

Appendix C - Financial Performance Henderson-Massey Local Board

Financial Summary

Account	Year to Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Operating revenue (ABS)	2,313	2,960	(647)	6,224	6,224
Operating revenue (LDI)	0	11	(11)	21	21
Operating expenditure (ABS)	10,803	11,042	239	22,309	22,327
Operating expenditure (LDI)	824	880	56	1,961	1,906
Operating expenditure (LGS)	549	549	0	1,097	1,097
Net Cost of Service	9,863	9,500	(363)	19,122	19,085

Subsidies and grants for capital expenditure	0	0	0	0	0
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Capital expenditure	5,226	6,186	960	18,524	36,291
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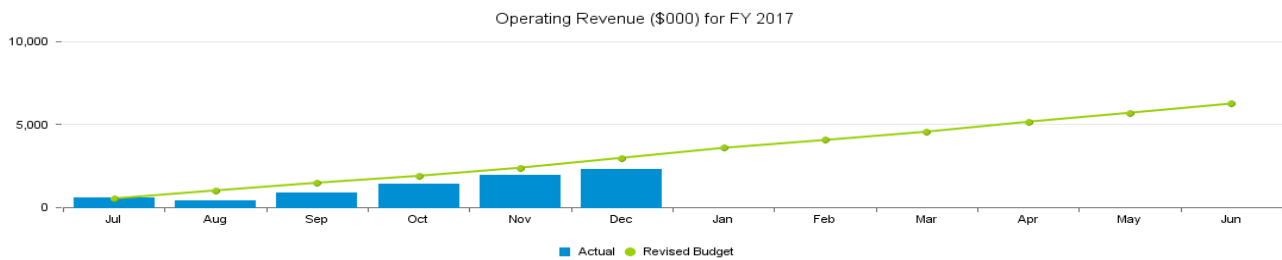
The Henderson Massey Local Board has invested \$5.2m in capital expenditure and \$9.9m net operating expenditure for the six months ended 31 December 2016.

The majority of the capital investment in the quarter to December was incurred on stormwater ponds at Totara and Waiarohia around Westgate of \$1.1m, parks asset renewals and the refurbishment of Massey Community house.

Net cost of service for the six months ended 31 December 2016 is \$363k over budget and is explained in the following pages. The main cause of the variance is lower revenue at West Wave Leisure centre and lower administration costs across Libraries and Community centres.

Since adoption of the Annual plan, a review on delivery of capital projects for the year has been made including unspent budget from previous year. The revised budget reflects these changes as well as additional budget for growth projects. Details are in capital expenditure – all projects.

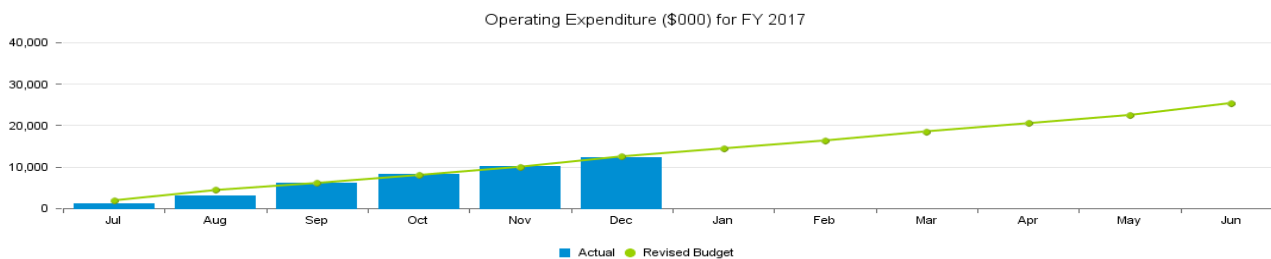
Operating Revenue



Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local community services	232	185	47	377	377
Local parks, sport and recreation	2,081	2,786	(705)	5,868	5,868
Total Operating Revenue	2,313	2,971	(658)	6,245	6,245

Revenue is \$658k below budget. This is due to a prior year adjustment in the period as a result of overstated revenue in prior years at West Wave leisure centre. The revenue forecast for the year is expected to be below budget by a similar margin.

