

**QLDC Council  
28 August 2014**

**Report for Agenda Item: 6**

**Department:**

**Finance**

**6. Budget Carry Forwards for 2014/15**

**Purpose**

To adjust the budget for the 2014/15 financial year as a result of requests for budget carry forwards.

**Recommendation**

*That Council:*

- 1. authorises adjustments to the budgets for the 2014/15 financial year in order to provide for capital expenditure carry forwards of \$8.355m included in Appendices A and B (attached).***

Prepared by:



Stewart Burns  
Chief Financial Officer  
13/08/2014

Reviewed and Authorised by:



Adam Feeley  
Chief Executive  
19/08/2014

**Comment**

- 1 The process for dealing with carry forwards changed in the 2011/12 year. Prior to this, estimates for carry forwards have been prepared and included in the Annual Plan or Long Term Plan as internal submissions. This approach has caused some problems in the past with some carry forwards being missed and a general lack of clarity with regard to Annual Plan or Long Term Plan disclosures..
- 2 In some instances, it will not be possible to complete all capital projects within original time-frames. Where projects have not been completed by 30 June 2014, the budget manager must request that funding be carried forward from 2013/14 to 2014/15.

## **Carry Forwards 2014/15**

- 3 The process for approving carry forwards for inclusion in the 2014/15 budget is as follows:
  - a) Initial requests for carry forward called for by 23 July 2014
  - b) Carry forward requests reviewed by CEO & CFO
  - c) Requests for carry forward endorsed by executive are prepared for consideration by full Council
  - d) Final requests for carry forward updated for latest financial data
  - e) Consideration by full Council on 28 August 2014
- 4 The instructions given to budget managers regarding requests for carry forwards are as follows:
  - i) The amount of carry forward is limited to the total amount of unspent capital budgets for the GL activity in question
  - ii) Applications for carry forward must relate to the original approved project
  - iii) Budgets comprising provisions (with no defined projects) will not be considered for carry forward
- 5 In addition to the these basic principles, the executive sought to minimise carry forwards by testing requests against provision of budgets in the 2013/14 Annual Plan.
- 6 Most of the final carry forwards reflect the situation where the project is committed and is underway but incomplete at 30 June 2014.

## **Financial Implications**

- 7 The total of the initial carry forward requests considered by senior executives was \$8.88m (2013: \$14.17m) with most of this sitting in Infrastructure Services \$7.82m (2013: 12.45m). After the management review process the total has been reduced to \$8.36m (2013: \$13.94m) with \$7.31m (2013: \$12.39m) of infrastructure projects.
- 8 The financial impact on approved budgets for 2014/15 is neutral because the approved funding from 2013/14 is also brought forward. The funding will be a mix of loans, transfers from reserves (depreciation, development contributions and land sales), NZTA subsidy and rates.

## **Local Government Act 2002 Purpose Provisions**

- 9 This report is consistent with LGA purpose provisions because it pertains to the adjusting of budgets which are essential for the Council to perform its responsibilities.

### **Council Policies**

- 10 The following Council Policies were considered:  
10 Year Plan 2012-22, Annual Plan 14-15

### **Consultation**

- 11 These projects were all subject to the Annual Plan process, which requires the Special Consultative Process, and as such no wider consultation is required.

### **Attachments**

- A Infrastructure Carry Forwards for 2014/15
- B Community, Property and Corporate Carry Forwards for 2014/15

