

I hereby give notice that an ordinary meeting of the Waitematā Local Board Finance Committee will be held on:

Date: Thursday, 25 June 2015
Time: 11.00 am
Meeting Room: Waitematā Local Board Room
Venue: Level 2
35 Graham Street
Auckland

Waitematā Local Board Finance Committee OPEN AGENDA

MEMBERSHIP

Chairperson	Greg Moyle
Deputy Chairperson	Vernon Tava
Members	Shale Chambers Christopher Dempsey

(Quorum 2 members)

Desiree Tukutama
Democracy Advisor

19 June 2015

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1 Welcome

2 Apologies

At the close of the agenda no apologies had been received.

3 Declaration of Interest

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

4 Confirmation of Minutes

That the Waitematā Local Board Finance Committee:

- a) Confirm the ordinary minutes of its meeting, held on Thursday, 23 April 2015, including the confidential section, as a true and correct record.

5 Leave of Absence

At the close of the agenda no requests for leave of absence had been received.

6 Acknowledgements

At the close of the agenda no requests for acknowledgements had been received.

7 Petitions

At the close of the agenda no requests to present petitions had been received.

8 Deputations

Standing Order 3.20 provides for deputations. Those applying for deputations are required to give seven working days notice of subject matter and applications are approved by the Chairperson of the Waitematā Local Board Finance Committee. This means that details relating to deputations can be included in the published agenda. Total speaking time per deputation is ten minutes or as resolved by the meeting.

At the close of the agenda no requests for deputations had been received.

9 Public Forum

A period of time (approximately 30 minutes) is set aside for members of the public to address the meeting on matters within its delegated authority. A maximum of 3 minutes per item is allowed, following which there may be questions from members.

At the close of the agenda no requests for public forum had been received.

10 Extraordinary Business

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“An item that is not on the agenda for a meeting may be dealt with at that meeting if-

- (a) The local authority by resolution so decides; and
- (b) The presiding member explains at the meeting, at a time when it is open to the public,-
 - (i) The reason why the item is not on the agenda; and
 - (ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting.”

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting,-

- (a) That item may be discussed at that meeting if-
 - (i) That item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”

11 Notices of Motion

At the close of the agenda no requests for notices of motion had been received.

Waitemata Local Board Financial Performance Report for the period ended 31 May 2015

File No.: CP2015/12088

Purpose

1. To update the Waitemata Local Board members on progress against the operational and capital budgets for the period ended 31 May 2015

Executive Summary

2. A financial performance report is presented to Waitemata Local Board for the accounting quarters ending September, December, March and June.
3. This report covers the 11 months period ended 31 May 2015.
4. The net cost of service was \$35.4m against a budget of \$36.4m. This is \$1m or 3% below budget.
5. Capital expenditure was \$3.2 m against a budget of \$4.2m. The favourable variance of \$933k is mainly in local parks services \$687k and local libraries \$166k.

Recommendations

That the Waitematā Local Board Finance Committee:

- a) Receive the Finance Performance Report for the period ended 31 May 2015.

Attachments

No.	Title	Page
A	Waitemata Local Board Financial Performance Report for the period ended 31 May 2015	9

Signatories

Authors	Audrey Gan - Lead Financial Advisor Local Boards
Authorisers	Christine Watson - Manager Financial Advisory Services - Local Boards Judith Webster - Relationship Manager

**WAITEMATA LOCAL BOARD
FINANCIAL PERFORMANCE REPORT
FOR THE PERIOD ENDED 31 MAY 2015**

Quarterly Financial Performance Report for the Waitemata Local Board for the period ended 31 May 2015

1. Financial Overview and Top Projects Summary

Net Cost of Service and Capital Expenditure relating to the local board is summarised below and further discussed in the report in respect of each Group of Activity.

Table 1: Financial Overview

QTD May	QTD May		YTD May	YTD May	YTD	Full Year	Annual
Actual	Budget		Actual	Budget	Variance	Budget	Plan
\$000	\$000		\$000	\$000	\$000	\$000	\$000
798	846	Revenue	4,024	4,596	(572)	5,005	5,047
7,718	7,789	Operating expenditure	39,455	41,087	1,613	44,278	44,007
6,920	6,942	Net Cost of Service	35,430	36,471	1,041	39,272	38,961
906	982	Gross Capital Expenditure	3,252	4,185	933	6,307	6,498

Comment:

Net Cost of Service was \$35.4m which is \$1m or 3% below budget.

