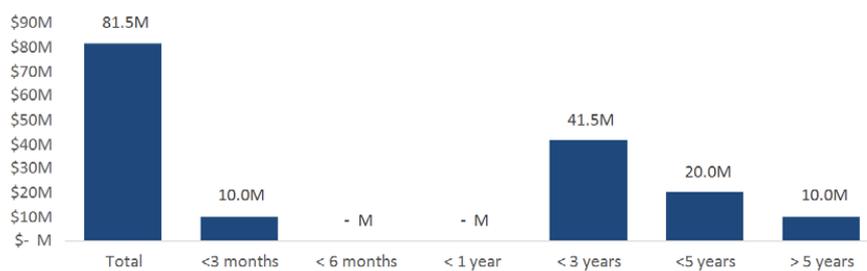
Banking Facility



Banking Facility	\$ 20.0M
Drawn down	\$ 10.0M
Available	\$ 10.0M

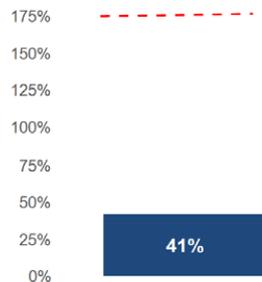
Public Debt

Loans by Maturity Date



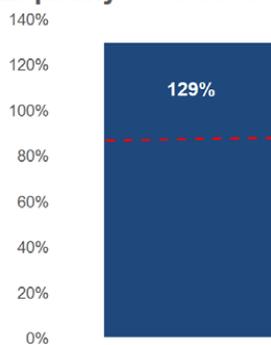
Treasury Compliance

Net Debt as a % of Revenue must be less than 175%



Net Debt	\$ 70.6M
Budgeted Total income	\$ 171.8M
Debt Ceiling	\$ 300.7M
Net debt as % total revenue	41%
Policy Maximum	134%

Liquidity - Access to funds must be greater than 110%



External Debt	\$ 81.5M
ASB Banking Facility	\$ 20.0M
ASB Banking Facility used	-\$ 10.0M
Total Committed Public Debt	\$ 91.5M
Liquid Investments Cash at Bank	\$ 10.9M
Liquid Investments ASB Overdraft Facility	\$ 3.0M
	\$ 105.4M
Access to Funds	129%
Policy Minimum	110%

Note: Total revenue is based on 2022/23 total forecast income excluding non government capital contributions (eg. developer contributions and vested assets).

Liquidity is defined as external debt + committed loan facilities + liquid investments, including bank overdraft facility, divided by existing external debt.

Statement of Financial Performance

for the period ending Dec 2022 (Pd6)

	Year To Date (\$000's)			Full Year (\$000's)						
	YTD Actual	Total Budget YTD	Variance	LTP Budget	Budget Brought Forward	Total Annual Budget	Actual vs Budget Variance	Actual vs Budget %	Total Annual Forecast	Forecast vs Budget Variance
Operational Income										
Rates - general (excl water supply rates)	48,816	48,919	103	97,839	-	97,839	49,022	50%	97,839	-
Rates - penalties	605	1,032	427	2,063	-	2,063	1,459	29%	2,063	-
Fees & charges (inc water supply rates)	8,961	9,076	116	19,907	-	19,907	10,946	45%	20,382	475
Central Govt Subsidies - Admin	-	-	-	-	-	-	-	0%	-	-
Central Govt Subsidies - Operational	7,551	6,185	1,366	15,800	212	16,012	8,461	47%	13,265	2,747
Other Income	2,765	1,127	1,638	1,978	230	2,208	557	125%	2,358	150
Dividend Income	20	-	20	1,300	-	1,300	1,280	2%	1,300	-
Capital Income										
Central Govt Subsidies - New Works	1,919	5,109	3,190	22,080	3,601	25,681	23,762	7%	13,794	11,887
Central Govt Subsidies - Renewals	4,013	6,000	1,987	12,974	3,509	16,483	12,470	24%	15,196	1,287
Development Contributions	9	-	9	-	-	-	9	100%	-	-
Other Contributions	3,674	2,243	1,426	-	5,884	5,884	2,210	62%	10,445	4,562
Total Operating Income	78,332	79,696	1,365	173,941	13,436	187,376	109,045	42%	176,642	10,734
Operational Expenditure										
Staff related costs	17,857	19,115	1,258	38,285	-	38,285	20,428	47%	38,331	46
Contractor Fees	18,822	16,468	2,354	36,691	-	36,691	17,869	51%	35,301	1,389
Professional Fees	3,374	4,669	1,295	11,728	101	11,829	8,455	29%	12,099	270
External Services	4,794	4,310	484	7,861	1,129	8,989	4,195	53%	9,060	70
Legal Costs	507	415	92	841	-	841	334	60%	841	-
General expenses	6,290	5,805	486	13,354	24	13,378	7,087	47%	13,175	202
Grants and donations	1,067	749	318	1,972	15	1,987	920	54%	2,023	36
Rate remissions	2,283	1,070	1,213	2,139	-	2,139	144	107%	2,139	-
Allocations (direct and indirect)	-	0	0	0	-	0	0	0%	0	-
Interest costs	1,009	1,344	335	2,688	-	2,688	1,679	38%	2,688	-
Sub total	56,004	53,944	2,060	115,559	1,288	116,827	60,823	48%	115,657	1,170
Depreciation and other asset costs	21,458	20,509	949	41,017	-	41,017	19,560	52%	41,017	-
Gain/Loss on Disposal	4	3	6	5	-	5	9	-71%	5	-
Total Operational Expenditure	77,458	74,455	3,003	156,581	1,288	157,849	80,391	49%	156,680	1,170
Net Operating Surplus	873	5,241	4,368	17,360	12,167	29,527	28,653		19,963	9,564

Statement of Capital Performance

for the period ending Dec 2022 (Pd6)

	Year To Date (\$000's)			Full Year (\$000's)						
	YTD Actual	Total Budget	Variance	LTP Budget	Budget Brought Forward	Total Annual Budget	Actual vs Budget Variance	Actual vs Budget %	Total Annual Forecast	Forecast vs Budget Variance
District Facilities	8,149	8,904	755	54,508	13,527	68,034	59,885	12%	43,135	24,899
Environmental Management	1,187	465 -	723	1,100	464	1,564	376	76%	1,579	15
Roading and Footpaths	12,922	14,527	1,605	37,905	16,846	54,751	41,829	24%	55,174	423
Wastewater	1,208	3,308	2,100	14,381	2,086	16,467	15,259	7%	8,283	8,183
Stormwater	827	1,307	480	5,179	1,032	6,211	5,384	13%	3,636	2,576
Solid Waste Management	70	646	576	1,133	622	1,755	1,685	4%	1,182	573
Water Supply	2,812	5,141	2,329	8,080	5,599	13,679	10,867	21%	9,708	3,971
Governance & Strategic Administration	905	1,915	1,010	4,668	2,393	7,061	6,156	13%	6,963	99
Customer Services	266	249 -	16	2,877	180	3,057	2,791	9%	3,135	79
Strategic Planning & Policy	33	51	18	124	63	186	153	18%	186	-
Total Capital Expenditure	28,378	36,513	8,135	129,953	42,812	172,765	144,387	16%	132,982	39,784

Analysis of Controllable Income and Expenditure by LTP Group

Income	Year To Date (\$000's)			Full Year (\$000's)						
	YTD Actual	Total Budget	Variance	LTP Budget	Budget Brought Forward	Total Annual Budget	Actual vs Budget Variance	Actual vs Budget %	Total Annual Forecast	Forecast vs Budget Variance
District Facilities	3,296	4,233	937	12,780	2,981	15,760	12,464	-21%	8,892	6,868
Environmental Management	3,547	3,511	-36	7,020	-	7,020	3,474	-51%	7,495	475
Roading and Footpaths	15,037	16,533	1,496	40,814	10,165	50,978	35,941	-29%	46,769	4,209
Wastewater	366	196	-170	255	68	323	43	-113%	323	-
Stormwater	100	-	-100	-	-	-	100	-100%	-	-
Solid Waste Management	726	1,022	295	2,175	-	2,175	1,449	-33%	2,043	132
Water Supply	4,369	3,489	-880	7,994	222	8,216	3,847	-53%	8,216	-
Governance & Strategic Administration	910	557	-353	1,199	-	1,199	289	-76%	1,199	-
Customer Services	265	205	-60	427	-	427	162	-62%	427	-
Strategic Planning & Policy	274	-	-274	75	-	75	199	-366%	75	-
Total Operating Income	28,891	29,745	855	72,738	13,436	86,174	57,283	34%	75,440	10,734

