

7.10 QUARTERLY FINANCIAL REPORTING FOR SEPTEMBER 2019**File Number:** COU1-1400**Author:** Brent Chamberlain, Acting Chief Financial Officer**Authoriser:** Monique Davidson, Chief Executive**Attachments:** 1. Quarterly Financial Report September 2019

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RECOMMENDATION

1. That, having considered all matters raised in the report, the report on Council's first quarter financial performance for the 2019/20 financial year be received.

PURPOSE

The purpose of this report is to provide Council with a summary of Council's first quarter financial performance for the 2019/20 financial year.

SIGNIFICANCE AND ENGAGEMENT

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

DISCUSSION

This report is to supply Council with a summary of the financial performance of Council and highlights the key financials for the first quarter for the year ended 30 June 2019.

The report contains a Financial Overview for Whole of Council and the Groups of Activities, Treasury Report and Rates Debt Information.

This Financial Report is for the 3 months to 30 September 2019.

Central Hawke's Bay District Council: Funding impact statement 2019/20
Whole of Council
As at 30 September 2019

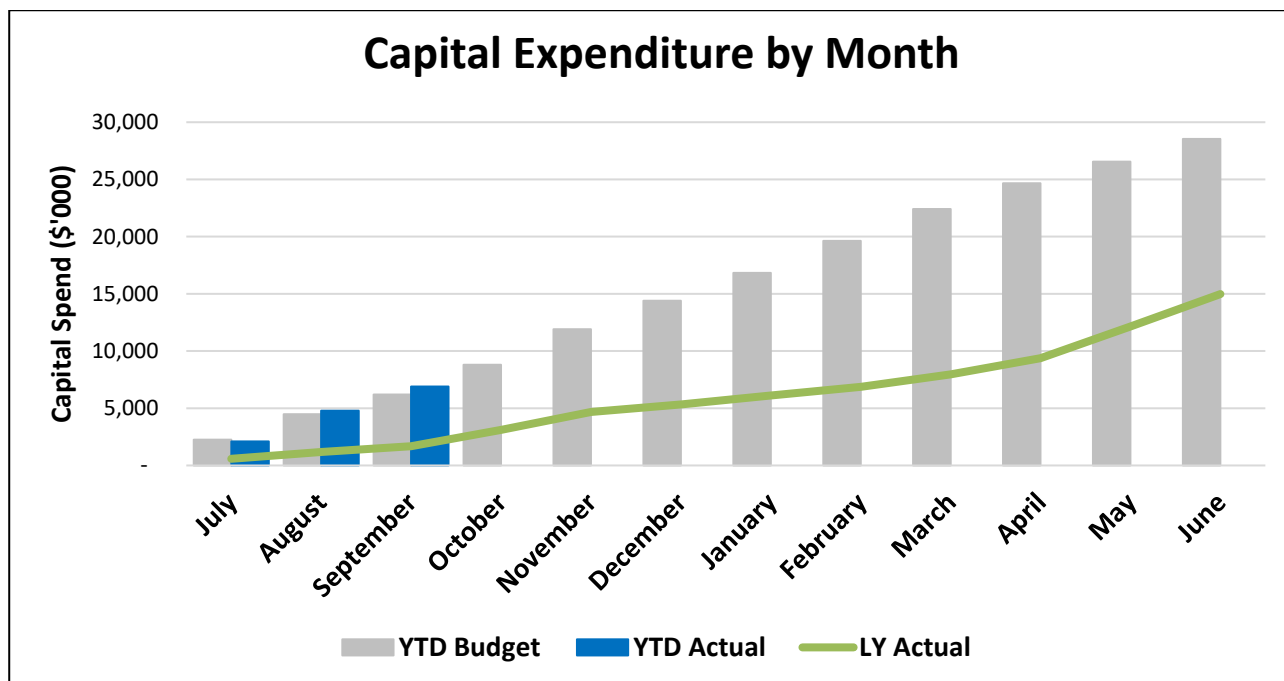
	YTD Operating Budget 2020 \$000	YTD Actuals 2020 \$000	YTD Variance 2020 \$000	YTD Variance % 2020 \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	3,359	3,357	(2)	0%
Targeted rates	1,814	1,741	(73)	-4%
Subsidies and grants for operating purposes	792	1,247	455	57%
Fees, charges	994	1,110	116	12%
Interest and dividends from investments	35	39	4	11%
Local authorities fuel tax, fines, infringement fees and other receipts	49	165	115	235%
Total operating funding	7,043	7,659	615	
Applications of operating funding				
Payments to staff and suppliers	5,930	6,051	(121)	-2%
Finance costs	142	64	78	55%
Other operating funding applications	(9)	1	(10)	111%
Total applications of operating funding	6,063	6,116	(53)	
Surplus (deficit) of operating funding	980	1,543	562	

Overall Council has a surplus of \$1.543m for the quarter which is \$562k ahead of budget.

This is largely on the back of favourable revenues (\$615k ahead of budget) due to higher NZTA roading subsidies \$315k, an unbudgeted grant from MBIE \$150k, additional fees and charges derived from consenting and landfill volumes, and other revenue which is the donations towards the Waipawa Pool project. Offsetting this is water rates which is \$83k below budget due to a high level of historical remissions being processed in July 2019. The revenue was originally recorded in previous financial years.

Costs overall are \$53k unfavourable to budget which is a mix of overs and unders mainly in contractor/supplier costs. Land Transport is under \$162k due to timing of works (despite incurring some storm damage work), Solid Waste is \$57k over due to purchasing additional carbon credits due to higher volumes of waste, Water Supplies is \$101k over due to high levels of new connections and some timing mismatches of recharges, Material Damage Insurance premiums have also come in higher than budgeted and this impacts all asset owning cost centres (this makes up the bulk of the \$102k unfavourable in uncontrollable costs). Not showing in this quarters financials is the insurance renewal of our underground assets which occurs in November, but we have just received notice that the cost of this has increased by \$29k compared to last years premium. This is due to a combination of insurance firms increasing their premiums generally, that insurance firms are now introducing loadings for regions that are more susceptible to earthquakes, and that CHB Council has revalued its asset base upwards so the premiums are being calculated on a higher asset base.

Financing costs are \$78k favourable due to the delays in some budgeted new loans, and low interest rates.



The capital program for 2019/2020 is forecast to be significantly higher than the previous year (\$28.5m versus \$14.9m). This is a significant step change and will be a challenge to deliver. Having said that, at the end of September Council had already spent \$6.9m against a budget of \$6.2m so we are well on track. To put this in context Council didn't reach \$6.2m of capital spend last year until the end of January.

In July Council borrowed an additional \$10m of funding from the LGFA (Local Government Funding Agency) with a Maturity of April 2024 at an interest rate of 2.19%. This gives Council a total external debt position of \$12m. \$5.6m of this \$10m was used to acquire corporate bonds with an average interest rate of 4.25%. This gives the Council a higher yield than a term deposit would, and because the bonds have a readily available secondary market they can be easily liquidated if the funds are required to fund Councils capital program. The balance of the \$10m is either in the bank (\$4.7m as at 30 September) or has already be used to fund the capital program to date.

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 management the finances of Council.

RECOMMENDATION

1. **That, having considered all matters raised in the report, the report on Council's first quarter financial performance for the 2019/20 financial year be received.**

Central Hawke's Bay District Council - Whole of Council

Funding Impact Statement - Operational

As at 30 September 2019

Key Indicators

Rates Revenue
Received from ratepayers

\$5,098K
-\$75k Unfavourable YTD
Full Year Budget \$20,691k

+

Other Operating Revenue
User charges, Subsidies & Grants, Finance Revenue & Other Revenue

\$2,561K
\$690k Favourable YTD
Full Year Budget \$6,641k

-

Operating Expenditure
Payments to Staff and Suppliers, Finance, Other Expenses

\$6,116K
-\$53k Unfavourable YTD
Full Year Budget \$20,732k

=

Net Operating Surplus/(-)Deficit

\$1,543K
\$562k Favourable YTD
Full Year Budget \$6,600k

Employment Costs

\$1,299K
\$65k Favourable YTD
Full Year Budget \$5,322k

Operations & Maintenance Costs

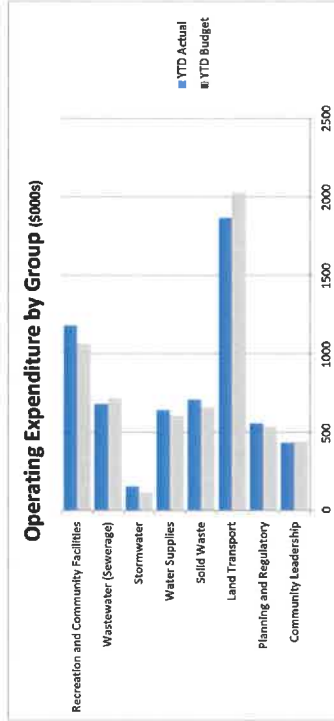
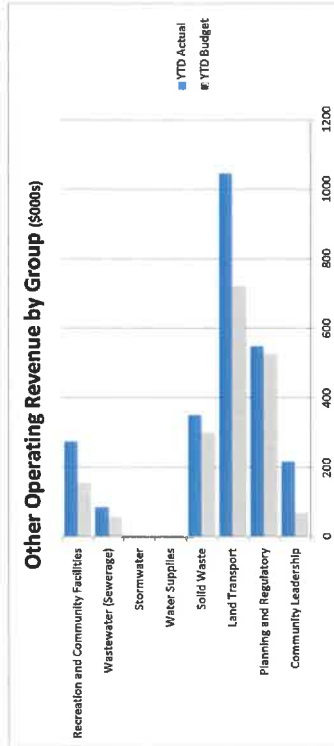
\$3,836K
-\$98k Unfavourable YTD
Full Year Budget \$13,302k

Finance Costs
Interest on external debt

\$64K
\$78k Favourable YTD
Full Year Budget \$569k

Other Expenses

\$917K
-\$98k Unfavourable YTD
Full Year Budget \$1,538k



Sources of Capital Funding
 Subsidies & Grants, Development Contributions,
 Debt and Other Revenue

