

Local Board Financial Performance - Otara-Papatoetoe as at March 2018

Financial Summary

█ On Target
 █ Under Review
 █ Not Meeting Target

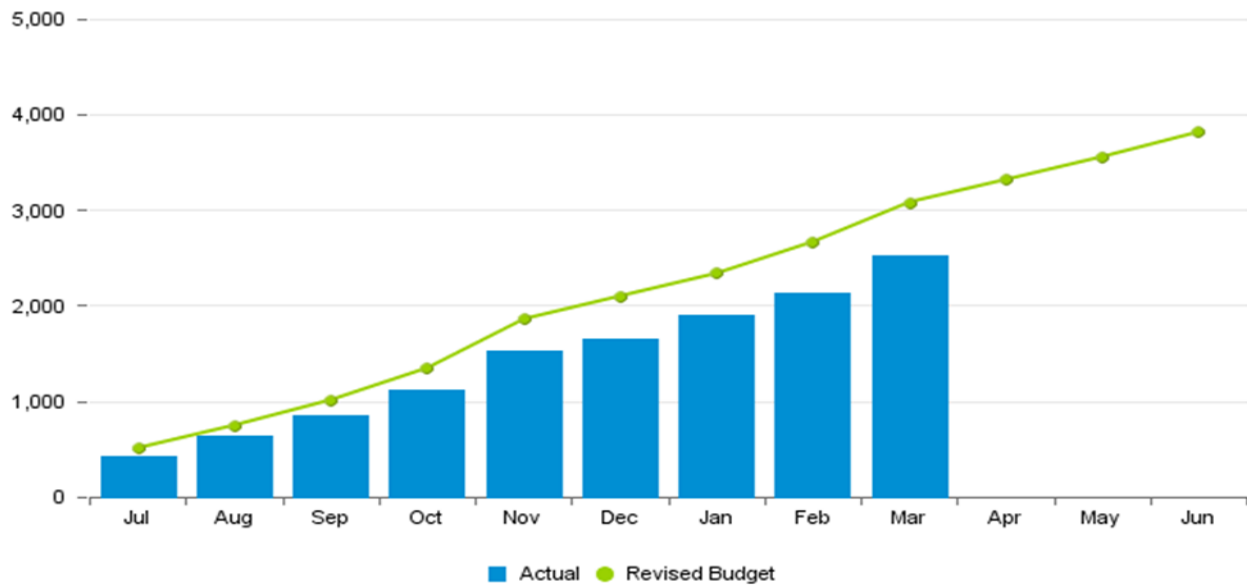
Activity	Year To Date (\$000)			Full Year (\$000)	
	Mar YTD Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Operating revenue (ABS)	2,527	3,078	(551)	3,811	3,905
Operating revenue (LDI)	1	8	(7)	10	0
Operating expenditure (ABS)	12,613	11,777	(836)	15,251	14,177
Operating expenditure (LDI)	1,280	1,242	(38)	1,815	1,776
Operating expenditure (LGS)	1,055	1,059	4	1,412	1,412
Net Cost of Service	12,420	10,992	(1,428)	14,657	13,461
Capital expenditure	3,003	4,583	1,580	5,155	6,368

The Ōtara-Papatoetoe Local Board has invested \$12.42m in net operating costs and \$3.0m in capital expenditure for the nine months ending March 2018.

Net cost of service is \$1.43m (13%) over budget of \$10.99m. Operating expenditure is \$872k over budget with the majority being the RIMA facility contract and parks operations overspent by \$796k. Aquatics, and fitness and leisure are also overspent by \$192k. Operating revenue is \$556k less than budget, particularly in recreation and leisure memberships which have not recovered and remain at 18% below budget over all activities.

Capital expenditure of \$3m is \$1.6m behind budget with delivery against the budget for the full year of 53%. This quarter, \$850k spend is a continuation of renewals projects, particularly Te Puke Ōtara facility upgrade with a further spend of \$650k.

