QUARTERLY REPORT
QUARTER 1 (1 JULY–30 SEPTEMBER 2013)

This report summarises the Council’s progress towards fulfilling the intentions outlined in the 2013/14 Annual Plan. This report highlights quarterly performance against:

- Income
- Total Operating Expenditure
- Capital Expenditure
- Service Delivery (KPI performance)
- Treasury Policy compliance.

Overall, Wellington City Council progress this quarter met expectations and is on track to meet year-end targets. Exceptions this quarter were primarily due to delays in capital projects.

**STATEMENT OF FINANCIAL PERFORMANCE**

The Council’s consolidated financial performance for the period 1 July 2013 to 30 September 2013 is presented below. Positive numbers in the financial statements indicate a favourable variance from budget and negative numbers (represented by brackets) indicate an unfavourable variance from budget.

**Capital Expenditure by Strategy Area**

<table>
<thead>
<tr>
<th>YTD</th>
<th>Actual 2014 $000</th>
<th>Budget 2014 $000</th>
<th>Variance 2014 $000</th>
<th>Forecast 2014 $000</th>
<th>Budget 2014 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Environment</td>
<td>4,417</td>
<td>5,732</td>
<td>1,315</td>
<td>34,420</td>
<td>34,420</td>
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<tr>
<td>Economic Development</td>
<td>1,382</td>
<td>1,592</td>
<td>210</td>
<td>4,295</td>
<td>4,295</td>
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<tr>
<td>Cultural Wellbeing</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>Social and Recreation</td>
<td>7,982</td>
<td>11,591</td>
<td>3,609</td>
<td>49,268</td>
<td>51,768</td>
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<tr>
<td>Urban Development</td>
<td>5,961</td>
<td>6,982</td>
<td>1,081</td>
<td>29,183</td>
<td>28,983</td>
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<tr>
<td>Transport</td>
<td>2,915</td>
<td>5,266</td>
<td>2,351</td>
<td>32,808</td>
<td>33,391</td>
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<tr>
<td>Total Strategy Area</td>
<td>22,600</td>
<td>31,169</td>
<td>8,569</td>
<td>150,110</td>
<td>152,994</td>
</tr>
<tr>
<td>Council</td>
<td>3,717</td>
<td>7,649</td>
<td>3,932</td>
<td>19,469</td>
<td>19,468</td>
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<tr>
<td>Total</td>
<td>26,317</td>
<td>37,818</td>
<td>11,601</td>
<td>169,578</td>
<td>172,462</td>
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</table>

**Net Operating Expenditure by Strategy Area**

<table>
<thead>
<tr>
<th>YTD</th>
<th>Actual 2014 $000</th>
<th>Budget 2014 $000</th>
<th>Variance 2014 $000</th>
<th>Forecast 2014 $000</th>
<th>Budget 2014 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance</td>
<td>3,902</td>
<td>4,427</td>
<td>505</td>
<td>16,345</td>
<td>16,584</td>
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<td>Environment</td>
<td>32,070</td>
<td>33,771</td>
<td>1,701</td>
<td>127,454</td>
<td>128,547</td>
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<tr>
<td>Economic Development</td>
<td>5,976</td>
<td>6,125</td>
<td>149</td>
<td>19,314</td>
<td>18,984</td>
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<tr>
<td>Cultural Wellbeing</td>
<td>5,743</td>
<td>6,509</td>
<td>766</td>
<td>26,136</td>
<td>26,136</td>
</tr>
<tr>
<td>Social and Recreation</td>
<td>10,717</td>
<td>9,542</td>
<td>1,136</td>
<td>32,897</td>
<td>32,664</td>
</tr>
<tr>
<td>Urban Development</td>
<td>4,395</td>
<td>3,855</td>
<td>540</td>
<td>16,093</td>
<td>16,169</td>
</tr>
<tr>
<td>Transport</td>
<td>4,912</td>
<td>5,499</td>
<td>577</td>
<td>22,913</td>
<td>22,419</td>
</tr>
<tr>
<td>Total Strategy Area</td>
<td>62,736</td>
<td>69,759</td>
<td>2,022</td>
<td>250,778</td>
<td>251,616</td>
</tr>
<tr>
<td>Council</td>
<td>(65,484)</td>
<td>(70,096)</td>
<td>(4,612)</td>
<td>(288,218)</td>
<td>(287,287)</td>
</tr>
<tr>
<td>Total</td>
<td>1,873</td>
<td>(336)</td>
<td>(2,210)</td>
<td>(35,943)</td>
<td>(35,686)</td>
</tr>
</tbody>
</table>

**Financial snapshot**

The year-to-date net operating deficit of $1.873m is $2.210m worse than the budgeted surplus of $0.338m. This unfavourable variance is attributable to a combination of factors as outlined below.

