



**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL



Finance and Infrastructure Committee Meeting Agenda

Thursday, 22 April 2021

9.00am

Council Chamber, 28-32 Ruataniwha
Street, Waipawa

Together we Thrive! E ora ngātahi ana!

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- 1 **KARAKIA**
- 2 **APOLOGIES**
- 3 **DECLARATIONS OF CONFLICTS OF INTEREST**
- 4 **STANDING ORDERS**

RECOMMENDATION

THAT the following standing orders are suspended for the duration of the meeting:

- 21.2 Time limits on speakers
- 21.5 Members may speak only once
- 21.6 Limits on number of speakers

And that Option C under section 22 General procedures for speaking and moving motions be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.

5 CONFIRMATION OF MINUTES

Finance and Infrastructure Committee Meeting - 25 February 2021

RECOMMENDATION

That the minutes of the Finance and Infrastructure Committee Meeting held on 25 February 2021 as circulated, be confirmed as true and correct.

**MINUTES OF CENTRAL HAWKES BAY DISTRICT COUNCIL
FINANCE AND INFRASTRUCTURE COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, 28-32 RUATANIWHA STREET, WAIPAWA
ON THURSDAY, 25 FEBRUARY 2021 AT 9.00AM**

PRESENT: Mayor Alex Walker
Cr Tim Aitken
Deputy Mayor Kelly Annand
Cr Gerard Minehan
Cr Brent Muggeridge (Chairperson)
Dr Roger Maaka
Cr Jerry Greer
Cr Kate Taylor (zoom)
Cr Exham Wichman
Cr Pip Burne

IN ATTENDANCE: Monique Davidson (Chief Executive)
Nicola Bousfield (People and Business Enablement Manager)
Brent Chamberlain (Chief Financial Officer)
Kim Parker (Communications & Engagement Manager)
Darren de Klerk (Director Projects & Programmes)

1 APOLOGIES

NIL

2 DECLARATIONS OF CONFLICTS OF INTEREST

NIL

3 STANDING ORDERS

COMMITTEE RESOLUTION

Moved: Deputy Mayor Kelly Annand

Seconded: Cr Gerard Minehan

THAT the following standing orders are suspended for the duration of the meeting:

- 20.2 Time limits on speakers
- 20.5 Members may speak only once
- 20.6 Limits on number of speakers

And that Option C under section 21 General procedures for speaking and moving motions be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner **CARRIED**

4 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION

Moved: Cr Jerry Greer
Seconded: Cr Exham Wichman

That the minutes of the Finance and Infrastructure Committee Meeting held on 8 October 2020 as circulated, be confirmed as true and correct.

CARRIED

5 REPORT SECTION

6.1 FINANCE AND INFRASTRUCTURE COMMITTEE MONITORING REPORT

PURPOSE

The purpose of this report is to present to the Finance and Infrastructure Committee an update on key priorities.

COMMITTEE RESOLUTION

Moved: Cr Tim Aitken
Seconded: Cr Gerard Minehan

That, having considered all matters raised in the report, the report be noted.

CARRIED

6.2 RESOLUTION MONITORING REPORT

PURPOSE

The purpose of this report is to present to the Committee the Finance and Infrastructure Resolution Monitoring Report. This report seeks to ensure the Committee has visibility over work that is progressing, following resolutions from Council.

COMMITTEE RESOLUTION

Moved: Cr Exham Wichman
Seconded: Deputy Mayor Kelly Annand

PURPOSE

The purpose of this report is to present to the Committee the Finance and Infrastructure Resolution Monitoring Report. This report seeks to ensure the Committee has visibility over work that is progressing, following resolutions from Council.

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

CARRIED

6.3 FUNDING ASSISTANCE RATE REBATE - NZTA**PURPOSE**

The matter for consideration by the Committee is deciding where to apply the NZTA rebate of \$279,973 refunded from a miscalculation of the funding assistance rate by NZTA.

COMMITTEE RESOLUTION

Moved: Mayor Alex Walker

Seconded: Cr Gerard Minehan

That having considered all matters raised in the report:

- a) ~~That the Committee allocate the rebated funds of \$279,973.00 to replenish the Adverse Events Contingency~~

CHANGE RESOLUTION: The committee allocate the rebated funds of \$279,973.00 to be held in reserve while officers explore for leveraging additional funding within the priorities of the Land Transport strategic framework

ADDITIONAL RESOLUTION: That officers prepare for the next Finance and Infrastructure meeting, a report on the status and replenishment of the special funds for Land Transport.

CARRIED

6.4 ADOPTION OF SUSTAINABLE WATER MANAGEMENT PLAN**PURPOSE**

The matter for consideration by the Council is to adopt the Sustainable Water Management Plan.

COMMITTEE RESOLUTION

Moved: Cr Gerard Minehan

Seconded: Cr Jerry Greer

That having considered all matters raised in the report:

- a) **The Finance and Infrastructure Committee endorse and adopt the sustainable water management plan for implementation.**

CARRIED

6.5 PREFERRED OPTION FOR DESIGN AND CONSTRUCTION OF KAIRAKAU WATER UPGRADE**PURPOSE**

The matter for consideration by the Council is to provide Council with an update on the Kairakau Water System Upgrade and request approval from Council to progress with the options and recommendations developed following analysis of technical reviews, public and Iwi consultations.

COMMITTEE RESOLUTION

Moved: Deputy Mayor Kelly Annand

Seconded: Cr Pip Burne

That having considered all matters raised in the report:

- a) **The Finance and Infrastructure Committee approve Option 1 to upgrade and construct a water treatment plant to meet DWSNZ and safeguard ongoing water supply.**
- b) **The Finance and Infrastructure Committee approve to locate the new treatment plant on land outlined in Scenario 2 – being to lease the existing Manawarakau Trust land neighbouring the existing spring and raw water storage**
- c) **The Finance and Infrastructure Committee approve to increase the project budget to \$850,000 using existing waters budgets and/ or Tranche One – 3 Waters stimulus funding while ensuring no impact on rates.**
- d) **That officers do additional work on the removal of the hardness in the water to meet community outcomes and report back to the Finance and Infrastructure Committee for consideration as part of the Long Term Plan 2021 – 2031**
- e) **That Council continue to monitor changes in regulations and guidance from Taumata Arawai on the roof water supply**

CARRIED

6.6 WAIPUKURAU SECOND WATER SUPPLY - PROJECT UPDATE

PURPOSE

Further to the Finance and Infrastructure decision 8 October 2020, the matter for consideration by the Committee is to receive a progress update on the project and endorse continuation of developing the intended **Option Four Blue Route** (the Waipawa / Waipukurau Link) into land access, due diligence, landowner compensation negotiation and continued detailed design.

COMMITTEE RESOLUTION

Moved: Cr Tim Aitken

Seconded: Cr Gerard Minehan

That, having considered all matters raised in the report, the report be noted.

CARRIED

6.7 KEY PROJECT STATUS REPORT - BIGWATERSTORY

COMMITTEE RESOLUTION

Moved: Cr Gerard Minehan

Seconded: Cr Exham Wichman

That, having considered all matters raised in the report, the report be noted.

CARRIED

6.8 KEY PROJECT STATUS REPORT - BIGWASTEWATERSTORY

PURPOSE

Following the conception of #thebigwaterstory, Council set about implementing the programme that makes up #thebigwaterstory. A programme manager was appointed and focus given to defining the projects that form the programme in greater detail.

The six wastewater plants form a significant programme of works themselves, and we have prudently decided to report on the progress of these six wastewater plants and their subsequent upgrades and re-consenting separately from #thebigwaterstory.

The purpose of this key project status report serves as an opportunity to formally report to elected members on the progress of each of the projects and their expected delivery against time, scope, budget and quality standards against the larger programme objectives.

COMMITTEE RESOLUTION

Moved: Mayor Alex Walker

Seconded: Cr Exham Wichman

That, having considered all matters raised in the report, the report be noted.

CARRIED

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
1.1 - Electricity Supply Contract	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

	industrial negotiations)	

COMMITTEE RESOLUTION**THAT COUNCIL MOVES OUT OF OPEN COUNCIL INTO CLOSED COUNCIL.**

Moved: Cr Exham Wichman

Seconded: Cr Jerry Greer

CARRIED**6 DATE OF NEXT MEETING****COMMITTEE RESOLUTION**

Moved: Cr Tim Aitken

Seconded: Cr Jerry Greer

THAT the next meeting of the Central Hawke's Bay District Council FINANCE AND INFRASTRUCTURE be held on 22 April 2021.

CARRIED**7 TIME OF CLOSURE****The Meeting closed at 12.25PM**

The minutes of this meeting were confirmed at the Finance and Infrastructure Committee Meeting held on 22 April 2021.

.....
CHAIRPERSON

6 REPORT SECTION

6.1 RESOLUTION MONITORING REPORT

File Number: COU1-1410

Author: Monique Davidson, Chief Executive

Authoriser: Monique Davidson, Chief Executive

Attachments: 1. Finance and Infrastructure Committee Resolution Monitoring Report April [↓](#)

PURPOSE

The purpose of this report is to present to the Committee the Finance and Infrastructure Resolution Monitoring Report. This report seeks to ensure the Committee has visibility over work that is progressing, following resolutions from Council.

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

DISCUSSION

The monitoring report is **attached**.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

NEXT STEPS

An updated Resolution Monitoring Report will be presented at the next Committee meeting on 17 June 2021.

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.



**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL

Finance & Infrastructure Committee Resolution Monitoring Report April 2021

Key	
Completed	
On Track	
Off Track	

Item Number	Item	Council Resolution	Resolution Date	Responsible Officer	Progress Report
5.3	Adoption of Land Transport Strategic Framework	a) That the Finance and Infrastructure Committee adopt with amendments the Land Transport Strategic Framework.	18/06/2020	Josh Lloyd	On Track Officers continue to work through the implementation of the framework. Most recently, key themes have been implemented into the Draft Regional Land Transport Plan with our focus on Safety (intersection improvements, speed limit review and school zone improvements).

5.5	Kairakau Water Upgrade - options report	That having considered all matters raised in the report 1) the Finance and Infrastructure Committee identify Option 2 as the preferred option — to upgrade the Kairakau water treatment plant to: i) meet Drinking Water Standards for New Zealand 2005 (revised 2018); ii) remove roof water from supplying potable water; iii) install restrictors to all properties to control peak demand; and 2) That the Finance and Infrastructure Committee endorse upgrading the Kairakau Water Treatment Plant to meet Drinking Water Standards for NZ while developing a Water Safety Plan and the review of the water bylaw. 3) That the Committee await formal adoption of an option until the completion of community engagement and review of the existing water bylaw.	18/06/2020	Darren De Klerk	Completed DDK 02/04/21 > superseded by item #6.50 created following meeting on 25/02/21 DDK 13/02/21 > Decision paper planned for committee meeting on 25th February 2021
6.3	Funding Assistance Rate Rebate - NZTA	CHANGE RESOLUTION: The committee allocate the rebated funds of \$279,973.00 to be held in reserve while officers explore for leveraging additional funding within the priorities of the Land Transport strategic framework ADDITIONAL RESOLUTION: That officers prepare for the next Finance and Infrastructure meeting, a report on the status and replenishment of the special funds for Land Transport.	25/02/2021	Shawn McKinley	Completed: Paper being taken to F&I Committee in 22nd April on two reserve funds, NZTA funding and operating budgets, and fund replenishment.
6.4	Adoption of Sustainable Water Management Plan	The Finance and Infrastructure Committee endorse and adopt the sustainable water management plan for implementation.	25/02/2021	Darren De Klerk	Completed - SWMP is now operational

6.50	Preferred Option for Design and Construction of Kairakau Water Upgrade	<p>a) The Finance and Infrastructure Committee approve Option 1 to upgrade and construct a water treatment plant to meet DWSNZ and safeguard ongoing water supply.</p> <p>b) The Finance and Infrastructure Committee approve to locate the new treatment plant on land outlined in Scenario 2 – being to lease the existing Manawarakau Trust land neighbouring the existing spring and raw water storage</p> <p>c) The Finance and Infrastructure Committee approve to increase the project budget to \$850,000 using existing waters budgets and/ or Tranche One – 3 Waters stimulus funding while ensuring no impact on rates.</p> <p>d) That officers do additional work on the removal of the hardness in the water to meet community outcomes and report back to the Finance and Infrastructure Committee for consideration as part of the Long Term Plan 2021 – 2031</p> <p>e) That Council continue to monitor changes in regulations and guidance from Taumata Arawai on the roof water supply</p>	25/02/2021	Darren de Klerk	<p>On Track</p> <p>DDK 02/04/21 > Paper taken to council progressing the project to detailed design and then construction with additional resolutions around hardness - update to be brought back in June 2021</p>
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6.2 FINANCE AND INFRASTRUCTURE COMMITTEE MONITORING REPORT**File Number:** COU1-1410**Author:** Monique Davidson, Chief Executive**Authoriser:** Monique Davidson, Chief Executive**Attachments:** Nil**PURPOSE**

The purpose of this report is to present to the Finance and Infrastructure Committee an update on key priorities.

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

BACKGROUND

Following the 2019 Triennial Local Body Elections, Council took the time to reset Council priorities, and agree on priorities for Committees.

The role of the Finance and Infrastructure Committee is:

- To assist Council to oversee financial and non-financial performance, including the delivery of the Council's Capital Programme.
- To monitor Council activities and services performance against budget, Annual Plans, the Long Term Plan, Annual Reports and corporate and financial policies.
- The Finance and Infrastructure Committee also receives enforcement and compliance performance activity reporting to ensure financial and non-financial performance oversight of its regulatory functions.
- To provide governance oversight of Council's operational programmes, services, activities and projects related to infrastructural assets.
- To enable the progress of the Council's operational activities, projects and services.

The Finance and Infrastructure Committee has delegations to:

- Develop and adopt plans, projects and policies that advance the Council's vision and goals in relation to its key Financial Strategy and Infrastructure Strategy while complying with the purpose of the Local Government.
- Monitoring the financial and non-financial performance of the organisation with a particular emphasis on the delivery of the capital works programme. Implementation and effectiveness of strategies, plans and policies.
- Specifically monitor and provide oversight of significant projects, including reviewing business cases and agreed on next steps of significant projects.
- The Finance and Infrastructure Committee is responsible for assisting Council in its general overview of procurement and tender activity. The Committee will accept and consider

tenders which exceed the Chief Executive's delegated authority to approve, for projects approved by Council through an Annual Plan or Long Term Plan. The Committee will make a recommendation to Council on the outcome of a tender process for resolution when above delegations.

- The Finance and Infrastructure Committee has delegation to approve or award contracts beyond the Chief Executive's delegated authority within the parameters of approved AP/LTP Budgets up to \$4 million.
- To establish a special committee, working group or community forum as needed.

The monitoring report which provides an update on the key priorities of the committee is below:

DISCUSSION

Key Priority	Responsible Officer	Progress Update
Lead and monitor the Wastewater Treatment Plan projects for across Central Hawke's Bay.	Darren de Klerk	On Track - A Specific Key Project Status Report will be included in June 2021 committee meeting.
Monitor the implementation of #thebigwaterstory	Darren de Klerk	On Track - A Specific Key Project Status Report will be included in June 2021 committee meeting.
Complete and lead the Rates Review	Brent Chamberlain	Completed - The committee have completed this work, following the adoption of the Revenue and Financing Policy in October 2020. The decisions from the Rates Review, will be implemented from 1 July 2021.
Monitor the implementation and progress of Provincial Growth Fund projects.	Darren de Klerk	On Track - A Specific Key Project Status Report on this project is included in the agenda.
Lead the review of the Financial Strategy and associated policies that input into the Long Term Plan 2021-2031.	Brent Chamberlain	Completed – Council have now adopted the Draft Financial Strategy for community consultation as part of the Draft Long Term Plan 2021 – 2031.
Review the current Treasury Policy – Investment, Debt and Liability Management policies.	Brent Chamberlain	On Track – Council have now adopted the Draft Treasury for community consultation as part of the Draft Long Term Plan 2021 – 2031. However, Officers have been separately asked to review the investment component of this policy in late 2021, and in particular the revenue streams available to special/trust funds.

Monitor the implementation of the non-rateable income strategic framework.	Monique Davidson	<p>On Track - Considerable effort continues to be given to the attraction of non-rateable income. The COVID-19 context has provided considerable opportunity for Council in the acceleration of capital investment to act as an economic stimulus. Council are actively working with the government on seeking external funding to deliver on Council and community priorities. At the time of writing this report, key achievements that align with this framework include funding for Mayors Taskforce for Jobs pilot and beyond, redeployment capital packages, water reform and PGF projects. Government have recently announced the opening of the Tourism Infrastructure Fund, and Officers are turning attention to preparing applications for this fund.</p> <p>Further work will continue over the coming months following the adoption of the Long Term Plan 2021 – 2031, to assess key policies that form part of the non-rateable income strategic framework.</p>
Develop a Land Transport Strategic Framework and ensure governance input into the three-year business plan before NZTA submission.	Josh Lloyd	<p>Completed - The Land Transport Strategic Framework has been adopted and has been interpreted into the Draft Asset Management Plans developed for the Long Term Plan 2021- 2031 and the three-year business case submitted to NZTA.</p>

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

NEXT STEPS

The Finance and Infrastructure Committee will receive an updated monitoring report on 17 June 2021.

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

6.3 ROADING CONTROL AUTHORITY PERFORMANCE REPORT

File Number: COU1-1410

Author: Shawn McKinley, Land Transport Manager

Authoriser: Monique Davidson, Chief Executive

Attachments: 1. REG RCA Report 19-20 [↓](#)

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

PURPOSE

The purpose of this report is to provide the Committee with the results of the 2019 – 2020 Road Controlling Authority (RCA) report created by the Road Efficiency Group (REG) prepared on behalf of LGNZ and NZTA

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

BACKGROUND

REG is a group that was formed by a partnership between LGNZ and NZTA to provide consistent levels to the road users, obtain better value for money and be able to measure progress towards those goals. One of the tools of this partnership has been this report which is shared across all RCA's. The report is done annually and is a snapshot of various performance measures to indicate performance and improvements within the land transport sector each year. This is the second year the report has been produced and a few of the inputs have been changed which has had a negative impact on the report. These are being explored by the Land Transport team with REG and the producers of the report.

DISCUSSION

The report is being presented to the Committee to provide a better understanding of the District's Land Transport performance against a range of factors including technical, financial, NZTA audits, council outcomes and safety. It also allows the Committee members the ability to graphically see how the Land Transport Department is performing against their peers. It creates an opportunity for the department to focus on where performance improvements can be made.

Summary:

1. Responding to RFS's is getting better but still room for improvement
2. Audits are well in hand
3. Safety results better than our peers
4. Our planning quality is better than the national average
5. Higher Smooth Travel Exposure higher, and roughness lower than our peers for the same expenditure
6. Our ability in procurement is getting better

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;

- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

NEXT STEPS

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

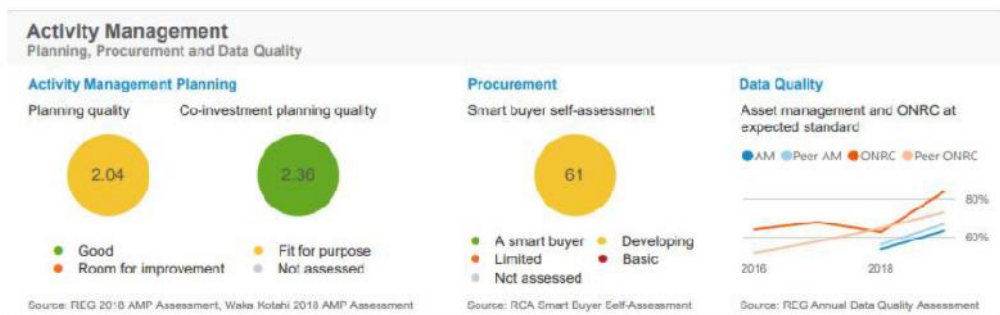
RCA Report Analysis (pre-reading)**2018 / 19**

14,150 Population	\$490 GDP (\$M)	\$673 Valuation (\$M)	\$16.3 Expenditure (\$M)	\$1,127 Expenditure per capita	60% FAR
1,266 Total (km)	863 Sealed (km)	403 Unsealed (km)	1,195 Rural (km)	71 Urban (km)	264 No. of bridges

2019 / 20

15,250 Population	\$573 GDP (\$M)	\$663 Valuation (\$M)	\$11.7 Expenditure (\$M)	\$770 Expenditure per capita	60% FAR
1,266 Total (km)	864 Sealed (km)	403 Unsealed (km)	1,194 Rural (km)	72 Urban (km)	261 No. of bridges

The reduction in the number of bridges is due to the removal of culverts that did not meet the bridge size definition they are now counted as normal culverts. The changes in the urban and rural split is due to data improvements within RAMM.

2018 / 19**2019 / 20****Activity Management Planning**

Planning Quality

The difference between the years is a rounding of the numbers in the 2019 / 20 year and was assessed against the pillars of success as defined by REG – Systems, Evidence, Communicating, Decision Making, Service Delivery, and Improvement Plan

Co-investment Planning Quality

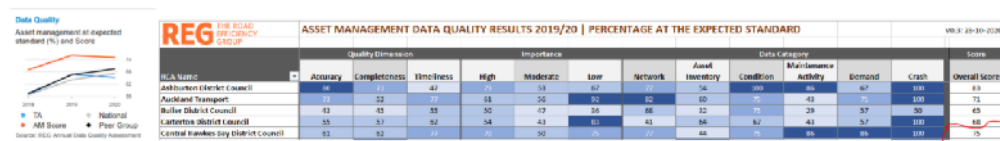
The AMP is assessed against the Programme Business Case including Strategic Case (Context), Programme Business Case (context), Commercial Case (procurement context) and Management Case (delivery and performance)

(in both of the AMP graphs our marks are above the national average)

Procurement

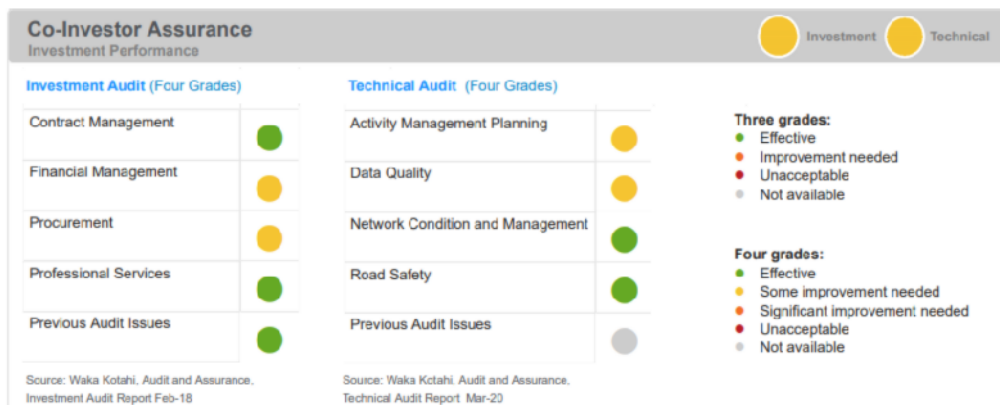
The difference is that the district has moved from being “fit for purpose” to “a smart buyer”. This is based on an internal audit. In our case the Land Transport Manager prepared and submitted the procurement strategy to NZTA for approval. Once it was approved it was then provided to our Chief Financial Officer (in charge of council procurement) for an analysis to determine our level of sophistication in procurement using the smart buyer checklist developed by REG / NZTA and based on the MBIE guidelines.

Data Quality



The graph does not reflect the metrics which were used to provide our mark. I have questioned REG as to why.

Co-Investor Assurance



This now includes the recent technical audit the results of which have been presented to Council.

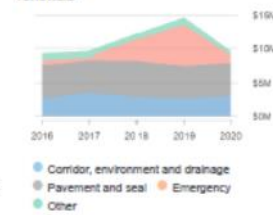
Delivery:

Delivery
Expenditure, Funding, Cost Efficiency and Valuation

\$58M (48.3%)

Total 2018-21 NLTP Budget (\$M)
Total Budget Spent (%)

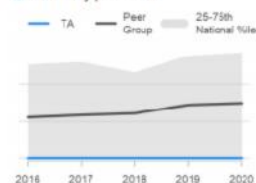
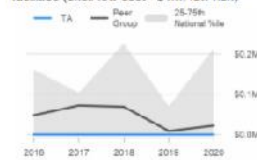
The 58M includes the PGF funding which is not part of the Land Transport Program. I have asked REG to clarify. Our actual budget spent as of June 2020 is 58% as we carried forward 8% of our funding. Due to COVID and the fact that we were embedding new contractors has slowed our expenditure. This is now reported on in our monthly financial report

Activity Class Expenditure**Co-Invested Expenditure****All transport activities****New roads and road improvements (>\$1M ea)****Road maintenance, operations and renewals**

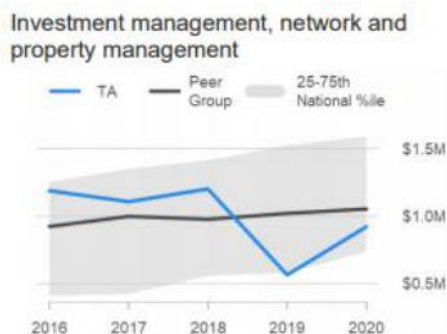
All Transport Activities – a simple graph showing road maintenance (including renewals) plus minor improvements

New Roads and road improvements – minor improvements including safety improvements

Road Maintenance Operations and renewals – expenditures reflecting the fact that we carried forward funding from last year to this.

Road safety promotion**New and improved walking and cycling facilities (excl. low cost <\$1M, low risk)**

Council contributes to the Road Safe group and constructs new footpaths however the measurement is based on NZTA activity codes which we do not specifically ask for funding in. As NZTA create new activity codes we are working with them to put the funding requests into the appropriate categories

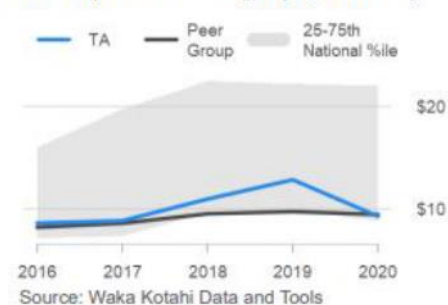


This is the graph that reports on the professional services we obtain through Stantec. Note that we spend less than our peers.

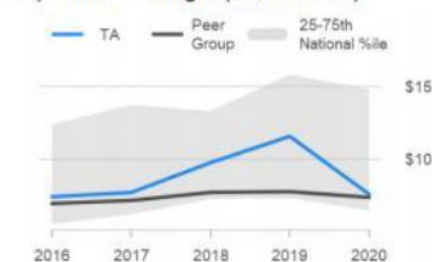
Cost Efficiency

Cost Efficiency

Total expenditure / length (\$1,000 / km)



Maintenance, operations and renewals expenditure / length (\$1,000 / km)



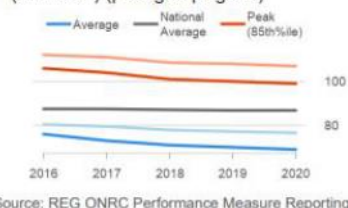
We spent the same amount as our peers in 19 / 20 the spike in expenditure in the previous year was due to emergency events. Comparison with the graphs below show that CHBDC roads have more smooth travel exposure and less roughness than those of our peers for the same expenditure.

Amenity (Sealed Roads)

Ride quality (roughness of the roads)



Peak and average road roughness (NAASRA) (peer group lighter)



Service Performance – The results of the Council’s DIA targets

Annual Targets Achieved	2015-25 Long Term Plan			2018-28 Long Term Plan	
	2015/16	2016/17	2017/18	2018/19	2019/20
Provision of roads and footpaths					
Road safety	●	●	●	●	●
¹ Condition of the sealed road network	●	●	●	●	●
Maintenance of the sealed road network	●	●	●	●	●
Condition of the footpaths within the local road network	●	●	●	●	●
Response to service requests	●	●	●	●	●

Source: TA Annual Reports

● Target achieved ● Partially achieved¹ ● Target not achieved ● Not reported

Road Safety

This target has not been achieved as the target is “no fatalities or serious injuries on the network irrelevant of cause”. This target will change next year to “no fatalities or serious injuries on the network where the road has been a contributing factor”

Response to Service Requests

The district has failed to meet this target “100% of all service request responded to within 3 days”. This has become a high priority with the land transport team.