Operating Expenditure at \$39.4m is \$1.6m below budget with variances across the following activities:

- Local park services \$1.02m below budget due to lower overheads, security cost, repairs and maintenance and depreciation.
- Local recreation services \$368k below budget in overheads, materials, occupancy and utility expenses.
- Local community services \$229k below budget due to lower occupancy and utility expenses in Pioneer Women's Hall and Leys Institute Hall.
- Local arts, culture and events services \$55k below budget. Lower materials expense, repairs, maintenance and outsourced works in Studio One offset community arts programmes which occurred earlier than plan.
- Local built and natural environment \$38k below budget due to lower expenditure in heritage planning and foreshore project.
- Local governance \$22k below budget due to lower overheads.
- Local libraries \$82k above budget due to higher overheads in the Central Library.
- Local economic activity \$41k above budget. There is an incorrect charge which should be reversed in the following month.

Revenue at \$4m is \$573k below budget. Commercial rent from Jubilee building is overstated in the budget and will be corrected in the long term plan.

Capital Expenditure at \$3.2m is \$933k below budget and mainly in local park services \$687k and local libraries \$165k.

2. Local libraries

Table 1: Financial Overview: Local library facilities and services

Actual QTD \$000	Budget QTD \$000		Actual YTD \$000	Budget YTD \$000	Variance YTD \$000	Variance YTD %	Full Year Revised Budget \$000	Full Year Annual Plan \$000
Operational								
19	18	Local library facilities and services	100	95	6	6%	102	102
19	18	Operating revenue	100	95	6	6%	102	102
1,295	1,276	Local library facilities and services	7,102	7,020	(82)	(1%)	7,666	7,472
1,295	1,276	Operating expenditure	7,102	7,020	(82)	(1%)	7,666	7,472
1,276	1,259	Local library facilities and services	7,001	6,925	(76)	(1%)	7,564	7,370
1,276	1,259	Net cost of service	7,001	6,925	(76)	(1%)	7,564	7,370
Capital								
(3)	0	Local library facilities and services	31	197	166	84%	479	169
(3)	0	Capital expenditure	31	197	166	84%	479	169

Comment:

Net Cost of Service was \$7m and is \$76k below budget.

Operating Expenditure was \$7m and is \$76k (or 1%) above budget. Higher overheads in Central City library was offset by lower cost of repairs, maintenance and depreciation.

Revenue was \$100k and is above budget by \$5k.

Capital expenditure of \$31k is below budget by \$165k. Both library renewals and furniture and fittings renewals are behind the plan but will be on target at year end.

3. Local community services

Table 3: Financial Overview: Local community services

Actual QTD	Budget QTD		Actual YTD	Budget YTD	Variance YTD	Variance YTD %	Full Year Revised Budget	Full Year Annual Plan
\$000	\$000		\$000	\$000	\$000	%	\$000	\$000
Operational								
0	0	Local community development initiatives	5	0	5	0%	0	0
330	393	Local community facilities	1,659	2,203	(544)	(25%)	2,400	2,442
330	393	Operating revenue	1,664	2,203	(539)	(24%)	2,400	2,442
86	80	Local community development initiatives	317	343	25	7%	365	376
148	176	Local community facilities	1,112	1,316	204	15%	1,427	1,419
234	256	Operating expenditure	1,429	1,658	229	14%	1,791	1,795
86	80	Local community development initiatives	312	343	30	9%	365	376
(182)	(217)	Local community facilities	(547)	(898)	(341)	(38%)	(974)	(1,023)
(96)	(137)	Net cost of service	(235)	(545)	(310)	(57%)	(609)	(647)
Capital								
38	101	Local community facilities	360	393	33	8%	726	2,176
38	101	Capital expenditure	360	393	33	8%	726	2,176

Comment:

Net Cost of Service was negative \$235k and is \$310k below budget.

Operating expenditure of \$1.4m is \$229k (or 14%) below budget due mainly to:

- Lower occupancy and utility expenses in Pioneer Women's Hall \$132k and Leys Institute Hall \$63k

Revenue of \$1.6m is below budget by \$539k. Commercial rent from Jubilee building is overstated in the budget by \$639k and is offset by higher revenue from community facilities and leases \$95k.

Capital expenditure at \$360k is \$33k above budget.

\$372k was spent on community facility renewals and account for an overspend of \$252k. The work undertaken included:

- Lighting in the Freeman's Bay Community Centre
- Installation of heat pumps in Grey Lynn Community Centre
- Ceiling repairs in Ponsonby Community Centre
- Installation of a new lift at Leys
- Upgrade to Waitemata fire system

The above overspend offset delayed expenditure on the redevelopment of Pioneer Women's and Ellen Melville Hall \$273k. There was an agreement to manage both projects at the same time. Procurement of architectural services has now closed and the next steps will be architect contractor appointment and initiation of design process.

