

7.10 QUARTERLY FINANCIAL REPORTING FOR MARCH 2019**File Number:** COU1-1410**Author:** Bronda Smith, Group Manager, Corporate Support and Services**Authoriser:** Monique Davidson, Chief Executive**Attachments:** 1. Quarterly Financial Report March 2019**PURPOSE**

Provide Council with a summary of Council's third quarter financial performance for the 2018/19 financial year.

RECOMMENDATION

That, having considered all matters raised in the report, the report on Council's third quarter financial performance for the 2018/19 financial year be noted.

SIGNIFICANCE AND ENGAGEMENT

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

DISCUSSION

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

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

This Financial Report is for the 9 months to 31 March 2019. Council shows a \$5.748m surplus against a budgeted surplus of \$5.108m. March is 75% through the year and the result shows that Council has spent 74.8% of the expenditure budget and received 76.0% of the budgeted income. Personnel Costs is \$84k above budget and includes \$145k of one off expenditure. Other Expenses are under budget by \$38k. Interest income is tracking higher than budgeted as more cash is held due to the reduced capital expenditure. Most other variances are favourable being underspent budgets or timing differences between budget allocations and actual expenditure. Details of the variances can be found in the reports within the attached report.

Elected Members were sent a copy of this report earlier this month.

FINANCIAL AND RESOURCING IMPLICATIONS

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

IMPLICATIONS ASSESSMENT

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

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;

- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

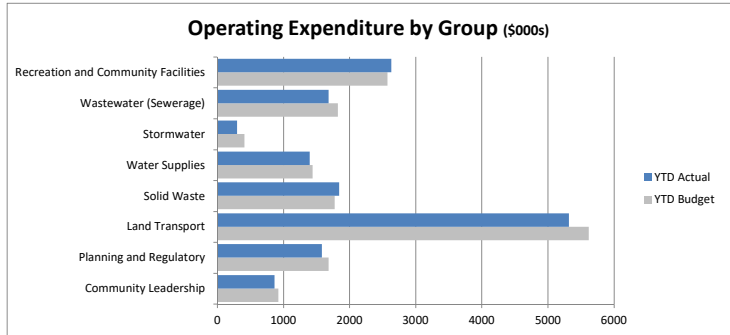
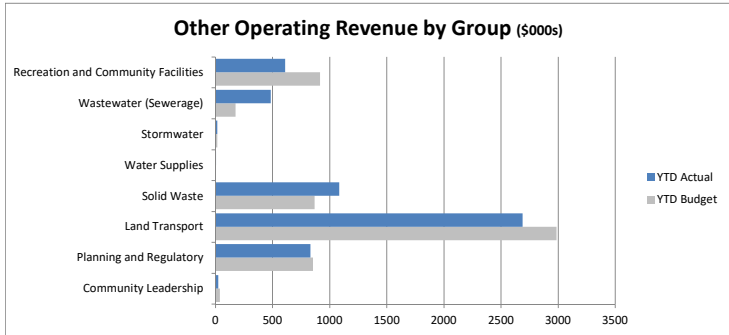
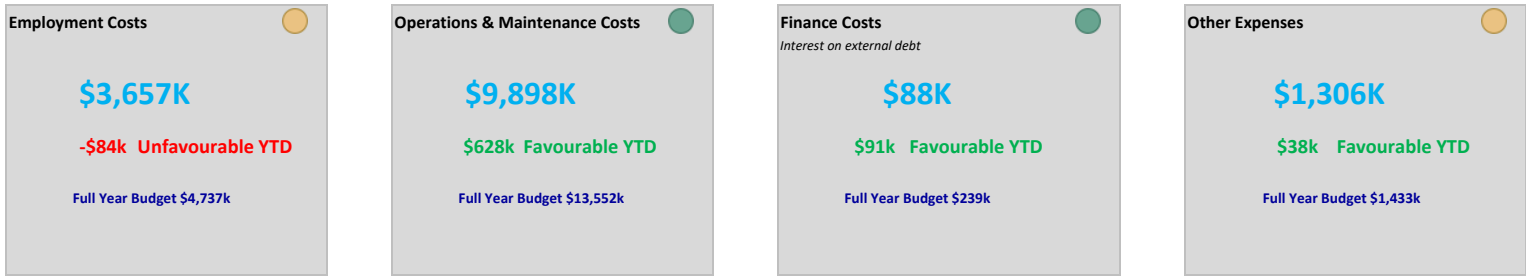
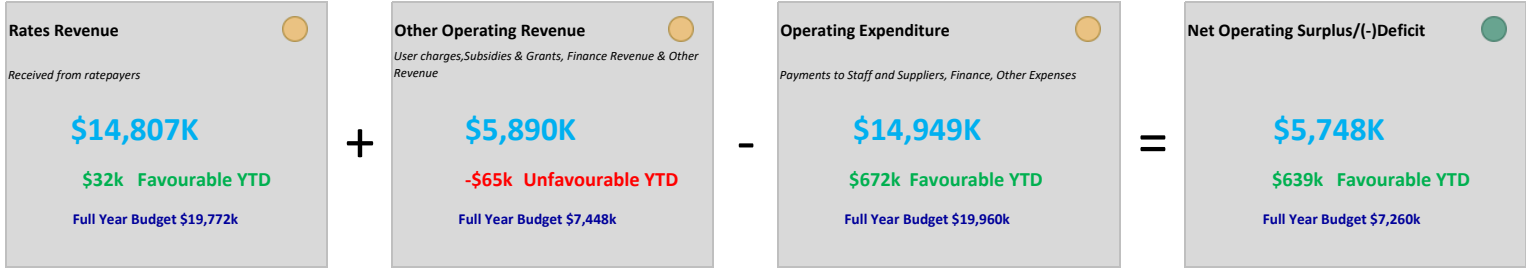
NEXT STEPS

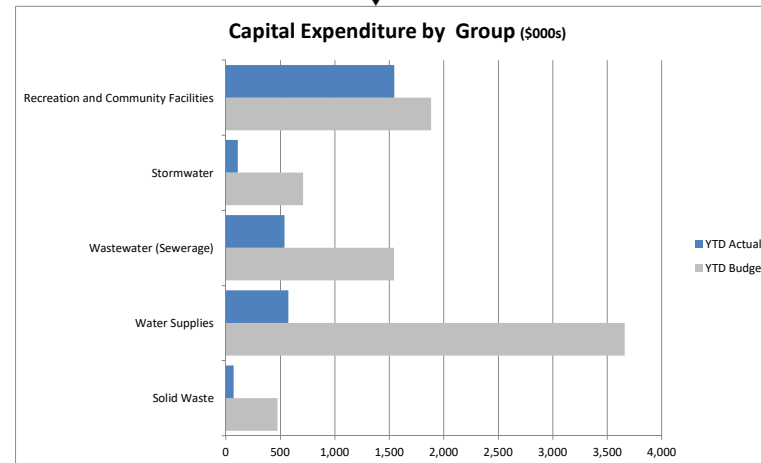
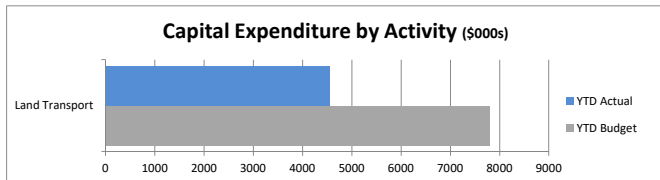
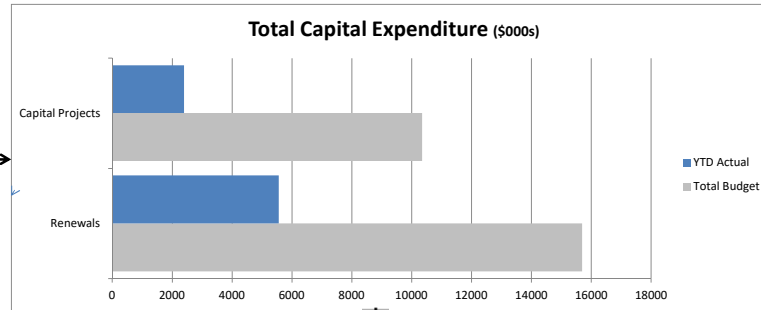
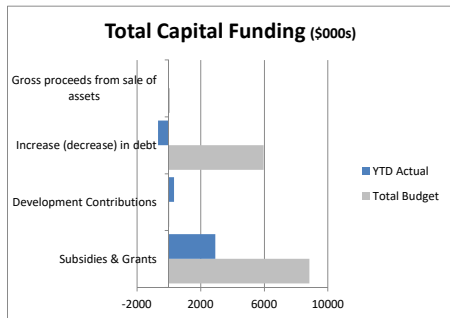
Officers will continue to monitor and management the finances of Council.

RECOMMENDATION

That, having considered all matters raised in the report, the report on Council's third quarter financial performance for the 2018/19 financial year be noted.

Central Hawke's Bay District Council - Whole of Council





Central Hawke's Bay District Council: Funding impact statement 2018/19

Whole of Council

As at 31 March 2019

	Full Year Actuals	Annual Plan	Total Operating Budget	YTD Operating Budget	YTD Actuals	YTD Variance	YTD Variance %	Full Year Forecast	Full Year Variance
	2018	2019	2019	2019	2019	2019	2019	2019	2019
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of operating funding									
General rates, uniform annual general charges and rates penalties:	12,609	12,884	12,884	9,669	9,638	(31)	0%	12,884	0
Targeted rates	6,526	6,888	6,888	5,106	5,169	63	1%	6,927	39
Subsidies and grants for operating purposes	3,905	2,598	3,684	2,946	2,620	(326)	-11%	3,936	252
Fees, charges	2,946	2,950	2,950	2,268	2,572	304	13%	3,332	382
Interest and dividends from investments	170	125	125	94	137	43	46%	151	26
Local authorities fuel tax, fines, infringement fees and other receipt	430	306	689	647	561	(86)	-13%	949	260
Total operating funding	26,586	25,751	27,220	20,730	20,697	(33)		28,179	959
Applications of operating funding									
Payments to staff and suppliers	19,675	17,972	19,721	15,443	14,861	581	4%	21,007	(1,286)
Finance costs	120	239	239	179	88	91	51%	217	22
Other operating funding applications	0	(183)	0	0	0	0	0%	0	0
Total applications of operating funding	19,795	18,028	19,960	15,622	14,949	672		21,224	(1,264)
Surplus (deficit) of operating funding	6,791	7,723	7,260	5,108	5,748	639		6,955	(305)
Sources of capital funding									
Subsidies and grants for capital expenditure	4,771	4,387	8,842	4,851	2,929	(1,922)	-40%	8,088	(754)
Development and financial contributions	95	22	22	16	327	311	1944%	278	256
Increase (decrease) in debt	0	4,798	5,971	872	(684)	(1,556)	-178%	4,960	(1,011)
Gross proceeds from sale of assets	103	67	67	50	0	(50)	-100%	48	(19)
Lump sum contributions	0	0	0	0	0	0	0%	0	0
Total sources of capital funding	4,969	9,274	14,902	5,789	2,572	(3,217)		13,374	(1,528)
Applications of capital funding									
Capital expenditure									
to meet additional demand	0	0	0	0	0	0	0%	0	0
to improve the level of service	1,054	7,977	10,356	7,181	2,404	4,777	67%	6,136	(4,220)
to replace existing assets	9,033	9,134	15,702	9,475	5,559	3,916	41%	13,803	(1,899)
Increase (decrease) in reserves	1,466	0	(3,817)	(2,647)	(3,776)	1,129	-43%	0	3,817
Increase (decrease) of investments	207	(115)	(115)	(86)	(286)	200	-233%	(1,300)	(1,185)
Total application of capital funding	11,760	16,996	22,126	13,923	3,901	10,022		18,639	(3,487)
Surplus (deficit) of capital funding	(6,791)	(7,722)	(7,224)	(8,134)	(1,329)	6,805		(5,265)	5,015
Funding balance	0	1	36	(3,026)	4,419	7,444		(1,690)	(5,320)