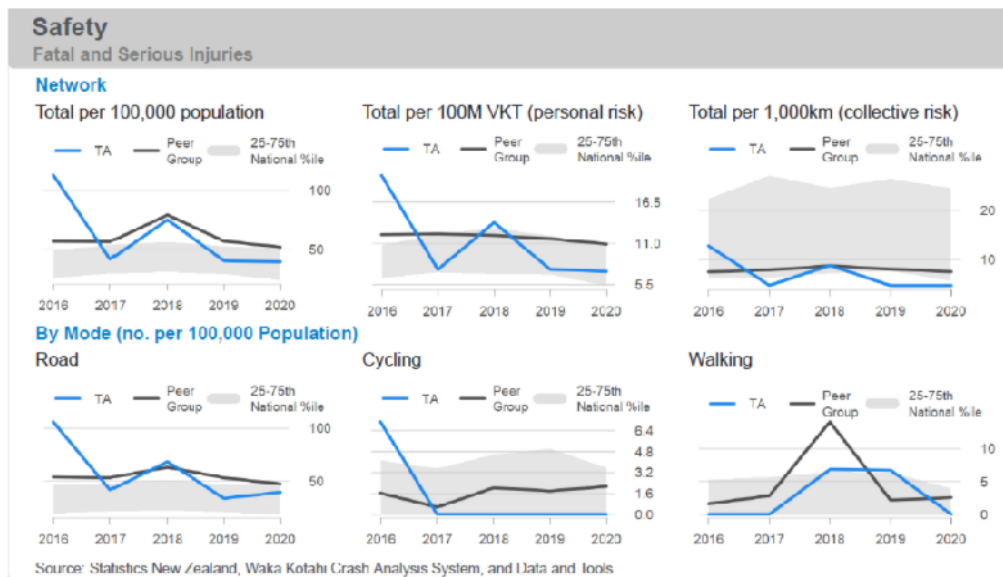
Network Availability and Accessibility

Resilience and Freight Accessibility

No data

Proportion Network Accessible
to Class 1 and 50MAX

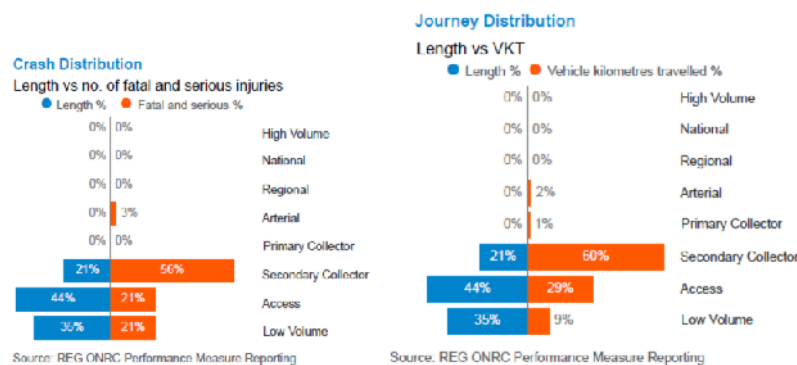
This is a new target which we have not reported on. The district will probably not score well as our bridge inventory is aging and the financial affordability to upgrade the structures is limited. We do have several bridges that are currently being programmed to meet Class 1 capability over the next 2 / 3 years. We have had requests for 50Max and where possible have approved them if they avoid our bridge structures. All of these requests come from companies outside of our district. The structures on the Porangahau / Wimbledon corridor are currently being upgraded to HPMV capacity.



The above graphs show the performance of the district in regards to fatal and serious injuries. In all cases CHB has lower accident rates than both our peer groups and the national average.

Personal Risk is defined as risk to the individual of fatal or serious casualties per million vehicle kilometres travelled

Collective Risk is defined as risk density measured as the number of fatal and serious casualties over a distance (per kilometre)



The first graph above shows the percentage of accidents (fatal & serious) on the various road classifications versus the % of length of the road classification. (56% of our fatal and serious accidents happen on 21% of our network)

The second graph shows percentage of Vehicle Kilometres Travelled (VKT) per road classification. (60% of the VKT is on 21% of our network)

Interpreting the relationship between the 2 graphs shows that the more VKT the higher the % of accidents

6.4 REVIEW OF THE ADVERSE EVENTS AND CATASTROPHIC EVENTS FUNDS

File Number: COU1-1410

Author: Brent Chamberlain, Chief Financial Officer

Authoriser: Monique Davidson, Chief Executive

Attachments: 1. Special Fund Accounts Policy [↓](#)

PURPOSE

The matter for consideration by the Council is to review the Adverse Events and Catastrophic Events Funds.

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report:

- a) That Finance and Infrastructure Committee receives the report entitled “Review of the Adverse Events and Catastrophic Events Funds”.
- b) That the Committee agree to amend the policy by adjusting the size of the funds for inflation, making the adverse events fund \$600,000, and the catastrophic events fund \$2,400,000.
- c) The Committee agrees to transfer \$500,000 from the catastrophic events fund to the adverse events fund.
- d) That the Committee apply the NZTA refund of \$279,973 to the adverse events fund.

EXECUTIVE SUMMARY

At the February 2021 Finance and Infrastructure Committee Meeting considered what to do with a \$279,973 refund received from NZTA. During the debate on this funding, the committee requested officers to review the Adverse Events and Catastrophic Events Fund Policies, and consider the adequacy of the reserve balances. Below is the resolution the Committee passed:

“The committee allocate the rebated funds of \$279,973.00 to be held in reserve while officers explore for leveraging additional funding within the priorities of the Land Transport strategic framework.

That officers prepare for the next Finance and Infrastructure meeting, a report on the status and replenishment of the special funds for Land Transport.”

This report is the follow up to the above resolution.

BACKGROUND

The Adverse Events Contingency Fund and the Catastrophic Events Fund are both Special Funds and fall under the Special Funds Policy which was last reviewed in June 2020.

Currently the policy states that:

Adverse Events Contingency

To provide funds to assist with the repairs or to replace damaged Council assets in the event of an unforeseen, major, short duration, natural event. Adverse events include those that would not normally be covered by operational expenditure and those not covered by insurance. Each adverse event will be assessed on a case by case basis. In the case of an adverse roading event the New Zealand Transport Agency definition of an emergency will be used.

The value of the fund should be preserved by transfers from the appropriate operational rate so that a level of \$500,000 is maintained and annually adjusted for inflation using the cost of construction index.

Catastrophic Events Fund

To provide funds for the financial protection of the district in the event of an unforeseen catastrophic natural event.

This event would be such that substantial damage occurred to the vital infrastructure of the district. Each catastrophic event will be assessed on a case by case basis.

There are three ways these funds may be used.

1. The capital sum used to repair damage to infrastructure assets.
2. The sum used to provide the “first cover” of an insurance policy for the districts infrastructural assets.
3. The sum used as part or all of Council’s contribution to a proposed co-operative national emergency fund.

The value of this fund should be preserved by transfers from the appropriate operational rate so that a level of \$2.0 million is maintained and annually adjusted for inflation using the cost of construction index.

NZTA Funding Submission Update

Council’s submitted funding request has gone through an initial moderation, along with the rest of the country. Waka Kotahi find themselves in a budgeted deficit of \$250,000,000 nationally, predominantly due to lack of revenue through the covid lockdown, and all activity classes have been oversubscribed. They are working through how to bridge this gap and may not be able to fully fund our bid. Officers are hoping for an early signal in August 2021, with confirmation in November 2021. Both of Councils Waka Kotahi investment advisors have supported Councils budget request at the level Council has asked for.

DISCUSSION

Looking back in Council archives, officers can confirm that the values of \$0.5 million and \$2.0 million contained in these policies was last adjusted in 2015. Between 2015 and 2021 New Zealand’s compounded construction inflation was 18%. This means in today’s dollars these figures should now be \$0.59 million and \$2.36 million.

NZTA (New Zealand Transport Authority) provides two different subsidies to Council’s to respond to events:

1. Minor Events – Short Term weather events where the total spend to rectify is less than \$100k. The standard 60% Funding Assistance Rate Applies.
2. Emergency Events – Short Term Weather/Seismic Events where the total spend to rectify is greater than \$100k. The standard 60% Funding Assistance Rate applies for the first 10% of your annual budget, and then increases by 20% after that.

Currently Council budgets for \$300k pa for renewals to cover its 40% rate funding towards Minor Events. If the costs exceed the \$300k then the Councils Adverse Events Contingency Fund is called on.

Council does not budget anything towards funding the Emergency Events and Councils Catastrophic Events Fund, but is drawn on in larger scale events to fund the 40% rate funding requirement.

In the last five years, officers can confirm that the Catastrophic Events Fund has not been called on and has grown to a balance of \$2.9 million through the application of investment revenue applied to this fund.

Also over the last five years, the adverse events fund has been called on 3 times to repair roading networks after flooding events. In 2018 \$244,556 was used, 2019 \$128,581 used, and 2020 \$262,838 used. Despite the application of investment revenue over these years this account has been eroded to a balance of \$152,262 as of 28 February 2021.

The premise of the Catastrophic Events Fund is to cover the insurance excess for an event, and to provide seed funding to get the event response underway. Unlike the Adverse Events Fund which only relates to roading, the Catastrophic Fund covers all infrastructure.

Historically Council has had no formal way of replenishing these two funds except by:

1. The application of investment income to these funds
2. The application of unspent roading budget at year end to these funds

Obviously, the past three years these mechanisms have been insufficient for the Adverse Events Fund as its capital value had declined.

In the 2021-2031 Long Term Plan, recently consulted on, the Land Transport Activity has set aside \$100,000 pa to replenish these funds (which is a new budgetary provision). However, based on the average use of the last three years, where Council has spent an average of \$205,325 on flood reinstatements (in addition to their \$300,000 operating budget), this too will be insufficient.

Also budgeted for in the 2021-2031 Long Term Plan, the Land Transport Activity has set aside \$50,000 pa to fund Bridge Replacements. This \$50,000 provision has been rated for since 2019 and currently has a balance of \$103,122 as at 30th June 2020.

Recently Council has received an additional \$279,973 of funding from NZTA (New Zealand Transport Authority) which is currently not assigned to a particular roading project. The use of this money was debated at the February 2021 Finance and Infrastructure Committee Meeting with one option considered was replenishing the Adverse Events Fund. This led to discussion about the Special Funds Policy, and the review before you today. Ultimately the Committee resolved that:

"The committee allocate the rebated funds of \$279,973.00 to be held in reserve while officers explore for leveraging additional funding within the priorities of the Land Transport strategic framework."

Officers have spoken to our similar sized, neighbouring Councils to find out what funds/policies they hold.

Waioara District Council holds an \$800,000 Disaster Recovery Fund, but has no formal policy about the fund.

Tararua District Council holds a \$1,500,000 Emergency Roothing Fund. Historically this fund was larger but this has been depleted in recent years. They have been impacted in the last three years by the same weather events Central Hawkes Bay District Council was impacted by.

They currently budget for \$1,000,000 pa for roading events but have found this inadequate and are consulting in their Long Term Plan (LTP) on raising this to \$1,600,000. Below is an extract from their draft LTP consultation document:

Right Debate: **Road financial reserves**

Context and Background

Tararua District has the fourth largest road network per person in New Zealand and it would be unaffordable to maintain without the subsidy we receive from Waka Kotahi New Zealand Transport Agency (NZTA) each year. For some years the rate of subsidy we received was 66% of the cost to build or maintain roads.

In 2019 our subsidy rate increased to 69% and since then we have reinvested the savings back into the roading network, increasing the level of service for safety and resilience. The level of subsidy is reviewed by NZTA every three years so there is no guarantee it will be maintained at 69% in the future.

In recent years Tararua District has been experiencing an increase in adverse weather events, both in number and intensity, largely due to the effects of climate change. In 2018/19 we increased the total funding for this activity from \$1,000,000 per year to \$1,600,000 per year. Despite this increase, these weather events cause damage to our roads and the cost of repair has been exceeding our increased budget for emergency work. This means Council has had to use reserves to meet these increased, and likely on-going, costs.

We need to consider the following in how we intend to manage the ongoing emergency spending:

- The \$14.6 million investment that is underway into Route 52 will help improve the resilience of a portion of our roading network that encounters regular failures during weather related events.
- In 2021 Council received \$1.4million from NZTA due to a calculation error in the FAR rate it received for roading. Council proposes to put this lump sum contribution directly into the roading emergency reserve. Based on the current drawdown of the reserve, this would provide an average of 7 years of funding for emergency events based on the current average of \$5million per year expenditure. This option balances current affordability concerns and coupled with Council's debt repayment strategy would still be financially prudent.
- A further option would be to increase rate funding for emergency works now. This would extend how long the roading emergency reserve will last and would reduce our risk if the financial impacts from weather events were to increase.

However, with the upgrade of Route 52 underway, the current health of the roading emergency reserve, it is felt that we could delay an increase in funding until the next Long Term Plan.

We propose to increase our investment into our reserves to meet the increased costs we expect to face in the future as the impacts of climate change increase both the frequency and intensity of weather events.

Option 01.

Decrease the investment into road financial reserves. This option is high risk as it will likely see current road reserves exhausted, which would then require increases in rates to cover annual costs of adverse weather events and a reduction in our investments in our roading programmes.

Financial Impact: Reduction of total funding to \$1.3 million. This would result in a rates reduction. However, long term additional funding will be required to counter Climate related events on the roading network.

Rates Impact: Rates impact per property

Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8	Yr9	Yr10
21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
(12.01)	(11.92)	(11.83)	(11.74)	(11.65)	(11.56)	(11.47)	(11.39)	(11.30)	(11.22)

Option 02. PREFERRED OPTION

Maintain current rates funding to existing road financial reserves. This option will likely mean we can meet to cost of future emergency works on our roads based on the weather data we know now.

Financial Impact: This option continues with current funding of \$1.6 million of emergency road works, with \$217,000 funded from rates being maintained.

Rates Impact: No rates increase would be needed for this option.

Option 03.

Increase rates by XX% and add these funds to existing road financial reserves. This will allow us to rebuild our existing reserves faster and provide for further increased costs if the impacts of climate change continue to worsen.

Financial Impact: This option increases total funding to \$1.9 million, with \$317,000 funded from rates.

Rates Impact: Rates impact per property

Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8	Yr9	Yr10
21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
12.92	12.82	12.72	12.62	12.52	12.43	12.34	12.24	12.15	12.06

Based on recent history, current Council budgets, and what neighbouring Councils are doing in this space, Officers believes Council needs to consider the following:

1. The adequacy of existing operating budgets to respond to events
2. The adequacy of the fund sizes
3. The method of replenishing the funds if they are called upon
4. What to do with the NZTA refund of \$279,973

The adequacy of existing operating budgets to respond to events

Based on recent history the \$300,000 set aside in the budget for responding to “minor events” has been exceeded by \$205,325 per year for the last three years, meaning the “adverse events fund” has slowly been drained to its present value of \$152,262.

Even with the additional \$100,000 pa budgeted in the LTP to replenish the fund the budget is likely to be inadequate.

The adequacy of the fund sizes

Due to inflation, just to maintain existing buying power, the funds should be increased to \$600,000 (Adverse Events Fund) and \$2,400,000 (Catastrophic Events Fund).

Currently the Adverse Events Fund has balance of \$152,262 meaning it is short of the \$600,000 target by approximately \$447,738. Meanwhile the Catastrophic Events fund holds \$2,903,090 meaning it is overfunded by \$503,090 (assuming Council is happy with the inflated target of \$2,400,000).

Officers therefore recommend that \$500,000 be transferred from the Catastrophic Events Fund to the Adverse Events Fund to bring both funds back into line with policy.

Officers also recommend that the policy amounts be updated to reflect the inflated values of \$600,000 (Adverse Events Fund) and \$2,400,000 (Catastrophic Events Fund).

The method of replenishing the funds if they are called upon

Currently the only method of replenishing the funds is through interest income earned on the balances of the reserve. Unfortunately, in today’s low interest environment term deposits are only earning 0.5%-0.8% (based on Councils recent deposits).

This would mean a \$600,000 adverse events fund would only receive \$3,000 of replenishment a year, and the catastrophic fund of \$2,400,000 would receive \$120,000 pa.

This would be insufficient to inflation proof the funds, let alone replenish them after use.

It is for this reason that officers have provided an additional budgetary provision of \$100,000 in the Long Term Plan.

What to do with the NZTA refund of \$279,973

Due to the likely inadequacies identified in both the operating budget for minor events, and the lack of investment income to inflation proof and replenish the funds if they are called upon, Officers recommend that the NZTA refund also be applied to the Adverse Events Fund. This would mean the fund would increase to \$932,235 (the current \$152,262, plus the \$500,000 transfer, plus the \$279,973 NZTA refund). This would give Council sufficient headroom for the next three years until the 2024 LTP when Council can again review these funds, and put some additional budgetary provisions to ensure that the funds have a more permanent funding mechanism.

It is important to remember that the Adverse Events Fund is to be used to fund Council’s 40% of roading reinstatement post an adverse event. NZTA in return will match this with a further 60% subsidy, so this \$279,973 transfer to the reserve will allow \$699,932 of reinstatement to occur.

Officers have looked at other alternatives for this money. They include funding projects such as walking & cycling improvements, speed management plan (review), road safety action plans.

Each of these have merit. Council already has sufficient budgets over the next 3 years to maintain a consistent improvement in speed management plans and road safety action plans. Walking and

Cycling has no funding but Council has little room within our communities to create new cycle lanes or footpaths that would qualify for additional Waka Kotahi FAR rate subsidies.

As Council has already submitted its bid for funding from the National Land Transport Fund Council would be challenged to build a business case that would qualify for additional subsidised funding in time for a decision by Waka Kotahi on approval.

Another further possibility is that Council continues to hold the funds in reserve pending the confirmation by Waka Kotahi that Council's budget doesn't get trimmed to meet its budget deficit. In the event of a reduced budget, Council could utilise these funds to cover the shortfall.

RISK ASSESSMENT AND MITIGATION

This matter deals with the mitigation of the financial risk associated with recovering from natural disasters through the creation of sufficient seed funding through the use of reserves.

FOUR WELLBEINGS

This matter deals with the built environmental recovery from natural disasters through the use of reserve funds to spread the cost across time, minimising spikes in rates, thus minimising the economic impact.

DELEGATIONS OR AUTHORITY

This matter is coming to Finance and Infrastructure due to it requiring a change in a Council Policy - "Special Funds Policy".

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed of minimal significance.

OPTIONS ANALYSIS

Officers have recommended 3 actions in this report:

1. Adjust the size of the funds for inflation, making the adverse events fund \$600,000, and the catastrophic events fund \$2,400,000.
2. Transfer \$500,000 from the catastrophic events fund to the adverse events fund.
3. Apply the NZTA refund of \$279,973 to the adverse events fund.

The finance and infrastructure committee can approve all 3 actions, or a subset of them, or remain with the status quo.

<u>Action 1</u>	<u>Action 2</u>	<u>Action 3</u>
Adjust the size of the funds	Transfer \$500,000 between funds	Apply NZTA Funding to Adverse Events Fund

Financial and Operational Implications	There is no financial impact of this action. It simply adjusts the existing policy for inflationary impacts.	There is no financial impact of this action. It simply moves existing funds between reserves.	There is no financial impact of this action. The funds have already been reserved, but with the purpose yet to be determined. This clarifies that purpose.
Long Term Plan and Annual Plan Implications	This decision has no budgetary impacts.	This decision has no budgetary impacts.	This decision has no budgetary impacts, but does buy Council some headroom in the likely event the adverse events fund is called upon in the next 3 years.
Promotion or Achievement of Community Outcomes	This policy serves to protect the public and council from cost shocks due to natural events.	This policy serves to protect the public and council from cost shocks due to natural events.	This policy serves to protect the public and council from cost shocks due to natural events.
Statutory Requirements	N/A	N/A	N/A
Consistency with Policies and Plans	This is in alignment with the sentiment of the existing policy to inflation adjust the funds.	This is in alignment with the sentiment of the existing policy to maintain certain balances within the funds for future use.	This is in alignment with the sentiment of the existing policy to maintain certain balances within the funds for future use.

Recommended Option

This report recommends Council adopts all 3 options for addressing this matter:

1. Adjust the size of the funds for inflation, making the adverse events fund \$600,000, and the catastrophic events fund \$2,400,000.
2. Transfer \$500,000 from the catastrophic events fund to the adverse events fund.
3. Apply the NZTA refund of \$279,973 to the adverse events fund.

NEXT STEPS

Officers will enact the Committees resolutions, and amend the policy as necessary.

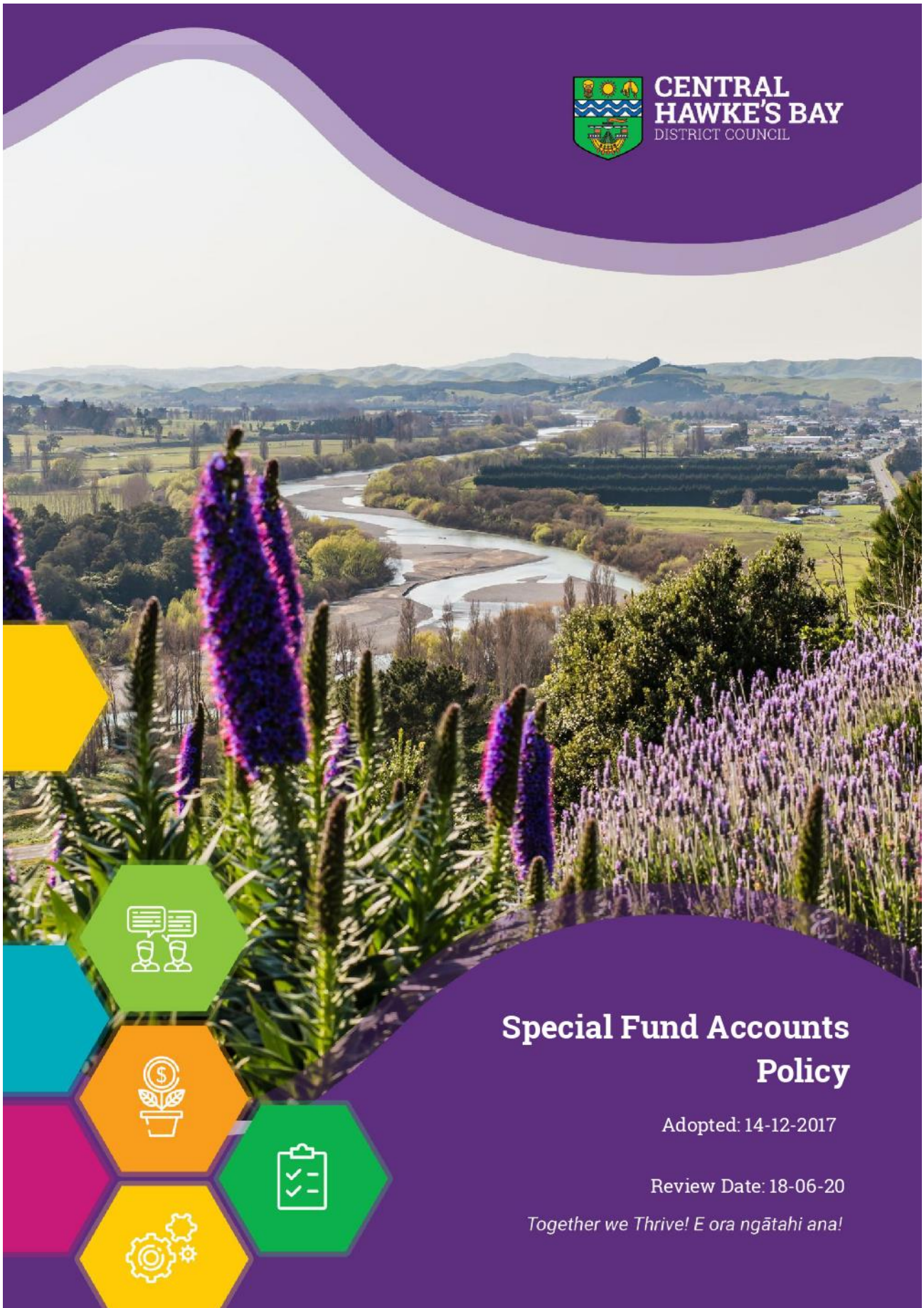
RECOMMENDATION

That having considered all matters raised in the report:

- a) That Finance and Infrastructure Committee receives the report entitled “Review of the Adverse Events and Catastrophic Events Funds”.**
- b) That the Committee agree to amend the policy by adjusting the size of the funds for inflation, making the adverse events fund \$600,000, and the catastrophic events fund \$2,400,000.**
- c) The Committee agrees to transfer \$500,000 from the catastrophic events fund to the adverse events fund.**
- d) That the Committee apply the NZTA refund of \$279,973 to the adverse events fund.**



**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL



Special Fund Accounts Policy

Adopted: 14-12-2017

Review Date: 18-06-20

Together we Thrive! E ora ngātahi ana!

Special Fund Accounts Policy

That Council operate Special Fund Accounts in terms of this Policy.

All Special Fund Accounts shall be pooled for the purpose of accounting and investment.

That investments made from the Special Fund Account Pool be made in accordance with Council's Investment Policy.

That at no time will any Special Fund Account be taken into a debit balance position.

That interest payments, capital gains or losses be credited/charged on a pro-rata basis to all Special Fund Accounts within the pool.

Unless otherwise stated, only the interest earned on each fund shall be available to be spent thereby preserving the individual fund amounts.

Description of Purposes Statement

Special Funds are those funds, or reserves, which Council has established by resolution, the terms of which restricts the use of the funds. Each fund has been set up as a separate account to maintain a degree of independence from Council's general funds. All funds are invested as part of a larger pool of funds and are not available for any other purpose.

Election and By-Election Funding Reserve

To provide for the smoothing of election expenses by the annual transfer of funds to the account.

Mayor's Fund

To provide for payments to worthy individuals or groups at the sole discretion of the Mayor.

Income for this fund comes from public donations, and if required, an allocation of interest from Special Fund Investments.

The balance of the Fund will be maintained at a minimum of \$5,000 as at each 30th June.

The Mayor will report to Council on a 6 monthly basis on expenditure from this Fund.

Rural Fires Reserve

This original purpose of this fund which was to provide funds for the non-recoverable costs incurred by Council in fighting rural fires. This need has now been assumed by FENZ (Fire and Emergency New Zealand).

The residual funds will be available for Civil Defence costs and support of rural projects until exhausted.

Esplanade Reserve Fund

To provide immediate finance to; purchase land, pay legal costs, pay survey costs or pay acquisition costs associated with the purchase or access to Esplanade Reserve land as and when it becomes available.

Withdrawals from this fund will only be made when the purchase or access to Esplanade Reserve land has been approved by Council.

Te Aute Drain Channel Clearing Reserve

To provide funds for the programmed clearing of channels and major maintenance of the system. Funds may be provided annually from the Te Aute Drainage Rate for the maintenance of this account.

Retirement Housing Depreciation Reserve Account

To provide for extensions, major upgrading, major maintenance or capital purchases whenever such is necessary in the provision of Retirement Housing or other social housing facilities within the district. Funds will be provided annually from the Retirement Housing rentals for the maintenance of this account.

The fund may also be used at the discretion of Council for any reviews undertaken of Retirement Housing and consideration of future options with regards to social housing generally in Central Hawke's Bay.

Adverse Events Contingency

To provide funds to assist with the repairs to or to replace damaged Council assets in the event of an unforeseen, major, short duration, natural event. Adverse events include those that would not normally be covered by operational expenditure and those not covered by insurance. Each adverse event will be assessed on a case by case basis. In the case of an adverse roading event the New Zealand Transport Agency definition of an emergency will be used.

The value of the fund should be preserved by transfers from the appropriate operational rate so that a level of ~~\$500,000~~ \$600,000 is maintained and annually adjusted for inflation using the cost of construction index.

Catastrophic Events Fund

To provide funds for the financial protection of the district in the event of an unforeseen catastrophic natural event.

This event would be such that substantial damage occurred to the vital infrastructure of the district.

Each catastrophic event will be assessed on a case by case basis.

There are three ways these funds may be used.

1. The capital sum used to repair damage to infrastructure assets.
2. The sum used to provide the "first cover" of an insurance policy for the district's infrastructural assets.
3. The sum used as part or all of Council's contribution to a proposed co-operative national emergency fund.

The value of this fund should be preserved by transfers from the appropriate operational rate so that a level of ~~\$2.0 million~~ \$2.4 million is maintained and annually adjusted for inflation using the cost of construction index.

Aramoana Ward Disbursement Fund

To provide funds for the provision or maintenance of recreational, cultural or infrastructural assets within the Aramoana Ward.

Ruahine Ward Halls Maintenance Reserve

To provide funds for the larger maintenance items of the Ward Halls in the Ruahine Ward to enable them to operate without large fluctuations in rate requirements due to major maintenance.

Ruahine Ward Disbursement Reserve Account

To provide funds for the provision or maintenance of recreational, cultural or infrastructural assets within the Ruahine Ward.

Ruataniwha Ward Disbursement Reserve Account

To provide funds for the provision or maintenance of recreational, cultural or infrastructural assets within the Ruataniwha Ward.

Capital Projects Fund

To provide funds for the purchase or construction of recreational, cultural or infrastructural assets anywhere in the district.

