



**Far North
District Council**



Te Kaunihera o Tai Tokerau ki te Raki

AGENDA

Assurance, Risk and Finance Committee Meeting

Friday, 22 May 2020

Time: 1:00 PM - 4:00 PM
Location: To be held electronically
via TEAMS

Membership:

Cr John Vujcich - Chairperson
Mayor John Carter
Member Bruce Robertson
Deputy Mayor Ann Court
Cr Mate Radich
Cr Kelly Stratford
Cr Moko Tepania

ASSURANCE, RISK AND FINANCE COMMITTEE - MEMBERS REGISTER OF INTERESTS

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Hon John Carter QSO	Board Member of the Local Government Protection Programme	Board Member of the Local Government Protection Program		
	Carter Family Trust			
John Vujcich (Chair)	Board Member	Pioneer Village	Matters relating to funding and assets	Declare interest and abstain
	Director	Waitukupata Forest Ltd	Potential for council activity to directly affect its assets	Declare interest and abstain
	Director	Rural Service Solutions Ltd	Matters where council regulatory function impact of company services	Declare interest and abstain
	Director	Kaikohe (Rau Marama) Community Trust	Potential funder	Declare interest and abstain
	Partner	MJ & EMJ Vujcich	Matters where council regulatory function impacts on partnership owned assets	Declare interest and abstain
	Member	Kaikohe Rotary Club	Potential funder, or impact on Rotary projects	Declare interest and abstain
	Member	New Zealand Institute of Directors	Potential provider of training to Council	Declare a Conflict of Interest
	Member	Institute of IT Professionals	Unlikely, but possible provider of services to Council	Declare a Conflict of Interest
	Member	Kaikohe Business Association	Possible funding provider	Declare a Conflict of Interest
Bruce Robertson (Deputy)	No Form Received			
Deputy Mayor Ann Court	Waipapa Business Association	Member		Case by case
	Warren Pattinson Limited	Shareholder	Building company. FNDC is a regulator and enforcer	Case by case
	Kerikeri Irrigation	Supplies my water		No
	Top Energy	Supplies my power		No other interest greater than the publics
	District Licensing	N/A	N/A	N/A
	Top Energy Consumer Trust	Trustee	Crossover in regulatory functions, consenting economic development	Declare interest and abstain from voting.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
			and contracts such as street lighting.	
	Ann Court Trust	Private	Private	N/A
	Waipapa Rotary	Honorary member	Potential community funding submitter	Declare interest and abstain from voting.
	Properties on Onekura Road, Waipapa	Owner Shareholder	Any proposed FNDC Capital works or policy change which may have a direct impact (positive/adverse)	Declare interest and abstain from voting.
	Property on Daroux Dr, Waipapa	Financial interest	Any proposed FNDC Capital works or policy change which may have a direct impact (positive/adverse)	Declare interest and abstain from voting.
	Flowers and gifts	Ratepayer 'Thankyou'	Bias/ Pre-determination?	Declare to Governance
	Coffee and food	Ratepayers sometimes 'shout' food and beverage	Bias or pre-determination	Case by case
	Staff	N/A	Suggestion of not being impartial or pre-determined!	Be professional, due diligence, weigh the evidence. Be thorough, thoughtful, considered impartial and balanced. Be fair.
	Warren Pattinson	My husband is a builder and may do work for Council staff		Case by case
Ann Court - Partner	Warren Pattinson Limited	Director	Building Company. FNDC is a regulator	Remain at arm's length
	Air NZ	Shareholder	None	None
	Warren Pattinson Limited	Builder	FNDC is the consent authority, regulator and enforcer.	Apply arm's length rules
	Property on Onekura Road, Waipapa	Owner	Any proposed FNDC capital work in the vicinity or rural plan change. Maybe a link to policy development.	Would not submit. Rest on a case by case basis.
Mate Radich	No form received			
Kelly Stratford	KS Bookkeeping and Administration	Business Owner, provides book keeping, administration and development of	None perceived	Step aside from decisions that arise, that may have conflicts

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
		environmental management plans		
	Waikare Marae Trustees	Trustee	Maybe perceived conflicts	Case by case basis
	Bay of Islands College	Parent Elected Trustee	None perceived	If there was a conflict, I will step aside from decision making
	Karetu School	Parent Elected Trustee	None perceived	If there was a conflict, I will step aside from decision making
	Maori title land – Moerewa and Waikare	Beneficiary and husband is a shareholder	None perceived	If there was a conflict, I will step aside from decision making
	Sister is employed by Far North District Council			Will not discuss work/governance matters that are confidential
	Gifts - food and beverages	Residents and ratepayers may 'shout' food and beverage	Perceived bias or predetermination	Case by case basis
Kelly Stratford - Partner	Chef and Barista	Opua Store	None perceived	
	Maori title land – Moerewa	Shareholder	None perceived	If there was a conflict of interest, I would step aside from decision making
Moko Tepania	Teacher	Te Kura Kaupapa Māori o Kaikohe.	Potential Council funding that will benefit my place of employment.	Declare a perceived conflict
	Chairperson	Te Reo o Te Tai Tokerau Trust.	Potential Council funding for events that this trust runs.	Declare a perceived conflict
	Tribal Member	Te Rūnanga o Te Rarawa	As a descendent of Te Rarawa I could have a perceived conflict of interest in Te Rarawa Council relations.	Declare a perceived conflict
	Tribal Member	Te Rūnanga o Whaingaroa	As a descendent of Te Rūnanga o Whaingaroa I could have a perceived conflict of interest in Te Rūnanga o Whaingaroa Council relations.	Declare a perceived conflict

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Tribal Member	Kahukuraariki Trust Board	As a descendent of Kahukuraariki Trust Board I could have a perceived conflict of interest in Kahukuraariki Trust Board Council relations.	Declare a perceived conflict
	Tribal Member	Te Rūnanga ā-Iwi o Ngāpuhi	As a descendent of Te Rūnanga ā-Iwi o Ngāpuhi I could have a perceived conflict of interest in Te Rūnanga ā-Iwi o Ngāpuhi Council relations.	Declare a perceived conflict
Mike Edmonds	Chair	Kaikohe Mechanical and Historic Trust	Council Funding	Decide at the time
	Committee member	Kaikohe Rugby Football and Sports Club	Council Funding	Withdraw and abstain

Far North District Council
Assurance, Risk and Finance Committee Meeting
will be held electronically, via TEAMS on:
Friday 22 May 2020 at 1:00 PM - 4:00 PM

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1 KARAKIA TIMATANGA – OPENING PRAYER**2 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 Committee 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 DEPUTATION

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

4 CONFIRMATION OF PREVIOUS MINUTES

4.1 CONFIRMATION OF PREVIOUS MINUTES

File Number: A2860745

Author: Marlema Baker, Meetings Administrator

Authoriser: Aisha Huriwai, Team Leader Democracy Services

PURPOSE OF THE REPORT

The minutes are attached to allow the Committee to confirm that the minutes are a true and correct record of previous meetings.

RECOMMENDATION

That the Assurance, Risk and Finance Committee confirms the minutes of the Assurance, Risk and Finance Committee meeting held 12 February 2020 as a true and correct record.

1) BACKGROUND

Local Government Act 2002 Schedule 7 Section 28 states that a local authority must keep minutes of its proceedings. The minutes of these proceedings duly entered and authenticated as prescribed by a local authority are prima facie evidence of those meetings.

2) DISCUSSION AND OPTIONS

The minutes of the meetings are attached.

Far North District Council Standing Orders Section 27.3 states that no discussion shall arise on the substance of the minutes in any succeeding meeting, except as to their correctness.

Reason for the recommendation

The reason for the recommendation is to confirm the minutes are a true and correct record of the previous meetings.

3) FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

There are no financial implications or the need for budgetary provision as a result of this report.

ATTACHMENTS

- 1. 2020-02-12 Assurance, Risk and Finance Committee Unconfirmed Minutes - A2847404**



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.

Compliance requirement	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	This is a matter of low significance.
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	This report complies with the Local Government Act 2002 Schedule 7 Section 28.
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.	It is the responsibility of each meeting to confirm their minutes therefore the views of another meeting are not relevant.
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.	There are no implications for Māori in confirming minutes from a previous meeting. Any implications on Māori arising from matters included in meeting minutes should be considered as part of the relevant report.
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).	This report is asking for minutes to be confirmed as true and correct record, any interests that affect other people should be considered as part of the individual reports.
State the financial implications and where budgetary provisions have been made to support this decision.	There are no financial implications or the need for budgetary provision arising from this report.
Chief Financial Officer review.	The Chief Financial Officer has not reviewed this report.

**MINUTES OF FAR NORTH DISTRICT COUNCIL
ASSURANCE, RISK AND FINANCE COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, MEMORIAL AVENUE, KAIKOHE
ON WEDNESDAY, 12 FEBRUARY 2020 AT 1.00 PM**

PRESENT: Cr John Vujcich, Mayor John Carter (HWTM), Member Bruce Robertson, Cr Ann Court, Cr Mate Radich, Cr Kelly Stratford, Cr Moko Tepania

1 APOLOGIES AND DECLARATIONS OF INTEREST

APOLOGY

COMMITTEE RESOLUTION 2020/1

Moved: Cr Kelly Stratford

Seconded: Member Bruce Robertson

That the apology received from His Worship the Mayor and Cr Mate Radich be accepted and leave of absence granted.

CARRIED

2 DEPUTATION

There were no requests for deputations for this meeting.

3 INFORMATION REPORTS

3.1 AUDIT MANAGEMENT REPORT FOR JUNE 2019

Agenda item 3.1 document number A2823691, pages 10 - 38 refers.

Audit New Zealand representatives David Walker and Trevor Rusling spoke to the report.

COMMITTEE RESOLUTION 2020/2

Moved: Cr John Vujcich

Seconded: Cr Kelly Stratford

That the Assurance, Risk and Finance Committee receive the report "Audit Management Report for June 2019".

CARRIED

3.2 REVENUE RECOVERY REPORT - FEBRUARY 2020

Agenda item 3.2 document number A2825732, pages 39 - 44 refers.

COMMITTEE RESOLUTION 2020/3

Moved: Cr Ann Court

Seconded: Cr Kelly Stratford

That the Assurance, Risk and Finance Committee receive the report "Revenue Recovery Report - February 2020".

CARRIED**3.3 INTERNAL AUDIT AND ASSURANCE REPORT**

Agenda item 3.3 document number A2826403, pages 45 - 47 refers.

COMMITTEE RESOLUTION 2020/4

Moved: Member Bruce Robertson

Seconded: Cr John Vujcich

That the Assurance, Risk and Finance Committee receive the report Internal Audit and Assurance Report.

CARRIED**3.4 RISK MANAGEMENT REPORT**

Agenda item 3.4 document number A2826762, pages 48 - 54 refers.

COMMITTEE RESOLUTION 2020/5

Moved: Cr Kelly Stratford

Seconded: Cr Moko Tepania

That the Assurance, Risk and Finance Committee receive the report Risk Management Report.

CARRIED**3.5 FINANCIAL REPORT FOR THE PERIOD ENDING 31 DECEMBER 2019**

Agenda item 3.5 document number A2827848, pages 55 - 55 refers.

COMMITTEE RESOLUTION 2020/6

Moved: Deputy Mayor Ann Court

Seconded: Cr John Vujcich

That the Assurance, Risk and Finance Committee receive the report "Financial Report for the period ending 31 December 2019".

CARRIED

The following two items were issues late under supplementary agenda. Members requested they instead be deferred to the 26 February 2020 Council meeting for consideration.

1. Level of Service KPI Quarter 1 and 2 Performance Report.
2. Building Consent Authority Accreditation.

4 PUBLIC EXCLUDED**RESOLUTION TO EXCLUDE THE PUBLIC****COMMITTEE RESOLUTION 2020/7**

Moved: Cr John Vujcich

Seconded: Deputy Mayor Ann Court

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
4.1 - Fraud Near Miss Report	s6(a) - the making available of the information would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial	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
4.2 - FNDC Current Legal Action Potential Liability Claims	s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	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
4.3 - Rate Arrears - Collection Options	s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	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

CARRIED

5 MEETING CLOSE

The meeting closed at 4.17 pm.

The minutes of this meeting will be confirmed at the Assurance, Risk and Finance Committee Meeting to be held on 22 May 2020.

.....
CHAIRPERSON

5 INFORMATION REPORTS

5.1 INTERNAL AUDIT AND ASSURANCE REPORT - MARCH 2020

File Number: A2856441

Author: Lisa Huria, Audit and Assurance Specialist

Authoriser: William J Taylor MBE, General Manager - Corporate Services

PURPOSE OF THE REPORT

To provide the Assurance, Risk and Finance Committee with an update on internal and external audit recommendations.

EXECUTIVE SUMMARY

This report provides an update on the number of internal and external audit recommendations that have been completed or are underway. Since the last report on 12th February, 14 further recommendations have now been completed.

RECOMMENDATION

That the Assurance, Risk and Finance Committee receive the Internal Audit and Assurance Report - March 2020.

BACKGROUND

Good progress has been made implementing recommendations from internal and external audits. There are plans in place to complete any outstanding recommendations.

Some highlights are:

- All General Non-Compliances identified in the IANZ Building Consent Authority Accreditation Assessment Report are now conditionally cleared.
- 21 out of 30 recommendations from the LGOIMA Compliance and Practice Audit Report undertaken by the Office of the Ombudsman have been put in place. Further progress will be made by the end of March 2020.
- The 2017 KPMG Procurement Audit Report recommended that we develop evaluation criteria for scoring attributes prior to the scoring of tender submissions. Anchored scales have now been introduced for some parts of the business where this approach is best used, e.g. roading maintenance and dust seal contracts. Anchored scales are based on objective facts that are closely linked to the components that will differentiate bidders based on the value for money they bring to the contract.
- The 2018 Annual Management Report from Audit New Zealand included a recommendation to assess whether resource consent bonds still meet the definition of a liability and if not; they should be released. The Environmental Services team designed a process to review the bonds and have now completed site visits to ascertain if resource consent conditions have been met. The final step in the process is currently underway.

Audit Name	Total Number of Recommendations	Recommendations Completed	Recommendations Underway
External Audit - KPMG - Procurement 2017	34	30	4
External Audit - Audit NZ - Annual Management Report - Interim 2017	18	17	1

Internal Audit - Information Security 2018	15	12	3
Internal Audit - Contract Management Review 2018	4	3	1
External Audit - Audit NZ - Annual Management Report - Final 2018	5	4	1
External Audit - Audit NZ - Annual Management Report - Final 2019	6	4	2
External Audit - Three Waters Interim Alliance Agreement Review	6	4	2
External Audit - LGOIMA Compliance and Practice Report - 2019	30	21	9
External Audit - IANZ – Building Consent Authority Accreditation Assessment Report 2019	11	11	N/A

FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

This report is for information only.

ATTACHMENTS

Nil

5.2 INTERNAL AUDIT AND ASSURANCE REPORT - APRIL 2020**File Number: A2871278****Author: Lisa Huria, Audit and Assurance Specialist****Authoriser: William J Taylor MBE, General Manager - Corporate Services****PURPOSE OF THE REPORT**

To provide the Assurance, Risk and Finance Committee with an update on internal and external audits, and any associated recommendations.

EXECUTIVE SUMMARY

- This report provides an update on the number of internal and external audit recommendations that have been completed or are underway. Since the last report on 25th March, one further recommendation has been completed.
- An internal audit has been completed to review whether network logon accounts comply with FNDC password rules and to verify if any accounts have become redundant. A small number of accounts were identified that need further investigation.

RECOMMENDATION

That the Assurance, Risk and Finance Committee receive the report Internal Audit and Assurance Report - April 2020.

BACKGROUND**Audit Recommendations**

Only one audit recommendation from internal and external audits has been implemented recently due to the resourcing requirements of the Crisis Response Team (Drought and Covid-19) and other staff members.

There are plans in place to complete any outstanding recommendations, but these will be postponed until resources become available.

Audit recommendations as at 1st April 2020:

Audit Name	Total Number of Recommendations	Recommendations Completed	Recommendations Underway
External Audit - KPMG - Procurement 2017	34	30	4
External Audit - Audit NZ - Annual Management Report - Interim 2017	18	17	1
Internal Audit - Information Security 2018	15	13	2
Internal Audit - Contract Management Review 2018	4	3	1
External Audit - Audit NZ - Annual Management Report - Final 2018	5	4	1
External Audit - Audit NZ - Annual Management Report - Final 2019	6	4	2
External Audit - Three Waters Interim Alliance Agreement Review	6	4	2

External Audit - LGOIMA Compliance and Practice Report - 2019	30	21	9
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Network Logon Accounts Internal Audit

An internal audit has been completed to review whether network logon accounts comply with FNDC password rules, and to verify if any accounts have become redundant.

The audit identified a small number of network logon accounts where:

- Staff or contractors have not logged in for several months so may be redundant;
- a staff member has left FNDC employment but their account is still active; and
- several accounts that do not have a password expiry date.

It is noted there may be valid reasons why a staff member may have not logged in for several months, for example, they are away on extended leave such as paternity leave.

The Information and Technology Service team are further investigating to ensure these accounts are fully compliant with FNDC password rules or are not redundant. If a network logon account is identified as being redundant, it will be deleted immediately.

FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

This report is for information only.

ATTACHMENTS

Nil

5.3 RISK MANAGEMENT

File Number: A2857046

Author: Tanya Reid, Manager - Transformation, Risk and Audit (Acting)

Authoriser: William J Taylor MBE, General Manager - Corporate Services

PURPOSE OF THE REPORT

To provide scheduled risk progress reports for the organisation's top risks and group risk.
No decision required.

EXECUTIVE SUMMARY

- Risk progress updates are provided for three of the top organisational risks detailing progress of treatment plans.
- Outstanding risk progress reports will be provided at the next scheduled Assurance, Risk and Audit meeting of 6 May.
- An emerging risk has been identified.
- Excellent progress continues to be made on group risk.

RECOMMENDATION

That the Assurance, Risk and Finance Committee receive the Risk Management Report.

BACKGROUND

The Transformation and Assurance team has facilitated the development of treatment plans for the organisation's top risks. We are now in the phase where regular reporting of the organisation's top risks, and treatment plans, is in place.

A programme of deep dive workshops is planned for these risks. The first of two deep dive workshops for ARF005 Affordability risk has been completed, with the second workshop to be scheduled.

The Transformation and Assurance team continues to work with the organisation to refresh / establish Group Risk Registers, with treatment plans, and regular reviews, escalating emerging risks as these are identified

DISCUSSION AND NEXT STEPS

Three risk progress reports, for your information, with treatment plans are attached. Steady risk treatment progress is being made with ARF011 Organisational Cohesion Risks inherent risk score trending down.

Risk ARF002, BCA Status Risk, is the subject of a separate report to this committee.

Four of the scheduled risk progress reports are outstanding. The Assurance, Risk and Audit Committee will understand that due to the current situation a number of staff have been seconded to alternative duties. Our intention is to deliver these risk progress reports at the Assurance, Risk and Finance Committee meeting scheduled for the 6th May.

The ARF005 Affordability deep dive workshop has been split into two parts with the second part to be scheduled. At the end of this workshop members will agree the next risk "deep dive."

An emerging organisational risk has been identified, the Fresh Water Resilience risk. Under separate cover there is a recommendation to approve the inclusion of this risk onto the Organisational Top Risks Dashboard.

An elected member workshop is to be scheduled to cover the FNDC Risk Management Framework and refresh of the Organisational Top Risks Dashboard.

The Transformation and Assurance team continues to work through the organisation to refresh or establish Group Risk Registers. The District Services Risk Register has been refreshed with ongoing risk management imbedded as a standing agenda item at the District Services Managers Meeting. The standing agenda item focuses the managers on an appropriate risk conversation facilitated by the provision of a set of risk questions:

Standard risk questions for meeting agendas

- Is the risk register up-to-date?
- Is the risk treatment progress to schedule?
- Has our data baseline for any of our risks changed or has a significant change to our external environment occurred or occurring e.g. legislation?
 - Does this data indicate that the risk impact score has changed?
 - Has the likelihood of this risk materialising changed?
 - Are there any new or emerging risks?
 - Do we need to test any of our controls?
- Do we need to escalate (e.g. to SLT then to ARF) or de-escalate any of our risks?

FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

At this stage no additional budgetary provision has been identified for the treatment plans.

ATTACHMENTS

1. **ARF001 Climate Change Risk Progress Report - A2858263** [↓](#) 
2. **ARF004 Asset Management Risk Progress Report - A2858510** [↓](#) 
3. **ARF011 Organisational Cohesion Risks Progress Report - A2858600** [↓](#) 



HE ARA TĀMATA
CREATING GREAT PLACES
Supporting our people

ARF001 Climate Change

Risk Status Progress Report March 2020

Description of risk and impact

The New Zealand Government has released strategies and guidelines for the mitigation of climate change effects or adaption to those, having regard to the International Panel on Climate Change 2018 report. This report has created a global climate change movement requiring governments and agencies to act to avoid temperature increases by addressing the underlying causes.

Climate change was identified as the highest priority risk to Council in 2018, and since been brought back to Council meetings for updates on work that is being undertaken by staff. This includes for-information-reports, a Deep Dive Work Shop, and the acknowledgement of the need for a coordinated approach to address the effects climate change by Council by requiring a response through a Chief executive Key performance measure.

Presentations to Council from the public (e.g. Deputation at the Dec 2019 Council meeting by the SeaChange Group) highlight the importance of climate change to the community.

In May 2019, the Deep Dive Workshop with Council introduced staff's current understanding of climate change risks to Council and Far North communities, acknowledging that climate change may also provide economic opportunity. Risks arise from rising temperatures and anticipation of more intense weather events such as storms and drought, projections for sea level rise and coastal erosion, ecological adaptation and potential introduction of pests, all of which affecting community sustainability and Council investment strategies. Economic opportunity for Council and Far North Communities may arise from longer growing seasons and increased tourism as a result of rising temperatures. While the National Risk Assessment prepared under the CECA is expected by mid-2020, FNDC staff is currently actively contributing to the preparation of a regional risk assessment, led by the Northland Regional Council.

FNDC has not declared a Climate Emergency. Work to develop an FNDC Climate Change Road Map is now well underway. A draft is to be presented to the Strategy and Policy Committee May 5, 2020. A Regional Strategy is anticipated in the third quarter of 2020.

Existing Treatments

FNDC is actively developing a road map to address the effects of climate change for the Far North District. In parallel, the Regional Group is developing a Climate Change Strategy which is based on the definition of a hazard line which corresponds to the RCP8.5+ criteria, which in the future may result in a 1.5m rise of the sea level.

The following provides a list of existing treatments:

- Acknowledgement of the climate change as a high risk for Council.
- Implementation of a Chief Executive Key Performance Indicator as per Council Resolution 2019/22. A draft of FNDC Climate Change Road Map will be presented at the May 5, 2020 Strategy and Policy Committee. Work towards the road map has formalized previous staff efforts, while such activities have informed and shaped the draft road map, including:

- Relationship building with staff across all Council divisions in anticipation for representation on a FNDC climate change group. A survey of the leadership group was undertaken, highlighting overall awareness, knowledge and attitude towards climate change and how to address resulting effects;
 - Communication to the public through website updates and a blog to staff;
 - Data collection to develop a carbon footprint for FNCD as an organization. This initiative reviews emissions from Council facilities and choices, including a selection of buildings, water and wastewater treatment plants, as well the travel choices. This carbon footprint will present a baseline analysis based on which Council may consider adjusting operations to reduce emissions.
 - A staff-wide Climate Change task group has been formed, led by the Strategic Planning and Policy, facilitating Council's response to climate change including the formation of implementation actions in the Climate Change Road Map. The most recent meeting has occurred on March 2, 2020.
 - Presentations to SLT occur more frequently. The initial presentation summarized the staff response following the survey. A second presentation should occur in the near future.
 - A multitude of smaller research initiatives have complemented and informed the draft road map, including a best practice review across New Zealand, the review of existing strategies and guidelines as well as a review of questions and concerns received through Council's RFS system.
 - Far North 2100:
 - Develops an overarching long-term district-wide strategy and spatial plan to guide management of the District's resource now and for the future. This strategy will inform Council's growth strategy (e.g. the District Plan), financial strategy (e.g. the LTP), transportation strategy and infrastructure strategies etc.
 - Takes into account the district's role as a producer of food and timber, with the additional benefit of forestry acting to off-set CO2 emissions. The strategy will also consider the supply and distribution of water.
 - Considers areas and infrastructure vulnerable to hazards including sea level rise, coastal erosion, or flooding through an adaptive planning approach
 - Considers opportunities for community resilience.
 - Will identify specific implementation projects to facilitate adaption.
 - District Plan revision and implementation
 - Reviews the appropriateness of currently operative objectives and regulatory methods to avoid, remedy or mitigate adverse effects, including hazards. In collaboration with NRC sea level rise contours are currently being developed to enable the assessment of affected lands and how to plan for these. Hazard assessment will also consider geotechnical risk due to heavy rain and associated requirements for future growth and development, with the potential to create sliding-scale assessment criteria depending on development categories
 - Reviews the appropriateness of land use and zoning to facilitate economic growth.
 - Transportation Strategy
 - Addresses climate change given the potential for more frequent and intense weather events to disrupt a vulnerable transport network, essential services, critical supplies, and commerce.
 - Seeks to provide proactive resiliency and reliability strategies to ensure "Lifelines are maintained all day, every day".
 - Includes strategies for sustainable transport and mobility choices for walking and cycling, and encourages clean green transport modes and fuels, reducing the need to travel, and the development of Dynamic Adaptive Pathways to follow when climate trigger points are reached.
 - Participation in the Tai Tokerau Climate Change Action Working Group:
-

- to create a framework for an approach to adapting to the effects climate change which is consistent across the Northland Councils.
- to develop a draft work program and is progressing its communication plan. These plans will be presented at the CE Forum as per the Group's Terms of Reference.
- included iwi liaison representatives to ensure climate change initiatives will developed in partnership with iwi.

Where are the gaps? / what more could we be doing?

As discussed in an earlier report to Assurance, Risk and Finance Committee, limited staff and time resources are hindering or slowing climate change-related work. While the development of the road map was successfully led and completed by the Strategy Group, the response to climate change is an organization-wide issue. The road map will indicate where such responsibilities fall. However, buy-in will have to at the SLT level and climate change implementation will have to be passed down to staff through the various levels of leadership. Following the approval of the draft road map through SLT, Committee and Council, work priorities that respond to the effects of climate change through either mitigation or adaptation will have to be developed and included into Council's next Long-Term Plan. This may involve costing of projects, increased budgets and increased support through the organization, committees and Council, and engagement with the public.

Inherent Risk:	Trend	Residual Risk:	Accountable:	CEO	Date raised:	29/11/18	Report frequency:
	—		Responsible:	GM SPP	Date accepted:	30/05/19	Six monthly

ARF004 Asset Management Risk

Risk Status Progress Report March 2020

Description of risk and impact

Full Asset Life Cycle Asset Management requires a “system thinking” integrated approach (enterprise asset management) to optimising the whole life cycle of our assets. This ensures fit for purpose, cost effective assets are designed, constructed, maintained and disposed of in a sustainable manner, to the benefit of our communities, ensuring kaitiakitanga and enduring resilience.

Generally, the importance of addressing these risks and their impacts has also been highlighted in CouncilMark with improvements including –

- 18. Asset Management Improvement
- 19. Three Waters Alliance Improvement
- 34. Process Management Framework Improvement
- 29. Capital Project Life Report Improvement

Programme Darwin, an asset management improvement programme with dedicated resourcing, has been developed and provides a mechanism to deliver the treatments outlined below:

Issue identified in June 2019	Treatment to date	Further planned treatment
No current Asset Management Information System (resulting in piecemeal asset information, including number of assets)	An Asset Management Information System, INFOR, has been chosen and a statement of works signed. Implementation of the system is underway, with it due to be operational September 2020	Integration with FNDC's other systems will occur after September 2020
Incomplete condition assessment information	\$250k to undertake asset condition assessments was approved by Council 3 October 2019. Since then prioritisation of assets for condition assessment has been completed, and scopes for the asset condition work to be carried out are underway. We are on track for the allocated budget to be spent.	An ongoing condition assessment programme will be subject to funding, sought through the LTP.
Informal Asset Management Plans (AMPs)	AMPs are intrinsically linked to the Infrastructure & Asset Management Strategy, and the Long Term Plan. AMP reviews are underway, to be delivered this year.	AMPs will be replaced with a single Living Asset Management Plan, a user-friendly, online and easy to navigate document using real-time data (linked to INFOR).

Under resourced in asset management and project scoping / business casing, resulting in poor forecasting, business casing, project planning for critical assets	<p>Additional FTE have been allocated to the asset management team –</p> <ul style="list-style-type: none"> • Business Case Specialist • Asset Manager – District Facilities <p>A fixed term asset data position has also been made permanent.</p> <p>A dedicated programme to improve asset management (Programme Darwin) has 3 dedicated FTE –</p> <ul style="list-style-type: none"> • Programme Manager • Project Manager (INFOR) • Business Analyst 	<p>The Business Case Specialist position is yet to be filled.</p> <p>A review of individual development plans (investing in the competence of staff) for the Asset Management team is planned.</p>
A financial model based on a depreciation schedule, reporting on total value of spend. The current renewals programme is typically based on age rather than condition.	The proposed condition assessment programme will allow a condition-based renewals programme.	
Affordability challenges with increasing maintenance costs	The operational cost implications of capital investment are generally ignored. This puts pressure on operational activities over the medium to long term resulting in reductions in Level of Service. An enterprise asset management system captures these costs.	
Lack of integrated performance and reliability data from operations	Integration of operational performance and reliability data from operations will be developed. This will enable optimized investment decisions for renewals noting the relationship between cost, level of service and risk.	
Operating run to failure of assets rather than programmed maintenance based on: <ul style="list-style-type: none"> • Asset class • Failure mode • Life cycle cost modelling • Predictive, preventative, risk based maintenance 	As above, enterprise asset management will optimize investment decisions.	
The lack of integration of asset growth impacts when considering asset renewal (we need to operate in a “systems” approach).	An enterprise asset management philosophy has been adopted, and referred to in the internal Asset Management Policy (adopted December 2019).	Work to embed this includes defining the roles and responsibilities across Council in relation to asset management.

Lack of a robust project management framework covering: <ul style="list-style-type: none"> • Long term plan • Project Concept • Project Initiation • Project planning and design • Delivery and monitoring • Handover and closeout 	A Project Management Framework has been adopted, predominately being used in Project Delivery.	Embedding of the framework across teams.
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The Programme Manager has recently taken up another position within FNDC. A recruitment process for a replacement is currently underway. There are risks associated with continuity and programme progression that will need managing.

Where are the gaps? / what more could we be doing?

- Planning, analysis and data analysis to enable data-driven decision-making (particularly providing advice in relation to Levels of Service, robust options analysis and rating impact trajectories).
- Better articulating the link between strategic planning to operationalization of those, and the process for how we consider and integrate these.
- Capturing our data better – equipment criticality, feeding this into decommissioning plans and the asset lifecycle.
- Visibility of information to Elected Members – whilst IAM produce a monthly information report and are doing a much better job of communicating progress on existing projects, there is still room to articulate upcoming projects complete with costs, risks, controls, contingencies, mitigation and consequences of inaction. This will enable informed discussions and robust prioritization when finalizing financial commitments within the LTP.
- Consultation - Our open and transparent policy for consultation with all stakeholder particularly Iwi, impacts the time it takes to renew consents and implement projects. This risk needs to be reflected in all project timelines particularly within our LTP commitments. In the past this time and resource commitment has been significantly underestimated.

Inherent Risk:	Trend	Residual Risk:	Accountable:	CEO	Date raised:	29/11/18	Report frequency:
	—		Responsible:	GM IAMs	Date accepted:	30/05/19	Six monthly

ARF011 Organisational Cohesion Risks

Risk Status Progress Report March 2020

Description of risk and impact

Organisational Cohesion is the ability of the parts of the organisation to work together in a collaborative and productive manner to deliver on its strategies, plans and objectives.

Local Government organisations work on complex, costly and often politically and socially sensitively multi-faceted issues requiring multiple parts of the organisation to work together effectively.

Breakdowns in cohesion can lead to costly delays and additional impacts such as communication overheads, lower morale, trust and churn.

Existing Treatments

High level treatment plan:

- Governance Diagnostic 14 point recommendation suite implementation, particularly:
 - 2. FNDC Governance work with the CE to support FNDC Governance to have strategic input to current Annual Plan process.
 - 3. FNDC adopt a clear visual representation and organisational understanding of Vision, Strategies, Committee Priorities, Goal setting and regular Performance Monitoring
 - 4(i) Agree on an operational response mechanism such as a dashboard and the technology to share data
 - 5. Vision to prioritising portfolios or equivalent to drive governance management engagement.
 - 6. Committee Structures revisited as discussed to reflect the outcomes desired.
 - 7. Look at shaping agendas to full Council
 - 10. Re-consider and affirm Council's approach to regulatory functions
 - 13. Consider organisational and governance work with iwi and hapu
 - 14. Prepare an induction process for the 2019 elections
- CouncilMark improvements:
 - 2. Governance Management Relationship Development Improvement
 - 3. LTP Improvement
 - 4. Publish Vision and Goals Improvement
 - 7. Driving Excellence in Reporting Improvement
 - 10. Annual Report Improvement
 - 15. Te Hono Improvement
 - 30. Communications Strategy Improvement
 - 31. Engagement Strategy Improvement
 - 34. Process Management Framework Improvement

Where are the gaps? / what more could we be doing?

Governance Diagnostic and the associated recommendations suite was formally adopted by the Council at its August meeting. The recommendations form the foundation of the treatment plan. There has been significant progress on many of the recommendations. In particular, Recommendation 2 where the Council has captured its strategic direction and operational response in a single view, Recommendation 6 where the Council has adopted a

new committee structure, and Recommendation 9 where a comprehensive induction programme is being delivered to the new Council. Many of the other recommendations have also been progressed.

With the implementation of these treatments the inherent risk score is trending down.

Inherent Risk:	Trend	Residual Risk:	Accountable:	CEO	Date raised:	29/11/18	Report frequency:
	↓		Responsible:	CEO	Date accepted:	30/05/19	Six monthly

5.4 BCA ACCREDITATION UPDATE

File Number: A2855393

Author: Trent Blakeman, Manager - Building Services

Authoriser: Dean Myburgh, General Manager - District Services

PURPOSE OF THE REPORT

To update the Assurance, Risk and Finance Committee on the Building Consent Authority's (BCA's) progress in addressing the General Non-Compliances (GNC's) identified in the October 2019 International Accreditation New Zealand (IANZ) Audit.

EXECUTIVE SUMMARY

All relevant information has been provided to IANZ on or before the deadline of the 14th of February. IANZ has responded with written confirmation that all general non-compliances have been conditionally cleared. It is expected that the BCA accreditation certificate will be issued in due course. Given the IANZ audit clearance, the risk has reduced from high to medium. This will be updated in the high-level Council risk register.

RECOMMENDATION

That the Assurance, Risk and Finance Committee receive the BCA Accreditation Update

BACKGROUND

The deadline for providing IANZ with the evidence was 14 February 2020. A total of 23 general non-compliances were identified during the IANZ audit with 19 of these resolved during the audit, leaving four to be resolved. A work plan to provide the necessary evidence to clear the GNC's was agreed with IANZ. A total of 11 evidence examples were required to clear the remaining four non-compliances and IANZ are now satisfied with the evidence provided. An out of cycle October 2020 audit (these audits are usually completed biennially) has been scheduled. At that time IANZ will review progress made generally and in the non-compliance areas identified in the 2019 audit.

DISCUSSION AND NEXT STEPS

The IANZ final report will highlight a list of recommendations that the BCA needs to address ahead of the next audit in October 2020.

The BCA will be introducing new tablets for inspections that will reduce the amount of manual inputs required to complete a Code of Compliance Certificate (CCC). This will facilitate the achievement of compliance with the required time frames.

The BCA will be focused on a higher level of internal audits leading into the next IANZ audit to ensure compliance. A process of time recording has been introduced to validate the application of the Regulation 8 calculator that determines how many admin and technical staff are required to provide a compliant BCA service. This work is critical to ensure the right amount of resource in the BCA.

FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

There are no financial implications related to this update report.

ATTACHMENTS

Nil

5.5 MAY RISK MANAGEMENT

File Number: A2875398

Author: Tanya Reid, Manager - Transformation, Risk and Audit (Acting)

Authoriser: William J Taylor MBE, General Manager - Corporate Services

PURPOSE OF THE REPORT

To provide scheduled risk progress reports for the organisation's top risks and group risk.
No decision required.

EXECUTIVE SUMMARY

Risk progress updates are provided for six of the top organisational risk treatment plans.
Progress on group risk continues.

RECOMMENDATION

That the Assurance, Risk and Finance Committee receive the report May Risk Management.

BACKGROUND

The Transformation and Assurance team has facilitated the development of treatment plans for the organisation's top risks. We are now in the phase where regular reporting of the organisation's top risks, and treatment plans, is in place.

A programme of deep dive workshops is planned for these risks. The first of two deep dive workshops for ARF005 Affordability risk has been completed, with the second workshop to be scheduled.

The Transformation and Assurance team continues to work with the organisation to refresh / establish Group risk registers, with treatment plans, and regular reviews. This programme of work has slowed as the organisation has focussed on our COVID-19 pandemic response.

DISCUSSION AND NEXT STEPS

Six risk progress reports, with treatment plans, are attached. Below is a summary of change to risk status. More detail is available in the risk progress reports.

Risk is trending down for two of the six risks:

- ARF007 Compliance NRC Abatements Risk Progress Report; and
- ARF008 Civil Defence Risk Progress Report

No change to the risk status:

- ARF003 Health Safety and Wellbeing Vulnerabilities and
- ARF006 Projects / Priorities Delivery Delays

Assessed as increasing level of risk:

- ARF009 Customer Service Delivery Risk Progress Report; and
- ARF012 Contract Management Risk Progress Report

The rationale for the increased level of risk is due to the impact of the drought and COVID-19 pandemic and national emergency. The negative impact is a result of:

1. work being placed on hold in the Customer Service Delivery workstream (customer surveys and enterprise wide RFS Redesign Project); and

2. increased contract risk due to disruption, to supply chains and work force, which may manifest itself in contractual matters.

Progress, to improve our understanding of ARF005 Affordability risk for the next deep dive workshop, has been made with the commissioning of Business and Economic Research Limited to conduct a data analysis of rates affordability across the Far North and the receipt of their report outlining rates affordability issues.









An elected member workshop is to be scheduled to cover the FNDC Risk Management Framework and to refresh the top organisational risk dashboard. For reference the current organisational risk dashboard, and the impact and likelihood matrix these were assessed against, can be located in the attachments.

The Transformation and Assurance team continues to work through the organisation to establish and maintain Group Risk Registers.

FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

At this stage no additional budgetary provision has been identified for the treatment plans.

