

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

Date: Wednesday, 18 November 2015
Time: 11am
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 Advisors	Fiona Dunlop and Alyson Hamilton

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

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.

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.
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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

Committee Members are reminded of the need to be vigilant to stand aside from decision-making when a conflict arises between their role as a member and any private or other external interest they might have.

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 committee 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, 28 October 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, 28 October 2015 at 10.30am.

PRESENT

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, Group Manager Services and Assets Ian Marshall, Group Manager Policy and Community Rex Capil, Group Manager Environment and Community, Bruce Halligan, Chief Financial Officer Anne Robson, Chief Information Officer Damon Campbell, Management Accountant Susan McNamara, Manager Communications and Governance Louise Pagan and Committee Advisor Alyson Hamilton.

1 Apologies

There were no apologies received.

2 Leave of absence

There were no requests for leave of absence.

3 Conflict of Interest

Item C9.3 – “Wastewater Scheme Upgrade at Curio Bay;” Councillor Duffy declared an interest relating to this item.

4 Public Forum

Moved Cr Keast, seconded Cr Douglas and **resolved:**

That the Activities Performance Audit Committee go into Public Forum to allow members of the public to speak.

4.1 David Clapp

Mr Clapp was in attendance and addressed the Committee in support of his objection at being declared a Probationary Dog Owner.

Mr Clapp felt the two infringement notices he has received recently in regard to his dog being out of control and disobedient are unjustified and proceeded to give an explanation on each situation.

Mr Clapp advised that he has paid the two infringement notices relating to these incidents as he felt that in not disputing this issue it was the easiest solution without ending in court having to pay a hefty fine.

Mr Clapp advised the effects of being classified as a Probationary Dog Owner is unfair as he is experienced in training many working dogs and felt having to attend a dog obedience course being a waste of time and expense to himself.

A question answer forum took place with Mr Clapp responding to Members queries.

The Chair expressed appreciation to Mr Clapp for this presentation to the Committee advising that this item will be discussed in the formal section of the meeting.

Moved Cr Paterson, seconded Cr Dobson and **resolved:**

That the Activities Performance Audit Committee moves out of Public Forum and returns to the formal meeting.

5 Extraordinary/Urgent Items

There were no Extraordinary/Urgent items.

6 Confirmation of Minutes

Resolution

Moved Cr Keast, seconded Cr Harpur **and resolved:**

That the minutes of Activities Performance Audit Committee meeting held on 16 September 2015 be confirmed.

7 Reports

7.1 Objection to Probationary Dog Owner Classification

Record No: R/15/10/18041

Manager Environmental Health Michael Sarfaiti, Animal Control Officer, Ranger Manager Julie Gillan, Customer Service Officer Animal Control, Environmental Health Tracy van Veldhuisen and Animal Control Ranger Jill Munro, were in attendance for this item.

Report by Mr Michael Sarfaiti (Environmental health Manager) requesting the Committee to consider and determine the objection to a probationary dog owner classification, lodged by Mr David Mervyn Clapp, was tabled.

Mr Sarfaiti advised Mr Clapp was classified as a probationary dog owner because of his repeat offending under the Dog Control Act.

The Committee was advised that Mr Clapp is entitled to appear before this Committee and speak in support of his objection.

Mr Sarfaiti explained the Dog Control Act prescribes the matters that the Committee is required to have in regard to considering Mr Clapp's objection. He added the recommendation of staff is to uphold the classification.

In his report Mr Sarfaiti summarised the definition of a probationary dog owner.

Members queried the effects of becoming a Probationary Owner.

Mrs Gillan responded that Mr Clapp has received three or more infringements within a continuous period of 24 months and Mr Clapp's classification is to apply from 11 September 2015 to 10 September 2017 unless terminated earlier by the Southland District Council.

Mrs Gillan explained during this period Mr Clapp may not become the registered owner of any further dogs and that he is to undertake, at his expense, a dog owner education programme or a dog obedience course approved by the Southland District Council.

The meeting was informed that whilst Mr Clapp is considered a good dog owner in the rural area Mrs Gillan felt the probationary period will educate Mr Clapp that the rules of controlling dogs within an urban area differ from the rural area.

In his objection to the classification as a probationary dog owner Mr Clapp stated he does not agree that his dog "Sid" was either out of control or being disobedient in the latest two infringement notices he received.

Mr Clapp added he used to manage a farm where he had 3 packs of 5 dogs and is a fully experienced dog handler.

In considering the objection lodged the Committee took into consideration the presentation made by Mr Clapp in the Public Forum section of the meeting together with his written submission.

Mr Sarfaiti advised that Council's Policy on Dogs 2015 has application to this objection. Extracts include:

"The intention of this policy is to strike the proper balance between the need to control dogs and the recognition of the overall benefits of responsible dog ownership."

"The Council's objective is to encourage responsible dog ownership that allows dog owners to enjoy their dogs without impinging on the enjoyment and safety of others."

"The Council will use the full range of enforcement options available to it under the Dog Control Act 1996 and other legislation to ensure that dog ownership in the District is undertaken in accordance with this policy."

Mr Sarfaiti added the recommendation to classify Mr Clapp as a probationary dog owner is consistent with this policy.

Resolution

Moved Cr Dobson, seconded Mayor Tong **and resolved:**

That the Activities Performance Audit Committee:

- a) **Receives the report titled "Objection to probationary Dog Owner Classification" dated 19 October 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.**
- d) **Upholds the decision to classify Mr David Mervyn Clapp as a probationary dog owner, and gives notice of this decision and reasons for it to Mr Clapp.**

7.2 Financial Report for the period ended 31 August 2015

Record No: R/15/10/18060

Management Accountant Finance Susan McNamara was in attendance for this item.

Financial Report for the period ended 31 August 2015, prepared by Ms Susan McNamara (Management Accountant), was tabled.

Ms McNamara informed the report outlined the financial results to 31 August 2015.

It was pointed out to the Committee 16.7% of the financial year is complete and that no issues have been identified that raise concerns for Council.

Ms McNamara advised the format of this report is being redefined over the coming months with additional features being added to enhance the financial information given.

Ms McNamara reported the operating income, due to seasonality of the capital works programme Roding and Transport income is under budget by \$880K. She advised the budget for capital funding from NZTA is currently phased evenly over the twelve months. Roding capital expenditure is expected to be under budget at year end due to reseal contract prices being under budget and a falling bitumen index and a reduced drainage programme.

Ms McNamara then spoke on matters relating to the operating expenditure, capital expenditure, balance sheet and strategic transport.

The Chair, Councillor Bailey commented on the format of the report stating it is easy to understand and the layout is good.

In regard to the capital expenditure Councillor Kremer noted the budget for the year is \$4.8 million and queried if staff are confident this budget will not be exceeded.

Mr Ruru responded a report will be presented to Council in due course regarding this matter.

Councillor Kremer commented on the Strategic Transport capital expenditure being under budget noting the comment from staff that this is primarily due to timing with Council staff in the planning stage for this year's programme, and queried when is the programme expected to commence.

Mr Marshall advised work is to commence in the 2016/2017 year.

The Chair queried if staff has received a response from the Environment Court indicating a time for the proposed hearing regarding the Cycle Trail and an enquiry was made for an indication of costings involved.

Mr Marshall confirmed the Environment Court has advised that the appeal lodged by Southland Fish and Game will not be heard until February/March next year. He added costings cannot be confirmed at this stage, but could be estimated up to a million dollars.

Mr Marshall advised that by the time a decision has been released construction of the final stages of the Cycle Trail will not be able to be completed until next spring/summer at the earliest.

He added that staff will be communicating the impacts of this delay to central Government so that they are aware of the delays.

Councillor Duffy queried the progress on the Southern Scenic Route. The Committee was advised staff has prepared a business case which has been forwarded to New Zealand Transport Agency (NZTA) and a response is awaited. A report is to be presented to the Committee in due course.

Resolution

Moved Cr Macpherson, seconded Cr Dillon **and resolved:**

That the Activities Performance Audit Committee:

- a) Receives the report titled “Financial report for the period ended 31 August 2015” dated 19 October 2015.**

7.3 Service Delivery Review- Roothing

Record No: R/15/10/18217

Roothing Engineer Roothing/Transport Department Hartley Hare was in attendance for this item.

Report by Mr Ian Marshall, Group Manager, Services and Assets, on the Service Delivery Review-Roothing, was tabled.

Mr Marshall reported the purpose of the report is to inform the Council of the findings of a service delivery review of the Council's roading services and to seek the Council's decision in relation to future delivery of those services.

Mr Marshall advised in so doing the Council will fulfil its requirements under section 17A of the Local Government Act 2002. He added this report outlines the requirements of the Local Government Act to carry out a delivery of service review.

The Committee was advised a review of the Council's Roothing services was carried out by independent consultants Morrison Low and their findings were presented with the report.

Mr Marshall informed the Morrison Low report review findings recommend little change to the methods of service delivery or to the actual levels of service undertaken by Council.

The Committee's attention was drawn to the conclusion summary that included a comment stating that Council's actual service delivery performance is of a high standard and providing very good value for money.

The Committee queried Fonterra truck drivers undertaking data recovery on road conditions around the Southland District and whether this is to be ongoing.

Mr Hare responded by advising data received from the drivers is stored and that this service provided by the drivers is ongoing.

Members commented that the service provided by Fonterra drivers saved staff having to travel and inspect all roads within the Southland District.

Mr Marshall recommended that taking into consideration the findings from Morrison Low that Council continues to use its current service delivery framework of in-house client/owner and representational functions and outsourced specialist engineering advice and physical works services.

Resolution

Moved Mayor Tong, seconded Cr Douglas **and resolved:**

That the Activities Performance Audit Committee:

- a) **Receives the report titled “Service Delivery Review- Roothing” dated 20 October 2015.**
- b) **Receives the report titled “Service Delivery Review- Roothing” dated 20 October 2015.**
- c) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- d) **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.**
- e) **Recommends to Council that it continues to independently govern its roading services delivery as at present.**
- f) **Recommends to Council that it considers initiating within the Otago/Southland Regions a review of options for future sustainability of roading services delivery in the light of continually constraining budgets and aging or increasingly loaded roading networks.**
- g) **Recommends to Council that it continues to use its current service delivery framework of in-house client/owner and representational functions and outsourced specialist engineering advice and physical works services.**

Public Excluded

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

Resolution

Moved Cr Ford, seconded Cr Dillon **and resolved:**

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

C9.1 Risk Reports

C9.2 Code Compliance Certificate Status of Building Consents approved by the Southland District Council

C9.3 Wastewater Scheme Upgrade at Curio Bay

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
Risk Reports	s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege. s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	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.
Code Compliance Certificate Status of Building Consents approved by the Southland District Council	s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege. 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).	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.
Wastewater Scheme Upgrade at Curio Bay	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities...	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.

