

Notice is hereby given that a Meeting of the Activities Performance Audit Committee will be held on:

Date: Wednesday, 22 April 2015
Time: 10.30am
Meeting Room: Council Chambers
Venue: 15 Forth Street
Invercargill

Activities Performance Audit Committee Agenda OPEN

MEMBERSHIP

Chairperson	Lyall Bailey Mayor Gary Tong
Councillors	Stuart Baird Brian Dillon Rodney Dobson John Douglas Paul Duffy Bruce Ford George Harpur Julie Keast Ebel Kremer Gavin Macpherson Neil Paterson

IN ATTENDANCE

Chief Executive	Steve Ruru
Committee Advisor	Fiona Dunlop

Contact Telephone: 0800 732 732
Postal Address: PO Box 903, Invercargill 9840
Email: emailsdc@southlanddc.govt.nz
Website: www.southlanddc.govt.nz

Full agendas are available on Council's Website
www.southlanddc.govt.nz

Terms of Reference for the Activities Performance Audit Committee

This committee is a committee of Southland District Council and has responsibility to:

- Monitor and review Council's performance against the 10 Year Plan
 - Examine, review and recommend changes relating to Council's Levels of Services.
 - Monitor and review Council's financial ability to deliver its plans,
 - Monitor and review Council's risk management policy, systems and reporting measures
 - Monitor the return on all Council's investments
 - Monitor and track Council contracts and compliance with contractual specifications
 - Review and recommend policies on rating, loans, funding and purchasing.
 - Review and recommend policy on and to monitor the performance of any Council Controlled Trading Organisations and Council Controlled Organisations
 - Review arrangements for the annual external audit
 - Review and recommend to Council the completed financial statements be approved
 - Approve contracts for work, services or supplies in excess of \$200,000.
-

TABLE OF CONTENTS

ITEM	PAGE
------	------

PROCEDURAL

1	Apologies	5
2	Leave of absence	5
3	Conflict of Interest	5
4	Public Forum	5
5	Extraordinary/Urgent Items	5
6	Confirmation of Minutes	5

REPORTS FOR RESOLUTION

7.1	Financial Report to 28 February 2015	13
7.2	Rural Rating Unit - Rule 2.4.1.2(d) Rating Valuations Rule 2008	45

PUBLIC EXCLUDED

	Procedural motion to exclude the public	49
C8.1	Public Excluded Minutes of the Activities Performance Audit Committee Meeting dated 18 March 2015	49

1 Apologies

At the close of the agenda no apologies had been received.

2 Leave of absence

At the close of the agenda no requests for leave of absence had been received.

3 Conflict of Interest

Councillors are reminded of the need to be vigilant to stand aside from decision-making when a conflict arises between their role as a councillor and any private or other external interest they might have. It is also considered best practice for those members in the Executive Team attending the meeting to also signal any conflicts that they may have with an item before Council.

4 Public Forum

Notification to speak is required by 5pm at least two days before the meeting. Further information is available on www.southlanddc.govt.nz or phoning 0800 732 732.

5 Extraordinary/Urgent Items

To consider, and if thought fit, to pass a resolution to permit the Council to consider any further items which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded.

Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, and the Chairperson must advise:

- (i) The reason why the item was not on the Agenda, and
- (ii) The reason why the discussion of this item cannot be delayed until a subsequent meeting.

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting,-

- (a) That item may be discussed at that meeting if-
 - (i) That item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”

6 Confirmation of Minutes

6.1 Meeting minutes of Activities Performance Audit Committee, 18 March 2015

Activities Performance Audit Committee

OPEN MINUTES

Minutes of a meeting of Activities Performance Audit Committee held in the Council Chambers, 15 Forth Street, Invercargill on Wednesday, 18 March 2015 at 1.03pm.

PRESENT

Chairperson
Members

Lyall Bailey
Mayor Gary Tong
Brian Dillon
Rodney Dobson
John Douglas
Paul Duffy
Bruce Ford
George Harpur
Julie Keast
Ebel Kremer
Gavin Macpherson

IN ATTENDANCE

Group Manager Environment and Community Bruce Halligan, Group Manager Services and Assets Ian Marshall, Chief Information Officer Damon Campbell, Chief Financial Officer Anne Robson, Communications & Governance Manager Louise Pagan, Committee Advisor Fiona Dunlop, Management Accountant Susan McNamara (Item 7.1 Financial Report to 31 January 2015), Roading Engineer James McCallum (Item 8.1 Contract Extension - Southland Streetlight Maintenance Contract 09/42), Strategic Transport Manager Joe Bourque (Item C9.3 Road Maintenance Contracts Extensions)

1 Apologies

Apologies were received from Councillors Baird and Paterson.

Moved by Cr Dillon, seconded by Cr Keast and **resolved that:**

That the Activities Performance Audit Committee accept the apologies.

2 Leave of absence

There were no requests for leave of absence.

3 Conflict of Interest

There were no conflicts of interest declared.

4 Public Forum

There was no public forum.

5 Extraordinary/Urgent Items

There were no Extraordinary/Urgent items.

6 Confirmation of Minutes

Resolution

Moved by Cr Macpherson, seconded by Cr Ford **and resolved:**

That the Activities Performance Audit Committee confirm the minutes of the meeting held on 18 February 2015 as a true and correct record of that meeting.

Reports for Resolution

7.1 Financial Report to 31 January 2015

Record No: R/15/2/3932

Management Accountant Susan McNamara was in attendance for this report. She advised that the report outlined the financial results to 31 January 2015 with 58% of the financial year complete.

There were no significant issues contained in the report identified that raised any concerns for Council relating to the end of year financial position.

As in prior years, all budget managers have been instructed to have a strong focus on their budget and expenditure items that they can control in the current economic climate. This report shows no significant issues.

The financial commentary centres on the summary sheet which draws the totals from each of the key sections together. Although you are able to obtain more detailed key variance explanations from senior managers in these sections, these will be summarised below, concentrating on the year-to-date results.

Resolution

Moved by Cr Dillon, seconded by Cr Keast **and resolved recommendation a.**

That the Activities Performance Audit Committee:

- a) Receives the report titled “Financial Report to 31 January 2015”, dated 18 March 2015.**

(Councillor Douglas joined the meeting at 1.15pm.)

Resolution

Moved by Cr Keast, seconded by Cr Harpur **and resolved recommendations b and c.**

That the Activities Performance Audit Committee:

- b) Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) Determines that it has complied with the decision making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**

Reports for Recommendation

8.1 Contract Extension - Southland Streetlight Maintenance Contract 09/42

Record No: R/15/2/3763

Group Manager Services and Assets Ian Marshall and Roading Engineer James McCallum were in attendance for this item.

They advised that Otago Power Services was awarded the Southland Streetlight Maintenance contract (09/42) on 28 January 2010 with a commencement date of 1 March 2010. The contract was for an initial period of three years (expiring at midnight, 28 February 2013). The contract made provision for a two year rollover, which was adopted in March 2013.

The two year rollover expired at midnight 28 February 2015. As a result, the Strategic Transport Department proposes an extension of a further 12 months.

Throughout the five year period to date, communication between Southland District Council and Otago Power Service has been excellent. Where service delays were inevitable or on the rare occasion timeframes could not be met, Council was notified accompanied by a valid explanation.

Otago Power Services has adequately delivered on the requirements as set out in the contract and on this basis the Strategic Transport Department recommend the implementation of a 12-month extension.

Resolution

Moved by Cr Duffy, seconded by Cr Macpherson **and resolved recommendation a**
That the Activities Performance Audit Committee:

- a) **Receives the report titled “Contract Extension - Southland Streetlight Maintenance Contract 09/42”, dated 10 March 2015.**

Resolution

Moved by Cr Dobson, seconded by Cr Kremer **and resolved recommendations b, c and d.**

That the Activities Performance Audit Committee:

- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Approves the extension of the Southland Streetlight Maintenance Contract 09/42 contract to 28th February 2016.**

Public Excluded

Exclusion of the Public: Local Government Official Information and Meetings Act 1987

Resolution

Moved by Cr Harpur, seconded by Cr Douglas **and resolved:**

That the Activities Performance Audit Committee exclude the public from the following part(s) of the proceedings of this meeting.

C9.1 Public Excluded Minutes of the Activities Performance Audit Committee Meeting dated 18 February 2015

C9.2 Rating Sale 32A Redan Street, Wyndham

C9.3 Road Maintenance Contracts Extensions

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Public Excluded Minutes of the Activities Performance Audit Committee Meeting dated 18 February 2015	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p> <p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>s7(2)(f)(ii) - The withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of such members, officers, employees and persons from improper pressure or harassment.</p> <p>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p> <p>s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.</p>	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.

Rating Sale 32A Redan Street, Wyndham	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.
Road Maintenance Contracts Extensions	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.

Permit the Group Manager Environment and Community, Group Manager Services and Assets, Chief Information Officer, Chief Financial Officer, Communications & Governance Manager, Committee Advisor and Strategic Manager Transport to remain at this meeting, after the public has been excluded, because of their knowledge of *C9.1 Public Excluded Minutes of the Activities Performance Audit Committee Meeting dated 18 February 2015, C9.2 Rating Sale 32A Redan Street, Wyndham and C9.3 Road Maintenance Contracts Extensions*. This knowledge, which will be of assistance in relation to the matters to be discussed, is relevant to that matter because of their specialist knowledge.

The public were excluded at 1.19pm.

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not publicly available unless released here.

The meeting returned to open session at 1.49pm.

The meeting closed at 1.49pm.

**CONFIRMED AS A TRUE AND CORRECT
 RECORD AT A MEETING OF THE ACTIVITIES
 PERFORMANCE AUDIT COMMITTEE HELD
 ON WEDNESDAY 18 MARCH 2015.**

DATE:.....

CHAIRPERSON:.....

Financial Report to 28 February 2015

Record No: R/15/4/6119
Author: Susan McNamara, Management Accountant
Approved by: Anne Robson, Chief Financial Officer

☐ Decision ☐ Recommendation ☒ Information

Recommendation

That the Activities Performance Audit Committee:

- a) Receives the report titled “Financial Report to 28 February 2015” dated 13 April 2015.
- b) Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.
- c) Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.

Attachments

- A Report to Activities Performance Audit Committee (APAC) - 22 April 2015 - Report to 28 February 2015 [View](#)

Background

This report outlines the financial results to 28 February 2015. Within this report, no significant issues have been identified that raise any concerns for Council relating to the end of year financial position.

Percentage of year gone: 67%.

OVERVIEW**Management Accountant February Finance Overview**

As in prior years, all budget managers have been instructed to have a strong focus on their budget and expenditure items. In the commentary received from managers no significant issues have been identified.

The financial commentary centres on the summary sheet which draws the totals from each of the key sections together. Although you are able to obtain more detailed key variance explanations from senior managers in these sections, these will be summarised below, concentrating on the YTD results.

Roading has updated its projected year-end figures, these are shown on page 23 of this report.

Income

Overall for the YTD, income is 2% (\$969K) under budget. This is primarily due to NZTA funding being \$1.1M under budget at the end of February, it is forecast to be \$221K over budget at year end (as shown on page 22).

