

Financial Performance

Financial Summary

Account	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Operating revenue (ABS)	954	1524	(570)	3,282	3,282
Operating revenue (LDI)	2	0	2	0	0
Operating expenditure (ABS)	7,306	7,457	151	14,759	14,843
Operating expenditure (LDI)	485	449	(36)	1,575	1,460
Operating expenditure (LGS)	643	643	0	1,300	1,300
Net Cost of Service	7,478	7,026	(452)	14,351	14,321

Capital expenditure	6,824	4,996	(1,828)	9,927	9,526
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Hibiscus and Bays Local Board has invested \$6.8m in capital expenditure and \$7.5m net operating expenditure for the second quarter ended 31 December 2016.

Most of the capital investment in the quarter has been in the local parks, sport and recreation activity totalling \$5.7m, with community services contributing \$1.1m.

The operating net cost of service is tracking over budget YTD. Lower operating revenue is the main cause of this variance due to a one-off accounting adjustment required to correct prior year revenue recognition for Stanmore Bay Leisure Centre.

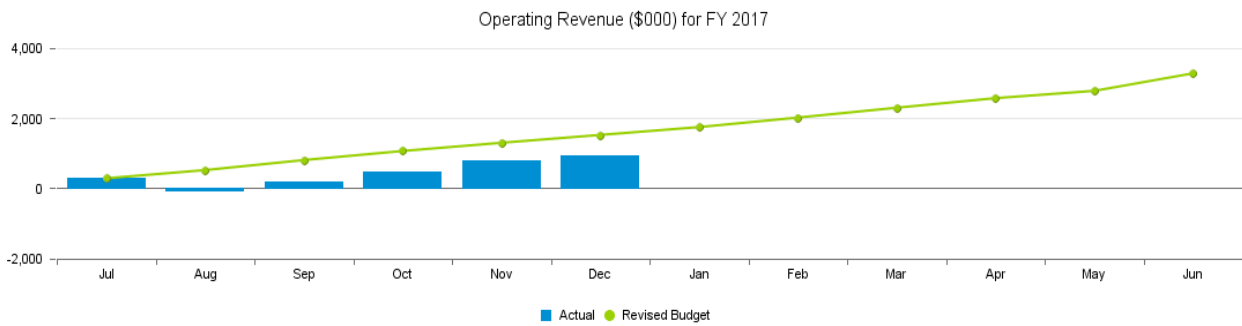
The LDI spend in this period included a quick response grant distribution of a further \$24k for the quarter. This leaves 53% (\$188k) of the available grant pool to be allocated.

It would be prudent to safeguard allocated LDI Capex funds by assigning them to specific projects. This ensures they are included in the relevant departmental 2017/18 work programmes.

All approved carry forward budgets from 2015/16, both capex and opex, have been updated in the system along with additional capital budget from growth projects. As such, the revised budgets for this quarter differ from those produced for the first quarterly report. Details are outlined in the capital projects and LDI tables.

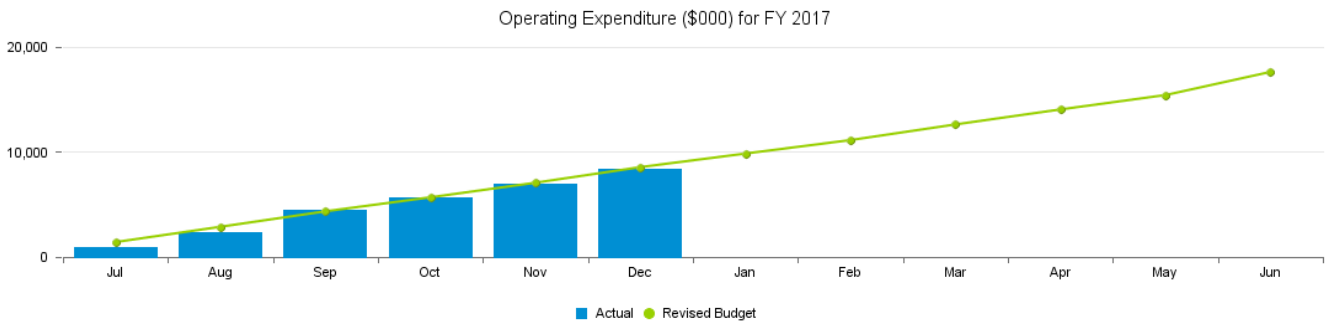
The Funding Impact Statement (FIS) has again been included in the quarterly report for each local board to provide a snapshot of what the local board is spending money on and how those expenditures are funded.