Operational Expenditure	Year To Date (\$000's)			Full Year (\$000's)						
	YTD Actual	Total Budget	Variance	LTP Budget	Budget Brought Forward	Total Annual Budget	Actual vs Budget Variance	Actual vs Budget %	Total Annual Forecast	Forecast vs Budget Variance
District Facilities	4,701	4,897	196	10,284	254	10,538	5,837	45%	10,565	27
Environmental Management	6,085	5,516	-569	11,059	-	11,059	4,974	55%	11,592	533
Roading and Footpaths	14,731	11,239	-3,492	28,946	194	29,139	14,408	51%	26,371	2,769
Wastewater	4,074	4,601	526	9,200	797	9,997	5,923	41%	10,186	189
Stormwater	749	1,607	858	3,247	-	3,247	2,498	23%	3,447	200
Solid Waste Management	2,312	2,492	180	5,083	-	5,083	2,771	45%	5,083	-
Water Supply	2,731	3,149	418	6,821	24	6,844	4,113	40%	7,478	634
Governance & Strategic Administration	14,149	12,486	-1,663	24,898	-	24,898	10,748	57%	24,940	42
Customer Services	2,539	2,696	157	5,563	-	5,563	3,024	46%	5,537	26
Strategic Planning & Policy	2,924	3,918	994	7,771	-	7,771	4,847	38%	7,770	1
Total Direct Costs	54,995	52,800	-2,395	112,870	1,268	114,139	59,144	48%	112,969	1,170

Capital Spend Analysis

Capital Spend Analysis

as at 31-Dec-2022

LTP Group	YTD (\$000's)		Full Year (\$000's)							
	YTD Actual	Commitments	LTP Budget	Carry Forward Budget	Total Annual Budget	Actual vs Budget %	Total Annual Forecast	Actual vs Forecast %	Forecast vs Budget %	Forecast vs Budget Variance
District Facilities	3,820	6,727	27,122	8,632	35,754	10.7%	23,783	16.1%	67%	(11,971)
Wastewater	1,208	2,082	14,381	2,086	16,467	7.3%	8,283	14.6%	50%	(8,183)
Water Supply	1,374	1,275	8,080	1,895	9,974	13.8%	6,003	22.9%	60%	(3,971)
Stormwater	827	1,659	5,179	1,032	6,211	13.3%	3,636	22.7%	59%	(2,576)
Solid Waste	70	535	1,133	622	1,755	4.0%	1,182	5.9%	67%	(573)
Project Delivery Team Subtotal	7,299	12,278	55,895	14,267	70,162	10.4%	42,887	17.0%	61%	(27,274)
Roading & Footpaths	10,001	15,532	35,754	13,147	48,901	20.5%	49,313	20.3%	101%	411
IAM Total	17,300	27,810	91,649	27,414	119,063	14.5%	92,200	18.8%	77%	(26,863)
Environmental Management	16	2	0	0	0	0.0%	15	107.4%	0%	15
Governance & Strategic Administration	905	1,076	4,668	2,393	7,061	12.8%	6,963	13.0%	99%	(99)
Customer Services	266	249	2,877	180	3,057	8.7%	3,135	8.5%	103%	79
Strategic Planning	33	0	124	63	186	17.8%	186	17.8%	100%	0
Other Total	1,220	1,327	7,669	2,636	10,304	11.8%	10,299	11.8%	100%	(5)
Sub Total	18,519	29,137	99,317	30,050	129,367	14.3%	102,499	18.1%	79%	(26,868)
DIA Projects										
Water Supply	1,438	1,749	0	3,705	3,705	38.8%	3,705	38.8%	100%	0
Wastewater	0	0	0	0	0	0.0%	0	0.0%	0%	0
Stormwater	0	0	0	0	0	0.0%	0	0.0%	0%	0
Total DIA Projects	1,438	1,749	0	3,705	3,705	38.8%	3,705	38.8%	100%	0
ESEO Projects										
District Facilities	4,329	5,451	27,385	4,895	32,280	13.4%	19,365	22.4%	60%	(12,916)
Environmental Management	1,171	1,417	1,100	464	1,564	74.9%	1,564	74.9%	100%	0
Roading & Footpaths	2,921	1,573	2,151	3,699	5,850	49.9%	5,850	49.9%	100%	0
Total ESEO Projects	8,421	8,442	30,636	9,057	39,694	21.2%	26,778	31.4%	67%	(12,916)
Total	28,378	39,328	129,953	42,812	172,765	16.4%	132,982	21.3%	77%	(39,784)

Comments:

The 'Total Annual Forecast' is what is expected to be spent by 30 June 2023.

The above completion % are based solely on the actual spend to 31-Dec-2022.

Capital spend Analysis by %

The picture below indicates the position if the commitments that are still to be completed are included in the calculations

Capital Spend Analysis

as at 31-Dec-2022

LTP Group	Actual + commitments against total forecast budget YTD Actual (%)
District Facilities	44.3%
Wastewater	39.7%
Water Supply	44.1%
Stormwater	68.4%
Solid Waste	51.2%
Project Delivery Team Subtotal	45.6%
Roading & Footpaths	51.8%
IAM Total	48.9%
Environmental Management	118.9%
Governance & Strategic Administration	28.4%
Customer Services	16.4%
Strategic Planning	17.8%
Other Total	24.7%
Sub Total	46.5%
DIA Projects	
Water Supply	86.0%
Wastewater	0.0%
Stormwater	0.0%
Total DIA Projects	86.0%
ESEO Projects	
District Facilities	50.5%
Environmental Management	165.5%
Roading & Footpaths	76.8%
Total ESEO Projects	63.0%
Total	50.9%

6 INFORMATION REPORTS

6.1 PEOPLE AND CAPABILITY QUARTERLY UPDATE: 1 OCTOBER - 31 DECEMBER 2022

File Number: A4064275

Author: Mia Haywood, People and Capability Data and Systems Specialist

Authoriser: Jill Coyle, Chief People Officer

TAKE PŪRONGO / PURPOSE OF THE REPORT

The purpose of this report is to present the Audit, Risk and Finance Committee with the quarterly update for People and Capability.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

Included in the report is information on:

- Staff Turnover.
- Exit Interviews and Analysis.
- Personal Grievances; and
- Disciplinary Actions and Costs.

TŪTOHUNGA / RECOMMENDATION

That the Te Miromiro - Assurance, Risk and Finance Committee receive the report People and Capability Quarterly Update: 1 October - 31 December 2022

TĀHUHU KŌRERO / BACKGROUND

This report will be presented to the Audit, Risk and Finance Committee on a quarterly basis.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

This report is Information only.

