



AGENDA

Meeting of the
Risk and Audit Committee

Wednesday 14 June 2023
commencing at 3.30pm

To be held:
Clocktower Chambers,
Palmerston Street, Westport

Risk and Audit Committee

Reports to:	The Council
Chairperson:	Independent Chair - Sharon Roche
Membership:	The Mayor, all Councillors and Māori Representative
Meeting Frequency:	Monthly
Quorum:	A majority of members (including vacancies)

Purpose

The Risk and Audit Committee is responsible for:

1. Monitoring Council's financial strategy, and financial performance against the Annual and Long Term Plans.
2. Monitoring Council's interests in its Council Controlled Organisations (CCOs).
3. Reviewing the Council's risk register and associated process for managing current and emerging risk.
4. Ensuring the independence and effectiveness of Council's External and Internal Audit processes.
5. Monitoring existing corporate policies and recommending new or amended policies as required.
6. Ensuring that council policies and practices will prevent unethical, questionable or illegal activities.
7. Providing a communication link between management, internal auditors/external auditors and Council.
8. Supporting measures to improve management performance and internal controls.

In addition to the common delegations (refer appendix attached) the Risk and Audit Committee is delegated the following Terms of Reference and powers:

Terms of Reference:

1. To receive regular reports regarding Council's financial and non-financial performance against Annual and Long Term Plans.
2. To consider reports related to significant expenditure outside of the Annual and Long Term Plans and make appropriate recommendations to Council.
3. To develop and monitor policy related to the following matters:
 - a) Financial management;

- b) Revenue generation;
 - c) Procurement and tendering; and
 - d) The appointment and remuneration of directors and CCOs
4. To monitor the probity of processes relating to policies developed by the Risk and Audit Committee.
 5. To provide clear direction to Council's CCOs on Council's expectations, including feedback on draft statements of intent.
 6. To receive Quarterly reports of Council's CCOs, including board performance.
 7. To undertake any reviews of CCOs and make appropriate recommendations for approval by Council.
 8. Review CCO requests for major transaction approval and recommend appropriate actions to Council.
 9. To monitor Council's debt and investments to ensure compliance with Council policy.
 10. To monitor the Council's outstanding debtors' positions.
 11. Engage with Council's external auditors regarding the external audit work programme and agree the proposed terms and arrangements of the external audit.
 12. Assess management response to audit reports and the extent to which external audit recommendations concerning internal accounting controls and other matters are implemented.

Internal Audit

13. Agree the scope of internal audits.
14. Monitor the delivery of the internal audit work programme and results
15. Assess whether Internal Audit's recommendations have been properly implemented by management.
16. Review the annual Internal Audit Plans to ensure appropriate organisational structures, authority, access, independence, resourcing and reporting arrangements are in place.

Other Matters

17. Review the effectiveness of the risk control environment established by management to safeguard Council's financial and non-financial assets, including the adequacy and appropriateness of insurance policies in place and management's actions to mitigate risks
18. Review the effectiveness of the systems for monitoring the Council's compliance against legislation, regulation, policy, and guidelines (including health and safety).
19. Conduct and monitor special investigations in accordance with Council policy and approved budget or in response to material matters raised by staff or committee members, including engaging expert assistance, on matters within its Terms of Reference.
20. Provide an annual review of Council's risk management framework and amend as required.
21. Review and monitor business continuity planning.

The Committee is delegated the following powers:

- The Committee may make recommendations to Council.
- The Committee may make recommendations to other Committees.
- The Committee will provide three-monthly reports to Council on its activities with appropriate recommendations.

Special Notes:

- In fulfilling their role on the committee, members shall be impartial and independent at all times.
- The Chairperson will be an independent appointment, not an elected member, to strengthen the independent nature of the Committee's monitoring responsibility of Council activities.
- Members are appointed for an initial term of no more than three years that aligns with the triennial elections, after which they may be eligible for extension or reappointment.
- The Chief Executive Officer and Chief Financial Officer are required to attend all meetings but are not members and have no voting rights. Other Council officers may attend the Committee meetings, as required.
- The Chairperson of the Committee shall review the travel and other reimbursed expenses of the Chief Executive Officer and confirm compliance with Council policies and practice. This information will be provided to the Chairperson on a monthly basis.
- The Chairperson shall review the travel and other reimbursed expenses of the Mayor and confirm compliance with Council policies. This information will be provided to the Chairperson on a monthly basis.
- The Chief Executive Officer (Principal Advisor) shall be responsible for drawing to the Committee's immediate attention to any material matter that relates to the financial condition of Council, any material breakdown in internal controls, and any material event of fraud or malpractice.
- The Chairperson shall present an annual Audit and Risk Self Review to Council summarising the Committee's activities during the year and any related significant results and findings.

Oversight of Policies:

- *Risk Management Framework*
- *Freeholding of Leasehold Land*
- *Revenue and financing*
- *Rates remission*
- *Development and financial contributions*
- *Significance and engagement*
- *Treasury Management*
- *Sensitive Expenditure*

Appendice - Common Delegations

The following delegations from Council are common to the Risk and Audit Committee, the Community, Environment and Services Committee and the Regulatory, Hearings and Planning Committee within their respective areas of responsibility.

General Principal

1. The work of these Committees will be in accordance with the priorities and work programme agreed by the Council.
2. These Committees have the powers necessary to perform the Committee's responsibilities, in accordance with the approved Long Term Plan and Annual Plan budgets. Subject to confirmation of compliance with the financial strategy.

These Committees will:

Strategy, plans and policy

1. Develop and agree to strategies, plans and policies for the purposes of consultation and/or engagement with community.
2. Recommend to Council for adoption.
3. Monitor and review as and when required.

Bylaws

1. Develop and agree to the statement of proposal for new or amended bylaws for consultation.
2. Recommend to Council new or amended bylaws for adoption.

Consultation and engagement

1. Ensure appropriate, effective and transparent engagement with the community, tangata whenua and other stakeholders.
2. Conduct any public engagement required on issues before the Committee, in accordance with Council's Significance and Engagement Policy.
3. Conduct hearings, where appropriate, to consider submissions from members of the public and external organisations, making determinations on such matters unless they are reserved for Council to decide.

Submissions and legislation

1. Approve submissions to external bodies/organisations on legislation and proposals, related to the Committee's areas of responsibility, that impact governance policy or matters.
2. Monitor and oversee strategic projects and programmes.
3. Monitor Council's Asset Management Plans/Strategic Infrastructure Plan.

Contracts

1. Approve and monitor contracts and other legally binding arrangements provided that such contracts/arrangements:
 - a) Do not require the approval of the whole of Council; and
 - b) Fall within the budget approved under the Long Term Plan or Annual Plan and have a value exceeding the Chief Executive's financial delegation.

Other

1. Consider and make decisions which are within the Chief Executive Officer's delegations, and which the Chief Executive Officer has referred to the Committee for recommendation to Council.
2. Consider and make decisions on operational matters that fall within a Committee's area of responsibility that are outside of delegations to the Chief Executive Officer or other Council officers.
3. Commission new Committee reports and work required to respond to significant or compliance issues, or to complete the agreed programme of Council.
4. Monitor Audit recommendations and ensure completion.

Risk and Audit Committee

Clocktower Chambers,
Palmerston Street, Westport



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RISK AND AUDIT COMMITTEE

14 JUNE 2023

AGENDA ITEM 1

Prepared by Douglas Marshall
Chief Financial Officer

APOLOGIES

1. REPORT SUMMARY

That the Risk and Audit Committee receive any apologies or requests for leave of absence from elected members.

2. DRAFT RECOMMENDATION

That there are no apologies to be received and no requests for leave of absence.

OR

That the Risk and Audit Committee receive apologies from *name* and accepts *name* request for leave of absence.

RISK AND AUDIT COMMITTEE

14 JUNE 2023

AGENDA ITEM 2

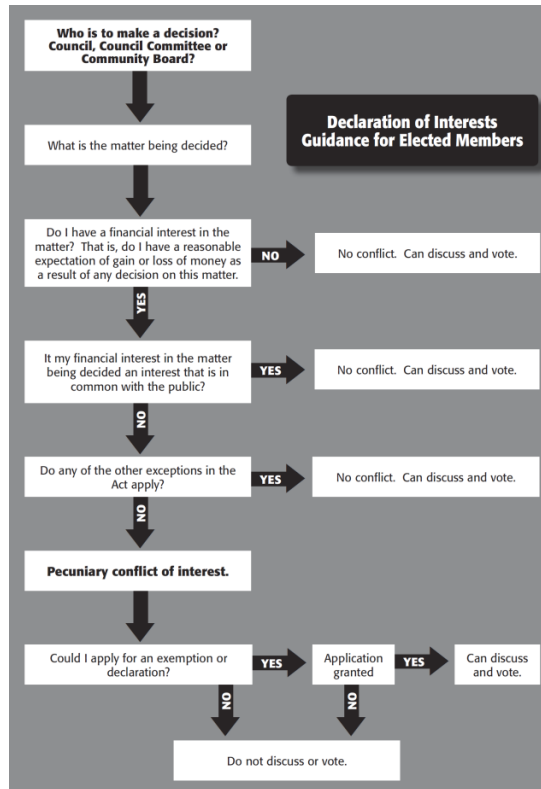
Prepared by Douglas Marshall
Chief Financial Officer

MEMBERS INTEREST

Members are encouraged to consider the items on the agenda and disclose whether they believe they have a financial or non-financial interest in any of the items in terms of Council's Code of Conduct.

Councillors are encouraged to advise the Governance Assistant, of any changes required to their declared Members Interest Register.

The attached flowchart may assist members in making that determination (Appendix A from Code of Conduct).



DRAFT RECOMMENDATION:

That Members disclose any financial or non-financial interest in any of the agenda items.

RISK AND AUDIT COMMITTEE

14 JUNE 2023

AGENDA ITEM 3

Prepared by Douglas Marshall
Chief Financial Officer

CONFIRMATION OF MINUTES

1. DRAFT RECOMMENDATION

That the Risk and Audit Committee receive and confirm minutes from the meeting of 17 May 2023.

MEETING OF THE RISK AND AUDIT COMMITTEE, HELD AT 5.45PM ON WEDNESDAY 17 MAY 2023 AT CLOCKTOWER CHAMBERS, PALMERSTON STREET, WESTPORT.

PRESENT: (Chair) S Roche, Cr G Weston, Cr L Webb, Cr R Sampson, Mayor J Cleine, Cr A Pfahlert, DM A Basher, Cr G Neylon, Cr T O'Keefe, Cr C Reidy, Cr J Howard, Cr P Grafton.

IN ATTENDANCE: R Townrow, (Acting CEO), Mike Williams (Acting Group Manager Infrastructure), S Judd (Group Manager Regulatory) D Marshall (Chief Financial Officer).

Media: Ellen from Westport News

MEETING DECLARED OPEN AT: 5.47pm

1. APOLOGIES (Page 10)

Discussion:

Ned Tauwhare sent his apologies through Mayor Cleine

RESOLVED That the Risk and Audit Committee accepts the apology from *Ned Tauwhare*.

Mayor J Cleine / DM A Basher
12/12

CARRIED UNANIMOUSLY

2. MEMBERS INTEREST (Page 11)

Discussion:

Nil

RESOLVED that Members disclose any financial or non-financial interest in any of the agenda items.

Chair S Roche / Cr G Neylon
12/12

CARRIED UNANIMOUSLY

3. CONFIRMATION OF MINUTES (Page 12)

Discussion:

Nil

RESOLVED that the Risk and Audit Committee receive and confirm minutes from the meeting of 19 April 2023.

**Cr L Webb/ DM A Basher
12/12
CARRIED UNANIMOUSLY**

4. ACTION POINTS (Page 22)

Discussion:

Two action points both due for info – AP 205 Punakaiki Lease and AP 208 PIP Update Reports – These items have been extended out until the 14 June

Cr Sampson – missing action point from previous month (Pg 19 of minutes, breakdown of costing from community facilities for Orowaiti cemetery – come back to a meeting? This information will be provided to councillors.

Punakaiki campground, there was discussion about the lease which it was generally accepted that the lease is a legal document which both parties are working within. The issue of the effluent system and future funding of the system will be the subject of a future report to council.

It was noted that campgrounds and their future operation will be reviewed during the preparation of the draft Long Term Plan for 2024-20234.

RESOLVED that the Risk and Audit Committee receive the Action Point Report for information.

**Cr Weston / Cr Neylon
12/12
CARRIED UNANIMOUSLY**

5. RISK AND AUDIT WORKPLAN (Page 25)

Discussion:

Nil

RESOLVED that the Risk and Audit Committee receive the Risk and Audit Work Plan for information.

**DM Basher / Cr Webb
11/1
Against : C Reidy**

**6. PORT AND DREDGE – MAY 2023 OPERATIONS REPORT
(Page 27)**

Discussion:

Closed account since July 2021.

Mr Marshall gave a breakdown on what has occurred prior to this on both accounts and spoke to his report:

Item in Westport News – note on page 31 regarding the proceeds of Bob Gower. The note in the staff report was a “check note” not removed during finalising of the staff report. The funds are correctly held so the matter is resolved.

Clarification as to what is meant by a closed account. A closed account, in a local government sense, is an account which receives defined revenue and expenses and any surplus/deficit in the funding of the activity annually is carried forward to the future years to use as funding or be “funded” if a deficit.

Another note in the report regarding the deficit position, by June 2023, council will be part way through the tranche 2 campaign with a programmed campaign in Nelson.

The dredge account should be in balance by July 2024.

This is the point where we would have figured out what the relationship with MWS going forward, Talleys etc. Is the Council going to stay as owner of the dredge etc.

The vacant harbourmaster role will be advertised in the coming weeks.

The lease and wharfage income will be updated in future reports.

The next report is due in July.

RESOLVED That the report be received for information

Cr Grafton / Cr Pfahlert

12/12

CARRIED UNANIMOUSLY

**7. 30 JUNE 2022 ANNUAL REPORT – FOLLOW UP ISSUES ERNST & YOUNG
(Page 34)**

Discussion:

Cr Reidy - Subcommittees bank account reconciliations – accounts held by BDC and Subcommittees own bank account for their bake sales. Is that the bank account that is operated by BDC?

D Marshall – most subcommittees have a bank account in their name but ultimately the bank account is owned by the council. He is currently reviewing how these accounts and financial statement could be managed in better way for committee’s although he noted that there are good processes in place currently.

We will provide a full report on what we provide for each subcommittee. There is some further work to do regarding what we do individually and with GST. We are making sure our controls are as good as they can be.

Cr Reidy – regarding GST – some would not reach the threshold. Want to highlight that.

D Marshall – repeated his comment that the subcommittees are the council and thus the council is the organisation who has to be satisfied on GST matter for each committee. Staff are comfortable that all matters are in hand.

Cr Neylon – are these ‘council’ accounts or are the committee’s own funds?

D Marshall – everything is ‘the council’ we are supporting them as well as we can but the auditors did bring up that we need to put some further controls in place.

The resolution was amended to include the words ‘*and supports the management responses*’.

RESOLVED That the Risk and Audit Committee: receive the follow up report relating to the Ernst & Young management report for the year ended 30 June 2022 as at 9 May 2023 and supports the management responses.

Chair S Roche / Cr Neylon
12/12

CARRIED UNANIMOUSLY

8. QUARTERLY REPORT: 31 MARCH 2023 (Page 41)
Discussion:

Cr Reidy – good report. Balance sheet doesn’t reflect state of affairs but won’t be recognised until later on in the year end adjustments.

Chair S Roche – staff have made commentary throughout the report, providing clarity for councillors.

RESOLVED That the Risk and Audit Committee receive the quarterly report for the nine months ended 31 March 2023 for information.

Cr Reidy / Mayor J Cleine
12/12

CARRIED UNANIMOUSLY

9. CAPITAL RECEIPTS AND EXPENDITURE REPORT TO MARCH 2023
(Page 55)
Discussion:

Council forecast on delivery of capital works is 140% above normal budget which is reflective of the additional work loads and funding that has come in. Acknowledge this and the great work the team have been dealing with.

Cr Reidy. Pg 58. 4.3 'qualified project managers' - What does this mean?

D Marshall – this definition covers a combination of engineers, quantity surveyors and accountants. Each person we use has experience in the fields of expertise needed. We have a combination of experience in years covering the various roles.

S Roche – This is reflective on what we see in Projects in Partnership, those managers have done a fine job for Council across a number of major projects.

Cr Reidy – Better off funding / IAF – Paid and completed February this year, we were told we had \$3-400k spend, some left over, and yet we are only showing part of that spent. I would have thought by the end of March we would have spent some of that.

D Marshall – I don't hold that specific answer, we can follow that up.

Cr Reidy – happy with that. Some items on here are capital but they are actually repairs & maintenance. Car park reseal is repairs & maintenance, unless you are making major alternations, its repairs & maintenance.

S Roche – this matter has been discussed at length previously and she asked staff if they could provide Cr Reidy with some further assistance.

D Marshall – stated that the council practice is inline with acceptable accounting practice and he will issue information to help Cr Reidy with this technical question.

Cr Neylon – pointy end of capital expenditure of the year, we would not know these until next month. Some people would be wondering if these projects will be done in this financial year.? Is there going to be communication about what will be held over and not completed by June?

D Marshall – we will be reporting to the June accounts in August. Due to the interest shown in what we have been doing, it wouldn't be too difficult to show what has been completed and what has been carried forward. For some that haven't been done, we will be able to explain when they will be started.

D Marshall – would like to change the timing of capital report carry forwards and bring it out a little bit quicker. Working hard to understand our AP and LTP commitments, we have lots of work programmes pending.

6.25pm – Cr O'Keefe left the meeting

RESOLVED That the Risk and Audit Committee receive the capital receipts and expenditure report to 31 March 2023 for information.

Cr Reidy / Cr Neylon
11/11
CARRIED UNANIMOUSLY

10. INVESTMENTS AND BORROWINGS – AS AT 31 MARCH 2023
(Page 62)
Discussion:

S Roche – noted current account was in overdraft for one day, waiting on a creditor payment and appreciated this explanation in the report.

D Marshall – there is a massive work programme underway. All staff are working hard on providing each with sound cashflows information to minimise borrowing until we absolutely need to.

Cr Sampson, summary of investments, we used to have what we have in the reserves – Reserve Contribution Fund, property sales etc. Is that in there or somewhere else?

D Marshall – special funds/reserves are reconciled annually. A specific report on reserve contribution will be provided by 30 June as part of annual plan decision making.

The previous council agreed that some narratives on special funds were historical commentary and not relevant to the financial position so have been removed.

RESOLVED That the Risk and Audit Committee receive the Investments and Borrowings report as at 31 March 2023 for information.

Cr Reidy / DM A Basher
11/11
CARRIED UNANIMOUSLY

11. LEASEHOLD PROPERTIES – EXTENDED 20% DISCOUNT OFFER (Page 71)
Discussion:

The Chairperson stated that the committee does not have the authority to make a decision on this report.

Cr Neylon on behalf of all that the discussion on the report was useful but that the report needed to be placed before the council.

The resolution was amended FROM:

'That a twenty percent sale discount of the independently assessed market value of leasehold land be available to lessees to 30 June 2024'.

TO:

RESOLVED that the at the report on leasehold discussions is to be forwarded to the council for decision making.

Cr Neylon / Cr Howard
11/11
CARRIED UNANIMOUSLY

**12. MONTHLY REPORT – PROJECTS IN PARTNERSHIP UPDATE REPORT
(Page 76)**

Discussion:

S Roche – She noted that the last Projects in Partnership meeting minutes were not available due to timing of meetings. She noted that the reports with their graphs, tables and narrative clearly state the state of progress on each project.

Mayor Cleine – he specifically reflected on the completed port project. It was one of the sites for the recent Prime Minister visit. The Prime Minister was impressed at how the crown investment was leveraged. The visit was a good opportunity to show the closure of the funding and multiplication of investment in that area.

The port is now set up for commercial activities and is a properly secured working environment.

Cr Neylon raised a question about surplus funds from the Reefton Campground stop bank. Could this be used elsewhere?

R Townrow – stated that the funds could be used with Tranche 2 NEMA funded programme but there is no ability to move under / overspends for other projects like those funded by council.

RESOLVED That the Risk and Audit Committee receive the Projects in Partnership Update Report for information.

Cr Reidy / Cr Webb

11/11

CARRIED UNANIMOUSLY

13. PUBLIC EXCLUDED (Page 125)

RESOLVED that the public be excluded from the following parts of the proceedings of the meeting.