4. Local arts, culture and events services

Table 4: Financial Overview: Local arts, culture and events services

Actual	Budget		Actual	Budget	Variance	Variance	Full Year	Full Year
QTD	QTD		YTD	YTD	YTD	YTD	Revised Budget	Annual Plan
\$000	\$000		\$000	\$000	\$000	%	\$000	\$000
Operational								
0	0	Local events	14	0	14	0%	0	0
29	70	Local arts and culture facilities	148	386	(238)	(62%)	421	421
29	70	Operating revenue	162	386	(224)	(58%)	421	421
29	56	Local events	333	332	(1)	0%	348	353
80	25	Local arts and culture initiatives	208	150	(57)	(38%)	285	270
63	88	Local arts and culture facilities	371	484	113	23%	529	529
172	169	Operating expenditure	912	967	55	6%	1,141	1,152
29	56	Local events	319	332	13	4%	348	353
80	25	Local arts and culture initiatives	208	150	(57)	(38%)	285	270
34	17	Local arts and culture facilities	223	98	(125)	(127%)	108	108
143	99	Net cost of service	750	581	(169)	(29%)	720	731
Capital								
6	0	Local arts and culture facilities	21	50	28	57%	73	50
6	0	Capital expenditure	21	50	28	57%	73	50

Comment:

Net Cost of Service was \$750k is above budget by \$169k.

Operating expenditure of \$912k is \$55k or 6% below budget. Operating expenditure in Studio One is below budget by \$108k particularly in material expenses, repairs, maintenance and depreciation. This offset higher expenditure for Parnell Festival of Roses \$14k which is covered by revenue.

Revenue at \$162k is \$224k below budget due to lower entrance fees and sales from Studio One of \$196k. \$14k of unbudgeted revenue was received from Parnell Festival of Roses.

Capital expenditure of \$21k was spent on consultancy services relating to art station renewals

5. Local parks services

Table 5: Financial Overview: Local parks

Actual	Budget		Actual	Budget	Variance	Variance	Full Year	Full Year
QTD	QTD		YTD	YTD	YTD	YTD	Revised Budget	Annual Plan
\$000	\$000		\$000	\$000	\$000	%	\$000	\$000
Operational								
13	31	Local parks	55	73	(18)	(25%)	75	75
13	31	Operating revenue	55	73	(18)	(25%)	75	75
2,804	2,962	Local parks	15,195	16,219	1,024	6%	17,761	17,725
2,804	2,962	Operating expenditure	15,195	16,219	1,024	6%	17,761	17,725
2,790	2,931	Local parks	15,140	16,146	1,006	6%	17,686	17,650
2,790	2,931	Net cost of service	15,140	16,146	1,006	6%	17,686	17,650
Capital								
866	881	Local parks	2,750	3,437	687	20%	4,806	3,447
866	881	Capital expenditure	2,750	3,437	687	20%	4,806	3,447

Comment:

Net Cost of Service was \$15.1m which is \$1m or 6% below budget.

Operating expenditure was \$15.1m and is \$1m or 6% lower than plan in:

- Full facility parks contract \$604k and Security – local parks \$214k due to higher budget allocation.
- Ecological restoration \$\$128k – lower repairs and maintenance than anticipated
- Consequential opex \$148k – maintenance, depreciation etc.

The underspend is partially offset with higher overheads in local park general \$149k

Revenue at \$55k and is \$18k below target.

Capital expenditure of \$2.7m is \$687k or 20% below the budget with variances, mainly in the following projects:

- Myers Park Upgrade \$181k under budget. Additional construction cost will be captured next month.
- Park and playground facility upgrade – actual expenditure is showing as \$1k. The budget of \$118k has been allocated between Costley Reserve playground renewal and the new car park access driveway at Victoria Park skatepark.

Projects that are ahead of budget/ commenced ahead of plan are:

- Weona Walkway for sourced services, planning and design work \$116k
- Local improvement projects \$104k
- Local park public convenience renewals \$151k
- Local park structure renewals is currently showing \$112k overspend. Part of the budget is in Sports park structure renewal which is showing an underspend of \$441k.

6. Local recreation services

Table 6: Financial Overview: Local recreational initiatives and facilities

Actual QTD \$000	Budget QTD \$000		Actual YTD \$000	Budget YTD \$000	Variance YTD \$000	Variance YTD %	Full Year Revised Budget \$000	Full Year Annual Plan \$000
Operational								
406	332	Local recreation initiatives	2,035	1,826	210	-11%	1,992	1,992
406	332	Operating revenue	2,035	1,826	210	11%	1,992	1,992
542	590	Local recreation initiatives	3,509	3,877	368	9%	4,166	4,111
542	590	Operating expenditure	3,509	3,877	368	9%	4,166	4,111
136	258	Local recreation initiatives	1,474	2,051	578	28%	2,174	2,120
136	258	Net cost of service	1,474	2,051	578	28%	2,174	2,120
Capital								
0	0	Local recreation initiatives	84	109	25	23%	119	156
0	0	Capital expenditure	84	109	25	23%	119	156

Comment:

Net Cost of Service was \$1.4m and is \$578k below budget.