That the Chief Executive Steve Ruru, Group Manager Services and Assets Ian Marshall, Group Manager Policy and Community Rex Capil, Group Manager Environment and Community, Bruce Halligan, Chief Financial Officer Anne Robson, Chief Information Officer Damon Campbell, Management Accountant Susan McNamara, Manager Communications and Governance Louise Pagan, Manager Building Control, Kevin O'Connor, Projects Accountant Dean Williamson and Committee Advisor Alyson Hamilton be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of the

items; C9.1 Risk Reports, C9.2 Code Compliance Certificate Status of Building Consents approved by the Southland District Council, C9.3 Wastewater Scheme Upgrade at Curio Bay. This knowledge, which will be of assistance in relation to the matters to be discussed, is relevant to those matters because of their knowledge on the issues discussed and meeting procedure.

The public were excluded at 11.45am.

The meeting adjourned at 12.40pm and reconvened at 2.20pm.

The meeting returned to open meeting at 2.45pm.

The Meeting concluded at 2.45pm.

CONFIRMED AS A TRUE AND CORRECT
RECORD AT A MEETING OF THE ACTIVITIES
PERFORMANCE AUDIT COMMITTEE HELD
ON 28 OCTOBER 2015.

DATE:.....

CHAIRPERSON:.....

Food Act 2014

Record No: R/15/10/18126
Author: Veena Lal-Boon, Environmental Health Officer
Approved by: Bruce Halligan, GM - Environment and Community

☐ Decision ☐ Recommendation ☒ Information

Purpose

- 1 To inform Council of the upcoming Food Act 2014 changes through a Powerpoint presentation during the meeting.

Executive Summary

- 2 The new Food Act 2014 will come into effect on 1 March 2016. This Act categorises food premises under a risk based measure for approvals. High risk food premises for example those that prepare and sell meals or sell raw meat or seafood will operate under a written *Food Control Plan*. Businesses that produce medium to low risk food like non-alcoholic beverages will operate under a *National Programme*. This Act also allows clear exemptions to allow for Kiwi traditions like fundraising sausage sizzles and baking at school fairs to take place.

Recommendation

That the Activities Performance Audit Committee:

- a) **Receives the report titled “Food Act 2014” dated 5 November 2015.**

Attachments

There are no attachments for this report.

Financial Report for the period ended 30 September 2015

Record No: R/15/10/19332
Author: Susan McNamara, Management Accountant
Approved by: Anne Robson, Chief Financial Officer

☐ Decision ☐ Recommendation ☒ Information

Background

1. This report outlines the financial results to 30 September 2015. At 30 September 2015, 25% of the financial year is complete.
2. Within the report, no issues have been identified that raise any concerns for Council relating to the end of year financial position.

Overview

3. The financial commentary centres on the summary sheet in Appendix A which draws the totals from each of the key groups together. Commentary provided focuses on the year to date (YTD) results.
4. More detailed variance explanations for each group can be found in the attached Appendix B.
5. As part of the monthly review, finance staff review the phasing/timing of the budgets and they are revised where appropriate. Where specific phasing of the budgets has not occurred, one twelfth of budgeted cost is the default to establish the monthly budget.
6. Council will implement a formal forecasting process in November 2015 once the 31 October financial results are available. This process will allow budget managers to indicate their anticipated year-end financial results to the Executive Leadership Team and Council. These forecast results will be incorporated into the monthly Council report following formal approval by Council of the forecast changes.
7. The format of this report is being refined over the coming months, with additional features being added to enhance the financial information given. Any feedback or suggestions on further amendments that could be made to this report are welcomed.
8. Discussions relating to the Roding and Chief Executive groups are included at Section 1 8-21. This is to ensure the links between Income, operating expenditure and capital expenditure are shown.
9. Results at a glance, compared to budget year to date.

INCOME YTD		
Actual	Budget	
\$15.3M	\$18.0M	
Variance	\$2.7M	15%

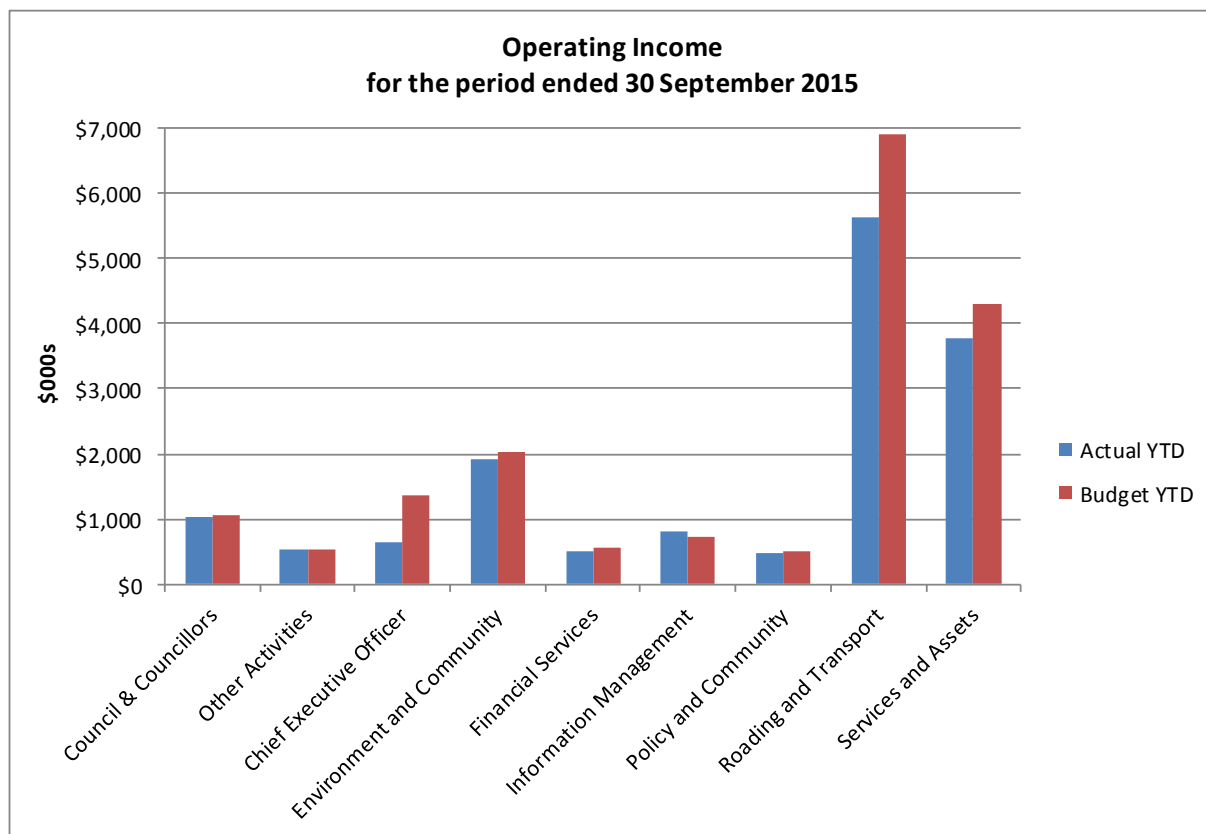
OPERATING EXPENDITURE YTD		
Actual	Budget	
\$12.4M	\$12.7M	
Variance	\$0.3M	2%

NET SURPLUS YTD		
Actual	Budget	
\$2.9M	\$5.2M	
Variance	\$2.3M	45%

CAPITAL EXPENDITURE YTD		
Actual	Budget	
\$2.8M	\$5.8M	
Variance	\$3.0M	51%

1 **Income**

10. Overall for the YTD, income is 15% (\$2.7M) under budget (\$18.0M budget v \$15.3M actual).

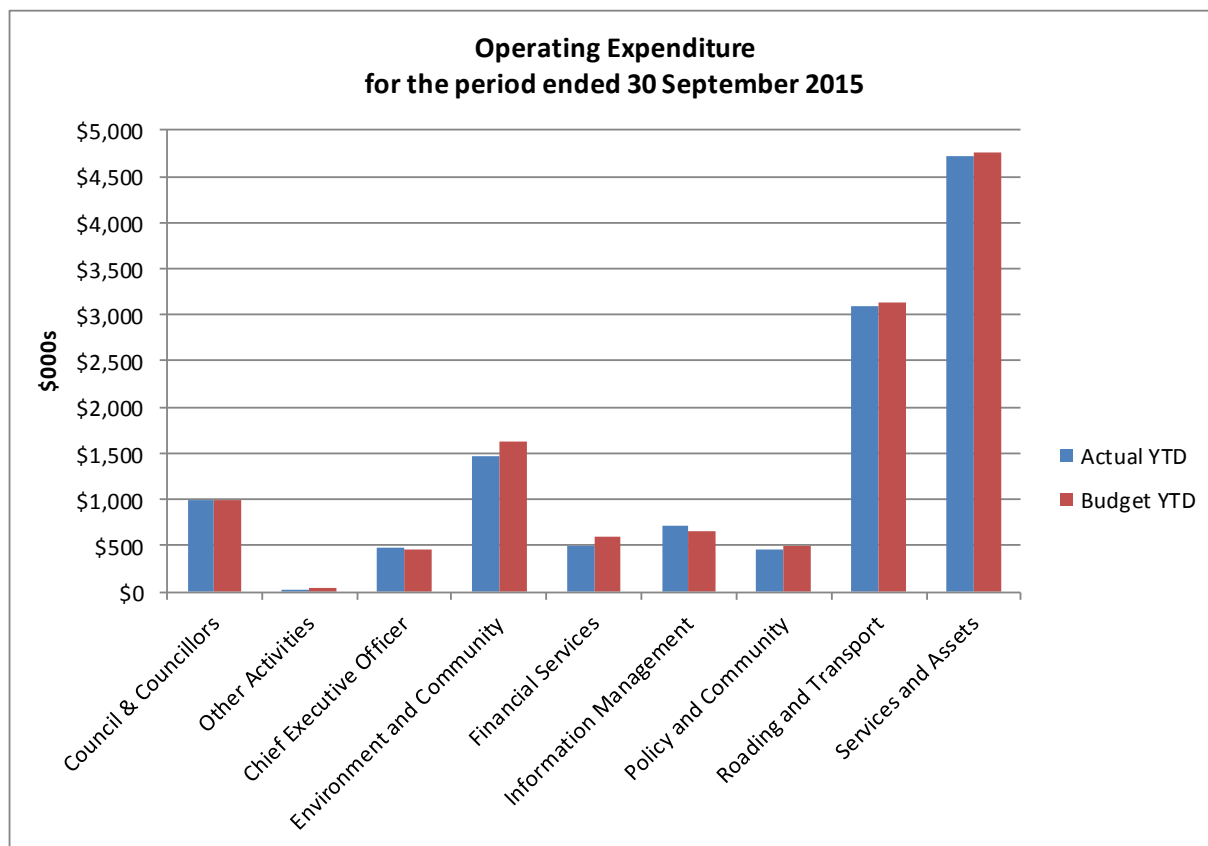


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11. Services and Assets income is under budget by \$544K due to a number of items. The largest impact is from forestry. As the forestry sales plan is yet to be approved for the year, harvesting is yet to start. This has resulted in the revenue being \$215K under budget. There is 40,000 tonnes scheduled to be harvested this year, from Dipton and Ohai. There is a phasing issue with the budget relating to rates, that has contributed \$121K under budget across this group. Additionally invoicing for Water Meter charges was \$20K lower for the first quarter than previous years. As part of the change in accounting standards for 2014/2015 an additional \$22K of the first quarters invoicing was accrued into 2014/15.
12. Work scheme revenue is \$47K under budget as a result of less work being completed over the winter months. Work Scheme Supervisor is currently liaising with Probation Services to secure a contribution for this financial year. This contribution is expected to be approximately \$32K. In the event that this contribution is not secured, revenue from internal Council departments and external customers will need to be increased to ensure that this activity breaks even at the end of the financial year.