Cr Neylon / DM Basher

11/11

CARRIED UNANIMOUSLY

Item	Minutes/Report:	General subject	Reason for passing resolution Section 7 LGOIMA 1987
14	Rachel Townrow Acting Chief Executive	Projects in Partnership Update Report - IAF Funded Project	s7(2)(c)(i) protect information which is subject to an obligation of confidence, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied s7(2)(i) enable any local authority holding the information to carry on, without

Item	Minutes/Report:	General subject	Reason for passing resolution Section 7 LGOIMA 1987
			prejudice or disadvantage, negotiations (including commercial and industrial negotiations)
15	19 April 2023	Confirmation of Minutes	<p>s 7(2)(b)(ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s 7(2)(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p> <p>s 7(2)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p> <p>s 7(2)(j) prevent the disclosure or use of official information for improper gain or improper advantage</p>

RESOLVED that Council move out of Public Excluded and the information released to public be noted as above.

Cr G Neylon/DM A Basher

10/10

CARRIED UNANIMOUSLY

- There being no further business the meeting concluded at 6.52PM
- **Next meeting:** TBC, Clocktower Chambers, Westport

Confirmed:**Date:**

RISK AND AUDIT COMMITTEE

14 JUNE 2023

AGENDA ITEM 4

Prepared by Douglas Marshall
Chief Financial Officer

Attachment 1 Action Points

ACTION POINTS

1. DRAFT RECOMMENDATION

That the Risk and Audit Committee receive the Action Point report for information.

RAC Action Points - CURRENT

No.	Meeting Of / Action Point	Responsible	Update:	Date Required By:
		K Trigg/D Marshall	<p>Council staff are currently awaiting a scope of works to be costed which can then be undertaken to allow the certificate of public use for the hall to be issued and the hall to be used again.</p> <p>A report provided to Kanoa in January 2023 is included on this agenda to provide background information - See Attachment 1</p> <p>Once the costed scope of works is available, a further report will be provided to the council so that funding can be identified for the necessary work to be undertaken.</p> <p>Further report to come to June RAC meeting.</p>	14 June 2023

RISK AND AUDIT COMMITTEE

14 JUNE 2023

AGENDA ITEM 5

Prepared by: Douglas Marshall
Chief Financial Officer

Attachments: Attachment 1 - RAC Work Plan

RISK AND AUDIT WORK PLAN

1. DRAFT RECOMMENDATION

That the Risk and Audit Committee receive the Risk and Audit Work Plan for information.

**Risk and Audit Committee
Proposed Programme 2023 Calendar Year**

Categories/Reports Proposed	SLT Member	Reporting Officer	June	July	August	September	October	November	December
Risk & Assurance Items									
NZTA Procedural Audit	IS	Manager Infrastructure Delivery							
Ernst & Young Report on BDC's Annual Report and its Preparation	CFO	Finance Manager							
Strategic Risk Register Update	CFO	CFO		✓			✓		
Strategic Risk Framework Review	CFO					✓			
Health and Safety Report Update	CFO	HR	✓			✓			✓
BHL Letter of Expectation	CFO								✓
CCO Statements of Intent	CFO	Finance Manager	Final						
CCO Director Appointments and Remuneration	CFO	Finance Manager							
BHL Quarterly Financials	CFO	Finance Manager	✓			✓			✓
BHL Annual Report	CFO	Finance Manager					Receive CCO Annual Reports		Adopt Annual Report
Westport Airport Authority Financials - 30 June	CFO	Finance Manager						✓	
Westport Airport Authority Financials - Half year	CFO	Finance Manager				✓			
Insurance	CFO	Management Accountant				Insurance Update Report			Finalise
Review of BDC Created Policy	CFO						✓		
Review of Business Continuity Plan	CFO							✓	
Internal Audits									
Dredge Activities	CFO	Project Accountant		✓ as per May minutes			✓		
Harbour Activities	CFO	Project Accountant		✓ as per May minutes				✓	
Follow-up on Ernst & Young Matters Raised in Their Annual Report	CFO	Finance Manager		✓		✓			
Monitoring Items									
BDC Quarterly / Half Yearly Financials	CFO	Finance Manager			✓			✓	
BDC Monthly Financial Performance Report	CFO	Financial Accountant	✓	✓		✓	✓		✓
BDC Investments and Borrowings	CFO	Finance Manager	✓	✓	✓	✓	✓	✓	✓
BDC Debtors	CFO	Finance Manager	✓			✓			✓
BDC Capital Receipts and Expenditure	CFO	Financial Accountant			✓			✓	
PIP Report	CEO	CEO	✓	✓	✓	✓	✓	✓	✓
Capital Report Multi-Year Projects									✓

The following items are not directly related to the Risk & Audit work programme but are provided to note when staff have key programmes of work

Major Financially Based Reports to be Prepared in the 2023 Calendar Year									
Annual Plan			Preparation and Adoption						
Long Term Plan				Preparation and Adoption	Preparation and Adoption	Preparation and Adoption	Preparation and Adoption	Preparation and Adoption	Preparation and Adoption
BDC Annual Report			Interim Audit	Preparation of Annual Report	Preparation of Annual Report	Preparation of Annual Report	Preparation of Annual Report	Final Audit	Adopt & Publish Annual Report & Summary Document
Rating Policy Review									
Rating Policy Review			Preparation and Adoption	Preparation and Adoption	Preparation and Adoption	Preparation and Adoption	Preparation and Adoption	Preparation and Adoption	Preparation and Adoption

RISK AND AUDIT COMMITTEE

14 JUNE 2023

AGENDA ITEM 6

Prepared by: Linda Eggers
Human Resources and Health & Safety Support Officer

Reviewed by: Kate Salmond
Human Resources Manager

HEALTH AND SAFETY REPORT - AS AT 30 APRIL 2023

1. REPORT SUMMARY

This Health and Safety report is intended to provide the Committee with insight into initiatives and activities including their progress as part of our organisational commitments to providing a safe and healthy workplace.

2. RECOMMENDATION

That the Risk and Audit Committee receive the Health and Safety report for information as at 30 April 2023.

3. ISSUES & DISCUSSION

3.1 Health, Safety and Wellbeing in the Workplace

Council adopted the new Health and Safety Management System in July 2021, with implementation occurring across all of Council's operations.

Employees were recently given the opportunity to attend further training on Damstra to assist them with some challenges they were experiencing in relation to certain aspects of its functionality.

The quarter from 1 February 2023 to 30 April 2023, there have been a range of incidents reported:

Incidents Reported	Injuries Reported	Lost Time Hours	Observations
13	2	0	2

Incidents reported relate to public interaction of a moderate nature, plant and equipment, security breach and property damage incidents of a minor nature.

The Airport team have lost some of their CCTV coverage and have also experienced their first bird strike in a year.

Injuries reported were both of a minor nature, with first aid treatments applied to one and wearing proper equipment for other.

One observation was driving and not paying attention to the road which could have resulted in an incident.

We had one illness event at the Library, where a patron fell ill and an ambulance was called, with the approval of ill person.

3.2 Risk Assessment – Occupational Violence and Aggression

Occupational violence and aggression (OVA) include actions and behaviours that can create a risk to the health and safety of workers, creating a negative impact on the wellbeing

Examples of OVA include:

- Physical acts such as pushing, shoving, grabbing.
- Standing over someone.
- Throwing objects, damaging property.
- Verbal abuse and threats including yelling, swearing, calling names.
- Using or threatening to use a weapon.
- Sexual harassment or assault.

Buller District Council has an obligation to ensure, so far as is reasonably practicable:

- The health and safety of its workers or those who are influenced or directed by the BDC.
- That the health and safety of other people is not put at risk from work carried out as part of the conduct of the business or undertaking (for example its visitors and customers).
- Provide and maintain a work environment, plant and systems of work that are without risks to health and safety.
- Provide information, training, instruction or supervision to protect workers and others from risks to their health and safety.

However, here are internal risk factors that may impact the level of risk:

- Work environment - some can increase the likelihood of OVA from customers or service users.
- The workplace - its access and exit points, general layout, public areas, waiting and interview rooms, reception area.
- Work practices that may contribute to OVA. For example, long waiting lines, poor customer service, inconsistent service.
- Staffing - including the number, competency, experience, training.
- Security – including duress alarm systems, communication systems, regular testing, and drills.
- Response procedures - how workers are helped during and after an incident.

3.3 Employee Welfare

As we recognise that BDC employees may be impacted by various internal and external welfare factors, we have made the decision to form a Wellness Committee which we plan to have in place by the end of 2023. The Wellness Committee will assist with planning and executing the BDC Wellness Plan which will be centred around the needs of our employees, as well as the business needs.

Current welfare initiatives are provided by the availability of:

- Employee Assistance Programme, which offers free counselling and a dedicated staff supporter.
- WARN (Wellness, Awareness, Resilience & Negotiation) e-learning.
- Subsidised flu jabs.

BDC has a number of current risk mitigations in place for employees, varying from:

- Health & Safety inductions and new starter Risk Assessments.
- Development of workers working with angry and aggressive customers.
- Scenario training for workers working with angry and aggressive customers.
- Security screens and doors.
- CCTV installed including signage for the public to reduce the likelihood.
- Perspex barriers between customers and workers.
- Immediate Support via activation of the Green Button.

There are further control measures required to be implemented to enable a safer environment for BDC workers to ensure that we are meeting our obligations:

- De-escalation training of workers.
- Review of policy and procedures for post incident trauma.
- Redesign of reception area at Brougham House which allows for employees to interact with community members effectively whilst providing them with optimum levels of safety.
- Secure parking and quality lighting for all BDC parking areas.
- Risk assessments prior to risk activity occurring.
- Dynamic risk assessment training and development.
- Public Meeting security.

Whilst considerable progress has been made, there are still significant improvements required which include the imbedding of training and development, culture transformation and understanding of Health & Safety process and procedures.

3.4 Revised Health & Safety Committee

Due to numerous business changes, there was a need to revise and reset our Health and Safety Committee. This has now been successfully completed, with H&S Representatives from all key business areas being assigned. Monthly H&S meetings are now taking place monthly, with actions and follow up requirements being dealt with promptly.

3.5 Safety Reporting Systems

Damstra has now been merged with Buller Holdings Ltd.

3.6 COVID-19 Update:

With the recent announcement of the removal of the Covid Protection Framework (CPF) across New Zealand, Council continues to encourage employees to conform with the current Government guidance around Covid-19 isolation requirements.

Current Government guidance has been reiterated to all employees, via email.

Hand sanitiser, antibacterial surface wipes and face masks have been made available to all employees and we have actively distributed these items to our customer facing teams, given the increased level of interaction required within these departments.

RISK AND AUDIT COMMITTEE

14 JUNE 2023

AGENDA ITEM 7

Prepared by Neil Engelbrecht
Financial Accountant

Lynn Brooks
Manager Finance

Reviewed by Douglas Marshall
Chief Financial Officer

Attachment 1 Buller Holdings Limited Quarterly Report March 2023

BULLER HOLDINGS LTD - FINANCIAL REPORT TO 31 MARCH 2023

1. REPORT SUMMARY

This report presents the three quarterly (unaudited) financial statements for the nine-month period ended 31 March 2023 including the budget for this period. The report also presents results against the Statement of Intent targets which are non-financial measures.

2. DRAFT RECOMMENDATION

That the Risk and Audit Committee receives the three quarterly Financial Report for the period ending March 2023 for information.

3. ISSUES AND DISCUSSION

This report is presented to Council to monitor the Buller Holdings Limited (BHL) financial results.

The Council owns 100% of the shares in BHL, therefore BHL is deemed to be a Council Controlled Organisation.

Commentary on the results of each area of BHL operations which are WestReef Services Limited and Buller Recreation Limited (trading as the Pulse Energy Recreation Centre) are set out in the accompanying report.

This information should be read in conjunction with the financial statements to provide detail about the overall group results.

The Group posted a surplus of \$661K for the nine months to 31 March 2023 against a budgeted surplus of \$403K. The year on year surplus has decreased by \$713k from a reported surplus of \$1,371k as at 31 March 2022 to \$661k as at 31 March 2023.

4. CONSIDERATIONS

4.1 Strategic Impact

BHL is a holding company that was set up to provide a commercial focus in the governance and management of the Council's commercial assets. The aim of the group is to operate as a successful company and provide a competitive rate of return on the investments of the company.

4.2 Significance Assessment

The significance and engagement policy sets out the criteria and framework for a matter or transaction to be deemed significant. The content included in this report is not considered significant by nature.

4.3 Values

The Council values are Future Focussed, Community Driven, One Team, Integrity and We Care. Monitoring the performance of BHL is important. The strong performance of BHL is integral to ensuring Council can fund current and future services for the community.

4.4 Risk Analysis

Risk is assessed by taking into account the likelihood of an event occurring, and the result of that event.

This report provides oversight of the financial operations of BHL but does not elaborate on other risks which may be present with those operations.

Risk is mitigated by engaging suitably qualified Directors to oversee the operations of the group.

Financial risk is mitigated when the results of operations are reported on and understood by staff and governance, and provision of the interim report to the Risk and Audit Committee.

4.5 Policy / Legal Considerations

BHL is required to provide quarterly financial results by Council as stipulated in Council's Long-Term Plan or Annual Plan.

4.6 Tangata Whenua Consultation Considerations

The contents of the report are not a matter requiring consultation with tangata whenua.

4.7 Views of Those Affected

The provision of services through the holdings company model and the type and nature of those services are consulted upon annually as part of the Annual Plan of Council.

4.8 Costs

There are no extraordinary costs included in the attached reports, nor are there any additional costs raised due to the submission of this report.

4.9 Benefits

The benefits of reviewing a quarterly report is the financial results are monitored at on a regular basis.

4.10 Media / Publicity

There are no media or publicity opportunities with this report.

Financial Report (unaudited)

For

Buller Holdings Ltd

For the Period Ending 31 March 2023



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The nine-monthly review	3
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Statement of Changes in Equity	9
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Statement of Financial Position	12

Directors Report to the shareholders of Buller Holdings Ltd on the financial performance for the Nine Months to 31 March 2023

Commentary:

The result for the 9 months of the financial year is currently tracking ahead of budget.

WestReef Services Ltd (WSL) has had satisfactory results for the year to date. Revenues have been strong but it has been a challenge to maintain acceptable margins due to higher inflation and rising costs which cannot always be fully recovered in contract revenues.

The environmental projects team continue work on the DoC Humpridge Track in Southland. This project has been progressing well and is a good example of revenue generated by WSL outside of the district. The Kawatiri to Charleston trail continues to progress well as the team currently works on the section near the Okari.

Within 3 Waters the teams focused on the raw water project at Waimangaroa, and at the Westport wastewater treatment plant.

Looking ahead most departments have a solid confirmed workload over the coming 12 months.

The IT project is currently being implemented with a go live date of July. This project will improve the organizational operational and accounting systems. It will also provide a platform that is fit for purpose and will allow efficient reporting with an aim to improve efficiency and performance across the group.

The depot project is also progressing with the Hamilton block of land purchased adjacent to the Cape Foulwind highway.

Moving forward into the last quarter of the year WSL will continue to look for new opportunities to maximize commercial returns and improve margins.

It has been a pleasing 9 months for Buller Recreation Ltd. Despite the pressures of increased inflation, the budget was close to being achieved.

BRL increased its customer experience by adding Pilates classes to its timetable. This class has proved popular. Aquatic visits and swim lessons numbers continue to perform very well especially in February and March. We continue the goal to educate children about water safety. Multi membership income is the highest currently it has been since the centre has been open and retention is good. This has been achieved whilst continuing to provide low-cost options for senior members of the community.

The Group continues to look for new opportunities for the individual companies and any other opportunities that present themselves. The group now employs approximately 135 staff and is one of the biggest employers within the district, providing social and economic well-being spread throughout the district.

A commentary against key indicators is contained in the next section of the report.

On behalf of the Board

Steve Grave

Chair

Statement of Intent Targets:

The targets as set out in the individual statements of intent for each subsidiary are shown below with an update of progress:

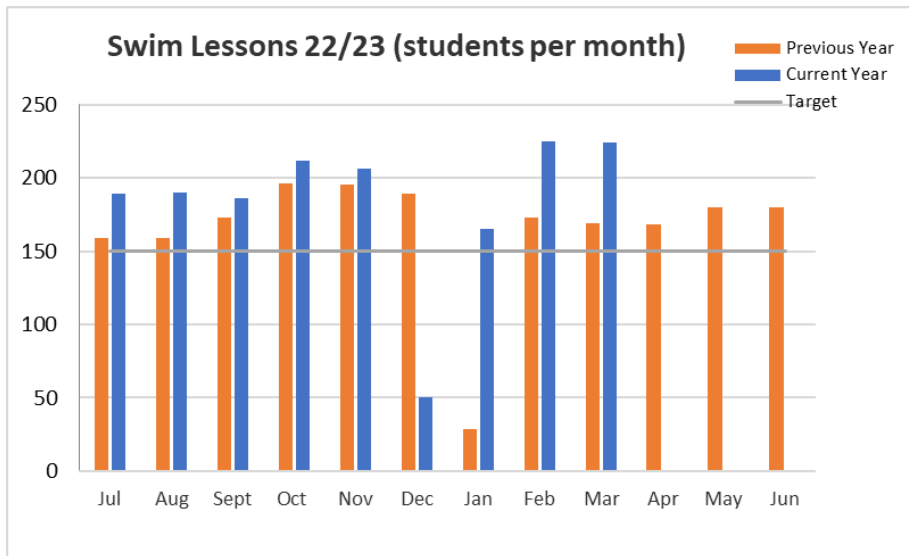
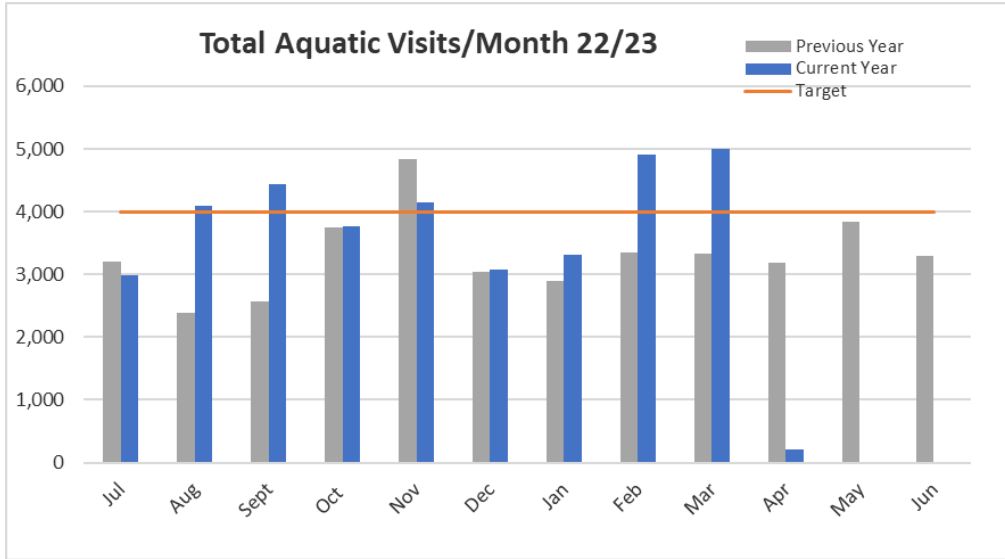
Buller Holdings Limited

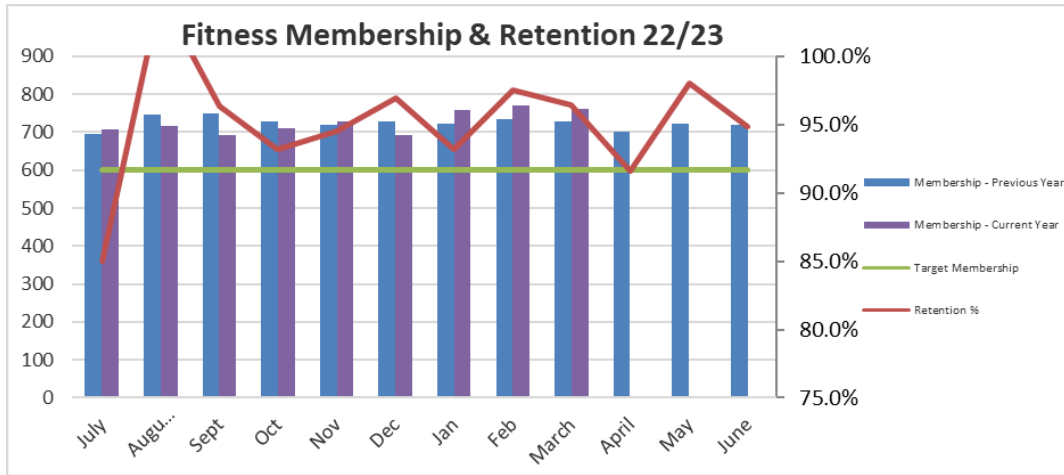
	Key Performance Measure	Target	Achieved
Health & Safety	Medical Treatment Injury	Nil	Nil
	Serious harm accidents	Nil	Nil
	LTI Target	Nil	Nil
Operational	The board of directors will meet with the BDC, CCTO Committee on a formal basis: (per/year)	3 times per year	3
	The Buller Holdings Ltd Chief Executive will provide a formal and or informal report to Council as requested.	As requested	3 Reports
	The Chief Executive of Buller Holdings Ltd will meet with the Chief Executive of Buller District Council when requested.	As requested	7
PARENT Financial (000's)	Revenue	\$588	\$450 YTD
	Expenditure	\$583	\$489 YTD
	Net Operating Surplus	\$5	\$(39) YTD
	Ratio of Shareholders Funds to Total Assets	60%	79%
GROUP Financial (000's)	Group Revenue	\$15,493	\$17,206 YTD
	Group Expenditure	\$14,957	\$16,545 YTD
	Group Operating Surplus	\$536	\$661 YTD
	Provision for capex	\$1.298m	\$1.812m YTD
	Forecasted distribution to Shareholders	\$1.3m	On Track