The funds will be used to provide substantial assistance for the provision of new facilities.

The net proceeds from the sale of Council owned Infrastructure, Land and Buildings, shall be credited to this Fund.

Waipawa Building Society Scholarship Trust Fund

A fund held in trust for the trustees of the scholarship to enable them to allocate grants to assist with further education for selected residents of Central Hawke's Bay district who are intending to attend, or are attending, a course of tertiary education.

Eric Tate Scholarship Trust Fund

A fund held in trust for the trustees of the scholarship to enable them to allocate grants to assist with further education for selected CHB College students who normally reside in the district served by the former Waipawa District High School.

SPECIAL FUND ACCOUNTS POLICY
ADOPTION DATE 21-05-2018 REVIEW DATE: 18 June 2020

E ora ngātahi ana!

6.5 KEY PROJECT STATUS REPORT - PORANGAHAU TO WIMBLEDON ROADS PGF PROGRAMME

File Number: COU1 -1410

Author: Darren de Klerk, 3 Waters Programme Manager

Authoriser: Monique Davidson, Chief Executive

Attachments: 1. Quarterly PWPGF Report (Jan to Mar 2021) [↓](#)

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

PURPOSE

To add a level of oversight on this significant programme for CHBDC, this report aims to inform and keep council and the community updated on the progress of this important externally funded programme of works.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

BACKGROUND

In June 2019 Council received \$20.1m in Provincial Growth Funding (PGF) from the Ministry of Business, Innovation and Employment (MBIE) to improve transport infrastructure for communities on Porangahau and Wimbledon Roads.

With growing volumes of freight using the route, reliability and resilience needs to be assured if the regional economy is to be protected and opportunities for productivity are enhanced. This project will provide future generations with safe and durable roading infrastructure along with what is a key thoroughfare in our district.

DISCUSSION

This report will provide regular information on the fixed objectives and dynamic progress of the PGF programme of works across Porangahau and Wimbledon Roads. The report also provides an introduction on background and contextual information on the PGF programme of works across Porangahau and Wimbledon Roads then becomes more detailed discussing programme and project progress and risk.

The expected outcomes of the project align with the PGF objectives of;

- Improving links between the district and major transport hubs and markets
- Safeguarding and expanding visitor and business access to and within the district;
- Improving connectivity and access to communities by providing a resilient route that is fit for purpose
- Increases investments in the region by improving business confidence to invest in the region; and
- Generates local employment and training opportunities through direct employment on the project and increased investments creating indirect jobs

The programme continues to make solid progress, with 25% of the budget spent on the works, and approx. 30% of the work completed across the programme. A significant portion to date has been spent on investigation, design, procurement and works preconstruction. This now turns to mostly construction activities, with contractors in place for most of the physical works.

Communicating the story of the programme remains important to the project team, and we have recently updated our interactive map and storyboard – located here:

https://experience.arcgis.com/experience/947a211cafbd4a96a063fcd1e8d3a461/page/page_10/

The website also remains an important communications medium and can be located here:

<https://www.chbdc.govt.nz/our-district/projects/porangahau-wimbledon-road-upgrade/>

Our newsletters also play a key communication tool:

<https://mailchi.mp/12e47d817b3d/knv52ydxn8-13420880>

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

NEXT STEPS

Continued progress and delivery of the programme and sub projects within the programme of works as outlined within the key project status report.

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

MARCH 2021

QUARTERLY REPORT TO THE PROVINCIAL GROWTH FUND

Porangahau and Wimbledon Road UPGRADE

SUPPORTED BY



PROVINCIAL GROWTH FUND
TUAWHENUA
growregions.govt.nz

DATE 31 March 2021

QUARTERLY REPORT TO THE PROVINCIAL GROWTH FUND

This report for Route 52: Waipukurau – Porangahau Resilience and Strengthening Works covers the month from 01 March to 31 March 2021, but also acts as the monthly report for January to March 2021.

PROJECT SUMMARY AND PROGRESS UPDATE

Key activities completed during the month and summary of how the project is tracking:

Stage 1: Bridge inspections and retaining structures, pavement and resurfacing inspections, geometric and safety inspections.

- Complete

Stage 2: Quick-Wins construction, Geotechnical Investigations, Topographical surveys, HPMV assessment, Procurement Plan draft.

Quick -Wins

- CON1075: Contractor is in the process of finalising details for RAMM data and As-Built as formally requested by Stantec.
- CON1076:
 - **Site 1** - Porangahau Road - Retaining wall works are complete.
 - **Site 2** - Wimbledon Road - Retaining Wall is complete. Road reinstatement being undertaken and is nearing completion.

Geotechnical Investigations

- Bridges: Geotech Investigations for Bridge Strengthening are complete.
- Flaxmill Inundation Remediation Project: Test pits and CPT's are complete.
- Retaining Walls: Geotech investigations are complete.

Topographical Survey

- Topographical survey for the bridges, culverts and current Retaining Walls in scope are complete.

HPMV Bridge Evaluations and Assessment:

- Hydrology assessment and modelling is complete. Reporting is continuing to progress.



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Procurement Plan and Strategy

- Completed

Stage 3: Simple Construction, Detailed Design, Procurement Plan update**Simple Construction**

- CON1077: Practical Completion has been achieved.

Detailed Design

- CON1096 Bridges:
 - Bridge 173 Wallingford - Detailed design is complete.
 - Bridge 174 Kokomoko - Detailed design complete.
 - Bridge 175 Sixty Pound - Detailed design is on hold while an alternative solution is investigated.
 - Bridge 176 Saleyards - Detailed design is progressing.
- CON1097 Flaxmill Inundation Remediation Project:
 - Preliminary Design is complete.
 - Detailed design is complete and issue for construction plans are being prepared.
- CON1098 Retaining Walls:
 - RW277 design is complete.
 - RW440 design is complete.

Procurement Plan Update

- The Programme Procurement Strategy and the Procurement Plans for all three contracts were presented to Council and are approved.

Stage 4: Procurement and Construction**Procurement**

- **CON1096 Bridges** – RFT closed 8 December with 3 tenders received. Tender evaluation was held on 18 December 2020. Following an interactive pre-award meeting on 18 January 2021, the tender was awarded to the successful contractor, Concrete Structures, on 22 January 2021.
- **CON1097 Flaxmill Inundation** – RFT closed on 3 February with 4 tenders received. Tender evaluation was held on 18 February 2021. Following an interactive pre-award meeting on 4 March 2021, the tender was awarded to the successful contractor, Russell Roads, on 8 March 2021.
- **CON1098 Retaining Walls** – RFT closed 23 December 2020 with 2 tenders received. Tender evaluation was held on 20 January 2021. Following an interactive pre-award meeting on 27 January 2021, the tender was awarded to the successful contractor, Fulton Hogan, on 2 February 2021.

Construction

- **CON1096 Bridges** - Site possession was 15 February 2021. Work is underway on Wallingford Bridge. Work to commence on Kokomoko Bridge by the end of March 2021.
- **CON1097 Flaxmill** – The contractor took possession of site on 29 March 2021.

- **CON1098 Retaining Walls** - Fulton Hogan took possession of site on 1 March 2021. On site piling works are complete and earthworks have begun. Construction of reinforced wall is about to commence.

Additional:

- Five areas along the route are being investigated for installation of slow vehicle bays, as a result of feedback given from the local community during consultation. A preliminary budget of \$1m has been set aside for this.
- An evaluation of any unallocated budget within the programme was undertaken and it was determined that any spare funding should be used to identify opportunities for further safety improvements along the route.

PROJECT DELIVERABLES

Expected Start Date	Project Deliverable	Progress	As at Date
Commencement Date	Confirmation that the below activities have commenced: <ul style="list-style-type: none"> • Bridge Inspections • Pavement Inspections • Geometric and Safety Investigations 	100% 100% 100%	30-06-20 30-06-20 30-06-20
By 30 July 2020	Confirmation (and submission of any supporting documentation) that the below activities have commenced: <ul style="list-style-type: none"> • Quick Wins Construction works CON1075, CON1076 • HPMV assessments • Geotechnical inv – Bridges • Geotechnical inv – Flaxmill • Geotechnical inv – Retaining Walls • Topographical surveys • Procurement Plan - Quick Wins 	96% 93% 100% 100% 100% 100% 100%	31-03-21 31-03-21 30-10-20 30-11-20 30-10-20 21-05-20 30-06-20
By 30 Sept 2020	Confirmation (and submission of any supporting documentation) that the below activities have commenced: <p>Simple Construction works</p> <ul style="list-style-type: none"> • CON1077 <p>Detailed design</p> <ul style="list-style-type: none"> • Bridges • Flaxmill 	100% 50% 80%	28-02-21 31-03-21 31-03-21

	<ul style="list-style-type: none"> Retaining Walls (first 2 walls) 	100%	30-11-20
	Procurement Plan update		
	<ul style="list-style-type: none"> Bridges 	100%	24-09-20
	<ul style="list-style-type: none"> Flaxmill 	100%	30-10-20
	<ul style="list-style-type: none"> Retaining Walls 	100%	30-10-20
	Evidence of social procurement undertaken in accordance with clause 6 of the Special Terms (Item 13) <i>"The recipient will include measurable and appropriate social procurement outcomes in their tender documents, to the satisfaction of the Ministry. The Ministry will work with the Recipient on determining these outcomes and engaging with their potential suppliers on delivery of the outcomes."</i>		
By 30 Jan 2021	<p>Confirmation (and submission of any supporting documentation) that the below activities have commenced:</p> <p>Procurement for complex works complete:</p> <ul style="list-style-type: none"> CON1096 (Bridges) CON1097 (Flaxmill) CON1098 (Retaining Walls) <p>Commencement of complex works construction:</p> <ul style="list-style-type: none"> CON1096 (Bridges) CON1097 (Flaxmill) CON1098 (Retaining Walls) <p>Evidence of social procurement undertaken in accordance with clause 6 of the Special Terms (Item 13) <i>"The recipient will include measurable and appropriate social procurement outcomes in their tender documents, to the satisfaction of the Ministry. The Ministry will work with the Recipient on determining these outcomes and engaging with their potential suppliers on delivery of the outcomes."</i></p>	100% 100% 100% 5% 0% 5%	22-01-21 31-03-21 30-01-21 31-03-21 31-03-21 31-03-21
By June 2022	Confirmation (and submission of any supporting documentation, including certificate of practical completion under the relevant construction contract) that the construction works are complete		

RECOMMENDATIONS, DECISIONS OR ACTIONS REQUIRED

None.

ANY MAJOR PROGRAMME RISKS

- Future COVID-19 lockdowns or level restrictions causing delays in the programme.
- Contractor performance.
- Weather related delays.

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BUDGET

Budget Summary					
Item	Supplier	Budget	Actual to Date	Remaining	Re-Forecast Budget
Investigation Design Procurement Costs	Stantec	3500000	2421543	1078457	4000000
Investigation - Geotech and Others	Subcontractors	409877	396297	13580	500000
Post Construction Safety Audits	Urban Connection	TBC			50000
Economic Development Inputs	Third Bearing	1100	1100	0	1100
Council and Communications Related Costs	CHBDC	250000	87983	162017	200000
Physical Construction Costs					
CON1075 - Quick Win: Ret Walls	Downer NZ	550000	446449	103551	500000
CON1076 - Quick Win: Ret Walls & AWPT	Russell Roads	700000	533836	166164	700000
CON1077 - Simple Construction: AWPT	Russell Roads	800000	399768	400232	500000
CON1096 - Bridges Programme	Concrete Structures	4669274	130877	4538397	4200000
CON1097 - Flaxmill	Russell Roads	7000000	3735	6996265	4500000
CON1098 - Retaining Walls Programme	Fulton Hogan	2000000	295	1999705	2500000
TBC - Longest Place Name Improvements	TBC	TBC	0		200000
TBC - Slow Bays	TBC	TBC	0		1000000
TBC - Safety Improvements	TBC	TBC	0		670000
TBC - Pavement Improvements	TBC	TBC	0		500000
TBC - Wimbledon Road Improvements	Downer NZ	TBC	0		80000
TOTAL		\$ 20,100,000	\$ 4,421,883	\$ 15,678,117	\$ 20,101,100

Budget Related to Physical Construction Works

Item	Supplier	Contract Total (Excl GST)	Last Claim Month	Payment Claim (Excl GST)
C-1075 Retaining Walls RP27488 RP28537	Downer New Zealand Ltd	\$ 519,161.71	30-Oct-20	\$ 4,961.14
Total claimed				\$ 443,661.51
C-1076 Retaining Walls RP14650 RP13350	Russell Roads Limited	\$ 658,385.00	28-Feb-21	\$ 35,285.78
Total claimed				\$ 531,910.93
C-1077 AWPT	Russell Roads Limited	\$ 389,000.00	31-Dec-20	\$ 2,467.25
Total claimed				\$ 394,413.70
C-1096 Bridges SP1 - Wallingford	Concrete Structures Ltd	\$ 836,252.63	28-Feb-21	\$ 49,996.30

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			Total claimed	\$ 49,996.30	
C-1097 FIRP	Russell Roads Ltd	\$ 3,815,000.00	N/A	N/A	
			Total claimed	N/A	
C-1098 Retaining Walls (SP1 and 2)	Fulton Hogan	\$ 1,351,230.00	N/A	N/A	
			Total claimed	N/A	
Budget – Investigation & Design Works					
Supplier	Stantec Fee	Subconsultant	Total OOS	Stantec Labour	Remaining Stantec Fee
Stantec - Stage 0 - Priority Route 1 & 2 Retaining Walls Total	102,360.00	-	102,360.00	102,360.00	-
SUBTOTAL STAGE 0	102,360.00	-	102,360.00	102,360.00	-
Stantec - Stage 1 - Initial Investigations					
Governance/Planning/Workshops/Meeting	33,500.00	-	33,500.00	33,500.00	-
Flaxmill	77,033.00	-	77,033.00	77,033.00	-
Bridge HPMV Evaluation	168,534.00	9,175.00	177,709.00	168,534.00	-
Retaining Walls	60,517.00	-	60,517.00	60,517.00	-
SUBTOTAL STAGE 1	339,584.00	9,175.00	348,759.00	339,584.00	-
Stantec - Stage 2					
Flaxmill Options Assessment	03,874.50	46,510.00	150,384.50	67,422.57	36,451.93
HPMV Bridge Evaluation	71,952.00	27,252.00	99,204.00	444,771.95	27,180.05
HPMV Bridge Hydrology Assessment & Topo Survey	49,754.00	28,100.00	77,854.00	46,012.25	3,741.75
HPMV Bridge Geotechnical Investigations	93,277.50	47,730.00	41,007.50	86,483.60	6,793.90
Quick Wins: Retaining Walls	304,686.98	-	304,686.98	293,520.53	11,166.45
plus PCN01 MSQA	000.00	-	25,000.00	21,202.01	3,797.99
Retaining Wall Geotechnical Investigations	629.50	194,867.81	267,497.31	50,119.22	22,510.28
Quick Wins: AWPT/Procurement	806.17	11,100.00	142,906.17	131,082.48	723.69
Safety Assessment	35,510.00	-	35,510.00	35,061.77	448.23
Credit applied (Stantec internal)	-	-	-	1,870.00)	-
SUBTOTAL STAGE 2	1,288,490.65	355,559.81	1,644,050.46	1,173,806.38	112,814.27
Stantec - Stage 3					
Bridge 173 Wallingford Detailed Design	66,368.00	-	66,368.00	65,257.48	1,110.52
Bridge 174 Kokomoko Detailed Design	63,262.00	-	63,262.00	51,263.00	11,999.00
Flaxmill Preliminary Design	364,070.78	27,962.08	392,032.86	231,666.73	132,404.05
Retaining Wall Detailed Design	82,239.12	3,600.00	85,839.12	81,700.85	538.27
Bridge 175 Sixty Pound Detailed Design	87,538.00	-	7,538.00	34,721.00	52,817.00
Bridge 176 Saleyards Strengthening Design	154,769.00	-	54,769.00	49,111.85	5,657.15
Culvert Strengthening Design (Kahika, North Watermark, McKenzies)	-	-	-	-	-
Defects Liability Period	12,653.98	-	12,653.98	-	12,653.98
SUBTOTAL STAGE 3	830,900.88	31,562.08	862,462.96	513,720.91	317,179.97
Programme Management	350,735.12	-	350,735.12	263,253.78	87,481.34

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Environmental Impact Assessment	13,672.20	-	13,672.20	12,771.15	901.05
Cultural Impact Assessment	10,483.80	-	10,483.80	10,287.50	196.30
Web App	11,418.00	-	11,418.00	5,759.00	5,659.00
SUBTOTAL	386,309.12	-	386,309.12	292,071.43	94,273.69
TOTAL	2,845,284.65	396,296.89	3,343,941.54	2,421,542.72	524,231.93
Economic Development Inputs - Third Bearing	-	-	1,100.00	-	-
TOTAL	2,845,284.65	396,296.89	3,345,041.54	2,421,542.72	524,231.93

UPCOMING MILESTONES

- Commencement of the construction of the Flaxmill roading upgrade (CON1097) with a blessing/Karakia being held on site Monday 29 March.

RELEVANT MARKETING, MEDIA AND COMMUNICATIONS

- A new web application has been developed which is now live and available to the public [here](#). The web app has been designed to provide an overview of the whole resilience programme. It includes a visual overview of the roading upgrades along the route, a projects map which provides details on all current projects, and it allows users to search for works underway within the proximity of any specified local address. There is also a programme timeline which gives information on the status and priority of each project.
- The interactive map remains live [here](#).
- Website remains up to date: <https://www.chbdc.govt.nz/our-district/projects/porangahau-wimbleton-road-upgrade/>
- A recent newsletter was released on 01 April 2021 – link [here](#).
- Further details below in **appendices**.

CONFIRMATION

(Confirmation that no Termination Event is subsisting and that each of the warranties under clauses 3 and 7 of this Agreement are correct as at the date of the report)

Confirmed.

ANY OTHER INFORMATION

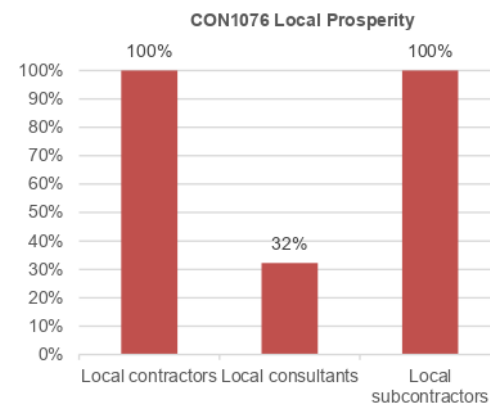
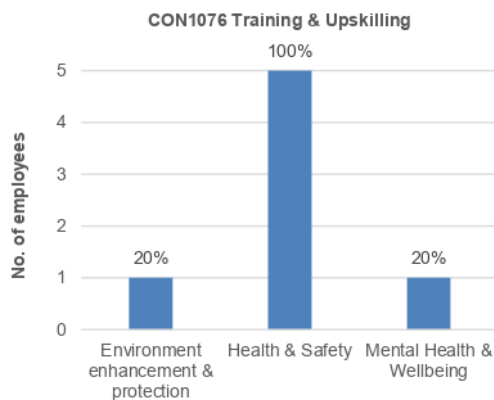
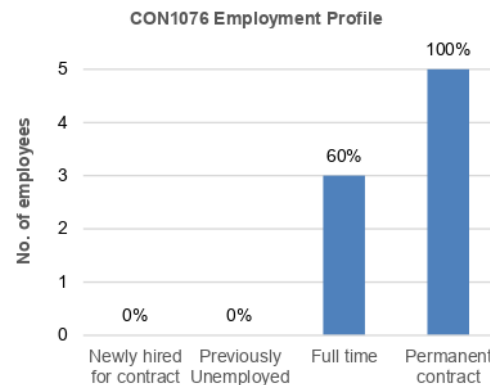
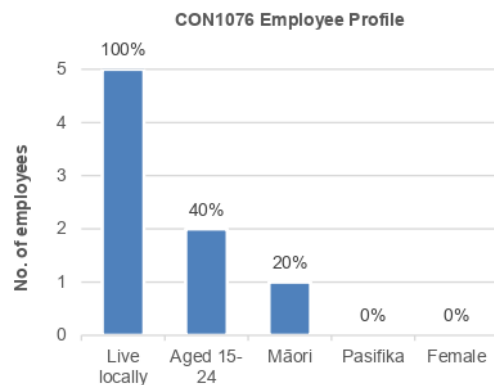
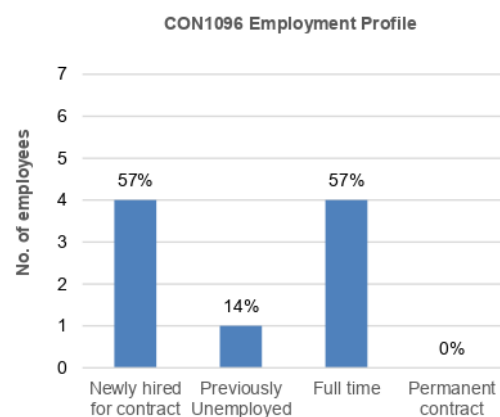
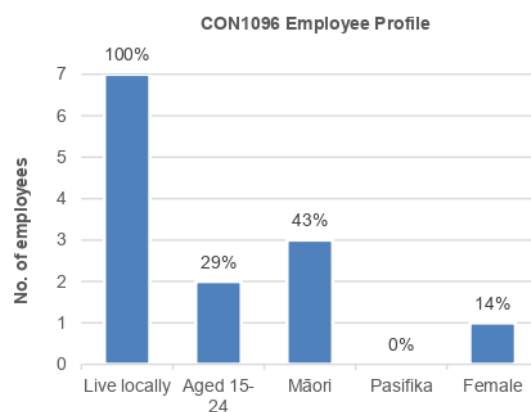
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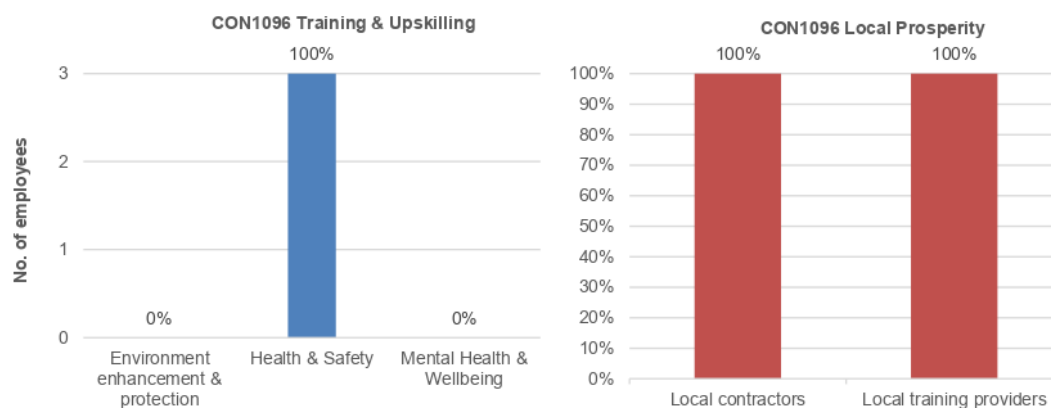
CON1076 – Porangahau & Wimbledon Road Quick Win Retaining Walls**CON1096 – Porangahau & Wimbledon Road Bridges**

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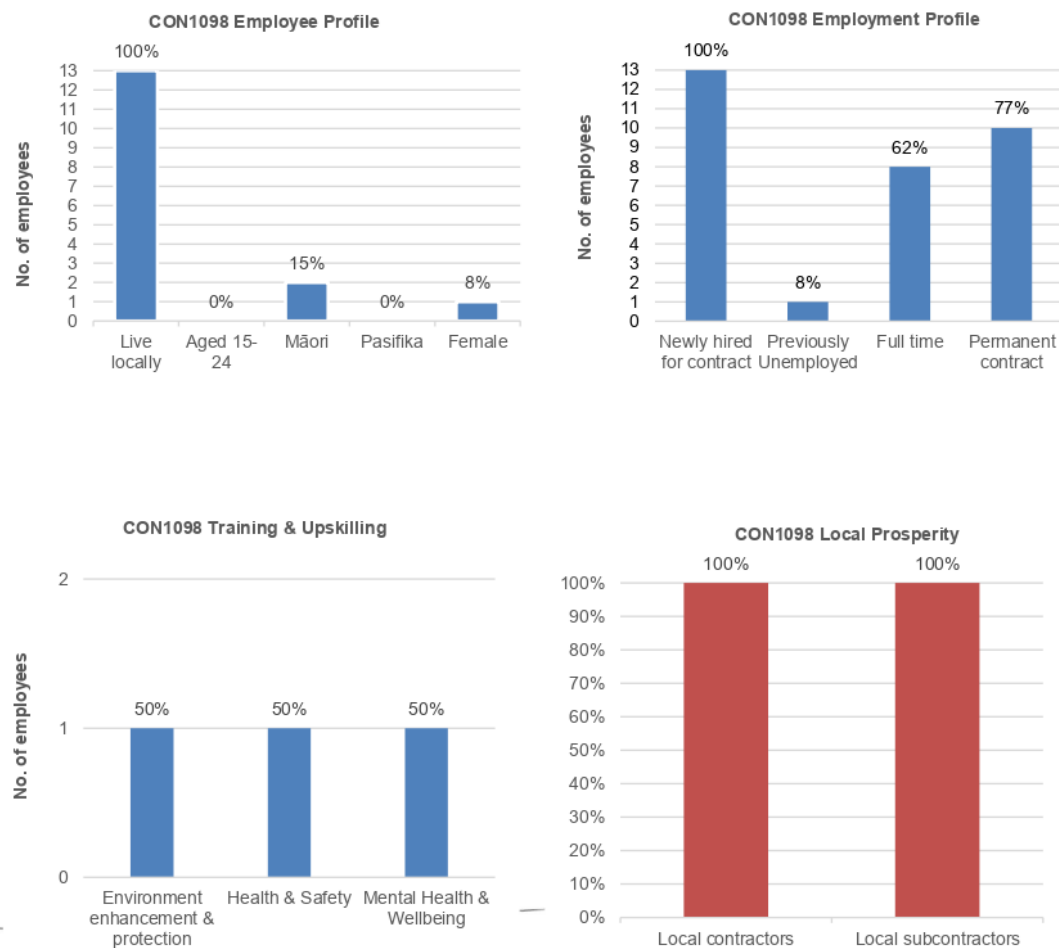
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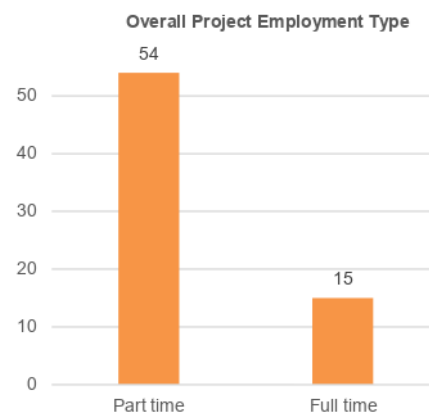


CON1098 – Porangahau & Wimbledon Road Retaining Walls & Slope Strengthening



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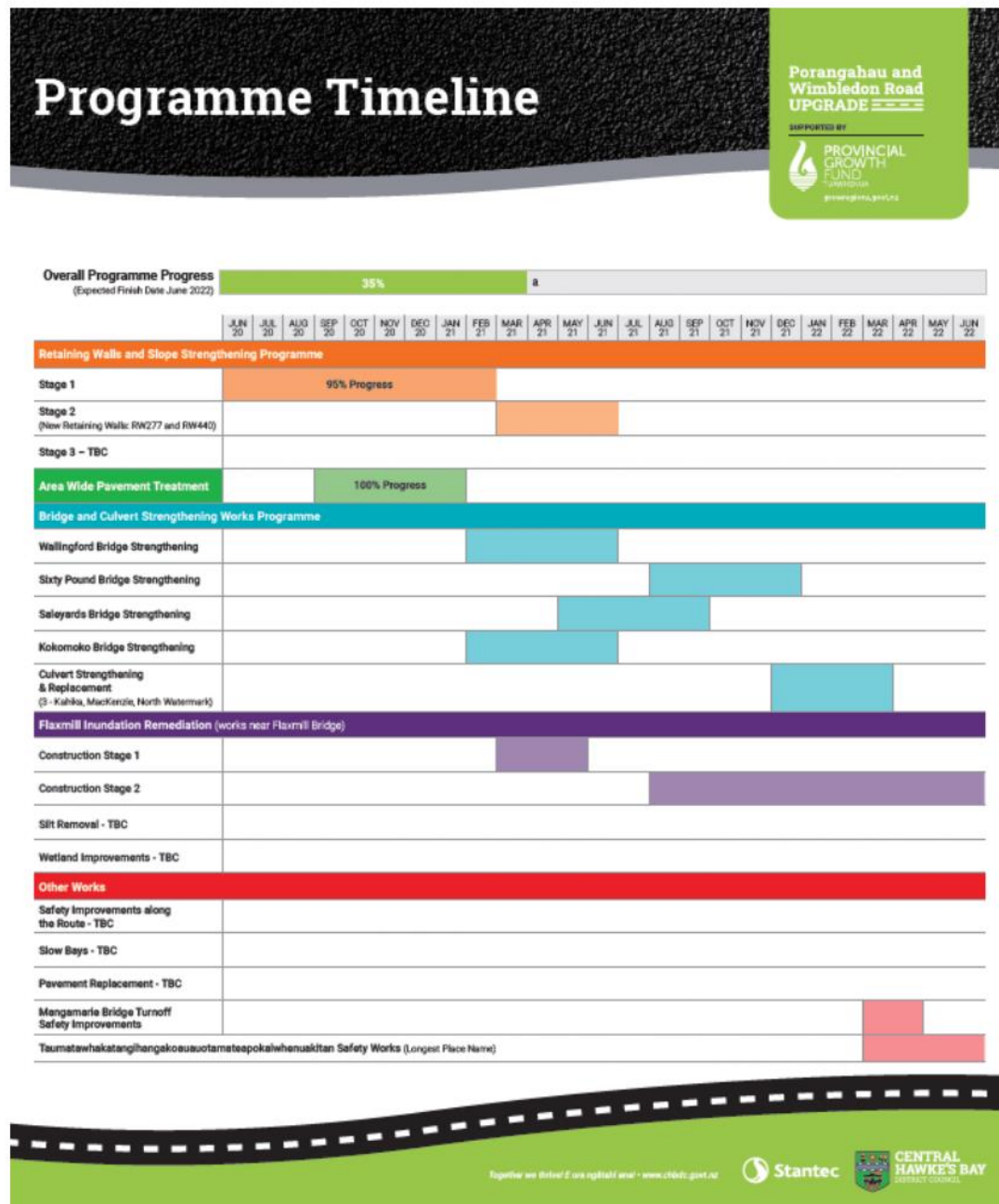
Monthly Job data per contract

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APPENDICES



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Figure 1: C1076 Retaining Wall 283 - Wimbledon Road

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This project is supported by:





Figure 2: C1097 Flaxmill/ Wanstead Opening - 29 March 2021



Figure 3: C1097 Flaxmill Bridge

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This project is supported by:





Figure 4: C1096 Wallingford Bridge Strengthening



Figure 5: C1096 Wallingford Bridge Strengthening

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Figure 6: C1098 Retaining Wall 277 - Wimbledon Road



Figure 7: C1098 Retaining Wall 277 - Wimbledon Road

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This project is supported by:



Blessing & Project Commencement Flaxmill & Wanstead Road Upgrade

Please join us:

Date: Mon 29th

March 2021

Time: 9:00am



Central Hawke's Bay District Council, with funding from the Provincial Growth Fund are improving transport infrastructure for the communities along Porangahau and Wimbledon roads. A key focus of the programme of work is the bridge at Flaxmill.

