

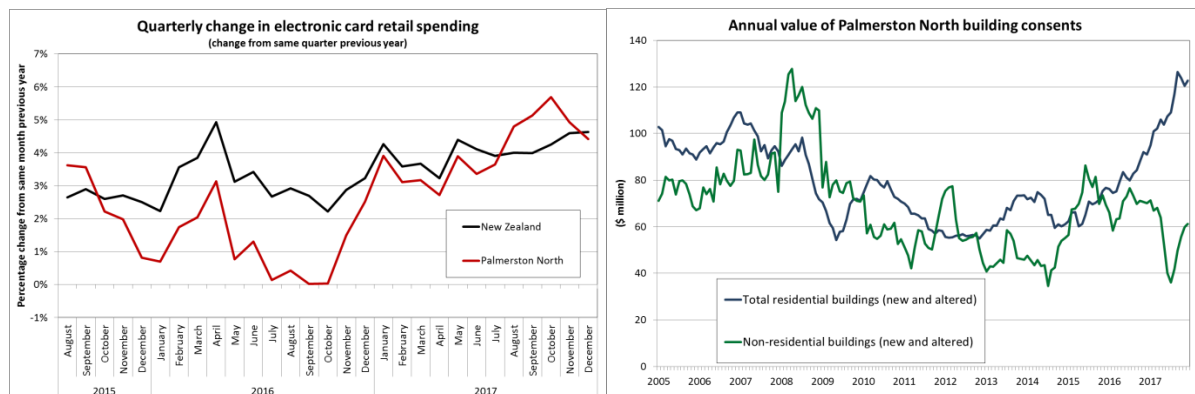
Quarterly Performance and Financial Report – December 2017

Section One: What's happening out there?

Economic growth is continuing to improve in Palmerston North, supported by strong growth in building activity and stronger employment and population growth. There were a few signs of weakening in confidence in the December quarter, mirroring the weakness in national business confidence. Growth in car registrations slowed quickly in the region but January 2018 growth was stronger. There was also a small decline in the number of consents lodged in the region for the construction of new houses in the December quarter. However, the provisional value of all building consents approved in January 2018 was \$39.2 million compared with \$10.1 million in January 2017.

The value of electronic card retail spending in Palmerston North increased by 4.4% in the December quarter compared with the same period last year, while there was an increase of 4.6% for New Zealand. Spending growth was strong in visitor categories, particularly in accommodation, where spending increased by 10.6% in the quarter, and takeaways, where spending increased by 12%. Growth in food retailing in the City continues to lag the national trend, with growth of 2.7% in the December quarter compared with national growth of 4.2%. Electronic card retail spending in Palmerston North was \$1,101 million in the year to December 2017, increasing by 4.4% from 2016.

Domestic visitor spending in the City in the year to December 2017 was \$341 million, a decline of 0.3% from the previous year (domestic visitor spending in New Zealand increased by 4.8%). International visitor spending was \$60 million, an increase of 8.0% from the previous year (New Zealand increase of 8.9%). Visitor spending from the Wellington region declined by \$2.6 million between November and December 2017 but this followed an increase of \$3.4 million in the same period in 2016 due to earthquake damage in the Wellington and Lower Hutt CBDs.



Source: Marketview/Statistics New Zealand

Building consent values in the City increased by 18% in the December quarter compared with the same period last year, while national consents increased by 6%. The value of consents for new dwellings in the City declined by 5% in the December quarter, consents for residential additions and alterations declined 32% and non-residential consents increased by 90%. The total value of consents issued in the 12 months ended December 2017 was \$184 million, an increase of 14% from the previous year.

Consents were issued for the construction of 354 new residential dwellings in the City in the year to December 2017 compared with 261 a year earlier, an increase of 36% from the previous year. The rate of growth has slowed in other local authorities in the region but is still ahead of the national growth rate of 4% - Manawatu District (172 dwellings in year to December 2017, 13% increase), Horowhenua (221 dwellings, 7% increase), Whanganui (124 dwellings, 12% increase) and Tararua (24 dwellings, 41% increase).

There was a 3% increase in new car registrations in the Palmerston North postal region in the three months ended January 2018 compared with the same period in 2017, a useful indicator of business confidence in the City (New Zealand registrations increased by 5%). This followed a 28% increase in the region in the three months ended January 2017. The number of ex-overseas registered cars in the Palmerston North postal region increased by 9% in the three months ended January, resulting in a 7% increase in the total number of cars registered in the region (New Zealand registrations increased by 8%).

There were 6,262 people registered for a Ministry of Social Development benefit in Palmerston North in December, a decline of 63 people from December 2016 (1.0% decline). The total number of people registered for a benefit in New Zealand declined by 2.4%.

Data for benefits by type in the City shows there were:

- 2,497 people registered for the job seekers benefit, an increase of 1.8% (45 more benefits) from December 2016,
- 1,131 people registered for sole parent support, a decline of 8.2% (92 less benefits) from 2016,
- 2,309 people registered for the supported living payment, an increase of 3.4% (76 more benefits) from 2016,
- 425 people were registered for other benefits, a decline of 17.8% (92 less benefits) from 2016.

Net overseas migration to Palmerston North increased from a net gain of 663 people in the year ended December 2016 to a net gain of 684 people in the year to December 2017. The number of people moving overseas from the City on a long-term or permanent basis declined by 4% over the last year while the number of people arriving in the City increased by 2%. Total departures from New Zealand increased by 9% while arrivals increased by 3%.

A more detailed analysis of economic trends will be provided in the next Manawatu Region Economic Monitor report for the December quarter, which will be reported to Economic Development Committee on 12 March.

Text finalised 8 February 2018

Section Two: What's happening in here?

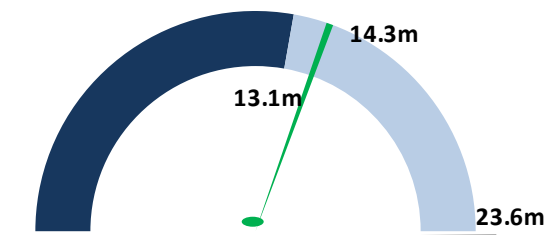
Background

The section contains a financial review of the six months to 31 December 2017 to show how we have used our financial resources during the year to provide services to the residents.

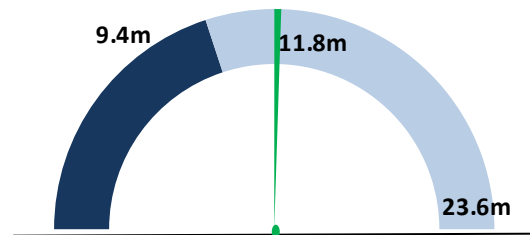
Financial Overview

Synopsis

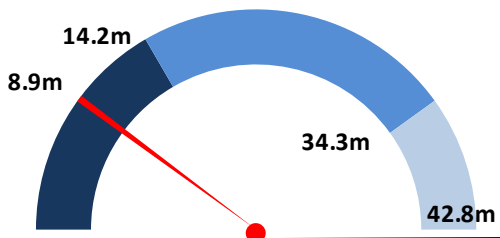
Operating - Controllable Surplus



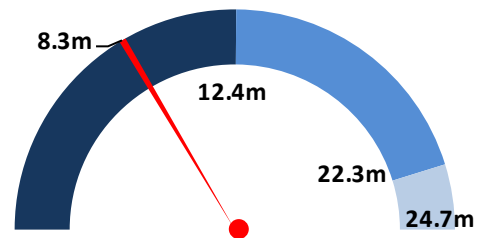
Operating Activity Cashflow



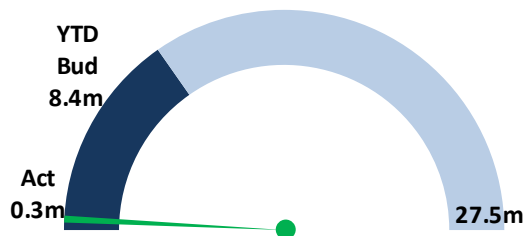
New Capital Expenditure



Renewal Capital Expenditure



Increase in Net Debt



Financial Summary

Financial performance is summarised in the following table with comparison to revised budget. Key aspects are then focused on in the following graphs.

\$ million	December YTD Actual	December YTD Rev Budget	Dec Var YTD Bud		September Var YTD Bud	Variance movement - quarter	Full Year Revised Budget
Operating – Controllable							
Operating Revenue	14.6	13.7	0.9	●	0.7	0.2	26.3
Operating Expenses	(42.9)	(42.4)	(0.5)	●	0.4	(0.9)	(86.1)
Operating – Controllable Management Units	(28.3)	(28.7)	0.4	●	1.1	(0.7)	(59.8)
Rates	45.4	44.9	0.5	●	0.3	0.2	89.9
Interest Expense	(2.8)	(3.1)	0.3	●	0.1	0.2	(6.5)
Operating - Controllable Surplus/(Deficit)	14.3	13.1	1.2	●	1.5	(0.3)	23.6
Operating – Non- controllable							
Depreciation	(15.5)	(15.1)	(0.4)	●	0.2	(0.6)	(30.3)
Gain/(loss) on sale of fixed assets	-	-	-		-	-	-
Investment Fund Valuation	-	-	-		-	-	-
Derivative financial instrument valuation	-	-	-		(0.2)	0.2	-
Net Operating Result – Surplus(Deficit)	(1.2)	(2.0)	0.8	●	1.5	(0.7)	(6.7)
Non-Operating Revenue	7.4	8.0	(0.6)	●	0.4	(1.0)	19.5
Net Result	6.2	6.0	0.2	●	1.9	(1.7)	12.8

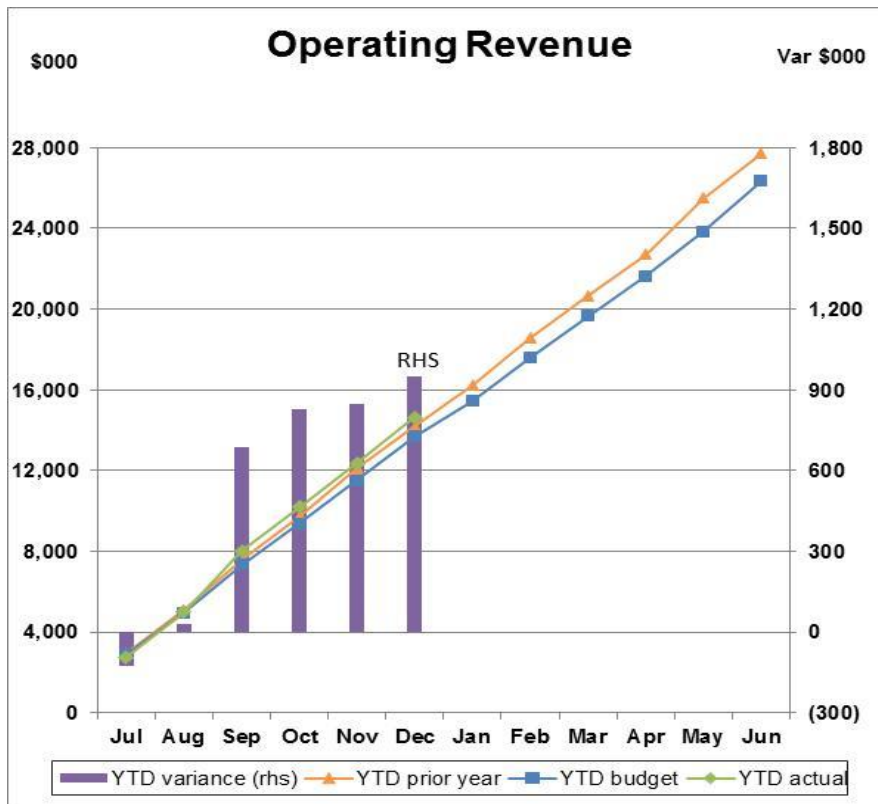
The “Operating – Controllable Surplus” is currently showing a year to date favourable variance to revised budget of \$1.2m. The full year revised budget “Operating – Controllable Surplus” of \$23.6m compares to an annual budget “Operating – Controllable Surplus” of \$24.5m with the difference being council approved budget changes. For annual reporting purposes against the annual budget these approved changes of \$0.9m would effectively reduce the current favourable variance of \$1.2m to \$0.3m.

In recent months the “Operating – Controllable Management Units” surplus has been reducing and now has a marginal favourable variance. Future direction of this is dependent on actual cost of future service delivery and external event impacts.

For the annual report, performance is against the annual budget and not the revised budget as in this report. As above for the annual report the “Operating – Controllable Surplus” would now have a favourable variance of \$0.3m however for the other components to the Net Result an unfavourable variance is expected. Depreciation is likely to exceed budget following the higher revaluation of infrastructural assets last year and cash derived non-operating revenue is likely to be lower than budget should the associated capital programmes not be completed. The effect of these is that the annual budget net surplus of \$13.4m is unlikely to be achieved.

Other major items affecting the year include:

- Capital expenditure spend year to date has increased and is ahead of last year – overall 25.4% of full year budget incurred compared to 24.7% last year when 63% of the full year budget was achieved. Actual year to date expenditure is 31% higher than last year.
- Controllable unit operating variance has reduced from last month with unfavourable expense increases.
- In the year to date unbudgeted operating costs have been incurred, including:
 - Central Energy Trust Arena remedial work for fire protection requirements \$389k
 - City Enterprises Operations Building Trades redundancies
- The operating variance includes one-off variances to budgets, including:
 - Dividend from PNAL \$219k more than budget
 - Insurance cost for the year likely to be \$175k less than budget
- A substantial unfavourable cost relates to professional service costs required to be incurred. Management consider these are necessary to provide services, they are a necessary and prudent cost in meeting the expectations of service delivery by Councillors and rate-payers, and the cost is necessary to ensure programme implementation momentum is continued. Often there will be offsetting savings in other areas or additional revenue is generated. Examples include:
 - providing resources necessary to enable timely processing of the higher volume of building consent applications received. This generates additional revenue to offset the cost and enables achieving maximum performance against statutory requirements.
 - cover temporary staffing needs, for example until vacancies are filled, during illness or parental leave with some having offsetting lower salary costs.
 - providing expertise for projects for which Council does not seek to resource due to their short term project nature. Examples include resource consents with some costs recovered as part of revenue, health and safety and strategic planning.
 - Conduct consent hearings requested by third parties with costs able to be recovered from that party within revenue.
 - Some projects are requiring higher costs year to date or had no budget for which progressing is essential, for example with wastewater consent review requirements and in relation to the proposed Manawatu Gorge alternative roading network to ensure the future interests of the region are achieved.
- The lower capital expenditure results in lower cash non-operating capital revenues being received. Should this continue the full year budget cash non-operating revenues may not be received, affecting achievement of the budget net result.
- Depreciation is likely to exceed budget following the higher revaluation of infrastructural assets last year.



