

Finance and Support Group

Performance Report ended 31 March 2015



1	Executive summary for Risk and Assurance Committee	1
1.1	Group overview	1
1.2	Group financial summary	4
1.3	Group consolidated financial statements	5
1.4	Department overviews	5

1 EXECUTIVE SUMMARY FOR RISK AND ASSURANCE COMMITTEE

1.1 Group overview

The key performance indicators for the last quarter were:



Finance, Treasury and Support

- ▶ Finalise the LTP consultation document and supporting information with SCEG
- ▶ Manage the Asset Management Steering & development groups, including the update of the Asset Management plans to ensure they are all up to a consistent standard to support the LTP
- ▶ Manage the WRCH Group, and Treasury portfolios, including dealing with PHL options for sale
- ▶ Start insurance renewal and strategy
- ▶ Progress seismic building resilience project
- ▶ Managed the Warm Wellington programme including the initiative to bring Clean Heat back to Masterton
- ▶ Manage the Wellington Water customer relationship and bulk water budget integration with the 4 metropolitan councils

ICT

- ▶ Land Resource Support System (LRSS) – Bay of Plenty Regional Council have decided to exit the collaboration with GWRC and go with the Accela product (www.accela.com). We are continuing to investigate commercial options with Datacom, Ozone & Vector Net and a further collaboration with the Department of Conservation (DoC). It is envisaged that none of these options will deliver the original full suite of business functions as first proposed.
- ▶ Land Mobile Radio (LMR) – This was an initiative that was kicked off by GWRC's ICT Advisory Committee to investigate giving a centrally co-ordinated approach to managing GWRC's disparate radio systems. Inventory has been taken of GWRC's mobile fleet (including spectrum) and we are currently investigating several options, which are:-
 - 1) Inclusion in SIIP
 - 2) Joining the NZ Police network (WGRN). This will probably require WREMO's participation.
 - 3) Do nothing and carry-on as before

- ▶ Tape Back-up System – The tape Back-up System is causing concerns as to its capacity and integrity. Therefore 2 ICT resources, Jason Craddock (who will lead the project) and an additional external consultant Carl Hamilton have been employed fulltime to upgrade and improve our tape back-up capabilities.
- ▶ VDI project – the remote desktop project continues to be deployed to users. The VDI (VMWare View) platform will allow the existing Citrix platform to be decommissioned and retired. It has been agreed that the VDI will predominantly be used for remote access and for business continuity needs.
- ▶ Office 365 – the project to migrate email to the ‘cloud’ began late in 2014. All WREMO users have been migrated together with approximately 15% of current users.
- ▶ EDRMS upgrade (SPIEDO) – the project to upgrade our current EDRMS system, Open Text’s Hummingbird to Microsoft SharePoint (plus iWorkplace Records Manager) commenced in July 2014. Consultants Information Leadership Ltd, have been contracted to assist with the design and build of the new system. The first stage of workshopping the taxonomy and metadata with business users/units was started in December 2014 and had been largely completed by March 2015.
- ▶ Follow-me printing – This project requires the upgrade and installation of our current hardware (printers) and software. A prototype has been installed and configured at Shed 39 for testing. Some issues have been identified, but these have/are being resolved by our supplier Fuji Xerox (FXNZ).
- ▶ Legacy Systems – We have finally retired/migrated all but one (SafeTsmart) of our business applications off Oracle and old operating systems onto the latest supported Microsoft systems (MS). This has reduced considerable risk to our business.
- ▶ Reporting Project – This reporting project is more than just information dissemination – reporting, query and online analytical processing – for senior managers and stakeholders to make more informed decisions.

The rationalisation of reporting tools to provide GWRC’s business with the option to access better tools and repositories, interrogate data and transform it into meaningful and useful information then report on it with added support and assured from ICT.

The toolsets proposed are based around Microsoft’s Business Intelligence (BI) and supporting products. Though a MS Office 2010 upgrade was a requirement, given the conflict with the EDRMS project timeline, this will have to be postponed and a compromise re-designed to compensate.