Operating Revenue



Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local community services	51	46	5	90	90
Local parks, sport and recreation	905	1,478	(573)	3,192	3,192
Total Operating Revenue	956	1,524	(568)	3,282	3,282

Operating Expenditure

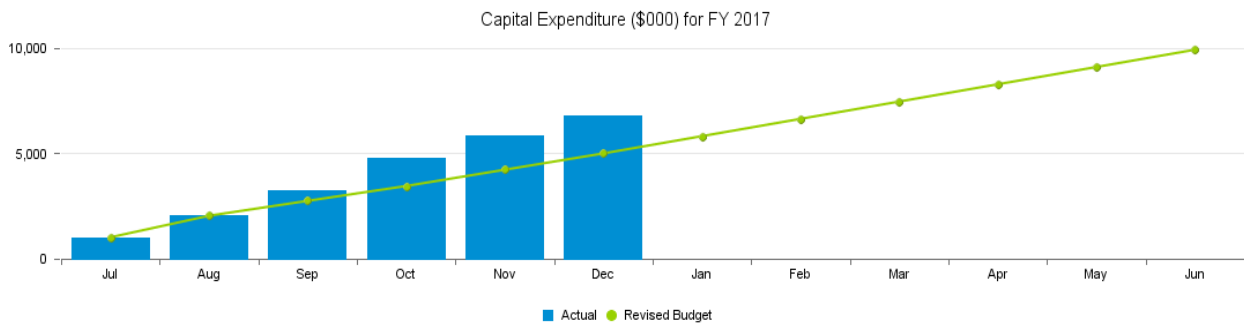


Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local community services	2,343	2,321	(22)	4,381	4,336
Local environmental management	2	6	8	128	128
Local governance	643	643	0	1,300	1,300
Local parks, sport and recreation	5,128	5,258	130	11,067	11,081
Local planning and development	322	321	(1)	758	758
Total Operating Expenditure	8,434	8,549	115	17,634	17,603

LDI Expenditure – All Projects

Net Cost of Service	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local community services					
ACE LDI Staff allocation	47	47	0	94	94
ANZAC	0	0	0	15	15
Capacity building programme	134	83	(51)	166	166
CDAC Facility assessment	0	0	0	5	0
Community development	0	35	35	35	0
Community response operating fund	8	0	(8)	0	0
Community wellbeing programmes	0	0	0	0	5
Estuary Arts top up	50	50	0	50	50
Event partnership	51	37	(14)	64	54
Local civic functions	11	10	(1)	20	20
Local community grants	159	170	11	350	360
Youth Panels Initiatives	0	15	15	20	10
Total Local community services	460	447	(13)	819	774
Local environmental management					
Environmental management programmes	(6)	2	8	120	120
Total Local environmental management	(6)	2	8	120	120
Local parks, sport and recreation					
Centennial	0	0	0	10	10
Greenways plans	4	0	(4)	90	50
LDI Volunteers parks	15	0	(15)	70	70
Metropark changing room	0	0	0	20	20
Reserve management plans opex	(1)	0	1	30	0
Sherwood toilet planning	0	0	0	50	50
Small enhancement Initiatives (H and B)	10	0	(10)	36	36
Total Local parks, sport and recreation	28	0	(28)	306	236
Local planning and development					
Actions from centre plans	0	0	0	299	299
Local board discretionary fund	1	0	(1)	0	0
Town centre revitalisation concept plan	(1)	0	1	0	0
Visitor promotion	0	0	0	15	15
World Masters Games	0	0	0	15	15
Young Enterprise Scheme	0	0	0	1	1
Total Local planning and development	1	0	(1)	330	330
TOTAL	485	449	(36)	1,575	1,460

Capital Expenditure



Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local community services	1,076	765	(311)	1,499	1,035
Local governance	22	69	47	98	0
Local parks, sport and recreation	5,725	4,162	(1,563)	8,330	8,491
Total Capital Expenditure	6,824	4,996	(1,828)	9,927	9,526

The capital program has steadily progressed with the costs associated with the development and equipment renewal of Stanmore Bay Leisure Centre (\$1,851k) being the bulk of the cost. Other significant projects include the renewal of Murrays Bay Wharf (\$781k), the Murrays Bay Beach and Waiake Beach toilet renewals (\$388k and \$587k), and the Stillwater boat ramp renewal (\$250k).

