

## Financial Performance

### Financial Summary

Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Operating revenue (ABS)	2,849	3,072	(223)	5,971	5,971
Operating expenditure (ABS)	7,432	7,020	(412)	14,024	13,230
Operating expenditure (LDI)	657	619	(38)	1,461	1,441
Operating expenditure (LGS)	560	560	0	1,121	1,121
<b>Net Cost of Service</b>	<b>5,800</b>	<b>5,127</b>	<b>(673)</b>	<b>10,635</b>	<b>9,820</b>

<b>Capital expenditure</b>	<b>4,391</b>	<b>6,769</b>	<b>2,378</b>	<b>12,271</b>	<b>7,756</b>
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Kaipātiki Local Board's net cost of service to 31 December 2017 was \$5.8m, a variance of \$673k above budget.

Operating revenue was below budget for Early Childhood Education Centres (ECE) and Learn to Swim. ECE revenue is down due to lower enrolment numbers at both Beach Haven and Birkdale. Both centres have had children leave for school which drops numbers. Staff are working with both head teachers to increase their numbers and an advertising campaign is due to launch for all Kauri Kids centres in February which will hopefully increase enrolments. Aquatic revenue (mainly learn to swim) was lower than half year targets and Birkenhead Leisure Centre is unlikely to meet its revenue target due to closure of the climbing wall and a portion of the gym area.

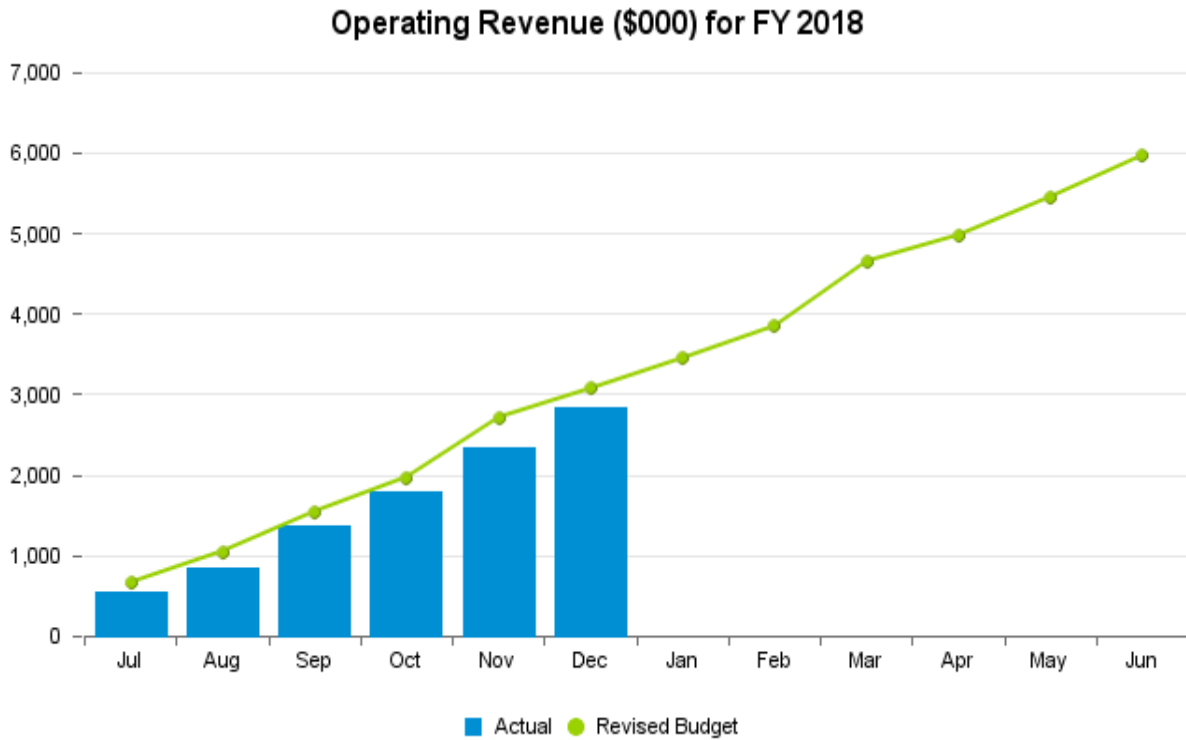
Asset based services expenditure was ahead of budget and the main driver for the overall variance is related to parks maintenance costs. The new Project 17 providers commenced their services from 1 July 2017 and as has been communicated, the contractors across the region have been struggling to deliver at the agreed levels of service. Additional resources for auditing and monitoring are in place and the contractor is also following an improvement plan. Until baseline budgets are established at the end of this year, there continues to be large variances (both favourable and unfavourable) between actual and planned expenditure for some local boards.