Higher revenue from:

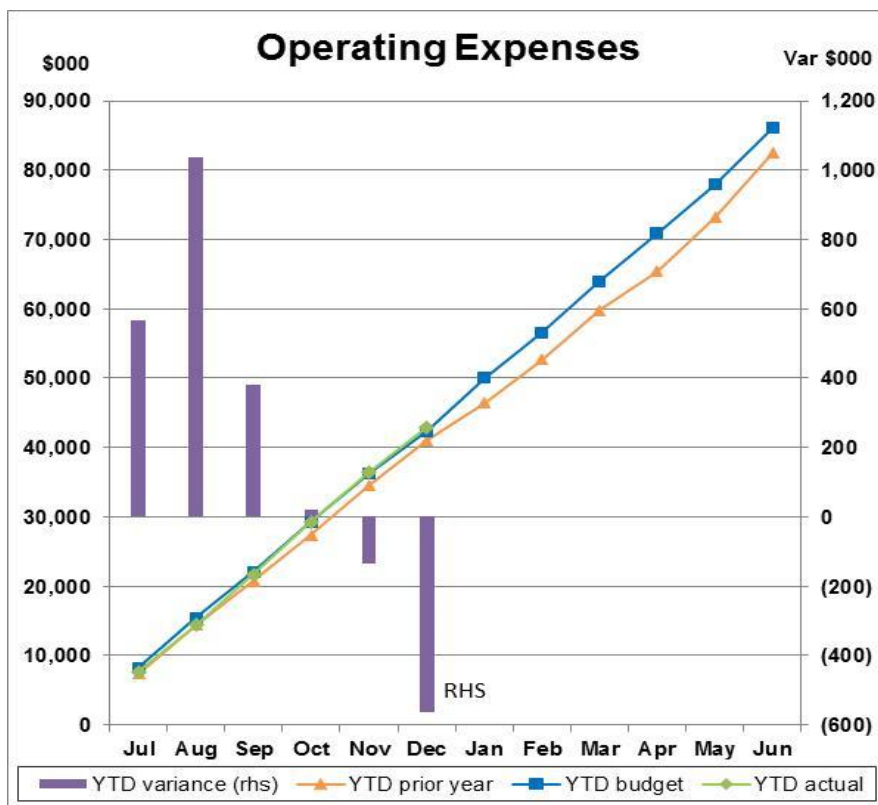
- ↓ Regulatory
- Wastewater collection fees
- ↑ parking meters and infringements
- Central Energy Trust Arena (with higher expenses)
- ↑ Conference & Function Centre
- ↑ value of recycling material sales
- Dividends.

Lower revenue from:

- ↓ rubbish collection bags
- ↓ parking rent
- ↓ NZTA opex.

Year to date:

Actual \$14.6m
Budget \$13.7m
Variance \$0.9m



Lower expenses for:

- ↑ employee direct costs
- ↑ utilities
- insurance.

Higher expenses for:

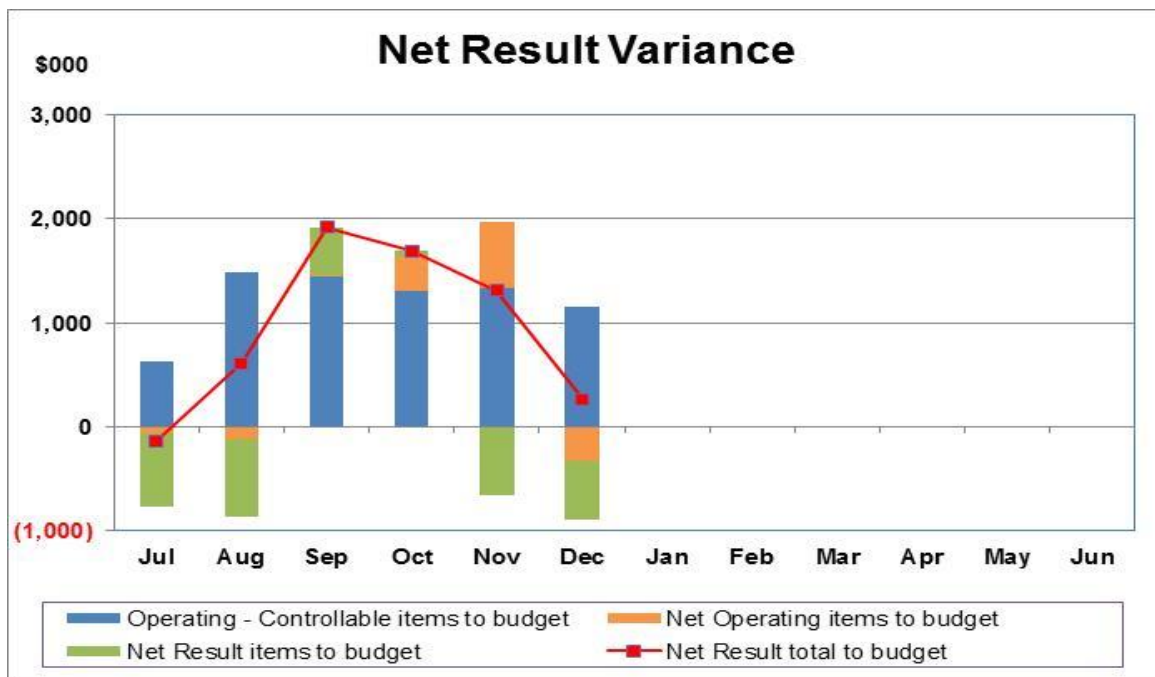
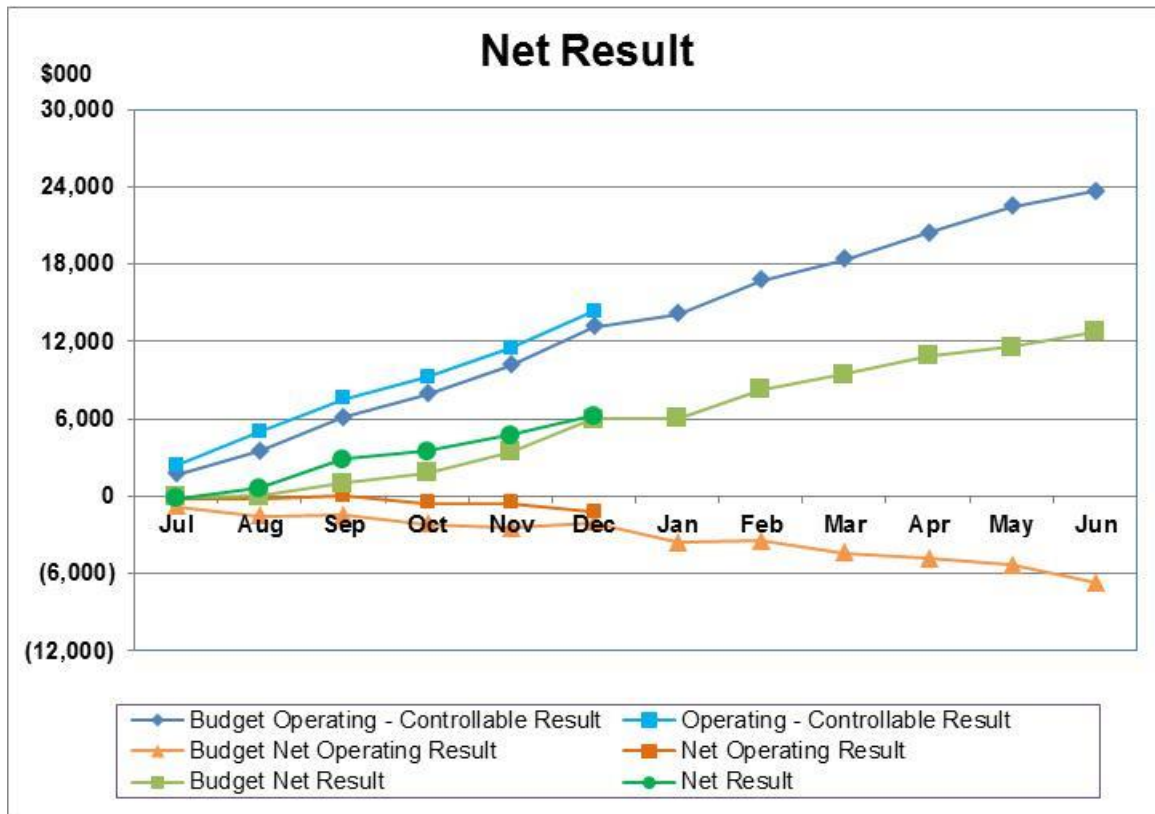
- ↓ professional service costs
- ↑ maintenance, service delivery costs.

Year to date:

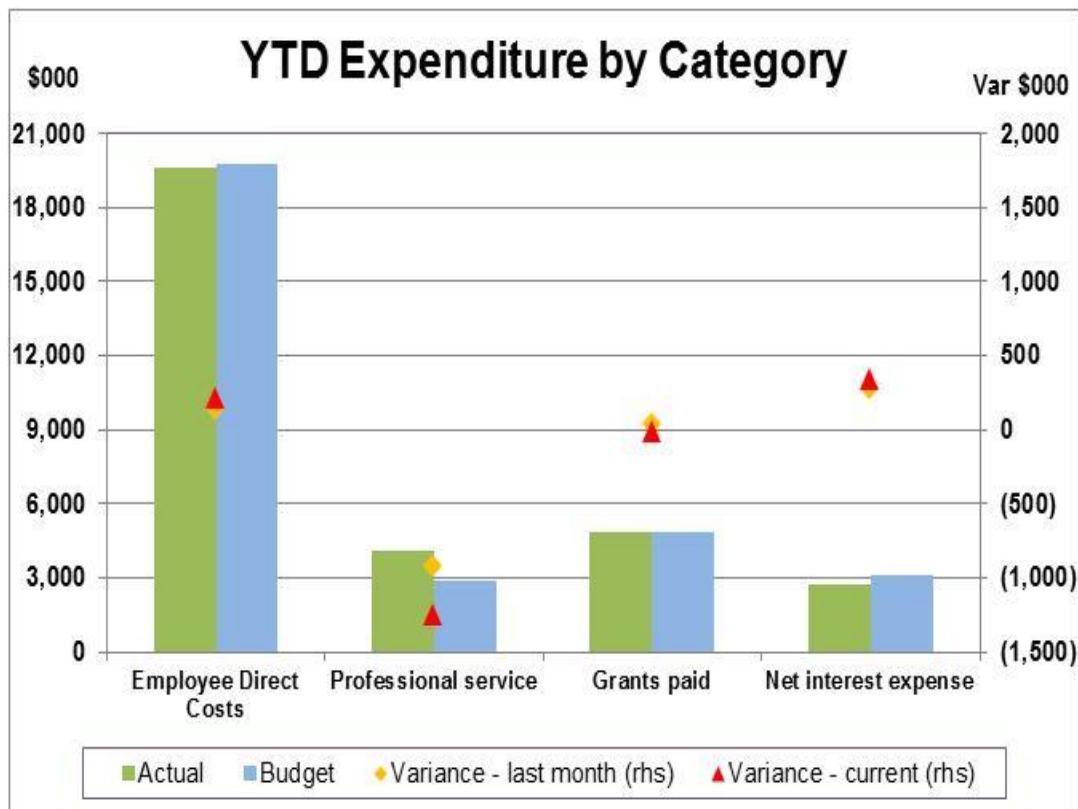
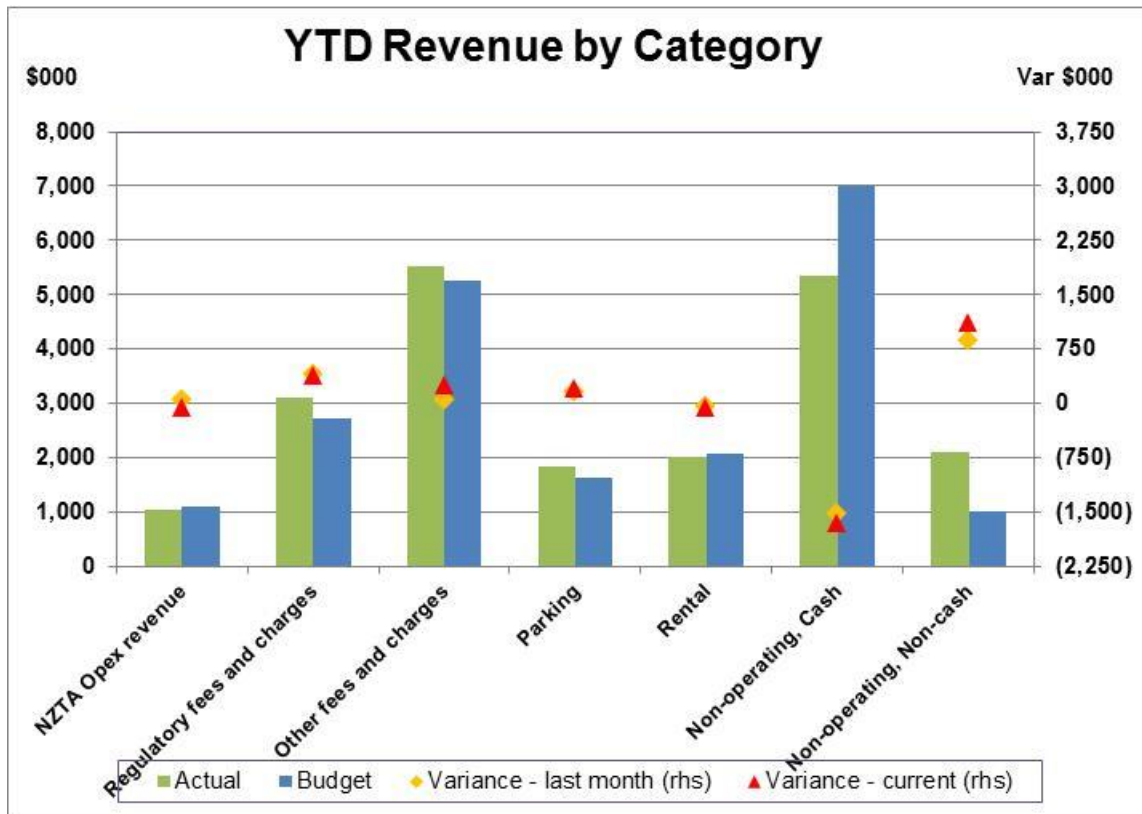
Actual \$42.9m
Budget \$42.4m
Variance (\$0.5m)

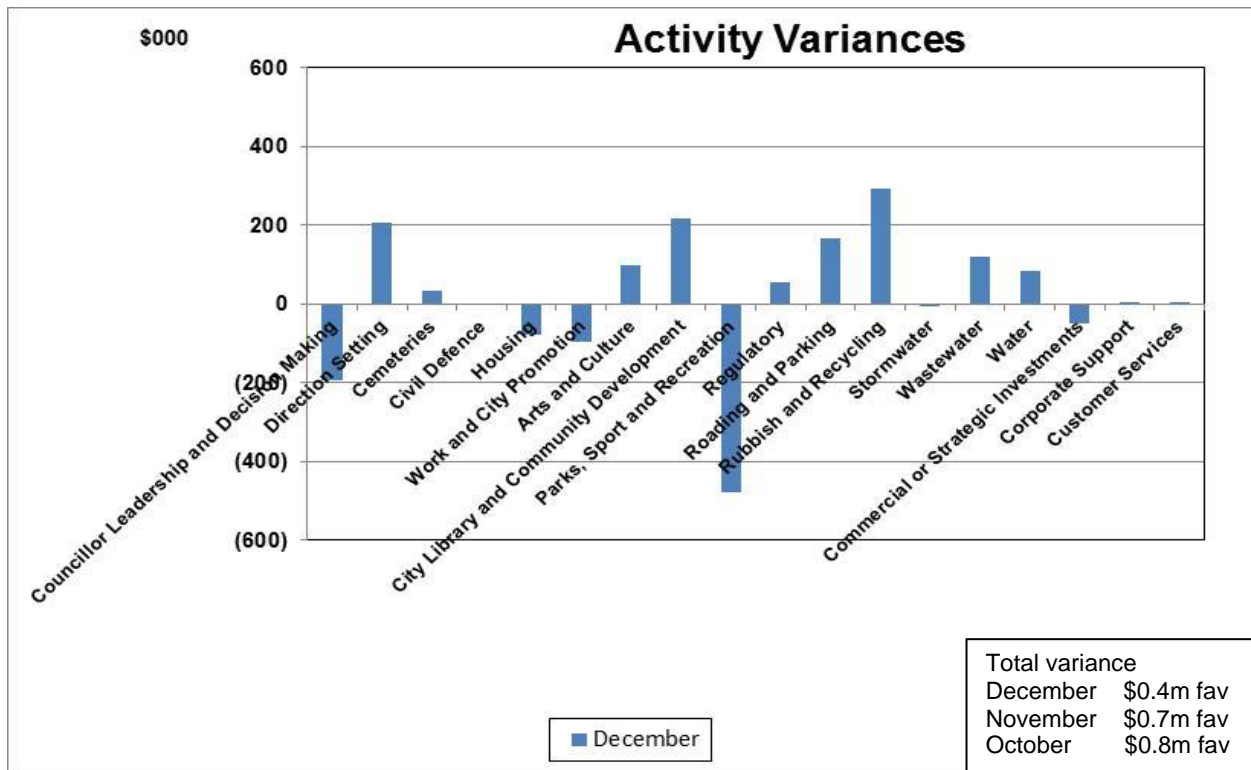
Note – on all variances a positive number is favourable, negative is unfavourable. In the text boxes the heading describes the year to date variance effect with the following symbols reflecting:

- ↑ Favourable movement in the month
- ↓ Unfavourable movement in the month

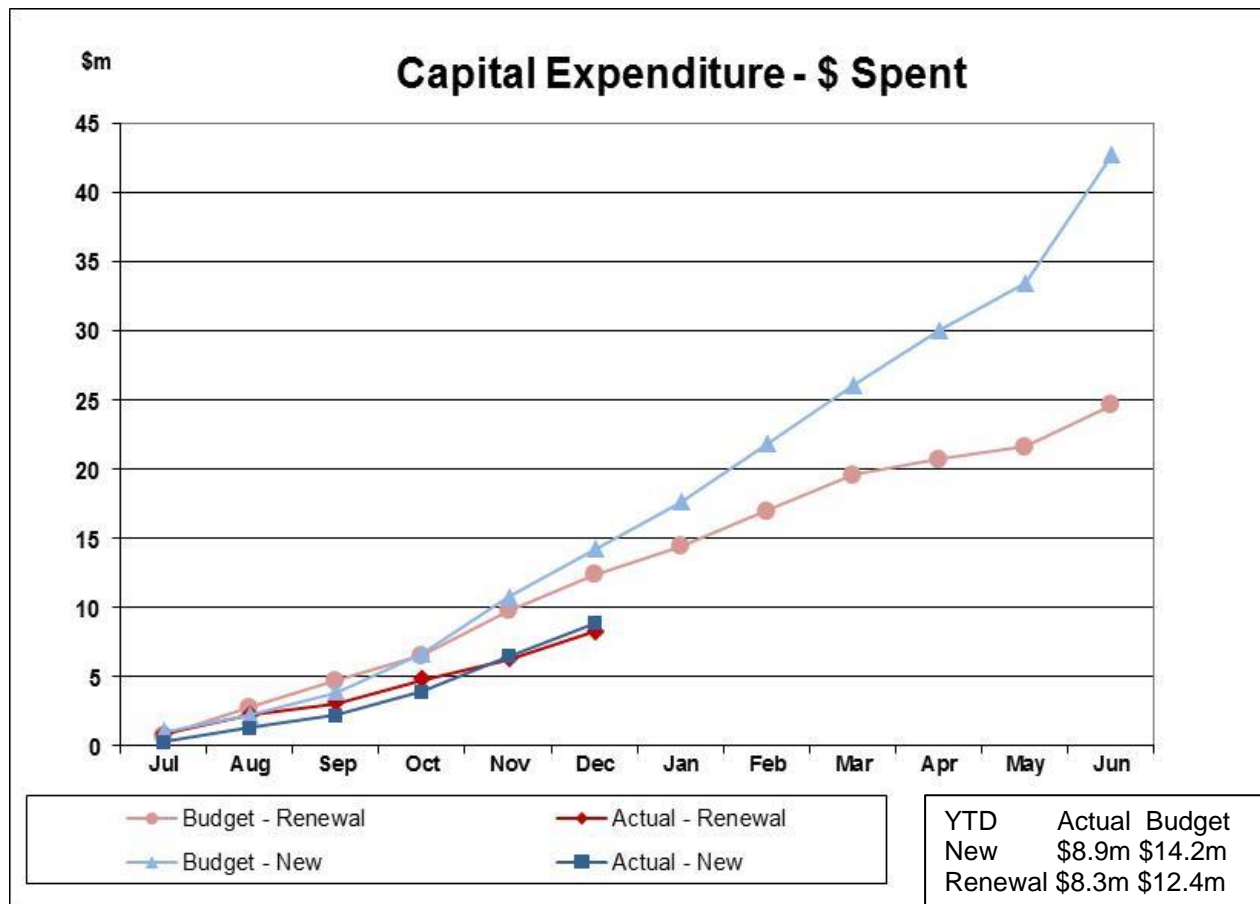


- Operating – controllable surplus items are favourable with the items then included to net operating result higher than budget (depreciation unfav). Those items included to the net result are less than budget (higher vested assets, development contributions, lower revenue for capex, NZTA capex revenue). Items in the net result are difficult to budget.
- Overall the favourable Operating – Controllable surplus is decreased by the unfavourable movements within the Net Operating Result and then further reduced by the unfavourable Net Result movement to give an overall favourable variance to budget.

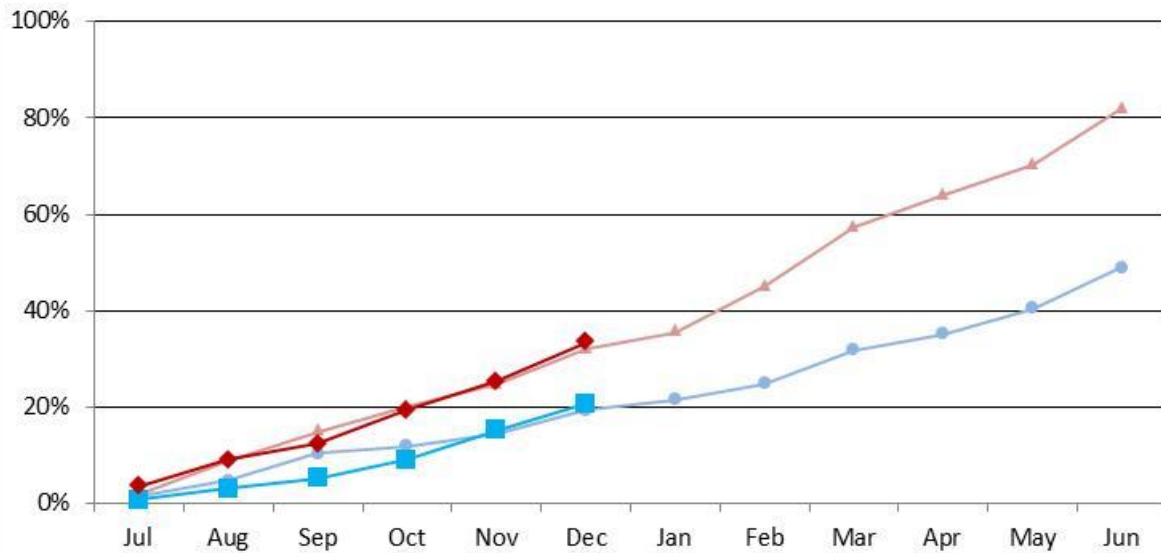




Refer Attachment 1 for activity variance explanations.



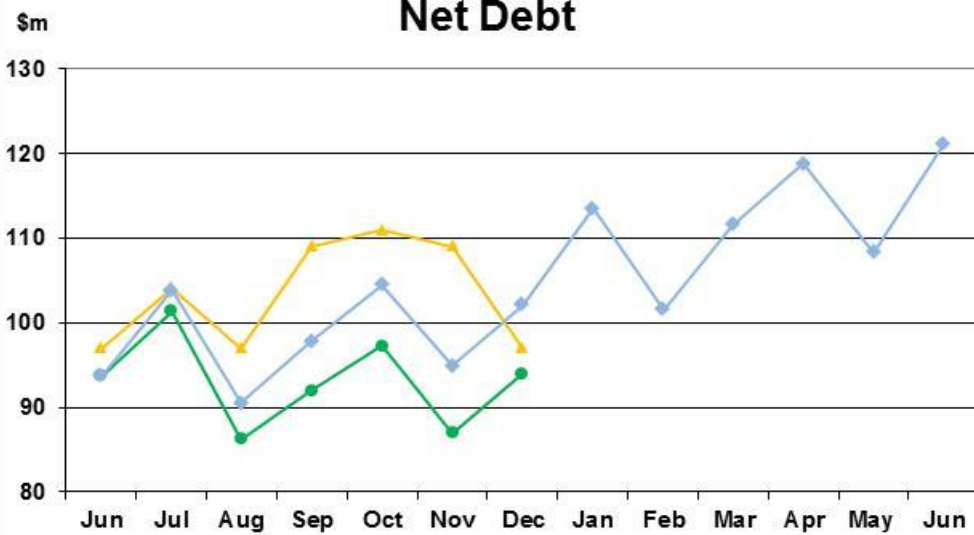
Capital Expenditure - % Completed



2017 % FY Budget Spent - New	2017 % FY Budget Spent - Renewal
2018 % FY Budget Spent - New	2018 % FY Budget Spent - Renewal

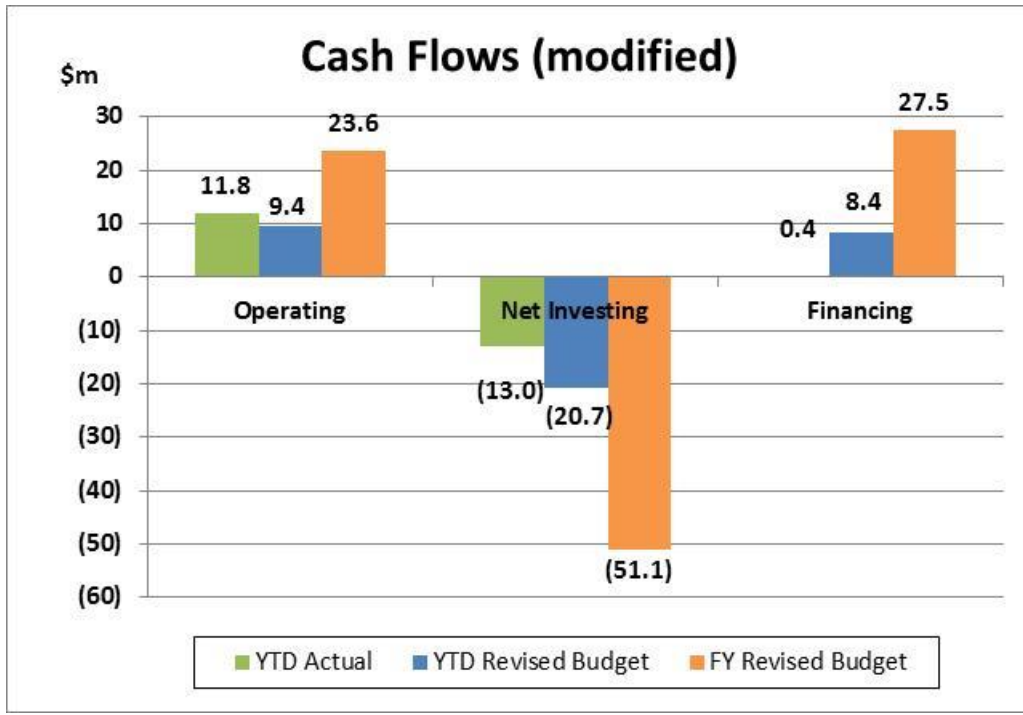
YTD	2018	2017
New	20.8%	19.4%
Renewal	33.5%	32.1%

Net Debt



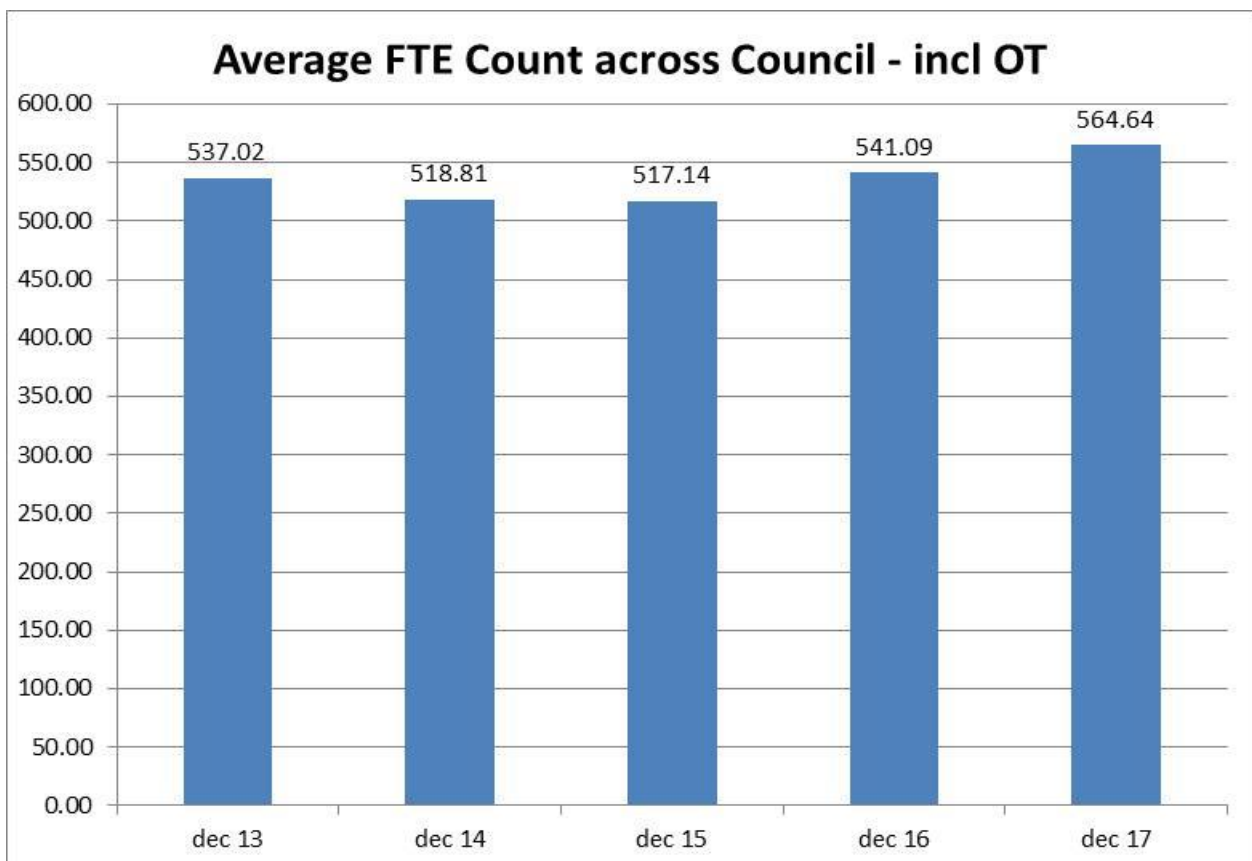
Net Debt	Gross Debt	Revised Budget Net Debt
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Net Debt YTD
Actual \$94.0m
Budget \$102.1m



Personnel

The following graph shows the movement each year of monthly average standard full time equivalent employees. This includes all labour paid through the payroll system but excludes labour hire, for example through agencies, contractors.