The Stoney Homestead improvements have been completed with a total cost of \$787k.

The budget deficits for Metro Park turfing will be sourced internally from within the department.

More detail of projects follows.

Capital Expenditure – all projects

Project Name	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Improvements (Stoney Homestead)	787	445	(342)	843	547
Local library renewals	91	176	85	348	267
ACE - Community house and centre renewals	56	53	(3)	133	126
ACE - Art facility renewals	25	32	7	49	49
ACE - Leases renewals	12	32	20	60	46
Hall upgrade (Stillwater)	18	27	9	65	0
Estuary arts extension	3	0	(3)	0	0
Library furniture and fitting renewals	15	0	(15)	0	0
Orewa Community Centre renewals	68	0	(68)	0	0
Total Local community services	1,076	765	(311)	1,499	1,035
Small local improvement projects (North)	22	69	47	98	0
Total Local governance	22	69	47	98	0
HBC Leisure Centre extension	1,530	1,132	(398)	1,785	1,760
Parks - Asset renewals	1,624	824	(800)	1,603	1,537
Parks - Coastal asset renewals	1,158	824	(334)	1,341	1,326
Sport development	456	416	(40)	311	2,440
Playscape development	0	325	325	1,300	0
Greenway and walkway development	16	206	190	705	0
Locally driven initiatives (LDI Capex)	52	113	61	564	1,076
Parks - Sports fields renewals	40	89	49	204	204
General park development	10	76	66	196	0
Access coastal protection nourishment (Orewa beach)	177	50	(127)	50	0
Replace toilet (Western Reserve)	89	49	(40)	123	0
Browns Bay parking upgrades	0	26	26	66	66
Leisure facility building renewals	29	19	(10)	49	49
Mairangi Bay parking upgrades	0	13	13	33	33
Foundation infrastructure	22	0	(22)	0	0
Leisure facility equipment renewals	321	0	(321)	0	0
Local park coastal structures renewals	(29)	0	29	0	0
Sportsfield (Metropark)	231	0	(231)	0	0
Total Local parks, sport and recreation	5,725	4,162	(1,563)	8,330	8,491
	6,824	4,996	(1,828)	9,927	9,526

Funding impact statement

Funding Impact Statement					
Hibiscus and Bays					
For the year ended 31 December 2016					
\$000	Notes	Actual 2017	Revised Budget 2017	Annual Plan 2017	Long Term Plan 2016
Sources of operating funding:					
General rates, UAGC, rates penalties		16,549	16,553	16,553	16,879
Targeted rates		428	428	428	368
Subsidies and grants for operating purposes		120	91	380	162
Fees and charges	1	824	1,421	2,879	1,973
Local authorities fuel tax, fines, infringement fees and other receipts		13	12	24	229
Total operating funding		17,934	18,505	20,264	19,611
Applications of operating funding:					
Payment to staff and suppliers		7,462	7,611	15,619	15,002
Finance costs		878	878	1,863	1,534
Internal charges and overheads applied		1,355	1,355	2,709	2,684
Other operating funding applications		-	-	-	-
Total applications of operating funding		9,695	9,844	20,191	19,220
Surplus (deficit) of operating funding		8,239	8,661	73	391
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		(1,415)	(3,665)	9,453	15,457
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding		(1,415)	(3,665)	9,453	15,457
Applications of capital funding:					
Capital expenditure:					
- to meet additional demand		1,347	1,449	3,039	2,124
- to improve the level of service		1,452	1,102	1,534	8,091
- to replace existing assets		4,025	2,445	4,953	5,633
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding	2	6,824	4,996	9,526	15,848
Surplus (deficit) of capital funding		(8,239)	(8,661)	(73)	(391)
Funding balance		-	-	-	-

Variance explanations – Actual 2017 to Revised Budget 2017

- 1 Local authorities fuel tax, fines, infringement fees and other receipts was below budget due to leisure centre revenue adjusted for prior year revenue recognition error. This is an on-going issue for the year.
- 2 Capital funding applied is ahead of budget, driven mainly by the Stanmore Bay Leisure Centre renewal programme.