

Financial Performance

Financial Summary

Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Operating revenue (ABS)	4,085	4,653	(568)	5,971	5,971
Operating expenditure (ABS)	11,966	10,448	(1,518)	14,069	13,230
Operating expenditure (LDI)	780	917	137	1,461	1,441
Operating expenditure (LGS)	840	840	0	1,121	1,121
Net Cost of Service	9,502	7,552	(1,950)	10,680	9,820
Subsidies and grants for capital expenditure	54	0	54	0	0
Capital expenditure	5,044	9,954	4,910	12,271	7,756

Kaipātiki Local Board's net cost of service to 31 March 2018 was \$9.5m, a variance of \$2.0m above budget.

Operating revenue has continued to track below budget. Enrolment numbers at Beach Haven and Birkdale Early Childhood Education Centres (ECE) are well below targets. Enrolments at Beach Haven have been impacted by staff shortages which restricts the number of kids that can attend. The centre does have a waiting list and staff are supporting the centre manager to recruit and manage the roll. The Birkdale Centre is yet to run the marketing promotion that was signalled last quarter, once underway enrolments may increase. Revenue for Glenfield Leisure Centre is also below budget. The two areas of concern are learn-to-swim and fitness visits. A new system implemented to assist with swim class bookings has had issues and resulted in a drop of numbers. A special team has been put together to work through the issues and get numbers up for the classes. Fitness and pool visits are also down, 19% lower when compared with last year. The centre has put this down to delays in routine maintenance and losing customers to Albany Stadium Pool.

Asset based services expenditure is well above budget with a variance of \$1.5m, the main driver for the overall variance is related to parks and asset maintenance costs. The new Project 17 providers commenced their services from 1 July 2017 and as has been communicated, the contractors across the region have been struggling to deliver at the agreed levels of service. Performance plans have been submitted by the contractor to ensure service levels are kept at expected levels and some improvement was seen at the end of the quarter. Under the new contracts, maintenance costs are now tagged to individual

assets, for example both Glenfield and Birkenhead Leisure Centres are showing higher than budget maintenance costs, these costs previously would have been tagged to general maintenance. Until baseline budgets are established at the end of this year, there continues to be large variances (both favourable and unfavourable) between actual and planned expenditure for some local boards.

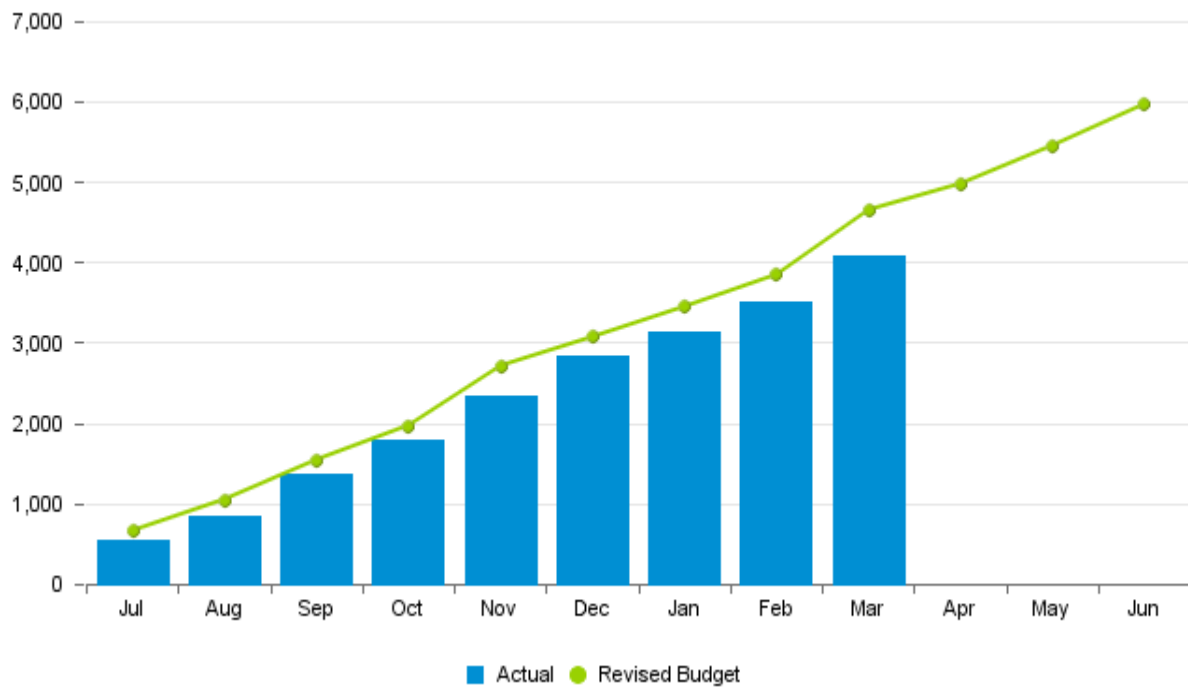
Locally driven initiatives (LDI) expenditure is tracking well against budget. The board still has \$89k unallocated in its response fund. Applications for the final grants round have closed and this could be an area where this funding could be utilised. The budgets for BWMP Master Plan (\$50K), Community Arts Programmes (\$10k), Volunteer Awards (\$10k) and the Sunnynook Centre Plan (\$15k) will most likely be deferred to the next financial year. The Board will resolve these deferral in May.