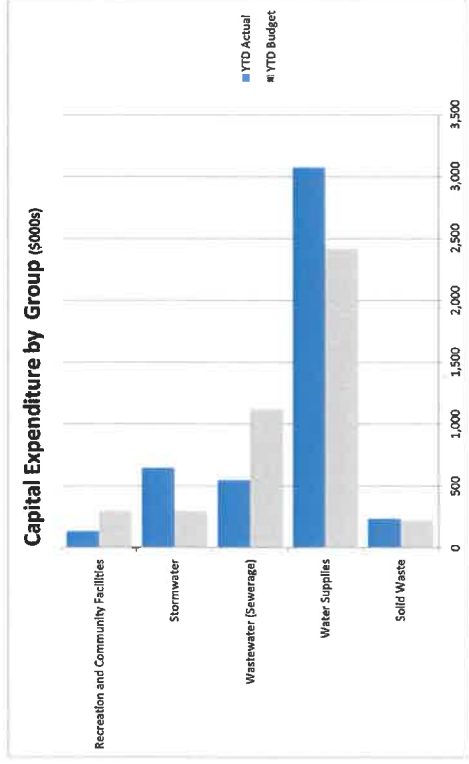
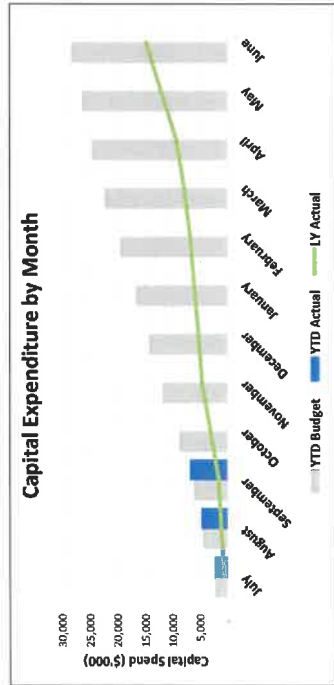
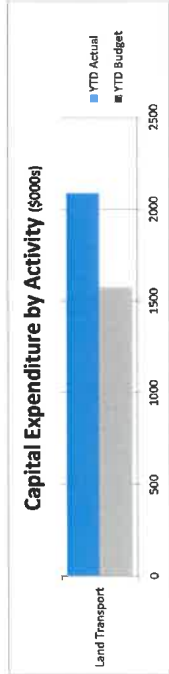
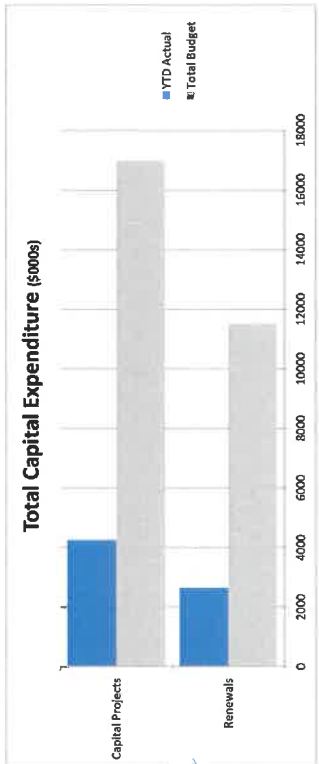
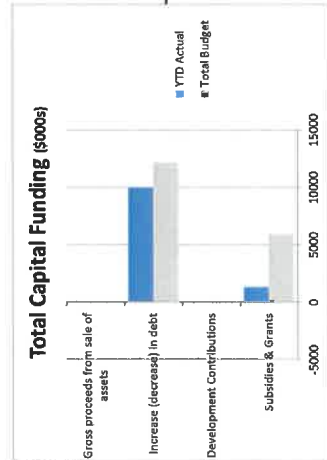
\$11,333k

Full Year Budget \$18,204k

Capital Expenditure
 New Capital and Renewal Projects

\$6,899k

Full Year Budget \$28,539k



Central Hawke's Bay District Council: Funding impact statement 2019/20
Whole of Council
As at 30 September 2019

	Full Year Actuals		Annual Plan		Total Operating Budget		YTD Actuals		YTD Variance		YTD Variance %	
	2019	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of operating funding												
General rates, uniform annual general charges and rates penalties	12,897	13,435	13,435	13,435	3,359	3,357	(2)	0%				
Targeted rates	6,933	7,256	7,256	7,256	1,814	1,741	(73)	-4%				
Subsidies and grants for operating purposes	4,466	2,744	3,045	3,045	792	1,247	455	57%				
Fees, charges	3,416	3,216	3,260	3,260	994	1,110	116	12%				
Interest and dividends from investments	189	140	140	140	35	39	4	11%				
Local authorities fuel tax, fines, infringement fees and other receipts	762	196	196	196	49	165	115	235%				
Total operating funding	28,663	26,987	27,332	27,332	7,043	7,659	615					
Applications of operating funding												
Payments to staff and suppliers	22,184	19,503	20,200	20,200	5,930	6,051	(121)	-2%				
Finance costs	107	558	569	569	142	64	78	55%				
Other operating funding applications	0	(180)	(37)	(37)	(9)	1	(10)	111%				
Total applications of operating funding	22,291	19,881	20,732	20,732	6,063	6,116	(53)					
Surplus (deficit) of operating funding	6,372	7,106	6,600	6,600	980	1,543	562					
Sources of capital funding												
Subsidies and grants for capital expenditure	6,701	4,977	5,937	5,937	1,634	1,316	(318)	-19%				
Development and financial contributions	364	22	22	22	5	(2)	(8)	-160%				
Increase (decrease) in debt	(684)	9,221	12,210	12,210	3,052	10,000	6,948	228%				
Gross proceeds from sale of assets	0	35	35	35	9	19	10	111%				
Lump sum contributions	0	0	0	0	0	0	0	0%				
Total sources of capital funding	6,381	14,255	18,204	18,204	4,700	11,333	6,632					
Applications of capital funding												
Capital expenditure to meet additional demand to improve the level of service to replace existing assets	3,636	12,664	17,009	17,009	4,208	4,255	(46)	-1%				
Increase (decrease) in reserves	11,343	9,538	11,530	11,530	1,987	2,644	(657)	-33%				
Increase (decrease) of investments	(1,949)	0	(2,893)	(2,893)	(1,016)	(2,429)	1,413	-139%				
Increase (decrease) of investments	(276)	(842)	(842)	(842)	(211)	6,113	(6,323)	2997%				
Total application of capital funding	12,754	21,360	24,804	24,804	4,968	10,583	(5,613)					
Surplus (deficit) of capital funding	(6,373)	(7,105)	(6,600)	(6,600)	(268)	750	1,019					
Funding balance	(1)	1	0	0	712	2,293	1,581					

Central Hawke's Bay District Council - Whole of Council

Executive Summary

As at 30 September 2019

Financial Performance - Operating

Overall the Council is showing a surplus of \$1.543m for the quarter which is \$562k ahead of budget.

Operating Revenue is \$615k ahead of budget

- \$455k of this is from subsidies and grants - \$315k from NZTA road subsidies and \$150k from a MBIIE grant
- Fees and Charges are up due to higher volumes going through building/land consents and landfill. Both are a reflection of the buoyant economy
- Other income is up \$115k which mainly relates to donations received for the Waipawa Pool upgrade
- Offsetting this is water rates which is \$83k below budget due to a high level of historical remissions being processed in July 2019. The revenue was originally recorded in previous financial years.

Operating costs are \$53k ahead of budget for the quarter

- Employee costs are \$65k favourable - no one driver, this is spread across a number of sites with a mix of overs and unders
- Operational Costs are \$98k unfavourable - again this a mix of overs and unders. Land Transport is under \$162k due to timing of works (despite incurring some storm damage work). Solid Waste is \$57k over due to purchasing additional carbon credits due to higher volumes of waste, Water Supplies is \$101k over due to high levels of new connections and some timing mismatches of recharges. Material Damage Insurance premiums have also come in higher than budgeted and this impacts all asset owning cost centres (this makes up the bulk of the \$102k unfavourable in uncontrollable costs).
- Finance costs are \$78k favourable due to the delays in some budgeted new loans and low interest rates.

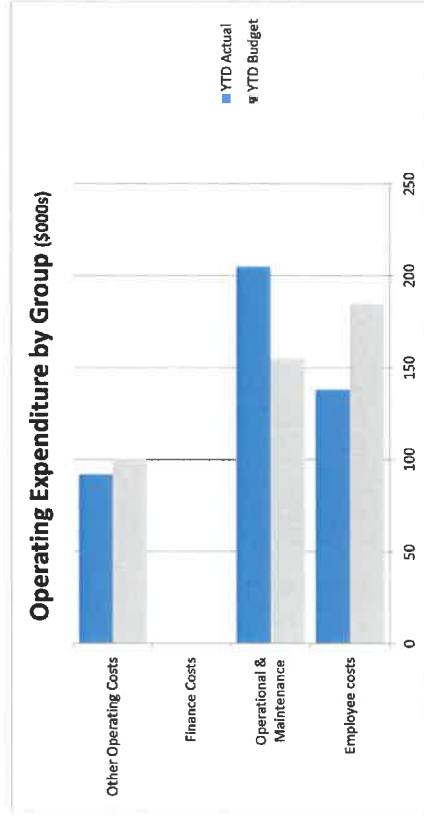
Financial Position- Capital

The capital program for 2019/2020 is forecast to be significantly higher than the previous year (\$28.5m versus \$14.9m). This is a significant step change and will be a challenge to deliver. Having said that, at the end of September Council had already spent \$6.9m against a budget of \$6.2m so we are well on track. To put this in context Council didn't reach \$6.2m of capital spend last year until the end of January.

In July Council borrowed an additional \$10m of funding from the LGFA (Local Government Funding Agency) with a Maturity of April 2024 at an interest rate of 2.19%. This gives Council a total external debt position of \$12m. \$5.6m of this \$10m was used to acquire corporate bonds with an average interest rate of 4.25%. This gives the Council a higher yield than a term deposit would, and because the bonds have a readily available secondary market they can be easily liquidated if the funds are required to fund Councils capital program. The balance of the \$10m is either in the bank (\$4.7m as at 30 September) or has already been used to fund the capital program to date.

