

SOUTH WAIRARAPA DISTRICT COUNCIL

22 FEBRUARY 2012

AGENDA ITEM D3

CORPORATE SUPPORT GROUP REPORT

Purpose of Report

To update Councillors on the Corporate Support Group activities.

Recommendations

Officers recommend that the Council:

1. *Receive the information.*

1. Executive Summary

Since the last report the LTP has dominated proceedings – so in terms of words – not many - but lots going on including all the public meetings and workshops.

Apart from the LTP, the other key matter for this year is the replacement of the computer operating system. A (Request for Proposal) RFP is due to go out this week to a selected group of three vendors in accordance with Councils purchasing policy.

The final project for the near future will be the analysis and replacement of our photocopier fleet.

2. Discussion

2.1 LTP

The LTP is moving forward as planned and there are no anticipated issues that would hinder meeting the statutory deadline of 30 June, with the target adoption date of 27 June.

The series of targeted consultation meetings has been completed and a number of themes have come out of these. The output of these meeting will be discussed further and incorporated into the LTP where able

2.2 Operating system replacement

As you are aware, the current ACS local authority software suite has been phased out by the new owners and in terms of council policy a closed RFP will be carried out.

The RFP will really only cover replacement of the existing software suite – it is not anticipated any additional functionality will be purchased. It is not anticipated a document management system will be included as part of this purchase, but compatibility with document management systems will be a criteria of the RFP (in reality these days, all systems have the ability to interface with other systems).

Limited guidance from Splice Group has been sought, however it is anticipated we will not require much in the way of external assistance. Splice Group were recommended by MDC and have experience in this area.

The following table outlines the broad timetable:

Description	Duration	Timeframe – no later than
RFP Preparation	5 weeks	27 February 2012
RFP Response time	4 weeks	23 March 2012
RFP Evaluation	1 week	30 March 2012
Shortlist – 2 Suppliers		30 March 2012
Product demonstrations and site visits	2 weeks	18 April 2012
Decision – recommendation to Council		4 May 2012 (For 16 May Council Meeting)
Implementation	?	To be decided

2.3 Rate Arrears

Efforts continue on rate arrears. We are not able to generate a usable report until after the instalment is due.

I have been in discussion with MDC over collection procedures and while we are generally following the same procedures, we may need to take a stricter line in how we follow the arrears up. That said it has taken many years of consistent pressure by MDC to achieve their low level of arrears.

2.4 Financial Statements for the six months ended 31 December, and seven months ended 31 January 2012

The financial statements for the six months ended 31 December are presented for the record, no analysis has been carried out on these statements.

The financial statement for the seven months ended 31 January will be tabled with full analysis, following discussion with the risk and audit working party.

2.5 Photocopier Leases

A number of the leases for the large photocopiers have run out and an analysis of new requirements will be carried out.

We are now able to utilise all of government GSB contracts which should generate some savings.

3. Appendices

Appendix 1 – Financial Statements for the six months ended 31 December 2011

Appendix 2 – Financial Statements for the seven months ended 31 January 2012 (to be tabled)