Key variances are as follows:

The Council and Councillors' activity is 1% (\$19K) over budget for the year-to-date.

Other activities income is 11% (\$139K) over budget for the year-to-date. This is predominantly due to the timing of income received from interest on investments.

Within the Chief Executive section, income received is \$228K (9%) under budget due to:

- Chief Executive - \$45K (13%) under budget due to the quarterly application of rates penalties.
- Stewart Island Visitors Levy - Income is \$32K (29%) under budget. With the cruise ship period completed, income is expected to be well under budget at year end.
- Around the Mountains Cycle Trail - \$217K (16%) under budget due to final invoicing to the Ministry being completed last financial year.

Within the Environmental and Community Group, year-to-date income is \$68K (1%) over budget, this is principally due to increased revenue in Dog and Animal Control from increased numbers of dog registrations \$15K and infringement notices \$51K.

Within the Financial Services Group, income is \$290K (20%) under budget. As this activity is internally funded this is a result of reduced expenditure.

Within the Information Management Group, year-to-date income is \$98K (6%) over budget, predominantly due to internal photocopying charges \$32K and internal computer hire \$27K. Within the Policy and Community Group, year-to-date income is \$54K (5%) under budget. As this activity is internally funded this is a result of reduced expenditure.

Within the Roothing and Transport section, income is 4% (\$782K) under budget, which is predominantly due to the timing of planned works and associated New Zealand Transport Agency (NZTA) funding.

Overall Services and Assets income (excluding roading) is tracking \$61K (1%) above year-to-date budget. This is due to:

- Overall Forestry income received is \$108K (6%) over budget. This is expected to be the position at year end.
- District Reserves is \$12K under budget as some reserve transfers for Curio Bay have yet to be actioned.
- Engineering Consultants is \$42K (7%) under budget. As income is fully recovered and driven by expenditure levels the reduced expenditure impacts directly on income.

Expenditure

Overall for the year-to-date, expenditure is 7% (\$2.2M) under budget.

The key variances are as follows:

The Council and Councillors' activity is 1% (\$25K) under budget primarily due to Grant Payments yet to be requested and lower Councillor Salary costs due principally to the short-term vacancy in the Mararoa-Waimea Ward.

Other Activities expenditure is 44% (\$455K) under budget as the calculation of interest on reserves is calculated as a year-end entry.

The Chief Executive activity is 1% (\$7K) over budget with funding rounds for Stewart Island Visitor Levy yet to occur.

The Environment and Community Group is 6% (\$254K) under budget. This is predominantly due to expenditure on the District Plan being lower than anticipated at this stage of the year, with costs being incurred during April in relation to mediation.

Within Financial Services, expenditure is \$329K (22%) under budget, primarily due to the timing of audit services \$120K and staff vacancies of \$168K.

Within the Information Management Group, overall expenditure is on budget.

Within the Policy and Community Group, expenditure is \$88K (8%) under budget due to no expenditure to date for Community Outcomes (\$30K) and lower than expected staff costs due to maternity leave.

Roothing expenditure is currently 8% (\$579K) over budget. This is due to Network and Maintenance costs which are over budget. These are to be monitored closely throughout the year but please note that it is forecast that the Repairs, Maintenance and Capital Expenditure will be over budget at year end. This is primarily driven by underspends in previous years and Council's key objective of maximising New Zealand Transport Agency approved funding.

The Services and Assets Group is 13% (\$1.64M) under budget. Key variances are as follows:

- District Water is \$508K (24%) under budget as there has been minimal capital expenditure year-to-date (169K actual v \$697K budget).
- District Sewerage is \$920K (28%) under budget. Year to date \$2.3M actual versus \$3.2M budget has been completed.
- Water Services is \$113K (12%) under budget predominately due to less services of project consultant costs being required than budgeted.
- Currently the Engineering Consultants business unit is \$42K (7%) under budget.

Capital Expenditure

Overall for the year-to-date, capital expenditure is 12% (\$1.59M) under budget. The key variances are as follows:

- Capital Expenditure in the Chief Executive activity is over budget by \$994K (73%) due to the beginning of work for stage 2 of the Around the Mountains Cycle Trail.
- Environment and Community is over budget by 70% (\$88K) for the year-to-date primarily due to an additional vehicle purchase for animal control and the timing of the replacement of a vehicle for environmental health.
- Information Management capital expenditure is under budget by 62% (\$124K) due to minimal costs to date being incurred in the records improvement plan.
- Roothing capital expenditure is under budget by 17% (\$1.85M) due to timing on planned road renewal and pavement renewal. However projections by the roading team indicate a reduced capital budget at year end.
- Services and Assets are under budget by 74% (\$700K) with minimal capital expenditure to date on projects planned in public conveniences, district reserves and forestry.

Funding Adjustments

Funding adjustments are significantly under budget as typically 'balancing' of business units is not undertaken until the end of the financial year.

Journals are being processed for reserve transfers, predominantly in relation to vehicle movements, and loan draw-downs (ie for project funding), throughout the year at the request of budget managers.

Key Financial Indicators

Indicator	Target*	Actual	Variance	Compliance
External Funding: Non rateable income/Total income	≥ 39%	37%	-2%	⊖
Working Capital: Current Assets/Current Liabilities	≥1.09	2.22	1.13	✓
Debt Ratio:** Total Liabilities/Total Assets	≤0.73%	0.84%	0.11%	⊖
Debt To Equity Ratio: Total Debt/Total Equity	≤0.01%	0.00%	0.01	✓

* All target indicators have been calculated using the 2014/15 Annual Plan figures.

** Excludes internal loans.

Financial Ratios Calculations:**External Funding:**

Non Rateable Income
Total Income

This ratio indicates the percentage of revenue received outside of rates. The higher the proportion of revenue that the Council has from these sources the less reliance it has on rates income to fund its costs.

Working Capital:

Current Assets
Current Liabilities

This ratio indicates the amount by which short-term assets exceed short term obligations. The higher the ratio the more comfortable the Council can fund its short term liabilities.

Debt Ratio:

Total Liabilities
Total Assets

This ratio indicates the capacity of which the Council can borrow funds. This ratio is generally used by lending institutions to assess entities financial leverage. Generally the lower the ratio the more capacity to borrow.

Debt to Equity Ratio:

Total Debt
Total Equity

It indicates what proportion of equity and debt the Council is using to finance its assets.

Council Report - Summary



For the period ending February 2015

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Operating Income												
Council & Councillors	328,549	327,244	1,305	-	2,636,808	2,617,950	18,858	1%	3,967,269	3,967,269	0	-
Other Activities	180,295	165,550	14,745	9%	1,408,189	1,269,470	138,718	11%	1,515,227	1,515,227	0	-
Chief Executive Officer	89,153	277,918	(188,765)	(68%)	2,286,837	2,514,795	(227,958)	(9%)	3,740,694	3,740,694	0	-
Environment & Community	521,522	548,134	(26,612)	(5%)	4,918,428	4,850,719	67,709	1%	7,050,053	7,050,053	0	-
Financial Services	89,391	180,997	(91,606)	(51%)	1,158,382	1,447,975	(289,594)	(20%)	2,172,434	2,172,434	0	-
Information Management	214,432	203,389	11,043	5%	1,724,726	1,627,112	97,615	6%	2,440,668	2,440,668	0	-
Policy & Community	167,336	137,873	29,463	21%	1,049,383	1,102,984	(53,601)	(5%)	1,654,684	1,654,684	0	-
Roading & Transport	2,774,573	2,305,916	468,657	20%	17,665,227	18,447,328	(782,101)	(4%)	28,280,634	28,501,594	220,960	(1%)
Services & Assets	1,180,537	1,240,157	(59,620)	(5%)	11,810,162	11,748,906	61,256	1%	16,759,548	16,759,548	0	-
Total	5,545,788	5,387,178	158,610	3%	44,658,141	45,627,239	(969,098)	(2%)	67,581,210	67,802,170	220,960	0%

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Operating Expenditure												
Council & Councillors	135,951	137,749	1,798	1%	2,642,312	2,667,524	25,212	1%	3,760,797	3,760,797	0	-
Other Activities	55,460	127,831	72,371	57%	578,541	1,033,166	454,625	44%	1,570,006	1,570,006	0	-
Chief Executive Officer	83,297	95,362	12,065	13%	1,116,738	1,109,812	(6,926)	(1%)	1,817,171	1,817,171	0	-
Environment & Community	507,502	557,334	49,832	9%	4,201,924	4,456,240	254,316	6%	6,685,508	6,685,508	0	-
Financial Services	89,345	171,175	81,830	48%	1,158,007	1,486,585	328,578	22%	2,172,434	2,172,434	0	-
Information Management	177,310	168,564	(8,747)	(5%)	1,603,855	1,603,524	(331)	-	2,319,402	2,319,402	0	-
Policy & Community	136,497	132,551	(3,945)	(3%)	1,012,671	1,100,410	87,739	8%	1,630,615	1,630,615	0	-
Roading & Transport	1,058,078	908,724	(149,354)	(16%)	7,866,746	7,287,589	(579,157)	(8%)	10,926,414	12,016,942	(1,090,528)	(10%)
Services & Assets	1,127,474	1,520,843	393,369	26%	10,892,668	12,530,958	1,638,290	13%	17,828,811	17,828,811	0	-
Total	3,370,913	3,820,132	449,219	12%	31,073,461	33,275,807	2,202,346	7%	48,711,157	49,801,685	(1,090,528)	(2%)
Net Surplus/(Deficit)	2,174,875	1,567,045	607,829		13,584,680	12,351,432	1,233,248		18,870,053	18,000,485	869,568	

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Capital Expenditure												
Council & Councillors	0	0	0	-	0	0	0	-	0	0	0	-
Chief Executive Officer	1,124,919	170,833	(954,086)	(558%)	2,360,407	1,366,667	(993,740)	(73%)	2,050,000	2,050,000	0	-
Environment & Community	4,465	15,821	11,356	72%	214,802	126,569	(88,234)	(70%)	189,853	189,853	0	-
Financial Services	0	0	0	-	0	0	0	-	0	0	0	-
Information Management	7,718	25,000	17,282	69%	76,465	200,000	123,535	62%	300,000	300,000	0	-
Policy & Community	(500)	1,250	1,750	140%	6,663	10,000	3,337	33%	15,000	15,000	0	-
Roading & Transport	2,068,842	1,345,910	(722,932)	(54%)	8,917,248	10,767,279	1,850,031	17%	16,150,919	15,610,720	540,199	3%
Services & Assets	58,616	118,267	59,651	50%	246,243	946,135	699,892	74%	1,419,202	1,419,202	0	-
Total	3,264,061	1,677,081	(1,586,980)	(95%)	11,821,829	13,416,649	1,594,821	12%	20,124,974	19,584,775	540,199	3%