**Community Leadership
As at 30 September 2019**

<p>Operating Revenue</p> <p>\$548K</p> <p>\$149k Favourable YTD</p> <p>Full Year Budget \$1,456k</p>	-	<p>Operating Expenditure</p> <p>\$435K</p> <p>\$6k Favourable YTD</p> <p>Full Year Budget \$1,495k</p>	=	<p>Net Surplus/(-)Deficit</p> <p>\$113K</p> <p>\$155k Favourable YTD</p> <p>Full Year Budget -\$39k</p>	<p>Capital Expenditure</p> <p>\$0K</p> <p>\$0k Favourable YTD</p> <p>Full Year Budget \$0k</p>
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Central Hawke's Bay District Council: Funding impact statement 2019/20
Community Leadership
As at 30 September 2019

	Full Year Actuals		Annual Plan		Total Operating Budget		YTD Operating Budget		YTD Actuals		YTD Variance		YTD Variance %	
	2019 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 %
Sources of operating funding														
General rates, uniform annual general charges and rates penalties	1,156	1,314	1,314	1,314	329	331	2	1%						
Targeted rates	0	0	0	0	0	0	0	0%						
Subsidies and grants for operating purposes	288	52	97	70	140	140	7	200%						
Fees, charges	0	0	45	0	7	7	0	0%						
Interest and dividends from investments	0	0	0	0	0	0	0	0%						
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0%						
Total operating funding	1,444	1,366	1,456	399	548	149								
Applications of operating funding														
Payments to staff and suppliers	1,185	1,087	1,190	364	354	10	3%							
Finance costs	0	0	0	0	0	0	0	0%						
Other operating funding applications	315	305	305	76	81	(4)	-5%							
Total applications of operating funding	1,500	1,392	1,495	440	435	6								
Surplus (deficit) of operating funding	(56)	(26)	(39)	(41)	113	155								
Sources of capital funding														
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0%						
Development and financial contributions	0	0	0	0	0	0	0	0%						
Increase (decrease) in debt	0	0	0	0	0	0	0	0%						
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0%						
Lump sum contributions	0	0	0	0	0	0	0	0%						
Total sources of capital funding	0	0	0	0	0	0								
Applications of capital funding														
Capital expenditure to meet additional demand to improve the level of service to replace existing assets	0	0	0	0	0	0	0	0%						
Increase (decrease) in reserves	(56)	(25)	(39)	(5)	(2)	(2)	40%							
Increase (decrease) of investments	0	0	0	0	0	0	0%							
Total application of capital funding	(56)	(25)	(39)	(5)	(2)	(2)								
Surplus (deficit) of capital funding	56	25	39	5	2	(2)								
Funding balance	0	(1)	0	(36)	115	153								

Explanation of changes between Annual Plan and Total Operating Budget

Applications of Operational Funding

- Payments to Staff and Suppliers has increased in budget by \$54K and includes
- an increase in budget of \$52K for the Mayor and Councillor Grants for Cycleways from funding in Park and Reserves
 - an increase in budget of \$5K for Mayor and Council Equipment from Carry Forwards
 - \$3k of budget has been moved to Overhead for to cover costs of equipment for the Social Service role.

Explanation of Variance to YTD Budget

- Subsidies and Grants Revenue includes the receipt of \$150k from MBIE, with no associated budget line

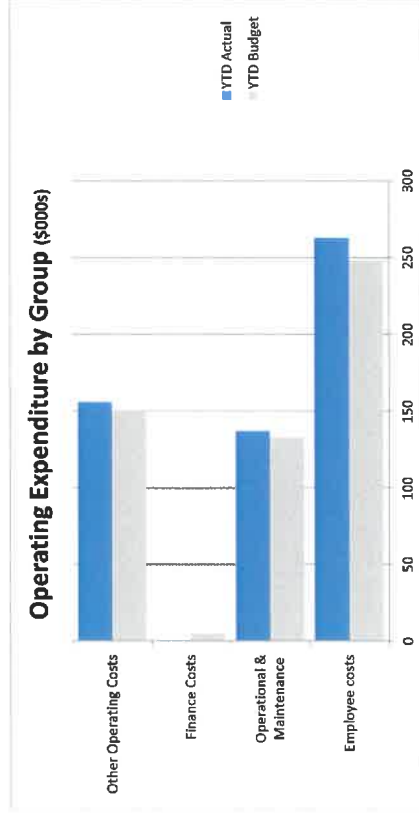
Planning and Regulatory As at 30 September 2019



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Central Hawke's Bay District Council: Funding impact statement 2019/20
Planning and Regulatory
As at 30 September 2019

	Full Year Actuals		Annual Plan		Total Operating Budget		YTD Operating Budget		YTD Actuals		YTD Variance		YTD Variance %	
	2019	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of operating funding														
General rates, uniform annual general charges and rates penalties	721	694	694	694	174	174	175	175	1	1			1%	
Targeted rates	0	0	0	0	0	0	0	0	0	0			0%	
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0			0%	
Fees, charges	1,065	1,247	1,247	1,247	521	521	548	548	27	27			5%	
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0			0%	
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0			0%	
Total operating funding	1,786	1,941	1,941	1,941	695	695	723	723	28	28				
Applications of operating funding														
Payments to staff and suppliers	1,731	1,392	1,392	1,675	400	400	417	417	(17)	(17)			-4%	
Finance costs	0	19	19	19	5	5	1	1	4	4			80%	
Other operating funding applications	539	523	523	523	131	131	138	138	(7)	(7)			-5%	
Total applications of operating funding	2,270	1,934	1,934	2,217	536	536	556	556	(20)	(20)				
Surplus (deficit) of operating funding	(484)	7	7	(276)	159	159	167	167	8	8				
Sources of capital funding														
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0			0%	
Development and financial contributions	0	0	0	0	0	0	0	0	0	0			0%	
Increase (decrease) in debt	97	680	680	680	170	170	(2)	(2)	(172)	(172)			-101%	
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0			0%	
Lump sum contributions	0	0	0	0	0	0	0	0	0	0			0%	
Total sources of capital funding	97	680	680	680	170	170	(2)	(2)	(172)	(172)				
Applications of capital funding														
Capital expenditure	0	0	0	0	0	0	0	0	0	0			0%	
to meet additional demand	0	705	705	422	106	106	0	0	106	106			100%	
to improve the level of service	0	0	0	0	0	0	0	0	0	0			0%	
to replace existing assets	(375)	0	0	0	0	0	0	0	0	0			0%	
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0			0%	
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0			0%	
Total application of capital funding	(375)	705	705	422	106	106	0	0	106	106				
Surplus (deficit) of capital funding	472	(25)	(25)	258	64	64	(2)	(2)	(66)	(66)				
Funding balance	(12)	(18)	(18)	(18)	223	223	165	165	(58)	(58)				

Explanation of changes between Annual Plan and Total Operating Budget

Applications of Operating Funding
Payment to Staff and Suppliers has increased for District Planning costs of \$283k which have been moved from Capital to Operational based on the expenditure type.

Applications of Capital Funding
Capital Expenditure to improve levels of service has decreased by District Planning costs of \$283k which have been moved from Capital to Operational based on the expenditure type.

Explanation of Variance to YTD Budget

Fees and Charges are running ahead of budget primarily due to the high level of Building Permits and Land Consents (\$57k) being issued which reflects the buoyant economy. Offsetting this is Animal Control (\$10k) and LIM processing (\$8k) and Compliance Fees (\$10k). The latter two are due to a lack of activity YTD, and may continue into the future.

Staff Costs are over budget by \$17k, but are expected to be back on budget by year end with some planned changes in staffing mix.

Central Hawke's Bay District Council: Project Update 2019/20

Animal Control

At 30 September 2019

Reforecast Budget included carry forwards

Activity	Project	LTP Project Budget	Reforecast Budget	Total Cost to Date 2020	This Year Actual 2020	Forecast for June 30 2020	Under/ (Over) By Year End	Status	Comments or Risks
		\$000	\$000	\$000	\$000				
Animal Control	Pound Development	422	422	0	0	422	0	●	
Total		422	422	0	0	422	0		

Capital Expenditure From Previous Years in WIP

0

Agreed to Total Operating Budget 2019

422

- Achieved
- On track
- May not be met
- Deferred

Land Transport As at 30 September 2019

Operating Revenue

\$2,692K

\$327k Favourable YTD

Full Year Budget \$9,460k

-

Operating Expenditure

\$1,895K

\$132k Favourable YTD

Full Year Budget \$6,146k

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Net Surplus/(-) Deficit

\$797K

\$459k Favourable YTD

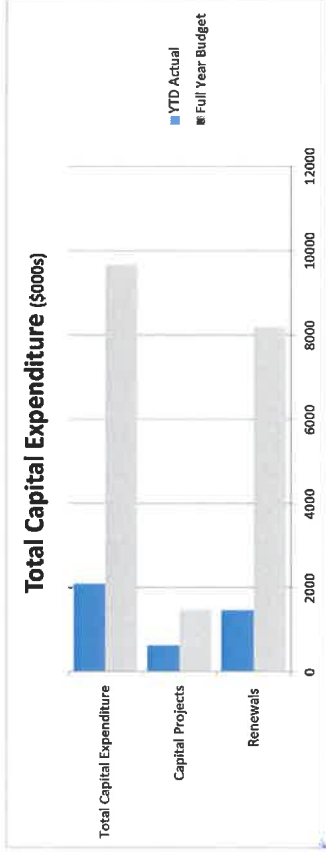
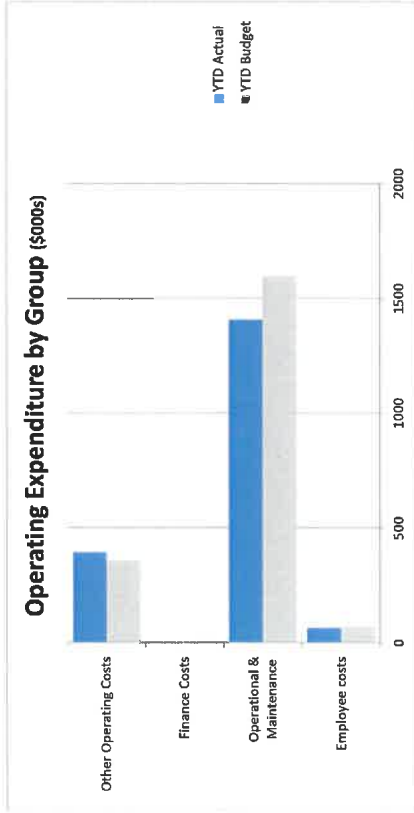
Full Year Budget \$3,314k

