

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

Date: Wednesday, 6 April 2016
Time: 1.00pm
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	Alyson Hamilton

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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.
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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, 09 March 2016

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, 9 March 2016 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 Environmental Services, Bruce Halligan, Group Manager Community and Futures, Rex Capil, Chief Information Officer, Damon Campbell, Chief Financial Officer, Anne Robson, Communications Manager, Louise Pagan, Team Leader Governance, Chris Dolan, Committee Advisor, Alyson Hamilton, Briar Babbington.

1 Apologies

There were no apologies received.

2 Leave of absence

There were no requests for leave of absence received.

3 Conflict of Interest

There were no conflicts of interest declared.

4 Public Forum

There were no members of the public seeking speaking rights in the Public Forum section of the meeting.

5 Extraordinary/Urgent Items

There were no Extraordinary/Urgent items.

6 Confirmation of Minutes

Resolution

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

That the minutes of Activities Performance Audit Committee, held on 27 January 2016 be confirmed as a true and correct record.

7 Reports

7.1 Submission on Proposed changes to Vehicle Dimensions and Mass Rule

Record No: R/16/2/1514

Report by Joe Bourque, Strategic Manager Transport, regarding a submission forwarded by Council concerning the Proposed Changes to the Land Transport Rule; Vehicle Dimensions and Mass Rule, was tabled.

Strategic Manager Transport, Joe Bourque, Roadway Asset Management Engineer, Hartley Hare and John Laskewitz (MWH) were in attendance for this item.

Mr Hare advised the purpose of the report is to provide a summary of the proposed changes to the Land Transport Rule: Vehicle Dimensions and Mass 2002 and provide this Committee with a summary of the submission lodged with the New Zealand Transport Agency.

Mr Hare explained the submission supports some of the changes proposed but opposes those which are expected to adversely impact on the Southland District Council road network.

Mr Hare informed the discussion document focuses on three main areas. These are the general requirements for dimension and mass limits, permitting and access condition, and management of overdimension loads.

Mr Hare commented that the Southland District Council generally support the aims of giving operators access to new, safer, more efficient vehicles with hopefully better environmental and safety outcomes.

Mr Hare explained how this is done needs to be better balanced against the increased cost to Road Controlling Authorities (RCA) as on local roads, Road User Charges (RUC) only pay for half the damages, ratepayers end up paying for the rest.

The Committee was advised the total cost and more specifically the cost to ratepayers in general is a fundamental aspect not addressed by the consultation document.

Mr Hare informed the submission drafted by the Transport Team supports some of the proposed changes such as increase in vehicle height and reduction in weight tolerance around enforcement from 1.5 Tonne to 500kg.

Mr Hare advised the submission opposes the proposal on increasing the mass limits for front steer axles from 10.8 Tonne to 11 Tonne as these already cause a disproportionate amount of pavement damage.

The meeting noted the submission also opposes the removal of 50MAX permitting without inclusion of the standard SDC conditions. The submission does propose that this could be reviewed provided there is an improved mechanism for more accurately collecting and distributing RUC's based on actual damage caused.

Mr Hare advised the consultation paper does recognise the effect on weak roads and structures from vehicles with higher axle mass. The effect on these roads may result in more rapid failure of the pavement.

Members were advised a copy of the submission lodged by the Transport Team is provided for the Committee's information.

Mr Bourque commented that favourable feedback has been received from the Council submission.

Councillor Dillon queried the reference to agricultural vehicles, tractors, trailers in the submission.

In response Mr Laskewitz advised that the VDAM review needs to look at bringing all heavy vehicles which use the public roads under the RUC system as currently very large agricultural vehicles, trailers carry large loads over significant distances without having to pay for the costs they impose on the network. He added it is not so much the weight of the vehicles but the width of the vehicles being the issue.

Resolution

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

That the Activities Performance Audit Committee:

- a) **Receives the report titled "Submission on Proposed changes to Vehicle Dimensions and Mass Rule" dated 25 February 2016.**
- b) **Endorses the submission on the Submission on Proposed changes to Vehicle Dimensions and Mass Rule.**

7.2 Contract Extension - Southland Streetlight Maintenance Contract 09/42

Record No: R/16/2/1561

Report by Joe Bourque, Strategic Manager Transport, regarding an extension to the Southland Streetlight Maintenance Contract 09/42, was tabled.

Strategic Manager Transport, Joe Bourque and Roding Asset Management Engineer, Hartley Hare were in attendance for this item.

Mr Hare advised the purpose of the report is to seek Committee consideration to extend the Southland District Council's Streetlight Maintenance Contract (09/42) with Council's current contractor to cover all maintenance aspects of the streetlight and pole network across the Southland region.

Mr Hare explained Otago Power Services was awarded the Southland District Council's Streetlight Maintenance Contract (09/42) on 28 January 2010 with a commencement date of 1 March 2010.

He added the contract was for an initial period of three years (expiring 12.00 midnight, 28 February 2013). The contract made provision for a two-year rollover, which was adopted in March 2013.

Mr Hare advised the two-year rollover expired at midnight 28 February 2015. A 12 month extension of this contract was negotiated with the contractor and approved by NZTA. This current extension will expire on 1 March 2016.

The meeting was advised throughout the six year period to date, communication between Council and Otago Power Services 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.

Mr Hare commented that 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 further 12 month extension.

Members noted Council have been notified by Otago Power Services that they have been purchased by Powernet Ltd. Otago Power Services will be amalgamated into the Powernet business at the end of March 2016. It is expected this amalgamation will have no effect to the service being provided.

Councillor Keast commented on the Light Emitting Diode (LED) technology and whether Council is keeping up with overseas technology.

Mr Hare responded advising Council are investigating the current LED market to determine best products.

Resolution

Moved Cr Kremer, seconded Cr Duffy **and resolved:**

That the Activities Performance Audit Committee:

- a) **Receives the report titled "Contract Extension - Southland Streetlight Maintenance Contract 09/42" dated 1 March 2016.**
- 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 Otago Power Services effective from 29 February 2016 to 1 March 2017.**

7.3 Foveaux Alliance Contract Number 06/26 Extension to July 2017

Record No: R/16/1/1386

Report by Joe Bourque, Strategic Manager Transport, regarding the Foveaux Contract Number 06/26 Extension to July 2017, was tabled.

Strategic Manager Transport, Joe Bourque and Road Asset Management Engineer, Hartley Hare were in attendance for this item.

Mr Bourque advised the purpose of the report is to seek the Committee's consideration to a one year extension of the current Foveaux Road Maintenance Alliance Contract (number 06/26).

Mr Bourque advised this report outlines the recommendation to offer Fulton Hogan a one year extension on the current Foveaux Alliance Contract and aligning the contract expiry dates of all three Alliance Maintenance Contracts.

Mr Bourque explained this will create the opportunity to potentially reduce the number of contracts from three to two and allow due consideration of potential contract boundaries.

Resolution

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

That the Activities Performance Audit Committee:

- a) **Receives the report titled "Foveaux Alliance Contract Number 06/26 Extension to July 2017" dated 25 February 2016.**
- 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 one year extension of contract number 06/26, known as the Foveaux Alliance contract with Fulton Hogan effective from 1 July 2016.**

7.4 Annual Report 2015/2016 Timetable

Record No: R/16/2/2532

Report by Shannon Oliver, Planning and Reporting Analyst, regarding the Annual Report 2015/2016 Timetable, was tabled.

Ms Oliver, Planning and Reporting Analyst, was in attendance for this item.

Ms Oliver advised the purpose of the report is to provide the key dates for the Annual Report 2015/2016 timetable.

Ms Oliver advised the Annual Report is the key planning document for Council which reports on Council's performance against the 2015-2025 Long Term Plan.

Ms Oliver informed the timetable has been prepared so that adoption of the Annual Report occurs on 28 September 2016. The project team will consist of staff from the Finance, Strategy and Policy and Communications teams.

Ms Oliver explained the Annual Report is a means for Council to account and report to the community on its performance of the preceding financial year - in this case from 1 July 2015 to 30 June 2016.

Ms Oliver added it reports on outcomes, performance measures (both financial and non-financial) and provides information on the result achieved against budgeted results.

The meeting was informed the Annual Report is audited by Audit New Zealand which provides with a level of assurance of the consistency and accuracy of the information reported.

Resolution

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

That the Activities Performance Audit Committee:

- a) **Receives the report titled "Annual Report 2015/2016 Timetable" dated 25 February 2016.**
- 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.**

7.5 Financial Report for the period ended 30 November 2015

Record No: R/16/1/1086

Report by Susan McNamara, Management Accountant, regarding the financial report for the period ended 30 November 2015, was tabled.

Ms McNamara, Management Accountant, was in attendance for this item.

Resolution

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

That the Activities Performance Audit Committee:

- a) **Receives the report titled “Financial Report for the period ended 30 November 2015” dated 25 February 2016.**

7.6 Financial Report for the period ended 31 December 2015

Record No: R/16/2/2595

Report by Susan McNamara, Management Accountant, regarding the financial report for the period ended 31 December 2015, was tabled.

Ms McNamara, Management Accountant, was in attendance for this item.

It was pointed out to the Committee 50% of the financial year is complete and that no issues have been identified that raise any concerns for Council.

Ms McNamara then spoke on matters relating to the income, operating expenditure, capital expenditure, forestry revenue, roading and transport, chief executive account and the balance sheet.

In regards to the balance sheet Councillor Douglas queried the loan to Rural Fire of \$700,000 in the month of December 2015 in relation to a fire incident in the Dipton area.

Ms McNamara responded that payment is currently being discussed between the Insurance Company and property owner.

Councillor Douglas reported that in regards to harvesting of the Council's forest in the Dipton area it is anticipated returns could be better than predicted.

Resolution

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

That the Activities Performance Audit Committee:

- a) **Receives the report titled “Financial Report for the period ended 31 December 2015” dated 25 February 2016.**

7.7 Internal Audit

Record No: R/16/2/1790

Report by Sheree Marrah, Finance Manager, regarding an Internal Audit, was tabled.

Sheree Marrah, Finance Manager, was in attendance for this item.

Mrs Marrah reported that the purpose of this report is to outline to Council the benefits of implementing an internal audit function within Southland District Council and the options available for delivering this service, including participation in a shared internal audit pilot programme being offered by Deloitte.

Mrs Marrah advised the internal audit is good practice and is designed to add value and improve an organisation's operations.

Mrs Marrah informed the process of internal audit involves a systematic disciplined approach to evaluate the effectiveness of risk management, internal controls and processes. An internal audit also adds value to the organisation by providing recommendations on where improvements can be made.

The meeting was informed Council have been approached by Deloitte to participate in a shared internal audit pilot programme to be rolled out across a number of local authorities across the South Island, which staff are recommending that Council participate in.

Mrs Marrah explained the potential use of Deloitte is only one part of a proposed internal audit programme. Council staff are working to compile a draft internal audit plan for consideration by APAC at a future meeting. This plan will address Council's specific areas of internal audit focus for the future and the planned approach for undertaking the internal audit function for each area of focus (ie whether we will use internal, external or a combination of resources).

Councillor Kremer requested that the following items be included in relation to specific areas of the internal audit focus:

- project management, receiving information in timely manner and reporting of internal targets

Mr Ruru requested staff to note these items to be included in the risk assessment areas.

Resolution

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

That the Activities Performance Audit Committee:

- a) Receives the report titled "Internal Audit" dated 26 February 2016.**
- 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) Acknowledges the benefit of an internal audit function for Council.**
- e) Requests Council staff to prepare a draft internal audit plan for consideration at a future meeting.**
- f) Agrees to participate in the Deloitte shared internal audit pilot programme, and authorises the Chief Executive to sign the engagement letter dated 18 December 2015 on Council's behalf.**

- g) Approves unbudgeted expenditure of up to \$12,000 + disbursements (GST exclusive) on the shared internal audit pilot programme, to be funded from underspends in the financial services budget.

7.8 Follow-up on Strong Recommendations and Recommendations from 2015 IANZ Reaccreditation Audit of Southland District Council

Record No: R/16/2/1927

Report by Kevin O'Connor, Manager, Building Control regarding the follow-up on Strong Recommendations and Recommendations from 2015 IANZ Reaccreditation Audit of Southland District Council, was tabled.

Bruce Halligan, Group Manager, Environment and Community was in attendance for this item.

Mr Halligan advised this report provides follow-up on the actions taken in response to the strong recommendations and recommendations resulting from International Accreditation New Zealand (IANZ) March 2015 reaccreditation audit of the Southland District Council (SDC) Building Control section.

Mr Halligan informed IANZ undertakes an intensive audit process of all Building Control Authorities (BCAs) on a two yearly basis. This audit process involves not only a thorough review of relevant documentation and processes, but also on-site inspections where IANZ assessors accompany staff to observe inspection processes.

Members noted that for Council to be able to issue building consents and code compliance certificates under the Building Act 2004, it must be accredited.

Mr Halligan advised reaccreditation was granted for a further two years, with no Corrective Actions Required (known as CARs) being necessary.

Mr Halligan explained IANZ has made a number of strong recommendations and recommendations for future improvement. Strong recommendations need to be actioned or they are likely to turn to CARs at the next re-assessment and recommendations are considered for continuous improvement actioning, but are optional as to whether they are adopted or not.

Mayor Tong commented on the good work from the Building Control Team.

Resolution

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

That the Activities Performance Audit Committee:

- a) **Receives the report titled "Follow-up on Strong Recommendations and Recommendations from 2015 IANZ Reaccreditation Audit of Southland District Council" dated 25 February 2016.**

7.9 Southland Museum and Art Gallery Quarterly Report Against Statement of Intent

Record No: R/16/2/2530

Report by Bruce Halligan, Group Manager, Environment and Community, regarding the Southland Museum and Art Gallery Quarterly Report Against Statement of Intent, was tabled.

Bruce Halligan, Group Manager, Environment and Community was in attendance for this item.

Mr Halligan advised that the Invercargill City Council's Manager of Building Assets and Museum, Mr Paul Horner, has supplied a report relating to the operations of the Southland Museum and Art Gallery (SMAG) for the second quarter of the 2015/2016 financial year.

Mr Halligan advised the report was also recently considered by the Invercargill City Council's Finance and Policy Committee and outlines levels of performance against the SMAG Statement of Intent.

The meeting was informed Mr Horner has requested that this report be forwarded to the Council's APAC Committee for its information.

Members noted that the futures section of the Invercargill City Council report refers to the proposed increase in the Regional Heritage rates to cover proposed additional cataloguing activities.

Resolution

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

That the Activities Performance Audit Committee:

- a) Receives the report titled "Southland Museum and Art Gallery Quarterly Report Against Statement of Intent" dated 25 February 2016.**

The meeting concluded at 11.40am

CONFIRMED AS A TRUE AND CORRECT
RECORD AT A MEETING OF THE
ACTIVITIES PERFORMANCE AUDIT
COMMITTEE HELD ON 9 MARCH 2016.

DATE:.....

CHAIRPERSON:.....

Financial Report for the period ended 31 January 2016

Record No: R/16/3/4254
Author: Susan McNamara, Management Accountant
Approved by: Anne Robson, Chief Financial Officer

☐ Decision ☐ Recommendation ☒ Information

Background

1. This report outlines the financial results to 31 January 2016. At 31 January 2016, 58% of the financial year is complete.
2. Within the report, no significant issues have been identified that raise any concerns for Council relating to the end of year financial position.