Flaxmill Bridge has a history of flooding. Rainfall events in February 2004 and March 2018 cut electricity and compromised community safety. In 2018 the road either side of Flaxmill Bridge was closed in excess of 20 days due to flooding.

With growing volumes of freight using the route, reliability and resilience needs to be assured if the regional economy is to be protected and opportunities for productivity are enhanced.

The conclusion of this project will provide future generations with safe and durable roading infrastructure along what is a key thoroughfare in our district.

You will be kept informed in advance of any construction works due to take place, which may result in a delay to your journey. Council apologise for any short term disruption that the project may cause.



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Blessing & Project Commencement Flaxmill & Wanstead Road Upgrade

Central Hawke's Bay District Council, with funding from the Provincial Growth Fund are improving transport infrastructure for the communities along Porangahau and Wimbledon roads. A key focus of the programme of work is the bridge at Flaxmill.

Flaxmill Bridge has a history of flooding. Rainfall events in February 2004 and March 2018 cut electricity supplies and compromised community safety. In 2018 the road either side of Flaxmill Bridge was closed in excess of 20 days due to flooding.

With growing volumes of freight using the route, reliability and resilience needs to be assured if the regional economy is to be protected and opportunities for productivity are enhanced. The conclusion of this project will provide future generations with safe and durable roading infrastructure along what is a key thoroughfare in our district.

You will be kept informed in advance of any construction works due to take place, which may result in a delay to your journey. Council apologise for any short-term disruption that the project may cause.

The project has been awarded to Russell Roads who are programmed to start on site on Monday 29th March 2021.



Flaxmill Bridge Flooding (looking upstream)



Flaxmill Bridge Flooding (looking downstream)



Proposed Widening beneath Flaxmill Bridge



Flood Levels from Modelling

March 2021 - June 2022



Construction Staging

Road sites split into three:

1st section is immediately north of the Flaxmill Bridge to the first corner.	800mm lift	Construction programmed March-May 2021
2nd section is between section 1 and 3 and is located on the right radius corner in the dip.	800mm lift	Construction programmed August 2021-June 2022
3rd Section is south of Wanstead Bridge to just north of Hinenui Road.	800mm lift	Construction programmed August 2021-June 2022

Constructability:

- One lane of traffic to be maintained at all times, temporary traffic control will be in place.
- Lift will be completed in layers across the full width of the road, laying new pavement material on one side, compacting it in about 150mm lifts and then doing the other side of the road.
- New chipseal surfacing
- Some temporary fencing

Opportunities:

- Local cut to waste sites
- Employing local resources

Ugly Hill culverts will be also upgraded to mitigate flooding along that section of the road as part of the works August 2021- June 2022.

If funding allows, silt removal from approximately 400m upstream of Flaxmill bridge to approximately 1.6km downstream. Approximately 40,000m³ of material to be removed, timeline for this would be August 2021- June 2022.

Outcomes:

Level of service improved to handle a 1 in 75 year rain event!

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6.6 KEY PROJECT STATUS REPORT - 3 WATERS TRANCHE ONE STIMULUS**File Number:** COU1- 1410**Author:** Darren de Klerk, 3 Waters Programme Manager**Authoriser:** Monique Davidson, Chief Executive**Attachments:** 1. #1 Key Project Status Report - CHB 3 Waters Tranche One - Apr 2021 [↓](#)**RECOMMENDATION****That, having considered all matters raised in the report, the report be noted.****PURPOSE**

To add a level of oversight on this significant programme for CHBDC, this report aims to inform and keep council and the community updated on the progress of this important externally funded programme of works.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

BACKGROUND

In October 2020 Council was allocated \$11.09M in funding as part of the Governments 3 Waters Stimulus Package (Tranche 1) to progress multiple 3 Waters projects outlined in an application to the Department of Internal affairs who are administering the funding.

DISCUSSION

A requirement of the funding agreement is that all physical works projects must be started by 31 March 2021 and that the 3 Waters Stimulus funding must be expended by 30th March 2022.

To date all capital works projects have had some aspect of physical construction commenced in order to meet this initial requirement.

The overall Tranche 1 programme of works includes many different individual projects across both #TheBigWaterStory and #TheBigWastewaterStory. A breakdown of the funding expenditure is below:

Water Projects

Three Waters Reform Preparation	\$400k
Water Safety Plan Actions	\$100k
Water Renewals	\$990k*
Waipukurau Second Water Supply	\$3.3m
Three Waters Bylaw Reviews	\$150k
Programme Management and Building Skills	\$390k
Kairakau Water Upgrade	\$300k*

CHB Wastewater Upgrades

Otane to Waipawa Pipeline - Stage 2	\$2.4m
-------------------------------------	--------

Improvements and Design	\$1.5m
Wastewater Pond Desludging	\$750k
Wastewater Renewals	\$500k
Trade Waste Improvements	\$160k
Dump Station for Campervans	\$150k

*Kairakau Water Upgrade was a backup project, which has now been elevated as a project. The Water Renewals budget has been decreased by \$300k to accommodate this.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

NEXT STEPS

To continue to deliver the programme of works as outlined within the project report, and provide regular updates to key stakeholders.

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.



**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL

KEY PROJECT STATUS REPORT #1

**3 Waters Tranche 1 –
Stimulus Funding**
April 2021



Project Name	3 Waters Tranche One – Stimulus Funding				
	Key Project Status Report				
Release Date	08/04/2021	Report #	One	Range	Nov 20 – March 21
Introduction/ Background	In October 2020 Council was allocated \$11.09M in funding as part of the Governments 3 Waters Stimulus Package (Tranche 1) to progress multiple 3 Waters projects outlined in an application to the Dept of Internal affairs who are administering the funding.				
	The overall Tranche 1 programme of works includes many different individual projects across both #TheBigWaterStory and #TheBigWastewaterStory. A breakdown of the funding expenditure is below:				
	Three Waters Reform Preparation			\$400k	
	Water Safety Plan Actions			\$100k	
	Water Renewals			\$990k*	
	Waipukurau Second Water Supply			\$3.3m	
	Three Waters Bylaw Reviews			\$150k	
	Programme Management and Building Skills			\$390k	
	Kairakau Water Upgrade			\$300k*	
	CHB Wastewater Upgrades				
	Otane to Waipawa Pipeline - Stage 2			\$2.4m	
	Improvements and Design			\$1.5m	
	Wastewater Pond Desludging			\$750k	
	Wastewater Renewals			\$500k	
	Trade Waste Improvements			\$160k	
Dump Station for Campervans			\$150k		
<i>*Kairakau Water Upgrade was a back up project, which has now been elevated as a project. The Water Renewals budget has been decreased by \$300k to accommodate this.</i>					
Programme Stage	A requirement of the funding agreement is that all physical works projects must be started by 31 March 2021 and that the 3 Waters Stimulus funding must be expended by 30 th March 2022.				
	To date all capital works projects have had some aspect of physical construction commenced in order to meet this initial requirement.				
Programme Outcomes	The expected outcomes of the programme align with the objectives of the funding partners: <ul style="list-style-type: none">Significantly improving the safety and quality of drinking water services, and the environmental performance of drinking water and wastewater systems (which are crucial to good public health and wellbeing, and achieving good environmental outcomes)Ensuring all New Zealanders have equitable access to afford three waters servicesImproving the coordination of resources, planning, and unlocking strategic opportunities to consider New Zealand’s infrastructure and environmental needs at a larger scale				



- Increasing the resilience of three water service provision to both short- and long-term risks and events, particularly climate change and natural hazards
- Moving the supply of three waters services to a more financially sustainable footing, and addressing the affordability and capability challenges faced by small suppliers and councils
- Improving transparency about, and accountability for, the delivery and costs of three waters services, including the ability to benchmark the performance of service providers
- Undertaking the reform in a manner that enables local government to further enhance the way in which it can deliver on its broader “wellbeing mandates” as set out in the Local Government Act 2002

Report/ Document History

Report No.	Report Date	Report Frequency	Programme Sponsor	Programme Manager
1	22/04/21	Quarterly	Josh Lloyd	Darren de Klerk

Sponsor's Project Delivery Confidence Assessment

 Appears Highly Likely	 Appears Probable	 Appears Feasible	 Appears In Doubt	 Appears Unachievable
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**PURPOSE**

This report will provide regular information on the fixed objectives and dynamic progress of the 3 Waters Reform programme of works throughout the district.

The report provides an introduction, as well as background and contextual information on the 3 Waters Reform programme of works, then becomes more detailed discussing programme and project progress and risk. Project specific information is also available within #TheBigWaterStory and #TheBigWastewaterStory quarterly programme reports.

PROJECT MANAGER'S OVERVIEW FOR THE PERIOD (NOVEMBER – MARCH 2021)

The Three Waters Tranche 1 stimulus funding has allowed for the formation of the Project Management Office (PMO) at CHBDC. The latter part of 2020 has seen the team spend time understanding and analysing the progress to date and embedding themselves in these three waters projects.

Initial steps implemented by the increased resource in the project management space have been to place greater focus on key project areas, generating and managing useful data and implementing systems, tools, and templates to provide consistency and report valuable information across all council projects.

Integral to delivering the programme and meeting the funding requirement to start physical works by end of March 2021, has been maintaining momentum on the flow of designs to enable the physical works and careful management of procurement practices and timelines. CHBDC has managed to carefully plan the release of tenders and utilise existing relationships with contractors to ensure that work has been started for all Tranche 1 funded projects. We will continue to work closely with consultant partners and contractors to carry out any outstanding investigations, progress design work and plan procurement strategies to enable delivery of Tranche 1 funded capital works by March 2022.

This planning and CHBDC's previous contract management, partnership approach and good reputation with contractors has allowed us generally to avoid some current market issues with attracting contractors to tender and availability of resources.

A heightened focus has and will be placed on the ability for the market to deliver on broader sustainable outcomes for the district and the region through all procurement opportunities. We have seen this introduced into our new contracts, starting with the Nelson/Reservoir water main renewal where a 20% weighting was placed on these sustainable outcomes and has resulted in the creation of two new jobs for local people through this contract. These broader outcome themes will continue to carry through in future procurements and the PMO is working with the Jobs in CHB team to ensure that these opportunities to increase community wellbeing are realised.

The next quarter will see construction in full swing as well as the close of the tender period for the DAF and Desludging projects. The second water supply project will see progression of the detailed design, landowner negotiations and planning of the works packages to be released to the market. The PMO team expect to be very busy in the coming months and are excited to start delivering these projects for the community.



Overall Confidence Assessment				
Key Questions Impacting on Project Objectives		No	Yes	
1	Are there Business Case Benefit attainment problems?	✓	<input type="checkbox"/>	As each individual project progresses through each stage of our project lifecycle we review and assess alignment with the overall programme objectives.
2	Are there Scope Control problems?	✓	<input type="checkbox"/>	Some projects have had risks and/or opportunities identified throughout the project planning, these provide options that can affect the Scope of each project. These risks and opportunities are managed and refined through the management structure of each project.
3	Will Target Dates be missed?	✓	<input type="checkbox"/>	Currently on track to deliver each package to agreed timeframes. Risk of future delays within some projects due to the effect of COVID related shipping and material supply delays.
4	Will Project Costs be overrun?	✓	<input type="checkbox"/>	Currently project costs are being developed. Whilst a risk, can be managed by increasing or decreasing project scopes accordingly.
5	Are there Quality problems?	✓	<input type="checkbox"/>	None at present
6	Are there Resource problems?	✓	<input type="checkbox"/>	Internal resourcing is being managed through the implementation of the Project Management Office. There is risk to the availability of skilled contractor resources locally due to the current level of market demand
7	Are there Risk Management problems?	✓	<input type="checkbox"/>	Risk management processes are developed within each project and allow for risks to be highlighted and appropriate mitigation measures to be defined.
8	Are there Review and Approval problems?	✓	<input type="checkbox"/>	The process for internal review is being defined, and approval is working well.
9	Are there Teamwork problems?	✓	<input type="checkbox"/>	None present – clear roles across operational and capital overlaps are being defined.
10	Are there Stakeholder problems?	✓	<input type="checkbox"/>	Community engagement is ongoing for each project. Risks and issues are being managed within each project
11	Are there Iwi issues?	✓	<input type="checkbox"/>	Iwi engagement is ongoing
12	Are there Communication problems?	✓	<input type="checkbox"/>	None present – 3 Waters Reform specific communication limited due to LTP Engagement and consultation period
13	Are there Change Management problems?	✓	<input type="checkbox"/>	None present
14	Are there Health & Safety issues?	✓	<input type="checkbox"/>	None present
15	Are there Operational issues?	✓	<input type="checkbox"/>	Through some good processes, we are currently working on developing a guideline for managing overlapping duties to be resolved timely, and ensure all parties are aware of the process to manage such works.



Issues/ Risks

The following risks have been highlighted on the programme to date;

Risk	L	C	Rating	Mitigation action	Responsible
Market capacity			Medium	Planning with the market, listening and adjusting procurement approach	CHBDC / Consultants
Cost risks			Medium	Ongoing management, and ability to refine scope accordingly	CHBDC
Project Outcomes			High	Ongoing management, control and community check ins to determine delivery against outcomes	CHBDC

Key Activities to be started/completed or in progress over the next Quarter (Apr to June 2021)

- Contract 1125 tendering for Waipawa WWTP DAF project.
- Expected contract start date of June 2021
- Contract 1126 tendering for Waipukurau and Waipawa WWTP's dried solids removal and pond Desludging
- Expect works to commence on site May 2021
- Completion of Reservoir Road section of Water Main Renewal and commencement on Nelson St section
- Initial investigation of stormwater issues in Nelson Street completed and solution planning
- Completion of Caravan Wastewater Dump station in Waipukurau
- Installation of pipework on Otane-Waipawa Wastewater Rising main (Stage 2)
- Due diligence (Geotechnical and Ecological) work underway along Waipukurau 2nd Water Supply route
- Continued landowner negotiations along Waipukurau 2nd Water Supply route
- Production bore drilling at Waipawa Bore field and initial yield testing
- Close of submission period for 3 Waters Bylaw reviews
- Close of submission period for Trade Waste Bylaw review
- Review of initial priority manhole remediation work in Otane – refinement of forward work programme for I&I improvements



PROGRAMME FINANCIAL UPDATE

Financial management of these projects requires creation internally of a project specific ID for each project. This allows for management of costs and understanding of progress against budget – these will be linked back to the relevant General Ledger (GL) codes.

Project	Key Project Statistics	Budget	Actuals	Comments
1	Three Waters Reform Preparation	400,000	58,545	Source Protection Zones and GIS Review work progressing
	Water Safety Action Plans	100,000		Reg Water Supply Assessment scoped
2	Water Renewals • Nelson/Reservoir (C-1107 Higgins)	990,000*	22,495	Construction underway
3	Waipukurau 2nd Water Supply • Waipawa Bore drilling (C-1112 Honnor) • Archaeological assessment (C-1115) • Technical consultancy (WSP) • Land acquisition support (TPG)	11,500,000 3,300,000 (3 Waters T1)	11,333	Investigation bore completed, production bore underway Licences to Occupy with Landowners
4	Otane to Waipawa pipeline (Stage 2) • (C-1117 – Fulton Hogan) • Design for Pump Station (BECA)	2,400,000	22,385	Construction underway Commenced March 2021
5	Improvements and Design • DAF enabling works (Fulton Hogan) • DAF design/build (C-1125 tendered) • Wastewater Design and Improvements	1,500,000	14,181	Investigation work completed RFT released
6	Wastewater Pond Desludging • Enabling Works (Fulton Hogan) • Waipukurau and Waipawa dried solids and pond desludging (C-1126 tendered)	750,000	10,285	Investigation work completed Consent applications underway RFT released
7	Wastewater Renewals • Otane Priority Manholes (C-1057 Downer) • Consultancy and Technical support (Beca)	500,000	18,215	Sample Priority manhole remediation works completed Forward work plan planning underway
8	Trade Waste Improvements	160,000	12,774	Works underway to investigate better metering and significant engagement in place
9	Dump Stations for Campervans • Waipukurau (C- 1121 Downer)	150,000	9,079	Construction underway
10	Three Waters Bylaw reviews	150,000	126,272	Consultation underway
11	Programme Management and Building Skills	390,000	54,590	PSODA software implemented Infr Data software planning to be implemented
TBC	Kairakau Water Supply	300,000*	0	To increase greater project budget for this from \$549k to \$849k
	TOTALS	11,090,000	414,365	

*Kairakau Water Upgrade was signalled as back up project in the original application, following a council resolution on the 25th February to allow budget increase, the additional \$300k budget needed has been sought from the Tranche One funding, and the water renewals budget decreased accordingly.



PROGRAMME SPONSORS CONFIDENCE

Overall confidence remains high, with attention required constantly by the programme team to deliver on outcomes. There remains potential for issues/ risks to arise and some delays may be probable. Risks will be addressed through each project and monitored through the project lifecycle. Funding and community engagement remain the highest risks currently.

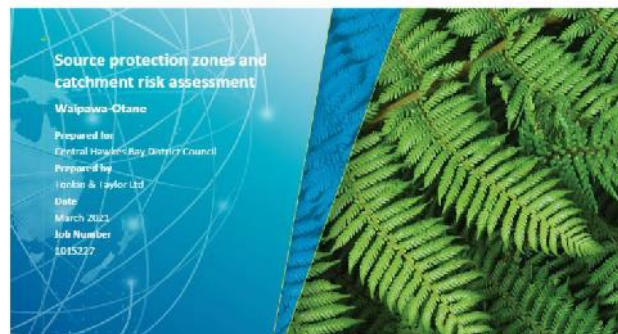
Key	Attention Required	Issues/Risks	Delivery
	Minimal	None	On Time
	Constant	Potential	Delays Probable
	Manage	Exist but resolvable	Delays Likely
	Urgent	Major	Delays
	Critical	Critical	Major delays. Re-scope/Re-assess

REGULAR UPDATES

Regular project updates are available on the [Projects page](#) of the [CHBDC website](#).

PROJECT SPECIFIC UPDATES:
PROJECT 1: THREE WATERS REFORM PREPARATION & WATER SAFETY ACTION PLANS

STATUS	PLANNING and EXECUTION	
TIMELINE	NOV 2020 START DATE	MAR 2022 END DATE
PROGRESS	10%	<div><div></div></div>
BUDGET	\$500k TOTAL PROJECT BUDGET	\$58,5k SPEND TO DATE
RISK LEVEL	<div><div></div><div></div><div></div></div>	

 **Tonkin + Taylor**

SCOPE

To deliver a works programme regionally to support and better position CHBDC for the pending regulatory changes. The projects that make up the regional work programme of which CHBDC is contributing \$400,000 to is outlined below.

The other \$100,000 is set aside for CHBDC to develop and progress actions outlined within our Water Safety Plans – most notably our Catchment Risk Assessments and Source Protection Zones

#	Project	Description	Regional Funding Allocation	Timeframe
1	Three Waters Reform Programme Requests for Information (RFI)	Extended Consultancy Services to update models and data from Hawke's Bay three waters review report to support Government Reform RFI.	\$200,000	October 20 – February 21
2	Regional Private Supplier Assessment	To identify smaller private schemes, with focus on schools and marae.	\$500,000	November 20- March 22
3	Regional Contestable Fund for private scheme assistance and support.	Contestable fund & process developed where these private schemes could seek assistance or funding for support and/or physical works to meet new standards.	\$500,000	November 20- March 22
4	Regional Engineering code of practice	Independent review of each councils engineering code practices to identify the differences and opportunities to align regionally into one code	\$100,000	November 20- March 22
5	Regional Audit of Asset Management/GIS systems	Independent review and audit of current council systems to delivery recommendations on opportunities to standardise.	\$100,000	November 20- March 22
6	Regional Cadet and Operators Scheme	Acknowledging the critical gaps in the three waters capacity nationally – develop and deliver a regional cadet and operators scheme to support the delivery of three waters projects and operations	\$400,000	November 20- March 22

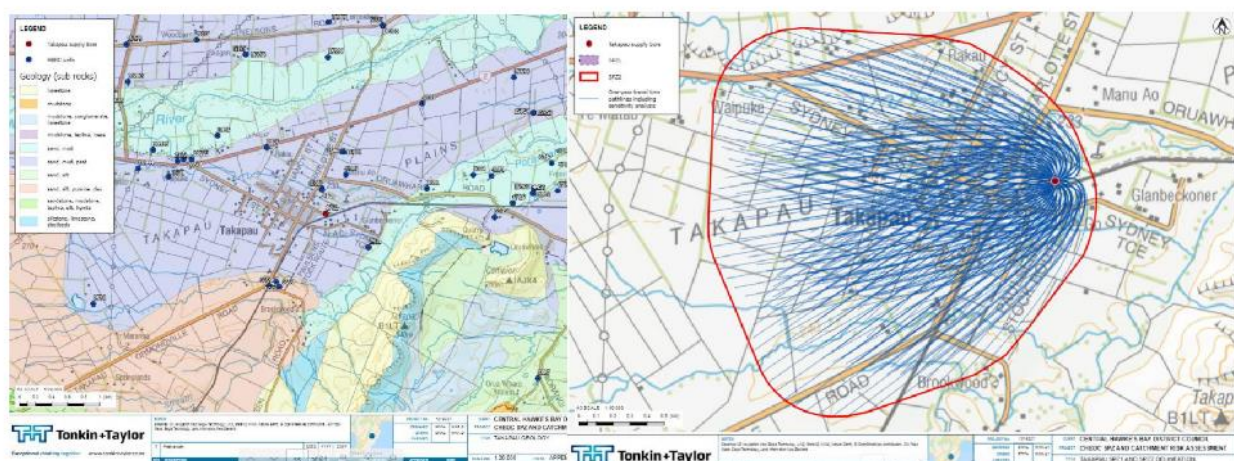


PLANNED and ACHIEVEMENTS

Project	CHBDC Allocation	Actual	Achieved	Planned
Three Waters Reform Programme Requests for Information (RFI)	50,000	45,404	Completed	Trialling ArcGIS
Regional Engineering code of practice	25,000			
Regional Audit of Asset Management/GIS systems	25,000		Work underway scoping GIS	
Regional Assessment of water service provision across communities	150,000	0	Scoped the regional water supply assessments	Procure the regional assessment
Regional Contestable Fund for private scheme assistance and support	150,000	0		
Regional Cadet and Operators Scheme	0 (within projects)	0		
Total Regional Work	\$400,000			
Water Safety Plan Actions	100,000	13,141	Tonkin and Taylor engaged and 75% complete the draft catchment risk assessments and source protection zone mapping.	Continue to progress and have the drafts reviewed by the DWA.
Grand Total	500,000	58,545		

RISKS/OPPORTUNITIES

- Delivering the work programme at a regional level
- To ensure the regional work programme provides value for CHBDC and reflects our needs





PROJECT 2: CHB SERVICES RENEWAL – RESERVOIR/NELSON, WAIPUKURAU

STATUS	MONITORING	
TIMELINE	SEP 2020 START DATE	JUL 2021 END DATE
PROGRESS	40%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
BUDGET	\$990k TOTAL PROJECT BUDGET	\$22k SPEND TO DATE
RISK LEVEL	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	



SCOPE

To lay new 100mm ID water pipes of either uPVC or PE material on the same side as the existing Cast Iron water mains with a new 63mm PE Water Rider main on the opposing side. These services to run in the same alignment and profile as the existing pipe.

The scope involves laying new pipe, replacing service laterals, installing new valves, fire hydrants, manholes and cross connecting the new network to the existing network in a number of positions.

This will involve approximately 950m of new water main, 645m of rider main and 66 new water connections.

ACHIEVEMENTS

Contract Awarded after completion of the tender process to Higgins Contractors Ltd. Construction commenced with 125PE water main pipe strings installed along length of Reservoir Road. Engagement of GHD consultants to complete investigation of stormwater issues and scope solutions in line with "Dig once" principle.

PLANNED

Details works and fire hydrant installation on Reservoir Rd, completion of lateral installation, testing and commissioning of this section. Commencement on Nelson Street. Assessment of stormwater solution for Nelson St.

RISKS/OPPORTUNITIES

Risk identified within this project are:

- Disruptions to homeowners/public
- Contractor Management
- Reinstatement graffiti
- Scope change – Opportunity for Stormwater Level of Service improvement

COMMUNICATIONS

Project webpage can be found here: <https://www.chbdc.govt.nz/our-district/projects/bigwaterstory/chb-water-renewals/>



PROJECT 3: WAIPUKURAU SECOND WATER SUPPLY

STATUS	DESIGN	
TIMELINE	JAN 2019 START DATE	JUN 2024* END DATE
PROGRESS	10%	<div><div></div></div>
BUDGET	\$3.3m of \$11.5m TOTAL PROJECT BUDGET	\$558k SPEND TO DATE
RISK LEVEL	<div><div></div><div>✓</div><div></div></div>	



SCOPE

To find and construct a new water source bore, pipe a rising main to a reservoir, provide treatment and gravity feed back into Waipukurau to supply a second water supply to the town

ACHIEVEMENTS

An Archaeological study across the proposed pipeline route has been completed and formal conversations with affected landowners have begun, all have generally expressed support for the project.

An investigation bore has been drilled at the Waipawa bore filed site and initial testing has been promising, a larger production bore is currently being drilled.

PLANNED

Undertaking detailed design investigation of conveyance route, reservoir site and access track. Iwi consultation and engagement has been started. Consenting for water take and river crossings are being planned as well as land acquisition. Construction sequencing and procurement planning to support design program

RISKS/OPPORTUNITIES

- Power Supply to sites
- Approval for reservoir site/Timeframes to build reservoirs
- Water quality and flow from test bores
- Strategic assessment of project requirements
- Budget
- Land acquisition and easements
- River Crossings

COMMUNICATIONS

Project webpage can be found here: <https://www.chbdc.govt.nz/our-district/projects/bigwaterstory/waipukurau-second-drinking-water-supply/>

PROJECT 4: OTANE TO WAIPAWA WASTEWATER PIPELINE STAGE 2

STATUS	BUILD	
TIMELINE	JAN 2021 <small>START DATE</small>	DEC 2021 <small>END DATE</small>
PROGRESS	10%	<div><div></div></div>
BUDGET	\$2.4m <small>TOTAL PROJECT</small>	\$22k <small>SPEND TO DATE</small>
RISK LEVEL	<div><div></div><div></div><div></div></div>	



SCOPE

To design and construct a new wastewater pipeline to convey wastewater from Otane to Waipawa as part of the second of three stages of the project to convey wastewater from Otane to Waipawa

ACHIEVEMENTS

Stage 1 contractor engaged to carry out stage 2 (approx. 4520m) of works. Establishment of site at Waipawa WWTP, arrival and welding of first 1350m of pipe.

