

Local Board Financial Performance - Waiheke as at September 2018

Financial Summary

Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Operating revenue (ABS)	5	6	(1)	22	22
Operating expenditure (ABS)	2,964	924	(2,040)	3,286	3,311
Operating expenditure (LDI)	156	143	(13)	732	732
Operating expenditure (LGS)	78	78	0	309	309
Net Cost of Service	3,192	1,139	(2,053)	4,305	4,329

Capital expenditure	706	348	(358)	2,733	2,733
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The Waiheke Local Board invested \$706,000 in capital expenditure and \$3.2 million in net operating expenditure (or Net Cost of Service)* for the three months ending on 30 September 2018.

The Net Cost of Service is \$2.1 million over budget mainly due to the \$2 million overspend in Asset Based Services (ABS).

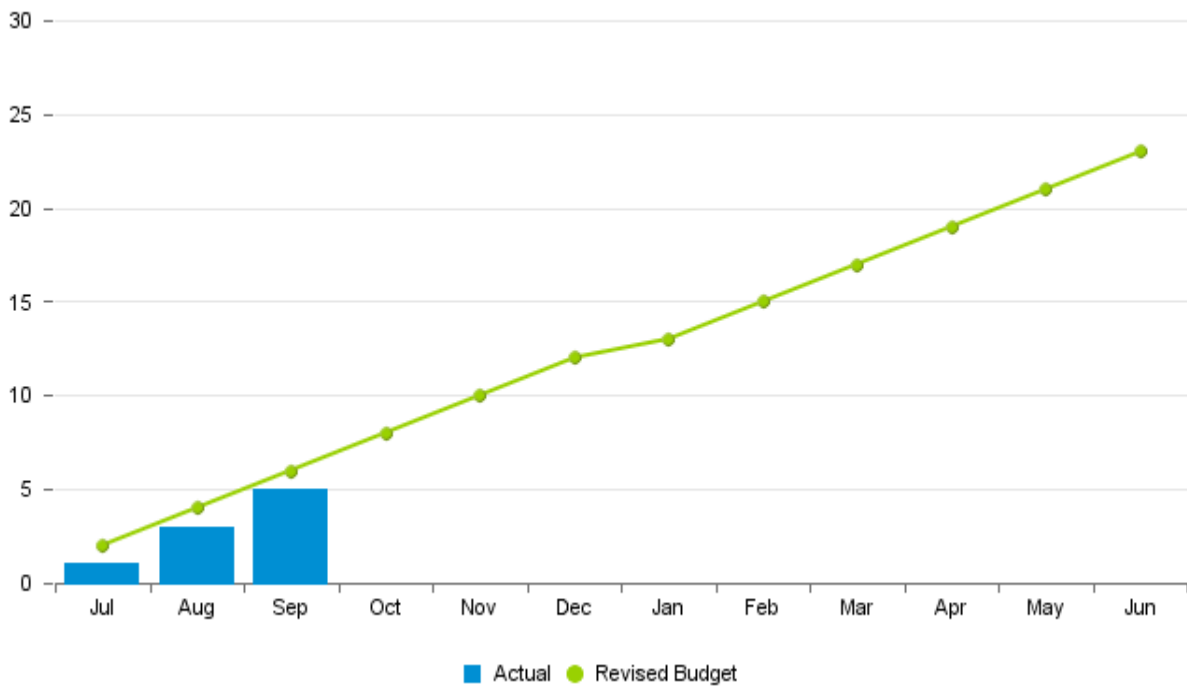
Operating revenue is tracking along well and is likely to be on target for the full financial year.

Capital expenditure has been twice than that was budgeted for in quarter one, with majority of the spend occurring in parks assets renewals

Operating and capital projects that have been carried forward from 2017/2018 are to be reviewed by the Governing Body in October and the funds will be added to the revised budget subsequently. These will be monitored closely to ensure they are delivered during the current financial year.