ATTACHMENTS

1. **Top 12 Organisational Risks Dashboard July 2019 - A2875395** [↓](#) 
2. **Simplified Organisational Risk Categories with Impact and Likelihood Statements - October 2019 - A2857911** [↓](#) 
3. **ARF003 Health Safety and Wellbeing Vulnerabilities Risk Progress Report - May 2020 - A2873557** [↓](#) 
4. **ARF006 Projects Priorities Delivery Delays Risk Progress Report - May 2020 - A2875290** [↓](#) 
5. **ARF007 Compliance NRC Abatements Risk Progress Report - May 2020 - A2873612** [↓](#) 
6. **ARF008 Civil Defence Risk Progress Report - May 2020 - A2873559** [↓](#) 
7. **ARF009 Customer Service Delivery Risk Progress Report - May 2020 - A2873577** [↓](#) 
8. **ARF012 Contract Management Risk Progress Report - May 2020 - A2873581** [↓](#) 



Top 12 Organisational Risks

July 2019




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Top 12 Risks Dashboard

Total Score by impact, probability & multiplier	
High	60+
Medium	20-59
Low	<20

X3 X2 X1
 Probability <12 Months Probability 1-3 years Probability 3+ years

ID#	Score	Risk description	Impacts	Treatments	Residual Risk Score	Status	Risk Governance (A)accountable (R)esponsible
ARF 001	63 X3	Climate Change & Natural Disasters <ul style="list-style-type: none"> Major flooding frequency Insurance losses & assets Frequent weather events Effect on Infrastructure 	<ul style="list-style-type: none"> Large / long term financial exposure & investment Political pressure Public pressure / impacts Negative press and PR High demand on specialist resource / contractors 	<ul style="list-style-type: none"> Robust district climate change plan developed and integrated into district & annual plans Investment plan linked to plans Long term expense factored into all planning and budgeting processes Regional and national support options explored (financial) 	30 X2	Identified 29 Nov, 2018 SLT Endorsed 1 April, 2019 HLTP endorsed 8 April, 2019	CEO (A) GM SP&P (R)
ARF 002	51 X3	Building Consents – BCA status <ul style="list-style-type: none"> BC Accreditation at risk November IANZ assessment Remediation actions tight timeframes before assessment 	<ul style="list-style-type: none"> Political pressure Reputational impact Remediation Overheads Impact on culture and staff morale Customer costs / delays IANZ manager appointed to oversee remediation 	<ul style="list-style-type: none"> Building Consent action plan & remediation actions Management support for BCA action plan Outsourced surge capacity options for processing Administration process changes and automation 	18 X2	Identified Jan, 2019 SLT Endorsed 1 April, 2019 HLTP endorsed 8 April, 2019	CEO (A) GM DS (R)
ARF 003	46 X3	Health & Safety Vulnerabilities <ul style="list-style-type: none"> Legal complexity Long term ramifications Executive accountability 	<ul style="list-style-type: none"> Legal and fine exposure (\$300K-\$3m) Reputational / media exposure Remediation activity cost, delay impacts Political pressure on management 	<ul style="list-style-type: none"> Robust H&S planning, monitoring and reporting Ownership & sponsorship from Council / SLT (reviews) H&S Culture strategy / constant vigilance Accountability of contractors for compliance 	34 X2	Identified 29 Nov, 2018 SLT Endorsed 1 April, 2019 HLTP endorsed 8 April, 2019	CEO (A) Mgr. P&C (R)
ARF 004	45 X3	Asset Management Risks <ul style="list-style-type: none"> Asset management framework & Asset Management system Allocation of resources Large asset business cases 	<ul style="list-style-type: none"> Replacement & remediation costs Risk of unbudgeted spend Problem exacerbates if systems or processes don't change Rating implications 	<ul style="list-style-type: none"> Policy, Framework, Methodology, process & system approach Review effectiveness of AMP's Review financial processes and depreciation models Asset condition and clean, quality data should drive processes All projects require business case 	18 X2	Identified 29 Nov, 2018 SLT Endorsed 1 April, 2019 HLTP endorsed 8 April, 2019	CEO (A) GM IAM (R)
ARF 005	45 X3	Delivery of Services Risk (Affordability) <ul style="list-style-type: none"> Economic development Economic delivery (affordability) Alignment of financial & regional strategies Current and future cost picture 	<ul style="list-style-type: none"> Financial and remediation costs (large assets / services) Future cost forecasting including climate change modelling Rating implications Affordability pressures Political & reputational pressure 	<ul style="list-style-type: none"> Cost Blueprinting – big picture Revenue Review Cost and revenue forecasting (in addition to LTP budgeting) Review financial processes and models (eg. depreciation) Existing & additional revenue streams investigated Scale back discretionary projects / focus on priorities 	26 X2	Identified 29 Nov, 2018 SLT Endorsed 1 April, 2019 HLTP endorsed 8 April, 2019	CEO (A) GM SP&P (R)



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Top 12 Risks Dashboard

Total Score by impact, probability & multiplier	
High	60+
Medium	20-59
Low	<20

X3 Probability <12 Months
 X2 Probability 1-3 years
 X1 Probability 3+ years

ID#	Score	Risk description	Impacts	Treatments	Residual Risk Score	Status	Risk Governance (A)accountable (R)responsible
ARF 006	45 X3	Projects / Priorities Delivery Delays <ul style="list-style-type: none"> Large infrastructure projects Capital asset delivery Priority initiatives Staff & Skills capacity & turnover Project management & project governance capacity / skills 	<ul style="list-style-type: none"> Project benefits affected Increased project costs Delayed services may affect ability to apply targeted rates Eroded public trust Unstaffed roles have impacts on the team Obsolescence bow wave from Capex underspend 	<ul style="list-style-type: none"> Project Framework, methodology, processes, reporting and project governance needs implementing Review project resourcing level and contract for critical resource Complete Project prioritisation process and rationalise or freeze non critical projects Robust planning and business casing to support projects / quality data Avoid Capex underspend issues 	14 X2	Identified 29 Nov, 2018 SLT Endorsed 1 April, 2019 HLTP 8 April, 2019	CEO (A) GM IAM (R)
ARF 007	45 X3	Compliance – NRC Abatements <ul style="list-style-type: none"> 10 active abatement notices Paihia waste water treatment plant environmental court ruling NRC relationship strained regarding our compliance history 	<ul style="list-style-type: none"> Political pressure Reputational impact Remediation costs may need to be brought forward Legal costs and overhead Relationship with NRC 	<ul style="list-style-type: none"> Sustainable plan to remedy all abatement notices Relationship plan with NRC – map stakeholders (ops to management) Paihia Plan now endorsed by NRC Executive relationships positive Any additional funding requirements bought to Council Reduce future outstanding abatement timeframes to remedy 	18 X2	Identified Jan, 2019 CEO Endorsed 8 April, 2019	CEO (A) GM IAM (R)
ARF 008	42 X3	Civil Defence <ul style="list-style-type: none"> The risk to Financial Capability and Public Health and Safety - if repeat of 2007 storm severity repeats Response staffing levels 	<ul style="list-style-type: none"> Potential loss of life Public health risks Property damage Human and animal welfare Restoration capability and times of services, infrastructure 	<ul style="list-style-type: none"> Set of fully trained staff for EOC Ongoing training pipeline Recovery funding options explored Regional CDEM support options and model understanding and operationalisation IAM Resilience programme established for known vulnerabilities 	38 X2	Identified 29 Nov, 2018 SLT 1 April, 2019 HLTP, 8 April	CEO (A) GM IAM (R)
ARF 009	39 X3	Customer Service Delivery <ul style="list-style-type: none"> RFS process issues Inadequate timely communication with customer More online options for customers 	<ul style="list-style-type: none"> Lower customer service ratings in some functions Political pressure Overheads to return to positive perception Impact on culture and staff morale Customer costs / delays 	<ul style="list-style-type: none"> Customer Experience programme enhanced RFS Process redesign project needs implementing RFS Redesign project addresses process flows and regular communication with customer Council culture of customer first Enhanced communication & online capability 	22 X2	Identified 29 Nov, 2018 SLT Endorsed 1 April, 2019 HLTP, 8 April	CEO (A) Mgr. P&C (R)
ARF 010	39 X3	Decision Quality – Information Risks <ul style="list-style-type: none"> Genesis in poor data /poor information Critical Information Assets Data governance and technical assurance 	<ul style="list-style-type: none"> Increased risk of legal exposure Reputational damage Erosion of trust and confidence between elected members, public and staff Staff churn in key roles Financial implications 	<ul style="list-style-type: none"> Business intelligence – “Data Driven Council” Key metrics dashboard Robust, peer reviewed business cases and papers Staff SME's to talk to papers with committees / council Additional layer of diligence & verification for larger items 	14 X2	Identified 29 Nov, 2018 SLT Endorsed 1 April, 2019 HLTP, 8 April	CEO (A) CEO (R) GM CS technical supporting



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Top 12 Risks Dashboard

Total Score by impact, probability & multiplier	
High	60+
Medium	20-59
Low	<20

X3 Probability <12 Months
 X2 Probability 1-3 years
 X1 Probability 3+ years

ID#	Score	Risk description	Impacts	Treatments	Residual Risk Score	Status	Risk Governance (A)accountable (R)esponsible
ARF 011	39 X3	Organisational Cohesion risks <ul style="list-style-type: none"> Governance / management relationship optimisation / trust enhancement Culture of communication – internal and external 	<ul style="list-style-type: none"> Governance & decision quality & integrity impacts Trust and confidence / morale between EM's, staff & public Negative media & political pressure Delays in decisions – papers left on the table 	<ul style="list-style-type: none"> EM & Management relationship & comms charter, code of conduct & culture programme Friction items to be worked through and agreed in advance of formal meetings Deliver on priorities (trust) Staff integrated to Council & committee meetings – not tasked directly Quality data & reporting Governance diagnostics work plan 	14 X2	Identified 29 Nov, 2018 SLT Endorsed 1 April, 2019 HLTP, 8 April	CEO (A) CEO (R)
ARF 012	39 X3	Contract Management risks <ul style="list-style-type: none"> Contract wording Contract breeches Contract, performance & relationship management deficiencies 	<ul style="list-style-type: none"> Commercial impacts Service delivery / disruption impacts Commercial resource demand Reputational impacts Long term consequences 	<ul style="list-style-type: none"> Hire dedicated contract specialists for large contracts Contract management system and processes optimised Asset management system implemented Enhanced reporting 	14 X2	Identified 29 Nov, 2018 SLT Endorsed 1 April, 2019 HLTP 8 April	CEO (A) GM IAM (R)



2018 Organisational Risk Appetite, Impact and Probability Scoring



Risk Category	Financial	FNDC Customer (ratepayer, resident or contractor)		Reputation	Compliance / Legal	Health & Safety																												
Impact Statement	Impact on FNDC Budget, Department or Team; and /or Impact on annual Council budget in \$	Financial impact to customers	Customer impact due to loss of a provision of essential service, or essential piece of infrastructure	The impact on FNDC's reputation	The legal impact on FNDC's legal adherence / regulatory compliance	The impact to people(s) health & safety arising from FNDC operations or a situation where FNDC are liable																												
High to Intolerable Impact	<ul style="list-style-type: none">>10% of project or departmental budget;>\$100,000 OPEX pa impact to Council budget; and/or≥ 0.3% rates increase	>\$10K	<table><tr><td rowspan="5">People (Far North population)</td><td>> 1000</td><td></td><td></td><td></td></tr><tr><td>5 to 1000</td><td></td><td></td><td></td></tr><tr><td><6</td><td></td><td></td><td></td></tr><tr><td></td><td><12</td><td>12-24</td><td>>24</td></tr><tr><td colspan="3">Hours (delay)</td></tr></table> <table><tr><td colspan="2">Key to impact</td></tr><tr><td>Intolerable</td><td></td></tr><tr><td>Medium</td><td></td></tr><tr><td>Low to None</td><td></td></tr></table>	People (Far North population)	> 1000				5 to 1000				<6					<12	12-24	>24	Hours (delay)			Key to impact		Intolerable		Medium		Low to None		<ul style="list-style-type: none">External reputation severely damaged, considerable effort and expense required to recover e.g.<ul style="list-style-type: none">2-5 years to re-establish confidence;Loss of national trust & confidence including government such as:<ul style="list-style-type: none">Trending presence in national and international media; and/or> 15% staff turnover pa and/or turnover of organisational critical roles	<ul style="list-style-type: none">FNDC get challenged and are found to be non-compliant with :<ul style="list-style-type: none">criminal conviction and/or fines, penalties; orlegal exposure in excess of \$500,000; and/orContract: termination of contract (breach / default etc)	Any loss of life Serious injury / disability (as defined by the Act) to one or more lives and/or Public Health outcome
					People (Far North population)	> 1000																												
						5 to 1000																												
						<6																												
							<12	12-24	>24																									
Hours (delay)																																		
Key to impact																																		
Intolerable																																		
Medium																																		
Low to None																																		
Medium Impact	<ul style="list-style-type: none">1% - 10% of project or departmental budget; and/or\$50,000 to \$100,000 OPEX pa impact to Council budget and/or0.1 to 0.3% rates increase	\$5K-10K	<ul style="list-style-type: none">External reputation damaged, effort and expense is required to recover; and/orLoss of regional trust & confidence including iwi, funding partners and elected members such as:<ul style="list-style-type: none">Presence in regional / local media only; and/or1-2 years to re-establish confidence.10- 15% staff turnover pa with "normal" turnover of organisational critical roles	<ul style="list-style-type: none">FNDC get challenged and are found to be non-compliant with<ul style="list-style-type: none">fines, penalties or legal exposure <\$500,000Contract: receive written notice from the contractor threatening termination if not rectified	Minor harm and/or isolated recoverable illness																													
Low to None Impact	<ul style="list-style-type: none">< 1% of project or departmental budget; and/or<\$50,000 OPEX pa impact to Council budget and/or<0.1 rates increase	<\$5k	<ul style="list-style-type: none">External reputation minimally affected, little effort or expense required to recover; and/orLoss of stakeholder trust & confidence at local level<ul style="list-style-type: none">Presence in local media only; and/or<1 year to re-establish confidence.<10% staff turnover pa	<ul style="list-style-type: none">Might be challenged or threat of litigation:<ul style="list-style-type: none">but are compliant; orhave the appetite to tolerate non-compliance cost (treating exceeds legal penalty we could receive.)Contract: receive verbal advice that, if breaches continue a default notice may be issued; or results in meeting between two parties in which contractor expresses concern																														

Category Impact Score	
High to Intolerable	5
Medium	3
Low to None	1

Probability Multiplier	
Risk expected to occur in Next 12 Months	X3
Risk expected to occur every 1-3 years	X2
Risk Expected to occur > 3+ years	X1

Scoring Process	
INHERENT RISK - Assign Impact Score to each of the 5 categories as it exists today (untreated)	
RESIDUAL RISK - Assign Impact Score to each of the 5 Categories after applying treatments	
Add category scores (5) for INHERENT to get a single cumulative INHERENT RISK score	
Add category scores (5) for RESIDUAL to get a single cumulative RESIDUAL RISK score	
PROBABILITY – For both INHERENT & RESIDUAL RISK scores, multiply by the Probability	
This will provide a total INHERENT RISK & RESIDUAL SCORE for each Risk Assessed	
Populate both scores on the Risk Dashboard in the respective Risk Scoring Cells	

INHERENT Risk Category	Score
FINANCIAL	5
CUSTOMER	3
REPUTATION	3
COMPLIANCE / LEGAL	1
HEALTH & SAFETY	1
TOTAL	13

Example Scoring table

Probability	Final Score
X2	26

Total Score by impact, probability & multiplier	
High	60+
Medium	20-59
Low	<20

Organisational Risk Impact and Likelihood Statements

	Financial	FNDC Customer (ratepayer, resident and/or other occupant)	Reputation	Compliance / Legal	Health & Safety
Impact if risk is left "as is":	Impact on Budget, Department or Team; and/or Impact on annual Council budget in \$	Financial impact to customer Customer impact due to loss of a provision of essential service, or essential piece of infrastructure	The impact on FNDC's reputation	The legal impact on FNDC's legal adherence / regulatory compliance	The impact to people(s) health & safety arising from FNDC operations or a situation where FNDC are liable
High to Intolerable	<ul style="list-style-type: none"> >10% of project or departmental budget; >\$100,000 OPEX pa impact to Council budget; and/or ≥ 0.3% rates increase 	>\$10k	<ul style="list-style-type: none"> External reputation severely damaged, considerable effort and expense required to recover e.g. <ul style="list-style-type: none"> 2-5 years to re-establish confidence; Loss of national trust & confidence including government such as: <ul style="list-style-type: none"> Trending presence in national and international media; and/or > 15% staff turnover pa and/or turnover of organisational critical roles 	<ul style="list-style-type: none"> FNDC get challenged and are found to be non-compliant with : <ul style="list-style-type: none"> appointment of a commissioner under the LGA; criminal conviction and/or fines, penalties; or legal exposure in excess of \$500,000; and/or Contract: termination of contract (breach / default etc.) 	Any loss of life Serious injury / disability (as defined by the Act) to one or more lives and/or Public Health outcome
Medium	<ul style="list-style-type: none"> 1% - 10% of project or departmental budget; and/or \$50,000 to \$100,000 OPEX pa impact to Council budget and/or 0.1 to 0.3% rates increase 	\$5k - \$10k	<ul style="list-style-type: none"> External reputation damaged, effort and expense is required to recover; and/or Loss of regional trust & confidence including iwi, funding partners and elected members such as: <ul style="list-style-type: none"> Presence in regional/local media only; and/or 1-2 years to re-establish confidence. 10- 15% staff turnover pa with "normal" turnover of organisational critical roles 	<ul style="list-style-type: none"> FNDC get challenged and are found to be non-compliant with <ul style="list-style-type: none"> fines, penalties or legal exposure <\$500,000 Contract: receive written notice from the contractor threatening termination if not rectified 	Minor harm and/or isolated recoverable illness
Low to None	<ul style="list-style-type: none"> < 1% of project or departmental budget; and/or <\$50,000 OPEX pa impact to Council budget and/or <0.1 rates increase 	<\$5k	<ul style="list-style-type: none"> External reputation minimally affected, little effort or expense required to recover; and/or Loss of stakeholder trust & confidence at local level <ul style="list-style-type: none"> Presence in local media only; and/or <1 year to re-establish confidence. <10% staff turnover pa 	<ul style="list-style-type: none"> Might be challenged or threat of litigation: <ul style="list-style-type: none"> but are compliant; or have the appetite to tolerate non-compliance cost (treating exceeds legal penalty we could receive.) Contract: receive verbal advice that, if breaches continue a default notice may be issued; or results in meeting between two parties in which contractor expresses concern 	

Probability:	
Will happen	The risk is likely to occur. There is frequent exposure to the risk. There are external influences that make managing this risk ineffective.
Probable	The risk will possibly occur e.g. once in every 2 year event There is an exposure to the risk. There are external influences that make managing this risk difficult.
Unlikely	The risk is unlikely to occur e.g. once in every 10 year event There is a low exposure to the risk.

Score by impact and likelihood			
High to Intolerable	5	7	9
Medium	3	5	7
Low to None	1	3	5
	Unlikely	Probable	Will happen

Date: 10 2019

Author: Tanya Reid



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ARF003 Health Safety and Wellbeing Vulnerabilities

Risk Status Progress Report May 2020

Description of risk and impact

Health, Safety and Wellbeing Vulnerabilities are those elements defined in the Health and Safety at Work Act (2015).

Far North District Council has a duty to ensure, so far as is reasonably practicable, that the workplace is without risks to the health and safety of any person and has controls in place to eliminate or minimize those risks.

Vulnerabilities:

- COVID-19 infections impacting staff health and safety
- Lone worker scenarios for high risk staff
- Health Monitoring for high risk staff
- Non-compliance against Asbestos regulations across our assets
- Contractor Management
- Wellbeing programs to address our changing workforce
- Threatening behavior from members of the public

What has been done so far?

Council has initiated its Pandemic Arrangements as part of its overall Business Continuity Plan. Of approximately 370 staff, greater than 95% are now set up and working from home.

Five Year strategic plan has developed and approved, including a regular yearly calendar of core Health, Safety and Wellbeing activities such as training, policy development, volunteer engagement plans, wellbeing initiatives and emergency management across the sites.

Vehicle GPS and Lone Worker Project tender closed 9 March 2020.

Councils Generic Hazards identified, generic controls/treatments to be developed through further worker engagement and the Health & Safety Committee at council

Existing Treatments

High level treatment plan:

- Pandemic Plan initiated as part of Business Continuity Arrangements and adhering to Alert Level requirements for the COVID-19 national response.
- CouncilMark Improvement #6. Health and Safety Improvement.
- Health and Safety Committee engagement.
- Health and Safety focused KPI for all staff.
- Horizon 2 (years two and three) of five-year strategy well underway.
- Vehicle GPS and Lone Worker Project on hold for 3 months due to COVID-19 crisis, tender closed and applicants notified of situation.
- Health Monitoring programme to be established for critical roles at Council in quarters 3 and 4 of FY20.

Where are the gaps? / what more could we be doing?