Shared Services – Wellington Regional Shared ICT Infrastructure Programme (SIIP) - On 14 March 2014, the Chief Executives agreed to proceed with the business case phase of SIIP. This phase is expected to deliver the business case for shared ICT infrastructure services and to provide advice on the establishment, form and functions of the shared services organisation to deliver the shared ICT infrastructure services.

The key performance indicators for the next quarter are:

Finance, Treasury and Support

- ▶ Complete the 2015-25 LTP and financial budgeting processes
- ▶ Improving relationship and trust through the Wellington Water customer group
- ▶ Review and update purchasing card proposal for ELT consideration
- ▶ Roll out on-line travel booking
- ▶ Implement the Masterton clean heat add-on
- ▶ Development of Insurance Strategy

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- ▶ Shared ICT Infrastructure programme (SIIP) – to complete the following tasks to allow the Chief Executive(s) to decide at the next decision point (see timeline below) whether to proceed with the outsourcing proposal (business case).
 - Selected vendors to complete their due diligence on the respective councils (including Wellington Water). Thus allowing them to complete/refine their pricing, architecture and transitions proposals for final submissions. It is expected that this phase will require input from GWRC's Network Services staff.
 - Carry-out due diligence on selected vendors
 - Vendor/SIIP contract negotiations
 - Agree Shared Services Office (SSO) form, roles and responsibilities
 - Prepare final business for Chief Executive approval
- ▶ Tape Back-up System – Tape Back-up issues resolved satisfactorily early within the next quarter as a matter of urgency.
- ▶ Land Mobile Radio (LMR) – Confirm WREMO's position followed by a recommendation back to GWRC's ICT Advisory Committee.
- ▶ Office 365 –migrate 90% of users email box's to the 'cloud' by June 2015.
- ▶ EDRMS upgrade (SPIEDO) – Migrate 50% of current Open text Hummingbird users to the new SharePoint system in the next quarter.

Next stages of the project are:-

- Design and creation of workspaces. It is anticipated that the first team(s) will be using these workspace by late-May with final completion November 2015
- As the workspaces are created, the gradual migration of the data (1.1 million docs) will be carried out.

Project completion is scheduled for December 2015.

- ▶ Rail Fibre stage 2 – The second stage of the rail fibre network is well underway to the bulk of the remaining stations on the Kapiti/Hutt/Wairarapa line. This stage does not include the deployment of all the routers.
- ▶ Follow-me printing – To look at rolling out the equipment and the backend system at main sites in the next quarter:

- Wellington
- Upper Hutt
- Masterton
- ▶ Legacy Systems – Identify a suitable replacement for SafeTsmart and confirm a plan for the instruction of the proposed new system (HASMIS). See People & Capability Quarterly Performance Review for more detail.
- ▶ Reporting Project – For next quarter:-
 - Confirm architecture.
 - Produce Dashboard & Reporting wire frames
 - Conduct business workshops

1.2 Group financial summary

Financial summary

Total direct expenditure of \$8.3 million is \$132k less than budget. Rent costs were also ahead of budget as rent is being incurred on both Regional Council Centre (RCC) and Shed 39. This makes up the majority of the Materials, Supplies and Services unfavourable variance.

External revenue is largely in line with expectations.

Capital expenditure is below budget by \$6131k. The majority of capital expenditure is in the ICT department and further explanation follows in that section.

The Financial forecast has been updated to reflect RCC costs; funds transferred to People and Capability for health and safety initiatives and capex to include enhancing reporting tools and the start of the upgrade to digital radios has been brought forward to coincide with the NZ Police digital radio upgrade programme.