Central Hawke's Bay District Council - Whole of Council

Executive Summary

As at 31 March 2019

Year to Date Financial Performance - Operating

Council shows a \$5.748m surplus against a budgeted surplus of \$5.108m. March is 75% through the year and the result shows that Council has spent 74.8% of the expenditure budget and received 76.0% of the budgeted income. Personnel Costs is \$84k above budget and includes \$145k of one off expenditure. Other Expenses are under budget by \$38k. Interest income is tracking higher than budgeted as more cash is held due to the reduced capital expenditure. Most other variances are favourable being underspent budgets or timing differences between budget allocations and actual expenditure.

Year to Date Financial Position- Capital

Council borrowing remains behind budget as budgeted capital expenditure is lower than budgeted. Based on current phasing of the capital budgets ,we were budgeted to have spent 63.91% of the capital budget. As of 31 March we have spent 30.55%. Capital projects have been reviewed and are included in the project reporting. The cash balance also reflects the reduction in capital expenditure as cash is held in short term deposits with the view of paying for capital expenditure. This will be reviewed following the reforecast.

Reforecast Financial Performance - Operating

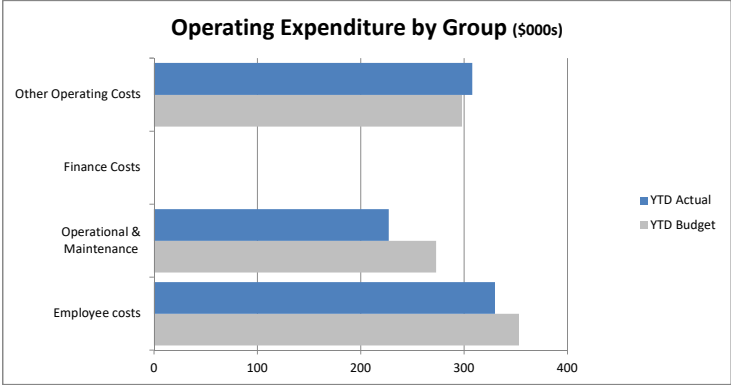
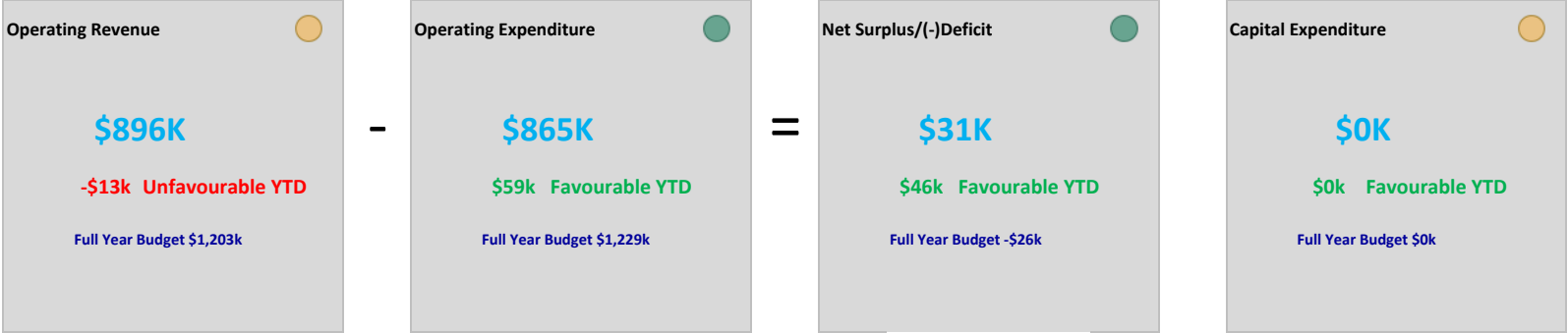
Council is showing a Reforecast Surplus of \$6.955m against a budgeted surplus of \$7.260m. Personnel Costs are forecast to be above budget by \$279K which includes \$223K of one off expenditure. Operations & Maintenance is \$933K above budget and includes \$354K for Provincial Growth Fund expenditure covered by increased income, \$111k for District Plan, \$101k for Regulatory expenses covered by additional income, \$100k for Water Supplies with a portion covered by additional income, \$79k in Solid Waste covered by additional income and \$103k in Recreation and Community Facilities with a portion covered by additional income. Finance Costs are forecast to be below budget based on the reduction in borrowing. Other Expenditure is expected to be \$74K above budget.

Reforecast Financial Position- Capital

Council borrowing is forecast to be below budget based on the reforecast capital expenditure of \$19.939m (Total Operating Budget \$26.058m). The 3 Waters capital programme is expected to be below budget by \$4.347m this year however the first three years of the Long Term Plan is still expected to be spent as physical works are started following the planning completed in 2018/19. The Land Transport programme also shows \$1.1m reduction in capital programme. This work is being delayed until next year due to the capital works requirement for the June 18, Sept 18 and Dec 18 flooding events.

Community Leadership

As at 31 March 2019



Central Hawke's Bay District Council: Funding impact statement 2018/19

Community Leadership

As at 31 March 2019

	Full Year Actuals	Annual Plan	Total Operating Budget	YTD Operating Budget	YTD Actuals	YTD Variance	YTD Variance %	Full Year Forecast	Full Year Variance
	2018 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019	2019 \$000	2019 \$000
Sources of operating funding									
General rates, uniform annual general charges and rates penalties	896	1,157	1,157	868	870	2	0%	1,157	0
Targeted rates	27	0	0	0	0	0	0%	0	0
Subsidies and grants for operating purposes	40	46	46	41	26	(15)	-37%	386	340
Fees, charges	0	0	0	0	0	0	0%	0	0
Interest and dividends from investments	0	0	0	0	0	0	0%	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0%	0	0
Total operating funding	963	1,203	1,203	909	896	(13)		1,543	340
Applications of operating funding									
Payments to staff and suppliers	798	938	948	713	635	78	11%	1,327	(379)
Finance costs	0	0	0	0	0	0	0%	0	0
Other operating funding applications	275	281	281	211	230	(19)	-9%	305	(24)
Total applications of operating funding	1,073	1,219	1,229	924	865	59		1,632	(403)
Surplus (deficit) of operating funding	(110)	(16)	(26)	(15)	31	46		(89)	(63)
Sources of capital funding									
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0%	0	0
Development and financial contributions	0	0	0	0	0	0	0%	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0%	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0%	0	0
Lump sum contributions	0	0	0	0	0	0	0%	0	0
Total sources of capital funding	0	0	0	0	0	0		0	0
Applications of capital funding									
Capital expenditure									
to meet additional demand	0	0	0	0	0	0	0%	0	0
to improve the level of service	0	0	0	0	0	0	0%	0	0
to replace existing assets	0	0	0	0	0	0	0%	0	0
Increase (decrease) in reserves	(110)	(15)	(61)	(46)	(46)	0	0%	(59)	(2)
Increase (decrease) of investments	0	0	0	0	0	0	0%	0	0
Total application of capital funding	(110)	(15)	(61)	(46)	(46)	0		(59)	(2)
Surplus (deficit) of capital funding	110	15	61	46	46	0		59	2
Funding balance	0	(1)	35	31	77	46		(30)	(65)

Explanation of changes between Annual Plan and Total Operating Budget

Addition of grant for Hawke's Bay Biodiversity Trust approved by Council from Reserves - \$10k
Reserve transfer from Retirement Housing to cover the Housing Strategy - \$36k

Explanation of Variance of Total Operating Budget to Reforecast

Subsidies and grants for operating purposes

Income expected over budgeted amount due to:

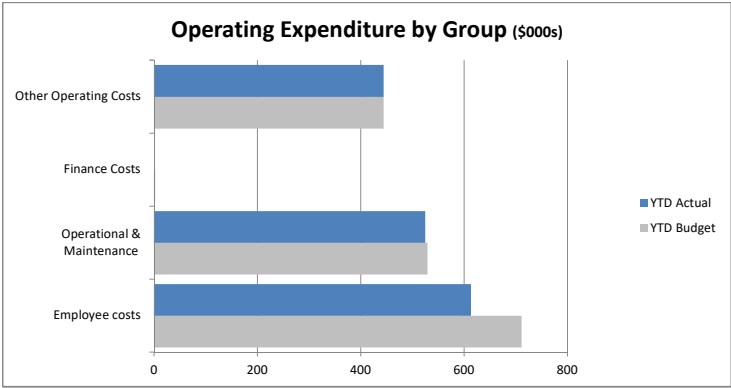
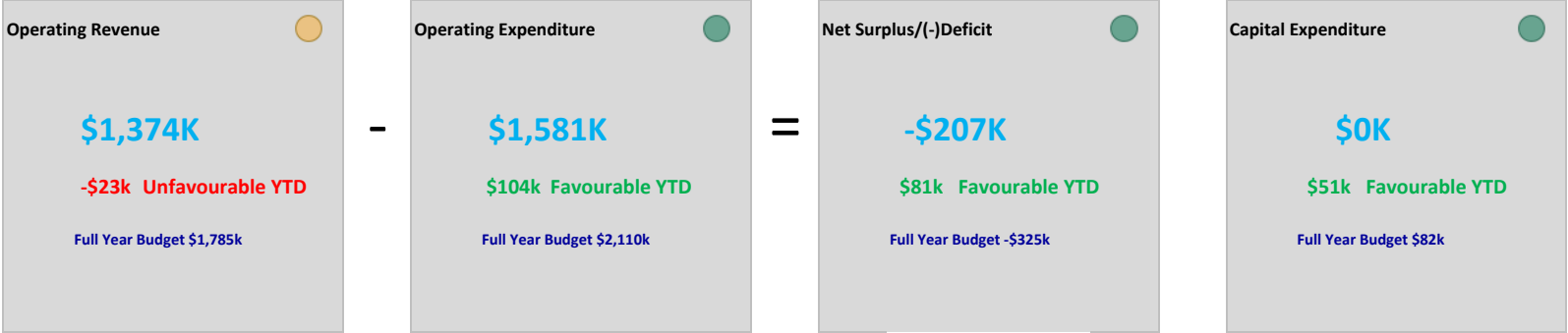
- \$354k of funds expected to be received by 30 June for the Provential Growth Fund Projects.