	A	B	C	D	E	F	M	O
1	APPLICATION FOR FUNDING TO BE CARRIED FORWARD							
2	FOR 2013/14 PROJECTS NOT COMPLETED BY 30 JUNE 2014							
3								
4	In some instances, it will not be possible to complete all capital projects within original time-frames.							
5	Where projects have not been not be completed by 30 June 2014, the Budget Manager must request that funding be carried forward from 2013/14 to 2014/15.							
6	These requests for Carry Forward will be considered by the council executive & then forwarded to full Council for recommended budget adjustments.							
7								
8	Guidance Notes:							
9	1	The amount of carry forward is limited to the total amount of unspent capital budgets for the GL activity in question (ie 1301)						
10	2	Applications for carry forward must relate to the original approved project						
11	3	Budgets comprising provisions (with no defined projects) will not be considered for carry forward						
12	4	For Engineering projects, please specify the carry forward by Project number and GL code(s)						
13	5	Once approved, carry forwards will be included in the 2014/15 budgets as budget adjustments						
14								
15	Please therefore, complete the following form for all required details:							
16								
17	Project Number	GL Number	Project	Budget 13/14	Actual 30/06/2014	Carry forward Amount	Explanation (include current project status)	Project Manager
18	A00204	1301801323	Frankton Flats Arterial Road	3,758,621	13,393	3,745,228	Frankton Flats design underway, construction planned for 2014/15	Ulrich Glasner
19		1402801323	Frankton Flats Arterial Road	67,742	9,858	57,884		Ulrich Glasner
20	A00465	1655801	Bremner Park Road Stormwater	224,025	4,945	219,080	Landowner liason, hopefully now resolved, agreements being signed	Nichola Greaves
21	A00956	1701801	Frankton Road (formerly Leary	339,910	294,141	45,769	Contract committed and construction nearly complete. Work to proceed in early August, completion estimated for December 2014.	Lane Vermaas
22	A00956	1701803	Frankton Road (formerly Leary	660,000	567,359	38,303	Contract committed and construction nearly complete. Work to proceed in early August, completion estimated for December 2014.	Lane Vermaas
23	A01006	1501801	SCADA District Wide Upgrades	210,762	52721	43,003	SCADA upgrade is underway, \$250K to complete. \$115K spent in June, carry-forward reduced to \$131K.	Ulrich Glasner
24		1502801	SCADA District Wide Upgrades	27,242	6813	5,315		Ulrich Glasner
25		1503801	SCADA District Wide Upgrades	12,657	3160	2,587		Ulrich Glasner
26		1555801	SCADA District Wide Upgrades	90,826	36676	18,536		Ulrich Glasner
27		1556801	SCADA District Wide Upgrades	6,861	5197	1,403		Ulrich Glasner
28		1558801	SCADA District Wide Upgrades	12,351	3197	2,517		Ulrich Glasner
29		1559801	SCADA District Wide Upgrades	4,713	3069	958		Ulrich Glasner
30		1701801	SCADA District Wide Upgrades	72,676	48388	24,288		Ulrich Glasner
31		1702801	SCADA District Wide Upgrades	12,983	7109	5,794		Ulrich Glasner
32		1703801	SCADA District Wide Upgrades	3,895	1434	798		Ulrich Glasner
33		1705801	SCADA District Wide Upgrades	6,243	1563	0		Ulrich Glasner
34		1755801	SCADA District Wide Upgrades	119,362	30897	24,325		Ulrich Glasner
35		1756801	SCADA District Wide Upgrades	10,779	2700	2,197		Ulrich Glasner
36		1759801	SCADA District Wide Upgrades	4,935	7984	0		Ulrich Glasner
37	A01149	1755801	Wanaka Decommission Intake Roys Bay	224,812	8,327	216,485	As per quote from Veolia, committed for completion of project.	Nichola Greaves
38		1755803	Wanaka Decommission Intake Roys Bay	38,699	1,526	37,173		Nichola Greaves
39	A01182	1556801	Hawea Water Upgrades	73,150	51,202	21,948	Delays in water modelling, 3 quotes have now been obtained, to be awarded asap.	Nichola Greaves
40	A01182	1756801	Hawea Water Upgrades	1,018,800	11,626	1,007,174		Nichola Greaves