WestReef Services Ltd

OBJECTIVE	KEY PERFORMANCE INDICATOR	Target	Achieved
HEALTH & SAFETY	Medical Treatment Injuries	Nil	4
	Serious Harm (notifiable) Accidents	Nil	1
	LTI Target	Nil	3
	ISO 45001 Accreditation	Maintain accreditation	Achieved
OPERATIONAL	Employee Satisfaction – Staff turnover excluding retirement, redundancy and internal transfers	Within the range of +/- 5% of the national benchmark	Achieved
	Client Satisfaction – Min 12 meetings per year	12	6
	Renewal of TQS1 certification	Achieve	Achieved July 22
EMPLOYEE DEVELOPMENT & SATISFACTION	Undertake staff satisfaction survey (2 yearly)	Undertake Survey Sept 22	Achieved
	Regular department staff meetings	Achieve	Achieved
FINANCIAL (\$ 000)	Revenue (\$ 000)	\$13,395	\$16,104 YTD
	Expenditure	\$ 12,076	\$14,787 YTD
	Net Operating Surplus	\$1,319	\$1,317 YTD
	Provision for Capex	\$1.115m	\$1.715m YTD
	Competitively Procured Revenue	45%	89%
	Ratio of Shareholders Funds to Total Assets	60%	86%
ENVIRONMENTAL	Number of Enforcement notices	Nil	Achieved
COMMUNITY	Support Minimum community activities	25	36 YTD

Buller Recreation Ltd			
Performance Measure	Key Performance Indicator	Target	Achieved
Fitness membership	Average membership over 12-month period.	700	723
	Average retention rate over 12-month period	>75%	94%
Aquatic centre usage	Average visits per month over 12 months	3,750	3,836 YTD
	Achieve number of students over 4 swimming terms	140	181 YTD
Safety	MTI	Nil	Achieved
	Serious Harm Accidents	Nil	Achieved
	LTI	Nil	Achieved
Work Environment	Maintain regular communication with all employees through weekly emailed updates and meetings with all staff every 4 months.	Achieve	Weekly meetings held with management and quarterly meetings with each department
	Review the succession plan for key positions and identify training needs and actions for the next 12 months	Achieve	Achieved. Consideration given at Management meeting to skills and training if personnel in key positions leave.
	Complete annual review process with all staff	Achieve	To be completed by 30 June 2023
	Undertake staff satisfaction survey every second year	No survey required 2023	To be completed by 30 June 2024
	Undertake client satisfaction survey every second year.	Survey required 2023	Achieved March 2023
Asset Management	Review of the Asset Replacement Schedule annually	Achieve	Comprehensive asset management Plan in place
	Complete maintenance and replacement in accordance with AMP (monitor monthly)	Achieve	Ongoing
	Ratio of Shareholders Funds to Total Assets	60%	99%
Financial Forecasts \$000's	Revenue	\$659	\$533 YTD
	BDC Service level fee	\$851	\$638 YTD
	Expenditure	\$2,297	\$1,787 YTD
	Net operating surplus (deficit)	(\$787)	\$(616) YTD
	Provision for capex	\$183	\$124 YTD





January, February, March			
	2021	2022	2023
Pool	14,040	9,478	13,320
Gym	5,762	5,617	7,568

STATEMENT OF FINANCIAL PERFORMANCE

For the period ending 31 March 2023

	ACTUAL	BUDGET	ACTUAL	BUDGET
	GROUP	GROUP	PARENT	PARENT
	\$000	\$000	\$000	\$000
Revenue	17,206	11,620	450	441
Expenses	16,545	11,217	489	437
OPERATING SURPLUS/(DEFICIT) before taxation	661	403	(39)	4

STATEMENT OF FINANCIAL PERFORMANCE

For the period ending 31 March 2022

	ACTUAL	BUDGET	ACTUAL	BUDGET
	GROUP	GROUP	PARENT	PARENT
	\$000	\$000	\$000	\$000
Revenue	15,984	11,587	428	388
Expenses	14,613	11,092	444	386
OPERATING SURPLUS/(DEFICIT) before taxation	1,371	495	(16)	2

STATEMENT OF CHANGES IN EQUITY

For the period ending 31 March 2023	Actual			Actual		
	Group			Parent		
	Share Capital	Retained Earnings	Total Equity	Share Capital	Retained Earnings	Total Equity
	\$000	\$000	\$000	\$000	\$000	\$000
Opening balance 01 July 2022	19,934	(8,045)	11,889	19,934	(13,920)	6,014
Profit for the period	-	661	661	-	(39)	(39)
	19,934	(7,384)	12,550	19,934	(13,959)	5,975
Transactions with owners, recorded directly in equity						
Issued capital	183	-	183	183	-	183
Closing balance 31 March 2023	20,117	(7,384)	12,733	20,117	(13,959)	6,158

For the period ending 31 March 2022	Actual			Actual		
	Group			Parent		
	Share Capital	Retained Earnings	Total Equity	Share Capital	Retained Earnings	Total Equity
	\$000	\$000	\$000	\$000	\$000	\$000
Opening balance 01 July 2021	19,832	(9,876)	9,956	19,832	(13,938)	5,894
Profit for the period (after provisional tax payment of \$114k)	-	1,257	1,257	-	(16)	(16)
	19,832	(8,619)	11,213	19,832	(13,954)	5,878
Transactions with owners, recorded directly in equity						
Issued capital	102	-	102	102	-	102
Closing balance 31 March 2022	19,934	(8,619)	11,315	19,934	(13,954)	5,980

STATEMENT OF CASH FLOWS
For the period ending 31 March 2023

	GROUP	PARENT	GROUP	PARENT
	\$000	\$000	\$000	\$000
	2023	2023	2022	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash was provided from:				
Management fees	638	418	638	400
Receipts from Customers	19,565	166	15,137	27
Interest received	49	1	19	1
	<u>20,252</u>	<u>585</u>	<u>15,794</u>	<u>428</u>
Cash was applied to:				
Payments to suppliers and employees	18,767	516	12,854	354
Taxes paid	998	59	1,180	53
Interest paid	34	34	34	34
	<u>19,797</u>	<u>609</u>	<u>14,068</u>	<u>441</u>
Net cash inflow/(outflow) from operating activities	<u>453</u>	<u>(24)</u>	<u>1,726</u>	<u>(13)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash was provided from:				
Realisation of term investments	4,077	123	3,228	121
Proceeds from sale of fixed assets	26	-	127	0
	<u>4,103</u>	<u>123</u>	<u>3,355</u>	<u>121</u>
Cash was applied to:				
Term investments	1,590	130	2,575	122
Purchase of fixed assets	1,812	-	1,324	-
	<u>3,402</u>	<u>130</u>	<u>3,899</u>	<u>122</u>
Net cash inflow/(outflow) from investment activities	<u>701</u>	<u>(7)</u>	<u>(544)</u>	<u>(1)</u>

	GROUP	PARENT	GROUP	PARENT
	\$000	\$000	\$000	\$000
	2023	2023	2022	2022
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash was provided from:				
Dividends received	-	-	-	-
Share Issue	183	183	102	102
	<u>183</u>	<u>183</u>	<u>102</u>	<u>102</u>
Cash was applied to:				
Share Issue	-	183	-	102
Subvention payment made	1,300	-	1,300	-
	<u>1,300</u>	<u>183</u>	<u>1,300</u>	<u>102</u>
Net cash inflow/(outflow) from financing activities	<u>(1,117)</u>	<u>-</u>	<u>(1,198)</u>	<u>-</u>
Net increase in cash held	37	(31)	(16)	(14)
Add opening cash as at 1 July 2022	959	140	1,296	127
Closing cash balance	<u>996</u>	<u>109</u>	<u>1,280</u>	<u>113</u>
Made up of:				
Bank	996	109	1,280	113
Closing cash balance	<u>996</u>	<u>109</u>	<u>1,280</u>	<u>113</u>

**STATEMENT OF FINANCIAL POSITION
As at 31 March 2023**

	Group	Parent	Group	Parent
	\$000	\$000	\$000	\$000
	2023	2023	2022	2022
ASSETS				
Current Assets				
Cash and short-term deposits	996	109	1,280	113
Receivable and prepayments	3,056	57	3,474	54
Inventories	421	0	66	0
Short Term Investments	1,590	130	2,575	121
Other current assets	1,000	1,000	0	0
Total current assets	7,063	1,296	7,395	288
Non-current assets				
Deferred tax	311	30	220	12
Fixed assets	8,309	405	8,106	408
Rou Assets	20		88	
Goodwill	389	0	389	0
Investment in Subsidiaries	0	7,075	0	6,892
Total non-current assets	9,029	7,510	8,803	7,312
Total Assets	16,092	8,806	16,198	7,600
LIABILITIES				
Current liabilities				
Payables and accruals	1,186	96	2,008	67
Employee entitlements	673	52	790	53
Total current liabilities	1,859	148	2,798	120

Non current liabilities

Deferred Tax	0	0	585	0
Loans	1,500	2,500	1,500	1,500
Total non-current liabilities	1,500	2,500	2,085	1,500
Total liabilities	3,359	2,648	4,883	1,620

EQUITY

Share capital	20,117	20,117	19,934	19,934
Accumulated Funds	661	(39)	1,257	(16)
Retained earnings	(8,045)	(13,920)	(9,876)	(13,938)
Total Equity	12,733	6,158	11,315	5,980

Net Assets	12,733	6,158	11,315	5,980
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RISK AND AUDIT COMMITTEE

14 JUNE 2023

AGENDA ITEM 8

Prepared by: Neil Engelbrecht
Financial Accountant

Lynn Brooks
Finance Manager

Reviewed by: Douglas Marshall
Chief Financial Officer

Attachment 1: BDC Monthly Operational Report as at 30 April 2023

MONTHLY FINANCIAL PERFORMANCE REPORT – as at 30 April 2023

1. REPORT SUMMARY

This report provides the Committee with an update on the financial performance for the ten months ending 30 April 2023. To help explain the variances this report is presented in three sections including “operational business as usual”, “additional grants”, and “flood event” sections.

The business-as-usual result to date is a loss of \$3.419m (\$4.137m loss as at February 2023) against a budgeted loss of \$1.155m (\$1.964m loss as at February 2023), a negative variance of \$2.265m (\$2.137m as at February 2023). This difference is mostly due to a timing variance in the Harbour activity for slipping expenses, the remainder being expenditure which is expected to resolve as the year progresses. Otherwise, revenue and expenditure are mainly on budget. More details relating to the variances can be found in the attachment.

The additional grant revenue and expenditure shows a surplus of \$1.632m (\$1.166m surplus as at February 2023) against a budgeted surplus of \$0.511m (\$0.817m surplus as at February 2023), a positive variance of \$1.121m (\$0.817m as at February 2023) as a portion of grants relate to capital expenditure which is not included in this operations report.

The flood event result to date is an overall surplus of \$7.934m (\$7.433m surplus as at February 2023), it should be noted a portion of the flood event revenue relates to capital expenditure which is not included in this operations report.

The total reported surplus to April 2023 of \$6.146m (\$4.461m surplus as at February 2023) compared to a budgeted loss of \$0.644m (\$1.615m loss as at February 2023), a positive variance of \$6,790m (\$6.077m as at February 2023). The main reason for this variance is grant and flood recovery revenue and expenditure. It is also due to timing differences between when the budget anticipated the revenue or

expenditure would occur and the actual timing of the revenue and expenses and non-budgeting of flood recovery income and expenditure.

2. RECOMMENDATION

That the Risk and Audit Committee receive the Operational Performance report to 30 April 2023 for information.

3. OPERATIONAL FINANCIAL PERFORMANCE

A summary of the results is set out below, along with greater details in the following pages.

	Actual YTD	Annual Plan	YTD Variance		Projected Full Year	Annual Plan Full Year	Projected Variance Full Year
Operational Revenue	25,597,347	25,068,384	528,963	●	29,075,095	28,924,828	150,267
Operational Expenditure	29,016,638	26,223,069	(2,793,569)	■	33,503,105	31,902,033	(1,601,072)
TOTAL OPERATIONAL VARIANCE			(2,264,606)	■			(1,450,805)
Additional Grant Revenue	2,507,984	577,392	1,930,592	●	2,767,159	913,051	1,854,108
Additional Grant Expenditure	876,102	66,831	(809,271)	■	899,652	77,552	(822,100)
TOTAL ADDITIONAL GRANT VARIANCE			1,121,320	●			1,032,008
Flood Event Revenue	11,330,040	0	11,330,040	●	11,096,150	0	11,096,150
Flood Event Expenditure	3,396,642	0	(3,396,642)	■	3,662,835	0	(3,662,835)
TOTAL FLOOD EVENT VARIANCE			7,933,398	●			7,433,315
TOTAL PROFIT / (LOSS)			6,790,112	●			7,014,518
Net Profit / (loss)	6,145,988	(644,124)	6,790,112	●	4,872,812	(2,141,706)	7,014,518

Key: ● Favourable Variance + \$50k ■ Unfavourable Variance - \$50k ▲ Neutral Variance +/- \$50k

3.1 Operational Performance Report – Summary of Results to April 2023 and Projection for the Year Ahead

Overall, operating revenue is \$0.529m higher than budgeted. The variance is mainly due to additional theatre income, higher than anticipated building activities and resource consents. There is also above budgeted interest income due to favourable interest rates and unbudgeted Nelson dredging income.

These positive variances are offset by lower than budgeted income on Westport Harbour due to timing differences and below budgeted income for community facilities, mainly relating to lower than budgeted lease income.

Operational expenditure is \$2.794m higher than budgeted mainly due to rehabilitation work on the dredge which was expected to be completed prior to 30 June 2022 but has occurred in this financial year. Additional theatre expenditure is matched with increased revenues received for this activity, higher than budgeted repairs and maintenance mainly relating to water supplies and timing differences for other infrastructure delivery activities.

The dredge rehabilitation work was delayed allowing for completion of dredging in Westport prior to June 2022 and for it to occur when a dredging contract in Nelson was secured. The Nelson dredging and rehabilitation work was undertaken in September/October 2022.

The cost of this rehabilitation work, as well as the operating cost of the dredge, is all funded via the Tranche 2 Central Government service contract.

The dredge slipping expenditure will be a mixture of capital expenditure and repairs, and this work is being completed in line with the 2021-2031 Long-Term Plan which sets out that the work on the dredge would only be completed if a sound business case was developed, and it was.

To date, additional grant revenue consists of advance funding from Provincial Growth Fund (PGF) for the ongoing port projects, Mayors Taskforce for Jobs, KMTT restoring flora grant, National Transition Unit and Department of Internal Affairs. PGF grants will be spent on a combination of capital expenses and repairs.

Council will continue to receive significant funding over the next period for flood recovery works.

The report includes confirmed grant funding from the National Emergency Management Agency (NEMA) (Tranche 2) projects for the port projects.

NEMA are also funding flood recovery water infrastructure projects, and Ministry of Business and Innovation are providing funding for the temporary housing development at Alma Rd.

Waka Kotahi have funded flood recovery roading costs for both capital and operational costs, and Department of Internal Affairs have funded wages costs for flood recovery salaries.