Payments to staff and suppliers

The Payment to Staff and Suppliers is over the budgeted amount and includes:

- \$34k for Social housing Strategy funded from the Housing Reserve
- \$354k of expenditure for the Provential Growth Fund Projects which is offset by the above subsidy .

Planning and Regulatory
As at 31 March 2019



Central Hawke's Bay District Council: Funding impact statement 2018/19

Planning and Regulatory

As at 31 March 2019

	Full Year Actuals	Annual Plan	Total Operating Budget	YTD Operating Budget	YTD Actuals	YTD Variance	YTD Variance %	Full Year Forecast	Full Year Variance
	2018 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019	2019 \$000	2019 \$000
Sources of operating funding									
General rates, uniform annual general charges and rates penalties	1,177	721	721	541	542	1	0%	721	0
Targeted rates	0	0	0	0	0	0	0%	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0%	0	0
Fees, charges	951	1,048	1,048	840	818	(23)	-3%	1,132	84
Interest and dividends from investments	0	0	0	0	0	0	0%	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	9	16	16	14	14	(1)	-7%	22	6
Total operating funding	2,137	1,785	1,785	1,395	1,374	(23)		1,875	90
Applications of operating funding									
Payments to staff and suppliers	1,781	1,298	1,627	1,323	1,187	135	10%	1,795	(168)
Finance costs	0	2	2	2	0	2	100%	2	0
Other operating funding applications	413	481	481	361	394	(33)	-9%	523	(42)
Total applications of operating funding	2,194	1,781	2,110	1,686	1,581	104		2,320	(210)
Surplus (deficit) of operating funding	(57)	4	(325)	(291)	(207)	81		(445)	(120)
Sources of capital funding									
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0%	0	0
Development and financial contributions	0	0	0	0	0	0	0%	0	0
Increase (decrease) in debt	0	78	78	(2)	0	2	-100%	78	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0%	0	0
Lump sum contributions	0	0	0	0	0	0	0%	0	0
Total sources of capital funding	0	78	78	(2)	0	2		78	0
Applications of capital funding									
Capital expenditure									
to meet additional demand	0	0	0	0	0	0	0%	0	0
to improve the level of service	0	82	82	51	0	51	100%	82	0
to replace existing assets	0	0	0	0	0	0	0%	0	0
Increase (decrease) in reserves	(56)	0	(329)	(325)	(375)	50	-15%	(375)	46
Increase (decrease) of investments	0	0	0	0	0	0	0%	0	0
Total application of capital funding	(56)	82	(247)	(274)	(375)	101		(293)	46
Surplus (deficit) of capital funding	56	(4)	325	272	375	103		371	46
Funding balance	(1)	0	0	(19)	168	184		(74)	(74)

Explanation of changes between Annual Plan and Total Operating Budget

Payment to Staff and Suppliers

Addition of Carry Forward for District Plan Review \$329k from Reserves.

Explanation of Variance of Total Operating Budget to Reforecast

Operating Income

Fees & Charges is forecast to be above budget by \$84k and includes:

- Land Use and Subdivision Consents \$64k increased to reflect actual income.
- Small increases in the other areas contribute to the remaining increase.
- Building consents income remains below budget.

Operating Expenditure

The Payment to Staff and Suppliers is above budget by \$168k and includes:

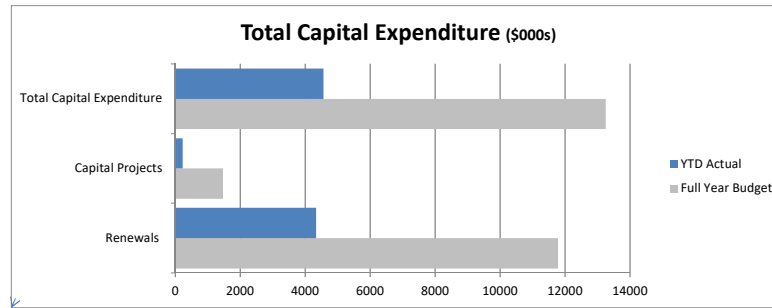
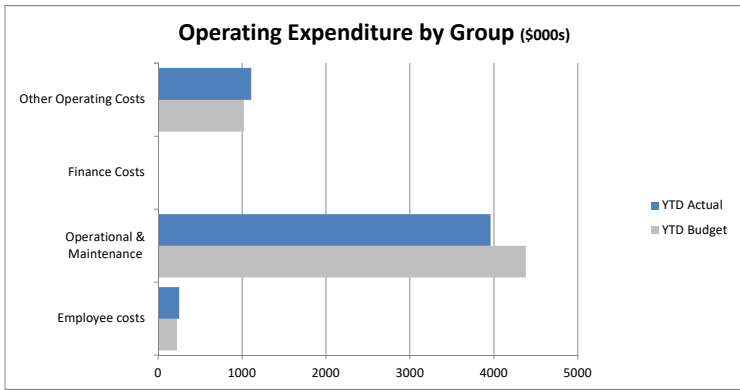
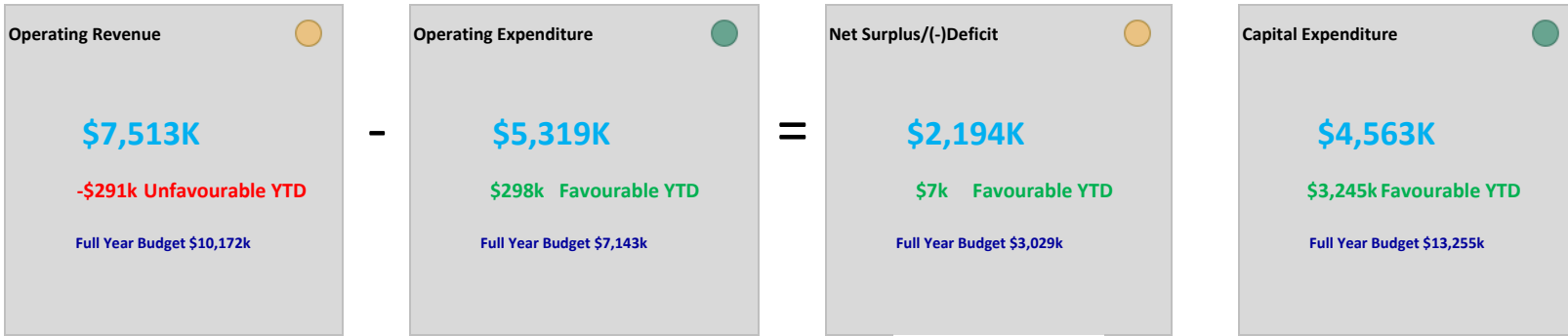
Under budget

- \$11k for Public Health due to staff costs positions filled later then budgeted.
- \$100k for Compliance & Monitoring due to the Territorial Authority Officer yet to be appointed and the implementation of the outcome of the review of Compliance and Monitoring.

Over budget

- \$111k for District Planning due to the decision to expedite the District Plan review.
- \$66k for Land use and Subdivision Consents due to consultants processing consents which is offset by income.
- \$69k for Building Control due to increase in staff costs and training costs.
- \$36k for Animal Control due to the outcome of the review requiring an additional position and the related safety equipment.

Land Transport
As at 31 March 2019



Central Hawke's Bay District Council: Funding impact statement 2018/19

Land Transport

As at 31 March 2019

	Full Year Actuals	Annual Plan	Total Operating Budget	YTD Operating Budget	YTD Actuals	YTD Variance	YTD Variance %	Full Year Forecast	Full Year Variance
	2018 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019	2019 \$000	2019 \$000
Sources of operating funding									
General rates, uniform annual general charges and rates penalties	6,243	6,426	6,426	4,819	4,823	4	0%	6,426	0
Targeted rates	50	0	0	0	0	0	0%	0	0
Subsidies and grants for operating purposes	3,798	2,483	3,570	2,854	2,541	(312)	-11%	3,472	(98)
Fees, charges	28	18	18	14	22	9	64%	25	7
Interest and dividends from investments	0	0	0	0	0	0	0%	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	213	158	158	119	127	8	7%	179	21
Total operating funding	10,332	9,085	10,172	7,806	7,513	(291)		10,102	(70)
Applications of operating funding									
Payments to staff and suppliers	6,578	4,488	5,797	4,609	4,218	390	8%	5,830	(33)
Finance costs	3	0	0	0	0	0	0%	0	0
Other operating funding applications	1,062	1,163	1,346	1,010	1,101	(92)	-9%	1,463	(117)
Total applications of operating funding	7,643	5,651	7,143	5,619	5,319	298		7,293	(150)
Surplus (deficit) of operating funding	2,689	3,434	3,029	2,187	2,194	7		2,809	(220)
Sources of capital funding									
Subsidies and grants for capital expenditure	4,771	4,387	8,842	4,851	2,929	(1,922)	-40%	8,088	(754)
Development and financial contributions	1	3	3	2	3	1	50%	3	0
Increase (decrease) in debt	(47)	0	0	0	0	0	0%	0	0
Gross proceeds from sale of assets	80	0	0	0	0	0	0%	0	0
Lump sum contributions	0	0	0	0	0	0	0%	0	0
Total sources of capital funding	4,805	4,390	8,845	4,853	2,932	(1,921)		8,091	(754)
Applications of capital funding									
Capital expenditure									
to meet additional demand	0	0	0	0	0	0	0%	0	0
to improve the level of service	341	1,000	1,471	1,003	227	776	77%	1,419	52
to replace existing assets	7,347	6,809	11,784	6,805	4,336	2,469	36%	10,532	1,252
Increase (decrease) in reserves	(195)	16	(1,380)	(948)	(1,136)	188	-20%	(1,384)	4
Increase (decrease) of investments	0	0	0	0	0	0	0%	0	0
Total application of capital funding	7,493	7,825	11,875	6,860	3,427	3,433		10,567	1,308
Surplus (deficit) of capital funding	(2,688)	(3,435)	(3,030)	(2,007)	(495)	1,512		(2,476)	(554)
Funding balance	1	(1)	(1)	180	1,699	1,519		333	334

Explanation of changes between Annual Plan and Total Operating Budget

Operating Subsidies and Grants - \$1,087k

- Movement of Subsidy Overhead included in Annual Plan Capital budgets based on NZTA requirements - \$129k
- June Flood reallocation of subsidy - \$116k
- September Flood event included in operating budgets - \$425k
- December Flood reallocation of subsidy - \$416k