Capital Expenditure

\$2,090K

-\$514k Unfavourable YTD

Full Year Budget \$9,678k



Central Hawke's Bay District Council: Funding impact statement 2019/20
Land Transport
As at 30 September 2019

	Full Year Actuals		Annual Plan		Total Operating Budget		YTD Operating Budget		YTD Actuals		YTD Variance		YTD Variance %	
	2019	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of operating funding														
General rates, uniform annual general charges and rates penalties	6,431		6,568		6,568		1,642		1,646		4			0%
Targeted rates	0		0		0		0		0		0			0%
Subsidies and grants for operating purposes	4,110	2,626	2,711		678		993		315		315			46%
Fees, charges	36	19	5		10		6		6		6			120%
Interest and dividends from investments	0	0	0		0		0		0		0			0%
Local authorities fuel tax, fines, infringement fees and other receipts	174	162	162		40		43		2		2			5%
Total operating funding	10,751	9,375	9,460		2,365		2,692		327		327			
Applications of operating funding														
Payments to staff and suppliers	6,468	4,569	4,719		1,670		1,508		162		162			10%
Finance costs	0	0	0		0		0		0		0			0%
Other operating funding applications	1,508	1,284	1,427		357		387		(30)		(30)			-8%
Total applications of operating funding	7,976	5,853	6,146		2,027		1,895		132		132			
Surplus (deficit) of operating funding	2,775	3,522	3,314		338		797		459		459			
Sources of capital funding														
Subsidies and grants for capital expenditure	6,701	4,977	5,674		1,484		1,166		(318)		(318)			-21%
Development and financial contributions	3	3	1		0		(1)		0		0			-100%
Increase (decrease) in debt	0	0	0		0		0		0		0			0%
Gross proceeds from sale of assets	0	0	0		0		0		0		0			0%
Lump sum contributions	0	0	0		0		0		0		0			0%
Total sources of capital funding	6,704	4,980	5,677		1,485		1,166		(319)		(319)			
Applications of capital funding														
Capital expenditure to meet additional demand to improve the level of service to replace existing assets	0	0	0		0		0		0		0			0%
Increase (decrease) in reserves	1,031	1,489	1,482		426		625		(200)		(200)			-47%
Increase (decrease) of investments	9,214	7,013	8,196		1,151		1,465		(314)		(314)			-27%
Total application of capital funding	(765)	(1)	(686)		(212)		(676)		464		464			-219%
Total application of capital funding	9,480	8,501	8,992		1,365		1,414		(50)		(50)			
Surplus (deficit) of capital funding	(2,776)	(3,521)	(3,315)		120		(248)		(369)		(369)			
Funding balance	(1)	1	(1)		458		549		90		90			

Explanation of changes between Annual Plan and Total Operating Budget

Applications of Capital Funding
Improvement to levels of services has increased by \$254k for the carry forward for new footpaths from reserves.

Replacement to Existing Assets services has increased by \$422k for the carry forward for new footpaths from reserves.

Explanation of Variance to YTD Budget

Subsidies and Grants Revenue is \$315k favourable to budget due to higher NZTA subsidy claims (which are a percentage of costs - see costs notes for further explanation)

Expenditure on Drains, Environmental Matters, and Emergency Reinstatement are over budget (\$152k) due to storm damage.

Footpath maintenance is over budget (\$57k) which is timing issue. This maintenance is needed to be completed before the pavement seal program can be undertaken (which is currently \$364k underspent). Together these budgets are expected to be back in line with budgets by the end of the year.

Central Hawke's Bay District Council: Renewal Update 2019/20

Land Transport

At 30 September 2019

Account Name	Full Year Actuals 2019/19	Annual Plan Budget 2019/20	Total Operating Budget		YTD Operating Budget		YTD Actuals	YTD Variance	Forecast to 30th June 2020	Under/ (Over) By Year End 2020	Comments
			2020	\$000	2020	\$000					
Subsidised MINOR EVENTS	257	300	300	108	139	-31	300	0			
Subsidised EMERGENCY REINSTATEMENT	4,634	0	657	266	205	61	657	0	work is still progressing on the emergency sites SM 18/10/19		
Subsidised UNSEALED ROAD METALLING	729	475	465	72	131	-58	465	0			
Subsidised SEALED ROAD RESURFACING	1,356	1,904	1,830	2	15	-13	1,830	0	funding spent in preparation of this years sealing programme will be on budget at the end of the year Sm 18/10/19		
Subsidised DRAINAGE RENEWAL	716	1,207	1,180	206	370	-163	1,180	0	This is a phasing issue and should be on budget at the end of the fiscal SM 18/10/19		
Subsidised SEALED ROAD REHAB	938	1,536	1,502	315	451	-136	1,502	0			
Subsidised STRUCTURES RENEWAL	651	900	1,561	60	49	10	1,561	0	This is a phasing issue and budget will be on track at the end of the fiscal SM 18/10/19		
Subsidised ENVIRONMENTAL RENEWAL	0	0	0	0	0	0	0	0			
Subsidised TRAFFIC SERVICES RNWLS	207	177	173	69	71	-1	173	0			
Subsidised FOOTPATH RENEWALS	320	308	308	16	23	-7	308	0			
Subsidised PREVENTATIVE MAINTENANCE	0	0	0	0	0	0	0	0			
Subsidised REPLACE BRIDGES AND STRUCTURES	0	50	50	0	0	0	50	0			
Subsidised PAVEMENT & TRAFFIC FACILITIES	403	540	540	0	0	0	540	0			
Subsidised FOOTPATH NEW	134	489	489	127	241	-113	489	0	work and budget carried over from last year. it was a completion of the previous years contract. budget will be on track at year end SM 18/10/19		
Subsidised MINOR CAP IMPVTS	224	300	293	188	279	-90	293	0	This is a phasing issue and should be on track at the end of the fiscal SM 18/10/19		
Subsidised VEGETATION RESILIENCE IMPROVEMENTS	269	110	110	110	106	4	110	0			
Subsidised CAPITAL RENEWAL	-639	0	0	0	0	0	0	0			
Unsubsidised ROAD LEGALISATION COSTS	3	0	0	0	0	0	0	0			
Unsubsidised ANNUAL EMERGENCY REINST RNWL	0	148	148	37	0	37	148	0			
Unsubsidised CAPITAL RENEWAL	-3	0	13	0	13	-13	13	0			

	Full Year Actuals	Annual Plan		Total Operating Budget		YTD Operating Budget		YTD Actuals		YTD Variance		Forecast to June 30th		Under/ (Over) By Year End		Comments	
		2019	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020		2020
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000		\$000
Unsubsidised FOOTPATH RENEWALS	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Unsubsidised BRIDGE REPLACEMENTS	0	52	52	0	0	0	0	0	0	0	0	52	0	0	0		
Unsubsidised WALKING & CYCLING	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Unsubsidised CARPARK RINWL	0	7	7	7	0	0	0	0	0	0	0	0	7	0	0		
Total	10,244	8,502	9,678	9,678	1,576	2,090	-514	9,678	0	0	0	9,678	0	0	0		

**Solid Waste
As at 30 September 2019**

Operating Revenue

\$754K

\$53k Favourable YTD

Full Year Budget \$2,808k

Operating Expenditure

\$709K

-\$48k Unfavourable YTD

Full Year Budget \$2,528k

=

Net Surplus/(-)Deficit

\$45K

\$5k Favourable YTD

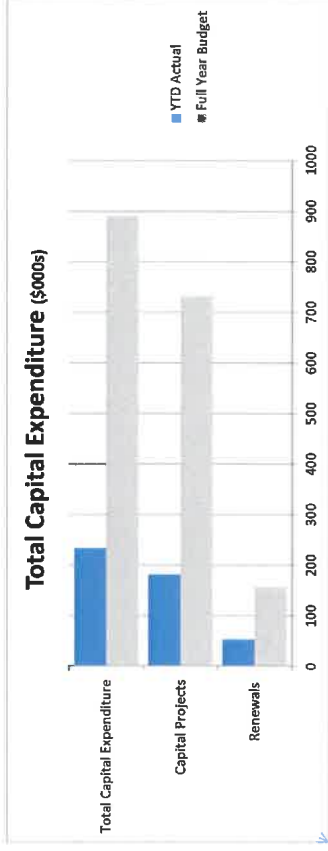
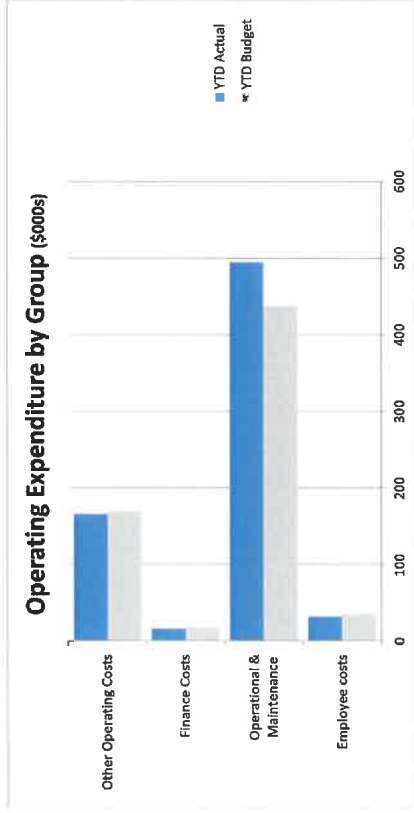
Full Year Budget \$280k

Capital Expenditure

\$234K

-\$12k Unfavourable YTD

Full Year Budget \$890k



Central Hawke's Bay District Council: Funding impact statement 2019/20
Solid Waste
As at 30 September 2019