BULLER DISTRICT COUNCIL
Operating Report for the Ten Months to April 2023

Prepared by: Neil Engelbrecht
Reviewed by: Lynn Brooks/Douglas Marshall

	Actual Year to Date	Annual Plan YTD Budget	YTD Variance	Status	Full Year Prediction	Annual Plan Budget	Variance Full Year Prediction	Explanation of Variances of \$50,000 or greater
Operational Revenue								
Community Services	406,492	275,873	130,619	●	490,000	341,119	148,881	NBS Theatre higher than predicted shop sales, admissions, and timing of external funding. The income is very difficult to predict and the movement in income gets offset by the movement in expenditure below. The full year prediction has been updated to extrapolate the YTD income over the remainder of the year.
Westport Harbour	2,082,945	1,877,493	205,452	●	2,665,145	2,766,000	(100,855)	Budget was based on an expected level of dredging in Westport between July 2022 and June 2023. The rehabilitation and Nelson dredging work took longer than anticipated which means that the projected income from Westport dredge activities in this year will be down on budget, however due to Nelson dredging income, the year to date income is above budget.
Governance & Representation	25,857	33,600	(7,743)	▲	33,600	33,600	0	
Water Supplies	3,789,012	3,794,817	(5,805)	▲	3,877,579	3,877,579	0	
Airport	153,233	129,251	23,982	▲	158,538	158,538	0	
Community Facilities	597,280	770,511	(173,251)	■	1,123,000	1,355,759	(232,759)	Cemetery fees \$15k less than budget. Housing for the Elderly is less than budget due to the transfer of McAuley Flats \$36k year to date. The remainder of the variance relates to less leasehold and sundry income compared to budget, this is mainly offset by corresponding reduction in Community Facilities Expenses.
Roading & Transport	2,415,796	2,461,617	(45,821)	▲	2,971,814	2,971,814	0	
Regulatory Services	1,357,727	1,130,990	226,737	●	1,645,695	1,365,695	280,000	Higher than predicted building activity and resource consents. Additional resource contributions not included in budget. Even though there was an increase in income, the cost related to Regulatory Service was well controlled, and have to date not increased in line with the income. The full year prediction has been updated to account for the additional estimated income.
Solid Waste	1,036,537	982,511	54,026	●	1,067,696	1,012,696	55,000	Greater than budgeted Waste Levy Income from the Ministry for the Environment. The full year forecast have been adjusted to account for this.
Support Services	58,600	61,756	(3,156)	▲	76,360	76,360	0	
Council - General Rates & Treasury	10,759,869	10,634,027	125,842	●	12,043,974	12,043,974	0	Additional interest income of \$131k above budget due to favourable interest rates.
Wastewater	2,913,999	2,911,809	2,140	▲	2,916,676	2,916,676	0	
Stormwater	0	4,059	(4,059)	▲	5,018	5,018	0	
Total Operational Revenue	25,597,347	25,068,384	528,963	●	29,075,095	28,924,828	150,267	
Operational Expenditure								
Community Services	3,624,243	3,485,912	(138,331)	■	4,180,329	4,121,329	(59,000)	Variance relates mainly to performance fees, additional shows were held that was not budgeted for, resulted in a corresponding increase in operational revenue. Other items offset and are in line with the overall budget.
Westport Harbour	3,727,591	1,907,319	(1,820,272)	■	3,983,576	2,535,881	(1,447,695)	Variance mainly due to timing of slipping costs (to date \$1,624m) incurred in advance of external funding for Westport dredging. Above budgeted repairs and maintenance expenditure.
Governance & Representation	1,502,164	1,512,155	9,991	▲	1,808,375	1,808,375	0	
Water Supplies	3,422,929	3,068,484	(354,445)	■	3,867,736	3,669,799	(197,937)	Higher than budgeted repairs to date Westport Water \$262 due to water catchment challenges, Reefton Water \$25k, Cape Foulwind \$15k and Inangahua Water \$10k, and additional interest expenses due to changing interest rates and timing differences from budget phasing less underpays in insurance. Maintenance Contract costs escalation for new performance contract, pump hire for \$30k not able to be claimed from flood recovery, will be permanent overspend at end of year if unable to be mitigated in Westport Supply. Water supply and utilities are forecast to end the financial year over budget.
Airport	436,691	424,746	(11,945)	▲	549,699	509,699	(40,000)	MOT share of repairs and maintenance was initially excluded from the budget, this has been corrected to include additional repairs and maintenance costs. The airport is planning to repair the runway, for which these funds will be used.
Community Facilities	2,373,783	2,580,404	206,621	●	3,110,000	3,336,965	226,965	Repairs and maintenance expenditure is less than budget year to date. Council had no employee in the TLCF role, once the AMPs are set up and a new appointment has been made, the R&M expenditure is expected to be more in line with budget for the next financial year.
Roading & Transport	6,669,834	6,578,853	(90,981)	■	7,912,099	7,912,099	0	Minor variance in timing of the roading programme.
Infrastructure Delivery (income and expenditure netted off)	246,972	(22,487)	(269,459)	■	(9)	(9)	0	Infrastructure Delivery Team YTD net deficit \$246k due to internal charges being down on budget allocation to date. This current variance is a timing issue and all PMO costs are expected to be charged out appropriately by 30 June.
Regulatory Services	2,338,165	2,397,545	59,380	●	2,810,000	2,895,908	85,908	DIA Funding 2 employees in the planning activity resulting in a decrease in expenditure.
Solid Waste	1,282,732	1,267,599	(15,133)	▲	1,617,992	1,546,992	(71,000)	Contract review has been done and CPI adjustment incorporated into the forecast.
Support Services	505,996	178,324	(327,672)	■	234,787	234,787	0	Variance is mainly due to increase in consulting services relating to infrastructure planning and asset management property.
Wastewater	2,172,500	2,261,138	88,638	●	2,717,910	2,645,599	(72,311)	Difference is mainly due to less consultancy services, monitoring expenditure and repairs expenditure.
Stormwater	713,037	583,077	(129,960)	■	710,611	684,609	(26,002)	Due to increase in repairs and maintenance work done, majority relating to the increase in Westreef contract.
Total Operational Expenditure	29,016,638	26,223,069	(2,793,569)	■	33,503,105	31,902,033	(1,601,072)	
OPERATIONAL PROFIT / (LOSS)	(8,419,291)	(1,154,685)	(2,264,606)	■	(4,428,010)	(2,977,205)	(1,450,805)	
Additional Grant Revenue								
Community Services	639,987	20,621	619,366	●	394,987	25,499	369,488	\$456k Mayors Taskforce for Jobs, \$146k KMTT Restoring flora and other small sundry grants all unbudgeted.
Westport Harbour	903,747	0	903,747	●	967,940	0	967,940	Provincial Growth Fund Port projects grant received and MBIE port Precinct grant received. No budget allowed in 2022/2023 as project expected to be completed by 30 June 2022.
Commercial and Corporate Services	463,265	0	463,265	●	288,667	0	288,667	National Transition Unit and Department of Internal Affairs funding that was not budgeted for. This funding is used to fund expenditure that was also not budgeted for.
Water Supplies	65,000	0	65,000	●	0	0	0	Better off funding Karamea Water Supply
Community Facilities	182,873	373,790	(190,918)	■	715,565	587,552	128,013	Carnegie Library funding budgeted YTD of \$ 313k for not yet received, offset by additional government subsidy of \$100k from MBIE for public toilets.
Roading & Transport	200,000	182,981	17,019	▲	300,000	300,000	0	
Solid Waste	53,113	0	53,113	●	100,000	0	100,000	Grant received from ministry for the environment, not budgeted for.
Total Additional Grants Revenue	2,507,984	577,392	1,930,592	●	2,767,159	913,051	1,854,108	
Additional Grant Expenditure (excludes Capital Expenditure)								
Community Services	335,138	0	(335,138)	■	277,418	0	(277,418)	Mayors taskforce for job grant expenditure and small KMTT project expenses. Relates to unbudgeted income above.
Westport Harbour	433,098	0	(433,098)	■	444,682	0	(444,682)	Provincial Growth Fund Port projects. Mainly relating to repairs & Maintenance on the PGF project. Unbudgeted spend as per the income noted above.
Commercial and Corporate Services	0	0	0	▲	0	0	0	
Water Supplies	0	0	0	▲	0	0	0	
Community Facilities	34,436	66,831	(32,395)	▲	77,552	77,552	0	
Roading & Transport	0	0	0	▲	0	0	0	
Solid Waste	73,430	0	(73,430)	■	100,000	0	(100,000)	This expenditure relates to the cost of a study into how construction and demolition material in the District will be managed in the future. The cost is funded by the Ministry for the Environment. That funding creates a variance above. These cost relate to the feasibility stage of a larger project.
Total Additional Grants Expenditure	876,102	66,831	(809,271)	■	899,652	77,552	(822,100)	
ADDITIONAL GRANTS PROFIT / (LOSS)	1,631,881	510,561	1,121,320	●	1,867,507	835,499	1,032,008	
Flood Event Revenue								
All Flood Event Revenue	11,330,040	0	11,330,040	●	11,096,150	0	11,096,150	MBIE Housing, NEMA funding, DIA funding, MPI and Waka Kotahi Flood events income received
Total Unbudgeted Flood Event Revenue	11,330,040	0	11,330,040	●	11,096,150	0	11,096,150	
Flood Event Expenditure (excludes Capital Expenditure)								
Flood Event Operational Expenditure	3,396,642	0	(3,396,642)	■	3,662,835	0	(3,662,835)	Flood related operational expenditure to Feb including Mayoral Relief Fund payments. Projection is for operational expenses only, not capital.
Total Unbudgeted Flood Event Expenditure	3,396,642	0	(3,396,642)	■	3,662,835	0	(3,662,835)	
FLOOD EVENT PROFIT / (LOSS)	7,933,398	0	7,933,398	●	7,433,315	0	7,433,315	
TOTAL PROFIT / (LOSS)	6,145,988	(644,124)	6,790,112	●	4,872,812	(2,141,706)	7,014,518	

Key
 ● Favourable variance + \$50k or more
 ▲ Unfavourable variance - \$50k or more
 ▲ Neutral +/- \$50k

RISK AND AUDIT COMMITTEE

14 JUNE 2023

AGENDA ITEM 9

Prepared by Neil Engelbrecht
Financial Accountant

Lynn Brooks
Finance Manager

Reviewed by Douglas Marshall
Chief Financial Officer

INVESTMENTS AND BORROWINGS – As at 30 April 2023

1. REPORT SUMMARY

This report summarises Council's cash investments and borrowings for the month of April 2023, and compliance with Council treasury management policy.

2. DRAFT RECOMMENDATION

That the Risk and Audit Committee receive the Investments and Borrowings report as at 30 April 2023 for information.

3. ISSUES AND DISCUSSION

3.1 Term Investments

Total term investments (Including call account and other loans) have decreased by \$1.075m since the last report to 31 March 2023 from \$18.008m to \$16.933m at 30 April 2023. The call account decreased by \$1.075m from \$1.8m at 31 March 2023 to \$725k at 30 April 2023. The decrease in the funds was due to cash requirements at month end.

3.2 Bank Balance

Council's main trading account closing balance has increased by \$237k since the last report to 31 March 2023. The balance increased from (\$91k) at 31 March 2023 to \$146k at 30 April 2023. All of Council trading account closing balances at the end of April was \$174k.

3.3 Interest Revenue

Interest revenue to the end of April is \$604k against a YTD budget of \$543k and a full year budget of \$797k.

Council continues to reinvest term investment funds at the most favourable interest rate when deposits are available for renewal. The improving interest rates are reflected in the interest revenue for the year.

3.4 Borrowings and Net Debt Position

Total borrowings increased by \$4.4m since the last report to 31 March 2023. The total borrowings increased from \$33.2m at 31 March 2023 to \$37.6m at 30 April 2023. This is due to a one-off additional short-term borrowing from Westpac of \$4.4m.

The funds borrowed was used for additional flood recovery expenditure incurred, while Council was still waiting on the income from external funders claims to be paid. This is a timing difference, and the loan has subsequently been repaid.

Net debt (borrowings less term investments and call account balance) has increased by \$5.475m since last reported from \$16.806m to \$22.281m due to the additional short term advance borrowing noted above of \$4.4m and the call account decrease noted above of \$1.075m.

3.5 Compliance with Treasury Management Policy

The Treasury Management Policy of Council is that all term deposits are held with New Zealand Registered banks with no more than \$10 million with any one institution. The terms and maturity dates of investments are spread to minimise Council's exposure to interest rate fluctuations while still aiming to optimise interest earned.

Council has approved the investment in Nelson Building Society (NBS) which is a breach of the Treasury Management Policy. The policy limits investments in Building Societies to a total of 10% of the portfolio and an individual Building Society to be no more than the lower of \$1m or 4% of its asset base.

Currently investments in NBS total \$3.468m representing 25% of the total investment portfolio. This planned breach will continue as investments mature and are rolled over as this level of investment is part of a sponsorship agreement.

4. CONSIDERATIONS

4.1 Strategic Impact

It is important that Council retains suitable cash holdings and credit facilities to ensure its activities and capital projects can be funded in a timely and affordable manner.

4.2 Significance Assessment

The significance policy sets out the criteria and framework for a matter or transaction to be deemed significant. The content included in this report is not considered significant because the matters disclosed are of a routine nature, and not large in terms of total assets and total annual operations of council.

4.3 Values Assessment

The Buller District Council's values are: One Team; Community Driven; We Care; Future Focussed; and Integrity.

Treasury management functions and reporting align most strongly with the values of Future Focussed and Integrity.

Consideration of current and future cash requirements and intergenerational equity are required when managing cash deposits and credit facilities.

Public reporting of investments and borrowings encourages open and honest discussion and decision making.

4.4 Risk Analysis

Risk is assessed by taking into account the likelihood of an event occurring and the result of that event.

Cash flow management is an integral part of ensuring Council is able to deliver the services and projects it has committed to in successive Long Term and Annual Plans.

This risk is mitigated by establishing policies and procedures, engaging staff to manage investment and borrowings and regular reporting to Council to ensure high level oversight.

4.5 Policy / Legal Considerations

The Local Government Act 2002 and associated regulations prescribe prudent financial management and nationwide benchmarks. The financial prudence benchmarks are now compulsory sections included in Council Long Term/Annual Plans and Annual Reports.

Council's Investment Policy and Treasury Policy govern the management of cash assets and borrowings.

4.6 Tangata Whenua Considerations

None identified.

4.7 Views of Those Affected

Council's financial strategies, investment levels and borrowing projections are included in the Long-Term Plan and Annual Plan consultation processes.

4.8 Costs

There are no extraordinary costs relating to investments and borrowings.

4.9 Benefits

The benefits of structured Treasury management include risk minimisation, prudent cash management and long-term financial stability.

4.10 Media / Publicity

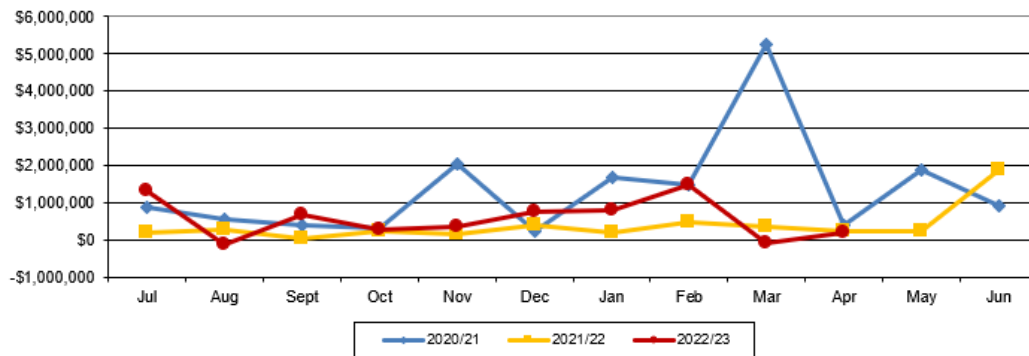
None identified.

INVESTMENTS AND BORROWINGS REPORT

1. BANK BALANCE

	This Month 30-Apr-23	Last Report 31-Mar-23	Last Year 30-Jun-22
Trading Account Council	\$146,064	(\$90,758)	\$1,866,900

2. MONTH END BANK BALANCES



3. SUMMARY OF INVESTMENTS

	This Month 30-Apr-23	Last Report 31-Mar-23	Last Year 30-Jun-22
Term deposits	14,107,472	14,107,472	16,377,141
LGFA Borrower Notes	500,000	500,000	455,000
Call Account	725,000	1,800,000	700,000
Balance before other loans	15,332,472	16,407,472	17,532,141
Other investments (Includes loan to Holding Company)	1,600,982	1,600,982	1,610,982
Total Investments	\$16,993,454	\$18,008,454	\$19,143,123

3.1 Term Deposits

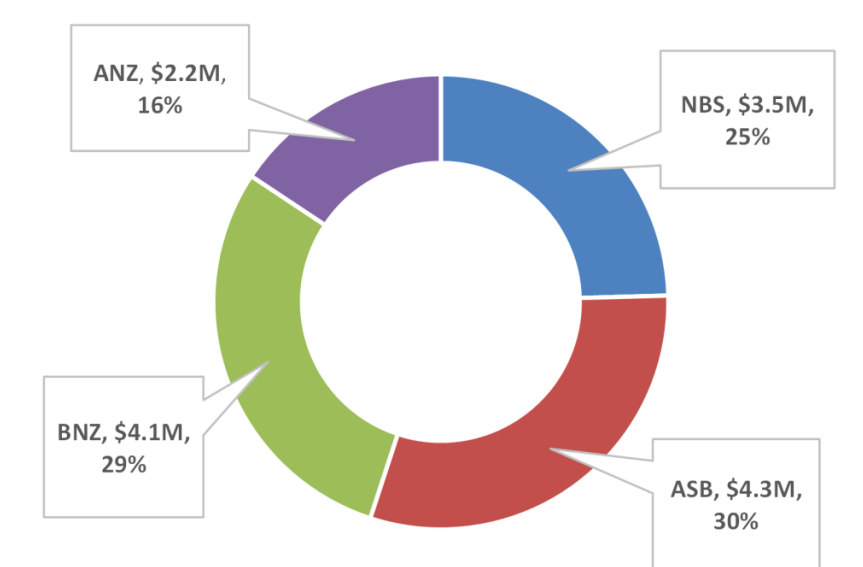
Investment Type	Counterparty	Amount	Start Date	Maturity Date	Fixed Interest Rate
Term Deposit	NBS	400,000	4-May-2022	4-May-2023	2.70%
Term Deposit	ANZ	1,000,000	4-May-2022	4-May-2023	2.70%
Term Deposit	BNZ	1,636,800	4-Mar-2023	4-Jun-2023	5.25%
Term Deposit	NBS	534,038	13-Dec-2022	13-Jun-2023	4.50%
Term Deposit	ASB	977,776	23-Dec-2022	23-Jun-2023	4.55%
Term Deposit	NBS	1,000,000	29-Jun-2022	29-Jun-2023	3.65%
Term Deposit	BNZ	1,000,000	30-Jun-2022	30-Jun-2023	3.65%
Term Deposit	NBS	1,534,038	18-Jul-2022	18-Jul-2023	3.65%
Term Deposit	ASB	1,000,000	23-Jan-2023	26-Aug-2023	4.90%
Term Deposit	ASB	1,325,000	6-Mar-2023	13-Sep-2023	5.63%
Term Deposit	BNZ	500,000	10-Apr-2023	7-Oct-2023	5.10%
Term Deposit	ANZ	1,199,821	10-Oct-2022	9-Oct-2023	4.10%
Term Deposit	ASB	1,000,000	12-Oct-2022	12-Oct-2023	4.20%
Term Deposit	BNZ	1,000,000	10-Mar-2023	5-Nov-2023	4.70%
Total Term Deposits		14,107,572			

The objective of this table is to show a trend of rising interest rates over the past 12 months.

There were 2 term deposits maturing at the beginning of May, which have been renewed on the following terms:

- NBS - \$400,000 renewed for 12 months until 6 May 2024 at 5.75% per annum; and
- ANZ - \$1,000,000 renewed for 270 days until 29 January 2024 at 5.50% per annum.

3.2 Term Deposits Summary by Trading Bank

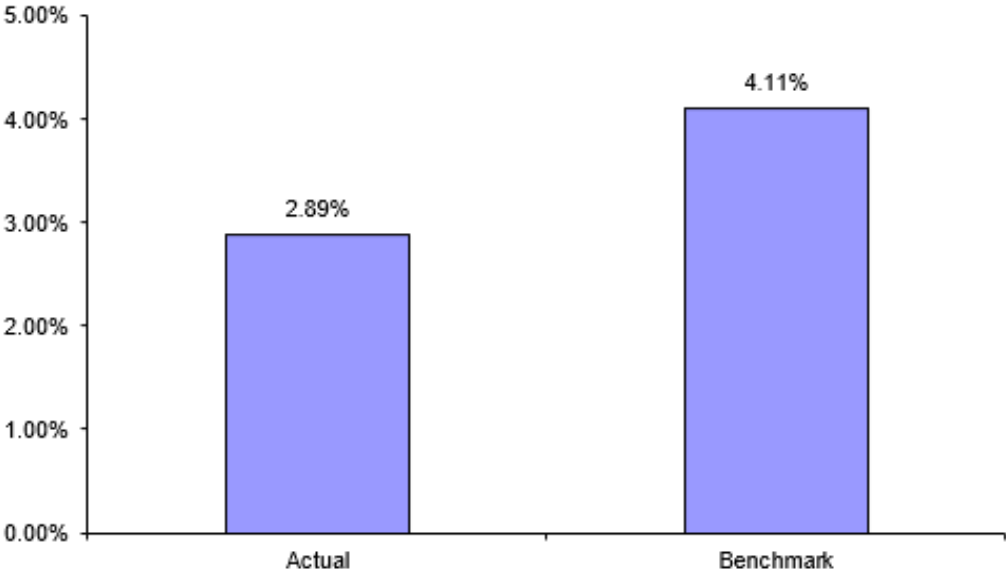


The maximum allowable investment per issuer is \$10m.