Payment to staff and suppliers - \$1,309k

- June Flood event opex - \$194k
- September Flood event opex - \$580k
- Portion of December Flood event that is Opex - \$520k

Other Operating Funding Applications - \$183k

- Movement of Overhead included in Annual Plan Capital budgets based on NZTA requirements into Opex

Capital Subsidies and Grants - \$4,455k

- Subsidy for footpaths renewal and new now being funded - \$471k
- Funding for June Flood Event - \$426k
- Less movement of subsidy Overhead included in Annual Plan Capital budgets based on NZTA requirements - (\$118k)
- Funding for September Flood Event - \$3,056k
- Funding for December Flood Event - \$624k

Capital Expenditure - \$5,446

- Increase in Footpath budget based on NZTA funding - \$471k
- Remaining June flooding event expenditure - \$711k
- Less movement of Overhead included in Annual Plan Capital budgets based on NZTA requirements - (\$183k)
- Emergency works September flood capital works - \$3,675k
- Emergency works December flood capital works - \$780k

Increase (decrease) in reserves - \$1,136

- Remaining June flooding event funding carried forward from 2017/18 - \$362k
- September flooding event from carry forwards and reserves - \$774k
- December flooding event from Adverse event fund - \$260k

Explanation of Variance of Total Operating Budget to Reforecast

Operating Expenditure

The Payment to Staff and Suppliers is above budget by \$33k and includes:

Over budget

- Traffic services Maintenance \$26k due to additional line marking still required and budget will be fully expended prior

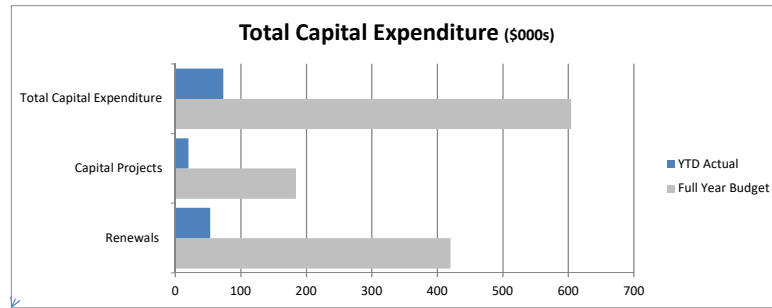
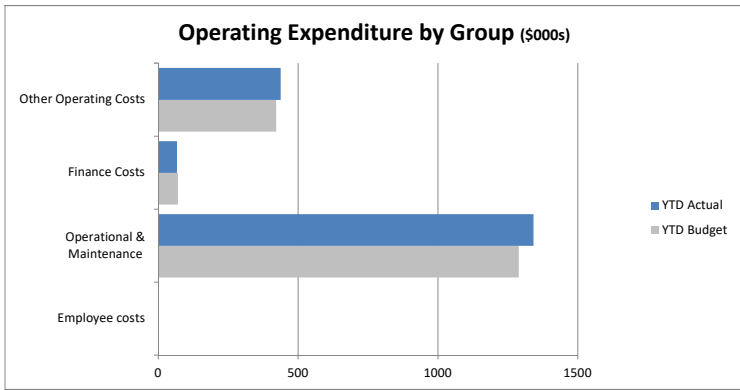
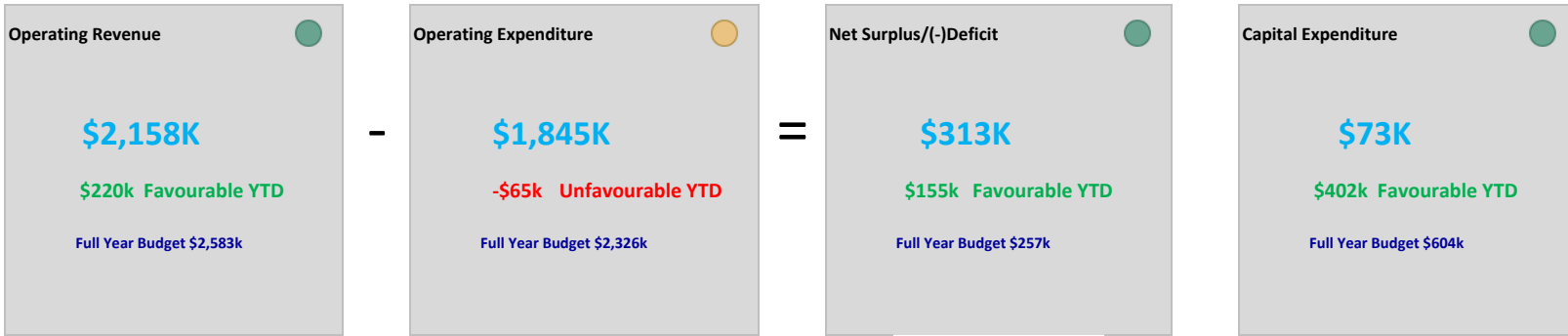
Capital Expenditure

This is currently \$1.3m underspent

Please see the programme breakdown for variances

	Annual Plan	Total Operating Budget	YTD Operating Budget	YTD Actuals	YTD Variance	Forecast to June 30th	Under/ (Over) By Year End	Comments
	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	
Unsubsidised FOOTPATH RENEWALS	301	0	0	5	-5	0	0	
Unsubsidised BRIDGE REPLACEMENTS	51	51	38	0	38	30	21	To be reserved for councils share of future bridge replacements
Unsubsidised WALKING & CYCLING	0	0	0	0	0	0	0	
Unsubsidised CARPARK RNWL	0	0	0	0	0	0	0	
Total	7,809	13,255	7,808	4,562	3,245	11,976	1,279	

Solid Waste
As at 31 March 2019



Central Hawke's Bay District Council: Funding impact statement 2018/19

Solid Waste

As at 31 March 2019

	Full Year Actuals	Annual Plan	Total Operating Budget	YTD Operating Budget	YTD Actuals	YTD Variance	YTD Variance %	Full Year Forecast	Full Year Variance
	2018 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019	2019 \$000	2019 \$000
Sources of operating funding									
General rates, uniform annual general charges and rates penalties	1,318	1,193	1,193	895	897	2	0%	1,193	0
Targeted rates	240	231	231	173	174	1	1%	231	0
Subsidies and grants for operating purposes									
Fees, charges	52	52	52	39	40	1	3%	66	14
Interest and dividends from investments	1,143	1,107	1,107	830	1,047	216	26%	1,260	153
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0%	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0%	0	0
Total operating funding	2,753	2,583	2,583	1,937	2,158	220		2,750	167
Applications of operating funding									
Payments to staff and suppliers	1,863	1,835	1,835	1,411	1,453	(41)	-3%	1,914	(79)
Finance costs	95	94	94	70	67	3	4%	93	1
Other operating funding applications	316	397	397	298	325	(27)	-9%	431	(34)
Total applications of operating funding	2,274	2,326	2,326	1,779	1,845	(65)		2,438	(112)
Surplus (deficit) of operating funding	479	257	257	158	313	155		312	55
Sources of capital funding									
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0%	0	0
Development and financial contributions	0	0	0	0	0	0	0%	0	0
Increase (decrease) in debt	(97)	78	78	(80)	(77)	2	-3%	77	(1)
Gross proceeds from sale of assets	0	0	0	0	0	0	0%	0	0
Lump sum contributions	0	0	0	0	0	0	0%	0	0
Total sources of capital funding	(97)	78	78	(80)	(77)	2		77	(1)
Applications of capital funding									
Capital expenditure									
to meet additional demand	0	0	0	0	0	0	0%	0	0
to improve the level of service	0	184	184	138	20	118	86%	184	0
to replace existing assets	78	93	420	336	53	284	85%	155	265
Increase (decrease) in reserves	304	59	(267)	(327)	(327)	0	0%	(267)	0
Increase (decrease) of investments	0	0	0	0	0	0	0%	0	0
Total application of capital funding	382	336	337	147	(254)	402		72	265
Surplus (deficit) of capital funding	(479)	(258)	(259)	(227)	177	404		5	(264)
Funding balance	0	(1)	(2)	(69)	490	559		317	319

Explanation of changes between Annual Plan and Total Operating Budget

Replace Existing Assets - Inclusion of Carry Forward of \$327k from Reserves.

Explanation of Variance of Total Operating Budget to Reforecast

Operating Income

Fees and Charges is forecast to above budget by \$153k and includes:

- \$96K of Extra Landfill and transfer station Income both local and out of district
- \$46K of Carbon Credit Income in co-junction with the increase in landfill income.
- \$14K of Refuse bags Income with a continued demand for refuse bags.

Operating Expenditure

The Payment to Staff and Suppliers is forecast to above budget by \$79k and includes:

- \$15K of District landfill levy expenditure in co-junction with the increase in landfill income.
- \$65k for Solid waste Minimisation and Management Plan (SWMMP) which will be funded from extra income

Capital Expenditure

This is currently underspent by \$265k
Details of the capital projects is on the Project sheet.

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

Solid Waste

At 31 March 2019

Reforecast Budget included carryforwards

Project	LTP Project Budget \$000	Reforecast Budget \$000	Total Cost to Date 2019 \$000	This Year Actual 2019 \$000	Forecast for June 30 2019	Under/ (Over) By Year End	Status	Comments or Risks
SW 18 Landfill Leachate Disposal	184	360	31	31	199	161	●	Application lodged with regional Council for change to resource consent, samples of capping have been sent off for testing for suitability and additional budget from solid waste reserves has been approved to allow project to be progressed. Design due end of April 2019 to progress to procurement in May 2019.
SW 19 Landfill Cell Capping	0	80	6	6	80	0	●	Investigation into the present covering on the cell has shown that some remedial work is required before capping can commence. The capping has to meet with the required specification and samples have been taken from various sites and sent for testing. More sampling and testing may be required.
SW 19 Closed Dump Minor Renewals	31	31	0	0	0	31	●	Have met with contractors and visited each closed dump site to evaluate potential improvements or renewals. Nothing has been identified and the funding is expected to be carried forward
SW 19 Landfill Minor Renewals	25	25	20	20	25	0	●	Works have commenced. Will be completed this financial year.
SW 19 Litter Bins Minor Renewals	5	5	0	0	5	0	●	
SW 19 Recycling Minor Renewals	6	6	4	4	6	0	●	Work continues and should be close to forecasted figure by financial year end.
SW 19 Transfer Station Minor Renewals	26	26	11	11	24	2	●	Minor renewal upgrades including upgrades to the Waipukurau transfer station and Takapau Drop Off Centre Work has started and will be completed by the end of the financial year.
Total	277	533	72	72	339	194		