*(Net operating expenditure = Operating expenditure - Operating revenue)

Operating Revenue (\$000) for FY 2019



Operating Revenue

Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Community services	5	6	(1)	22	22
Total Operating Revenue	5	6	(1)	22	22

Operating revenue is right in line with the year to date budget. Surfdale Hall received a revenue of \$1,300 during these three months. Revenue from other halls and lease revenue make up the remaining amount.

Operating Expenditure

Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Community services	3,117	1,054	(2,063)	3,913	3,908
Environmental services	2	9	7	90	119
Governance	78	78	0	309	309
Planning	0	4	4	15	15
Total Operating Expenditure	3,197	1,145	(2,052)	4,327	4,351

Operating expenditure in Waiheke, for the three months ended on 30 September 2018 was \$3.2 million, an overspend of \$2.1 million.

\$2 million overspend in Community Services is related to expenses under the Full Facilities contracts. Expenses have been accrued at a regional level, while the actual costs were recorded against each local board, causing an overspend in the local board accounts. This process will be reviewed and corrected during the year.

Majority of the locally driven initiatives are in the preparatory stage for delivery and are going as planned. The board granted \$18,300 through its first grants round which leaves \$31,700 for the upcoming grants rounds. In addition, the board has another \$30,000 to be paid out as ecological grants. \$75,000 of the \$150,000 annual budget has been paid out to the Waiheke Resources Trust for ecological restoration through a community partnership programme. Funding for the Christmas events has also been paid out.

Visitor Solutions Limited has been appointed to undertake the Waiheke Island Community Pool 2018 Feasibility Study and \$50,000 has been allocated from the board's Locally Driven Initiatives (LDI) opex budget for this purpose.

The detailed Locally Driven Initiatives (LDI) expenditure by project for the period to 30 September 2018 is reflected in the following schedule.

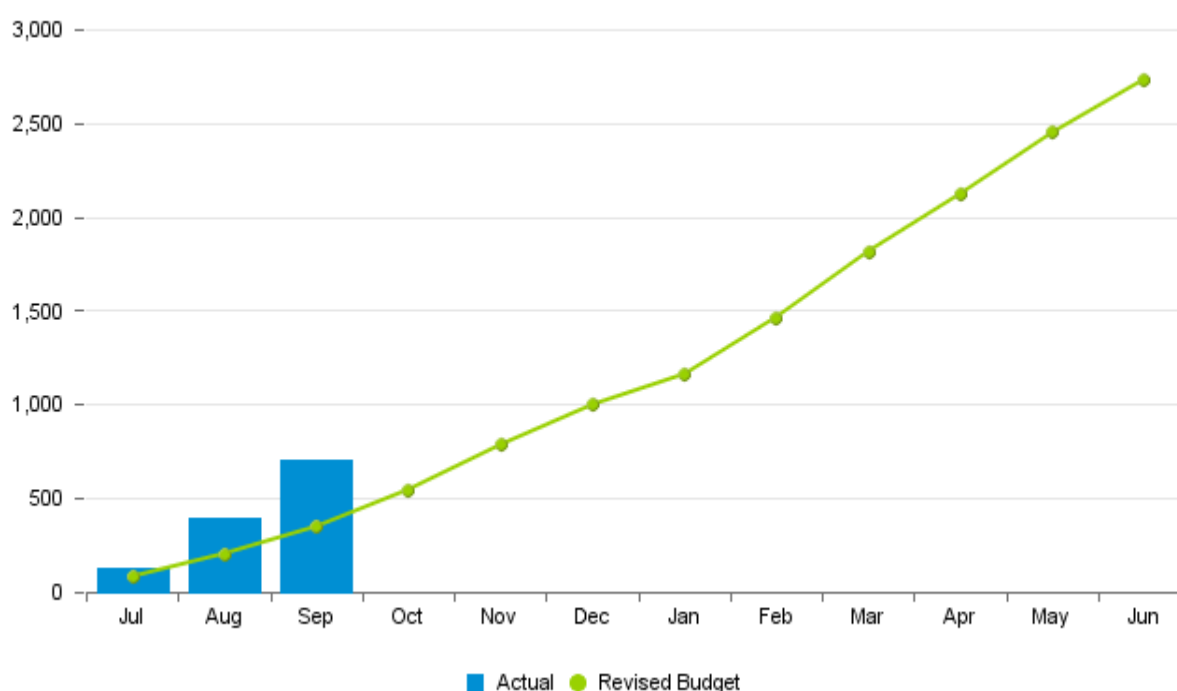
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Locally Driven Initiatives (Operating Expenditure)