Council Report - Detail



For the period ending February 2015

Chief Executive Officer

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Operating Income												
Chief Executive	8,039	7,251	(1,212)	(17%)	304,708	349,459	(44,750)	(13%)	529,974	529,974	-	-
Civil Defence	22,307	22,303	4	-	178,446	178,427	19	-	267,640	267,640	-	-
Human Resources	27,649	44,025	(16,376)	(37%)	398,728	352,198	46,530	13%	528,453	528,453	-	-
Round the Mountain Cycle Trail	0	166,667	(166,667)	(100%)	1,116,042	1,333,333	(217,292)	(16%)	1,959,474	1,959,474	-	-
Rural Fire Control	19,607	19,603	3	-	156,844	156,827	17	-	235,241	235,241	-	-
Shared Services Forum	0	4,735	(4,735)	(100%)	56,826	37,884	18,942	50%	56,826	56,826	-	-
SI Visitor Levy	13,552	13,333	219	2%	75,242	106,667	(31,425)	(29%)	163,086	163,086	-	-
Total	89,153	277,918	(188,765)	(68%)	2,286,837	2,514,795	(227,958)	(9%)	3,740,694	3,740,694	0	-%

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Operating Expenditure												
Chief Executive	46,653	43,891	(2,762)	(6%)	327,540	351,972	24,432	7%	529,974	529,974	-	-
Civil Defence	1,624	1,604	(19)	(1%)	190,236	182,473	(7,764)	(4%)	245,436	245,436	-	-
Human Resources	26,816	44,971	18,155	40%	392,067	359,769	(32,298)	(9%)	590,183	590,183	-	-
Round the Mountain Cycle Trail	8,204	0	(8,204)	(8,204)	20,450	0	(20,450)	(20,450)	0	0	-	-
Rural Fire Control	0	0	-	-	176,431	176,431	-	-	235,241	235,241	-	-
Shared Services Forum	0	4,438	4,438	100%	9,818	35,501	25,683	72%	53,251	53,251	-	-
SI Visitor Levy	0	458	458	100%	196	3,667	3,471	95%	163,086	163,086	-	-
Total	83,297	95,362	12,065	13%	1,116,738	1,109,812	(6,926)	(1%)	1,817,171	1,817,171	0	-%
Net Surplus/(Deficit)	5,856	182,556	(176,700)		1,170,099	1,404,983	(234,884)		1,923,523	1,923,523	0	

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Capital Expenditure												
Chief Executive	0	0	-	-	57,862	0	(57,862)	(57,862)	0	0	-	-
Civil Defence	0	0	-	-	0	0	-	-	0	0	-	-
Human Resources	0	4,167	4,167	100%	0	33,333	33,333	100%	50,000	50,000	-	-
Round the Mountain Cycle Trail	1,124,919	166,667	(958,253)	(575%)	2,302,546	1,333,333	(969,212)	(73%)	2,000,000	2,000,000	-	-
SI Visitor Levy	0	0	-	-	0	0	-	-	0	0	-	-
Total	1,124,919	170,833	(954,086)	(558%)	2,360,407	1,366,667	(993,740)	(73%)	2,050,000	2,050,000	0	-%

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Funding Adjustments *												
Chief Executive	0	0	-	-	57,865	0	(57,865)	(57,865)	0	0	-	-
Civil Defence	(1,850)	(1,850)	-	-	(14,803)	(14,803)	-	-	(22,204)	(22,204)	-	-
Human Resources	0	9,311	(9,311)	(100%)	0	74,487	(74,487)	(100%)	111,730	111,730	-	-
Round the Mountain Cycle Trail	0	3,377	(3,377)	(100%)	0	27,017	(27,017)	(100%)	40,526	40,526	-	-
Rural Fire Control	0	0	-	-	0	0	-	-	0	0	-	-
Shared Services Forum	0	(298)	298	(100%)	0	(2,383)	2,383	(100%)	(3,575)	(3,575)	-	-
SI Visitor Levy	0	0	-	-	0	0	-	-	0	0	-	-
Total	(1,850)	10,540	(12,390)	(118%)	43,062	84,318	(41,256)	(49%)	126,477	126,477	0	-%

CHIEF EXECUTIVE COMMENTARY

For the year-to-date, income is under budget by \$228K (9%). Expenditure is over budget by \$7K (1%), therefore resulting in a net year-to-date position of \$235K under budget.

Chief Executive

Income in this business unit is \$45K (13%) under budget this is due to the quarterly application of rates penalties which corrects during the month of March. Expenditure is \$24K (7%) under budget, primarily due to staff costs \$64K under budget. This is offset by project consultant fees \$31K.

Civil Defence

Income is on budget. Expenditure is \$8K (4%) over budget due to the Emergency Management Southland grant being slightly higher than was budgeted. It is anticipated to be \$10K over budget at year end.

Human Resources

Income is \$47K (13%) over budget. Expenditure year-to-date is \$32K (9%) over budget, due to training costs \$52K offset by consultant costs \$10K. As this activity is internally funded, the increased expenditure impacts directly on income.

Around the Mountain Cycle Trail

Income is \$217K (16%) under budget due to final invoicing to the Ministry being completed last financial year. Expenditure is \$20K over budget and capital expenditure over budget by \$969K with work being undertaken on Stage 2.

Rural Fire Control

Income and Expenditure is on budget for the year.

Shared Services Forum

Income is \$19K (50%) over budget due to the timing on contributions. Expenditure for year-to-date is under budget by \$26K (72%), with low activity for the year.

Stewart Island Visitor Levy

Income is \$32K (29%) under budget. With the cruise ship period completed, income is expected to be will under budget at year end. Expenditure is \$3K under budget as the allocation meeting is set to occur in early May.

Council Report - Detail

For the period ending February 2015

Council & Councillors

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Operating Income												
Council and Councillors	64,404	63,201	1,203	2%	518,300	505,609	12,692	3%	777,741	777,741	-	-
Council Contributions/Gran	19,575	19,566	8	-	156,284	156,529	(245)	-	234,794	234,794	-	-
Council Elections	2,925	2,924	1	-	23,946	23,389	557	2%	35,454	35,454	-	-
Council Water & Sewerage L	42,382	42,382	20	-	338,655	338,893	(238)	-	508,340	508,340	-	-
International Relations Commit	745	745	-	-	5,949	5,959	(9)	-	9,583	9,583	-	-
Museum	42,839	42,832	7	-	342,978	342,658	320	-	533,988	533,988	-	-
Regulatory - Non Recoverab	8,218	8,214	4	-	73,344	65,713	7,632	12%	98,569	98,569	-	-
Venture Southland	147,462	147,400	62	-	1,177,350	1,179,200	(1,850)	-	1,768,800	1,768,800	-	-
Total	328,549	327,244	1,305	-	2,636,808	2,617,950	18,858	1%	3,967,269	3,967,269	0	-%

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Operating Expenditure												
Council and Councillors	54,371	59,062	4,691	8%	479,787	503,020	23,233	5%	751,338	751,338	-	-
Council Contributions/Gran	7,775	10,608	2,833	27%	263,828	280,822	16,993	6%	323,253	323,253	-	-
Council Elections	6,102	0	(6,102)	(6,102)	7,345	0	(7,345)	(7,345)	0	0	-	-
Council Water & Sewerage L	22,939	22,939	-	-	183,511	183,511	-	-	275,266	275,266	-	-
International Relations Commit	226	799	573	72%	3,745	6,389	2,644	41%	9,583	9,583	-	-
Museum	44,539	44,342	(197)	-	348,397	317,898	(30,499)	(10%)	533,988	533,988	-	-
Regulatory - Non Recoverab	0	0	-	-	20,099	49,285	29,186	41%	98,569	98,569	-	-
Venture Southland	0	0	-	-	1,326,600	1,326,600	-	-	1,768,800	1,768,800	-	-
Total	135,951	137,749	1,798	1%	2,642,312	2,667,524	25,212	1%	3,760,797	3,760,797	0	-%
Net Surplus/(Deficit)	192,598	189,495	3,104		(5,504)	(49,574)	44,070		206,472	206,472	0	

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Capital Expenditure												
Council and Councillors	0	0	-	-	0	0	-	-	0	0	-	-
Museum	0	0	-	-	0	0	-	-	0	0	-	-
Total	0	0	0	-	0	0	0	-	0	0	0	-

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Funding Adjustments *												
Council and Councillors	(2,200)	(2,200)	-	-	(17,602)	(17,602)	-	-	(26,403)	(26,403)	-	-
Council Contributions/Gran	(545)	7,372	(7,917)	(107%)	(4,360)	58,973	(63,333)	(107%)	88,459	88,459	-	-
Council Elections	0	(2,955)	2,955	(100%)	0	(23,636)	23,636	(100%)	(35,454)	(35,454)	-	-
Council Water & Sewerage L	(19,423)	(19,423)	-	-	(155,383)	(155,383)	-	-	(233,074)	(233,074)	-	-
International Relations Commit	0	0	-	-	0	0	-	-	0	0	-	-
Museum	0	0	-	-	0	0	-	-	0	0	-	-
Regulatory - Non Recoverab	0	0	-	-	0	0	-	-	0	0	-	-
Venture Southland	0	0	-	-	0	0	-	-	0	0	-	-

Council Report - Detail										
For the period ending February 2015										
Council & Councillors										
Total	(22,168)	(17,206)	(4,962)	29%	(177,345)	(137,648)	(39,697)	29%	(206,472)	(206,472) 0 -%
* (Contributions, Loans, Provisions, Reserves, Forestry Dividend)										



COUNCIL AND COUNCILLORS' COMMENTARY

For the year-to-date, income is \$19K (1%) over budget. Expenditure is under budget by \$25K (1%), therefore resulting in a net year-to-date position of \$44K over budget.

Council and Councillors

Income is \$13K (3%) over budget as a result of unbudgeted income from internal catering. Expenditure is under budget by \$23K (5%) primarily due to Councillors' salaries of \$8K, Councillor Mileage \$4K and Youth Council costs \$5K.

Council Contributions/Grants

Income is on budget for the year-to-date. Expenditure is under budget by \$17K (6%) due to grant payments yet to be requested.

Council Elections

Income is on budget. Expenditure is \$7K over budget due to the Mararoa-Waimea Ward Councillor election. There will be additional expenses during March.

Council Water and Sewerage Loans

Income and expenditure is on budget for the year-to-date.

International Relations Committee

Income is on budget for the year-to-date. Expenditure is \$3K (41%) under budget due to the timing of committee activities. Additional expenditure will be incurred in March with attendance at the Sister Cities Conference.

Museum

Income is on budget. Expenditure is over budget \$30K (10%) due to timing on the Museum Trust Board Levy, it is expected to be on budget at the end of the year.

Regulatory - Non-Recoverable

Income is \$8K (12%) over budget for the year-to-date. Expenditure is under budget by \$20K (41%) as a result of minimal expenditure to date.

Venture Southland

Income and Expenditure is on budget for the year-to-date.