ĀPITIHINGA / ATTACHMENTS

1. **People Capability Turnover Report 1 October - 31 December 2022 - A4064269** [↓](#) 



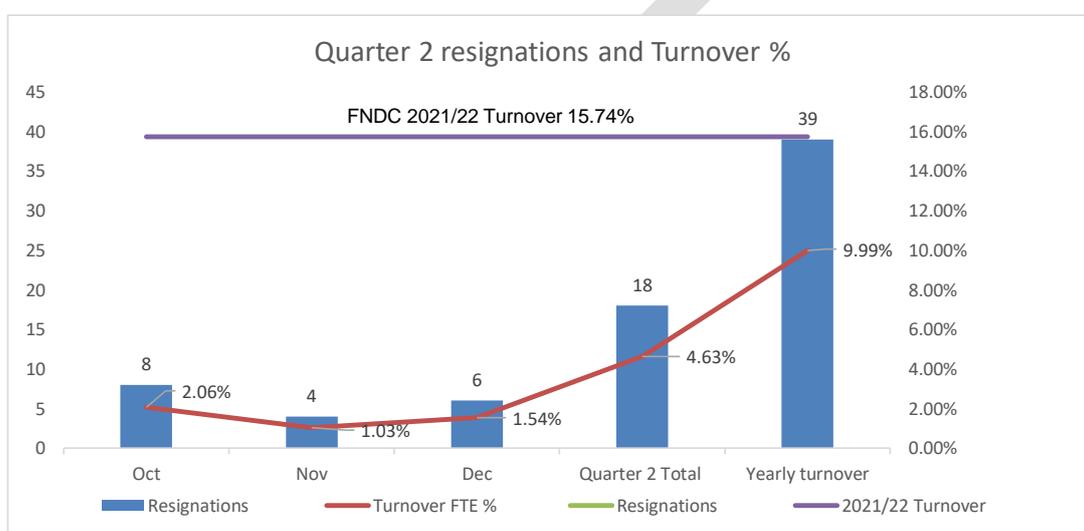
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 Memorial Ave, Kaikohe 0440
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 Phone 0800 920 029
 Phone 09 401 5200

People and Capability Report to Assurance, Risk and Finance Committee Period 1 October – 31 December 2022

Staff Turnover

During quarter two, eighteen staff left Far North District Council. This has resulted in a quarterly turnover rate of 4.63%. Our 2022-2023 turnover rate is currently 9.99%, comprised of 39 staff having left Far North District Council. For comparison, our 2021/2022 full year turnover rate was 15.75%, which was not dissimilar to other Councils around New Zealand, with some reaching 20%.

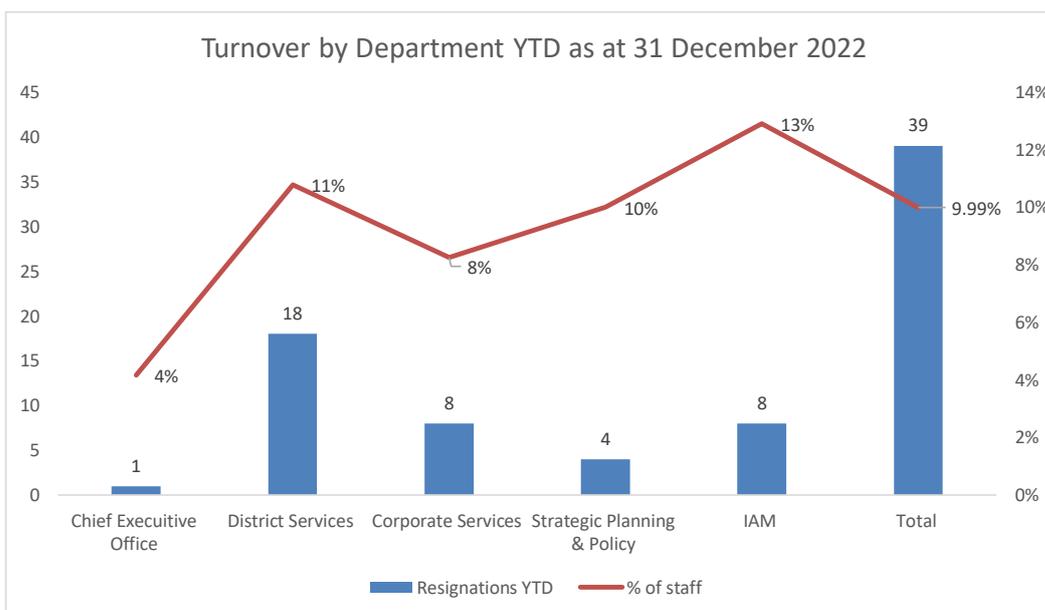
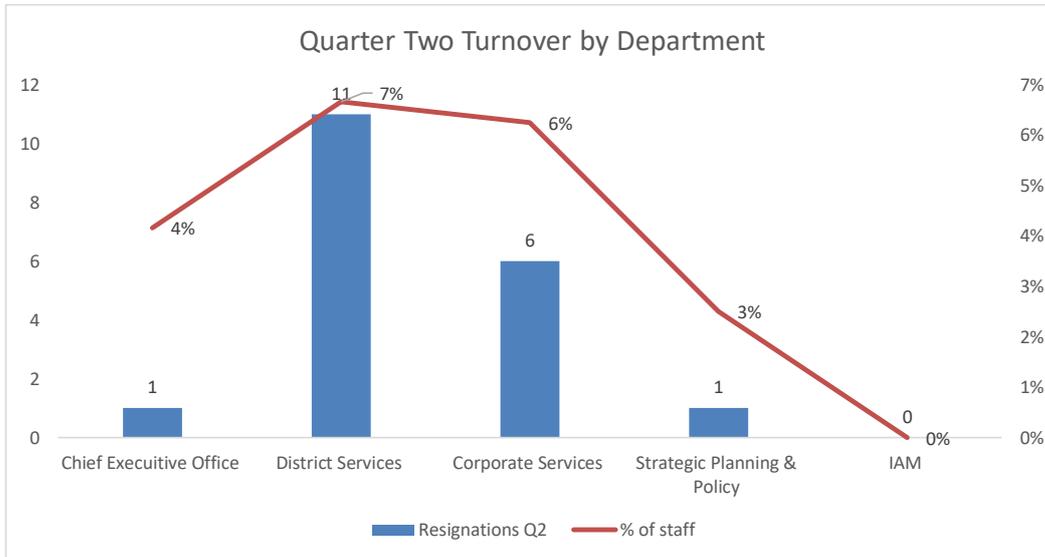


The District Services team has seen eleven staff members leave this quarter. These resignations are made up of the General Manager for District Services along with three of each from Building Services and Facilities Operations, two from Community & Customer Services and one each from Environmental Services and Monitoring.

Corporate Services had five team members leave this quarter. One resignation each from from Transformation & Assurance team and Business Intelligence & GIS, and three from the District Administration team.

Strategic Planning & Policy had one resignation from the District Planning Team.

Chief Executive Office has had one resignation from the Executive Office.



Exit Interviews and Analysis

The total number of survey responses for this financial year is nineteen, which equates to 49 % of staff that have left this financial year have completed the voluntary exit survey. Reviewing the Exit Survey responses provides us with valuable information on why staff are choosing to leave and highlights areas where we need to direct attention.

The following findings have been identified:

Top reasons to leave FNDC;

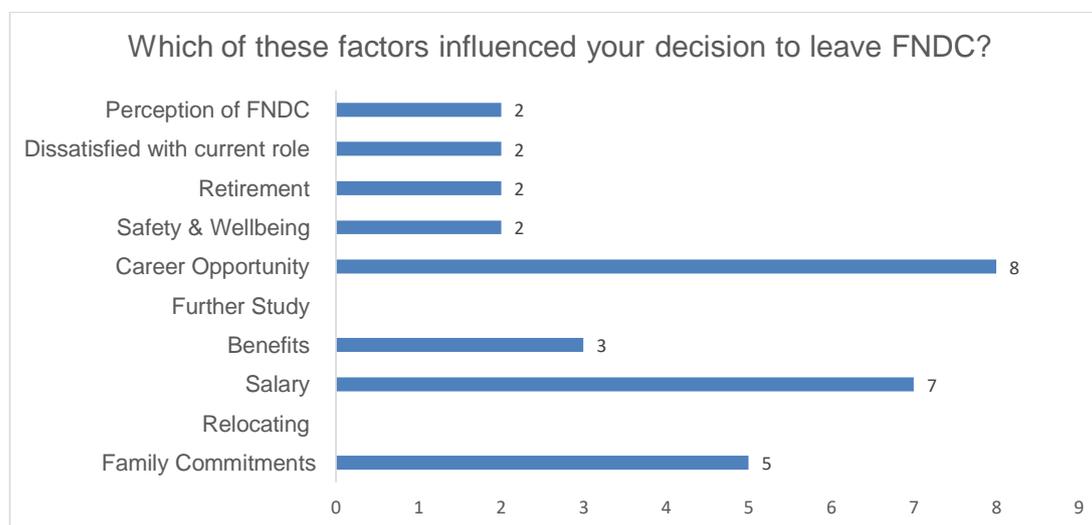
- Other Career Opportunity
- Salary
- Family Commitments