PLANNED

Continued welding of pipe strings. Mobilisation of directional drilling rig to site and start of pipe installation

RISKS

The following risks have been developed;

- Pipeline route affecting landowners
- Staging of works
- Multi stage approach (treated to WPA discharge, treated to WPA Plant, raw to WPA plant)

COMMUNICATIONS

Project webpage can be found here:

<https://www.chbdc.govt.nz/our-district/projects/the-big-wastewater-story/waipukurau-waipawa-otane-upgrades/otane-wastewater-treatment-plant-upgrade/>



PROJECT 5: IMPROVEMENTS AND DESIGN (WAIPAWA WWTP DAF)

STATUS	TENDER	
TIMELINE	NOV 2020 START DATE	FEB 2022 END DATE
PROGRESS	20%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
BUDGET	\$1.5m TOTAL PROJECT	\$14k SPEND TO DATE
RISK LEVEL	<div><div></div><div></div><div></div><div></div><div></div></div>	



SCOPE

Operational Improvements (\$500k)

To continue to develop the design work to support the wastewater strategy plans, and to assist with short term operational improvements.

Capital Improvements (\$1m)

To investigate, design, purchase and install Dissolved Air Flotation (DAF) systems to improve and optimize the treatment performance at the Waipawa WWTP and investigate the potential for a similar system at the Waipukurau WWTP. Normally DAF systems have a design life of approximately 25 years, however it is only anticipated to be in operation for 5-10 years at the Waipawa site until the new WWTP is constructed. The units will be moveable so that they can be re-purposed on another site in the future.

ACHIEVEMENTS

Ongoing development of design works
Procurement plan approved by ELT. Request for Tender released for a Design/Build contract.

PLANNED

Tender close and evaluation, award of Contract and commencement of design/build work.

RISKS

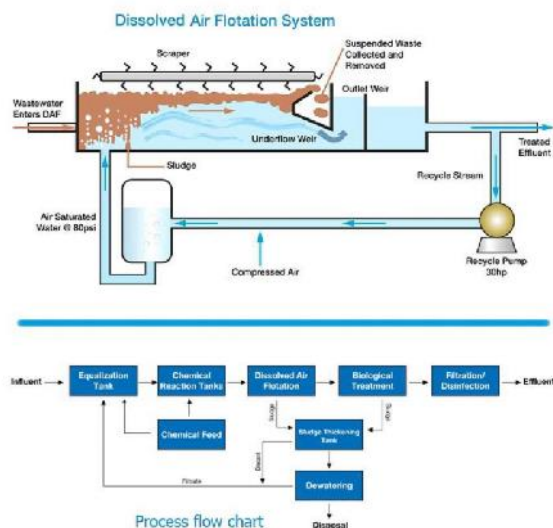
The following risks have been developed:

- Contractor availability
- Staging of works and integration with Operations team
- Equipment/Materials lead time
- Limited detailed site information available

COMMUNICATIONS

Project webpage can be found here:

<https://www.chbdc.govt.nz/our-district/projects/the-big-wastewater-story/>





PROJECT 6: WASTEWATER DRIED SOLIDS REMOVAL AND POND DESLUDGING

STATUS	TENDER	
TIMELINE	JULY 2020 START DATE	MAR 2022 END DATE
PROGRESS	10%	<div><div></div></div>
BUDGET	\$750k TOTAL PROJECT	\$10k SPEND TO DATE
RISK LEVEL	<div><div></div><div></div><div></div></div>	

SCOPE

To remove dried solids from the Waipukurau and Waipawa WWTP's previous pond desludging and spread via land application. Dredge sludge from both WWTP ponds and remove to banded geobag area to increase both ponds free capacity for treatment.

ACHIEVEMENTS

Procurement plan approved by ELT.
Request for Tender released.

PLANNED

Issue of Resource consent from HBRC for discharge of dried solids to land. Tender close and evaluation, award of Contract and commencement of physical work.

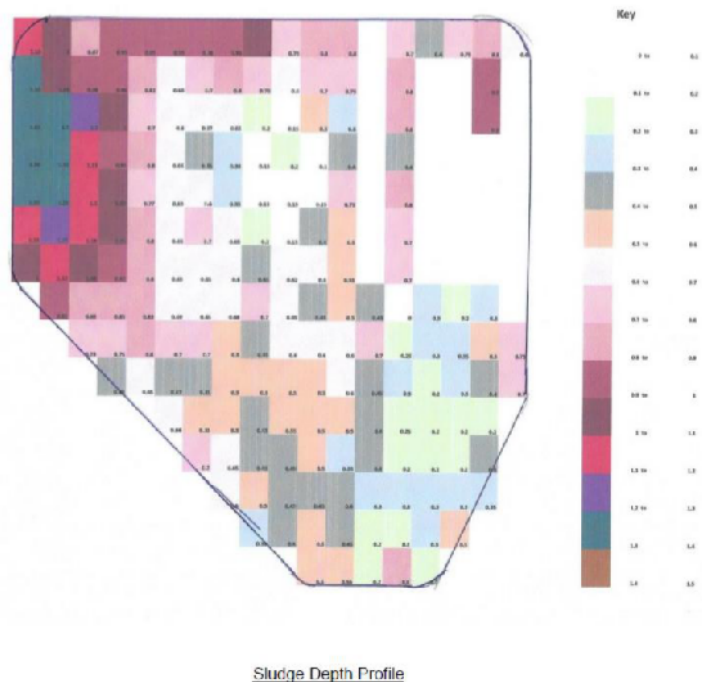
RISKS

The following risks have been developed:

- Lack of Tender responses
- Staging of works and integration with Operations team
- Works affecting WWTP's levels of compliance
- Creation of odour or other nuisance

COMMUNICATIONS

Project webpage can be found here: <https://www.chbdc.govt.nz/our-district/projects/the-big-wastewater-story/waipukurau-waipawa-otane-upgrades/waipukurau-and-waipawa-wastewater-treatment-plant-upgrades/>





PROJECT 7: WASTEWATER RENEWALS (INFILTRATION & INFLOW)

STATUS	PLANNING and BUILD	
TIMELINE	JAN 2021 <small>START DATE</small>	MAR 2022 <small>END DATE</small>
PROGRESS	20%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
BUDGET	\$500k <small>TOTAL PROJECT</small>	\$18k <small>SPEND TO DATE</small>
RISK LEVEL	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	



SCOPE

Investigations and remediation of district-wide wastewater reticulation system inflows.

ACHIEVEMENTS

Contract awarded for a section of Otane physical works to Downer,

PLANNED

Tender for investigations and physical works around the district, continue to

RISKS

The following risks have been developed;

- Renewal effectiveness
- Budget exceedance
- Timeframe exceedance

COMMUNICATIONS

Project webpage can be found here:



PROJECT 8: TRADE WASTE IMPROVEMENTS

STATUS	PLANNING	
TIMELINE	NOV 2020 <small>START DATE</small>	MAR 2022 <small>END DATE</small>
PROGRESS	20%	<div><div></div></div>
BUDGET	\$160k <small>TOTAL PROJECT</small>	\$13k <small>SPEND TO DATE</small>
RISK LEVEL	<div><div></div><div></div><div></div></div>	

SCOPE

Review and improvement of Council's Trade Waste system.

ACHIEVEMENTS

Bylaw and drafted and out for consultation.
Expected adoption 3 June 2021



PLANNED

- Completion of systems planning documents including Strategy, User guidance, Records and Communications.
- Completion of management systems documents including compliance, data management, application/management plan template and trader identification.

RISKS

The following risks have been developed:

- Trade Waste load contributions may fluctuate.
- Relationships between Traders and council may become strained
- Financial estimates might be incorrect or inequitable

PROJECT 9: CHB CARAVAN WASTEWATER DUMP STATIONS

STATUS	BUILD		
TIMELINE	NOV 2020 <small>START DATE</small>	MAY 2021 <small>END DATE</small>	
PROGRESS	40%		
BUDGET	\$150k <small>TOTAL PROJECT BUDGET</small>	\$9k <small>SPEND TO DATE</small>	\$135k <small>EXPECTED SPEND</small>
RISK LEVEL			



River Tee Site

SCOPE

To install caravan/motorhome dump stations within the Central Hawke's Bay area to service those travelling to/through the district and to provide a service that further enhances Central Hawke's Bay's reputation as a fantastic tourist destination

ACHIEVEMENTS

Downer Ltd awarded contract after tender process. Works started in Waipukurau on River Terrace.

PLANNED

Monitoring and completion of works in Waipukurau. Advertisement of new facility. Scoping of suitable additional location.

RISKS

Risks identified within this project:

- Contractor management
- Budget uncertainty
- Community misinformation
- Appropriate advertisement of new facility



COMMUNICATIONS

Project webpage can be found here:

<https://www.chbdc.govt.nz/our-district/projects/the-big-wastewater-story/central-hawkes-bay-wastewater-dump-stations/>

PROJECT 10: THREE WATERS BYLAWS REVIEW

STATUS	MONITORING	
TIMELINE	NOV 2020 START DATE	JUL 2021 END DATE
PROGRESS	60%	
BUDGET	\$150k TOTAL PROJECT BUDGET	\$126k SPEND TO DATE
RISK LEVEL		

SCOPE

Drafting and consultation of the Water Supply, Stormwater, Wastewater and Trade Waste bylaws.

ACHIEVEMENTS

Draft bylaws out for consultation.

PLANNED

Adoption by July 2021 and begin to implement the changes.

RISKS/OPPORTUNITIES

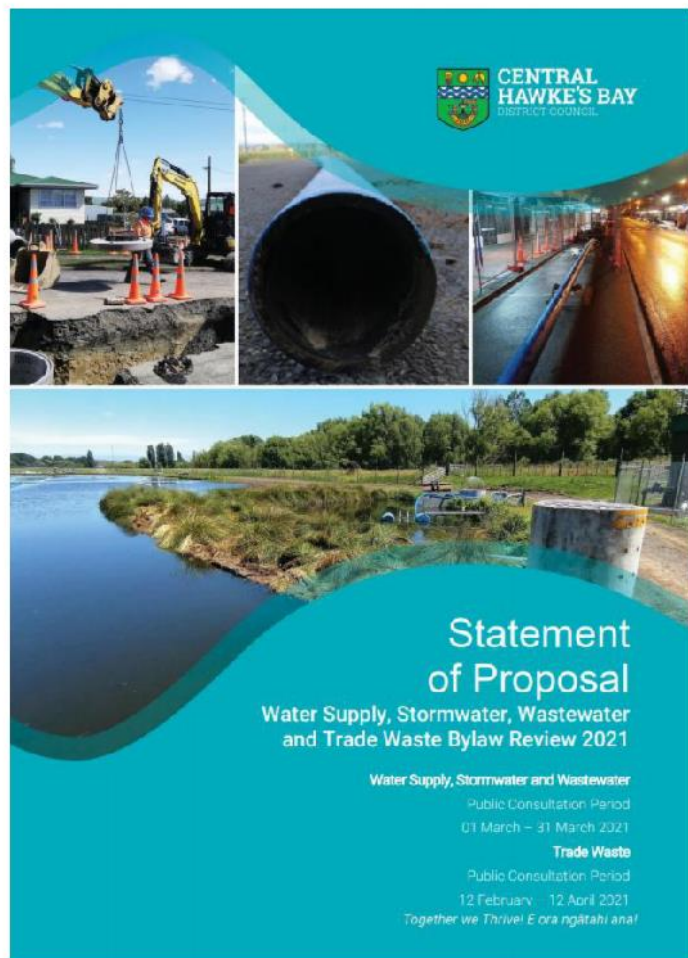
Risks identified with this project:

- Stakeholder engagement
- Suitability of bylaw

COMMUNICATIONS

Project webpage can be found here:

<https://chbdc.mysocialpinpoint.com.au/facingthefacts/water-bylaws/>



PROJECT 11: PROGRAMME MANAGEMENT AND BUILDING SKILLS

STATUS	MONITORING	
TIMELINE	NOV 2020 START DATE	MAR 2022 END DATE
PROGRESS	30%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
BUDGET	\$390k TOTAL PROJECT BUDGET	\$54.5k SPEND TO DATE
RISK LEVEL	<div><div></div><div></div><div></div></div>	

SCOPE

To build capability and capacity within council to deliver the programme of works that this stimulus and reform programme.

To investigate smarter ways to deliver the programme and to investigate synergies or efficiencies.

ACHIEVEMENTS

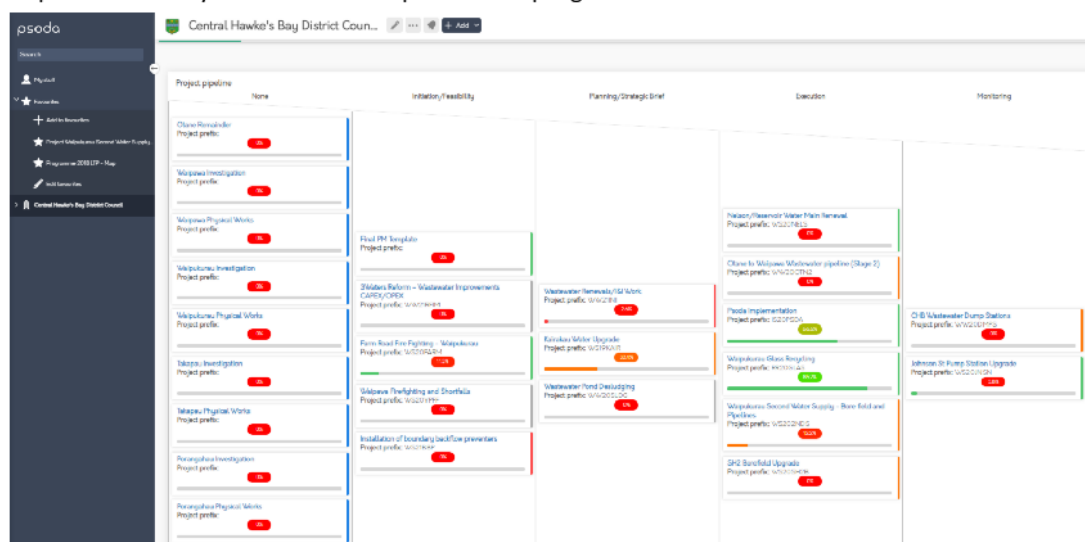
The PMO established, with new direct roles created as part of this stimulus funding and the associated PWPGF roading works upgrades.

New roles created;

- Senior Project Manager
- Project Manager
- Project Communications and Engagement Lead
- Project Officer
- Data/ Business Analyst

**PLANNED**

Implement new systems and develop the wider programme of works.





PROJECT 12: KAIRAKAU WATER UPGRADE (BACK UP)

STATUS	PLANNING	
TIMELINE	SEP 2020 START DATE	MAR 2022 END DATE
PROGRESS	30%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
BUDGET	\$300k of \$849k TOTAL PROJECT BUDGET	\$134k SPEND TO DATE
RISK LEVEL	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	



SCOPE

To increase the scope of the original project to deliver a water treatment upgrade for the Kairakau water system

ACHIEVEMENTS

Council support of the design progressing and an action to investigate water hardness
Community engagement undertaken with session in Dec 2020 and March 2021
Directly affected landowner engagement underway and lease arrangements underway

PLANNED

Secure lease and finalise treatment plant location.
Prepare to release a design and build package
Present hardness options back to council
Continue engagement with stakeholders

COMMUNICATIONS

Project webpage can be found here: <https://www.chbdc.govt.nz/our-district/projects/bigwaterstory/kairakau-water-upgrade/>



APPENDICES (AVAILABLE ON REQUEST)

Appendix 1: Quarter 1 reporting to Crown Infrastructure Partners – due 01 Feb 2021

Three Waters Stimulus Funding – Cash Flow Profile																
Territorial Summary/Inputs				KEY	Master checks				Territorial contact							
Territorial Authority	Central Hawke's Bay District Council				Primary/forecast inputs	Master check				Project Manager		Dariusz de Kock				
Territorial Code	R0164				Actual inputs	OK				Email		dariusz.dekock@chbdc.govt.nz				
Reporting date	30-21					Spend = Cost				Phone		044 21 238 567				
Reporting period	Quarter 1					Confunding check										
Total funding allocated	11.50					Upfront funding				Lead Engineer		Shane Hargreave shane.hargreave@chbdc.govt.nz				
Total collecting	4.99					Final payments				Email		shane.hargreave@chbdc.govt.nz				
Total consolidated programme costs	16.50					Total Crown funding				Phone		06 857 8085				
Upfront payment	5.55					Capex/Opex										
Total final payments	9.11					Cash position										
Milestone payment total	5.43															
Project inputs																
	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22
	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
1 Project Name 3 Waters Reform Preparation																
Project Type REFPM - Preparation for Reform																
Start date	Nov-20	N/A														
End date	Mar-22	N/A														
Total upfront payment	0.245	Crown/Reform 0.5000														
Total final payment	0.005	Check OK														
Total project spend	0.500															
Total project funding	0.500															
Check	-															
Project Spend																
Spend from Crown funding	202/m	0.0016		0.0400	0.0400	0.0100	0.0100	0.0400	0.0400	0.0115	0.0415	0.0415	0.0415	0.0415	0.0415	0.0415
Spend from cofunding	202/m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total project spend	202/m	0.0016	-	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0415	0.0415	0.0415	0.0415	0.0415	0.0415	0.0415
Project Funding																
Master payment portion	202/m	0.7450														
Crown funding required	202/m								0.1245		0.1250					
Collecting required	202/m															
Final payment portion	202/m															
Total project funding	202/m	0.2450	-	-	-	-	-	-	-	-	-	-	-	-	-	-

6.7 ELECTED MEMBERS EXPENSES FOR JANUARY 2020 TO FEBRUARY 2021**File Number: COU1-1410****Author: Brent Chamberlain, Acting Chief Financial Officer****Authoriser: Monique Davidson, Chief Executive****Attachments: Nil****PURPOSE**

The purpose of this report is to update the Committee on the Elected Members' Expenses for the thirteen months covering January 2020 to February 2021.

RECOMMENDATION

That, having considered all matters raised in the report, the Elected Members Expenses for January 2020 to February 2021 report be noted.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as being of some importance.

DISCUSSION

For the sake of transparency the table below shows the elected members' expenses for the past six months. The expenses included in the totals below are mileage reimbursement, car expenses, Councillor iPad data charges, phone costs, meeting and conference expenses including accommodation and meals.

In the below table is the Elected Member Expenses for the period January 2020 to February 2021.

	Mileage Expenses	Conferences, Meetings & Training	Phone and Ipads	Total
Mayor Alex Walker	Work Car Supplied	5,277.34	541.26	5,818.60
Cr Kelly Annand	665.97	798.52	225.00	1,689.49
Cr Tim Aitken		2,602.34	225.00	2,827.34
Cr Jerry Geer		1,663.60	495.00	2,158.60
Cr Gerald Minehan	79.00	659.39	225.00	963.39
Cr Brent Muggeridge		1,092.43	225.00	1,317.43
Cr Kate Taylor	2,729.54	1,447.46	495.00	4,672.00
Cr Exham Wichman		798.52	495.00	1,293.52
Cr Pip Burne		659.39	150.00	809.39
Roger Maaka	1,223.21	659.39	225.00	2,107.60
Total	4,697.72	15,658.38	3,451.26	23,657.36

During this period, as per Schedule 7 of the Local Government Act 2002 and the Local Government Members (2020/21) (Local Authorities) Determination 2020, a vehicle has been provided to the Mayor for restricted private use.

As per the Determination, Restricted Private Use means—

- a) the vehicle is usually driven home and securely parked by the mayor or regional chairperson; and
- b) the vehicle is otherwise generally available for use by other local authority members or staff on local authority business; and
- c) the vehicle is used solely for local authority business; and
- d) all travel in the vehicle is recorded in a log-book.

FINANCIAL AND RESOURCING IMPLICATIONS

There are no financial or resourcing implications included in this report. These costs are covered within existing budgets.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

RECOMMENDATION

That, having considered all matters raised in the report, the Elected Members Expenses for January 2020 to February 2021 report be noted.

6.8 WHENUA MĀORI RATING AMENDMENT BILL**File Number:** COU1-1410**Author:** Brent Chamberlain, Chief Financial Officer**Authoriser:** Monique Davidson, Chief Executive**Attachments:** Nil**RECOMMENDATION**

That, having considered all matters raised in the report, the report be noted.

PURPOSE

The purpose of this report is to keep Councillors abreast of the Whenua Māori Rating Amendment Bill that is passing through Central Government at present and its implications on Central Hawkes Bay District Council and in Long Term Plan Budgets.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

BACKGROUND

The Whenua Māori Rating Amendment Bill passed its third reading on the 6th April 2021, modernising Māori land rating laws that have been largely untouched since 1924.

DISCUSSION

The Bill gives better recognition to communal ownership of whenua Māori, and situations where multiple houses are on one land block. The changes are designed to allow for the development of underutilised Maori land for housing, specially aimed to assist Maori low income earners, and allow wider access to the rates rebate scheme.

It also makes unused Māori land unrateable.

The key proposed amendments to the Local Government (Rating) Act 2002 are:

- Provide local authorities with the power to write off rates arrears and a statutory remission process for development
- Make unused Māori land, including land subject to Ngā Whenua Rāhui kawenata, unrateable
- Provide the option for separate rate accounts for multiple homes on Māori land (giving home owners access to the rates rebate scheme)
- Provide the opportunity for local authorities to treat multiple blocks of Māori land as one block for rating purposes, provided they come from the same original block
- Modernise the rating system affecting Māori land, including protecting Māori land arbitrarily reclassified as general land in the late 1960s and early 1970s from 'abandoned land sales', clarifying land trustees' obligations in respect of rates, and updating and clarifying the exemptions that apply to marae and urupā

The bill, when passed is expected to come into force on the 1st July 2021.

Central Hawkes Bay District Council currently has 24 properties it classifies as Māori land (blocks in multiple ownership).

Based on the dummy rates strike for the Long Term Plan, the expected rates revenue from these properties is approximately \$17,772 + GST. This is all rural zoned land, so this \$17,772 is spread over General Rates, Uniform Annual Charge, and Land Transport.

Currently 4 of the 24 properties have some form of commercial use (whether it is farmed, leased, or contains housing) and these rate payers do pay their rates (approximately \$4,460 + gst).

The remaining 20 properties fall into the “unused Māori land” category, and none of the owners take responsibility for the rates and as such the accounts fall into arrears and after five years get written off as uncollectible under time barred statute. This equates to approximately \$13,312 + gst per annum.

The Long Term Plan provides \$10,000 per annum of rates write-off for exactly this scenario.

Non Māori land isn't provided for as it is assumed that in the worst case scenario the rates can be collected through a rating sale.

If this bill gets passed and comes into effect for year one of the Long Term Plan, then Council will have 20 properties that it can no longer rate creating a loss of revenue of \$13,312 + gst.

At the same time Council will no longer need its \$10,000 provision for rates write-off.

So the net impact will be approximately \$3,312 and can be spread over approximately 7,600 rate payers.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

NEXT STEPS

Officers will monitor the progress of this bill, and have this budget changed identified in the management submission and then amended in the Long Term Plan Budget as necessary before adoption.

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

6.9 NGA ARA TIPUNA KI TAMATEA - PROJECT UPDATE

File Number: COU1-1410

Author: Doug Tate, Group Manager Customer and Community Partnerships

Authoriser: Monique Davidson, Chief Executive

Attachments: 1. Nga Ara Tipuna ki Tamatea - Spatial and Graphic Update [↓](#)

PURPOSE

The purpose of this report is to provide an update to the Committee on Provincial Growth Fund partnership project with Te Taiwhenua o Tamatea – Nga Ara Tipuna ki Tamatea.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

BACKGROUND

Ngā Ara Tipuna began as a humble community project, describing the history of Pukekaihou, the main pa site in Waipukurau in Paul Hunter Memorial Park.

Through the development of Project Thrive, called the Tamatea trails, the project was the highest-ranked and most popular community project for priority of Council, establishing mana whenua over the landscape and to provide the opportunity to tell the stories of the people of Tamatea.

Now much bigger than a humble community project, Ngā Ara Tipuna is a Pā site interpretation project which will showcase the network of six historic pā sites surrounding Waipukurau. This significant cultural heritage project includes creation of carvings, digital storytelling and displays to engage visitors and locals through sharing stories of the people of Tamatea and their relationship with the land. It is an important cultural heritage initiative and positive catalyst for tourism growth generating employment, boosting tourism and the local economy, including Māori economy.

Ngā Ara Tipuna is a partnership between Tamatea Hapū, Te Taiwhenua o Tamatea and Central Hawke's Bay District Council, with Council as the main initial applicant.

The project was successful in securing funding of \$2,798,000 from the Provincial Growth Fund (PGF) for Ngā Ara Tipuna against a total project budget of \$3.8 million. The project has significant social, cultural and economic benefit for the District, and seeks to re-establish the presence of mana whenua to the landscape of Tamatea/Central Hawke's Bay.

The project is substantially underway and it focussing on the key stage of preparing the project for its launch of the built assets in June 2021. This report provides an update w

DISCUSSION

This report seeks to give assurance to the Committee that the project is progressing across all key milestones.

We are now entering the last three months of the project and are on track for a launch date in Mid-June. All sites are well on track except for the Pukeora look out, which we are now planning a contingency plan to have an interim solution in place for launch. Key achievements against the Project Deliverables in the quarter from 1 January 2021 to 31 March 2021 include:

Content, design and construction

- All content and design has been finalised
- Fabrication of the assets is complete. The ceremonial pou for the top of Pukekaihou is in design phase.
- Test website is developed

Landscaping

- Landscaping plan is underway and complete at Pukekaihou and Moana – i- Rokia Pā, (Hatuma Road, Waipukurau)

Programme and project management

- Community open day has been held on Waitangi Day, with 70 community members attending
- Marketing and communications is underway with a marketing contractor engaged to establish the marketing programme up to launch
- Community fundraising underway, with businesses and major donors the initial focus. \$30k has been secured from these channels. \$55k is remaining
- Archaeological monitoring underway, with no discoveries to date.
- Recruitment of Trust administrator and Business development manager roles underway with a target start date of late May
- Trust established, awaiting registration with Charities Commission.
- Launch planning underway.

The next focus areas for the April to June quarter include:

Content, design and construction

- Complete installation
- Complete website

Landscaping

- Finish site preparation at remaining sites
- Install site furniture
- Install lighting and security cameras
- Install ceremonial pou
- Finish site preparation and planting to be ready for launch

Programme and project management

- Continue fundraising
- Hire 2x contract/fixed term roles (Trust administrator and Business development manager)
- Stand up trust to take over from PCG
- Plan and execute launch
- Plan for activities beyond end of MBIE contract

Project Status

The key phases of the project as a status update at a glance are provided in the table below:

Phase	Task Updates	Completion rate	Estimated completion date
Content, design for phase one	Solution definition completed, developed design complete. Filming completed.	100%	Completed
Content, design for phase two	Solution definition completed. Developed design completed. Filming completed.	100%	Completed
Fabrication and construction for phase one	Fabrication of major elements completed. Ceremonial pou is in	99%	June 2021

Phase	Task Updates	Completion rate	Estimated completion date
	design phase		
Fabrication and construction for phase two	Materials arrived, pre-production underway.	100%	Completed
Installation	<p>Preparatory work completed at:</p> <ul style="list-style-type: none"> • Pukekaihou • Hatuma road <p>Preparatory work about to get underway at:</p> <ul style="list-style-type: none"> • Russell Park • Kaitoroa • Railway station • Te Horehore <p>Contingency plan in place for Pukeora lookout</p>	75%	Early May
Launch	<p>Launch event planning has begun. A launch sub-committee has been stood up.</p> <p>A date has yet to be finalised.</p>	10%	Mid-June
Governance	Deeds drafted, trustees appointed.	100%	Completed
Fundraising	<p>\$3,523,200 secured against a target of \$3,579,372</p> <p>Approximately \$56k left to raise.</p>	98.5%	May/June 2021, although community fundraising will be ongoing so there is technically no end date to this work stream, it simply dovetails into opex once the capital project is finished.
Business Development/Marketing	<p>Business Plan developed, marketing plan underway.</p> <p>Marketing contractor recruited.</p>	90%	May 2021

Phase	Task Updates	Completion rate	Estimated completion date
	Recruitment of business manager underway.		