Other Activities

	Monthly				YTD				Full Year Budget			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Var %</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Var %</u>	<u>FY Budget</u>	<u>FY Projection</u>	<u>Variance</u>	<u>Var %</u>
Operating Income												
Allocation Committees	28,137	26,205	2,932	12%	158,667	146,713	11,954	8%	261,420	261,420	-	-
Operating investments	152,158	140,345	11,813	8%	1,249,522	1,122,757	126,764	11%	1,253,807	1,253,807	-	-
Waiau Working Party	0	0	-	-	0	0	-	-	0	0	-	-
Total	180,295	166,550	14,745	9%	1,408,189	1,269,470	138,718	11%	1,515,227	1,515,227	0	-%
	Monthly				YTD				Full Year Budget			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Var %</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Var %</u>	<u>FY Budget</u>	<u>FY Projection</u>	<u>Variance</u>	<u>Var %</u>
Operating Expenditure												
Allocation Committees	2,480	23,443	20,963	90%	153,433	198,062	44,629	23%	317,350	317,350	-	-
Operating investments	53,000	104,388	51,388	49%	425,108	835,104	409,996	49%	1,252,656	1,252,656	-	-
Waiau Working Party	0	0	-	-	0	0	-	-	0	0	-	-
Total	55,480	127,831	72,351	57%	578,541	1,033,166	454,625	44%	1,570,006	1,570,006	0	-%
Net Surplus/(Deficit)	124,814	38,718	86,096		829,648	236,305	593,343		(54,779)	(54,779)	0	
	Monthly				YTD				Full Year Budget			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Var %</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Var %</u>	<u>FY Budget</u>	<u>FY Projection</u>	<u>Variance</u>	<u>Var %</u>
Funding Adjustments *												
Allocation Committees	0	4,661	(4,661)	(100%)	0	37,287	(37,287)	(100%)	55,930	55,930	-	-
Operating investments	0	(96)	96	(100%)	0	(767)	767	(100%)	(1,151)	(1,151)	-	-
Waiau Working Party	0	0	-	-	0	0	-	-	0	0	-	-
Total	0	4,565	(4,565)	(100%)	0	36,519	(36,519)	(100%)	54,779	54,779	0	-%

* (Contributions, Loans, Provisions, Reserves, Forestry Dividend)

OTHER ACTIVITIES COMMENTARY**Allocations Committee**

Income is \$12K (8%) over budget due to timing of grants received. Expenditure is under budget by \$45K (23%) due to the timing of grant payments.

Operating Investments

Currently, the majority of Council's reserves are internally loaned by Council or its local communities for major projects. Council has set the interest rate to be charged on these loans as part of its Long Term Plan process and interest is being charged on a monthly basis on all internal loans drawn down at 30 June 2014.

Council Report - Detail

For the period ending February 2015

Environment & Community

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Operating Income												
Alcohol Licensing	14,871	11,781	2,890	25%	150,157	169,251	(19,093)	(11%)	216,500	216,500	-	-
Area Offices	129,385	127,938	1,447	1%	1,040,165	1,023,504	16,660	2%	1,535,257	1,535,257	-	-
Building Regulations	111,878	131,336	(19,658)	(15%)	1,066,498	1,050,687	15,809	2%	1,578,031	1,578,031	-	-
Customer Services	22,409	28,968	(4,558)	(17%)	205,646	215,742	(10,096)	(5%)	323,813	323,813	-	-
District Library	104,250	105,338	(1,089)	(1%)	850,730	842,707	8,023	1%	1,264,061	1,264,061	-	-
Dog and Animal Control	11,410	5,988	5,422	91%	412,684	337,900	74,784	22%	368,523	368,523	-	-
Enviro & Com Dev Admin	17,611	18,084	(473)	(3%)	144,241	144,672	(431)	-	217,008	217,008	-	-
Environmental Health	22,573	18,948	3,625	19%	270,755	252,228	18,527	7%	328,019	328,019	-	-
Health Licensing	33	0	33	(33)	1,060	0	1,060	(1,060)	0	0	-	-
Public Health	0	0	-	-	0	0	-	-	0	0	-	-
Resource Consent Processin	51,945	66,027	(14,082)	(21%)	492,086	528,216	(36,130)	(7%)	792,324	792,324	-	-
Resource Planning/Policy	35,557	35,726	(169)	-	284,407	285,812	(1,404)	-	428,717	428,717	-	-
Total	521,522	548,134	(26,612)	(5%)	4,918,428	4,850,719	67,709	1%	7,050,053	7,050,053	0	-%

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Operating Expenditure												
Alcohol Licensing	11,981	17,329	5,348	31%	92,442	139,059	46,617	34%	209,999	209,999	-	-
Area Offices	87,111	89,623	2,512	3%	691,974	718,010	26,036	4%	1,078,257	1,078,257	-	-
Building Regulations	115,592	128,927	13,335	10%	1,035,833	1,045,525	9,692	1%	1,567,992	1,567,992	-	-
Customer Services	22,396	28,919	4,523	17%	205,537	215,352	9,815	5%	323,028	323,028	-	-
District Library	89,510	90,058	548	1%	708,814	728,804	19,990	3%	1,089,699	1,089,699	-	-
Dog and Animal Control	45,110	31,965	(13,145)	(41%)	314,211	261,655	(52,556)	(20%)	391,883	391,883	-	-
Enviro & Com Dev Admin	17,611	17,906	295	2%	144,241	143,719	(522)	-	217,008	217,008	-	-
Environmental Health	30,873	31,471	598	2%	231,049	218,629	(12,420)	(6%)	328,019	328,019	-	-
Public Health	0	0	-	-	0	0	-	-	0	0	-	-
Resource Consent Processin	70,789	65,887	(4,902)	(7%)	565,792	527,501	(38,291)	(7%)	792,324	792,324	-	-
Resource Planning/Policy	16,529	57,248	40,720	71%	212,030	457,988	245,958	54%	687,298	687,298	-	-
Total	507,502	557,334	49,832	9%	4,201,924	4,456,240	254,316	6%	6,685,508	6,685,508	0	-%
Net Surplus/(Deficit)	14,021	(9,199)	23,220		716,504	394,478	322,025		364,546	364,546	0	

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Capital Expenditure												
Alcohol Licensing	0	83	83	100%	0	667	667	100%	1,000	1,000	-	-
Area Offices	0	0	-	-	0	0	-	-	0	0	-	-
Building Regulations	0	2,749	2,749	100%	64,594	21,992	(42,602)	(194%)	32,988	32,988	-	-
Customer Services	0	49	49	100%	0	390	390	100%	585	585	-	-
District Library	4,465	12,940	8,475	65%	70,246	103,520	33,274	32%	155,280	155,280	-	-
Dog and Animal Control	0	0	-	-	48,898	0	(48,898)	(48,898)	0	0	-	-
Enviro & Com Dev Admin	0	0	-	-	0	0	-	-	0	0	-	-
Environmental Health	0	0	-	-	31,064	0	(31,064)	(31,064)	0	0	-	-
Resource Consent Processin	0	0	-	-	0	0	-	-	0	0	-	-
Total	4,465	15,821	11,356	72%	214,802	126,569	(88,234)	(70%)	189,853	189,853	0	-%

Council Report - Detail

For the period ending February 2015

Environment & Community

Funding Adjustments *	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Alcohol Licensing	0	(458)	458	(100%)	0	(3,667)	3,667	(100%)	(5,501)	(5,501)	-	-
Area Offices	(50,008)	(38,083)	(11,924)	31%	(400,060)	(304,667)	(95,393)	31%	(457,000)	(457,000)	-	-
Building Regulations	0	2,079	(2,079)	(100%)	43,715	16,633	27,082	163%	24,949	24,949	-	-
Customer Services	0	0	-	-	0	0	-	-	0	0	-	-
District Library	(2,213)	(1,590)	(623)	39%	(22,963)	(12,721)	(10,241)	81%	(19,082)	(19,082)	-	-
Dog and Animal Control	0	1,947	(1,947)	(100%)	48,898	15,573	33,325	214%	23,360	23,360	-	-
Enviro & Com Dev Admin	0	0	-	-	0	0	-	-	0	0	-	-
Environmental Health	0	0	-	-	23,499	0	23,499	(23,499)	0	0	-	-
Public Health	0	0	-	-	0	0	-	-	0	0	-	-
Resource Consent Processin	0	0	-	-	0	0	-	-	0	0	-	-
Resource Planning/Policy	0	21,548	(21,548)	(100%)	20,253	172,387	(152,134)	(88%)	258,581	258,581	-	-
Total	(52,220)	(14,558)	(37,663)	259%	(286,658)	(116,462)	(170,196)	146%	(174,693)	(174,693)	0	-%

* (Contributions, Loans, Provisions, Reserves, Forestry Dividend)

ENVIRONMENT AND COMMUNITY COMMENTARY

Overall February monthly income for the Environment and Community Group was 5% (\$27K) below budget (\$522K actual v \$548K budget).

Key features of this month's income were that Building Consent and Resource Consent income were below budget by \$20K (15%) and \$14K (21%) respectively, reflecting reduced levels of activity and values.

Animal Control income was well ahead \$5K (91%) ahead of budget due to income from infringements.

Overall February 2015 monthly expenditure for the Environment and Community Group was \$50K (9%) below budget (\$508K actual v \$557K budget).

Most departments were significantly below budgeted expenditure reflecting a close focus on spending. The Resource Planning/Policy area was significantly underspent by \$41K (71%) with less expenditure than anticipated. Conversely, the Animal Control area was \$13K (41%) overspent, due to additional on call and other staff response costs.

Overall YTD Summary

Overall YTD Income is \$68K (1%) ahead of budget, at \$4.92M actual versus \$4.85M budget.

Overall YTD Expenditure is \$254K (6%) below budget at \$4.20M actual versus \$4.46M budget.

It is noted that within the Group there are several large debtors where costs have been invoiced but these are yet to be paid and also two large consents where processing costs are yet to be invoiced. This could impact on budgetary position in the group in the final quarter of the 14/15 year.

Month by month development activity in the District is still quite up and down, rather than there being any sustained trend. February 2015 was a less positive month income wise than.

The Resource Planning/Policy area is significantly under budget year to date, but it is likely that further costs will be incurred in the Environment Court appeal/mediation process in April 2015 as the appeals enter the mediation stage.

Financial Services

	Monthly				YTD				Full Year Budget			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Var %</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Var %</u>	<u>FY Budget</u>	<u>FY Projection</u>	<u>Variance</u>	<u>Var %</u>
Operating Income												
Financial Services	89,391	180,997	(91,606)	(51%)	1,158,382	1,447,975	(289,594)	(20%)	2,172,434	2,172,434	-	-
Total	89,391	180,997	(91,606)	(51%)	1,158,382	1,447,975	(289,594)	(20%)	2,172,434	2,172,434	0	-%

	Monthly				YTD				Full Year Budget			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Var %</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Var %</u>	<u>FY Budget</u>	<u>FY Projection</u>	<u>Variance</u>	<u>Var %</u>
Operating Expenditure												
Financial Services	89,345	171,175	81,830	48%	1,158,007	1,486,585	328,578	22%	2,172,434	2,172,434	-	-
Total	89,345	171,175	81,830	48%	1,158,007	1,486,585	328,578	22%	2,172,434	2,172,434	0	-%
Net Surplus/(Deficit)	47	9,822	(9,776)		375	(38,609)	38,984		0	0	0	

	Monthly				YTD				Full Year Budget			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Var %</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Var %</u>	<u>FY Budget</u>	<u>FY Projection</u>	<u>Variance</u>	<u>Var %</u>
Capital Expenditure												
Financial Services	0	0	-	-	0	0	-	-	0	0	-	-
Total	0	0	0	-	0	0	0	-	0	0	0	-

	Monthly				YTD				Full Year Budget			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Var %</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Var %</u>	<u>FY Budget</u>	<u>FY Projection</u>	<u>Variance</u>	<u>Var %</u>
Funding Adjustments *												
Financial Services	0	0	-	-	0	0	-	-	0	0	-	-
Total	0	0	0	-	0	0	0	-	0	0	0	-

* (Contributions, Loans, Provisions, Reserves, Forestry Dividend)

FINANCIAL SERVICES COMMENTARY

Income is \$290K (20%) under budget. As this activity is internally funded the reduced expenditure impacts directly on income.