Locally driven initiatives (LDI) expenditure is tracking well against budget. The board still has \$89k unallocated in its response fund. The board should prioritise the allocation of these funds to initiatives to ensure delivery by the end of the financial year.

Capital investment for the quarter was \$4.4m. Asset renewals have the largest budget allocation overall this year and this is where most of the spend has taken place to date. Projects completed in the quarter include the Birkenhead War Memorial skate park, Island Bay seawall and wharf renewal, 136 Birkdale Road playspace, carpark and landscaping, and the AF Thomas carpark

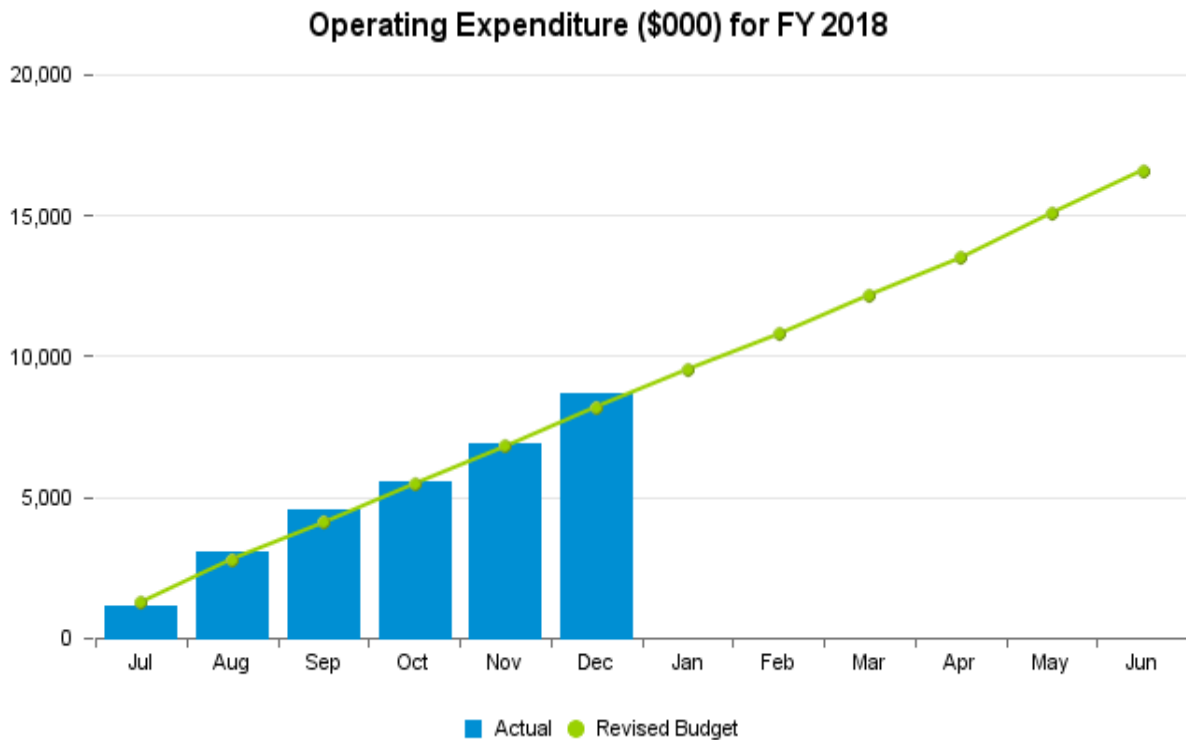
renewal. The replacement of the HVAC at Birkenhead Library is also nearly complete with final commissioning in progress. The full year forecast is in line with the full year revised budget.

