

# Operating performance financial summary

## Operating performance

| \$(000's)                        | FY2019 Quarter 3 |                |              | FY 2019        |               |
|----------------------------------|------------------|----------------|--------------|----------------|---------------|
|                                  | Actual           | Revised Budget | Variance     | Revised Budget | Annual Plan   |
| <b>Net operating expenditure</b> | <b>12,018</b>    | <b>11,765</b>  | <b>(253)</b> | <b>15,364</b>  | <b>14,001</b> |
| <b>Operating revenue</b>         | <b>1,093</b>     | <b>1,067</b>   | <b>26</b>    | <b>1,401</b>   | <b>1,485</b>  |
| Community services               | 1,093            | 1,067          | 26           | 1,401          | 1,485         |
| <b>Operating expenditure</b>     | <b>13,111</b>    | <b>12,832</b>  | <b>(279)</b> | <b>16,766</b>  | <b>15,487</b> |
| Community services               | 10,850           | 10,454         | (396)        | 13,849         | 12,707        |
| Environmental services           | 94               | 173            | 79           | 261            | 219           |
| Governance                       | 721              | 721            | 0            | 963            | 963           |
| Planning                         | 1,446            | 1,484          | 38           | 1,693          | 1,598         |

Note: Includes Asset Based and LDI

## LDI by activity

|                              |            |              |            |              |              |
|------------------------------|------------|--------------|------------|--------------|--------------|
| <b>Operating expenditure</b> | <b>987</b> | <b>1,526</b> | <b>539</b> | <b>2,357</b> | <b>2,054</b> |
| Community services           | 849        | 1,288        | 439        | 1,953        | 1,786        |
| Environmental services       | 90         | 169          | 79         | 256          | 214          |
| Planning                     | 48         | 69           | 21         | 148          | 53           |

## Commentary

The **net operating expenditure** at \$12.018 million is 2 percent (\$253,000) above the budget.

**Operating revenue** has exceeded the budget by \$26,000 or 2 percent. Higher revenue from Mangere Art Centre and miscellaneous income from libraries help to offset lower revenue from leisure facilities especially the fitness and learn to swim programmes.

**Overall operating expenditure** is above budget by \$279,000 or 2 percent mainly in full facility maintenance contract. Locally Driven Initiatives (LDI) are below the budget by \$539,000. Several LDI projects are in progress and they are mainly in:

- Local community grants \$135,000 - there are further grants rounds in April and June 2019.
- Mangrove management and removal \$93,000 – work will start in late April and will be completed prior to year-end.
- LDI programme events in local parks \$29,000 – Parks activation programme has been very active over summer. The planned Vine Street Fund Day will take place in quarter 4.
- Pest management \$22,000 – contractors began specialist weed contract work.

Projects awaiting reallocations/ delivery are:

- Community response operating fund \$43,190
- Citizens Advise Bureau Mangere-Otahuhu \$26,000
- Youth Connections \$29,000
- Mara Kai Community Outreach Programme \$20,000
- Event Partnership Fund - Externally Delivered Events \$2,500