Overview

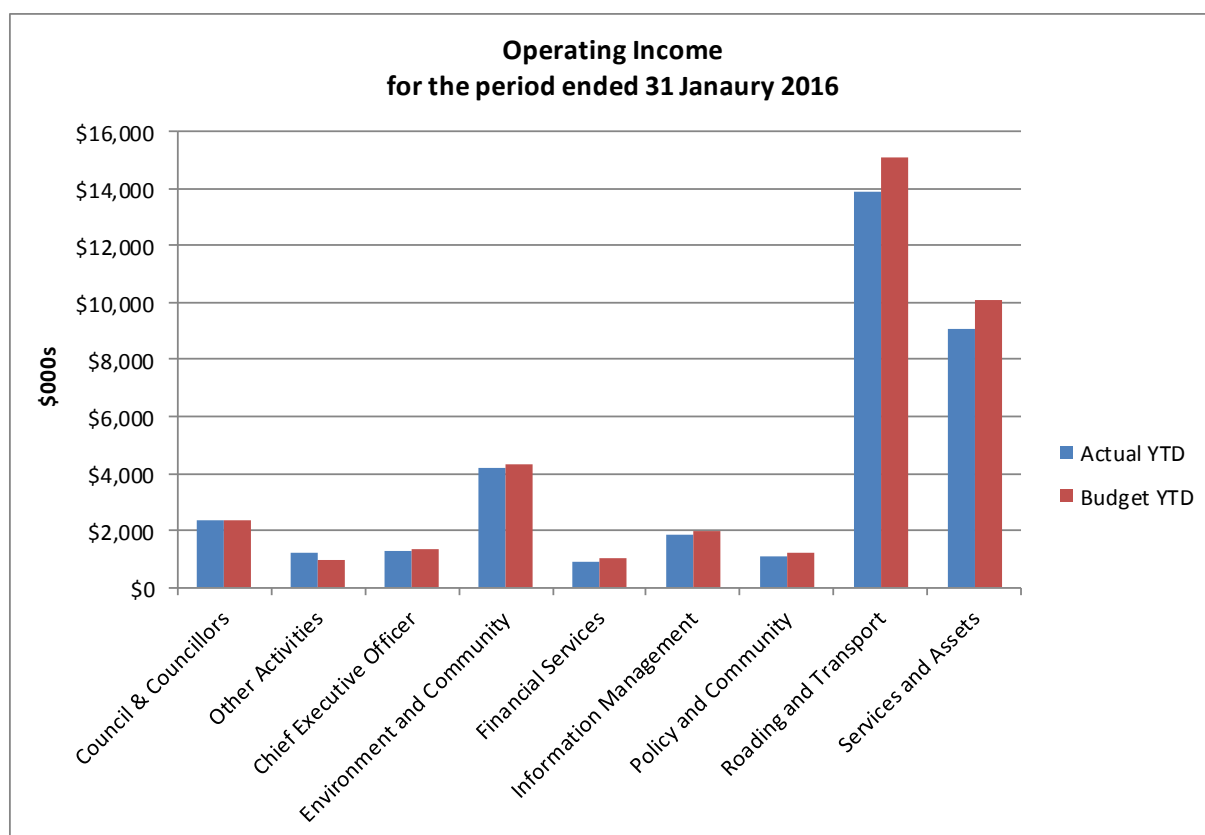
3. The financial commentary centres on the attached summary sheet which draws the totals from each of the key groups together. Commentary provided focuses on the year to date (YTD) results.
4. More detailed variance explanations for each group can be found in the attached detailed commentary report.
5. As part of the monthly review, finance staff look over the phasing/timing of the budgets and they are revised in conjunction with budget managers 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. The financial tables include the forecasting data discussed at the Council's December meeting. In summary,
 - The monthly and annual budget columns are the phased full year projection.
 - The FY Budget is the LTP budget for the year.
 - The FY Projection is the forecasted year end result.
7. Staff will continue to refine the format of this report, 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 welcome.
8. Results at a glance, compared to budget year to date. Budget year to date is the phased forecast budget.

INCOME YTD		
Actual	Budget	
\$35.9M	\$38.5M	
Variance	\$2.6M	7%
NET SURPLUS YTD		
Actual	Budget	
\$7.1M	\$8.3M	
Variance	\$1.2M	14%

OPERATING EXPENDITURE YTD		
Actual	Budget	
\$28.8M	\$30.2M	
Variance	\$1.4M	5%
CAPITAL EXPENDITURE YTD		
Actual	Budget	
\$6.3M	\$9.6M	
Variance	\$3.3M	34%

Income

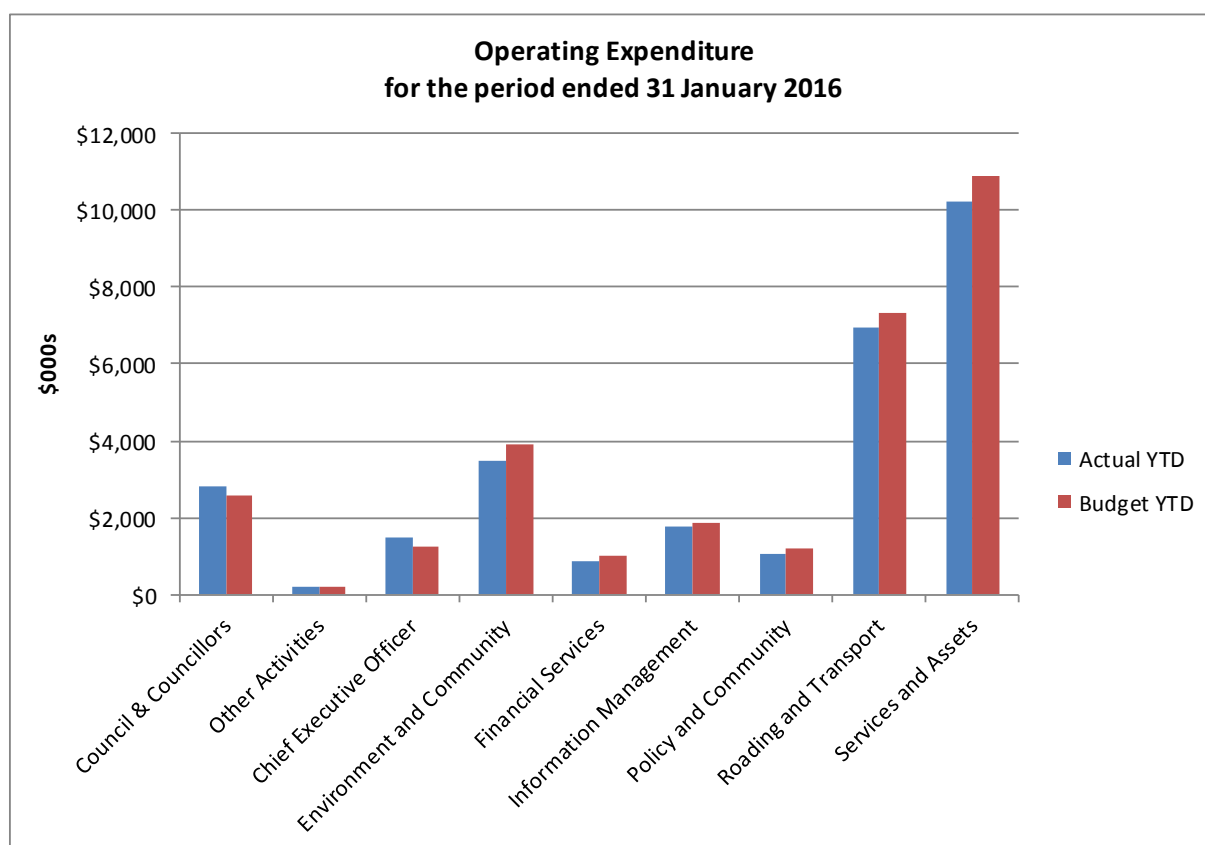
9. Overall for the YTD, income is 7% (\$2.6M) under budget (\$35.9M actual v \$38.5M budget).



10. Services and Assets income is under budget by \$1.03M due to a number of items.
11. The largest being forestry revenue which is currently \$853K under budget due to the timing of harvesting activities which have commenced in February. Additionally, due to a change in accounting methodology forestry income is expected to be approximately \$1.2M higher than budget at year end. Previously sales income was recorded net of harvesting costs, under the new methodology sales income and harvesting costs are now recorded separately. This change will also result in total forestry expenditure being over budget by approximately \$1.2M at year end.
12. As a result of less expenditure being incurred to date in the Area Engineers and Engineering Consultants business units internal revenue required to balance this business units is also less than budgeted (\$47k). This is the result of vacancies throughout the year and is expected to remain below budget at year end.
13. Work scheme revenue is \$104K under budget as a result of less work being completed overall due to having one less supervisor. This is partially offset by a reduction in staff costs material purchases. At year end the business unit is anticipated to be in a deficit. The extent of this deficit will depend on whether approval for probation funding of an estimated \$32K per annum is secured. If it is the deficit is likely to be \$15K. However staff anticipate that this deficit can be made up next year once the supervisor position is filled.

Operating Expenditure

14. Overall for the YTD, operating expenditure is 5% (\$1.4M) under budget (\$28.8M actual vs \$30.2M budget).

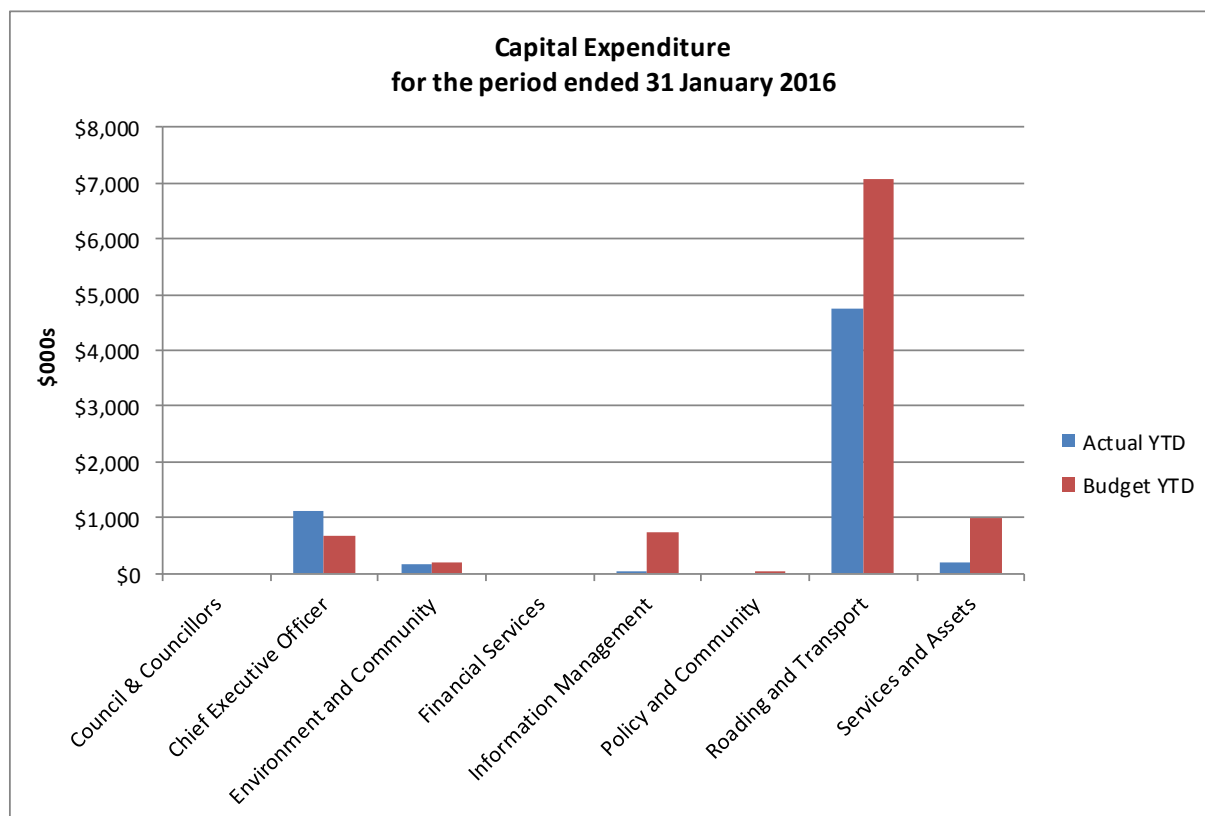


15. Services and Assets expenditure is \$658K under budget due to the timing of forestry costs (\$189K), with harvest costs occurring in February onwards. As mentioned in the income section above, these costs are expected to be well over budget due to the new accounting methodology applied to forestry sales. Additionally, district sewerage costs are \$356K under budget as a result of lower capital works undertaken. These costs have been reforecast in February and are now expected to be \$849K lower than originally budgeted for the year. Work Schemes expenditure is \$73K under budget due to having one less Supervisor, this is reflected in lower staff costs and material costs.
16. Environment and Community expenditure is \$428K under budget. This is mainly in the regulatory areas of building regulation (\$123k), resource consent processing (\$54k) and Resource Planning (\$170K). Current market conditions has resulted in less building and resource consent activity resulting in lower than budgeted income and expenditure in these areas. The District Plan 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. Overall it is expected that the business units will be in deficit at year end. The financial forecasting report currently being prepared for Council will quantify this. Any deficits will be funded from the district operating reserve.
17. The Chief Executive group is currently over budget by \$243K. Within the Around the Mountains Cycle trail \$298K is the result of moving costs relating to the appeal process into a separate code for easy identification. At year end this will be moved back to capital expenditure. The Chief Executive business unit is \$60K over budget primarily due to the timing of costs relating to the organisation review and the cost of the unbudgeted local government survey undertaken by PWC. It is expected at year end that costs overall will be over budget but will be covered by cost savings in other business units.

18. Council & Councillors is \$202k over budget. This is primarily due to a timing error in the council election business unit with costs relating to the outsourced electoral officer position (\$181K) being recorded entirely in the January month. These costs will be corrected in the March financial reports to allocate costs across the duration of the position which is expected to run from July through to October.

Capital Expenditure

19. Overall for the YTD, capital expenditure is 34% (\$3.3M) under budget (\$6.3M actual vs \$9.6M budget).



20. Information management capital expenditure is under budget \$684K 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. There has been \$44K spent to date on both projects with a forecasted year end budget of \$1.25m. The digitisation project is now expected to be \$60k at year end which will be reflected in the February forecasting round. This relates to the delay in appointing the fixed term position and the timing of the TRIM upgrade. The core systems review project has been reforecast to \$250k from the current \$1m as part of the end of February reforecasting process. The balance of these funds will be carried forward into the 16/17 year with Council's approval.
21. Services and assets capital expenditure is under budget year to date, \$790K due to minimal capital work being undertaken to date beyond the purchase of Hansen software. The Curio Bay sewerage project is still in progress (\$970k), quotes are being received on the costs to construct and initial contact has been made with DOC and the trust towards a contribution to operating costs. At this stage it is planned to report back to Council towards the end of April 2016. Public convenience upgrades in Winton (Ivy Russell Park) and Dipton are out for tender, Colac Bay toilets are in design phase, the Waikaia toilets are being built in conjunction with the Waikaia museum rebuild and the Athol toilet is completed.

Roading and Transport

22. The seasonality of the capital works programme directly affects the level of income received from NZTA along with any changes to the programmed works.
23. Operational expenditure is in line with the long term plan budget and the NZTA approved budget for 2015/16 even though weather events over winter put a strain on the budgets.
24. The Roothing and Transport team have forecast that capital expenditure will be under budget at the end of the year. This variance is principally due to the Southern Scenic Route extension and the Mararoa Bridge projects being deferred to the 2016/2017 financial year (\$2.48m). This is offset by additional rehabilitation projects, changes in scope and market prices \$321k.

Balance Sheet

25. Council's financial position as at 31 January 2016 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 and includes SIESA and Venture Southland.
26. At 31 January 2016, Council had \$5.0M invested in four term deposits ranging from four to six month maturities. The next term deposit will mature in mid-February.

The details at 31 January 2016 are:

Amount	Where Invested	Interest Rate	Term of Investment	Date of Expiry
\$1,000,000	ASB	3.25%	122 days	13 Apr 2016
\$1,000,000	BNZ	3.30%	121 days	18 May 2016
\$1,000,000	BNZ	3.50%	183 days	20 Apr 2016
\$2,000,000	Westpac	3.41%	119 days	12 Feb 2016

27. Funds on call are the result of council rates received at the end of January and held to ensure there is enough cash available to meet commitments as they fall due.

Balance at 31 January	Where Invested	Interest Rate
\$1,919,557	BNZ	1.75%
\$3,000,000	Westpac	2.00%

28. 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 for computer equipment.

**SOUTHLAND DISTRICT COUNCIL
STATEMENT OF FINANCIAL POSITION
31-Jan-16**

	31-Jan-16	30-Jun-15
Equity		
Retained Earnings	722,737,022	720,895,021
Net Surplus / (Deficit)	(4,949,404)	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>1,378,133,137</u>	<u>1,386,038,408</u>
Represented by:		
<i>Current Assets</i>		
Cash & Cash Equivalents	9,507,126	9,658,223
Trade and Other Receivables	6,087,578	10,825,189
Inventories	77,247	100,560
Other Financial Assets	<u>1,002,036</u>	<u>1,302,036</u>
	16,673,987	21,886,008
<i>Non-Current Assets</i>		
Property, Plant and Equipment	1,356,477,605	1,361,737,478
Intangible Assets	979,317	984,949
Forestry Assets	11,331,000	11,331,000
Internal Loans	21,325,226	23,981,966
Other Financial Assets	4,050	4,324
Work in Progress	<u>1,838,106</u>	<u>1,838,106</u>
	1,391,955,304	1,399,877,823
TOTAL ASSETS	1,408,629,291	1,421,763,831
<i>Current Liabilities</i>		
Trade and Other Payables	4,882,610	7,286,483
Contract Retentions and Deposits	601,791	645,991
Employee Benefit Liabilities	1,165,957	1,269,868
Development and Financial Contributions	2,330,399	2,350,943
Borrowings	5,675	5,675
Landfill Contingency	<u>14,000</u>	<u>14,000</u>
	9,000,432	11,572,962
<i>Non-Current Liabilities</i>		
Employment Benefit Liabilities	140,208	140,208
Provision for Decommissioning	30,287	30,287
Internal Loans - Liability	21,325,227	23,981,966
Borrowings	<u>-</u>	<u>-</u>
	21,495,722	24,152,461
TOTAL LIABILITIES	30,496,154	35,725,423
NET ASSETS	<u>1,378,133,137</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 31 January 2016” dated 23 March 2016.

