

Chairs report, July 2018

Finance & Performance Committee

Welcome to the Finance Committee meeting for July 2018.

As we conduct the first Finance & Performance Committee meeting since the passing of Council's Chief Financial Officer, George McIrvine, our thoughts are with George's family, friends and work colleagues. I certainly had a great deal of respect for George's knowledge, experience and wisdom he provided to Councillors and staff. He will be well remembered for his professionalism and also his great sense of Scottish humour. He will certainly leave a large gap in our lives.

Today we deliberate over the applications to Council's Event Sponsorship Scheme. Whilst there are only four applications, they will all deserve strong debate as to how much we support each event and the benefits they will provide to our district, economically as well as socially.

Finally, it is exciting to see the first stages of work on the installation of fibre broadband cabling in our urban centres of our district. This is something that Council wanted to see progressed as early as possible and submitted to Central Government to plead our case. I believe this will have significant benefits for growth as prospective new businesses will have the same level of 'connectedness' as they would if they were based in the region's larger cities. Economically, this will be a massive step forward for our district.

Nigel Belsham

Finance & Performance Committee Chair

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Tabled at Finance Performance
on 26 July 2018

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Rangitikei District Council

Financial Year End 2018

Highlights

- Revenue rates and other total \$33.4m
- Expenses currently \$30.5m but will move
- Bank remains in good position
 - Cash for immediate needs \$3.86m
- Bank Investments
 - Westpac Term Deposits \$4.0m
 - Deposits with 28, 180, 364 days maturity

**Delivery of Infrastructure Services
(Infrastructure Shared Services)**

Quarterly Performance Report – 1 April to 30 June 2018

Introduction

In December 2017 Manawatu District Council (MDC) and Rangitikei District Council (RDC) signed an updated agreement for the on-going delivery of Infrastructure Services to RDC by MDC. That agreement established the scope of services, the relative responsibilities and respective performance measures for the on-going delivery of infrastructure shared services (ISS).

MDC's performance against the ISS agreement is reported on a quarterly basis. This report covers the period 1 April to 30 June 2018.

Key Performance Indicators (KPIs)

The following performance framework applies to the ISS agreement. Performance against the measures is reported below.

Key Performance Area	Measure	Performance Target	Performance Outcome	Comment
Health and Safety				
Health and Safety	Infrastructure Services delivered and activities undertaken in accordance with RDC's workplace Health and Safety programme	Achieved/ Not Achieved	Achieved	
Health and Safety	Infrastructure Services team will participate actively in RDC's Health and Safety Committee	Achieved/ Not Achieved	Achieved	
Health and Safety	No breaches of Health and Safety obligations	100%	100%	No reported breaches
Operations				
Water/Wastewater Treatment	Treatment plants operated and maintained in accordance with good industry practice, public health standards and resource consent requirements	Achieved/ Not Achieved	Partly Achieved	Horizons reported administrative/technical non-compliance with several WTPs. Staff disputing review findings and working through with horizons staff.

				Consent variations still being progressed to address non-compliant flows at Taihape and Hunterville. Currently working with Iwi on proposed variations Short period of widespread water discolouration in Marton supply – cause isolated and treatment process adjusted accordingly
Water, Wastewater and Stormwater Reticulation	Reticulation managed and maintained in accordance with good industry practice, public health standards/resource consent requirements and customer service standards	Achieved/ Not Achieved	Achieved	
Roading	Road maintenance contract is managed in accordance with good industry practice and the provisions of the contract, and contractor performs in accordance with contract provisions (and non-performance is recognised, dealt with and reported)	Achieved/ Not Achieved	Mostly Achieved	Contractor responsiveness can be improved
Roading	NZTA subsidy claims are prepared and submitted each month, in an accurate and timely manner	100%	On Track	Significant funds are involved in subsidy claims, so timeliness is critical to maximise value for RDC. Final (year-end) reconciliation process underway
Solid Waste	Refuse Transfer Stations managed in accordance with good industry practice and the provisions of	Achieved/ Not Achieved	Mostly Achieved	

	the contract, and contractor performs in accordance with contract provisions (and non-performance is recognised, dealt with and reported)			
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Programme Planning and Delivery				
Roading	The 3 yearly Roading programme is prepared having regard to asset management plans, RDC priorities and funding availability, and submitted in accordance with NZTA's quality and timing requirements.	Achieved/ Not Achieved	Achieved	Final position will be confirmed as part of the 2018 Annual Report
Capital Works and Renewals	Capital Works/Renewal programmes for 3 Waters, Roading and Solid Waste activities are prepared and delivered in accordance with good industry practice, and within the agreed quality, timeliness and budget parameters set by RDC.	90%	In progress	All reports prepared and submitted as required. Note a new reporting requirement to cover performance of MidWest Disposals regarding management/disposal of treated Bonny Glen leachate
Reporting	Reports on programme delivery are prepared on a monthly basis as required by RDC	100%	100%	