## LDI Operating Expenditure – all projects

| Net Cost of Service  | Year To Date (\$000) |                |          | Full Year (\$000) |             |
|--|----------------------|----------------|----------|-------------------|-------------|
|  | Actual               | Revised Budget | Variance | Revised Budget    | Annual Plan |
| 3rd Party facility S and R service assessment                        | 0                    | 0              | 0        | 0                 | 30          |
| ACE LDI Staff allocation   | 136                  | 136            | 0        | 181               | 181         |
| ANZAC  | 0                    | 5              | 5        | 25                | 25          |
| Art in public places   | 0                    | 20             | 20       | 20                | 20          |
| CAB Service in Otahuhu - Toia  | 0                    | 26             | 26       | 26                | 26          |
| Capacity building programme  | 255                  | 231            | (24)     | 272               | 272         |
| CCTV and town centre safety initiatives                              | 13                   | 20             | 7        | 20                | 0           |
| Christmas events   | 12                   | 12             | 0        | 12                | 12          |
| Community Arts Programmes  | 100                  | 100            | 0        | 100               | 100         |
| Community Library programs   | 0                    | 1              | 1        | 1                 | 1           |
| Community placemaking initiatives                                    | 20                   | 20             | 0        | 20                | 20          |
| Community response operating fund                                    | 0                    | 47             | 47       | 54                | 147         |
| Community volunteer awards   | 1                    | 0              | (1)      | 15                | 15          |
| Creating a Maori identity  | 2                    | 16             | 14       | 23                | 23          |
| Ecological volunteers environmental programme                        | 8                    | 24             | 16       | 35                | 35          |
| Environment initiatives including Manukau Harbour and Tamaki Estuary | 0                    | 11             | 11       | 15                | 15          |
| Extended Library hours   | 36                   | 54             | 18       | 71                | 71          |
| Facility Partnership Programme                                       | 0                    | 0              | 0        | 150               | 150         |
| Green assets (Mangere-Otahuhu)                                       | 0                    | 1              | 1        | 2                 | 0           |
| LDI Programme Events in local parks                                  | 9                    | 38             | 29       | 50                | 50          |
| Local civic functions  | 0                    | 5              | 5        | 7                 | 7           |
| Local community grants   | 129                  | 264            | 135      | 435               | 202         |
| Local events fund  | 62                   | 63             | 1        | 69                | 69          |
| Mangere Arts Centre business plan initiatives delivery               | 13                   | 20             | 7        | 40                | 40          |
| Mangere Mountain Education Trust                                     | 0                    | 10             | 10       | 20                | 20          |

| Net Cost of Service  | Year To Date (\$000) |                |            | Full Year (\$000) |              |
|--|----------------------|----------------|------------|-------------------|--------------|
|  | Actual               | Revised Budget | Variance   | Revised Budget    | Annual Plan  |
| Mangrove management and removal                                      | 7                    | 100            | 93         | 150               | 0            |
| Maori responsiveness   | 5                    | 5              | 0          | 5                 | 0            |
| Otuataua Stonefields assessment                                      | 0                    | 14             | 14         | 20                | 20           |
| Signature Arts and cultural event                                    | 40                   | 30             | (10)       | 60                | 60           |
| Sport and Active rec facility plan                                   | 0                    | 0              | 0          | 0                 | 40           |
| Teaching Gardens Trust Grant   | 0                    | (9)            | (9)        | 0                 | 30           |
| Urban Forest (Ngahere) strategy                                      | 0                    | 11             | 11         | 15                | 15           |
| Walter Massey Park concept finalisation                              | 0                    | 14             | 14         | 20                | 20           |
| Youth connections across Auckland                                    | 0                    | 0              | 0          | 0                 | 50           |
| Youth programmes community development                               | 1                    | 0              | (1)        | 20                | 20           |
| <b>Total Community services</b>                                      | <b>849</b>           | <b>1,288</b>   | <b>439</b> | <b>1,953</b>      | <b>1,786</b> |
| Crater Environmental restoration                                     | 14                   | 30             | 16         | 45                | 30           |
| Environment initiatives including Manukau Harbour and Tamaki Estuary | 1                    | 0              | (1)        | 5                 | 0            |
| Healthy homes project  | 18                   | 13             | (5)        | 37                | 30           |
| Manukau Harbour Forum  | 0                    | 8              | 8          | 10                | 10           |
| Pest management  | 6                    | 28             | 22         | 35                | 35           |
| Restoring Mauri of Creeks  | 5                    | 12             | 7          | 24                | 24           |
| Tamaki Estuary environmental forum                                   | 3                    | 3              | 0          | 5                 | 5            |
| Wai Care   | 0                    | 16             | 16         | 35                | 35           |
| Waste reduction education and awareness                              | 43                   | 60             | 17         | 60                | 45           |
| <b>Total Environmental services</b>                                  | <b>90</b>            | <b>169</b>     | <b>79</b>  | <b>256</b>        | <b>214</b>   |
| LDI Heritage Survey  | 8                    | 0              | (8)        | 45                | 0            |
| Locally Driven Initiatives (ATEED)                                   | 41                   | 40             | (1)        | 53                | 53           |
| Youth connections across Auckland                                    | 0                    | 29             | 29         | 50                | 0            |
| <b>Total Planning</b>  | <b>48</b>            | <b>69</b>      | <b>21</b>  | <b>148</b>        | <b>53</b>    |
| <b>Total</b>   | <b>987</b>           | <b>1,526</b>   | <b>539</b> | <b>2,357</b>      | <b>2,054</b> |