Attachments

- A Summary Financial Report [View](#)
- B Detailed Commentary Report [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	≥ 39%	28%	-11%	⊗
Working Capital: Current Assets/Current Liabilities	≥1.09	1.85	0.76	✓
Debt Ratio:** Total Liabilities/Total Assets	≤0.73%	0.66%	-0.07%	✓
Debt To Equity Ratio: Total Debt/Total Equity	≤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 Summary Report



For the period ending January 2016

	Monthly				YTD				Full Year Budget			
Income	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Chief Executive Officer	127,616	143,011	(15,395)	(11%)	1,278,927	1,328,919	(49,992)	(4%)	4,902,985	2,197,011	(2,705,974)	(55%)
Council & Councillors	339,196	339,883	(687)	-	2,372,782	2,379,181	(6,399)	-	4,079,835	4,079,835	-	-
Environment & Community	506,007	552,377	(46,370)	(8%)	4,208,173	4,347,896	(139,723)	(3%)	7,198,516	7,140,300	(58,216)	(1%)
Financial Services	96,160	146,101	(49,941)	(34%)	893,752	1,047,762	(154,010)	(15%)	1,851,170	1,803,322	(47,848)	(3%)
Information Management	254,427	283,102	(28,675)	(10%)	1,875,299	1,981,712	(106,412)	(5%)	3,324,220	3,397,220	73,000	2%
Other Activities	155,821	132,804	23,018	17%	1,215,960	950,747	265,213	28%	1,799,764	1,799,764	-	-
Policy & Community	146,893	171,580	(24,687)	(14%)	1,113,419	1,201,061	(87,641)	(7%)	2,058,961	2,058,961	-	-
Roading & Transport	2,420,044	2,161,755	258,288	12%	13,870,645	15,132,287	(1,261,641)	(8%)	27,918,970	26,375,332	(1,543,638)	(6%)
Services & Assets	1,341,587	1,443,778	(102,191)	(7%)	9,078,100	10,104,076	(1,025,976)	(10%)	18,133,235	17,554,095	(579,140)	(3%)
Total	5,387,751	5,374,390	13,361	-	35,907,059	38,473,640	(2,566,581)	(7%)	71,267,656	66,405,840	(4,861,816)	(7%)

	Monthly				YTD				Full Year Budget			
Operating Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Chief Executive Officer	267,715	251,982	(15,733)	(6%)	1,485,074	1,241,886	(243,188)	(20%)	2,017,511	2,137,067	(119,556)	(6%)
Council & Councillors	362,822	584,782	221,960	38%	2,788,197	2,586,682	(201,514)	(8%)	3,807,612	3,827,612	(20,000)	(1%)
Environment & Community	483,200	538,791	55,591	10%	3,465,844	3,893,595	427,752	11%	6,564,838	6,707,722	(142,884)	(2%)
Financial Services	94,222	128,345	34,123	27%	880,185	1,014,816	134,630	13%	1,848,844	1,800,996	47,848	3%
Information Management	224,962	259,971	35,008	13%	1,762,191	1,858,298	96,106	5%	3,127,983	3,200,983	(73,000)	(2%)
Other Activities	3,251	11,977	8,727	73%	195,139	191,989	(3,150)	(2%)	1,762,369	1,762,369	-	-
Policy & Community	139,496	178,177	38,681	22%	1,061,641	1,192,385	130,744	11%	2,060,838	2,060,838	-	-
Roading & Transport	826,498	1,042,551	216,053	21%	6,968,892	7,316,761	347,869	5%	12,540,888	12,540,888	-	-
Services & Assets	1,210,345	1,487,625	277,280	19%	10,222,470	10,880,532	658,062	6%	17,745,659	17,752,216	(6,557)	-
Total	3,612,511	4,484,201	871,690	19%	28,829,633	30,176,944	1,347,312	4%	51,476,542	51,790,691	(314,149)	(1%)

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Net Surplus/(Deficit)	1,775,240	890,189	885,051	99%	7,077,426	8,296,695	(1,219,269)	(15%)	19,791,114	14,615,149	(5,175,965)	(26%)

	Monthly				YTD				Full Year Budget			
Capital Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Chief Executive Officer	50,081	94,400	44,319	47%	1,114,259	660,799	(453,459)	(69%)	4,770,000	1,132,799	3,637,201	76%
Council & Councillors	-	-	-	-	-	-	-	-	-	-	-	-
Environment & Community	5,641	22,104	16,463	74%	155,586	188,768	33,183	18%	260,290	299,290	(39,000)	(15%)

Council Summary Report



Item 7.1 Attachment A

Financial Services	-	-	-	-	-	-	-	-	-	-	-	-
Information Management	-	104,167	104,167	100%	44,294	729,167	684,873	94%	1,750,000	1,250,000	500,000	29%
Policy & Community	-	246	246	100%	-	1,719	1,719	100%	2,946	2,946	-	-
Roading & Transport	1,639,228	1,009,260	(629,968)	(62%)	4,748,748	7,064,818	2,316,070	33%	14,269,729	12,111,116	2,158,613	15%
Services & Assets	11,797	142,407	130,609	92%	206,539	996,847	790,308	79%	2,131,447	2,084,427	47,020	2%
Total	1,706,748	1,372,583	(334,165)	(24%)	6,269,425	9,642,118	3,372,693	35%	23,184,412	16,880,578	6,303,834	27%

	Monthly				YTD				Full Year Budget			
Funding Adjustments	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Chief Executive Officer	(1,384)	89,405	(90,789)	(102%)	(9,690)	625,832	(635,522)	(102%)	1,884,526	1,072,855	(811,671)	(43%)
Council & Councillors	(20,084)	(21,019)	935	(4%)	(140,585)	(147,130)	6,545	(4%)	(272,223)	(252,223)	20,000	(7%)
Environment & Community	(21,165)	(12,867)	(8,298)	64%	(100,982)	(68,953)	(32,029)	46%	(373,388)	(133,288)	240,100	(64%)
Financial Services	-	(194)	194	(100%)	-	(1,357)	1,357	(100%)	(2,326)	(2,326)	-	-
Information Management	(16,115)	87,814	(103,928)	(118%)	(112,802)	614,695	(727,497)	(118%)	1,553,763	1,053,763	(500,000)	(32%)
Other Activities	-	(3,116)	3,116	(100%)	-	(21,814)	21,814	(100%)	(37,395)	(37,395)	-	-
Policy & Community	-	402	(402)	(100%)	-	2,813	(2,813)	(100%)	4,823	4,823	-	-
Roading & Transport	(149,366)	(143,611)	(5,755)	4%	(1,045,561)	(1,005,275)	(40,286)	4%	(1,108,353)	(1,723,328)	(614,975)	55%
Services & Assets	(14,307)	72,561	(86,868)	(120%)	(45,007)	507,930	(552,937)	(109%)	1,743,871	2,282,549	538,678	31%
Total	(222,420)	69,375	(291,795)	(421%)	(1,454,626)	506,742	(1,961,369)	(387%)	3,393,298	2,265,430	(1,127,868)	(33%)

Council Detail Report



For the period ending January 2016	Chief Executive Officer											
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Income												
Around Mountains Cycle Trail	17,672	18,486	(814)	(4%)	119,257	129,403	(10,146)	(8%)	2,927,807	221,833	(2,705,974)	(92%)
Chief Executive	20,520	17,066	3,454	20%	435,068	392,244	42,824	11%	630,098	630,098	-	-
Civil Defence	22,884	22,853	31	-	159,625	159,972	(347)	-	274,237	274,237	-	-
Human Resources	41,909	49,674	(7,766)	(16%)	291,324	347,720	(56,396)	(16%)	596,092	596,092	-	-
Rural Fire Control	24,130	24,098	32	-	168,320	168,685	(366)	-	289,175	289,175	-	-
Shared Services Forum	-	-	-	-	55,062	55,062	-	-	55,062	55,062	-	-
SI Visitor Levy	502	10,833	(10,332)	(95%)	50,271	75,833	(25,562)	(34%)	130,514	130,514	-	-
Total	127,616	143,011	(15,395)	(11%)	1,278,927	1,328,919	(49,992)	(4%)	4,902,985	2,197,011	(2,705,974)	(55%)
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Operating Expenditure												
Around Mountains Cycle Trail	51,926	16,767	(35,159)	(210%)	313,013	117,370	(195,644)	(167%)	60,000	201,205	(141,205)	(235%)
Chief Executive	37,310	48,784	11,474	24%	414,142	354,108	(60,034)	(17%)	629,556	607,907	21,649	3%
Civil Defence	64,317	64,298	(20)	-	193,250	193,111	(140)	-	257,626	257,626	-	-
Human Resources	41,868	45,251	3,383	7%	291,041	328,297	37,256	11%	596,092	596,092	-	-
Rural Fire Control	72,294	72,294	-	-	217,214	216,881	(333)	-	289,175	289,175	-	-
Shared Services Forum	-	4,589	4,589	100%	56,413	32,120	(24,293)	(76%)	55,062	55,062	-	-
SI Visitor Levy	-	-	-	-	-	-	-	-	130,000	130,000	-	-
Total	267,715	251,982	(15,733)	(6%)	1,485,074	1,241,886	(243,188)	(20%)	2,017,511	2,137,067	(119,556)	(6%)
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Net Surplus/(Deficit)	(140,100)	(108,972)	(31,128)	29%	(206,147)	87,033	(293,180)	(337%)	2,885,474	59,944	(2,825,530)	(98%)

	Monthly				YTD				Full Year Budget			
Capital Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Around Mountains Cycle Trail	48,957	94,400	45,443	48%	1,113,135	660,799	(452,335)	(68%)	4,770,000	1,132,799	3,637,201	76%
Chief Executive	-	-	-	-	-	-	-	-	-	-	-	-
Civil Defence	-	-	-	-	-	-	-	-	-	-	-	-
Human Resources	1,124	-	(1,124)	-	1,124	-	(1,124)	-	-	-	-	-
SI Visitor Levy	-	-	-	-	-	-	-	-	-	-	-	-
Total	50,081	94,400	44,319	47%	1,114,259	660,799	(453,459)	(69%)	4,770,000	1,132,799	3,637,201	76%

	Monthly				YTD				Full Year Budget			
Funding Adjustments	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Around Mountains Cycle Trail	-	92,681	(92,681)	(100%)	-	648,766	(648,766)	(100%)	1,902,193	1,112,171	(790,022)	(42%)
Chief Executive	-	(1,849)	1,849	(100%)	-	(12,945)	12,945	(100%)	(542)	(22,191)	(21,649)	3994%
Civil Defence	(1,384)	(1,384)	-	-	(9,690)	(9,690)	-	-	(16,611)	(16,611)	-	-
Human Resources	-	-	-	-	-	-	-	-	-	-	-	-
Rural Fire Control	-	-	-	-	-	-	-	-	-	-	-	-
Shared Services Forum	-	-	-	-	-	-	-	-	-	-	-	-
SI Visitor Levy	-	(43)	43	(100%)	-	(300)	300	(100%)	(514)	(514)	-	-
Total	(1,384)	89,405	(90,789)	(102%)	(9,690)	625,832	(635,522)	(102%)	1,884,526	1,072,855	(811,671)	(43%)

CHIEF EXECUTIVE COMMENTARY

For the year-to-date, income is under budget by 4% (\$50K). Expenditure is over budget by 20% (\$243M). The year-to-date position is \$293K under budget.

Chief Executive

Income in this business unit is 11% (\$43K) over budget, due to higher rates penalties income (\$38K). Expenditure is 17% (\$60K) over budget. This is a result of higher membership fees (\$15K) due to higher annual SOLGM fees and an unbudgeted joining fee for the Local Government Operational Effectiveness Survey. Additionally consultant costs are over budget (\$20K) due to the timing of Organisational Review Costs. This is offset by legal costs (\$19K) project consultant costs (\$7K) and contribution costs (\$5K) as a result of the timing of the contribution to the Shared Services Forum.

Civil Defence

Income and expenditure are on budget.

Human Resources

Income is 16% (\$56K) under budget. Expenditure year-to-date is 11% (\$37K) under budget due to reduced expenditure on training costs (\$22K), recruitment costs (\$12K) and OSH expenses (\$11K). This is offset by overspends on consultants (\$5K) and travel (\$4K). As this activity is internally funded, the reduced expenditure impacts directly on income.

Around the Mountains Cycle Trail

Income is 8% (\$10K) under budget with lower funding received to date than expected. Operating expenditure is over budget by 167% (\$196K) with hearing consent costs (\$298K) being moved to this business unit for easy identification. These costs will be moved back to capital expenditure at year end. Capital expenditure is over budget by 68% (\$452K) with total capital expenditure for 15/16 projected to be \$1.13M due to delays on work on Stage 2.

Rural Fire Control

Income and expenditure are on budget.

Shared Services Forum

Income is on budget. Expenditure year-to-date is over budget by 76% (\$24K) due to higher consultant costs (\$19K) in relation to the Southland Regional Development Strategy and costs to produce the Regional Strategy Booklet (\$5K). 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 34% (\$26K) below budget. Expenditure is currently on budget with grants expected to be paid in May.

Council Detail Report



	Council & Councillors											
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Income												
Council and Councillors	59,230	59,554	(324)	(1%)	418,708	416,875	1,833	-	714,643	714,643	-	-
Council Contributions/Gran	32,237	32,194	43	-	224,871	225,360	(489)	-	386,331	386,331	-	-
Council Elections	3,400	3,396	5	-	23,719	23,771	(52)	-	40,750	40,750	-	-
Council Water & Sewerage L	43,529	43,404	125	-	303,088	303,829	(740)	-	520,849	520,849	-	-
International Relations Commit	901	900	1	-	6,283	6,297	(14)	-	12,034	12,034	-	-
Museum	45,369	46,159	(790)	(2%)	317,198	323,116	(5,919)	(2%)	553,914	553,914	-	-
Regulatory - Non Recoverab	8,070	8,010	61	1%	57,235	56,067	1,168	2%	96,115	96,115	-	-
Venture Southland	146,460	146,267	193	-	1,021,680	1,023,866	(2,186)	-	1,755,199	1,755,199	-	-
Total	339,196	339,883	(687)	-	2,372,782	2,379,181	(6,399)	-	4,079,835	4,079,835	-	-
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Operating Expenditure												
Council and Councillors	85,164	56,956	(28,208)	(50%)	439,301	422,294	(17,008)	(4%)	714,173	714,173	-	-
Council Contributions/Gran	16,178	18,139	1,961	11%	287,271	315,514	28,244	9%	386,331	406,331	(20,000)	(5%)
Council Elections	180,000	833	(179,167)	(21500%)	181,625	5,833	(175,791)	(3014%)	10,000	10,000	-	-
Council Water & Sewerage L	23,320	23,321	-	-	163,243	163,244	-	-	279,846	279,846	-	-
International Relations Commit	-	1,003	1,003	100%	-	7,020	7,020	100%	12,034	12,034	-	-
Museum	44,272	45,731	1,459	3%	352,982	322,738	(30,244)	(9%)	553,914	553,914	-	-
Regulatory - Non Recoverab	13,888	-	(13,888)	-	37,174	33,640	(3,534)	(11%)	96,115	96,115	-	-
Venture Southland	-	438,800	438,800	100%	1,326,600	1,316,399	(10,201)	(1%)	1,755,199	1,755,199	-	-
Total	362,822	584,782	221,960	38%	2,788,197	2,586,682	(201,514)	(8%)	3,807,612	3,827,612	(20,000)	(1%)
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Net Surplus/(Deficit)	(23,626)	(244,899)	221,273	(90%)	(415,415)	(207,501)	(207,913)	100%	272,223	252,223	(20,000)	(7%)

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

	Monthly				YTD				Full Year Budget			
Funding Adjustments	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Council and Councillors	-	(39)	39	(100%)	-	(274)	274	(100%)	(470)	(470)	-	-
Council Contributions/Gran	-	1,667	(1,667)	(100%)	-	11,667	(11,667)	(100%)	-	20,000	20,000	-
Council Elections	-	(2,563)	2,563	(100%)	-	(17,938)	17,938	(100%)	(30,750)	(30,750)	-	-
Council Water & Sewerage L	(20,084)	(20,084)	-	-	(140,585)	(140,585)	-	-	(241,003)	(241,003)	-	-
International Relations Commit	-	-	-	-	-	-	-	-	-	-	-	-
Museum	-	-	-	-	-	-	-	-	-	-	-	-
Regulatory - Non Recoverab	-	-	-	-	-	-	-	-	-	-	-	-
Venture Southland	-	-	-	-	-	-	-	-	-	-	-	-
Total	(20,084)	(21,019)	935	(4%)	(140,585)	(147,130)	6,545	(4%)	(272,223)	(252,223)	20,000	(7%)

COUNCIL AND COUNCILLORS' COMMENTARY

For the year-to-date, income is \$6K under budget. Expenditure is 8% (\$202K) over budget. The year-to-date position is \$208K under budget.

