



AGENDA

Audit, Risk and Finance Committee

**Thursday 23 May 2013
Commencing at 9.00am
Council Chamber
Civic House
110 Trafalgar Street, Nelson**

Membership:

Councillor Ian Barker (Chairperson), His Worship the Mayor Aldo Miccio, Councillors Ruth Copeland (Deputy Chairperson), Gail Collingwood, Paul Matheson, and Mr Graeme Thomas

23 May 2013

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Page No.

Apologies

1. Interests

- 1.1 Updates to the Interests Register
- 1.2 Identify any conflicts of interest in the agenda

2. Confirmation of Order of Business

3. Confirmation of Minutes – 16 April 2013

4-7

Document number 1494361

Recommendation

THAT the minutes of the meeting of the Audit, Risk and Finance Committee, held on 16 April 2013, be confirmed as a true and correct record.

4. Status Report – Audit, Risk and Finance Committee

8

Document number 1374515 v6

Recommendation

THAT the Status Report – Audit, Risk and Finance Committee (1374515 v6) be received.

5. Finance Report for the Period Ending 31 March 2013

9-28

Document number 1502301

Recommendation

THAT the Finance Report for the Period Ending 31 March 2013 (1502301) be received and the variations noted.

6. Events Resource Consent Update May 2013 29-33

Document number 1499012

Recommendation

THAT this update on the Events Resource Consents RM115245 and RM125012 be received.

Recommendation to Council

THAT the overspend on the budget for the festival activity be covered from budget savings within the District and Regional Plan activity, and the Social Heritage activity.

7. Events Resource Consents: Return on Investment 34-39

Document number 1507232

Recommendation

THAT the Committee confirm that the consents (RM115245 and RM125012) are a Council investment for which a return should be sought;

AND THAT a fee of \$250 be charged for special events, where the event will be using the Council's Resource Consent RM125012 and Site Noise Management Plans;

AND THAT this charging regime be reviewed and reported back to the Audit, Risk and Finance Committee in 12 months;

AND THAT this report, including its recommendations, be forwarded to Council – Governance.

8. Regulatory Report for 1 January to 31 March 2013 40-47

Document number 1479310

Recommendation

THAT the Regulatory Report for 1 January to 31 March 2013 (1479310) be received.

Minutes of a meeting of the Audit, Risk and Finance Committee
Held in the Council Chamber, Civic House, Trafalgar Street, Nelson
On Tuesday 16 April 2013, commencing at 9.05am

Present: Councillor I Barker (Chairperson), His Worship the Mayor Aldo Miccio, Councillors G Collingwood, R Copeland, P Matheson and Mr G Thomas

In Attendance: Councillors E Davy, R Reese, Chief Executive (C Hadley), Chief Financial Officer (N Harrison), Acting Executive Manager Community Services (R Ball), Executive Manager Support Services (H Kettlewell), Manager Community Relations (A Ricker), and Administration Adviser (L Laird)

1. Interests

There were no updates to the Interests Register and no conflicts of interest were noted.

2. Confirmation of Order of Business

The Chairperson, Councillor Barker informed the Committee of a request for the opportunity to speak from Mr Chris Fitchett.

The Chairperson declared that it was appropriate for Mr Fitchett to address the Committee as his concerns were within the delegations of the Audit, Risk and Finance Committee. As the Chairperson, Mr Barker determined to treat it as a deputation.

A view was expressed that an address from a member of the public should be made to full Council. Councillor Barker said Mr Fitchett needed a response to complete his submission to the draft Annual Plan 2013-14, which was due on 26 April 2013, and there was no opportunity to address the Council within this timeline.

3. Deputation

Mr Chris Fitchett told the Committee he had submitted a letter to the Nelson Mail regarding concerns with the Council's financial statements. He gave the Committee an overview of these concerns and tabled a document (1495326) with further detail.

In summary, Mr Fitchett said he felt the financial statements were irresponsible and he highlighted issues associated with the Wastewater budget and the Statement of Financial Position. Mr Fitchett requested that officers respond to the points he had raised.

Resolved

THAT officers will report back to Council on the matters raised by Mr Fitchett in the attached presentation (1495326), as soon as possible.

His Worship the Mayor/Copeland

Carried

The Chief Executive encouraged Councillors to approach officers if they had any concerns with, or wanted an understanding of, the financial statements.

4. Confirmation of Minutes – 19 March 2013

Document number 1477687, agenda pages 3-6 refer.

Resolved

THAT the minutes of a meeting of the Audit, Risk and Finance Committee, held on 19 March 2013, be confirmed as a true and correct record.

Matheson/Collingwood

Carried

5. Status Report – Audit, Risk and Finance Committee

Document number 1374515, agenda page 7 refers.

Events Resource Consent

In response to a question, the Acting Executive Manager Community Services said the mediation date was set for 23 April and Council would receive a full report after this.

The Chief Executive advised that the Council was both the applicant and the upholder of the consent, therefore it was important to follow due process to ensure the integrity of the consent.

The Committee discussed where this overspend would be allocated and how this situation had arisen.

The Chief Executive reminded the Committee that this was the subject of a previous report and was discussed at a previous meeting. It was agreed that a full and final report would be brought to the Council when possible, highlighting where best to allocate this overspend and explaining how this situation had arisen.

Resolved

THAT the Status Report – Audit, Risk and Finance Committee (1374515 v5) be received.

Collingwood/Thomas

Carried

6. Finance Report for the Period Ending 28 February 2013

Document number 1481418, agenda pages 8-27 refer.

The Chief Financial Officer presented the report. The Committee asked questions to parts of the report.

Transport

Concern was expressed at the \$294,000 under budget for parking. In response to a question, the Chief Financial Officer said free parking days over winter accounted for about \$15,000.

The Committee discussed factors for the decrease in revenue and noted the importance of parking revenue. The Committee mentioned the Parking Strategy and said it would help with the strategic planning of parking for the City.

Wastewater

The Committee noted the issues, and proposed course of action, associated with the Nelson North Wastewater Treatment Plant.

Social

The Committee discussed the budgets associated with Festivals, and the \$474,000 overspend. The Chief Executive explained that the overspend was only representative of the first part of the financial year and by the end of the financial year these budgets would be closer to their projection.

It was agreed that a report on the Festivals budget will be presented to the Council in the coming weeks.

Corporate

The Committee discussed the decrease in Forestry revenue and it was noted that this decreased projection was due to the access issues, which would have an impact on our ability to harvest, and therefore on the revenue.

It was agreed that the Council would receive a full report on its Forestry assets and revenue in due course.

In relation to Council owned properties, the Committee noted the need for a report back on its property portfolio. The Chief Executive said this was something she intended to address.

Capital Expenditure

The Committee questioned clause 16.1 and asked why this figure (\$10 million) had been removed from the capital projections.

The Chief Financial Officer said this figure came about as a result of Council decisions during the drafting stage of the draft Annual Plan 2013-14.

Attendance: His Worship the Mayor left the meeting at 10.16am.

The Committee discussed Attachment 2 of the report. The Committee were advised that this table only showed where a project was completed against budget, and did not take into account when or how this project was delivered and how much over or under budget it was.

There was a discussion about how best to portray this information in a way that was helpful for Councillors to accurately identify when a project was not likely to be delivered against its capital expenditure forecasts.

It was noted that a report would be provided at the next Committee meeting with information about meeting frequency for the next financial year, the frequency of reporting on operational expenditure versus capital expenditure particularly in the first half of the year, Health and Safety information, and litigation issues.

Resolved

THAT the Finance Report for the Period Ending 28 February 2013 (1481418) be received and the variations noted.

Copeland/Thomas

Carried

There being no further business the meeting ended at 10.35am.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

AUDIT, RISK AND FINANCE COMMITTEE STATUS REPORT – 23 MAY 2013

No	Meeting Date	Document Number	Report Title/Item Title	Officer	Resolution or Action	Status
1	26/2/2013	1431189	Events Resource Consents Update	Kath Inwood	THAT staff consider the direction from the Audit, Risk and Finance Committee, as discussed at the 26 February 2013 meeting, and report back to the Council with options on how to best cover the actual overspend for the events resource consent application including via user pays options and/or savings from other areas (report 1431189).	23/05/13 Report on this agenda. Complete

Finance Report for the Period Ending 31 March 2013

1. Purpose of Report

- 1.1 To inform the members of the Audit, Risk and Finance Committee on the financial results of activities for the nine months ending 31 March 2013 compared to budget and to highlight and explain any material variations.

2. Recommendation

THAT the report be received and the variations noted.

3. Background

- 3.1 The commentary is prepared comparing actual amounts with year to date budgets. Budgets are phased evenly throughout the year for operating revenue and expenses, and weighted in the second half of the year for capital. Timing variances against budget are caused when seasonality is a factor (for instance with some classes of maintenance), and when total budgeted income or expenditure occurs within a very short space of time (for example, grants). Projections in this report reflect those included in the Draft Annual Plan 2013/14.

4. Discussion

- 4.1 For the nine months ending 31 March 2013, there is an operating surplus of \$36,000, compared with the budgeted deficit of \$3.884 million, a \$3.92 million favourable variance. The budgeted deficit reflects loan-funded items such as capital grants and the recovery from the 2011 emergency event, along with unfunded depreciation on some assets, particularly roading.
- 4.2 Operating income and expenditure are discussed by activity.
- 4.3 Staff expenditure remains under budget year to date. There are large variances against budget in individual activities, reflecting how staff are spending their time against where it was budgeted to be spent. Anticipating (for the budget process) where staff are likely to spend their time is an inexact science, exacerbated as priorities change throughout the year.

5. Transport

- 5.1 The transport activity reports a \$1.223 million deficit year to date March, \$1.392 million better than the budgeted deficit. The budgeted deficit reflects the 2011 emergency event recovery including Cable Bay Road, along with unfunded depreciation on a portion of roading assets.