Project Management				
Project Management	All projects are scoped and managed in accordance with good industry practice, and the required outputs/outcomes are achieved, particularly in relation to quality and timeliness	Achieved/ Not Achieved	Partly Achieved	<p>Slow progress in completing the commissioning of the new Ratana water treatment plant.</p> <p>Broadway, Marton, project completed substantially later than planned, with local business concerns regarding lack of communication</p> <p>Taihape raw water main renewal project not effectively planned/programmed to avoid winter weather interruption.</p> <p>Completion of Ratana bus park project delayed due to contractor performance.</p>
Financial Management	All projects are delivered to the required standard within the budget available, unless a budget variation process is undertaken and an adjusted budget approved by RDC's Chief Executive or Council as appropriate.	Achieved/ Not Achieved	Mostly Achieved	System now in place for more active monthly tracking of project expenditure

Asset Management				
Activity/Asset Management Plans	Plans are prepared and updated in accordance with good industry practice within agreed timeframes	Achieved / Not Achieved	Achieved	AMPs audited and adopted as part of LTP process
Policy/Strategy	Information to assist with RDC policy/strategy development and implementation is fit for purpose and timely	Achieved/ Not Achieved	Achieved	

Customer Service				
Engagement with Customers	Engagement with internal/external customers is courteous, professional and in accordance with RDC's Customer Service Standards	Achieved/ Not Achieved	Achieved	
Response Times	Requests for Service are to be actioned within agreed response and resolution times with the required supporting documentation	90%	Partly achieved	78% first response, 79% resolution (roads and footpath and water supply). This represents a 5% reduction in performance on the previous quarter.

Information Management and Reporting				
Database Management	RAMM and AssetFinder are updated in an accurate and timely manner	Achieved/ Not Achieved	Partly Achieved	Asset Capitalisation/ Reconciliation not completed in a timely manner for LTP process.

				Needs to be completed for Annual Report process
Records Management	Information relating to the activities and services provided within the scope of this agreement is saved into RDCs information management system(s) in an accurate and timely manner, so that effective access/retrieval can be achieved as required	Achieved/ Not Achieved	Partly Achieved	Reports are still frequently saved into SharePoint by RDC staff. Issue of emails yet to be addressed. To be addressed once MDC Sharepoint implementation complete and new RDC IS Team Leader in place
Reporting	Routine monthly and project approval reports are prepared and submitted in accordance with meeting timings/requirements, and exception/issue reporting promptly to the RDC Chief Executive	100%	100%	Reports generally completed/submitted as required for period

Budget Planning and Management

Budget Planning	Draft budgets for Annual and Long Term Plans are prepared as agreed (quality and timeliness)	Achieved/ Not Achieved	Partly Achieved	LTP capex/renewal budgets for 3 Waters did not contain required level of detail – issue identified through audit review
Financial Management	Approved budgets are well managed and progress reported monthly, with expected variances appropriately signalled ahead of time	Achieved/ Not Achieved	Mostly Achieved	Several instances where projects (e.g. storm damage) where scope/cost increases were signalled at Assets/Infrastructure Committee, but not formalised by Council.

Value Management	Management of budgets and programme delivery demonstrate a 'best value' approach	Achieved/ Not Achieved	Mostly Achieved	
Procurement				
Procurement	All procurement to be undertaken in accordance with RDC's Procurement Policy and financial management system	100%	100%	Full use of TenderLink provides the most effective/efficient contract document management regime for RDC
Authorisation	All procurement and payments within the scope of this agreement are to be authorised in accordance with RDC's Delegations Policy/Register.	100%	100%	
Performance Excellence				
Continuous Improvement	The Infrastructure Services team will develop, maintain and deliver on a continuous improvement plan (as agreed with RDC's Chief Executive), and regularly report on progress on making lasting improvements in the delivery of Infrastructure Services	Achieved/ Not Achieved	In Progress	Draft 2018 improvement plans prepared
Collaboration	The Infrastructure Services team will collaborate within RDC and with external stakeholders/agencies in order to maximise the effectiveness of Infrastructure Services	Achieved/ Not Achieved	Achieved	Improved responsiveness to planners in providing information relevant to resource consents

Governance support			
Engagement	The Infrastructure Services team provides support for the Assets/Infrastructure Committee and attends and assists other Council/Committee meetings as required by RDC's Chief Executive	Achieved/ Not Achieved	Achieved
Official Information Requests (LGOIMA)	Prepare responses, within agreed timeframes, to referred questions for finalisation with RDC's Chief Executive	Achieved/ Not Achieved	Achieved