3 Operating Expenditure

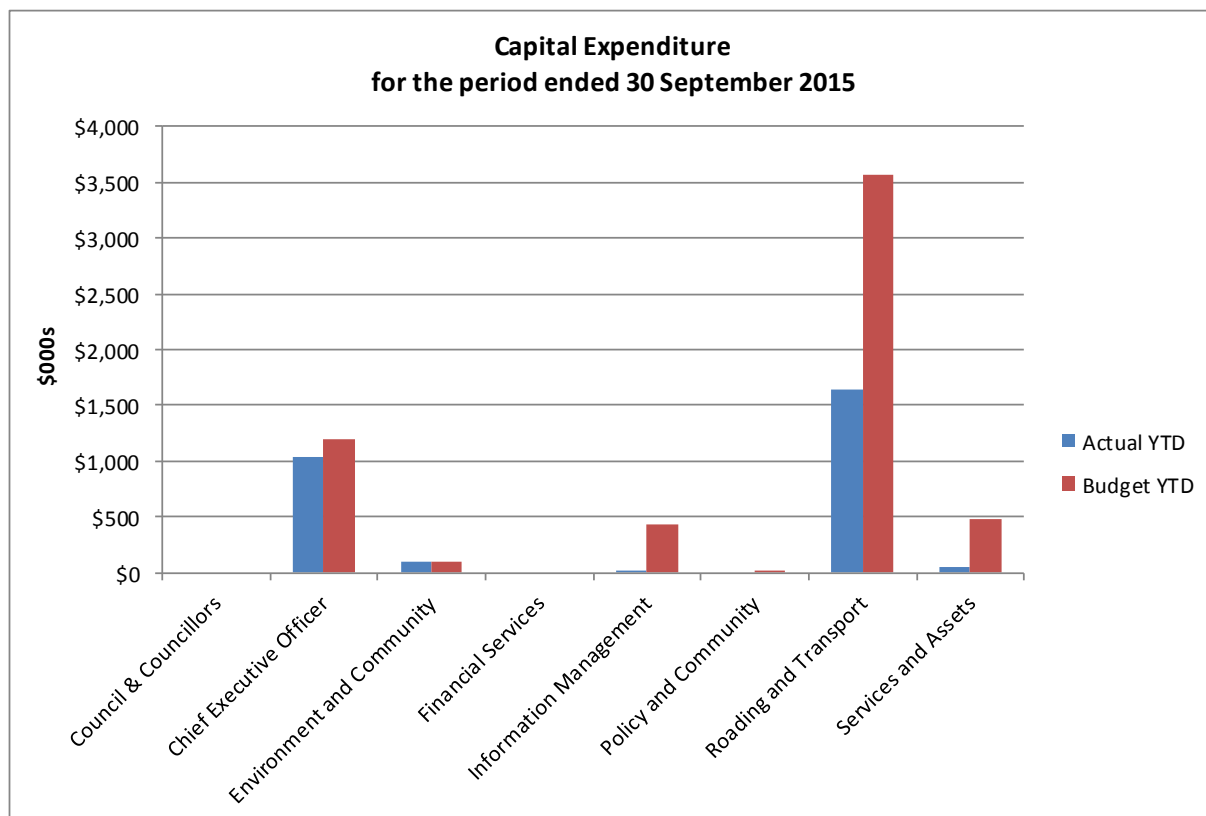
13. Overall for the YTD, operating expenditure is 2% (\$0.3M) under budget (\$12.7M budget vs \$12.4M actual).



14. Environment and Community expenditure is \$162K under budget. Generally expenditure relates to income levels for the regulatory teams. Additional costs can be incurred for specialist advice relating to notified consents, that are charged to the applicant. This is shown with Building regulations expenditure being \$53K under budget. Also Resource Planning/Policy is \$48K under budget due to minimal expenditure on the District Plan to date. Mediation processes have been delayed at the direction of the Environment Court due to the status of Environment Southland's Regional Policy Statement. Until the Regional Policy Statement is progressed the amount of expenditure on the District Plan during this year is uncertain.

5 Capital Expenditure

15. Overall for the YTD, capital expenditure is 51% (\$3.0M) under budget (\$5.7M budget vs \$2.8M actual).



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16. Information management capital expenditure is under budget \$429K due to minimal capital work being undertaken to date. Included in the budget are costs associated with the core systems review and digitisation project. Work has been planned for the digitisation project in the second half of this financial year. The budget for this year for the digitisation project is \$756K, but it is expected that \$200K will be spent this year with the remainder in 2016/2017 when the property files are sent away. At this stage no significant expenditure has been identified for the core systems review.
17. Services and assets capital expenditure is under budget \$365K due to minimal capital work being undertaken to date. Included in this budget are costs associated with the Curio Bay sewerage project, the Hansen software upgrade, public convenience upgrades in Waikaia, Winton (Ivy Russell Park) and Dipton, as well as the forestry revaluation.

7 Roading and Transport

18. The seasonality of the capital works programme directly affects the level of income received from NZTA. During the winter month the team has been working on the 'lead in work' required for the planning of its capital works programme. The capital expenditure is currently \$1.9M under a budget that is phased evenly throughout the year. Income is \$1.2M under budget.
19. Roading and transport are forecasting that capital expenditure will be under budget at the end of the year. This variance is partly caused by a significant drop in the bitumen index over the last three months, along with the expectation that the Southern Scenic Route extension and Mararoa Bridge projects will be deferred to the 2016/2017 financial year.

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9 Chief Executive

20. Within the Chief Executive budget is the Around the Mountains Cycle Trail project. Income is \$680K under budget, operating expenditure is \$15K under budget and capital expenditure is \$155K under budget.
21. The remaining half of the \$1 million grant from the New Zealand Lottery Grants Board will be received on completion of Stage Two of the trail. The appeal for Section 8 and 9 of the trail is yet to be heard in the Environment Court. This hearing is not expected to be heard until early in 2016. Although the current budget allows for the estimated cost to construct Sections 8 and 9, given the timing of the hearing, any construction would likely not take place until the 2016/2017 financial year.

10 Balance Sheet

22. Council's financial position as at 30 September 2015 is detailed below and is only for the activities of Council. The balance sheet as at 30 June 2015 represents the audited balance sheet for activities of Council (ie includes SIESA and Venture Southland).
23. At 30 September Council currently had \$6.0M invested in four term deposits ranging from three to six month maturities. Interest rates on these deposits vary from 3.3% to 4.05% per annum. Two term deposits have been reinvested since the end of September at interest rates approximately 0.5% lower.
24. On-call accounts earn interest at 2.3% and 2.5% per annum. The funds on call are the result of rates received at the end of August and held to ensure there is enough cash available to meet commitments as they fall due.
25. External borrowings have still not been required, with internal funds being used to meet obligations for the year-to-date. The borrowings shown in current liabilities is the outstanding amount of assets funded by finance leases.

Activities Performance Audit Committee
18 November 2015

SOUTHLAND DISTRICT COUNCIL
STATEMENT OF FINANCIAL POSITION
30-Sep-15

	30-Sep-15	30-Jun-15
Equity		
Retained Earnings	722,737,022	720,895,021
Net Surplus / (Deficit)	(1,898,237)	4,303,656
Asset Revaluation Reserves	627,699,820	627,699,820
Other Reserves	31,934,196	32,428,408
Fair Value Reserve	711,503	711,503
	<u>1,381,184,304</u>	<u>1,386,038,408</u>
Represented by:		
Current Assets		
Cash & Cash Equivalents	13,389,596	9,658,223
Trade and Other Receivables	3,314,247	10,825,189
Inventories	77,247	100,560
Other Financial Assets	302,036	1,302,036
	<u>17,083,125</u>	<u>21,886,008</u>
Non-Current Assets		
Property, Plant and Equipment	1,359,136,087	1,361,737,478
Intangible Assets	923,394	984,949
Forestry Assets	11,331,000	11,331,000
Internal Loans	22,377,034	23,981,966
Other Financial Assets	4,234	4,324
Work in Progress	1,838,106	1,838,106
	<u>1,395,609,854</u>	<u>1,399,877,823</u>
TOTAL ASSETS	1,412,692,979	1,421,763,831
Current Liabilities		
Trade and Other Payables	4,852,442	7,286,483
Contract Retentions and Deposits	572,128	645,991
Employee Benefit Liabilities	1,165,957	1,269,868
Development and Financial Contributions	2,350,943	2,350,943
Borrowings	5,675	5,675
Landfill Contingency	14,000	14,000
	<u>8,961,145</u>	<u>11,572,960</u>
Non-Current Liabilities		
Employment Benefit Liabilities	140,208	140,208
Provision for Decommissioning	30,287	30,287
Internal Loans - Liability	22,377,035	23,981,966
Borrowings	-	-
	<u>22,547,530</u>	<u>24,152,461</u>
TOTAL LIABILITIES	31,508,675	11,743,454
NET ASSETS	<u>1,381,184,304</u>	<u>1,386,038,408</u>

Recommendation

That the Activities Performance Audit Committee:

- a) Receives the report titled “Financial Report for the period ended 30 September 2015” dated 10 November 2015.

Attachments

- A Report to Activities Performance Audit Committee - Report to 30 September - Summary Financial Report [View](#)
- B Report to Activities Performance Audit Committee - Report to 30 September - Detailed Commentary [View](#)

Key Financial Indicators

<i>Indicator</i>	<i>Target*</i>	<i>Actual</i>	<i>Variance</i>	<i>Compliance</i>
External Funding: Non rateable income/Total income	$\geq 39\%$	28%	-11%	⊗
Working Capital: Current Assets/Current Liabilities	≥ 1.09	1.91	0.82	✓
Debt Ratio:** Total Liabilities/Total Assets	$\leq 0.73\%$	0.66%	0.07%	✓
Debt To Equity Ratio: Total Debt/Total Equity	$\leq 0.01\%$	0.00%	0.01	✓

* All target indicators have been calculated using the 2015/25 10 Year 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 September 2015

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Operating Income												
Council & Councillors	355,831	336,817	19,014	6%	1,017,712	1,047,241	(29,530)	(3%)	4,079,835	4,079,835	0	-
Other Activities	166,190	165,653	537	-	541,447	519,581	21,866	4%	1,799,764	1,799,764	0	-
Chief Executive Officer	205,505	431,566	(226,061)	(52%)	643,707	1,361,816	(718,109)	(53%)	4,902,985	4,902,985	0	-
Environment & Community	551,024	570,949	(19,925)	(3%)	1,916,247	2,035,301	(119,054)	(6%)	7,198,516	7,198,516	0	-
Financial Services	187,528	183,681	3,847	2%	509,844	551,043	(41,199)	(7%)	2,259,924	2,259,924	0	-
Information Management	331,045	242,955	88,089	36%	796,281	728,866	67,414	9%	2,915,466	2,915,466	0	-
Policy & Community	162,285	171,580	(9,295)	(5%)	482,863	514,740	(31,877)	(6%)	2,058,961	2,058,961	0	-
Roading & Transport	1,938,225	2,287,044	(348,819)	(15%)	5,638,437	6,901,304	(1,262,867)	(18%)	27,918,970	27,918,970	0	-
Services & Assets	1,321,245	1,578,840	(257,595)	(16%)	3,774,239	4,317,767	(543,528)	(13%)	18,142,215	18,142,215	0	-
Total	5,218,878	5,969,086	(750,208)	(13%)	15,320,776	17,977,660	(2,656,884)	(15%)	71,276,636	71,276,636	0	0%