Operating Expenditure



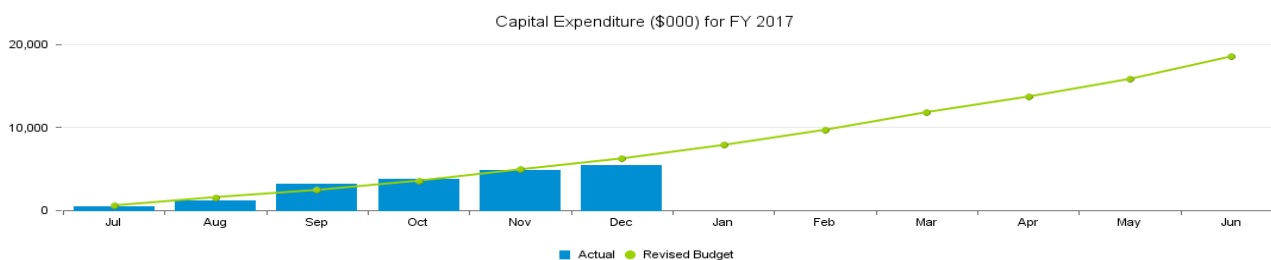
Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local community services	4,044	4,416	372	8,635	8,625
Local environmental management	112	114	2	244	244
Local governance	549	549	0	1,097	1,097
Local parks, sport and recreation	6,520	6,449	(71)	13,342	13,315
Local planning and development	950	944	(6)	2,049	2,049
Total Operating Expenditure	12,175	12,472	297	25,367	25,330

Operating expenditure is \$297k below budget.

This is mainly due to Assed based services (ABS) of \$239k below budget and relates mainly to lower administrative costs across libraries and community centres.

Locally driven initiatives (LDI) is \$56k below budget resulting mainly from community grants yet to be allocated as well as progressing of neighbourhood development and capacity building programmes, offset by timing of local events.

Capital Expenditure



Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local community services	505	516	11	917	392
Local environmental management	1	0	(1)	0	0
Local parks, sport and recreation	2,127	3,474	1,347	10,825	5,291
Local planning and development	2,593	2,196	(397)	6,782	30,608
Total Capital Expenditure	5,226	6,186	960	18,524	36,291

Capital expenditure to date is \$5.2m which is \$960k below budget. This is mainly due to the development of Royal Reserve where physical works contract has recently been awarded (\$764K), delays in assigning design and build contract for the artificial turf at Massey Domain and various sportsfields renewals programmes at differing stages of planning and procurement.

LDI Expenditure – All Projects

Net Cost of Service	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local community services					
ACE LDI Staff allocation	102	102	0	204	204
ANZAC	0	0	0	15	15
Capacity building programme	154	192	38	383	383
Community Arts Programmes	0	9	9	18	18
Community response operating fund	65	80	15	159	160
Community safety	37	65	28	130	130
Fees and charges subsidy	0	0	0	1	0
Local civic functions	1	0	(1)	10	10
Local community grants	10	62	52	124	124
Local events fund	230	135	(95)	269	269
Local job opportunities/skill devel	10	10	0	20	20
Neighbourhood development	27	88	61	120	65
West Recruitment	7	25	18	50	50
Youth connections across Auckland	35	21	(14)	42	42
Youth development initiatives	34	30	(4)	60	60
Total Local community services	713	817	104	1,605	1,550
Local environmental management					
Eco City activation	51	51	0	110	110
Environmental action plan	0	1	1	5	5
Total Local environmental management	51	52	1	115	115
Local parks, sport and recreation					
LDI Programme Events in local parks	11	0	(11)	30	30
LDI Volunteers parks	8	0	(8)	38	38
Sports and recreation investigation	20	0	(20)	7	7
Whau walkway-planning and design	15	0	(15)	50	50
Total Local parks, sport and recreation	54	0	(54)	125	125
Local planning and development					
Henderson BID establishment	6	0	(6)	25	25
Henderson implementation plan initiatives	0	0	0	40	40
Planning support	0	0	0	30	30
Total Local planning and development	6	0	(6)	95	95
TOTAL	824	870	46	1,940	1,885