Attachments

1. Activity variance explanation
2. Groups of Activities, Net Result Statement
3. Capital Expenditure
4. Net Debt
5. Financial Position and Cash Flow

**Attachment 1 - Activity Variance Explanation
December 2017**

The following table identifies and explains significant Activity operating -controllable revenue and expense variances from budget.
Criteria - 5% variance to budget on either revenue or expenses for each activity, minimum \$30k variance to December, \$50k from January.

Activity	Variance \$000	%	Favourable, unfavourable, timing	Revenue or expense	Variance Category	Explanation
Councillor Leadership & Decision Making	202	12%	Unfav	Expenses	Professional service.	Higher professional service costs to date, related to Hearings and required advice.
Direction Setting	98	100%	Unfav	Revenue	Planning revenue.	Minimal with no private plan change requests received, offset by lower expenses.
	306	12%	Fav	Expenses	Professional service, net personnel costs, operating costs.	Lower costs incurred to date, partly relating to the lower revenue.
Housing	58	6%	Unfav	Expenses	Net personnel costs	Higher cost for required support.
Work & City Promotion	92	21%	Fav	Revenue	Revenue.	Higher revenue to date received by Conference & Function Centre, particularly for cost recovery.
	187	9%	Unfav	Expenses	Net personnel costs, conference costs.	Higher net personnel costs for economic development support, conference costs (offset by revenue recovery).
City Library and Community Development	47	16%	Unfav	Revenue	Material hire.	Revenue from material hire 10% lower than 2016, lower than budget.
Parks, Sport & Recreation	50	6%	Fav	Revenue	Central Energy Trust Arena.	Higher revenues received at Central Energy Trust Arena with offsetting higher expenses.
	526	8%	Unfav	Expenses	Operating costs, remedial work, professional service costs.	Remedial fire compliance work at Central Energy Trust Arena has been required to be treated as an unbudgeted operating cost, higher Central Energy Trust Arena operating costs (with some higher revenue), higher professional service costs.
Regulatory	660	25%	Fav	Revenue	Revenue.	Higher revenues, associated with the higher number of building consents submitted and cost recovery.
	605	16%	Unfav	Expenses	Professional service costs.	Higher costs incurred, partly relating to processing of consents with higher revenue, some costs able to be recovered, partly offset by lower operating costs to date.
Rubbish and Recycling	338	11%	Fav	Expenses	Operating costs.	Lower operating costs incurred to date .
Commercial or Strategic Investments	193	10%	Fav	Revenue	Dividend.	Higher dividend received from PNAL than budgeted.
	243	31%	Unfav	Expenses	Operating costs.	Overall lower internal cost recovery from operating units than budgeted.

Attachment 2 - Groups of Activities, Net Result Statement

Following is the detailed Net Result by Group of Activities. The table includes that most Groups of Activities had favourable variances for the period to December 2017, with four showing unfavourable variances. Year to date these unfavourable variances are currently offset by favourable variances in other activities.

The unfavourable variances may result in the related area of that management unit having similar variances. These are offset by favourable variances within that or other management units so that overall budget operating-controllable result is being achieved.

Details of these variance explanations are in Attachment 1 with the favourable variances currently offsetting the unfavourable variances. The following comments relate to specific items expected to affect full year performance:

- Rubbish and Recycling activity is now favourable but had been adversely affected by unbudgeted expenditure related to lease site cleansing.
- Leisure includes the cost of unbudgeted Central Energy Trust Arena remedial work for fire protection requirements of \$389k as this is required to be maintenance and operating.
- There have been favourable variances for items that should remain unchanged for the remainder of the year:
 - Dividend from PNAL \$219k more than budget
 - Insurance cost for the year likely to be \$175k less than budget
- Rates variance includes favourable variances to budget for penalties, \$109k, and water by meter, \$72k.
- Capital revenues are below that budgeted with lower cash capital revenues, mainly relating to the lower capital expenditure incurred. This is likely to continue and affect the overall year end financial performance.

The result for each Group of Activities includes the direct results of that Group. Within Support Services, External Contracts includes operating service units providing services to the other Groups of Activities. From December the net variance from budget of these activities are allocated to underlying activities to reflect a more accurate cost of each activity. This allocation will then occur each quarter. Support Services also includes Customer Services which is budgeted to be fully allocated to other activities. The net variance of this will be allocated to those other activities each quarter.

The full year revised budget will be amended to include Council approved variations to the 2017/18 Annual Budget. These are included in the full year revised budget column in the Activity Net Result Statement following and comprise the following approved amendments:

	<u>\$000</u>
Annual plan net result	13,362
Caccia Birch grant increase	(4)
Capital grant for skate park	250
Te Manawa concept plan	(40)
Contribution and economic grant	(758)
Economic development event grants	(70)
Falling Waters sculpture grants	<u>40</u>
Revised budget net result	<u>12,780</u>

Palmerston North City Council Detailed Groups of Activities	ACTIVITY STATEMENT								
	NET RESULT - Surplus/(Deficit)								
	2017/18 \$000's								
	ACTUAL - Year to Date			REVISED BUDGET - Year to Date				FULL YEAR	
For the six months ending 31 December 2017	Revenue	Expenses	Net Surplus / (Deficit)	Revenue	Expenses	Net Surplus / (Deficit)	Variance Actual to Budget: fav / (unfav)	Revised Budget Net Surplus / (Deficit)	Annual Plan Budget Net Surplus / (Deficit)
Leadership	14	4,272	(4,258)	104	4,376	(4,272)	14	(8,807)	(8,812)
Community Support	1,557	1,770	(213)	1,534	1,704	(170)	(43)	(98)	(106)
Work and City Promotion	535	2,279	(1,744)	443	2,092	(1,649)	(95)	(3,506)	(2,982)
Leisure	1,208	15,419	(14,211)	1,204	15,254	(14,051)	(160)	(28,136)	(27,834)
Regulatory	3,319	4,357	(1,039)	2,659	3,752	(1,094)	55	(2,902)	(2,902)
Roading and Parking	3,160	6,091	(2,931)	3,068	6,165	(3,097)	166	(6,703)	(6,703)
Rubbish and Recycling	1,544	2,711	(1,166)	1,590	3,049	(1,459)	293	(3,107)	(3,107)
Stormwater	5	764	(760)	1	755	(754)	(6)	(1,457)	(1,457)
Wastewater	445	2,724	(2,279)	461	2,862	(2,400)	122	(4,568)	(4,568)
Water	37	2,119	(2,082)	12	2,179	(2,167)	85	(4,281)	(4,281)
Support Services	2,812	427	2,385	2,613	183	2,430	(45)	3,822	3,912
TOTAL GROUP OF ACTIVITIES	14,636	42,933	(28,296)	13,688	42,371	(28,683)	387	(59,743)	(58,840)
Total Rates	45,356	-	45,356	44,921	-	44,921	435	89,842	89,795
Interest	169	2,934	(2,765)	9	3,112	(3,104)	338	(6,460)	(6,445)
OPERATING - CONTROLLABLE RESULT - Surplus/(Deficit)	60,161	45,867	14,294	58,617	45,484	13,134	1,160	23,639	24,511
Plus Non-controllable operating									
Depreciation	-	15,522	(15,522)	-	15,160	(15,160)	(363)	(30,321)	(30,321)
Gain/(Loss) on disposal of Fixed Assets	24	-	24	-	-	-	24	-	-
Investment Fund revaluation	39	-	39	-	-	-	39	-	-
Derivative financial instrument valuation	-	31	(31)	-	-	-	(31)	-	-
NET OPERATING RESULT - Surplus/(Deficit)	60,223	61,420	(1,197)	58,617	60,643	(2,026)	829	(6,682)	(5,810)
Plus Non-operating revenue									
Vested Assets	2,099	-	2,099	1,000	-	1,000	1,099	2,000	2,000
Development Contributions	958	-	958	866	-	866	93	1,731	1,731
Revenues for capex	2,060	-	2,060	2,630	-	2,630	(570)	4,712	7,103
NZTA for capex	2,327	-	2,327	3,515	-	3,515	(1,188)	11,019	8,338
Taxation Losses Received	-	-	-	-	-	-	-	-	-
NET RESULT - Surplus/(Deficit)	67,668	61,420	6,248	66,628	60,643	5,985	263	12,780	13,362
The revised budget is after adjusting the 2017/18 Annual Plan budget for the following Council approved changes:									
Annual Plan Net Result		13,362							
Caccia Birch grant increase		(4)							
Capital grant skate park		250							
Te Manawa concept plan		(40)							
Contribution and economic grant		(758)							
Economic development event grants		(70)							
Falling Waters sculpture grants		40							
Revised Budget Net Result		12,780							

Attachment 3 - Capital Expenditure

Actual Result

Capital expenditure:	<u>YTD</u>	<u>FY</u>
YTD actual	\$17.2m	
YTD Revised budget	\$26.6m	\$67.5m
Annual budget		\$63.3m

The year to date actual capital expenditure includes only those amounts where liability for payment has been accepted for work completed. At any time there will be substantial additional commitments for future work to be completed pursuant to contracted obligations.

The table below summarises capital expenditure for the year together with how that expenditure is to be funded.

\$000's	YTD Actual	YTD Revised Budget	FY Revised Budget	FY Annual Plan Budget
Renewal Capital Expenditure				
Incurred to date	8,259	12,390	24,560	23,763
Additional expenditure			120	
Funded by:				
Borrowing				
External revenue	(494)	(1,013)	(2,199)	(2,199)
Cash effect of three year averaging			(3,544)	(2,627)
Net funded by rates	7,765	11,377	18,937	18,937
New Capital Expenditure				
Incurred to date	8,895	14,216	41,161	39,505
Additional expenditure			1,617	
Funded by:				
External revenue	(4,851)	(5,998)	(15,263)	(14,973)
Net funded by borrowing	4,044	8,218	27,515	24,532

Included in external revenue for new capital expenditure are amounts received for development contributions. These development contributions are to enable city growth and primarily relate to new capital expenditure incurred in prior years.

The revised budget incorporates:

- Update to carry forward programmes from 2016/17 to:
 - For programmes in the 2017/18 Annual Budget adjustment of that amount to the actual budget available being the programme budget less actual expenditure or, if lower, the carry forward requested
 - For other programmes the actual budget available where estimated expenditure had been less to June 2017, as reported to Finance & Performance Committee
 - These are included in the full year revised budget "Incurred to date" total.
- Additional expenditure approved by Council.

Carry forward adjustment

The report to the August 2017 Finance and Performance Committee detailed adjustments required to amend the estimated carry forward programme amounts included in the 2017/18 Annual Budget to the actual budget available. It has been determined that this calculation excluded \$533,499 for programme 368, Central Energy Trust Wildbase Recovery Centre.

The August Finance report dealt with the carry forward budget from the 2016/17 year only however the \$533,499 is an additional carry forward from the 2015/16 year made direct to the 2017/18 year and was excluded. Council is requested to approve that the carry forward budget for this programme in the 2017/18 Annual Budget be increased by a further \$533,499. This does not increase the overall budget previously approved and relates to the carry forward only to allow budget authorisation for the capital expenditure to be incurred in the current year. Capital expenditure reports have not been amended to incorporate this and will increase the full year budget.

The following table evidences the 2017/18 available budget and the actual 2017/18 budget.

	<u>\$000</u>
The 2015-25 LTP provided for expenditure from July 2015 in:	
2015/16	2,674
2016/17	2,739
Adjustment on deferral of 2016/17 year to 2017/18	4
Total budget expenditure	<u>5,417</u>
Less actual expenditure:	
2015/16	-
2016/17	<u>(578)</u>
Budget that should be available to 2017/18	<u><u>4,839</u></u>
The actual budget for 2017/18 as from the Annual Budget currently comprises:	
2017/18 budget	2,743
2017/18 carry forward budget from Annual Budget, as adjusted to actual from 2016/17	<u>1,563</u>
Total budget currently available for 2017/18	<u><u>4,306</u></u>
Difference – being carry forward from 2015/16 to 2017/18 excluded from 2017/18 budget and required to be included	<u><u>533</u></u>

Summary

The capital budget includes some programmes that required further approvals, pre-requisite events or external funding to be obtained. Until these are satisfied those programmes cannot be completed. The following table summarises the current expectation for programmes included in the 2017/18 annual budget with the effect that significant programmes may not be completed by 30 June 2018, totalling \$10,879k, including known carry forwards required for programmes committed and underway. This could impact on the amount of capital revenues to be received compared to budget.

Further details by programme are in the following “Capital Works Programme” schedules. These also summarise the current progress status of programmes

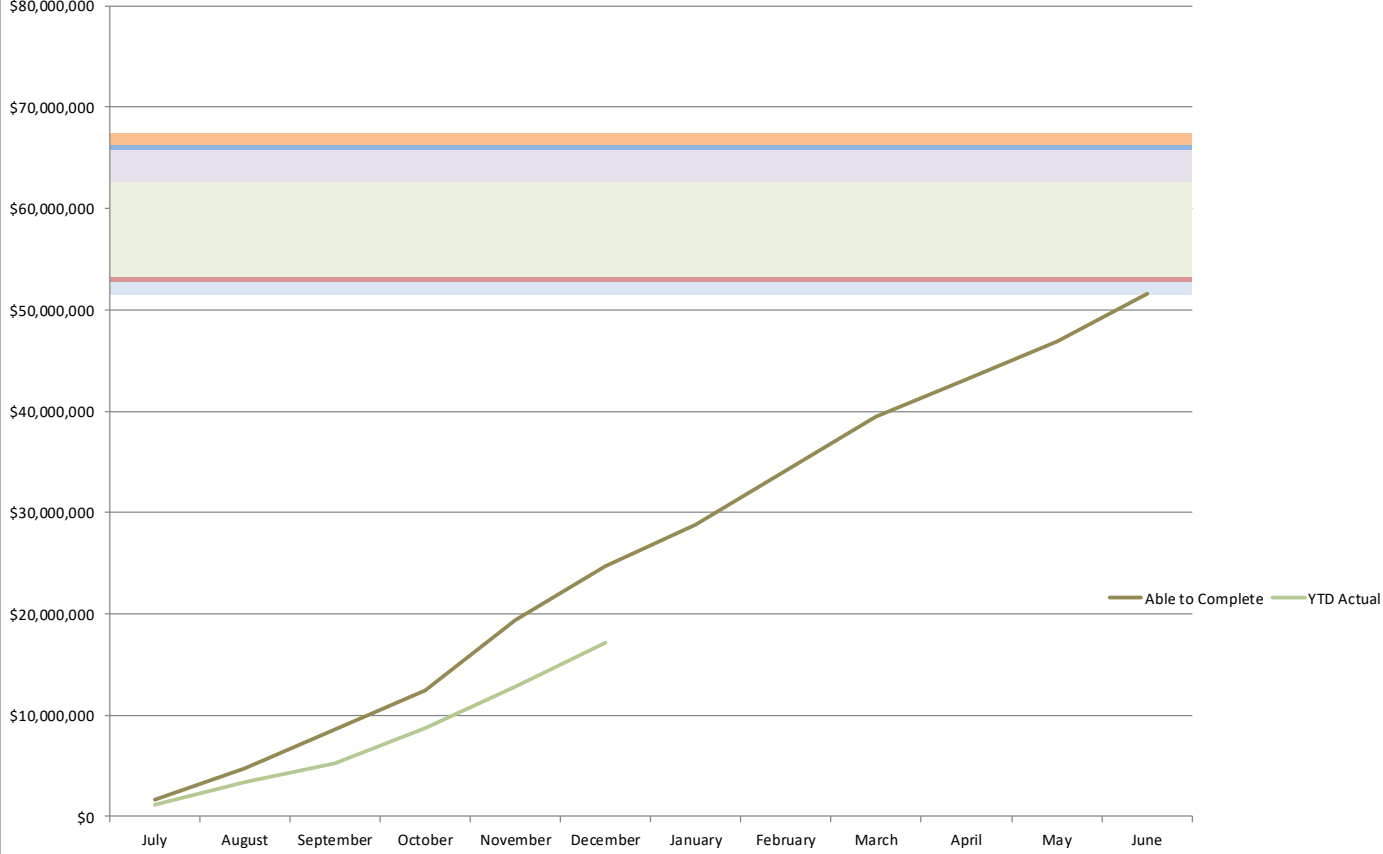
underway. Some further changes have been incorporated from last month but remains under development.