	Full Year Actuals		Annual Plan		Total Operating Budget		YTD Operating Budget		YTD Actuals		YTD Variance		YTD Variance %	
	2019	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of operating funding														
General rates, uniform annual general charges and rates penalties	1,193	1,309	1,309	1,309	327	329	2	1%						
Targeted rates	232	294	294	294	74	74	1	1%						
Subsidies and grants for operating purposes	53	53	53	53	13	13	0	0%						
Fees, charges	1,379	1,152	1,152	1,152	288	338	50	17%						
Interest and dividends from investments	0	0	0	0	0	0	0	0%						
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0%						
Total operating funding	2,857	2,808	2,808	2,808	702	754	53							
Applications of operating funding														
Payments to staff and suppliers	2,255	2,036	2,026	2,026	535	579	(44)	-8%						
Finance costs	89	71	71	71	18	16	2	11%						
Other operating funding applications	444	431	431	431	108	114	(6)	-6%						
Total applications of operating funding	2,788	2,538	2,528	2,528	661	709	(48)							
Surplus (deficit) of operating funding	69	270	280	280	41	45	5							
Sources of capital funding														
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0%						
Development and financial contributions	0	0	0	0	0	0	0	0%						
Increase (decrease) in debt	(103)	(96)	(96)	(96)	22	(28)	(49)	-223%						
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0%						
Lump sum contributions	0	0	0	0	0	0	0	0%						
Total sources of capital funding	(103)	(96)	87	87	22	(28)	(49)							
Applications of capital funding														
Capital expenditure to meet additional demand to improve the level of service to replace existing assets	83	60	733	183	181	181	2	1%						
Increase (decrease) in reserves	73	95	157	39	53	(14)	(14)	-36%						
Increase (decrease) of investments	(191)	19	(523)	(381)	(250)	(131)	(131)	34%						
Total application of capital funding	(35)	174	367	(159)	(16)	(143)								
Surplus (deficit) of capital funding	(68)	(270)	(280)	181	(12)	(192)								
Funding balance	1	0	0	222	33	(187)								

Explanation of changes between Annual Plan and Total Operating Budget

Applications of Operational Funding
 Payments to Staff and Suppliers budget has been reduced by \$9k to fund the overspend in 2018/19 transferred from reserves.

Sources of Capital Funding
 Increase (decrease) in Debt has increased by \$183K for the carry forward loan for the Leachate Irrigation project.

Application of Capital Funding
 Capital Expenditure has increased by \$402k and includes the following:
 • reduction in budget of \$40k for the removal of the Transfer Station
 Office upgrade as reserves last year were used to offset opex overspend.
 • increase in budget of \$380K for the completion of the Leachate Irrigation project from loan carried forward of \$183K and carry forward from reserves of \$196.
 • increase in budget by \$62K for the carry forward for the landfill capping.

Increase (decrease) in Reserves has decreased by \$209K and includes the following:
 • decrease in reserves of \$249K from carry forward reserves made up of the \$196K for Leachate, \$62K for Landfill capping and the increase of \$9K for overspend of operational in 2018/19

Explanation of Variance to YTD Budget
 Fees & Charges are up \$62k on budget for landfill charges and carbon credit income. Offsetting this is lower sales of refuse bags (\$15k).
 Within supplier costs we are \$57k overspent offset in part by some savings in staff and lease costs.





The bulk of this \$57k relates to the purchasing of carbon credits. We have to buy carbon credits based on the tonnage going to landfill, and obviously with revenues being up which is also up and which is also being driven by tonnage, we need to buy additional carbon credits to match this increased volume.


Central Hawke's Bay District Council: Project Update 2018/19

Solid Waste


At 30 September 2019

Reforecast Budget included carryforwards

Project	LTP Project Budget \$000	Reforecast Budget \$000	Total Cost to Date 2020 \$000	This Year Actual 2020 \$000	Forecast for June 30 2020	Under/ (Over) By Year End	Status	Comments or Risks
SW 18 Landfill Leachate Disposal	184	876	278	177	876	0		Project is underway and is expected to be completed by Feb 2020. Additional budget for the project approved by council to come from after care funds - project budget to be increased to \$876k across landfill cell capping and leachate irrigation.
SW 19 Landfill Cell Capping	0	0	0	0	0	0		
SW 20 Minor Renewals	95	95	36	36	95	0		Current expenditure so far has been on track improvements.
SW 20 Takapau Recycling Centre	20	20	10	10	20	0		Project is nearing completion and is on budget
Total	299	991	324	223	991	0		

 Achieved

 On track

 May not be met

 Deferred

Capital Expenditure In Work In Progress For Previous Years

-101

Loan Funding

0

Rates Funding

0

Carry FWD Funding

0

0

Agreed to Total Operating Budget 2019

890

Water Supplies As at 30 September 2019

Operating Revenue ●

\$678K

-\$82k Unfavourable YTD

Full Year Budget \$3,039k

-

Operating Expenditure ●

\$642K

-\$34k Unfavourable YTD

Full Year Budget \$2,170k

=

Net Surplus/(-)Deficit ●

\$36K

-\$116k Unfavourable YTD

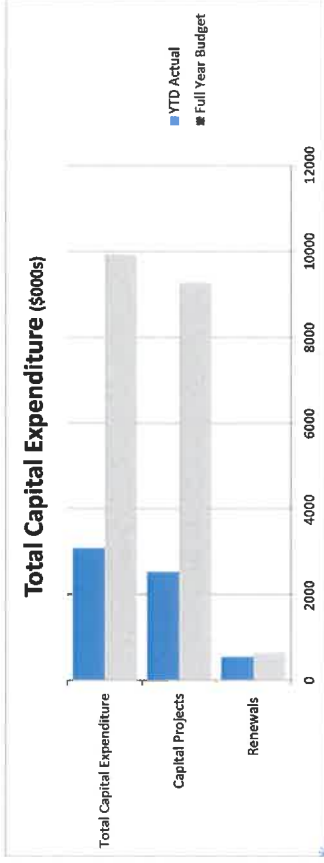
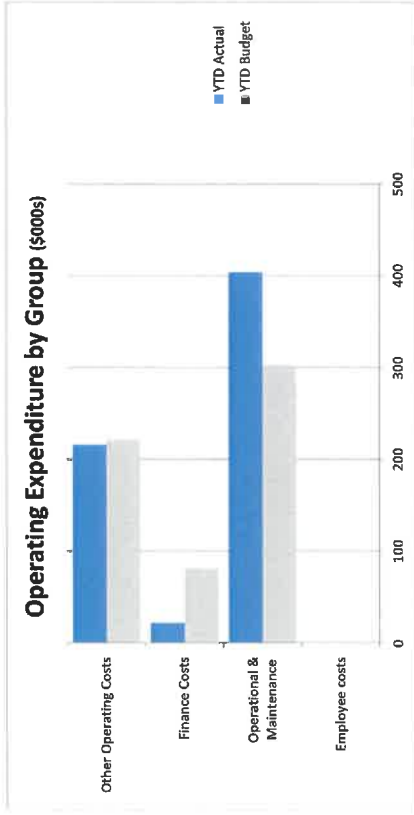
Full Year Budget \$869k

Capital Expenditure ●

\$3,078K

-\$660k Unfavourable YTD

Full Year Budget \$9,933k



Central Hawke's Bay District Council: Funding impact statement 2019/20
Water Supplies
As at 30 September 2019

	Full Year Actuals		Annual Plan		Total Operating Budget		YTD Operating Budget		YTD Actuals		YTD Variance		YTD Variance %	
	2019	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	%
Sources of operating funding														
General rates, uniform annual general charges and rates penalties	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
Targeted rates	2,846	3,036	3,036	3,036	759	(83)								-11%
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
Fees, charges	6	3	3	1	2	1	100%							100%
Interest and dividends from investments	0	0	0	0	0	0	0%							0%
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0%							0%
Total operating funding	2,852	3,039	3,039	760	678	(82)								
Applications of operating funding														
Payments to staff and suppliers	1,601	1,313	1,291	388	474	(86)	-22%							
Finance costs	96	317	327	82	22	60	73%							
Other operating funding applications	569	552	552	138	146	(8)	-6%							
Total applications of operating funding	2,266	2,182	2,170	608	642	(34)								
Surplus (deficit) of operating funding	586	857	869	152	36	(116)								
Sources of capital funding														
Subsidies and grants for capital expenditure	0	0	263	150	150	0	0%							
Development and financial contributions	177	5	5	1	1	(1)	-100%							
Increase (decrease) in debt	537	6,956	8,589	2,147	(31)	(2,178)	-101%							
Gross proceeds from sale of assets	0	0	0	0	0	0	0%							
Lump sum contributions	0	0	0	0	0	0	0%							
Total sources of capital funding	714	6,961	8,857	2,298	120	(2,179)								
Applications of capital funding														
Capital expenditure to meet additional demand to improve the level of service	0	0	0	0	0	0	0%							
to replace existing assets	732	7,070	9,281	2,255	2,528	(273)	-12%							
Increase (decrease) in reserves	825	617	652	163	550	(387)	-237%							
Increase (decrease) of investments	(258)	130	(208)	(52)	(338)	286	-550%							
Total application of capital funding	1,299	7,817	9,725	2,366	2,740	(374)								
Surplus (deficit) of capital funding	(585)	(856)	(868)	(68)	(2,620)	(2,553)								
Funding balance	1	1	1	84	(2,584)	(2,569)								

Explanation of changes between Annual Plan and Total Operating Budget

Applications of Operating Funding
 Payments to Staff and Suppliers has reduced by \$28k to fund the \$266k overspend in operational loan funded last year.

Finance Costs have increased by \$10K for the \$266k overspend in operational loan funded last year.

Sources of Capital Funding
 Increase (decrease) in debt has increased by \$1,633K and includes the following:

- Loans raised has increased by \$1652K for carry forward loans for projects from 2018/19
- Loans paid has increased by \$18K for the funding of the loan for operational overspend last year.