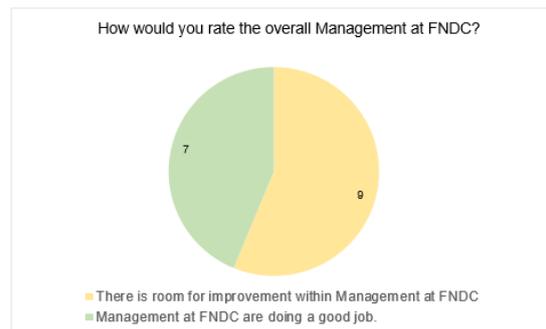
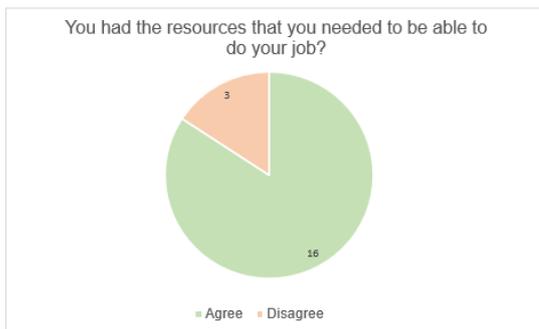
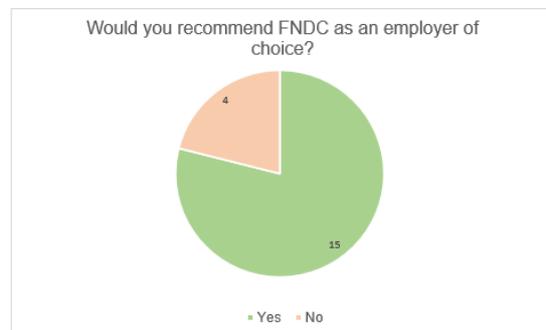
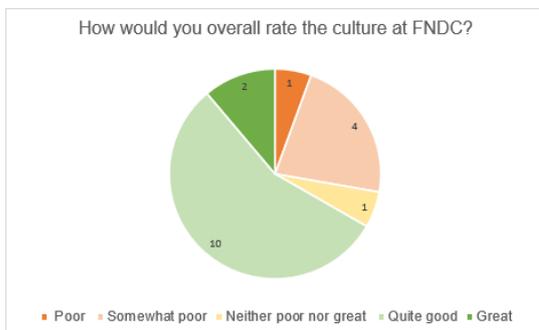
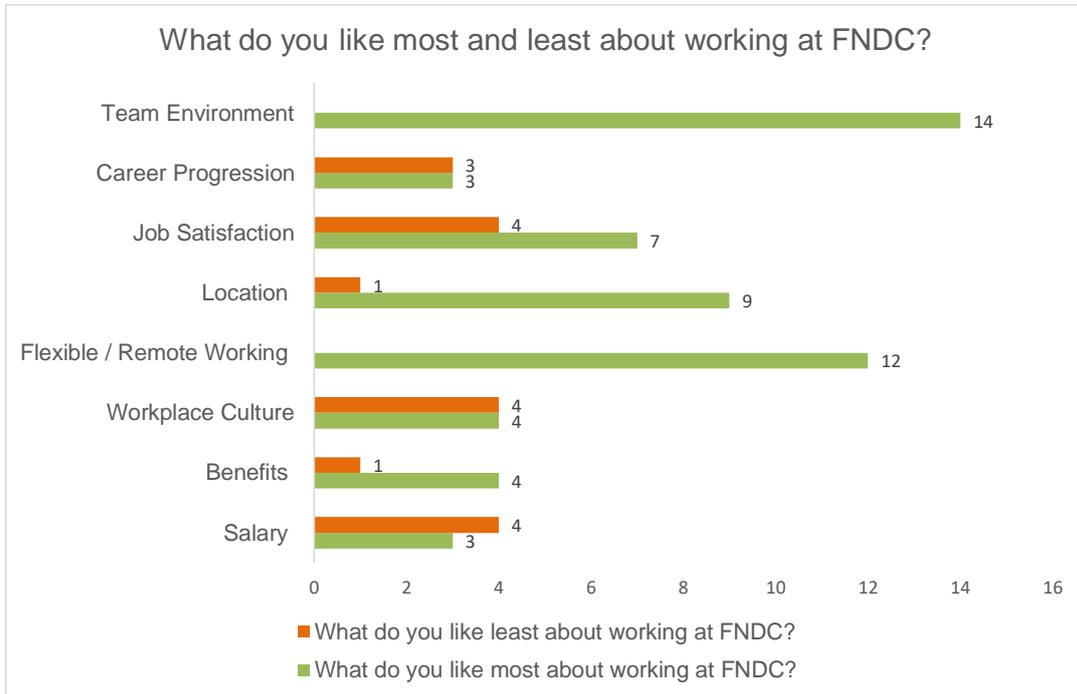
What staff liked most about working at FNDC:

- Team Environment
- Flexible/Remote Working
- Location

What staff liked least about working at FNDC:

- Job Satisfaction
- Salary
- Workplace Culture





It is pleasing to note that 79% of our survey responders recommend FNDC as an employer of choice, along with this 67% of survey responders rating FNDC’s culture to be “quite good” or “great”.

Personal Grievances

There have been no personal grievances for this quarter.

Retention and Recruitment Issues

As same as quarter one we are still having continuous issues around obtaining suitable talent, resulting in re-advertising roles specifically Infrastructure Planners, the Resource Consents Team and the Building Team. It is evident that we share the nationwide struggle to fill roles in these areas. People & Capability are using premium advertising to include "Award winning hybrid remote working". We are also liaising with both SEEK NZ and Linked In to potentially use their premium offerings to engage with future talent. Further advertising is now being undertaken nationally with the Ministry of Social Development, as well as being targeted locally in Kerikeri, Kaikohe and Kaitaia with the assistance of MSD's job matching team.

Stay Interviews

During Quarter two, seventeen stay interviews were carried out with staff in the Building Services team. The aim was to provide them the opportunity to share information in a confidential setting and to influence retention of our staff. These interviews lasted approximately 30 minutes each with a set list of questions.

Some points of interest from the interviews are as follows:

- Most interviewed staff applaud our Hybrid Working Model
- Council's remuneration package is not competing with the Building private sector, who can offer higher pay and has been expanding throughout the last year, needing more staff.
- Training opportunities has been a topic throughout more than half of the stay interviews conducted. There is a need to share expertise in-house through members of the team that excel in certain fields, and to be able to have the time allocated for training their peers.
- Extremely high workloads have been mentioned by some. This issue is only heightened by vacancies and tight statutory timeframes to issue Inspection Certificates.
- Staff indicated that they experience a positive culture within their peer groups.

Ongoing work will be carried out to support the Building Services team with recruitment and to influence the allocation of time to training opportunities.

Disciplinary Actions and Costs

During this period there have been no formal disciplinary processes.

6.2 REVENUE RECOVERY REPORT

File Number: A4070190

Author: Margriet Veenstra, Manager - Transaction Services

Authoriser: Janice Smith, General Manager - Corporate Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

The purpose of this report is to provide quarterly reporting to the Far North District Council Assurance, Risk, and Finance Committee.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

This is the first report for the financial year 2022-23 and provides information on action taken to collect the arrears balances for rates, water and sundry debt this year, and to provide information on how collection is tracking against targets.

TŪTOHUNGA / RECOMMENDATION

That the Te Miromiro - Assurance, Risk and Finance Committee receive the report Revenue recovery report.