Capital Expenditure – all projects

Project Name	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
ACE - Community house and centre renewals	467	351	(116)	547	104
ACE - Leases renewals	29	116	87	249	221
ACE - Art facility renewals	6	27	21	67	67
Community facility (Glendene)	0	19	19	48	0
Library build (Ranui)	2	3	1	5	0
Community house renewals (Ranui)	1	0	(1)	0	0
Total Local community services	505	516	11	916	392
Project Twin Streams	1	0	(1)	0	0
Total Local environmental management	1	0	(1)	0	0
General park restoration (SH16/20)	28	792	764	1,976	1,803
Parks - Asset renewals	670	620	(50)	1,443	0
Sport development	81	410	329	1,640	0
Leisure facility building renewals	307	389	82	666	70
General park development	456	355	(101)	1,308	0
Parks - Sports fields renewals	8	339	331	840	840
Recreation centre (Te Rangi Hiroa)	351	271	(80)	271	0
Multi-purpose community facility (Westgate)	189	240	51	2,401	0
Locally driven initiatives (LDI Capex)	24	58	34	281	1,174
Leisure facility equipment renewals	15	0	(15)	0	0
Parks - Court renewals	0	0	0	0	345
Parks - Equipment renewals	0	0	0	0	298
Parks - Furniture renewals	0	0	0	0	72
Parks - Paving and hard surface renewals	0	0	0	0	159
Parks - Play space renewals	0	0	0	0	329
Parks - Structure renewals	0	0	0	0	203
Sports and Local park development	(2)	0	2	0	0
Total Local parks, sport and recreation	2,127	3,474	1,347	10,826	5,293
Open spaces (Massey North)	783	1,009	226	4,422	8,849
Stormwater PC15 (Totara ponds)	1,533	854	(679)	1,466	3,407
Stormwater PC14 (Waiarohia ponds)	182	333	151	894	429
Library build (Westgate NorSGA)	0	0	0	0	10,275
Multi-purpose community facility (Westgate)	0	0	0	0	7,649
Town square PC15 (Massey North)	95	0	(95)	0	0
Total Local planning and development	2,593	2,196	(397)	6,782	30,609
TOTAL	5,226	6,186	960	18,524	36,291
Subsidies and grants for capital expenditure	0	0	0	0	0

**Funding Impact Statement
Henderson-Massey
For the year ended 31 December 2016**

\$000	Notes	Actual 2017	Revised Budget 2017	Annual Plan 2017	Long Term Plan 2016
Sources of operating funding:					
General rates, UAGC, rates penalties		22,466	22,472	22,472	24,728
Targeted rates		82	82	82	82
Subsidies and grants for operating purposes		48	114	130	90
Fees and charges	1	2,194	2,770	5,945	3,770
Local authorities fuel tax, fines, infringement fees and other receipts		71	86	170	895
Total operating funding		24,861	25,524	28,799	29,565
Applications of operating funding:					
Payment to staff and suppliers		10,549	10,775	21,752	21,751
Finance costs		1,534	1,534	3,255	3,283
Internal charges and overheads applied		1,892	1,892	3,784	3,740
Other operating funding applications		-	-	-	-
Total applications of operating funding		13,975	14,201	28,791	28,774
Surplus (deficit) of operating funding		10,886	11,323	8	791
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	5	9	260
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		(5,481)	(5,102)	36,274	34,847
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding		(5,481)	(5,097)	36,283	35,107
Applications of capital funding:					
Capital expenditure:					
- to meet additional demand		3,626	3,445	28,969	29,149
- to improve the level of service		260	879	3,442	3,176
- to replace existing assets		1,519	1,902	3,880	3,573
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding	2	5,405	6,226	36,291	35,898
Surplus (deficit) of capital funding		(10,886)	(11,323)	(8)	(791)
Funding balance		-	-	-	-

Notes: Variance explanation Actual Dec 2016 to Revised Budget Dec 2016:

1. Fees and charges are below budget due to impact of prior year adjustment relating to West Wave leisure centre
2. This is mainly due to the development of Royal Reserve where physical works contract has recently been awarded