	A	B	C	D	E	F	M	O
17	Project Number	GL Number	Project	13/14	30/06/2014	Amount	Explanation (include current project status)	Project Manager
41	A03492	1501801	Frankton Beach Pump Station Upgrade	115,451	62,113	53,338	Refurbishment in old pump station under way, completion late August	Lane Vermaas
42	A03650	1755801	Western Reservoir 2011/12 Easements and	26,352	5,383	20,969	Don progressing this, ongoing negotiation with landowners nearly resolved.	Nichola Greaves
43	A03693	1701801	Installation of interim UV treatment at Kelvin	731,302	424,029	307,273	Contract in place, construction to be completed September	Lane Vermaas
44		1701803	Installation of interim UV treatment at Kelvin	50,000	50,000	0		Lane Vermaas
45	A03694	1301801323	Inner Links Stage 1 and 2 - Melbourne Hen	537,749	396,370	141,379	Further work is required to complete the Inner Links business planning, to provide the town c	Denis Mander
46	A03700	1501801	Marine Parade WWPS Upgrades	118,177	48,469	69,708	Funds to be used with 2014/15 allocation to complete the project in April 2015.	Lane Vermaas
47		1501803	Marine Parade WWPS Upgrades	48,810	0	48,810		Lane Vermaas
48	A03703	1501801	Queenstown Waste Water Peak Flow Attenu	187,204	106,130	75,000	Committed Veolia for installation of flowmeters and data recovery.	Rob Darby
49	A03740	1755803	Wanaka Water Renewals 13/14	260,000	169,753	60,400	Delays in one project with landowner liaison, now resolved and under contract due for comple	Nichola Greaves
50	A03742	1702801	Arrowtown UV upgrades	216,683	140,877	75,806	Ongoing contract, to be completed September 2014	Lane Vermaas
51		1702803	Arrowtown UV upgrades	65,000	58,840	0		Lane Vermaas
52	A09151	1351801324	Wanaka North Eastern Corridor	91,970	0	91,970	Wanaka Transportation Strategy	Ulrich Glasner
53	A09151	1402801323	Atley Rd Extension	210,000	0	210,000	Depending on development	Ulrich Glasner
54	A09151	140580101	Brownston Street - Parking along Pembroke	130,000	0	130,000	Project will go ahead with angle parking, discussed with WCB	Ulrich Glasner
55	A09151	1501801	Frankton Flats Development - WW Servicing	401,881	0	401,881	Development will go ahead in 2014/15	Ulrich Glasner
56	A09151	1701801	Frankton Flats Rising and Falling Main	100,000	0	100,000	Development will go ahead in 2014/15	Ulrich Glasner
57								
58	TOTAL				7,307,298.97			

**APPLICATION FOR FUNDING TO BE CARRIED FORWARD  
FOR 2013/14 PROJECTS NOT COMPLETED BY 30 JUNE 2014**

In some instances, it will not be possible to complete all capital projects within original time-frames.

Where projects have not been not be completed by 30 June 2014, the Budget Manager must request that funding be carried forward from 2013/14 to 2014/15.

These requests for Carry Forward will be considered by the council executive & then forwarded to full Council for recommended budget adjustments.

Guidance Notes:

- 1 The amount of carry forward is limited to the total amount of unspent capital budgets for the GL activity in question (ie 1301)
- 2 Applications for carry forward must relate to the original approved project
- 3 Budgets comprising provisions (with no defined projects) will not be considered for carry forward
- 4 For Engineering projects, please specify the carry forward by Project number and GL code(s)
- 5 Once approved, carry forwards will be included in the 2014/15 budgets as budget adjustments

Please therefore, complete the following form for all required details:

Project/GL Number	Project	Budget 13/14	Actual 30/06/2014	Carry forward Amount	Explanation (include current project status)
5101 801 15	DATA INTEGRATION	1,658,500	1,198,921	459,579	Complete the implementaion of techOne
1151 801 51	WANAKA SKATE PARK EXTENSIONS	146,000	1,113	144,887	works to start in August 2014
2311 803 04	ARROWTOWN MILLBROOK LANDMARK	88,409	33,252	55,157	Work stopped for winter, will comence to complete summer
1101 815 03	COMPOSTING SYSTEM	27,500	0	27,500	Frankton dump station final location pending NZTA approval
1101 801 17	FREEDOM CAMPING INFORMATION KI	10,458	0	10,458	Frankton dump station final location pending NZTA approval
2504 801	WANAKA POOL	270,800	4,768	266,032	Earthquake strengthening required
2161 801 05	GLENDU BAY - NEW RAMP & JETTY	18,000	0	18,000	Project was delayed pending WCB feedback
2851 803 02	Wanaka Service Centre - Crack	16,035	0	16,035	Project was delayed pending a decision on Wanaka accomodation (PS)
280380106	Council Offices - Gorge Rd	377,851	307,230	55,000	Finish off consenting for disabled toilets and fire compliance

TOTAL

1,052,648.00