Expenditure is \$329K (22%) under budget. This is primarily due to the following:

- The timing of audit services (\$120K).
- Vacancies in the finance team (\$168K) offset by an increase in consultants costs to assist with workload (\$25K).
- Visa/MasterCard charges being incurred quarterly at rate payment time, which will show in next months report (\$25K).
- As a result of the material damage insurance review costs related to insuring water and wastewater above ground assets have now been correctly coded to the water and waste business units. This has resulted in actual costs being less than budgeted by \$44K.

At year end it is expected that the business unit will remain under budget by approximately \$200K due to the above.

Council Report - Detail



For the period ending February 2015

Information Management

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Operating Income												
Information Management	123,927	118,266	5,661	5%	1,009,196	946,131	63,065	7%	1,419,197	1,419,197	-	-
Knowledge Management	67,832	55,213	12,619	23%	471,831	441,705	30,126	7%	662,558	662,558	-	-
Property & Spatial Services	22,672	29,909	(7,237)	(24%)	243,699	239,275	4,423	2%	358,913	358,913	-	-
Total	214,432	203,389	11,043	5%	1,724,726	1,627,112	97,615	6%	2,440,668	2,440,668	0	-%
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Operating Expenditure												
Information Management	87,355	80,657	(6,699)	(8%)	892,721	885,798	(6,923)	(1%)	1,235,098	1,235,098	-	-
Knowledge Management	67,283	55,095	(12,188)	(22%)	467,436	441,229	(26,207)	(6%)	662,558	662,558	-	-
Property & Spatial Services	22,672	32,812	10,140	31%	243,699	276,497	32,799	12%	421,746	421,746	-	-
Total	177,310	168,564	(8,747)	(5%)	1,603,855	1,603,524	(331)	-	2,319,402	2,319,402	0	-%
Net Surplus/(Deficit)	37,122	34,825	2,296		120,871	23,588	97,283		121,266	121,266	0	
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Capital Expenditure												
Information Management	7,718	0	(7,718)	(7,718)	55,382	0	(55,382)	(55,382)	0	0	-	-
Knowledge Management	0	25,000	25,000	100%	21,083	200,000	178,917	89%	300,000	300,000	-	-
Total	7,718	25,000	17,282	69%	76,465	200,000	123,535	62%	300,000	300,000	0	-%
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Funding Adjustments *												
Information Management	(14,042)	(15,342)	1,299	(8%)	(112,340)	(122,733)	10,393	(8%)	(184,099)	(184,099)	-	-
Knowledge Management	0	25,000	(25,000)	(100%)	0	200,000	(200,000)	(100%)	300,000	300,000	-	-
Property & Spatial Services	(431)	5,236	(5,667)	(108%)	(3,444)	41,889	(45,333)	(108%)	62,833	62,833	-	-
Total	(14,473)	14,895	(29,368)	(197%)	(115,784)	119,156	(234,940)	(197%)	178,734	178,734	0	-%

* (Contributions, Loans, Provisions, Reserves, Forestry Dividend)

INFORMATION MANAGEMENT COMMENTARY

For the year-to-date, income is \$98K (6%) over budget. Overall expenditure is on budget, resulting in a positive variance of \$97K.

Information Management

Income is \$63K (7%) over budget, predominantly due to internal photocopying charges \$32K and internal computer hire relating to additional hardware \$27K. Expenditure is \$7K (1%) over budget. This related mainly to software licences and will come back in line with budget.

Knowledge Management

Income is \$30K (7%) over budget. Expenditure is \$26K (6%) over budget, this is due to postage costs \$23K and software licence fees \$13K. This is offset by internal computer hire costs \$9K under budget. As this activity is internally funded the increased expenditure impacts directly on income.

Property and Spatial Services

Income is \$4K (2%) over budget. Expenditure is \$33K under budget due to timing on aerial photography costs \$45K, this is offset by consultant costs \$14K. As this activity is internally funded the increased expenditure impacts directly on income.

Council Report - Detail

For the period ending February 2015

Policy & Community

	Monthly				YTD				Full Year Budget			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Var %</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Var %</u>	<u>FY Budget</u>	<u>FY Projection</u>	<u>Variance</u>	<u>Var %</u>
Operating Income	30,000	3,750	26,250	700%	30,000	30,000	-	-	45,000	45,000	-	-
Community Outcomes	62,141	38,664	23,477	61%	301,757	309,312	(7,555)	(2%)	463,968	463,968	-	-
Corporate Planning	37,136	39,282	(2,146)	(5%)	307,470	314,260	(6,790)	(2%)	471,390	471,390	-	-
Secretarial Services	38,059	56,177	(18,118)	(32%)	410,155	449,412	(39,257)	(9%)	674,326	674,326	-	-
Strategy/Communication												
Total	167,336	137,873	29,463	21%	1,049,383	1,102,984	(53,601)	(5%)	1,654,684	1,654,684	0	-%

	Monthly				YTD				Full Year Budget			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Var %</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Var %</u>	<u>FY Budget</u>	<u>FY Projection</u>	<u>Variance</u>	<u>Var %</u>
Operating Expenditure	0	3,750	3,750	100%	0	30,000	30,000	100%	45,000	45,000	-	-
Community Outcomes	62,141	37,414	(24,727)	(66%)	301,757	299,312	(2,445)	(1%)	448,968	448,968	-	-
Corporate Planning	37,118	39,282	2,165	6%	307,322	314,260	6,938	2%	471,390	471,390	-	-
Secretarial Services	37,238	52,105	14,867	29%	403,591	456,838	53,247	12%	665,257	665,257	-	-
Strategy/Communication												
Total	136,497	132,551	(3,945)	(3%)	1,012,671	1,100,410	87,739	8%	1,630,615	1,630,615	0	-%
Net Surplus/(Deficit)	30,839	5,322	25,517		36,713	2,574	34,139		24,069	24,069	0	

	Monthly				YTD				Full Year Budget			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Var %</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Var %</u>	<u>FY Budget</u>	<u>FY Projection</u>	<u>Variance</u>	<u>Var %</u>
Capital Expenditure	0	1,250	1,250	100%	0	10,000	10,000	100%	15,000	15,000	-	-
Corporate Planning	0	0	-	-	0	0	-	-	0	0	-	-
Secretarial Services	(500)	0	500	500	6,663	0	(6,663)	(6,663)	0	0	-	-
Strategy/Communication												
Total	(500)	1,250	1,750	140%	6,663	10,000	3,337	33%	15,000	15,000	0	-%

	Monthly				YTD				Full Year Budget			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Var %</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Var %</u>	<u>FY Budget</u>	<u>FY Projection</u>	<u>Variance</u>	<u>Var %</u>
Funding Adjustments *	0	0	-	-	0	0	-	-	0	0	-	-
Community Outcomes	0	0	-	-	0	0	-	-	0	0	-	-
Corporate Planning	0	(756)	756	(100%)	0	(6,046)	6,046	(100%)	(9,069)	(9,069)	-	-
Strategy/Communication												
Total	0	(756)	756	(100%)	0	(6,046)	6,046	(100%)	(9,069)	(9,069)	0	-%

* (Contributions, Loans, Provisions, Reserves, Forestry Dividend)

POLICY AND COMMUNITY COMMENTARY

Income for the year-to-date is \$54K (5%) under budget. Expenditure for the year-to-date is \$88K (8%) under budget. The net result for the year-to-date is a surplus of \$37K against a forecasted surplus of \$3K, a positive variance of \$34K.

Community Outcomes

Income is on budget. Expenditure is under budget \$30K as no projects relating to the Our Way Southland Outcomes have been identified in the current period.

Corporate Planning

Income is \$8K (2%) under budget. Expenditure is \$2K (1%) over budget due to Long Term Plan (LTP) costs \$30K over budget this is offset by employee costs \$34K. All costs relating to the LTP are being captured in one place and it will exceed budget. As this activity is internally funded the reduced expenditure impacts directly on income.

Secretarial Services

Income is \$7K (2%) under budget. Expenditure is \$7K (2%) under budget predominately due to advertising costs \$3K and training costs \$3K. As this activity is internally funded, the reduced expenditure impacts directly on income.

Strategy/Communication

Income is \$39K (9%) under budget. Expenditure is underspent by \$53K (12%) predominately due to staff costs \$39K and communication costs \$10K below budget. As this activity is internally funded the reduced expenditure impacts directly on income.