## Capital expenditure

| \$(000's)                  | FY2019 Quarter 3 |                |              | FY 2019        |               |
|----------------------------|------------------|----------------|--------------|----------------|---------------|
|                            | Actual           | Revised Budget | Variance     | Revised Budget | Annual Plan   |
|                            |                  |                |              |                |               |
| <b>Capital expenditure</b> | <b>2,195</b>     | <b>5,723</b>   | <b>3,528</b> | <b>9,304</b>   | <b>12,094</b> |
| Community services         | 1,452            | 3,660          | 2,208        | 5,477          | 4,687         |
| Planning                   | 743              | 2,063          | 1,320        | 3,827          | 7,407         |
|                            |                  |                |              |                |               |

Note: Includes Asset Based and LDI

## Capital delivered

2017/2018

2018/2019

2019/2020

## Commentary

Actual capital expenditure is \$2.195 million and is below the budget by \$3.53 million or 62 percent.

The following expenditures are behind budget:

- Local asset renewals programme \$952,000.
  - o Libraries and Community centre & community renewals including Mangere Art Centre, Mangere Community House & Old School Hall are in progress.
  
- LDI funded capex \$748,000
  - o Walter Massey Park walkway and fitness equipment renewal is on hold pending the completion of concept plan.
  - o Surges Park the consultation with users and mana whenua is completed.
  - o Boggust Park is awaiting resource consent due in early April and procurement will be completed in the same month.
  - o Flagpole at Piki Thompson way procurement is completed. A report will be prepared in April to confirm the operational costs.
  
- Greenway and walkway development \$301,000.
  - o Norana Park – tender and responses are due in March and evaluation and appointment of a contractor will start in April 2019.
  - o Otahuhu Portage – the Project steering group have approved the co-design process which is scheduled to begin by May 2019.
  
- Sports development \$110,000.
  - o Moyle Park- professional services scope had been award to a consultant. However, a Storm Water Management Plan proposal could affect the timeframes of the delivery to next summer.
  - o Williams Park -professional services scope had been award to a consultant.

- Otahuhu Town Centre Revitalisation project \$1.320 million  
There were delays in the early stages of the design and the construction was delayed considerably. \$3.827 million of the budget has been deferred into financial year 2020.

Further details are in Quarter 3 Work Programme update.

## Capital Expenditure – all projects

| Project Name                           | Year To Date (\$000) |                |              | Full Year (\$000) |               |
|--|----------------------|----------------|--------------|-------------------|---------------|
|  | Actual               | Revised Budget | Variance     | Revised Budget    | Annual Plan   |
| Local asset renewals programme         | 1,221                | 2,173          | 952          | 3,193             | 2,512         |
| Locally driven initiatives (LDI Capex) | 67                   | 815            | 748          | 1,272             | 1,286         |
| Greenway and walkway development       | 117                  | 418            | 301          | 620               | 550           |
| Sport development                      | 40                   | 150            | 110          | 200               | 200           |
| One Local Board Initiative (OLI)       | 4                    | 58             | 54           | 100               | 0             |
| Local improvement projects (LIPS)      | 0                    | 25             | 25           | 38                | 100           |
| General park development               | 0                    | 14             | 14           | 21                | 0             |
| Town centre canopy (Mangere)           | 1                    | 8              | 7            | 16                | 20            |
| Sportsfield renewals                   | 1                    | 0              | (1)          | 0                 | 0             |
| CCTV cameras                           | 0                    | 0              | 0            | 18                | 18            |
| <b>Total Community services</b>        | <b>1,452</b>         | <b>3,660</b>   | <b>2,208</b> | <b>5,477</b>      | <b>4,687</b>  |
| Town Centre Revitalisation             | 743                  | 2,063          | 1,320        | 3,827             | 7,407         |
| <b>Total Planning</b>                  | <b>743</b>           | <b>2,063</b>   | <b>1,320</b> | <b>3,827</b>      | <b>7,407</b>  |
| <b>Total</b>                           | <b>2,194</b>         | <b>5,724</b>   | <b>3,530</b> | <b>9,304</b>      | <b>12,093</b> |