1.3 Group consolidated financial statements

Finance and Support group Income Statement For the 9 months ended 31 March 2015	Actual \$000	Year to Date Budget \$000	Variance \$000	Forecast \$000	Full Year Budget \$000	Variance \$000	31 Mar 14 FY Actual \$000
Rates & Levies	-	-	-	-	-	-	1,150
External Revenue	649	687	(38)	916	916	-	887
Investment Revenue	80	88	(8)	117	117	-	144
Internal Revenue	4,103	3,896	207	5,194	5,194	-	4,745
TOTAL INCOME	4,832	4,671	161	6,227	6,227	-	6,926
less:							
Personnel Costs	2,520	2,841	321	3,544	3,794	250	3,253
Materials, Supplies & Services	3,044	2,487	(557)	3,958	3,316	(642)	3,569
Travel & Transport Costs	21	18	(3)	44	24	(20)	12
Contractor & Consultants	2,055	2,413	358	3,213	3,470	257	3,465
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	699	712	13	946	946	-	937
Total Direct Expenditure	8,339	8,471	132	11,705	11,550	(155)	11,236
Financial Costs	133	178	45	237	237	-	120
Bad Debts	-	-	-	-	-	-	363
Corporate & Department Overheads	(3,956)	(3,956)	-	(5,274)	(5,274)	-	(4,863)
Depreciation	728	892	164	989	1,189	200	1,090
Loss / (Gain) on Sale of Assets / Investments	-	(2)	(2)	(2)	(2)	-	2
TOTAL EXPENDITURE	5,244	5,583	339	7,655	7,700	45	7,948
OPERATING SURPLUS / (DEFICIT)	(412)	(912)	500	(1,428)	(1,473)	45	(1,022)
Add Back Depreciation	728	892	(164)	989	1,189	(200)	1,090
Other Non Cash	-	(2)	2	(2)	(2)	-	2
Net Asset Acquisitions	(506)	(1,119)	613	(1,094)	(1,504)	410	(2,420)
Net External Investment Movements	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENT:	(190)	(1,141)	951	(1,535)	(1,790)	255	(2,350)
Debt Additions / (decrease)	475	1,090	(615)	1,125	1,475	(350)	2,134
Debt Repaid	(472)	(583)	111	(808)	(778)	(30)	(549)
Net Reserves (Increase) / decrease	827	819	8	1,062	1,092	(30)	1,143
NET FUNDING SURPLUS (DEFICIT)	640	185	455	(156)	(1)	(155)	378

Finance and Support group Capital Expenditure Statement For the 9 months ended 31 March 2015	Actual \$000	Year to Date Budget \$000	Variance \$000	Forecast \$000	Full Year Budget \$000	Variance \$000	31 Mar 14 FY Actual \$000
Total Asset Acquisitions	37	39	2	39	39	-	1,573
Total Capex (AUC movement)	476	1,090	614	1,065	1,475	410	-
Asset Disposal Cash Proceeds	(7)	(10)	(3)	(10)	(10)	-	(19)
Net Capital Expenditure	506	1,119	613	1,094	1,504	410	1,554
Investments Additions	-	-	-	-	-	-	-
NET CAPITAL AND INVESTMENT EXPENDITURE	506	1,119	613	1,094	1,504	410	1,554

1.4 Department overviews

1.41 ICT Summary

Shared Services (SIIP) continues to dominate the work of the Fran Hyland, Manager ICT and the Network Services team. Tim John was employed on a fixed term agreement to support Fran Hyland in the management of the Department due to Fran's ongoing involvement with the Shared Services project. A subsequent realignment of reporting was set up with Tim managing the Network Services team, the application support team and the Information Services team. Fran has continued to lead the Business Analyst's team.