Budget vs Actual



Cost Centre:
For the period ending

Roading
February 2015

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Income												
Grants	1,549,793	1,205,055	344,738	29%	8,513,521	9,640,442	(1,126,921)	(12%)	14,460,662	14,681,622	(220,960)	(2%)
Internal Income	50,000	3,176	46,824	1,474%	440,111	25,406	414,705	1,632%	647,751	647,751	0	0%
Other Income	118,690	42,863	75,827	177%	304,956	342,903	(37,947)	(11%)	514,355	514,355	0	0%
Rates	1,056,090	1,052,291	3,799	0%	8,406,640	8,418,329	(11,689)	0%	12,627,493	12,627,493	0	0%
User Charges and Fees	0	2,531	(2,531)	(100%)	0	20,249	(20,249)	(100%)	30,373	30,373	0	0%
	2,774,573	2,305,916	468,657	20%	17,665,227	18,447,328	(782,101)	(4%)	28,280,634	28,501,594	(220,960)	(1%)
Direct Expenditure												
Advertising	0	125	125	100%	0	1,000	1,000	100%	1,500	1,500	0	0%
Communications	552	640	88	14%	4,092	5,119	1,027	20%	7,678	7,678	0	0%
Conferences and courses	1,510	1,439	(70)	(5%)	7,848	11,515	3,666	32%	17,272	17,272	0	0%
Electricity	3,078	2,917	(161)	(6%)	22,156	23,333	1,177	5%	35,000	35,000	0	0%
Fees and Charges	0	0	0	\$0	77	0	(77)	\$77	0	0	0	\$0
Financial Expenses	0	0	0	\$0	0	0	0	\$0	0	0	0	\$0
Insurance	0	0	0	\$0	2,016	1,952	(64)	(3%)	1,952	1,952	0	0%
Other Expenditure	739	3,848	3,109	81%	7,005	30,782	23,777	77%	46,173	46,173	0	0%
Postage and Stationery	0	125	125	100%	1,132	1,000	(132)	(13%)	1,500	1,500	0	0%
Professional Services	350	2,917	2,567	88%	31,098	23,333	(7,765)	(33%)	35,000	35,000	0	0%
Rates	0	188	188	100%	2,206	1,506	(700)	(46%)	2,259	2,259	0	0%
Repairs and Maintenance	943,722	786,921	(156,801)	(20%)	6,874,560	6,295,372	(579,189)	(9%)	9,443,057	10,533,585	(1,090,528)	(12%)
Spraying	2,178	3,250	1,072	(33%)	25,903	26,000	97	0%	39,000	39,000	0	0%
Maint - General	(2)	417	419	(101%)	(2)	3,333	3,335	(100%)	5,000	5,000	0	0%
Street Lighting Transit	1,500	1,750	250	(14%)	12,530	14,000	1,470	(11%)	21,000	21,000	0	0%
Sealed Pavement Maintenance	304,357	200,681	(103,676)	52%	1,890,700	1,605,449	(285,251)	18%	2,408,174	2,641,391	(233,217)	(10%)
Unsealed Pavement Maintenance	225,066	187,016	(38,049)	20%	1,692,032	1,496,128	(195,904)	13%	2,244,192	2,469,108	(224,916)	(10%)
Routine Drainage Maintenance	66,630	98,346	31,715	(32%)	525,517	786,769	261,251	(33%)	1,180,154	973,287	206,867	18%
Structures Maintenance	2,510	18,136	15,626	(86%)	92,075	145,087	53,012	(37%)	217,630	222,616	(4,986)	(2%)
Environmental Maintenance	142,189	96,386	(45,803)	48%	727,897	771,089	43,192	(6%)	1,156,633	1,166,649	(10,016)	(1%)
Traffic Services Maintenance	53,510	34,102	(19,408)	57%	293,043	272,812	(20,231)	7%	409,218	433,445	(24,227)	(6%)
Level Crossing Warning Devices	600	2,083	1,483	(71%)	6,415	16,667	10,252	(62%)	25,000	25,000	0	0%
Emergency Reinstatement	(30,670)	0	30,670	30,670%	324,952	0	(324,952)	(324,952%)	0	320,153	(320,153)	320,153%
Network and Asset Management	175,854	143,121	(32,733)	23%	1,283,499	1,144,971	(138,528)	12%	1,717,456	2,197,336	(479,880)	(28%)
Unsub Urb Drainage Maintenance	0	1,633	1,633	(100%)	0	13,067	13,067	(100%)	19,600	19,600	0	0%
Staff Costs	31,517	34,179	2,661	8%	272,378	273,428	1,050	0%	410,142	410,142	0	0%
Supplies and Materials	0	0	0	\$0	0	0	0	\$0	0	0	0	\$0
Travel and Accommodation	1,607	1,035	(573)	(55%)	4,669	8,279	3,609	44%	12,418	12,418	0	0%
Vehicle Expenses	(426)	(375)	51	(14%)	(844)	(2,996)	(2,152)	72%	(4,494)	(4,494)	0	0%
	982,649	833,959	(148,690)	(18%)	7,228,304	6,673,622	(554,771)	(8%)	10,009,457	11,099,985	(1,090,528)	(11%)

Budget vs Actual



Cost Centre: For the period ending		Monthly				YTD				Full Year Budget			
Roothing February 2015		Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Indirect Expenditure													
Depreciation (Funded)		1,336	869	(468)	(54%)	10,688	6,948	(3,740)	(54%)	10,422	10,422	0	0%
Internal Expenses		74,092	73,896	(196)	0%	627,664	607,019	(20,645)	(3%)	906,535	906,535	0	0%
		75,428	74,765	(664)	(1%)	638,352	613,967	(24,385)	(4%)	916,957	916,957	0	0%
Net Surplus/(Deficit)		1,716,495	1,397,192	319,303	23%	9,798,482	11,159,739	(1,361,257)	(12%)	17,354,220	16,484,652	869,568	5%
Capital Expenditure													
Capital Expenditure		2,068,842	1,345,910	(722,932)	(54%)	8,917,248	10,767,279	1,850,031	17%	16,150,919	15,610,720	540,199	3%
Vehicles - Renewal		0	3,301	3,301	(100%)	0	26,409	26,409	(100%)	39,613	39,613	0	0%
Bridges - Acquisition LOS		0	3,475	3,475	(100%)	0	27,800	27,800	(100%)	41,700	0	41,700	100%
Bridges - Renewal		187,320	31,275	(156,045)	499%	225,306	250,200	24,894	(10%)	375,300	1,169,390	(794,090)	(212%)
Unsealed Roads - Acquis LOS		0	0	0	0%	1,222	0	(1,222)	(1,222%)	0	0	0	0%
Unsealed Rd Metal - Acq LOS		0	19,228	19,228	(100%)	0	153,823	153,823	(100%)	230,734	150,000	80,734	35%
Unsealed Rd Metal - Renewal		65,748	173,051	107,303	(62%)	506,525	1,384,405	877,880	(63%)	2,076,607	2,191,350	(114,743)	(6%)
Seal Rd Resurface - Renewal		898,061	431,935	(466,126)	108%	3,199,668	3,455,480	255,812	(7%)	5,183,220	4,949,846	233,374	5%
Road Reconstruction		0	0	0	0%	5,445	0	(5,445)	(5,445%)	0	0	0	0%
Drainage Renewals - Acq LOS		9,718	41,296	31,578	(76%)	153,445	330,367	176,922	(54%)	495,550	1,224,715	(729,165)	(147%)
Drainage Renewals - Renewal		97,533	41,296	(56,237)	136%	1,216,967	330,367	(886,600)	268%	495,550	268,400	227,150	46%
Pavement Rehab - Renewal		461,733	281,449	(180,284)	64%	2,186,561	2,251,595	65,034	(3%)	3,377,393	3,237,249	140,144	4%
Structure Component - Renewal		16,000	69,276	53,276	(77%)	101,253	554,205	452,952	(82%)	831,307	70,000	761,307	92%
Traffic Services - Renewal		30,269	70,129	39,860	(57%)	451,901	561,029	109,128	(19%)	841,544	681,034	160,510	19%
Assoc Imprvmnts - Acq LOS		71,736	17,976	(53,760)	299%	192,103	143,807	(48,296)	34%	215,711	310,756	(95,045)	(44%)
Minor Improvements Acq LOS		131,758	108,690	(23,068)	21%	478,513	869,521	391,008	(45%)	1,304,282	982,342	321,940	25%
Minor Improvements Demand		0	0	0	0%	7,573	0	(7,573)	(7,573%)	0	0	0	0%
Minor Improvements Renewals		0	53,534	53,534	(100%)	9,959	428,272	418,313	(98%)	642,408	0	642,408	100%
Preventive Maint - Acq LOS		0	0	0	0%	0	0	0	0%	0	336,025	(336,025)	336,025%
Preventive Maint - Renewals		98,967	0	(98,967)	(98,967%)	180,807	0	(180,807)	(180,807%)	0	0	0	0%
		2,068,842	1,345,910	(722,932)	(54%)	8,917,248	10,767,279	1,850,031	17%	16,150,919	15,610,720	540,199	3%
Funding Adjustments (Contributions, Loans, Provisions, Reserves, Forestry Dividend)													
Loans		(25,887)	(25,887)	0	0%	(207,094)	(207,094)	0	0%	(310,641)	(310,641)	0	0%
Reserve Transfers		0	(74,388)	74,388	(100%)	0	(595,107)	595,107	(100%)	(892,660)	(563,291)	(329,369)	37%
		(25,887)	(100,275)	74,388	(74%)	(207,094)	(802,201)	595,107	(74%)	(1,203,301)	(873,932)	(329,369)	27%
		(378,234)	(48,993)	(329,241)	672%	674,140	(409,741)	1,083,880	(265%)	0	0	0	0%

STRATEGIC TRANSPORT

Overall Financial Performance

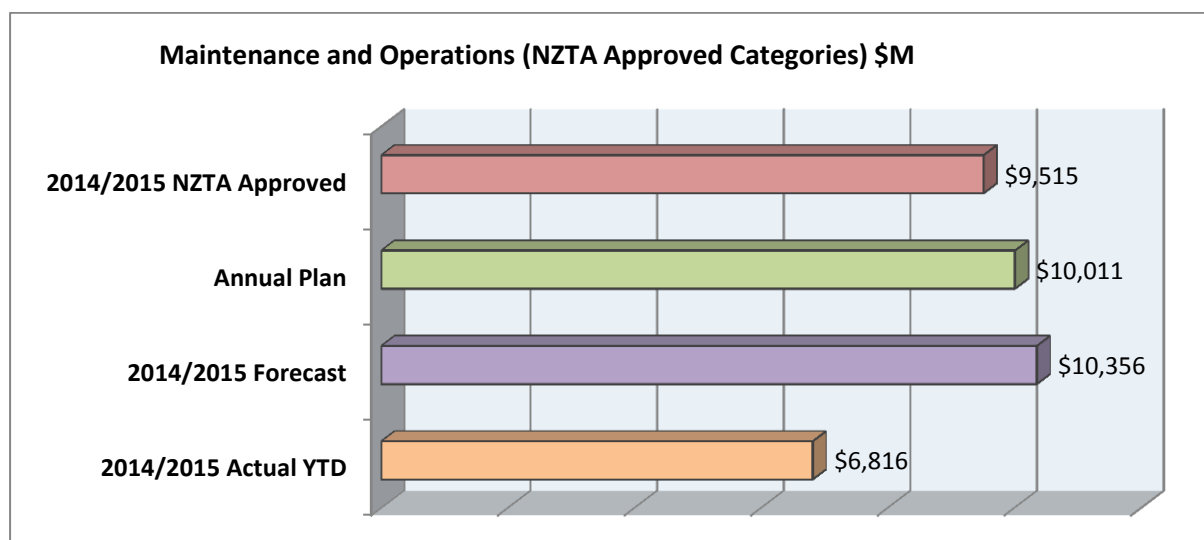
A continued strong focus on making sure we fully utilise NZTA approved funding along with optimising "value for money" remains a challenge.

- Council Transport overheads are generally tracking in line with budgets or slightly under with the exception of Professional Services (roading rate review).
- It is forecasted that our Operations and Maintenance costs will be over budget at year end. This will be partially offset by underspends in capital expenditure and underspends in the previous two years. The forecasted overspend can be also be contributed to unbudgeted emergency works projects Stewart Island Slips and the Ohai Clifden Slip.
- Council Transport Capital Expenditure is under budget primarily due to timing. Physical works expenditure is expected to increase as there has been a significant amount of resealing completed March to date. It is also expected that the majority of bridging expenditure will be completed this year. The fluctuating bitumen index is causing some frustrations in forecasting.

Please note that we are forecasting that our Repairs, Maintenance and Capital Expenditure will be over budget at year end. This is primarily driven by underspends in previous years and our key objective of maximising New Zealand Transport Agency approved funding.