- Working from home safely as an organization – risk assessments for all home-based work, teams working flexibly and adoption of technology to enable work
- Reporting to Audit, Risk and Finance to reviewed and re-scoped in 2020 once new committee formed
- Worker engagement is developing and ongoing
- Meeting legislative requirements (e.g. HSNO, Asbestos, Lone Worker)

Inherent Risk:	Trend	Residual Risk:	Accountable:	CEO	Date raised:	29/11/18	Report frequency:
	—		Responsible:	Mgr. P&C	Date accepted:	30/05/19	2 monthly

ARF006 Projects / Priorities Delivery Delays

Risk Status Progress Report May 2020

Description of risk and impact

Project / Priority delivery risks start at project conception and business casing through delivery and ongoing management / maintenance. Deficiencies in any one of these stages have flow on effects (to the next stage(s)) including costs, quality and delays.

Existing Treatments

High level treatment plan:

- **Project Management Framework implementation:**
 - The Project Management framework is now in use. The Project Management Framework will evolve as teams become more proficient and Identify improvements.
- **Review project resourcing level and contract for critical resource:**
 - The goal of the future project planning process is to align the proposed programme of works against available resource.
 - Project resourcing has been bolstered, with 5 additional positions in the Project Delivery Team appointed in late 2019.
 - Resource to complete Business Cases/Briefs is provided in collaboration with Hoskins Civil Engineering
- **Project selection:**
 - A formal infrastructure project evaluation process is being defined, as part of the LTP21-30 planning, to define future programmes of work.
- **Robust planning and business casing:**
 - A business case specialist commence 5th May 2020.

Inherent Risk:	Trend	Residual Risk:	Accountable:	CEO	Date raised:	29/11/18	Report frequency:
	—		Responsible:	GM IAMs	Date accepted:	30/05/19	Two monthly



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ARF007 Compliance – NRC Abatements

Risk Status Progress Report May 2020

Description of risk and impact

FNDC has 10 abatement notices due to non-compliance with resource consent conditions for district infrastructure issued by Northland Regional Council.

Many of these notices are over two years old, and six involve expensive wastewater assets. NRC lodged an Enforcement Order application with the Environment Court for ongoing non-compliance at the Paihia Wastewater Treatment Plant (ammonia levels), and FNDC are now under suspended orders requiring delivery of solid remedial action to avoid further litigation.

Existing Treatments

High level treatment plan:

- The Infrastructure Compliance Lead remains vacant since February 2020.
- Delivery of Infrastructure Compliance Strategy – a two-year strategy with goals and deliverables to actively increase the level of compliance. This strategy directly informs the work programme of the Infrastructure Compliance Planner.
- Relationship building with NRC – monthly activity level compliance meetings are held between FNDC / NRC as well as six monthly group level compliance meetings to provide an update on the Infrastructure Compliance Strategy.
- Initiation of a programmed approach to the replacement of resource consents that are due to expire over the next five years. This is intended to, amongst other things, ensure resource consent processes align with capital investment decisions made through the LTP – reducing the risk of non-compliances caused by a lack of capital investment.
- CouncilMark Improvements:
 - 18. Asset Management Improvement
 - 19. Three Waters Alliance Improvement
 - 29. Capital Project Life Report Improvement
 - 34. Process Management Framework Improvement

As detailed in the Infrastructure Compliance Strategy, a plan is now in place with timeframes to reduce the risk to FNDC associated with infrastructure non-compliance. Over the next 2 years significant focus will be placed on identifying what is needed for FNDC's wastewater schemes to not only achieve compliance but to stay there in future. Affordability and the issue of how to fund an increase in the quality of wastewater treatment will be a challenge. Staff will work to obtain all information, options and costings associated with the required upgrades so effective decisions can be made. This task will be led through the wastewater consent replacement programme. The programmed approach was presented to NRC at the most recent six-monthly meeting and was viewed as a positive step forward.

Where are the gaps? / what more could we be doing?

Far North Waters Alliance is responsible for operational compliance with water and wastewater resource consents and FNDC must rely on Far North Waters to take ownership of this area. This includes having sound processes, systems and quality management in place, as well as having the technical capability to provide informed, cost effective and viable recommendations on improvements / upgrades needed to our water and wastewater assets to become and remain compliant.

Whilst NRC will not rule out future enforcement action, NRC staff are generally satisfied with the actions being undertaken and the plan presented to them. Staff will endeavour to actively increase FNDC's level of infrastructure compliance without further enforcement action; however, in some instances where funding and affordability are an issue, enforcement action may be unavoidable.

Note: abatement notices tend to remain in place where NRC believed there is a risk of continued non-compliance, even if work has been undertaken to address the non-compliance. This is the reason why a number of the abatement notices were issued several years ago.

Inherent Risk:	Trend	Residual Risk:	Accountable:	CEO	Date raised:	29/11/18	Report frequency:
	↓		Responsible:	GM IAMs	Date accepted:	30/05/19	Six monthly

ARF008 Civil Defence

Risk Status Progress Report May 2020

Description of risk and impact

District Councils have a legislated responsibility to support the Civil Defence Emergency Management Act 2002 by maintaining a capability to respond to and recover from civil defence emergencies.

The Far North is expecting increasing severe weather events from Climate Change particularly flooding and slips and therefore must prepare for these inevitabilities.

Existing Treatments

High level treatment plan:

- FNDC belong to a regional civil defense & emergency management collective alliance (Northland Region Civil Defence Emergency Management (CDEM) Group) which is proving to be beneficial in delivering efficiency and effectiveness around resource allocation.

The current drought crisis and pandemic planning are testing these arrangements. To date FNDC has stood up a Drought Response Team which has reformed as the Crisis Response Team with additional roles to manage our COVID-19 response. There will be a "lessons learned" exercise at the conclusion of these events to understand future improvements.

- Ongoing training of staff to fill required EOC roles.

As of Feb 2020 we have the following number of trained staff:

CIMS Role	Number trained staff
Controller	3
Welfare	4 + 1 FNHL
EMIS	2
PIM	4
CIMS trained	41

- Resilience planning with Communities

Where are the gaps? / what more could we be doing?

Inherent Risk:	Trend	Residual Risk:	Accountable:	CEO	Date raised:	29/11/18	Report frequency:
	↓		Responsible:	GM IAMs	Date accepted:	30/05/19	6 monthly



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ARF009 Customer Service Delivery

Risk Status Progress Report May 2020

Description of risk and impact

Customer Service Delivery is the efficient and cost-effective delivery of required District Council services to residents, ratepayers, visitors and the community. This includes timely processing and communication with the public around services.

In some cases, ineffective and inefficient processes, and information, cause delays in processing requests and affects timely communication with customers.

Frustrated customers often call elected members who need to escalate or facilitate information back to the individual.

Customer satisfaction is linked to CEO KPI 6.2

Existing Treatments

High level treatment plan:

- The Customer Experience Improvement Programme has been slowed and is being reprioritised as we responded to the current challenges.
- Delivery of the Customer Experience Improvement Programme is currently focused on:
 - Customer centric culture business engagement (internal and external)
 - Transformation & Assurance completing a process diagnostic for the Rooding team focused on the end to end RFS process. This has included meeting with the alliance partners, an end to end customer journey review, data analysis from internal systems, interviews with key stakeholders to provide some recommendations for future state.
 - Analyse and understand our customers' requirements to enable an informed review of our Customer Experience Strategy and associated procedures.
 - Review of customer satisfaction performance improvement initiatives.
- Analyse of customer feedback to drive improvement.
- Several CouncilMark improvements will benefit customers experience.

Where are the gaps? / what more could we be doing?

- On hold: Customer surveys, to inform our improvement programme, will not be printed and posted during the Level 4 COVID-19 restrictions.
- Enterprise wide RFS Redesign Project to align customer experience across the organisation.
- Understanding impact of current crises (drought and COVID-19) on key customer satisfaction metrics and planning/modelling for increased service delivery post pandemic.

Inherent Risk:	Trend	Residual Risk:	Accountable:	CEO	Date raised:	29/11/18	Report frequency:
	↑		Responsible:	Mgr P&C	Date accepted:	30/05/19	Two monthly

ARF012 Contract Management Risks

Risk Status Progress Report May 2020

Description of risk and impact

Contract management risk can arise due to contract wording, contract breaches, contract performance and relationship management.

These critical contract management risks have the potential to cause Commercial impacts – financial, legal, reputational and create long term issues for the Far North District. If not managed correctly we could see delays and interruptions to service delivery with lengthy drawn out disruption. Commercial resource demand could be impacted.

Existing Treatments

High level treatment plan:

- Corporate Contract Management Specialist appointed 22nd October 2019 but remained engaged in the Procurement Specialist role till 10th February 2020.
- Contract Management Framework in development – discussions with Auckland City Council Contracts Management Centre of Excellence.
- Contracts Framework will cover three main contractual arrangements with the addition of AOG (All of Government) and syndicated contracts.
- Contracts Register created in internal TK2 system with all new contracts, some gaps exist for historical contracts.
- Policy, process and templates creation initiated.
- Contract Management training commenced and delivered to District Facilities late 2019.

Where are the gaps? / what more could we be doing?

Increasing internal commercial expertise

COVID-19 Guidance

There will be disruption to supply chains and work force during the COVID-19 outbreak. This may manifest itself in contractual matters. Force Majeure clauses will become more important and called on in the coming months.

For existing projects, the immediate impacts are most likely going to take the form of delays arising from late arrival of imported materials, or labour shortages due to health issues and lockdown requirements.

Specific contractual provisions likely to be impacted by Covid-19 include: extensions of time; acceleration; suspension; frustration; health and safety obligations; and change of laws.

For new projects, Contractors and Principals should discuss the best way to deal with the risks to the project arising from the potential spread of the Covid-19 virus including whether contract amendments or changes to insurance cover will be required.

Risk Mitigation Guidance for both current and new projects will be provided to FNDC staff through the TK2 website.

Inherent Risk:	Trend	Residual Risk:	Accountable:	CEO	Date raised:	29/11/18	Report frequency:
	↑		Responsible:	GM IAMs	Date accepted:	30/05/19	2 monthly

5.6 COUNCIL FINANCIAL REPORT FOR THE PERIOD ENDING 30 APRIL 2020**File Number:** A2881067**Author:** Angie Thomas, Manager - Accounting Services**Authoriser:** Janice Smith, Chief Financial Officer**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 30 April 2020.

EXECUTIVE SUMMARY

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

RECOMMENDATION

That the Assurance, Risk and Finance Committee receive the report Council Financial Report for the Period Ending 30 April 2020.

BACKGROUND

This reports financial information as at 30 April 2020.

DISCUSSION AND NEXT STEPS

The report is for information only.

FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

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

ATTACHMENTS

1. Council Financial Report April 2020 - A2885959 [↓](#) 



Far North District Council

Council Financial Report

for the period ending **30-April-2020**

Financial Overview

Key financial metrics from the Statement of Financial Performance for the Far North District Council as at 30-April-2020.

The overall performance of Council has continued with business as usual even though the drought conditions and now COVID-19 has taken precedence and will continue in the coming months in order to bring back recovery to our economy and district.

The organisation is refocusing their priorities in order to accommodate both situations so ongoing income and expenditure will be reviewed.

Overall, we had a Variance to Budget YTD movement from \$1.4M in February 2020 to - \$0.4M in April 2020 Net Operating Position.

The Year End forecast net operating position of -\$7.7M was due to savings across the organisation to accommodate the drought crisis and COVID-19. However, the remaining balance pertained mainly to Roding subsidy for both New Works and Renewal.

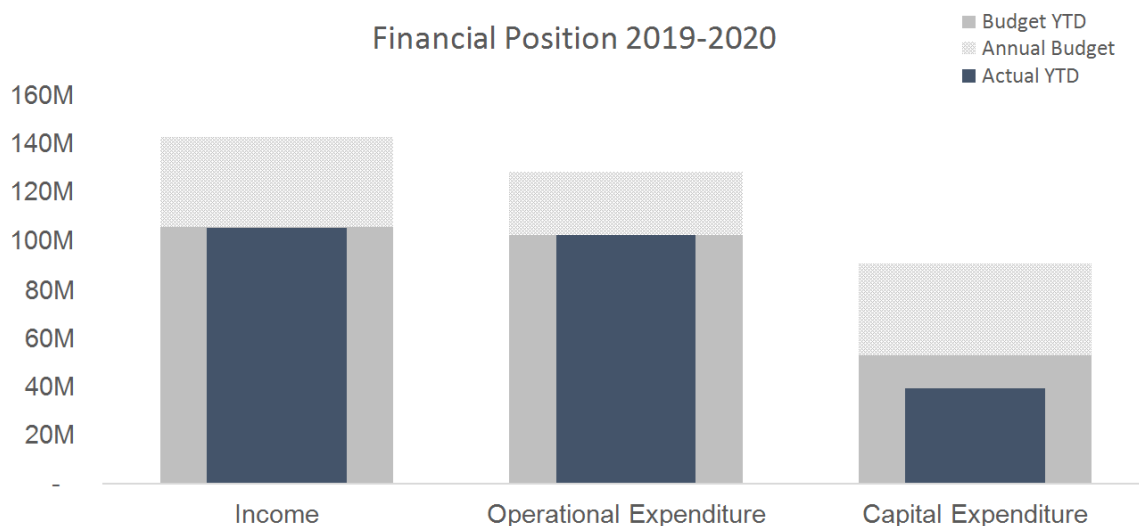
05 Year End Net Operating Position	06 Amount	07 Comments
08 Roding Subsidy	09 \$5,047k	10 Roding capital projects for both new and renewal have been identified as a carry forward and will be completed in the 2020_2021 financial year

The Year end forecast position for Capital Expenditure of -\$16.1M is mainly due to the following projects:

11 Year End Capital Expenditure	12 Amount	13 Comments
14 District Facilities 15	16 \$1,032k	17 Council approved unbudgeted funds for BOI Sports Development Land purchase
18 Roding and Footpaths 19	20 -\$11,775k	21 Roding projects for both new and renewal have been transferred out to the future years
22 Wastewater 23	24 -\$365k	25 Council approved additional funds of \$1.5m to complete Kerikeri Wastewater Treatment Plant offset by projects transferred to future years
26 Stormwater 27	28 -\$127k	29 Waipapa roundabout disposal field budget has been cancelled
30 Water Supply	32 -\$286k	33 Renewals at Russell bore, Kaikohe reservoir, Paihia industrial area fire flow,

31		Kawakawa bore, Rawene/Omanaia WTP
34 Governance & Strategic Administration 35	36 -\$4,340K	37 Te Pu o te Wheke - Kaikohe Hub of \$3.8m transferred to 2020_2021 financial year. Balance related to movement for vehicles and office furniture 38
39 Customer Services 40	41 -\$208k	42 Horizon library system

The December 2019 Financial Report gave an overall update on the financial position of Council, for the remaining months commentary will only be by exception.



Year to Date

Actual Position as at 30-April-2020

	Actual YTD	Budget YTD	Variance to Budget YTD	% Variance Actual to Budget YTD
Total Income	105.3M	105.7M	- 0.5M	0%
Operational Expenditure	102.3M	102.4M	- 0.0M	0%
Net Operating Position	3.0M	3.4M	- 0.4M	-13%
Capital Expenditure	39.3M	52.7M	- 13.4M	-25%

Year End

Forecast Position as at 30-June-2020

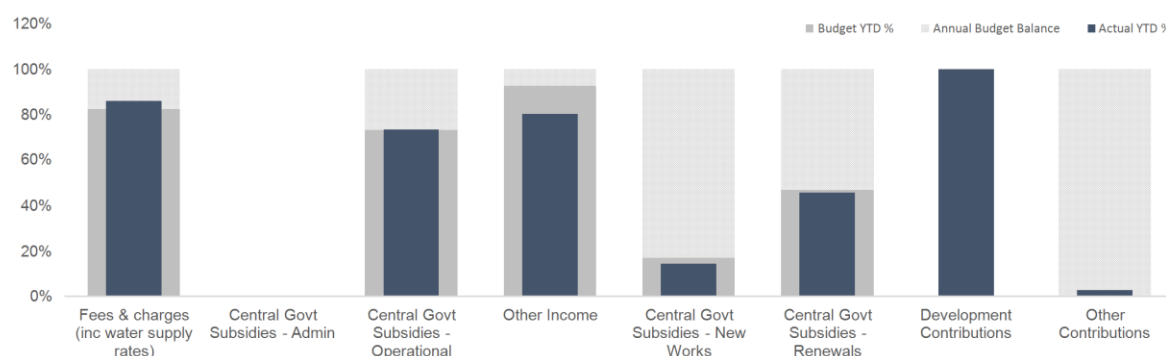
	Annual Forecast	Annual Budget	Forecast Variance to Budget	% Variance Forecast to Budget YTD
Total Income	136.5M	142.9M	- 6.4M	-4%
Operational Expenditure	129.6M	128.3M	1.3M	1%
Net Operating Position	6.9M	14.5M	- 7.7M	-53%
Capital Expenditure	74.6M	90.7M	- 16.1M	-18%

**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
31.2M	31.3M	- 0.1M	0%	53.3M	46.9M	- 6.4M	-14%



Highlights:

Fees & charges (inc water supply rates)

- Due to the ongoing drought situation throughout the district, bulk water supply to Kaitaia, Kawakawa, Kerikeri and Paihia areas has been in excess to budget however, Kaikohe remains behind budget due to limited water resources.
- Water charges continue to be lower than anticipated as a result of low water consumption over the drought period.
- Income from Transfer Stations has decreased due to the low volumes of refuse being disposed.
- There is a slight decrease in income for property files due to the decrease in requests from the public.

Central Govt Subsidies - Operational

- Roading is behind with ordered works in seal pavement maintenance (potholes, edge break repairs) and structure maintenance (painting of bridges and rails). A significant risk to maintaining a level of service during the winter conditions were highlighted, therefore the impact on pre reseal road repair works are a major concern, without delaying the reseal renewals program.

Other Income

- A dividend payment to be received from Far North Holdings Limited (FNHL) has been received and the 2019/20 estimated dividend will be accrued at the end of the financial year.
- Anticipated interest received is ahead of budget due to the approved investment in term deposits.
- A number of recoveries have been received from activities across the organisation that was not anticipated.

Central Govt Subsidies - New Works

- Roding budgets are behind due to a delay in awarding a contract for the West Coast Rd G01 bridge project due to a new design requirement and consent.
- Inksters Rd W35 and Kenana Rd E16 culvert replacements design review has highlighted some issues which has affected construction this financial year.
- Otaua Rd N28 contract has been awarded however, the project costs exceeds the budget and will now be delivered in the next financial year.
- These underspends have been offset by unbudgeted subsidy received from the NZ Transport Agency (NZTA) for the construction of approved Community Board footpaths across the three wards.

Central Govt Subsidies – Renewals

- The Roding activity overall is behind budget due to dry weather which is not suitable for applying materials. This has impacted expenditure particularly in the south of the district.
- Pavement rehabilitation in both the North and South areas were initially delayed due to the availability of the laboratory test results for design purpose, which further delayed the initial commencement of physical works and then COVID-19 further delayed progress.
- Bridge structures renewal contracts has now been awarded, however, due to the COVID-19 lockdown the programme has missed the construction period and will be delivered next financial year.

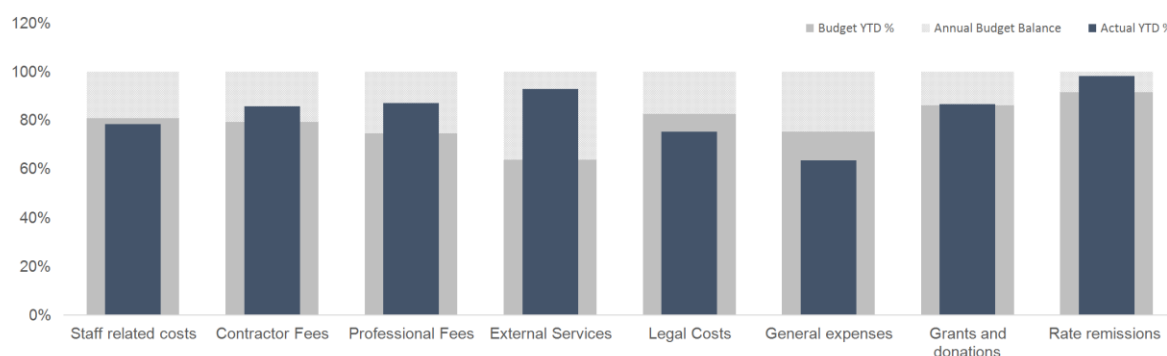
Other Contributions

- Contribution pertains to the funds held with the Te Hiku Community Board for the Jaycee Park project in Kaitia

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
72.8M	70.3M	2.5M	4%	89.9M	91.5M	1.6M	2%



Highlights:

Staff related costs

- There are still a number of vacancies that have not yet been filled across the organisation and training budgets are not likely to be used for the remainder of the financial year.