Council and Councillors

Income is on budget. Expenditure is 4% (\$17K) over budget primarily due to a back payment on councillor's communication costs (\$19K) and councillor's salary costs (\$10K). This is offset by Youth Council costs (\$5K), cultural acquisitions (\$3K) and catering costs (\$5K).

Council Contributions/Grants

Income is on budget. Expenditure is currently under budget 9% (\$28K) due to the timing of miscellaneous grants and the timing on outward bound costs (\$5K)

Council Elections

Income is on budget. Expenditure is 3014% (\$176K) over budget due to an error in the timing of election costs. This will be corrected in the March financial reports. It is likely election costs will be over budget this financial year due to the outsourcing of the electoral officer position. This is likely to result in lower election costs next financial 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 \$7K under budget with minimal activity year to date.

Museum

Income is 2% (\$6K) under budget due to the timing on grants income. Expenditure is over budget 9% (\$30K) as a result of the timing on grant contributions (\$38K). This is offset by Vehicle Operation Lease costs (\$5K) due to the vehicle not yet being replaced as anticipated.

Regulatory - Non-Recoverable

Income is on budget. Expenditure is currently 11% (\$4K) over budget.

Venture Southland

Income is on budget. Expenditure is currently \$10K over budget and expected to be \$14K over budget at year end.

	Other Activities											
	Monthly				YTD				Full Year Budget			
Income	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Allocation Committees	14,638	14,304	334	2%	168,185	121,250	46,934	39%	312,089	312,089	-	-
Operating investments	141,184	118,500	22,684	19%	1,047,776	829,497	218,279	26%	1,487,675	1,487,675	-	-
Total	155,821	132,804	23,018	17%	1,215,960	950,747	265,213	28%	1,799,764	1,799,764	-	-
	Monthly				YTD				Full Year Budget			
Operating Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Allocation Committees	1,200	8,830	7,630	86%	172,733	169,959	(2,774)	(2%)	322,258	322,258	-	-
Operating investments	2,051	3,147	1,096	35%	22,406	22,030	(376)	(2%)	1,440,111	1,440,111	-	-
Total	3,251	11,977	8,727	73%	195,139	191,989	(3,150)	(2%)	1,762,369	1,762,369	-	-
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Net Surplus/(Deficit)	152,571	120,826	31,744	26%	1,020,821	758,758	262,063	35%	37,395	37,395	-	-
	Monthly				YTD				Full Year Budget			
Funding Adjustments	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Allocation Committees	-	847	(847)	(100%)	-	5,932	(5,932)	(100%)	10,169	10,169	-	-
Operating investments	-	(3,964)	3,964	(100%)	-	(27,746)	27,746	(100%)	(47,564)	(47,564)	-	-
Total	-	(3,116)	3,116	(100%)	-	(21,814)	21,814	(100%)	(37,395)	(37,395)	-	-

OTHER ACTIVITIES COMMENTARY**Allocations Committee**

Income is 39% (\$47K) over budget due to an unbudgeted donation relating to the Men of the Trees Fund (\$28K), the unbudgeted repayment of a loan made by the Community Initiatives Fund (\$10K) and the timing of grant income received. Expenditure is (\$3K) over budget by with unbudgeted grants being distributed from the Men of the Trees fund (\$9K), this is offset by the timing on grants made by the Allocations Committee.

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 Detail Report



	Environment & Community											
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Income												
Alcohol Licens ing	11,638	18,315	(6,677)	(36%)	128,207	128,207	-	-	237,531	220,315	(17,216)	(7%)
Animal Control	17,372	9,287	8,105	87%	436,570	394,867	41,704	11%	484,295	454,295	(10,000)	(2%)
Area Offices	122,773	119,519	3,254	3%	855,574	836,632	18,942	2%	1,434,226	1,434,226	-	-
Building Regulations	105,408	139,210	(33,803)	(24%)	851,142	974,473	(123,332)	(13%)	1,670,526	1,670,526	-	-
Customer Services	26,304	30,311	(4,007)	(13%)	191,516	212,180	(20,664)	(10%)	363,737	363,737	-	-
District Library	103,641	104,717	(1,076)	(1%)	752,145	733,017	19,128	3%	1,256,600	1,256,600	-	-
Enviro & Com Dev Admin	20,154	19,660	494	3%	128,406	137,619	(9,213)	(7%)	235,919	235,919	-	-
Environmental Health	(10,847)	12,336	(23,184)	(188%)	121,539	129,455	(7,916)	(6%)	199,443	199,443	-	-
Health Licens ing	23,932	1,458	22,473	1541%	114,333	118,364	(4,031)	(3%)	154,243	134,243	(20,000)	(13%)
Resource Consent Processin	56,151	68,140	(11,989)	(18%)	423,084	476,978	(53,894)	(11%)	828,676	817,676	(11,000)	(1%)
Resource Planning/Policy	29,483	29,443	39	-	205,656	206,103	(447)	-	353,320	353,320	-	-
Total	506,007	552,377	(46,370)	(8%)	4,208,173	4,347,896	(139,723)	(3%)	7,198,516	7,140,300	(58,216)	(1%)
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Operating Expenditure												
Alcohol Licens ing	14,060	16,686	2,626	16%	112,115	120,633	8,518	7%	222,847	209,847	13,000	6%
Animal Control	36,345	36,401	57	-	275,586	287,764	12,178	4%	472,562	483,562	(11,000)	(2%)
Area Offices	76,268	82,101	5,833	7%	565,403	585,572	20,169	3%	1,009,750	1,009,750	-	-
Building Regulations	120,955	132,074	11,119	8%	863,422	957,464	94,041	10%	1,654,805	1,654,805	-	-
Customer Services	26,284	28,907	2,623	9%	191,375	210,775	19,400	9%	363,737	363,737	-	-
District Library	80,374	88,317	7,942	9%	611,563	642,563	31,000	5%	1,102,073	1,102,073	-	-
Enviro & Com Dev Admin	20,154	19,098	(1,056)	(6%)	128,406	135,510	7,104	5%	235,919	235,919	-	-
Environmental Health	18,513	17,814	(699)	(4%)	102,438	109,300	6,862	6%	191,137	191,137	-	-
Health Licens ing	6,563	11,620	5,057	44%	52,097	83,607	31,510	38%	145,656	145,656	-	-
Resource Consent Processin	66,906	68,780	1,875	3%	470,635	497,340	26,706	5%	828,676	858,560	(29,884)	(4%)
Resource Planning/Policy	16,779	36,995	20,215	55%	92,803	263,067	170,264	65%	337,676	452,676	(115,000)	(34%)
Total	483,200	538,791	55,591	10%	3,465,844	3,893,595	427,752	11%	6,564,838	6,707,722	(142,884)	(2%)
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Net Surplus/(Deficit)	22,807	13,586	9,221	68%	742,329	454,300	288,029	63%	633,678	432,578	(201,100)	(32%)

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Animal Control	-	-	-	-	5,810	-	(5,810)	-	-	-	-	-
Area Offices	-	-	-	-	3,500	-	(3,500)	-	-	-	-	-
Building Regulations	-	2,826	2,826	100%	29,056	19,779	(9,278)	(47%)	33,906	33,906	-	-
Customer Services	-	-	-	-	-	-	-	-	-	-	-	-
District Library	5,641	13,148	7,507	57%	86,443	126,075	39,631	31%	152,815	191,815	(39,000)	(26%)
Enviro & Com Dev Admin	-	-	-	-	-	-	-	-	-	-	-	-
Environmental Health	-	3,014	3,014	100%	30,777	21,101	(9,676)	(46%)	36,173	36,173	-	-
Health Licensing	-	3,116	3,116	100%	-	21,814	21,814	100%	37,396	37,396	-	-
Resource Consent Processin	-	-	-	-	-	-	-	-	-	-	-	-
Total	5,641	22,104	16,463	74%	155,586	188,768	33,183	18%	260,290	299,290	(39,000)	(15%)

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Funding Adjustments	-	(872)	872	(100%)	-	(6,106)	6,106	(100%)	(14,684)	(10,468)	4,216	(29%)
Alcohol Licensing	-	(872)	872	(100%)	-	(6,106)	6,106	(100%)	(14,684)	(10,468)	4,216	(29%)
Animal Control	5,810	2,439	3,371	138%	11,620	17,072	(5,452)	(32%)	8,267	29,267	21,000	254%
Area Offices	(25,026)	(35,373)	10,347	(29%)	(175,181)	(247,611)	72,430	(29%)	(424,476)	(424,476)	-	-
Building Regulations	-	1,515	(1,515)	(100%)	22,534	10,608	11,926	112%	18,185	18,185	-	-
Customer Services	-	-	-	-	-	-	-	-	-	-	-	-
District Library	(1,949)	1,348	(3,297)	(245%)	9,269	30,550	(21,281)	(70%)	(1,712)	37,288	39,000	(2278%)
Enviro & Com Dev Admin	-	-	-	-	-	-	-	-	-	-	-	-
Environmental Health	-	2,322	(2,322)	(100%)	30,777	16,256	14,521	89%	27,867	27,867	-	-
Health Licensing	-	4,067	(4,067)	(100%)	-	28,472	(28,472)	(100%)	28,809	48,809	20,000	69%
Resource Consent Processin	-	3,407	(3,407)	(100%)	-	23,849	(23,849)	(100%)	-	40,884	40,884	-
Resource Planning/Policy	-	8,280	(8,280)	(100%)	-	57,958	(57,958)	(100%)	(15,644)	99,356	115,000	(735%)
Total	(21,165)	(12,867)	(8,298)	64%	(100,982)	(68,953)	(32,029)	46%	(373,388)	(133,288)	240,100	(64%)

ENVIRONMENT AND COMMUNITY COMMENTARY

Overall January 2016 monthly income for the Environment and Community Group was 8% (\$46K) below budget at \$506K actual versus \$552K budget.

Key features of this month's income were that Building Consent and Resource Consent processing income were significantly below budget by 24% (\$34K) and 19% (\$12K) respectively, reflecting the relatively low level of current building activity, which is quite a concern in bearing in mind that January is traditionally a reasonably busy month for new consents.

Alcohol Licensing Income was below budget, largely a reflection of Council's decision to reduce licensing fees by 30% in response to industry submissions.

The discrepancies between Environmental Health and Health Licensing income reflect an internal journal correction between these two business units. Also, the Health Licensing income figure is also affected by less income than expected coming via the Gore District Council contract, as Gore District Council now has a staff member performing some of these functions in-house.

Overall January monthly expenditure for the Environment and Community Group was 10% (\$56K) below budget (\$483K actual v \$539K budget).

Most departments were below budget expenditure-wise, reflecting a close focus on spending.

The Resource Planning/Policy area was significantly under budget by 55% (\$20K) due to delays in progression of remaining appeal processes with the Environment Court, which relate to the timing of progression of Environment Southland's Regional Policy Statement.

Overall YTD Summary as at end of January 2016 of 15/16 financial year:

Overall Group YTD Income at the end of January for the 15/16 financial year is 3% (\$140K) below budget at \$4.2M actual versus \$4.3M budget.

Overall Group YTD Expenditure at the end of January of the 15/16 financial year is 11% (\$428K) below budget at \$3.5M actual versus \$3.9M budget.

Hence, while Group income has been less than budgeted reflecting current generally subdued development activity levels within the District; expenditure is also significantly under budget, by a greater extent than income.

Management staff within the Group are closely monitoring incoming work as well as expenditure, and associated resourcing requirements.

Further unbudgeted costs are likely to be incurred by SDC as regulatory authority (as distinct from SDC as consent holder / applicant) relating to the upcoming Around the Mountains Cycleway Environment Court hearing due to commence in mid-February. SDC has a statutory duty to assist the Court in this process as regulatory RMA consent authority.

The Resource Planning/Policy area expenditure is significantly under budget year to date, but it is likely that further costs will be incurred in District Plan variation processes currently underway in the later part of the 15/16 financial year. The extent of this will be largely dependent on the extent of submissions received.

	Financial Services											
	Monthly				YTD				Full Year Budget			
Income	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Financial Services	96,160	146,101	(49,941)	(34%)	893,752	1,047,762	(154,010)	(15%)	1,851,170	1,803,322	(47,848)	(3%)
Total	96,160	146,101	(49,941)	(34%)	893,752	1,047,762	(154,010)	(15%)	1,851,170	1,803,322	(47,848)	(3%)
	Monthly				YTD				Full Year Budget			
Operating Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Financial Services	94,222	128,345	34,123	27%	880,185	1,014,816	134,630	13%	1,848,844	1,800,996	47,848	3%
Total	94,222	128,345	34,123	27%	880,185	1,014,816	134,630	13%	1,848,844	1,800,996	47,848	3%
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Net Surplus/(Deficit)	1,938	17,756	(15,817)	(89%)	13,567	32,946	(19,379)	(59%)	2,326	2,326	-	-
	Monthly				YTD				Full Year Budget			
Capital Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Financial Services	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-
	Monthly				YTD				Full Year Budget			
Funding Adjustments	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Financial Services	-	(194)	194	(100%)	-	(1,357)	1,357	(100%)	(2,326)	(2,326)	-	-
Total	-	(194)	194	(100%)	-	(1,357)	1,357	(100%)	(2,326)	(2,326)	-	-

FINANCIAL SERVICES COMMENTARY

Income is 15% (\$154K) under budget. As this activity is internally funded the reduced expenditure impacts directly on income.

Expenditure is 13% (\$135K) under budget. This is primarily due to the following:

- Staff costs are \$63K under budget due to a vacant position.
- Valuation roll maintenance costs are \$14K over budget.
- Audit fees are \$3K below budget.
- Consultant costs are \$14K below budget.
- Legal costs are \$7K below budget.
- Debt collection costs are \$15K below budget.
- Visa/MasterCard Charges are \$8K below budget.
- Printing costs are \$5K below budget.

	Information Management											
	Monthly				YTD				Full Year Budget			
Income	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Information Management	174,817	176,286	(1,469)	(1%)	1,182,398	1,234,001	(51,604)	(4%)	2,042,431	2,115,431	73,000	4%
Knowledge Management	54,786	73,549	(18,763)	(26%)	472,485	514,841	(42,356)	(8%)	882,585	882,585	-	-
Property & Spatial Services	24,824	33,267	(8,443)	(25%)	220,416	232,869	(12,453)	(5%)	399,204	399,204	-	-
Total	254,427	283,102	(28,675)	(10%)	1,875,299	1,981,712	(106,412)	(5%)	3,324,220	3,397,220	73,000	2%
	Monthly				YTD				Full Year Budget			
Operating Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Information Management	146,186	157,734	11,547	7%	1,075,130	1,119,397	44,267	4%	1,852,325	1,925,325	(73,000)	(4%)
Knowledge Management	53,952	70,820	16,868	24%	466,646	510,571	43,926	9%	881,833	881,833	-	-
Property & Spatial Services	24,824	31,417	6,593	21%	220,416	228,329	7,913	3%	393,825	393,825	-	-
Total	224,962	259,971	35,008	13%	1,762,191	1,858,298	96,106	5%	3,127,983	3,200,983	(73,000)	(2%)
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Net Surplus/(Deficit)	29,465	23,131	6,334	27%	113,108	123,414	(10,306)	(8%)	196,237	196,237	-	-
	Monthly				YTD				Full Year Budget			
Capital Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Information Management	-	83,333	83,333	100%	32,454	583,333	550,880	94%	1,000,000	1,000,000	-	-
Knowledge Management	-	20,833	20,833	100%	11,840	145,833	133,993	92%	750,000	250,000	500,000	67%
Total	-	104,167	104,167	100%	44,294	729,167	684,873	94%	1,750,000	1,250,000	500,000	29%
	Monthly				YTD				Full Year Budget			
Funding Adjustments	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Information Management	(16,115)	67,491	(83,606)	(124%)	(112,802)	472,438	(585,240)	(124%)	809,894	809,894	-	-
Knowledge Management	-	20,771	(20,771)	(100%)	-	145,395	(145,395)	(100%)	749,248	249,248	(500,000)	(67%)
Property & Spatial Services	-	(448)	448	(100%)	-	(3,138)	3,138	(100%)	(5,379)	(5,379)	-	-
Total	(16,115)	87,814	(103,928)	(118%)	(112,802)	614,695	(727,497)	(118%)	1,553,763	1,053,763	(500,000)	(32%)

INFORMATION MANAGEMENT COMMENTARY

Income is 5% (\$106K) under budget for the year-to-date. Overall expenditure is 5% (\$96K) under budget. The year-to-date position is \$10K under budget.

Information Management

Income is 4% (\$52K) under budget predominantly due to lower internal computer hire income (\$14K) and lower income recovered for the BIAPA business unit (\$49K) resulting from lower expenditure. This is offset by higher income from Internal Photocopying (\$12K). Expenditure is 4% (\$44K) under budget with lower staff costs (\$79K) as a result of current vacancies and lower expenditure contributions to the BIAPA business unit (\$49K). This is offset by overspends on software licence fees (\$10K) and consultants fees are overspent (\$104K) with an external Systems Engineer covering the current vacancy.