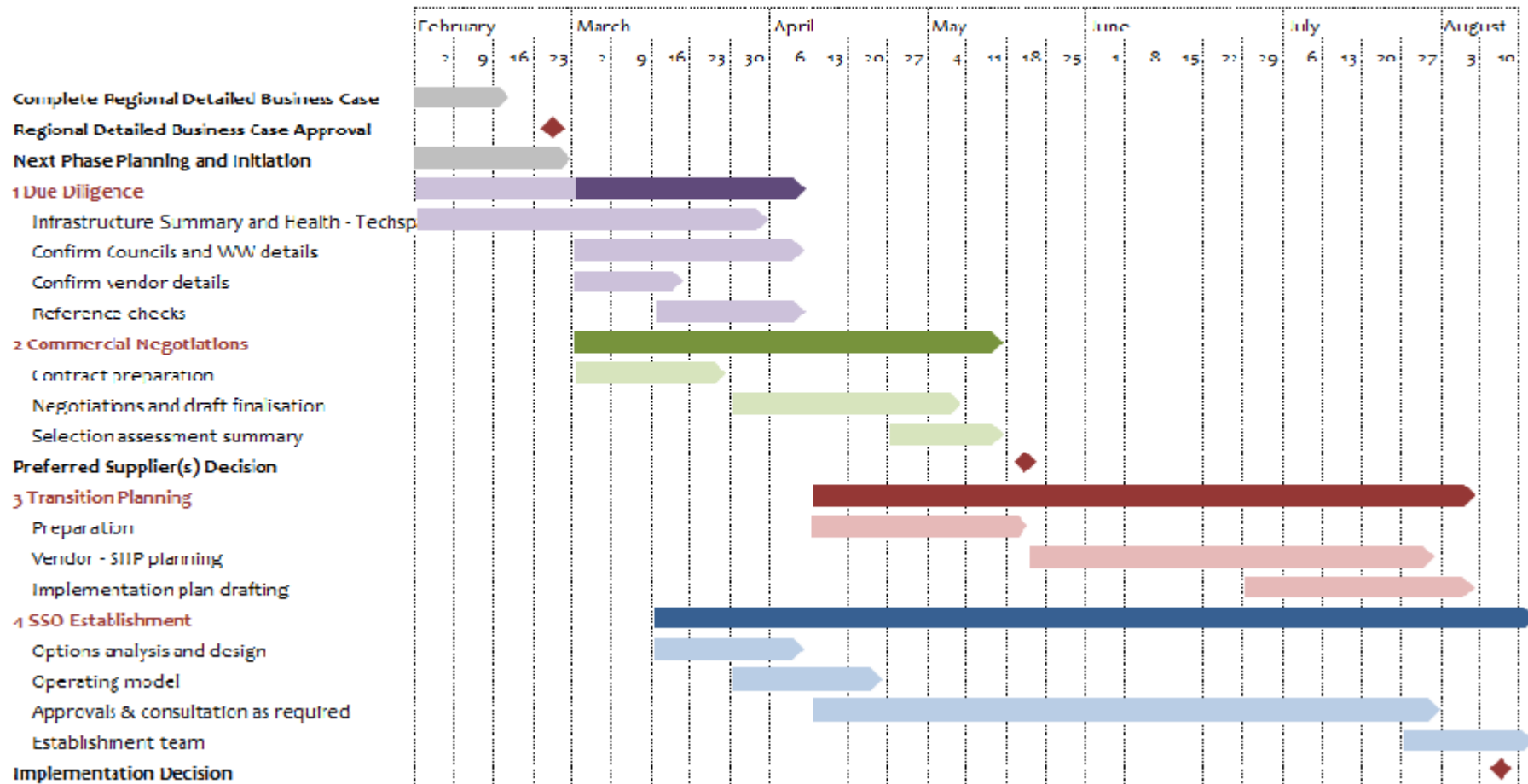
Tim has been busy working with the Network Services team to improve BAU practises and tidy up some loose ends from previous projects. Tim has also taken a lead role in several new projects such as Office 365 (email migration) and Project: SPIEDO, the introduction of SharePoint and replacement of eDocs / Hummingbird.

Fran continues to plan future projects including Business Information or BI, a biosecurity management software solution and the land mobile radio project which incorporates using the existing Police radio spectrum.

ICT have also been participating in the IFT Project.

Carl Hamilton, fixed term consultant has been employed within the Network Services team for an initial month to work on the back-up system issue.

Shared ICT Infrastructure Services - Commercial and Transition Planning Overview Timeline