3.3 Local Government Funding Agency Borrower Notes

Investment Type	Counterparty	Amount	Maturity Date	Floating Interest Rate
LGFA Borrower Note	LGFA	125,000	1-Mar-2024	4.80%
LGFA Borrower Note	LGFA	125,000	1-Mar-2025	4.83%
LGFA Borrower Note	LGFA	125,000	1-May-2026	4.65%
LGFA Borrower Note	LGFA	125,000	1-Mar-2027	4.99%

4. INVESTMENTS PORTFOLIO PERFORMANCE (12-Month Average)



5. INTEREST REVENUE AND EXPENSE

	Actual YTD	Budget YTD	Budget Full Year
Interest Revenue	\$604,834	\$543,236	\$796,699

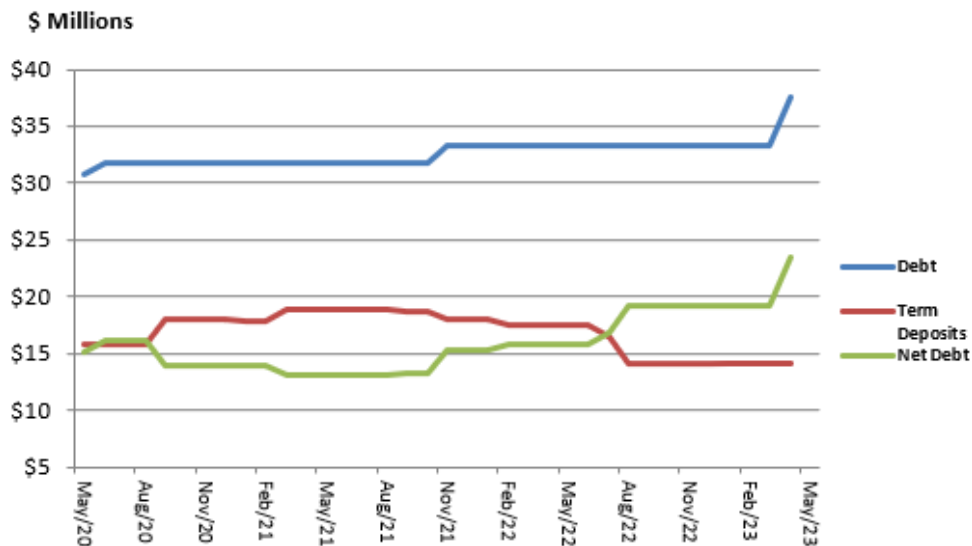
	Actual YTD	Budget YTD	Budget Full Year
Interest Expense	\$1,377,687	\$1,314,001	\$1,755,372

6. SUMMARY OF BORROWINGS

	This Month 30-Apr-23	Last Report 31-Mar-23	Last Year 30-Jun-22
External Debt			
Westpac Loan Facility	17,613,860	13,213,860	13,213,860
LGFA Loan Facility	20,000,000	20,000,000	20,000,000
	\$37,613,860	\$33,213,860	\$33,213,860
Weighted Average Interest Cost	5.11%	4.85%	4.07%

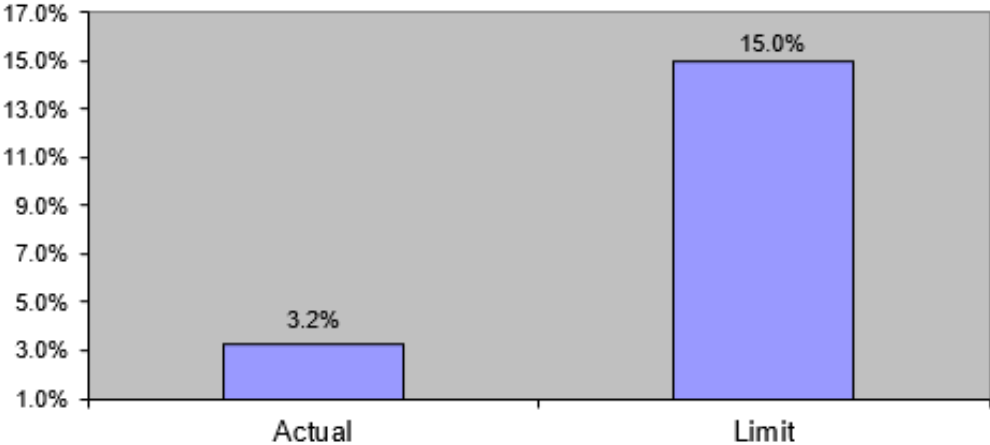
Net Debt			
Total Borrowings	37,613,860	33,213,860	33,213,860
Less: Term deposits (including Call Account)	15,332,472	16,407,472	17,532,141
	\$22,281,388	\$17,901,388	\$15,681,719

7. DEBT AND INVESTMENTS 3-YEAR TREND

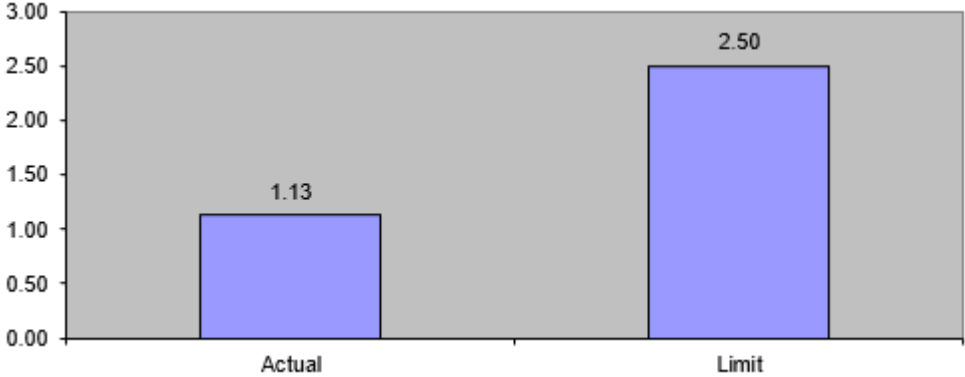


The above graph reports net debt as: gross debt held with external parties; less terms deposits excluding the call account. The definition used by this graph is in line with Council's Treasury Policy but differs from how investments and net debt are expressed in other parts of this report that include the call account. The increase shown in the net and gross debt above is due to the short-term borrowings of \$4.4m related to flood recovery costs. This has subsequently been repaid.

7.1 Interest Expense / Total Income



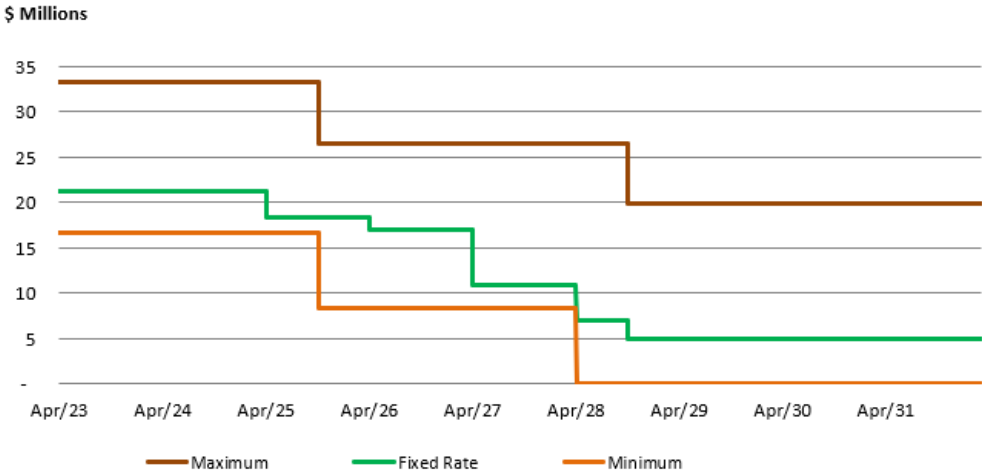
7.2 Gross Debt / Total Income



7.3 Debt and Net Debt per Rateable Property



7.4 Fixed Rate Debt - Compliance with Treasury Policy



The above graph only accounts for planned fixed debt and does not account for the short-term call advance of \$4.4m noted above, as no swaps were taken over this loan. This loan has subsequently been repaid.

RISK AND AUDIT COMMITTEE

14 JUNE 2023

AGENDA ITEM 10

Prepared by	Juliette Aldridge Financial Services Officer
	Lynn Brooks Finance Manager
Reviewed by	Douglas Marshall Chief Financial Officer
Attachments	Attachment 1 – Sundry Debtors Report Attachment 2 – Rates Debt Management

OUTSTANDING DEBTORS REPORT 30 APRIL 2023

1 REPORT SUMMARY

This report presents and classifies the outstanding balances of rates and sundry debtors as at 30 April 2023 for monitoring and information purposes.

There are no customers with arrears that require a decision of Council to progress the debt recovery process. This is because all debt recovery processes are delegated to staff and are part of the business-as-usual activities of Council.

2 DRAFT RECOMMENDATION

That Risk and Audit Committee receive the debt recovery report as at 30 April 2023 for information.

3. ISSUES AND DISCUSSION

3.1 This report is presented to provide monitoring information on debt trends for Council.

Council requires a high-level overview of the debt owed to Buller District Council. This information, when taken in conjunction with all other aspects

of the financial results provides a full view of the financial performance and financial position of Buller District Council.

3.2 Rates

Rates Debtors arrears balances to date shows a small decrease of \$59k (from \$885k to \$826k) since last quarter and a decrease in number of debtors of 103 (From 723 to 620). Debt follows the usual pattern whereby every third month when the rates are charged the rate debt increases, then it decreases for the following two months.

The total rates debt as at April 2023 has increased slightly since the last quarter. At the report close-off date of 30 April 2023 there has been a slight increase across most categories.

All debt is being closely monitored. Staff are mindful that a number of ratepayers have been significantly affected by the 2021-2022 flooding events along with cost-of-living increases. Tailored payment arrangement plans have been made with this in mind.

The average year on year debtors have remained relatively consistent compared to April 2022. The balance of serious default debtors has decreased by \$73k from \$352k at April 2022 to \$278k at April 2023. This is offset by an increase in debtors being monitored of \$94k from \$212k at April 2022 to \$306k at April 2023.

The number of ratepayers in arrears have increased slightly by three debtors from 579 at April 2022 to 582 at April 2023 and the average arrears per outstanding debtor have increased by 54 from 1039 debtors at April 2022 to 1093 debtors at April 2023.

Council have noticed a changing trend, whereas more direct debits are missed and there is an increase in number of cancellations of direct debit authorities. This can result in an increased risk that debt will not be recovered. Council staff are aware of this and will monitor this trend over the coming months.

In-house debt collection is proving to be more effective than handing collection to an external debt collection agency unless this action is absolutely necessary.

Rates debt is managed in a two-fold way. Firstly, the serious defaults category is systematically reviewed and each case at review is targeted with additional debt collection measures. Where consent is received from the ratepayer, Council works alongside them as well as their bank (if relevant), Budget Advice, and other support services.

This produces some positive outcomes where the ratepayer has the support they need and has independent advice about their debt and obligations.

Secondly, early intervention is made when ratepayers miss one or two instalments. This is to try and prevent ratepayers falling behind and then not being able to clear the arrears.

Council promotes the Rates Rebate scheme and talks to customers in arrears about their possible eligibility for it. Council encourages direct debits as a payment method and the number of ratepayers using this service has increased significantly over the past two years.

The number of ratepayers on payment plans remains high compared with prior years and this early intervention made with ratepayers who start to fall behind is showing long term benefits for both the ratepayers in arrears and Council.

3.3 Sundry Debtors

Sundry Debtors arrears balances to date shows a small decrease of \$37k since last quarter and an increase in number of debtors of 81. The monitoring graph shows one month-end significant item as at December 2022. This large balance relates to one flood recovery claim amount owing from a Government Agency in the Sundry Income Category. This relates to a timing issue and holds no risk collection of funds, which can be seen in the month to January 2023 where the arrears have been paid to BDC.

The serious default category indicated in red in the graph is mainly due to non-payment of leasehold property. This continues to be an area of focus and increasing collection measures including staff working closely on target cases. The twenty percent discount on purchase option provided by Council can provide assistance for these long-term lease arrears, either encouraging the lessee to purchase and refinance, or for them to sell the lease with the new owner wishing to freehold.

The ongoing maintenance category of debtors are well monitored and the debt collection measures in place are appropriate for this group.

4. CONSIDERATIONS

4.1 Strategic Impact

Council has key strategies of being resilient, growing the economy, providing quality infrastructure, investing in our towns and being affordable by growing non-rates income.

Debt recovery strategies are essential for effective collection of customer arrears and to ensure fair and equitable interaction between Council and our customers.

Keeping Council customers' debt levels in check and reporting on the level of debt provides a measure against the strategies of Council and provides an overview of the cost impact on our community.

This report also assists with understanding the current local economic climate along with the impacts of Council charges, and the community ability and willingness to meet those charges.

4.2 Significance Assessment

The Significance and Engagement Policy is written in accordance with The Local Government Act 2002 (LGA 2002) section 76AA. This part of the Act sets the general approach to determine if a proposal or decision is significant requiring the Council to make judgements about the likely impact of that proposal or decision on:

- a) The District;
- b) The persons who are likely to be particularly affected by, or interested in, the proposal or decision;
- c) The financial impact of the proposal or decision on the Council's overall resources; and
- d) The capacity of the Council to perform its role and carry out its activities, now and in the future.

The Significance and Engagement Policy sets out the criteria and framework for a matter or transaction to be deemed significant. The content included in this report is not considered significant because the matters disclosed are of a routine nature, and not large in terms of total assets and total annual operations of Council.

4.3 Risk Analysis

Risk is assessed by taking into account the likelihood of an event occurring and the result of that event.

When credit is extended by Council a risk arises that the amounts owing are not recovered when due, or that over time total debt owing grows to an unsustainable level and puts pressure on cash flow.

This risk is mitigated by requiring staff to monitor and recover debt therefore acting on indebtedness early on which yields better results, and regular reporting to Council to ensure oversight.

4.4 Values

The Buller District Values are: Integrity, Future Focussed, Community Driven, One Team and We Care. Monitoring debt and undertaking debt collection processes most closely aligns to the values of integrity and future focussed.

4.5 Policy / Legal Considerations

The collection of rates debt is enforceable under the Local Government (Rating) Act 2002. Other legislation dealing with credit extended by Council and debt recovery include the Property Law Act 2007, Residential Tenancies Act 1986 and the Resource Management Act 1991.

The Financial Delegations Policy, Treasury Management Policy and Rates Remission Policies also apply to the collection of Council debt.

4.6 Tangata Whenua Consultation Considerations

The contents of the report are not a matter requiring consultation with tangata whenua.

4.7 Views of Those Affected

It is equitable for all our ratepayers, the public and individual debtors to ensure that all amounts outstanding should be collected through consistent processes. Council follows policy and in-house debt collection procedures to ensure this is achieved.

4.8 Costs

There are no extraordinary costs for debt recovery and the costs for continuing debt recovery are included in the Annual Plan budget.

4.9 Benefits

The benefits to collection of debt are the cash flow of Council is maintained. There is also fairness and equity for all ratepayers and service consumers in that everyone is paying their portion of the cost.

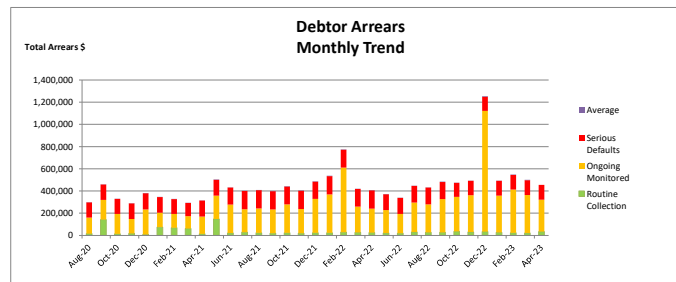
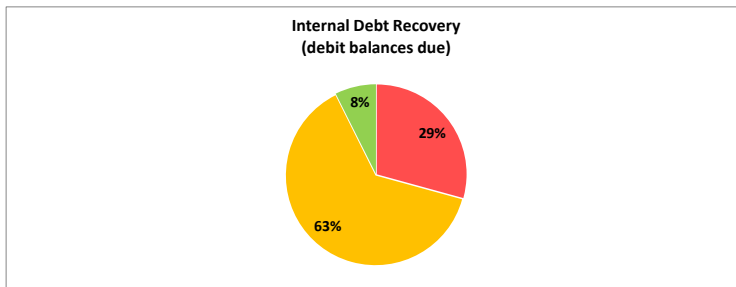
4.10 Media / Publicity

There are no media or publicity opportunities with the content of this report.

Sundry Debtors - Debt Recovery Report

Report cutoff date 30 April 2023
Ageing cycle - current due 30 April 2023

Status Flag	Debtor Type	Age of Debt 30 April 2023		Age of Debt 31 January 2023		Variance 23 vs Apr 23		No. of Account Holders per Debt Thresholds			Further Action to Commence					Comments
		No. of Debtors	Overdue	No. of Debtors	Overdue	No. of Debtors	Overdue	Less than \$2,000	\$2,001 to \$10,000	Over \$10,001	Formal Review	To Debt Agency / Mortgagee	Monitor Progress	Further Letter/ Meeting	Other Options	
🔴	Leasehold Properties	16	133,128	20	134,654	4	1,526	6	7	3	J			J	J	Rents invoiced 6 monthly in advance. Long standing arrears receiving increased collection measures and purchase discount option.
🟡	Orowaiti Connection	2	6,750	2	6,750	0	0	0	2	0				J		Long standing arrears collected when property transfers.
🟡	Libraries	0	0	0	0	0	0	0	0	0						Small amounts monitored.
🟡	Water	16	25,680	11	24,636	(5)	(1,045)	13	3	0	J			J		Payment plans promoted for those with long standing debt.
🟡	Resource Management	17	55,167	15	54,785	(2)	(382)	11	2	4	J	J		J		Long standing arrears receiving increased collection measures.
🟡	Rentals	13	39,322	15	38,912	2	(410)	9	3	1		J		J		\$27k debtor in Liquidation, this debt remains on Council records until final notification of wind up. The balance is under routine monitoring.
🟡	Regulatory Licences e.g. Food Premises	77	25,718	24	5,765	(53)	(19,953)	77	0	0						Timing of Annual Licences billing.
🟡	Sundry	32	96,691	38	181,592	6	84,901	26	5	1			J			Instalment arrangements entered into for those with long standing debt.
🟡	Westport Harbour	46	38,488	17	18,119	(29)	(20,369)	16	30	0						Annual payment plans in place. Rents, Berthage etc
🟢	Trade Waste	6	11,242	5	10,592	(1)	(650)	4	2	0					J	Annual invoicing cycle in June of each year.
🟢	Airport Parking	1	40	1	40	0	0	1	0	0					J	Small amounts monitored.
🟢	Building Consents	17	9,627	12	10,568	(5)	940	16	1	0						Where overdue, this represents inspections not yet completed due to timing of building process.
🟢	Swimming Pools	5	640	5	660	0	20	5	0	0						
🟢	Cemetery	7	11,982	8	4,185	1	(7,797)	6	1	0						
🟢	LIMs	0	0	1	300	1	300	0	0	0						
🟢	Totals	255	454,475	174	491,557	(81)	37,082	190	56	9						



Rates Accounts - Debt Recovery Report

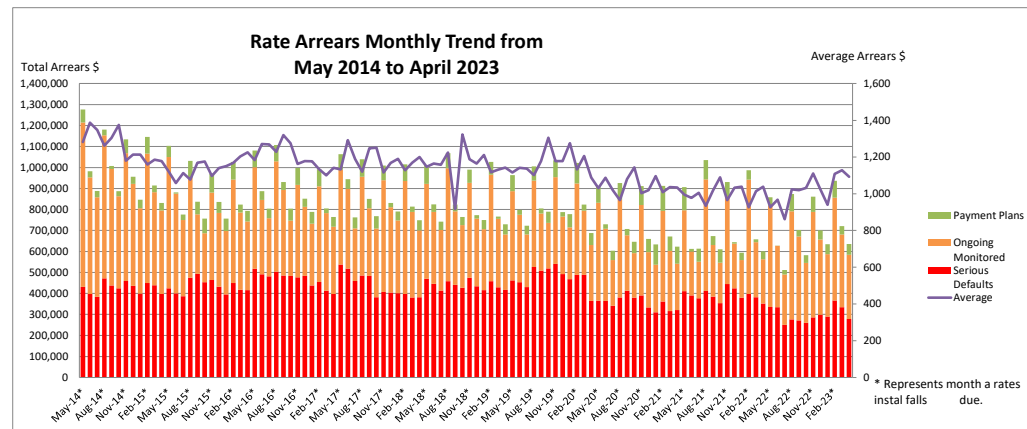
ATTACHMENT 2

Report cutoff date 30 April 2023
 Last rates instalment due date 28 February 2023
 Next rates instalment due date 28 May 2023

Internal Debt Recovery Analysis

Status Flag	Category	No. of Ratepayers	Total Arrears Balance YTD	Current Year Arrears	Previous Year Arrears		Further Action to Commence					Comment
					\$	%	Formal Review	To Debt Agency	Title Search	Monitor Progress	Further Letter	
Red	Placed with External Debt Collection	11	102,005	20,380	81,625	21%				✓		Arrears placed with Credit Recovery Agency. Refer to the analysis below.
Red	No current mailing address	0	0		0	0%		✓				Tracing addresses through bank deposits & social media undertaken.
Red	Approach Mortgagee	2	6,157	2,905	3,252	1%						Ratepayers with mortgages are pursued for payment under the Rating Act provisions.
Red	Awaiting Decision	16	85,439	27,173	58,266	15%	✓		✓			More complicated cases, ie house uninhabitable / property on market etc require close monitoring.
Red	Missed more than two instalments	43	84,730	74,423	10,307	3%				✓		Reviewing for possibility of Mortgagee Action.
Orange	Under Action - Short Term Monitored	17	30,797	25,015	5,782	2%	✓				✓	Reviewed systematically with each ratepayer.
Orange	Payments Insufficient	38	15,711	15,487	224	0%				✓	✓	Reviewed systematically. Work through options to increase payments/resolve debt.
Orange	Long Term Monitored	36	109,399	71,310	38,089	10%	✓					Financial hardship, paying minimum amounts. Reviewed 6 monthly (Aug/feb), more frequently if in decline.
Orange	No Payments - Property on Market	13	37,051	24,116	12,935	3%	✓					Annual Review.
Orange	Missed November & February 2023 instals	42	54,846	54,846	0	0%					✓	Letters sent - monitoring.
Orange	Missed one instalment only	126	58,115	58,115	0	0%					✓	Letters sent - monitoring.
Green	Payment plans	238	51,745	44,428	7,317	2%				✓		Reviewed annually and updated as required.
Blue	Abandoned Land Tender Project	38	190,074	25,476	164,598	43%					✓	Report to June 2019 Council Meeting.
Totals		620	826,069	443,674	382,395	100%						

Internal Debt Recovery		
Red	278,331	33.7%
Orange	305,919	37.0%
Green	51,745	6.3%
Abandoned land	190,074	23.0%
	826,069	100.0%



RISK AND AUDIT COMMITTEE

14 JUNE 2023

AGENDA ITEM 11

Prepared by: Neil Engelbrecht
Financial Accountant

Reviewed by: Lynn Brooks
Finance Manager

RESERVE FUND CONTRIBUTIONS INFORMATION PAPER – as at 30 April 2023

1. REPORT SUMMARY

The paper provides the committee with an update on movements in the Reserve Fund Contributions (RFC), as requested in the May 2023 RAC meeting.