Income  
Year-to-date total income is under budget by $4,946m:  
- Lease income is ahead of budget by $0.293m due to increased Housing rental income (higher occupancy rates and reduced void times).
- Income from Activities is $4,776m under budget due to: Lower New Zealand Transport Agency funding because of delays in the planned capital roading programme ($1.843m); lower funding for the Housing Upgrade Programme due to delays ($1.427m); and shortfalls in our income from parking enforcement, building compliance and user fees and charges.
- Development Contributions are $0.173m less than budget, due to timing differences.

Expenditure  
Year-to-date total expenditure is under budget by $2,736 million:  
- Personnel Expenditure is $0.478m under budget due to timing differences in budgeted expenditure.
- General Expenses are under budget by $2.640m largely due to timing differences in our programme expenditure budget of $166.2m.
- Financing Expenditure is under budget by $0.370m due to lower levels of borrowings and delays in the capital programme.
- Depreciation is also under budget by $0.145m due to lower capital expenditure in 2012/13 than budgeted.

**STATEMENT OF BORROWINGS**

Total committed borrowing facilities as at the end of September are $450m, providing headroom of $124.5m. Our liquidity ratio is at 119% compared to the policy minimum of 110%.

**TREASURY POLICY COMPLIANCE**

At 30 September 2013, all of the core policy compliance requirements were achieved as shown below.

**Prudential Treasury Limits**

- Borrowings as a % of equity < 10
- Borrowings as a % of income < 150

**Interest rate risk control limits (interest rate exposure)**

- Fixed interest proportion 50–95
- Broken down: 0–3 year bucket 20–60
- Broken down: 3–5 year bucket 20–60
- Broken down: 5–10 year bucket 52

**Liquidity/funding risk (access to funds)**

- Liquidity/funding risk (access to funds) > 100
- Broken down: 0–3 year bucket 60
- Broken down: 3–5 year bucket 20
- Broken down: 5–10 year bucket 20
### KEY PROGRAMMES

#### URBAN DEVELOPMENT

**UrbAn DeveLOPmENT**
Foster a compact, vibrant, attractive and safe city that is easy to navigate

- **Q1** (1 July–30 Sept 2013)
  - Memorial Park – tunnel construction underway
  - Need to complete in 2014
  - Greening of Taranaki St – feasibility studies/concept design
  - Parliamentary precinct – concept design
  - Lombard Lane – project initiated
  - Opera House Lane in construction

- **Q2** (1 October–31 Dec 2013)
  - Memorial Park – tunnel construction underway
  - Need to complete in 2014
  - Greening of Taranaki St – feasibility studies/concept design
  - Parliamentary precinct – detailed design
  - Lombard Lane – concept design

- **Q3** (1 Jan–31 March 2014)
  - Need to complete in 2014
  - Greening of Taranaki St – feasibility studies/concept design
  - Parliamentary precinct – construction begins

- **Q4** (1 April–30 June 2014)
  - Need to complete in 2014
  - Parliamentary precinct – construction begins
  - Lombard Lane – concept design

#### EARTHQuAKE rESILIENCE

**EarthQuake Resilience**
Help make the city safer and more resilient in a major earthquake event

- **Q1** (1 July–30 Sept 2013)
  - Earthquake Strengthening Programme – Civic Square Portico Closed, preparation for deconstruction commences
  - Town Hall closed for strengthening – contract for strengthening will be signed
  - Tawa Library strengthening completed

- **Q2** (1 October–31 Dec 2013)
  - Earthquake Strengthening Programme – Civic Square Portico Closed, preparation for deconstruction commences
  - Town Hall closed for strengthening – contract for strengthening will be signed
  - Thistle Hall strengthening completed (the Hall will be closed during this quarter)

- **Q3** (1 Jan–31 March 2014)
  - Earthquake Strengthening Programme – Civic Square Portico Closed, preparation for deconstruction commences
  - Town Hall closed for strengthening – contract for strengthening will be signed
  - Thistle Hall strengthening completed (the Hall will be closed during this quarter)

- **Q4** (1 April–30 June 2014)
  - Earthquake Strengthening Programme – Civic Square Portico Closed, preparation for deconstruction commences
  - Town Hall closed for strengthening – contract for strengthening will be signed
  - Thistle Hall strengthening completed (the Hall will be closed during this quarter)

#### GOVERNANCE

**GoVeRNANCE**
Engage and maintain people’s confidence in decision-making

- **Q1** (1 July–30 Sept 2013)
  - Election project
  - Election project completed

- **Q2** (1 October–31 Dec 2013)
  - Election project
  - Election project completed

- **Q3** (1 Jan–31 March 2014)
  - Draft 2014/15 Annual Plan finalised
  - Draft 2014/15 Annual Plan consultation

