

## Financial Performance

### Financial Summary

Account	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Operating revenue (ABS)	40	21	19	1,312	1,312
Operating revenue (LDI)	5	0	5	0	0
Operating expenditure (ABS)	4216	4430	214	9934	9,914
Operating expenditure (LDI)	303	252	(51)	886	886
Operating expenditure (LGS)	519	519	0	1,040	1,040
<b>Net Cost of Service</b>	<b>4,995</b>	<b>5,181</b>	<b>186</b>	<b>10,547</b>	<b>10,528</b>

<b>Capital expenditure</b>	<b>10,335</b>	<b>12,195</b>	<b>1,860</b>	<b>14,914</b>	<b>14,746</b>
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Upper Harbour Local Board has invested \$10.3m in capital expenditure and \$5m net operating expenditure for the second quarter ended 31 December 2016.

The majority of the capital investment for the year has been in the local parks activity, \$9.4m (\$8.8 on Albany pool), with community services contributing \$1.8m and planning \$0.6m.

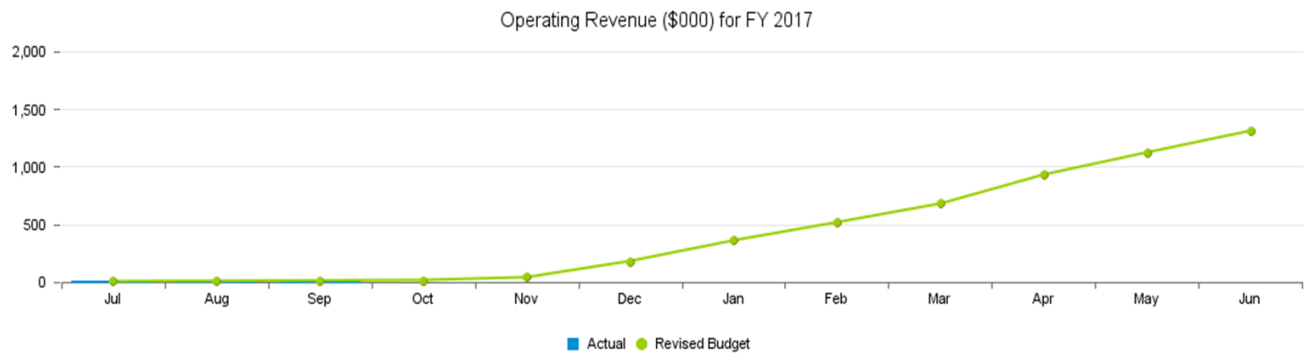
Any impact on the delayed pool opening will be more fully realised in the third quarter.

Asset Based Services expenditure in Parks scheduled and response repairs and maintenance is less than budget. Budget allocations in this area are being reviewed.

The LDI Operational spend included a quick response contestable grant distribution in this quarter and this leaves 53% (\$62k) of the available grant pool to be allocated. Event funding has been fully utilised for the year.

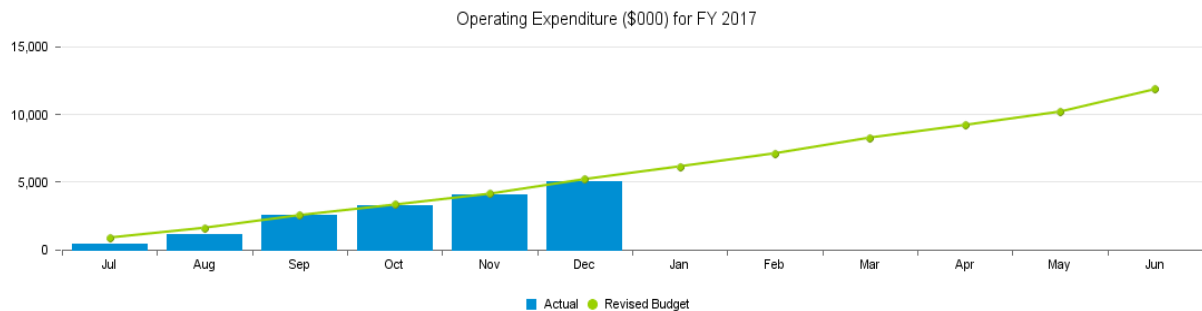
All approved carry forward budgets from 2015/16, both capex and opex, along with additional capital budget from growth projects are reflected in the revised budgets for this quarter. Details are outlined in the capital projects and LDI tables.