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Operating Expenditure												
Council & Councillors	124,844	168,205	43,361	26%	983,559	984,185	626	-	3,827,612	3,827,612	0	-
Other Activities	4,831	11,977	7,146	60%	10,949	35,932	24,982	70%	1,762,369	1,762,369	0	-
Chief Executive Officer	178,514	108,904	(71,609)	(67%)	479,340	458,092	(21,249)	(5%)	2,017,511	2,017,511	0	-
Environment & Community	502,293	524,232	21,940	4%	1,462,285	1,625,069	162,784	10%	6,679,838	6,679,838	0	-
Financial Services	185,590	180,753	(4,837)	(3%)	504,029	596,823	92,794	16%	2,257,598	2,257,598	0	-
Information Management	297,731	220,007	(77,724)	(35%)	709,665	660,963	(48,702)	(7%)	2,719,229	2,719,229	0	-
Policy & Community	154,888	164,200	9,312	6%	460,672	493,132	32,459	7%	2,060,838	2,060,838	0	-
Roading & Transport	1,130,582	1,038,937	(91,645)	(9%)	3,088,754	3,134,204	45,450	1%	12,540,888	12,540,888	0	-
Services & Assets	1,253,352	1,454,535	201,183	14%	4,724,694	4,753,023	28,330	1%	17,754,259	17,754,259	0	-
Total	3,832,625	3,869,750	37,125	1%	12,423,947	12,741,423	317,476	2%	51,620,142	51,620,142	0	0%
Net Surplus/(Deficit)	1,386,253	2,099,337	(713,084)		2,896,829	5,236,237	(2,339,408)		19,656,494	19,656,494	0	

	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	(16,309)	397,500	413,809	104%	1,037,427	1,192,500	155,073	13%	4,770,000	4,770,000	0	-
Environment & Community	42,890	22,104	(20,786)	(94%)	90,973	100,351	9,378	9%	299,290	299,290	0	-
Financial Services	0	0	0	-	0	0	0	-	0	0	0	-
Information Management	7,576	145,833	138,257	95%	7,576	437,500	429,924	98%	1,750,000	1,750,000	0	-
Policy & Community	0	246	246	100%	0	737	737	100%	2,946	2,946	0	-
Roading & Transport	542,109	1,189,144	647,035	54%	1,642,756	3,567,432	1,924,677	54%	14,269,729	14,269,729	0	-
Services & Assets	30,571	158,115	127,545	81%	43,842	474,345	430,503	91%	2,272,927	2,272,927	0	-
Total	606,837	1,912,942	1,306,105	68%	2,822,574	5,772,865	2,950,291	51%	23,364,892	23,364,892	0	0%

Council Report - Summary

For the period ending September 2015

Funding Adjustments *	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Council & Councillors	(20,084)	(21,019)	935	(4%)	(60,251)	(63,056)	2,805	(4%)	(252,223)	(252,223)	0	-
Other Activities	0	(3,116)	3,116	(100%)	0	(9,349)	9,349	(100%)	(37,395)	(37,395)	0	-
Chief Executive Officer	(1,384)	157,044	(158,428)	(101%)	(4,153)	471,131	(475,284)	(101%)	1,884,526	1,884,526	0	-
Environment & Community	3,802	(20,042)	23,844	(119%)	(27,236)	(39,010)	11,774	(30%)	(219,388)	(219,388)	0	-
Financial Services	0	(194)	194	(100%)	0	(581)	581	(100%)	(2,326)	(2,326)	0	-
Information Management	(16,115)	129,480	(145,595)	(112%)	(48,344)	388,441	(436,784)	(112%)	1,553,763	1,553,763	0	-
Policy & Community	0	402	(402)	(100%)	0	1,206	(1,206)	(100%)	4,823	4,823	0	-
Roading & Transport	(149,366)	(92,363)	(57,003)	62%	(448,098)	(277,088)	(171,009)	62%	(1,108,353)	(1,108,353)	0	-
Services & Assets	(14,307)	157,081	(171,388)	(109%)	12,220	471,243	(459,022)	(97%)	1,884,971	1,884,971	0	-
Total	(197,453)	307,274	(504,727)	(164%)	(575,860)	942,937	(1,518,797)	(161%)	3,708,398	3,708,398	0	0%

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

Council Report - Detail

For the period ending September 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	94,528	79,017	15,511	20%	285,970	282,391	23,579	9%	630,098	630,098	-	-
Civil Defence	22,868	22,832	36	-	68,418	68,750	(333)	-	274,237	274,237	-	-
Human Resources	33,362	49,674	(16,312)	(33%)	104,707	149,023	(44,316)	(30%)	596,092	596,092	-	-
Round the Mountain Cycle Trail	16,704	243,984	(227,280)	(93%)	51,490	731,952	(680,462)	(93%)	2,927,807	2,927,807	-	-
Rural Fire Control	24,114	24,079	35	-	72,145	72,462	(317)	-	289,175	289,175	-	-
Shared Services Forum	13,858	1,147	12,711	1,108%	55,082	44,737	10,325	23%	55,082	55,082	-	-
SI Visitor Levy	72	10,833	(10,762)	(99%)	5,915	32,500	(26,585)	(82%)	130,514	130,514	-	-
Total	205,505	431,566	(226,061)	(52%)	643,707	1,361,816	(718,109)	(53%)	4,902,985	4,902,985	0	-%

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Operating Expenditure												
Chief Executive	68,073	49,510	(18,563)	(37%)	144,550	149,372	4,822	3%	629,556	629,556	-	-
Civil Defence	74	55	(20)	(37%)	64,466	64,407	(60)	-	257,626	257,626	-	-
Human Resources	33,321	47,751	14,430	30%	104,585	143,254	38,668	27%	596,092	596,092	-	-
Round the Mountain Cycle Trail	0	5,000	5,000	100%	0	15,000	15,000	100%	60,000	60,000	-	-
Rural Fire Control	72,294	0	(72,294)	(72,294)	144,920	72,294	(72,627)	(100%)	289,175	289,175	-	-
Shared Services Forum	4,751	4,589	(163)	(4%)	20,818	13,766	(7,053)	(51%)	55,082	55,082	-	-
SI Visitor Levy	0	0	-	-	0	0	-	-	130,000	130,000	-	-
Total	178,514	106,904	(71,609)	(67%)	479,340	458,092	(21,249)	(5%)	2,017,511	2,017,511	0	-%
Net Surplus/(Deficit)	26,992	324,662	(297,671)		164,366	903,724	(739,358)		2,885,474	2,885,474	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	-	-	0	0	-	-	0	0	-	-
Civil Defence	0	0	-	-	0	0	-	-	0	0	-	-
Human Resources	0	0	-	-	0	0	-	-	0	0	-	-
Round the Mountain Cycle Trail	(16,309)	397,500	413,809	104%	1,037,427	1,192,500	155,073	13%	4,770,000	4,770,000	-	-
SI Visitor Levy	0	0	-	-	0	0	-	-	0	0	-	-
Total	(16,309)	397,500	413,809	104%	1,037,427	1,192,500	155,073	13%	4,770,000	4,770,000	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	(45)	45	(100%)	0	(135)	135	(100%)	(542)	(542)	-	-
Civil Defence	(1,384)	(1,384)	-	-	(4,153)	(4,153)	-	-	(16,611)	(16,611)	-	-
Human Resources	0	0	-	-	0	0	-	-	0	0	-	-
Round the Mountain Cycle Trail	0	158,516	(158,516)	(100%)	0	475,548	(475,548)	(100%)	1,902,193	1,902,193	-	-
Rural Fire Control	0	0	-	-	0	0	-	-	0	0	-	-
Shared Services Forum	0	0	-	-	0	0	-	-	0	0	-	-
SI Visitor Levy	0	(43)	43	(100%)	0	(128)	128	(100%)	(514)	(514)	-	-
Total	(1,384)	157,044	(158,428)	(101%)	(4,153)	471,131	(475,284)	(101%)	1,884,526	1,884,526	0	-%

CHIEF EXECUTIVE COMMENTARY

For the year-to-date, income is under budget by 53% (\$718K). Expenditure is over budget by 5% (\$21K). The year-to-date position is \$739K under budget.

Chief Executive

Income in this business unit is 9% (\$24K) over budget, due to higher rates penalties income (\$22K). Expenditure is 3% (\$5K) under budget, with legal costs (\$14K) and consultant costs (\$10K) under budget. This is offset by higher membership fees (\$18K) due to higher annual SOLGM fees and an unbudgeted joining fee for the Local Government Operational Effectiveness Survey.

Civil Defence

Income and expenditure are on budget.

Human Resources

Income is 30% (\$44K) under budget. Expenditure year-to-date is 27% (\$39K) under budget due to reduced expenditure on staff costs (\$4K), training costs (\$11K), recruitment costs (\$3K), surveying costs (\$8K) and consultant costs (\$4K). As this activity is internally funded, the reduced expenditure impacts directly on income.

Around the Mountains Cycle Trail

Income is 93% (\$680K) under budget with no funding received to date. Capital expenditure is under budget by 13% (\$155K) due to the timing of work undertaken on Stage 2.

Rural Fire Control

Income is on budget. Expenditure is 100% (\$73K) over budget due to the timing of Council's quarterly funding. The second payment has been phased in October and will realign with budgeted expenditure then.

Shared Services Forum

Income is 23% (\$10K) over budget due to the timing of the shared services contribution. Expenditure for year-to-date is over budget by 51% (\$7K) due to higher consultant costs (\$7K) in relation to the Southland Regional Development Strategy. Council's share of additional costs for the Southland Regional Development Strategy is intended to be funded by rates collected for Community Outcomes (previously Our Way Southland)

Stewart Island Visitor Levy

Income is 82% (\$27K) under budget with income expected to increase in the tourist season. Expenditure is currently on budget with grants expected to be paid in May.