\$000	New Capital	Renewal Capital
Able to complete – completed year to date	8,895	8,259
Able to complete – to complete	25,369	14,056
Development/growth awaiting requirement determination	652	-
Third party funding required	5	-
Probable budget risk, delayed while extra funding is defined	40	-
Council, organisation decision required to proceed	-	818
Regulatory/compliance risk may delay	-	-
Insufficient resource to develop	3,403	188
Unallocated, savings, carry forward, additional spending	4,414	1,359
Total	42,778	24,680
Total Capital Revised Budget	67,458	

Programme Variances

The Capital Works Programme section following includes details of programme progress. Current year expenditure to date shows no significant unfavourable variances to full year revised budget, except for the following programmes.

Description	Prog ID		FY 2018 Budget \$000	YTD 2018 Actual \$000	Explanation of Variance
Mangaone Stream shared path – underpass at Botanical Road	1037	New	nil	\$64k	Additional work required to prevent storm/flood water from scouring out the newly created embankments.
Mangaone Stream shared path – underpass at Highbury Ave	1038	New	nil	\$35k	
Holiday Park renewals	270	Renewal	\$62k	\$101k	For two ablution blocks in desperate need of renewal with work exceeding that allowed in the budget.

<div><div>PNCC Capital Works Programme - 2017/18</div></div>				<table><tr><td>Able to Complete</td><td colspan="3">A programme which has no barriers to completing during 17/18 yr.</td></tr><tr><td>Programmes</td><td colspan="3">X programmes which are proceeding as per the Annual Plan</td></tr><tr><td>Development/Growth</td><td colspan="3">A Programme pegged to local land development/growth, Progress will only occur when and if an external agency progresses their plans.</td></tr><tr><td>Programmes</td><td colspan="3">51-City-wide - Stormwater Subdivision Contributions, 73-City-wide - Wastewater Subdivision Contributions, 210-Urban Growth - Installation of Wastewater Systems for New Industrial Areas - NEIZ Extension Area, 246-City-wide - Water Subdivision Contributions, *1000-Urban Growth - Whakarongo - Installation of Wastewater Systems, *1004-Urban Growth - Whakarongo - Installation of Water Supply Systems, 1005-Urban Growth - Installation of Water Supply Systems to an Expanded North East Industrial Zone</td></tr><tr><td>Third Party Co-Fund Required</td><td colspan="3">A Programme which relies on external funding (eg grants or communitiy funding). 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* This report provides an overview of the 2017/18 Capital Works programmes (Renewals & Capital New) regarding delivery during the financial year.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
* Those programmes where there is certainty of completion have been cashflowed over the financial year against which actual expenditure is being recorded.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
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* The report also groups programmes where there is uncertainty of delivery into six different categories.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
* The second priority is to "barrier-bust" why programmes in these categories cannot be recategorised as "Able to Complete".																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
* When programmes are reclassified in this way the cashflow will be revised to reflect the change.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
* Where programmes are packaged together to form a larger project (e.g. Library of the Future) the combined performance of these will be reported elsewhere.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
Notable Differences - Capital Renewal Project (Greater than \$100,000)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
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281-Operational Property -Civic Administration Building - Refurbishments																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
\$	973,413	The main project was let for keen price on the basis that the contractor could execute 2 months later than expected. All work should be complete by year end																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
1291-Library Roof and HVAC Replacement																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
\$	854,315	Programme on hold until completion of a building condition assessment, due in March '18																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
115-City-wide - Sealed Pavement Renewals (Chip Seal)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
\$	685,895	Contractor failed to complete pre-seal repairs on time. Assurance has been sought that all work will be completed within the contract period.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
64-City-wide - Footpath Renewals and Replacements																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
\$	581,211	The Cuba Street Refurbishment is the largest component of this programme and construction will only begin in January 18.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
1056-Totara Road Wastewater Treatment Plant - Replacement of Inlet Screens (Renewa																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
\$	418,499	This is caused by delays with the screen manufacturer. Now not estimated to arrive until Jan. 18. Not expected to delay Programme beyond June 30.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
63-Council's Plant and Vehicles - Replacements																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
\$	360,700	Council approved purchase of E-Truck, which will substantially reduce this deficit.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
139-City-wide - Sealed Road Resurfacing (A/C Type)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
\$	258,128	Contractor failed to complete pre-seal repairs on time. Assurance has been sought that all work will be completed within the contract period.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
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218-City-wide - Water Pipe Replacements																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
-\$	440,872	The recent dry weather has enabled City Enterprises to continue making good progress																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									

Programme	2017/18 Budget	Unallocated/Saving/Carry Forward	Project Performance Indicator	Able to Complete			Development /Growth	Third Party Co-Fund Required	Risk Categories				Comments
				Full Year Forecast Spend	Spend to date	Actual Physical Progress			Probable Budget Risk	Council/Org. Decision Required	Regulatory /Compliance Risk	Insufficient Resource to Develop	
PNCC Total Capital Works Programme	\$ 67,458,248	\$ 6,423,792		\$ 56,579,641	\$ 17,153,268		\$ 652,165	\$ 5,000	\$ 40,000	\$ 818,392	\$ -	\$ 3,591,796	
Capital New	\$ 42,777,875	\$ 5,065,624		\$ 34,264,314	\$ 8,892,931		\$ 652,165	\$ 5,000	\$ 40,000	\$ -	\$ -	\$ 3,403,310	
<i>Cemeteries</i>	<i>\$ 111,767</i>	<i>\$ -</i>		<i>\$ 111,767</i>	<i>\$ 8,401</i>		<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	
107-Cemeteries - Kelvin Grove - Ash Plot developments and Childrens area extension	\$ 37,528			\$ 37,528	\$ 8,266	28%							
147-Cemeteries - Kelvin Grove, Ashhurst and Bunnythorpe - New Burial Berms	\$ 74,239			\$ 74,239	\$ 135	50%							The recent spell of dry weather has allowed for good progress.
<i>Housing</i>	<i>\$ 1,583,026</i>	<i>\$ 578,888</i>		<i>\$ 1,004,138</i>	<i>\$ 94,962</i>		<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	
357-Social Housing - Papaioea Place Redevelopment	\$ 1,583,026	\$ 578,888		\$ 1,004,138	\$ 94,962	4%							The first part of the year is dedicated to gaining Resource and Building Consents, as well as a urban design review. The review has been done and the Contractor's design team are reviewing the feedback. Construction will start in Qtr 3. The Balance will be recommended for Carry Forward.
<i>Arts and Culture</i>	<i>\$ 474,348</i>	<i>\$ 70,000</i>		<i>\$ 404,348</i>	<i>\$ 89,318</i>		<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	
367-Public Sculptures/Art Funding	\$ 60,000			\$ 60,000	\$ 60,000	100%							Programme complete
902-Property - Seismic Strengthening of Council Owned Buildings	\$ 270,988			\$ 270,988	\$ 29,318	71%							Priority projects are Square Edge and the crematorium. Contract documentation is being advanced for the Square Edge building and a structural engineer has been engaged for the crematorium. The budget originally for Te Manawa will be expended elsewhere.
1176-Globe Theatre - Mobility Access to Main Auditorium (subject to funding)	\$ 143,360	\$ 70,000		\$ 73,360	\$ -								from that a Consultant has been engaged to produce a design. This work has been estimated at \$73K and the additional \$70K (was due to contributed by the theatre) will be declared as a saving.
<i>City Library and Community Development</i>	<i>\$ 4,254,513</i>	<i>\$ 3,915,736</i>		<i>\$ 420,171</i>	<i>\$ 139,945</i>		<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	
336-City Archives - Additional Storage	\$ 470,998	470,998			0								Part of LOTF. See Prog. 1101
1101-The Library of the Future	\$ 3,295,620	\$ 3,107,000		\$ 188,620	\$ 133,394								The Stage 1 Café area may proceed, subject ot report to council. The remainder is on hold pending the outcome of the building condition assessment, due in March '18.
1137-Digital Technology to Support 21st Century Citizens	\$ 102,961	\$ 102,961			0								Part of LOTF. See Prog. 1101
1141-Community Learning and Transformation Space	\$ 182,604	\$ 182,604			0								Part of LOTF. See Prog. 1101
1150-City Libraries - Building Security System Replacement	\$ 52,173	\$ 52,173			0								Part of LOTF. See Prog. 1101
1306-Library HVAC Upgrade	\$ 150,157			\$ 231,551	\$ 6,551	0%							Currently a Building condition assessment is being carried out which will determine the scope of the project. This work is likely to cost \$230K
<i>Parks sport and Recreation</i>	<i>\$ 10,071,669</i>	<i>\$ -</i>		<i>\$ 10,602,813</i>	<i>\$ 4,425,538</i>		<i>\$ -</i>	<i>\$ -</i>	<i>\$ 40,000</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	
92-Ashhurst Domain - Upgrade of Entranceway Through to	\$ 40,000			\$ 40,000	\$ 40,000	100%							Programme Complete
93-City Reserves - Memorial Park Reserve Development Plan Implementation	\$ 52,122			\$ 52,122	\$ 7,401	36%							
94-Walkways and Shared Path - Purchase of Land to Extend Network	\$ 210,673			\$ 210,673	\$ -	7%							Negotiations continuing at three sites (ANZAC Cliffs, Aokautere Drive & Sardinia Grove), expect agreements to be made before year end.
95-Walkways and Shared Path - Construction	\$ 70,885			\$ 70,885	\$ 88,856	100%							
111-Neighbourhood Reserves - Roslyn - Edwards Pit Park Development	\$ 52,122			\$ 52,122	\$ 11,013	44%							Work continuing in association with the Lions.
157-Citywide - Playground Development	\$ 166,789			\$ 166,789	\$ 18,385	19%							Design, procurement & construction well underway. All playgrounds will be completed this year.
158-Citywide - Safety Improvements to Reserves	\$ 34,400			\$ 34,400	\$ 1,219	0%							
160-Citywide - Improved Access to Reserves for Persons with Disabilities	\$ 37,528			\$ 37,528	\$ -	35%							
161-Public Toilets - Citywide programme	\$ 344,003			\$ 344,003	\$ 119,475	52%							
165-Outdoor Adventure Reserves - Arapuke Forest Park/Kahuterata	\$ 44,303			\$ 44,303	\$ 16,985	43%							
285-Freyberg Pool - Modifications to Toddler Pool	\$ 231,701			\$ 231,701	\$ 139,815	99%							
368-Central Energy Trust Wildbase Recovery Centre (subject to part funding)	\$ 4,305,856			\$ 4,877,000	\$ 1,777,738	41%							Expenditure is currently running \$800K less than budget YTD due to some delays overcoming structural issues, but these should not unduly affect completion this year. Budget should include overlooked C/Fwd from 16/17.
587-Neighbourhood Reserves - Kelvin Grove - Linklater Reserve Development	\$ 292,320			\$ 292,320	\$ 223,275	33%							Early progress hampered by wet weather, but recent progress good.
697-Clearview Reserve Development	\$ 31,577			\$ 31,577	\$ -	0%							Work dependent on Developer being able to complete earthworks, this work now scheduled for May.
738-Skatepark Facility	\$ 250,000			\$ 250,000	\$ 258,867	100%							Programme Complete
752-Manawatu River - Framework Implementation	\$ 275,942			\$ 275,942	\$ 55,804	26%							
967-Edibles Planting	\$ 5,212			\$ 5,212	\$ 837	44%							
990-Central Energy Trust Arena Manawatu - Covered Embankment (subject to part external funding)	\$ 499,950			\$ 499,950	\$ -	0%							A feasibility study has been commissioned. This is likely to cost less than \$50k. The covered embankment is deferred and will now be considered as part of the next Master Plan, due 2019. To now determine if other projects as re-prioritised in the current Arena Master Plan can be completed.
1076-City Reserves - Victoria Esplanade - Junior Road Safety Park (Improvements 100k from Council)	\$ 432,156			\$ 432,156	\$ 408,295	100%							Programme Complete
1077-Citywide - Biodiversity Enhancement Through Native Planting	\$ 20,369			\$ 20,369	\$ -	0%							
1084-Central Energy Trust Arena - Masterplan Priority 1 Projects	\$ 1,835,000			\$ 1,835,000	\$ 1,072,343	44%							Project currently on track. Purchase of 103 Cuba was settled November. Retractable seating ordered and all work is on track.
1100-Waitoetoe Dog Socialisation Area	\$ 99,000			\$ 99,000	\$ 30,709	33%							Corrections undertaking physical work. Steady progress being made.
1171-City-wide - Increased Smokefree Signage	\$ 10,424			\$ 10,424	\$ 1,451	0%							This work will take the form of a mural at the Highbury Whanau Centre.
1172-Drinking Fountains at Recreational Facilities	\$ 36,573			\$ 36,573	\$ 3,613	39%							
1175-Citywide - Shade Trees	\$ 26,061			\$ 26,061	\$ 14,673	37%							
1182-Citywide - Recreation spaces - Improved Lighting	\$ 20,849			\$ 20,849	\$ -	0%							
1282-Panieri Park - Purchase of Adjacent Land	\$ 40,000				\$ -	22%			\$ 40,000				A meeting has been held with a representative of the Trust that owns the land. Negotiations are proving not to be straightforward and are ongoing.
1318-Central Energy Trust Arena - New Generator	\$ 120,000			\$ 120,000	\$ 120,638	95%							
1320-Sportsfields - Hokowhitu Lagoon Supplementary Water Take	\$ 220,000			\$ 220,000	\$ 14,146	20%							
1342-Fitzherbert Park - Cricket Ground Enhancements (subject to funding)	\$ 265,854			\$ 265,854	\$ -	4%							Manawatu Cricket are coordinating the project. A design has been approved by Council and work will commence as soon as practicable.