- **Q4** (1 April–30 June 2014)
  - Draft 2014/15 Annual Plan adopted

#### ECONOMIC DEvELOPmENT

**Economic DeveLOPmENT**
Contribute to the city’s economic wellbeing and prosperity

- **Q1** (1 July–30 Sept 2013)
  - Destination Wellington: Developed targeted promotional materials to attract overseas businesses and students to Wellington
  - Attended key industry events (e.g. World Education Expo in Hanoi) to increase awareness of Wellington as an educational destination and Wellington’s share of international students
  - A grant ($33,000) was awarded to Enterprise Miramar Peninsula to establish a Business Improvement District (BID) in Miramar
  - Events – Bledisloe Cup: All Blacks vs Australia – 24 Aug
  - WOW Awards: 26 Sept to 6 Oct

- **Q2** (1 October–31 Dec 2013)
  - Destination Wellington: Developed targeted promotional materials to attract overseas businesses and students to Wellington
  - Attended key industry events (e.g. World Education Expo in Hanoi) to increase awareness of Wellington as an educational destination and Wellington’s share of international students
  - A grant ($33,000) was awarded to Enterprise Miramar Peninsula to establish a Business Improvement District (BID) in Miramar
  - Events – Diwali Festival – 27 Oct
  - Sky Show – 9 Nov
  - FIFA World Cup Qualifier – 20 Nov
  - Capital Christmas – 15 Dec

- **Q3** (1 Jan–31 March 2014)
  - Destination Wellington: Developed targeted promotional materials to attract overseas businesses and students to Wellington
  - Attended key industry events (e.g. World Education Expo in Hanoi) to increase awareness of Wellington as an educational destination and Wellington’s share of international students
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  - Events – Diwali Festival – 27 Oct
  - Sky Show – 9 Nov
  - FIFA World Cup Qualifier – 20 Nov
  - Capital Christmas – 15 Dec

- **Q4** (1 April–30 June 2014)
  - Destination Wellington: Developed targeted promotional materials to attract overseas businesses and students to Wellington
  - Attended key industry events (e.g. World Education Expo in Hanoi) to increase awareness of Wellington as an educational destination and Wellington’s share of international students
  - A grant ($33,000) was awarded to Enterprise Miramar Peninsula to establish a Business Improvement District (BID) in Miramar
  - Events – Diwali Festival – 27 Oct
  - Sky Show – 9 Nov
  - FIFA World Cup Qualifier – 20 Nov
  - Capital Christmas – 15 Dec

#### WELlINGTON WATeRFrONT

**WEllington WATeRFrONT**
Enhance enjoyment of the city and contribute to our ‘sense of place’

- **Q1** (1 July–30 Sept 2013)
  - Queens Wharf – completion of wharf strengthening
  - Shed 6 – completion of temporary venue

- **Q2** (1 October–31 Dec 2013)
  - Queens Wharf – completion of wharf strengthening
  - Shed 6 – completion of temporary venue

- **Q3** (1 Jan–31 March 2014)
  - Queens Wharf – completion of wharf strengthening
  - Shed 6 – completion of temporary venue

- **Q4** (1 April–30 June 2014)
  - Queens Wharf – completion of wharf strengthening
  - Shed 6 – completion of temporary venue

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**Other Events**

- **Q1** (1 July–30 Sept 2013)
  - Overseas Passenger Terminal – Wharf, Seawall and Fender work

- **Q2** (1 October–31 Dec 2013)
  - Overseas Passenger Terminal – Wharf, Seawall and Fender work

- **Q3** (1 Jan–31 March 2014)
  - Overseas Passenger Terminal – Wharf, Seawall and Fender work

- **Q4** (1 April–30 June 2014)
  - Overseas Passenger Terminal – Wharf, Seawall and Fender work

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**WELLINGTON WATeRFrONT**
Enhance enjoyment of the city and contribute to our ‘sense of place’

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- **Q2** (1 October–31 Dec 2013)
  - Queens Wharf – completion of wharf strengthening
  - Shed 6 – completion of temporary venue

- **Q3** (1 Jan–31 March 2014)
  - Queens Wharf – completion of wharf strengthening
  - Shed 6 – completion of temporary venue

- **Q4** (1 April–30 June 2014)
  - Queens Wharf – completion of wharf strengthening
  - Shed 6 – completion of temporary venue
## Housing Upgrade Project
*Provide affordable housing to those in need*

- **Q1 (1 July–30 Sept 2013)**
  - Arlington – Councils renewed indicative business case, and gave approval to proceed
  - Maidstone Court – Resource Consent enabling works
  - Kotuku – Preliminary Design approved
  - Berkeley Dalland & Elona construction