Unallocated carry forwards

70

Loan Funding

0

Rates Funding

33

Carry FWD Funding

161

Agreed to Total Operating Budget 2019

603

194



Achieved



On track

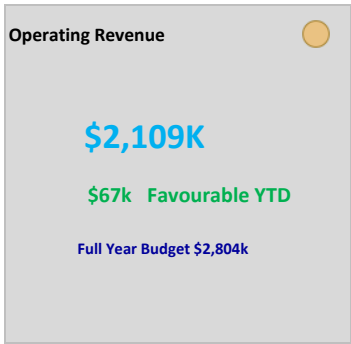


May not be met

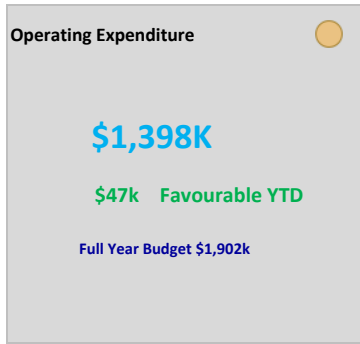


Deferred

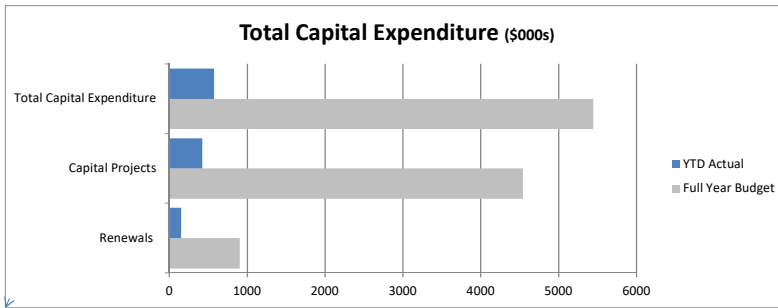
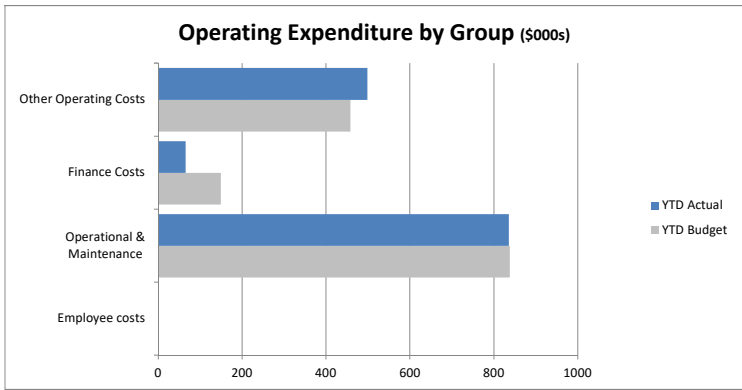
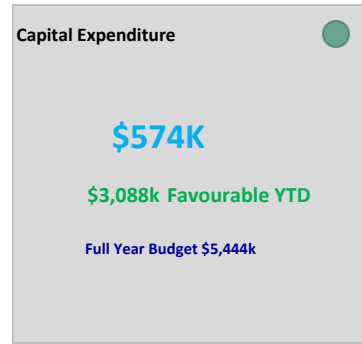
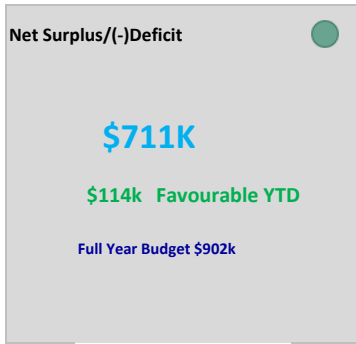
Water Supplies
As at 31 March 2019



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Central Hawke's Bay District Council: Funding impact statement 2018/19

Water Supplies

As at 31 March 2019

	Full Year Actuals	Annual Plan	Total Operating Budget	YTD Operating Budget	YTD Actuals	YTD Variance	YTD Variance %	Full Year Forecast	Full Year Variance
	2018 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019	2019 \$000	2019 \$000
Sources of operating funding									
General rates, uniform annual general charges and rates penalties	0	0	0	0	0	0	0%	0	0
Targeted rates	2,766	2,804	2,804	2,043	2,103	61	3%	2,843	39
Subsidies and grants for operating purposes	0	0	0	0	0	0	0%	0	0
Fees, charges	3	0	0	0	6	6	0%	8	8
Interest and dividends from investments	0	0	0	0	0	0	0%	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0%	0	0
Total operating funding	2,769	2,804	2,804	2,043	2,109	67		2,851	47
Applications of operating funding									
Payments to staff and suppliers	1,124	1,195	1,195	914	917	(3)	0%	1,295	(100)
Finance costs	92	199	199	149	65	85	57%	125	74
Other operating funding applications	644	508	508	381	416	(35)	-9%	552	(44)
Total applications of operating funding	1,860	1,902	1,902	1,444	1,398	47		1,972	(70)
Surplus (deficit) of operating funding	909	902	902	599	711	114		879	(23)
Sources of capital funding									
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0%	0	0
Development and financial contributions	48	5	5	4	163	159	3975%	150	145
Increase (decrease) in debt	46	3,836	4,120	55	(91)	(145)	-264%	1,584	(2,536)
Gross proceeds from sale of assets	0	0	0	0	0	0	0%	0	0
Lump sum contributions	0	0	0	0	0	0	0%	0	0
Total sources of capital funding	94	3,841	4,125	59	72	14		1,734	(2,391)
Applications of capital funding									
Capital expenditure									
to meet additional demand	0	0	0	0	0	0	0%	0	0
to improve the level of service	355	3,990	4,541	3,210	424	2,786	87%	1,717	2,824
to replace existing assets	312	603	903	452	150	302	67%	1,200	(297)
Increase (decrease) in reserves	339	150	(418)	(76)	(782)	706	-929%	(632)	214
Increase (decrease) of investments	0	0	0	0	0	0	0%	0	0
Total application of capital funding	1,006	4,743	5,026	3,586	(208)	3,794		2,285	2,741
Surplus (deficit) of capital funding	(912)	(902)	(901)	(3,527)	280	3,808		(551)	(350)
Funding balance	(3)	0	1	(2,928)	991	3,922		328	327

Explanation of changes between Annual Plan and Total Operating Budget

Capital Expenditure - \$850k - Inclusion of \$568k from Carry Forward from Reserves and Loans Carried Forward of \$284k.

Explanation of Variance of Total Operating Budget to Reforecast

Operating Income

Metered Water Rates are reforecast to be above budget by \$39k

Operating Expenditure

The Payment to Staff and Suppliers is forecast to be above budget by \$100k and includes:

- An increase of \$62k for Water Monitoring due to increased compliance and lab costs, SCADA review.
- A decrease of \$20k for District wide water AMP that is expected to be a saving for the year and will offset other expected operational costs.
- The remaining increase is due to increases in work volumes carried out under the CFIM contract. The new contractor has identified the need to carry out additional repairs and minor replacements in the network to address leaks and failing infrastructure.

Capital Expenditure

The Spend in Capital Expenditure is below budget by \$2,527k. Details of the capital projects is on the Project sheet.

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

Water Supply

At 31 March 2019

Reforecast Budget included carryforwards

Project	LTP Project Budget \$000	Reforecast Budget \$000	Total Cost to Date 2019 \$000	This Year Actual 2019 \$000	Forecast for June 30 2019	Under/ (Over) By Year End	Status	Comments or Risks
WS 17 Waipukurau SH2 Pump Station Upgrade	308	850	102	68	672	178	●	Land purchase has been done. Reallocation of budgets approved by Council. Contract out for tender closing in April. Works will be due to comment in May. Works to carry over into the next financial year.
WS 16 Waipukurau UV Treatment SH2		530	528	59	530	0	●	Work has been completed.
WS 18 Waipukurau Peel St Water Main Replacement	0	91	95	7	95	(4)	●	Work has been completed.
WS 17 Porangahau Treatment Plant Upgrade	0	220	20	15	220	0	●	This project is budgeted in total as \$1.032m with funding in 19/20 of \$814k. Currently under tender with a supplier to be selected by the end of February. \$220k for this year is expected to be spent by the end of the financial year with the remainder of the project to be completed by 30 September 2019.
WS 18 Waipukurau Second Supply	2,046	2052	106	100	423	1,629	●	Continuing the exploratory work for a water source It is expected that the total project budget of \$5.7 m will be spent over 2019/20 and 2020/21.
WS 17 Waipukurau Porritt Upgrade	0	65	61	61	65	0	●	Completed awaiting final claim this will be received once final information received and reviewed.
WS 19 Takapau Treatment Improvement	767	680	22	22	530	150	●	Currently awaiting contract to be awarded this is expected by April. Works plan to be completed by October 2019, some budget will need to be carried forward to next financial year.
WS 18 Otane Land Development	155	155	106	82	116	39	●	Site works completed and awaiting final claim this will be received once final information received and reviewed. Expected to be on under budget at financial year end.
WS 19 Otane Alternative Water Supply	1,023	939	93	93	318	621	●	Design completed. Tender released to market. Physical work is expected to start in June 2019. Balance of the funding will be carried over to completed the project in 2019/20.
WS 19 Waipukurau Shortfalls Fire Fight Improve Modelling	0	30	2	2	30	0	●	Modelling works now complete. Design to be completed, and tendering to be progressed through the Stage 1 Project
WS 19 Waipukurau Water Shortfalls / Firefighting Stage 1	0	277	0	0	150	127	●	Stage 1 of a 3 year initial program of work to be tendered in May 2019 some of the budget will be carried forward into the next financial year.