TĀHUHU KŌRERO / BACKGROUND

This document has been prepared to outline the arrears balances for rates, water and Sundry debt as of 31 December 2022 and the actions taken by the debt management team for the collection of the General Title rates and water, and sundry debt.

This information is part of the standing items reported to the Committee on a regular basis.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

The data provided is for General Title and Māori Freehold Land rates and water accounts with sundry debtors shown in a separate table. Since the 1st of July 2022, the General Title rates total arrears balance has been reduced by 21.4% and water rates by 39.7%.

General Title rates and water debt

Key actions since the last report:

- Legal services team sent application to the courts for financial assessment for 10 properties where owners reside at the property, and no payments have been received since council received judgment. One of the properties has since been sold and another to be sold in February.
- Legal services team served statutory demand against one business and owner of many properties for overdue rates totalling \$211,312.70. Payment arrangement now in place and debt to be cleared by end of March 2023. A further business paid before statutory demand was served. *A statutory demand is notice demanding payment from a debtor where there is no reasonable dispute about the amount of the debt, or the fact that it is due. The debtor can either apply to set the demand aside, pay or come to an arrangement, if not the company is presumed insolvent and liquidation proceedings may be filed by the creditor.*
- Mortgage demand reporting and reviews of accounts completed. Pre-mortgage demand calling commenced for small financial institutions.
- Recruitment to replace two revenue recovery officers who moved to other positions in council at the start of the rating year. One new officer started 9 January and interviews for second officer to be completed by the end of January.

Next actions:

- Prepare and pass a further list of businesses with rates arrears to Legal Services team to serve statutory demand.
- Commence pre-mortgage demand calling 16 January 2023, one bank per week over a 5-week period, finishing 17 February 2023. Mortgage demand will be issued to the relevant bank at the end of each week.

For the total number of General Title rates accounts marked as 'Debt recovery action to commence':

- These are properties where there is no mortgage, and we do not have a payment arrangement or direct debit set up on the account.
- 46% of properties only have last year's rates in arrears and 22% have 2 years of arrears. Debt management will be contacting these owners by phone, email, or letter. Any water arrears will be picked up at the same time.
- 30% of these accounts have arrears of 3 or more rating years. Debt management will start the final demand process for these which can result in referral to Council's legal services team to commence legal proceedings.

Comparing Q2 last year to this year, arrears collection was up this quarter compared to the previous year, but we have seen a drop of current rates collected, similar to Q1 of this year. The number of properties receiving penalty notices this quarter increased by 15% compared to last year. Revenue recovery did make post instalment due date calls in November to owners who had not paid Q1 and Q2 instalments and majority had forgotten and subsequently paid. There appeared to be several businesses in the tourism sector with unpaid rates and we successfully trialled issuing statutory demand which we will continue with this year. We will continue to monitor rates accounts for businesses within the tourism sector for the next couple instalments, as it has been widely publicised that the industry is facing challenges due to staff shortage and recent bad weather events.

Maori Freehold Land rates and water debt

The rates debt has reduced by 2.08% since the start of the year of which 25% was for write-offs for properties which are non-rateable since the introduction of the Whenua Māori rating amendment law came in to affect. The water rates were reduced by 2.98% since the start of the year.

Sundry debtors debt

The total sundry debtors aged debt balance has increased since the start of the year due to a delay in payment for Ministry of Business, Innovation and Employment sundry invoices for which payment is expected by the end of January 2023.

The resource consent and building debt have remained at the same balance since 30 June 2022. The revenue recovery team continue to work with both teams to reduce this.

PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

Provision is made annually for doubtful debts in relation to the arrears owed to council. A higher provision for Maori Freehold land rates and water is made in comparison to General Title rates and water due to the difference in collection options available to Council.

ĀPITIHINGA / ATTACHMENTS

1. **31 December 2022 ARF Revenue recovery Report attachment - A4070132** [↓](#) 

General Title rates and water rates analysis by age at 31 December 2022

General Title Rates and Water Arrears 2022-2023							
General Title Rates - 31 December 2022	2021-2022	2020-2021	2019-2020	2018-2019	2017+	Total	# accounts
Abandoned Land	59,666	56,917	56,696	55,460	161,438	390,178	40
Payment Arrangement	89,519	13,218	10,654	4,448	2,542	120,381	54
Deceased Rate Payer	87,962	77,590	72,476	64,794	159,536	462,357	48
Mortgage Run 2022-23	1,124,308	389,560	79,529	48,164	66,925	1,708,485	647
Legal Action Commenced (external)	104,357	98,169	93,165	67,897	195,393	558,980	53
Legal Action Commenced (FNDC)	16,119	15,371	15,775	12,064	29,845	89,173	8
Liquidation	2,074	1,938	1,966	1,892	171	8,041	2
Direct Debit	137,837	39,438	21,689	11,708	8,591	219,263	105
Debt recovery action to commence	1,475,032	997,382	653,935	507,013	923,696	4,557,057	867
Rates Total	3,096,874	1,689,582	1,005,884	773,440	1,548,137	8,113,917	1,824
General Title Water 31 December 2022	2021-2022	2020-2021	2019-2020	2018-2019	2017+	Total	# accounts
Abandoned Land	-	-	-	-	-	-	-
Payment Arrangement	1,430	1,301	1,282	468	1,021	5,502	3
Deceased Rate Payer	10,051	11,689	26,763	21,266	24,327	94,097	10
Mortgage Run 2021-2022	198,361	90,420	55,804	45,020	26,883	416,488	369
Legal Action Commenced (external)	11,594	6,201	6,280	7,187	16,779	48,040	10
Legal Action Commenced (FNDC)	6,074	4,038	4,860	3,409	7,816	26,196	2
Liquidation	-	-	-	-	-	-	-
Direct Debit	63,914	26,591	16,283	4,529	12,564	123,881	119
Debt recovery action to commence	189,731	150,257	57,959	50,456	72,883	521,287	274
Water Total	481,154	290,498	169,232	132,335	162,273	1,235,491	787

Maori Freehold Land rates and water analysis by age at 31 December 2022

MFL Rates and Water Arrears 2022-2023							
MFL Rates 31 December 2022	2021-2022	2020-2021	2019-2020	2018-2019	2017+	Total	# accounts
Payment Arrangement	9,626	7,425	6,637	5,166	6,573	35,428	8
Deceased ratepayer	20,594	20,726	20,185	7,565	11,197	80,267	12
Direct debit	44,910	34,824	28,880	25,224	55,198	189,036	24
Abandoned Land	3,683	3,492	3,653	3,604	10,551	24,983	2
Debt recovery action to commence	2,169,261	2,068,720	1,997,971	900,431	2,336,611	9,472,995	1,266
Rates Total	2,248,074	2,135,188	2,057,327	941,990	2,420,129	9,802,708	1,312

MFL Water 31 December 2022	2021-2022	2020-2021	2019-2020	2018-2019	2017+	Total	# accounts
Payment Arrangement	-	-	-	-	-	-	-
Direct Debit	7,095	688	-	-	-	7,783	3
Debt recovery action to commence	48,011	68,034	49,848	53,732	95,655	315,280	43
Water total	55,106	68,721	49,848	53,732	95,655	323,062	46

Sundry Debtors by age at 31 December 2022

Sundry Debtors Aged Period Report as at 31 December 2022						
Category	30 Days	60 Days	90 Days	90 Days +	Total	% Debt
Sundry	197,679	611,894	17,163	81,859	908,596	52%
Bookings	4,243	-	-	4,035	8,278	0%
Septage	362	1,292	-	109	1,763	0%
Refuse	-	-	-	3,030	3,030	0%
Building	43,228	35,705	11,921	235,151	326,005	19%
Resource	65,970	29,371	37,754	268,019	401,113	23%
Liquor	3,496	4,060	3,243	2,966	13,765	1%
Health	4,883	4,443	5,631	80,304	95,260	5%
Total	319,860	686,764	75,712	675,474	1,757,810	100%

6.3 MAYORAL DISCRETIONARY FUND

File Number: A4072810

Author: Rhonda-May Whiu, Democracy Advisor

Authoriser: Jacine Warmington, Manager - Community and Customer Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

For Te Miromiro - Assurance, Risk and Finance Committee to note the quarterly expenditure from the Mayoral Discretionary Fund.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

Council policy requires the reporting from the Mayoral Discretionary Fund to the Committee. This report covers the quarterly period of 1 October to 31 December 2022.