Contractor Fees

- Town maintenance is behind budget, however, funds are committed to be spent by the end of the financial year.
- Unbudgeted engagement of contracted consultants to meet demand for resources and building consent works has continued. Costs are not fully recoverable, in the Building Consents group travel and accommodation is not recoverable. In the Resource Consents group not all costs have been recovered due to discount penalties, fee waivers and successful fee objections.
A Quality Manager has now been recruited within the group which will alleviate the need to contract out that role.
- Roading is behind with ordered works in seal pavement maintenance (potholes, edge break repairs) and structure maintenance (painting of bridges and rails). A significant risk to maintaining a level of service during winter conditions were highlighted, therefore the impact on pre reseal road repair works are a major concern, without delaying the reseal renewals program. This has been offset by unbudgeted expenditure relating to contractual bonus payments to the two maintenance contractors.

- The water and wastewater alliance agreement with our current contractor Broadspectrum Limited is over budget due to reactive works. 415 requests for service (18% above the seasonal average) has been received in March, these have been mainly due to leaks and drought related issues.
- Transfer Stations has decreased due to the low volumes of refuse being disposed.
- There are no significant variances in the Governance & Strategic Administration group, however, external contractors needed to be hired in order to backfill the transition to O365 and new server platform.

Professional Fees

- Te Pu o te Wheke unbudgeted concept design has commenced as quantity surveying is underway.
- Unbudgeted removal and clearing of trees are continuing in the Eastern and Western Ward due to public safety.
- Network and asset management recorded time against various projects (operational or capital) is not recorded in a timely manner or against the correct activity. This is being reviewed and will be corrected in due course.
- Consultants and project managers have been engaged for Tourism Infrastructure Funds (TIF) applications for toilets to assist with project planning and scoping and develop forward works programme for the asset managers.
- Stormwater are behind budget but funds are fully committed to complete the Kawakawa stormwater catchment modelling.
- Customer services are behind budget due to the slowing down of services provided to the public.

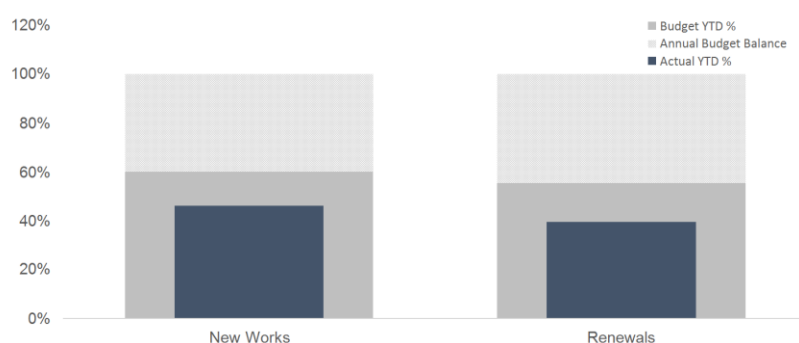
External Services

- This is ahead of budget mainly due to the impact of the drought crisis. Unbudgeted costs relating to temporary water supplies have been incurred, however, savings across the organisation have been reforecast to offset this and some expenditure is to be offset by Provincial Growth Funding (PGF).

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
39.3M	52.7M	- 13.4M	● -25%	90.7M	74.6M	- 16.1M	● -22%



Highlights:

New Works

- Acquisition of land for the Bay of Islands Sports Development is now completed.
- Due to a change in the scope of works for the animal welfare shelter at Bonnets Road in Kaitia, Council has now negotiated with the original tenderer who is happy to carry out the work. Amended plans have been received and we are now waiting on amended reports for suppliers and a new schedule of quantities and prices from the tenderer which is expected by the end of May.
- The purchase of the Melka Boarding Kennels in Kaikohe is now complete.
- The Kawakawa Library/Service Centre will be relocated to Te Hononga and has been further delayed.
- Works on the Windsor Landing Carpark and Access has now commenced as an outcome from the Environment Court which was in our favour.
- Delay in awarding contracts for West Coast Rd G01 bridge project due to new design requirement and consent.
- Inksters Rd W35 and Kenana Rd E16 culvert replacements design review has highlighted some issues and affected the ability to construct this financial year.
- Otua Rd N28 contract was awarded prior to COVID-19 lockdown, however, the project cost exceeds budget and will now be delivered next financial year.
- Seal Extension unsubsidised works at Porotu Road, Puketi Road and Kumi Road has been delayed due to more design requirements under the maintenance contract for

North and South. This has now missed the construction period due to the COVID-19 lockdown and will be delivered next year.

- Kaitaia Transfer Station weighbridge relocation works are now complete, and the balance of funds will be used to complete an extension to the transfer station.
- Planned work for the Asset Management System project is in a development phase with Infor Global Solutions (NZ). System configuration was scheduled to be completed in April 2020 but is ongoing and the data migration is due August 2020.
- Kerikeri Wastewater Treatment Plant is continuing, however, there are now further delays due to the current COVID-19 situation and will not be completed until September 2020.
- The Paihia Wastewater Treatment Plant is currently under budget and was planned to be committed but is now delayed due to the COVID-19 shutdown.
- Kaitaia Commerce Street Stormwater Line is under budget there have been delays in obtaining an access agreement from a landowner which is now received.

Renewals

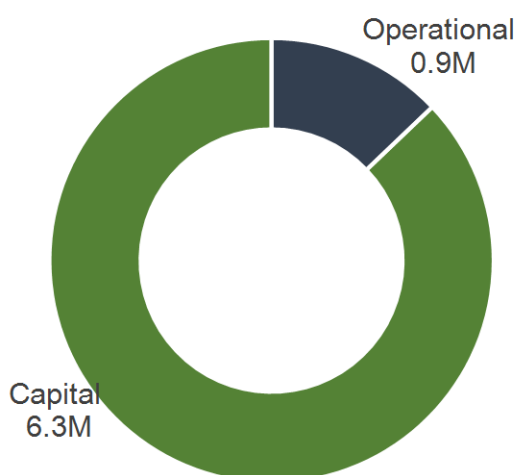
- Scoping for the Kaitaia Airport seal works has now commenced.
- Taheke Hall structural and internal fit-out works is in detailed design stage, and tenders have been invited in March and anticipate construction to commence in October at the request of the Taheke Committee.
- Maritime Facilities work on re-construction to extend the Mangonui jetty including gangway, pontoon and piles, steps is being undertaken by Far North Holdings Limited. Scoping works for renewal works for other maritime facilities at Rawene, Whangaroa, Opononi, Taipa, Kohukohu, Omapere, Kerikeri, Totara North has commenced.
- Scoping is underway for public toilets in Taupo Bay and Hundertwasser for upgrade works.
- Parks and reserves are under budget; scoping works are being finalised for Kaitaia and Okaihau. Design works has commenced for Moerewa
- The Kawakawa Hundertwasser Memorial Park Stormwater Realignment project is under budget, however, there are further delays to the design due to the current situation.
- Footpath renewals are under budget due to resourcing issues with the Northern contractor; however, this work will now be delivered by the Southern contractor and will be completed this financial year.
- Unsealed road metaling is under budget in the South due to unfavourable conditions, which are not suitable to apply materials and complete works.

- Renewal projects for desktop computer and other computer equipment is continuing. Planning and testing have begun with Democracy Services for the introduction and rollout of electronic agenda platform and iPads for Councillors. This project will see devices and applications rolled-out during March and April
- Computer Systems - Programme is progressing with updates and upgrades planned for this Financial year. Current activity is within the Citrix Upgrade and Office 365. Work will continue to focus on upgrades with Objective and other core systems.
- Pool Vehicles is under budget and vehicles are renewed as required. Vehicles that are on order have been delayed due to import issues arising from the COVID-19 pandemic.
- The Kaikohe Library project is behind budget. The majority of funds is unlikely to be spent until the library moves to the newly proposed Kaikohe Community Hub.
- The Paihia I-Site refurbishment project has not yet commenced. Staff are awaiting a quote to lower the desks and expects to use the budget this financial year.

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		
Unbudgeted Operational		Amount

Water Crisis PGF Lake Omapere	Other Contributions	-800,000
Water Crisis PGF Bonnets Road	Other Contributions	-1,200,000
Water Crisis PGF Lake Omapere	External Services	800,000
Building Consents (BCA)	Contract Professional Fees	500,000
Asset Management & Infrastructure	Professional Fees	250,000
Water Crisis PGF Bonnets Road	External Services	1,200,000
Maritime Facilities	External Services	150,000
Libraries	Software Licence Fees	20,000
Libraries	Equipment Purchases (uncapitalisable)	10,000
Facilities operations - buildings	Professional Fees	5,000
		935,000
Unbudgeted Capital Works		Amount
BOI Sports Development	CAPEX New Works Contract Services	1,840,717
Kerikeri Wastewater Infrastructre	CAPEX New Works Contract Services	1,500,000
Digitisation Scanning	External Services	648,688
Waitangi Jetty Toilet Capacity - TIF	External Services	252,000
Karikari and Doubtless Bay Rangers	External Services	185,500
Waitangi/Haruru Falls Bush Walk	CAPEX New Works Contract Services	164,000
Mitimiti Toilet (TIF)	CAPEX New Works Contract Services	153,290
Opononi i-Site Public Toilet (TIF)	CAPEX New Works Contract Services	135,509
Waitangi Boat Ramp Toilets (TIF)	CAPEX New Works Contract Services	133,769
Stormwater Bonnett Road Kaitaia	CAPEX New Works Contract Services	99,168
Boat Ramp Study TIF Funded	External Services	75,000
Freedom Camping Study - TIF Funded	External Services	75,000
Kohukohu Resource Consent	CAPEX New Works Licenses and	62,850
9-11 Old Beach Road Stormwater	CAPEX New Works Contract Services	56,659
Korora Park Toilet	CAPEX New Works Contract Services	49,450
Kaimaumuau Public Toilet	External Services	40,000
Kaitaia New Source (Sweetwater)	CAPEX New Works Contract Services	40,000
Ahipara Toilet	External Services	36,550
Stone Store Lighting - TIF Funded	External Services	28,000
Paihia Toilet Enhancement - TIF Funded	CAPEX New Works Contract Services	28,000
Horeke Housing for the Elderly	CAPEX Renewal Works Contract	26,655
Kaikohe Memorial Park Upgrade	CAPEX New Works Contract Services	26,400
24-26 Yarborough Street New Sewer	CAPEX New Works Contract Services	24,629
Mains replacement Rawene	CAPEX New Works Contract Services	24,335
Opononi STP - Fence Renewal/Upgrade	CAPEX New Works Contract Services	22,000
Kaitaia Parks & Reserves	CAPEX Renewal Works Contract	17,589
Waima Housing for the Elderly	CAPEX Renewal Works Contract	16,974
Taipa Tree Protection - TIF Funded	External Services	16,000
1506 Inland Road Sewer Connection	CAPEX New Works Contract Services	14,730
Kaikohe Parks & Reserves	CAPEX Renewal Works Contract	13,773
Ramp Road Public Toilet	External Services	13,650
Kaikohe Lions Club	CAPEX Renewal Works Contract	11,050
Whangaroa Hall Renewals	CAPEX Renewal Works Contract	8,945
Rawhiti boat ramp toilet RC	External Services	7,800

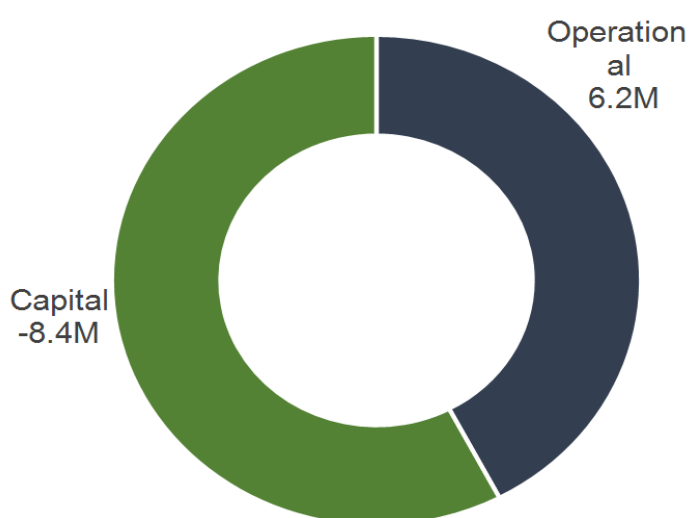
JBC Customer Services Area Minor	CAPEX New Works Contract Services	6,000
Disability Access Halls Western	CAPEX New Works Contract Services	5,400
Kaka Street Ramp	CAPEX New Works Contract Services	4,988
Kororipo Basin (Pear Tree)	CAPEX New Works Contract Services	4,318
CCTV Hokianga i-SITE	CAPEX New Works Contract Services	3,885
CCTV BOI i-SITE	CAPEX New Works Contract Services	3,740
Parks & Reserves Northern	CAPEX New Works Contract Services	3,018
Opononi STP - Fence Renewal/Upgrade	CAPEX Renewal Works Contract	2,252
Digitisation Scanning	Contract Professional Fees	1,313
Kaitia Oxford St Housing for the Elderly	CAPEX Renewal Works Contract	1,301
Kawakawa Commercial St Car Park	CAPEX New Works Contract Services	1,139
Paihia Toilet Enhancement - TIF Funded	Subsidy New Works	-14,000
Waitangi Boat Ramp Toilets (TIF)	Subsidy New Works	-133,769
Opononi i-Site Public Toilet (TIF)	Subsidy New Works	-135,509
Mitimiti Toilet (TIF)	Subsidy New Works	-153,290
		5,449,466
Unbudgeted Roothing		Amount
West Coast Rd RP9563	CAPEX Renewal Works Contract	269,500
Diggers Valley Rd RP12722	CAPEX Renewal Works Contract	210,000
Fairburn Rd RP9588	CAPEX Renewal Works Contract	185,500
Wharekawa Rd RP3552	CAPEX Renewal Works Contract	178,000
Waiohew Road Dropout RP 5400	CAPEX Renewal Works Contract	20,000
Waiohew Rd RP5251	CAPEX Renewal Works Contract	13,000
		876,000
		7,260,466

Summary	
Operational	935,000
Capital	5,449,466
Roothing	876,000
Balance of Unbudgeted Expenditure	7,260,466

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 Roding budget adjustment moved out to future years to reflect the lower of FNDC or NZTA budget. Also, Operational of 6.2M includes \$5.6M Water by Meter income budget, which was entered twice in error into the system.



Budget Movements		
General Ledger	Comment	Amount
Resource Consents Administration	Opex Reforecast as at 31 Oct 19	346,060
Resource Consents Administration	Opex Reforecast as at 31 Oct 19	130,576
Resource Consents Administration	Opex Reforecast as at 31 Oct 19	121,385
Training	Opex Reforecast as at 31 Oct 19	22,379
Water Schemes	Opex Reforecast as at 31 Oct 19	20,000
Resource Consents Appeals	Opex Reforecast as at 31 Oct 19	10,819
Resource Consents Administration	Opex Reforecast as at 31 Oct 19	8,398
Infrastructure planning - stormwater	Opex Reforecast as at 31 Oct 19	5,000
Infrastructure planning - facilities	Opex Reforecast as at 31 Oct 19	4,204
Human Resources General	Opex Reforecast as at 31 Oct 19	3,184
Recruitment	Opex Reforecast as at 31 Oct 19	3,119
Compliance	Opex Reforecast as at 31 Oct 19	1,648
Refuse Administration	Opex Reforecast as at 31 Oct 19	1,525
Project Management Office	New FTE Contract Specialist	1,500
Compliance	Opex Reforecast as at 31 Oct 19	1,264

Compliance	Opex Reforecast as at 31 Oct 19	1,062
Project Management Office	New FTE Contract Specialist	750
Electronic Property Management	Do not think full budget will be spent this year	-1,000
Legalisation	Expenditure is running at a lower rate	-5,000
Legal Services	Anticipated costs award Supreme Court Case	-33,000
Resource Consents Administration	Opex Reforecast as at 31 Oct 19	-96,189
		547,684
Project Ledger	Comment	Amount
Kaitia New Source (Sweetwater)	Kaitia New Water Source	499,000
IT Servers & Storage	Server and Network Renewal Project reforecast from 2020/21	178,708
Tech One	TechOne HRP Renewals budget transfer from 20/21 FY	95,000
Mission Road-Kerikeri	Transfer from holding code to individual project codes and retiming	85,190
Kaikohe Hone Heke Reserve	Kaikohe Hone Heke Reserve Repair retaining Wall	73,123
Horeke Hall	Horeke Hall Wastewater Treatment System septic tank replacement	70,976
North Park Drive to Whangatane Drive-Kaitia	Transfer from holding code to individual project codes and retiming	68,625
Mobile Toilets (Temporary Facilities)	Covid19 lockdown Capex reforecasted to LTP 21/22	67,290
Computer Equipment	Server and Network Renewal Project reforecast from 2020/21	42,533
Northland college to Saleyards-Kaikohe Footpath	Transfer from holding code to individual project codes and retiming	34,980
Footpaths Western Ward	Transfer from holding code to individual project codes and retiming	27,152
Waianga Place-Opononi Footpath	Transfer from holding code to individual project codes and retiming	26,840
Northern Bin Benches Bollards Signs Tables	Northern Bins Bollards Benches \$20,000 reinstated back to this year	20,000
Western Bin Benches Bollards Signs Tables	Western Bins Bollards Benches \$20,000 reinstated back to this year	20,000
Kaikohe Lions Club	Kaikohe Lions Club Budget Movements renewals from 2034	15,900
Long Beach Road footpath corner to carpark-Russell	Transfer from holding code to individual project codes and retiming	13,810
Mains replacement Rawene	Rawene Cemetery Water Main	13,415
Taheke Road to Orrs Road eastbound-Footpath Kaikohe	Covid19 lockdown - Footpath project reforecasted to AP 20/21	12,052
Whangaroa Hall Renewals	Whangaroa Hall - Exterior Upgrade to address weather tightness issues	12,000

Te Haumi Seawall	Te Haumi Seawall & Carpark remediation Capex reforecasted to LTP 21/22	10,874
Rangihamama Road to Taheke Road SH12-Footpath Kaikohe	Transfer from holding code to individual project codes and retiming	10,028
9B Hone Heke Road Kerikeri SW Pipeline	Tfr of Renewal Budget	9,664
Opononi/Omapere Stormwater Imps	40 Fairlie Cresc SW Imps	9,190
Rawene Old Courthouse	Rawene Community Library Renewals	7,202
Russell Robertson St Stormwater Lines	Tfr Future Renewal Budget Russell Robertson Street	5,287
Kaitaia Oxford St Housing for the Elderly	HFTE Oxford St & Puckey Ave	4,241
Jaycee Park/Centennial Park	Cent Park historic train repairs	3,200
Kaitaia Swimming Pools	Kaitaia Swimming Pool Dive Board	2,369
1506 Inland Road Sewer Connection	1506 Inland Rd Sewer Connection	2,070
Landfill Russell	Russell Landfill Leachate pump	1,900
Disability Access Halls Western	Disability Halls Access Western Capex reforecasted to LTP 21/22	559
Commercial Street Car Park Renewals	Covid19 lockdown Capex reforecasted to LTP 21/22	-705
Kawakawa WWTP RMU	To be removed - allowed for in 551134	-2,535
Horeke Housing for the Elderly	Re-forecast to FY21/22 Capex	-2,613
Kawakawa Tirohanga Borefield	Covid19 lockdown Capex reforecasted to LTP 21/22	-5,173
Conversion of Off Street Car Parking to Accessible Levels	Covid19 lockdown Capex reforecasted to LTP 21/22	-5,573
Conversion of Off Street Car Parking to Accessible Levels	Covid19 lockdown Capex reforecasted to LTP 21/22	-5,573
Conversion of Off Street Car Parking to Accessible Levels	Covid19 lockdown Capex reforecasted to LTP 21/22	-5,573
Kawakawa WWTP RMU	To be removed - allowed for in 551134	-5,641
Parks & Reserves Western	Re-forecast out to FY21/22 Capex	-6,065
Disabled access Toilets Eastern	Covid19 lockdown Capex reforecasted	-6,222
Accessible Carparks Eastern	Reinstate budget from 21/22 FY back into Capex reforecasted to LTP 21/22	-6,625
Accessible Carparks Northern	Reinstate budget from 21/22 FY back into Capex reforecasted to LTP 21/22	-6,872
Paihia Mains Fire Flows Puketona Haruru Falls	Covid19 lockdown Capex reforecasted	-6,979
Civil Defence Renewals	Covid19 lockdown Capex reforecasted	-7,055
Kohukohu Housing for the Elderly	Re-forecast to FY21/22 Capex	-7,130
Rawene Grundy Street Reticulation	Needs to be removed-Project completed Capex Reforecast	-7,665
Russell Bores Control System Upgrade	Covid19 lockdown Capex reforecasted	-7,808
Ahipara Parks & Reserves	Funding to be removed saving frm FY18/19 no works required - Capex	-9,308
Disabled access Toilets Western	Covid19 lockdown Capex reforecasted	-10,116
Accessible Carparks Western	Reinstate budget from 21/22 FY back	-10,363