	2021	2022	2023
	Actual	Actual	Actual (YTD)
Opening Balance	1,214,428	1,232,932	1,280,141
Plus Reserve Fund Contributions Received	30,776	73,999	73,999
Less Projects Funded - Refer Below	- 12,272	- 26,790	- 116,160
Closing balance	1,232,932	1,280,141	1,237,980

<u>Listing of Projects:</u>			
Playgrounds and Equipment	6,112	16,999	-
Garden Plots	778	-	2,931
Buildings - Ngakawau Hall	5,382	-	-
Buildings Community Facilities	-	-	35,971
Karamea Sub-Committee Water Supply	-	-	52,537
Carters Beach Toilet Block Roofing	-	-	13,810
Reefton Cenotaph Works	-	-	7,791
Karamea Domain Building	-	-	3,120
Cemetery Fencing	-	9,791	-
Total	12,272	26,790	116,160

2. RECOMMENDATION

That the Risk and Audit Committee receive the Reserve Fund Contributions information paper as at 30 April 2023.

RISK AND AUDIT COMMITTEE

14 JUNE 2023

AGENDA ITEM 12

Prepared by - Sean Judd
- Acting Chief Executive

MONTHLY REPORT – PROJECTS IN PARTNERSHIP UPDATE REPORT

1 REPORT SUMMARY

This report provides an update on the progress of the Projects in Partnership Steering Committee. It will be provided to the Risk and Audit Committee on a regular basis until the projects are completed. See attached for progress reports as listed below.

2 DRAFT RECOMMENDATION

That the Risk and Audit Committee receive the Projects in Partnership Update Report for information.

3. REPORTS

NEMA Reports

- *NEMA Financials Tranche 2*

PiP Reports

- *3 Waters*
- *Betterment*
- *Wharf Repair*
- *Tiphead*
- *Dredging (verbal update to PiP committee only)*
- *Reefton Stopbank*
- *Reefton Landfill*
- *Better Off Funding (BOF) projects*
- *IAF Funded Projects (public excluded)*

Projects in Partnership Meeting
Monday 12 June 2023, 4pm to 5pm,
Clocktower Chambers (Westport)
Or via Zoom

Agenda

Item No:	Subject	Time
1.	Welcome and introduction (verbal)	4.00 - 4.05pm
2.	Previous meeting minutes (<i>refer attached</i>)	4.00 - 4.05pm
3.	Update on news/developments/issues from government (Warren)	4.05 - 4.10pm
4.	NEMA (<i>refer attached</i>) <ul style="list-style-type: none"> • NEMA Financial Report Tranche 2 	4.10 – 4.20 pm
5.	PiP Reports (<i>refer attached</i>) <ul style="list-style-type: none"> • 3 Waters • Betterment • Wharf Repair • Tiphead • Dredging (verbal update) • Reefton Stopbank • Reefton Landfill • Better Off Funded (BOF) projects • IAF Funded projects (public excluded) 	4.20 – 4.40 pm
6.	Other business/matters (verbal)	4.40 - 4.45pm

Agenda Item 2

Previous meeting minutes

Projects in Partnership Meeting – DRAFT Minutes
Monday 15 May 2023
4.00 – 5.00 pm, Clocktower Chambers and via Zoom

Present:

- Chairperson and Mayor Jamie Cleine (JC); Councillor Phil Grafton (PG); BDC Acting CEO Rachel Townrow (RT); BDC Acting Group Manager Infrastructure Services Mike Williams (MW); BDC CFO Douglas Marshall (DM);
- Attending via Zoom: Warren Gilbertson (Kanoa) WG; Suzy Paisley (NEMA) (SP); BDC Programme Manager - Recovery Penny Bicknell (PB); Project Manager Phil Rossiter (PR)
- Apologies Ngāti Waewae Ned Tauwhare (NT);

1. Welcome and Introduction

Meeting started at 4.02 pm.

2. Previous Meeting Minutes

No issues raised, clarified, or corrected.

Minutes accepted as tabled

3. Update on news/developments/issues from government

Kanoa Update. On 10 May WG attended the Mayors Chairs & Iwi meeting in Hokitika with Mayor Jamie Cleine. WG gave an update for the last three years, what projects have been progressed, what were remaining. Some projects were district related, and the multi-regional projects eg Te Ara Pounamu. Update around the climate resilience projects particularly with issues at Franz. Also talked about potentially setting out an itinerary that the ministers office might be interested in to generate enthusiasm around a visit to the coast.

Prime Minister's (PM) visit on Friday 12 May.

Mayor Jamie Cleine (JC) took the PM and Minister O'Connor to the Port and talked through the various PGF funded projects. (Floating pontoons and other safety and facilities upgrades). Introduction to Ray Mudgway with update on the work of West Coast Mineral Sands and Waka Kotahi funded regional coastal shipping funding, which resulted in being able to obtain a vessel to enable some coastal shipping out of Westport in the near future. PM was impressed and engaged and understood the minerals space and what they were, including the potential downstream investments.

The PM particularly enjoyed the visit to the port and mineral sector space and regional coastal shipping resilience. PM commented that it's going to be critical that we maintain access to and progress in that space. Positive feedback here. PM also asked questions around AF8 and navy vessels utilising the port if required.

WG commented - this mirrors Min. G Roberts funding announcement geared towards climate resilience and infrastructure resilience.

PR took PM and Minister O'Connor onto the wharf to view the NEMA funded wharf repair and spoke around NEMA's input there so the PM could see all the arms of government with their objectives working together. Modest investments that have enabled far greater private investment and confidence in our port with Talleys and West Coast Minerals Sands.

4. NEMA Tranche 2 Funding

NEMA Financial Report Tranche 1

PB spoke to the summary of the remaining fund of \$936,048 that will be returned to NEMA.

Endorsement is attached for the final \$19,904 for the PiP committee to approve so this can be submitted to NEMA.

Committee Endorsement of Claim

The Committee endorses this final claim of \$19,904 to be submitted to NEMA

**Mayor J Cleine/Cr P Grafton
Approved**

NEMA Financial Report Tranche 2

PB spoke to the summary of all the Tranche 2 projects.

Three projects that will come in with a surplus:

- | | |
|---------------------------------------|-------------------------|
| • 3 Water (1-5) | - \$ 395K |
| • Inangahua River projects – stopbank | - \$ 82K (approx.) |
| • Tiphead Repairs | - \$ 220K |
| Surplus | - \$697K approx. |

Once we have information regarding the wharf and the recommendations to provide to NEMA, we will reappropriate this funding.

Small spreadsheet at bottom of the page gives a clearer indication of the costs and how we have split them up and claimed through the claims process.

The “On Hold” column shows what is on hold with NEMA (around PMO invoicing – waiting to confirm a meeting with NEMA senior officials to discuss this), invoices that are deemed ineligible by NEMA and what is invoiced. Balance to be claimed is currently just over \$500K (approx.).

There will be a paper to come back to this meeting to reallocate the unspent money when we know the scope of the port project.

5. Project Reports

3 Waters (Work Packages 1 – 5)

Finalising the last of work of this 3 Waters project with two programmes are still running;

- Brougham Street Brick Arch (will continue towards the end of the year).
- Reefton Water Reservoir – access track repairs (should be completed over the next two months)

Betterment

\$1.582M Work Package 6 – split down into 8 projects, two of which are complete.

- Installation of the backflow preventors will be completed within the next two months.
- Positive meeting today to finalise the alternative drinking water supply study.
- Final design of Coates Street stormwater is currently being progressed.
- Grit and Settlement – joint project with the IAF, currently with Davis Ogilvie for design work.

JC queried the lifting of the pump stations not being within current budget.

PB replied that until all of the designs are completed, won't know how many pump stations can be lifted. The scope will be reduced if there is not enough budget to do the number of pump stations put forward in the first part of the project. Has gone out to tender for design and build.

JC expressed concern if this is not enough, does it achieve the resilience upgrade required?

PB replied this has been in place since the beginning in the betterment project budget, that if there was not enough money, that the scope is reduced. There may be the opportunity, if we don't need further money for the port, to potentially recommend that more money goes into lifting the pump stations.

SP commented that some caution around assuming that the betterment portion will be treated the same as any of the other projects, as NEMA policies are very strict around not (normally) funding betterment. It is noted that BDC have a surplus and this is wisely being reserved for the port, however caution here that the betterment project is treated in the same way, as there is possibility it won't be.

PB replied there was a clear email from Rob Rouse set out at the beginning, with any increase to that betterment fund. PB to forward this email to SP with further discussions to be had around this.

Wharf Repair

PR spoke to this report which is taken as read. Currently we have formalised a preliminary design, looked at "where is the risk in this design", methodology, types of materials, price volatility, and engaged with construction suppliers to inform this. This has yielded some good improvements that reduce risk and complexity of the project.

The outcome of the above process was to get a high level indication from the market, around timeframes and cost to do this work, so we can get these signals early. These indications are around \$5.3M which is within the available budget of \$5.9M. This is tracking along what we had estimated and set the budget on, however wish to flag that this is never in safe ground until we have a signed contract to repair the wharf. Currently the time frame and budget is looking realistic.

Discussion around these numbers going out ahead of the procurement process, further discussion around this and any commercial sensitivity requirements.

Reminder to report writers re any commercial sensitivity with reports provided to the committee as these reports go into the public section of the Risk and Audit agenda.

Tiphead

PB – This project will be completed once planting of approx. 200 plants is carried out. \$200K surplus sitting in this budget.

Dredging (verbal update) – no update

Reefton Campground Stopbank

This project has been closed out, final river training is completed with \$82K surplus in this budget.

Reefton Historic Landfill

This contract is now commencing with Roscoes'. They are looking at an alternative granite base rock, this is currently being reviewed for suitability and cost.

This is a co-funded project with council project of \$250K for the approved extra work.

Suzy Paisley left the meeting at 4.25 pm

Better Off Funded Projects (BOF) Projects

PB spoke to the report which is a high level overview of all of the projects.

The larger projects eg 3 Waters project, PB will look to provide an independent PiP report.

Page 4 shows a breakdown of budget to each of the projects, which was approved upfront with the outline of Waimangaroa water (on hold from last council meeting) and \$100K of the wastewater smoke testing moving across to Westport critical water. This is still subject to putting through to DIA.

JC queried whether we are looking to bundle the other reappropriation for Waimangaroa and \$100K together and apply for one reconsideration.

PB replied – there will be a completely new budget breakdown provided once we know exactly where this funding is appropriated. Plenty of time for this, if a decision is made at the June council meeting, can then put through to DIA.

- Three Waters – Mark Wichern assigned as the project manager.
- Reefton modelling – yet to be scoped
- Stormwater re separation smoke testing – completed, with some follow up testing and fixing of identified faults.
- Climate Change – with Di Rossiter. PB to check how this crosses over with the other funding, as there are several pieces of funding going into this budget.
- Master Plan – Paul Zaanen – will scope with other funding that has just been announced. (also require an understanding of where this meshes together)
- Community Hub – Feldspar contracted for feasibility study.
- Civil Defence budget – mainly spent. A small amount to complete towards end of May
- Airport relocation scoping – not finalised
- Waimangaroa water – to be further discussed
- Karamea water – virtually completed, \$10K left in budget

Have drawn down the first 10% of that \$3.5M at \$350K which will go to Karamea water and Civil Defence leaving a small amount for Three Waters and Community Hub.

Following this the draw down becomes a claims process for reimbursement.

10% was seed funding to get some projects underway, then monthly claims after that. This report is a work in progress, will be providing milestones and risks for future reporting.

IAF Funded Projects – Public Excluded

Public Excluded finished

6. Commercial and Corporate Services Portfolio Report

Buller Ports Package

PR spoke to the last report to be received by this committee. This project is closed off, completed and invoiced, with close out report provided to WG. This has been finished at no cost to ratepayers, complete costs invoiced to Kanoa, with a minor surplus not being drawn down.

Acknowledgement and thanks to WG who has been wonderful to work with throughout the project and navigating it's interruptions.

This has been a great investment for the government for the amount put in and the outcome. To quote the late Curly James "there hasn't seen such positive transformation in the Port in my time there of 40 years".

WG expressed thanks to the Council, and commented that it is a very positive outcome with obvious benefits of this with West Coast Mineral Sands and Talleys. A little bit of investment that capitalises the private sector investment coming afterwards. WG to follow up with update on invoicing to ensure this is paid out.

The report was accepted as tabled

7. Other business

Information noted

No other matters were raised. The meeting closed at 4.41 pm.

Agenda Item 4

NEMA Funding

- *NEMA Financial Report Tranche 2*

**NEMA Tranche 2 Programme
For Period 2022/23 - April**

	ORIGINAL BUDGET (Total)	TOTAL COST TO DATE	TOTAL REVENUE TO DATE	Claims	FORECAST COST TO COMPLETE	FORECAST AT COMPLETION	PROJECT VARIANCE
WP1 Drinking Water Repairs	0	94,312	(94,312)	0	0	0	0
Expenses	329,848	94,312			235,536	329,848	0
Revenue	(329,848)		(94,312)	0	(235,536)	(329,848)	0
WP2 Stormwater Repairs	0	129,772	(129,772)	0	0	0	0
Expenses	456,600	129,772			326,828	456,600	0
Revenue	(456,600)		(129,772)	0	(326,828)	(456,600)	0
WP3 Wastewater Repairs	0	480,327	(497,693)	17,366	(0)	0	0
Expenses	480,400	480,327			73	480,400	0
Revenue	(480,400)		(497,693)	17,366	(73)	(480,400)	0
WP4 CCTV and Cleaning	0	998,773	(709,693)	(289,081)	0	0	0
Expenses	1,183,903	998,773			185,130	1,183,903	0
Revenue	(1,183,903)		(709,693)	(289,081)	(185,130)	(1,183,903)	0
WP5 3W Inspections	0	28,550	(28,550)	0	0	0	0
Expenses	1,183,903	28,550			1,155,353	1,183,903	0
Revenue	(1,183,903)		(28,550)	0	(1,155,353)	(1,183,903)	0
Project Management WP 1-5	0	223,539	(4,096)	(237,327)	0	0	0
Expenses	0	223,539			(223,539)		0
Revenue	0		(4,096)	(237,327)	223,539	0	0
WP6 3W Betterment Projects	0	241,618	(158,737)	(82,882)	0	0	0
Expenses	1,582,000	241,618			1,340,382	1,582,000	0
Revenue	(1,582,000)		(158,737)	(82,882)	(1,340,382)	(1,582,000)	0
WP7 Westport Port Repairs	0	153,764	(98,630)	(55,134)	0	0	0
Expenses	5,920,000	153,764			5,766,236	5,920,000	0
Revenue	(5,920,000)		(98,630)	(55,134)	(5,766,236)	(5,920,000)	0
WP8 Westport Dredging Project	0	1,386,000	(504,000)	(882,000)	0	0	0
Expenses	4,716,000	1,386,000			3,330,000	4,716,000	0
Revenue	(4,716,000)		(504,000)	(882,000)	(3,330,000)	(4,716,000)	0
WP9 Inangahua River Projects	0	380,821	(302,073)	(78,748)	0	0	0
Expenses	1,224,000	380,821			843,179	1,224,000	0
Revenue	(1,224,000)		(302,073)	(78,748)	(843,179)	(1,224,000)	0
WP10 Tiphead Repairs	0	745,631	(248,855)	(496,775)	0	0	0
Expenses	1,000,000	745,631			254,369	1,000,000	0
Revenue	(1,000,000)		(248,855)	(496,775)	(254,369)	(1,000,000)	0
Programme Management	0	74,962	(33,117)	(23,961)	0	0	0
Expenses	190,440	74,962			115,478	190,440	0
Revenue	(190,440)		(33,117)	(23,961)	(115,478)	(190,440)	0
TOTAL							
Expenses	18,267,094	4,938,070		0	13,329,024	18,267,094	0
Revenue	(18,267,094)		(2,809,528)	(2,128,542)	(13,329,024)	(17,918,330)	0
Deductions	348,764				0		
Total	348,764	4,938,070	(2,809,528)	(2,128,542)	0	348,764	0

	Costs	Threshold	on Hold	Ineligible	Invoiced	Paid	Paid from \$1mil advance
Pre Tarache 2 (60%)	457,846.15	- 173,850.00			-		283,993.15
Claim 1	957,121.42	- 174,914.00			782,207.42	782,207.42	
Claim 2 (40%)	179,231.32				179,231.32	179,231.32	
Claim 3	632,903.36		- 93,801.95	- 1,523.53	537,577.88	537,577.88	
Claim 4	1,159,820.30				1,074,473.21		
Claim 5	739,294.89				730,720.75		
Claim 6	55,404.93				55,404.93		
Balance to be Claimed	756,447.59						
	4,938,069.96	- 348,764.00	- 93,801.95	- 1,523.53	3,359,615.51	1,499,016.62	283,993.15

Agenda Item 5

Projects in Partnership

- *3 Waters*
- *Betterment*
- *Wharf Repair*
- *Tiphead*
- *Reefton Stopbank*
- *Reefton Landfill*
- *Better Off Funded (BOF) projects*
- *Dredge*
- *IAF Funded projects (public excluded)*

PMO -Project Report - Flood Recovery - Return to Service - Work Packages 1 - 5



Programme/Project Details

Location and Region:	Whole of Buller District. Works concentrated in Westport which received the most damage from the 2 event..
Project Budget:	\$2,511,751
Reporting Period (ending):	April-2023
Project Principal:	Buller District Council (BDC)
Project Partner(s):	NEMA
Project Manager:	Mark Wiechern
Programme Outcomes:	This Programme of works covers all 3W repair (Drinking Water/ Stormwater/ Wastewater) in Work Packages 1-5. The programme encompassed both the July 2021 and February 2022 severe weather events damage. 60% of funding is from NEMA, and the remaining 40% is by Cabinet approval of the T2 funding submission (outside of NEMA policy).

Project Overview/traffic Light Status/High-Level Summary (G = Green- Good ; A = Amber- Warning; R = Red - Issue)

Aspect	Status	Comments
Overall:	G	Repair works have progressed well. Approximately 95% complete by tasks or 92% complete by cost vs projected total costs.
Budget:	G	Work will complete under original estimates by a value approximating slightly above the contingency allowed for this repairs programme
Scope:	A	Still require scope sign-offs by NEMA for Brougham brick arch.
Resource:	A	Should be ok however the engaged contractors have increasing work loads from competing projects/funding streams. Requires strict management by PM for priorities.
Schedule:	G	All works excluding Brougham brick arch to be closed by March 31. Brougham Brick Arch closed by June 30 at the latest due complexity of access.
Risks / Issues:	A	Mainly Resourcing as above.