The capital subsidies received of \$54k are from Auckland Transport for their contribution to the footpath work carried out at AF Thomas.

Capital investment to the end of March was \$5.0m, a variance of \$4.9m lower than budget. Asset renewals are showing the largest variance with an underspend to date of \$1.6m. Projects completed in the quarter include the Birkenhead Leisure Centre bathroom renewals as well as Birkenhead Library HVAC renewal. A number of projects are showing amber status where delays may occur. The boards LDI capex budget is also \$800k underspent with delivery of projects at various stages it is unlikely that there will be a large increase in spend over the coming months. The Connections Plan budget is \$1.0m underspent, this is due to projects completed or in train classified as renewals. This budget can be utilised for new works or upgrading renewals from current standards. The board resolved on how to progress the Birkenhead Mainstreet upgrade project in March.

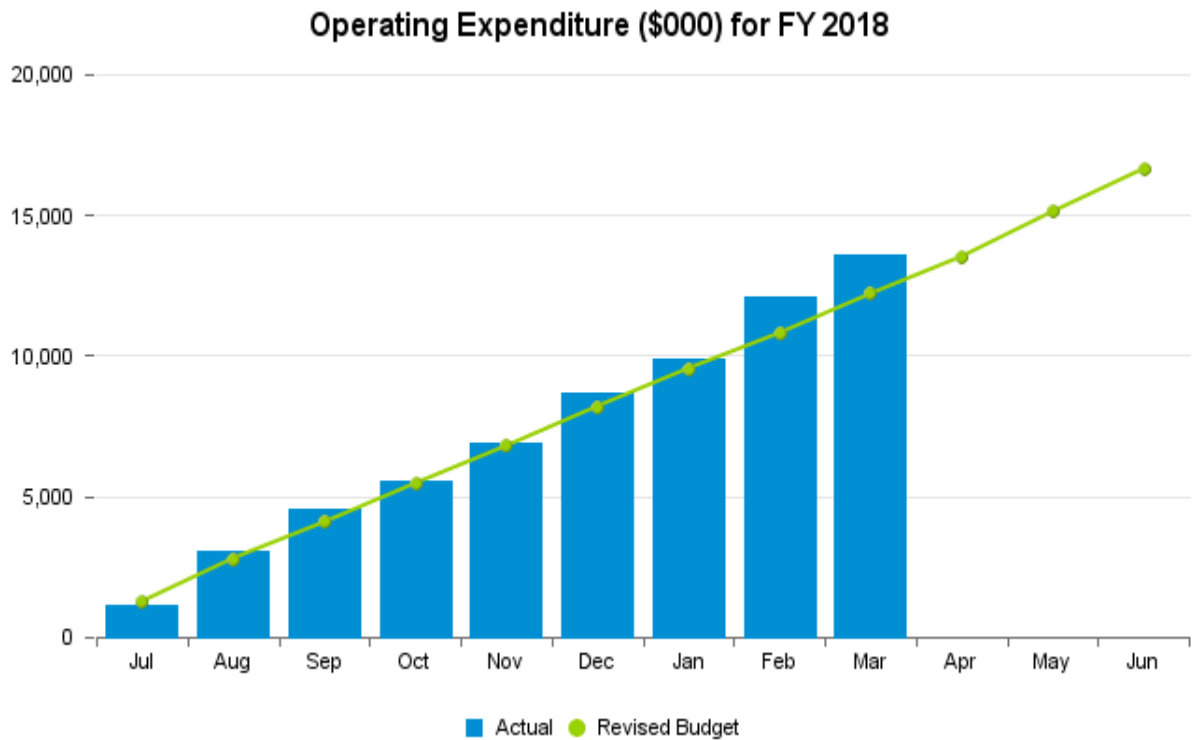
Operating Revenue

Operating Revenue (\$000) for FY 2018



Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local community services	290	293	(3)	391	391
Local parks, sport and recreation	3,795	4,360	(565)	5,580	5,580
Total Operating Revenue	4,085	4,653	(568)	5,971	5,971

Operating Expenditure



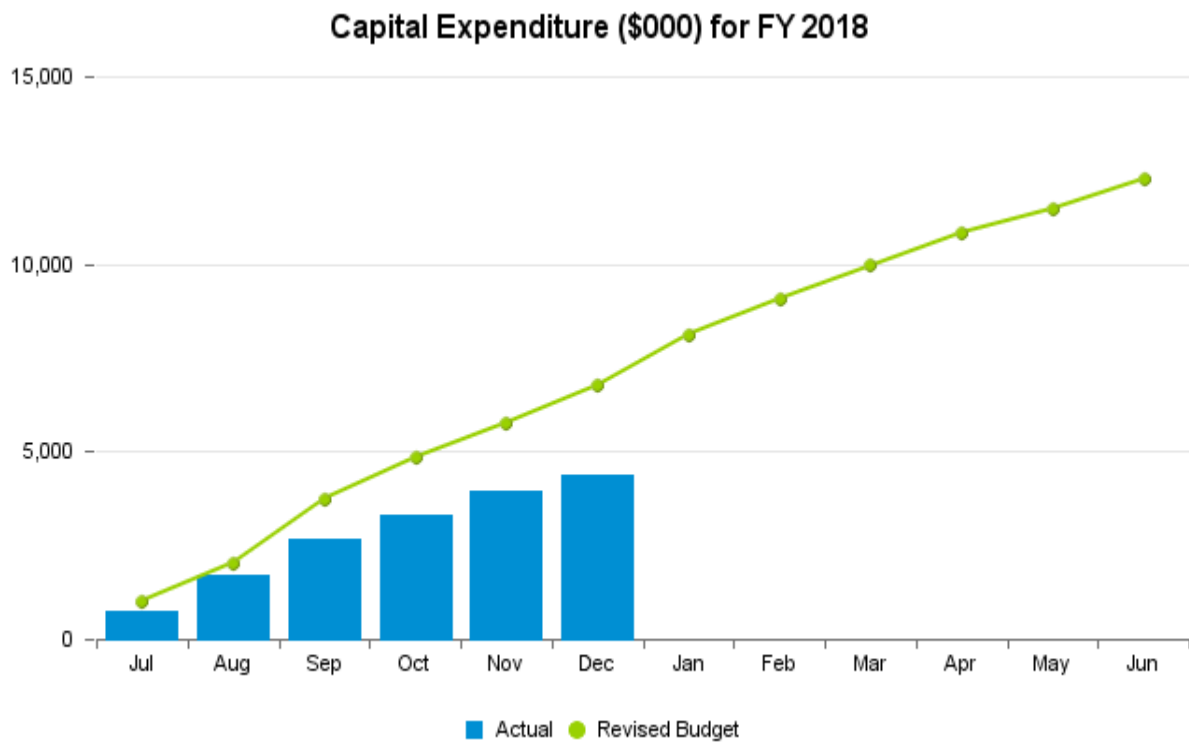
Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local community services	3,884	4,037	153	5,350	5,345
Local environmental management	131	43	(88)	153	181
Local governance	840	840	0	1,121	1,121
Local parks, sport and recreation	8,164	6,603	(1,561)	9,211	8,344
Local planning and development	568	683	115	816	801
Total Operating Expenditure	13,587	12,206	(1,381)	16,651	15,792