Whangaroa Wastewater Scheduled Renewals	Covid19 lockdown Capex reforecasted	-10,440
Kaikohe Taraire Hills Reservoir	Covid19 lockdown Capex reforecasted	-10,578
Opononi Specified Works	Covid19 lockdown Capex reforecasted	-12,736
District Wide Treatment Plant Instrumentation	To be removed - allowed for in 551134	-12,877
Whangaroa Parks and Reserves	Re-Forecast to FY21/22 Capex	-14,367
Taheke Road to Orrs Road eastbound-	Covid19 lockdown - Footpath project	-18,260
Proctor Library HVAC	Budget savings Proctor Library HVAC	-20,627
Districtwide Chlorinator Replacements	Covid19 lockdown Capex reforecasted	-22,484
Ahipara Parks & Reserves	Korora Park Carpark Apron	-22,618
Paihia Parks & Reserves	Re-forecast to FY21/22 Capex	-24,181
Taupo Bay Toilet	Re-forecast to FY23/24 Capex	-25,721
Tsunami Warning System	Covid19 lockdown Capex reforecasted	-29,710
Parks & Reserves Eastern	KK Doves Bay; Paihia Lily Pond	-32,616
Okaihau Supplementary Source	Covid19 lockdown Capex reforecasted	-33,158
Disability Access Halls Northern	Reinstate budget from 21/22 FY back	-33,324
Paihia Specified Works	Paihia Specified Works Capex	-35,259
Kaikohe Taraire Hills Reservoir	Covid19 lockdown Capex reforecasted	-35,412
Opononi Specified Works	Covid19 lockdown Capex reforecasted	-40,336
Asset Finda Hardware & Software	Covid19 lockdown Capex reforecasted	-40,880
Rawene/Omanaia Water Treatment Plant	Covid19 lockdown Capex reforecasted	-48,958
Whatuhihi Wastewater Scheduled Renewals	Covid19 lockdown Capex reforecasted	-50,098
Ward Wide Town Beautification /	Re-Forecast to FY21/22 Capex	-51,100
Kaikohe Streetscape Upgrade	Re-Forecast to FY21/22. Budget to	-54,867
Te Haumi Carpark	Covid19 lockdown Capex reforecasted	-55,934
Mobile Toilets (Temporary Facilities)	Covid19 lockdown Capex reforecasted	-67,290
Rawene Grundy Street Reticulation	Needs to be removed-Project	-68,985
Disability Access Halls Eastern	Covid19 lockdown Capex reforecasted	-71,101
Mains replacement Kaitia	Covid19 lockdown Capex reforecasted	-75,858
Oruru Hall	Covid19 lockdown Capex reforecasted	-78,443
Kaikohe Reticulation	Covid19 lockdown Capex reforecasted	-80,144
Kerikeri Domain Playground	Re-Forecast to FY21/22 Capex	-81,249
Kaikohe Reticulation	Covid19 lockdown Capex reforecasted	-81,760
Kerikeri PS9	Needs to be moved out to 2020-2021	-81,760
Paihia Watea Industrial Area Fire Flow	Covid19 lockdown Capex reforecasted	-82,138
Russell Parks & Reserves Renewals	Russell Parks & Reserves Capex	-84,530
Digitisation Scanning	Digitisation Scanning Opex savings	-86,403
Wastewater Telemetry	Wastewater Telemetry Capex	-90,754
Paihia Watea Industrial Area Fire Flow	Covid19 lockdown Capex reforecasted	-92,624
Kaikohe Training Yard	Reforecast out to YR1 next LTP	-99,988
Lindvart Park Pavillion	Re-forecast to FY21/22 Capex	-100,196
Broadwood Swingbridge	Covid19 lockdown Capex reforecasted	-102,200
Kerikeri Backwash Tank	Kerikeri Backwash Tank	-102,200
Opononi Housing for the Elderly	Re-forecast to FY21/22 Capex	-108,406
Kerikeri WTP Structural Work on Clarifier	Kerikeri WTP Structural Work	-110,008
Hihi WWTP Construction	To be moved out to 2020-2021 Capex	-112,420
Office Equipment	move uncommitted funds out to year 2020.2021	-116,777
Kawakawa Infiltration & Inflow	Covid19 lockdown Capex reforecasted	-125,600
Wastewater Telemetry	Wastewater Telemetry Per Tanya	-136,130

District Wide Reservoirs Structural Works	Reforecast to FY20/21 Capex	-140,754
Treatment Plant Upgrade Kerikeri	Covid19 lockdown Capex reforecasted	-141,738
Kaitaia Reduction of Wastewater Overflows	Covid19 lockdown Capex reforecasted	-143,080
Rawene Housing for the Elderly	Re-forecast to FY21/22 Capex	-144,404
Kawakawa Infiltration & Inflow	Covid19 lockdown Capex reforecasted	-188,400
Community Hub Kaikohe	Kaikohe Hub Capex reforecast 20/21	-200,000
Kaitaia Reduction of Wastewater Overflows	Covid19 lockdown Capex reforecasted	-214,620
Kerikeri Rugby Pavilion	Kerikeri Rugby Pavilion Capex	-306,600
Waipapa Roundabout Disposal Field	SJ - Will not be delivered. Needs to be removed from LTP. Should not be SW proj	-306,600
Kerikeri Parks & Reserves	Covid19 lockdown Capex reforecasted	-360,615
Hihi WWTP Construction	To be moved out to 2020-2021 Capex	-398,580
Pool Vehicles	move uncommitted funds out to year 2020.2021	-418,973
Community Hub Kaikohe	Kaikohe Hub Capex reforecast 20/21	-3,800,000
		-8,420,286
		-7,872,602

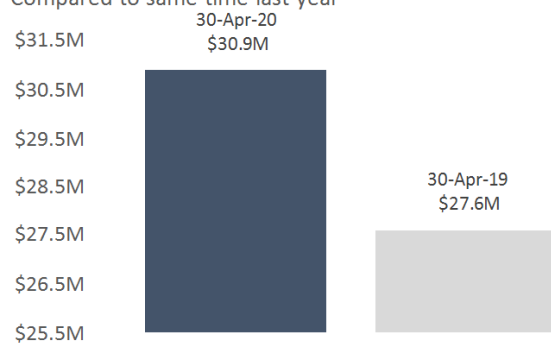
Summary	
Operational	547,684
Capital	- 8,420,286
Balance of Budget Movements	- 7,872,602

Summary of Movements	
Unbudgeted Expenditure	7,260,466
Less Budget Movements	- 7,872,602
Net Balance	- 612,136

Treasury Report

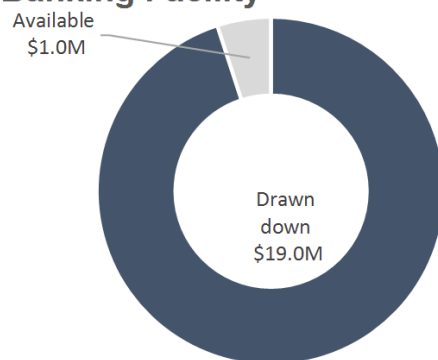
Cash Position

Compared to same time last year



	30-Apr-20	30-Apr-19
ASB General Fund	\$ 8.9M	\$ 2.7M
ASB Special Funds	\$ 2.1M	\$ 4.9M
Investments	\$ 20.0M	\$ 20.0M
Total Cash	\$ 30.9M	\$ 27.6M

Banking Facility



Banking Facility	\$ 20.0M
Drawn down	\$ 19.0M
Available	\$ 1.0M

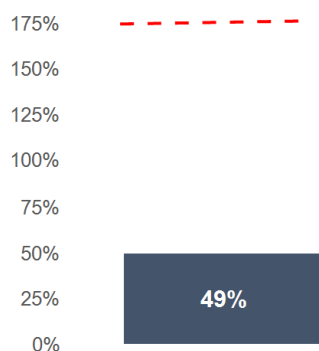
Public Debt

Loans by Maturity Date



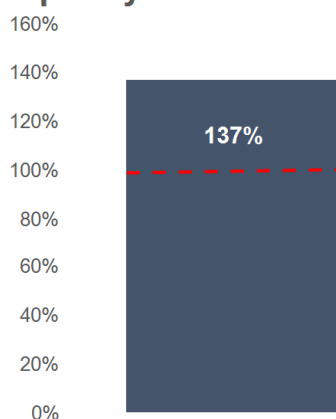
Treasury Compliance

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



Net Debt	\$ 64.6M
Budgeted Total income	\$ 131.1M
Debt Ceiling	\$ 229.5M
Net debt as % total revenue	49%
Policy Maximum 175%	126%

Liquidity - Access to funds must be greater than 110%



External Debt	\$ 95.5M
ASB Banking Facility	\$ 20.0M
ASB Banking Facility used	-\$ 19.0M
Total Committed Public Debt	\$ 96.5M
Liquid Investments Cash at Bank	\$ 30.9M
Liquid Investments ASB Overdraft Facility	\$ 3.0M
	\$ 130.4M
Access to Funds	137%
Policy Minimum	110%

Note: Total revenue is based on 2019/20 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.

Note – Of the \$95.5M total borrowing, \$49M is Short Term:

\$9M repayable in May 2020

\$40M repayable in June 2020

Statement of Financial Performance

for the period ending Apr 2020 (Pd10)

	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)	73,211	72,942 -	270	87,530	-	87,530	14,319	84%	87,530	-
Rates - penalties	873	1,555	682	2,073	-	2,073	1,200	42%	2,073	-
Fees & charges (inc water supply rates)	13,928	13,364 -	564	16,213	-	16,213	2,285	86%	16,104	109
Central Govt Subsidies - Admin	-	-	-	-	-	-	-	0%	-	-
Central Govt Subsidies - Operational	7,348	7,323 -	25	9,981	32	10,012	2,664	73%	9,955	57
Other Income	1,947	2,244	297	2,349	75	2,424	477	80%	1,259	1,165
Capital Income										
Central Govt Subsidies - New Works	1,316	1,559	243	2,380	6,762	9,142	7,827	14%	8,190	953
Central Govt Subsidies - Renewals	6,603	6,764	161	12,817	1,645	14,462	7,858	46%	10,367	4,094
Development Contributions	23	- -	23	-	-	- -	23	100%	-	-
Other Contributions	26	- -	26	-	1,000	1,000	974	3%	1,022	22
Total Operating Income	105,274	105,750	476	133,342	9,514	142,856	37,581	74%	136,499	6,356
Operational Expenditure										
Staff related costs	24,906	25,683	777	31,777	-	31,777	6,871	78%	30,615	1,162
Contractor Fees	23,848	22,088 -	1,760	27,825	-	27,825	3,977	86%	27,849	24
Professional Fees	5,219	4,476 -	743	5,985	-	5,985	765	87%	5,996	11
External Services	6,647	4,556 -	2,091	7,152	-	7,152	504	93%	9,963	2,812
Legal Costs	501	551	49	666	-	666	164	75%	586	80
General expenses	7,896	9,346	1,450	12,400	6	12,406	4,510	64%	12,368	39
Grants and donations	1,632	1,622 -	10	1,850	32	1,882	250	87%	1,889	7
Rate remissions	2,171	2,023 -	148	2,208	-	2,208	37	98%	2,208	-
Allocations (direct and indirect)	-	0	0	0	-	0 -	0	0%	0	-
Interest costs	1,673	1,878	205	2,253	-	2,253	581	74%	2,100	153
Sub total	74,494	72,223 -	2,271	92,116	38	92,153	17,659	81%	93,573	1,420
Depreciation and other asset costs	27,117	30,128	3,011	36,153	-	36,153	9,036	75%	36,038	115
Gain/Loss on Disposal	697	- -	697	-	-	- -	697	100%	-	-
Total Operational Expenditure	102,309	102,351	42	128,269	38	128,307	25,998	80%	129,611	1,304
Net Operating Surplus	2,965	3,399 -	434	5,073	9,476	14,549	11,584		6,888	7,660

Statement of Capital Performance

for the period ending Apr 2020 (Pd10)

	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	6,770	6,467 -	303	10,309	2,582	12,890	6,121	53%	13,922	1,032
Environmental Management	703	2,616	1,913	2,093	523	2,616	1,913	27%	2,616	-
Roading and Footpaths	13,255	15,576	2,322	27,400	6,500	33,901	20,646	39%	22,125 -	11,775
Wastewater	12,065	16,263	4,198	9,437	11,287	20,724	8,659	58%	20,359 -	365
Stormwater	982	2,631	1,649	1,776	1,322	3,098	2,116	32%	2,971 -	127
Solid Waste Management	149	325	176	594	275	869	720	17%	871	2
Water Supply	2,625	2,210 -	415	3,748	1,832	5,580	2,955	47%	5,294 -	286
Governance & Strategic Administration	2,375	5,317	2,942	6,677	2,260	8,937	6,563	27%	4,597 -	4,340
Customer Services	423	1,294	871	1,760	329	2,088	1,666	20%	1,880 -	208
Strategic Planning & Policy	-	-	-	-	-	-	-	100%	-	-
Total Capital Expenditure	39,346	52,699	13,353	63,793	26,910	90,704	51,357	43%	74,635 -	16,068

Analysis of Operational 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	2,095	1,243 -	852	1,358	1,112	2,470	375	-85%	3,440	971
Environmental Management	4,726	4,553 -	174	5,363	-	5,363	637	-88%	4,851	512
Roading and Footpaths	15,438	15,984	546	26,469	2,947	29,415	13,978	-52%	23,361	6,055
Wastewater	118	240	122	288	4,914	5,202	5,084	-2%	5,061	141
Stormwater	69	69 -	0	-	69	69 -	0	-100%	69	-
Solid Waste Management	1,082	1,273	191	1,404	-	1,404	322	-77%	1,242	162
Water Supply	5,543	5,137 -	406	5,893	466	6,359	817	-87%	5,234	1,126
Governance & Strategic Administration	1,519	2,208	689	2,333	-	2,333	814	-65%	3,038	705
Customer Services	517	505 -	13	557	-	557	40	-93%	520	37
Strategic Planning & Policy	83	43 -	39	75	6	81 -	2	-102%	81	-
Total Operating Income	31,189	31,254	65	43,739	9,514	53,253	22,064	59%	46,897	6,356

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	7,525	7,167 -	358	8,599	32	8,631	1,106	87%	9,514	883
Environmental Management	8,081	7,957 -	124	9,770	-	9,770	1,690	83%	9,781	11
Roading and Footpaths	15,986	15,410 -	576	21,886	-	21,886	5,900	73%	20,541	1,345
Wastewater	6,040	5,395 -	645	6,258	-	6,258	218	97%	6,266	8
Stormwater	1,028	1,462	434	1,725	-	1,725	697	60%	1,598	126
Solid Waste Management	3,202	3,272	69	4,193	-	4,193	990	76%	4,003	190
Water Supply	6,468	4,027 -	2,441	4,836	-	4,836 -	1,631	134%	6,872	2,035
Governance & Strategic Administration	17,310	16,529 -	781	21,065	-	21,065	3,755	82%	22,084	1,020
Customer Services	3,495	4,467	973	5,466	-	5,466	1,972	64%	5,586	120
Strategic Planning & Policy	3,687	4,659	971	6,063	6	6,069	2,382	61%	5,227	842
Total Direct Costs	72,821	70,345 -	2,477	89,862	38	89,900	17,078	81%	91,473	1,573

5.7 REVENUE RECOVERY REPORT - MARCH 2020**File Number: A2876424****Author: Margriet Veenstra, Manager - Transaction Services****Authoriser: William J Taylor MBE, General Manager - Corporate Services****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.

EXECUTIVE SUMMARY

This report provides information on action taken to collect the current and arrears balances for rates, water and Sundry Debt so far this year, and to provide information on how collection is tracking against targets.

RECOMMENDATION

That the Assurance, Risk and Finance Committee receive the report "Revenue Recovery Report - March 2020:

1) BACKGROUND

This document has been prepared to outline current and arrears balances for rates, water and Sundry debt as at 30 March 2020 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.

2) DISCUSSION AND OPTIONS

This document has been prepared to outline current and arrears balances for rates, water and Sundry debt as at 30 March 2020 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.

DISCUSSION AND NEXT STEPS

The information has been identified for General Title and Maori Freehold Land rates and water accounts. Sundry debtors, which is another revenue stream for council, is shown in a separate table.

The total arrears balance for General Title rates has been reduced by 27% since 31 July 2019 and water by 35%. Maori Freehold Land rates was reduced by 1% since 31 July 2019 and water by 9%.

Due to the water crisis and subsequent Covid-19 crisis, focus has changed for Debt Management from active recovery of arrears, to monitor, contain and support.

Below were the actions and focus areas for the first half of the rating year but these have now been placed on hold for the next 6 months.

- Legal action for rates and water arrears with an external Law Firm.
- Prepare policy for approval by Council of next actions post default judgment from the courts.
- Council Legal team to commence legal proceedings for 10 accounts.
- Final Mortgage demand for rates and water for General Title properties
 - Out of the 453 accounts for which Mortgage Demand was issued, 69 accounts now have Direct Debit set up and 6 have a separate payment arrangement.

- Debt Management team will continue to contact all owners, where possible, and offer a payment arrangement to avoid mortgage demand when Council is able to proceed with Final Demand.

Debt Management will continue with:

- Continuous audit of existing Arrangements to Pay to ensure the agreements are being met.
- Ongoing promotion of the Internal Affairs Rates Rebates Scheme in day to day communications with Ratepayers.

New focus area for Debt Management for the next 6 months is to

- Contact rate payers who have contacted Council requesting support and offer a suitable payment plan.
 - A new Crisis Rating Relief RFS has been created to enable monitoring and reporting.
 - Since 19/03/20, a total of 142 requests have been received of which 57% were received during Level 4 lockdown and 43% since going down to Level 3.
 - 77% of the requests have been actioned with remainder in progress.
 - Majority of requests are from rate payers asking to reduce payments due to reduced income or loss of work.
 - Key steps taken by Debt Management as part of the conversation:
 - Remind rate payers of other support available, such as Accommodation Supplement, Rural Assistance Payments, Banks & WINZ.
 - Rate payers are asked, and most are able, to provide proof as outlined in the resolution to ensure they meet the criteria for council's rating relief.
 - Payment plan and amount of reduction is based on the amount owed and whether the account was up to date at the start of the rating year.
 - For current accounts, a reduction is agreed based on affordability for the rate payer.
 - For accounts already in arrears, Rates Easy Pay calculations are extended up to 2024 which can reduce payments by up to 75%.
 - Specific codes are added to all accounts with a Rating Relief payment plan to allow reporting and ensure a review by 30/09/20 when the council resolution is due to end.
- Pro-actively contact rate payers who have recently cancelled or have dishonoured their direct debit payments
 - Offer a suitable payment plan and work with the rating team to manage any changes to direct debits
- Pro-actively contact all owners, where possible, where mortgage demand was issued and offer a payment arrangement to avoid final mortgage demand when Council can proceed with Final Demand.
- Pro-actively contact business owners and others who would benefit from Council's rating relief resolution to offer support.