Council Report - Detail

For the period ending September 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	60,353	58,910	1,443	2%	180,816	184,456	(3,640)	(2%)	714,843	714,843	-	-
Council Contributions/Gran	32,216	31,995	221	1%	98,384	98,377	(1,993)	(2%)	386,331	386,331	-	-
Council Elections	3,398	3,366	32	1%	10,167	10,455	(289)	(3%)	40,750	40,750	-	-
Council Water & Sewerage L	43,507	43,009	498	1%	129,066	133,766	(4,700)	(4%)	520,849	520,849	-	-
International Relations Commit	900	892	8	1%	2,693	2,767	(74)	(3%)	12,034	12,034	-	-
Museum	60,280	45,932	14,349	31%	135,898	140,528	(4,630)	(3%)	553,914	553,914	-	-
Regulatory - Non Recoverab	8,815	7,926	889	11%	24,779	24,782	(3)	-	96,115	96,115	-	-
Venture Southland	146,362	144,788	1,574	1%	437,909	452,111	(14,202)	(3%)	1,755,199	1,755,199	-	-
Total	355,831	336,817	19,014	6%	1,017,712	1,047,241	(29,530)	(3%)	4,079,835	4,079,835	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	51,704	58,759	7,056	12%	182,703	177,196	(5,507)	(3%)	714,173	714,173	-	-
Council Contributions/Gran	4,389	30,548	26,159	86%	148,298	131,397	(16,901)	(13%)	406,331	406,331	-	-
Council Elections	920	833	(87)	(10%)	920	2,500	1,580	63%	10,000	10,000	-	-
Council Water & Sewerage L	23,320	23,321	-	-	69,961	69,962	-	-	279,848	279,848	-	-
International Relations Commit	0	1,003	1,003	100%	0	3,008	3,008	100%	12,034	12,034	-	-
Museum	44,511	45,731	1,220	3%	132,612	137,293	4,681	3%	553,914	553,914	-	-
Regulatory - Non Recoverab	0	8,010	8,010	100%	6,863	24,029	17,166	71%	96,115	96,115	-	-
Venture Southland	0	0	-	-	442,200	438,800	(3,400)	(1%)	1,755,199	1,755,199	-	-
Total	124,844	168,205	43,361	26%	983,559	984,185	626	-	3,827,612	3,827,612	0	-%
Net Surplus/(Deficit)	230,987	168,612	62,375		34,153	63,056	(28,903)		252,223	252,223	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	0	(39)	39	(100%)	0	(117)	117	(100%)	(470)	(470)	-	-
Council Contributions/Gran	0	1,667	(1,667)	(100%)	0	5,000	(5,000)	(100%)	20,000	20,000	-	-
Council Elections	0	(2,563)	2,563	(100%)	0	(7,688)	7,688	(100%)	(30,750)	(30,750)	-	-
Council Water & Sewerage L	(20,084)	(20,084)	-	-	(60,251)	(60,251)	-	-	(241,003)	(241,003)	-	-
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 AND COUNCILLORS' COMMENTARY

For the year-to-date, income is 3% (\$30K) under budget. Expenditure is on budget. The year-to-date position is \$29K under budget.

Council and Councillors

Income is on budget. Expenditure is 3% (\$6K) over budget due to the timing of the annual LGNZ membership (\$21K). This is offset by Councillor's salary (\$5K), travel costs (\$5K) and Youth Council costs (\$2K).

Council Contributions/Grants

Income is on budget. Expenditure is currently over budget 13% (\$17K) due to the timing of Miscellaneous Grants.

Council Elections

Income is on budget. Expenditure is \$2K under budget with pre-election costs expected to be incurred later in the year.

Council Water and Sewerage Loans

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

International Relations Committee

Income is on budget. Expenditure is \$3K under budget with minimal activity year to date.

Museum

Income is 3% (\$5K) under budget due to the timing on grants income. Expenditure is under budget 3% (\$5K).

Regulatory - Non-Recoverable

Income is on budget. It is likely the \$24K invoiced will not be recovered. Expenditure is under budget by 71% (\$17K) as a result of the timing of quarterly charging.

Venture Southland

Income is \$14K below budget as a result of an error in budget apportionment. This will correct in October and fall back in line with budget. Expenditure is on budget.

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	14,782	14,179	603	4%	98,608	65,159	33,450	51%	312,089	312,089	-	-
Operating investments	151,408	151,474	(66)	-	442,839	454,422	(11,583)	(3%)	1,487,675	1,487,675	-	-
Waiau Working Party	0	0	-	-	0	0	-	-	0	0	-	-
Total	166,190	165,653	537	-	541,447	519,581	21,866	4%	1,799,764	1,799,764	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	1,443	8,830	7,387	84%	1,399	26,490	25,091	95%	322,258	322,258	-	-
Operating investments	3,388	3,147	(241)	(8%)	9,550	9,441	(108)	(1%)	1,440,111	1,440,111	-	-
Total	4,831	11,977	7,146	60%	10,949	35,932	24,982	70%	1,762,369	1,762,369	0	-%
Net Surplus/(Deficit)	161,359	153,676	7,683		530,498	483,649	46,849		37,395	37,395	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	847	(847)	(100%)	0	2,542	(2,542)	(100%)	10,169	10,169	-	-
Operating investments	0	(3,964)	3,964	(100%)	0	(11,891)	11,891	(100%)	(47,564)	(47,564)	-	-
Waiau Working Party	0	0	-	-	0	0	-	-	0	0	-	-
Total	0	(3,116)	3,116	(100%)	0	(9,349)	9,349	(100%)	(37,395)	(37,395)	0	-%

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

OTHER ACTIVITIES COMMENTARY**Allocations Committee**

Income is 51% (\$33K) over budget due to an unbudgeted donation relating to the Men of the Trees Fund (\$28K). Expenditure is under budget by 95% (\$25K) with Allocation Committee meetings yet to be held.

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 10 Year Plan process and interest is being charged on a monthly basis on all internal loans drawn down at 30 June 2015.

Council Report - Detail

For the period ending September 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	29,177	19,739	9,438	48%	71,220	59,347	11,873	20%	237,531	237,531	-	-
Animal Control	28,121	28,600	1,521	6%	362,625	360,300	2,325	1%	464,295	464,295	-	-
Area Offices	122,469	118,550	3,920	3%	364,760	367,280	(2,520)	(1%)	1,434,226	1,434,226	-	-
Building Regulations	111,925	138,848	(26,723)	(19%)	352,844	422,691	(69,847)	(17%)	1,670,526	1,670,526	-	-
Customer Services	27,670	30,311	(2,641)	(9%)	76,626	90,934	(14,309)	(16%)	363,737	363,737	-	-
District Library	111,759	104,118	7,641	7%	340,636	319,542	21,095	7%	1,256,600	1,256,600	-	-
Enviro & Com Dev Admin	17,094	19,660	(2,566)	(13%)	49,783	58,980	(9,196)	(16%)	235,919	235,919	-	-
Environmental Health	12,061	12,238	(177)	(1%)	40,453	46,466	(6,043)	(13%)	199,443	199,443	-	-
Health Licensing	169	3,125	(2,956)	(95%)	169	9,375	(9,206)	(98%)	154,243	154,243	-	-
Resource Consent Processin	61,115	68,782	(7,668)	(11%)	168,984	209,633	(40,649)	(19%)	828,676	828,676	-	-
Resource Planning/Policy	29,463	29,177	285	1%	88,148	90,723	(2,575)	(3%)	353,320	353,320	-	-
Total	551,024	570,949	(19,925)	(3%)	1,916,247	2,035,301	(119,054)	(6%)	7,198,516	7,198,516	0	-%

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Operating Expenditure												
Alcohol Licensing	17,659	17,471	(187)	(1%)	45,365	52,922	7,557	14%	222,847	222,847	-	-
Animal Control	32,504	36,104	3,600	10%	133,569	122,267	(11,301)	(9%)	472,562	472,562	-	-
Area Offices	86,265	80,844	(5,421)	(7%)	243,344	243,801	457	-	1,009,750	1,009,750	-	-
Building Regulations	122,886	130,640	7,753	6%	343,840	396,674	52,835	13%	1,654,805	1,654,805	-	-
Customer Services	27,650	28,907	1,257	4%	76,565	86,720	10,155	12%	363,737	363,737	-	-
District Library	100,995	87,197	(13,798)	(16%)	257,039	271,435	14,395	5%	1,102,073	1,102,073	-	-
Enviro & Com Dev Admin	17,094	17,853	759	4%	49,783	54,230	4,446	8%	235,919	235,919	-	-
Environmental Health	(779)	11,939	12,719	107%	51,133	55,920	4,787	9%	191,137	191,137	-	-
Health Licensing	18,450	11,322	(7,127)	(63%)	21,406	34,547	13,141	38%	145,656	145,656	-	-
Resource Consent Processin	62,618	65,226	2,608	4%	178,159	196,366	18,207	9%	828,676	828,676	-	-
Resource Planning/Policy	16,951	36,729	19,778	54%	62,081	110,186	48,105	44%	452,676	452,676	-	-
Total	502,293	524,232	21,940	4%	1,462,285	1,625,069	162,784	10%	6,679,838	6,679,838	0	-%
Net Surplus/(Deficit)	48,731	46,717	2,015		453,962	410,232	43,730		518,678	518,678	0	

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Capital Expenditure												
Animal Control	0	0	-	-	0	0	-	-	0	0	-	-
Area Offices	3,500	0	(3,500)	(3,500)	3,500	0	(3,500)	(3,500)	0	0	-	-
Building Regulations	0	2,826	2,826	100%	0	8,477	8,477	100%	33,906	33,906	-	-
Customer Services	0	0	-	-	0	0	-	-	0	0	-	-
District Library	8,614	13,148	4,534	34%	56,696	73,482	16,786	23%	191,815	191,815	-	-
Enviro & Com Dev Admin	0	0	-	-	0	0	-	-	0	0	-	-
Environmental Health	30,777	3,014	(27,762)	(921%)	30,777	9,043	(21,733)	(240%)	36,173	36,173	-	-
Health Licensing	0	3,116	3,116	100%	0	9,349	9,349	100%	37,396	37,396	-	-
Resource Consent Processin	0	0	-	-	0	0	-	-	0	0	-	-
Total	42,890	22,104	(20,786)	(94%)	90,973	100,351	9,378	9%	299,290	299,290	0	-%

Council Report - Detail

For the period ending September 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	(1,224)	1,224	(100%)	0	(3,671)	3,671	(100%)	(14,684)	(14,684)	-	-
Animal Control	0	689	(689)	(100%)	0	2,067	(2,067)	(100%)	8,267	8,267	-	-
Area Offices	(25,026)	(35,373)	10,347	(29%)	(75,078)	(106,119)	31,041	(29%)	(424,476)	(424,476)	-	-
Building Regulations	0	1,515	(1,515)	(100%)	0	4,546	(4,546)	(100%)	18,185	18,185	-	-
Customer Services	0	0	-	-	0	0	-	-	0	0	-	-
District Library	(1,949)	1,348	(3,297)	(245%)	17,065	25,159	(8,094)	(32%)	37,288	37,288	-	-
Enviro & Com Dev Admin	0	0	-	-	0	0	-	-	0	0	-	-
Environmental Health	30,777	2,322	28,454	1,225%	30,777	6,967	23,810	342%	27,867	27,867	-	-
Health Licensing	0	2,401	(2,401)	(100%)	0	7,202	(7,202)	(100%)	28,809	28,809	-	-
Resource Consent Processin	0	0	-	-	0	0	-	-	0	0	-	-
Resource Planning/Policy	0	8,280	(8,280)	(100%)	0	24,839	(24,839)	(100%)	99,356	99,356	-	-
Total	3,802	(20,042)	23,844	(119%)	(27,236)	(39,010)	11,774	(30%)	(219,388)	(219,388)	0	-%

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

ENVIRONMENT AND COMMUNITY COMMENTARY

Overall, September 2015 monthly income for the Environment and Community Group was 3% (\$19K) below budget at \$551K actual versus \$571K budget.