Operating expenditure of \$3.5m is \$368k or 9% below budget in the following areas:

- Tepid Baths operational \$256k (This includes facilities aquatics, customer service, fitness and learn to swim)
- Outsourced works and services in Olympic Pool and Fitness Centre \$83k
- Outsourced works and services in Pt Erin Pool \$62k
- Lower repair costs in other facilities \$40k

This offset higher repairs and maintenance expenses in Parnell Baths \$62k

Revenue of \$2m is above budget by \$210k from:

- Unbudgeted revenue from Olympic Pool \$51k
- Higher visitor numbers, sales and rental from Tepid Baths Operations \$159k

Capital expenditure of \$84k is \$25k below budget. Aquatic facility building renewals is overspend by \$22k and offset planned equipment renewals \$44k which have yet to take place.

7. Local economic development

Table 7: Financial Overview: Local economic development

Actual QTD \$000	Budget QTD \$000		Actual YTD \$000	Budget YTD \$000	Variance YTD \$000	Variance YTD %	Full Year Revised Budget \$000	Full Year Annual Plan \$000
Operational								
0	0	Operating revenue	0	0	0	0%	0	0
1,976	1,876	Local business area planning and development	7,845	7,786	(58)	(1%)	7,868	7,868
433	407	Local street environment and town centres	2,189	2,206	17	1%	2,423	2,423
2,409	2,283	Operating expenditure	10,034	9,992	(41)	0%	10,292	10,292
1,976	1,876	Local business area planning and development	7,845	7,786	(58)	(1%)	7,868	7,868
433	407	Local street environment and town centres	2,189	2,206	17	1%	2,423	2,423
2,409	2,283	Net cost of service	10,034	9,992	(41)	0%	10,292	10,292
Capital								
0	0	Local street environment and town centres	5	0	(5)	0%	0	483
0	0	Capital expenditure	5	0	(5)	0%	0	483

Comment:

Net Cost of Service was \$10m which is \$41k below budget.

Operating expenditure of \$10m is underspent by \$41k in:

- Occupancy and utility in public conveniences \$44k
- Heart of the City BID grant \$37k but will be on target at year end.

This offset higher expenditure for overheads in street environment and town centres strategy and policy \$43k.

Capital expenditure of \$5k has been spent on Village Square Development in Ponsonby.

8. Local built and natural environment

Table 8: Financial Overview: Local environment and heritage protection

Actual QTD	Budget QTD		Actual YTD	Budget YTD	Variance YTD	Variance YTD	Full Year Revised Budget	Full Year Annual Plan
\$000	\$000		\$000	\$000	\$000	%	\$000	\$000
Operational								
0	0	Operating revenue	0	0	0	0%	0	0
18	23	Local environment and heritage protection	32	70	38	54%	81	81
18	23	Operating expenditure	32	70	38	54%	81	81
18	23	Local environment and heritage protection	32	70	38	54%	81	81
18	23	Net cost of service	32	70	38	54%	81	81
Capital								
0	0	Capital expenditure	0	0	0	0%	0	0

Comment:

Net Cost of Service was \$32k and is \$38k below budget.

Operating Expenditure of \$32k and is \$38k below target in Heritage Planning \$27k and Heritage Foreshore Project \$11k.

9. Local governance

Table 9: Financial Overview: Local planning, policy and governance

Actual QTD	Budget QTD		Actual YTD	Budget YTD	Variance YTD	Variance YTD %	Full Year Revised Budget	Full Year Annual Plan
\$000	\$000		\$000	\$000	\$000	%	\$000	\$000
Operational								
0	2	Local planning, policy and governance	8	14	(6)	(44%)	15	15
0	2	Operating revenue	8	14	(6)	(44%)	15	15
244	229	Local planning, policy and governance	1,243	1,264	22	2%	1,380	1,380
244	229	Operating expenditure	1,243	1,264	22	2%	1,380	1,380
244	227	Local planning, policy and governance	1,235	1,251	15	1%	1,365	1,365
244	227	Net cost of service	1,235	1,251	15	1%	1,365	1,365
Capital								
0	0	Local planning, policy and governance	0	0	0	0%	105	15
0	0	Capital expenditure	0	0	0	0%	105	15

Comment:

Net Cost of Service was \$1.2m and is \$15k or 1% below budget.

Operating expenditure of \$1.2m and is \$22k below budget.

Capital expenditure the budget of \$105k has been reallocated.

Waitemata Local Board 2014/2015 Local Improvements Programme update to June 2015

File No.: CP2015/12439

Katrina Morgan, Team Leader SLIPs, will provide a verbal update to the Waitemata Local Board on the 2014/2015 Local Improvements Programme update to June 2015.