Budget

To date \$2,767,949.61 has been spent on the project to date, against a total budget of \$3,579,372. Overall the project is on track to be completed on budget.

We have drawn down \$2,198,000 of PGF funding and have drawn down \$685,000 of co-funding, with the balance of \$126,423 of co-funding yet to be drawn down from a Trust and community fundraising yet to be fully achieved.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
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- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

NEXT STEPS

The project is rapidly gaining momentum as we work towards the opening in June. Overall the project is on time, on budget and remains on scope, substantially achieving the deliverables of the project.

RECOMMENDATION

That the update report on the Project Nga Ara Tipuna Ki Tamatea be received by the Committee.

Ngā Ara Tipuna

Graphic and Spatial Update

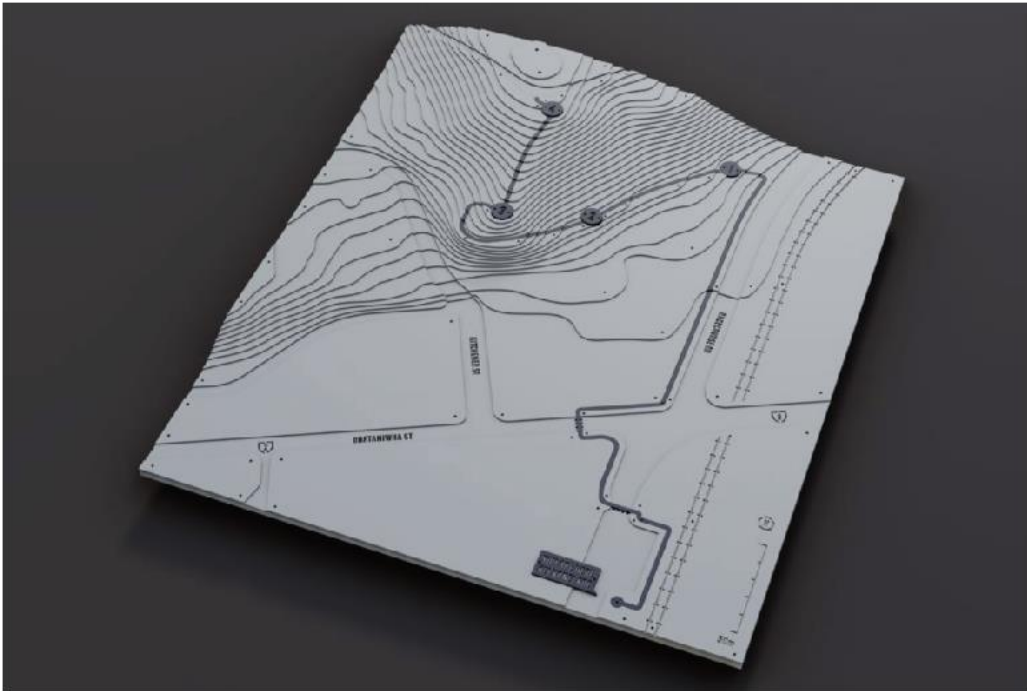
04 02 2021



locales
place-based storytelling

Orientation Map

Spatial



Orientation Map cont...

Graphics



Orientation Map cont...

Graphics

VISIT PUKEKAIHAU PĀ

🚶 3 minutes 🗺 1 minute

We invite you to explore the site of Pukekaihai Pā, once a thriving Māori settlement. From the 1600s, many generations of important tipuna (ancestors) lived here.

Directions
Exit the railway station, then turn right onto Bogle Brothers Esplanade. At the intersection, go past the Tavistock Hotel, down Racecourse Rd. On the left side of the road you will see a park with large trees. Inside the park entrance is a whare kōrero: a house for sharing traditional stories. Walk towards this.

Nau mai, toro atu ki Pukekaihai Pā, tētahi pā tipuna o mua. Mai rā anō i te rautau 1600 i nohoia tēnei wā e ngā tipuna.

Putu atu i te teihana rerewe huri matau ki Bogle Brothers Esplanade. Hipa atu i te Hōtēra o Tavistock, haere mā te rori o Racecourse. Ki tō taha mauī ka kite koe i tētahi pāka me ngā rākau nunui. Kei roto rā tētahi whare kōrero, ā, kei reira ngā kōrero tuku iho e iri ana. Piki atu koe ki reira.



1 TE WAI

Water

Learn about the lakes, rivers, streams, springs and wetlands that once covered this region. See the site of Te Tauranga, where the ancestors moored their waka (canoes). Hear about wildlife that thrived in this wet landscape, and the physical and spiritual sustenance that water provided.

Akohia ngā kōrero tuku iho mō ngā roto, ngā awa, ngā manga wai, ngā puna wai me ngā repo e kapi ana i tēnei wāhi i ngā wā o mua. Tirohia te wāhi o Te Tauranga, te herenga waka o ngā tipuna. Kia rongo hoki i ngā kōrero mō ngā manu, ngā koiora i konei i mua, me te wāhi whakaora o te wai ā-tinana, ā-wairua hoki.

2 AHI-KĀ-ROA

Continuous Occupation

Discover the history of Pukekaihai Pā. Hear how this fortified pā was a secure place of refuge during times of threat. Learn how indigenous peoples have exercised ahi-kā-roa: continuous occupation of this land through many generations.

Tirohia ngā kōrero tuku iho mō Pukekaihai pā. Kia rongo hoki koe he momo punanga tēnei pā o ngā wā mōrearea. Akohia ngā kōrero mō te tikanga o te ahi-kā-roa a ngā tipuna, arā te noho tūturu ki runga i tēnei whenua, hekeheke iho i ngā whakatipuranga.

3 MAHINGA KAI

Food Stores/Gathering places

Pukekaihai Pā was part of a network of pā across the Waipukurau-Takapau area. Learn how these were situated in relation to important sources of kai (food): water, forests and cultivations. Hear about traditional ways of gathering, growing and preparing kai.

Ko Pukekaihai pā tētahi o ngā pā tipuna i tū ki tēnei takiwā mai i Waipukurau ki Takapau. Akohia ngā take i tū ai ēnei pā ki te tiaki, ki te pupuri hoki i ngā wāhi mahi kai, pērā i ngā ngahere, ngā pātaka wai māori, ngā ngakinga kai hoki.

4 NGĀ HONO TĀTAI

Kinship Connections

Discover some of the connections between peoples that have shaped this rohe (tribal area). Hear about kaihaukai (reciprocal feasting), strategic marriages, and other forms of alliance between the waves of people who have come into this area. Learn how Māori culture continues to flourish here today.

Huraina ngā kōrero mō ngā hononga i waenga i ngā tāngata whaitake ki tēnei rohe. Kia rongo kōrero hoki koe mō ngā kaihaukai, ngā moenga rangatira, me ngā hononga haumi atu anō i ngā taihekenga tipuna i tae mai ki konei. Akohia ngā kōrero o te ahurea Māori e ora tonu nei i ēnei rā.

DRIVING TOUR

Take the Ngā Ara Tipuna driving tour to discover seven more sites of cultural and natural significance around Waipukurau and Takapau.

Haere i te tāpoi hāereere o Ngā Ara Tipuna ki te tuhura i ngā wāhi tipuna e whitu anō o Waipukurau me Takapau.

An Interconnected Living Network

The tipuna lived and worked across a network of pā (settlements). These were situated in relation to rich mahinga kai (food stores/gathering places).

I nohoia ngā pā o tēnei rohe e ngā tipuna. I hangā e ngā tipuna kia tata ki ngā mahinga kai. Ko ētahi wāhi he pā tuwatawata, ko ētahi he taupahi, arā, he wāhi noho mō tētahi wā o te tau, mō te mahi kai te take.



1 KAITOROA PĀ

🚶 5 minutes 🌿 Scenic Rd

On this site the tipuna cultivated extensive pā harakeke: flax plantations.

Ko tēnei wāhi he pā harakeke mahinga nunui o mua.

2 TE WAIPUKURAU PĀ

🚶 3 minutes 🌳 Russell Park

This pā was named for a pool in a stream, where the tipuna soaked the pukurau fungus to make it edible. It was later the site of early interactions between the tipuna and Europeans.

Ka tapaina tēnei wāhi ki te ingoa o tētahi kopua wai, ara, he wahi i toutou ai ngā tipuna i te pukurau kia horo atu ngā para, ka pai ai hei kai mā te tangata. Nō muri iho he wāhi tēnei i huihui ai ngā tipuna me ngā Pākehā.

3 LAKE WHATUMĀ

🚶 4 minutes 🌳 Hatuma Rd

A key reason why the tipuna settled here, Lake Whatumā was full of assorted food all year round.

Ko te roto o Whatumā tētahi take nui i noho iho mai ngā tipuna ki konei. He roto tuna, he pātaka kai wai māori hoki.

4 MOANA-I-ROKIA PĀ

🚶 4 minutes 🌳 Hatuma Rd

This pā was a large hilltop stronghold, strategically positioned to overlook the valued resource Lake Whatumā.

Ko tēnei pā he pā tuwatawata, i hangā ai ki konei hei taumata matira ki te roto o Whatumā.

5 VIEW TO KAIMANAWA PĀ

🚶 5 minutes 🌳 Pukeora Scenic Rd

The limestone Pukeora cliffs offer incredible views along the Tukituki River and towards the site of Kaimanawa Pā, a taupahi (camping place) during food gathering seasons.

He taumata anō ngā pari pākeho o Pukeora, kua kaikanohi atu koe ki te rerenga o Tukituki, me te taupahi o Kaimanawa.

6 VIEW TO RUATANGAROA PĀ

🚶 5 minutes 🌳 Pukeora Scenic Rd

This vantage point overlooks the site of Ruatangaroa Pā, an ancient settlement, and the remnants of forests that were important to the tipuna.

Mā konei e tau ai ō mata ki te wāhi i tū ai te Pā o Ruatangaroa, tētahi pā tawhito, ngā motu rākau mōrehu mai o ngā ngahere tawhito, he mea tino whai take ki ngā tipuna.

7 VIEW TO HOREHORE PĀ

🚶 15 minutes 🌳 Charlotte St

Situated along a range of six serrated peaks, this pā also had extraordinary built defences. Never conquered in battle, it was home to generations of rangatira (chiefs).

Kei runga tēnei pā i tētahi o ngā hiwi e tū rārangi ana, he pā tuwatawata, whakamataku hoki tēnei, kore rawa i taca e te hoariri, ko te kāinga tēnei o ngā rangatira o mua.

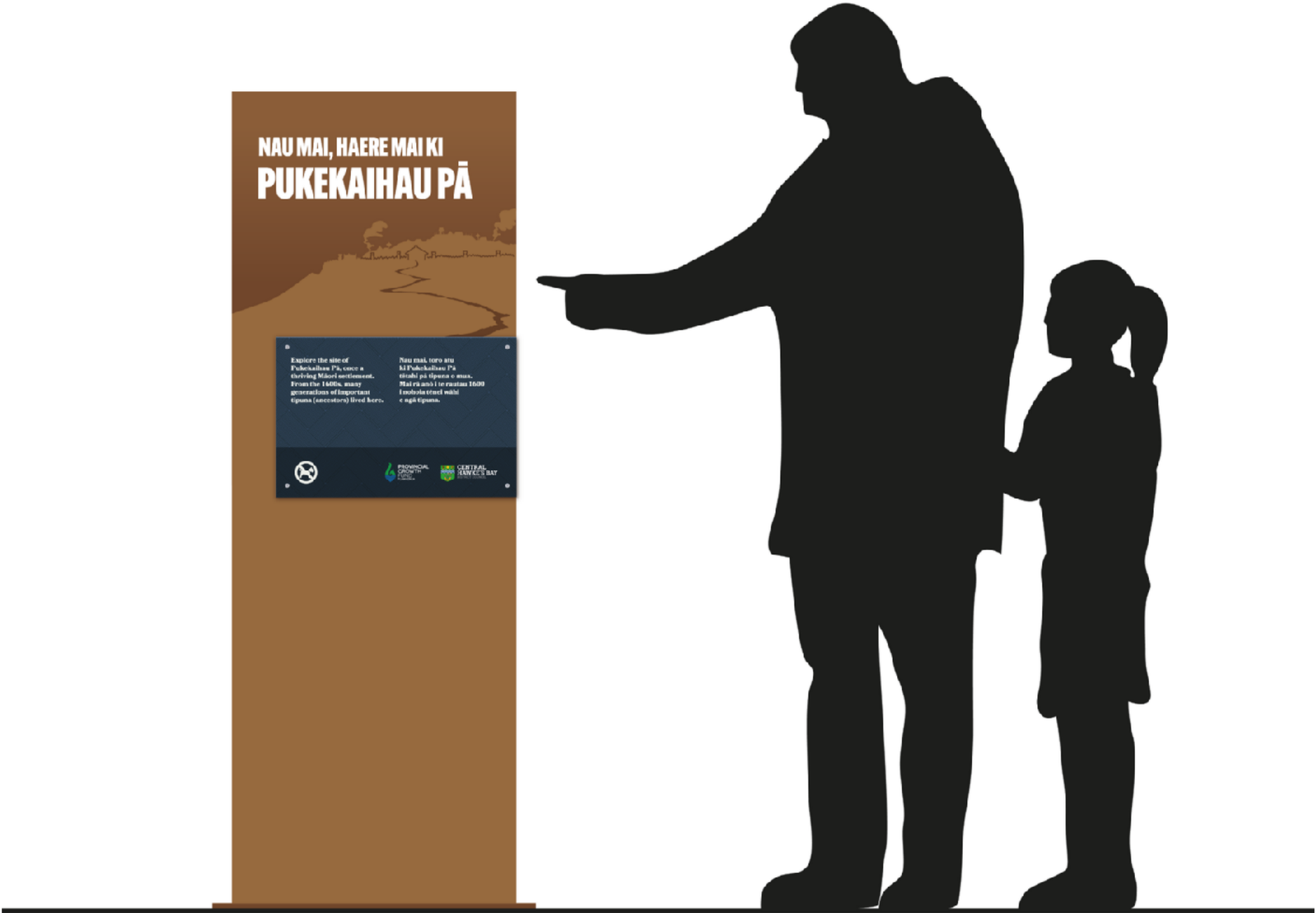


Item 6.9- Attachment 1

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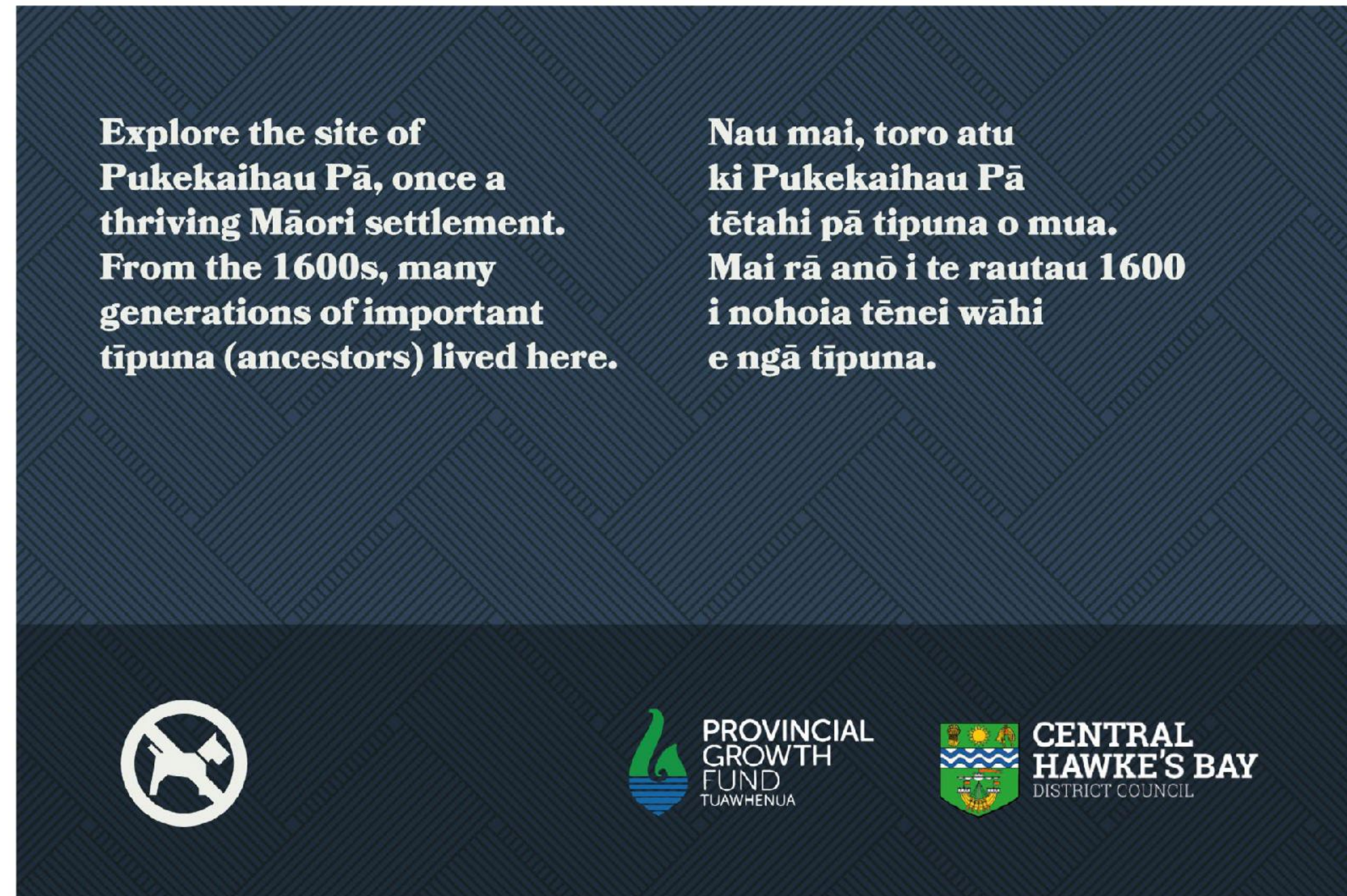
Welcome Sign

Spatial



Welcome Sign cont...

Graphic



Oral History Pou

Spatial



Oral History Pou cont...

Graphic

You are standing on the site of Te Tauranga, where the tīpuna (ancestors) moored their waka (canoes). Wetlands once extended here – lakes, rivers, streams and springs covered much of this region. Te wai (water) provided physical and spiritual sustenance to the tīpuna. Assorted wildlife thrived in and around te wai.

Kei te tū koe i runga i te wāhi i huaina e ngā tīpuna o mua, ko Te Tauranga. Arā, he ūranga waka, he tauranga waka. I te wā i a rātou e kapi ana tēnei wāhi i ki te wai – te wairepo, ngā roto, ngā awa me ngā puna wai. Ko te wai te ora o ngā mea katoa, arā ngā tīpuna, me ngā koiora.

EXPLORE ON YOUR PHONE

Tūhuratia mā tō Waea Pūkoro

Use your mobile phone to watch video stories about this site by mana whenua: the tribes with authority over this land.

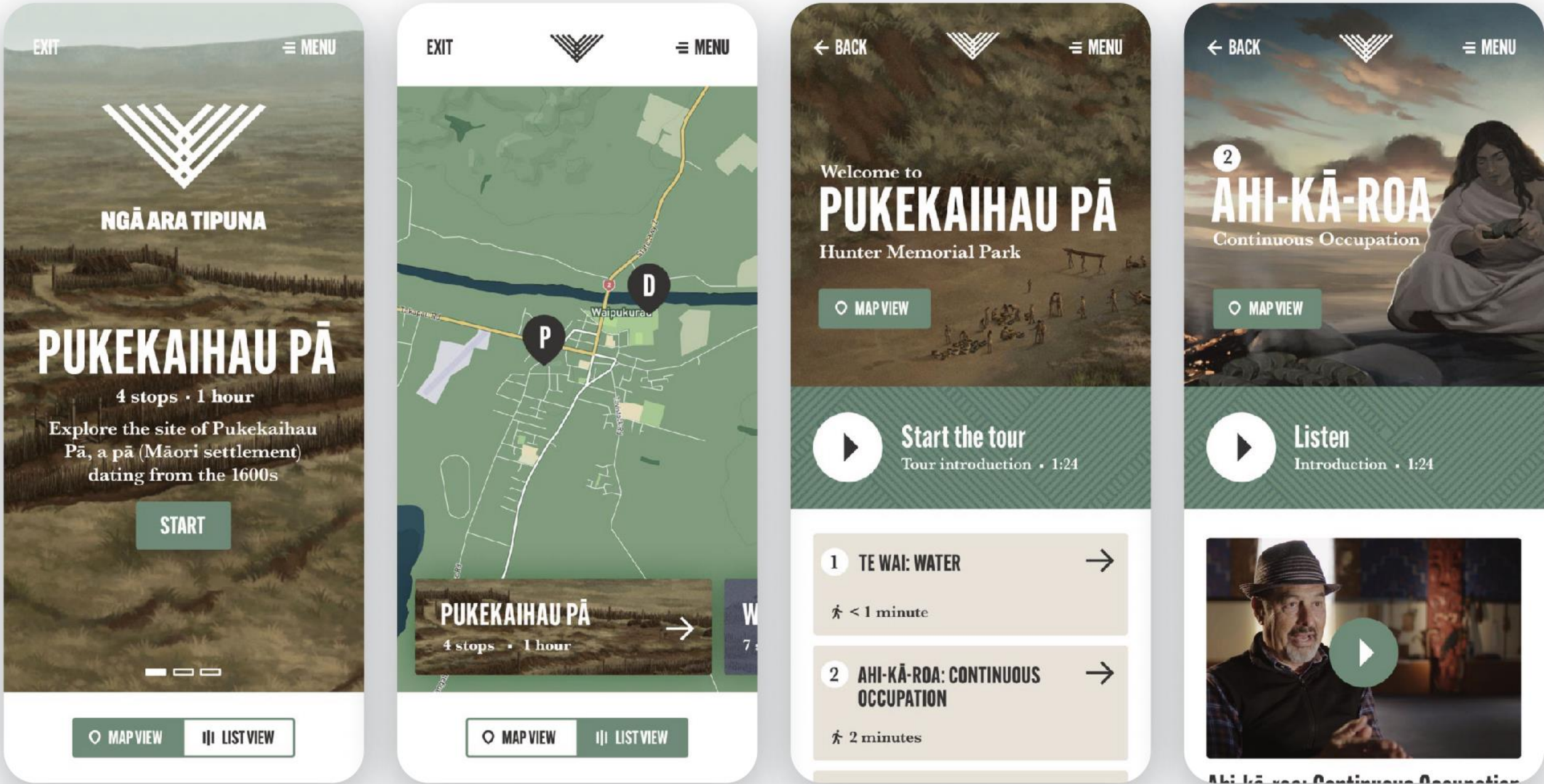
Mā tō waea pūkoro ka taea te e koe te mātaki i ngā ataata me ngā pūkōrero mana whenua.

Visit/haere ki:
ngaaratipuna.nz/1



Mobile Tour

Ngā Ara Tipuna — Graphic and Spatial Update 09



Whare Kōrero

Spatial



Whare Kōrero cont..

Graphics



Lower Lookout

Spatial



Lower Lookout cont...

Graphics



Summit Lookout

Spatial



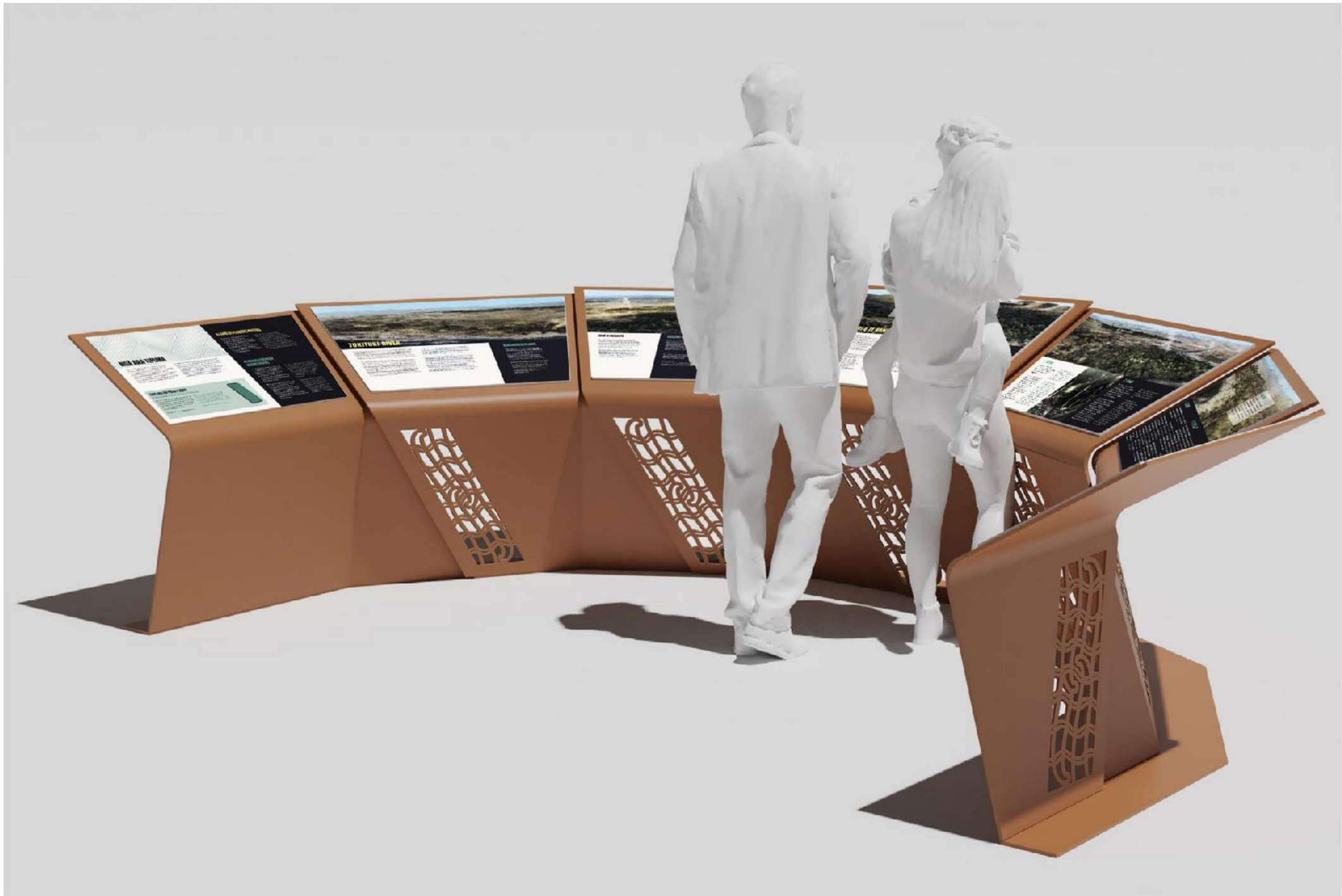
Summit Lookout cont...