Transport activity performance for the period ending 31 March 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	(5,550,025)	(672,964)	(672,964)	(6,056,679)	(6,056,679)	0	(8,075,572)	(7,824,588)	
Operating Income	(3,914,456)	(458,712)	(651,825)	(5,007,760)	(5,865,421)	(858,661)	(7,821,894)	(5,984,467)	5.2
Total Income	(9,464,481)	(1,131,676)	(1,324,789)	(11,064,439)	(11,923,100)	(858,661)	(15,897,466)	(13,809,055)	
Expenses									
Staff	1,360,139	176,598	166,791	1,504,203	1,501,121	(3,083)	2,001,494	1,854,025	
Base Service Provision	3,879,270	513,467	576,640	5,235,075	5,189,756	(45,319)	6,919,675	6,627,510	5.3
Unprogrammed Maintenance	834,296	104,861	343,875	1,183,855	3,094,875	1,911,020	4,126,500	856,500	5.4
Programmed Maintenance	151,175	11,910	33,583	83,416	302,250	218,834	403,000	353,000	5.5
Financial Charges	766,522	84,138	95,054	753,939	855,490	101,551	1,140,653	1,072,347	
Depreciation	3,378,213	391,930	399,436	3,527,370	3,594,920	67,550	4,793,226	4,735,723	
Total Expenses	10,369,615	1,282,904	1,615,379	12,287,858	14,538,411	2,250,553	19,384,548	15,499,105	
Net Surplus/Deficit	905,134	151,228	290,590	1,223,419	2,615,312	1,391,893	3,487,082	1,690,050	5.1

- 5.2 New Zealand Transport Agency grants are under budget by \$1.257 million mainly due to the timing and reclassification of the Cable Bay Road project. These changes are reflected in the projections. Parking income is \$380,000 (24%) under budget. This is mainly in off-street meters and is a similar variance to the same time last year. Parking is subject to seasonality however the Summer peak has now passed. This is an area that will be investigated further as part of the work around parking strategy scheduled for April/May. Offsetting this, Public Transport revenue is \$153,000 above budget from ticket revenue, and unsubsidised roading recoveries is \$184,000 above budget also.
- 5.3 Public Transport costs are \$130,000 over budget which is offset by above budget revenue (see 5.2 above).
- 5.4 The Cable Bay Road reinstatement is under budget by \$1.846 million at this time. The construction work is now expected to start August 2013. Please note that this work has been reclassified as capital expenditure in the projections.
- 5.5 Programmed Maintenance is \$205,000 under budget mainly in the Studies and Strategies budgets such as parking strategy and the arterial corridor study.

6. Water

- 6.1 The water activity reports a \$462,000 surplus year to date March, \$735,000 better than budgeted. The budgeted deficit reflects the 2011 emergency event recovery.

Water supply activity performance for the period ending 31 March 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	0	0	0	0	0	0	0	0	
Operating Income	(8,266,312)	(1,037,511)	(920,580)	(8,090,768)	(8,285,219)	(194,451)	(11,046,958)	(11,072,066)	6.2
Total Income	(8,266,312)	(1,037,511)	(920,580)	(8,090,768)	(8,285,219)	(194,451)	(11,046,958)	(11,072,066)	
Expenses									
Staff	720,439	57,787	55,210	463,515	496,894	33,379	662,525	614,971	
Base Service Provision	1,591,041	213,008	232,759	1,953,158	2,094,830	141,672	2,793,106	2,733,312	6.3
Unprogrammed Maintenance	1,327,369	176,341	209,974	1,301,475	1,889,770	588,295	2,519,693	2,106,693	6.4
Programmed Maintenance	18,547	932	9,876	10,146	88,885	78,739	118,513	38,513	
Financial Charges	1,138,001	111,450	114,577	968,709	1,031,197	62,488	1,374,929	1,424,777	
Depreciation	2,853,044	325,720	328,433	2,931,482	2,955,894	24,412	3,941,192	3,915,636	
Total Expenses	7,648,441	885,238	950,830	7,628,485	8,557,469	928,984	11,409,958	10,833,902	
Net Surplus/Deficit	(617,871)	(152,273)	30,250	(462,283)	272,250	734,533	363,000	(238,164)	6.1

- 6.2 Water revenue is under budget by \$194,000 to March, however given the dry summer it is expected revenue will be higher in the second half of the year and should meet budget. The six monthly residential meter readings start in April.
- 6.3 Maintenance is under budget by \$124,000. Headworks maintenance is \$204,000 under budget and is anticipated to be largely spent in quarter four. There is an overspend of \$85,000 offsetting that, in water reticulation maintenance, which will be covered by a transfer from the same area of unprogrammed maintenance (see 6.4) in the second round of projections.
- 6.4 \$261,000 of the underspend in un-programmed maintenance is due to there being only \$34,000 spent year to date on the emergency recovery in this activity. Reactive maintenance for water reticulation is currently under budget by \$327,000. Expenditure for both these items has been projected down, by \$313,000 and \$100,000 respectively already and further amendments will be made in the second projection. Urgent maintenance is undertaken as needed, with less urgent maintenance such as pump station overhauls completed in quarter four.

7. Wastewater

- 7.1 The wastewater activity reports a \$127,000 deficit year to date March, \$42,000 better than budgeted. The budgeted deficit reflects the 2011 emergency event recovery.

Wastewater activity performance for the period ending 31 March 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	(4,681,825)	(536,352)	(536,352)	(4,827,169)	(4,827,169)	0	(6,436,225)	(6,457,000)	
Operating Income	(1,705,394)	(277,892)	(304,813)	(2,524,375)	(2,743,313)	(218,938)	(3,657,750)	(3,470,750)	7.2
Total Income	(6,387,219)	(814,244)	(841,165)	(7,351,544)	(7,570,481)	(218,937)	(10,093,975)	(9,927,750)	
Expenses									
Staff	484,414	42,775	43,746	404,844	393,710	(11,135)	524,946	505,538	
Base Service Provision	4,598,247	425,988	513,560	4,445,630	4,622,037	176,408	6,162,716	6,490,897	7.3
Unprogrammed Maintenance	11,236	42,197	60,792	421,479	547,125	125,646	729,500	659,500	
Programmed Maintenance	4,671	1,077	16,917	34,581	152,250	117,669	203,000	173,000	
Financial Charges	0	0	0	0	0	0	0	0	
Depreciation	1,947,725	241,293	224,901	2,171,645	2,024,110	(147,535)	2,698,813	2,912,356	
Total Expenses	7,046,293	753,330	859,915	7,478,179	7,739,231	261,053	10,318,975	10,741,291	
Net Surplus/Deficit	659,074	(60,915)	18,750	126,635	168,750	42,116	225,000	813,541	7.1

7.2 For the purposes of this report, the Nelson Regional Sewerage Business Unit (NRSBU) investment return, year to date \$745,000 against \$670,000 budgeted, has been accrued. Trade waste income is \$47,000 under budget as a result of a prior year rebate adjustment, and some effect from closing down of the Sealord shellfish facility earlier than anticipated. The remainder of this variance relates to the NRSBU consolidation and is offset in expenditure.

7.3 Base service provision expenses are \$176,000 less than budget. Savings in NRSBU interest and depreciation expenses of \$264,000, along with year to date savings in electricity and maintenance expenditure in the core activity have been offset to some extent by \$218,000 of legal and consultancy expenditure related to the Nelson North Wastewater Treatment Plant (NNWWTP) issues. The NNWWTP expenditure has been included in the projections, reclassified from capital expenditure.

8. Stormwater

8.1 The stormwater activity reports a \$905,000 deficit year to date March, \$830,000 worse than budgeted. The budgeted deficit reflects the 2011 emergency event recovery.

Stormwater activity performance for the period ending 31 March 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	(3,117,998)	(317,823)	(317,823)	(2,860,410)	(2,860,410)	0	(3,813,880)	(3,661,522)	
Operating Income	(820)	0	0	(23,489)	0	23,489	0	0	
Total Income	(3,118,818)	(317,823)	(317,823)	(2,883,899)	(2,860,410)	23,489	(3,813,880)	(3,661,522)	
Expenses									
Staff	415,886	47,440	39,342	421,280	354,079	(67,201)	472,105	556,200	
Base Service Provision	371,600	10,605	25,035	189,247	225,315	36,068	300,420	275,155	
Unprogrammed Maintenance	229,342	101,884	25,583	1,256,942	230,250	(1,026,692)	307,000	1,159,000	8.2
Programmed Maintenance	0	0	0	0	0	0	0	0	
Financial Charges	889,004	72,247	76,470	677,219	688,231	11,012	917,641	907,501	
Depreciation	1,383,066	138,305	159,726	1,244,749	1,437,536	192,787	1,916,714	1,668,334	8.3
Total Expenses	3,288,898	370,481	326,157	3,789,437	2,935,410	(854,027)	3,913,880	4,566,190	
Net Surplus/Deficit	170,080	52,658	8,333	905,538	75,000	(830,538)	100,000	904,668	8.1

8.2 There is a \$1.142 million overspend in emergency response. The major projects report to the 21 February 2013 Council meeting agreed reallocations from water, wastewater and roading for the emergency event to cover this, which has been reflected in the projections.

8.3 Depreciation on Flood Protection assets was incorrectly budgeted in this activity. This has been corrected in the projections.

9. Flood Protection

9.1 The flood protection activity reports an \$93,000 deficit year to date March, \$93,000 worse than budgeted.

Flood protection activity performance for the period ending 31 March 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	0	(10,179)	(10,179)	(91,609)	(91,610)	(1)	(122,146)	(285,078)	
Operating Income	0	0	0	0	0	0	0	0	
Total Income	0	(10,179)	(10,179)	(91,609)	(91,610)	(1)	(122,146)	(285,078)	
Expenses									
Staff	0	717	0	1,699	0	(1,699)	0	0	
Base Service Provision	4,550	0	750	3,843	6,750	2,907	9,000	9,000	
Unprogrammed Maintenance	0	(468)	8,583	82,829	77,250	(5,579)	103,000	103,000	
Programmed Maintenance	0	0	0	0	0	0	0	0	
Financial Charges	0	559	846	2,708	7,610	4,902	10,146	43,689	
Depreciation	0	10,354	0	93,183	0	(93,183)	0	129,389	9.2
Total Expenses	4,550	11,162	10,179	184,262	91,610	(92,653)	122,146	285,078	
Net Surplus/Deficit	4,550	983	0	92,653	0	(92,653)	0	0	9.1

9.2 Depreciation on flood protection assets was incorrectly budgeted in the Stormwater activity. This has been corrected in the projections.

10. Environment

- 10.1 The environment activity reports a \$1.432 million surplus year to date March, \$1.424 million better than budgeted.

