

Document No: A629192

Report To: Council



Meeting Date: 30 August 2022
Subject: **2021 / 2022 Carry Forwards**
Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to inform Council of the Capital and Operational projects that were delayed in the 2021/2022 financial year and to obtain approval to carry forward the budgets to the 2022/2023 financial year.

Background

- 2.1 Waitomo District Council (WDC) adopted the 2021-2031 Ten Year Plan (10YP) in June 2021. Included in the 10YP was the Operational and Capital Budgets for the 2021/2022 financial year.
- 2.2 The 2021/2022 financial year was impacted by a number of external events including, but not limited to COVID-19, Three Waters Reform and the February 2022 Severe Weather Event.
- 2.3 COVID-19 impacted the beginning of the financial year with lockdown restrictions with all of the country moving to Alert level 4 on 17 August 2021. Disruption continued with moving in and out of Alert levels until December 2021 when the COVID-19 Protection Framework was put in place. Orange and Red alert levels still had some impact on the delivery of some work programmes.
- 2.4 The second half of the year COVID-19 has seen staff and contractor absences due to being unwell with COVID-19, other winter illnesses, or isolating. There continues to be high demand for contractors and extended delays in delivery of supplies, all of which is causing delays to completion dates and project delivery. Accessing services and contractors outside of the District is also proving challenging with extreme demand across the country.
- 2.5 Three Waters Stimulus funding has been given priority throughout the year to ensure the funding was fully expended by 30 June 2022. This has created delays in the start of other planned capital work.
- 2.6 A severe weather event caused by Tropical Cyclone Dovi hit the Waitomo District on 12 and 13 February 2022. Significant damage to localised areas of the road network and three water services infrastructure was caused by the subsequent flooding and strong winds.
- 2.7 Re-establishing roading links has been a priority, this event has placed an additional burden on our contractors to complete planned work.

Commentary

- 3.1 At the end of the 2021/22 financial year, a number of projects and programs that were either in progress and not completed or the start delayed as at 30 June 2022. This was at least in part due to the operational environment we are working in, and the resource shortages experienced during the year.
- 3.2 The incomplete capital projects will continue into the 2022/23 financial year and therefore, the unexpended budgets will need to be carried over into the 2022/23 budget.

3.3 The proposed carry forwards will not impact the adopted 2022/23 funding requirement as all the carryover budgets have a funding source either through grants, reserves or debt.

3.4 The operational programs that were incomplete or delayed, have been rated for and the rates were collected during the 2021/2022 financial year.

3.5 **CAPITAL PROJECTS**

3.6 Total capital projects to be carried forward is \$5,528,050.

Activity	Project	Carry Over \$	Comment
Business Support and Fleet	Information Services – Building Access Security System Replacement	266,900	WDC currently has various building access security systems in place for entry to Council facilities, these systems are not integrated and have been in place for a number of years. This will be increase with the introduction of the new building access security system at the King Country Indoor Sports and Recreational Centre (KCISRC). The current building access security systems are at the end if life and replacement is required. It is planned to expand the Building Access Security System installation project at the KCISRC to include other Council facilities with security Systems.
	Furniture Replacement	23,000	Renewal of furniture (including kitchen appliances where applicable) in the staffroom and kitchen area as part of Queen Street seismic strengthening and upgrade works.
	Mower Replacement	50,000	Due to delays in supply and shipping caused by COVID-19, the fleet and mower renewals ordered for the 2021/2022 financial year cannot be supplied until later in the current 2022/2023 financial year. Because suppliers have advised that these delays are ongoing, fleet renewal orders have already been placed for the current financial year.
	Motor Vehicle	228,000	
Recreation and Property	Development Coastal Reserves	19,500	Project underway – Mokau surface track for emergency vehicles.
	Park Renewals	39,700	Project underway – Tui Park fencing and Centennial Park bollard installation.
	Playground Renewals	20,000	Concept plans for Benneydale parks – currently on hold due to Town Centre Concept project.
	Administration Building Renovations	568,300	Design completed and procurement of contractors underway.
	Campground Renewals	28,000	Procurement underway for the driveway into Marokopa Holiday Park.
	Library Building Renewals	14,700	Renewal of Library Office furniture and layout.
	Aquatic Centre Renewals	10,000	Replacement parts for gas boiler at the Aquatic Centre were delayed due to supply chain issues.
	Les Munro Building Renewals	180,000	Procurement is underway for the replacement of the air conditioning system.
Runway Resurfacing	14,200	Procurement underway for repairing of the runway.	