## Operating Revenue



Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local community services	200	195	5	391	391
Local parks, sport and recreation	2,649	2,877	(228)	5,580	5,580
<b>Total Operating Revenue</b>	<b>2,849</b>	<b>3,072</b>	<b>(223)</b>	<b>5,971</b>	<b>5,971</b>

## Operating Expenditure



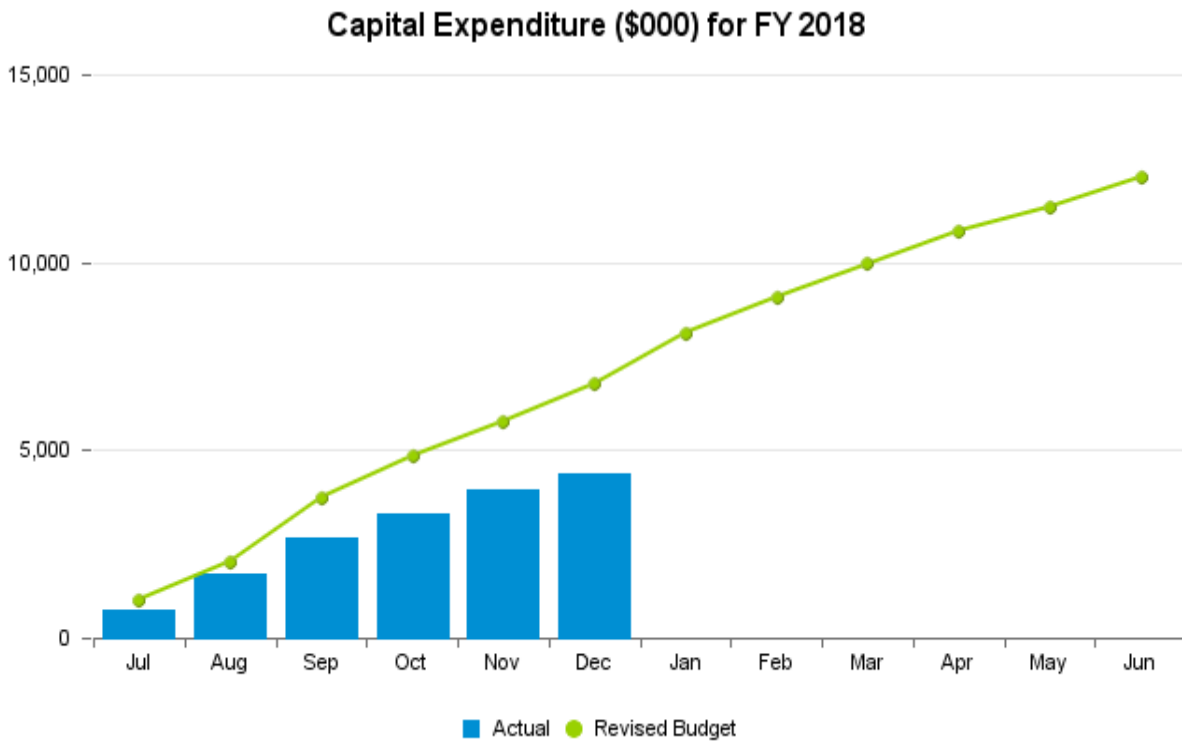
Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local community services	2,877	2,848	(29)	5,351	5,345
Local environmental management	39	21	(18)	153	181
Local governance	560	560	0	1,121	1,121
Local parks, sport and recreation	4,770	4,303	(467)	9,165	8,344
Local planning and development	403	467	64	816	801
<b>Total Operating Expenditure</b>	<b>8,649</b>	<b>8,199</b>	<b>(450)</b>	<b>16,606</b>	<b>15,792</b>