LDI Expenditure – All Projects

Net Cost of Service	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
ACE LDI Staff allocation	74	74	0	98	98
ANZAC	0	0	0	30	30
Christmas events	14	18	4	18	18
Community Arts Programmes	0	7	7	10	10
Community Partners Support	3	30	27	40	40
Community response operating fund	0	73	73	97	97
Community volunteer awards	0	9	4	10	5
Delivered Events	0	0	0	15	15
Event partnership	38	23	(15)	45	45
Extended Library hours	10	10	0	13	13
KCFT Annual grant	163	122	(41)	163	163
KCFT events	120	75	(45)	100	100
Local civic functions	0	3	3	4	4
Local community grants	96	100	4	200	200
Manaaki Matua: Age Friendly Services	0	7	7	10	10
Maori responsiveness	0	4	4	5	5
Secondary schools scholarship grant	6	6	0	8	8
Top up ABS: Community houses	0	65	65	86	86
Youth programmes community development	80	60	(20)	80	80
Total Local community services	603	685	82	1,032	1,027
Industry Pollution Prevention Programme	8	0	(8)	8	8

Net Cost of Service	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Kaipatiki project - environmental programmes	23	23	0	45	45
Pest Free Kaipatiki	100	20	(80)	100	100
Total Local environmental management	131	43	(88)	153	153
Birkenhead War Memorial master plan	13	35	22	50	50
Creating a Maori identity	3	7	4	10	10
Equitable access to sport	0	35	35	50	50
Fernglen reserve development plan	0	14	14	20	20
LDI Volunteers parks	37	53	16	75	75
Parks response fund	(39)	14	53	20	20
Total Local parks, sport and recreation	14	158	144	225	225
Local economic develop planning initiati	34	21	(13)	36	21
Sunnynook Centre Plan contribution	0	11	11	15	15
Total Local planning and development	34	32	(2)	51	36
Total	780	917	137	1,461	1,441

Capital Expenditure



Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local community services	480	725	245	1,111	774
Local parks, sport and recreation	3,652	6,044	2,392	9,320	6,982
Local planning and development	259	0	(259)	1,840	0
Total Capital Expenditure	4,391	6,769	2,378	12,271	7,756

Capital Expenditure – all projects

Project Name	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local library renewals	464	391	(73)	599	25
ACE - Leases renewals	8	198	190	304	276
ACE - Community house and centre renewals	5	68	63	104	106
Library furniture and fitting renewals	4	68	64	104	0
Youth facility (Marlborough Park)	0	0	0	0	367
Community services (GoA)	480	725	245	1,111	774
Parks - Asset renewals	2,423	3,060	637	4,659	3,089
Locally driven initiatives (LDI Capex)	36	800	764	1,337	1,143
Network plan connections	5	729	724	1,117	1,117
Leisure facility building renewals	441	559	118	834	435
Parks - Coastal asset renewals	490	319	(171)	489	316
Parks - Sports fields renewals	28	317	289	485	48
Rewi Alley reserve toilet development	3	143	140	219	0
General park development	212	117	(95)	180	0
Greenway and walkway development	1	0	(1)	0	535
Leisure facility equipment renewals	14	0	(14)	0	0
Sport development	0	0	0	0	300
Parks sport and recreation (GoA)	3,652	6,044	2,392	9,320	6,982
Central area upgrade (Northcote)	0	0	0	31	0

Project Name	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Street upgrade (Highbury Mainstreet)	207	0	(207)	1,809	0
Town centre upgrade (Beach Haven)	28	0	(28)	0	0
Viewing deck and development (Highbury)	25	0	(25)	0	0
Planning (GoA)	259	0	(259)	1,840	0
Total	4,394	6,769	2,375	12,271	7,756