Key	
	Largely on Track
	Monitoring
	Action Required

Maintenance and Operations:



Financial Tracking vs Plans			
YTD	Forecast	Annual Plan	NZTA Approved
67%	66%	68%	72%

Maintenance and Operation costs are currently over budget this is due to:

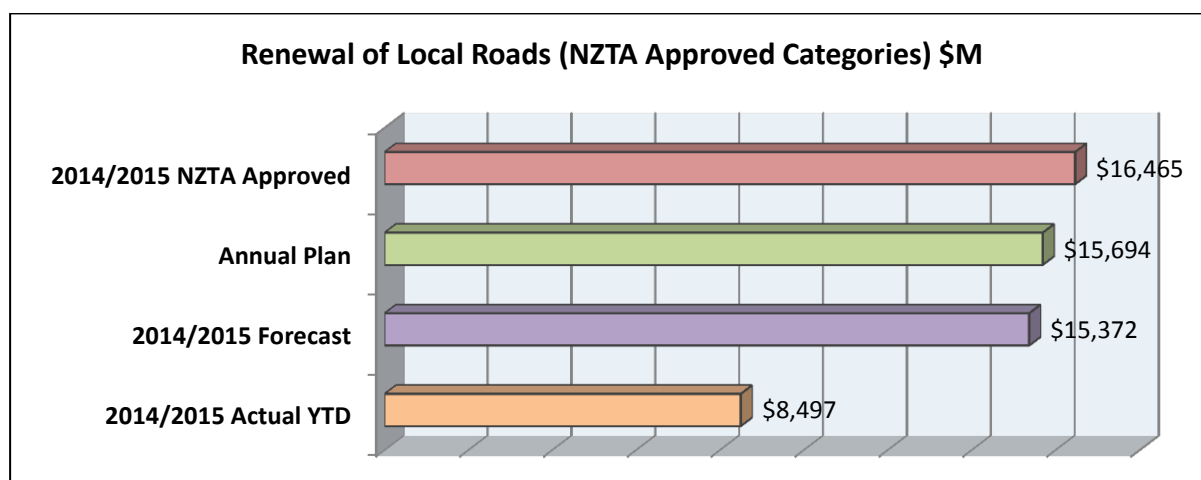
- Unbudgeted Emergency Works costs due to slip repairs (Ohai Clifden and Stewart Island Slips).
- A holistic approach to Maintenance Management has seen Sealed Pavement and Unsealed Pavement Maintenance being over budget but offset with underspends in other activities. Plus we are bringing forward from 2015/2016 our bi-annual data collection into 2014/2015.

* Note that Council can only claim 30% of urban drainage. Unsubsidised work has being excluded from this forecast.

Actions required:

Council intends to shift NZTA funding from our renewal programme to help fund the gap between our 2014/2015 forecast and NZTA approved funding. We have applied for a cost scope with NZTA, we see no foreseeable issues in this been approved.

Renewals and Minor Improvements:



Financial Tracking vs Plans			
YTD	Forecast	Annual Plan	NZTA Approved
67%	55%	54%	52%

Renewals and Minor Improvement Commentary:

The above is highlighted in orange as Transport is monitoring these costs closely driven by the current volatility in the bitumen index.

The forecast is lower than actuals primarily due to the timing of projects. Council expects that expenditure will increase in the next few months as work is completed. Some unsealed metalling, drainage work and some rehabilitation work is underway.

Actions required:

No funding action required at this stage. The forecasted shortfall in NZTA Approved expenditure will help fund the forecasted overspend in maintenance and renewals.

Three Year Programme:

National Land Transport Programme Tracking	Three Year Approval (\$M)	Forecast Expenditure (\$M)	Percentage of Programme
Maintenance Operations and Renewals	\$ 65,490	\$ 65,346	99.78%
Minor Improvements	\$ 3,671	\$ 3,562	97.04%
Special Purpose Roads	\$ 422	\$ 422	100.00%

We have had formal approval from NZTA for more funding for the Lower Hollyford Road this will not impact Local share as it is 100% funded by NZTA.

Other Key Projects:

Local share has been partially funded by previous year underspends in our bridge renewal budgets and other renewal underspends. There are some slight reconciliation issues which will be rectified if required before the next APAC report.

Of note Transport will be working closely with NZTA to seek additional funding for each of the projects below:

Other Key Projects (unbudgeted)	NZTA Funded	Local Share Contribution	Approved Funding	Cost Project To date	Notes
Horseshoe Bay/Leask Bay (Stewart Island)	Y	\$ 95,568	\$ 208,630	\$ 234,139	Slip works on Stewart Island. Note this has exceeded NZTA's Approved funding. This will be reviewed in the new year. We are to apply for more funding from NZTA. Physical works completed. We expect some minor Professional costs to come through.
Golden Bay Road /Thule Road	Y	\$ 115,801	\$ 252,800	\$ 259,472	Slip works on Stewart Island. Note this has exceeded NZTA's Approved funding. This will be reviewed in the new year. We are to apply for more funding from NZTA. Physical works completed. We expect some minor Professional costs to come through.
Mullet Road	Y	\$ 97,829	\$ 213,566	\$ 162,733	Ongoing consent issues has delayed this project and will likely increase the professional services component of this project. It is expected that we will apply for additional funding from NZTA. This project is forecasted to cost between \$300K-\$320K. We will seek more approved funding from NZTA. Timing of Purchase order also needs to be looked into.
Ohai Cliften Slip	Y	\$ 82,454	\$ 180,000	\$ 172,686	Claim Lodged. With NZTA to be approved. This is the final cost for this slip.

Council Report - Detail

For the period ending February 2015

Services & Assets

	Monthly				YTD				Full Year Budget			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Var %</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Var %</u>	<u>FY Budget</u>	<u>FY Projection</u>	<u>Variance</u>	<u>Var %</u>
Operating Income												
Area Engineers	89,966	96,010	(6,044)	(6%)	764,874	768,079	(3,205)	-	1,152,118	1,152,118	-	-
Council Property	71,795	70,049	1,746	2%	564,440	560,395	4,044	1%	841,782	841,782	-	-
District Reserves	10,173	11,682	(1,509)	(13%)	81,347	93,457	(12,109)	(13%)	140,185	140,185	-	-
District Sewerage	244,798	243,518	1,281	1%	1,963,375	1,948,142	15,233	1%	2,930,559	2,930,559	-	-
District Water	203,642	225,984	(22,342)	(10%)	1,765,321	1,807,873	(42,552)	(2%)	2,711,809	2,711,809	-	-
Engineering Administration	36,361	36,035	327	1%	278,113	288,279	(10,166)	(4%)	432,418	432,418	-	-
Engineering Consultants	48,102	70,970	(22,868)	(32%)	525,814	567,761	(41,947)	(7%)	851,642	851,642	-	-
Forestry	(232)	0	(232)	232	1,935,700	1,827,650	108,050	6%	1,848,746	1,848,746	-	-
Property Administration	37,504	37,503	1	-	300,065	300,023	42	-	456,873	456,873	-	-
Public Conveniences	52,527	47,869	4,658	10%	386,273	382,956	3,318	1%	574,434	574,434	-	-
Waste Management	300,648	304,876	(4,228)	(1%)	2,461,460	2,439,011	22,449	1%	3,658,580	3,658,580	-	-
Water Services	72,251	72,412	(162)	-	585,814	579,299	6,515	1%	881,431	881,431	-	-
Work Schemes (CTF)	13,000	23,248	(10,248)	(44%)	197,566	185,981	11,584	6%	278,972	278,972	-	-
Total	1,180,537	1,240,157	(59,620)	(5%)	11,810,162	11,748,906	61,256	1%	16,759,548	16,759,548	0	-%
	Monthly				YTD				Full Year Budget			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Var %</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Var %</u>	<u>FY Budget</u>	<u>FY Projection</u>	<u>Variance</u>	<u>Var %</u>
Operating Expenditure												
Area Engineers	90,009	95,221	5,212	5%	764,917	764,943	26	-	1,152,118	1,152,118	-	-
Council Property	49,885	56,881	6,996	12%	670,377	648,569	(21,808)	(3%)	864,462	864,462	-	-
District Reserves	(21,605)	9,856	31,461	319%	69,287	79,170	9,884	12%	118,594	118,594	-	-
District Sewerage	242,471	399,146	156,675	39%	2,324,485	3,244,054	919,568	28%	4,840,636	4,840,636	-	-
District Water	230,424	254,791	24,367	10%	1,573,899	2,082,032	508,133	24%	3,101,198	3,101,198	-	-
Engineering Administration	36,361	35,692	(669)	(2%)	278,112	286,789	8,676	3%	432,418	432,418	-	-
Engineering Consultants	48,102	70,970	22,868	32%	525,814	567,761	41,947	7%	851,642	851,642	-	-
Forestry	(10,941)	79,819	90,760	114%	590,996	675,880	84,884	13%	595,156	595,156	-	-
Property Administration	33,535	37,732	4,196	11%	304,117	302,578	(1,538)	(1%)	456,873	456,873	-	-
Public Conveniences	33,412	40,964	7,552	18%	355,517	345,501	(10,016)	(3%)	509,356	509,356	-	-
Waste Management	294,565	298,875	4,309	1%	2,430,026	2,404,090	(25,935)	(1%)	3,602,408	3,602,408	-	-
Water Services	82,908	115,719	32,811	28%	813,821	926,803	112,982	12%	994,813	994,813	-	-
Work Schemes (CTF)	18,347	25,178	6,831	27%	191,299	202,786	11,487	6%	309,138	309,138	-	-
Total	1,127,474	1,520,843	393,369	26%	10,892,668	12,530,958	1,638,290	13%	17,828,811	17,828,811	0	-%
Net Surplus/(Deficit)	53,062	(280,686)	333,748		917,494	(782,051)	1,699,546		(1,069,263)	(1,069,263)	0	

Council Report - Detail

For the period ending February 2015

Services & Assets

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Capital Expenditure												
Area Engineers	0	0	-	-	0	0	-	-	0	0	-	-
Council Property	0	250	250	100%	2,048	2,000	(48)	(2%)	3,000	3,000	-	-
District Reserves	29,814	24,916	(4,898)	(20%)	69,814	199,327	129,514	65%	298,991	298,991	-	-
Engineering Administration	0	0	-	-	0	0	-	-	0	0	-	-
Engineering Consultants	0	0	-	-	0	0	-	-	0	0	-	-
Forestry	0	33,333	33,333	100%	0	266,667	266,667	100%	400,000	400,000	-	-
Property Administration	0	0	-	-	0	0	-	-	0	0	-	-
Public Conveniences	27,853	56,466	28,614	51%	121,870	451,732	329,862	73%	677,598	677,598	-	-
Waste Management	950	3,301	2,351	71%	52,511	26,409	(26,102)	(99%)	39,613	39,613	-	-
Water Services	0	0	-	-	0	0	-	-	0	0	-	-
Work Schemes (CTF)	0	0	-	-	0	0	-	-	0	0	-	-
Total	58,616	118,267	59,651	50%	246,243	946,135	699,892	74%	1,419,202	1,419,202	0	-%

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Funding Adjustments *												
Area Engineers	12,174	0	12,174	(12,174)	12,174	0	12,174	(12,174)	0	0	-	-
Council Property	0	2,140	(2,140)	(100%)	0	17,120	(17,120)	(100%)	25,680	25,680	-	-
District Reserves	0	23,117	(23,117)	(100%)	0	184,933	(184,933)	(100%)	277,400	277,400	-	-
District Sewerage	0	159,173	(159,173)	(100%)	0	1,273,385	(1,273,385)	(100%)	1,910,077	1,910,077	-	-
District Water	(5,731)	32,449	(38,180)	(118%)	(45,848)	259,593	(305,441)	(118%)	389,389	389,389	-	-
Engineering Administration	0	0	-	-	0	0	-	-	0	0	-	-
Forestry	0	(71,133)	71,133	(100%)	0	(569,060)	569,060	(100%)	(853,590)	(853,590)	-	-
Property Administration	0	0	-	-	0	0	-	-	0	0	-	-
Public Conveniences	(3,312)	51,043	(54,355)	(106%)	(26,495)	408,347	(434,841)	(106%)	612,520	612,520	-	-
Waste Management	(2,715)	(1,380)	(1,335)	97%	13,347	(11,039)	24,386	(221%)	(16,559)	(16,559)	-	-
Water Services	(4,609)	9,449	(14,058)	(149%)	(4,609)	75,588	(80,197)	(106%)	113,382	113,382	-	-
Work Schemes (CTF)	0	2,514	(2,514)	(100%)	0	20,111	(20,111)	(100%)	30,166	30,166	-	-
Total	(4,193)	207,372	(211,565)	(102%)	(51,431)	1,658,977	(1,710,408)	(103%)	2,488,465	2,488,465	0	-%

* (Contributions, Loans, Provisions, Reserves, Forestry Dividend)

SERVICES AND ASSETS (EXCLUDING ROADING) COMMENTARY**Income**

Overall Services and Assets (Excluding Roothing) actual income is \$61K (1%) over year to date budget (\$11.7M). This is primarily driven by Forestry income \$108K over budget.