Operating Revenue (\$000) for FY 2018



Operating Revenue

█ On Target
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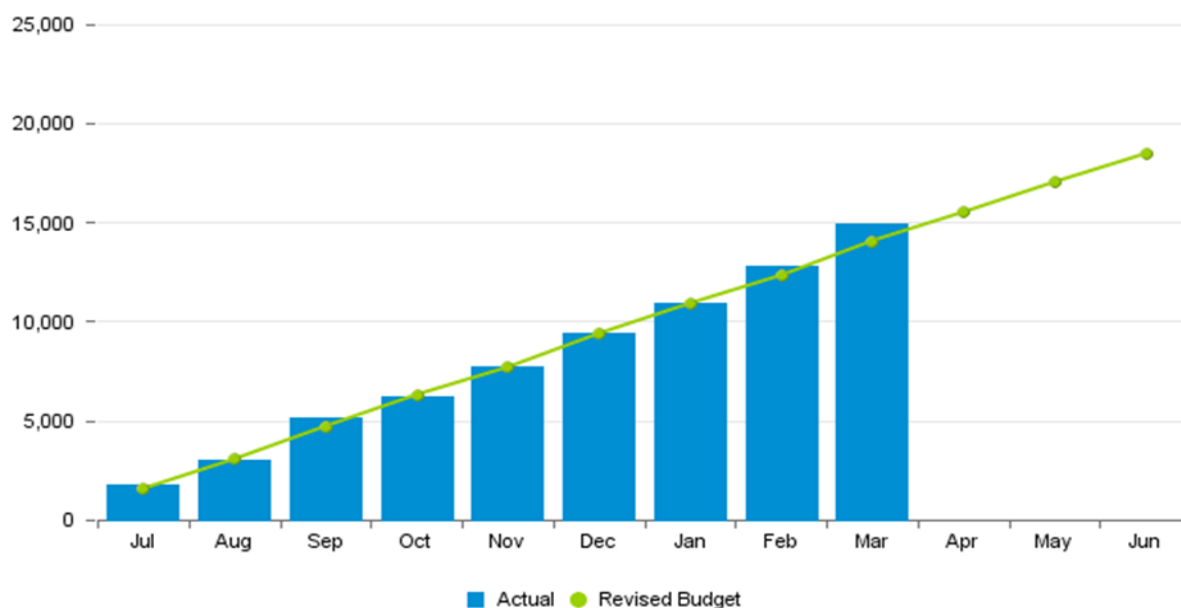
Activity	Year To Date (\$000)			Full Year (\$000)	
	Mar YTD Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local community services	246	274	(28)	366	356
Local parks, sport and recreation	2,283	2,811	(528)	3,455	3,549
Total Operating Revenue	2,529	3,085	(556)	3,821	3,905

Operating revenue was below budget by \$556k continuing to prove challenging, but remaining 18% below budget year to date, the same as last quarter results.

Community services are only slightly below budget with Ōtara Music and Arts (OMAC) venue hire fees \$27k down year to date and the closure of Te Puke Ōtara affecting a \$27k loss in hire revenue. Citizenship subsidies have arrived before spend and affect a timing increase in revenue of \$15k. Halls and libraries revenues continue to be favourable.

Recreation and leisure revenue continues to struggle, with \$528k shortfall against budget. The decrease in visits for leisure and fitness compared to the same time last year, highlights that fitness and recreation are below budget by \$326k and aquatics by \$41k. ECE revenue subsidies are \$171k below budget YTD as numbers have dropped for this programme, however this last quarter revenues and expenditure met targets and have not declined further.

Operating Expenditure (\$000) for FY 2018



Operating Expenditure

█ On Target
 █ Under Review
 █ Not Meeting Target

Activity	Year To Date (\$000)			Full Year (\$000)	
	Mar YTD Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local community services	4,604	4,707	103	6,336	6,315
Local environmental management	45	81	36	128	110
Local governance	1,055	1,059	4	1,412	1,412
Local parks, sport and recreation	8,179	7,153	(1,026)	9,517	8,443
Local planning and development	1,066	1,077	11	1,085	1,085
Total Operating Expenditure	14,949	14,077	(872)	18,478	17,365

Operating expenditure is \$872k over budget year to date.

Locally Driven Initiatives (LDI Opex) is slightly ahead of budget, but there is \$526k still to be spent by year end. Project progress against the full year has been evaluated as we near end of year processes, and LDI reallocations of unspent funds will occur in the final quarter once the local board receives updates on work progress.

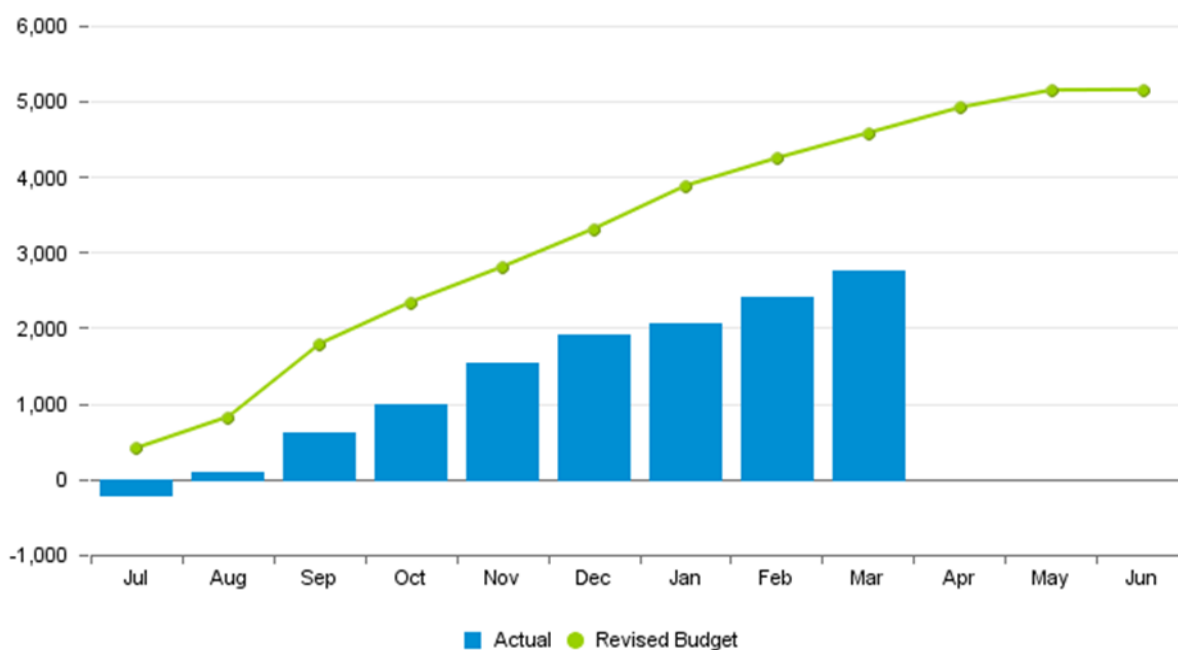
In Asset Based Services (ABS) budgets are \$826k overspent. The RIMA contract has overspent budget year to date by \$796k. This is the first year of the contracts. There are swings in variances as these stabilise. The budget was set using historical actuals at 90% of the spend. The contracts were not provided at an asset or LB level. With that in mind, we always knew there would be variances in the first year. Operating costs in all community services facilities are under budget (\$103k), therefore mitigating most revenue shortfalls for that activity.