Programme	2017/18 Budget	Unallocated/Saving/Carry Forward	Project Performance Indicator	Able to Complete			Development /Growth	Third Party Co-Fund Required	Risk Categories				Comments
				Full Year Forecast Spend	Spend to date	Actual Physical Progress			Probable Budget Risk	Council/Org. Decision Required	Regulatory /Compliance Risk	Insufficient Resource to Develop	
<i>Roading and Parking</i>	\$ 19,037,542	\$ -		\$ 15,629,232	\$ 2,794,315		\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ 3,403,310	
25-Forest Hill Road - Seal Extension	\$ 500,000			\$ 500,000	\$ 43,654	24%							Tender imminent, all works should be completed before year end
57-Manawatu River - Downstream Pedestrian/Cycle Bridge Construction (subject to part external funding)	\$ 5,544,730			\$ 4,122,142	\$ 515,359	35%						\$ 1,422,588	Council have approved extra funding to allow acceptance of tender. Construction to start in Qtr 3. Funds not expended this year will be applied for Carry forward.
114-City-wide - New Cycle Stands and Shelters	\$ 17,600			\$ 17,600	\$ 11,188	77%							
148-City-wide - Bus Stop Improvements	\$ 36,235			\$ 36,235	\$ -	32%							
163-City-wide - New Street Tree Planting	\$ 65,953			\$ 65,953	\$ 12,254	20%							
167-Urban Growth - Whakarongo - James Line Upgrade - Stage 4	\$ 2,626,066			\$ 2,626,066	\$ 299,789	29%							Contract Let, Work to commence on site early November with a tight programme. Now expect to complete all works by July 2018, however all budget may be expended in 17/18.
201-City-wide - Rooding Subdivision Contributions	\$ 165,647			\$ 165,647	\$ 158,695	36%							Contract obligations to purchase will likely exceed budget. Pacific Drive has been settled, Johnstone Drive though flagged is yet to be triggered . Council report will be required to seek additional funding.
243-City Centre Streetscape Plan - Main Street East (Bus Terminal & Canopies)	\$ 166,819			\$ 166,819	\$ -								Investigations and design will be completed and reported to Council prior to year end.
279-City-wide - Minor Road Projects	\$ 1,048,796			\$ 1,048,796	\$ 37,773	15%							An external Consultant is project managing 9 projects in this programme to ensure their completion. Rest of programme is being managed in house and on track for completion.
506-City Wide Public Space Rubbish & Recycling Bins	\$ 22,010			\$ 22,010	\$ 1,009	15%							
674-Church/Ruahine Streets - Roundabout Safety Improvements	\$ 558,000			\$ 558,000	\$ 504,560	82%							
732-Summerhill Drive - Pedestrian and Cycle Improvements	\$ 253,500			\$ 253,500	\$ 9,368	27%							
829-City-wide - Undergrounding of Power and Telecom Cables	\$ 1,211,578			\$ 375,000	\$ 12,609	8%						\$ 836,578	Chorus commissioned to install UFB ducts. Utility owners has advised they have no resources to complete any further work.
977-Manawatu River (Fitzherbert Bridge to Linton) - Cycle/Pedest	\$ 1,800,163			\$771,774	\$ 153,850	24%						\$ 1,028,389	Work delayed to co-ordinate with bridge construction (linking to abutment). Design complete, Construction to start late summer once compliance gained. Council has approved additional funding for 18/19.
1003-Urban Growth - Whakarongo - Intersection Upgrades	\$ 167,207			\$ 167,207	\$ 20,712	20%							This work will be carried out as part of James Line reconstruction
1086-City-wide - Street Lighting Upgrade to Current LEDs	\$ 3,922,411			\$ 3,922,411	\$ 816,414	63%							Procurement of "compliant lamps" underway and installation forecast to be complete by year end. During the month Council accepted Officer's recommendation that "non-compliant" lamps also be replaced and these are being included into the programme.
1131-City Boundary Entrance Treatments	\$ 495,755			\$ 380,000	\$ 9,828	27%						\$ 115,755	The NZTA gorge by-pass work at Ashhurst means there is some uncertainty over installation of the Ashhurst Entrance Treatment. Officers are looking to advance another entrance.
1155-City-wide - Street Seats	\$ 35,388			\$ 35,388	\$ 6,922	23%							
1216-City-wide - Additional Cycle Lanes	\$ 102,100			\$ 102,100	\$ 11,889	2%							
1257-City-wide - Cycle Phases at Intersections	\$ 40,840			\$ 40,840	\$ 1,670	9%							
1259-Broadway Avenue Upgrade	\$ 141,744			\$ 141,744	\$ 59,706	71%							Original programme slipped when it became obvious there was more pre-construction work required. This forced the construction to need to be split over the summer retail period. The first phase of Construction is underway and the second will conclude Feb-Mar 2018.
1315-Walker's Road - New Shared Pathway	\$ 100,000			\$ 100,000	\$ 698	19%							
1330-Placemaking Co-created Project	\$ 15,000			\$ 10,000	\$ 7,862	67%		\$ 5,000					Delivery dependent on external agency(s) willing to partner with Council (e.g. for parklet in lieu of carpark)
- -Unbudgeted Expenditure(Progs:1037,1038,1260)					\$ 98,506								This relates to expenditure incurred this year for which there is no budget. The most common reason is that an invoice is received in this financial year for work completed last year.
<i>Rubbish & Recycling</i>	\$ 549,014	-		549,014	126,827		-	-	-	-	-	-	
18-Waste Minimisation - Introduction of Recycling Wheelie Bins	\$ 30,428			\$ 30,428	\$ 28,557	100%							Programme Complete
375-Awapuni Landfill - Commercial lease site Development	\$ 40,000			\$ 40,000	\$ 20,148	48%							
561-Events Waste Management & Minimisation	\$ 35,000			\$ 35,000	\$ 26,913	50%							There have been delays in receiving offers from suppliers, but this should not cause any undue delay in completing this work.
657-Recycling - City Wide Wheelie Bins and Crates to Additional Properties	\$ 36,700			\$ 36,700	\$ 29,890	42%							
721-Awapuni Landfill - Landscaping	\$ 83,886			\$ 83,886	\$ 13,850	25%							This work can only be completed during the summer months and is dependent on the volume of compost which meets the standard for use as cover material.
1106-Recycling - Install RFID Tags on Existing Recycling Wheelie Bi	\$ 300,000			\$ 300,000	\$ 7,469	2%							Tender out for a design/build solution for the Tags and Readers, and the software programme
1524-Water & Waste Furniture Refresh	\$ 23,000			\$ 23,000	\$ -	0%							Office Refresh Occuring during February
<i>Stormwater</i>	\$ 1,164,215	-		1,058,028	380,402		106,187	-	-	-	-	-	
51-City-wide - Stormwater Subdivision Contributions	\$ 106,187				\$ -		\$ 106,187						
1001-Urban Growth - Whakarongo - Installation of Stormwater Sys	\$ 350,000			\$ 350,000	\$ 60,953	26%							Will be completed as part of contract for James Line road reconstruction.
1060-City-wide - Stormwater Improvement Works	\$ 708,028			\$ 708,028	\$ 319,449	27%							

Programme	2017/18 Budget	Unallocated/Saving/Carry Forward	Project Performance Indicator	Able to Complete			Development /Growth	Third Party Co-Fund Required	Risk Categories				Comments
				Full Year Forecast Spend	Spend to date	Actual Physical Progress			Probable Budget Risk	Council/Org. Decision Required	Regulatory /Compliance Risk	Insufficient Resource to Develop	
<i>Wastewater</i>	\$ 1,685,874	235,000		1,264,687	251,273		186,187	-	-	-	-	-	
73-City-wide - Wastewater Subdivision Contributions	\$ 106,187				\$ 2,620		\$ 106,187						
198-City-wide Pump Stations - Flow Capacity Improvements	\$ 25,014			\$ 25,014	\$ -	30%							
210-Urban Growth - Installation of Wastewater Systems for New In	\$ 200,000			\$ 120,000	\$ 7,608	8%	\$ 80,000						The work to extend services in the road easement requires design and consultation prior to physical construction in Q3 and Q4 of the financial year
570-Totara Road Wastewater Treatment Plant - Replacement of In	\$ 474,606			\$ 474,606	\$ 149,708	20%							
572-Totara Road Wastewater Treatment Plant - Replacement of G	\$ 10,189			\$ 10,189	\$ -	25%							
630-City-wide - Seismic Strengthening to Wastewater Structures	\$ 100,000			\$ 100,000	\$ 2,348	2%							
906-Bunnythorpe Wastewater Connection to Palmerston North	\$ 100,000			\$ 100,000	\$ 3,221	37%							Easement legalisation well underway, but waiting for third party utility input before project can be completed.
1000-Urban Growth - Whakarongo - Installation of Wastewater Sys	\$ 520,000	\$ 235,000		\$ 285,000	\$ 85,768	11%							\$220K will be delivered as part of the James Line road reconstruction. The rest is reliant on the adjacent development being advanced in subsequent years. Carry forward required for this.
1048-Totara Road Wastewater Treatment Plant - Construction of N	\$ 149,878			\$ 149,878	\$ -	22%							Design and selection of equipment being completed prior to construction in Qtr 3/4.
<i>Water</i>	\$ 3,513,648	\$ 266,000		\$ 2,887,857	\$ 581,950		\$ 359,791	\$ -	\$ -	\$ -	\$ -	\$ -	
91-Turitea Water Treatment Plant - Construction of Duplicate Wat	\$ 200,000			\$ 200,000	\$ 8,046	23%							
246-City-wide - Water Subdivision Contributions	\$ 220,657				\$ -		\$ 220,657						
592-Turitea Water Treatment Plant - Sludge Handling and Dispos	\$ 200,000			\$ 200,000	\$ 6,801	0%							
593-Water Safety and Security Mitigation	\$ 170,838			\$ 170,838	\$ 71,884	28%							
610-Turitea Valley Road/Pacific Drive - New Water Supply Link Pip	\$ 199,076			\$ 199,076	\$ 171,285	100%							Programme Complete
651-City-wide - Seismic Strengthening of Water Structures	\$ 558,030	\$ 101,000		\$ 457,030	\$ 19,949	33%							Request for Proposal due late February. Lack of Specialist Expertise is hampering progress. Carry forward required for this.
794-BC - Longburn - Water Collection Source and Storage Improve	\$ 25,000			\$ 25,000	\$ 14,812	100%							Programme Complete
893-Turitea Water Treatment Plant - New Retaining Walls on Access Road	\$ 470,000			\$ 470,000	\$ 133,088	38%							
985-Kelvin Grove Water Supply Zone - New Bore	\$ 644,058			\$ 644,058	\$ 57,370	10%							Bore complete. Design of pump and reservoir well underway, some issues over the size of the reservoir v. the size of the land holding are proving a challenge.
986-Turitea Upper Dam - Installation of Aeration Facility	\$ 25,989			\$ 25,989	\$ 20,714	100%							Programme Complete
1004-Urban Growth - Whakarongo - Installation of Water Supply S	\$ 600,000	\$ 165,000		\$ 435,000	\$ 40,913	15%							The \$250K will be completed as part of the James Line road reconstruction. The timing of the rest is dependent on the adjacent development. At this stage none of the various landowners who are within the development area have confirmed their intention to commence. Carry forward required for balance.
1005-Industrial Growth - Installation of Water Supply Systems to an Expanded North East Industrial Zone	\$ 150,000			\$ 10,866	\$ 10,866	100%	\$ 139,134						All work which is expected to be triggered by development this year has been completed.
1331-Fluoridation for Bunnythorpe and Longburn water schemes	\$ 50,000			\$ 50,000	\$ 26,222	83%							
<i>Commercial or Strategic Investments</i>	23,119			23,119	-		-	-	-	-	-	-	
245-Gordon Kear Forest - Development of Internal Rooding	23,119			23,119	-	20%							Work on schedule for execution between March and May 2018.
<i>Corporate Support</i>	309,140			309,140	-		-	-	-	-	-	-	
60-Information Management Strategic plan - New software Applic	104,140			104,140	-	18%							This is work to enable software purchases related to the delivery of the IM plan. Currently most of the work has been done in house so there is no expectation to start spending until Jan 18 at which point we will be delivering components of the plan.
1185-Non Financial Reporting System	205,000			205,000	-								

Programme	2017/18 Budget	Unallocated/Spending/Carry Forward	Project Performance Indicator	Able to Complete			Development /Growth	Third Party Co-Fund Required	Risk Categories				Comments
				Full Year Forecast Spend	Spend to date	Actual Physical Progress			Probable Budget Risk	Council/Org. Decision Required	Regulatory /Compliance Risk	Insufficient Resource to Develop	
Capital Renewal	\$ 24,680,373	\$ 1,358,168		\$ 22,315,327	\$ 8,260,337		\$ -	\$ -	\$ -	\$ 818,392	\$ -	\$ 188,486	
<i>Cemeteries</i>	<i>\$ 196,853</i>	<i>\$ -</i>		<i>\$ 196,853</i>	<i>\$ 50,069</i>		<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	
37-Cemeteries - Terrace End - Site Enhancements	\$ 9,216			\$ 9,216	\$ -	6%							
278-Cemeteries - Kelvin Grove - Roading and Footpath Refurbishment	\$ 70,885			\$ 70,885	\$ 50,069	23%							
564-Cemeteries - Kelvin Grove - Replacement of Cremator Refractory Brick Lining	\$ 116,752			\$ 116,752									Contractor selected, construction to begin April '18.
<i>Housing</i>	<i>\$ 738,554</i>	<i>\$ 554,143</i>		<i>\$ 184,411</i>	<i>\$ 85,920</i>		<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	
180-Social Housing - Citywide - Community Housing Refurbishments	\$ 654,143	\$ 554,143		\$ 100,000	\$ 920	0%							The bed-sit conversion project has been cancelled. \$100K will be re-allocated to other work on the complexes.
304-Social Housing - Replacement of Structures, Internal Fitout and Services	\$ 84,411			\$ 84,411	\$ 85,000	100%							Programme Complete
<i>Work and City Promotion</i>	<i>\$ 162,280</i>	<i>\$ -</i>		<i>\$ 162,280</i>	<i>\$ 80,085</i>		<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	
251-Convention Centre - Replacement of Equipment	\$ 34,958			\$ 34,958	\$ 27,784	75%							Well advanced in equipment replacement programme
989-Venues Manawatu - Replacement of Booking system	\$ 80,505			\$ 80,505	\$ 15,684	40%							Advanced. Considerable planning done on identifying requirements and will progress further towards end of year.
1166-Convention Centre - Equipment Purchases	\$ 46,817			\$ 46,817	\$ 25,617	40%							On target and equipment identified.
Unbudgeted Expenditure (Convention Kitchen Upgrade)					\$ 11,000	100%							Will offset through other areas. Timing out as should have been included at back end of last year.
<i>Arts and Culture</i>	<i>\$ 133,798</i>	<i>\$ -</i>		<i>\$ 133,798</i>	<i>\$ 29,990</i>		<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	
213-Cultural Facilities - Replacement of Structures, Internal Fit Out and Services	\$ 133,798			\$ 133,798	\$ 29,990	32%							
<i>City Library and Community Development</i>	<i>\$ 2,710,875</i>	<i>\$ 678,370</i>		<i>\$ 2,032,505</i>	<i>\$ 409,091</i>		<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	
178-Central Library Replacement of Furniture and Fittings	\$ 175,620	175,620			0								Part of LOTF. See Prog. 1101
188-Replacement and Purchase of New Library Materials	\$ 767,918			\$ 767,918	374259								
202-Central Library Interior Design Renewals	\$ 304,405	304,405			0								Part of LOTF. See Prog. 1101
203-Interior Design of Community Libraries, Youth Space & Mobile	\$ 52,122			\$ 52,122	0								
265-City-wide - Community Centre Refurbishments	\$ 40,115			\$ 40,115	\$ 29,147	82%							
1138-Digital Technology to Support 21st Century Citizens	\$ 104,345	94,000		\$ 10,345	0								Part of LOTF. See Prog. 1101
1139-Radio Frequency Identification (RFID) Materials Management	\$ 104,345	104,345			0								
1143-Pataka Ipurangi (Archives Digital Library)	\$ 62,607			\$ 62,607	0								
1291-Library Roof and HVAC Replacement	\$ 1,099,398			\$ 1,099,398	\$ 5,685	29%							Currently a Building condition assessment is being carried out (due Mar'18) which will determine the scope of the project.
<i>Parks, Sport and Recreation</i>	<i>\$ 3,345,975</i>	<i>\$ -</i>		<i>\$ 3,157,489</i>	<i>\$ 1,831,067</i>		<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 188,486</i>	
98-Citywide Reserves - Renewals (Victoria Esplanade, Memorial P	\$ 250,184			\$ 250,184	\$ 53,372	32%							
173-Citywide - Playground Renewals	\$ 260,608			\$ 260,608	\$ 34,291	10%							
174-Citywide - Replacement of Furniture on Reserves	\$ 60,461			\$ 60,461	\$ 9,501	38%							
177-Citywide - Replacement of Gardens on Reserves	\$ 31,273			\$ 31,273	\$ 16,883	43%							
184-Walkways and Shared Paths - Refurbishments and Replacements	\$ 45,867			\$ 45,867	\$ 13,165	17%							
190-Citywide - Replacement of Trees on Reserves	\$ 13,030			\$ 13,030	\$ 4,739	42%							
194-Citywide - Renewal of Bridges on Reserves	\$ 72,970			\$ 72,970	\$ 16,057	50%							
195-Citywide - Renewal of Hardsurface Areas on Reserves	\$ 66,716			\$ 66,716	\$ 6,100	9%							
234-Sportsfields and Outdoor Courts - Changing Room Refurbishments	\$ 212,997			\$ 212,997	\$ 209,070	56%							
254-City-wide - Sportsfield Carpark and Hardsurface Area Resurfacing	\$ 192,850			\$ 192,850	\$ 81,160	45%							
257-Sportsfields and Outdoor courts - Fitzherbert/Manawaroa/Ongley Parks - Cricket Block Replacements	\$ 46,909			\$ 46,909	\$ 2,750	46%							
258-Citywide - Refurbishment and Replacement of Boundary Fences on Reserves	\$ 45,867			\$ 45,867	\$ 4,207	46%							
266-Sportsfields and Outdoor Courts - Fitzherbert Park - Hockey Turf Refurbishment	\$ 536,852			\$ 536,852	\$ 526,476	100%							Programme complete
271-Sportsfields and Outdoor courts - Awapuni Tennis Court Renewals	\$ 52,122			\$ 52,122	\$ 2,990	0%							
596-Aquatics - Lido Pool - Asset Renewals	\$ 278,127			\$ 278,127	\$ 129,910	61%							
598-Aquatics - Freyberg Community Pool - Asset Renewals	\$ 63,453			\$ 63,453	\$ 62,503	100%							Programme Complete
819-Central Energy Trust Arena - Replacement of Equipment	\$ 44,151			\$ 44,151	\$ -	40%							On target. Planning has been done on requirements.
1051-Central Energy Trust Arena Manawatu - Combined Asset Refurbishment	\$ 863,052			\$ 863,052	\$ 642,660	72%							All 17 projects proceeding smoothly and delivery is assured
1108-Cultural/Heritage Reserve - Hokowhitu Lagoon - Bank Renewal	\$ 208,486			\$ 20,000	\$ 15,233							\$ 188,486	The Resource Consent for this work has proved to be more complicated than envisaged.
<i>Regulatory</i>	<i>\$ 6,096</i>	<i>\$ -</i>		<i>\$ 6,096</i>	<i>\$ 3,419</i>		<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	
1269-By-Law Signage - Replacement	\$ 6,096			\$ 6,096	\$ 3,419	50%							\$1k difference between YTD actual and YTD budget is due to the timing for replacement of alcohol signage in the Square being delayed as a result of it taking longer to consult with key stakeholders, budget will however be spent in full by year end