Key highlights are:

- District Reserves is \$12K under budget as some reserve transfers for Curio Bay have yet to be actioned.
- Engineering Consultants is \$42K (7%) under budget. As income is fully recovered and driven by expenditure levels the reduced expenditure impacts directly on income.
- Overall Forestry income received is \$108K (6%) over budget, this is expected to be the position at the end of the year. This is predominantly due to harvesting in Waikaia \$935K over budget. This is offset by Dipton Forest \$460K and Ohai Forest \$366K under budget.

Operating Expenditure

Actual operational expenditure for Services and Assets year-to-date is \$1.64M (13%) under budget.

Key highlights are:

- District Water is \$508K (24%) under budget as there has been minimal capital expenditure year-to-date (169K actual v \$697K budget).
- District Sewerage is \$920K (28%) under budget. Year to date \$2.3M actual versus \$3.2M budget has been completed.
- Water Services is \$113K (12%) under budget predominately due to less services of project consultant costs being required than budgeted.
- Currently the Engineering Consultants business unit is \$42K (7%) under budget.

Statement of Financial Position

**SOUTHLAND DISTRICT COUNCIL
STATEMENT OF FINANCIAL POSITION
28-Feb-15**

	28-Feb-15	Audited 30-Jun-14
Equity		
Retained Earnings	719,933,940	714,453,197
Net Surplus / (Deficit)	(872,478)	7,633,153
Asset Revaluation Reserves	636,436,051	636,436,051
Fair Value Reserve	249,926	249,926
Other Reserves	31,075,525	31,569,737
	<u>1,386,822,963</u>	<u>1,390,342,063</u>
Represented by:		
<i>Current Assets</i>		
Cash & Cash Equivalents	13,104,677	11,576,862
Trade and Other Receivables	7,998,121	8,412,027
Inventories	77,247	102,802
Work in Progress	4,281,047	4,311,337
Other Financial Assets	265,641	785,641
	<u>25,726,732</u>	<u>25,188,668</u>
<i>Non-Current Assets</i>		
Property, Plant and Equipment	1,360,923,004	1,364,490,759
Intangible Assets	736,409	713,618
Forestry Assets	11,220,000	11,220,000
Internal Loans	23,904,983	23,375,200
Investment in Associate	-	
Other Financial Assets	4,418	4,693
	<u>1,396,788,814</u>	<u>1,399,804,270</u>
TOTAL ASSETS	1,422,515,546	1,424,992,938
<i>Current Liabilities</i>		
Trade and Other Payables	7,306,451	6,232,854
Contract Retentions and Deposits	915,911	1,406,479
Employee Benefit Liabilities	966,944	1,019,341
Development and Financial Contributions	2,382,714	2,401,422
Borrowings	14,816	14,816
Landfill Contingency	14,000	14,000
	<u>11,600,836</u>	<u>11,088,912</u>
<i>Non-Current Liabilities</i>		
Employment Benefit Liabilities	138,909	138,909
Provision for Decommissioning	42,178	42,178
Internal Loans - Liability	23,904,984	23,375,201
Borrowings	5,675	5,675
	<u>24,091,747</u>	<u>23,561,963</u>
TOTAL LIABILITIES	35,692,583	34,650,875
NET ASSETS	<u>1,386,822,963</u>	<u>1,390,342,063</u>

COMMENTARY

The balance sheet as at 30 June 2014 represents the audited balance sheet for activities of Council (ie excludes SIESA and Venture Southland). The financial position at 28 February 2015 is before year-end adjustments and only for the activities of Council.

External borrowings have still not been required, with internal funds being used to meet obligations for the year-to-date.



Susan McNamara

MANAGEMENT ACCOUNTANT

Rural Rating Unit - Rule 2.4.1.2(d) Rating Valuations Rule 2008

Record No: R/15/4/6419
Author: Anne Robson, Chief Financial Officer
Approved by: Steve Ruru, Chief Executive

☐ Decision ☐ Recommendation ☒ Information

- 1 Council has received correspondence from the Valuer-General in regards to the application of the rating valuations Rule 2.4.1.2(d) and in relation to land owned by the Crown, 2.4.2.2 (d). Both sections relate to the treatment of farming properties owned either by the public or the Crown. The following discussion is centred on the impact to the public as property owners. However, changes required will be applied to all properties when completed.

Section 2.4.1.2(d) Two or more certificates of title

Two or more certificates of title constitute a single rating unit where the land is owned by the same person or persons, is used jointly as a single unit, and is contiguous or separated only by a road, railway, drain, water race, river or stream and:

- (a) *A substantial improvement straddles certificate of title boundaries, or*
 - (b) *Certificates of title are legally required to be alienated together, or*
 - (c) *In the case of a large holding such as a reserve, airport, port, or rail yard, it is unreasonable to treat each separate certificate of title as a rating unit, or*
 - (d) *The land is used as one farming operation and it is likely that the certificates of title will be alienated as only one farming operation.*
- 2 In summary the application of 2.4.1.2(d) means farm land that is in two or more certificates of title and that is owned by the same person or persons and used as one farming operation and is contiguous (ie: side by side or separated only by a road, railway, drain, water race, river or stream) needs to be amalgamated into one rating unit. The Valuer-General noted in its correspondence, that across the country compliance with this rule is not at an acceptable level and asked councils to work with their valuers to ensure compliance by 30 June 2015.
- 3 It is important to note that properties amalgamated under this section will still retain separate certificates of title, it is only for the purposes of the District Valuation Roll (DVR) and the Rating Information Database (RID) that they are amalgamated.
- 4 The implications of this change to property owners are
- a) Whereby previously property owners received one valuation notice for each certificate of title, they will now only receive a one combined valuation notice. The Valuer-General has noted that he expects that this will not change the overall value of the property as in most cases it will simply be the addition of the separate values, but there may be instances where it results in a minor change.
 - b) Property owners will be unable to obtain a separate valuation for each title. Previously this information may have been used when selling a property, now that valuations will be undertaken as a whole, this information will be un-available.

- c) As part of this process, amalgamated properties will have a single land use classification. Currently these separate titles may have different land use classifications. QV has confirmed with Council that where a landowner can prove the property is not used as “one farming operation” ie: it has a separate distinct land use, then that property will only be amalgamated with any other contiguous property of the same land use that complies with the above section of the Rating Valuations Act 2008. The effect of any change in classification could be an increase or decrease to the roading rate payable.
 - d) Property owners will only receive one rating notice covering all properties that have been amalgamated.
- 5 In receiving the letter from the Valuer-General, Council staff approached its valuer, QV, to ask what process it was going to undertake to identify the extent of the issue and what it is doing to address the issue. QV responded by advising that it was in the process of identifying the number of properties involved, but believed that Southland would have the highest number of properties to which this rule would apply, due mainly to the increase in property size as a result of dairying. QV advised that it was planning to start the amalgamation process by reviewing the sales of properties in the last three years but it would take time and suggested that the 30 June deadline would be hard to meet. QV noted that Dunedin City Council had asked and been granted an extension to the timeline and suggested Southland District Council do the same. The extension suggested was to have the process completed for the general revaluation of all properties being undertaken at the end of this year.
- 6 To fully understand the quantum involved in any potential amalgamations, Council staff undertook its own process. This identified approximately 3,100 farming properties that appear to be in the common ownership of around 1,500 ratepayers of which 275 have mixed land use classifications. With this information Council staff wrote back to the Valuer-General asking for an extension on the basis of the number and time to correct the properties affected and the potential financial impact it may have on ratepayers whose properties currently have different land use classifications.
- 7 In response to this correspondence and that of other councils on the same matter, the Acting Valuer-General has replied and expanded on the reasoning for tightening up on this part of the rules now. It states that compliance should already be occurring due to a similar rule within the Rating Act and the fact that farms are getting bigger, with increasing numbers of adjoining owner purchases along with diminishing markets for rural subdivisions and lifestyle blocks. It also noted that if it had been a new rule it would accept a transition period but since this rule has been in place for a long time it was up to councils and their valuers to comply. This is softened slightly by going on to say that although Council and its valuer should try and achieve compliance as much as possible before 30 June 2015, should Council not do so it needs to demonstrate “proactive measures” and a robust process going into the general revaluation as it may impact on certification.
- 8 Taking the comments of the Acting Valuer-General on board, QV is proposing the following programme of works to ensure timely compliance:
 - 1) Continuation of analysing the last three years of property sales. Also, before 30 June, where a site visit is required for a building consent, the property will also be assessed for any possible amalgamation at the same time. Any properties identified will be updated before 30 June 2015.

- 2) Analysis and identification of all other properties that require amalgamation. This will involve desktop review with information from sources such as Environment Southland on water consents, property visits, comparison with Council's analysis of identified properties etc with changes made in the new financial year, allowing the opportunity for any consultation/notification with property owners if required.
- 9 Council staff asked council's contact at QV, Tim Gibson, to confirm this proposed programme of work with the appropriate representative of the Valuer-General to ensure that no certification issues would result from this. We will provide an update on this at the APAC meeting.

Recommendation

That the Activities Performance Audit Committee:

- a) **Receives the report titled "Rural Rating Unit - Rule 2.4.1.2(d) Rating Valuations Rule 2008" dated 14 April 2015.**

Attachments

There are no attachments for this report.

Exclusion of the Public: Local Government Official Information and Meetings Act 1987

Recommendation

That the public be excluded from the following part(s) of the proceedings of this meeting.

C8.1 Public Excluded Minutes of the Activities Performance Audit Committee Meeting dated 18 March 2015

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Public Excluded Minutes of the Activities Performance Audit Committee Meeting dated 18 March 2015	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p> <p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>s7(2)(f)(ii) - The withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of such members, officers, employees and persons from improper pressure or harassment.</p> <p>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p> <p>s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.</p>	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.