Environment activity performance for the period ending 31 March 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	(3,864,055)	(511,313)	(515,534)	(4,657,595)	(4,639,808)	17,788	(6,186,410)	(6,031,662)	
Operating Income	(4,323,542)	(765,552)	(799,153)	(6,527,846)	(7,192,381)	(664,535)	(9,589,841)	(9,194,612)	10.2
Total Income	(8,187,597)	(1,276,865)	(1,314,688)	(11,185,441)	(11,832,188)	(646,747)	(15,776,251)	(15,226,274)	
Expenses									
Staff	3,173,612	472,178	520,900	3,916,133	4,688,102	771,969	6,250,803	6,373,633	10.3
Base Service Provision	4,337,110	574,628	659,892	4,893,522	5,939,031	1,045,509	7,918,708	7,518,800	10.4
Unprogrammed Maintenance	69,887	5,285	17,417	112,161	156,750	44,589	209,000	163,853	
Programmed Maintenance	243,866	39,865	66,483	333,592	598,350	264,758	797,800	650,069	10.5
Financial Charges	453,311	20,869	20,272	194,567	182,449	(12,118)	243,265	257,582	
Depreciation	219,148	33,858	28,825	303,684	259,422	(44,262)	345,896	408,032	
Total Expenses	8,496,934	1,146,683	1,313,789	9,753,659	11,824,104	2,070,445	15,765,472	15,371,969	
Net Surplus/Deficit	309,337	(130,182)	(898)	(1,431,782)	(8,084)	1,423,698	(10,779)	145,695	10.1

- 10.2 Building consent fees are \$275,000 under budget, offset partially in lower staff costs (\$181,000). Solid waste fees and levies total \$432,000 less than budget – in particular, Landfill fees by \$370,000 and Waste Minimisation by \$64,000. Offsetting this Resource consent fees are \$86,000 better than budget year to date.
- 10.3 There has been less staff time spent than budgeted particularly in Resource Consents, Environmental Advocacy, Building Services, and Resource management planning. There is some reflection in revenue particularly in the Building unit.
- 10.4 Resource management planning development expenditure is \$325,000 less than budget year to date. There is projected to be a full year underspend of \$120,000 and indications are that this saving will increase in the second round of projections. \$110,000 of this could be used to cover the Festivals noise consent overspend (see 11.3 below). Monitoring the Environment is under budget by \$138,000. Some invoices are due later in the year once projects are completed, and the second projection will have a saving against budget. The Emissions Trading Scheme levy for Landfill is under budget by \$272,000 as this liability only commenced in January 2013. It is projected that this liability will be less than \$50,000 for the year due to the depressed price of carbon and this has been factored into the projection. Toe Embankment Maintenance with a year to date budget of \$187,000 is currently being designed with works commencing late March. The remaining variance in Solid waste reflects lower volumes. The Riskpool claim provision is \$127,000 under budget and there will be no claim made this year as reflected in the projections.

- 10.5 The capital grant for the Emergency Operations Centre has not yet been issued, resulting in an underspend year to date of \$113,000. The Emergency Operations Centre will be finished in December 2013. Waste Minimisation programmed expenditure is under budget by \$66,000, due largely to expenditure occurring late in the year when TDC pass on our share of costs. There are savings across many of the expenditure lines in the Environmental Advocacy/Advice sub-activity, totalling \$58,000 at this time, \$30,000 of which will be projected as a full-year saving.

11. Social

- 11.1 The social activity reports a \$736,000 deficit year to date March, \$366,000 worse than budgeted. The budgeted deficit reflects a capital grant for the Suter Gallery.

Social activity performance for the period ending 31 March 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	(6,790,386)	(832,818)	(832,818)	(7,495,362)	(7,495,362)	0	(9,993,816)	(10,314,180)	
Operating Income	(2,054,394)	(183,753)	(233,628)	(2,108,333)	(2,102,654)	5,680	(2,803,538)	(2,931,987)	
Total Income	(8,844,780)	(1,016,571)	(1,066,446)	(9,603,695)	(9,598,016)	5,680	(12,797,354)	(13,246,167)	
Expenses									
Staff	3,344,312	388,187	396,748	3,645,014	3,570,728	(74,287)	4,760,970	4,733,473	
Base Service Provision	2,395,962	325,279	321,976	2,764,016	2,897,784	133,768	3,863,712	3,990,085	11.2
Unprogrammed Maintenance	215,652	25,608	21,191	210,081	190,718	(19,364)	254,290	349,640	
Programmed Maintenance	2,214,920	128,121	239,618	2,676,625	2,156,560	(520,065)	2,875,413	3,354,826	11.3
Financial Charges	225,282	24,902	31,747	207,528	285,722	78,194	380,963	323,235	
Depreciation	768,702	88,170	96,304	836,928	866,736	29,808	1,155,648	1,195,179	
Total Expenses	9,164,830	980,267	1,107,583	10,340,192	9,968,247	(371,945)	13,290,996	13,946,438	
Net Surplus/Deficit	320,050	(36,304)	41,137	736,497	370,232	(366,266)	493,642	700,271	11.1

- 11.2 Maintenance, water, and insurance costs for the Theatre Royal and the School of Music are not yet the responsibility of Nelson City Council, generating a \$145,000 saving year to date. The overspend of the Noise Consent fees \$145,000 could be covered from these savings and also from savings in the Environmental activity (see 10.4 above), subject to Council approval. A separate report on this matter is before the Committee. There are contract savings of \$89,000 at Marsden Valley Cemetery and Public Toilets \$38,000 offset by a number of smaller negative variances.
- 11.3 There is a timing variance of \$95,000 overspend relating to The Suter capital grant and \$60,000 underspend in Community Housing maintenance. Programmed expenditure in Festivals currently shows an overspend of \$448,000. The projection indicates that by June 2013 this will not be an issue due to a combination of higher than budgeted income (invoiced in April), transfers of budget within the sub-activity, and the budget phasing 'catching up' with expenditure already incurred. Community Assistance grants are over budget by \$70,000 due to phasing of budgets. Community Development budgets are underspent by

\$69,000 in total, at least \$40,000 of which is a saving as some budgets incorrectly included staff costs.

12. Parks and Active Recreation

12.1 The parks and active recreation activity reports a \$994,000 surplus year to date March, \$1.844 million better than budgeted. The budgeted deficit reflects the capital grant for the Saxton cycle track along with the 2011 emergency event recovery.

Parks and active recreation activity performance for the period ending 31 March 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	(8,286,668)	(1,017,218)	(1,017,218)	(9,154,960)	(9,154,960)	0	(12,206,613)	(11,411,212)	
Operating Income	(1,996,615)	(208,609)	(231,439)	(2,000,697)	(2,082,950)	(82,253)	(2,777,266)	(2,788,655)	
Total Income	(10,283,283)	(1,225,827)	(1,248,657)	(11,155,657)	(11,237,909)	(82,252)	(14,983,879)	(14,199,867)	
Expenses									
Staff	761,170	88,003	116,123	703,200	1,045,109	341,909	1,393,479	1,168,488	
Base Service Provision	3,072,847	574,198	411,103	3,433,253	3,699,926	266,673	4,933,234	5,000,043	12.2
Unprogrammed Maintenance	288,140	100,232	79,634	973,818	716,703	(257,115)	955,604	973,329	12.3
Programmed Maintenance	1,188,375	145,586	243,328	1,345,145	2,189,952	844,807	2,919,936	2,963,261	12.4
Financial Charges	2,262,758	198,541	220,475	1,783,497	1,984,277	200,780	2,645,703	2,495,310	12.5
Depreciation	1,822,050	206,331	272,492	1,922,939	2,452,424	529,485	3,269,899	2,684,816	12.6
Total Expenses	9,395,340	1,312,891	1,343,155	10,161,852	12,088,391	1,926,539	16,117,855	15,285,247	
Net Surplus/Deficit	(887,943)	87,064	94,498	(993,805)	850,482	1,844,287	1,133,976	1,085,380	12.1

12.2 Maintenance contracts show an underspend of \$343,000, including an offset to programmed maintenance in Sports Parks (see 12.4) and a significant seasonal effect. Water billing has now been done for sports parks and pools (in particular) resulting in a year to date overspend of \$50,000, reflecting the very dry Summer. A further quarter remains to be billed in this financial year.

12.3 The 2011 emergency event recovery has resulted in a \$266,000 overspend year to date. Transfers from other activities will cover this shortfall.

12.4 Saxton Cycle Track grant has not yet been paid, resulting in \$641,000 year to date underspend. No expenditure has yet been recorded against the Brook Sanctuary maintenance grant, rural river channel management, or the Saxton Field marketing plan and implementation, resulting in a further saving of \$123,000. An overspend of \$170,000 in sports parks programmed maintenance is offset by the saving in base service provision in the same sub-activity (see 12.2). Programmed maintenance in other sub-activities show a year to date underspend of \$214,000.

12.5 Financial charges are under budget to March due to the phasing of the interest charges and to lack of spend in this activity year to date (mainly Marina hardstand, Trafalgar Centre upgrade, and Saxton capital works).

- 12.6 Depreciation \$382,000 year to date was double counted (in both Sports Parks and Saxton Capital works) in the budget with the remaining variance due to revaluations and timing of the capital programme.

13. Economic

- 13.1 The economic activity reports a \$277,000 surplus year to date December, \$277,000 better than budgeted.

Economic activity performance for the period ending 31 March 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	(2,106,386)	(121,048)	(121,048)	(1,089,429)	(1,089,429)	0	(1,452,572)	(1,350,561)	
Operating Income	(811,689)	0	0	0	0	0	0	0	
Total Income	(2,918,075)	(121,048)	(121,048)	(1,089,429)	(1,089,429)	0	(1,452,572)	(1,350,561)	
Expenses									
Staff	354,869	1,455	2,152	20,060	19,365	(695)	25,820	25,810	
Base Service Provision	2,496,741	54,128	58,045	522,741	522,408	(333)	696,544	696,544	
Unprogrammed Maintenance	2,714	9	0	103	0	(103)	0	0	
Programmed Maintenance	305,765	320	59,843	260,778	538,589	277,811	718,118	616,117	13.2
Financial Charges	8,065	1,012	1,008	9,104	9,068	(37)	12,090	12,090	
Depreciation	0	0	0	0	0	0	0	0	
Total Expenses	3,168,154	56,924	121,048	812,786	1,089,429	276,643	1,452,572	1,350,561	
Net Surplus/Deficit	250,079	(64,124)	0	(276,643)	0	276,643	0	0	13.1

- 13.2 There has been no spending on Economic Impact Assessment (a tool for assessing economic impacts of events), Facilities Marketing, or Economic Development fund to the end of March, and negligible spend against Special Economic Projects and FIFA Under 20 World cup. The contestable fund is underspent \$102,000 year to date.

14. Corporate

- 14.1 The corporate activity reports a \$43,000 deficit year to date March, \$970,000 worse than budgeted.