Programme	2017/18 Budget	Unallocated/Saving/Carry Forward	Project Performance Indicator	Able to Complete			Development /Growth	Third Party Co-Fund Required	Risk Categories				Comments
				Full Year Forecast Spend	Spend to date	Actual Physical Progress			Probable Budget Risk	Council/Org. Decision Required	Regulatory /Compliance Risk	Insufficient Resource to Develop	
<i>Roading and Parking</i>	\$ 6,065,708	\$ 102,294		\$ 5,233,455	\$ 1,505,882		\$ -	\$ -	\$ -	\$ 729,959	\$ -	\$ -	
64-City-wide - Footpath Renewals and Replacements	\$ 1,194,097			\$ 1,194,097	\$ 242,158	24%							
74-City-wide - Street Light Replacements	\$ 134,588			\$ 134,588	\$ 26,754	83%							
82-City-wide - Off Street Parking Resurfacing, Remarking and Sign	\$ 10,353			\$ 10,353	\$ -	50%							
115-City-wide - Sealed Pavement Renewals	\$ 1,418,266			\$ 1,418,266	\$ 56,517	13%							
122-City-wide - Road Drainage Replacements	\$ 479,565			\$ 479,565	\$ 439,860	50%							
139-City-wide - Sealed Road Resurfacing	\$ 1,778,194			\$ 1,100,000	\$ 245,897	20%				\$ 678,194			There was a mismatch between PNCC & NZTA over funding. A contract has been let for the lesser amount (NZTA amount).
155-City-wide - Street Tree Replacements	\$ 62,118			\$ 62,118	\$ 36,859	48%							
162-City-wide - Vehicle Crossing Replacements	\$ 459,919			\$ 459,919	\$ 261,073	49%							
175-City-wide - Traffic Signals Renewals	\$ 432,294	\$ 102,294		\$ 330,000	\$ 201,666	88%							Surplus Budget will be declared a saving at year end.
181-City-wide - Bus Shelter Upgrades and Replacements	\$ 33,544			\$ 33,544	\$ -	16%							
648-City-wide - Replacement of Deteriorating Cycle Stands	\$ 11,005			\$ 11,005	\$ -	30%							
742-Campbells Road - Bridge Renewal	\$ 51,765									\$ 51,765			The extent of renewal requires consideration under the gorge replacement route and regional strategic connections. Accordingly the renewal is deferred until these matters are resolved.
Un Budgeted Expenditure (Prog: 747)					-\$ 4,902								
<i>Rubbish & Recycling</i>	\$317,562	-		317,562	76,816		-	-	-	-	-	-	
185-Closed Landfills and Transfer Stations - Site Infrastructure Renewals	\$ 125,062			\$ 125,062	\$ 38,405	50%							
612-Recycling - City Wide Wheelie Bin and Crate Renewals	\$ 50,000			\$ 50,000	\$ 20,650	42%							
649-Recycling - Materials Recovery Facility Renewals	\$ 131,000			\$ 131,000	\$ 6,260	0%							
1085-Awapuni Resource Recovery Park - Replacement of Access G	\$ 11,500			\$ 11,500	\$ 11,501	100%							
<i>Stormwater</i>	\$266,207	-		\$ 266,207.00	\$ 61,084		0	0	0	0	0	0	
1062-City-wide - Stormwater Renewal Works	\$ 266,207			\$ 266,207	\$ 61,084	28%							
<i>Wastewater</i>	\$3,510,458	-		3,510,458	1,337,084		-	-	-	-	-	-	
54-City-wide - Wastewater Pipe Renewal	\$ 1,442,949			\$ 1,442,949	\$ 846,682	59%							
65-City-wide - Wastewater Pump Station Renewal	\$ 144,784			\$ 144,784	\$ 136,620	83%							
179-Totara Road Wastewater Treatment Plant - Minor Equipment	\$ 63,712			\$ 63,712	\$ 25,375	20%							
621-Totara Road Wastewater Treatment Plant - Digester Lids Refu	\$ 500,000			\$ 500,000	\$ 37,326	15%							
1050-Totara Road Wastewater Treatment Plant - Replacement of P	\$ 27,418			\$ 27,418	\$ 41,371	91%							
1056-Totara Road Wastewater Treatment Plant - Replacement of I	\$ 1,289,666			\$ 1,289,666	\$ 218,296	14%							Commissioning of last screen now scheduled for july 18.
1059-Totara Road Wastewater Treatment Plant - Replacement of C	\$ 41,929			\$ 41,929	\$ 31,414	25%							
<i>Water</i>	\$3,275,786	-		\$ 3,275,786	\$ 1,799,168		-	-	-	-	-	-	
199-City-wide - Water Bore Headworks and stations Renewal	\$ 200,000			\$ 200,000	\$ 79,418	59%							
207-Turitea Water Treatment Plant - Equipment and Facility RENE	\$ 160,000			\$ 160,000	\$ 42,467	41%							
214-City-wide - Water Toby and Meter Replacements	\$ 160,000			\$ 160,000	\$ 97,588	42%							
218-City-wide - Water Pipe Replacements	\$ 2,076,193			\$ 2,076,193	\$ 1,380,908	60%							
625-Water Safety and Security Renewal Projects	\$ 99,362			\$ 99,362	\$ 100,880	99%							
1058-City-wide - Groundwater Bores Renewal	\$ 554,469			\$ 554,469	\$ 93,857	11%							All Work under this programme well underway and will be completed this year.
1063-Turitea Water Treatment Plant - Replacement of SCADA Syst	\$ 25,762			\$ 25,762	\$ 4,050	90%							
<i>Commercial or Strategic Investments</i>	\$ 1,367,880	\$ 23,361		\$ 1,344,519	\$ 285,967		-	-	-	-	-	-	
63-Council's Plant & Vehicles - Replacements	\$ 1,002,958			\$ 1,002,958	\$ 140,780	14%							Council has recently approved purchase of "E-Truck", yet to be brought to charge. Programme on track
80-Council's Plant and Equipment	\$ 166,368			\$ 166,368	\$ 32,121	19%							Programme on Track
86-Council Wide - Furniture Replacements	\$ 10,270			\$ 10,270	\$ -	0%							
270-Investment Properties - Holiday Park - Renewals	\$ 62,423			\$ 62,423	\$ 101,227	100%							
311-Gordon Kear Forest Replant	\$ 23,361	\$ 23,361			\$ -	100%							Budget not required, all replanting complete 16/17
784-Replacement of Council's Photocopiers/Printers	\$ 102,500			\$ 102,500	\$ 11,839	5%							Replacing As Required
<i>Corporate Support</i>	\$ 2,582,341	-		\$ 2,493,908	\$ 704,695		-	-	-	\$ 88,433	-	-	
53-Computer Replacements	\$ 463,001			\$ 463,001	\$ 155,433	25%							Replacements are on a 4 year refresh cycle, we will hit 50% in January as planned. This process is done in quarterly or bi-annual phases based on availability of equipment.
58-Network Additions and Upgrades	\$ 40,707			\$ 40,707	\$ 8,579	20%							This is an estimated fund to replace network devices such as switching etc. Because we keep these much longer than a normal refresh cycle it's performed on an as required (when things break or need replacing) it's not able to be phased.
68-Aerial Photography	\$ 197,000			\$ 197,000	\$ 12,000	30%							RFP for LIDAR has been completed and supplier appointed. Satellite and aerial work to be completed by Feb at which time we will start processing progress payments. This work will be completed by May.
85-Council's Depot Buildings and Structures - Replacement of Components as Required	\$ 88,433									\$ 88,433			
272-Staff Cafeteria - Replacement of Equipment	\$ 5,690			\$ 5,690	\$ 392	30%							Identifying equipment replacement requirements.
281-Operational Property - Civic Administration Building - Refurbishments	\$ 1,707,712			\$ 1,707,712	\$ 512,487	75%							
318-Telecommunications Replacement - Council Buildings	\$ 79,798			\$ 79,798	\$ 16,784	24%							There has been a further \$6K of work completed which is yet to come to charge.
- -Unbudgeted Expenditure (Prog: 55)					-\$ 980.00								This relates to expenditure incurred this year for which there is no budget. The most common reason is that an invoice is received in this financial year for work completed last year.

Summary of Programmes Spanning Multiple Years as at 31 December 2017

The following summarises capital programmes which were intended to span more than one year and be viewed in total. As such expenditure is ongoing with the programmes to be viewed against both past and future budgets. Variances reflect the difference to budget at a point in time and not the full programme or what may ultimately occur. Included below are the full year budgets for each year and actual expenditure. For the current year actual expenditure is year to date with work to be completed within the full year budget shown in the "Current Year Available" column. In previous years budgeted work in some cases has been unable to be completed with remaining budget carried forward forward to subsequent years or to be completed in the following year within that budget. In these instances the budget is shown in the initial year approved and if carried forward that part of the "Prior Years Variance" will be applied against subsequent programme expenditure. Refer to the comments below for explanation of the status of each programme.

Assumptions:

1. Includes those programmes scheduled to be completed over multiple years to report total cost.
2. Includes "new" programmes only. Renewal programmes are excluded as these relate to renewals each year and are not a cumulative, ongoing programme.
3. Budget includes adjustment for carry forward amounts to exclude these and include the approved annual plan budget only, less any budget transferred to another programme.
4. Excludes programmes which span a year purely due to not being completed by year end and requiring carry forward to complete.
These are managed by adjusting revised budget to remaining budget with any material overspend reported as part of programmes over budget.
5. Excludes those programmes which are continuous in nature and managed on an annual basis, for example subdivision contribution programmes.
6. Includes costs incurred to the date of the report above.

Programme Name	ID	\$000 Actual Cost (from 2014)						Annual Plan Budget (from 2014)						Prior Years Variance	Current Year Available	Total Budget Available
		2014	2015	2016	2017	2018	Total	2014	2015	2016	2017	2018	Total			
New																
Community Housing - Papaioea Place eco friendly unit replacements	357	-	-	-	54	95	231	2,573	(3,066)	250	-	1,387	1,719	196	1,292	1,488
Victoria Esplanade-New Aviary	368	142	91	-	578	1,778	2,715	737	(478)	2,675	(533)	2,743	5,243	1,563	965	2,528
Central Energy Trust Arena - Masterplan Priority	1084			263	260	1,072	1,595			250	256	1,835	2,341	(17)	763	746
Roading - Manawatu River - Ashhurst to Riverside Drive cycle/pedestrian pathway	235, 1225	205	29	(288)	322	-	1,035	378	575	-	-	-	1,671	636	-	636
Manawatu River - downstream pedestrian/cycle bridge	57	-	-	-	505	515	1,021	-	-	850	-	5,200	6,050	345	4,685	5,029
Manawatu River Fitzherbert Bridge to Linton pedestrian/cycle pathway	977	-	-	419	481	154	1,054	-	400	1,000	500	800	2,700	1,000	646	1,646
City Wide - street lighting upgrade to LED	1086	-	-	69	2,100	816	2,985	-	-	2,530	1,000	2,561	6,091	1,361	1,745	3,106
Turitea Valley Rd/Pacific Dr new water supply and reservoir	127, 610	52	398	2,301	1,909	171	4,878	208	1,740	709	2,257	(255)	4,905	454	(426)	28
The Library of the Future	1101				600	133	733				961	2,935	3,896	361	2,801	3,162
The Square - streetscape upgrade																
The Square East Side - Streetscape Upgrade	244				8	-	8				193	-	193	185	-	185
Whakarongo urban growth																
Whakarongo, James Line upgrade (2016 on)	167			181	143	300	623			2,247	703	-	2,950	2,626	(300)	2,326
Urban Growth Whakarongo installation of wastewater	1000	-	18	-	-	86	103	-	18	30	190	300	538	220	214	435
Urban Growth Whakarongo installation of stormwater	1001	-	-	-	-	61	61	-	-	350	-	-	350	350	(61)	289
Urban Growth Whakarongo installation of water supply	1004	-	-	-	-	41	41	-	-	502	98	-	600	600	(41)	559
Urban Growth installation of water supply north-east industrial	1005	-	-	-	-	11	11	-	-	150	-	-	150	150	(11)	139
Total		400	536	2,944	6,959	5,234	17,094	3,895	(811)	11,542	5,625	17,505	39,397	10,031	12,272	22,303

Comments
Community Housing - Papaioea Place eco friendly unit replacements

2011, 2012, 2013, 2014 - feasibility studies continuing. Budget carried forward to 2012, 2013 and 2014 however 2013 c/f limited to \$500k, so budget reduced to this. From 2015/16 new budget amount applicable for all expenditure from 1 July 2015.