As at 01.05.20, there are 38 agreed payment plans in place, in line with Council's rating relief resolution, of which 21 are business owners and 17 are residents.

- Based on calculations, the agreed payment plans will result in a decrease of \$71,681.20 in payments from 07.05.20 to 30.09.20.
- A direct debit is in place for all payment plans to ensure these can be monitored.
- 20 out of 38 previously paid by instalment date, 7 monthly, 9 weekly and 2 fortnightly.
- 10 of those paying by instalment, will continue to pay by instalment but reduced by 50%, others have switched to monthly or weekly payments instead and 3 will be deferring until 30.09.20 or earlier when they are able to commence trading.

For the total number of General Title rates and water accounts marked as 'Balance to be collected by other means':

- The arrears balance for 15% is made up of last year's outstanding rates and 24% of the last two years.
- For the remaining 61%, the arrears balance is split across several years. Some of these will have received Final Demand letters and are waiting to be referred for Legal proceedings or further action needs to be taken.

The Te Hono team relations and development initiatives have opened communications about payment of rates for Maori Freehold Land.

- Debt Management have been asked to provide and discuss payment options for some property owners in the past months.

The total Sundry Debtors aged debt has been reduced by 71% since 30 June 2019. The Debtors ledger was split alphabetically between Debt Management Officers at the start of the rating year, with each team member focussing on aged debt. Additionally, the team have:

- Regular monthly and fortnightly meetings with Compliance Support and Building Consents Support teams to resolve outstanding issues and implement process improvement where applicable.
- Continued collaboration with Council Legal team for advice and support for Sundry debtors aged debt collection.
- Trial collaboration with the Monitoring Officer in Kaitia to combine visits to premises with debt collection and ensuring compliance with the various local government acts.

3) 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.

ATTACHMENTS

1. **ARF Revenue Recovery Report - A2876420**  

General Title rates and water rates analysis by age at 31 March 2020.

General Title Rates and Water Arrears 2019-20							
General Title Rates 31 March 2020	2018-19	2017-18	2016-17	2015-16	2014+	Total	# accounts
Abandoned Land	59,155	59,613	58,697	56,740	152,270	386,475	41
Payment Arrangement	42,878	16,272	12,025	5,145	4,070	80,389	36
Deceased Rate Payer	77,044	69,528	61,133	53,243	128,331	389,280	46
Mortgage Run 2019-2020	787,339.94	334,031.83	29,158.99	6,667.11	8,790.06	1,165,988	431
Legal Action Commenced	160,773	152,448	139,308	119,132	243,761	815,421	75
Liquidation	4,101	3,845	3,958	3,725	11,112	26,742	3
Direct Debit - no REP	28,276	12,397	10,649	8,013	8,901	68,236	19
Direct Debit - REP	54,566	20,952	8,108	1,959	-	85,585	44
Balance collected by other means	1,205,732	733,489	487,068	342,697	609,724	3,378,711	729
Rates Total	2,419,864	1,402,576	810,105	597,322	1,166,959	6,396,826	1,424

General Title Water 31 March 2020	2018-19	2017-18	2016-17	2015-16	2014+	Total	# accounts
Abandoned Land	185	313	296	263	708	1,765	1
Payment Arrangement	7,148	1,883	475	3,595	-	13,100	15
Deceased Rate Payer	22,544	14,237	12,918	4,711	10,762	65,172	8
Mortgage Run 2019-2020	55,312	28,871	6,282	57	-	90,523	19
Legal Action Commenced	13,779	11,946	13,000	10,791	19,574	69,091	13
Liquidation	-	-	-	-	-	-	-
Direct Debit - no REP	18,126	4,718	1,949	1,772	2,599	29,165	28
Direct Debit - REP	43,168	7,533	1,798	634	232	53,365	47
Balance collected by other means	284,121	119,669	48,364	35,760	53,480	541,394	415
Water Total	444,385	189,171	85,082	57,584	87,354	863,575	546

Maori Freehold Land rates and water analysis by age at 31 March 2020.**MFL Rates and Water Arrears 2019-20**

MFL rates 31 March 2020	2017-18	2016-17	2015-16	2014-15	2013+	Total	# accounts
Payment Arrangement	3,701	2,209	2,027	1,878	1,055	10,870	4
Deceased ratepayer, recovery to be investigated	23,088	22,633	20,585	18,167	38,420	122,892	13
Paying via direct debit	39,265	31,363	26,526	22,038	18,446	137,638	26
Paying via direct debit with REP	6,102	4,667	6,361	1,315	-	18,444	8
Abandoned Land	5,235	5,247	5,091	4,902	13,832	34,307	3
Balance collected by other means	3,861,981	3,538,738	3,403,831	3,383,911	7,025,311	21,213,773	2,144
Rates Total	3,939,371	3,604,857	3,464,421	3,432,211	7,097,064	21,537,923	2,198

MFL water 31 March 2020	2017-18	2016-17	2015-16	2014-15	2013+	Total
Payment Arrangement	-	-	-	-	-	-
Rates Easy Pay	-	-	-	-	-	-
Balance collected by other means	57,046	48,064	30,039	13,164	44,123	192,435
Water Total	57,046	48,064	30,039	13,164	44,123	192,435

Sundry Debtors by age for 31 March 2020.

Sundry Debtors Aged Period Report as at 31 March 2020					
Category	30 Days	60 Days	90 Days	90 Days +	Total
Sundry	49,114	25,645	14,380	82,656	171,794
Bookings	726	2,625	120	270	3,741
Septage	1,568	-	-	-	1,568
Refuse	4,106	1,048	203	3,771	9,129
Building	32,367	20,717	6,460	70,758	130,302
Resource	47,125	9,133	24,463	121,172	201,893
Liquor	4,683	4,272	949	0	9,904
Health	7,030	2,662	3,305	19,816	32,812
Total	146,719	66,102	49,879	298,444	561,143

5.8 LEVEL OF SERVICE KPI QUARTER 3 PERFORMANCE REPORT**File Number:** A2876091**Author:** Mia Haywood, Accounting Support Officer**Authoriser:** Janice Smith, Chief Financial Officer**PURPOSE OF THE REPORT**

The purpose of this report is to present the Level of Service KPI Performance Report for Committee's consideration.

EXECUTIVE SUMMARY

- This report is to present the Level of Service KPI Performance Report for Committee's consideration.

RECOMMENDATION

That the Assurance, Risk and Finance Committee receive the report Level of Service KPI Quarter 3 Performance Report.

BACKGROUND

An overview of staffing and financial data is included to give an overall picture of the activity groups and what factors may have an influence upon performance.

DISCUSSION AND NEXT STEPS

This report is for information only.

FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

There are no financial implications or budgetary provision needed as a result of this report

ATTACHMENTS

1. **Level of Service - Quarter 3 Performance Report - A2876084** [↓](#) 



Quarterly Performance Report:

Quarter 3: January - March 2020

Performance of Service Level Results

Introduction

Welcome to the performance report for the third quarter of 2019/2020.

This report measures the key Long Term Plan KPIs that we report in the Annual Report, along with some internal performance measures.

Service Level KPIs are reported together by activity group, we have also included an overview of staffing and financial data to give an overall picture of the activity groups and what factors may have an influence upon performance.

Roading

To maintain the District's roading network in a satisfactory condition and in accordance with national safety and engineering standards

To maintain the District's roading network in a satisfactory condition and in accordance with National Safety and Engineering Standards										
Performance Measure	2018/19 Result	2019/20 Target	Measures	Q1 Total Performance	Q2 Total Performance	Jan-20	Feb-20	Mar-20	Q3 Total Performance	YTD Result
The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number	Decrease of 11 fatal and serious injury crashes	No increase	Fatalities/serious injury crashes 2019/20	19	17	5	8	6	19	22
			Fatalities/serious injury crashes 2018/19	3	6	8	5	11	24	
			Variance	16	11	-3	3	-5	-5	
Percentage of fatal and serious crashes on the District's roading network where the road condition is the main contributing factor, in relation to vehicle km travelled on our roads	0	< previous year	No. crashes caused by road condition per km travelled 2019/20	3	2	1	2	1	4	8
			No. crashes caused by road condition per km travelled 2018/19	-	-	0	1	0	1	
			%	3	2	1	1	1	3	
The average quality of ride on a sealed local road network, measured by smooth travel exposure	97%	≥87%		N/A	N/A	N/A	N/A	N/A	N/A	N/A
				-	-	0.0	0.0	0.0	-	
				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
			Q3 Performance Comments:							
			Smooth Travel Exposure (STE) is an indication of the percentage of vehicle kilometres travelled on a road network with roughness below a defined roughness threshold. The results are generated annually at the end of a financial year.							

Performance Measure	2018/19 Result	2019/20 Target	Measures	Q1 Total Performance	Q2 Total Performance	Jan-20	Feb-20	Mar-20	Q3 Total Performance	YTD Result		
The percentage of the sealed local road network that is resurfaced	35.6 km 4.1%	≥9% of the sealed network resurfaced per annum	Length resurfaced km	-	28.5	6	15.3	3.4	24.8	1.5%		
			Total length sealed road network	-	873.1	873.1	873.1	873.1	2,619.3			
			%	0.0%	3.3%	0.7%	1.7%	0.4%	0.9%			
Resurfacing of the roading network as outlined in the Council's roading programme	100.0%	≥95% of planned work completed	Length completed work km	-	28.5	6.2	15.3	3.4	25	92.9%		
			Total length planned	-	28.5	6.2	15.3	7.4	29			
			%	0.0%	100.0%	100.0%	100.0%	-54.3%	-14.0%			
				Q3 Performance Comments:								
				All programmed reseals across the District were programmed for completion by March 2020. Due to Covid-19 nationwide lockdown there were sites not completed as resurfacing activity was not deemed an essential service and sites were put on hold until further notice.								

The percentage of customer service requests relating to roads to which the territorial authority responds within the time frame speci										
Performance Measure	2018/19 Result	2019/20 Target	Measures	Q1 Total Performance	Q2 Total Performance	Jan-20	Feb-20	Mar-20	Q3 Total Performance	YTD Result
Emergency / Public Safety - within 3 hours	97.1%	≥95%	No. responded within timeframe	65	30	4	4	2	10	97.2%
			Total incidences	68	30	4	4	2	10	
			%	95.6%	100.0%	100.0%	100.0%	100.0%	100.0%	
Urgent - within 7 days	81.9%		No. responded within timeframe	57	73	16	15	18	49	89.9%
			Total incidences	65	75	17	21	21	59	
			%	87.7%	97.3%	94.1%	71.4%	85.7%	83.1%	
Non-urgent - within 14 days	88%		No. responded within timeframe	865	680	189	222	306	717	92.3%
			Total incidences	942	738	199	251	322	772	
			%	91.8%	92.1%	95.0%	88.4%	95.0%	92.9%	
			Q3 Performance Comments:							
		Contractors and staff are encouraged to please contact customers within time frame.								

Performance Measure	2018/19 Result	2019/20 Target	Measures	Q1 Total Performance	Q2 Total Performance	Jan-20	Feb-20	Mar-20	Q3 Total Performance	YTD Result
The Hokianga Ferry Service will run in accordance with the advertised timetable	99%	≥95%	No. runs on time	2691	2696	883	848		1731	99.5%
			Total scheduled crossings	2708	2708	884	852		1736	
			%	99.4%	99.6%	99.9%	99.5%	0.0%	99.7%	
Our sealed and unsealed network will meet the agreed Council's levels of service specified in our roading contracts and the network is at least 95% compliant at all times	84%	≥95%	North (fixed and repaired)	0.0%	98.3%	95.8%	97.3%	93.8%	95.6%	64.9%
			South (fixed and repaired)	0.0%	98.8%	95.2%	97.1%	96.8%	96.4%	
			Total	0.0%	98.6%	95.5%	97.2%	95.3%	96.0%	
			Q3 Performance Comments:							
			Construction in progress from January through to March. Works are expected to slow down from the end of March until next quarter as COVID-19 work restriction take place.							

Footpaths

To maintain the District's footpath network and infrastructure to high standards

Performance Measure	2018/19 Result	2019/20 Target	Measures	Q1 Total Performance	Q2 Total Performance	Jan-20	Feb-20	Mar-20	Q3 Total Performance	YTD %	
The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works program or long term plan).	98.7%	Maintain / Increase	217,113 condition assessments meet standard	0	217,113	99	99	99	297.830	99.2%	
			218,770 condition assessments undertaken	0	218,770	99	99	99	297.830		
			0.0%	99.2%	1.00	1.00	1.00	100.0%			
Resurface and extend the footpath network as planned	96.0%	≥95% of planned work completed	Length completed work	462	640	413	413	1,751	2,577	100.0%	
			Total length planned	462	640	413	413	1,751	2,577		
			%	100%	100%	100.0%	100.0%	100.0%	100.0%		
Emergency / Public Safety - within 3 hours	N/A	≥95%	No. responded within timeframe	0	0	0	0	0	0	No incidences to report	
			Total incidences	0	0	0	0	0	0		
			%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Urgent - within 7 days	N/A		No. responded within timeframe	0	0	0	0	0	0	No incidences to report	
			Total incidences	0	0	0	0	0	0		
			%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Non-urgent - within 14 days	90%		No. responded within timeframe	40	54	11	24	14	49	96.0%	
			Total incidences	45	54	12	24	14	50		
			%	88.9%	100.0%	91.7%	100.0%	100.0%	98.0%		
				Q3 Performance Comments:							
				Maintained by contractors under a maintenance contract. Contractors are being motivated to notify customers within time frame and attend to it.							

Water Supply

To provide reliable and sustainable water supply, ensuring sustainable development and adequate water supply in times of emergency.

Performance Measure	2018/19 Result	2019/20 Target	Measures	Q1 Total Performance	Q2 Total Performance	Jan-20	Feb-20	Mar-20	Q3 Total Performance	YTD %
The extent to which the local authority's drinking water supply complies with: (a) part 4 of the drinking-water standards (bacteria compliance criteria)	All schemes compliant	Each scheme continuously meets the required standards for drinking water	Kaikohe Compliant Y/N	Yes	Yes	Data unavailable for Quarter Three			N/A	100.0%
			Kerikeri Compliant Y/N	Yes	Yes				N/A	100.0%
			Paihia Compliant Y/N	Yes	Yes				N/A	100.0%
			Kawakawa Compliant Y/N	Yes	Yes				N/A	100.0%
			Kaitaia Compliant Y/N	Yes	Yes				N/A	100.0%
			Opononi Compliant Y/N	Yes	Yes				N/A	100.0%
			Rawene Compliant Y/N	Yes	Yes				N/A	100.0%
The extent to which the local authority's drinking water supply complies with: (b) part 5 of the drinking-water standards (protozoal compliance criteria)	All schemes compliant	Each scheme continuously meets the required standards for drinking water Each scheme to be reported on separately	Kaikohe Compliant Y/N	Yes	Yes	Data unavailable for Quarter Three			N/A	100.0%
			Kerikeri Compliant Y/N	Yes	Yes				N/A	100.0%
			Paihia Compliant Y/N	Yes	Yes				N/A	100.0%
			Kawakawa Compliant Y/N	Yes	Yes				N/A	100.0%
			Kaitaia Compliant Y/N	Yes	Yes				N/A	100.0%
			Opononi Compliant Y/N	Yes	Yes				N/A	100.0%
			Rawene Compliant Y/N	Yes	Yes				N/A	100.0%
The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this)	31.7% water loss	<26%	Total Nett Metered	6,741,714	3455146.00	2,475,911	2,547,729	2,549,085	7,572,725	28.4%
			Total Nett Production	9,544,478	4850016.38	3,439,427	3,476,019	3,472,235	10,387,681	
			%	29.4%	28.8%	28.0%	26.7%	26.6%	27.1%	

Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:										
Performance Measure	2018/19 Result	2019/20 Target	Measures	Q1 Total Performance	Q2 Total Performance	Jan-20	Feb-20	Mar-20	Q3 Total Performance	YTD %
(a) attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site	0.85 hours	< 2 hours	Median attend time	0.4	N/A	1.4	1	0.8	1.12	0.8
(b) resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	2.5 hours	< 4 hours	Median response time	1.8	N/A	2.6	2.2	2.1	12.012	6.9
(c) attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and	0.1 working days	< 2 working days	Median attend time	0.3	N/A	0.2	0.2	0.2	0.008	0.2
(d) resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	0.2 working days	<3 working days	Median response time	0.5	Data unavailable for Q2	0.4	0.8	0.8	0.256	0.4
The total number of complaints received by the local authority about any of the following: (a) drinking water clarity (a) drinking water taste (b) drinking water odour (c) drinking water pressure or flow (d) continuity of supply, and (e) the local authority's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system.	91.37 complaints per 1000	100	Complaints YTD	34.0	N/A	34	83	115	142	14.85
			Monthly complaints	34.0	N/A	49	32	27	108	
			Number connected properties	9,561	9,561	9,561	9,561	9,561	9,561	
			Total per 1000 properties	3.6	Data unavailable for Q2	3.56	8.68	12.03	14.85	
The average consumption of drinking water per day per resident within the territorial authority district	486L per person per day	≤ 350L per person per day	Volume consumed this month	3,181,493	1,761,329	2,475,911	2,547,729	2,549,085	2,524,242	198.27
			No of residents	21,872	21,872	21,808	21,808	21,808	21,808	
			Consumption per resident	398.5	81	311	320	320	116	

Wastewater

To provide reliable waste water infrastructure, protecting the environment and community

Performance Measure	2018/19 Result	2019/20 Target	Measures	Q1 Total Performance	Q2 Total Performance	Jan-20	Feb-20	Mar-20	Q3 Total Performance	YTD %
The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system	2 per 1000 connections	≤ 12 per 1000 connections	Number affected	5	Data unavailable for Q2	12	3	3	18	1.06
			Number connected properties	10886	10886	10886	10886	10886	10886	
			Total per 1000 properties	0.46	Data unavailable for Q2	1.10	0.28	0.28	1.65	

Compliance with the territorial authority's resource consents for discharge from its sewerage system, measured by the number of:

(a) abatement notices	0	1 or less	Number of notices	0	0	0	1	0	1	1
(b) infringement notices	0	0	Number of notices	0	1	0	0	0	0	1
(c) enforcement orders	0	0	Number of notices	0	0	0	0	0	0	0
(d) convictions	0	0	Number of notices	0	0	0	0	0	0	0

Q3 Performance Comments:

Abatement Notice received from Northland Regional Council in February due to non-compliance with conditions of consent during the de-sludging operation at Kawakawa. Following the issue of the notice NRC met with contractors on site and the non-compliance was resolved.

Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following WCD/AN response times are measured:

a) attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site	0.5 hours	≤ 2 hours	Median attend time (hours)	0.6	Data unavailable for Q2	0.4	1.4	2.5	1.4	1.00
			Achieved/Not Achieved:	Achieved		Achieved	Achieved	Not Achieved	Achieved	
b) resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault	3.85 hours	≤ 4 hours	Median response time (hours)	2.4		3.1	3.3	3.4	3.3	2.85
			Achieved/Not Achieved:	Achieved		Achieved	Achieved	Achieved	Achieved	

Performance Measure	2018/19 Result	2019/20 Target	Measures	Q1 Total Performance	Q2 Total Performance	Jan-20	Feb-20	Mar-20	Q3 Total Performance	YTD %
Where Council attends to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system, the following response times are measured:										
a) attendance	80.60%	≥ 95% responded in ≤ 2 hours	No. attended in 2 or less hours	42	Data unavailable for Q2	10	4	8	22	55.7%
			Total incidences	70		21	9	15	45	
			%	60.0%		47.6%	44.4%	53.3%	48.9%	
b) resolution to prevent overflow	75%	≥ 95% responded to in ≤ 4 hours	No. resolved in 4 or less hours	45	Data unavailable for Q2	9	4	4	17	53.9%
			Total incidences	70		21	9	15	45	
			%	64.3%		42.9%	44.4%	26.7%	37.8%	
The total number of complaints received by the territorial authority about any of the following: (a) sewage odour (b) sewerage system faults (c) sewerage system blockages, and (d) the territorial authority's response to issues with its sewerage system, expressed per 1000 connections to the territorial authority's sewerage system	21.92 per 1000 connections	≤ 50 per 1000 connections	Number affected	70	Data unavailable for Q2	25	18	24	67	12.51
			Number connected properties	10886		11535	11535	11535	11535	
			Total per 1000 properties	6.43		2.17	1.56	2.08	5.81	

Stormwater

To enable sustainable development through urban storm water infrastructure, protecting the environment and community

To enable sustainable development through urban storm water infrastructure, protecting the environment and community											
Performance Measure	2018/19 Result	2019/20 Target	Measures	Q1 Total Performance	Q2 Total Performance	Jan-20	Feb-20	Mar-20	Q3 Total Performance	YTD %	
The number of flooding events that occur in a territorial authority district	0	0	Number of events	0	0	0	0	0	0	0	
For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's Stormwater system.)	0.00 per 1000 properties	0 per 1000	Number affected	0	0	0	0	0	0	0	
			Number connected properties	16078	16078	16078	16078	16078	16078		
			Total per 1000 properties	-	-	-	-	-	-		
			Q3 Performance Comments:								
			No flooding events recorded in pathways during this quarter								
(a) abatement notices	0	1 or less	Number of notices	0	0	0	0	0	0	0	
(b) infringement notices	0	0	Number of notices	0	0	0	0	0	0	0	
(c) enforcement orders	0	0	Number of notices	0	0	0	0	0	0	0	
(d) convictions	0	0	Number of notices	0	0	0	0	0	0	0	
				Q3 Performance Comments:							
				No enforcement action from NRC for stormwater this quarter.							