Corporate activity performance for the period ending 31 March 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	716,039	(18,334)	(18,334)	(162,229)	(165,006)	(2,777)	(220,008)	209,954	
Operating Income	(13,499,535)	(1,023,204)	(1,096,836)	(9,194,868)	(9,871,525)	(676,657)	(13,162,033)	(13,658,587)	14.2
Total Income	(12,783,496)	(1,041,538)	(1,115,170)	(9,357,097)	(10,036,531)	(679,434)	(13,382,041)	(13,448,633)	
Expenses									
Staff	3,736,587	299,265	357,883	3,926,403	3,220,943	(705,460)	4,294,591	4,360,055	
Base Service Provision	788,869	220,057	156,900	1,146,827	1,412,099	265,272	1,882,799	1,885,741	14.3
Unprogrammed Maintenance	1,018,355	318,323	6,156	356,451	55,406	(301,046)	73,874	73,974	
Programmed Maintenance	85,655	443	43,729	59,081	393,557	334,476	524,742	530,242	14.4
Financial Charges	2,994,473	305,876	361,480	3,027,522	3,253,320	225,798	4,337,760	3,865,233	14.5
Depreciation	791,755	32,086	86,119	884,196	775,074	(109,122)	1,033,432	1,116,595	14.6
Total Expenses	9,415,694	1,176,050	1,012,267	9,400,480	9,110,399	(290,082)	12,147,198	11,831,840	
Net Surplus/Deficit	(3,367,802)	134,512	(102,904)	43,383	(926,132)	(969,515)	(1,234,843)	(1,616,793)	14.1

- 14.2 Internal interest income is worse than budget by \$526,000, reflecting prior year capital delays and underspends . There is also a \$329,000 variance in forestry revenue which is partly a timing issue and partly related to inaccurate forecasting in the LTP. Also, the Maitai Forest harvest is on hold due to access issues. The full year projection for Forestry income has been decreased by \$200,000. This is offset by Rental properties income being \$77,000 over budget to March. The LAPP insurance claim related to the December 2011 rain event, budgeted at \$431,000 to March, has not yet been made and has been projected down due to the very high claim threshold of \$695,000. Unbudgeted income of \$287,000 to March has been recorded, due to LAPP premium savings being transferred to the Disaster Fund.
- 14.3 Contingency budget year to date of \$113,000 has not been used, however \$60,000 of budget has been transferred in the projections against the tornado damage from late 2012. Remainder will likely be required to fund flood response and remediation (see 20.1). Civic House rental savings of \$67,000 (for Fletcher Vautier Moore accommodation), Prego remediation not required \$81,000 (removed from projection), and administration and meeting expenditure \$77,000 less than budget at this stage. The Forestry expenditure is currently \$88,000 worse than budget. The increased expenditure has been accommodated in the projections. \$99,000 spend for Nelson Development Strategy – budget is in programmed maintenance rather than base service delivery.
- 14.4 The Nelson Development Strategy work is \$166,000 under budget in this category (see 14.3). The second round of projections will reflect reduced scope for this work. Forestry programmed maintenance is under budget year to date by \$87,000 as well as Civic House \$59,000.
- 14.5 Internal interest is under budget by \$136,000 in Rental Properties due to interest savings on lower debt and the deferment of strategic property purchases.

15. Capital Related Income

- 15.1 This includes Capital related grants and subsidies from external parties (New Zealand Transport Agency, Tasman District Council, sports bodies, Housing New Zealand and development contributions), and in 2012/13 gifts of property. This continues to be shown below the line this financial year as it often distorts operating results and is only treated as income for Annual Report purposes. It is tracking \$7.2 million under budget year to date, \$4.6 million due to the fact that the property transfers of the School of Music and Theatre Royal have not yet taken place.
- 15.2 New Zealand Transport Agency 'R' funding has not been claimed so far this year, against a year to date budget of \$1.4 million, reflecting little or no expenditure on these projects year to date. New Zealand Transport Agency funding for Capital improvements is currently running \$414,000 below budget, and funding for Capital renewals is \$218,000 below budget, both reflecting the timing of Capital expenditure.

Development contributions are \$560,000 under budget year to date. Development contributions have historically tracked over budget. Current year performance reflects both lack of activity and the budget been set \$700,000 higher than in previous years. The full year projection has been reduced by \$400,000.

16. Capital Expenditure

- 16.1 Capital expenditure is \$21.9 million below budget year to date. Please see Attachment 2 for more information on this variance. \$10 million has been removed from the capital projections during the February Annual Plan workshops.

17. Outstanding Rates

- 17.1 The third instalment was due on 27 February 2013. Of this instalment, \$203,111 was still outstanding at 29 April 2013 (98.5% collected) and \$3,451 was still outstanding for the previous rating year.

18. Borrowings

- 18.1 A summary of the borrowings and interest rate position as at 31 March 2013 is attached (Attachment 8).

19. Conclusion

- 19.1 The net operating surplus of \$36,000 is \$3.9 million better than budget for the nine months ending 31 March 2012. Capital expenditure is below budget by \$21.9 million, largely related to the timing of the budgeted Theatre Royal and School of Music assets transfers and the timing of other land/building purchases.

20. Subsequent Events

- 20.1 The flood of April 21st will affect expenditure in unprogrammed maintenance in infrastructure activities for the remainder of the financial year. At the time of writing the extent of this unplanned expenditure is not known. Maintenance contractors will be focussed on remediating the damage caused by the flood which indicates that programmed maintenance will fall significantly short of budget. At this time we anticipate that existing unprogrammed maintenance budgets, savings in programmed maintenance budgets, and the remainder of the contingency budget along with insurance will substantively cover the flood remediation. The second round of projections will address the effects of this event, and an update will be tabled at this meeting.

Tracey Hughes
Senior Accountant

Attachments

- Attachment 1: Nelson City Council Summary Performance [1501577](#)
- Attachment 2: Capital Expenditure by Activity [1501577](#)
- Attachment 3: Capital Expenditure Over \$750,000 [1501577](#)
- Attachment 4: Capital Expenditure Graph [1501577](#)
- Attachment 5: Outstanding Rates [1475721](#)
- Attachment 6: Balance Sheet [1503543](#)
- Attachment 7: Council Borrowings [1501577](#)
- Attachment 8: Interest Rate Position Report [1501575](#)
- Attachment 9: Debtors Report [unavailable](#) due to staff absence

No supporting information follows.

Nelson City Council summary performance for the period ending 31 March 2013

	YTD Actual Prior yr 000s	YTD Actual 000s	YTD Budget 000s	YTD Budget Var 000s	YTD Budget Var % 000s	Full year Budget 000s	Full year Proj 000s	Projection Budget Var 000s
Revenue								
Rates	33,681	36,395	36,380	(15)	0.0%	48,507	47,126	1,381
Water supply	8,209	8,034	8,261	227	2.7%	11,015	11,015	0
Activity income								
Transport	3,914	5,008	5,866	859	14.6%	7,822	5,984	1,837
Water supply	57	57	24	(32)	-134.2%	32	57	(25)
Wastewater	1,705	2,524	2,743	219	8.0%	3,658	3,471	187
Stormwater	1	23	0	(23)	N/A	0	0	0
Flood protection	0	0	0	0	N/A	0	0	0
Environment	4,324	6,528	7,192	665	9.2%	9,590	9,195	395
Social incl arts and heritage	2,054	2,108	2,103	(6)	-0.3%	2,804	2,932	(128)
Parks and active recreation	1,997	2,001	2,083	82	3.9%	2,777	2,789	(11)
Economic	812	0	0	0	N/A	0	0	0
Corporate	13,500	9,195	9,872	677	6.9%	13,162	13,659	(497)
Total revenue	70,254	71,874	74,525	2,651	3.6%	99,367	96,227	3,140
Activity Expense								
Transport	10,370	12,288	14,538	2,251	15.5%	19,385	15,499	3,885
Water supply	7,648	7,628	8,557	929	10.9%	11,410	10,834	576
Wastewater	7,046	7,478	7,739	261	3.4%	10,319	10,741	(422)
Stormwater	3,289	3,789	3,401	(388)	-11.4%	4,535	4,566	(31)
Flood protection	5	184	92	(93)	-101.1%	122	285	(163)
Environment	8,497	9,754	11,824	2,070	17.5%	15,765	15,372	394
Social incl arts and heritage	9,165	10,340	9,968	(372)	-3.7%	13,291	13,946	(655)
Parks and active recreation	9,395	10,162	12,088	1,927	15.9%	16,118	15,285	833
Economic	3,168	813	1,089	277	25.4%	1,453	1,351	102
Corporate	9,416	9,400	9,110	(290)	-3.2%	12,147	11,832	315
Total expense	67,999	71,837	78,408	6,571	8.4%	104,545	99,712	4,833
Net operating (surplus)/deficit	(2,255)	(36)	3,884	3,920	100.9%	5,178	3,485	1,693
Capital related income	3,225	2,396	9,595	7,199	75.0%	12,793	11,507	1,286

Capital Expenditure
Total Council - by Activity

Activity	Actual YTD \$(000)	Budget YTD \$(000)	Variance YTD \$(000)	Annual Budget plus C/fwd \$(000)	Latest Forecast \$(000)	Comments
Transport	3,912	6,894	-2,982	10,943	9,952	Queens Rd , Tasman (Halifax-Grove), Cleveland Tce retaining walls
Water supply	5,272	4,928	343	7,823	7,844	AC renewals/ The Ridgeway
Wastewater	869	3,075	-2,206	4,881	3,413	NNWWTP Upgrade, growth projects
Stormwater	607	1,769	-1,162	2,808	1,907	Queens Rd plus many various.
Flood protection	110	264	-155	419	963	
Environment	228	242	-14	384	356	
Social incl arts and heritage	782	6,970	-6,188	11,063	11,069	SoM, Theatre Royal
Parks and active recreation	3,016	9,918	-6,903	15,743	11,730	Marina Hardstand, Wakefield Quay, Play Facilities, Land Purchase, Saxton hockey turf
Economic	0	0	0	0	0	
Corporate	578	3,182	-2,604	5,052	1,818	IT projects, land purchases
	<u>15,373</u>	<u>37,242</u>	<u>-21,870</u>	<u>59,115</u>	<u>49,052</u>	
					<u>(10,063)</u>	
Financial reserves	910	3,941	-3,031	7,578	1,750	
Nelson Regional Sewerage BU	403	577	-173	1,109	2,063	
	<u>16,686</u>	<u>41,760</u>	<u>-25,074</u>	<u>67,803</u>	<u>52,865</u>	

Attachment Two

Capital Expenditure

9 Months to 31 March 2013

Total Council

	Actual YTD \$(000)	Annual Budget plus C/fwd \$(000)	Contract Completion	Latest Forecast \$(000)	Comments
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Major projects (over \$750,000 in any column)