Contact Officer: Paul Crimp, Group Manager Corporate Support

**Appendix 1 – Financial
Statements for the Four
Months Ended 31 December
2011**

SOUTH WAIRARAPA									
------------------------	--	--	--	--	--	--	--	--	--

DISTRICT COUNCIL									
-------------------------	--	--	--	--	--	--	--	--	--

MONTHLY FINANCIAL STATEMENTS									
-------------------------------------	--	--	--	--	--	--	--	--	--

FOR THE PERIOD ENDED									
-----------------------------	--	--	--	--	--	--	--	--	--

31 December 2011									
-------------------------	--	--	--	--	--	--	--	--	--

SOUTH WAIRARAPA DISTRICT COUNCIL

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 31 DECEMBER 2011

	CURRENT MONTH			YEAR TO DATE			2011	
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	BUDGET	% OF BUD
	OPERATING INCOME							
Rates	(11)	-	(11)	5,195,914	5,300,010	(104,096)	10,157,552	51%
Rates Penalty	-	8,167	(8,167)	138,403	48,998	89,405	96,224	144%
Interest	3,807	12,803	(8,996)	89,789	76,823	12,966	193,413	46%
Internal Interest Loans	3,185	3,125	60	18,907	18,755	152	37,505	50%
Fees & Licences	37,224	45,614	(8,390)	365,498	377,692	(12,194)	788,129	46%
User Levies	19,546	34,252	(14,706)	136,082	302,167	(166,085)	499,008	27%
Commissions	-	5,130	(5,130)	26,289	30,770	(4,481)	62,248	42%
NZ Transport Agency Subsidy	90,339	135,432	(45,093)	588,800	812,594	(223,794)	1,005,691	59%
Petrol Tax	9,029	7,727	1,302	39,266	46,357	(7,091)	90,194	44%
Grants, Donations & Subsidies	928	1,554	(626)	12,326	9,306	3,020	21,671	57%
Rental / Hire	42,955	27,067	15,888	168,683	162,398	6,285	289,873	58%
Profit on Sale of Assets	-	-	-	-	-	-	-	0%
Miscellaneous Income	33,345	32,628	717	196,288	195,756	532	391,830	50%
Total Operating Income	240,347	313,499	(73,152)	6,976,245	7,381,626	(405,381)	13,633,338	51%
OPERATING EXPENDITURE								
Corporate Services	133,998	141,526	(7,528)	850,766	849,187	(1,579)	1,638,809	52%
In-House Professional Services	59,905	59,339	566	324,858	356,027	31,169	622,419	52%
Governance, Leadership & Advocacy	25,682	31,017	(5,335)	173,572	186,098	12,526	383,138	45%
Public Protection	81,160	81,576	(416)	447,868	489,397	41,529	788,849	57%
Resource Management	31,861	34,141	(2,280)	177,784	204,819	27,035	470,744	38%
Economic, Cultural & Community Development	949	19,256	(18,307)	154,597	115,521	(39,076)	193,043	80%
Amenities	151,360	147,854	3,506	825,263	887,123	61,860	1,737,231	48%
Land Transport	366,437	368,949	(2,512)	2,286,692	2,213,672	(73,020)	4,201,584	54%
Water Supply	179,081	182,088	(3,007)	946,601	1,092,510	145,909	2,169,150	44%
Solid Waste Management	53,677	98,165	(44,488)	448,581	589,027	140,446	967,649	46%
Sewerage	77,304	92,179	(14,875)	420,802	553,059	132,257	982,622	43%
Stormwater Drainage	8,437	10,555	(2,118)	52,122	63,323	11,201	159,128	33%
Rate Debtors Written Off	-	3,333	(3,333)	23,881	20,002	(3,879)	42,766	56%
Bad Debts	-	2,500	(2,500)	6,143	(15,000)	(21,143)	16,208	38%
Loss on Sale of Assets	-	-	-	-	-	-	10,805	0%
Total Operating Expenditure	1,169,851	1,272,478	(102,627)	7,139,530	7,604,765	465,235	14,384,145	50%
Operating Surplus/(Deficit)	(929,504)	(958,979)	29,475	(163,285)	(223,139)	59,854	(750,807)	22%
CAPITAL EXPENDITURE INCOME								
NZ Transport Agency Subsidy	10,329	144,718	(134,389)	251,474	868,306	(616,832)	1,074,644	23%
Grants, Donations & Subsidies	-	14,667	(14,667)	-	87,998	(87,998)	176,055	0%
Contributions	21,989	24,341	(2,352)	111,930	146,069	(34,139)	344,964	32%
Total Capital Expenditure Income	32,318	183,726	(151,408)	363,404	1,102,373	(738,969)	1,595,663	23%
OTHER INCOME								
Assets Vesting in Council	-	-	-	-	-	-	-	0%
Gain on Asset Revaluations	-	-	-	-	-	-	249,838	0%
Total Other Income	-	-	-	-	-	-	249,838	0%
TOTAL SURPLUS / (DEFICIT)	\$ (897,186)	\$ (775,253)	\$ (121,933)	\$ 200,119	\$ 879,234	\$ (679,115)	\$ 1,094,694	18%
Included in the operating expenditure is:								
Depreciation	308,284	326,189	(17,905)	1,852,304	-	1,852,304	3,396,135	55%
Interest	54,721	60,249	(5,528)	322,507	-	322,507	598,671	54%