Net Cost of Service	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
ACE LDI Staff allocation	24	24	0	96	96
ANZAC	0	0	0	1	1
Artworks needs assessment	0	10	10	10	10
Christmas events	17	2	(15)	17	17
Community and Social Economic Development	0	0	0	10	10
Community housing	0	0	0	10	10
Community placemaking initiatives	0	0	0	15	15
Community response operating fund	0	5	5	20	0
Ecological restoration in partnership with community	75	25	(50)	150	150
Ecological volunteers environmental programme	2	1	(1)	8	8
Feasibility study for swimming pool	5	25	20	100	100
Local civic functions	(1)	1	2	3	3
Local community grants	19	10	(9)	50	50
Local events fund	0	0	0	15	15
Matiatia and Kennedy Bay boat ramps - review operation issues and implement impr	0	0	0	0	20
Open Space management	2	11	9	80	80
Parks strategic fund	1	0	(1)	0	0
Supporting Maori outcomes and events	0	4	4	15	15
Volunteers day	0	1	1	2	2
Walking and Cycling promotion	0	3	3	20	20
Youth Council	10	10	0	10	10
Total Community services	154	132	(22)	632	632

Net Cost of Service	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Ecological restoration in partnership with community	0	0	0	30	30
Giant Kokopu protection	0	2	2	11	11
Little Oneroa action plan implementation	0	5	5	26	26
Sustainable Schools Project	1	1	0	18	18
Total Environmental services	1	8	7	85	85
Lightscape management plan	0	4	4	15	15
Total Planning	0	4	4	15	15
Total	156	143	(13)	732	732

Capital Expenditure (\$000) for FY 2019



Capital Expenditure

Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Community services	706	348	(358)	2,733	2,733
Total Capital Expenditure	706	348	(358)	2,733	2,733

The Waiheke Local Board capital delivery is 26 per cent to date against a \$2.7 million total budget for the 2018/2019 year. Majority of the spend (\$508,000) has been in Parks asset renewals. Major projects in progress or completed are listed below:

- (i) Artworks Complex - Cinema Building exterior refurbish - in progress - Architects have applied for building consent. Business case development is planned to happen soon (\$23,000)
- (ii) The Sandy Bay Track slip has been remedied (\$205,000)
- (iii) Artworks Theatre ventilation has been renewed (\$91,000)
- (iv) Waiheke Walkway and Track renewals (\$289,000)

Tahi Road flood mitigation is underway. Resource consent has been lodged and the procurement process for the physical works is underway, with four contractors shortlisted. Subject to the design, consent, and procurement processes going well, the target is to start construction works (site establishment) by January 2019.

Capital Expenditure: All Projects

Project Name	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Parks - Asset renewals	508	303	(205)	2,238	2,238
Locally driven initiatives (LDI Capex)	10	45	35	495	495
ACE - Art facility renewals	24	0	(24)	0	0
ACE - Leases renewals	92	0	(92)	0	0
Library build (Waiheke)	63	0	(63)	0	0
Local asset renewals programme	12	0	(12)	0	0
Minor Fixed Asset	(4)	0	4	0	0
Community services (Act)	706	348	(358)	2,733	2,733
Total	705	348	(357)	2,733	2,733