

AGENDA

SUPPLEMENTARY

Council
Tuesday 11 December 2018 at 10.30am

Northland Regional Council Supplementary Agenda

Meeting to be held in the Council Chamber
36 Water Street, Whangārei
on Tuesday 11 December 2018, commencing at 10.30am

Recommendations contained in the council agenda are NOT council decisions. Please refer to council minutes for resolutions.

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5.0 FINANCIAL REPORTS	
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TITLE: Receipt of Supplementary Item – Council Meeting 11 December 2018

ID: A1136473

From: Chris Taylor, Governance Support Manager

Executive summary

As advised in the main agenda, the report 'Financial Report to 30 November 2018' was unable to be completed in time for circulation of the agenda due to cut off for agenda items being one week early.

Recommendation

That as permitted under section 46A(7) of the Local Government Official Information and Meetings Act 1987 the following supplementary report be received:

- Financial Report to 30 November 2018

Authorised by Group Manager

Name: Dave Tams

Title: Group Manager, Corporate Excellence

Date: 10 December 2018

TITLE: Financial Report to 30 November 2018

ID: A1132457

From: Vincent McColl, Financial Accountant

Executive summary

This report is to inform council of the year to date (YTD) financial result to November 2018. Council has achieved a YTD surplus after transfers to and from reserves of \$2.54M, which is \$988K unfavourable to budget.

Recommendation

That the report 'Financial Report to 30 November 2018' by Vincent McColl, Financial Accountant and dated 5 December 2018, be received.

Report

SUMMARY OPERATING RESULTS			
	000's ACTUAL YTD	000's BUDGET YTD	000's VARIANCE YTD
Revenue (including other gains)	\$ 18,896	\$ 20,210	\$ (1,314)
Expenditure	\$ 15,783	\$ 15,890	\$ 107
NET (COST)/SURPLUS BEFORE TRANSFERS FROM/(TO) RESERVES	\$ 3,113	\$ 4,321	\$ (1,207)
Transfer From (To) Special Reserves	\$ (576)	\$ (796)	\$ 220
NET (COST)/SURPLUS AFTER TRANSFERS FROM/(TO) RESERVES	\$ 2,537	\$ 3,525	\$ (988)

Revenue

Year to date revenue is \$18.90M, which is \$1.32M or 6.5% below budget.

YTD REVENUE VARIANCE INDICATORS BY REVENUE TYPE			
	FAV / (UNFAV)		Commentary
	\$	%	
Rates	\$170,484	1.5%	• A higher level of rating units / SUIPs were used for the rating strike versus what was in the LTP.
User Fees and Sundry	\$122,910	4.8%	<ul style="list-style-type: none"> • Higher than budgeted consent application fees of \$104K offsetting costs incurred (hearings, consultants and legal) • Higher than budgetd consent management fees of \$40K • Unbudgeted prosecutions of \$43K Partially offset by: <ul style="list-style-type: none"> • Lower than budgeted fare box revenue of \$58K
Grants and Subsidies	(\$25,118)	(1.6%)	<ul style="list-style-type: none"> • Lower than budgeted NZTA subsidies of \$44K offset by lower than budgeted transport contract costs Partially offset by: <ul style="list-style-type: none"> • Subsidies for the Mycoplasma Bovis response of \$58K
Investment Interest Income	\$9,204	2.2%	
Investment Property Income	\$9,156	0.8%	
Dividend Income	(\$55,088)	(2.7%)	• Lower than budgeted MMH final dividends by a quarter of a cent (\$0.0025) per share.
Short Term Fund	(\$78,212)	(422.4%)	• Actual October YTD returns of 0.9% (2.7% annually) are higher than the budgeted 1.58% (4.75% annually)
Property Reinvestment Fund	(\$626,440)	(122.5%)	• Actual October YTD returns of -0.5% (-1.5% annually) are lower than the budgeted 2.5% (7.5% annually).
Community Investment Fund	(\$436,386)	(105.3%)	• Actual October YTD returns of -0.1% (-0.3% annually) are lower than the budgeted 2.5% (7.5% annually). Nearly all of the losses incurred here are offset by lower than budgeted transfers to reserve.
Infrastructure Investment Fund	(\$404,659)	(105.6%)	• Actual October YTD returns of 0.4% (1.2% annually) are higher than the budgeted 1.92% (5.75% annually)
Total	(\$1,317,837)	(6.5%)	

Expenditure

Year to date expenditure is \$15.78M, which is \$107K or 0.7% below budget.

YTD EXPENDITURE VARIANCE INDICATORS BY COUNCIL ACTIVITY			
	FAV / (UNFAV)		Commentary
	\$	%	
Regulatory Services	(\$160,222)	(6.1%)	<ul style="list-style-type: none"> Higher than budgeted consent application costs of \$161K (consultants and hearing committee costs) partially offset with higher than budgeted consent revenue
Environmental Services	(\$58,886)	(1.9%)	<ul style="list-style-type: none"> Higher than budgeted biosecurity materials for resale partially offset with higher sales income
Strategy and Engagement	\$208,005	7.1%	<ul style="list-style-type: none"> Lower economic development projects than budgeted YTD of \$137K. This is offset with lower transfers from reserve. At this stage projects funded from the Investment and Growth Reserve are anticipated to be \$270K below budget at year end. Other accumulated small variances within this group
Customer Service and Community Resilience	\$203,259	6.9%	<ul style="list-style-type: none"> Lower transport contract costs of \$88K movements partially offset by lower than budgeted NZTA subsidies Lower than budgeted Emergency services grants of \$52K offset by lower than budgeted transfers from reserve Other accumulated small variances within this group
Corporate Excellence	(\$54,817)	(2.2%)	<ul style="list-style-type: none"> Higher than budgeted expenditure on council's IaaS system and other IT expenditure of \$63K
CEO Office	(\$30,489)	(1.7%)	<ul style="list-style-type: none"> Higher than budgeted investment properties related expenditure of \$109K partially offset by higher than budgeted recovery of tenants costs Offset by: <ul style="list-style-type: none"> Lower than budgeted labour charged to the CEO Department of \$60K
Total	\$106,850	0.7%	

Transfers to reserves

Year to date transfers to reserves are \$220K lower than budget. This is due to having no externally managed fund gains to be transferred to reserve of \$555K offset by lower reserve funding being required for Investment and Growth Reserve (IGR) projects that are running below budget and higher than budgeted transfers to the bus reserves.

Capital Expenditure

Capital expenditure of \$1.60M (excluding commercial property purchases and the Kensington commercial development) is largely in line with the budget of \$1.76M.

Attachments

Nil

Authorised by Group Manager

Name: Dave Tams
Title: Group Manager, Corporate Excellence
Date: 10 December 2018