SOUTH WAIRARAPA DISTRICT COUNCIL

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	31 DECEMBER 2011	30 JUNE 2011	MOVEMENT
ASSETS			
Current Assets			
Cash and Bank	165,595	630,655	(465,060)
Short Term Deposits	5,093,865	2,942,565	2,151,300
Investments	-	1,903,121	(1,903,121)
Prepayments & Receivables	2,435,523	3,077,525	(642,002)
Inventories	53,245	35,203	18,042
Properties Intended For Sale	-	-	-
Total Current Assets	7,748,228	8,589,069	(840,841)
Non-Current Assets			
Investments	77,844	77,844	-
Investment Properties	8,024,200	8,024,200	-
Intangible Assets	3,372	5,714	(2,342)
Property, Plant & Equipment	357,592,809	357,650,635	(57,826)
Total Non-Current Assets	365,698,225	365,758,393	(60,168)
TOTAL ASSETS	\$ 373,446,453	\$ 374,347,462	\$ (901,009)
LIABILITIES			
Current Liabilities			
Cash and Bank	-	-	-
Payables and Accruals	1,531,806	2,616,693	(1,084,887)
Employee Entitlements	247,697	231,810	15,887
Public Debt - Current Portion	-	5,458,051	(5,458,051)
Finance Leases - Current Portion	-	10,579	(10,579)
Provisions - Current Portion	-	33,019	(33,019)
Total Current Liabilities	1,779,503	8,350,152	(6,570,649)
Non-Current Liabilities			
Public Debt - Non-Current Portion	8,373,410	2,941,421	5,431,989
Finance Leases - Non-Current Portion	14,633	10,119	4,514
Provisions - Non-Current Portion	439,263	406,244	33,019
Total Non-Current Liabilities	8,827,306	3,357,784	5,469,522
EQUITY			
Public Equity	142,274,551	142,074,433	200,118
Special Separate & Trust Funds	15,976,239	15,976,239	-
Asset Revaluation Reserve	203,078,950	203,078,950	-
Sinking Fund Reserves	1,508,140	1,508,140	-
Other Reserves	1,764	1,764	-
Total Equity	362,839,644	362,639,526	200,118
TOTAL LIABILITIES & EQUITY	\$ 373,446,453	\$ 374,347,462	\$ (901,009)
Variance	\$ -	\$ -	\$ -

SOUTH WAIRARAPA DISTRICT COUNCIL				
STATEMENT OF CASHFLOWS				
AS AT 31 DECEMBER 2011				
		31 DECEMBER 2011	31 DECEMBER 2010	30 JUNE 2011
OPERATING ACTIVITIES				
Cash was provided from:				
Rates		5,462,766	-	10,048,546
Government Grants & Subsidies		1,435,603	-	1,573,988
Petrol Tax		39,000	-	81,566
Other Income		1,343,661	-	2,226,145
Interest on Investments		112,306	-	255,833
Total Operating Cash Inflow		8,393,336	-	14,186,078
Cash was applied to:				
Payments to Suppliers & Employees		6,444,662	-	10,276,451
Interest Paid		341,291	-	639,454
Total Operating Cash Outflow		6,785,953	-	10,915,905
Net Cashflow from Operating Activities		1,607,383	-	3,270,173
INVESTING ACTIVITIES				
Cash was provided from:				
Sale of Property, Plant & Equipment		-	-	2,609
Term Investments, Shares & Advances		365,164	-	-
Investments in Loan Redemption & Sinking Funds		-	-	-
Total Investing Cash Inflow		365,164	-	2,609
Cash was applied to:				
Purchase of Property, Plant & Equipment		1,792,136	-	3,475,988
Term Investments, Shares & Advances		-	-	-
Investments in Loan Redemption & Sinking Funds		-	-	-
Total Investing Cash Outflow		1,792,136	-	3,475,988
Net Cashflow from Investing Activities		(1,426,972)	-	(3,473,379)
FINANCING ACTIVITIES				
Cash was provided from:				
Public Debt		4,431,601	-	1,961,000
Total Financing Cash Inflow		4,431,601	-	1,961,000
Cash was applied to:				
Repayment of Public Debt		4,463,728	-	2,586,250
Total Financing Cash Outflow		4,463,728	-	2,586,250
Net Cash Flow from Financing Activities		(32,127)	-	(625,250)
NET INCREASE / (DECREASE) IN CASH		148,284	-	(828,456)
OPENING CASH BALANCE	1 JULY 2011	5,111,176	-	5,939,632
CLOSING CASH BALANCE	31 DECEMBER 2011	\$ 5,259,460	\$ -	\$ 5,111,176
REPRESENTED BY:				
Cash and Bank		165,595	-	630,654
Short Term Deposits		5,093,865	-	4,480,522
Investments		-	-	-
		\$ 5,259,460	\$ -	\$ 5,111,176
Variance		\$ -	\$ -	\$ -