Key features of this month's income were that Building Consent income and Resource Consent income were below budget by 19% (\$27K) and 11% (\$8K) respectively, reflecting reduced levels of development activity. This is a concern, and managers are seeking to reflect anticipated activities in draft 2016/2017 financial budgets and to "cut their cloth" accordingly with regard to projected future income and expenditure.

Conversely, Alcohol Licensing income was 48% (\$9K) ahead of budget, with higher income from premises licence fees as a result of timing.

Overall, September 2015 monthly expenditure for the Environment and Community Group was 4% (\$22K) below budget at \$502K actual versus \$524K budget.

Most departments were below budget expenditure-wise, reflecting a close focus on spending, with the exception of District Libraries and Health Licencing.

The Resource Planning/Policy area was underspent by 54% (\$20K), with less expenditure than anticipated on the District Plan project over this period. Mediation processes which were expected to occur in April to June 2015 have been delayed at the direction of the Environment Court due to the status of Environment Southland's Regional Policy Statement content relating to the biodiversity issues, which is relevant to several District Plan appeals.

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	187,528	183,681	3,847	2%	509,844	551,043	(41,199)	(7%)	2,259,924	2,259,924	-	-
Total	187,528	183,681	3,847	2%	509,844	551,043	(41,199)	(7%)	2,259,924	2,259,924	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	185,590	180,753	(4,837)	(3%)	504,029	596,823	92,794	16%	2,257,598	2,257,598	-	-
Total	185,590	180,753	(4,837)	(3%)	504,029	596,823	92,794	16%	2,257,598	2,257,598	0	-%
Net Surplus/(Deficit)	1,938	2,928	(990)		5,814	(45,780)	51,595		2,326	2,326	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	(194)	194	(100%)	0	(581)	581	(100%)	(2,326)	(2,326)	-	-
Total	0	(194)	194	(100%)	0	(581)	581	(100%)	(2,326)	(2,326)	0	-%

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

FINANCIAL SERVICES COMMENTARY

Income is 7% (\$41K) under budget. As this activity is internally funded the reduced expenditure impacts directly on income.

Expenditure is 16% (\$93K) under budget. This is primarily due to the following:

- Staff costs are \$30K under budget due to a vacant position.
- Operational Leases are \$10K under budget with annual NCS system costs being lower than anticipated. This is expected to be \$6K below budget at year end.
- Valuation roll maintenance costs are \$10K below budget.
- Public Liability Insurance costs for the year are \$11K under budget.
- Other Insurance costs for the year are \$7K under budget.
- Debt collection costs are \$4K below budget.
- Audit Fees \$5K below budget due to timing on audit work.

Council Report - Detail

For the period ending September 2015

Information Management

	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												
Information Management	187,095	138,140	50,955	37%	438,859	408,419	30,439	7%	1,633,677	1,633,677	-	-
Knowledge Management	123,844	73,549	50,295	68%	256,431	220,646	35,784	16%	882,585	882,585	-	-
Property & Spatial Services	20,105	33,267	(13,162)	(40%)	100,992	99,801	1,191	1%	399,204	399,204	-	-
Total	331,045	242,955	88,089	36%	796,281	728,866	67,414	9%	2,915,466	2,915,466	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												
Information Management	154,616	118,767	(35,849)	(30%)	354,745	356,781	2,037	1%	1,443,571	1,443,571	-	-
Knowledge Management	123,010	69,823	(53,187)	(76%)	253,928	209,931	(43,997)	(21%)	881,833	881,833	-	-
Property & Spatial Services	20,105	31,417	11,312	36%	100,992	94,251	(6,741)	(7%)	393,825	393,825	-	-
Total	297,731	220,007	(77,724)	(35%)	709,665	660,963	(48,702)	(7%)	2,719,229	2,719,229	0	-%
Net Surplus/(Deficit)	33,313	22,949	10,365		86,616	67,904	18,712		196,237	196,237	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												
Information Management	7,576	83,333	75,757	91%	7,576	250,000	242,424	97%	1,000,000	1,000,000	-	-
Knowledge Management	0	62,500	62,500	100%	0	187,500	187,500	100%	750,000	750,000	-	-
Total	7,576	145,833	138,257	95%	7,576	437,500	429,924	98%	1,750,000	1,750,000	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 *												
Information Management	(16,115)	67,491	(83,606)	(124%)	(48,344)	202,474	(250,817)	(124%)	809,894	809,894	-	-
Knowledge Management	0	62,437	(62,437)	(100%)	0	187,312	(187,312)	(100%)	749,248	749,248	-	-
Property & Spatial Services	0	(448)	448	(100%)	0	(1,345)	1,345	(100%)	(5,379)	(5,379)	-	-
Total	(16,115)	129,480	(145,595)	(112%)	(48,344)	388,441	(436,784)	(112%)	1,553,763	1,553,763	0	-%

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

INFORMATION MANAGEMENT COMMENTARY

For the year-to-date, income is 9% (\$67K) over budget. Overall expenditure is 7% (\$49K) over budget. The year-to-date position is \$19K over budget.

Information Management

Income is 7% (\$30K) over budget due to higher income from internal photocopying (\$23K) and internal computer hire (\$8K). Expenditure is 1% (\$2K) with overspends in software licence fees (\$21K) and consultants fees are overspent (\$36K) with an external Systems Engineer covering the current vacancy. This is offset by staff costs (\$18K) as a result of the current vacancy and lower cost for the Business Improvement team (\$25K).

Knowledge Management

Income is 16% (\$36K) over budget. Expenditure is 21% (\$44K) over budget, with operational lease costs \$40K over budget as a result of an error. This has been corrected in October and will fall in line with budget. Additionally, software licence fees (\$7K) and postage costs (\$7K) are over budget. As this activity is internally funded the increased expenditure impacts directly on income.

Property and Spatial Services

Income is on budget. Expenditure is 7% (\$7K) over budget due to consultant costs (\$19K). This is offset by photography costs (\$7K).

Council Report - Detail

For the period ending September 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												
Community Outcomes	3,750	3,750	-	-	11,250	11,250	-	-	45,000	45,000	-	-
Corporate Planning	61,285	69,514	(8,229)	(12%)	182,381	208,542	(26,161)	(13%)	834,167	834,167	-	-
Secretarial Services	18,710	26,259	(7,549)	(29%)	86,288	78,777	7,510	10%	315,110	315,110	-	-
Strategy/Communication	78,540	72,057	6,483	9%	202,945	216,171	(13,226)	(6%)	864,684	864,684	-	-
Total	162,285	171,580	(9,295)	(5%)	482,863	514,740	(31,877)	(6%)	2,058,961	2,058,961	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												
Community Outcomes	0	3,750	3,750	100%	0	11,250	11,250	100%	45,000	45,000	-	-
Corporate Planning	60,785	65,659	4,874	7%	180,881	197,508	16,627	8%	833,567	833,567	-	-
Secretarial Services	18,691	24,926	6,235	25%	86,232	74,779	(11,453)	(15%)	315,110	315,110	-	-
Strategy/Communication	75,411	69,865	(5,546)	(8%)	193,559	209,594	16,035	8%	867,161	867,161	-	-
Total	154,888	164,200	9,312	6%	460,672	493,132	32,459	7%	2,060,838	2,060,838	0	-%
Net Surplus/(Deficit)	7,397	7,380	17		22,191	21,609	582		(1,877)	(1,877)	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												
Secretarial Services	0	0	-	-	0	0	-	-	0	0	-	-
Strategy/Communication	0	246	246	100%	0	737	737	100%	2,946	2,946	-	-
Total	0	246	246	100%	0	737	737	100%	2,946	2,946	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 *												
Community Outcomes	0	0	-	-	0	0	-	-	0	0	-	-
Corporate Planning	0	(50)	50	(100%)	0	(150)	150	(100%)	(600)	(600)	-	-
Strategy/Communication	0	452	(452)	(100%)	0	1,356	(1,356)	(100%)	5,423	5,423	-	-
Total	0	402	(402)	(100%)	0	1,206	(1,206)	(100%)	4,823	4,823	0	-%

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

POLICY AND COMMUNITY COMMENTARY

Income for the year-to-date is 6% (\$32K) under budget. Expenditure for the year-to-date is 7% (\$32K) under budget.

Community Outcomes

Income is on budget. Expenditure is under budget by \$11K. Part of this budget has been identified to fund the Southland Regional Development Strategy.

Corporate Planning

Income is 13% (\$26K) under budget. Expenditure is 8% (\$17K) under budget due to lower staff costs (\$7K), lower costs on the district survey (\$4K) and consultant costs (\$3K).

Secretarial Services

Income is 10% (\$8K) over budget. Expenditure is 15% (\$11K) over budget due to overspends on internal photocopying (\$6K) ordinary time (\$3K) and training costs (\$2K). As this activity is internally funded the increased expenditure impacts directly on income.

Strategy/Communication

Income is 6% (\$13K) under budget. Expenditure is underspent by 8% (\$16K) due to the timing of Waimumu Field Days costs (\$8K), website costs (\$4K), radio advertising costs (\$4K), communication costs (\$6K) and internal overheads (\$6K). This is offset by First Edition costs (\$8K). As this activity is internally funded the reduced expenditure impacts directly on income.