Project	LTP Project Budget \$000	Reforecast Budget \$000	Total Cost to Date 2019 \$000	This Year Actual 2019 \$000	Forecast for June 30 2019	Under/ (Over) By Year End	Status	Comments or Risks
WS 19 WPK Main upgrades Mackie, McLean, McCarthy Mt View St	0	241	3	3	241	0	●	Contract awarded, Stage 1 works to be completed this financial year. Stage 2 will require additional budget and will be completed next Financial year.
District renewals as required	603	154	69	69	154	0	●	
Total	4,902	6,284	1,207	581	3,544	2,740		

Capital Expenditure In Work In Progress For Previous Years

Carry Forward for Porangahau not added to Total

Operating Budget

Budget yet to be allocated to projects

Agreed to Total Operating Budget 2019

5,443

Loan Funding 2,565
Rates Funding (4)
Carry FWD Funding 179
2,740



Achieved



On track

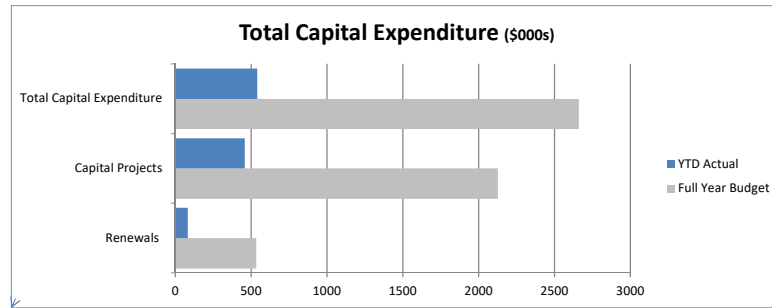
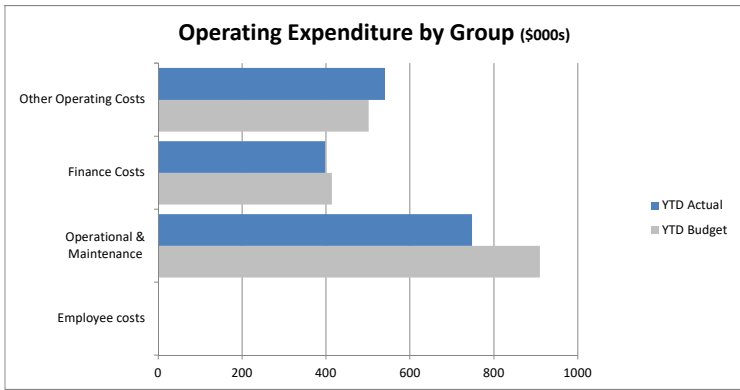
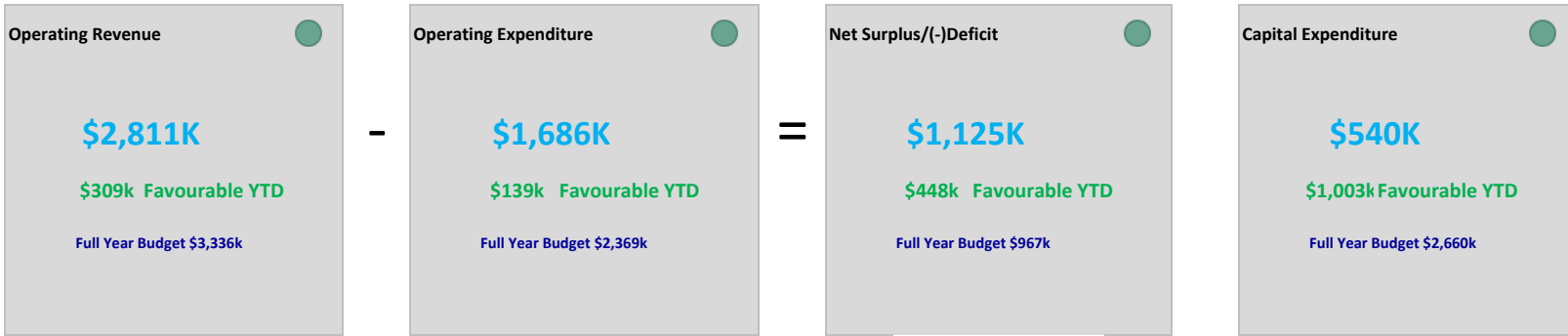


May not be met



Deferred

Wastewater
As at 31 March 2019



Central Hawke's Bay District Council: Funding impact statement 2018/19

Wastewater

As at 31 March 2019

	Full Year Actuals	Annual Plan	Total Operating Budget	YTD Operating Budget	YTD Actuals	YTD Variance	YTD Variance %	Full Year Forecast	Full Year Variance
	2018 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019	2019 \$000	2019 \$000
Sources of operating funding									
General rates, uniform annual general charges and rates penalties	0	0	0	0	0	0	0%	0	0
Targeted rates	2,952	3,101	3,101	2,326	2,326	0	0%	3,101	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0%	0	0
Fees, charges	353	235	235	176	285	109	62%	384	149
Interest and dividends from investments	0	0	0	0	0	0	0%	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	200	0	0	0	200	200	0%	200	200
Total operating funding	3,505	3,336	3,336	2,502	2,811	309		3,685	349
Applications of operating funding									
Payments to staff and suppliers	1,502	1,309	1,309	1,030	872	158	15%	1,317	(8)
Finance costs	535	552	552	414	398	16	4%	547	5
Other operating funding applications	533	508	508	381	416	(35)	-9%	552	(44)
Total applications of operating funding	2,570	2,369	2,369	1,825	1,686	139		2,416	(47)
Surplus (deficit) of operating funding	935	967	967	677	1,125	448		1,269	302
Sources of capital funding									
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0%	0	0
Development and financial contributions	45	10	10	7	157	149	2129%	120	110
Increase (decrease) in debt	(19)	661	1,488	(54)	(315)	(261)	483%	368	(1,120)
Gross proceeds from sale of assets	0	0	0	0	0	0	0%	0	0
Lump sum contributions	0	0	0	0	0	0	0%	0	0
Total sources of capital funding	26	671	1,498	(47)	(158)	(112)		488	(1,010)
Applications of capital funding									
Capital expenditure									
to meet additional demand	0	0	0	0	0	0	0%	0	0
to improve the level of service	292	1,074	2,127	1,143	458	685	60%	990	1,137
to replace existing assets	367	533	533	400	82	318	80%	322	211
Increase (decrease) in reserves	304	31	(195)	(82)	(225)	143	-174%	(15)	(180)
Increase (decrease) of investments	0	0	0	0	0	0	0%	0	0
Total application of capital funding	963	1,638	2,465	1,461	315	1,146		1,297	1,168
Surplus (deficit) of capital funding	(937)	(967)	(967)	(1,508)	(473)	1,034		(809)	(158)
Funding balance	(2)	0	0	(831)	652	1,482		460	460

Explanation of changes between Annual Plan and Total Operating Budget

Capital Expenditure - increase of \$1,053k - Inclusion of \$225k from Carry Forward from Reserves and Loans Carried Forward of \$828k.

Explanation of Variance of Total Operating Budget to Reforecast

Operating Income

Fees and Charges are above budget by \$109k from extra trade waste income.

Capital Expenditure

The Spend in Capital Expenditure is below budget by \$1,348k. Details of the capital projects is on the Project sheet

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

Wastewater

At 31 March 2019

Reforecast Budget included carryforwards

Project	LTP Project Budget \$000	Reforecast Budget \$000	Total Cost to Date 2019 \$000	This Year Actual 2019 \$000	Forecast for June 30 2019	Under/ (Over) By Year End	Status	Comments or Risks
WW 18 Otane Treatment Plant Upgrade	1,353	1,353	155	82	173	1,180	●	Project on hold, whilst Otane is considered in the wider WWTP projects, Resource consent extension and I&I studies to be done as part of this project to assist with consent and plant development in future - incorporated into WWTP project scope.
WW 19 Otane Resource Consent Extension	0	40	4	4	16	24	●	Resource consent Granted to 31 March 2021.
WW 19 Otane WWTP I&I Study	0	80	1	1	80	0	●	I & I study is progressing, likely to commence works late April thorough to May 2019. Will be completed this financial year.
WW 18 Takapau Resource Consent	105	105	35	10	50	55	●	3 year consent extension granted by HBRC to 31 October 2021, works for new consent planning via Reference group to commence now mid 2019, once the larger WW project has reached it's milestone.
WW 19 Takapau treatment upgrade	831	831	0	0	0	831	●	Likely will not be used until 20/21 consent requirement, work will start on requirements to get the Consent now mid 2019.
WW 18 Otane Land Development	0	200	182	147	188	12	●	Completed awaiting final claim this will be received once final information received and reviewed. Expected to be slightly under budget.
WW 18 Waipukurau Mt Herbert Landscaping	0	122	111	6	122	0	●	This is the final planting and fencing plus minor improvements for the completion of the Mt Herbert Pump Station completed last year. Will be completed this year
WW 19 Waipukurau Waipawa Treatment Investigation	0	300	156	156	300	0	●	Investigation progressing as expected, working towards Best Practicable by April 2019. Update to be tabled at Council meeting on 24 April 2019. following that working towards report to be taken to council on 20 June 2019 to be approved to be released to environment court late June 2019
WW 19 Waipawa Main Trunk Renewal	1,770	1,770	52	52	440	1,330	●	Tender is out to market. On track for construction to commence in June 2019 and be complete by the middle November 2019. \$1.2m is in 2019/20 budget as per LTP
District Wide renewals	338	180	82	82	180	0	●	Reactive expenditure on renewals for plants etc. Expected to be spent in the financial year
Total	4,397	4,981	778	540	1,549	3,432		

Previous Year Capital Expenditure in WIP
Funding from future years included in Projects
Agreed to Total Operating Budget 2019

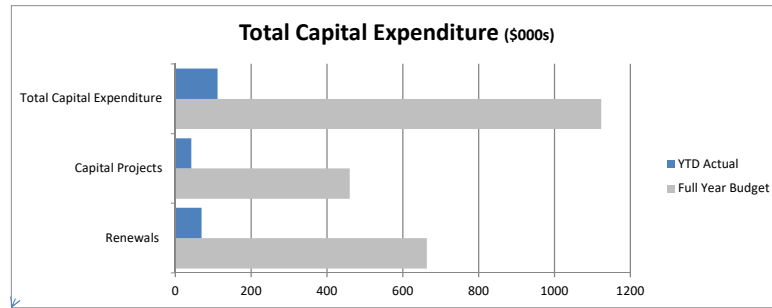
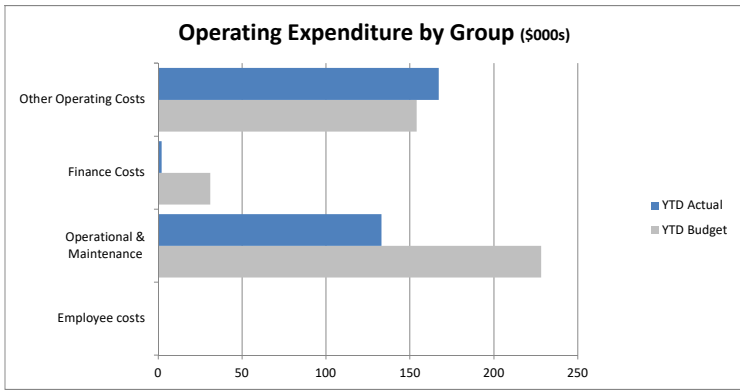
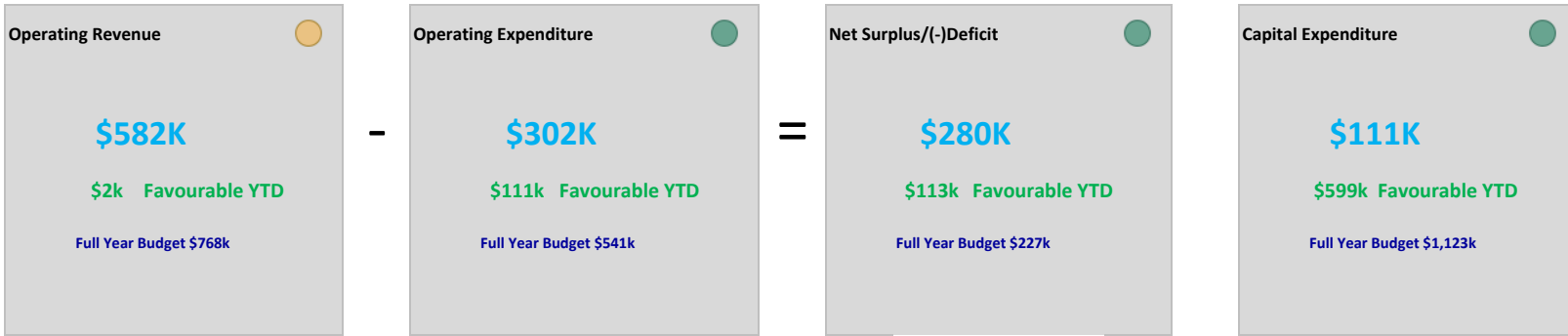
-238
-2083
2,660