ICT financial reports

ICT Department Financial Performance Statement 9 Months ended 31 March 2015	Year to date			Full Year			31 Mar 14 YTD Actual \$000
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	
External Revenue	-	59	(59)	79	79	-	-
Investment Revenue	80	88	(8)	117	117	-	108
Internal Revenue	2,150	1,937	213	2,583	2,583	-	1,642
TOTAL INCOME	2,230	2,084	146	2,779	2,779	-	1,750
less:							
Personnel Costs	1,455	1,594	139	2,046	2,126	80	1,077
Materials, Supplies & Services	1,499	1,230	(269)	1,760	1,640	(120)	1,418
Travel & Transport Costs	4	6	2	8	8	-	4
Contractor & Consultants	54	325	271	283	433	150	177
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	139	154	15	204	204	-	174
Total Direct Expenditure	3,151	3,309	158	4,301	4,411	110	2,850
Financial Costs	125	178	53	237	237	-	77
Bad Debts	-	-	-	-	-	-	-
Corporate & Department Overheads	(1,188)	(1,188)	-	(1,585)	(1,585)	-	(939)
Depreciation	714	858	144	944	1,144	200	500
Loss / (Gain) on Sale of Assets / Investments	-	(2)	(2)	(2)	(2)	-	-
TOTAL EXPENDITURE	2,802	3,155	353	3,895	4,205	310	2,488
OPERATING SURPLUS / (DEFICIT)	(572)	(1,071)	499	(1,116)	(1,426)	310	(738)
Add Back Depreciation	714	858	(144)	944	1,144	(200)	500
Other Non Cash	-	(2)	2	(2)	(2)	-	-
Net Asset Acquisitions	(505)	(1,119)	614	(1,142)	(1,504)	362	(1,187)
Net External Investment Movements	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	(363)	(1,334)	971	(1,316)	(1,788)	472	(1,425)
Debt Additions / (decrease)	-	1,090	(1,090)	1,879	1,475	404	1,176
Debt Repaid	(472)	(583)	111	(808)	(778)	(30)	(340)
Net Reserves (Increase) / decrease	827	819	8	1,062	1,092	(30)	1,107
NET FUNDING SURPLUS (DEFICIT)	(8)	(8)	-	817	1	816	518

ICT Department Capital Expenditure Statement 9 Months ended 31 March 2015	Year to date			Full Year			31 Mar 14 YTD Actual \$000
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	
Total Asset Acquisitions	37	39	2	39	39	-	-
Capital Project Expenditure	475	1,090	615	1,113	1,475	362	1,214
Asset Disposal Cash Proceeds	(7)	(10)	(3)	(10)	(10)	-	-
Net Capital Expenditure	505	1,119	614	1,142	1,504	362	1,214
Investments Additions	-	-	-	-	-	-	-
NET CAPITAL AND INVESTMENT EXPENDITURE	505	1,119	614	1,142	1,504	362	1,214

ICT financial summary and variance analysis

Total Direct Expenditure for the ICT department is \$3.15 million, which is slightly below budget.

External revenue has been budgeted in place of internal revenue where desktop recharges are traditionally more than the business budgets for. The result is that the variance in external revenue offsets the positive variance in internal revenue.

Capital projects include:

- ▶ The SAP mobile plant maintenance project has been delayed pending further analysis of the market solution.
- ▶ EDRMs replacement with SharePoint
- ▶ Reporting tools upgrade with Office 2013 and Office 365
- ▶ Digital Radios progressing with NZ Police.

ICT risk analysis

We are consistently reviewing the risks associated with the loss of the provision of continuity of IT services as part of our business continuity planning. The implementation of the virtual desktop (VDI) project means that we can facilitate 400 users accessing the network from remote locations. The new Office365 email project will provide full email redundancy by storing and delivering email directly from a cloud-based service.

In addition, we have initiated a project to review our back-up system to ensure that we have sufficient robustness in that system to back up our data and provide business continuity in the event of any emergency.

1.42 Finance and Support

Finance and Support summary

The third quarter is when we get the draft plan out with SCEG, which was a smooth audit transition to the 2015 requirements. Time continues to be absorbed by the integration of Wellington Water Limited which has progressed well.

A number of new requirements have been introduced with this year's LTP including greater emphasis on Assets through updated asset management plans and the new infrastructure strategy.

Mike Timmer led the Asset Management Steering group (AMSG) and has worked with SCEG to finalise the infrastructure strategy. The AMGS has developed a terms of reference and is developing an Asset Management Strategy and reassessing the structure and resources for Asset management going forward.

We received a 'Good' assessment (also a significant improvement on previous years) from Audit New Zealand for our LTP, with particular mention that the control environment for the preparation of the plan was sound. The financial strategy was clear and the approach taken in relation to the rates and debt increases was prudent taking into account the level of capital projects.