Current Updated Programme

Previous Reporting Period	Next Reporting Period
<p>May represented the completion of physical works for all outstanding repair tasks/projects within the NEMA repairs programme bringing the programme close to fully complete with the key exception of one repair task, the repair of the Brougham brick arch outfall and clean out. Specifically, eligible repair works confirmed as completed throughout May include the Reefton water reservoir access track, the Waimangaroa water access track repair and finally all electrical waste water and pump station repairs.</p>	<p>Financial close out of the waste water and pump station electrical repairs and the Waimangaroa access track will be a focus following the completion of the physical works. Compiling and forwarding any closing asset data requirements to the asset team relating to repairs completed will also be a focus. The coming period will also see us move to the final work repair work scope being the Brougham Brick arch repair through consenting, design and into procurement. This final task has presented many challenges with land ownership and Kiwirail process presenting the biggest challenge.</p>

Updated Project Road Map/Schedule

Project task	2022			2023									Comments
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
Planning and BDC Approvals													
Easements and access Agreement													
Construction (Includes continuation of HDD Design)													
Construction Complete													
Commissioning and Testing													
Handover and Asset Manager Acceptance													

Milestones				
Milestone / Task	Baseline Finish	Forecast/Actual Finish	% completion	Comments
Westport WWTP Diffusers Replacement	31-Mar-23	28-Mar-23	100%	
Westport WWTP Grit Cleaning	31-Mar-23	28-Mar-23	100%	
CCTV - Final Remaining Sites	16-Dec-22	31-Jan-23	100%	
Domett St Tomo - Damaged Pipe Repair	16-Feb-23	31-Mar-23	100%	
Cats Creek - Clean out Flood Silt	1-Oct-22	1-Oct-22	100%	
Westport Waste Pump Stations - Remainir	31-Mar-23	31-May-23	99%	
Waimangaroa Drinking Water Repair	1-Feb-23	28-Feb-23	99%	
Reefton Reservoir Access Track	16-Mar-23	30-Apr-23	100%	
Brougham St Brick Arch - CCTV and Clean-	31-May-23	30-Jun-23	12%	
Reefton Brick Arch CCTV	16-Dec-22	31-Jan-23	100%	
Emergency works, repairs and clean ups p	31-May-22	31-May-22	100%	
0	0-Jan-00	0-Jan-00	0%	

Financials							
Budget and Expenditure Summary							
Programme/Project Item	Original Budget	Current Budget	Cost To Date	Forecast Cost to Complete	Estimate at Completion	Project Variance	Commentary
Business Case (Phase 0)	\$0	\$0	\$0	\$0	\$0	\$0	
Planning (Phase 1 - 3)	\$0	\$0	\$0	\$0	\$0	\$0	
Consents/Approvals (Phase 4)	\$0	\$0	\$0	\$0	\$0	\$0	
Design (Phase 4)	\$0	\$0	\$0	\$0	\$0	\$0	
Construction (Phase 4)	\$1,962,180	\$1,962,180	\$1,731,111	\$132,000	\$1,863,111	-\$99,069	
Closeout (Phase 5)	\$0	\$0	\$0	\$0	\$0	\$0	
Project Management	\$226,837	\$226,837	\$242,045	\$34,000	\$276,045	\$49,209	
Contingency	\$322,734	\$322,734	\$0	\$372,595	\$372,595	\$49,861	
Total	\$2,511,751	\$2,511,751	\$1,973,156	\$538,595	\$2,511,751	\$0	
Excluding Contingency of						\$ 372,595	

Risks/Issues/Outcomes

Key risks and/or issues arising are detailed below (NB level of risk is relative to this project)

Risk ID - Risk/Issue	Mitigation	Residual Risk
WP1 - WP5 / 2 - BDC will be forced to utilise AP funds to remedy (unplanned, possibly unbudgeted works)	No proceeding until BAU Funds are ear-marked as backup.	9
WP1 - WP5 / 6 - Westport Waste Treatment Plant - long lead time on parts	Discuss with Pgm Manager to raise with NEMA for consideration	4
WP1 - WP5 / 4 - Potential delays at certain flood 'repair' sites due to inclement weather (E.g. Reefton Access Track)	Manage the contractors schedule	2
WP1 - WP5 / 5 - Risk that information or records of work may not be suitable for the Planning Team (AssetFinder Input)	Identify the items required with the BDC Planning Team and discuss with suppliers in first instance	2

Communications

An update on media, marketing and communication activity for the programme/project

Key achievements/outcomes

Ongoing public stakeholder engagement continues with a number of news media statements and articles being published. The monthly Flood Recovery update Bulletin remains the primary community engagement tool for the 3W repairs and recently provided an update to the public in late April in the local newspaper. As the Programme draws to an close in the coming months, a summary media release should be considered to summarise the extent of work undertaken by Council and it's contractors.

Risk Key

PMO - Bundle Report - Three Waters - Stormwater & Drainage - NEMA T2 Betterment - WP6



Programme/Project Details

Location and Region:	Westport
Project Budget:	\$1,582,000
Reporting Period (ending):	April-2023
Project Principal:	Buller District Council (BDC)
Project Partner(s):	NEMA
Project Manager:	Rob Poole
Programme Outcomes:	The scope is made up of 8 sub-projects that fall under the NEMA Betterment funding source. The programme of works objective is to provide 3W flood resilience to select priority assets across the reticulated networks (Stormwater, Wastewater and Drinking Water) for Westport. Westport WWTP is jointly funded between NEMA and IAF

Project Overview/traffic Light Status/High-Level Summary (G = Green- Good ; A = Amber- Warning; R = Red - Issue)

Aspect	Status	Comments
Overall:	G	The Programme has been prioritised by BDC and accepted by NEMA
Budget:	A	\$1,582,000 * WWTP Project is jointly funded between IAF (\$250k)and NEMA (\$500k) * The lifting of all Pump stations will not fit within the current budget. This will require careful management of costs
Scope:	G	This programme of works includes the following projects from both the July 2021 and February 2022 flood events: * Lifting flood damaged Wastewater Pump Station electrical cabinets above the 1% AEP flood height (1 in 100yr) * Provide backflow prevention to 5no. Stormwater outfall locations * WWTP Grit and Sediment Removal Plant & Replacement Screen * Coates St SW Upgrade * Westport Domain SW Reinstatement * Alternative Drinking Water Supply Investigation * Mill & Roebuck St SW manholes
Resource:	G	Backflow prevention, Mill St, Roebuck St and Domain - WestReef Westport WWTP - Design by Davis Ogilvie. Construction TBC Coates St - Design by Calibre. Construction TBC Raising Pump Stations - Design and construction TBC Alternative Drinking Water - Design TBC. Provisionally Davis Ogilvie
Schedule:	G	Physical works began in Feb 23. Last project to be completed in early 2024 (Westport WWTP)
Risks / Issues:	G	Reducing scopes of some projects to ensure they remain under the budget

Current Updated Programme	
Previous Reporting Period	Next Reporting Period
WW Pump Stations - Tender released to selected contractors. Tender deadline 16th June 23 SW Backflow Prevention - WestReef have installed 4 of 5 with the last scheduled for August 23. WW Grit & Sediment - Engagement of Davis Ogilvie underway, contract signed 24/4/23. Started on 1 May 23 Domain SW Drainage - Installation of sump. Sub-Project complete Alt Drinking Water Supply - Engagement with DO to undertake works PCG meeting undertaken. DO progressing with desk top study Mill St manhole replacement - Awaiting programme from WestReef. Requires 1 week of dry weather Roebuck St - Works complete 31/3/23 Coates St - Calibre have completed the preliminary design.	WW Pump Stations - Tender deadline 16/6/23. Award contract 3/7/23 SW Backflow Prevention - Cats Creek 2 to be completed in August. WW Grit & Sediment - DO to continue with design works Domain SW Drainage - Complete Alt Drinking Water Supply - DO to commence with Desk Top Study. Mill & Roebuck St - Complete Coates St - Planning phase for final design.

Updated Project Road Map/Schedule					
Project task	2023				Comments
	Jun-23	Jul-23	Aug-23	Sep-23	
Lifting wastewater pump stations above 1% AE level	Tener	Contract Award	Construction	Construction	Lifting 7-9no flood damaged Wastewater Pump Station electrical cabinets above the 1% AEP flood height in Westport. *Project delivery will extend beyond June 2023*
SW Backflow Prevention - Install WaStops			Construction - Cats Creek 2		Installation of 5no. backflow prevention devices within the Westport SW network.
WWTP – Grit/Sediment and Screen Plant	Design	Design	Design	Design	Installation of a new combined Grit/Sediment and Screen plant at the Westport WWTP. *Project delivery will extend beyond June 2023*
Coates Street SW Upgrade - Stage 1	Design	Contractor Procurement	Contractor Procurement	Construction	Design and installation of open swale drains along Coates/ Forbes Street in Westport.
Westport Domain SW Reinstatement (complete)					Reinstatement of an old SW drain through the Westport Domain. Changed now to sump install on Menzies St - COMPLETE
Alternative Drinking Water Supply Investigation	Design	Design	Design	Design	Design and investigation of an alternative Drinking Water supply for Westport. *Project delivery will extend beyond June 2023*
Mill St and Roebuck SW Upgrade	Construction Mill St				Upgrading two weak nodes of Westport's SW network on Mill and Roebuck Streets. Installation of new manholes. Roebuck St - COMPLETE

Milestones				
Milestone / Task	Baseline Finish	Forecast/Actual Finish	% completion	Comments
WW Pump stations - 10243	7-Dec-23	7-Dec-23	22%	Deadline for Tenders: 16/6/23
SW Backflow Prevention - 10244	18-Mar-23	30-Sep-23	80%	4 of 5 installed
WW Grit & Sediment - 10245	13-Dec-23	6-Mar-24	5%	Ongoing design by Davis Ogilvie
Domain SW Drainage - 10246	4-May-23	24-Mar-23	100%	Complete
Alt Drinking Water supply - 10247	18-Oct-23	18-Oct-23	15%	Ongoing study by Davis Ogilvie
Mill St SW upgrade - 10248	26-Mar-23	26-Jun-23	0%	Programmed for June 23
Roebuck St SW upgrade - 10249	26-Mar-23	29-Mar-23	100%	Complete
Coates St SW upgrade DESIGN - 10250	29-Jul-23	1-Jun-23	50%	Design ongoing

Financials

Budget and expenditure summary

Programme/Project Item	Original Budget	Current Budget	Cost to Date	Forecast Cost to Complete	Final Forecast Cost	Variance	Status	Commentary
WW Pump stations - 10243	\$ 313,200	\$ 313,200	\$ 420	\$ 312,780	\$ 313,200	\$ -	In Planning	
SW Backflow Prevention - 10244	\$ 178,350	\$ 178,350	\$ 66,605	\$ 111,801	\$ 178,406	\$ 56	In Construction	
WW Grit & Sediment - 10245	\$ 435,000	\$ 435,000	\$ -	\$ 435,000	\$ 435,000	\$ -	In Design	
Domain SW Drainage - 10246	\$ 15,000	\$ 15,000	\$ 14,186	\$ -	\$ 14,186	-\$ 814	Completed	Following preliminary site investigation in the Domain, the scope of the project changed to a new sump on Menzies St
Alt Drinking Water supply - 10247	\$ 174,000	\$ 174,000	\$ -	\$ 174,000	\$ 174,000	\$ -	Tendering	
Mill St SW upgrade - 10248	\$ 22,620	\$ 22,620	\$ -	\$ 22,287	\$ 22,287	-\$ 333	In Construction	
Roebuck St SW upgrade - 10249	\$ 26,000	\$ 26,000	\$ 25,120	\$ -	\$ 25,120	-\$ 880	In Construction	
Coates St SW upgrade - 10250	\$ 217,500	\$ 217,500	\$ 56,328	\$ 161,172	\$ 217,500	-\$ 0	In Design	
Betterment PM costs - 10251	\$ 200,330	\$ 200,330	\$ 78,960	\$ 121,370	\$ 200,330	\$ -	In Construction	
-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Total	\$ 1,582,000	\$ 1,582,000	\$ 241,619	\$ 1,338,410	\$ 1,580,029	-\$ 1,971		
				Excluding Contingency of	\$ 2,027			

Risks/Issues/Outcomes		
Key risks and/or issues arising are detailed below (NB level of risk is relative to this project)		
Risk ID - Risk/Issue	Mitigation	Residual Risk
10243 / 1 - budget is limited to \$360k and it is likely that this is not sufficient for all pump stations	Prioritise order of remediation and cut out pump stations in order to bring project in under budget. Monthly cost tracking throughout.	8
10243 to 10251 / 4 - Long lead times for key components as some are imported.	Specialist consultant to oversee design, procurement and construction	6
10243 to 10251 / 6 - Wet weather will impede the construction programme	Works to be programmed during summer season to reduce risk of rain. Contractor to propose a work method that mitigates inclement weather if and where possible	6
10243 to 10251 / 11 - Limited choice of contractors. Procurement plan states that WestReef can be direct appointed	Early award projects under the 3W minor works contract to WestReef. Monitor progress	6
10250 / 12 - Original plan to drain stormwater to a paddock may not be feasible and a new design will be required	Awaiting design information. Costs of preliminary design are fixed.	6
10243 to 10251 / 13 - caused by cost allotted to project code that's unbudgeted and programme over run.	Monthly financial tracking and forecasting All project costs are only paid once approved by the PM	8

Communications

An update on media, marketing and communication activity for the programme/project

WW Pump Stations - None to date however this will involve substantial community engagement
 SW Backflow Prevention - None required
 WW Grit & Sediment - None required
 Domain SW Drainage - None required
 Alt Drinking Water Supply - No engagement required at this options report stage.
 Mill & Roebuck St - None required
 Coates St - Project will involve some community engagement. So far BDC have been in contact with the local Pony Club to discuss our provisional plans.

Risk Key

Risk Rating	Action, Escalation & Review Timeframe Needed
20-30 Extreme	Risk Owner must immediately escalate risk to the SLT who consider escalating it to the Finance, Risk and Audit Committee.
10-16 High	Risk Owner immediately escalates risk to the Risk Leader, and to the SLT if required.
4-9 Moderate	Risk Owner monitors and reviews the effectiveness of risk controls and whether the risk rating has changed, on a monthly basis.
1-3 Low	Retain all risks on the risk register and review those with a combined score of 1 or 2 on a 6-monthly basis and those with a combined score of 3 on a quarterly basis to ensure that the risk rating has not changed.

PMO -Project Report - Infrastructure Strategy - Recovery - Westport Wharf Repair and Reinstatement



Programme/Project Details

Location and Region:	Westport Port, Bulk Precinct, Buller district, West Coast
Project Budget:	\$5,920,000
Reporting Period (ending):	April-2023
Project Principal:	Buller District Council (BDC)
Project Partner(s):	National Emergency Management Agency (NEMA)
Project Manager:	Phil Rossiter
Programme Outcomes:	Project Scope: This project seeks to repair and reinstate safe and fit-for-purpose wharf infrastructure at the bulk shipping precinct that was damaged during the July 2021 and February 2022 Buller River flood events.

Project Overview/traffic Light Status/High-Level Summary (G = Green- Good ; A = Amber- Warning; R = Red - Issue)

Aspect	Status	Comments
Overall:	G	Overall, the project is following its intended path and progressing through key milestones. The design phase is nearing completion and key follow-on tasks (statutory approvals review and acquisition; construction-phase procurement planning and documentation; and independent cost check) are about to commence. Demolition of the adjacent Kiwirail buildings is nearing completion (via Kiwirail management and cost), which will simplify and de-risk access and repair works (and removes a project ISSUE). Resources required for this early stage of the project have been secured.
Budget:	A	The budget of \$5,919,587 was based on an estimate and conceptual repair design which introduces a degree of risk (about budget adequacy), however planning and risk mitigation work is underway to increase the likelihood that a fit-for-purpose repair can be achieved with the available budget and there are no significant red flags or indications at this point that it will not be adequate. A high-level indication derived during the 'constructability' review indicated an estimated repair cost that sits inside the available budget but until tenders are received that confirm this, the status of this aspect will be kept as amber to reflect the degree of uncertainty. An independent cost estimate is scheduled to commence once the detailed design is completed as a means of better informing budget adequacy.
Scope:	G	The repair scope has been defined based on a combination of user-input, a detailed structural site inspection, and a recently completed 'constructability' review that has further optimised the repair design. The repair design will be based on Importance Level 3.
Resource:	G	Resources required for this initial stage of the project are secured. Additional resources will be required as the project progresses.
Schedule:	G	There was some early programme slip because of some decision issues, however indicative feedback via the 'constructability' review process indicates the overall programme is still realistic and achievable (hence the 'traffic light' status has been set to Green). The programme currently indicates project completion by mid 2024 however the key determinant of this will be the construction/repair duration that will only be confirmed once tenders are received.
Risks / Issues:	A	A number of risks have been identified and mitigations and management actions are underway and on-going and tracking to plan. The 'traffic light' status of this aspect has been set to amber to reflect the presence of risks and their potential to adversely impact the project, if not controlled.

Current Updated Programme

Previous Reporting Period	Next Reporting Period
<p>The project is following its intended path. Whilst there have been some delays with project tasks, overall, the project timeline remains on target.</p> <p>The repair design is nearing completion and follow-on tasks including statutory approvals acquisition; construction-phase procurement; and independent cost estimation will soon commence.</p> <p>Demolition of the adjacent Kiwirail buildings is nearing completion (via Kiwirail management and cost), which will simplify and de-risk access and repair works (and removes a project ISSUE).</p> <p>Resources required for the pre-construction phase of the project have been secured. Stakeholder mapping has occurred and their needs identified.</p> <p>The budget is currently considered adequate and specific steps are being taken to ensure this remains the case.</p>	<p>Finalise the detailed repair design and then commission an independent cost-check; commence a statutory review of consents and approvals required; and progress construction-phase procurement planning and documentation.</p> <p>Substantially complete the Kiwirail building demolition (by third-party beyond the scope of this project).</p>

Updated Project Road Map/Schedule

Project task	2022			2023									Comments	
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep		Oct
Project management, coordination, and delivery (Sep '22 to Jul '24)														Scheduled to continue to July 2024
Investigations & planning (Sep '22 to Apr '23)														
Design (Sep '22 to Jun '23)														
Consents & approvals (May '23 to Jul '23)														
Construction procurement (Jun '23 to Aug '23)														
Construction & site management (Aug '23 to Jun '24)														Scheduled to continue to June 2024
Handover & closeout (Jul '24)														Programmed to commence July 2024

Milestones				
Milestone / Task	Baseline Finish	Forecast/Actual Finish	% completion	Comments
Conceptual engineering design	23-Sep-22	23-Sep-22	100%	
Geotechnical investigation & assessment	11-Nov-22	11-Nov-22	100%	
Topographical survey acquisition	9-Nov-22	9-Nov-22	100%	
Detailed engineering inspection and assessment	16-Nov-22	16-Nov-22	100%	
Kiwirail liaison and building fate determination	28-Feb-23	28-Jan-23	100%	
Preliminary engineering design	14-Dec-22	14-Jan-23	100%	
Construction supplier engagement/validation (constructability review)	18-Jan-23	24-Apr-23	100%	
Statutory approvals	10-May-23	31-Jul-23	5%	
Detailed design	12-Apr-23	2-Jun-23	90%	
Construction procurement	7-Jun-23	31-Jul-23	15%	
Construction	30-Jun-24	30-Jun-24	0%	
Handover	31-Jul-24	31-Jul-24	0%	

Financials							
Budget and Expenditure Summary							
Programme/Project Item	Original Budget	Current Budget	Cost To Date	Forecast Cost to Complete	Final Forecast Cost	Project Variance	Commentary
Business Case (Phase 0)	\$0	\$0	\$0	\$0	\$0	\$0	
Planning (Phase 1 - 3)	\$0	\$108,000	\$58,539	\$15,000	\$73,539	-\$34,461	
Consents/Approvals (Phase 4)	\$0	\$61,200	\$0	\$50,000	\$50,000	-\$11,200	
Design (Phase 4)	\$0	\$150,000	\$62,855	\$102,920	\$165,775	\$15,775	
Construction (Phase 4)	\$0	\$5,432,387	\$0	\$5,467,276	\$5,467,276	\$34,889	
Closeout (Phase 5)	\$0	\$12,000	\$0	\$12,000	\$12,000	\$0	
Project Management	\$0	\$156,000	\$32,370	\$119,040	\$151,410	-\$4,590	
Contingency	\$0	\$413	\$0	\$0	\$0	-\$413	
Total	\$0	\$5,920,000	\$153,764	\$5,766,236	\$5,920,000	\$0	

Risks/Issues/Outcomes

Key risks and/or issues arising are detailed below (NB level of risk is relative to this project)

Risk ID - Risk/Issue	Mitigation	Residual Risk
10232 / 3 - Because the materials specified in the repair design are scarce and/ or have very long-lead times	Monitor and communicate	8
10232 / 4 - Because it is more complicated than necessary and unfit-for-purpose.	Monitor and communicate	8
10232 / 1 - Because there is insufficient consideration or estimation of cost effective repair/construction approaches and materials and/or collaboration with the construction/repair market	Monitor and communicate	6
10232 / 2 - Because Kiwirail has dilapidated buildings immediately behind some of the wharf area and may not remove (demolish) the buildings (or demolish them in time) to enable cost-effective repair of the section of adjacent wharf	N.B. KIWIRAIL CONFIRMED BUILDING DEMOLITION TO COMMENCE IN FEBRUARY 2023. RISK WILL CLOSE WHEN THIS OCCURS. Monitor, communicate, and adjust repair scope early, if building removal not likely	6
10232 / 5 - Because the project is seen as too hard, or too distant, or not interesting enough relative to other market opportunities at the time	Monitor and communicate	6

Communications

An update on media, marketing and communication activity for the programme/project

Some external communication/media was undertaken in relation to the geotechnical drilling and investigation work and the purpose of this and relation to the wider repair programme. It is appropriate to progress further planning and design work and clarify matters such as programme timing and next steps before further communications are considered. No physical works are expected at the site until at least winter of 2023. On-going updates have been provided via BDC's communication team as part of wider flood recovery reporting.

Risk Key

Risk Rating		Action, Escalation & Review Timeframe Needed
8 - 10	Extreme	Risk Owner must immediately escalate risk to the SLT who considers escalating it to the Finance, Risk and Audit Committee.
6 - 7	High	Risk Owner immediately escalates risk to the Risk Leader, and to the SLT if required.
4 - 5	Moderate	Risk Owner monitors and reviews the effectiveness of risk controls and whether the risk rating has changed, on a monthly basis.
1 - 3	Low	Retain all risks on the risk register and review those with a combined score of 1 or 2 on a 6-monthly basis and those with a combined score of 3 on a quarterly basis to ensure that the risk rating has not changed.