Knowledge Management

Income is 8% (\$42K) under budget. Expenditure is 9% (\$44K) under budget, due to staff costs (\$39K) below budget due to the vacancy and disestablishment of a knowledge assistant position, training costs (\$3K) and consultant costs (\$8K). This is offset by overspends on software licence fees (\$8K). As this activity is internally funded the decreased expenditure impacts directly on income.

Property and Spatial Services

Income is under budget (\$12K). Expenditure is under budget (\$8K) with underspends in photography costs (\$16K), training costs (\$1K), software costs (\$2K). This is offset by overspends in consultant costs (\$16K). As this activity is internally funded the decreased expenditure impacts directly on income.

	Policy & Community											
	Monthly				YTD				Full Year Budget			
Income	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Community Outcomes	3,750	3,750	-	-	26,250	26,250	-	-	45,000	45,000	-	-
Corporate Planning	59,273	69,514	(10,241)	(15%)	429,508	486,597	(57,089)	(12%)	834,167	834,167	-	-
Secretarial Services	27,106	26,259	847	3%	192,324	183,814	8,510	5%	315,110	315,110	-	-
Strategy/Communication	56,764	72,057	(15,293)	(21%)	465,338	504,399	(39,061)	(8%)	864,684	864,684	-	-
Total	146,893	171,580	(24,687)	(14%)	1,113,419	1,201,061	(87,641)	(7%)	2,058,961	2,058,961	-	-
	Monthly				YTD				Full Year Budget			
Operating Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Community Outcomes	-	3,750	3,750	100%	-	26,250	26,250	100%	45,000	45,000	-	-
Corporate Planning	58,773	67,135	8,362	12%	426,008	482,708	56,700	12%	833,567	833,567	-	-
Secretarial Services	27,087	24,926	(2,161)	(9%)	192,194	182,482	(9,712)	(5%)	315,110	315,110	-	-
Strategy/Communication	53,636	82,365	28,729	35%	443,439	500,945	57,506	11%	867,161	867,161	-	-
Total	139,496	178,177	38,681	22%	1,061,641	1,192,385	130,744	11%	2,060,838	2,060,838	-	-
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Net Surplus/(Deficit)	7,397	(6,597)	13,994	(212%)	51,779	8,676	43,103	497%	(1,877)	(1,877)	-	-
	Monthly				YTD				Full Year Budget			
Capital Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Corporate Planning	-	-	-	-	-	-	-	-	-	-	-	-
Secretarial Services	-	-	-	-	-	-	-	-	-	-	-	-
Strategy/Communication	-	246	246	100%	-	1,719	1,719	100%	2,946	2,946	-	-
Total	-	246	246	100%	-	1,719	1,719	100%	2,946	2,946	-	-
	Monthly				YTD				Full Year Budget			
Funding Adjustments	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Community Outcomes	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Planning	-	(50)	50	(100%)	-	(350)	350	(100%)	(600)	(600)	-	-
Strategy/Communication	-	462	(462)	(100%)	-	3,163	(3,163)	(100%)	5,423	5,423	-	-
Total	-	402	(402)	(100%)	-	2,813	(2,813)	(100%)	4,823	4,823	-	-

POLICY AND COMMUNITY COMMENTARY

Income for the year-to-date is 7% (\$88K) under budget. Expenditure for the year-to-date is 11% (\$131K) under budget.

Community Outcomes

Income is on budget. Expenditure is under budget by \$26K. Part of this budget has been identified to fund the Southland Regional Development Strategy.

Corporate Planning

Income is 12% (\$57K) under budget. Expenditure is 12% (\$57K) under budget due to lower staff costs (\$26K), internal overheads (\$9K), training costs (\$2K), district survey costs (\$8K) legal costs (\$3K) and consultant costs (\$6K).

Secretarial Services

Income is 5% (\$9K) over budget. Expenditure is 5% (\$10K) over budget due to overspends on advertising (\$7K), training costs (\$4K), staff costs (\$4K) and internal photocopying (\$4K). This is offset by underspends on postage and stationary (\$2K). As this activity is internally funded the increased expenditure impacts directly on income.

Strategy/Communication

Income is 8% (\$39K) under budget. Expenditure is underspent by 11% (\$58K) due to website costs (\$8K), communication costs (\$19K), maintenance costs (\$5K), newspaper advertising costs (\$7), software licence costs (\$4K) and costs relating to the Waimumu Field days (\$12K), with the event being held in February these costs have now come back in line with budget. This is offset by radio advertising costs (\$8K), internal overheads (\$3K). As this activity is internally funded the reduced expenditure impacts directly on income.

Roading Detail Report

For the period ending January 2016

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var%	Budget	Projection	Variance	Var %
Income												
Grants	1,279,738	1,041,928	237,810	23%	6,009,646	7,293,494	(1,283,848)	(18%)	14,046,771	12,503,133	(1,543,638)	(12%)
Internal Income	-	417	(417)	(100%)	36,330	43,089	(6,759)	(16%)	479,441	479,441	-	0%
Other Income	52,027	41,156	10,871	26%	327,416	288,090	39,327	14%	493,868	493,868	-	0%
Rates	1,088,279	1,075,730	12,549	1%	7,497,254	7,489,939	7,314	0%	12,868,590	12,868,590	-	0%
User Charges and Fees	-	2,525	(2,525)	(100%)	-	17,675	(17,675)	(100%)	30,300	30,300	-	0%
Total	2,420,044	2,161,755	258,288	12%	13,870,645	15,132,287	(1,261,641)	(8%)	27,918,970	26,375,332	(1,543,638)	(6%)
Direct Expenditure												
Advertising	-	63	63	100%	86	438	352	80%	750	750	-	0%
Communications	205	632	427	68%	3,216	4,422	1,206	27%	7,580	7,580	-	0%
Conferences and courses	(992)	1,383	2,376	172%	8,406	9,683	1,278	13%	16,600	16,600	-	0%
Electricity	3,151	3,000	(151)	(5%)	25,827	21,000	(4,827)	(23%)	36,000	36,000	-	0%
Fees and Charges	-	-	-	0%	-	-	-	0%	-	-	-	0%
Grants	-	-	-	0%	-	-	-	0%	-	-	-	0%
Insurance	-	-	-	0%	2,335	2,063	(272)	(13%)	2,063	2,063	-	0%
Other Expenditure	-	7,583	7,583	100%	48,433	53,083	4,650	9%	91,000	91,000	-	0%
Postage and Stationery	84	83	(1)	(1%)	1,003	583	(420)	(72%)	1,000	1,000	-	0%
Professional Services	-	2,917	2,917	100%	39,230	20,417	(18,814)	(92%)	35,000	35,000	-	0%
Rates	-	-	-	0%	2,331	2,239	(92)	(4%)	2,239	2,239	-	0%
Repairs and Maintenance	676,107	891,010	214,903	24%	5,867,004	6,237,067	370,063	6%	10,692,115	10,692,115	-	0%
Emergency Reinstatement	-	22,083	22,083	100%	1,143	154,583	153,441	99%	265,000	265,000	-	0%
Environmental Maintenance	63,806	87,764	23,958	27%	669,223	614,347	(54,876)	(9%)	1,053,167	1,053,167	-	0%
General Projects	-	-	-	0%	1,500	-	(1,500)	0%	-	-	-	0%
Level Crossing Warning Devices	1,025	2,500	1,475	59%	8,613	17,500	8,887	51%	30,000	30,000	-	0%
Maint - General	126	1,667	1,540	92%	695	11,667	10,972	94%	20,000	20,000	-	0%
Maint - Unsealed Roads	-	-	-	0%	-	-	-	0%	-	-	-	0%
Network and Asset Management	154,232	187,144	32,912	18%	1,167,056	1,310,007	142,952	11%	2,245,727	2,245,727	-	0%
Routine Drainage Maintenance	50,115	76,643	26,528	35%	569,793	536,504	(33,288)	(6%)	919,722	919,722	-	0%
Sealed Pavement Maintenance	213,501	246,543	33,042	13%	1,570,932	1,725,803	154,871	9%	2,958,519	2,958,519	-	0%
Spraying	2,942	3,583	641	18%	14,716	25,083	10,368	41%	43,000	43,000	-	0%
Stock Underpasses Minor Improv	-	6,250	6,250	100%	-	43,750	43,750	100%	75,000	75,000	-	0%
Street Lighting Transit	3,488	2,292	(1,197)	(52%)	20,505	16,042	(4,464)	(28%)	27,500	27,500	-	0%
Structures Maintenance	15,175	14,167	(1,008)	(7%)	134,771	99,167	(35,604)	(36%)	170,000	170,000	-	0%
Traffic Services Maintenance	25,804	44,579	18,775	42%	246,334	312,054	65,720	21%	534,950	534,950	-	0%
Unsealed Pavement Maintenance	145,892	195,794	49,903	25%	1,461,724	1,370,559	(91,165)	(7%)	2,349,530	2,349,530	-	0%
Staff Costs	55,704	41,500	(14,204)	(34%)	314,751	289,771	(24,980)	(9%)	504,143	504,143	-	0%
Travel and Accommodation	181	958	778	81%	9,965	6,708	(3,257)	(49%)	11,500	11,500	-	0%
Vehicle Expenses	(157)	(320)	(163)	(51%)	3,260	(2,241)	(5,501)	(245%)	(3,842)	(3,842)	-	0%
Total	734,282	948,809	214,526	23%	6,325,846	6,645,233	319,387	5%	11,396,148	11,396,148	-	0%

Roading Detail Report



For the period ending January 2016

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var%	Budget	Projection	Variance	Var %
Indirect Expenditure												
Depreciation (Funded)	1,812	1,391	(421)	(30%)	12,684	9,739	(2,945)	0%	16,695	16,695	-	0%
Internal Expenses	90,404	92,351	1,947	2%	630,362	661,790	31,428	0%	1,128,045	1,128,045	-	0%
Total	92,216	93,742	1,527	2%	643,046	671,528	28,482	4%	1,144,740	1,144,740	-	0%
Net Surplus/(Deficit)	1,593,546	1,119,204	474,341	42%	6,901,753	7,815,526	(913,772)	(12%)	15,378,082	13,834,444	(1,543,638)	(10%)
Capital Expenditure												
Capital Expenditure												
Assoc Imprvmnts - Acq LOS	-	-	-	0%	8,759	-	(8,759)	0%	-	-	-	0%
Bridges - Renewal	547	26,667	26,119	98%	25,003	186,667	161,663	87%	1,000,000	320,000	680,000	68%
Drainage Renewals - Acq LOS	19,960	50,000	30,041	60%	133,665	350,000	216,335	62%	600,000	600,000	-	0%
Drainage Renewals - Renewal	17,946	16,667	(1,279)	(8%)	198,383	116,667	(81,717)	(70%)	200,000	200,000	-	0%
Improvements - Acq LOS	-	8,333	8,333	100%	-	58,333	58,333	100%	100,000	100,000	-	0%
Minor Improvements Acq LOS	13,158	72,885	59,727	82%	122,033	510,192	388,159	76%	874,615	874,615	-	0%
Other Equip - Acq LOS	-	-	-	0%	2,385	-	(2,385)	0%	-	-	-	0%
Pavement Rehab - Acq LOS	-	9,657	9,657	100%	-	67,597	67,597	100%	115,881	115,881	-	0%
Pavement Rehab - Renewal	16,540	130,988	114,448	87%	278,783	916,917	638,134	70%	1,250,471	1,571,858	(321,387)	(26%)
Preventive Maint - Renewals	(12,236)	20,833	33,070	159%	94,153	145,833	51,680	35%	250,000	250,000	-	0%
Seal Rd Resurface - Acq LOS	-	16,667	16,667	100%	-	116,667	116,667	100%	2,000,000	200,000	1,800,000	90%
Seal Rd Resurface - Renewal	1,310,473	373,910	(936,564)	(250%)	2,193,541	2,617,368	423,827	16%	4,486,917	4,486,917	-	0%
Structure Component - Renewal	8,962	23,333	14,372	62%	126,918	163,333	36,415	22%	280,000	280,000	-	0%
Traffic Services - Acq LOS	195	5,767	5,572	97%	38,114	40,367	2,252	6%	69,200	69,200	-	0%
Traffic Services - Renewal	49,199	60,153	10,954	18%	423,916	421,068	(2,849)	(1%)	721,830	721,830	-	0%
Unsealed Rd Metal - Renewal	214,485	193,401	(21,084)	(11%)	1,103,092	1,353,809	250,716	19%	2,320,815	2,320,815	-	0%
Total	1,639,228	1,009,260	(629,968)	(62%)	4,748,748	7,064,818	2,316,070	33%	14,269,729	12,111,116	2,158,613	15%
Funding Adjustments												
Loans	(149,366)	(152,951)	3,585	(2%)	1,214,501	(1,070,659)	2,285,161	(213%)	(1,220,441)	(1,835,416)	(614,975)	34%
Reserve Transfers	-	9,341	(9,341)	(100%)	(2,260,062)	65,385	(2,325,447)	(3557%)	112,088	112,088	-	0%
Total	(149,366)	(143,611)	(5,755)	4%	(1,045,561)	(1,005,275)	(40,286)	4%	(1,108,353)	(1,723,328)	(614,975)	55%

STRATEGIC TRANSPORT

Overall Financial Performance

Transport has a continued focus on delivering value for money. Construction work has now been initiated for the season, an excellent start has been made on meeting the targeted pavement rehabilitation program for the year and will continue through February and March as planned. The additional focus of the business unit is to have the 'lead in work' completed in time to meet the bridge work programme and slip repair deadlines, otherwise alternative (delay) options for the Chaslands Highway and Brydone Glencoe Rd will be needed. If not met, it is likely that the Brydone Glencoe slip and rehabilitation will be pushed out to next year.

Our Professional Services expenses and related submission review costs are over budget in order to meet our rushed and unplanned for ('ad-hoc') road legalisation obligations.

Please Note: Current budgets were prepared on the previous historic average expenditure for this event (annually), which has taken a steep and unplanned increase.

Our three Alliance Maintenance planned budgets are in line with actual expenditure year to date. Due to unrelated weather events over last winter, this has clearly put a strain on our resilience budgets. This will likely offset a shift in operating expenditure and will need to be monitored by us more closely over the next financial year to meet our three year Long Term Plan. Our planned (forecasted) over spends with environmental and structures maintenance categories will be offset with the expected under expenditure with sealed roads maintenance and Network and Asset Management investment.

It is noted, that our unsealed roads expense are over budget. This is primarily due to additional grading and other ad-hoc remedial work. This line item will be re-aligned in the new calendar year. Yet again, this will be monitored closely to ensure that will take place.

There is a maintained and refocus of responding to meeting the service needs of the network while working within Annual Plan and NZTA budgets.

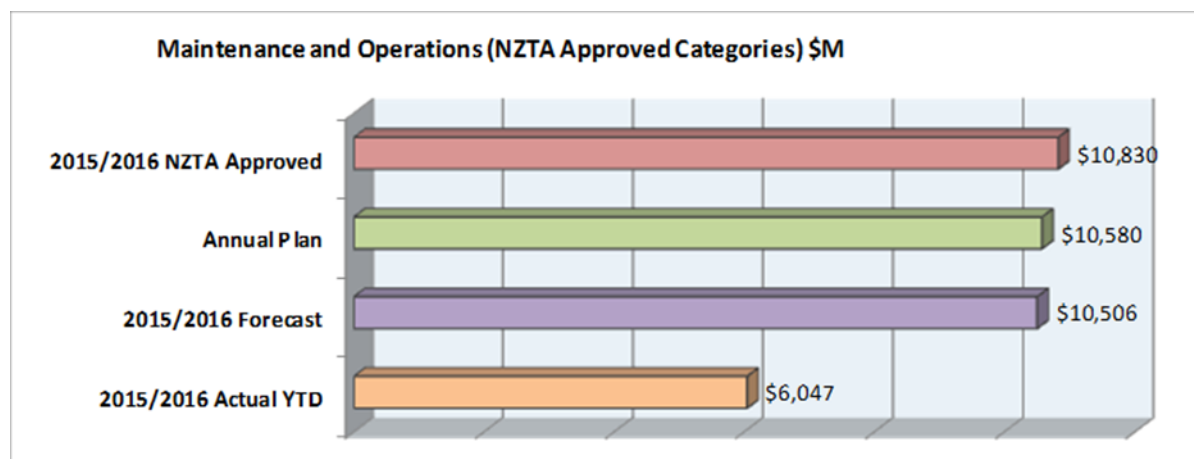
Council's Transport capital expenditure is under budget primarily due to timing (phasing). Council is currently again in the planning stage for this year's programme. Of note, the bitumen index and fuel cost has remained low over the last few months. The tendered rates are coming in lower than estimated which will also prop the minor overspend.