The Essbase modelling system was successfully developed to cater to the new 30 year requirements by Kevin Joe. Chris Gray and Mike Timmer also reviewed and updated the Financial Strategy and managed the financial implications of the current plan with councillors.

The Audit Management letters were received with no substantive comment for council or the WRCH Group. With the LTP audits this year auditors will be on a tighter timeframe and we will be working closely with them to ensure a smooth process is achieved.

The Finance Manager has been co-opted as the shareholders representative for Wellington Water's Chief Executive's customer forum alongside the four city council representatives and is working closely with them to ensure GWRC's bulk water requirements are met. The main emphasis now is to build on the trusting environment so we have confidence WW is delivering as per expectations.

We will be working with the four cities over next 12 months to see what processes and practices can be simplified and streamlined both within Wellington Water and between the five councils.

The purchasing card project will come back to ELT for approval.

In December council approved the introduction of heating appliances into the Masterton Air Shed zone. This product and process needs designing and rolling out before the end of March. 4 suppliers have been signed up so the programme is now operational.

For the full report please see the see the full Warm Greater Wellington Report.

Finance and Support financial reports

Finance Income Statement For the 9 months ended 31 March 2015	Year to Date			Full Year			31 Mar 14 FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	
External Revenue	75	75	-	100	100	-	110
Investment Revenue	-	-	-	-	-	-	-
Internal Revenue	172	172	-	230	230	-	163
TOTAL INCOME	247	247	-	330	330	-	273
less:							
Personnel Costs	758	759	1	1,017	1,012	(5)	1,011
Materials,Supplies & Services	94	77	(17)	114	102	(12)	131
Travel & Transport Costs	-	3	3	4	4	-	1
Contractor & Consultants	115	162	47	423	470	47	297
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	129	126	(3)	168	168	-	171
Total Direct Expenditure	1,096	1,127	31	1,726	1,756	30	1,611
Financial Costs	5	-	(5)	-	-	-	2
Bad Debts	-	-	-	-	-	-	-
Corporate & Department Overheads	(1,070)	(1,070)	-	(1,426)	(1,426)	-	(1,202)
Depreciation	4	4	-	6	6	-	21
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-
TOTAL EXPENDITURE	35	61	26	306	336	30	432
OPERATING SURPLUS / (DEFICIT)	212	186	26	24	(6)	30	(159)
Add Back Depreciation	4	4	-	6	6	-	21
Other Non Cash	-	-	-	-	-	-	-
Net Asset Acquisitions	-	-	-	-	-	-	-
Net External Investment Movements	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	216	190	26	30	-	30	(138)
Debt Additions / (decrease)	-	-	-	-	-	-	-
Debt Repaid	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	216	190	26	30	-	30	(138)

Finance and Support financial summary

Total Direct Expenditure of \$1.1 million compares favourably with budget. Audit fees (making a large component of Consultancy) are timed for the financial year end.

Finance and Support risk analysis

As part of our regular reviews of our processes and systems we highlighted the on-going need to ensure all staff remain up-to-date and appropriately trained in all aspects of our business. With Staff

turnover it is essential that key systems knowledge can be captured and transferred. A review of our processes around asset and insurance valuations is underway.

As part of the council wide review of the risk register it was agreed that the only underlying risk on the high level council register would be for financial fraud, as despite many mitigating actions the outcome of any actual fraud is highly damaging to the organisation.

1.43 Treasury

Treasury Summary

This department includes the staff and administration costs of running the Investment Management department. The full report on the Investment Management business area is reported separately.

The Treasurer is presently Acting as CFO and attending to those responsibilities.