Applications of Capital Funding

Capital Expenditure has increased by \$1983K and includes the following:

- \$1,652K for carry forward loans for projects from 2018/19
- \$331K for carry forward rates from reserves for projects from 2018/19

Increase (decrease) in Reserves has decreased by \$338K and includes the following:

- \$331K for carry forward rates to 2019/20 from reserves for the completion of projects from 2018/19
- \$6K for Operational Modelling not spent in 2018/19 carried forward to 2019/20

Explanation of Variance to YTD Budget

We are under budget \$83k in water meter charges across Waipukurua and Waipawa. In July there were a large level of remissions granted for historical water meter charges. This has impacted the current years revenues, although the original revenues were recognised in previous years.

Supplier costs are \$86k over budget. In addition to normal business as usual, we have experienced a lift in the number of new connections being made which is adding additional costs. Some of this is to be recharged to the consumer which has caused a small element of timing mismatches.

Finance Costs are \$60k under budget due to timing of new debt requirements.

Central Hawke's Bay District Council: Project Update 2018/19

Water Supply

At 30 September 2019

Reforecast Budget included carryforwards

Project	LTP Project Budget	Reforecast Budget	Total Cost to Date 2020	This Year Actual 2020	Forecast for June 30 2020	Under/ (Over) By Year End	Status
	\$000	\$000	\$000	\$000			
WS 17 Porangahau Treatment Plant Upgrade	0	1,038	742	557	1,038	0	●
WS 17 Waipukurau SH2 Pump Station Upgrade	308	835	305	124	835	0	●
WS 18 Waipukurau Second Supply	5,716	5,747	172	49	5,747	0	●
WS 19 Otane Alternative Water Supply	2,701	2,642	1,324	1,182	2,642	0	●
WS 19 Takapau Treatment Improvement	767	682	802	616	682	0	●
WS 19 Waipukurau Water Shortfalls / Firefighting Stage 1	307	277	374	323	277	0	●
WS 19 WPK Main upgrades Mackie, McLean, McCarthy Mt View St	0	410	405	51	410	0	●
WS 20 Water Supply Te Paerahi Water Storage	0	263	1	1	263	0	●
WS 20 Waipukurau Fire Fighting Stage 2	1,167	1,167	159	159	1,167	0	●

Good progress to date, cabling and pipework being installed, containers to arrive mid Oct 2019 - project planned to be completed in Nov 2019

Council approved to proceed with works to commence Aug 2019, expect to carry some budget forward due to procurement/ tender delays. Works planned to be completed by Dec 2019, budget to be managed closely. Due to new bores required, Broes D and E to be completed by Feb 2020.

MCA complete, project currently out for tender for a design partner, tenders close 27 Sep 2019

Great progress being made, 2500m of pipe in the ground, and connection to Waipawa reservoir planned for 23/09. Project on track to be completed by Dec 2019

Good progress on this project, containers arrived on site 17th Sep 2019, and connections of pipework and cabling in progress ready for planned commissioning week starting 7 Oct 2019 - on track to be commissioned in late Oct 2019, and then cleaning of network and town reservoir

This is stage 1 of a 3 yr initial programme of work, work is well underway and stage 1 and 2 are expected to be complete by Nov 2019.

Works completed practical completion issued on 12 Sep 2019. Final claims to come.

Project for the successful TIF funding for additional reservoir, expected to be completed Mar/ Apr 2020 - working through landowners, and approving Veolia OOS to build reservoir.

This is stage 2 of a 3 yr initial programme of work, work is well underway and stage 1 and 2 are expected to be complete by Nov 2019.

Project	LTP Project Budget	Reforecast Budget	Total Cost to Date 2020	This Year Actual 2020	Forecast for June 30 2020	Under/ (Over) By Year End	Status
	\$000	\$000	\$000	\$000			
WS 20 Water Supply Waipawa Model	0	52	0	0	52	0	Project not yet started.
District renewals as required	0	168	18	18	168	0	Reduced budget to complete Mackie and McLean renewals project. Reactive expenditure on renewals. Expected to be spent in the financial year
Total	10,965	13,281	3,560	2,522	12,243	0	

Capital Expenditure In Work In Progress For Previous Years

-1,224

Future Funding

-2124

0

Agreed to Total Operating Budget 2019

9,933

- Achieved
- On track
- May not be met
- Deferred

Wastewater As at 30 September 2019

Operating Revenue

\$903K

\$34k Favourable YTD

Full Year Budget \$3,478k

-

Operating Expenditure

\$682K

\$38k Favourable YTD

Full Year Budget \$2,709k

=

Net Surplus/(-)Deficit

\$221K

\$72k Favourable YTD

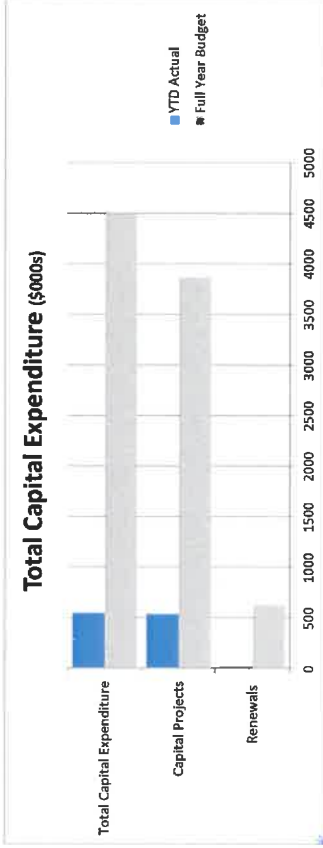
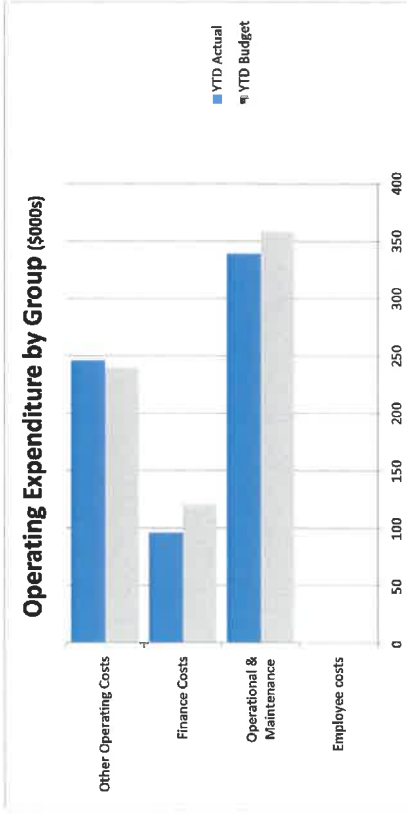
Full Year Budget \$769k

Capital Expenditure

\$546K

\$577k Favourable YTD

Full Year Budget \$4,492k



Central Hawke's Bay District Council: Funding impact statement 2019/20
Wastewater
As at 30 September 2019

	Full Year Actuals		Annual Plan		Total Operating Budget		YTD Operating Budget		YTD Actuals		YTD Variance		YTD Variance %	
	2019 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000
Sources of operating funding														
General rates, uniform annual general charges and rates penalties	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
Targeted rates	3,100	3,241	3,241	3,241	810	810	818	8	8	8	8	8	8	1%
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
Fees, charges	417	237	237	237	59	59	85	26	26	26	26	26	26	44%
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
Local authorities fuel tax, fines, infringement fees and other receipts	200	0	0	0	0	0	0	0	0	0	0	0	0	0%
Total operating funding	3,717	3,478	3,478	3,478	869	869	903	34	34	34	34	34	34	0%
Applications of operating funding														
Payments to staff and suppliers	1,496	1,682	1,675	1,675	461	461	440	21	21	21	21	21	21	5%
Finance costs	531	482	482	482	121	121	96	25	25	25	25	25	25	21%
Other operating funding applications	569	552	552	552	138	138	146	(8)	(8)	(8)	(8)	(8)	(8)	-6%
Total applications of operating funding	2,596	2,716	2,709	2,709	720	720	682	38	38	38	38	38	38	0%
Surplus (deficit) of operating funding	1,121	762	769	769	149	149	221	72	72	72	72	72	72	0%
Sources of capital funding														
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
Development and financial contributions	177	10	10	2	2	2	(3)	(5)	(5)	(5)	(5)	(5)	(5)	-250%
Increase (decrease) in debt	(377)	2,455	3,176	794	794	(119)	(913)							-115%
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
Total sources of capital funding	(200)	2,465	3,186	796	796	(122)	(918)							0%
Applications of capital funding														
Capital expenditure	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
to meet additional demand	408	2,870	3,865	966	966	537	429	429	429	429	429	429	429	44%
to improve the level of service	99	546	627	157	157	9	148	148	148	148	148	148	148	94%
to replace existing assets	415	(190)	(537)	(134)	(134)	(347)	213	213	213	213	213	213	213	-159%
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
Increase (decrease) of investments	922	3,226	3,955	989	989	199	790	790	790	790	790	790	790	0%
Total application of capital funding	(1,122)	(761)	(769)	(193)	(193)	(321)	(128)							0%
Surplus (deficit) of capital funding	(1)	1	0	(44)	(44)	(100)	(56)							0%
Funding balance														

Explanation of changes between Annual Plan and Total Operating Budget

Sources of Capital Funding
 Increase (decrease) in Debt has increased by \$721K for loans carried forward for the completion of projects from 2018/19

Application of Capital Funding

Capital Expenditure has increased by \$1076K and includes the following:
 • Increase of \$722K for loans carried forward for the completion of projects from 2018/19
 • Increase of \$354K for carry forward rates from reserves for projects from 2018/19

Increase (decrease) in Reserves has decreased by \$347K and includes the following:
 • \$354K for carry forward rates to 2019/20 from reserves for the completion of projects from 2018/19
 • \$6K for Operational overspend in 2018/19 carried forward to 2019/20