TŪTOHUNGA / RECOMMENDATION

That the Te Miromiro - Assurance, Risk and Finance Committee receive the report Mayoral Discretionary Fund.

TĀHUHU KŌRERO / BACKGROUND

The Mayoral Discretionary Fund was established as a response to ongoing requests for financial assistance that are not eligible under existing funding avenues within Council, or are of an emergency assistance nature.

All decisions on funding are at the discretion of the Mayor.

In the interests of transparency for ratepayers, Council policy requires that the grants made are reported publicly.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

This report is for information only.

PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

The total fund is in the amount of \$20,000 excluding GST. The fund is to be included as a recurrent item in Council's annual operational budget.

ĀPITIHINGA / ATTACHMENTS

1. **Mayoral Discretionary Fund 1 October -31 December 2022 - A4077976**  

Mayoral Discretionary Fund 1 October -31 December 2022		
Applicants	Purpose of the funding	Amount funded
	Ōhaeawai Christmas Picnic 10 December 2022	\$ 800.00
Removed due to Privacy	Assistance with additional costs to attend the Prime Ministers Scholarship - 1 month educational trip to Brazil	\$ 1,000.00
	Assistance to attend the World Skate Games in Argentina	\$ 1,000.00
	Assistance for six teen members of CrossFit Kaikohe to attend Individual CrossFit Nationals in Cambridge	\$ 1,200.00

6.4 FNHL REPORTS 2022 – FINANCE, HEALTH & SAFETY AND RISK

File Number: A4087258

Author: Julia Lee, Senior Financial Accountant

Authoriser: Janice Smith, Group Manager - Corporate Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

To present the Far North Holdings Limited (FNHL) first quarter financial report, Risk Report Nov 2022 and H&S Quarterly Report 4th quarter 2022

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- These reports are for the first quarter for the financial year 2022/23.

TŪTOHUNGA / RECOMMENDATION

That the Te Miromiro - Assurance, Risk and Finance Committee receive the reports for FNHL Reports 2022 – Finance, Health & Safety and Risk.

- i) Management accounts.
- ii) Risk report.
- iii) H&S quarterly report.

1) TĀHUHU KŌRERO / BACKGROUND

The September 2022 first quarter financial report is the first report received for the current financial year.

The Risk and H&S quarterly reports are the first to be received by Council, in line with Letter of Expectation dated Dec 2021 and outlined in Statement of Intent 2022-25.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

Commentary on first quarter management accounts:

FNHL's financial performance is below budget primarily from the ongoing impacts of the global economy and resulting rapid rise of inflation and interest rates.

This is seen in the interest rate cover ratio. This ratio represents how many times the company can pay its obligations using earnings – it declined from 3.59 at 30 September 2021 to 1.45 at 30 September 2022, minimum ratio being 1.1.

Further, equity/asset ratio illustrates how the company pays for its assets, so the lower it is, the more debt the company has used to pay for them – it deteriorated slightly from 54.28% at 30 September 2021 to 53.4% as at 30 September 2022, permissible ratio of 50%.

Covid continues to hinder tourism in Northland, so rent relief is still being provided to the effected tenants, and further support is expected to be provided to those tenants that continue to be affected.

Building continues to progress well with the Ngawha Innovation and Enterprise Park, with:

- NorthTec internal linings currently at 75% complete, estimated completion is mid-December.
- Regent internal fit-out is 95%, with the inside of the building due to be completed mid-October, and external works expected end of September.
- Innovation Hub is progressing well, and is currently on schedule, with some external works having commenced.

- Corrections site has two building platforms completed, with slab construction due to start early October.

Community Housing Projects are progressing well, with three units having been completed and delivered to site at Te Hau Ora a Ngapuhi Kaikohe and framing for the next six units has commenced. At Ranfurly Street, Dargaville, resource consent has been lodged for stage one.

The Kaitaia Masterplan is due to be finalised and presented to Kaitaia Business Association and community Board in mid-November.

Other projects include the Merlin Labs Hangar at Kerikeri Airport to provide a new facility for an aviation software company.

Operating loss is double what was originally budgeted for, with \$365k loss actual versus \$123k budget. This is due to:

- Increase in Goods Sold, \$390k actual versus \$345k budget, an increase in 13% - due to higher-than-expected sales for fuel and boatyard operations.
- Increase in Inventories, \$378k actual versus \$326k budget, 16% - due to increased fuel costs, but this offsets the increase in Goods Sold above.
- Honey income is lower than expected \$14k actual versus \$22k, 35% decrease – reflects the wind down of the business due to ongoing adverse performance.
- Rental income is performing well against budget, \$1,030k actual versus \$904k budget, 14% increase – reflects increases in CPI adjustments to commercial properties, together with the Kamo Road property which has exceeded budgeted estimate.
- Employee benefit expenses are lower than budgeted, \$1,009k versus \$1,046k, 4% decrease - due to capitalisation of staff costs related to development projects, together with the current tight employment market causing difficulty in securing staff.
- Corporate overheads are significantly above budget, \$216k versus \$51k, 320% increase - multiple expenses being incurred during the first quarter which should level out throughout the year. These include Health & Safety, reflecting ongoing commitment to improving the work environment for staff and the public, Consulting and Computer costs due to structural and tax advice, and the pending relocation to Ngawha Innovation Park.
- Direct expenses from investment property, \$724k versus \$522k, 39% increase - primarily due to recruiting a temporary airport manager and 30% increase in insurance costs, and delays for repairs & maintenance from last year have now begun to catch up.
- Finance expenses, \$565k versus \$733k, 23% decrease – reflects delayed drawdown of financing facilities related to the Corrections and RSA projects. These will increase significantly as progress is made with these projects and the drawdown facilities utilised.

3) PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

There are no financial implications arising from these reports, they are information only reports.

ĀPITIHINGA / ATTACHMENTS

1. FNHL First Quarter Report 22.23 - A4087240 [↓](#) 
2. FNHL HS Qtrly Report 4th qtr 2022 draft v01 - A4087292 [↓](#) 
3. FNHL Risk Report Nov 22 - A4087291 [↓](#) 

Hōtaka Take Ōkawa / Compliance Schedule:

Full consideration has been given to the provisions of the Local Government Act 2002 S77 in relation to decision making, in particular:

1. A Local authority must, in the course of the decision-making process,
 - a) Seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
 - b) Assess the options in terms of their advantages and disadvantages; and
 - c) If any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water sites, waahi tapu, valued flora and fauna and other taonga.
2. This section is subject to Section 79 - Compliance with procedures in relation to decisions.

He Take Ōkawa / Compliance Requirement	Aromatawai Kaimahi / Staff Assessment
State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy	Not significant
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	Schedule 8 (3) of Local Government Act 2002
State whether this issue or proposal has a District wide relevance and, if not, the ways in which the appropriate Community Board's views have been sought.	NA
State the possible implications for Māori and how Māori have been provided with an opportunity to contribute to decision making if this decision is significant and relates to land and/or any body of water. State the possible implications and how this report aligns with Te Tiriti o Waitangi / The Treaty of Waitangi.	NA
Identify persons likely to be affected by or have an interest in the matter, and how you have given consideration to their views or preferences (for example – youth, the aged and those with disabilities).	NA
State the financial implications and where budgetary provisions have been made to support this decision.	NA
Chief Financial Officer review.	CFO has reviewed these reports.



First Quarter Report

For the three months ended 30th September 2022

In accordance with Part 5, Section 67 of the Local Government Act 2002 and Far North Holdings Limited ("FNHL") Statement of Intent for the three years to June 2024 the Directors hereby report on the activities of the company for the three months from 1st July 2022 to the 30th of September 2022.