Loan Funding
Rates Funding
Carry FWD Funding

2,365
386
157

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

Stormwater
As at 31 March 2019



Central Hawke's Bay District Council: Funding impact statement 2018/19

Stormwater

As at 31 March 2019

	Full Year Actuals	Annual Plan	Total Operating Budget	YTD Operating Budget	YTD Actuals	YTD Variance	YTD Variance %	Full Year Forecast	Full Year Variance
	2018 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019	2019 \$000	2019 \$000
Sources of operating funding									
General rates, uniform annual general charges and rates penalties	0	0	0	0	0	0	0%	0	0
Targeted rates	491	752	752	564	566	2	0%	752	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0%	0	0
Fees, charges	0	0	0	0	0	0	0%	0	0
Interest and dividends from investments	0	0	0	0	0	0	0%	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	16	16	16	0	0%	15	(1)
Total operating funding	491	752	768	580	582	2		767	(1)
Applications of operating funding									
Payments to staff and suppliers	243	335	335	258	165	93	36%	331	4
Finance costs	3	41	41	31	2	29	94%	8	33
Other operating funding applications	114	165	165	124	135	(11)	-9%	179	(14)
Total applications of operating funding	360	541	541	413	302	111		518	23
Surplus (deficit) of operating funding	131	211	227	167	280	113		249	22
Sources of capital funding									
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0%	0	0
Development and financial contributions	0	0	0	0	1	1	0%	1	1
Increase (decrease) in debt	(8)	450	450	337	(6)	(343)	-102%	214	(236)
Gross proceeds from sale of assets	0	0	0	0	0	0	0%	0	0
Lump sum contributions	0	0	0	0	0	0	0%	0	0
Total sources of capital funding	(8)	450	450	337	(5)	(342)		215	(235)
Applications of capital funding									
Capital expenditure									
to meet additional demand	0	0	0	0	0	0	0%	0	0
to improve the level of service	0	460	460	345	42	303	88%	223	237
to replace existing assets	64	215	663	365	69	296	81%	428	235
Increase (decrease) in reserves	60	(15)	(447)	(188)	(261)	73	-39%	(448)	1
Increase (decrease) of investments	0	0	0	0	0	0	0%	0	0
Total application of capital funding	124	660	676	522	(150)	672		203	473
Surplus (deficit) of capital funding	(132)	(210)	(226)	(185)	145	330		12	(238)
Funding balance	(1)	1	1	(18)	425	443		261	260

Explanation of changes between Annual Plan and Total Operating Budget

Capital Expenditure - increase of \$448k - Inclusion of \$284k from Carry Forward from Reserves and \$163k from Stormwater Reserves.

Explanation of Variance of Total Operating Budget to Reforecast

Capital Expenditure

Capital Expenditure is under budget by \$472k
Details of the projects is included on the Project Sheet

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

Stormwater

At 31 March 2019

Reforecast Budget included carryforwards

Project	LTP Project Budget \$000	Reforecast Budget \$000	Total Cost to Date 2019 \$000	This Year Actual 2019 \$000	Forecast for June 30 2019	Under/ (Over) By Year End	Status	Comments or Risks
Waipukurau Helicoil Pipe work		445	9	9	286	159	●	Contract signed and works due to commence in April 2019. Large portion to be spent in FY18/19, some additional funding required for FY19/20 works as per agreed procurement plan and remainder of this work to be completed in July and early Aug 2019.
Waipukurau Service Land Overflow		132	37	37	72	59	●	Tender out to market. Works to commence early May 2019.
ST 19 Waipukurau Savage Carpenter Churchill		279	28	28	27	252	●	Tender out to market. Works to commence early May 2019.
ST 19 Waipukurau Woburn/Wilder Improvements		203	5	5	201	2	●	Tender out to market. Works to commence early May 2019.
District Minor Renewals	77	75	43	32	75	0	●	Reactive expenditure on renewals. Expected to be spent in the financial year
Total	77	1,134	122	111	661	472		

Capital Expenditure In Work In Progress For Previous Years

-11

Loan Funding	266
Rates Funding	48
Carry FWD Funding	158
Other Funding	0
	<u>472</u>

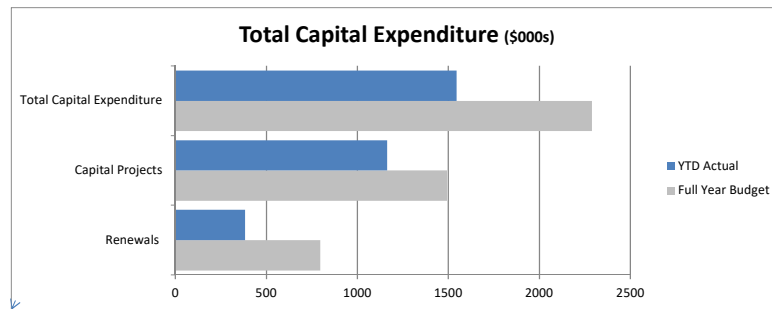
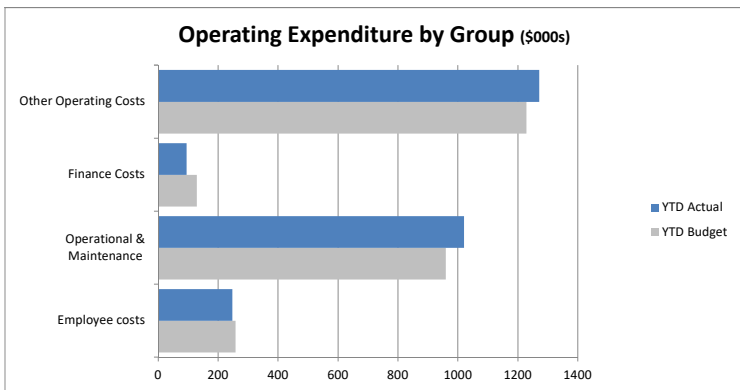
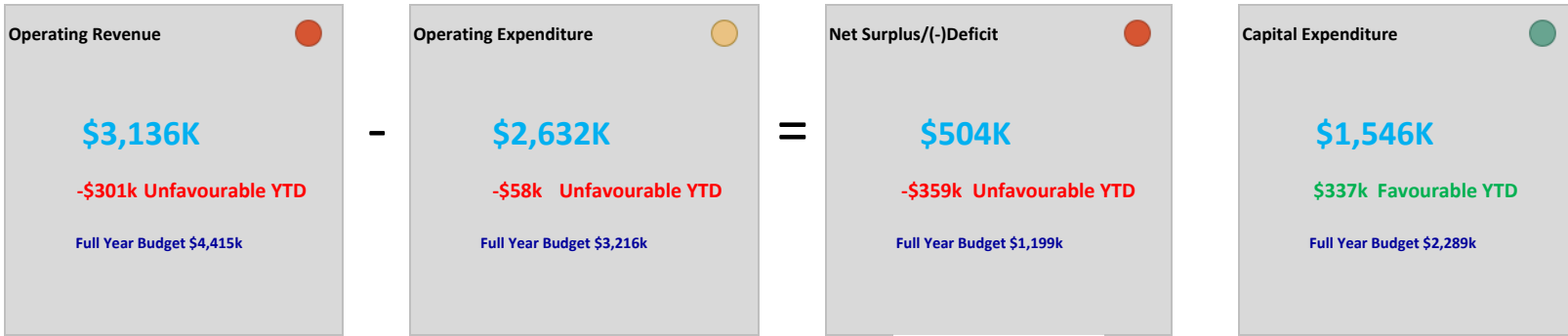
Agreed to Total Operating Budget 2019

1,123

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

Recreation and Community Facilities

As at 31 March 2019



Central Hawke's Bay District Council: Funding impact statement 2018/19

Recreation and Community Facilities

As at 31 March 2019

	Full Year Actuals	Annual Plan	Total Operating Budget	YTD Operating Budget	YTD Actuals	YTD Variance	YTD Variance %	Full Year Forecast	Full Year Variance
	2018 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019	2019 \$000	2019 \$000
Sources of operating funding									
General rates, uniform annual general charges and rates penalties	2,945	3,359	3,359	2,519	2,524	5	0%	3,359	0
Targeted rates	0	0	0	0	0	0	0%	0	0
Subsidies and grants for operating purposes	14	16	16	13	13	0	0%	13	(3)
Fees, charges	466	542	542	408	395	(13)	-3%	523	(19)
Interest and dividends from investments	0	0	0	0	0	0	0%	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	6	131	498	496	204	(293)	-59%	532	34
Total operating funding	3,431	4,048	4,415	3,436	3,136	(301)		4,427	12
Applications of operating funding									
Payments to staff and suppliers	2,116	2,253	2,272	1,866	1,907	(41)	-2%	2,375	(103)
Finance costs	126	173	173	129	94	36	28%	144	29
Other operating funding applications	496	771	771	578	631	(53)	-9%	838	(67)
Total applications of operating funding	2,738	3,197	3,216	2,573	2,632	(58)		3,357	(141)
Surplus (deficit) of operating funding	693	851	1,199	863	504	(359)		1,070	(129)
Sources of capital funding									
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0%	0	0
Development and financial contributions	1	4	4	3	4	1	33%	4	0
Increase (decrease) in debt	56	740	802	(3)	(93)	(90)	3000%	731	(71)
Gross proceeds from sale of assets	0	0	0	0	0	0	0%	0	0
Lump sum contributions	0	0	0	0	0	0	0%	0	0
Total sources of capital funding	57	744	806	0	(89)	(89)		735	(71)
Applications of capital funding									
Capital expenditure									
to meet additional demand	0	0	0	0	0	0	0%	0	0
to improve the level of service	66	1,187	1,492	1,290	1,163	127	10%	1,368	124
to replace existing assets	637	541	797	593	383	210	35%	581	216
Increase (decrease) in reserves	47	(134)	(284)	(283)	(255)	(28)	10%	(238)	(46)
Increase (decrease) of investments	0	0	0	0	0	0	0%	0	0
Total application of capital funding	750	1,594	2,005	1,600	1,291	309		1,711	294
Surplus (deficit) of capital funding	(693)	(850)	(1,199)	(1,600)	(1,380)	220		(976)	(223)
Funding balance	0	1	0	(737)	(876)	(139)		94	94

Explanation of changes between Annual Plan and Total Operating Budget

- Local authorities fuel tax, fines, infringement fees and other receipts - \$367k increase in donations to cover increase in costs and expectation of timing of receipt for Waipawa Pool Project.
- Payment to Staff and Suppliers - \$19k increase for wages which is covered by Carry Forward for Libraries from Reserves.
- Capital Expenditure - increase of \$561k in expenditure which is covered by the inclusion of \$217k from Carry Forward from Reserves, Loan Funding carried forward of \$141k and increase in Pool costs of \$204k covered by donations.