- **Q2 (1 October–31 Dec 2013)**
  - Marshall Court – main construction contract starts 23 October
  - Kotuku – initial design to be completed by December 2013
  - Berkeley Dalland & Elona construction

- **Q3 (1 Jan–31 March 2014)**
  - Marshall Court – construction
  - Kotuku – detailed design to be complete by March 2014

- **Q4 (1 April–30 June 2014)**
  - Kotuku – tender main construction

## Social & Recreation Projects
*Encourage and enable people of all ages to engage to live active, healthy lifestyles*

- **Q1 (1 July–30 Sept 2013)**
  - Alex Moore Park – resource consent gained, detailed design completed and contracts finalised
  - Grasslees Reserve Upgrade – resource consent gained and detailed design completed
  - Clyde Quay Public Space Improvements – pricing and contractor confirmed, MOU in development
  - Couch Grass Trial – Evans Bay Park confirmed as location. Pricing and contractor confirmed

- **Q2 (1 October–31 Dec 2013)**
  - Tender let and construction commenced
  - Tender let
  - Work programme underway
  - Work to start – early Nov

- **Q3 (1 Jan–31 March 2014)**
  - Construction completed
  - Construction commenced
  - MOU to be agreed. Results and reports from studies received
  - Field back in use

- **Q4 (1 April–30 June 2014)**
  - Berkeley Dalland & Elona construction – complete August 2014

## Natural Environment
*Promote a culture that values the environment and encourages sustainable behaviour*

- **Q1 (1 July–30 Sept 2013)**
  - Our Capital Spaces – framework approved by Council on 28 Aug
  - Our Living City – Water Sensitive Urban Design (WSuD) – consultation began on the draft guide

- **Q2 (1 October–31 Dec 2013)**
  - Our Living City – Water Sensitive Urban Design (WSuD) – consultation began on the draft guide
  - Finalise WSuD guide and investigate options in Taranaki and Newtown catchments

- **Q3 (1 Jan–31 March 2014)**
  - Complete installation of a 5kW solar PV array on the Karori Recreation Centre
  - Warrant of Fitness (WoF) – deliver a voluntary rental housing WoF field test in Wellington

- **Q4 (1 April–30 June 2014)**
  - Climate Change Action Plan published

## Water
*Ensure Wellingtonians have access to high-quality water*

- **Q1 (1 July–30 Sept 2013)**
  - Firefighting water main upgrades were completed for 2013/14
  - Emergency water tanks to be installed in Miramar, Newtown and Brooklyn

- **Q2 (1 October–31 Dec 2013)**
  - Upper Hutt & Porirua City Council join Wellington & Hutt City Councils as shareholders of Capacity Infrastructure Services Ltd

## Transport
*Enable people and goods to move through the city safely and efficiently*

- **Q1 (1 July–30 Sept 2013)**
  - Public Transport Spine Study – public consultation on report and associated documentation closed on 30 Sept

- **Q2 (1 October–31 Dec 2013)**
  - Subcommittee undertakes hearings on 26 Nov and 2 Dec then reports to Regional Transport Committee on 19 Dec

- **Q3 (1 Jan–31 March 2014)**
  - Partners determine positions on hearings subcommittees recommendations for Regional Transport Committee meeting in February

- **Q4 (1 April–30 June 2014)**
  - Business case for detailed investigation of preferred option to be completed with any additional funding required secured through 2014/15 Annual Plan process

## Wagga Wagga Consulting Limited
*Provision of Business Management & Finance Support*

- **Q1 (1 July–30 Sept 2013)**
  - State Highway projects – Council Submission on Basin Bridge project to ‘support in part’ and ‘grant with conditions’

- **Q2 (1 October–31 Dec 2013)**
  - Review Basin Bridge submissions and finalise ‘expert’ evidence in support of Council submission

- **Q3 (1 Jan–31 March 2014)**
  - Expert evidence delivered to Basin Bridge Board of Inquiry

- **Q4 (1 April–30 June 2014)**
  - Engage with NZTA on detailed mitigation design

## Johnsonville Roading Improvements
*Submitted joint funding application (WCC & NZTA’s Highways Network Operations Group) to NZTA’s Planning and Investment Group. Total cost of project $10.1m with funding assistance sought at 54%*

- **Q1 (1 July–30 Sept 2013)**
  - Johnsonville Roading Improvements – submitted joint funding application (WCC & NZTA’s Highways Network Operations Group) to NZTA’s Planning and Investment Group.

- **Q2 (1 October–31 Dec 2013)**
  - NZTA approval notified subject to some matters of detail to be completed. Start design work

- **Q3 (1 Jan–31 March 2014)**
  - Concept design and design report completed. Detailed scheme design and associated tasks progressed

- **Q4 (1 April–30 June 2014)**
  - Detail design completed and approved. Specification and tender documents under preparation