Explanation of Variance to YTD Budget

Fee and Charges is \$26k ahead of budget due to high volume of Trade Waste

Suppliers costs are under budget by \$19k which is largely timing related

Finance Costs are \$25k under budget due to timing of new debt requirements

Central Hawke's Bay District Council: Project Update 2019/20 Wastewater

At 30 September 2019

Reforecast Budget included carryforwards

Project	LTP Project Budget \$000	Reforecast Budget \$000	Total Cost to Date 2020 \$000	This Year Actual 2020 \$000	Forecast for June 30 2020	Under/ (Over) By Year End	Status	Comments or Risks
WW 18 Otane Treatment Plant Upgrade							●	This project is now part of the wider Waipawa, Waipukurau Wastewater upgrades - design underway for stage 1 of the conveyance pipeline to Waipawa, in conjunction with a feasibility study to ensure the pipeline is the favoured option over a treatment plant upgrade
WW 19 Otane Resource Consent Extension	0	40	10	0	40	0	●	Resource consent granted to 31 March 2021, working on the design for pipeline to Waipawa and a strategy for consenting the works and ensuring we remain compliant with our consents
WW 19 Otane WWTP I&J Study	0	80	50	26	80	0	●	Works progressing, 90% visuals complete, 50% CCTV complete, project to be completed Oct 2019.
WW 18 Takapau Resource Consent	105	105	35	0	105	0	●	3 year consent extension granted by HBRC to 31 October 2021, works for new consent planning via reference group to now commence in late 2019 once the larger WW project has reached its milestone.
WW 19 Takapau treatment upgrade	831	831	0	0	831	0	●	No budget required for this project until new consent is granted, CHBDC officers will commence the new consent journey in late 2019
WW 19 Waipukurau Waipawa Treatment Investigation	300	2,121	405	405	2,121	0	●	Lodged report with Environment Court on 10 Sep 2019. Minor improvements underway, in addition to wetlands, and process improvements at both WWTPs. Land also purchased at Walker road in August 2019.
WW 19 Waipawa Main Trunk Renewal	1,770	1,783	146	28	1,783	0	●	Stakeholder engagement underway, community session planned for 1 Oct 2019 and then lining works are expected to start approx 7 Oct 2019 through to Dec 2019. Landowner work still underway for pump station land access and upgrades, and then transformer upgrades planned with Centralines
WW 20 Porangahau Upgrade	1,849	1,849	0	0	1,849	0	●	Works to start later in 2019 to investigate options for the WW plants in Porangahau and Te Paerahi
District Wide renewals	232	312	9	9	312	0	●	Reactive expenditure on renewals. Expected to be spent in the financial year

Project	LTP Project Budget	Reforecast Budget	Total Cost to Date	This Year Actual	Forecast for June 30 2020	Under/ (Over) By Year End	Status	Comments or Risks
	\$000	\$000	\$000	\$000				
	6,440	8,491	897	546	8,491	0		
Total								

● Achieved
● On track
● May not be met
● Deferred

-351
 -3649
4,491

Previous Year Capital Expenditure in WIP
 Funding from future years included in Projects
 Agreed to Total Operating Budget 2020

**Stormwater
As at 30 September 2019**

Operating Revenue

\$172K

\$1k Favourable YTD

Full Year Budget \$685k

Operating Expenditure

\$130K

-\$11k Unfavourable YTD

Full Year Budget \$576k

-

=

Net Surplus/(-)Deficit

\$42K

-\$10k Unfavourable YTD

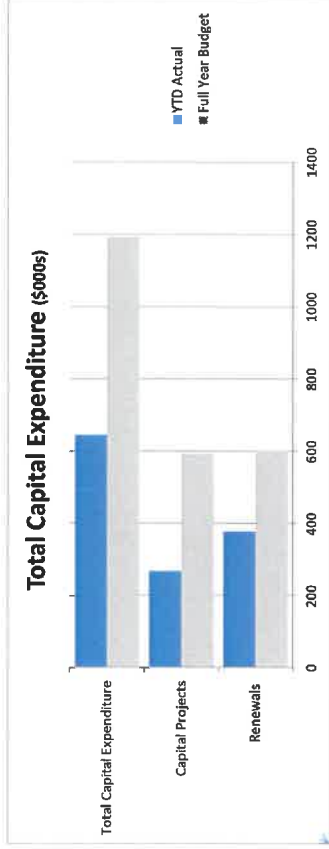
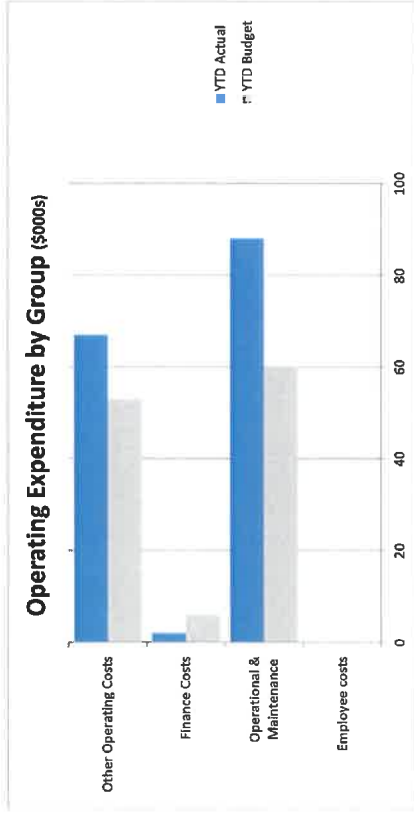
Full Year Budget \$109k

Capital Expenditure

\$645K

-\$346k Unfavourable YTD

Full Year Budget \$1,193k



**Central Hawke's Bay District Council: Funding impact statement 2019/20
Stormwater
As at 30 September 2019**

	Full Year Actuals		Annual Plan		Total Operating Budget		YTD Operating Budget		YTD Actuals		YTD Variance		YTD Variance %	
	2019 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 %
Sources of operating funding														
General rates, uniform annual general charges and rates penalties	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
Targeted rates	754	685	685	685	171	172	1	1	1	1	0	0	0	1%
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
Fees, charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
Local authorities fuel tax, fines, infringement fees and other receipts	16	0	0	0	0	0	0	0	0	0	0	0	0	0%
Total operating funding	770	685	685	685	171	172	1	1	1	1	0	0	0	0%
Applications of operating funding														
Payments to staff and suppliers	235	255	373	69	81	(12)	-17%							
Finance costs	5	24	24	6	2	4	67%							
Other operating funding applications	185	179	179	45	47	(3)	-7%							
Total applications of operating funding	425	458	576	120	130	(11)								
Surplus (deficit) of operating funding	345	227	109	51	42	(10)								
Sources of capital funding														
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
Development and financial contributions	1	0	0	0	0	0	0	0	0	0	0	0	0	0%
Increase (decrease) in debt	97	77	432	108	(2)	(110)	-102%							
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
Total sources of capital funding	98	77	432	108	(2)	(110)								
Applications of capital funding														
Capital expenditure	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
to meet additional demand	107	84	592	148	268	(120)	-81%							
to improve the level of service	128	221	601	150	377	(226)	-151%							
to replace existing assets	209	0	(653)	(163)	(511)	348	-213%							
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
Total application of capital funding	444	305	540	135	134	2								
Surplus (deficit) of capital funding	(346)	(228)	(108)	(27)	(136)	(108)								
Funding balance	(1)	(1)	1	24	(94)	(118)								

Explanation of changes between Annual Plan and Total Operating Budget

Applications of Operational Funding
Payments to Staff and Suppliers budget has been increased by \$118k for carry forward rates to fund Stormwater AMPs and Recourse Consent Action Plans.

Sources of Capital Funding
Increase (decrease) in Debt has increased by \$555K for loans carried forward for the completion of projects from 2018/19

Application of Capital Funding

- Capital Expenditure has increased by \$888K and includes the following:
- Increase of \$355K for loans carried forward for the completion of projects from 2018/19
 - Increase of \$392K for carry forward rates from reserves for projects from 2018/19
 - Increase of \$141K from Stormwater Renewal Reserves to complete the Francis Heliccoil Upgrade project

Increase (decrease) in Reserves has decreased by \$653K and includes the following:

- \$392K for carry forward rates to 2019/20 from reserves for the completion of projects from 2018/19
- \$118k for carry forward rates to fund Stormwater AMPs and Recourse Consent-Action Plans
- \$141K from Stormwater Renewal Reserves to complete the Francis Heliccoil Upgrade project

Explanation of Variance to YTD Budget

Payments to suppliers are \$12k over budget due to Insurance costs being higher than budgeted.

Central Hawke's Bay District Council: Project Update 2019/20 Stormwater

At 30 September 2019

Reforecast Budget included carryforwards

Project	LTP Project Budget	Reforecast Budget	Total Cost to Date 2020	This Year Actual 2020	Forecast for June 30 2020	Under/ (Over) By Year End	Status	Comments or Risks
	\$000	\$000	\$000	\$000				
Waipukurau Helicoil Pipe work	0	445	473	377	445	0	●	Physical works completed in early September 2019, Requested additional \$75k budget from stormwater reserves from finance in early July 2019 to complete the budget expenditure
Waipukurau Service Land Overflow	132	133	48	0	133	0	●	Council currently reviewing the design of this portion of work to meet community and business owner requirements. underway, will commence when Wilder and Churchill projects are complete
ST 19 Waipukurau Savage Carpenter Churchill Improvement	279	279	166	135	279	0	●	This section of work is now complete, reinstatement underway
ST 19 Waipukurau Woburn/Wilder Improvements	203	203	161	132	203	0	●	Easement obtained, works commenced here start of Sep 2019, expected to run to end of Nov 2019
ST20 Waipukurau Model	0	84	0	0	84	0	●	Project not started yet
District Minor Renewals	246	263	17	0	263	0	●	Reactive expenditure on renewals. Expected to be spent in the financial year
Total	860	1,407	865	644	1,407	0		