Graphics

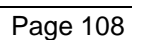


Pukeora Lookout

Spatial



Graphics



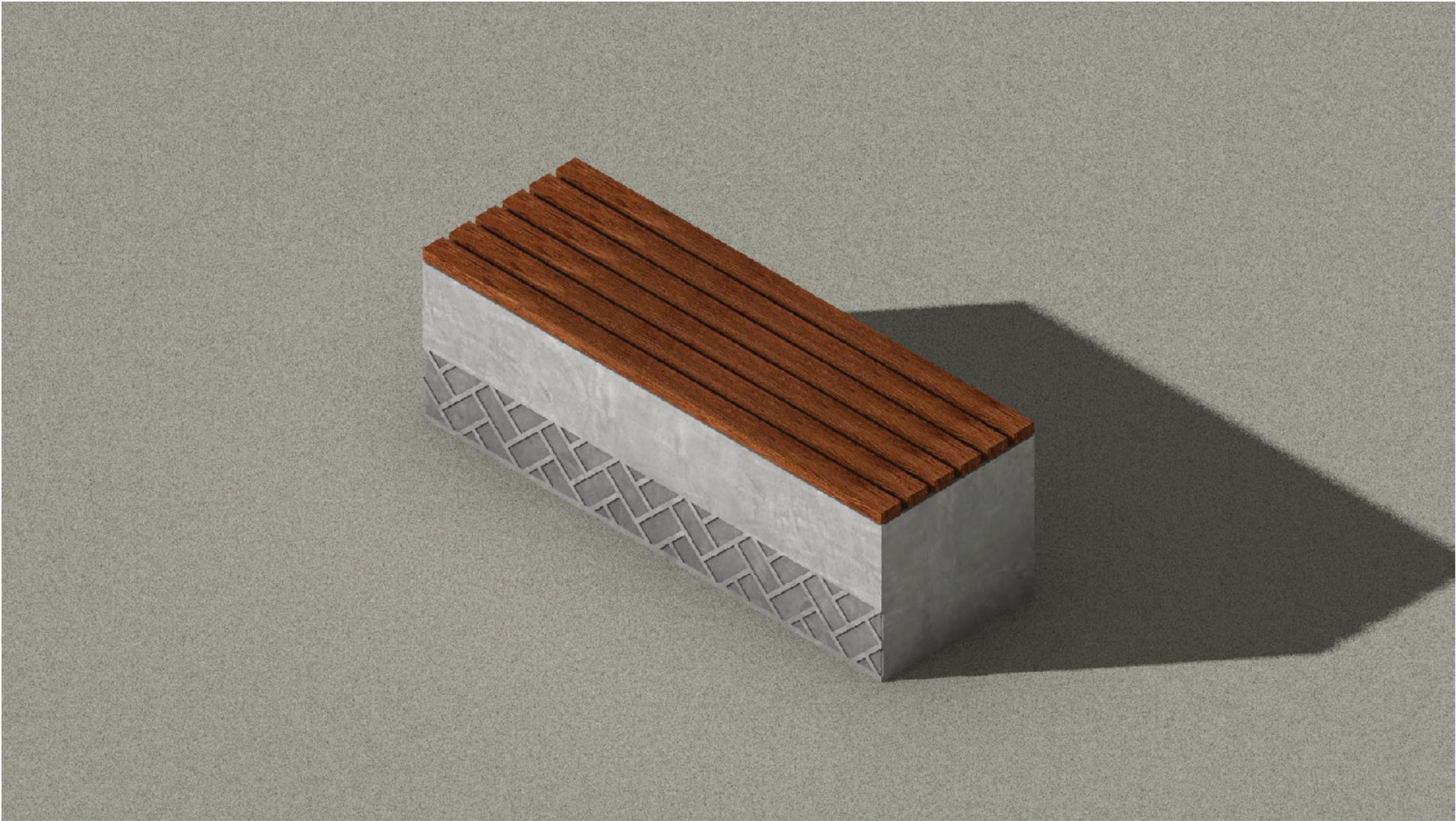
Wayfinding Bollard

Spatial and Graphic



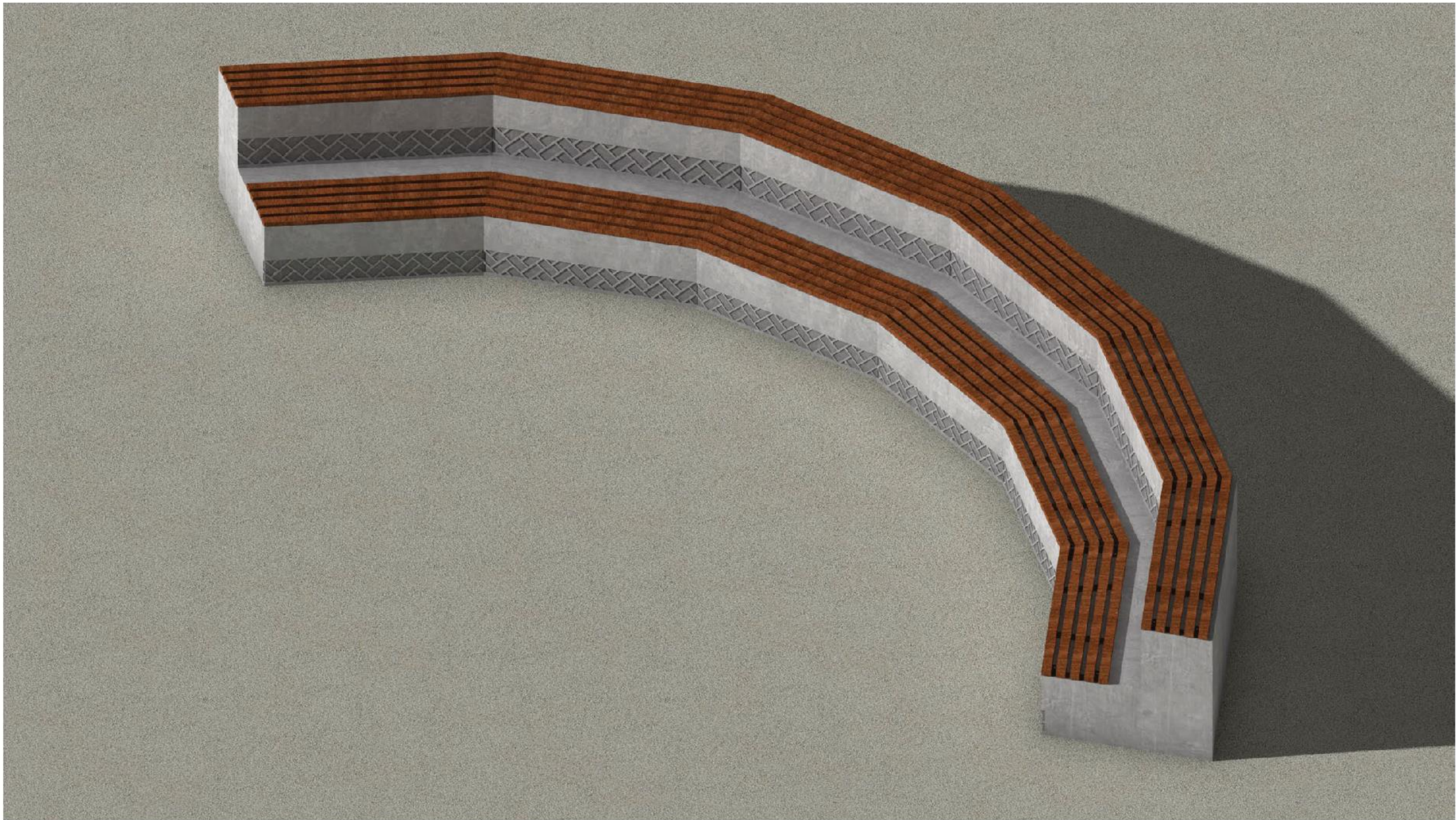
Bench Seats

Spatial



Amphitheatre

Spatial



6.10 FINANCIAL REPORTING FOR THE EIGHT MONTHS TO FEBRUARY 2021**File Number:** COU1-1410**Author:** Brent Chamberlain, Acting Chief Financial Officer**Authoriser:** Monique Davidson, Chief Executive**Attachments:** 1. Financial Results to February 2021 [↓](#)**PURPOSE**

The purpose of this report is to provide the Committee with a summary of Council's financial performance and highlight the key financials for the first eight months of 2020/21 financial year.

RECOMMENDATION

That, having considered all matters raised in the report, the report on Council's financial performance for the first eight months of the 2020/21 financial year be noted.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as being of some significance.

DISCUSSION

The aim of this report is to provide Council with a summary of the financial performance of Council and highlights the key trends for the first eight months for the year ended 30 June 2021.

The report contains a Financial Overview for Whole of Council and the Groups of Activities.

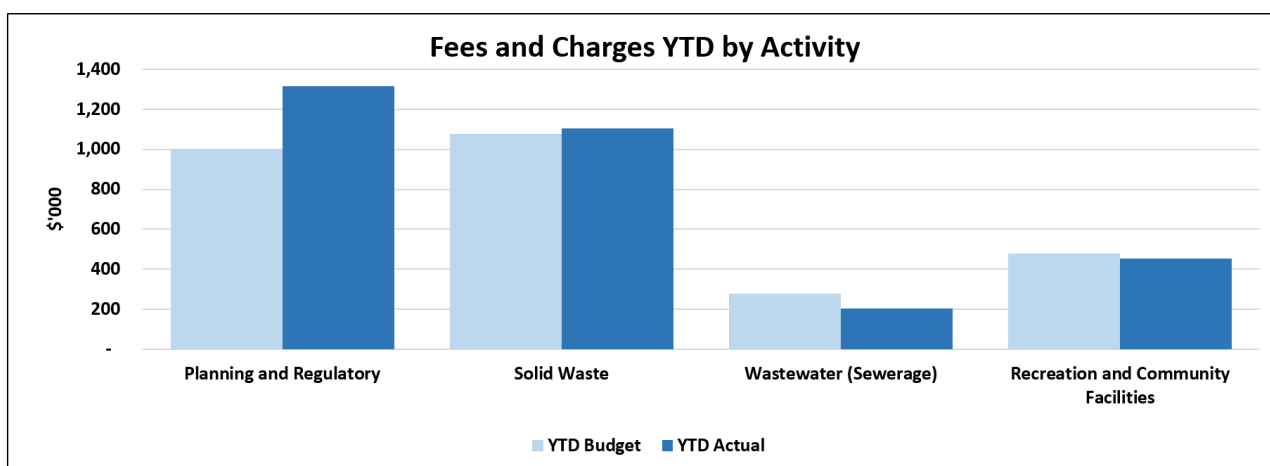
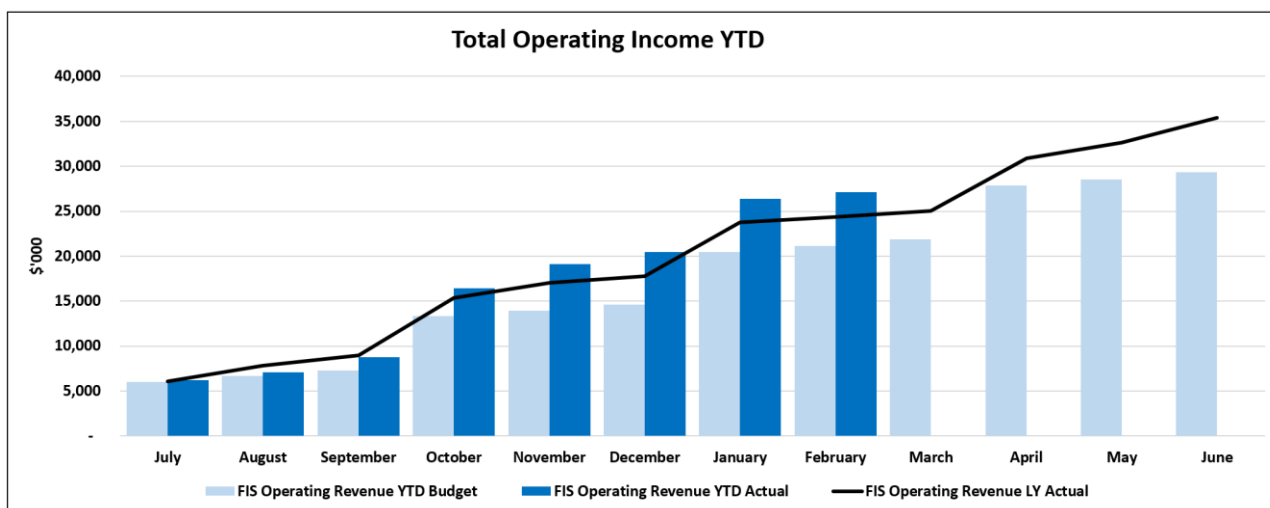
Budget Commentary

At a high level, operating revenue is \$5.9m ahead of budget at February 2021 (\$27.1m achieved versus \$21.1m budget).

This difference is largely caused by unbudgeted external funding - 3 Waters Reform \$1.175m operational, Economic Development Work Creation \$3.5m, He Ringa Whanau Ora \$0.2m.

The balance is driven by additional fees and charges and is volume related. For example, Council continues to experience a high demand for Resource Consents and Building Consents and this revenue is \$331k up on budget.

In addition, Council has received a one off back payment from NZTA of \$280k due to the change in the FAR rate (Funding Assistance Rate).

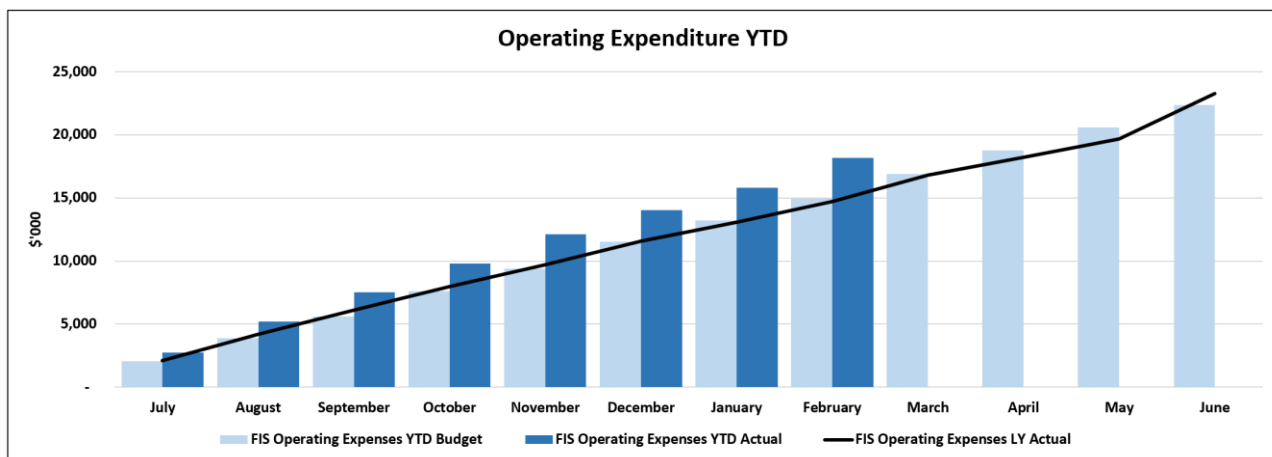


Just like revenue, operating costs are also up on budget by \$3.2m (actually spent \$18.2m versus a budget of \$14.9m).

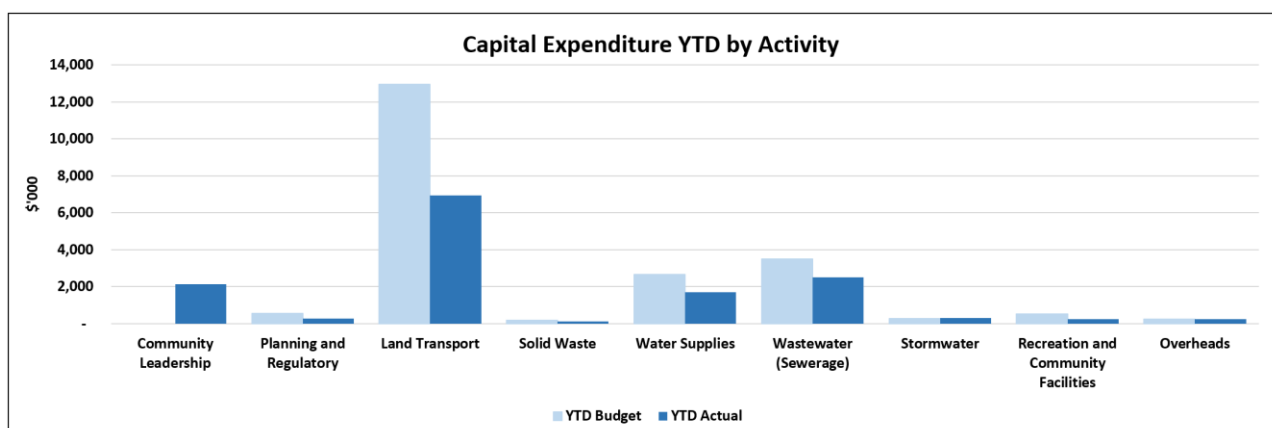
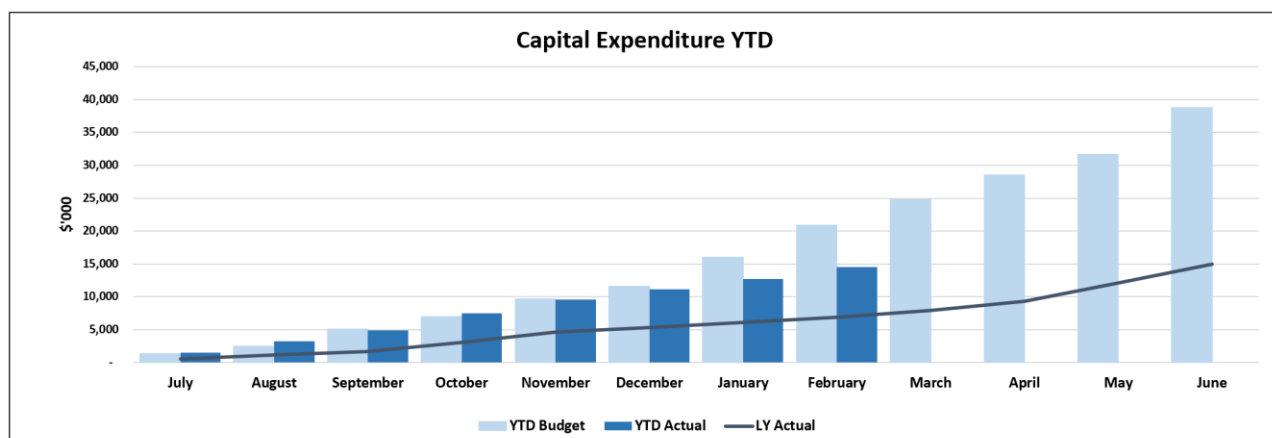
The unbudgeted revenue, also comes with unbudgeted costs - \$2.2m of Work Creation payments. Note that this project should be rate neutral which suggests at 28 February Council is holding \$1.3m of unspent work creation revenue.

In terms of business as usual, Council is also experiencing cost overruns which is a mixture of demand/volume driven, and operational overspends.

For consents, matching to the additional revenue, Council has spent an additional \$320k on outsourcing consent processing. Solid Waste is \$249k overspent due to a series of events including the disposal of accumulated tyres and concrete, transport of green waste to Napier, S17a review costs, and the purchase of carbon credits. Our 3 waters maintenance contracts are also over due to additional reactive maintenance - Water Supplies \$461k (includes \$44k to be recharged to 3rd parties for new connections), Wastewater \$157k, and is offset by storm water savings of \$63k.



Council is behind budget in capital spend, mainly in land transport but slightly offset by Community Leadership. The Land Transport under spend is largely a timely issue with reseals and bridge strengthening programs being behind schedule. The reseals as subsequently been completed and the bridge strengthening work is underway. The Nga Ara Tipuna Project is what is driving the Community Leadership spend. It is unbudgeted but is being funded by external sources so has little rating impact..

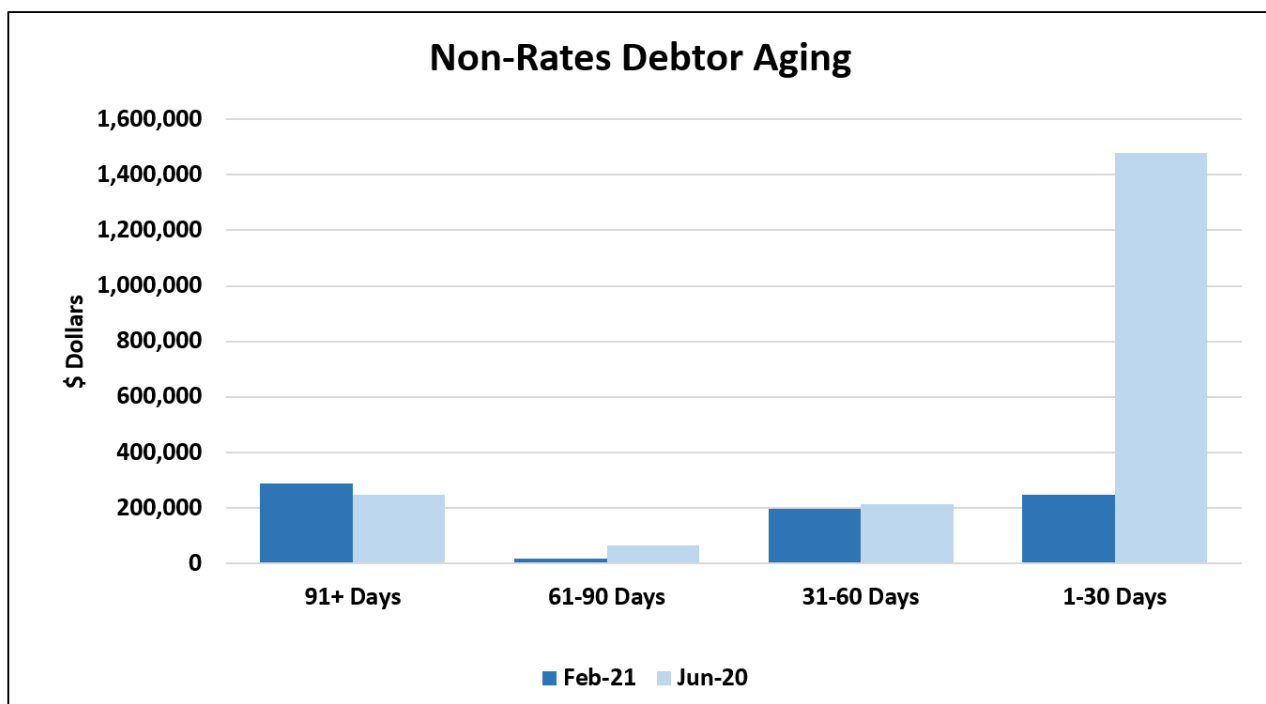
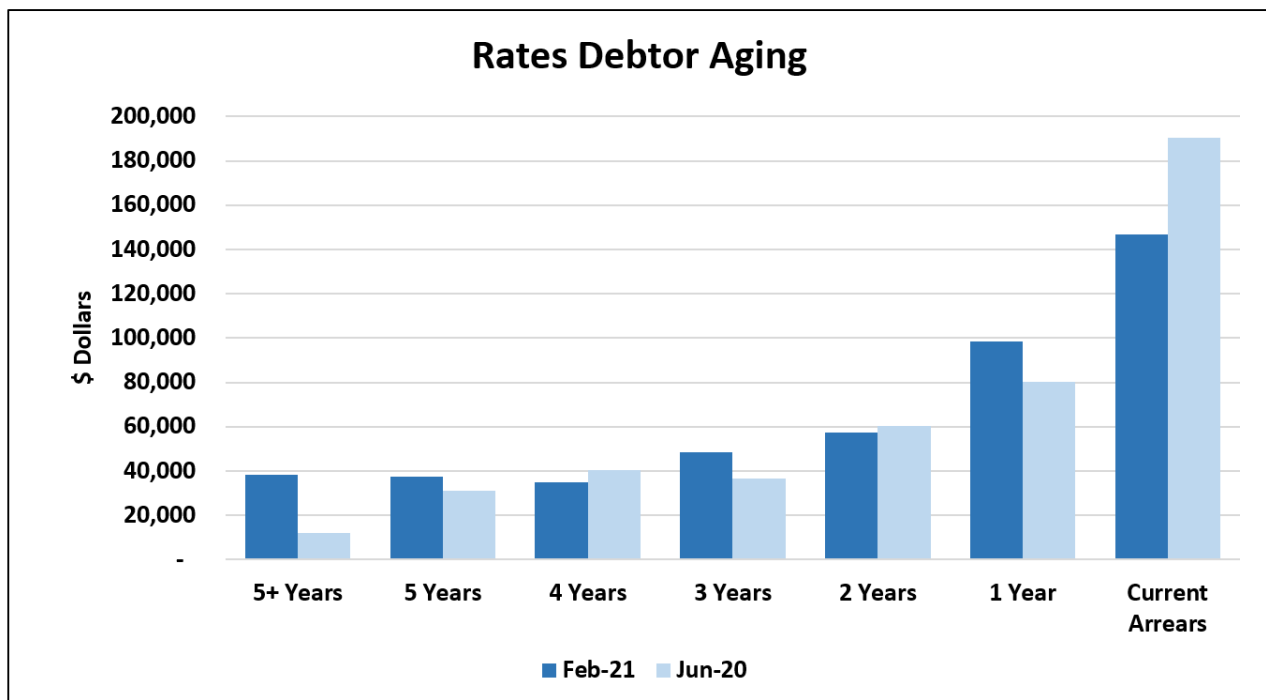


Cash Position

At the end of February Council was holding \$6.3m in its call account and a further \$13.5m in term deposits meaning it has plenty of funding available to fund its capital program for the months ahead.

Part of the reason Council was holding so much cash in February was due to the quarterly rates that were received at the end of February, and the first tranche of the 3 Waters Reform (\$5.5m) was received late November.

Debtors



Council Officers continue to work with our debtors to ensure collection. The earlier fears about what impact Covid-19 and the drought might have on debt arrears haven't become apparent at the time of writing. In fact, the Covid-19 rates relief policy has only been used by 2 rate payers across the district since the policy was adopted.

The Non Rates Debtors from June 2020 included significant NZTA and GST debtors which aren't included in the February 2021 figures.

Treasury Policy

The table below shows that Council is compliant with both its existing treasury policy, and its proposed treasury policy contained in the draft Long Term Plan.

<u>Treasury Compliance with Policy</u>			
<u>Liquidity (Liquid Assets + Debt / Debt)</u>			
	Existing	Proposed	
	Limit	Limit	Actual
✓	>110%	>115%	139%
<u>Finance Costs / Total Revenue</u>			
	Existing	Proposed	
	Limit	Limit	Actual
✓	<10%	<20%	0.8%
<u>Finance Costs / Total Rates Revenue</u>			
	Existing	Proposed	
	Limit	Limit	Actual
✓	<20%	<25%	1.9%
<u>Debt per Head of Population</u>			
	Existing	Proposed	
	Limit	Limit	Actual
✓	<\$2,000	Removed	\$ 1,405
<u>Debt to Operating Revenue</u>			
	Existing	Proposed	
	Limit	Limit	Actual
✓	New	<150%	34.5%

Comprehensive Income and Expenditure Statement

The budget commentary above is all based on the FIS (Funding Impact Statement) view of Councils finances (as required by the Local Government Act 2002).

When you display the same data using IFRS (International Financial Reporting Standards – standard accounting reporting format) then Councils revenue is inflated by capital grants (such as NZTA, PGF, and MBIE funding). For this financial period this includes the NZTA funding assistance and the 3 Waters Reform monies.

Offsetting this is the disclosure of depreciation (\$7.9m) as a cost.

By including this external funding, Council is showing an \$12.6m Comprehensive Income Surplus as at 28 February 2021.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;

- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

NEXT STEPS

Officers will continue to monitor and manage the finances of Council.

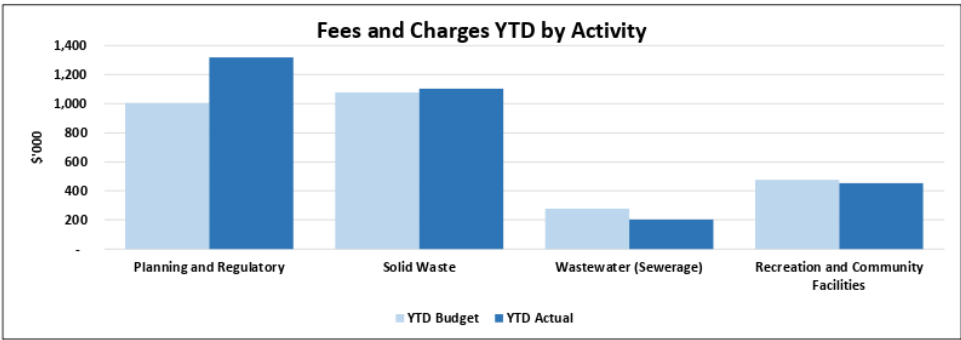
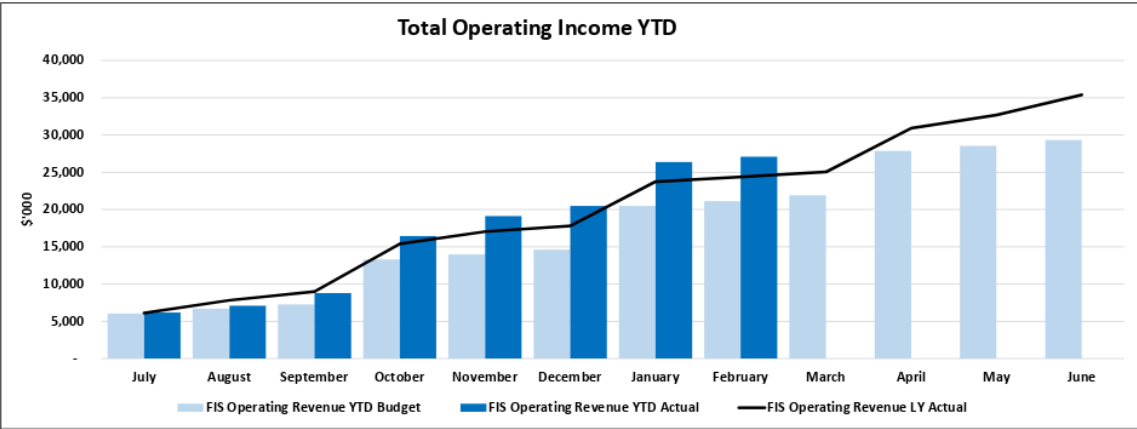
RECOMMENDATION

That, having considered all matters raised in the report, the report on Council's financial performance for the first eight months of the 2020/21 financial year be noted.