Budget vs Actual



Cost Centre:
For the period ending

Roading
September 2015

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Income												
Grants	824,882	1,170,564	(345,682)	(30%)	2,338,704	3,511,693	(1,172,989)	(33%)	14,046,771	14,046,771	0	0%
Internal Income	195	417	(222)	(53%)	36,330	41,422	(5,092)	(12%)	479,441	479,441	0	0%
Other Income	25,510	41,156	(15,646)	(38%)	112,773	123,487	(10,694)	(9%)	493,868	493,868	0	0%
Rates	1,087,638	1,072,383	15,256	1%	3,150,631	3,217,148	(66,517)	(2%)	12,868,590	12,868,590	0	0%
User Charges and Fees	0	2,525	(2,525)	(100%)	0	7,575	(7,575)	(100%)	30,300	30,300	0	0%
	1,938,225	2,287,044	(348,819)	(15%)	5,638,437	6,801,304	(1,262,867)	(18%)	27,918,970	27,918,970	0	0%
Direct Expenditure												
Advertising	0	63	63	100%	86	188	102	54%	750	750	0	0%
Communications	350	632	282	45%	1,870	1,895	25	1%	7,580	7,580	0	0%
Conferences and courses	0	1,383	1,383	100%	7,398	4,150	(3,248)	(78%)	16,600	16,600	0	0%
Electricity	5,354	3,000	(2,354)	(78%)	11,302	9,000	(2,302)	(26%)	36,000	36,000	0	0%
Fees and Charges	150	0	(150)	\$150	150	0	(150)	\$150	0	0	0	\$0
Grants	0	0	0	\$0	71	0	(71)	\$71	0	0	0	\$0
Insurance	0	0	0	\$0	2,335	2,063	(272)	(13%)	2,063	2,063	0	0%
Other Expenditure	(20)	7,583	7,604	100%	17,346	22,750	5,404	24%	91,000	91,000	0	0%
Postage and Stationery	66	83	18	22%	91	250	159	64%	1,000	1,000	0	0%
Professional Services	5,962	2,917	(3,045)	(104%)	12,513	8,750	(3,763)	(43%)	35,000	35,000	0	0%
Rates	0	187	187	100%	125	580	435	78%	2,239	2,239	0	0%
Repairs and Maintenance	983,622	891,010	(92,612)	(10%)	2,630,826	2,673,029	42,203	2%	10,692,115	10,692,115	0	0%
Spraying	0	3,583	3,583	(100%)	0	10,750	10,750	(100%)	43,000	43,000	0	0%
General Projects	0	0	0	0%	1,500	0	(1,500)	(1,500%)	0	0	0	0%
Maint - General	0	1,667	1,667	(100%)	(11)	5,000	5,011	(100%)	20,000	20,000	0	0%
Stock Underpasses Minor Improv	0	6,250	6,250	(100%)	0	18,750	18,750	(100%)	75,000	75,000	0	0%
Street Lighting Transit	1,870	2,292	422	(18%)	10,246	6,875	(3,371)	49%	27,500	27,500	0	0%
Sealed Pavement Maintenance	248,721	246,543	(2,178)	1%	519,216	739,630	220,414	(30%)	2,958,519	2,958,519	0	0%
Unsealed Pavement Maintenance	247,708	195,794	(51,914)	27%	719,925	587,382	(132,543)	23%	2,349,530	2,349,530	0	0%
Routine Drainage Maintenance	135,710	76,643	(59,066)	77%	289,321	229,930	(59,390)	26%	919,722	919,722	0	0%
Structures Maintenance	26,030	14,167	(11,863)	84%	68,675	42,500	(26,175)	62%	170,000	170,000	0	0%
Environmental Maintenance	73,188	87,764	14,576	(17%)	307,985	263,292	(44,693)	17%	1,053,167	1,053,167	0	0%
Traffic Services Maintenance	40,730	44,579	3,850	(9%)	127,880	133,737	5,858	(4%)	534,950	534,950	0	0%
Level Crossing Warning Devices	2,136	2,500	364	(15%)	2,836	7,500	4,664	(62%)	30,000	30,000	0	0%
Emergency Reinstatement	0	22,083	22,084	(100%)	1,077	66,250	65,173	(98%)	265,000	265,000	0	0%
Network and Asset Management	207,528	187,144	(20,384)	11%	582,176	561,432	(20,744)	4%	2,245,727	2,245,727	0	0%
Staff Costs	42,874	37,899	(5,175)	(14%)	116,382	113,097	(3,285)	(3%)	504,143	504,143	0	0%
Travel and Accommodation	2,119	958	(1,161)	(121%)	4,195	2,875	(1,320)	(46%)	11,500	11,500	0	0%
Vehicle Expenses	913	(320)	(1,233)	385%	2,594	(961)	(3,555)	370%	(3,842)	(3,842)	0	0%
	1,041,389	945,194	(96,194)	(10%)	2,807,283	2,837,646	30,363	1%	11,396,148	11,396,148	0	0%

Budget vs Actual



Cost Centre:
For the period ending

Roading
September 2015

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Indirect Expenditure												
Depreciation (Funded)	1,812	1,391	(421)	(30%)	5,436	4,174	(1,262)	(30%)	16,695	16,695	0	0%
Internal Expenses	87,381	92,351	4,970	5%	276,035	292,385	16,350	6%	1,128,045	1,128,045	0	0%
	89,193	93,742	4,549	5%	281,471	296,558	15,088	5%	1,144,740	1,144,740	0	0%
Net Surplus/(Deficit)	807,643	1,248,107	(440,464)	(35%)	2,549,683	3,767,100	(1,217,417)	(32%)	15,378,082	15,378,082	0	0%
Capital Expenditure												
Capital Expenditure	542,109	1,189,144	647,035	54%	1,642,756	3,567,432	1,924,677	54%	14,269,729	14,269,729	0	0%
Furniture/Fitting - Acq LOS	0	0	0	0%	2,385	0	(2,385)	(2,385%)	0	0	0	0%
Improvements - Acq LOS	0	8,333	8,333	(100%)	0	25,000	25,000	(100%)	100,000	100,000	0	0%
Bridges - Renewal	(28,269)	83,333	111,602	(134%)	35,638	250,000	214,362	(86%)	1,000,000	1,000,000	0	0%
Unsealed Rd Metal - Renewal	220,678	193,401	(27,277)	14%	736,888	580,204	(156,684)	27%	2,320,815	2,320,815	0	0%
Seal Rd Resurface - Acq LOS	0	166,667	166,667	(100%)	0	500,000	500,000	(100%)	2,000,000	2,000,000	0	0%
Seal Rd Resurface - Renewal	4,158	373,910	369,752	(99%)	64,534	1,121,729	1,057,195	(94%)	4,486,917	4,486,917	0	0%
Drainage Renewals - Acq LOS	20,466	50,000	29,534	(59%)	40,664	150,000	109,336	(73%)	600,000	600,000	0	0%
Drainage Renewals - Renewal	50,826	16,667	(34,159)	205%	125,093	50,000	(75,093)	150%	200,000	200,000	0	0%
Pavement Rehab - Acq LOS	0	9,657	9,657	(100%)	0	28,970	28,970	(100%)	115,881	115,881	0	0%
Pavement Rehab - Renewal	118,662	104,206	(14,456)	14%	165,484	312,618	147,134	(47%)	1,250,471	1,250,471	0	0%
Structure Component - Renewal	12,701	23,333	10,632	(46%)	12,567	70,000	57,433	(82%)	280,000	280,000	0	0%
Traffic Services - Acq LOS	2,813	5,767	2,954	(51%)	15,389	17,300	1,911	(11%)	69,200	69,200	0	0%
Traffic Services - Renewal	91,908	60,153	(31,755)	53%	254,682	180,458	(74,224)	41%	721,830	721,830	0	0%
Assoc Imprvmnts - Acq LOS	4,427	0	(4,427)	(4,427%)	6,844	0	(6,844)	(6,844%)	0	0	0	0%
Minor Improvements Acq LOS	20,521	72,885	52,364	(72%)	49,358	218,654	169,296	(77%)	874,615	874,615	0	0%
Preventive Maint - Renewals	23,218	20,833	(2,385)	11%	133,229	62,500	(70,728)	113%	250,000	250,000	0	0%
	542,109	1,189,144	647,035	54%	1,642,756	3,567,432	1,924,677	54%	14,269,729	14,269,729	0	0%
Funding Adjustments (Contributions, Loans, Provisions, Reserves, Forestry Dividend)												
Loans	(149,368)	(101,703)	(47,662)	47%	1,811,965	(305,110)	2,117,075	(694%)	(1,220,441)	(1,220,441)	0	0%
Reserve Transfers	0	9,341	(9,341)	(100%)	(2,260,062)	28,022	(2,288,084)	(8,165%)	112,088	112,088	0	0%
	(149,368)	(92,363)	(57,003)	62%	(448,098)	(277,088)	(171,009)	62%	(1,108,353)	(1,108,353)	0	0%
	116,168	(33,399)	149,567	(448%)	458,830	(77,420)	536,250	(693%)	0	0	0	0%

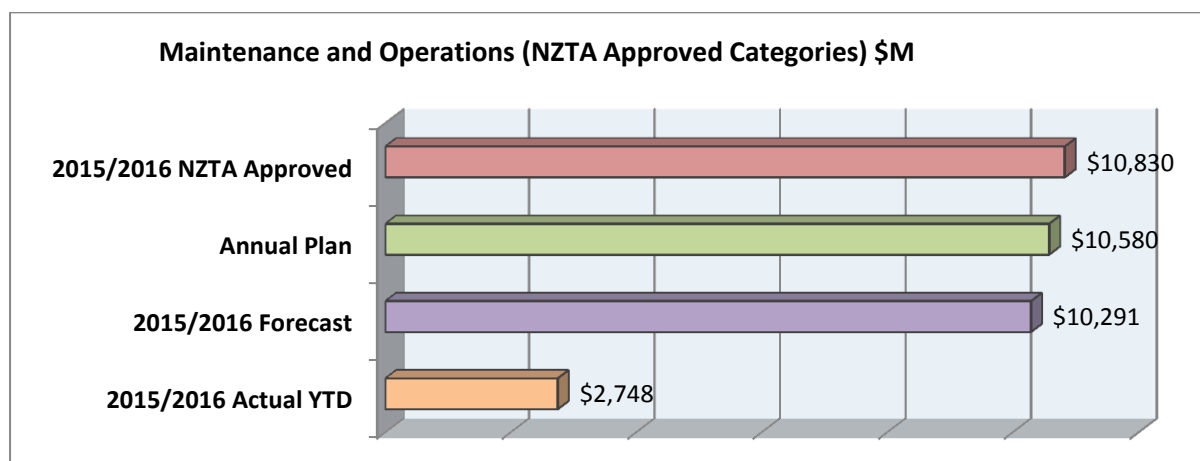
STRATEGIC TRANSPORT**Overall Financial Performance**

Transport remains focused on delivering value for money. The current focus of the business unit is the 'lead in work' required for its capital works programme.

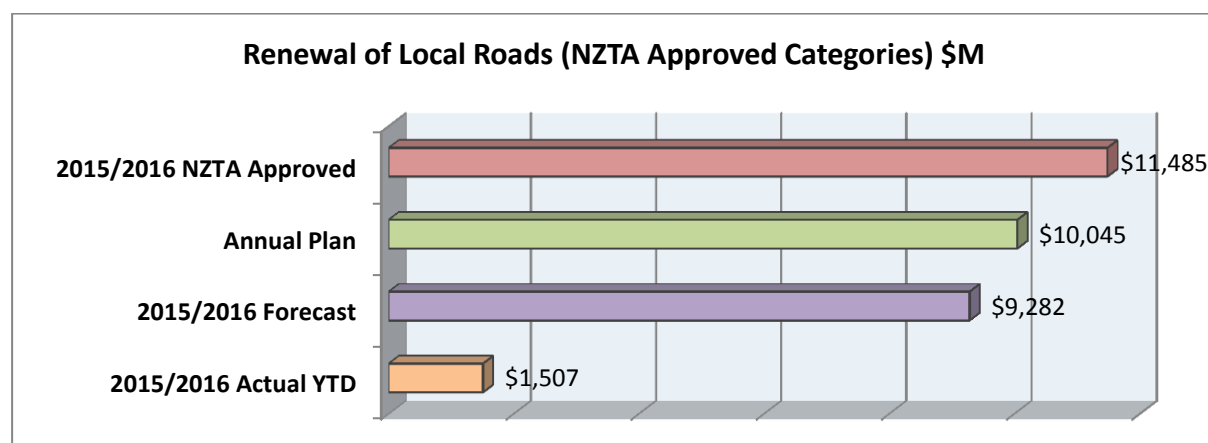
Overall maintenance budgets are in line with actual expenditure year to date. Environmental maintenance and response to weather events will need to be monitored closely.