FNHL's Statement of Financial Position and Statement of Financial Performance for the three months to 30th September 2022 are attached.

FNHL's financial performance is below budget primarily resulting from the on-going impacts on New Zealand's economy of the global economic condition and the resultant rapid rise in both interest rates and inflation. Despite this, FNHL continues to operate within its banking covenants with interest cover at 1.45 (minimum ratio of 1.1) and equity/asset ratio at 53.4% (permissible ratio of 50%).

Given the uncertainty with regards to the gloomy economic outlook FNHL will continue to exercise extreme prudence in its financial management whilst continuing to facilitate and develop commercial and infrastructural assets while supporting business growth in the Far North District. We remain on track to meet the Statement of Intent Financial Performance Targets for the 2022-2023 financial year.

Significant Variances

Significant variances are determined as variances over (+/-) \$25,000 and 10%.

Goods sold is above budget and attributable to fuel sales and boatyard operations turning over higher quantities than expected. Inventories are high due to increased fuel costs and also partially offsets this additional revenue. Honey income is lower than anticipated and reflects the wind down of the business due to the ongoing adverse performance.

Rental income shows an overall favorable budget position and primarily reflects increases in CPI adjustments to our commercial properties. This is coupled with the coming online of the Kamo Road property which has exceeded our budgeted estimate.

Employee benefit expenses are lower than the budget due to the capitalization of staff costs related to development projects coupled with the current tight employment market and difficulty in securing staff. Corporate overheads have significantly exceeded the budget as a result of multiple expenses being incurred during the first quarter so this should level out over the full year. Of note are Health & Safety costs which reflect our ongoing commitment to improving our work

environment for our staff and the public. Consulting and Computer costs are also increased due to structural and tax advice and our pending relocation to the Innovation Park.

Direct expenses from investment property are above budget. This increase is primarily due to costs associated with the airport with the employment of a temporary airport manager, as Stan Hansen departed for a new challenge, the cost of recruitment and an increase of over 30% in the company's insurance costs as being the major items of note. Repairs and maintenance work is also above budget as work has begun to catch up after last year's delays due to the difficulty in sourcing materials coupled with material and contractor price escalation.

Increased inventories reflect the significant cost escalation of fuel over the past six months and is not related to volume.

Finance expenses are below budget reflecting the delayed draw down of financing facilities related to the Corrections and RSA projects. It is anticipated this will significantly increase as we progress with these projects and draw on these facilities. Additional expenses will be incurred as we reset other facilities at higher interest rates upon maturity.

Project Updates

Ngawha Innovation and Enterprise Park

NorthTec building continues to progress well with internal linings now at 75% complete, plastering and painting underway, suspended ceilings being installed and electrical fit-out started. After COVID interruptions and material delay early on this building is tracking well and estimate completion mid-December.

Regent building floor coverings are now complete, internal fit-out for services is 95%, the inside of the building will be complete mid-October. Fencing of the yard and footpaths are due to start at the end of September.

Innovation Hub is progressing well with floor coverings, Riverwood linings and internal fit-out of services all on schedule. Some exterior works have been started with footpath and groundworks to the front side of the building underway and site drainage works completed.

Corrections site has the two building platforms complete, building contract has been signed and work to establish the builders onsite has begun with a view to start slab construction early October.

Community Housing Projects

Te Hau Ora o Ngapuhi Kaikohe Housing works have started in the factory and onsite, three units have been built and delivered to site and framing has started on

the next six units in the factory. The stage one platform is ready for slab foundation work to start, and the units delivered to site to be sited and connected.

Ranfury Street, Dargaville resource consent has been lodged for stage one of this development being a mix of two- and three-bedroom units arranged in rows of three or four units, and one-bedroom units arranged in fourplex walkup building with a total of 46 residential units on this site and stage two a potential 8-lot subdivision.

General projects

Kaitia Masterplan – work is continuing to finalise the masterplan with a presentation to Kaitia Business Association and Community Board planned mid-November.

Puketiti, Opua -The company is aware of the community feeling and on-going occupation and is looking at how this may be addressed.

Merlin Labs Hangar Kerikeri airport – Works have commenced on this project to provide a new facility for an aviation software company that is working on aviation technology related to plane operations. The new hangar will enable Merlin Labs to store their aircraft and to complete their software programming of the planes.

FAR NORTH HOLDINGS LIMITED

STATEMENT OF FINANCIAL PERFORMANCE
 For Three Months Ended 30 September 2022



	Actual	Budget	Budget vs Actual		Actual
	3 months to 30-Sep-22 \$	3 months to 30-Sep-22 \$	%	\$	3 months to 30-Sep-21 \$
Goods sold	390,396	344,691	13%	45,705	208,357
Services	1,941,057	2,080,019	-7%	(138,962)	1,791,233
Rental income	1,030,221	904,407	14%	125,814	918,278
Recoverables	186,300	176,954	5%	9,346	125,066
Commission	-	15,000	-100%	(15,000)	11,304
Other	14,147	21,900	-35%	(7,753)	111,836
Finance income	251	6,004	-96%	(5,753)	(6,334)
Total Revenue	3,562,372	3,548,975	0%	13,397	3,159,740
Employee benefit expenses	1,008,561	1,046,328	-4%	(37,767)	880,779
Director compensation	83,518	95,790	-13%	(12,272)	31,994
Corporate overheads	215,894	51,415	320%	164,479	98,299
Donations	5,226	21,750	-76%	(16,524)	22,808
Other operating expenses	697,844	675,296	3%	22,548	666,547
Direct expenses from investment property	723,631	522,378	39%	201,253	337,487
Inventories	378,109	326,430	16%	51,679	250,084
Impairment of receivables	-	-	0%	-	8,731
Depreciation and amortisation	249,547	198,861	25%	50,686	205,062
Finance expenses	564,709	733,385	-23%	(168,676)	291,482
Total Expenses	3,927,038	3,671,633	7%	255,405	2,793,273
Profit/(loss) for the period	(364,666)	(122,658)		(242,008)	366,467

FAR NORTH HOLDINGS LIMITED



STATEMENT OF FINANCIAL POSITION
As at 30 September 2022

	30-Sep-22	30-Jun-22	31-Mar-22	30-Sep-21
Equity				
Share capital	18,000,000	18,000,000	18,000,000	18,000,000
Reserves	11,796,471	9,460,801	9,524,802	9,961,398
Retained earnings	60,150,095	45,391,964	46,197,045	45,674,407
	89,946,566	72,852,765	73,721,847	73,635,805
Current Assets				
Cash and cash equivalents	1,018,716	288,217	28,792	5,480
Trade receivables & prepayments	3,127,856	2,378,199	3,318,797	1,971,776
Inventories	1,541,278	1,751,191	1,701,673	1,693,587
Other investments	442,534	485,804	578,352	573,768
Properties intended for sale	1,360,035	-	-	-
	7,490,419	4,903,411	5,627,614	4,244,611
Non Current Assets				
Intangible assets	100,000	100,000	100,000	100,000
Biological assets	341,275	1,184,150	1,184,150	1,184,150
Property, plant & equipment	32,513,126	27,626,176	26,920,114	25,376,569
Investment properties	126,161,157	110,522,334	106,200,860	102,772,790
Investments in equity accounted associates	1,232,203	1,232,203	1,232,203	1,232,203
Loans	665,000	665,000	665,000	665,000
	161,012,761	141,329,863	136,302,327	131,330,712
Total Assets	168,503,180	146,233,274	141,929,941	135,575,323
Current Liabilities				
Current Loans	14,000,000	10,500,000	10,500,000	-
Payables, accruals and income in advance	5,662,987	7,862,912	4,860,921	8,112,883
	19,662,987	18,362,912	15,360,921	8,112,883
Non Current Liabilities				
Loans	38,578,955	39,659,962	38,682,500	38,758,662
Deferred tax liability	3,428,132	3,334,213	3,334,213	3,334,213
Income in advance	16,886,540	12,023,422	10,830,459	11,733,762
	58,893,627	55,017,597	52,847,172	53,826,637
Total Liabilities	78,556,614	73,380,509	68,208,093	61,939,520
	89,946,566	72,852,765	73,721,847	73,635,803

Figures yet to be verified with Audit

COMPLIANCE CERTIFICATE

TO: **Bank of New Zealand** as Lender

This Compliance Certificate is given by the undersigned, being the directors of Far North Holdings Limited and is given pursuant to the facility document dated 13th July 2022.