PMO -Project Report - Flood Recovery - Return to Service - Work Package 10 - Tiphead Rock Revetment Wall Repairs



Programme/Project Details

Location and Region:	Westport Tiphead, Coates Road
Project Budget:	\$1,000,000
Reporting Period (ending):	April-2023
Project Principal:	Buller District Council (BDC)
Project Partner(s):	NEMA
Project Manager:	Robert Poole
Programme Outcomes:	This Project covers repair of flood damage sustained to the BDC Port asset know as the 'Tiphead', a rock revetment training wall, located at the entrance to the Buller River (Westport Port).

Project Overview/traffic Light Status/High-Level Summary (G = Green- Good ; A = Amber- Warning; R = Red - Issue)

Aspect	Status	Comments
Overall:	G	Project construction phase began on 16/1/23 and has progressed largely to programme. The original rock volume that was used to budget the project was an underestimate from a expected volume of 2,800m3 to an actual volume of 5,777m3. The cost of this was covered by reducing the road remedial scope and the NEMA T2 budget.
Budget:	G	Overall, the project has been delivered under budget. Movement within cost centres has been endorsed by Cabinet, subject to NEMA approval.
Scope:	G	Construction scope has been completed in March 23. Most recently the planting was completed by 19/5/23
Resource:	G	No further resource required
Schedule:	G	All works complete
Risks / Issues:	G	Suitability of the rock has been formally approved by the designer (Riley). All risks around rock shape and quality have been successfully resolved between BDC and Rosco

Current Updated Programme

Previous Reporting Period	Next Reporting Period
Physical works started on the 16th January 2023, with an anticipated 6 week programme. with practical completion originally programmed for 1st March 23. The quantity of rock required was greater than previously calculated and an additional 3,000m3 of rock was required. This cost increase was covered partially by removal of non-essential items that were	Close out remaining contracts for planting and survey Organise and formalise the ongoing maintenance with the asset owner

required. This cost increase was covered partially by removal of provisional items that were not required (concrete beam, void filling, roading). The outstanding costs were covered by the NEMA fund. Practical completion on 24th March 23.

Updated Project Road Map/Schedule													
Project task	2022			2023									Comments
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
Planning and BDC Approvals	█	█	█										Complete
Easements and access Agreement	█	█	█	█									Complete
Construction (Includes continuation of HDD Design)		█	█	█	█	█							Complete
Construction Complete						█							Complete
Replanting						█	█						Complete
Handover and Asset Manager Acceptance								█					Awaiting final invoices from suppliers before closure of project.

Milestones					
Milestone / Task	Baseline Finish	Forecast/Actual Finish	% completion	Comments	
Design	1-Oct-22	1-Oct-22	100%	Complete	
Survey and Modeling	25-Nov-22	25-Nov-22	100%	Complete	
Survey -Initial Site Setout	28-Nov-22	28-Nov-22	100%	Complete	
Survey - Site Extent and Finalise Extent wit	16-Dec-22	16-Dec-22	100%	Complete	
Tender to Market	2-Dec-22	2-Dec-22	100%	Complete	
Physical Works on site	21-Feb-23	17-Mar-23	100%	Complete	
Practical Completion	22-Feb-23	24-Mar-23	100%	Complete	

Financials

Budget and Expenditure Summary

Programme/Project Item	Original Budget	Current Budget	Cost To Date	Forecast Cost to Complete	Final Forecast Cost	Project Variance	Commentary
Business Case (Phase 0)	\$0	\$0	\$0	\$0	\$0	\$0	
Planning (Phase 1 - 3)	\$0	\$0	\$0	\$0	\$0	\$0	
Consents/Approvals (Phase 4)	\$0	\$0	\$0	\$0	\$0	\$0	
Design (Phase 4)	\$70,000	\$70,000	\$76,342	\$0	\$76,342	\$6,342	
Construction (Phase 4)	\$780,000	\$780,000	\$527,755	\$20,000	\$547,755	-\$232,245	
Closeout (Phase 5)	\$0	\$0	\$0	\$1,600	\$1,600	\$1,600	
Project Management	\$100,000	\$100,000	\$141,533	\$4,000	\$145,533	\$45,533	
Contingency	\$50,000	\$50,000	\$0	\$228,770	\$228,770	\$178,770	
Total	\$1,000,000	\$1,000,000	\$745,630	\$254,370	\$1,000,000	\$0	

Risks/Issues/Outcomes

Key risks and/or issues arising are detailed below (NB level of risk is relative to this project)

Risk ID - Risk/Issue	Mitigation	Residual Risk
NONE	#NUM!	#NUM!

Communications

An update on media, marketing and communication activity for the programme/project

The salvaged plants have been successfully replanted

Volunteer group undertook the first stage (200 plants) or replanting. A further 2200 plants were planted by a local contractor through the Jobs for Nature programme.

Risk Key

PMO -Project Report - Infrastructure Strategy - Recovery - Reefton Campground Stopbank



Programme/Project Details

Location and Region:	Reefton - Buller
Project Budget:	\$150,000
Reporting Period (ending):	April-2023
Project Principal:	Buller District Council (BDC)
Project Partner(s):	NEMA & BDC
Project Manager:	Brendon Russ
Programme Outcomes:	Reefton Campground: The toe of the Reefton Campground stop bank was eroded as a result of both the July 2021 and February 2022 flood events. The Inangahua Riverbed changed course which necessitates the recontouring of the river fairway.

Project Overview/traffic Light Status/High-Level Summary (G = Green- Good ; A = Amber- Warning; R = Red - Issue)

Aspect	Status	Comments
Overall:	G	River training design has been completed by WSP. Resource consent application is underway by WSP. Stage One of the river training has been completed by Rosco Contracting. Stage two of the river training was completed during the month of May 2023
Budget:	G	Forecasted to spend \$70k of the \$150k budget
Scope:	G	The toe of the Reefton Campground stop bank was eroded as a result of both the July 2021 and February 2022 flood events. The Inangahua Riverbed changed course which necessitates the need for recontouring of the river fairway (river training).
Resource:	G	Brendon Russ (BDC-Project Manager), Mark Healey (WSP-Design) & Anne McNoe (WSP-Resource consent application)
Schedule:	G	Design work completed by WSP, Resource consent application by WSP has been completed and ready for submitting to WCRC. Stage one of the river training works have been completed by Rosco Contracting. Stage two river training was completed during the month of May 2023
Risks / Issues:	G	Risk & opportunities register updated and included as part of this report.

Current Updated Programme	
Previous Reporting Period	Next Reporting Period
Stage two of the river training was completed during the month of May 2023	Project close out. Resource consent to be granted.

Updated Project Road Map/Schedule														
Project task	2022			2023									Comments	
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep		
Planning and BDC Approvals														
Resource Consent														WSP have completed a resource consent application for this project
Design														WSP have been engaged to design the river training works. This design has been completed
Construction Stage One – River Training														Completed By Rosco Contracting
Construction Stage Two – River Training														Will take place in April/May 23
Handover and Asset Manager Acceptance														

Milestones				
Milestone / Task	Baseline Finish	Forecast/Actual Finish	% completion	Comments
Planning and Scope Approval	1-Aug-22	1-Aug-22	100%	
Resource Consent Granted	28-Feb-23	31-May-23	85%	
Design	1-Jul-22	1-Jul-22	100%	
Contract Awarded - Stage One	1-Aug-22	1-Aug-22	100%	
Construction Commenced - Stage One	1-Aug-22	1-Aug-22	100%	
Completion - Stage One	1-Aug-22	1-Aug-22	100%	
Contract Awarded - Stage Two	31-Mar-23	8-Apr-23	100%	
Construction - Stage Two	30-Apr-23	30-May-23	100%	

Financials

Budget and Expenditure Summary

Programme/Project Item	Original Budget	Current Budget	Cost To Date	Forecast Cost to Complete	Final Forecast Cost	Project Variance	Commentary
Business Case (Phase 0)	\$0	\$0	\$0	\$0	\$0	\$0	
Planning (Phase 1 - 3)	\$0	\$0	\$0	\$0	\$0	\$0	
Consents/Approvals (Phase 4)	\$10,000	\$10,000	\$0	\$10,000	\$10,000	\$0	
Design (Phase 4)	\$5,000	\$5,000	\$0	\$0	\$0	-\$5,000	
Construction (Phase 4)	\$115,500	\$115,500	\$30,248	\$18,124	\$48,372	-\$67,128	
Closeout (Phase 5)	\$0	\$0	\$0	\$0	\$0	\$0	
Project Management	\$12,000	\$12,000	\$8,853	\$3,147	\$12,000	\$0	
Contingency	\$7,500	\$7,500	\$0	\$79,628	\$79,628	\$72,128	
Total	\$150,000	\$150,000	\$39,101	\$110,899	\$150,000	\$0	

Risks/Issues/Outcomes

Key risks and/or issues arising are detailed below (NB level of risk is relative to this project)

Risk ID - Risk/Issue	Mitigation	Residual Risk
10229 / 3 - Retrospective resource consent delays works or requires further works	Maintain close comms with resource consent manager	6

Communications

An update on media, marketing and communication activity for the programme/project

An update to the community was given during the month of November, updating the public on progress with this project
Internal BDC stakeholders are being updated on a regular basis

Risk Key

PMO -Project Report - Solid Waste - Recovery - Reefton Historic Landfill



Programme/Project Details

Location and Region:	Reefton – West Coast
Project Budget:	\$1,324,000
Reporting Period (ending):	April-2023
Project Principal:	Buller District Council (BDC)
Project Partner(s):	NEMA
Project Manager:	Brendon Russ
Programme Outcomes:	Historic Reefton Landfill: The Reefton Historic Landfill was scoured out as a result of the February 2022 flood event. The Inangahua River watercourse is now exposed to the contents of the historic landfill, with the landfill sidewall now requiring reinstatement to return it to its pre-flood condition.

Project Overview/traffic Light Status/High-Level Summary (G = Green- Good ; A = Amber- Warning; R = Red - Issue)

Aspect	Status	Comments
Overall:	G	Design & resource consent application have been completed by WSP. Tender has been awarded to Rosco Contractors. Construction to start 29 May 23 and be completed by 11 August 23
Budget:	G	\$1,324,000 (NEMA \$1,074,000 & BDC \$250,000)
Scope:	G	The Reefton Historic Landfill was scoured out as a result of the February 2022 flood event. The Inangahua River watercourse is now exposed to the contents of the historic landfill, with the landfill sidewall now requiring reinstatement to return it to its pre-flood condition.
Resource:	G	Brendon Russ (BDC-Project Manager), Mark Smith (WSP-Design) & Anne McNoe (WSP-Resource consent application)
Schedule:	G	Design completed, Resource consent application completed, waiting on granting of RC from West Coast Regional Council. Work to commence onsite early Late 2023
Risks / Issues:	G	Risk & opportunities register updated and included as part of this report.

Current Updated Programme	
Previous Reporting Period	Next Reporting Period
Contract awarded to Rosco Contractors Ltd Contractor started onsite 29 May 2023	Site supervision Inspection of survey setout Quality control of rock being brought to site Quality control on depth of toe rock being placed

Updated Project Road Map/Schedule														
Project task	2022			2023									Comments	
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep		
Planning and BDC Approvals														Project Budget approved July 2022.
Resource Consent														WSP have completed a recourse consent application for this project
Design														WSP have been engaged to design on the remedial works required for the Historic Reefton Landfill. This design has been completed
Contract Award														Contract was awarded on 23 May 2023
Construction														Construction is expected to take 10 weeks
Handover and Asset Manager Acceptance														

Milestones				
Milestone / Task	Baseline Finish	Forecast/Actual Finish	% completion	Comments
Planning and Scope Approval	30-Sep-22	30-Sep-22	100%	
Resource Consent Granted	28-Feb-23	30-Apr-23	80%	
Design	12-Feb-23	17-Feb-23	100%	
Tender	10-Mar-23	10-Mar-23	100%	
Contract Awarded	31-Mar-23	23-May-23	100%	
Construction Period	30-May-23	11-Aug-23	0%	
Handed over and Asset Manager acceptanc	5-Jun-23	18-Aug-23	0%	

Financials

Budget and Expenditure Summary

Programme/Project Item	Original Budget	Current Budget	Cost To Date	Forecast Cost to Complete	Final Forecast Cost	Project Variance	Commentary
Business Case (Phase 0)	\$0	\$0	\$0	\$0	\$0	\$0	
Planning (Phase 1 - 3)	\$10,515	\$10,515	\$11,869	\$0	\$11,869	\$1,354	
Consents/Approvals (Phase 4)	\$30,000	\$30,000	\$0	\$30,000	\$30,000	\$0	
Design (Phase 4)	\$106,225	\$106,225	\$109,849	\$0	\$109,849	\$3,624	
Construction (Phase 4)	\$787,640	\$1,037,640	\$179,924	\$852,736	\$1,032,660	-\$4,980	
Closeout (Phase 5)	\$0	\$0	\$0	\$0	\$0	\$0	
Project Management	\$85,920	\$85,920	\$40,078	\$45,842	\$85,920	\$0	
Contingency	\$53,700	\$53,700	\$0	\$53,700	\$53,700	\$0	
Total	\$1,074,000	\$1,324,000	\$341,720	\$982,278	\$1,323,998	-\$2	

Risks/Issues/Outcomes

Key risks and/or issues arising are detailed below (NB level of risk is relative to this project)

Risk ID - Risk/Issue	Mitigation	Residual Risk
10019 / 1 - Caused by flooding of the Inangahua River combined with the temporary nature of the current stop bank	On going maintenance required on the temporary stop bank	10
10019 / 2 - Caused by excavation of contaminated ground	Agree method with contractor then follow up with regular site inspections by BDC	10

Communications

An update on media, marketing and communication activity for the programme/project

A media release was prepared March 2023, updating the public on progress with this project
Internal BDC stakeholders are being updated on a regular basis

Risk Key

Project Status Report – Better Off Funding Projects overview – May 2023



Programme/Project Details

Location and Region:	Buller District
Contracted Amount:	\$3,500,000
Reporting Period:	May 2023
Project Principal:	Buller District Council (BDC)
Project Partner(s):	DIA (Crown Infrastructure)
Programme Manager:	Penny Bicknell
Programme Outcomes:	The scope is made up of 9 projects approved by DIA that meet the funding criteria and demonstrate wellbeing outcomes.

Project Overview/traffic Light Status/High-Level Summary (G = Green; A = Amber; R = Red)

Aspect	Status	Comments
Overall:	G	The programme was prioritised by Council and approved by Crown Infrastructure
Budget:	G	\$3,500,000
Scope:	G	<p>The Programme of works includes the following approved projects:</p> <ul style="list-style-type: none"> • Three Waters projects • Reefton Wastewater/Stormwater modelling • Westport Waste/stormwater separation – smoke testing • Climate Change Adaptation and Master Planning • Community Hub Feasibility Study • Civil Defence • Airport Relocation options study • Waimangaroa Water (on hold as current scope ineligible – alternative options to be submitted) • Karamea Water
Resource:	G	Resource to be assigned to each project as required
Schedule:	G	Schedule to be determined. Final deadline for Crown Infrastructure projects programme is 30 June 2027
Risks / Issues:	G	Scope of works may need to be reduced in some projects to ensure they remain in budget

State of Play

Last Month (May)	Next Month (June)
<ul style="list-style-type: none"> • DIA/Crown Infrastructure sent through Project change module guidelines • Compiling list of options for the \$650k alternative project for June Council meeting • 3 Waters – Mark Wiechern assigned as Project Manager • Reefton Wastewater/Stormwater modelling - completed draft of scope of services for review by the project team • Westport waste/stormwater separation – initial smoke testing completed • Climate Change Adaptation – confirmed budget with Di Rossiter which combines with Council budget – Project established and scoped and reports to Council on a monthly basis • Master Planning - (Paul Zaanen). Discussions re Procurement Plan • Community Hub Feasibility Study - Feldspar contracted to undertake feasibility study – 9 months duration • Civil Defence - Awaiting specification details on lithium generators and number of VHF radios required • Airport Relocation Options study (Paul Zaanen) • Waimangaroa Water – deemed to be ineligible for funding as funding already budgeted and committed by Council • Karamea Water – To Supply Karamea Reserve Campground with potable water from rainwater to new water standards. Work is 95% complete with system operational. Funding drawn down in first 10% claim. 	<ul style="list-style-type: none"> • Upload monthly financial forecasts by project to Crown Infrastructure portal by end June and complete discontinuation section for Waimangaroa Water project • Present options at June Council meeting • 3 Waters – Site visits, scoping, prioritizing list of projects and Procurement plan to be finalised. • Reefton modelling – prepare a request for proposal and select consultants to price from an approved consultants list. • Wastewater/Stormwater - Further discussions on scope of works for the remaining funding • Scope and contract with University of Canterbury for Climate Adaptation Research to be finalised. • This project has synergies with the Multi Tool planning. Early scoping and procurement documentation has been created – look to initiate once we have clarity around the additional multi tool funding. • Community Hub – Feldspar to meet with all stakeholders to finalise brief for shortlisting of possible sites. • Complete order by end June • Airport – With links to Master planning, this project will be scoped with the Master planning /multi-tool programme. • Waimangaroa – Crown Infrastructure portal now available for discontinuation of a project, making the funding available for new project creation upload. • Karamea Water – Project to be completed by end June

Project Road Map/Schedule (Deadline for completion 30 June 2027)																		
Project task	Feb 2023	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2024	Feb	Mar	Apr	May	Jun	Comments
3 Waters																		Scoping and procurement plan being prepared – completion date to be confirmed
Reefton Wastewater/stormwater modelling																		Not started – Request for proposal being prepared
Westport waste/stormwater smoke testing																		Smoke testing completed. Timings of next steps to be confirmed once further scope work completed
Climate Change Adaptation																		Ongoing – linked to other funding
Master planning																		Procurement/tender being prepared
Community Hub feasibility study																		Feldspar contracted – 9 months to completion
Civil Defence																		Complete in June
Airport relocations options study																		Not started
Karamea Water																		Complete in June
Westport Water																		\$100k to be reprioritised from Westport waste/stormwater smoke testing project
Waimangaroa - options?																		Options to be put to June Council meeting

Financials (30 April 2023)						
A summary of funding received and expenditure to date actual against budgeted for each Project Element is shown in the table below.						
Programme/Project Item	Budget	Actual Spend	Drawdown /claim	Forecast cost to complete	Project Variance	Commentary
3 Waters	\$1,260,000	\$ 12,500	\$ 5,000	\$1,247,500		
Reefton Wastewater modelling	\$ 150,000			\$ 150,000		
Westport Wastewater/smoke testing	\$ 400,000	\$200,000		\$ 200,000	\$ 100,000	To request reprioritisation to Westport critical water
Climate Change adaptation	\$ 250,000			\$ 250,000		
Master Planning	\$ 250,000			\$ 250,000		
Community Hub Feasibility	\$ 150,000		\$ 5,000	\$ 150,000		
Civil Defence	\$ 275,000		\$ 275,000	\$ 275,000		
Airport Relocation options study	\$ 50,000			\$ 50,000		
Waimangaroa Water	\$ 650,000			\$ 650,000		Alternative project TBA - June Council meeting
Karamea Water	\$ 65,000	\$ 50,000	\$ 65,000	\$ 15,000		
Total	\$3,500,000	\$262,500	\$ 350,000	\$3,237,500	\$ 100,000	

Communications

An update on media, marketing and communication activity for the programme/project

Westport News reported on the request to reprioritise funding from Waimangaroa and Westport smoke testing projects and the subsequent discussions at the April Council meeting. Tranche 2 funding has been withdrawn by Government.

Agenda Item 6

Other Business/matters

RISK AND AUDIT COMMITTEE

14 JUNE 2023

AGENDA ITEM 13

Prepared by Sean Judd
Acting Chief Executive

PUBLIC EXCLUDED

1. REPORT SUMMARY

Subject to the Local Government Official Information and Meetings Act 1987 (LGOIMA) s48(1) right of Local Authority to exclude public from proceedings of any meeting on the grounds that:

2. DRAFT RECOMMENDATION

That the public be excluded from the following parts of the proceedings of this meeting

Item No.	Minutes/Report of:	General Subject	Reason For Passing Resolution under LGOIMA
14	Sean Judd Acting Chief Executive	PIP IAF Funded Project	<p>(s 7(2)(c)(i)) - Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would:</p> <p>Be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied;</p> <p>(s 7(2)(i)) - enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>

