

Corporate Activities



“The Little River Library and the Service Centre are great for the community. I am now a member, but was formerly the chair of the Little River Community Trust.

I have every faith in our Community Board. They are supportive and keen on our ideas.”



Mario Downes
Little River

What are Council's Corporate Activities?

Like similar organisations Council has support departments such as human resources, finance, procurement, property management and information technology which provide services to other Council departments. Council calls these units Internal Service Providers (ISPs). In general the cost of providing these services is charged to the activity receiving the benefit of that service. This means that when reviewing the Council Activities and Services pages in this Three Year Plan the costs of each activity include the cost of support departments. However, there are some Council wide costs and income which cannot be considered to be part of any activity. These income and expenditure items are shown in this Corporate Activities section.

What revenue and costs are included in Corporate Activities?

- Revenues and costs relating to Council Controlled Organisations (CCOs):
 - dividend income received from CCOs
 - other payments from CCOs, for example donations made to Council for charitable purposes
 - interest income from funds lent to CCOs
 - interest costs relating to borrowing taken out to either:
 - on lend to CCOs, or
 - invest in the equity (shares) of CCOs
- Interest income from Council investment of general funds and special purpose reserves
- Some of Council's ISPs also provide services to clients outside of Council. The revenue generated from this work, along with the cost of providing those services, is shown on the Corporate activities page
- Property costs
- Other income, such as revenue from regional fuel tax

Overall Council's corporate activities generate a significant surplus, largely from dividends and other payments from CCOs and interest income. As detailed in the Revenue and Financing Policy in Volume 2 this surplus is used to reduce the level of general rates collected from ratepayers.

What capital expenditure is included in Corporate Activities?

Corporate capital expenditure includes the budgets for strategic land purchases, costs relating to Council's office accommodation, information and communication technology, and investment in CCOs.

Council Activities and Services

Corporate Activities

Annual Plan 2012/13		Three Year Plan 2013 - 2016		
		2013/14	2014/15	2015/16
		\$000		
	Cost of proposed services			
21,961	Interest - onlending and equity investments	32,074	45,115	61,275
15,067	Internal service providers	9,779	10,221	8,061
922	Property costs and other expenses	36,830	35,484	7,711
37,950		78,683	90,820	77,047
	Revenue from proposed services			
15,067	Internal service providers	9,779	10,221	8,061
3,317	Other income	5,143	5,063	5,441
4,256	Subvention receipts	2,797	2,780	3,097
22,640		17,719	18,064	16,599
42,369	Dividends	48,744	48,940	51,271
8,330	Interest from onlending	7,978	7,983	8,001
10,644	General and special fund interest	8,093	6,810	6,893
61,343		64,815	63,733	66,165
83,983		82,534	81,797	82,764
33,085	Capital Revenues	23,239	38,041	39,360
-	Vested assets	-	-	-
(79,118)	Net cost of services	(27,090)	(29,018)	(45,077)

Council Activities and Services

Corporate Activities Funding Impact Statement

Annual Plan 2012/13		Three Year Plan 2013 - 2016		
		2013/14	2014/15	2015/16
		\$000		
	Sources of operating funding			
3,956	General rates, uniform annual general charges, rates penalties	29,088	33,827	44,380
-	- Targeted rates	-	-	-
6,211	Subsidies and grants for operating purposes	6,049	6,845	5,614
6,776	Fees and charges	3,511	3,594	3,636
23,816	Internal charges and overheads recovered	22,925	22,495	23,178
2,674	Earthquake recoveries	2,049	1,541	793
61,343	Interest and dividends from investments	64,816	63,733	66,165
4,763	Local authorities fuel tax, fines, infringement fees, and other receipts	3,902	3,752	4,095
109,539	Total operating funding	132,340	135,787	147,861
	Applications of operating funding			
26,738	Payments to staff and suppliers	29,282	28,286	24,591
21,961	Finance costs	32,075	45,114	61,274
-	- Internal charges and overheads applied	122	150	181
4,217	Other operating funding applications	30,047	28,177	700
52,916	Total applications of operating funding	91,526	101,727	86,746
56,623	Surplus (deficit) of operating funding	40,814	34,060	61,115
	Sources of capital funding			
-	- Subsidies and grants for capital expenditure	-	-	-
-	- Development and financial contributions	-	-	-
29,835	Earthquake recoveries	23,239	38,041	39,360
19,173	Increase (decrease) in debt	(145,326)	23,833	53,069
1,205	Gross proceeds from sale of assets	75,792	14,268	1,296
-	- Lump sum contributions	-	-	-
50,213	Total sources of capital funding	(46,295)	76,142	93,725

Annual Plan 2012/13		Three Year Plan 2013 - 2016		
		2013/14	2014/15	2015/16
		\$000		
	Applications of capital funding			
	Capital expenditure			
11,416	- to replace existing assets	20,102	18,630	19,788
82,900	- earthquake rebuild	33,572	64,239	116,211
6,116	- to improve the level of service	8,458	8,362	8,697
922	- to meet additional demand	1,090	13,325	4,348
5,482	Increase (decrease) in reserves	(68,703)	5,646	5,796
-	Increase (decrease) of investments	-	-	-
106,836	Total applications of capital funding	(5,481)	110,202	154,840
(56,623)	Surplus (deficit) of capital funding	(40,814)	(34,060)	(61,115)
-	Funding balance	-	-	-
	Reconciliation to net cost of services			
56,623	Surplus (deficit) of operating funding from funding impact statement	40,814	34,060	61,115
(1,956)	Remove rates funding excluding rates penalties	(27,088)	(31,711)	(42,139)
(8,484)	Deduct depreciation expense	(10,081)	(11,588)	(13,478)
32,725	Add capital revenues	23,239	38,041	39,360
210	Add vested assets / non cash revenue	206	216	219
79,118	Net cost of services per activity statement surplus/(deficit)	27,090	29,018	45,077