Treasury financial reports

Treasury & Investments. Income Statement For the 9 months ended 31 March 2015	Year to Date			Full Year			31 Mar 14 FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	
External Revenue	56	56	-	75	75	-	69
Investment Revenue	-	-	-	-	-	-	-
Internal Revenue	201	201	-	267	267	-	257
TOTAL INCOME	257	257	-	342	342	-	326
less:							
Personnel Costs	258	227	(31)	324	308	(16)	286
Materials,Supplies & Services	3	2	(1)	3	3	-	4
Travel & Transport Costs	2	5	3	7	7	-	4
Contractor & Consultants	-	-	-	-	-	-	-
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	20	18	(2)	24	24	-	24
Total Direct Expenditure	283	252	(31)	358	342	(16)	318
Financial Costs	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	-
Corporate & Department Overheads	-	-	-	1	1	-	-
Depreciation	5	5	-	7	7	-	7
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-
TOTAL EXPENDITURE	288	257	(31)	366	350	(16)	325
OPERATING SURPLUS / (DEFICIT)	(31)	-	(31)	(24)	(8)	(16)	1
Add Back Depreciation	5	5	-	7	7	-	7
Other Non Cash	-	-	-	-	-	-	-
Net Asset Acquisitions	-	-	-	-	-	-	-
Net External Investment Movements	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	(26)	5	(31)	(17)	(1)	(16)	8
Debt Additions / (decrease)	-	-	-	-	-	-	-
Debt Repaid	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	(26)	5	(31)	(17)	(1)	(16)	8

Treasury financial summary and variance analysis

The Treasury department has \$283k of total direct expenditure, which is in line with budget. Personnel costs are unfavourable by \$31k which is mainly due to an FBT adjustment from the previous financial year. The department is attracting additional personnel costs due to the vacant CFO position.

Treasury risk analysis

The treasury risks are reviewed as part of the investment management report.

1.44 Rates

Rates department financial reports

Rates Dept Income Statement For the 9 months ended 31 March 2015	Year to Date			Full Year			31 Mar 14 FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	
Rates & Levies	-	-	-	-	-	-	1,150
External Revenue	517	441	76	588	588	-	626
Investment Revenue	-	-	-	-	-	-	-
Internal Revenue	41	41	-	54	54	-	54
TOTAL INCOME	558	482	76	642	642	-	1,830
less:							
Personnel Costs	-	-	-	-	-	-	-
Materials,Supplies & Services	-	-	-	-	-	-	7
Travel & Transport Costs	-	-	-	-	-	-	-
Contractor & Consultants	1,757	1,732	(25)	2,310	2,310	-	2,381
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	75	75	-	100	100	-	80
Total Direct Expenditure	1,832	1,807	(25)	2,410	2,410	-	2,468
Financial Costs	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	363
Corporate & Department Overheads	(1,326)	(1,326)	-	(1,768)	(1,768)	-	(1,816)
Depreciation	-	-	-	-	-	-	-
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-
TOTAL EXPENDITURE	506	481	(25)	642	642	-	1,015
OPERATING SURPLUS / (DEFICIT)	52	1	51	-	-	-	815
Add Back Depreciation	-	-	-	-	-	-	-
Other Non Cash	-	-	-	-	-	-	-
Net Asset Acquisitions	-	-	-	-	-	-	-
Net External Investment Movements	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	52	1	51	-	-	-	815
Debt Additions / (decrease)	-	-	-	-	-	-	-
Debt Repaid	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	52	1	51	-	-	-	815

Rates department financial summary

Total Income of \$558k is \$76k more than expected. This primarily relates to penalties on rates which are difficult to budget accurately. While we expect to hit budget, the result is ultimately out of the Council's control.

Rates collection costs were \$25,000 more than budgeted with some additional valuation costs incurred this year.

Rates department risk analysis

Risks have been reviewed, and after a review of rates processes in 2013/14 the risk remain low in this area.