Explanation of Variance of Total Operating Budget to Reforecast

Operating Income

Fees and Charges are below budget by \$19k this includes:

- \$34k below budget for Retirement Housing due to less income than budgeted.
- \$14k above budget for Cemeteries due to a number of cemetery plots being reserved.
- \$34k above budget for Libraries due to additional income received for AA and EC read'n programmes.

Operating Expenditure

Payments to staff and suppliers is above budget by \$103k this includes:

- \$68k above budget for Parks and Reserves due to increased unplanned maintenance costs and costs of freedom camping at Pourerere over summer.
- \$21k above budget for Retirement Housing due to increased operational and maintenance costs which is covered by the Retirement Housing Reserve.
- \$21k above budget for Libraries due to increased staff costs for AA which is offset by the additional income.

Capital Expenditure

Capital Expenditure is under budget by \$340k

Details of the projects is included on the Project Sheet.

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

Recreation and Community Facilities

At 31 March 2019

Reforecast Budget included carry forwards

Activity	Project	LTP Project Budget	Reforecast Budget	Total Cost to Date 2019	This Year Actual 2019	Forecast for June 30 2019	Under/ (Over) By Year End	Status	Comments or Risks
		\$000	\$000	\$000	\$000				
Parks Reserves and Swimming Pools	Russell Park Projects	82	174	118	103	148	26	●	Work is complete on the construction of an unsealed carpark. The balance of works is currently being scoped for completion in May 2019
	Camping Grounds Waipukurau Toilets	61	61	0	0	0	61	●	Project is unlikely to commence this calendar year. Insufficient budget for scope of works. Full scope in light of future lease sale needs to be completed first.
	Waipawa Pool	900	1,185	1,088	1,007	1,014	171	●	Works underway. Full details available in the 6 weekly Organisational Report. This will be completed by the end of the financial year
	Waipawa Pool Sewer Upgrade		33	105	105	105	-72	●	Some costs were included in the budget for the Pool and will be covered by the Pool underspend.
	Minor renewals	165	156	38	38	137	19	●	Will be spent as required.
	Total		1,208	1,609	1,349	1,253	1,609	205	
Public Toilets	New Te Paerahi Toilet	60	60	0	0	0	60	●	Project still remains dependent on receiving funding from Tourism Infrastructure Fund. We have made application. Outcome likely in
	Minor Renewals	36	36	7	7	7	29	●	Will be spent as required.
	Total	96	96	7	7	7	89		
Retirement Housing	Minor Renewals	36	36	29	29	11	25	●	Depends on refurbishments required when tenants vacate. Funded from Retirement Housing Reserves.
Libraries	Books Renewals	88	88	57	57	88	0	●	Expected to be on Budget
	Minor Renewals	11	11	0	0	11	0	●	Expected to be on Budget
	Kotui Software	51	51	52	52	51	0	●	Project complete.
	Total	150	150	109	109	150	0		

Activity	Project	LTP Project Budget	Reforecast Budget	Total Cost to Date 2019	This Year Actual 2019	Forecast for June 30 2019	Under/ (Over) By Year End	Status	Comments or Risks
		\$000	\$000	\$000	\$000				
Theatres and Halls	CHB Municipal Theatre		74	12	9	74	0	●	Quotes currently being received. Works expected to commence in May 2019. Will be completed by financial year end.
	Minor Renewals	132	213	38	38	82	131	●	Planning work for this still underway. Expected to be completed by the end of the year.
	Settlers Museum Painting	11	25	0	0	20	5	●	Works programmed and planned for implementation by end of financial year.
	Total	134	312	50	47	176	136		
Cemeteries	Minor Renewals	29	41	5	5	41	0	●	Planned works underway. Balance of funds will be carried over.
Properties and Buildings	Council Chamber upgrade		61	61	51	61	0	●	Works complete.
	Minor renewals	77	93	41	41	83	10	●	To be spent through year as required.
	Total	77	154	102	92	144	10		
Total		1,730	2,398	1,651	1,542	2,138	465		

Capital Expenditure From Previous Years in WIP

-109

Loan Funding
Rates + Carry FWD Funding
Reserves Funding

87

194

184

465

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

Agreed to Total Operating Budget 2019

2,289

0

Interim Treasury Report

As at 31 March 2019

Cash and Cash Investment Balance

	Full Year Actuals 2017/18 \$000	Total Annual Plan Budget 2018/19 \$000	YTD Actual \$000	YTD Variance \$000
Cash and Cash Equivalents	3,956	2,453	5,422	2,969
Bonds and Stock	2,362	3,135	2,040	(1,095)
Total	6,318	5,587	7,462	1,875

We are retaining liquid cash to meet operational and capital spending requirements especially for the 3 waters projects and the flooding events.

Debt Position

	Full Year Actuals 2017/18 \$000	Total Annual Plan Budget 2018/19 \$000	YTD Actual \$000	YTD Variance \$000
Secured Loans - Less than 12 months	710	727	7	(720)
Secured Loans - Greater than 12 months	2,027	6,980	2,000	(4,980)
Total	2,737	7,707	2,007	(5,700)





Borrowing is being monitored while we manage our short and long term cash facilities. Borrowings are expected to increase in the third quarter of the financial year as the capital projects start physical works.

Finance Costs

	Full Year Actuals 2017/18 \$000	Total Annual Plan Budget 2018/19 \$000	YTD Actual \$000	YTD Variance \$000
Finance Costs	120	239	88	(151)

Below budget due to low borrowings based on timing of capital expenditure.

Compliance with Liability Management Policy

Item	Limit	Actual	Policy
External term debt + committed bank facilities + unencumbered cash/cash equivalents to existing external debt	>130%	546%	
Net Interest on External Debt / Total Revenue	<10%	0.21%	
Net Interest on External Debt / Annual Rates Income	<20%	0.33%	
Total debt per head of population	\$2,000	\$151	

Council is within policy limits.

Reserve Funds

Special Funds	Full Year Actuals 2017/18 \$000	YTD Actual \$000	Movement YTD \$000
Reserves held for Emergency Purposes	3,490	3,245	(245)
Reserves held for Future Asset Purchases	2,463	2,433	(30)
Reserves held for Future Operational Purposes	839	839	0
Reserves held for Other Funds	43	59	16
Total	6,835	6,577	(258)

Reserves for Emergency Purposes

The September Flood event saw \$245k transferred to cover the extra expenses.

Reserves held for Future Asset Purchases

Biodiversity Funding \$10k has been transferred from Rural Fire.

Porangahau hall War Memorial project \$20k has been transferred from Ward funds

Reserves held for Other Funds

Funding of \$16k from tree felling in the Te Aute Drainage Scheme has been credited to their reserve.

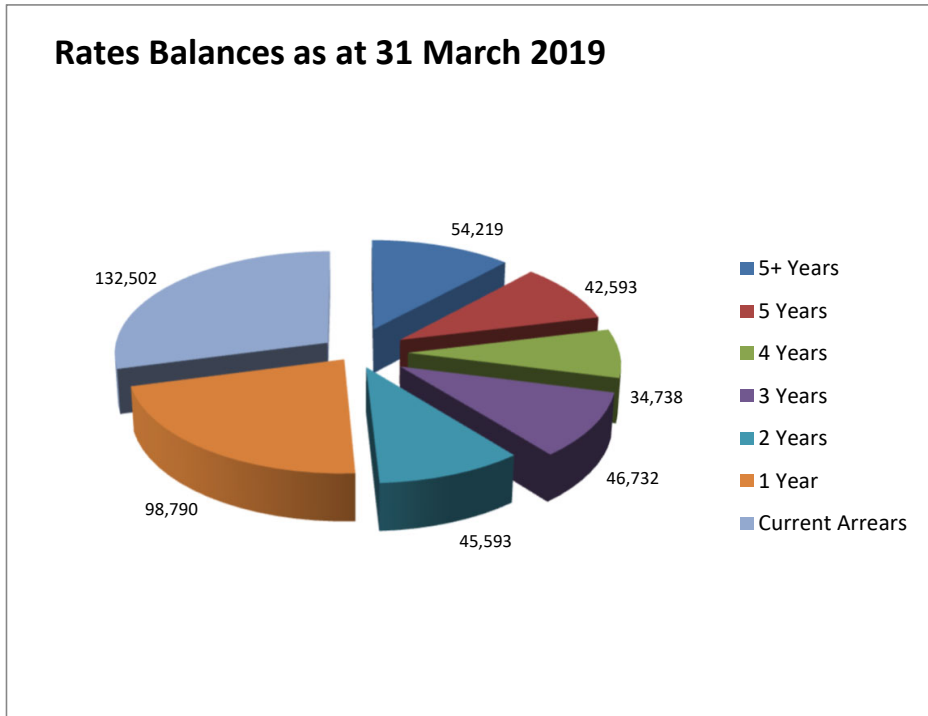
Central Hawke's Bay District Council

Rates Debt Information

At 31 March 2019

	Jun-18	Mar-19	Movement
5+ Years	111,145	54,219	-56,926
5 Years	55,569	42,593	-12,976
4 Years	28,348	34,738	6,390
3 Years	63,218	46,732	-16,486
2 Years	71,578	45,593	-25,985
1 Year	367,637	98,790	-268,847
Current Arrears	0	132,502	132,502
Total	697,494	455,167	-242,328

There are total rates arrears outstanding of \$455,167. The rates department consistently manage ratepayer debt by ensuring new debt is brought to the attention of the ratepayer quickly. All debt is actively managed by the rates department and a break down of how this is achieved is in the next table.



	Jun-18	Mar-19	Count	Movement
With Bank	6,775	0	23	-6,775
With Debt Collectors	81,045	16,204	13	-64,841
Under Arrangement	142,988	73,047	183	-69,941
Remaining Arrears	215,932	113,567	141	-102,365
Maori Land	250,754	252,348	13	1,594
Total	697,494	455,167	373	-242,327

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

Other Rates Information

Rates emailed to ratepayers 15.7% (14% Jun 18)

Ratepayers on direct debit 39% (39% Jun 18)

What are we doing about it? As at 31 March 2019