## Operating Revenue



Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local community services	40	21	19	42	42
Local parks, sport and recreation	5	0	5	1,270	1,270
<b>Total Operating Revenue</b>	<b>45</b>	<b>21</b>	<b>24</b>	<b>1,312</b>	<b>1,312</b>

## Operating Expenditure

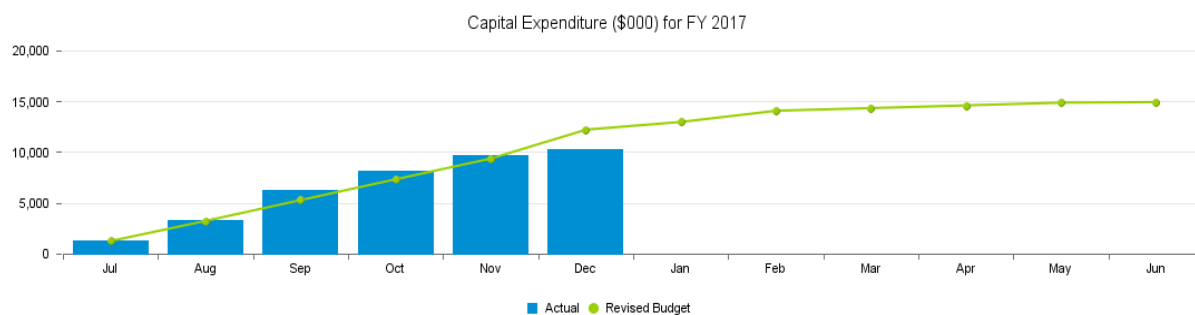


Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local community services	1,280	1,233	(47)	2,546	2,554
Local environmental management	52	53	(1)	145	145
Local governance	519	519	0	1,040	1,040
Local parks, sport and recreation	2,678	2,887	209	7,350	7,342
Local planning and development	509	509	0	759	759
<b>Total Operating Expenditure</b>	<b>5,038</b>	<b>5,201</b>	<b>163</b>	<b>11,860</b>	<b>11,840</b>

## LDI Expenditure – All Projects

Net Cost of Service	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
<b>Local community services</b>					
ACE LDI Staff allocation	88	88	0	176	176
Albany Coco	0	38	38	75	75
ANZAC	0	0	0	10	10
Community Arts Programmes	0	0	0	0	11
Community Led Development and Partnering	9	0	(9)	0	0
Community placemaking initiatives	61	37	(24)	70	67
Community response operating fund	33	0	(33)	0	0
Event partnership	19	0	(19)	24	27
Inclusion and diversity	0	11	11	22	22
Local civic functions	6	0	(6)	50	50
Local community grants	51	58	7	118	115
Local events discretionary fund	3	0	(3)	0	0
Movies in parks local	0	9	9	36	36
Youth programmes community development	20	13	(7)	25	25
<b>Total Local community services</b>	<b>290</b>	<b>252</b>	<b>(38)</b>	<b>606</b>	<b>614</b>
<b>Local environmental management</b>					
Environment response fund	0	0	0	39	39
<b>Total Local environmental management</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>39</b>	<b>39</b>
<b>Local parks, sport and recreation</b>					
LDI Volunteers parks	20	0	(20)	30	20
Local parks art work maintenance	0	0	0	8	8
Parks maintenance - street garden maintenance	0	0	0	20	20
Parks response fund	(12)	0	12	103	105
Tennis Northern operational grant	0	0	0	30	30
<b>Total Local parks, sport and recreation</b>	<b>8</b>	<b>0</b>	<b>(8)</b>	<b>191</b>	<b>183</b>
<b>Local planning and development</b>					
Local board discretionary fund	0	0	0	50	50
<b>Total Local planning and development</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50</b>	<b>50</b>
<b>TOTAL</b>	<b>303</b>	<b>252</b>	<b>(51)</b>	<b>886</b>	<b>886</b>

## Capital Expenditure



Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local community services	182	380	198	1,006	1,713
Local parks, sport and recreation	9,544	11,775	2231	12,704	11,862
Local planning and development	609	40	(569)	1,204	1,171
<b>Total Capital Expenditure</b>	<b>10,335</b>	<b>12,195</b>	<b>1860</b>	<b>14,914</b>	<b>14,746</b>

As expected, the main capital expenditure to date is associated with the Albany Stadium Pool (\$8.9m). Investment in the renewal of leisure equipment (\$0.5m) in Albany and in Hobsonville Corridor planning (\$0.6m) makes up the bulk of the remaining spend. There continues to be risk associated with the overall build program timeline which could lead to increased costs.

