

Local Board Financial Performance - Otara-Papatoetoe as at June 2017

Financial Summary

Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Operating revenue (ABS)	3,389	4,146	(757)	4,146	4,146
Operating revenue (LDI)	71	50	21	50	50
Operating expenditure (ABS)	14,798	15,023	225	15,023	14,987
Operating expenditure (LDI)	1,695	1,826	131	1,826	1,826
Operating expenditure (LGS)	1,047	1,047	0	1,047	1,047
Net Cost of Service	14,081	13,700	(381)	13,700	13,664

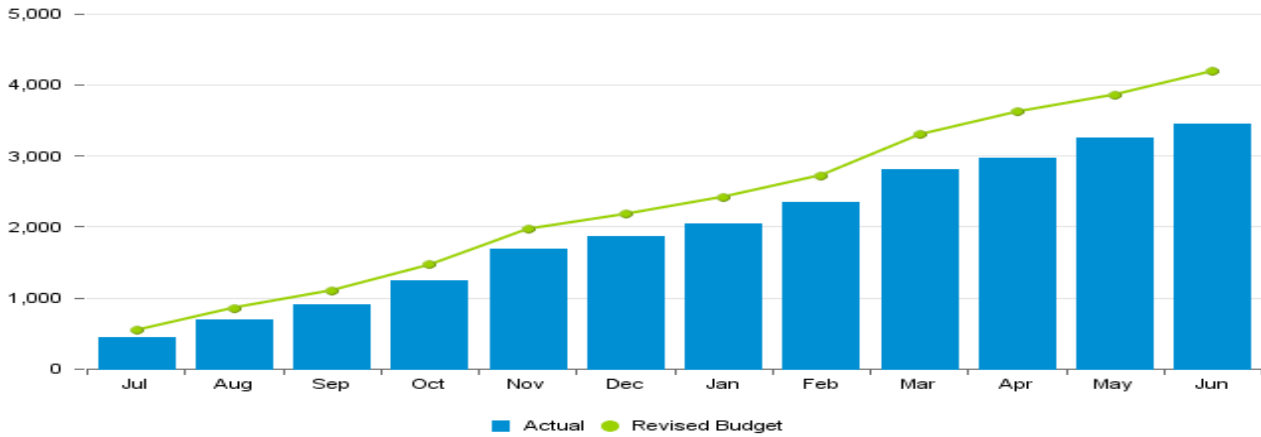
Capital expenditure	2,297	4,135	1,838	4,135	3,926
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The Ōtara-Papatoetoe Local Board has invested \$14.08m in net operating costs and \$2.30m in capital expenditure for the year ending June 2017.

Net cost of service is \$381k over budget of \$13.7m. Operating expenditure is \$356k below budget and operating revenue is \$757k behind budget, particularly in recreation and leisure revenues which have continued to slide backwards.

Capital spend of \$2.29m achieved 56% delivery of the year's budget of \$4.13m with the main underspend being delays in parks asset renewals, ACE lease renewals and also the Te Puke Ō Tara community facility upgrade

Operating Revenue (\$000) for FY 2017

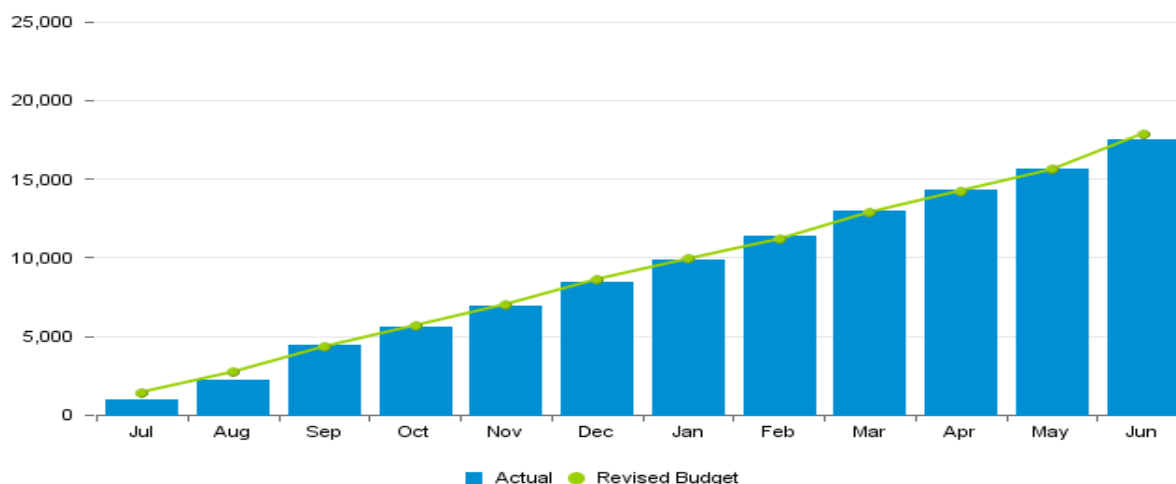


Operating Revenue

Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local community services	441	420	21	420	420
Local parks, sport and recreation	3,019	3,776	(757)	3,776	3,776
Total Operating Revenue	3,460	4,196	(736)	4,196	4,196

