

RODNEY DISTRICT COUNCIL

SUPPLEMENTARY AGENDA

19 August 2010

ITEM NO: 5A

REPORT



TO Council
ON 19 August 2010
FROM Morna Macfarlane – Manager: Finance
APPROVED BY Kevin Ramsay – Director: Corporate Services
SIGNATURE

A handwritten signature in black ink, appearing to read "K Ramsay", written over a horizontal line.

SUBJECT CARRY FORWARD OF BUDGETED EXPENDITURE FROM THE
2009/2010 FINANCIAL YEAR

FILE REF AB/1/1

PURPOSE OF REPORT:

<input type="checkbox"/> Information only	<input type="checkbox"/> Strategic decision	<input type="checkbox"/> Policy decision	<input type="checkbox"/> Statutory process
<input type="checkbox"/> Community issue	<input type="checkbox"/> Contract decision	<input type="checkbox"/> Delegation	<input type="checkbox"/> Appointment
<input checked="" type="checkbox"/> Administrative matter			

IMPLICATIONS:

(i)	Is this matter significant in terms of Council's Policy on Significance? No
(ii)	Implications in terms of Vision Rodney? Expenditure required to meet the objectives of Vision Rodney.
(iii)	Implications in terms of Long Term Council Community Plan / Annual Plan? The requested carry forwards are for budgeted projects which have been approved as part of the Council's Annual and Long Term Plans. The amounts are those unspent on those projects as at 30 June 2010.
(iv)	Implications in terms of other Council Strategic documents or Council Policy? Not applicable
(v)	Is a budget amendment required? Yes

(vi)	Have the views of affected or interested persons been obtained and is any further public consultation required?
	No further consultation required. These projects were previously consulted on and approved by the Council as part of previous Long Term Council Community Plan and Annual Plan processes.
(vii)	Does a decision on this matter require Auckland Transition Agency approval? (yes / no / advice being sought?)
	No

FINANCIAL IMPLICATIONS:

Capital cost implications	Carry forward of \$2.658m for Rodney District Council and \$16.821m for the Auckland Council
Is it currently budgeted for?	Yes, unspent budget from the 2009/10 financial year.
Funding source of capital costs	As outlined in the Long Term Council Community Plan and the Annual Plan Processes.
Ongoing operational cost implications	Yes
Is it currently budgeted for?	Yes
Funding and rating impact (whether resulting from capital expenditure or arising directly)	Already included in the LTCCP budgets. The Council's annual plan four month budgets and Auckland Council eight month budgets.

SUMMARY:

Attached as **Appendix 1** is a schedule of the requested carry forwards of projects which were not completed in the 2009/2010 financial year. These projects are at various stages of completion and explanations for individual projects are shown.

RECOMMENDATION:

That the carry forwards of \$19.5 million of projects, as per the schedule attached as Appendix 1 to the agenda report, for the 2009/2010 financial year be approved.

1.0 Background

Attached as **Appendix 1** is a schedule of the capital projects which are requested to be carried forward from the 2009/2010 financial year to the new financial year 2010/2011. The schedule has been split into those projects that Rodney District Council will complete and those that are recommended to be carried forward to the new Auckland Council.

There are 60 individual projects, with a total requested carry forward value of \$19.5 million out of a total capital budget for the 2009/2010 year of \$94.5m (20%). This compares to \$15.2 million last year, \$21.1m at the end of the 2007/2008 financial year and \$30.2m at the end of the 2006/2007 financial year.

The requested carry forwards represent projects which are either partially completed or projects which were delayed for a variety of reasons. Explanations to support the projects proposed to be carried forward are included.

Of the total requested carry forward amount of \$19.5 million, roading projects represent approximately \$16.6 million, or approximately 85% of the value.

The six largest projects to be carried forward and making up approximately \$14.8 million of the \$19.5 million requested amount are:

- Silverdale Park and Ride \$8.6 million
- Whangaparaoa Access and other Penlink related projects \$1.6 million
- Warkworth Western Collector \$1.7 million
- Whangaparaoa Access \$1.3 million
- Silverdale Parkway \$0.9 million
- Warkworth Intersection \$0.7million

2.0 Issues

A carry forward is a request to carry unused budget set aside for a specific project from one financial year over to the next financial year.

A carry forward:

1. Must be for a **specific** project, therefore carry forwards are generally for capital expenditure.
2. Is for future payments for work which will be undertaken in the next financial year.
3. Is **not** a contingency fund carrying over savings from one project to another project.

All planned capital expenditure is approved by the Council through the Long Term Council Community Plan (LTCCP) or an Annual Budget based on the best information available at the time.

3.0 Options

Many of the projects are either partially completed and will continue for the final period of Rodney District Council, are contracts that have been awarded or capital that needs to be considered by the Auckland Council.

4.0 Conclusion

The carry forwards detailed in the schedule attached as **Appendix 1** should be approved.

APPENDIX 1