Activity	Project	Carry Over \$	Comment
	Indoor Sports and Recreation Centre Improvements	367,800	Project underway and will be completed by December.
	Toilet Renewals	12,200	Scoping the repair of Mokau Jetty toilets.
	Mokau Toilet Renewal	474,000	Project underway and is expected to be completed by December.
	Access Way Renewals cemeteries	63,500	Contract awarded to chipseal the access way for the Te Kuiti Cemeteries.
	Improvements Te Ara Tika Amenity areas	161,800	Will be done together with the Town Centre Concept projects.
	Security Camera Renewal	5,000	Installation of cameras underway.
	Pound Renewals	10,000	Procurement underway to install security lights and cameras at the Te Kuiti Pound.
Landfill	Cell Development	156,000	Project underway.
	Purchase of NZU (carbon credits)	8,850	The 2022/2023 capital budget for the purchase of carbon credits was brought forward to the 2021/2022 with the majority of that budget being utilised. The remaining budget is being returned to its original budgeted year.
Stormwater	Te Kuiti Storm Water Renewals	110,500	Project underway- contract awarded.
	Rural Stormwater Renewals	5,000	Project underway.
Wastewater	Te Kuiti Reticulation Renewal	254,000	Project underway- contract awarded.
	Te Kuiti Sewer Renewals	52,400	Project underway- contract awarded.
	Te Waitere Renew & Extend Soakage Field	66,700	Project underway and currently negotiating agreements with the landowner.
Water Supply	Reservoir Seismic Strengthening Improvements	20,000	Project will be incorporated with the Te Kuiti Resilience project and reservoir condition assessments.
	Investigate Raw Storage Dam	162,200	The project will be rescoped and incorporated with the Te Kuiti Resilience project.
	Te Kuiti WTP Renewals	27,300	Replacing equipment at the WTP.
	Te Kuiti Reticulation Renewals	101,300	Project underway - contract awarded.
	Mokau Resource Consent (Backwash)	16,200	Project underway.
	Piopio WTP Renewal	11,000	Replacing equipment at the WTP.
	Piopio Reticulation Renewal	10,000	Project underway.
	Piopio Resource Consent Renewal	20,000	Project underway.
	Benneydale Water Reticulation	9,000	Project underway.
Subsidised Rooding	Minor Improvements	553,000	Waka Kotahi approved a three-year funding programme that WDC needs to deliver or that funding is lost. Delaying all of the underspent 2021/2022 budget to 2023/2024 increases
	Footpath Renewals	268,000	
	Drainage Renewals	85,000	

Activity	Project	Carry Over \$	Comment
	Pavement Rehabs Renewals	418,000	the possibility that WDC will not be able to complete the funded programme.
	Sealed Road Surfacing Renewals	254,000	
	Structural Bridge Renewals	80,000	
	Structures Components Renewals	272,000	
	Unsealed Road Metalling Renewals	11,000	
Total:		\$5,528,050	

3.7 **OPERATIONAL PROGRAMS / PROJECTS**

3.8 The total operational projects to be carried forward is \$662,700.

Activity	Project	Carry Over \$
Infrastructure	Project Management System Implementation	250,000
	Routine Drainage Maintenance - Subsidised Roads (as per three year Roding program)	63,000
	Aquatic Centre – Painting and crack repairs pool (project commenced)	11,000
	Stormwater Catchment Plans (project commenced)	50,000
	Quarry Assessment (project commenced)	23,500
	Wastewater consent compliance (project commenced)	18,200
Strategy and Environment	Bylaw and Policy Reviews (Public Places, Public Health and Safety and Solid Waste)	98,000
	Long Term Plan - Policy Reviews and Programme Support	49,000
Community Services	Safe Communities and Image Library (use to fund operating cost component of Town and District Entrance Statements)	100,000
Total:		\$662,700

Considerations

4.1 RISK

4.2 There is reputational risk associated with not approving the carry forward of these budgets to complete capital and operational projects as WDC has collected the rates for these projects and programs and not delivered them.

4.3 There is risk that the additional projects will have negative impact on the delivery of the projects planned to be delivered in the 2022/2023 financial year.

4.4 CONSISTENCY WITH EXISTING PLANS AND POLICIES

4.5 The decision Council is being asked to consider in this business paper is not inconsistent with its existing plans and policies.

4.6 SIGNIFICANCE AND COMMUNITY VIEWS

4.7 It is considered that the decision will be of low significance when measured against WDC's Significance and Engagement policy.

Recommendation

5.1 That Council agrees to carry forward the 2021/2022 capital and operational underspent budget noted in Tables 1 and 2 to the 2022/2023 financial year.

Suggested Resolutions

- 1 The business paper 2021 /2022 Carry Forwards, be received.
- 2 Council approve the carry forward of \$5,528,050 of unexpended 2021/2022 capital budget and \$662,700 operational budget to the 2022/2023 financial year as follows:

Capital

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Business Support and Fleet	Information Services – Building Access Security System Replacement	266,900	WDC currently has various building access security systems in place for entry to Council facilities, these systems are not integrated and have been in place for a number of years. This will be increase with the introduction of the new building access security system at the King Country Indoor Sports and Recreational Centre (KCISRC). The current building access security systems are at the end if life and replacement is required. It is planned to expand the Building Access Security System installation project at the KCISRC to include other Council facilities with security Systems.
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Total:		\$5,528,050	

Operational

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Infrastructure	Project Management System Implementation	250,000
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ALISTER DUNCAN
GENERAL MANAGER - BUSINESS SUPPORT

17 August 2022