Council's Transport capital expenditure is under budget primarily due to timing. Council is currently in the planning stage for this year's programme. Of note, there has been a significant drop in the bitumen index over the last three months. It is forecasted along with the project being deferred until the next financial year (namely the Southern Scenic Route extension and Mararoa Bridges projects) that capital expenditure will significantly be under budget.

Key	
	Largely on Track
	Monitoring
	Action Required

Maintenance and Operations (excluding Special Purpose Roads):

Financial Tracking vs Plans			
YTD	Forecast	Annual Plan	NZTA Approved
25%	27%	26%	25%

Renewals and Minor Improvements:

Financial Tracking vs Plans			
YTD	Forecast	Annual Plan	NZTA Approved
25%	16%	15%	13%

Three Year Forecasting (maintenance, operations and renewals NZTA funded excludes Lower Hollyford Road):

National Land Transport Programme Tracking	Three Year Approval (\$M)	Forecast Expenditure (\$M)	Percentage of Programme
Maintenance Operations and Renewals	\$ 67,454,981	\$ 66,259,510	98.23%
Minor Improvements	\$ 5,411,757	\$ 3,739,143	69.09%
Special Purpose Roads	\$ 550,050	\$ 550,050	100.00%

Other Budgeted Projects:

Other Budgeted Projects	2015/2016 Budget	Project Status	Notes
Southern Scenic Route Seal Extension	\$ 2,050,000	Indicative Business Case	Currently completing the indicative business case and looking at the resources required for the next stage. May start some minor physical works this construction season this is dependant of several variables.
Mararoa Bridge	\$ 1,000,000	Not Started	Low strategic fit (NZTA). Engineers have held discussions with landowners and are currently assessing options.

Unbudgeted Projects:

Unbudgeted Projects	2015/2016 Budget/Estimate	Project Status	Notes
Chaslands Highway Slip	\$ 450,000	A temporary road has been constructed.	Project Estimate as this point. 100% funded from NZTA.

Please note that the budgeted numbers for 2015/2016 have not been apportioned, therefore a number of the variances are as a result of timing issues.

Council Report - Detail

For the period ending September 2015

Services & Assets

Item 7.2 Attachment B

	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	94,781	106,229	(11,448)	(11%)	269,077	318,887	(49,810)	(16%)	1,274,747	1,274,747	-	-
Council Property	69,540	74,732	(5,192)	(7%)	226,243	224,207	2,036	1%	899,727	899,727	-	-
District Reserves	11,790	12,052	(263)	(2%)	32,641	37,066	(4,425)	(12%)	145,539	145,539	-	-
District Sewerage	266,646	264,700	1,946	1%	796,052	873,117	(77,064)	(9%)	3,258,585	3,258,585	-	-
District Water	265,152	287,494	(22,342)	(8%)	867,350	749,220	(81,870)	(11%)	2,920,325	2,920,325	-	-
Engineering Administration	32,021	38,737	(6,716)	(17%)	100,341	116,210	(15,870)	(14%)	464,842	464,842	-	-
Engineering Consultants	103,807	76,205	27,601	36%	247,097	228,616	18,481	8%	914,465	914,465	-	-
Forestry	0	215,206	(215,206)	(100%)	0	215,206	(215,206)	(100%)	2,152,057	2,152,057	-	-
Property Administration	37,907	39,962	(2,055)	(5%)	113,711	119,975	(6,265)	(5%)	479,902	479,902	-	-
Public Conveniences	48,078	53,928	(5,850)	(11%)	142,752	167,099	(24,347)	(15%)	652,450	652,450	-	-
Waste Management	307,054	306,950	104	-	919,476	958,296	(38,820)	(4%)	3,726,022	3,726,022	-	-
Water Services	74,990	75,648	(659)	(1%)	225,114	229,169	(4,055)	(2%)	929,963	929,963	-	-
Work Schemes (CTF)	9,481	26,966	(17,485)	(65%)	34,386	80,898	(46,512)	(57%)	323,591	323,591	-	-
Total	1,321,245	1,578,840	(257,595)	(16%)	3,774,239	4,317,767	(543,528)	(13%)	18,142,215	18,142,215	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	94,769	96,337	1,568	2%	269,040	293,877	24,836	8%	1,269,595	1,269,595	-	-
Council Property	54,056	55,476	1,420	3%	304,455	345,275	40,820	12%	844,556	844,556	-	-
District Reserves	3,315	10,125	6,810	67%	18,194	30,658	12,464	41%	121,781	121,781	-	-
District Sewerage	165,201	340,322	175,121	51%	1,165,587	1,084,758	(80,829)	(7%)	4,147,660	4,147,660	-	-
District Water	311,970	282,591	(29,378)	(10%)	944,972	910,847	(34,124)	(4%)	3,454,170	3,454,170	-	-
Engineering Administration	32,021	38,425	4,404	12%	100,341	110,228	9,886	9%	464,842	464,842	-	-
Engineering Consultants	103,958	76,205	(27,752)	(36%)	247,248	228,616	(18,632)	(8%)	914,465	914,465	-	-
Forestry	12,054	66,414	54,360	82%	149,232	240,559	91,327	38%	462,739	462,739	-	-
Property Administration	44,602	37,156	(7,446)	(20%)	125,761	112,893	(12,868)	(11%)	479,902	479,902	-	-
Public Conveniences	53,085	44,751	(8,333)	(19%)	139,461	151,055	11,595	8%	553,819	553,819	-	-
Waste Management	257,623	303,891	46,268	15%	873,059	924,560	51,501	6%	3,677,247	3,677,247	-	-
Water Services	104,121	79,901	(24,220)	(30%)	335,148	242,287	(92,860)	(38%)	1,039,892	1,039,892	-	-
Work Schemes (CTF)	16,580	24,940	8,360	34%	52,197	77,411	25,213	33%	323,591	323,591	-	-
Total	1,253,352	1,454,535	201,183	14%	4,724,694	4,753,023	28,330	1%	17,754,259	17,754,259	0	-%
Net Surplus/(Deficit)	67,893	124,305	(56,412)		(950,455)	(435,256)	(515,198)		387,956	387,956	0	

Council Report - Detail

For the period ending September 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	1,898	1,898	100%	0	5,693	5,693	100%	22,774	22,774	-	-
Council Property	0	5,458	5,458	100%	0	16,375	16,375	100%	65,500	65,500	-	-
District Reserves	3,945	82,500	78,555	95%	3,945	247,500	243,555	98%	990,000	990,000	-	-
District Sewerage	0	12,892	12,892	100%	0	38,675	38,675	100%	154,698	154,698	-	-
District Water	0	15,310	15,310	100%	0	45,930	45,930	100%	183,719	183,719	-	-
Engineering Administration	0	0	-	-	0	0	-	-	0	0	-	-
Engineering Consultants	0	0	-	-	0	0	-	-	0	0	-	-
Forestry	0	0	-	-	0	0	-	-	375,546	375,546	-	-
Property Administration	0	0	-	-	0	0	-	-	0	0	-	-
Public Conveniences	22,773	30,057	7,285	24%	29,356	90,172	60,817	67%	360,690	360,690	-	-
Waste Management	3,853	0	(3,853)	(3,853)	10,542	0	(10,542)	(10,542)	0	0	-	-
Water Services	0	10,000	10,000	100%	0	30,000	30,000	100%	120,000	120,000	-	-
Work Schemes (CTF)	0	0	-	-	0	0	-	-	0	0	-	-
Total	30,571	158,115	127,545	81%	43,842	474,345	430,503	91%	2,272,927	2,272,927	0	-%

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	FY Budget	FY Projection	Variance	Var %
Funding Adjustments *												
Area Engineers	0	1,469	(1,469)	(100%)	0	4,406	(4,406)	(100%)	17,622	17,622	-	-
Council Property	0	861	(861)	(100%)	0	2,582	(2,582)	(100%)	10,329	10,329	-	-
District Reserves	0	80,520	(80,520)	(100%)	0	241,560	(241,560)	(100%)	966,242	966,242	-	-
District Sewerage	(642)	86,981	(87,623)	(101%)	(1,927)	260,943	(262,870)	(101%)	1,043,773	1,043,773	-	-
District Water	(6,298)	59,797	(66,095)	(111%)	(18,894)	179,391	(198,285)	(111%)	717,564	717,564	-	-
Engineering Administration	0	0	-	-	0	0	-	-	0	0	-	-
Forestry	0	(109,481)	109,481	(100%)	0	(328,443)	328,443	(100%)	(1,313,772)	(1,313,772)	-	-
Property Administration	0	0	-	-	0	0	-	-	0	0	-	-
Public Conveniences	(4,527)	21,838	(26,366)	(121%)	(13,582)	65,515	(79,097)	(121%)	262,059	262,059	-	-
Waste Management	(2,839)	(4,065)	1,225	(30%)	46,623	(12,194)	58,817	(482%)	(48,775)	(48,775)	-	-
Water Services	0	19,161	(19,161)	(100%)	0	57,482	(57,482)	(100%)	229,929	229,929	-	-
Work Schemes (CTF)	0	0	-	-	0	0	-	-	0	0	-	-
Total	(14,307)	157,081	(171,388)	(109%)	12,220	471,243	(459,022)	(97%)	1,884,971	1,884,971	0	-%

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

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

Overall Services and Assets (excluding Roading) actual income is 13% (\$544K) under budget for the year (\$3.77M v \$4.32M).

Key highlights are:

- Area Engineers is 16% (\$50K) under budget. As income is fully recovered and driven by expenditure levels the decreased expenditure impacts directly on income.
- District Sewerage is 9% (\$77K) under budget resulting from an error in budget apportioning. This is corrected in October and will fall back in line with budget.
- District Water is 11% (\$82K) under budget predominantly with the majority of income from quarterly water billing invoiced in September yet to be received (\$47K). Additionally, income is understated \$20K as a result of a budget apportionment error correcting in October.
- Engineering Administration is 14% (\$16K) under budget. As income is fully recovered and driven by expenditure levels the decreased expenditure impacts directly on income.
- Public Conveniences are 15% (\$24K) under budget with contributions for the new toilet at Ivy Russel Reserve yet to be transferred in.
- Work Schemes income is 57% (\$47K) under budget due to the timing of invoicing and lower work completed year to date.
- Forestry income is 100% (\$215K) under budget with harvesting yet to begin.

Operating Expenditure

Actual operational expenditure for Services and Assets year-to-date is 1% (\$28K) under budget.

Key highlights are:

- Area Engineers is 8% (\$25K) under budget due to staff costs \$27K.
- District Sewerage is 7% (\$81K) over budget; predominantly as a result of higher than planned capital expenditure for the year-to-date (\$691K actual capital works compared to \$548K budgeted).
- Water Services are 38% (\$93K) over budget primarily due ordinary time capital adjustment (\$65K) with costs yet to be allocated to capital projects and software licence fees (\$25K) due to the timing on licence renewals.
- Public Conveniences are 8% (\$12K) under budget due to timing of maintenance expenditure.
- Forestry is 38% (\$91K) under budget due to the timing of work for the year.
- Work Schemes are 33% (\$25K) under budget with lower materials and ordinary time costs as a result of less work completed for the year to date.