Albany Hub project is now underway with an anticipated June 2017 completion date. A small number of projects have issues with either insufficient budget or supplier availability most notably Hobsonville Headquarters building (Sunderland Lounge). The increased scope and estimated costs surrounding the development of this building will require a business case to resolve.

LDI Capex projects in general have yet to progress from the approval stage.

## Capital Expenditure – all projects

Project Name	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Community hub (Albany)	47	250	203	597	597
ACE - Community house and centre renewals	15	85	70	211	205
Community house development (Hobsonville Point)	120	45	(75)	198	911
<b>Total Local Community Services</b>	<b>182</b>	<b>380</b>	<b>198</b>	<b>1,006</b>	<b>1,713</b>
Stadium Pool (Albany)	8,862	10,386	1,524	10,386	10,283
Stadium Pool (Albany) - Equipment	9	819	810	819	0
Sport development	67	193	126	310	720
General park development	82	134	52	325	0
Locally driven initiatives (LDI Capex)	1	115	114	569	617
Parks - Asset renewals	64	81	17	193	192
Parks - Sports fields renewals	17	25	8	50	50
Playscape development	0	21	21	52	0
Artificial sportsfields (Upper Harbour)	25	0	(25)	0	0
Leisure facility equipment renewals	409	0	(409)	0	0
Parks - Coastal asset renewals	8	0	(8)	0	0
<b>Total Local parks, sport and recreation</b>	<b>9,544</b>	<b>11,775</b>	<b>2,231</b>	<b>12,704</b>	<b>11,862</b>
Reserves one two and three PC14 (Hobsonville Corridor)	608	40	(569)	1,204	1,171
<b>Total Local planning and development</b>	<b>609</b>	<b>40</b>	<b>(569)</b>	<b>1,204</b>	<b>1,171</b>
<b>TOTAL</b>	<b>10,335</b>	<b>12,195</b>	<b>1,860</b>	<b>14,914</b>	<b>14,746</b>

## Funding impact statement

<b>Funding Impact Statement</b>					
<b>Upper Harbour</b>					
<b>For the year ended 31 December 2016</b>					
<b>\$000</b>	<b>Notes</b>	<b>Actual 2017</b>	<b>Revised Budget 2017</b>	<b>Annual Plan 2017</b>	<b>Long Term Plan 2016</b>
<b>Sources of operating funding:</b>					
General rates, UAGC, rates penalties		11,862	11,865	11,865	9,732
Targeted rates		626	626	626	523
Subsidies and grants for operating purposes		14	5	1,281	11
Fees and charges		18	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		13	15	31	114
<b>Total operating funding</b>		<b>12,533</b>	<b>12,511</b>	<b>13,803</b>	<b>10,380</b>
<b>Applications of operating funding:</b>					
Payment to staff and suppliers		4,386	4,551	10,460	7,994
Finance costs		644	644	1,367	1,025
Internal charges and overheads applied		992	992	1,984	1,278
Other operating funding applications		-	-	-	-
<b>Total applications of operating funding</b>		<b>6,022</b>	<b>6,187</b>	<b>13,811</b>	<b>10,297</b>
<b>Surplus (deficit) of operating funding</b>		<b>6,511</b>	<b>6,324</b>	<b>(8)</b>	<b>83</b>
<b>Sources of capital funding:</b>					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		3,824	5,871	14,754	14,722
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
<b>Total sources of capital funding</b>		<b>3,824</b>	<b>5,871</b>	<b>14,754</b>	<b>14,722</b>
<b>Applications of capital funding:</b>					
Capital expenditure:					
- to meet additional demand		4,050	4,534	5,696	4,811
- to improve the level of service		5,771	7,355	7,986	9,257
- to replace existing assets		514	306	1,064	737
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
<b>Total applications of capital funding</b>	<b>1</b>	<b>10,335</b>	<b>12,195</b>	<b>14,746</b>	<b>14,805</b>
<b>Surplus (deficit) of capital funding</b>		<b>(6,511)</b>	<b>(6,324)</b>	<b>8</b>	<b>(83)</b>
<b>Funding balance</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Variance explanations – Actual 2016 to Long-term Plan 2016

- Total applications of capital funding are tracking behind budget. This is predominantly due to the delay in beginning the Albany Hub. There is a risk with the delay in completion which could impact the overall delivery cost.