It is forecast along with projects being deferred until the next financial years (namely the Southern Scenic Route extension and Mararoa Bridges projects), that capital expenditure will significantly be under budget at year end. Reseal work is currently trending on track for completion in March.

A lot of construction work namely rehabilitations will commence in the new calendar year. Some more Minor Improvement works are currently being progressed to the engineering design stage, in readiness for construction will also be advanced, also in the new calendar year. Our Safe Systems Engineer is currently collecting appropriate data which will be used to evaluate appropriate and prioritise safety investment in the new calendar year.

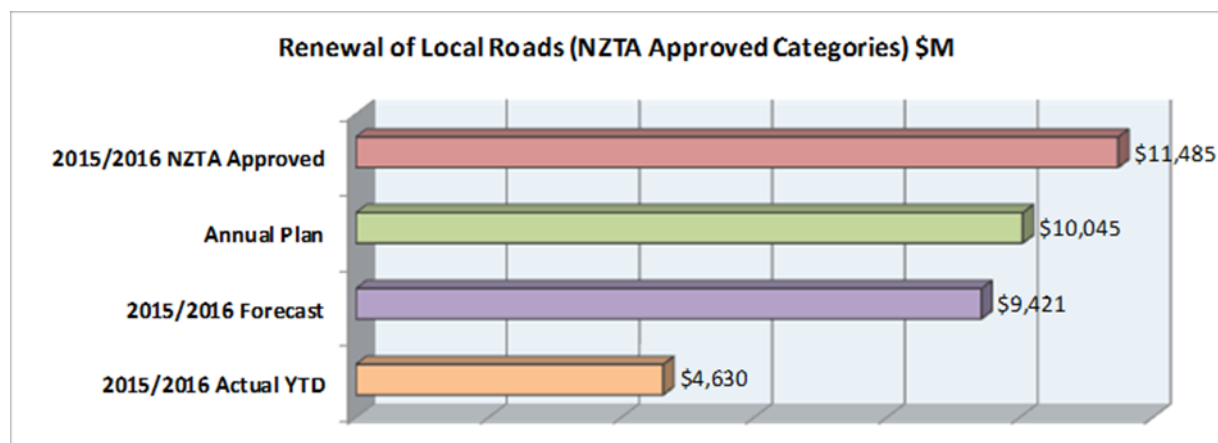
Key	
	Largely on Track
	Monitoring
	Action Required

Maintenance and Operations (excluding Special Purpose Roads):



Financial Tracking vs Plans			
YTD	Forecast	Annual Plan	NZTA Approved
58%	58%	57%	56%

Renewals and Minor Improvements:



Financial Tracking vs Plans			
YTD	Forecast	Annual Plan	NZTA Approved
58%	49%	46%	40%

While significantly under budget at this point in time, Transport is monitoring progress closely.

Other Budgeted Projects:

Other Budgeted Projects	2015/2016 Budget	Project Status	Notes
Southern Scenic Route Seal Extension	\$ 2,050,000	Indicative Business Case	Transport have completed Indicative business case. Options have been discussed with council. This physical works component of this project will likely advance in the 2016/2017 year.
Mararoa Bridge	\$ 1,000,000	Not Started	Low strategic fit (NZTA). Engineers have held discussions with landowners and are currently assessing options. This will likely include a requirement of contributions from land owners. Physical works will likely start in 2016/2017.

Unbudgeted Projects:

Unbudgeted Projects	2015/2016 Budget/Estimate	Project Status	Notes
Chaslands Highway Slip	NZTA have approved \$444,787 (100% funded by NZTA - Special Purpose Road). More work is required to fully scope	A temporary road has been constructed.	A geo-technical report has been completed on this site. Our Roading Engineers are currently assessing options, and may advance to a business case.

Please note that the budgeted numbers for 15/16 have not been apportioned, therefore a number of the variances are as a result of timing issues.

Council Detail Report



	Services & Assets											
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Income												
Area Engineers	94,292	108,229	(11,937)	(11%)	696,983	743,802	(46,820)	(6%)	1,274,747	1,274,747	-	-
Council Property	68,177	74,733	(6,556)	(9%)	585,229	523,133	62,096	12%	899,727	899,727	-	-
District Reserves	10,478	12,128	(1,653)	(14%)	74,393	84,898	(10,504)	(12%)	145,539	145,539	-	-
District Sewerage	325,638	286,441	59,197	22%	1,925,550	1,885,086	40,464	3%	3,258,585	3,258,585	-	-
District Water	220,616	219,919	697	-	1,625,749	1,678,960	(53,211)	(3%)	2,920,325	2,920,325	-	-
Engineering Administration	38,262	38,737	(475)	(1%)	262,457	271,158	(8,701)	(3%)	464,842	464,842	-	-
Engineering Consultants	81,897	76,205	5,691	7%	504,354	533,438	(29,084)	(5%)	914,465	914,465	-	-
Forestry	-	142,153	(142,153)	(100%)	-	853,172	(853,172)	(100%)	2,152,057	1,563,937	(588,120)	(27%)
Property Administration	37,906	39,992	(2,085)	(5%)	265,335	279,943	(14,608)	(5%)	479,902	479,902	-	-
Public Conveniences	57,985	54,371	3,614	7%	354,401	380,596	(26,195)	(7%)	643,470	652,450	8,980	1%
Waste Management	320,383	310,070	10,312	3%	2,175,256	2,170,493	4,763	-	3,726,022	3,726,022	-	-
Water Services	75,576	75,834	(257)	-	523,659	530,835	(7,176)	(1%)	929,963	929,963	-	-
Work Schemes (CTF)	10,380	26,966	(16,586)	(62%)	84,735	188,761	(104,026)	(55%)	323,591	323,591	-	-
Total	1,341,587	1,443,778	(102,191)	(7%)	9,078,100	10,104,076	(1,025,976)	(10%)	18,133,235	17,554,095	(579,140)	(3%)

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Operating Expenditure												
Area Engineers	94,280	105,677	11,397	11%	696,897	730,822	33,925	5%	1,269,595	1,269,595	-	-
Council Property	51,688	55,017	3,329	6%	538,536	569,471	30,935	5%	835,956	844,556	(8,600)	(1%)
District Reserves	10,680	10,125	(555)	(5%)	47,451	71,157	23,706	33%	121,781	121,781	-	-
District Sewerage	175,053	339,484	164,431	48%	2,094,512	2,450,242	355,730	15%	4,147,660	4,147,660	-	-
District Water	190,089	282,195	92,106	33%	2,157,938	2,043,195	(114,744)	(6%)	3,454,170	3,454,170	-	-
Engineering Administration	38,262	37,782	(480)	(1%)	262,457	268,189	5,732	2%	464,842	464,842	-	-
Engineering Consultants	81,897	76,205	(5,691)	(7%)	504,354	533,438	29,084	5%	914,465	914,465	-	-
Forestry	73,276	64,102	(9,174)	(14%)	303,103	492,311	189,208	38%	462,739	437,274	25,465	6%
Property Administration	41,115	38,432	(2,683)	(7%)	310,243	276,086	(34,157)	(12%)	479,902	479,902	-	-
Public Conveniences	45,435	46,703	1,268	3%	315,801	343,724	27,923	8%	553,819	577,241	(23,422)	(4%)
Waste Management	324,673	305,609	(19,063)	(6%)	2,120,735	2,152,542	31,807	1%	3,677,247	3,677,247	-	-
Water Services	69,127	101,354	32,227	32%	758,398	764,396	5,997	1%	1,039,892	1,039,892	-	-
Work Schemes (CTF)	14,772	24,940	10,168	41%	112,044	184,959	72,915	39%	323,591	323,591	-	-
Total	1,210,345	1,487,625	277,280	19%	10,222,470	10,880,532	658,062	6%	17,745,659	17,752,216	(6,557)	-

	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Net Surplus/(Deficit)	131,242	(43,847)	175,089	(399%)	(1,144,370)	(776,456)	(367,914)	47%	387,576	(198,121)	(585,697)	(151%)

	Monthly				YTD				Full Year Budget			
Capital Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Area Engineers	-	1,898	1,898	100%	-	13,285	13,285	100%	22,774	22,774	-	-
Council Property	-	2,000	2,000	100%	-	14,000	14,000	100%	65,500	24,000	41,500	63%
District Reserves	6,480	82,500	76,020	92%	25,657	577,500	551,843	98%	990,000	990,000	-	-
District Sewerage	-	12,892	12,892	100%	4,317	90,241	85,923	95%	154,698	154,698	-	-
District Water	-	11,143	11,143	100%	-	78,003	78,003	100%	183,719	133,719	50,000	27%
Engineering Administration	-	-	-	-	-	-	-	-	-	-	-	-
Engineering Consultants	-	-	-	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-	375,546	375,546	-	-
Property Administration	-	-	-	-	-	-	-	-	-	-	-	-
Public Conveniences	570	24,641	24,071	98%	69,160	172,486	103,326	60%	219,210	295,690	(76,480)	(35%)
Waste Management	4,747	-	(4,747)	-	19,845	-	(19,845)	-	-	-	-	-
Water Services	-	7,333	7,333	100%	87,560	51,333	(36,226)	(71%)	120,000	88,000	32,000	27%
Work Schemes (CTF)	-	-	-	-	-	-	-	-	-	-	-	-
Total	11,797	142,407	130,609	92%	206,539	996,847	790,308	79%	2,131,447	2,084,427	47,020	2%

	Monthly				YTD				Full Year Budget			
Funding Adjustments	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Area Engineers	-	1,469	(1,469)	(100%)	-	10,280	(10,280)	(100%)	17,622	17,622	-	-
Council Property	-	(2,598)	2,598	(100%)	-	(18,183)	18,183	(100%)	1,729	(31,171)	(32,900)	(1903%)
District Reserves	-	80,520	(80,520)	(100%)	-	563,641	(563,641)	(100%)	966,242	966,242	-	-
District Sewerage	(642)	86,981	(87,623)	(101%)	(4,496)	608,868	(613,363)	(101%)	1,043,773	1,043,773	-	-
District Water	(6,296)	55,630	(61,926)	(111%)	(44,085)	389,412	(433,496)	(111%)	717,564	667,564	(50,000)	(7%)
Engineering Administration	-	-	-	-	-	-	-	-	-	-	-	-
Forestry	-	(180,244)	180,244	(100%)	-	(1,261,708)	1,261,708	(100%)	(1,313,772)	(751,116)	562,656	(43%)
Property Administration	-	-	-	-	-	-	-	-	-	-	-	-
Public Conveniences	(4,527)	18,373	(22,901)	(125%)	(31,691)	128,614	(160,305)	(125%)	129,559	220,481	90,922	70%
Waste Management	(2,839)	(4,065)	1,225	(30%)	35,265	(28,452)	63,717	(224%)	(48,775)	(48,775)	-	-
Water Services	-	16,494	(16,494)	(100%)	-	115,459	(115,459)	(100%)	229,929	197,929	(32,000)	(14%)
Work Schemes (CTF)	-	-	-	-	-	-	-	-	-	-	-	-
Total	(14,307)	72,561	(86,868)	(120%)	(45,007)	507,930	(552,937)	(109%)	1,743,871	2,282,549	538,678	31%

SERVICES AND ASSETS (EXCLUDING ROADING) COMMENTARY**Overall Financial Performance**

Individual Managers have commented on their areas of responsibility. There are not any significant concerns.

Key Highlights

- Works Scheme will struggle to break even this year due to a lack of personnel resources to supervise potential workers.
- Forestry harvesting at Dipton is now underway and producing better than predicted returns.
- The Community Engineers team continues to do what they have always done as the Area Engineers unit. The transition to Community Engineers has not really taken effect yet.
- Roading renewals work is now firmly underway. This is the time of year that the expenditure rate in the Transport department is the highest. The reseal programme is near to completion. Bitumen prices being low is still the major contributor to this and continues to allow more work for less money.
- District Reserves (Recreational) are underspent mainly due to progress with the Curio Bay wastewater project. The detailed planning and procurement is well advanced but the major spend will not happen until the physical work is underway.
- Other departments are generally on budget.

Follow-up on Outstanding Pre-2004 Building Consents Project

Record No: R/16/3/3919
Author: Kevin O'Connor, Manager - Building Control
Approved by: Bruce Halligan, GM - Environment and Community

☐ Decision ☐ Recommendation ☒ Information

Purpose

- 1 The purpose of this report is to inform the Committee of progress made in the six year project to reduce outstanding pre-2004 building consents. This was previously discussed at the October 2015 Committee meeting with the project scheduled to start in early 2016.

Executive Summary

- 2 This report outlines for the Committee's information the Code Compliance Certificate (CCC) status of building consents which have been issued by the Southland District Council under the Building Act 1991.
- 3 Building Control administration began sending out letters to pre-2004 building consent owners on 22 February 2016. With being only three weeks into the project it is difficult to determine the effectiveness at this early stage. Of the 30 letters having gone out so far response numbers have been muted with only four applications for CCC received and two requests for extension to complete necessary remedial work. The remaining 24 will be given refused CCC status if no feedback is received from the owners in a further week.

Recommendation

That the Activities Performance Audit Committee:

- a) Receives the report titled "Follow-up on Outstanding Pre-2004 Building Consents Project" dated 6 April 2016.

Content

Background

- 4 At the Activities Performance Audit Committee meeting on 28 October 2015 it was reported that there were approximately 3,000 outstanding pre-2004 building consents that did not have a CCC issued.
- 5 Although there is no requirement to do so under the 1991 Building Act, the Building Control department was putting in place a process to follow-up on pre-2004 building consents scheduled to start in early 2016. The process would mirror the approach taken with post-2004 building consents, which was a strong recommendation requiring follow up from the 2013 accreditation assessment.
- 6 Under the Building Act it is the owner's responsibility to make application for the CCC to the Council when the building work is complete. Section 92 (2) states that the owner should make such application "as soon as practicable after the building work is completed" and "in the prescribed form".
- 7 As a business unit of Council, Building Control had the income for inspections from these outstanding building consents in reserves until approximately four years ago, when it was decided to transfer the funds to the district reserve. So as a business unit, Building Control no longer has those outstanding inspection funds directly available to specifically target resourcing to follow-up on historic building consents.
- 8 The Building Control department is currently downsizing to meet the expected decline in rural building activity by not replacing a retiring staff member and some staff are reducing hours worked.
- 9 The six year project to reduce the 3,000 pre-2004 outstanding building consents is being done within existing resources by writing to 10 outstanding building consent owners a week requesting feedback on the status of their building project. The number per week may be able to be increased depending on incoming new consent workload, but 10 per week was considered a reasonable number achievable within existing administration and inspection resources.
- 10 Building Control administration began sending out the letters to pre-2004 building consent owners on 22 February 2016. This gives the owner four weeks to respond with an application for CCC or request for an extension to complete the project. Where there is no response received the owner is advised the CCC has been refused. This does not mean the owner cannot continue the work and get a CCC, it just means at this point in time Council is making a decision that it cannot issue the CCC because the work is not complete.
- 11 With being only three weeks into the project it is difficult to gauge the effectiveness with only 30 letters having gone out. Early response numbers have been muted with four applications for CCC received and two requests for extension to complete necessary remedial work. The remaining 24 will be given refused CCC status if no feedback is received from the owners in a further week.
- 12 Several changed owners have rang seeking clarification on the process because they were not aware that there was an outstanding building consent on their property as they had not obtained a LIM report or viewed the property file prior to purchase.

Next Steps

- 13 The project will continue within existing staff resourcing through to completion early 2022.

Attachments

There are no attachments for this report.

Health and Safety

Record No: R/16/3/4282
Author: Janet Ellis, People and Capability Manager
Approved by: Steve Ruru, Chief Executive

☒ Decision ☐ Recommendation ☐ Information

Purpose

- 1 To provide an update on health and safety activity within the Southland District Council.

Recommendation

That the Activities Performance Audit Committee:

- a) **Receives the report titled “Health and Safety” dated 23 March 2016.**
- 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) **Notes that provision will be included in the 2016 Council Induction Programme for health and safety training to be provided to elected members.**
- e) **Endorses the Health and Safety Improvement Plan for 2016**
- f) **Notes the findings of the Health and Safety audit completed on the Riverton Stormwater works being undertaken by Te Anau Earthworks.**

Content

Health and Safety Legislation

- 2 The new Health and Safety legislation, the Health and Safety at Work Act 2015, has been passed and comes into effect on 4 April 2016.
- 3 Cr Paterson and the People and Capability Manager attended the Health and Safety Roadshow in February 2016 run by the Society of Local Government Managers (SOLGM). The Roadshow outlined the key changes to the Act, Governance responsibilities and different strategies Council can undertake to ensure our “workers are free from harm”.
- 4 Under due diligence requirements in the new Act, Councillors are required to keep up to date with health and safety matters, ensure the person running the business has appropriate resources and processes to manage risks to health and safety, understand the nature of the business, audit its hazards and risks, ensure there are appropriate reporting and investigation processes in place, monitor and verify that appropriate actions are being taken. Training on health and safety responsibilities for elected members will be included in the 2016 Council Induction Programme.