Operating revenue was below budget by \$736k. Hireage revenue for community facilities and direct services in libraries have overall exceeded budget by \$21k. However recreation and leisure revenue (including commercial revenue) continues to struggle as it has done all year and accounts for \$637k shortfall against budget. The revenue budgets have been reviewed and refreshed for the next financial year and other revenue improvements around visitor numbers are being investigated. ECE revenue subsidies were \$120k below budget.

Operating Expenditure (\$000) for FY 2017



Operating Expenditure

Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local community services	6,172	6,370	198	6,370	6,050
Local environmental management	120	157	37	157	138
Local governance	1,047	1,047	0	1,047	1,047
Local parks, sport and recreation	9,376	9,483	107	9,483	9,426
Local planning and development	825	839	14	839	1,199
Total Operating Expenditure	17,540	17,896	356	17,896	17,860

Operating expenditure for the year of \$17.5m is just \$356k under budget (2%)

In LDI Opex expenditure \$30k of undelivered projects has been deferred to Y18 and the local board allocated 95% of this fund for community outcomes.

In ABS expenditure savings in overall libraries staff and library facility utilities were \$37k and in OMAC there were outsourcing and staff savings totalling \$73k. Parks underspend was mainly around the leisure and fitness facilities associated with the downturn in customers.

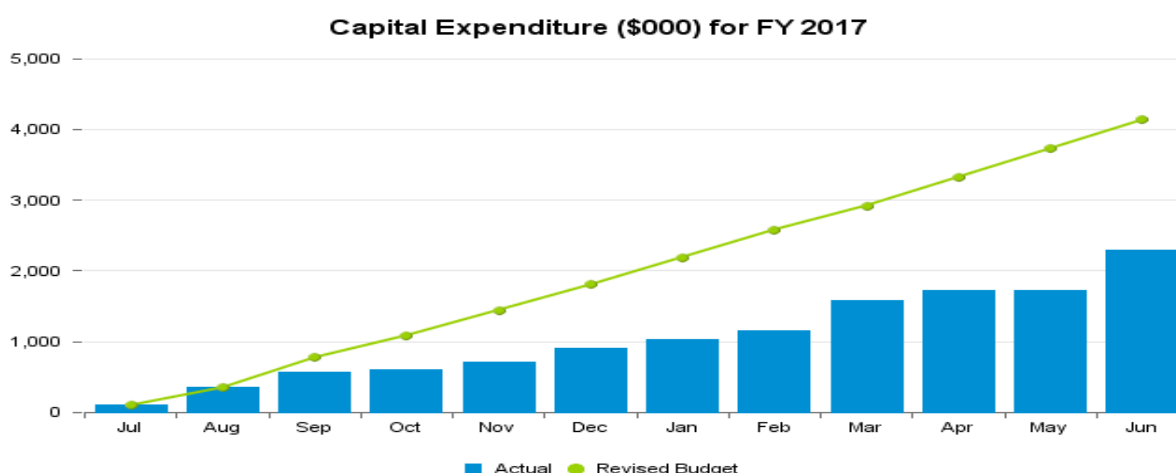
Locally Driven Initiatives (Operating Expenditure)

Net Cost of Service	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
ACE LDI Staff allocation	194	194	0	194	194
ANZAC	22	25	3	25	25
CCTV and town centre safety initiatives	377	360	(17)	360	0
Community Places programme LDI top up	0	0	0	0	30
Community response operating fund	8	9	1	9	37
Community safety	31	30	(1)	30	30
Inclusion and equity - diversity and inclusion	15	15	0	15	15
Liquor licensing objections	7	10	3	10	10
Local Arts Grants	19	34	15	34	34
Local civic functions	1	8	7	8	8
Local community grants	169	225	56	225	160
Local events fund	76	90	14	90	137
Otara Papatoetoe community advice	1	2	1	2	2
Papatoetoe Historical Society	20	20	0	20	20
Senior assistance groups	15	15	0	15	15
Skills Sheds operations	51	79	28	79	79
Youth connections across Auckland	50	50	0	50	50
Youth Development Effectiveness	20	20	0	20	20
Total Local community services	1,076	1,186	110	1,186	866
Develop Industry Pollution Programme (continuation)	20	41	21	41	20
Environmental project (LDI)	3	5	2	5	5