Infrastructure

Maitai Pipeline Duplication	3,867	5,132		5,132	
Princes Drive	62	1,076		500	
Queens Road	954	1,073		1,073	
Road: Waimea/Motueka Jct	39	1,194		94	
Strategic Land Purchase	4	2,400		0	
Nelson North Wastewater Treatment	123	2,251		1,000	
Road Renewals: Friction Course	296	989		989	
Emergency 2011 Cable Bay Road	14	0		800	
Maitai Shared Path	292	791		915	
Marsden Valley Trunk Main	120	578		995	
York Stream Channel Upgrade	98	98		823	

Community Services

Theatre Royal	17	6,590		6,590	
Nelson School of Music	12	2,406		2,406	
Marina Hardstand	45	2,400		1,500	
Trafalgar Center North Upgrade	339	1,438		785	
Land Purchase: General Reserve	0	1,189		1,189	
Replace Hockey Turf	9	950		950	

Total other (under \$750,000)

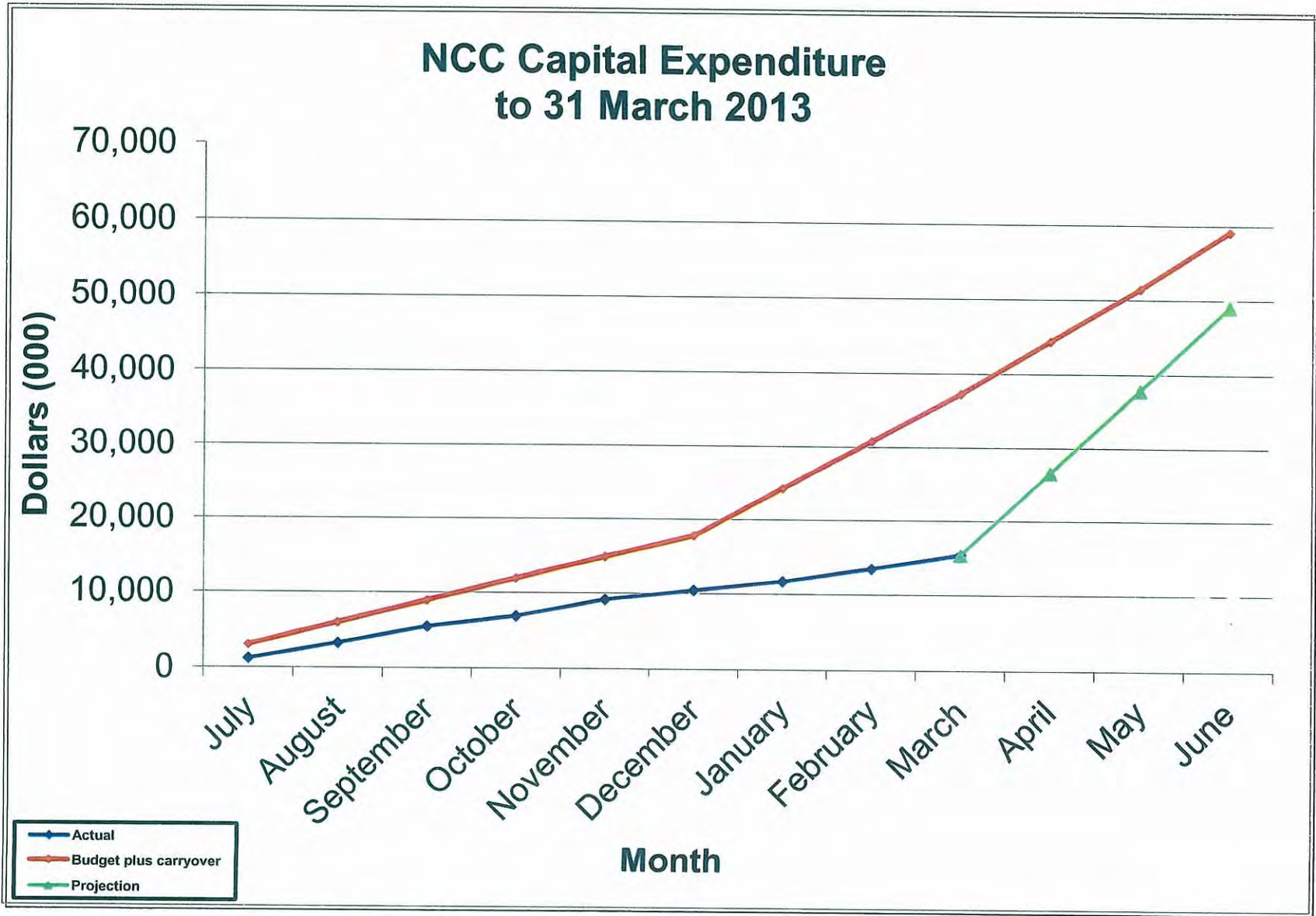
	9,084	28,561		23,312	
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Council Total

	15,373	59,115		49,052	
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Vested Assets	910	7,578		1,750	
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Nelson Regional Sewerage business unit	403	1,109		2,063	
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Outstanding Rates

Attachment 5

Date	Total Rates Outstanding	Latest Instalment	Previous instalments	Previous Years	incl commercial
30 June 2007	180,780	0	180,780	0	
30 June 2008	340,391	0	340,391	0	
1 September 2008	907,606	633,127	0	274,479	
1 December 2008	677,694	591,693	? ?	86,001	
1 March 2009	852,643	644,579	169,842	38,222	
4 June 2009	607,313	425,511	181,802	0	
30 June 2009	294,833	0	294,833	0	
1 September 2009	907,209	711,869	0	195,340	
13 October 2009	355,162	246,305	0	108,857	
31 December 2009	337,758	175,274	106,774	55,710	
1 March 2010	630,376	445,311	175,929	9,136	
1 June 2010	660,645	464,202	195,213	1,230	
30 June 2010	337,253	0	337,030	223	
1 September 2010	835,862	650,520	0	185,342	
1 November 2010	260,349	161,242	0	99,107	
1 December 2010	688,461	528,857	129,635	29,969	
31 December 2010	245,476	150,655	78,443	16,378	
1 March 2011	644,113	498,068	141,592	4,453	
1 June 2011	601,476	421,150	178,873	1,453	
30 June 2011	338,162	0	338,162	0	
October 2011	373,025	252,535	0	120,490	
November 2011	246,409	0	166,278	80,131	
1 December 2011	777,480	578,542	150,757	48,181	145,274
5 March 2012	649,187	514,491	129,140	5,556	58,517
30 May 2012	816,798	592,400	224,213	185	181,182
30 August 2012	923,938	753,415	0	170,523	187,299
3 December 2012	793,522	593,648	165,742	34,132	175,194
1 March 2013	1,117,653	704,633	406,606	6,414	198,492

#1475721

Nelson City Council

Abbreviated Balance Sheet

		31/03/2013	28/02/2013	30/06/2012
Current Assets				
Bank Deposits	Cash and Bank	211,933	238,560	37,333
	Investments	0	0	2,200,000
Amounts due from customers.	Rates Debtors	(2,462,682)	(1,061,145)	(653,063)
	Trade Debtors	9,310,086	7,183,273	12,687,563
	Debtors and Accruals	<u>1,538,486</u>	<u>1,750,875</u>	<u>984,948</u>
		<u>8,597,823</u>	<u>8,111,563</u>	<u>15,256,781</u>
Current Liabilities				
Cash Book Balance	Bank Overdraft	0	0	(409,863)
Amounts owed to suppliers.	Creditors	(9,940,936)	(9,388,664)	(14,234,354)
	Commercial paper	(39,720,304)	(39,716,978)	(39,686,764)
Term Loans to be paid in 12 months	Current Portion of Term Liabilities	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>
		<u>(49,691,240)</u>	<u>(49,135,642)</u>	<u>(54,360,980)</u>
Net Working Capital		(41,093,417)	(41,024,079)	(39,104,199)
Non Current Assets				
Shares in Subsidiaries etc	Investments	29,170,604	29,304,601	29,290,709
Total value, net of depreciation of all	Fixed Assets	<u>1,188,875,767</u>	<u>1,190,204,501</u>	<u>1,185,646,627</u>
		<u>1,218,046,371</u>	<u>1,219,509,101</u>	<u>1,214,937,336</u>
Non Current Liabilities				
	Bank Term Loans	(18,464,190)	(14,664,190)	(21,286,690)
Money borrowed that requires payment after 12 months	Other Term Liabilities	<u>(1,047,033)</u>	<u>(1,038,536)</u>	<u>(971,824)</u>
		<u>(19,511,223)</u>	<u>(15,702,726)</u>	<u>(22,258,514)</u>
		<u>1,157,441,731</u>	<u>1,162,782,296</u>	<u>1,153,574,623</u>
Shareholder Funds				
	Ratepayers Equity	317,407,204	331,213,106	326,373,674
	Reserves	<u>840,034,527</u>	<u>831,569,190</u>	<u>827,200,949</u>
		<u>1,157,441,731</u>	<u>1,162,782,296</u>	<u>1,153,574,623</u>

Council Borrowings & Swaps

The Council borrowing as at 31 March 2013, with maturity dates are as follows:

		NCC	NRSBU	Total	Interest rate
		\$000	\$000	\$000	\$000
Apr 2014	Call	900		900	3.80%
Jun 2013	CP	9,930		9,930	2.84%
Jun 2013			8,000	8,000	3.68%
Jun 2013		3,110		3,110	3.60%
Jun 2013		2,600		2,600	3.60%
Apr 2013			550	550	3.68%
Apr 2013	CP	19,861		19,861	2.84%
May 2013	CP	9,930		9,930	2.84%
Total Borrowings		46,331	8,550	54,881	

The weighted average interest rate was **3.07%**

Made up of:

NCC	2.95%
NRSBU	3.68%

Council Interest rate swaps

Deal Date	Pay/Rec Fixed	Bank	Amount (\$millions)	Start Date	Maturity Date	Swap Rate	extend: Actual details	
							Start Date	Maturity Date
29-Jul-10	pay	WPC	4.00	26-Oct-10	28-Apr-16	4.300%		28-Oct-14
29-Jul-10	pay	WPC	3.00	27-Aug-10	27-May-15	4.835%		
29-Jul-10	pay	WPC	3.00	27-Aug-10	27-Aug-21	4.835%	27-May-15	27-Aug-21
29-Jul-10	pay	WPC	4.00	27-Sep-10	27-Sep-18	5.250%		
29-Jul-10	pay	WPC	5.00	27-Aug-10	27-May-20	5.365%		
4-Aug-10	pay	WPC	4.00	27-Jan-11	27-Jan-17	5.080%		
3-Sep-10	pay	WPC	5.00	27-Mar-11	27-Jun-19	4.980%		
3-Sep-10	pay	WPC	6.00	27-Apr-11	27-Oct-17	4.820%		
12-Mar-12	pay	WPC	5.00	27-May-11	27-Aug-16	3.560%		27-Aug-14
3-Mar-11	pay	BNZ	3.00	27-Nov-11	27-Nov-15	4.560%		
11-May-11	pay	ANZ	5.00	27-Sep-11	27-Sep-16	4.710%		
11-May-11	pay	ANZ	4.00	27-Jan-12	27-Apr-18	4.485%		27-Apr-16
11-May-11	pay	ANZ	3.00	27-Jan-12	27-Jan-17	3.980%		27-Jan-15
11-May-11	pay	ANZ	3.00	27-Sep-11	27-Mar-14	3.960%	27-Mar-14	27-Mar-22
2-Aug-12	pay	ANZ	2.00	27-Mar-13	27-Jun-22	3.860%		
2-Aug-12	pay	ANZ	2.00	27-Apr-13	27-Oct-21	3.820%		
2-Aug-12	pay	ANZ	2.00	27-May-13	27-Nov-20	3.770%		
2-Aug-12	pay	ANZ	2.00	27-Jun-13	27-Sep-19	3.660%		
12-Nov-12	pay	BNZ	3.50	21-Dec-12	21-Dec-14	2.620%		
<u>NRSBU</u>								
16-May-12	pay	WPC	2.00	22-Dec-12	22-Mar-21	3.830%		
16-May-12	pay	WPC	2.00	22-Dec-12	22-Mar-19	3.570%		
16-May-12	pay	WPC	2.00	22-Mar-13	22-Mar-17	3.220%		
16-May-12	pay	WPC	2.00	22-Mar-13	22-Mar-15	2.770%		
			76.50					

#1501577

Attachment Eight

Nelson City Council Interest Rate Position			
12 month forecast core debt:	\$96.4m	31-Mar-13	
Policy Limits	55%-90%		
Overall Fixed:Floating Mix	79%		
Policy Compliance	Y		
Liquidity Ratio:	110%		
Actual	178%		
Policy Compliance	Y		
Fixed Rate Maturity Profile:			
Years	1 - 3 years	3 - 5 years	5 years plus
Policy Limits	15%-60%	15%-60%	15%-60%
Actual Hedging	15%	38%	47%
Policy Compliance	Y	Y	Y
Funding Maturity Profile:			
Years	0 - 3 years	3 - 5 years	5 years plus
Policy Limits	15%-60%	15%-60%	10%-40%
Actual Hedging	100%	0%	0%
Policy Compliance	X	X	X
Nelson City Council Interest Rate Performance			
Market Rates	90 Day Rate (ave of month) =	5yr Swap Rate (end of month) =	
	3.09%	4.80%	
Interest Cost (incl margin)	This Month	Last Month	
Weighted Av. Cost of Funds			
Benchmark Rate (incl margin of bp)	0.00%	0.00%	
Budget Rate			
Counterparty Credit Risk (Interest Rate Risk Mgmt Instruments)			
Policy Credit Limit (NZ\$) per NZ Registered Bank (Interest Rate Risk Management Instruments Only)		10,000,000	
Minimum Credit Rating is A-1+/A+	Notional (\$m)	Credit Exposure (\$m)	
Bank			
WPC	47.0	7.0	Within Policy
ANZ	23.0	4.2	Within Policy
BNZ	6.5	0.4	Within Policy
Total (NZ\$m)	76.5	11.6	

Specific borrowing limits		
Net interest expense on external debt as a percentage of total revenue to be less than 15%	2.94%	Y
Net interest expense on external debt (secured by rates) as a percentage of rates revenue to be less than 20%	5.06%	Y
Net external debt (secured by rates) as a percentage of total revenue to be less than 150%	55%	Y
Net external debt (secured by rates) as a percentage of equity to be less than 20%	5%	Y
Explanation of Funding maturity policy breach		
This policy ensures that Council have a spread of bank facilities and bonds across the maturity profile. With the inclusion of the NRSBU facility and swaps at 30 June 2012, Council now have too much maturing in the 0-3 year band and continue to be outside of policy in the 5 year + band.		
Remedial action		
To meet the 5 year plus band, Council will wait to issue bonds through the Local Government Funding Agency (LGFA) as it is too expensive currently as an unrated Council to issue in our own name. Issuing bonds will also resolve the 0-3 year band as Council will no longer have to hold committed facilities if it has term bonds and can start cancelling unused facility limits in the 0-3 year band.		

#1561575

Events Resource Consent Update May 2013

1. Purpose of Report

- 1.1 To consider progress on the applications for Resource Consents RM115245 and RM125012, and decide appropriate means of covering the budget shortfall.

2. Recommendation

THAT this update on the Events Resource Consents RM115245 and RM125012 be received.

Recommendation to Council

THAT the overspend on the budget for the festival activity be covered from budget savings within the District and Regional Plan activity, and the Social Heritage activity.

3. Background

- 3.1.1 Report 1431189 was presented to the Audit Risk and Finance Committee meeting of 26 February 2013, providing an update on Resource Consent applications RM115245 and RM125012.
- 3.1.2 RM115245 is to allow amplified sound in parks, and RM125012 is to allow special events on nominated public reserves and open spaces, and on limited occasions per year, where noise levels (relating to electrically amplified sound) breach specified rules in the Nelson Resource Management Plan.
- 3.2 At that meeting the Audit Risk and Finance Committee resolved:

THAT staff consider the direction from the Audit, Risk and Finance Committee, as discussed at the 26 February 2013 meeting, and report back to the Council with options on how to best cover the actual overspend for the events resource consent application including via user pays options and/or savings from other areas (report 1431189).

- 3.3 At its last meeting on 16 April 2013, Committee members indicated that they wished to see a further update on this matter. This report provides that update and, subject to the Committee's agreement, will provide the basis for a report to Council Governance on 4 June 2013.
- 3.4 The timing of this report is related to the appeals process which has recently concluded. An estimate of final costs for this process are therefore now available for the Committee to consider.

4. Discussion

Consent Update

- 4.1 The appeal to Resource Consents RM115245 and RM125012 went to Environment Court mediation on Tuesday 23 April 2013. The outcome of the mediation was that all issues at appeal were agreed by all parties. These were:
 - 4.1.1 That spectator noise not be included in the noise limits for the consent;
 - 4.1.2 That the 10 year term of the consent commence from when the consent is issued following the appeal process, not from the date of the Commissioners decision;
 - 4.1.3 That Site Noise Management Plans be required for events at Saxton Field rather than Event Noise Management Plans for each individual event.
- 4.2 Following the appeal it is expected that the Memorandum of Appeal will be written, signed by all parties, and lodged with the Environment Court by 24 May 2013. The final consent will be issued by the Environment Court once the Memorandum is processed.

Budget and Expenditure

- 4.3 As noted in report 1431189, the budget for these consents was \$20,000 in 2011/12 and for 2012/13 is \$10,000. Expenditure for the year to date is \$144,928. This is made up of \$95,318 processing costs and \$49,610 applicant costs, including costs to lodge the appeal.
- 4.4 Estimated costs yet to come could be up to \$15,000 to finalise legal procedural matters to complete the appeal process, and for acoustic consultants to prepare the required Site Noise Management Plans for the consents to become operative.
- 4.5 The final spend for the year is therefore estimated at \$160,000. This means an overspend in the current financial year of \$150,000.
- 4.6 A review of systems, processes and staff actions relating to this over expenditure is currently underway. That review is being undertaken by senior staff and will be reported to the Chief Executive Officer.

Budget Shortfall

- 4.7 To cover the overspend in the current year it is proposed that the following surplus funding be reallocated to this activity.
 - 4.7.1 Reallocate up to \$110,000 from unspent budget allocated within the District/Regional Plans Activity. This under spend was due to Plan Change work which has been deferred; allowances for professional and legal fees which have not been required; and monitoring work which has been funded externally.
 - 4.7.2 Reallocate up to \$75,000 from unspent budget allocated for building maintenance for the Theatre Royal and Suter Art Gallery. There was \$75,000 allocated per facility for maintenance between December and June. These will be under spent this year because of the delay in the takeover. There is \$37,500 available from each budget.
- 4.8 There is sufficient surplus funding identified above to cover the budget overspend.
- 4.9 The question of Council's investment in these consents and how to obtain a return on the investment was raised by Committee members. A separate report (1507232) is before the Committee on this issue.

5. Conclusion

- 5.1.1 The applications for resource consent for amplified sound at events on Council parks and at a limited number of special events have been granted, and the appeal mediation is complete. Some final legal procedural steps are required. Once finalised, these consents will resolve critical compliance issues.
- 5.1.2 The process for preparing and processing these consents has been complex and expensive, resulting in an expected budget overspend for 2012/13 of \$150,000.
- 5.1.3 It is recommended that this budget overspend for 2012/13 is recovered from budget savings in other areas, mainly in the District/Regional Plans activity, but also some unspent funding from within the Social Heritage activity.

Kath Inwood
Manager Community Development

Attachments

None.

Supporting information follows.

Supporting Information

1. Fit with Purpose of Local Government

The Resource Consents are being obtained to ensure compliance with Resource Management regulations in the provision of festivals and events, which are local public services.

Despite the budget overspend this year, it was considered that obtaining broad longer term consents would reduce the need for event organisers to apply for resource consent for individual events, or annual events to apply every year, therefore improving cost efficiencies.

2. Fit with Community Outcomes and Council Priorities

A fun, creative culture – we are proud of our creative local culture and regional identity. We understand that our heritage contributes to our distinctive identity, so we protect, interpret and celebrate our human heritage and historic places – Māori and more recent. We value and support those things that make Nelson special and unique – our people, art and crafts, the café culture, the outdoors, local food and wines, boutique shops and the relaxed atmosphere.

Council Priorities:

4. Nelson as a centre for arts creativity.

3. Fit with Strategic Documents

Social Wellbeing Policy 2010:

Culture: Support opportunities for Nelson's culture to be expressed eg through art or at events.

Leisure: Council planning for events and activities will take into account the diversity of our community.

Connectedness: To provide events and activities that bring together diverse participation from the community.

Older Residents: Council events and activities will be planned and delivered giving due consideration to the needs and diversity of older residents.

Youth: Provide and support recreation and leisure opportunities and events for youth in Nelson.