- 5 The message that is being received from health and safety specialists is that organisations need to be prepared for the introduction of the new legislation rather than have everything ready to go from April 2016. Key terms include “keeping it simple” and remembering “what is reasonably practicable”.

Health and Safety at Southland District Council

Southland Councils Health and Safety Management Group

- 6 The Southland Council Health and Safety Management Group has been established. The group comprises Southland District Council, Invercargill City Council, Gore District Council and Environment Southland.
- 7 The 2016 Shared Services Strategic Plan is attached (Attachment A) for your information. The plan details the priorities, actions and when these will occur.
- 8 A joint Health and Safety policy has been drafted. A copy is attached (Attachment C) for your information.
- 9 Work on a toolkit (previously referred to as the manual) has been intensive and more time consuming than first envisaged. The Group is about to release the first four chapters for consultation. The aim is to have a full draft completed by the end of March 2016.

Safety and Management Improvement Plan for 2016

- 10 A draft Safety and Management Improvement Plan for 2016 has been drafted and is attached (Attachment B) for your consideration.
- 11 There are a number of key items that need to be completed to ensure we meet our four goals of completing the joint Council Health and Safety initiative’s common goals and strategies, maintaining ACC Workplace Safety Management Practices (WSMP) Tertiary level, meeting the requirements of the new Health and Safety at Work Act 2015 and Contractor Evaluation and renewal.
- 12 The Health and Safety Committee has been working on identifying our top five health and safety risks that could harm our people. The definition of “our people” is anyone that works for Council or is on Southland District Council property. This could be our staff, contractors or volunteers. Currently, our top five health and safety risks have been defined as:
- Vehicles and driving
 - Staff Security, Working alone, Animal attacks
 - Restricted work (Heights, confined space, excavations, hot work, etc), Hazardous Sites (e.g. Quarries) and locations
 - Contractors, Volunteers, Community Events
 - Slips trips and falls.
- 13 Council is currently implementing a new Personal Protective Equipment (PPE) Policy which includes ensuring all staff have the appropriate PPE.

Accidents/Incidents/Near Misses

- 14 In the last quarter (1 October 2015 to 31 December 2015) there were 4 reported accidents. One accident was a lost time injury and a reportable incident to Work Safe New Zealand. This accident involved a fall down the stairs and a broken bone in the foot. Work Safe advised us that they were not going to investigate this accident. The number of near misses is still very low with only 3 near misses reported in the last quarter.

The Executive Leadership Team and the Health and Safety Committee would like to see more near misses being reported. Reporting of near misses is one way to demonstrate a positive health and safety culture. There are ways of looking at rationalising the reporting process so that it is easier for staff to report.

- 15 In early February 2016 the Executive Leadership Team visited a number of sites. This included the notifiable work that was being undertaken in Riverton to upgrade the storm water system.
- 16 This site had a number of hazards due to the location and nature of the excavation works being undertaken. Given the nature of the work a decision was made to have a formal audit of the site completed by Bryce Stupples, our H&S Consultant and Matthew Keil, Project Engineer. A copy of the report from this audit is attached (*Attachment D*).

Attachments

- A Health and Safety Shared Services Strategy 2016 [View](#)
- B Safety Management Improvement Plan for 2016 - Goals [View](#)
- C Health and Safety Policy 2016 [View](#)
- D Health and Safety Audit - Te Anau Earthworks March 2016 [View](#)

Health and Safety Shared Services Strategy

Working together for a safer Southland - strategies for continuous improvement to health and safety



Invercargill City Council



Environment Southland



Southland District Council



Gore District Council

Our Mission

Working together for a Safer Southland

Our Vision:

A Safer you, A Safer me, A Safer Southland

To achieve our vision of a safer Southland we are committed to the following:

- Leadership
- Culture and Engagement
- Critical Operational Risks
- Contractor Management
- Reporting
- Training and Induction
- Personal Protective Equipment
- Health, Safety and Wellbeing
- Workers being fit for work

We will:

Strive to take a proactive approach to health and safety, developing a positive culture within our organisations which actively engages our workers in health and safety management.

Our Charter

This charter is an agreement on health and safety between the leaders of Southland District Council, Invercargill City Council, Gore District Council and Environment Southland.

Introduction

It is our aim to continually improve the health and safety systems our organisations use and deliver to our workers. Development for the Health and Safety Charter Commitments was informed by:

- Relevant legislation including the Health and Safety in Employment Act 1992/Health and Safety at Work Act 2015
- Best practice in both the local government sectors and private sector.
- Existing policies and procedures developed by all four organisations.
- The vision and key priorities set by individual organisations



Strategic Themes

Priority 1: Leadership			
Key Deliveries	Actions	Measures	By When / By Who
Ensuring our leaders demonstrate a visible commitment to safety and wellbeing.	Developing a safety leadership programme that shows a visible commitment to safety and wellbeing	A leadership programme is developed to include measurable undertakings by senior leaders, documented expectations of safety behaviours at all levels of the organisation, half day health and safety forums once a year and briefings with councillors and Executive teams on new legislation/legal responsibilities.	Next year Safety and Wellness training November 2015 - Complete, will organise further training during 2016
	Governance is kept abreast with health and safety risks	Quarterly reports to elected representatives (may be through Audit and Risk Committee) and Shared Services meetings	Each Council as required.
	Developing a Policy Manual that is updated regularly and available to all employees involved.	The manual is circulated and informs workers at all levels on their legal responsibilities and expectations. All workers are aware of this and have agreed to the conditions.	The Group working on draft - final draft aimed for March 2016.
	Development of health and safety shared services branding.	A logo and communication plan is agreed on which promotes consistent safety messages across all four organisations.	Completed logo. Susan Jones (GDC) to work with Worksafe and build ongoing relationship.
	Establishing a relationship with Worksafe representatives in Southland.	A relationship is developed which is proactive, sustainable and open.	

Item 7.3 Attachment A

Priority 2: Culture and Engagement			
Key Deliveries	Actions	Measures	By When / By Who
We have systems in place to encourage and support worker engagement in safety and wellbeing,	All workers are provided an opportunity to participate in health and safety management through an active employee participation system. The participation system may include worker involvement in hazard identification and management, election of workplace health and safety representatives, election of health and safety committee members, processes for ensuring regular interaction between the employer and workers, processes for managing worker engagement. A process for review.	All workers are aware of this participation system including who/ where their employee representative is and are actively involved in the hazard management process through work-groups and regular interactions with management.	Will be included in manual, and clarified to staff once this is established.
We will continue to develop a strong positive health and safety culture.	<p>Organising safety and wellness training for all workers which encourages a positive attitude, possibly Wiremu Edmonds and/or Sam Turner.</p> <p>Updating approaches ie corporate inductions and handbook to develop a positive and engaging attitude.</p>	<p>All workers have attended this and good feedback has been received.</p> <p>All new workers are inducted in a positive manner and actively participate in health and safety.</p>	<p>½ day sessions over 2 days in November 2015- complete</p> <p>ICC to collate induction information from all four councils, discussion planned for after manual development.</p>

Priority 3: Critical Operational Risks			
Key Deliveries	Actions	Measures	By When / By Who
We will ensure all critical-risk and operational-risk work activities are identified, managed and mitigated effectively.	<p>All critical-risk and operational-risk work activities are managed effectively.</p> <p>There are updated policies in place for the following activities:</p>	<p>Critical-risk and operational-risk activities are identified and procedures are in place which mitigate risks. Workers are aware of the risks and procedures to mitigate them.</p> <p>These policies are kept up-to-date and workers are aware of all policies/changes.</p>	<p>Policies are collated, discussion planned for after manual.</p> <p><i>Note: Change from hazard management to risk assessment</i></p>

	<ul style="list-style-type: none"> Working at height Confined space Electricity Chemicals Asbestos Excavations Mobile plant and machinery Workplace security Driving Solo field work Working around water Stress and fatigue All activities requiring notification or certified qualification 		
	Review the management of hazards alongside a critical analysis of the change from hazard management to risk assessment.	Risk assessment processes are developed/ clarified and workers are aware of these changes.	To be included in manual. Possible basic risk assessment training.

Priority 4: Contractor Management			
Key Deliveries	Actions	Measures	By When / By Who
Ensuring we have robust systems to ensure all contractors and their employees are safe.	<p>Using a recognised system to create an approved contractor register which ensures all contractors are appropriately qualified and inducted.</p> <p>Ensuring all contractors have effective and efficient processes that are appropriate for the site and activities taken.</p>	<p>The contractor register is created, updated regularly and available to the appropriate people.</p> <p>All contractors complete and maintain a plan for each site which includes at least the following content:</p> <ul style="list-style-type: none"> Project pre-start and toolbox meetings Maintained hazard register Current training register Job safety analysis Notifiable works Toolbox attendance register Permits to work Evidence of an emergency management plan 	<p>Work in progress, Janet Ellis to present at next meeting about the new SDC process. - Complete</p> <p>Contractor Management process aimed to be in place during 2016</p>

Item 7.3 Attachment A

	Ensuring we monitor and effectively audit contractors regularly to ensure they are meeting requirements.	<ul style="list-style-type: none"> ▪ Indications of secure boundaries and points of entry <p>Audits are carried out regularly checking both internal and external contractor processes.</p>	Janet Ellis starting to develop audit templates.
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Priority 5: Reporting			
Key Deliveries	Actions	Measures	By When / By Who
Ensuring we have robust, proactive and accurate safety and wellbeing reporting.	Employees are aware of the systems in place ensuring accurate reporting.	<p>Data gathered allows industry benchmarking and reporting on lead and lag indicators as follows:</p> <p>Lead Indicators</p> <ul style="list-style-type: none"> ▪ Safety meetings (toolbox, pre-start etc) ▪ Audits and inspections (internal and external) ▪ Task analysis/job safety analysis ▪ Safety talks ▪ Near miss incidents ▪ Accredited health and safety systems (such as ACC - Work Safety Management Practices, Workplace Safety Discount and Partnership Programme). ▪ Training and induction <p>Lag Indicators</p> <ul style="list-style-type: none"> ▪ Fatalities ▪ Lost time injuries ▪ Medical treatment injuries ▪ First aid injuries ▪ Serious harm injuries ▪ Training ▪ Workplace support ▪ Health and safety wellness 	ICC to look at definitions. We aim to start reporting during 2016 with new information.

Priority 6: Training and induction to sites			
Key Deliveries	Actions	Measures	By When / By Who
All our workers receive health, safety and wellbeing training, inductions and refreshers. Everyone is made aware of hazards so they can look after themselves and keep others safe.	<p>All workers are competent, skilled and qualified to perform their work. All workers are aware of the following:</p> <ul style="list-style-type: none"> • Safety principles and legislation • Hazard identification and the hierarchy of controls • The relevance of site induction and site-specific safety plans • High-risk work activity and what safe looks like for relevant tasks • Promoting, positive safety behaviour and culture • Knowledge assessment specific to the task eg roofer/scaffolder. <p>Development of a training register for all workers.</p>	<p>Workers are aware of their roles and responsibilities. This is verified by redevelopment of the induction process to make it easily understood and more training is provided when necessary.</p> <p>The training register is updated regularly and workers understand the importance of notifying HR of any training/qualification changes.</p>	Will be included in Manual update, final draft aimed for March 2016.

Item 7.3 Attachment A

Priority 7: Personal Protective Equipment			
Key Deliveries	Actions	Measures	By When / By Who
Appropriate and provided PPE is worn at all times. No exceptions.	<p>The minimum PPE or Personal Protective Clothing (PPC) standard may include:</p> <ul style="list-style-type: none"> ▪ Hi-vis and protective clothing and equipment ▪ Sunscreen ▪ Safety footwear with toe protection ▪ Safety eyewear ▪ Hard hat (including residential projects unless specified) ▪ Other PPE to be identified and used following a risk assessment process. 	All workers wear appropriate PPE and know the process regarding getting new equipment.	

Priority 8: Health, Safety and Wellbeing			
Key Deliveries	Actions	Measures	By When / By Who
We actively promote the health, safety and wellbeing of our people.	<p>All four organisations should provide education and information about health risks related to work tasks and activity and operational procedures on injury management.</p> <p>Ensuring that there are processes in place which manage and monitor the health of our workers.</p> <p>Provision of health services such as annual influenza vaccinations and employee assistance programme (EAP)/workplace support contract.</p>	<p>All workers have been trained and are aware of the health risks associated with work tasks and the roles and responsibilities they have in regards to injury management.</p> <p>Known hazards such as dust and noise and exposure are reported and managed to reduce the risk on worker health. Workers are aware of the health monitoring processes and readily undergo checks when necessary.</p> <p>All workers are aware of the health services available to them and actively take these opportunities.</p>	<p>Part of induction process for each council, group to ensure these are covered.</p> <p>Risk assessment process is developed as part of manual review. Workers should be told of health monitoring as part of their induction.</p> <p>Ensure this is part of staff induction packs.</p>

We encourage and support the development of return to work programmes for our workers.	Ensuring we encourage and develop successful return to work programmes to improve recovery of workers after an injury or illness and manage associated costs.	All workers are aware of the return to work process and actively participate in these programmes when needed.	Included in policy review
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Priority 9: Workers being fit for work			
Key Deliveries	Actions	Measures	By When / By Who
The safety of our people is not compromised by anyone under the influence of drugs, alcohol or fatigue.	<p>All councils shall have a Drug and Alcohol policy which commits to work with their employees, representatives and contractors to create a work environment free from drugs and alcohol. This will also include a programme for pre-employment, post-incident and reasonable cause drug and alcohol testing through a reputable company, occupational nurse or medical professional.</p> <p>All organisations have the provision to remove anyone from the worksite who is deemed 'unfit for work' or 'under the influence', or where the presence of drugs or alcohol is in excess of acceptable standards.</p> <p>A programme to raise awareness and provide training about the potential harmful effects of drugs and alcohol in the workplace.</p> <p>All councils have a fatigue management plan which recognises fatigue as a possible hazard and identifies possible work design risks that may cause fatigue. This plan will also identify areas where fatigue related impairment may cause safety risks and ensure staff are provided with education and appropriate counselling services.</p>	<p>All workers are aware of this policy and the associated programmes including pre-employment, post-incident, reasonable cause drug testing. Statistics will be collated on incidents which involve drug or alcohol use to note any improvements.</p> <p>All workers are aware of this provision and management is notified immediately if staff are concerned about anyone on their worksites.</p> <p>This programme will include such things as wellness days/programmes, newsletters and posters around worker areas.</p> <p>The fatigue management plan is in action and workers are aware of what it includes. Workers have received education/training such as posters and handouts about the impacts of fatigue and aware of the services available to them.</p>	<p>All HR managers to consider including drug and alcohol training as part of future training sessions for staff.</p> <p>To be considered.</p>

Safety and Management Improvement Plan for 2016 - Goals

Key Goals

1. Complete 4 Council joint H&S Initiative and adopt common goals and strategy
2. Maintain ACC WSMP Tertiary Level
3. Meet the Requirements of the New Health and Safety at Work Act
4. Contractor Evaluation and Renewal

	Person(s) Responsible	Target completion date	Comments
Goal 1: Complete 4 Council joint H&S Initiative and adopt common goals and strategy			
Requirements:			
▪ Create common reporting criteria based off common measures and results	People and Capability Manager	On going	
▪ Refine staff policy and manuals for commonality. Establish document control	People and Capability Team	On going	
▪ Common policy document is finalised but needs implemented	People and Capability Team	30/3/16	
Goal 2: Maintain ACC WSMP Tertiary Level			
Requirements:			
▪ Critical Element 1 recommendation – Document specific H&S responsibilities into performance appraisals. Assessment Vs Accountability	People and Capability Manager	30/8/16	
▪ Critical Element 3 recommendation – Meeting agenda item for safety impact assessments for new purchases and acquisitions from a H&S perspective	H&S Consultant – on secondment	30/2/16	
▪ Critical Element 6 recommendation – Modify induction to give verification that H&S is an agreed process.	H&S Consultant – on secondment	30/5/16	
▪ Conduct self-assessment audit	People & Capability Co-ordinator H&S Committee	30/11/16	

	Person(s) Responsible	Target completion date	Comments
Goal 3:			
Meet the Requirements of the New Health and Safety at Work Act			
Requirements			
▪ Review Induction Process. Include alarms, ACC Element 6, Crash Kits and vehicle use.	H&S Consultant, H&S Committee	30/4/16	
▪ Contractor audits and evaluation – (included in as separate goal)	H&S Consultant	As below	
▪ Develop Competency List of qualified SDC Staff	H&S Consultant, People and Capability Manager	30/7/16	
▪ Review H&S Committee structure and effectiveness. Review Employee participation requirements of Act and document appropriately	Chair of H&S Committee, People and Capability Manager	30/3/16	
▪ Develop Communication strategies. These include such things as effective notice boards, safety message, and regular staff briefings.	People and Capability Manager	ongoing	
▪ Reward and Recognition programs	People & Capability Co- ordinator	ongoing	
▪ Training in the new Act and Hazard ID for staff. Familiarisation training for councillors and community groups	H&S Consultant, People and Capability Manager	ongoing	
▪ Look to increase incidence of reporting and develop a simplified process for staff to report Accidents, near misses and potential Hazards.	H&S Consultant	ongoing	
▪ As a result of the restructure a complete review of evacuation roles, first aiders and committee representation will need to occur to ensure all departments and office areas have adequate representation. Develop crisis plan and have a practice run	H&S Consultant, People and Capability Co- ordinator, GIS	30/3/16	
▪ Develop PPE policy	H&S Consultant, H&S Committee	30/3/16	

	Person(s) Responsible	Target completion date	Comments
<ul style="list-style-type: none"> Gain legal opinion of Officers and PCBU's with council and local community entities 	H&S Consultant, People and Capability Manager	30/4/16	
<ul style="list-style-type: none"> Review wording of health and safety documentation to reflect new legislation. Such includes the likes of redefining serious harm, roles and responsibility, and risk definitions. 	H&S Consultant,	30/5/16	
<ul style="list-style-type: none"> Critical risk analysis of current hazards to define the top 5 risks to form the focus of goals leading to 2017 	H&S Consultant, People and Capability Manager H&S committee	30/11/16	
Goal 4: Contractor Evaluation and Renewal			
Requirements			
<ul style="list-style-type: none"> Ensure that there is clear documentation of post contract evaluations across council divisions that include an assessment of the health and safety performance of the contractor. 	H&S Consultant,	30/7/16	
<ul style="list-style-type: none"> Review Contractor handbook and term of approval (consider every 2 years instead of annually) 	H&S Consultant,	30/7/16	
<ul style="list-style-type: none"> Commence contractor audits and observations 	H&S Consultant,	30/7/16	



WE WILL...