Performance Measure	2018/19 Result	2019/20 Target	Measures	Q1 Total Performance	Q2 Total Performance	Jan-20	Feb-20	Mar-20	Q3 Total Performance	YTD %
The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site	No events for 2018/19 Period	≤ 48 hours	Median response time (hours)	0		0	0	0		0
			Q3 Performance Comments:							
			There have been no flooding events in quarter three of the 2019-20 Financial Year. Therefore no response times recorded as yet.							
The number of complaints received by a territorial authority about the performance of its Stormwater system, expressed per 1000 properties connected to the territorial authority's Stormwater system	26.59 RFS per 1000 properties	0	Number complaints	94	38	22	20	16	58	11.7
			Number connected properties	16078	16078	16078	16078	16078	16078	
			Total per 1000 properties	5.85	2.36	1.37	1.24	1.00	3.61	
			Q3 Performance Comments:							
			There has been an increase in awareness and some small rain events in this quarter. Several requests are proactive advising of blocked or overgrown drains, which will all require cleaning before winter. Others have been coming through as a result of more regular showers with the tail end of summer, advising over water issues.							
The response time to attend a flooding event resulting from the failure of Council's urban storm water system. Measured from the time that the Council receives notification to the time that service personnel reach the site. Response time is set at 2 working days.	N/A	≥ 95% responded to within set timeframe	No. responded within timeframe	0	0	0	0	0	0	100.0%
			Total incidences	0	0	0	0	0	0	
			%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
			Q3 Performance Comments:							
			There have been no flooding events in quarter three of the 2019-20 Financial Year.							

Solid Waste Management

To decrease the proportion of waste sent to landfill and increase the proportion of waste that is sent for recycling, promoting the sustainable management of resources and benefitting future generations

Performance Measure	2018/19 Result	2019/20 Target	Measures	Q1 Total Performance	Q2 Total Performance	Jan-20	Feb-20	Mar-20	Q3 Total Performance	YTD %
Percentage by tonnage of waste from refuse transfer station that is recycled/ reused	63.7%	64.0%	Tonnage recycled/reused	1967.11	2649.71	1184.89	696.91	825.87	2707.67	65.5%
			Total Tonnage	3062.73	4086.58	1724.53	1125.44	1191.25	4041.22	
			%	64.2%	64.8%	68.7%	61.9%	69.3%	67.0%	
			Q3 Performance Comments:							
			Over period three we have seen a decrease in tonnage due to the holiday period coming to an end.							
Add at least one new community recycling facility	0	Minimum of 1 per year	Number completed	0	1	0	0	0	0	1
			Q3 Performance Comments:							
			A community recycling centre was opened in Rawhiti in October 2019. We are now investigating a recycling facility in Waitangi.							
All refuse transfer stations to be open on time	97%	99.5%	No reports or complaints regarding late openings	1	0	0	0	0	0	100.0%
			Number of days opened across all sites per month. Summer = 662 days per month Winter = 613 day per month	613	662	662	613	613	629	
				99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	

Attending to RFS relating to illegal dumping

Performance Measure	2018/19 Result	2019/20 Target	Measures	Q1 Total Performance	Q2 Total Performance	Jan-20	Feb-20	Mar-20	Q3 Total Performance	YTD %
Offensive waste: pick up within 24 hours	80%	95% within set timeframe	No. collected within timeframe	0	0	0	0	0	0	100.0%
			Total incidences	0	0	0	0	0	0	
			%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Standard waste: pick up within 4 days	89.1%	95% within set timeframe	No. collected within timeframe	86	62	47	46	23	116	88.9%
			Total incidences	101	69	51	48	28	127	
			%	85.1%	89.9%	92.2%	95.8%	82.1%	91.3%	
			Q3 Performance Comments:							
			Two waste pick ups are still being investigated as access to the site is difficult. There have been some delays in collections due to difficulties in contacting customers for further details.							

District Facilities

Cemeteries

To ensure cemeteries are operated in a way that meets the community's needs

Performance Measure	2018/19 Result	2019/20 Target	Measures	Q1 Total Performance	Q2 Total Performance	Jan-20	Feb-20	Mar-20	Q3 Total Performance	YTD %
All preparations are in place in time for the funeral services to take place (plots dug, and in the right place etc.)	No complaints received for 18/19 year	No complaints are received regarding the preparations for our funeral services	No. complaints received	1	0	0	0	0	0	1
			Q3 Performance Comments							
			No complaints received for quarter three							

Civic and Community Buildings

To provide buildings for public recreation and leisure

Performance Measure	2018/19 Result	2019/20 Target	Measures	Q1 Total Performance	Q2 Total Performance	Jan-20	Feb-20	Mar-20	Q3 Total Performance	YTD %
Number of community halls per ward per annum modified to improve disability access										
Northern Ward	1	1 hall per ward per annum	Number completed	0	0	0	0	0	0	0
Eastern Ward	2	1 hall per ward per annum	Number completed	0	0	0	0	0	0	0
Western Ward	3	1 hall per ward per annum	Number completed	0	0	0	0	0	0	0
All Civic and Community buildings are safe for Community use and meet all statutory legislation levels	Achieved - All 18 Council building's have current BWOFF certificates	All halls have appropriate certificates including BWOFF for those that require them	Number uncertified	1	0	0	0	0	0	94.4%
			Q3 Performance Comments							
			The scope of works for Rawene Hall has been raised. Estimated date for completion was end of April, however due to Covid19 lockdown this is expected to be delayed.							

Housing for the Elderly

To provide housing for the elderly that is affordable, safe, well maintained, and strategically located

Performance Measure	2018/19 Result	2019/20 Target	Measures	Q1 Total Performance	Q2 Total Performance	Jan-20	Feb-20	Mar-20	Q3 Total Performance	YTD %	
Occupancy of available units	97.0%	95.0%	Occupied Units	410	410	140	141	142	423	94.0%	
			Total Units	441	441	147	147	147	441		
			%	93.0%	93.0%	95.2%	95.9%	96.6%	95.9%		
			Q3 Performance Comments								
			Slow progress on unit refurbishment due to contractor availability. However, units in Kaikohe & Waima are nearing completion.								
Percentage of faults responded within: Emergency - 12 hours	92.1	100.0%	No. responded within timeframe	10	23	18	6	3	27	95.2%	
			Total incidences	10	23	20	7	3	30		
			%	100.0%	100.0%	90.0%	85.7%	100.0%	90.0%		
Percentage of faults responded within: Urgent - 2 days	73.3%	100.0%	No. responded within timeframe	21	42	7	3	3	13	87.4%	
			Total incidences	21	47	11	3	5	19		
			%	100.0%	89.4%	63.6%	100.0%	60.0%	68.4%		
Percentage of faults responded within: Non Urgent - 7 days	67.3%	≥95%	No. responded within timeframe	79	51	12	11	10	33	84.9%	
			Total incidences	83	68	14	14	13	41		
			%	95.2%	75.0%	85.7%	78.6%	76.9%	80.5%		
			Q3 Performance Comments								
			Due to council office close down over the holiday period and Covid19 crisis there was a delay in response to requests.								

Public Toilets

Council will provide well maintained and accessible public toilets in high use areas.

Performance Measure	2018/19 Result	2019/20 Target	Measures	Q1 Total Performance	Q2 Total Performance	Jan-20	Feb-20	Mar-20	Q3 Total Performance	YTD %
Increase the number of public toilets with disabled access per annum in line with facility renewal/upgrades	5 Completed	2	Number completed	0	2	0	0	0	0	2
			Q3 Performance Comments							
			No toilets have been completed this quarter. However we are currently in the planning phase for more toilets to be upgraded							
Ensure that public toilets are maintained to an acceptable standard as per contract	72.2%	≥92%	Number of audits met	11	6	0	0	0	0	81.0%
			Total number of audits	15	6	0	0	0	0	
				73.3%	100.0%	0.0%	0.0%	0.0%	0.0%	
			Q3 Performance Comments							
			No audits completed in quarter three due to increase of workload. However there are plans in place for extra audits for quarter four.							

Car Parks

Council will provide well maintained public car parks

Council will provide well maintained public car parks										
Performance Measure	2019/20 Result	2019/20 Target	Measures	Q1 Total Performance	Q2 Total Performance	Jan-20	Feb-20	Mar-20	Q3 Total Performance	YTD %
Provide additional disability parking spaces in each ward										
Northern Ward	3 additional parking spaces	2 per annum	Number completed	0	0	0	0	0	0	0
Eastern Ward	2 additional parking spaces	2 per annum	Number completed	0	0	0	0	0	0	0
Western Ward	0 additional parking spaces	2 per annum	Number completed	0	0	0	0	0	0	0
				Q3 Performance Comments						
				Carparks are being scoped and the Project Delivery team-Project Manager has not yet received the scope of works from the asset team . Asset Manager has reviewed and finalised the Scope of Work (SoW).The SoW is put up to Asset Team Lead for sign off. Once signed off by the Team Lead Asset Team, then Project Delivery team is to carry on further with scoping and delivery.						

Customer Services

Council provides the right services, in the right places, to the agreed standard

Performance Measure	2018/19 Result	2019/20 Target	Measures	Q1 Total Performance	Q2 Total Performance	Jan-20	Feb-20	Mar-20	Q3 Total Performance	YTD %
Percentage of abandoned calls (Contact Centre)	20.8%	7%	Abandoned calls	3,733	3,528	503	1,090	765	2,358	14.7%
			Total calls received	24,055	20,641	6,260	7,817	6,531	20,608	
			Percentage %	15.5%	17.1%	8.0%	13.9%	11.7%	11.4%	
			Q3 Performance Comments:							
			There was a noticeable increase in calls in February due to the water crisis, several technology & network issues while internal servers and technology was updated, and the Covid-19 lockdown saw many agents offline for a number of days while securing equipment to enable working from home. Despite these challenges it was still a significantly improved result.							
Percentage of Ask Us emails processed within 5 working days	100%	>100%	Processed within 5 days	4,223	5,106	1,811	818	1,981	4,610	100.0%
			Total emails received	4,223	5,106	1,811	818	1,981	4,610	
			Percentage %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
			Q3 Performance Comments:							
			Ask Us emails processed within 5 working days, is a priority. Significant decrease in February emails noted.							
Service Centre users' satisfaction	96.80%	≥96.8	User satisfaction 2019/20	95.7%	97.8%	99%	99%	98%	98.7%	96.7%
			User satisfaction 2018/19	96.8%	97.0%	95%	97%	92%	94.7%	
			Percentage change %	-1.2%	0.8%	4.2%	2.1%	6.5%	4.2%	
			Q3 Performance Comments:							
			Excellent improvement between this and last year quarter one.							

i-SITEs

To provide booking and information services through the District's Information Centres, influencing visitors to stay longer and spend more

Performance Measure	2018/19 Result	2019/20 Target	Measures	Q1 Total Performance	Q2 Total Performance	Jan-20	Feb-20	Mar-20	Q3 Total Performance	YTD %	
Number of visitor bookings through the Information centres will show an increase each year	14.2%	≥1% increase on previous year	Visitor bookings 2019/20	8,275	20,665	12,633	9,485	5,709	-	1%	
			Visitor bookings 2018/19	8,916	18,921	11,984	8,362	9,249	29,595		
			Percentage change %	-7.2%	9.2%	5.4%	13.4%	-38.3%	-100.0%		
			Q3 Performance Comments:								
			Despite increased bookings in January and February, the impact of Covid-19 has seriously affected numbers of bookings.								
Increase net profit on retail sales by 1.5% per year (profit increase on previous year)	1.8%	Retail sales net profit ≥1% increase on previous year	Percent net profit 2019/20	43.9%	42.4%	43.6%	41.4%	39.5%	41.9%	1.7%	
			Percent net profit 2018/19	40.6%	42.3%	47.8%	41.1%	39.2%	43.6%		
			Change in percent net profit	3.3%	0.1%	-4.2%	0.3%	0.3%	-1.7%		
			Q3 Performance Comments:								
			January saw a downturn in retail sales, mostly through the Paihia site as it is difficult to get good product, that is not already being sold locally.								
Customer/Visitor satisfaction	164.2%	≥1% increase on previous year	Visitor satisfaction 2019/20	100	99	99	100	100	100	1.2%	
			Visitor satisfaction 2018/19	96	100	100	100	98	99		
			Percentage change %	4.2%	-1.0%	-1.0%	0.0%	2.0%	0.3%		
			Q3 Performance Comments:								
			Positive results continue for the I-SITEs .								

Libraries

To provide quality library services for the benefit of all of the community

Performance Measure	2018/19 Result	2019/20 Target	Measures	Q1 Total Performance	Q2 Total Performance	Jan-20	Feb-20	Mar-20	Q3 Total Performance	YTD %
Customer/Visitor satisfaction	94.50%	≥ to previous year	Visitor satisfaction 2019/20	94.2%	93.5%	91.0%	92.7%	93.5%	92.4%	93.4%
			Q3 Performance Comments:							
			Customer satisfaction with library services remains high.							
Increase the percentage of online library service use	8.4% increase	≥1% increase on previous year	Online hits 2019/20	109,531	112,821	36,328	37,518	40,527	114,373	13.9%
			Online hits 2018/19	93,737	94,781	33,343	41,522	33,266	108,131	
			Percentage change %	16.8%	19.0%	9.0%	-9.6%	21.8%	5.8%	
			Q3 Performance Comments:							
			The new online catalogue and the promotion over Library FaceBook sites have created a huge interest in all our online resources.							
Increase the total library membership relevant to the population of the District	42.50%	≥ to previous year	Membership numbers	27,221	25,526	25864	26093	26273	26,077	41.6%
			District population	63,200	63,200	63,200	63,200	63,200	63,200	
			Percentage %	43.1%	40%	40.9%	41.3%	41.6%	41%	
			Q3 Performance Comments:							
			With the Library upgrade we now also have a online signup which has already been a huge success.							

Environmental Management

Animal Control

To ensure animal related activities are managed in accordance with legislative requirements

Performance Measure	2018/19 Result	2019/20 Target	Measures	Q1 Total Performance	Q2 Total Performance	Jan-20	Feb-20	Mar-20	Q3 Total Performance	YTD %
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Respond to reported incidents by contacting customer and arranging next steps within the following timeframes:

Urgent within 2 hours	51.1%	≥91%	No. responded within timeframe	155	95	55	40	34	129	94.3%
			Total incidences	167	103	56	41	35	132	
			%	92.8%	92.2%	98.2%	97.6%	97.1%	97.7%	
Non-urgent within 10 days	88.80%	≥91%	No. responded within timeframe	922	606	236	216	221	673	95.2%
			Total incidences	968	655	240	219	229	688	
			%	95.2%	92.5%	98.3%	98.6%	96.5%	97.8%	

Environmental Health

To monitor food premises in accordance with the requirements of the Food Act, 2014.

Performance Measure	2018/19 Result	2019/20 Target	Measures	Q1 Total Performance	Q2 Total Performance	Jan-20	Feb-20	Mar-20	Q3 Total Performance	YTD %	
Food Control Plan and National Programme audits completed as scheduled	93%	≥90% of all food control plans and national programs assessed	No. completed as scheduled	141	85	20	24	13	57	76.5%	
			Total scheduled	174	108	26	32	30	88		
			%	81.0%	78.7%	76.9%	75.0%	43.3%	64.8%		
				Q3 Performance Comments:							
				The number of verifications carried out during this quarter is a result of low staffing numbers . Going in to quarter four we are expecting to see an increase to the completed audits.							

Monitoring and Enforcement

To ensure compliance with Resource Management Act relating to noise pollution

Performance Measure	2018/19 Result	2019/20 Target	Measures	Q1 Total Performance	Q2 Total Performance	Jan-20	Feb-20	Mar-20	Q3 Total Performance	YTD %
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Respond to noise complaints within the following timeframes:

In urban areas: 1 hour	78.60%	≥90% within set timeframe	No. responded within timeframe	191	266	73	69	53	195	73.4%	
			Total incidences	252	361	101	107	67	275		
			%	75.8%	73.7%	72.3%	64.5%	79.1%	70.9%		
In rural areas: 2 hours	74.50%	≥90% within set timeframe	No. responded within timeframe	10	52	32	9	3	44	85.5%	
			Total incidences	13	62	33	12	4	49		
			%	76.9%	83.9%	97.0%	75.0%	75.0%	89.8%		
				Q3 Performance Comments:							
				Regular meetings are held with First Security to monitor progress and address any issues performance issues.							

District Licensing

To license and monitor the sale of liquor in accordance with the Sale and Supply of Alcohol Act, 2012.

Performance Measure	2018/19 Result	2019/20 Target	Measures	Q1 Total Performance	Q2 Total Performance	Jan-20	Feb-20	Mar-20	Q3 Total Performance	YTD %
All licensed premises to be visited for Host Responsibility inspections at least once every four years.	22.8%	≥25% of premises visited annually	No. premises visited	84	24	9	9	5	23	10.6%
			Total premises	250	238	250	250	250	750	
			%	33.6%	10.1%	3.6%	3.6%	2.0%	3.1%	
			Q3 Performance Comments:							
			The number of host responsibility visits slightly increased during quarter three. However the focus going forward will be to lift the number of inspections and to allow us to reach our KPI target.							

Resource Consent Management

To administer and enforce the Resource Management Act 1991.

To administer and enforce the Resource Management Act 1991.											
Performance Measure	2018/19 Result	2019/20 Target	Measures	Q1 Total Performance	Q2 Total Performance	Jan-20	Feb-20	Mar-20	Q3 Total Performance	YTD %	
Respond to compliance incidents within 10 working days	74%	≥92%	No. responded within timeframe	43	34	17	14	6	37	74.0%	
			Total incidences	57	49	20	17	11	48		
			%	75.4%	69.4%	85.0%	82.4%	54.5%	77.1%		
			Q3 Performance Comments:								
			Response times for Monitoring Officers have improved but continues to be a challenge. The focus in quarter four will be becoming used to working from home and ensuring that staff focus on maintaining a high level of customer service.								
Process applications made under the Resource Management Act 1991 within statutory timeframes	57%	≥95%	No. processed within timeframe	230	185	52	54	75	181	66.6%	
			Total applications	395	267	67	69	97	233		
			%	58.2%	69.3%	77.6%	78.3%	77.3%	77.7%		
			Q3 Performance Comments:								
			Performance is improving with a continuation of the processes made in quarter two. Council is currently working on Vision 20/20 which will identify improvement opportunities and a standardisation of the process and procedures.								

6 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
6.1 - Confirmation of Previous Minutes	s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	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
6.2 - 2020 Far North District Council Assurance Work Programme	s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority	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
6.3 - FNDC Current Legal Action Potential Liability Claims	s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	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

7 KARAKIA WHAKAMUTUNGA – CLOSING PRAYER

6 MEETING CLOSE