Arts Policy 2010:

Resourcing: Council will continue to prioritise art in its facilities and services and will actively collaborate with partners to ensure adequate resourcing.

Marketing and Tourism: Council will continue to support the development of arts events including through the Nelson Events Strategy.

4. Sustainability

The Resource Consents meet an identified local need; provides for longer-term use (10 years) than individual event consents; and contributes to community wellbeing.

<p>5. Consistency with other Council policies</p> <p>The Resource Consents are required for compliance with the Nelson Resource Management Plan requirements.</p>
<p>6. Long Term Plan/Annual Plan reference and financial impact</p> <p>3850 2634 1136 Resource Consent Park Events. 3850 2634 Resource Consent.</p> <p>The overspend is recommended to be recovered through reallocating unused funding within the current year.</p>
<p>7. Decision-making significance</p> <p>This is not a significant decision in terms of the Council's Significance Policy.</p>
<p>8. Consultation</p> <p>N/A</p>
<p>9. Inclusion of Māori in the decision making process</p> <p>N/A</p>
<p>10. Delegation register reference</p> <p>Audit Risk and Finance Committee: To ensure appropriate procedures are being complied with in relation to the financial and statutory requirements for the Council and to review the Council's financial statements. Decision to be recommended to the Council – Governance meeting.</p>

Events Resource Consents: Return on Investment

1. Purpose of Report

- 1.1 To consider options for obtaining a return on the investment made in Resource Consents RM115245 and RM125012.

2. Recommendation

THAT the Committee confirm that the consents (RM115245 and RM125012) are a Council investment for which a return should be sought;

AND THAT a fee of \$250 be charged for special events, where the event will be using the Council's Resource Consent RM125012 and Site Noise Management Plans;

AND THAT this charging regime be reviewed and reported back to the Audit, Risk and Finance Committee in 12 months;

AND THAT this report, including its recommendations, be forwarded to Council – Governance.

3. Background

- 3.1 Council has invested time and funding in obtaining two resource consents for amplified sound at events in the Open Space and Recreation Zone.
- 3.2 Consent RM115245 is a global consent to allow amplified sound in parks, for events held in the Open Space and Recreation Zone, which do not exceed the hours or noise limit rules for the Nelson Resource Management Plan.
- 3.3 Consent RM125012 is to allow special events on nominated public reserves and open spaces, and on limited occasions per year, where noise levels (relating to electrically amplified sound) breach specified rules in the Nelson Resource Management Plan. This special events consent applies to Trafalgar Park, Tahunanui Reserve, Fairfield Park,

Church Steps/1903/Upper Trafalgar Street, the Botanics, Saxton Field and Trafalgar Centre.

- 3.4 Report 1431189 was presented to the Audit Risk and Finance Committee meeting of 26 February 2013, providing an update on Resource Consent applications RM115245 and RM125012. A follow-up report (1499012) is included on the Committee's agenda for this meeting, and contains further background and updates.
- 3.5 The Council has incurred expenditure in obtaining these resource consents that will be of benefit to external parties. The resource consents will have a 10-year lifespan.

4. Discussion

- 4.1 These consents provide for events that do not comply with the Resource Management Plan across all Open Space and Recreation sites, and for more special events than permitted under the 1998 Resource Consent RM985339. Council will no longer be required to gain individual resource consents for events which are outside the numbers and locations provided for by RM985339.
- 4.2 Use of these consents by external event organisers will enable them to run events and comply with Resource Management Plan requirements without the need to obtain their own resource consent.

Return on Investment

- 4.3 There are a number of ways in which Council can obtain a return on its investment.

Hire Fees

- 4.4 An option for long-term return on investment would be to raise fees for events on Council land and facilities. The level of fee rise required to obtain a 100% return on investment over **five years** would incur an **8%** year-on-year increase in fees over and above the Consumer Price Index (CPI) increases that are already applied across all open space and recreation sites. Over **ten years** this would be an increase of **4%** year-on-year over and above CPI.
- 4.5 However setting higher rental fees indiscriminately across all parks is not favoured by officers, as many Council park users do not use amplified sound.
- 4.6 Additionally, fees and charges are based on a variety of factors including market forces, and what the competition is offering. This level of increase in charges would be likely to run the risk of putting off event organisers from running events in Nelson.

Event Application Fee

- 4.7 Another option would be to charge a fee for event organisers who are specifically benefitting from the consents. This would be a separate fee from the booking fee to use the venue, but administered through a co-ordinated park hire process.
- 4.8 Use of the global event consent RM115245 would apply to a range of events including school sports days, community fairs, small community events, and daytime activities. These events comply with hours of operation and noise limits within the Resource Management Plan, but may wish to use amplified sound. Because of the community nature of these events, officers do not recommend charging a fee to use the event consent RM115245.
- 4.9 Event organisers using the Council's Resource Consent for special events (RM125012) are more likely to be running larger scale events, such as provincial or national rugby games, sports tournaments, concerts, and festivals. These type of events are more likely to have a noise impact, and organisers could be charged an application fee to use the Council's Consent.
- 4.10 A maximum of 52 events per year is permitted under consent RM125012. Within these 52 possible events, there are two different types of noise management plans required, depending on the specific noise levels and hours at different sites:
- 4.10.1 For 17 possible events, the event organisers will be required to submit an Event Noise Management Plan prepared by an acoustic specialist. Considering the cost to obtain an Event Noise Management Plan from an acoustic specialist is approximately \$3,000, it is suggested that imposing a new fee on these event organisers could be a barrier to events occurring. Therefore charging a fee for this category of events is not recommended.
- 4.10.2 Thirty-five events can operate under a Site Noise Management Plan, which will be prepared at Council expense for the seven sites included under the consent. To charge a fee for these 35 possible events would be appropriate as these event organisers would be operating under (a) the Council's consent and (b) Council's Site Noise Management Plan.
- 4.11 Should Council wish to pursue this option of a fee, an amount of \$250 per event is proposed. This would generate up to a maximum of \$8,750 per annum, meaning a maximum of \$87,500 over the ten-year life of the consent.
- 4.12 In order to gain a higher return, other options would be to apply a higher fee, or to apply the fee to other events.
- 4.13 This charging regime, because it is untested in the market, may need to be refined based on actual results. It is therefore recommended that a

review be carried out in 12 months, and reported back to the Audit Risk and Finance Committee.

5. Conclusion

- 5.1 Council has invested in obtaining two resource consents for amplified sound at events in the Open Space and Recreations Zone. The cost of obtaining these consents is estimated to be \$160,000. The consents will benefit external event organisers as well as Council.
- 5.2 In order to gain a return on this investment, consideration has been given to charging a fee to event organisers for use of the consents. Officers recommend an event consent application fee of \$250 be charged for special events, where the event will be using the Council's Resource Consent and Site Noise Management Plans.

Kath Inwood
Manager Community Development

Attachments

None.

Supporting information follows.

Supporting Information

1. Fit with Purpose of Local Government

The Resource Consents are being obtained to ensure compliance with Resource Management regulations in the provision of festivals and events, which are local public services.

Obtaining broad longer term consents would reduce the need for event organisers to apply for resource consent for individual events, or annual events to apply every year, therefore improving cost efficiencies. The ownership of the consents benefits Council and external parties.

2. Fit with Community Outcomes and Council Priorities

A fun, creative culture – we are proud of our creative local culture and regional identity. We understand that our heritage contributes to our distinctive identity, so we protect, interpret and celebrate our human heritage and historic places – Māori and more recent. We value and support those things that make Nelson special and unique – our people, art and crafts, the café culture, the outdoors, local food and wines, boutique shops and the relaxed atmosphere.

Council Priorities:

4. Nelson as a centre for arts creativity.

3. Fit with Strategic Documents

Social Wellbeing Policy 2010:

Culture: Support opportunities for Nelson's culture to be expressed eg through art or at events.

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Arts Policy 2010:

Resourcing: Council will continue to prioritise art in its facilities and services and will actively collaborate with partners to ensure adequate resourcing.

Marketing and Tourism: Council will continue to support the development of arts events including through the Nelson Events Strategy.

4. Sustainability

The Resource Consents meet an identified local need; provides for longer-term use (10 years) than individual event consents; and contributes to community wellbeing.

<p>5. Consistency with other Council policies</p> <p>The Resource Consents are required for compliance with the Nelson Resource Management Plan requirements.</p>
<p>6. Long Term Plan/Annual Plan reference and financial impact</p> <p>3850 2634 1136 Resource Consent Park Events. 3850 2634 Resource Consent.</p> <p>A return on the investment of obtaining the resource consents may be gained by charging a fee to the event organisers who will be using these consents.</p>
<p>7. Decision-making significance</p> <p>This is not a significant decision in terms of the Council's Significance Policy.</p>
<p>8. Consultation</p> <p>N/A</p>
<p>9. Inclusion of Māori in the decision making process</p> <p>N/A</p>
<p>10. Delegation register reference</p> <p>Audit Risk and Finance Committee: To ensure appropriate procedures are being complied with in relation to the financial and statutory requirements for the Council and to review the Council's financial statements. Decision to be recommended to the Council – Governance meeting.</p>

Regulatory Report for 1 January to 31 March 2013

1. Purpose of Report

- 1.1 To provide a quarterly update on activity and performance for the Council's regulatory functions.

2. Recommendation

THAT report 1479310 be received.

3. Building Unit Performance

Recovery

- 3.1 The Building Unit continues to actively monitor the remaining 29 properties with s.124 Building Act 2004 notices in place from the December 2011 Rainfall Event.
- 3.2 The Council has commenced recording all known slope failures in a Slope Failure Register arising from the December 2011 Rainfall Event. The data is being entered in to the Council's GIS system. This information is important for asset management purposes as well as resource consent and building consent assessments.

Earthquake Prone Buildings Policy

- 3.3 There are currently 12 private and 6 Council buildings issued with s.124 Building Act 2004 Earthquake Prone Building notices.

Building Consents

- 3.4 The total number of building consents issued over the January 2013 – March 2013 quarter have eased 15% from the same period in 2012 (239 to 202).
- 3.5 The total value of work over the quarter has increased by 19% over the previous year.
- 3.6 The number of building consents for alterations to commercial buildings has increased over the last quarter (+5%). The value of works for new commercial buildings has reduced by -8%.
- 3.7 Processing timeframes for building consents are 12 days average compared to a statutory requirement of 20 working days.