Build Culture

Ensure health and safety is a core value in our organisation by building a strong, accepted and proactive health and safety culture.

Communicate

Ensure all workers are informed and understand this policy and any other health and safety documentation and initiatives.

Investigate and Learn

Accurately report, record, investigate and take the initiative to improve work practices and learn from all workplace incidents, injuries, near misses and critical events. Employees are also encouraged to report discomfort, pain and injury as early as possible.

Take Practicable Steps

Educate workers that they have a responsibility to prevent harm to themselves, fellow workers and visitors.

Develop Knowledge

Ensure our workers are aware of and comply with relevant health and safety legislation, regulations, codes of practice and safe operating procedures. We will also monitor developments in appropriate sectors along with best practice cases.

Prevent Impairment

Not allow any worker on a site who is impaired by drugs or alcohol.

Use Targets

Establish, implement and biennially review measurable health and safety objectives and targets to ensure continual best practice by improvement of practices, procedures and performance.

Induct

Ensure workers are inducted and understand their health and safety responsibilities and obligations.

Train and Refresh

Provide appropriate resources and training to achieve and maintain a safe and healthy work environment.

In an Emergency

Take a proactive approach to emergency management and all workers will be willing to assist when required.

Rehabilitate

Actively and respectfully manage the early rehabilitation and return to work of any employee who has suffered an injury or illness.

Aim For Zero Harm

Aim to eliminate work related injuries by identifying and controlling workplace hazards, managing risks, monitoring employee health and implementing appropriate training programmes.

Manage Contractors

Develop and maintain open communication and effective relationships and processes with contractors and suppliers of goods and services.

Consult and Encourage Participation

Consult and communicate in an honest, up front and considerate manner with workers encouraging active participation in matters relating to health and safety management, including early reporting of incidents and injuries.

Authorised by:


Steve Ruru

19/02/16

A. Safer uou. A. Safer me. A. Safer Southland.

Health and Safety Assessment

conducted for

Te Anau Earth Works

Document No.

000008

Conducted on

3/03/16 11:00 am

Prepared by

Bryce Stupples

Location

Main Street Riverton

Personnel

Bryce Stupples, Matt Keil

Score

24/24 - 100%

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Disclaimer

The assessors believe the information contained within this risk assessment report to be correct at the time of printing. The assessors do not accept responsibility for any consequences arising from the use of the information herein. The report is based on matters which were observed or came to the attention of the assessors during the day of the assessment and should not be relied upon as an exhaustive record of all possible risks or hazards that may exist or potential improvements that can be made.

Information on the latest workers compensation and OHS / WHS laws can be found at the relevant State WorkCover / WorkSafe Authority.



Confidentiality Statement

In order to maintain the integrity and credibility of the risk assessment processes and to protect the parties involved, it is understood that the assessors will not divulge to unauthorized persons any information obtained during this risk assessment unless legally obligated to do so.

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Audit - 24/24 - 100%

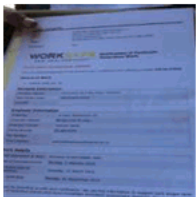
Question	Response	Details
Organisation Management Commitment		Score (4/4) 100%
Has there been an independent audit in the last 12 months?	N/A	
Do you have an up to date, signed copy of your H&S Policy?	N/A	
Do you have any managers, supervisors or employees trained in H&S?	Yes	
Is time set aside for safety activities? (workshop inspections). (safety meetings). (pre start check)	Yes	
Are managers involved in safety activities?	Yes	
Are there mechanisms in place for discussion safety? (safety meetings). (toolbox meetings).	Yes	
Safe Work Procedures		Score (12/12) 100%
Do you have a process to manage the health & safety of new employees? (induction). (buddy system). (direct supervision)	Yes	
Have plant, equipment and tasks been assessed to identify hazards & risks? (risk assessments) (safe work procedures)	Yes	
 		
Appendix 1	Appendix 2	
Plant & equipment that the apprentice is going to be using has been risk assessed?	N/A	
Have standard operating procedures been developed and on display at all plant & equipment?	N/A	

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Score (24/24) 100%

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Question	Response	Details
Do you have a safe work procedure for all high risk work? (JSA) (SWMS). (work permits)	Yes	
    <div>Appendix 3 Appendix 4 Appendix 5 Appendix 6</div>		
Do you have a lock out tag out procedure?	N/A	
Do you have a procedure for all off site work? (JSA). (SWMS). (work permits)	Yes	
Are hazardous substances correctly labeled, have MSDS's and stored correctly?	Yes	
Does electrical equipment plugged into a socket have a record of testing and inspection?	N/A	
Do you have fire fighting equipment in place? (extinguishers). (hoses). (emergency lighting)	Yes	
Do you have an emergency evacuation procedure displayed? (notice boards). (exit signage). (records of drills) (fire wardens)	Yes	
Are new workers given a written induction before starting work or using new equipment? (induction & training records)	Yes	All comments re induction relate to visitors on site
Does the induction program cover Safety information on the risks and hazards in the workplace?	Yes	
Are new workers given information and training to ensure they can perform there work safely? (safe work procedures)	Yes	
Is the use of PPE monitored?	Yes	
Do supervisors check that safe work procedures are being followed?	Yes	
Do you keep records of workers training, including on-job training?	N/A	


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Score (24/24) 100%

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Item 7.3 Attachment D


Question	Response	Details
Reporting & Records		Score (2/2) 100%
Is there a process for workers to report WH&S issues and hazards?	Yes	
Do you have first aid facilities and trained first aiders? (up to date). (in good condition)	Yes	
Are incidents reported, investigated and corrective action taken to prevent further incidents?	N/A	
Workshop walk through.		Score (6/6) 100%
Safety signage in place?	Yes	
Emergency Lighting?	N/A	
Standard Operating procedures displayed on plant & equipment?	N/A	
Plant & equipment have adequate guarding?	Yes	
Are all access & egress clear of obstructions?	Yes	
 <p>Appendix 7</p>		
Are the worker amenities adequate?	N/A	
Are hazardous substances stored correctly?	Yes	
Is housekeeping to a good standard?	Yes	
Are first aid facilities signed?	N/A	
Are signs in place for the use of PPE?	N/A	
Is there a traffic management plan?	Yes	
Is noise kept to a minimum?	N/A	

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Score (24/24) 100%

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Question		Response	Details
Is fire fighting equipment in place?		N/A	
Is electrical test & tag in place?		N/A	
Are there welding screens and ventilation equipment available?		N/A	
Comments:			
		21/03/16 8:25 am	

Item 7.3 Attachment D

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Score (24/24) 100%

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Media

Item 7.3 Attachment D



Appendix 1



Appendix 2

WORKSAFE Notification of Particular Hazardous Work
NEW ZEALAND DISCUSSION

YOU MUST FILL IN THE FOLLOWING ADDRESS:
This is an acknowledgment of the receipt of your notification with reference number **HW10137806**.

Nature of Work
• Trench, shaft, pit, etc.

Worksite Information
Worksite Address: Paterson Street & Bay Road, Wharfedale
Main Access Road: Paterson Street
Location:

Employer Information
Employer: Te Anau Earthworks Ltd
Employer Address: 30 Birk 238 Tiv Ards
Employer Contact: Harriet O'Brien
Phone Number: 02 249 9375
Fax Number:
Email Address: admin@teanuearthworks.co.nz

Work Details
Description of Work: Renewal of stormwater main
Date of Commencement: Monday, 1 February 2016
Planned Date of Completion: Thursday, 31 March 2016
Submitted: Monday, 21 September 2015

Appendix 3

Earthworks Pre-start Checklist

Competitor / Make	Model	Date	M	T	W	T	F
Concrete Saw	Model	Date					
Pre-start Checklist							
1. Check that all equipment is in good working order and that all safety features are functioning correctly.							
2. Check that all equipment is properly maintained and that all safety features are functioning correctly.							
3. Check that all equipment is properly maintained and that all safety features are functioning correctly.							
4. Check that all equipment is properly maintained and that all safety features are functioning correctly.							
5. Check that all equipment is properly maintained and that all safety features are functioning correctly.							
6. Check that all equipment is properly maintained and that all safety features are functioning correctly.							
7. Check that all equipment is properly maintained and that all safety features are functioning correctly.							
8. Check that all equipment is properly maintained and that all safety features are functioning correctly.							
9. Check that all equipment is properly maintained and that all safety features are functioning correctly.							
10. Check that all equipment is properly maintained and that all safety features are functioning correctly.							

Appendix 4



Appendix 5

Appendix 6



Appendix 7

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Bylaw Review Process

Record No: R/16/3/4348

Author: Tamara Dytor, Policy Analyst

Approved by: Rex Capil, Group Manager, Community and Futures

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 This report outlines the proposed approach for the review of bylaws in 2016.

Executive Summary

- 2 In 2016, officers are proposing to review the Cemetery Bylaw 2006, the Keeping of Animals, Poultry and Bees Bylaw 2010 and the Control of Advertising Signs Bylaw 2008. This report outlines a proposed approach to consultation and review.

Recommendation

That the Activities Performance Audit Committee:

- a) Receives the report titled “Bylaw Review Process” dated 23 March 2016.
- 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) Agrees to review the Cemetery Bylaw 2006, Keeping of Animals, Poultry and Bees Bylaw 2010 and the Control of Advertising Signs Bylaw 2008.
- e) Endorses the approach to bylaw review and consultation outlined in this report.

Content

Background

- 3 It is recommended that three Southland District Council bylaws are reviewed in 2016. The drivers for each review are outlined below:
 - The Cemetery Bylaw 2006 requires review in 2016 to remain current.
 - A review of the Keeping of Animals, Poultry and Bees Bylaw 2010 is recommended to address local issues. This bylaw was reviewed in 2010 however, since this time additional issues have arisen. The keeping of animals in urban areas has become an area of contention in the Nightcaps and Riversdale communities.
 - A review of the Control of Advertising Signs Bylaw 2008 is recommended to align with the District Plan, to provide clarity for the public and to address issues across the

District which relate to signage. The proposed bylaw review would address the placement of signs in the road reserve, for example sandwich boards on footpaths. Changes to the bylaw are intended to increase the ease of doing business with Council and provide clarity and consistency.

Issues

- 4 This report asks the Activities Performance Audit Committee to consider the need for bylaw review and the approach to review.
- 5 The timeline below outlines key milestones in the process of review and details the approach to public engagement.

Date	Task
7 April 2016	Memo to Community Boards (CBs) and Community Development Area Subcommittees (CDAs) Detailing the review process and informing CBs and CDAs of the submission period.
Mid-May 2016	Pre-consultation engagement sessions. Sessions are also for other Long Term Plan issues.
15 May 2016	Draft bylaws sent for legal review.
8 June 2016	Council meeting (Endorse draft bylaws for public consultation)
8 June 2016	Notification given to Area Offices, and customer services. Committee Advisors to liaise with CB and CDAs.
9 June 2016	Draft bylaws advertised.
9 Jun – 30 Jun 2016	Submission period.
20 July 2016	Council meeting (Submission Hearings)
2 Aug 2016	Amendments made to draft bylaws.
17 Aug 2016	Council meeting (Deliberations)
7 Sep 2016	Council meeting (Adoption of bylaws)
8 Sep 2016	Advertising of adopted bylaws.
Sep – Oct 2016	Present report to CDAs on new bylaws.
Nov – Dec 2016	Present report to CBs on new bylaws.

Factors to Consider

Legal and Statutory Requirements

- 6 Part 8 of the Local Government Act 2002 relates to developing and amending bylaws. Territorial authorities are able to make bylaws to protect the public from nuisance, to protect, promote and maintain public health and safety, and to minimise the potential for offensive behaviour in public places.

- 7 Local authorities must determine, before commencing the bylaw-making process, whether a bylaw is the most appropriate way of addressing the perceived problem. The bylaws which are proposed for review have been developed in consideration of alternative options. At the time of their development it was assessed that bylaws were the most appropriate way to address the issues that they regulate. Officers continue to support this approach for each of the bylaws.
- 8 Bylaws must be reviewed within 5 years after they are made and thereafter at 10 year intervals, otherwise they will lapse 2 years after the date by which they were due to be reviewed. For this reason, it is now timely to review the Cemetery Bylaw 2006.
- 9 Section 156 of the Local Government Act 2002 states that the special consultative procedure is only required if the bylaw is assessed as significant. Since none of the bylaws proposed for review have been assessed as significant, staff are not proposing to undertake a special consultative procedure.

Community Views

- 10 Community views would be considered during formal consultation and pre-consultation engagement. The timeline provided in this report details when this would occur.
- 11 To ensure that Community Boards and Community Development Area Subcommittees are informed, it is proposed that they receive a memorandum outlining the bylaw review process. This would allow Community Boards and Community Development Area Subcommittees to make submissions during the consultation period.

Costs and Funding

- 12 The costs of the review process will largely be limited to legal review, advertising and engagement. However, changes to bylaws may result in different administrative processes that have cost and funding impacts.

Policy Implications

- 13 Since the Cemetery Bylaw 2006 is proposed for review, a concurrent review of the Cemetery Policy will also be required.
- 14 Reviewing the Control of Advertising Signs Bylaw 2008 intends to provide clarity regarding the scope of the bylaw and the scope of provisions relating to signage in the District Plan.
- 15 There are no other policy implications arising from a review of these bylaws.

Analysis

Options Considered

- 16 The Activities Performance Audit Committee could:
 - Agree to review these bylaws as set out in this report or with changes (Option 1); or
 - Decide not to review these bylaws (Options 2).

Analysis of Options

Option 1 – Agree to review bylaws

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • This is a compliant approach which addresses the statutory requirement to review the Cemetery Bylaw 2006. • This option is proactive and takes the opportunity to provide clarity and improve the ease of doing business in relation to signage. • This option addresses local issues in relation to the keeping of animals. 	<ul style="list-style-type: none"> • There is no statutory requirement to review the Keeping of Animals Poultry and Bees Bylaw 2010 or the Control of Advertising Signs Bylaw 2008 at this stage. However, local issues and opportunities for improvement mean that it may be timely to do so.

Option 2 – Decide not to review bylaws

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • No administrative burden. 	<ul style="list-style-type: none"> • The Cemetery Bylaw 2006 will expire and cease to have effect. • Local issues relating to animal control will not be addressed. • Opportunities to improve practice in relation to the regulation of signage would not be taken.

Assessment of Significance

- 17 The bylaws proposed for review have not been assessed as significant under Council's Significance and Engagement Policy and will not be subject to special consultative procedure.

Recommended Option

- 18 It is recommended that the Activities Performance Audit Committee approve a review of the Cemetery Bylaw 2006, the Keeping of Animals, Poultry and Bees Bylaw 2010 and the Control of Advertising Signs Bylaw 2008 in 2016. It is also recommended that the Activities Performance Audit Committee endorse the approach to bylaw review proposed in this report.

Next Steps

- 19 If the Activities Performance Audit Committee approves a review of these bylaws and endorses the outlined approach, staff will develop draft bylaws and engage with the community as per the timeline in this report.

Attachments

There are no attachments for this report.