Terms defined in the agreement have the same meaning herein.

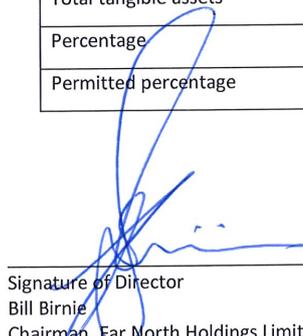
I certify on behalf of the borrower as at 30th September 2022 ("Reporting Date") that, to the best of our knowledge and belief, having made due enquiry:

- (a) No event of default, potential event of default or event of review has occurred which is continuing; and
- (b) The representations and warranties made in the transaction documents would be true and accurate in all material respects, and not misleading in any material respect, if repeated at the date of this compliance certificate.
- (c) No financial undertaking set out in the agreement has been breached at any time in, or in respect of, the period from 30th June 2022 to and including the reporting date; and
- (d) The amounts set out below are true and correct.

Calculations (as at the reporting date):

A. Interest cover and shareholder funds:

EBIT (A) rolling 12-month profit	\$2,507,698
Interest cost (B) Excluding interest capitalised to building projects	\$1,730,049
Ratio of A to B	1.45
Permitted ratio	1.10
Shareholder funds	\$89,846,566
Total tangible assets	\$168,403,171
Percentage	53.35%
Permitted percentage	50.00%


 Signature of Director
 Bill Birnie
 Chairman, Far North Holdings Limited

Dated: 14th November 2022

H&S Quarterly Report 4th Qtr 2022

FNHL has in place current health and safety policies and procedures to ensure the company meets its commitments to the health, safety and welfare of its employees, customers, visitors, and contractors. We strive for excellence in health and safety management, therefore, achieving operational effectiveness and business sustainability.

Ensuring a strong health and safety culture is a key part of our business strategy. The FNHL team expect open and honest, involvement and commitment to achieve a safe, healthy working environment and support the wellbeing of our employees, customers, visitors and contractors.

FNHL has embarked on a health and safety continuous improvement programme where goals and objectives are set and measured against. Our 2022/23 programme is tracking to schedule.

Key programme deliverables in the 4th quarter 2022 have been:

- Ongoing H&S training of staff,
- Implementation of our new H&S Management software system,
- H&S improvements to BOI Marina boatyard operations,
- Annual Risk Register reviews.

The main objective for this current year was to review, establish and continue embedding our management system processes with a strong emphasis on our critical risk controls.

The next year (2023) will continue with embedding our management system with a strong focus on raising competency across the organisation, contractor and visitor management along with launching a Wellbeing plan.



To: Far North District Council
Date: 21 December 2022
Subject: Risk Report

Purpose

The purpose of this paper is to provide FNDC with an overview of Far North Holdings Limited (FNHL) key risks, in accordance with the six-monthly reporting commitment in the Statement of Intent 2022 – 2025.

Executive Summary

This is inaugural risk report submitted to FNDC in line with additional reporting commitments within the current Statement of Intent.

This report outlines the top five risks identified through our risk identification processes, with monitoring and mitigation plans continuing to develop as new risk management processes are embedded throughout FNHL.

Background

FNHL and all wholly owned subsidiaries (the Far North Holdings Group) are committed to the application of risk management principles and processes across all business activities to support the achievement of our strategic and operating objectives. Given FNHL's increasing complexity and the current economic conditions, the Board has recently reviewed the company's risk management frameworks.

Following this review, we have formalised risk management processes and procedures to more effectively manage organisational risk, including the adoption of a Risk Management Policy in March 2022. This policy outlines the principles and approach towards managing risk at FNHL and is supported by an implementation plan over time to embed an appropriate risk management culture throughout the organisation.

Our policy supports a proactive, shared culture of risk identification, assessment, and action to ensure risk management is integrated into our operation across all levels of the organisation. This will require ongoing focus and resource, as we further develop our risk management capability and reporting within the organisation, and the Board is fully supported to this long-term commitment.

Risk Assessment – Top 5 Risks

Management has undertaken an updated assessment of risks. The top five risks include:

- Opuā Hilltop – Project Delivery / Reputation
- Debt Servicing
- Economic Conditions
- Political Risk
- Kaitiāia Airport

Further detail of these top five risks and current mitigation actions underway are further detailed in Table 1 below.

Table 1: Top Five Risks

Risk Description	Mitigation Action
Project Delivery / Reputation - Opuā Hilltop: Inability to deliver contractual commitments due to inability to get access to site and / or long-term occupation with potential for increasing public opposition and brand damage for FNHL / FNDC.	Contractual remedies available due to contract frustration under consideration, and / or seek to negotiate resolution with the owner to consider alternative land use and / or disposal. Continue open and regular communication with FNDC on a "no surprises" basis.
Debt Servicing: Inability to service level of debt with interest rates impact working capital availability, financial viability of particular investments and impact profitability.	Actively maintain robust financial forecasts to identify potential exposures and allow opportunity for remedial action. Action underway to dispose of non core / under performing assets and immediate Board / mgmt action to improve working capital availability. Cheaper funding alternatives under consideration.
Economic Conditions: Internal and economic conditions impact ability to operate profitability and within budgets, impacting FNHL's ability to meet SOI commitments (including dividend payments) to FNDC.	Robust financial forecasts maintained, with regular Board reporting and visibility to ensure immediate action taken to remedy forecast impact. Regular communication with FNDC on a "no surprises" basis to ensure shareholder and Councillors remain well-informed.
Political Risk: Change in local or central Government may result in significant change in direction of FNHL and / or organisational priorities and expectations.	Engage with / brief new Council upon election, regular governance to governance workshops and regular communication and respond to expectations through informal and formal SOI processes.
Kaitiāia Airport: Potential risk due to current ownership and restriction on ongoing maintenance spend.	Generally opportunity to rectify non-compliant work identified by FNHL as FNDC appointed airport managers but risk exists as the existing infrastructure continues to deteriorate. FNHL and FNDC pushing to resolve lease with the crown. FNHL Board to receive risk report in early 2023.

7 TE WĀHANGA TŪMATAITI / PUBLIC EXCLUDED

RESOLUTION TO EXCLUDE THE PUBLIC

RECOMMENDATION

THAT THE PUBLIC BE EXCLUDED FROM THE FOLLOWING PARTS OF THE PROCEEDINGS OF THIS MEETING.

THE GENERAL SUBJECT MATTER OF EACH MATTER TO BE CONSIDERED WHILE THE PUBLIC IS EXCLUDED, THE REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER, AND THE SPECIFIC GROUNDS UNDER SECTION 48 OF THE LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987 FOR THE PASSING OF THIS RESOLUTION ARE 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 FOR THE PASSING OF THIS RESOLUTION
<p>7.1 - CURRENT LEGAL PROCEEDINGS AND POTENTIAL LIABILITY CLAIMS</p>	<p>S7(2)(G) - THE WITHHOLDING OF THE INFORMATION IS NECESSARY TO MAINTAIN LEGAL PROFESSIONAL PRIVILEGE</p>	<p>S48(1)(A)(I) - THE PUBLIC CONDUCT OF THE RELEVANT PART OF THE PROCEEDINGS OF THE MEETING WOULD BE LIKELY TO RESULT IN THE DISCLOSURE OF INFORMATION FOR WHICH GOOD REASON FOR WITHHOLDING WOULD EXIST UNDER SECTION 6 OR SECTION 7</p>

8 KARAKIA WHAKAMUTUNGA / CLOSING PRAYER

9 TE KAPINGA HUI / MEETING CLOSE