Building Consent Numbers 1 January – 31 March

Building Category Trends	2012 Number of Consents	2013 Number of Consents
New House	44	46
Altered Dwelling	72	52
Minor works	79	64
New Commercial	8	7
Altered Commercial	23	24
Total	226	193

Value of Works 1 January – 31 March

Building Category Trends	2012 Value \$	2013 Value \$
New Houses	12,821,105	13,091,195
Altered Dwelling and Minor works	4,893,737	5,163,737
New Commercial	5,126,000	4,726,000
Altered Commercial	3,313,835	4,606,000
Total Value works	22,428,050	26,727,324
Note: previous quarter comparison	1 October – 31 December 2011 \$23,270,173	1 October – 31 December 2012 \$25,520,862

Building Consent Authority Processing Time Statistics 1 January – 31 March

Consent Processing Trends	1 January - 31 March 2012	1 January - 31 March 2013	Year to date 2012	Year to date 2013
Total number of consents granted	227	202	775	608
Total value of works \$	37,375,525	18,218,142	67,133,452	73,284,493
Completed within 20 working days %	90%	82%	94%	88%
Average process time (days)	10	13	8	12

4. Parking Unit Performance

Activity	January	February	March
Enforcement			
Safety	75	86	93
Licence labels /WOF	490	397	420
Central Business District meters	1098	683	652
Time Restrictions	421	275	388
Freedom Camping	-	-	-
Total Infringement notices issued	2084	1441	1553
Tows			
Abandoned Vehicles	1	1	4
Enforcement	1	1	2
Nelson market tows	10	9	4
Total vehicles towed	12	11	12
Challenges to tickets issued			
Explanations not accepted	85	42	47
Explanations accepted	220	137	130
Total explanations actioned	305	179	177
Service Requests			
Abandoned Vehicles	11	25	19
Requests for Enforcement	55	36	56
Meter Faults	33	24	31
Freedom Campers	27	16	7
Information /advice	131	106	85
Infringement appeals	363	249	227
Other	5	4	4
Total service requests	625	460	429
Courts			
Notices lodged for collection of fine	331	317	171
Defended hearing(s)	1	2	-
Appeals	7	12	9
Assisting the public with information / advice	690	444	175

5. Resource Consent Unit Performance

- 5.1 This quarter is seeing a gradual slowing of application numbers although the bow wave from the pre-Christmas rush kept the team busy. There were 25 consents issued in 12 working days (on average) that relate to recovery works from the 2011 Rainfall Event.

- 5.2 Eleven discounts for consents processed outside the statutory timeframe were given during this period. This represents 12% of all decisions processed incorporated a discount for being late. The total discounted was \$2057.91.
- 5.3 Land Information Memorandum applications are still high with overall numbers continuing to increase compared to previous years.

Resource Consent Processing Times

Month	NON NOTIFIED				NOTIFIED AND LIMITED NOTIFIED		
	% processed on time	Average process days	Median process days	Consent numbers	% processed on time	Average process days	Consent numbers
January 2013	83	13	14	30			0
February 2013	82	17	16	34	0	73	1
March 2013	90	15	15	29	100	69	2
Average from 1 July 2012	85	26	16	31	50	76	1
Total from 1 July 2012				275			7
2011/12 average	97	18		27	100	66	1
2011/12 totals				322			10

Land Information Memorandum Applications

Month	Percentage processed on time	Average process days	Total LIMs
January 2013	100	5	47
February 2013	100	5	40
March 2013	100	5	53
Average from 1 July	100	4	44
TOTAL from 1 July 2012			396
2011/12 Average	100	3	38
2011/12 Total			465

Resource Consent Customer Survey Results

- 5.4 This survey commenced in April 2012 and aimed to get more specific feedback than is provided in the Council Resident Survey that has indicated dissatisfaction with Council's regulatory services. A survey is sent to resource consent applicants and any submitters at the time the consent decision is issued. The results are collated on a quarterly basis:

Survey Results

Percentage of respondents who agreed or strongly agreed with the following statements:	September quarter	December quarter	March quarter
Resource Consent staff were competent	58%	88%	70%
Resource Consent staff considered your particular circumstances	63%	88%	90%
Resource Consent staff were contactable	74%	69%	80%
Resource Consent staff did what they said they would do and in a timely manner	58%	75%	70%
The forms, documents, and letters were clear, well explained, and easy to follow	63%	75%	70%
The process to be followed was made clear to you and you knew what was required	63%	75%	70%
The conditions of the consent were clear and practicable	58%	88%	70%
A good resource management outcome was achieved at the end of the process	74%	94%	70%

- 5.5 Ten people responded to the March 2013 survey, sixteen in December 2012 and twenty responded in September 2012. A review of the survey will commence as it has now been in place for one year.

Environmental Health and Dog Control Activities

- 5.6 Overall levels of activity are consistent with last year.
- 5.7 The new Sale and Supply of Alcohol Act 2012 will result in work to establish a District Licensing Committee (DLC) and a Local Alcohol Policy. A project plan is in place to manage the transition to the DLC regime in December 2013 with all licensing decisions to be made by the Committee. Factsheets are available on the Ministry of Justice website <http://www.justice.govt.nz/policy/sale-and-supply-of-alcohol> and to subscribe to their newsletter on alcohol reform there is a form to fill in at <http://eepurl.com/ulqan>
- 5.8 The target to have at least one inspection of each food premises by 30 June 2013 is on track to be achieved.
- 5.9 Successful resolution to pollution issues has been achieved where contaminated groundwater was being discharged from Caltex Bishopdale to York Stream. The Council prosecuted Caltex when consent conditions were not being adhered to when replacing their underground fuel storage tanks. Environmental Inspections Ltd officers have also been liaising with Caltex to identify a different source of diesel discharge into the stream. They then assisted with an action plan to fix the PVC pipe.

Summary of Activities

Activity	Responses			Year to Date
	January	February	March	
Dog Control	147	154	196	1376
Resource consent monitoring	38	132	160	966
Noise nuisance	100	113	130	935
Bylaw / Building / Planning	92	59	53	518
Liquor applications	48	49	47	428
Pollution	29	29	39	263
Liquor inspections	0	34	57	242
Stock	10	4	1	66
Total	464	574	683	4794

Harbour Safety Activities

- 5.10 A Deputy Harbourmaster, Josh Hanrahan, was appointed to support the Harbourmaster in monitoring compliance with the new Navigation Safety Bylaw and providing an on-water presence to educate water users as to their responsibilities.
- 5.11 The Navigation Safety Bylaw 218 includes infringement provisions for non-compliance with the Bylaw. The Department for Internal Affairs is presently reviewing the Bylaw and the case made by the Council for Regulations to be promulgated to provide a legal basis to the infringement regime.
- 5.12 Continuous patrols of the harbour, Monaco, Tahunanui and Cable Bay has resulted in a number vessel operators educated about their speed including jet skiers on the Maitai River. Paddle Boarders are continually being educated on safety issues and several logs or large debris were retrieved. The loss of buoys off Tahunanui Beach was investigated.
- 5.13 Assistance was provided to: the Nelson Sailing Club during National P class racing championships; Waka-ama; Haul-a-shore ferry when it was aground; a yacht dragging anchor; a float plane; the Police in a major search and rescue exercise; Coastguard with two different rescues; 3 vessels needing a tow due to breakdowns; the Boulder Bank clean up; rescue 3 yachts from damaged moorings; and to escort swimmers.

Harbourmaster Patrol Hours

Month	Patrol Hours
January	40.5
February	32.5
March	106 (includes 39 hours training for the new Deputy Harbourmaster)

6. Summary of Hearing Panel Activities

Legislation	Matter & date of Hearing	Status
RMA 1991	RM125122 two lot subdivision, 27 February	Granted
RMA 1991	RM125266 Showhome operation, 11 March	Granted
Dog Control Act 1996	Objection against dangerous dog classification, objection against menacing dog classification, 15 March	Both classifications upheld
Fencing of Swimming Pools Act 1987	Two exemption applications, 15 March	One upheld, one declined
Local Government Act 1974	Street naming, 15 March	Approved

7. Summary of Legal Proceedings

Party	Legislation	Matter & date of initial action	Status
Harvey (Rifle Range)	RMA 1991	Enforcement Order 11/12/2009	Court provided time for applicants to consider merits of applying for costs, applicants did not apply for costs in time provided. Matter closed.
Lile	RMA 1991 (ENV-2012-WLG-88)	Plan Change 14 Appeal - 10 August 2012	Matter set down for Environment Court mediation as decided by Resource Management Act procedures Committee
Gibbons Holding Ltd and Fulton Hogan Ltd	RMA 1991 (ENV-2012-WLG-86)	Plan Change 17 Appeal - 10 August 2012	Matter set down for Environment Court mediation as decided by Resource Management Act procedures Committee
McFadden Family Trust	RMA 1991 (ENV-2012-WLG-83)	Plan Change 18 Appeal - 9 August 2012	Matter set down for Environment Court mediation as decided by Resource Management Act procedures Committee
Hamilton and Hardyman	RMA 1991 (ENV-2012-WLG-84)	Plan Change 18 Appeal - 9 August 2012	Matter set down for Environment Court mediation as decided by Resource Management Act procedures Committee
Raine	RMA 1991 (ENV-2012-WLG-85)	Plan Change 18 Appeal - 10 August 2012	Matter set down for Environment Court mediation as decided by Resource

Party	Legislation	Matter & date of initial action	Status
			Management Act procedures Committee
RG Griffin Childrens Trust	RMA 1991 (ENV-2012-WLG-87)	Plan Change 18 Appeal - 10 August 2012	Matter set down for Environment Court mediation as decided by Resource Management Act procedures Committee
Caltex/ Chevron	RMA 1991	Prosecution for unlawful discharge 6 November 2012	First call 4 April 2013 – entered guilty plea, sentencing 28 June.
NCC	RMA 1991	Appeal against conditions of consents RM115245 & RM125012 9 November 2012	Mediation occurred 23 April. NCC as regulator agreed to the matters appealed. A consent order is being drafted and will be submitted to the Court.
Koleff	Disputes Tribunal Act	Claim for costs for declined woodburner application 23 January 2013	Hearing on 25 March. Claim struck out, Court had no jurisdiction.
King	RMA 1991	Prosecution for unlawful discharge 24 January 2013 Prosecution for failure to comply 1 March 2013	First call 4 April 2013 – adjournment agreed to allow time to consider additional charges. May be called on 28 June.
Connor & Smithline	RMA 1991	Appeal against granting 2 lot subdivision RM125174 14 March 2013	Parties advised Environment Court they agree to mediation
NCC	Arbitration Act 1996 (potentially)	Nelson Wastewater Treatment Plant	Parties in mediation

8. Summary of Insurance Claims

8.1 No current claims.

Mandy Bishop
Manager Resource Consents

Attachments

None.

No supporting information follows.

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