Central Hawkes Bay District Council
For the Period July 2020 - February 2021



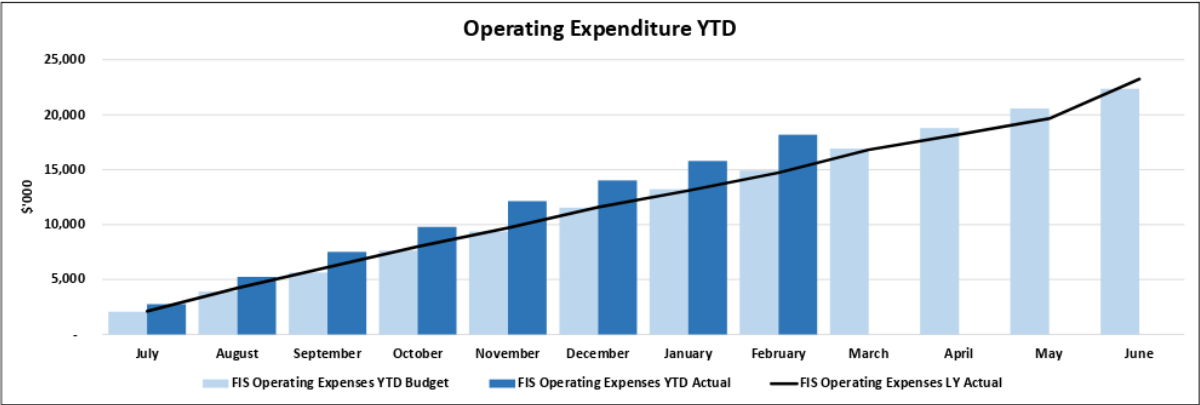
OPERATING INCOME



Central Hawke's Bay District Council
For the Period July 2020 - February 2021



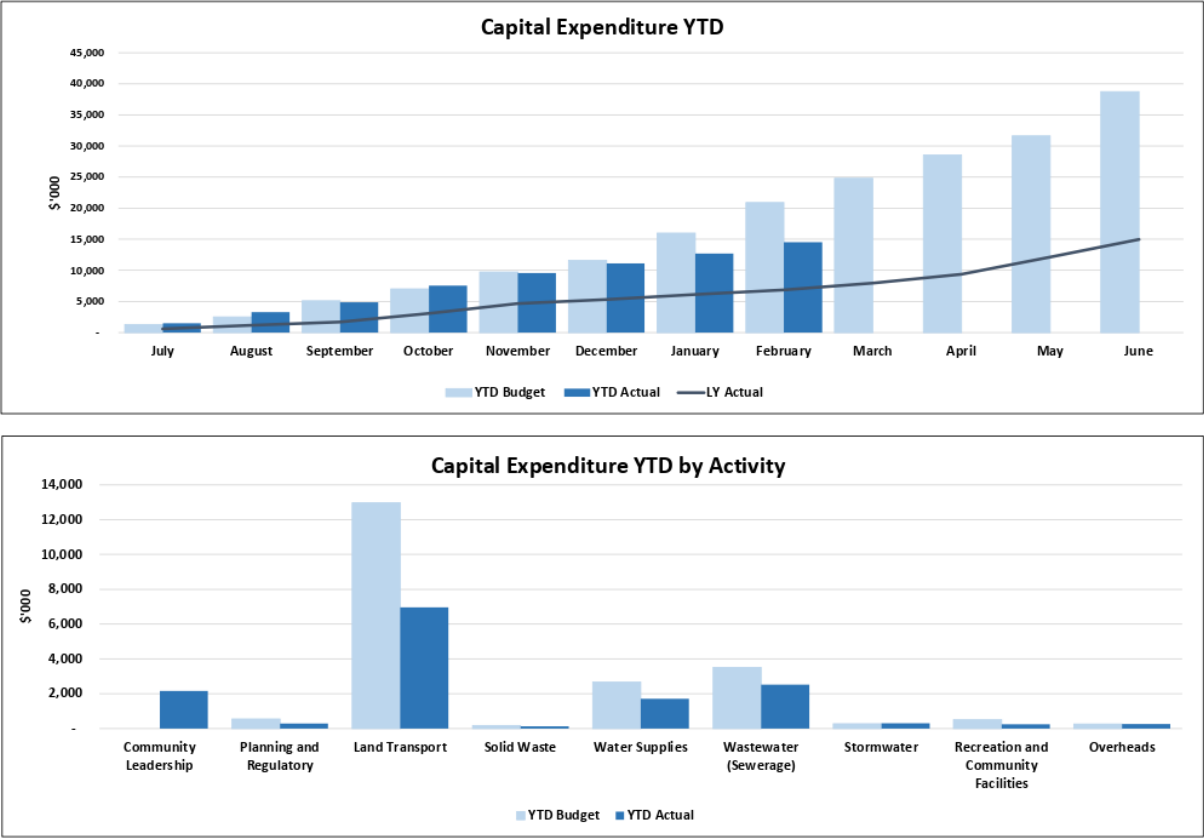
OPERATING EXPENDITURE



Central Hawkes Bay District Council
For the Period July 2020 - February 2021



Capital Expenditure



Central Hawke's Bay District Council
For the Period July 2020 - February 2021

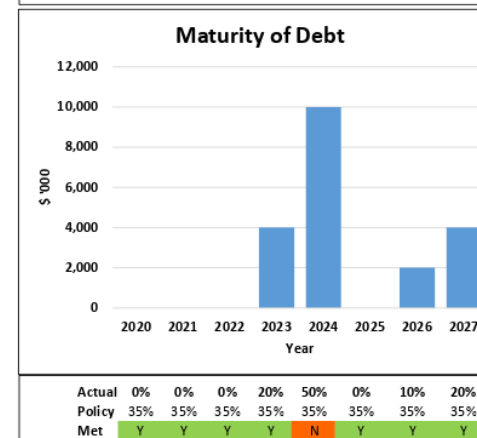
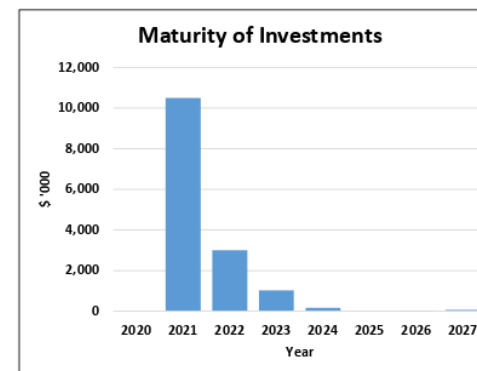


Cash and Investment Position

	Maturity Date	Int Rate (Face)	Int Rate (Actual)	Amount 30/06/2020	Amount Now	Movement
<u>ANZ Cheque and Call Accounts</u>						
				2,527,145	6,322,418	3,795,273
<u>Term Deposits with maturity < 90 days</u>						
BNZ Term Deposit (AA-)	17/07/2020	2.92%	2.92%	4,000,000	-	(4,000,000)
ANZ Term Deposit (AA-)	18/09/2020	2.45%	2.45%	2,000,000	-	(2,000,000)
BNZ Term Deposit (AA-)	19/10/2020	2.55%	2.55%	2,000,000	-	(2,000,000)
BNZ Term Deposit (AA-)	19/11/2020	2.60%	2.60%	1,000,000	-	(1,000,000)
BNZ Term Deposit (AA-)	19/12/2020	2.13%	2.13%	2,000,000	-	(2,000,000)
ANZ Term Deposit (AA-)	19/04/2021	0.22%	0.22%	-	1,500,000	1,500,000
				11,000,000	1,500,000	(9,500,000)
<u>Bonds, Capital Notes, & Term Deposits with maturity > 90 days</u>						
LGFA Capital Notes	25/08/2025	3.54%	3.54%	32,000	32,000	0
LGFA Capital Notes	15/04/2024	1.79%	1.79%	160,000	160,000	0
LGFA Capital Notes	15/04/2023	1.56%	1.56%	64,000	64,000	0
LGFA Capital Notes	15/04/2027	1.63%	1.63%	64,000	64,000	0
ANZ Bond (AA-)	1/09/2023	3.71%	3.71%	355,000	355,000	0
ASB Bond (AA-)	7/09/2023	3.33%	3.33%	600,000	600,000	0
Westpac Term Deposit (AA-)	31/05/2021	1.52%	1.52%	-	4,500,000	4,500,000
BNZ Term Deposit (AA-)	31/05/2021	1.41%	1.41%	-	1,500,000	1,500,000
BNZ Term Deposit (AA-)	17/06/2021	0.45%	0.45%	-	3,000,000	3,000,000
BNZ Term Deposit (AA-)	19/07/2021	0.55%	0.55%	-	3,000,000	3,000,000
				1,275,000	13,275,000	12,000,000
Total Cash and Investments Held				14,802,145	21,097,418	6,295,273

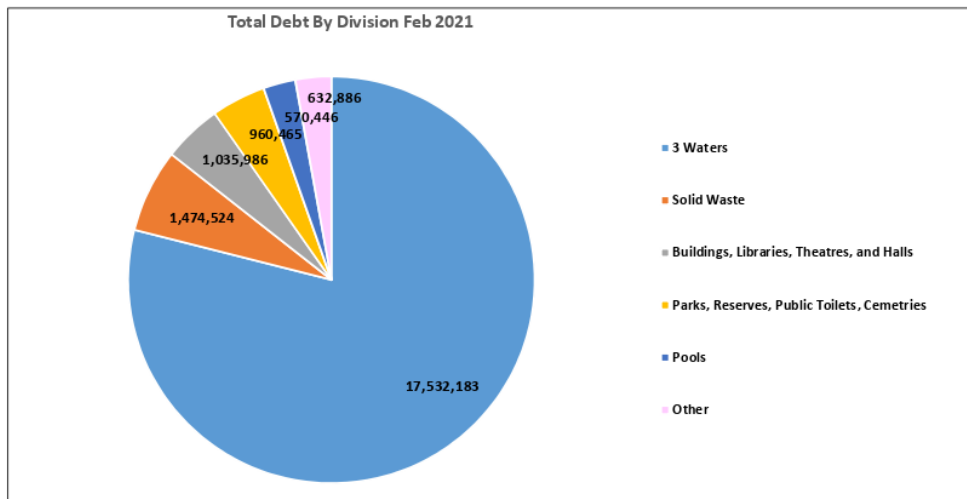
Debt Position

	Draw Date	Maturity Date	Interest Rate	Amount 30/06/2020	Amount Now	Movement
LGFA - Fixed Rate	28/08/2017	25/08/2025	3.85%	2,000,000	2,000,000	-
LGFA - Fixed Rate	22/07/2019	15/04/2024	2.19%	10,000,000	10,000,000	-
LGFA - Fixed Rate	16/12/2019	15/04/2023	1.96%	4,000,000	4,000,000	-
LGFA - Fixed Rate	16/03/2020	15/04/2027	2.03%	4,000,000	4,000,000	-
ANZ Seasonal Facility (\$1,500,000)				-	-	-
Total Debt			2.28%	20,000,000	20,000,000	-



Actual	0%	0%	0%	20%	50%	0%	10%	20%
Policy	35%	35%	35%	35%	35%	35%	35%	35%
Met	Y	Y	Y	Y	N	Y	Y	Y

Central Hawkes Bay District Council
For the Period July 2020 - February 2021

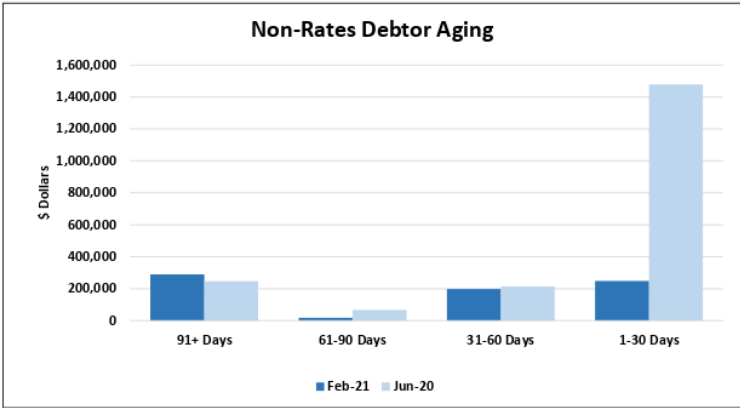
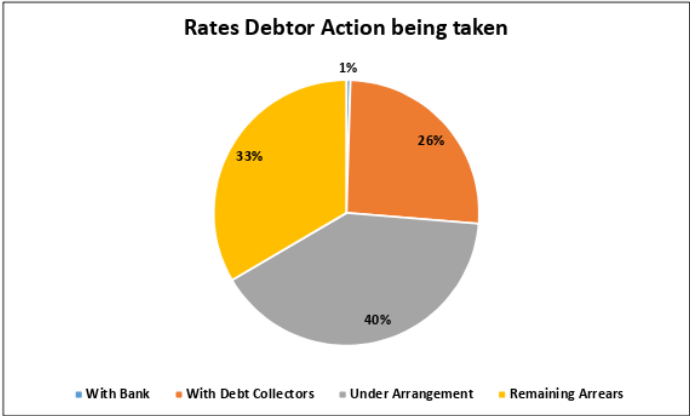
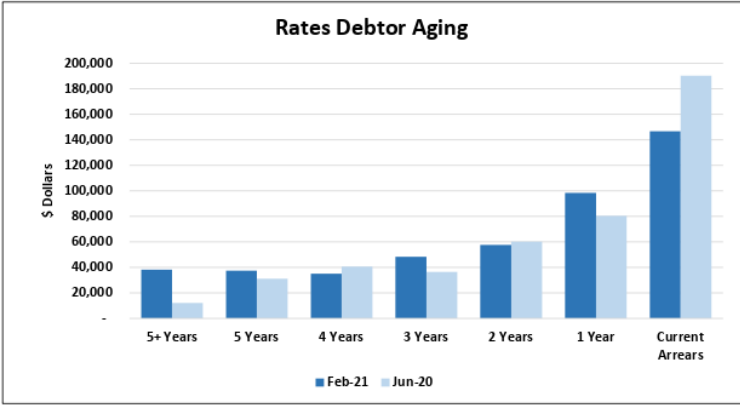


Treasury Compliance with Policy			
<u>Liquidity (Liquid Assets + Debt / Debt)</u>			
	Existing Limit	Proposed Limit	Actual
✓	>110%	>115%	139%
<u>Finance Costs / Total Revenue</u>			
	Existing Limit	Proposed Limit	Actual
✓	<10%	<20%	0.8%
<u>Finance Costs / Total Rates Revenue</u>			
	Existing Limit	Proposed Limit	Actual
✓	<20%	<25%	1.9%
<u>Debt per Head of Population</u>			
	Existing Limit	Proposed Limit	Actual
✓	<\$2,000	Removed	\$ 1,405
<u>Debt to Operating Revenue</u>			
	Existing Limit	Proposed Limit	Actual
✓	New	<150%	34.5%

Central Hawkes Bay District Council
For the Period July 2020 - February 2021
Sources of Capital



Rates Outstanding



Central Hawkes Bay District Council
For the Period July 2020 - February 2021
 Month



Comprehensive Income and Expenditure Report

	YTD Actuals	YTD Budget	Bud Var	FLAG	Comments
Operating Income					
General rates, uniform annual general charges and rates penalties	10,443,880	10,451,807	(8,127)	✗	
Targeted rates	5,476,633	5,511,191	(34,558)	✗	The bulk of metered water revenue comes in Q4 of the year - Residents get the first 300 cubic metres included in their fixed targeted rate, and only pay additional charges once this level has been exceeded.
Subsidies and Grants (Operating and Capital)	19,020,482	12,021,227	6,999,255	✓	Unbudgeted external funding \$11.1m - 3 Waters Reform \$5.5m, Economic Development Work Creation \$3.5m, He Ringa Whanau Ora \$0.2m, Nga Tipuna \$1.9m, offset by being \$4m behind in Land Transport across both PGF and day to day operations.
Fees, charges	3,149,152	2,880,379	268,773	✓	Resource Consents and Building Consents are up \$331k on budget collectively, transfer stations up \$38k, landfill up \$7k, rubbish bag sales \$4k up, retirement housing \$18k up, dog registrations \$10k up, land transport fees \$14k up, offset by Municipal Theatre down \$25k (impact of Covid), Compliance and Monitoring down \$28k, Trade Waste down \$75k.
Interest and dividends from investments	161,186	61,280	99,906	✓	Interest on additional Term Deposits we are holding
Development Contributions	85,285	71,032	14,253	✓	Good level of Development across Waipawa and Waipukurau, Otane has slowed for now.
Other Income	432,717	175,696	257,021	✓	Includes \$280k of NZTA FAR adjustment back pay. Down in EC Read Income at the Library \$10k, and asset sales \$23k
TOTAL	38,769,136	31,172,612	7,596,524	✓	
Applications of Operating					
Payments to staff	3,692,312	3,952,594	260,282	✓	Savings in Building Control \$69k, Governance Staff \$10k, People and Capability staff (delayed return from maternity) \$58k, and vacancies and maternity leave across a number of back office staff, offset by Museum Wages +\$31k (matched by reduction in grant)
Payments to suppliers	14,176,839	10,696,025	(3,480,814)	✗	\$2.2m of unbudgeted Work Creation payments, \$320k of outsourcing consents, \$249k of solid waste (disposal of tyres and concrete, transport of greenwaste, \$17a review, purchase of carbon credits), \$53k PGF Land Transport Investigations, Water Supplies \$461k (includes \$44k to be recharged), Wastewater \$157k, offset by storm water savings \$63k
Depreciation and Amortisation	7,923,495	8,676,288	752,793	✓	Savings as against budget mainly relates to roading and is a result of the negative revaluation of roading assets at year end.
Finance costs	302,880	306,608	3,728	!	
TOTAL	26,095,526	23,631,515	(2,464,011)	✗	
Operating Surplus(Deficit)	12,673,610	7,541,097	5,132,513	✓	

Central Hawkes Bay District Council
For the Period July 2020 - February 2021



Funding Impact Statement Report

Sources of Operating	YTD Actuals	YTD Budget	Bud Var	FLAG	Comments
General rates, uniform annual general charges and rates penalties	10,443,680	10,451,807	(8,127)	✗	
Targeted rates	5,476,633	5,511,191	(34,558)	✗	The bulk of metered water revenue comes in Q4 of the year - Residents get the first 300 cubic metres included in their fixed targeted rate, and only pay additional charges once this level has been exceeded.
Subsidies and Grants for Operating Purposes	7,436,224	2,079,054	5,357,170	✓	Unbudgeted external funding - 3 Waters Reform \$1.175m operational, Economic Development Work Creation \$3.5m, He Ringa Whanau Ora \$0.2m
Fees, charges	3,149,256	2,879,379	269,877	✓	Resource Consents and Building Consents are up \$331k on budget collectively, transfer stations up \$38k, landfill up \$7k, rubbish bag sales \$4k up, retirement housing \$18k up, dog registrations \$10k up, land transport fees \$14k up, offset by Municipal Theatre down \$25k (impact of Covid), Compliance and Monitoring down \$28k, Trade Waste down \$75k.
Interest and dividends from investments	161,186	61,280	99,906	✓	Interest on additional Term Deposits we are holding
Local authorities fuel tax, fines, infringement fees and other receipts	432,613	153,680	278,933	✓	Includes \$280k of NZTA FAR adjustment back pay. Down in EC Read Income at the Library \$10k
TOTAL	27,099,593	21,136,391	5,963,202	✓	
Applications of Operating					
Payments to staff	3,692,312	3,952,594	260,282	✓	Savings in Building Control \$69k, Governance Staff \$10k, People and Capability staff (delayed return from maternity) \$58k, and vacancies and maternity leave across a number of back office staff, offset by Museum Wages +\$31k (matched by reduction in grant)
Payments to suppliers	14,176,839	10,689,081	(3,487,758)	✗	\$2.2m of unbudgeted Work Creation payments, \$320k of outsourcing consents, \$249k of solid waste (disposal of tyres and concrete, transport of greenwaste, S17a review, purchase of carbon credits), \$53k PGF Land Transport Investigations, Water Supplies \$461k (includes \$44k to be recharged), Wastewater \$157k, offset by storm water savings \$63k
Finance costs	302,880	278,480	(24,400)	✗	Started the year with higher debt than budgeted, but funds invested so additional costs matched by additional interest income. Nb - difference between FIS budget and Comprehensive budget is due to Landfill Aftercare which is non cash.
Other operating funding applications	0	6,944	6,944	✓	
TOTAL	18,172,031	14,927,099	(3,244,932)	✗	
Net Operating Cash Flows	8,927,562	6,209,292	2,718,270		

Central Hawkes Bay District Council
For the Period July 2020 - February 2021



Funding Impact Statement Report Continued

Sources of Capital	YTD Actuals	YTD Budget	Bud Var	FLAG	Comments
Subsidies and grants for capital expenditure	11,584,258	9,942,173	1,642,085	✓	Unbudgeted external funding \$8.2m - 3 Waters Reform \$4.25m, Nga Tipuna \$1.9m, offset by being \$4m behind in Land Transport across both PGF and day to day operations.
Gross proceeds from sale of assets	0	23,016	(23,016)	✗	Haven't replaced any vehicles to date, the first of the fleet vehicles were replaced in February and sale proceeds from the old vehicle was received March.
Development and financial contributions	85,285	71,032	14,253	✓	Good level of Development across Waipawa and Waipukurau, Otane has slowed for now.
Increase (decrease) in debt	0	5,245,594	(5,245,594)	✗	Still holding Term Deposits and 3 waters reform money, no new debt required till 2021/22 financial year.
TOTAL	11,669,543	15,281,815	(3,612,272)		
Applications of Capital					
to meet additional demand	0	0	0		
to improve the level of service	6,924,077	7,303,576	379,499	✓	Includes \$1.9m of Nga Ara Tipuna offset by District Planning \$255k (timing issue), Wastewater \$1,072k (mainly Takapau/District Wide, offset by Otane), Drinking Water \$888k (mainly Waipukurau and Kairakau), and Storm water Projects \$128k
to replace existing assets	7,819,002	13,591,274	5,972,272	✓	Land Transport \$5,885k under budget (primarily in resals and structure renewals - bridges, as well as the route 52 program), Aerial Imagery \$35k underspent, Community Facilities \$230k underspent, 3 Waters is \$17.7k overspent.
Increase (decrease) in reserves	(195,555)	720,833	916,388	✓	Budget includes the Carry Forwards from year end which haven't been "brought back" yet - Mainly Land Transport
Increase (decrease) of investments	(12,500,000)	(124,576)	12,375,424	✗	Reflects the unbudgeted 3 Waters Reform money being received, meaning Council hasn't consumed it's cash reserves.
TOTAL	1,847,524	21,491,107	19,643,583		
Net Capital Cash Flows	9,822,019	(6,209,292)	16,031,311		
Grand Total	18,749,581	0	18,749,581		

Central Hawkes Bay District Council
For the Period July 2020 - February 2021



Funding Impact Statement Report by Activity

	Community Leadership		Planning and Regulatory		Land Transport		Solid Waste		3 Waters		Recreation and Community Facilities	
	YTD Actuals	Bud Var	YTD Actuals	Bud Var	YTD Actuals	Bud Var	YTD Actuals	Bud Var	YTD Actuals	Bud Var	YTD Actuals	Bud Var
Sources of Operating												
General rates, uniform annual general charges and rates penalties	1,053,692	(1,096)	614,673	(2,808)	5,142,180	1,917	920,004	22,815	0	0	2,728,241	(4,981)
Targeted rates	0	0	0	0	0	0	280,090	505	5,196,543	(35,063)	0	0
Subsidies and Grants for Operating Purposes	3,781,694	3,584,912	0	0	2,289,873	493,973	90,458	50,126	1,175,000	1,175,000	99,200	53,160
Fees, charges	28,613	9,421	1,317,996	313,967	37,319	13,647	1,103,367	26,373	208,521	(70,655)	453,301	(23,015)
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	5,363	(5,973)	393,556	286,076	0	0	0	0	33,798	(66)
TOTAL	4,863,999	3,593,237	1,938,032	305,186	7,862,928	795,613	2,393,919	99,819	6,580,064	1,069,282	3,314,539	25,097
Applications of Operating												
Payments to staff and suppliers	2,945,375	(2,107,979)	1,239,230	(183,751)	3,353,853	(302,215)	1,800,562	(280,820)	2,857,525	(581,895)	2,256,619	(51,931)
Finance costs	0	0	3,875	19,181	0	0	24,972	4,412	242,058	248,328	48,601	16,503
Other operating funding applications	217,562	10,484	370,925	17,879	1,082,847	51,205	317,428	15,294	1,005,784	48,461	592,054	28,516
TOTAL	3,162,937	(2,097,495)	1,614,030	(146,891)	4,416,500	(251,010)	2,142,962	(241,113)	4,105,366	(285,107)	2,897,274	(6,912)
Net Operating Cash Flows	1,701,062	5,690,732	324,002	451,877	3,446,428	1,046,623	250,956	340,932	2,474,697	1,354,389	417,266	32,009
Sources of Capital												
Subsidies and grants for capital expenditure	1,916,836	1,916,836	0	0	5,260,206	(4,681,967)	20,000	20,000	4,387,215	4,387,215	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	103	(1,889)	0	0	85,007	18,607	175	(2,465)
Increase (decrease) in debt	0	0	(16,169)	(542,043)	0	0	(84,160)	(114,960)	(543,495)	(5,475,959)	(118,289)	(251,329)
TOTAL	1,916,836	1,916,836	(16,169)	(542,043)	5,260,309	(4,683,856)	(64,160)	(94,960)	3,928,728	(1,070,136)	(118,114)	(253,794)
Applications of Capital												
to meet additional demand	0	0	0	0	0	0	0	0	0	0	0	0
to improve the level of service	2,150,011	(2,150,011)	290,983	255,499	826,889	121,229	59,912	56,216	3,484,844	2,089,284	77,187	41,533
to replace existing assets	0	0	0	0	6,130,216	5,884,744	58,022	(5,953)	1,050,897	(176,721)	160,553	230,830
Increase (decrease) in reserves	0	205,320	0	144,899	0	(117,088)	(11,742)	266,596	(58,000)	269,083	(32,982)	57,639
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	2,150,011	(1,944,691)	290,983	400,398	6,957,105	5,888,885	106,192	316,859	4,477,741	2,211,646	204,758	330,002
Net Capital Cash Flows	(233,175)	3,861,527	(307,152)	(942,441)	(1,696,795)	(10,572,741)	(170,353)	(411,819)	(549,013)	(3,281,782)	(322,872)	(583,795)
Grand Total	1,467,888	1,467,888	16,850	16,850	1,749,633	1,749,633	80,604	80,604	1,925,684	1,925,684	94,394	94,394

Activity Comments
Community Leadership: PGF Job Creation is distorting this cost centre (Revenue - Work Creation \$3.5m, He Ringa Whanau Ora \$0.2m offset by \$2.2m in costs). In addition Nga Ara Tipuna +\$1.9m in grants and \$2.2m in capex.
Planning and Regulatory: Resource Consents and Building Consents are up \$331k on budget collectively, over in costs due to \$320k of outsourcing consents, partly offset by staff savings \$60k. District plan review costs are \$255k under budget (timing issue).
Land Transport: Behind in NZTA subsidy and capital spend (spread across reseals, structure renewals - bridges, and Route 52 program). Yet to spend last years carryforwards (reserve movement of \$1.1m)
Solid Waste: Revenue - District Landfill Levy up \$50k, transfer stations up \$38k, landfill up \$8k, rubbish bag sales \$4k up. The overspend +\$249k of relates to disposal of tyres and concrete, transport of greenwaste, S17a review, purchase of carbon credits.
3 Waters: \$5.5m of 3 waters reform money received (\$1.175m operating and 4.325m capital). Water meters revenue \$43k behind budget (timing related) and trade waste revenue is behind budget \$75k. Over in maintenance contract payments - Water Supplies \$461k (includes \$44k to be recharged). Wastewater \$157k, offset by storm water savings \$63k. Capital Program - Wastewater \$984k (mainly Takapau/District Wide, offset by Otane), Drinking Water \$956k (mainly Waipukurau and Kairakau), offset by Storm water Projects \$26k
Recreational and Community Facilities: Wages +\$34k (mainly Museum Staff covered by grant). Operational Costs impacted by insurance \$13k over budget. Capital under budget \$272k spread across a number of renewal lines

7 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
7.1 - Resolution Monitoring Report	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(i) - the withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
7.2 - Water Rates Remission due to water leak	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	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

8 DATE OF NEXT MEETING**RECOMMENDATION**

THAT the next meeting of the Central Hawke's Bay District Council be held on 17 June 2021.

9 TIME OF CLOSURE