Manukau Harbour forum contribution	8	8	0	8	8
Otara Lake and waterways vision	89	88	(1)	88	89
Southern recycling centre options development	6	15	9	15	16
Waste minimisation and recycling programmes study	(6)	0	6	0	0
Total Local environmental management	120	157	37	157	138
Colin Dale Park	301	301	0	301	280
Green assets - LDI	0	10	10	10	10
LDI Programme Events in local parks	66	60	(6)	60	60
LDI Volunteers parks	10	10	0	10	10
Papatoetoe Bowling Club greens	40	40	0	40	40
Puhinui stream and walkway volunteers	10	10	0	10	10
Total Local parks, sport and recreation	427	431	4	431	410
Local economic development planning - BID top up	0	0	0	0	360
Young Enterprise Scheme	2	2	0	2	2
Total Local planning and development	2	2	0	2	362
Total	1,625	1,776	151	1,776	1,776

Opex deferrals into Y18 for undelivered projects

Pursuit of Excellence Award	15,000
Fresh Gallery Business Plan	15,000
Total	30,000



Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local community services	519	1,604	1,085	1,604	2,242
Local governance	0	41	41	41	0
Local parks, sport and recreation	1,528	2,490	962	2,490	1,684
Local planning and development	250	0	(250)	0	0
Total Capital Expenditure	2,297	4,135	1,838	4,135	3,926

Local board accounts above show capital expenditure of \$2.30m, which is \$1.84m behind budget for the year. However, in local planning and development a prior year (Y15) adjustment of \$250k for Ōtara linkages was allocated and this has impacted on the final figures. Therefore the current year situation should read

Capital expenditure of \$2.05m is \$2.08m behind budget for the year.

Te Puke O Tara was largely deferred into Y18 and a further \$668k of unspent funding this year will also move into Y18 for this project as it continues. The design brief for the Ngāti O Tara multi-sports development has been completed and will shortly use funds (\$190k) as the design company is decided. Ōtara Creek Reserve bridge and path works has its resource consent lodged. Parks asset renewals have a total of \$730k projects undelivered, most of which are in process and will defer any funding required to continue in Y18. ACE lease renewals work at Cambria House is continuing, while the Pukekohe Chambers is yet to start. Growth sports and parks projects are 60% completed with \$250k to defer to Y18.

Capital Expenditure: All Projects

Project Name	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Community Facility Upgrade	230	898	668	898	1,628
ACE - Leases renewals	98	526	428	526	526
Local library renewals	85	97	12	97	30
Library furniture and fitting renewals	55	58	3	58	58
Public art (O tara Town Centre)	29	25	(4)	25	0
ACE - Community house and centre renewals	22	0	(22)	0	0
Community services (GoA)	519	1,604	1,085	1,604	2,242
Community response fund	0	41	41	41	0
Governance (GoA)	0	41	41	41	0
Parks - Asset renewals	600	1,243	643	1,243	1,149
General park development	274	396	122	396	0
Sport development	145	276	131	276	0
Parks - Sports fields renewals	1	245	244	245	183
Multi-sport Facility (Ngati Otara Park)	0	190	190	190	190
Locally driven initiatives (LDI Capex)	296	131	(165)	131	164
Leisure facility building renewals	58	8	(50)	8	0
Leisure facility equipment renewals	152	0	(152)	0	0
Parks sport and recreation (GoA)	1,528	2,490	962	2,490	1,684
Business Improvement District Programmes	250	0	(250)	0	0
Planning (GoA)	250	0	(250)	0	0
Total	2,295	4,134	1,839	4,136	3,926

Funding Impact Statement
Otara-Papatoetoe
For the year ended 30 June 2017

\$000	Notes	Actual	Revised	Annual Plan	Long Term
		2017	Budget 2017	2017	Plan 2016
Sources of operating funding:					
General rates, UAGC, rates penalties		15,264	15,080	15,080	14,668
Targeted rates		1,315	1,319	1,319	1,032
Subsidies and grants for operating purposes		1,015	1,108	1,108	1,957
Fees and charges		2,231	2,491	2,491	1,541
Local authorities fuel tax, fines, infringement fees and other receipts		214	598	598	568
Total operating funding		20,039	20,596	20,596	19,766
Applications of operating funding:					
Payment to staff and suppliers		16,188	16,599	16,563	15,676
Finance costs		1,116	1,116	1,116	968
Internal charges and overheads applied		2,805	2,805	2,805	2,819
Other operating funding applications		-	-	-	-
Total applications of operating funding		20,109	20,520	20,484	19,463
Surplus (deficit) of operating funding		(70)	76	112	303
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		2,366	4,060	3,814	4,573
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding		2,366	4,060	3,814	4,573
Applications of capital funding:					
Capital expenditure:					
- to meet additional demand		475	853	426	1,366
- to improve the level of service		392	561	985	1,586
- to replace existing assets		1,429	2,722	2,515	1,924
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding		2,296	4,136	3,926	4,876
Surplus (deficit) of capital funding		70	(76)	(112)	(303)
Funding balance		-	-	-	-