## LDI Expenditure – All Projects

Net Cost of Service	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
ACE LDI Staff allocation	49	49	0	98	98
ANZAC	0	0	0	30	30
Christmas events	14	18	4	18	18
Community Arts Programmes	0	5	5	10	10
Community Partners Support	0	20	20	40	40
Community response operating fund	0	48	48	97	97
Community volunteer awards	0	3	3	5	5
Delivered Events	0	0	0	15	15
Event partnership	38	23	(15)	45	45
Extended Library hours	3	7	4	13	13
KCFT Annual grant	163	81	(82)	163	163
KCFT events	120	50	(70)	100	100
Local civic functions	0	2	2	4	4
Local community grants	99	100	1	200	200
Local events fund	0	0	0	5	0
Manaaki Matua: Age Friendly Services	0	5	5	10	10
Maori responsiveness	0	3	3	5	5
Secondary schools scholarship grant	6	4	(2)	8	8
Top up ABS: Community houses	0	43	43	86	86
Youth programmes community development	80	40	(40)	80	80
<b>Total Local community services</b>	<b>572</b>	<b>500</b>	<b>(72)</b>	<b>1,032</b>	<b>1,027</b>
Industry Pollution Prevention Programme	8	0	(8)	8	8

Net Cost of Service	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Kaipatiki project - environmental programmes	23	11	(12)	45	45
Pest Free Kaipatiki	9	10	1	100	100
<b>Total Local environmental management</b>	<b>39</b>	<b>21</b>	<b>(18)</b>	<b>153</b>	<b>153</b>
Birkenhead War Memorial master plan	1	20	19	50	50
Creating a Maori identity	1	4	3	10	10
Equitable access to sport	0	20	20	50	50
Fernglen reserve development plan	0	8	8	20	20
LDI Volunteers parks	24	30	6	75	75
Parks response fund	0	8	8	20	20
<b>Total Local parks, sport and recreation</b>	<b>26</b>	<b>90</b>	<b>64</b>	<b>225</b>	<b>225</b>
Local economic develop planning initiati	20	0	(20)	36	21
Sunnynook Centre Plan contribution	0	8	8	15	15
<b>Total Local planning and development</b>	<b>20</b>	<b>8</b>	<b>(12)</b>	<b>51</b>	<b>36</b>
<b>Total</b>	<b>657</b>	<b>619</b>	<b>(38)</b>	<b>1,461</b>	<b>1,441</b>

## Capital Expenditure



Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local community services	480	725	245	1,111	774
Local parks, sport and recreation	3,652	6,044	2,392	9,320	6,982
Local planning and development	259	0	(259)	1,840	0
<b>Total Capital Expenditure</b>	<b>4,391</b>	<b>6,769</b>	<b>2,378</b>	<b>12,271</b>	<b>7,756</b>

## Capital Expenditure – all projects

Project Name	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local library renewals	464	391	(73)	599	25
ACE - Leases renewals	8	198	190	304	276
ACE - Community house and centre renewals	5	68	63	104	106
Library furniture and fitting renewals	4	68	64	104	0
Youth facility (Marlborough Park)	0	0	0	0	367
<b>Community services (GoA)</b>	<b>480</b>	<b>725</b>	<b>245</b>	<b>1,111</b>	<b>774</b>
Parks - Asset renewals	2,423	3,060	637	4,659	3,089
Locally driven initiatives (LDI Capex)	36	800	764	1,337	1,143
Network plan connections	5	729	724	1,117	1,117
Leisure facility building renewals	441	559	118	834	435
Parks - Coastal asset renewals	490	319	(171)	489	316
Parks - Sports fields renewals	28	317	289	485	48
Rewi Alley reserve toilet development	3	143	140	219	0
General park development	212	117	(95)	180	0
Greenway and walkway development	1	0	(1)	0	535
Leisure facility equipment renewals	14	0	(14)	0	0
Sport development	0	0	0	0	300
<b>Parks sport and recreation (GoA)</b>	<b>3,652</b>	<b>6,044</b>	<b>2,392</b>	<b>9,320</b>	<b>6,982</b>
Central area upgrade (Northcote)	0	0	0	31	0

Project Name	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Street upgrade (Highbury Mainstreet)	207	0	(207)	1,809	0
Town centre upgrade (Beach Haven)	28	0	(28)	0	0
Viewing deck and development (Highbury)	25	0	(25)	0	0
<b>Planning (GoA)</b>	<b>259</b>	<b>0</b>	<b>(259)</b>	<b>1,840</b>	<b>0</b>
<b>Total</b>	<b>4,391</b>	<b>6,769</b>	<b>2,378</b>	<b>12,271</b>	<b>7,756</b>