Locally Driven Initiatives (Operating Expenditure)

Net Cost of Service	Year To Date (\$000)			Full Year (\$000)	
	Mar YTD Actual	Revised Budget	Variance	Revised Budget	Annual Plan
ACE LDI Staff allocation	146	146	0	194	194
ANZAC	0	0	0	25	25
Capacity building programme	51	50	(1)	66	66
CCTV and town centre safety initiatives	364	270	(94)	360	360
Community response operating fund	0	108	108	144	161
Liquor licensing objections	9	7	(2)	10	10
Local Arts Grants	15	29	14	34	19
Local civic functions	0	6	6	8	8
Local community grants	158	102	(56)	204	204
Local events fund	30	37	7	61	47
Maori responsiveness	5	4	(1)	5	5
Papatoetoe Historical Society	20	15	(5)	20	20
Senior assistance groups	15	11	(4)	15	15
Skills Sheds operations	0	24	24	49	49
Youth connections across Auckland	50	45	(5)	60	60
Youth Development Effectiveness	30	23	(7)	30	30
Total Local community services	894	877	(17)	1,284	1,273

Develop Industry Pollution Programme (continuation)	2	21	19	36	36
Environmental project (LDI)	42	54	12	79	41
Manukau Harbour forum contribution	1	6	5	13	8
Otara Lake and waterways vision	0	0	0	0	25
Total Local environmental management	45	81	36	128	110
Colin Dale Park	280	196	(84)	280	280
Green assets - LDI	0	7	7	10	10
LDI Programme Events in local parks	34	42	8	60	60
LDI Volunteers parks	5	7	2	10	10
Puhinui stream and walkway volunteers	5	7	2	10	10
Total Local parks, sport and recreation	324	259	(65)	370	370
Local Business Support initiatives	13	15	2	20	20
Young Enterprise Scheme	3	3	0	3	3
Total Local planning and development	16	18	2	23	23
Total	1,279	1,234	(45)	1,805	1,776

Capital Expenditure (\$000) for FY 2018



Capital Expenditure

Activity	Year To Date (\$000)			Full Year (\$000)	
	Mar YTD Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local community services	2,018	2,600	582	2,931	1,999
Local governance	34	31	(3)	41	0
Local parks, sport and recreation	951	1,952	1,001	2,183	4,369
Total Capital Expenditure	3,003	4,583	1,580	5,155	6,368

Capital expenditure of \$3m is \$1.6m behind budget with delivery against the budget for the full year of 53%.

This quarter, \$850k spend is a continuation of renewals projects, particularly Te Puke Ōtara facility upgrade with a further spend of \$650k.

Full details of progress are contained in the work programme schedules in this report.

Capital Expenditure: All Projects

Project Name	Year To Date (\$000)			Full Year (\$000)	
	Mar YTD Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Community Facility Upgrade	1,954	2,354	400	2,632	1,064
ACE - Leases renewals	54	170	116	214	210
Local library renewals	8	45	37	50	100
ACE - Art facility renewals	2	31	29	35	85
ACE - Community house and centre renewals	0	0	0	0	500
Library furniture and fitting renewals	1	0	(1)	0	40
Community services (GoA)	2,018	2,600	582	2,931	1,999
Community response fund	34	31	(3)	41	0
Governance (GoA)	34	31	(3)	41	0
Parks - Asset renewals	619	1,440	821	1,610	1,697
Leisure facility building renewals	58	166	108	186	265
Sport development	101	102	1	114	0
General park development	45	89	44	100	1,000
Locally driven initiatives (LDI Capex)	32	86	54	96	1,039
Multi-sport Facility (Ngati Otara Park)	90	69	(21)	77	367
Leisure facility equipment renewals	5	0	(5)	0	0
Parks sport and recreation (Go	951	1,952	1,001	2,183	4,369
Total	3,003	4,583	1,580	5,155	6,368