1.45 Chief Financial Officer (CFO)

CFO financial reports

CFO Support Income Statement For the 9 months ended 31 March 2015	Year to Date			Full Year			31 Mar 14	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
External Revenue	-	56	(56)	-	75	(75)	49	83
Investment Revenue	-	-	-	-	-	-	-	-
Internal Revenue	34	34	-	45	45	-	34	45
TOTAL INCOME	34	90	(56)	45	120	(75)	83	128
less:								
Personnel Costs	44	261	217	157	348	191	249	331
Materials, Supplies & Services	19	11	(8)	25	15	(10)	11	28
Travel & Transport Costs	-	4	4	5	5	-	1	1
Contractor & Consultants	88	165	77	140	220	80	146	320
Grants and Subsidies Expenditure	-	-	-	-	-	-	-	-
Internal Charges	17	21	4	28	28	-	18	24
Total Direct Expenditure	168	462	294	355	616	261	425	704
Financial Costs	-	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	-	-
Corporate & Department Overheads	(372)	(372)	-	(496)	(496)	-	(444)	(592)
Depreciation	-	1	1	2	2	-	4	4
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-	-	-	2	2
TOTAL EXPENDITURE	(204)	91	295	(139)	122	261	(13)	118
OPERATING SURPLUS / (DEFICIT)	238	(1)	239	184	(2)	186	96	10
Add Back Depreciation	-	1	(1)	2	2	-	4	4
Other Non Cash	-	-	-	-	-	-	2	2
Net Asset Acquisitions	-	-	-	-	-	-	19	19
Net External Investment Movements	-	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENT	238	-	238	186	-	186	121	35
Debt Additions / (decrease)	-	-	-	-	-	-	-	-
Debt Repaid	-	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	238	-	238	186	-	186	121	35

CFO financial summary and variance analysis

The CFO department total direct expenditure of \$294k under budget due to the vacant CFO position. The department has allocated \$52k of this forecast savings to fund HSE work in the People and Capability department. P&C will show a corresponding adverse variance. The CFO is planning to fund some additional Asset Management resource which will be contained under the existing budget.

The department has also funded review of the Infrastructure strategy.

External revenue relating to management fees of Pringle House is not expected to be realised this financial year.

1.46 Property services

Property Services Shed 39 Summary

The Property services department covers Shed 39 costs and reallocation to groups. The outsourced property team assists with building advice across the council. Property services have taken responsibility of the Shed 39 pool cars resulting in Travel costs now being included here.

Property Services financial reports

Property Services Income Statement For the 9 months ended 31 March 2015	Year to Date			Full Year			31 Mar 14
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	FY Actual \$000
External Revenue	-	-	-	-	-	-	-
Investment Revenue	-	-	-	-	-	-	-
Internal Revenue	1,506	1,511	(5)	2,015	2,015	-	2,015
TOTAL INCOME	1,506	1,511	(5)	2,015	2,015	-	2,015
less:							
Personnel Costs	-	-	-	-	-	-	-
Materials,Supplies & Services	1,430	1,167	(263)	2,057	1,557	(500)	1,760
Travel & Transport Costs	16	-	(16)	20	-	(20)	-
Contractor & Consultants	42	28	(14)	57	37	(20)	45
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	318	318	-	421	421	-	414
Total Direct Expenditure	1,805	1,513	(292)	2,415	2,015	(400)	3,907
Financial Costs	-	-	-	-	-	-	1
Bad Debts	-	-	-	-	-	-	-
Corporate & Department Overheads	-	-	-	-	-	-	-
Depreciation	5	23	18	31	31	-	141
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-
Total Indirect Expenditure	5	23	18	31	31	-	142
TOTAL EXPENDITURE	1,810	1,536	(274)	2,446	2,046	(400)	4,049
OPERATING SURPLUS / (DEFICIT)	(304)	(25)	(279)	(431)	(31)	(400)	(2,034)
Add Back Depreciation	5	23	(18)	31	31	-	141
Other Non Cash	-	-	-	-	-	-	-
Net Asset Acquisitions	(1)	-	(1)	-	-	-	(139)
Net External Investment Movements	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	(300)	(2)	(298)	(400)	-	(400)	(2,032)
Debt Additions / (decrease)	-	-	-	-	-	-	-
Debt Repaid	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	(300)	(2)	(298)	(400)	-	(400)	(2,032)

Property Services financial summary and variance analysis

Direct Expenditure of \$1.8m is \$292k more than budgeted. \$180k relates to payment of rent for both the Regional Council Centre (RCC) and Shed 39. Power costs of Shed 39 are \$25k more than budget.

We are reviewing this area's cost allocation and have updated the forecast outcome to cover the RCC.

Property Services risk analysis

Review and remedy of earthquake resilience of all buildings is continuing



greater WELLINGTON

REGIONAL COUNCIL

Te Pane Matua Taiao