SOUTH WAIRARAPA DISTRICT COUNCIL						
SCHEDULE OF INVESTMENTS						
AS AT 31 DECEMBER 2011						
ORGANISATION	INTEREST RATE	DATE INVESTED	DATE MATURES	TOTAL INVESTED	INVESTED FUNDS %	AUTHORISED FUNDS %
SHORT TERM FUNDS						
Registered Banks						
BNZ Autocall Account	3.20%	31-Dec-11	On Call	\$ 3,327		
BNZ Term Investment	3.00%	29-Dec-11	3-Feb-12	\$ 500,000		
BNZ Reserves Fund	2.75%	17-Nov-11	31-Dec-11	\$ 706,340		
Total BNZ Funds				\$ 1,209,667	23%	30%
Kiwibank Reserves Fund	2.50%	31-Dec-11	On Call	\$ 710,161		
Total Kiwibank Funds				\$ 710,161	14%	30%
ASB Loan Redemption Reserves	4.00%	27-Dec-11	24-Jun-12	\$ 771,289		
Total ASB Funds				\$ 771,289	15%	30%
National Bank of NZ	2.40%	31-Dec-11	On Call	\$ 2,094		
Total NBNZ Funds				\$ 2,094	0%	30%
ANZ Call Account	3.00%	31-Dec-11	On Call	\$ 50,064		
Loan Redemption Reserves	3.50%	22-Oct-11	13-Feb-12	\$ 766,629		
Total ANZ Funds				\$ 816,693	16%	30%
Westpac Term investment	3.84%	29-Nov-11	20-Feb-12	\$ 500,000		
Westpac Term investment	3.77%	29-Nov-11	5-Jan-12	\$ 500,000		
Westpac Call Account	2.50%	31-Dec-11	On Call	\$ 187,572		
Total Westpac Funds				\$ 1,187,572	23%	30%
Other						
WBS (21220)	4.40%	27-Dec-11	24-Jun-12	\$ 140,728		
WBS (21220)	4.50%	25-Sep-11	23-Mar-12	\$ 143,869		
WBS (21220)	4.50%	8-Oct-11	5-Apr-11	\$ 111,470		
WBS (21220)		31-Dec-11	On Call	\$ 322		
Total Other Funds				\$ 396,389	8%	10%
TOTAL SHORT TERM FUNDS				\$ 5,093,865	98%	100%
SHARES						
NZ Local Govt Insurance Co Limited				\$ 65,255		
Airtel Limited				\$ 6,664		
Farmlands Trading Society Limited				\$ 699		
TOTAL SHARES				\$ 72,618	1%	
FORESTRY						
Plantation - Hurupi Stock				\$ 5,226		
TOTAL FORESTRY				\$ 5,226		
TOTAL INVESTMENTS				\$ 5,171,709	100%	
REPRESENTED BY:						
Short Term Deposits				5,093,865	98%	
Investments - Current Assets				-	0%	
Investments - Non-Current Assets				77,844	2%	
				\$ 5,171,709	100%	