- Achieved
- On track
- May not be met
- Deferred

Capital Expenditure In Work In Progress For Previous Years

-214

Agreed to Total Operating Budget 2020

1,193

Recreation and Community Facilities As at 30 September 2019

Operating Revenue

\$1,160K

\$125k Favourable YTD

Full Year Budget \$4,276k

-

Operating Expenditure

\$1,182K

-\$117k Unfavourable YTD

Full Year Budget \$3,448k

=

Net Surplus/(-)Deficit

-\$22K

\$8k Favourable YTD

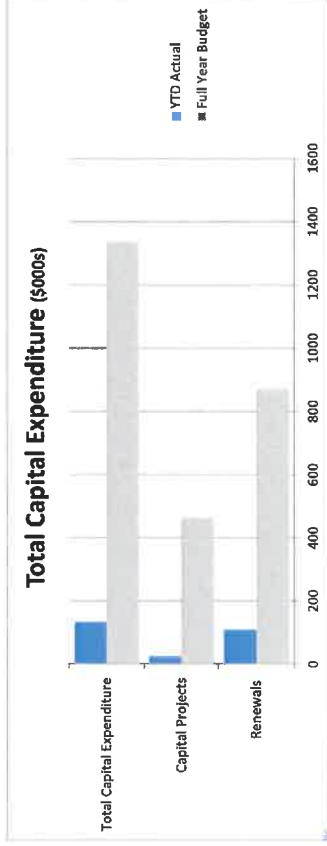
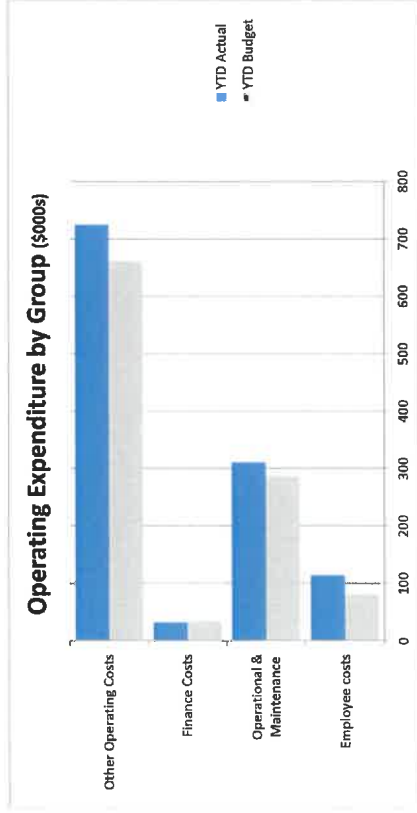
Full Year Budget \$828k

Capital Expenditure

\$133K

\$167k Favourable YTD

Full Year Budget \$1,338k



Central Hawke's Bay District Council: Funding impact statement 2019/20
Recreation and Community Facilities
As at 30 September 2019

	Full Year Actuals		Annual Plan		Total Operating Budget		YTD Operating Budget		YTD Actuals		YTD Variance		YTD Variance %	
	2019	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	%
Sources of operating funding														
General rates, uniform annual general charges and rates penalties	3,358	0	3,520	0	3,520	880	886	6	1%					
Targeted rates														
Subsidies and grants for operating purposes	14	513	13	558	183	31	121	0	0%					
Fees, charges	0	0	0	0	0	0	0	0	0%					
Interest and dividends from investments	352	15	15	4	118	118	118	0	0%					
Local authorities fuel tax, fines, infringement fees and other receipts	4,237	4,106	4,276	1,035	1,160	125	2950%							
Total operating funding														
Applications of operating funding														
Payments to staff and suppliers	2,354	147	2,380	141	821	32	(108)	-13%						
Finance costs	864	838	838	210	221	(12)	(117)	-6%						
Other operating funding applications	3,365	3,359	3,448	1,066	1,182	(117)								
Total applications of operating funding														
Surplus (deficit) of operating funding	872	747	828	(31)	(22)	8								
Sources of capital funding														
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0%						
Development and financial contributions	5	4	4	1	(1)	(1)	-100%							
Increase (decrease) in debt	741	241	337	84	(37)	(121)	-144%							
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0%						
Lump sum contributions	0	0	0	0	0	0	0	0%						
Total sources of capital funding	746	245	341	85	(37)	(122)								
Applications of capital funding														
Capital expenditure to meet additional demand to improve the level of service	1,203	287	464	83	24	58	70%							
to replace existing assets	496	655	874	219	109	109	50%							
Increase (decrease) in reserves	(81)	51	(169)	(66)	(219)	154	-233%							
Increase (decrease) of investments	0	0	0	0	0	0	0%							
Total application of capital funding	1,618	993	1,169	236	(86)	321								
Surplus (deficit) of capital funding	(872)	(748)	(828)	(151)	49	199								
Funding balance	0	(1)	0	(182)	27	207								

Explanation of changes between Annual Plan and Total Operating Budget

Sources of Capital Funding
 Increase (decrease) in Debt has increased by \$96K for loans carried forward for the completion of projects from 2018/19

Application of Capital Funding

- Capital Expenditure has increased by \$262K and includes the following:
- increase of \$95K for loans carried forward for the completion of projects from 2018/19
 - Increase of \$219K for carry forward rates from reserves for projects from 2018/19
 - an decrease in budget of \$52K for the Cycleways transferred to Mayor and Councillor grants
- Increase (decrease) in Reserves has decreased by \$168K and includes the following:
- decrease in reserves of \$219K for carry forward rates for completion of projects from 2018/19
 - a transfer of \$52K funding for the Cycleways to Community Leadership for Mayor and Councillor grants

Explanation of Variance to YTD Budget

Other Income is \$118k over budget. \$115k of this relates to donations for the Waipawa Pool, and the balance is library book commissions.

Payments to employees and suppliers is over budget \$108k. \$32k of this is library staffing, \$55k of this is insurance/rates, and the balance operational and is largely relates to the timing of the annual Kotui sub for the libraries.

Central Hawke's Bay District Council: Project Update 2019/20

Recreation and Community Facilities

At 30 September 2019

Reforecast Budget included carry forwards

Activity	Project	LTP Project Budget	Reforecast Budget	Total Cost to Date 2020	This Year Actual 2020	Forecast for June 30 2020	Under/ (Over) By Year End	Status	Comments or Risks
Parks Reserves and Swimming Pools	Russell Park Projects	52	33	17	17	33	0	●	
	PR 19 Camping Grounds Waipukurau Toilets	61	61	0	0	61	0	●	Insufficient budget for scope of works. Full scope in light of future lease sale needs to be completed first.
	PR 19 Waipawa Pool Sewer Upgrade	0	105	105	0	105	0	●	Review of the Sewer Upgrade project requirements is being conducted.
	Total	165	214	56	25	214	0	●	
Public Toilets	Total	278	413	178	42	413	0	●	
	New Te Paerahi Toilet	60	209	0	0	209	0	●	Funding from Reserves .
	New Whangaehu Toilet	0	68	0	0	68	0	●	
	Minor Renewals	36	21	0	0	21	0	●	
Total	96	298	0	0	298	0	●		
Retirement Housing	Minor Renewals	36	36	0	0	36	0	●	
Libraries	Books Renewals	0	91	23	23	91	0	●	
	Minor Renewals	11	11	0	0	11	0	●	
	Library RFID	123	123	7	7	123	0	●	
	Total	134	225	30	30	225	0	●	
Theatres and Halls	CHB Municipal Theatre	0	202	69	41	202	0	●	
	Minor Renewals	135	207	6	6	207	0	●	
	Total	135	409	75	47	409	0	●	
Cemeteries	Minor Renewals	29	60	0	0	60	0	●	
Properties and Buildings	Minor renewals	0	125	5	5	125	0	●	May need some of this money for roof works Chambers kitchen
	Total	0	125	5	5	125	0	●	
	Total	709	1,567	288	124	1,567	0	●	

● Achieved
● On track
● May not be met
● Deferred

Capital Expenditure In Work In Progress For Previous Years -150
 Makaretu Hall - funding from Reserves -20
 Te Paerahi Freedom Camp Toilet - funding from Reserves -60
 Agreed to Total Operating Budget 2020 1,337

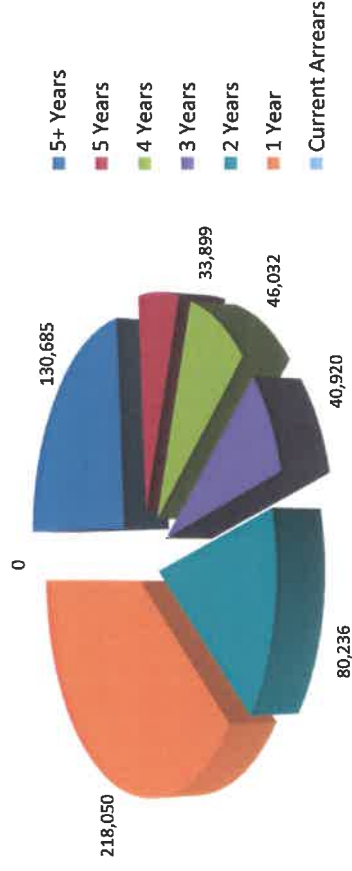
Central Hawke's Bay District Council

Rates Debt Information

At 30th September 2019

	Jun-19	Sep-19	Movement
5+ Years	88,619	130,685	42,066
5 Years	42,131	33,899	-8,232
4 Years	34,550	46,032	11,482
3 Years	46,532	40,920	-5,612
2 Years	42,523	80,236	37,713
1 Year	88,926	218,050	129,124
Current Arrears	171,973	0	-171,973
Total	515,254	549,822	34,568

Rates Balances as at 30 September 2019



There are total rates arrears outstanding of \$549,822. The rates department consistently manage ratepayer debt by ensuring new debt is brought to the attention of the ratepayer quickly. All debt is actively managed by the rates department and a break down of how this is achieved is in the next table.

	Jun-19	Sep-19	Count	Movement
With Bank	6,775	6,330	23	-445
With Debt Collectors	81,045	31,900	13	-49,146
Under Arrangement	142,988	37,342	183	-105,646
Remaining Arrears	215,932	195,260	141	-20,672
Maori Land	250,754	278,991	13	28,237
Total	697,494	549,822	373	-147,672

The rates department consistently manage ratepayer debt by ensuring new debt is brought to the attention of the ratepayer quickly. The Rates officers have found that direct phone calls are a very efficient and personable way to contact our ratepayers and this is proving to be well received with more arrangements being accepted and newer debt reducing at a steady rate.

Other Rates Information

Rates emailed to ratepayers 18.8% (17.82 Jun 19)

Ratepayers on direct debit 39.49% (39% Jun 19)

What are we doing about it? As at 30 September 2019