Victoria Esplanade-New Aviary

At 1/7/15 remaining budget \$5,414k with \$4,916k by external funding. To 30/6/15 was net budget, from 1/7/15 grossed up so reduced to budget available. 2017 \$533k carried forward to future year however was not added to 2018 in error.

Roading - major upgrade of main bus terminal

Balance of programme applied to fund Ngahere Rd bridge additional approval.

City Wide - street lighting upgrade to LED

\$170k of programme transferred to fund additional approval undergrounding of cables.

Turitea Valley Rd/Pacific Dr new water supply and reservoir

Prog 127 c/fwd 2013 limited to \$235k, 2015 to \$1,698k, so budget reduced to this, then combined with prog 610. Net of part programme surplus, transferred to other programmes. In 2017/18 budget \$104k with \$359k transferred to other programmes, including from c/fwd.

Urban Growth installation of water supply north-east industrial

Prog 1001 had \$460k carried forward to future year.

Prog 1005 had \$500k transferred to prog for new water bore, \$172k carried forward to future year.

Palmerston North City Council	CAPITAL EXPENDITURE						
Detailed Groups of Activities	2017/18 \$000'S						
For the six months ending 31 December 2017	ACTUALS	REVISED BUDGET YTD			FULL YEAR		
	Expenditure YTD	Expenditure YTD	Variance Actual to Budget YTD	Variance ahead/ behind Budget	Revised Budget Full Year	Annual Budget Full Year	
Leadership	-	-	-	par	-	-	
Community Support	239	248	(9)	behind	2,630	2,580	
Work and City Promotion	80	74	6	ahead	162	162	
Regulatory	3	4	(1)	behind	6	6	
Roading and Parking	4,300	9,013	(4,713)	behind	25,103	23,491	
Rubbish and Recycling	204	375	(172)	behind	867	767	
Stormwater	441	666	(224)	behind	1,430	1,236	
Wastewater	1,588	2,413	(824)	behind	5,196	4,782	
Water	2,381	2,636	(254)	behind	6,789	6,328	
Leisure	6,925	8,813	(1,888)	behind	20,991	19,625	
Support Services	991	2,364	(1,374)	behind	4,282	4,291	
TOTAL GROUP OF ACTIVITIES	17,153	26,606	(9,453)	behind	67,458	63,268	
The revised budget is after adjusting the 2017/18 Annual Budget capital expenditure budget for the following Council approved variations:		Summary:			Total	New	Renewal
Annual Budget Total Capital Expenditure Budget	63,268	Actual expenditure YTD			17,153	8,895	8,258
Adjust annual budget carry forwards to actual programme amount available to carry forward	2,453	Budget expenditure yet to incur			39,426	25,369	14,057
Council approved variations:		Development/growth awaiting requirement determination			652	652	-
Church/Ruahine roundabout	200	Third party funding required			5	5	-
Events waste management	35	Probable budget risk, delay extra funding defined			40	40	-
Wetlands café, Ashhurst Domain	40	Council, organisation decision required			818	-	818
Skate Park	250	Regulatory/compliance risk may delay			-	-	-
Arena land	535	Insufficient resource to develop			3,591	3,403	188
Walkways land	145	Programmes carry forward required to 2018/19			-	-	-
Turitea Water Plant access road	290	Unallocated, savings, carry forward, additional spending			5,773	4,414	1,359
Cuba Street renewals	182	Total Revised Budget			67,458	42,778	24,680
Falling Waters sculpture	60	Total revised budget includes:					
		Carry forward from 2016/17			14,921	12,772	2,149
		Additional carry forward required to budget			2,793	1,959	834
		Adjustment to reduce to budget available			(340)	(302)	(38)
Revised Budget Total Capital Expenditure	67,458				17,374	14,429	2,945

Summary of Capital Programmes Applied to an Overall Project

December 2017

The following shows the source programmes or part of that programme applied to a common project and the current year progress compared to the 2017/18 budget assigned to that project.

Project	Annual Budget Programmes sourced from	Type	Actual costs YTD \$	Revised Budget YTD \$	Revised Budget FY \$
Cuba Street refurbishment					
	64-City-wide - Footpath Renewals and Replacements	Renewal	-	-	408,466
	115-City-wide - Sealed Pavement Renewals	Renewal	221	5,221	581,499
	122-City-wide - Road Drainage Replacements	Renewal	-	-	285,173
	279-City Wide - Minor Road Safety Improvements	New	-	-	90,500
	Total		221	5,221	1,365,638
Edgeware Road					
	64-City-wide - Footpath Renewals and Replacements	Renewal	36,031	38,628	38,628
	162-City-wide - Vehicle Crossing Replacements	Renewal	56,558	49,075	49,075
	122-City-wide - Road Drainage Replacements	Renewal	166,210	125,471	125,471
	Total		258,799	213,174	213,174
James Line reconstruction					
	167-Urban Growth - Whakarongo - James Line Upgrade - Stage 4	New	184,536	350,133	2,626,066
	1000-Urban Growth - Whakarongo - Installation of Wastewater Systems	New	38,741	39,000	285,000
	1001-Urban Growth - Whakarongo - Installation of Stormwater Systems	New	26,084	26,000	345,000
	1003-Urban Growth - Whakarongo - Intersection Upgrades	New	18,085	18,207	167,207
	1004-Urban Growth - Whakarongo - Installation of Water Supply Systems	New	37,997	38,000	435,000
	Total		305,443	471,340	3,858,273
Walkers Road pathway					
	1315-Walker's Road - New Shared Pathway	New	-	10,000	100,000
	279-City Wide - Minor Road Safety Improvements	New	-	-	170,000
	Total		-	10,000	270,000
Totara Road Wastewater Treatment Plant - Inlet Screens					
	1056-Totara Road Wastewater Treatment Plant - Replacement of Inlet Screens (Renewal)	Renewal	160,467	536,795	1,289,666
	570-Totara Road Wastewater Treatment Plant - Replacement of Inlet Screens (Growth)	New	97,959	154,000	474,606
	Total		258,426	690,795	1,764,272
The Library of the Future					
	1101-The Library of the Future	New	123,875	-	3,295,620
	1137-Digital Technology to Support 21st Century Citizens and Services	New	-	-	102,961
	1141-Community Learning and Transformation Space	New	-	-	182,604
	336-City Archives - Additional Storage	New	-	-	470,998
	178-Central Library Replacement of Furniture and Fittings	Renewal	-	-	175,620
	1138-Digital Technology to Support 21st Century Citizens and Service	Renewal	-	-	104,345
	202-Central Library Interior Design Renewals	Renewal	-	-	304,405
	1306-Library HVAC Upgrade	New	-	-	150,157
	1291-Library Roof and HVAC Replacement	Renewal	5,685	600,000	1,099,398
	Total		129,560	600,000	5,886,108

Attachment 4 - Net Debt

The table following summarises the net debt movement year to date with “Net Debt” being gross debt less the investment fund.

\$M	December 2017	December 2017 Revised Budget	September 2017	June 2017	Full Year Revised Budget	Full Year Annual Budget
Gross Debt	(97.0)	(102.7)	(109.0)	(97.0)	(121.8)	(115.3)
Investment Fund	-	-	0.7	2.7	-	-
Cash and investments	3.0	0.6	16.3	0.6	0.6	-
Cash Movement Net Debt	(94.0)	(102.1)	(92.0)	(93.7)	(121.2)	(115.3)
Investment Fund:						
- Revaluation	-	-	-	-	-	-
Net Debt	(94.0)	(102.1)	(92.0)	(93.7)	(121.2)	(115.3)

Note full year budget is budget movement added to the actual opening balances.

Council in June 2017 approved the increase in net debt as required in the 2017/18 annual budget and shown in the full year annual budget column above. Since that time Council has approved increases in operating expenditure and capital expenditure which may require additional debt as reflected above in the full year revised budget column, should all budgeted costs and capital expenditure be incurred.

At December 2017 net debt is marginally higher than June 2017 year end. Debt is lower than budgeted due to the favourable operating variance, a working capital requirement lower than budgeted, and lower capital expenditure incurred.

The budget includes that during the year there will be an increase in net debt required to fund new capital expenditure, less planned debt repayment included in rates. Net debt during the year is also influenced by:

- Operating cashflow generated and working capital requirements. Operating cashflow is used to fund renewal capital expenditure and debt repayment. Operating cashflow is above budget due to the favourable YTD operating variance with net working capital balances lower than budgeted.
- Renewal capital expenditure less capex revenue, funded by operating cashflows. Net renewal capital expenditure is lower than budget.
- New capital expenditure less capex revenue with the net funded by borrowing. Net new capital expenditure is lower than budget.

Overall the effect of these is that year to date cash movement net debt is lower than that budgeted.

To conform with PBE accounting standards the Long Term Investment Fund and interest rate swap derivative instruments are revalued quarterly, the last being as at 31 December 2017. Management have limited control over these and they are included in the net operating result. As non-cash items neither were intended to affect rates with budgets including no allowance for revaluation.

Council utilises the interest rate swap agreements to manage interest rates over a period of years so as to provide certainty of cashflows, and minimise the overall cost over the period of years while removing the volatility that changes in interest rates could create on rates (including targeted rates) required from ratepayers. The effective cash incurred interest rates are incorporated in budgets and the LTP.

Attachment 5 - Financial Position and Cash Flow for the Period

Following are a Statement of Financial Position and Statement of Cash Flows for the year to date, including a full year revised budget to reflect the requirements of approvals subsequent to the 2017/18 annual budget.

The statement of financial position is similar to at June 2017 with movements reflecting changes in working capital, rates prepaid, capital expenditure, plus associated movement in net borrowing required (including short term deposits).

Net trade receivables are higher than June 2017 with payables substantially lower, as is normal for this time of the year. Overall this reduces net working capital with increase in debt resulting.

The year to date budget amounts in the Statement of Cash Flows incorporates estimated cash receipt and payment timing differences from the amounts recorded for accrual accounting purposes using timings as applied in previous years.

Operating cash flows for the period are higher than the phased budget reflecting:

- higher rates received mainly due to an increase in rates prepaid, increasing operating cash flows
- other revenues received lower than budget
- level of interest paid lower than budget
- lower level of expenses paid than budgeted, increasing operating cash flows.

Cash flows show a cash flow surplus from operating activities of \$11.8m for the period (excluding GST and capital revenues), compared to a budgeted surplus of \$9.4m. This is required to fund operating costs plus over the year property, plant and equipment renewal expenditure and planned debt repayment. Current year rates collections are similar to that expected with the amount outstanding lower than same time last year. The amount of penalties charged year to date is higher than last year.

Receivables

The following table summarises the total trade and rates receivables at the end of the period with comparison to the same month last year.

At 31 December 2017:

\$000	Current	1 Month	2 Months	3 Months	Unallocated	Total
Trade Receivables						
Current Year	1,495	499	148	1,566	(299)	3,409
	43.9%	14.6%	4.3%	46.0%	(3.8%)	
Prior Year	1,490	475	100	707	(235)	2,537
	58.8%	18.7%	3.9%	27.9%	(9.3%)	
Rates Receivables	Current Year	1 year	2 years	> 2 years		
Current Year	1,338	142	14	4		1,498
Prior Year	1,720	208	25	1		1,954

Rates are as at 9 January each year.

Palmerston North City Council
Statement of Financial Position
as at 31 December 2017

	2017/18			2016/17
	as at 31 December 2017		Full Year	As at 30 June 2017
	Actual	YTD Rev Budget	Rev Budget	Actual
	\$000s	\$000s	\$000s	\$000s
Current Assets				
Cash & Short Term Deposits	5,337	1,279	1,279	1,279
Trade and other receivables	7,735	5,977	7,619	7,650
Inventory	290	528	528	528
Derivative financial instruments	-	-	-	-
Non-current assets held for sale	-	-	-	-
Total Current Assets	13,362	7,784	9,426	9,457
Non-Current Assets				
Property, plant and equipment	1,540,202	1,548,815	1,575,506	1,536,369
Intangible Assets	1,517	1,644	1,644	1,644
Biological Assets	1,248	1,248	1,248	1,248
Investment Properties	5,335	5,335	5,335	5,335
Investments & Advances	13,320	13,464	13,464	16,055
Derivative financial instruments	-	33	33	33
Total Non-Current Assets	1,561,622	1,570,538	1,597,230	1,560,684
Total Assets	1,574,984	1,578,323	1,606,655	1,570,141
Current Liabilities				
Bank overdraft	-	-	-	-
Trade and other payables	14,803	12,704	14,961	16,101
Provisions	1,456	1,531	1,531	1,531
Current Employee Entitlements	4,768	4,606	4,821	4,821
Current Portion - Term Liab	15,000	27,000	27,000	27,000
Derivative financial instruments	284	226	226	226
Total Current Liabilities	36,310	46,067	48,539	49,679
Non-Current Liabilities				
Provisions	713	713	713	713
Term Employee Entitlements	1,331	1,310	1,310	1,310
Term Liabilities	82,000	75,809	94,875	70,000
Derivative financial instruments	8,380	8,439	8,439	8,439
Total Non-Current Liabilities	92,424	86,271	105,337	80,462
Total Liabilities	128,734	132,338	153,876	130,141
Assets less Liabilities	1,446,250	1,445,985	1,452,780	1,440,000
Public Equity				
Retained earnings	1,034,188	1,033,923	1,040,718	1,027,938
Other reserves	412,062	412,062	412,062	412,062
Total Public Equity	1,446,250	1,445,985	1,452,780	1,440,000

Palmerston North City Council

Statement of Cash Flows

Year to Date Period Ended December 2017

			Year to Date		Full Year	
			Actual	Revised Budget	Revised Budget	Annual Budget
Cash Flows From Operating Activities						
Receipts from rates revenues			46,977	45,719	89,842	89,795
Interest received			211	32	40	40
Dividends received			525	300	300	300
Operating subsidies and grants			1,303	1,352	2,758	2,757
Receipts from other revenue			11,229	12,850	23,264	23,265
Capital subsidies and grants			3,094	5,005	14,591	15,441
Development contributions			958	866	1,731	1,731
Receipts from tax losses			-	-	-	-
Interest paid			(2,892)	(3,060)	(6,462)	(6,462)
Payments to suppliers and employees			(45,528)	(47,761)	(86,103)	(85,184)
Goods and Services Tax (net)			2,505	2,887	-	-
			18,381	↑ 18,190	39,961	41,683
Cash Flows From Investing Activities						
Proceeds from sale of property			67	-	-	-
Proceeds from sale of biological assets			-	-	-	-
Purchase of property, plant and equipment - new			(8,895)	(14,216)	(42,778)	(39,504)
Purchase of property, plant and equipment - renewal			(8,259)	(12,390)	(24,680)	(23,764)
Net other advances repayment received/(made)			11	16	31	-
Net increase in investments			-	-	-	-
			(17,075)	↓ (26,590)	(67,427)	(63,268)
Cash Flows From Financing Activities						
Investment fund reductions			2,750	2,591	2,591	2,591
Net borrowing proceeds/(repaid)			-	5,809	24,875	18,994
Repayment of borrowings			-	-	-	-
Repayment of leases			-	-	-	-
			2,750	↑ 8,400	27,466	21,585
Net Increase			4,056	↑ -	-	-
Cash at Beginning			1,279	1,279	1,279	1,279
Cash at Month End			5,335	1,279	1,279	1,279