

# 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			Annual Plan 2012/13	Three Year Plan 2013 - 2016				
	2013/14	2014/15	2015/16		2013/14	2014/15	2015/16		
	\$000				\$000				
	<b>Cost of proposed services</b>				<b>Cost of capital expenditure</b>				
21,961	Interest - onlending and equity investments	29,311	38,673	55,548	11,416	Renewals and replacements	18,102	18,629	19,787
15,067	Internal service providers	9,786	10,229	8,069	82,900	Earthquake rebuild	15,645	37,897	159,839
922	Property costs and other expenses	33,748	32,848	5,513	6,116	Improved service levels	8,458	8,362	8,697
<b>37,950</b>		<b>72,845</b>	<b>81,750</b>	<b>69,130</b>	922	Increased demand	1,090	13,325	4,348
	<b>Revenue from proposed services</b>				<b>101,354</b>		<b>43,295</b>	<b>78,213</b>	<b>192,671</b>
15,067	Internal service providers	9,786	10,229	8,069		<b>This capital expenditure is funded by</b>			
36,402	Other income	27,798	43,068	44,769	67,322	Rates	66,863	60,520	59,093
4,256	Subvention receipts	2,797	2,780	3,097	29,835	Earthquake rebuild recoveries	23,239	38,041	39,360
55,725		40,381	56,077	55,935	(7,354)	Borrowing	(197,827)	(27,116)	92,922
42,369	Dividends	48,744	48,940	51,271	1,205	Sale of Assets	58,292	6,768	1,296
8,330	Interest from onlending	7,978	7,983	8,001	10,346	Transfers from Reserves	92,728	-	-
10,644	General and special fund interest	8,307	6,792	6,875	-	Development Contributions	-	-	-
61,343		65,029	63,715	66,147	-	Grants, Subsidies and other	-	-	-
<b>117,068</b>		<b>105,410</b>	<b>119,792</b>	<b>122,082</b>	<b>101,354</b>		<b>43,295</b>	<b>78,213</b>	<b>192,671</b>
<b>(79,118)</b>	<b>Net operational cost (funded by rates)</b>	<b>(32,565)</b>	<b>(38,042)</b>	<b>(52,952)</b>					
-	Vested assets	-	-	-					
<b>(79,118)</b>	<b>Net cost of services</b>	<b>(32,565)</b>	<b>(38,042)</b>	<b>(52,952)</b>					

## Council Activities and Services

## Corporate Activities Funding Impact Statement

Annual Plan 2012/13	Three Year Plan 2013 - 2016			Annual Plan 2012/13	Three Year Plan 2013 - 2016		
	2013/14	2014/15	2015/16		2013/14	2014/15	2015/16
	\$000				\$000		
	<b>Sources of operating funding</b>				<b>Applications of capital funding</b>		
3,956	General rates, uniform annual general charges, rates penalties	27,878	31,201	41,454		Capital expenditure	
-	Targeted rates	-	-	-	11,416	- to replace existing assets	18,102
6,211	Subsidies and grants for operating purposes	6,049	6,845	5,615	82,900	- earthquake rebuild	15,645
6,776	Fees and charges	3,500	3,585	3,625	6,116	- to improve the level of service	8,458
23,816	Internal charges and overheads recovered	32,322	32,635	34,339	922	- to meet additional demand	1,090
2,674	Earthquake recoveries	1,500	1,541	793	5,482	Increase (decrease) in reserves	(85,082)
61,343	Interest and dividends from investments	65,029	63,715	66,147	-	Increase (decrease) of investments	-
4,763	Local authorities fuel tax, fines, infringement fees, and other receipts	3,883	3,733	4,079			
<b>109,539</b>	<b>Total operating funding</b>	<b>140,161</b>	<b>143,255</b>	<b>156,052</b>	<b>106,836</b>	<b>Total applications of capital funding</b>	<b>(41,787)</b>
	<b>Applications of operating funding</b>				<b>(56,623)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(40,447)</b>
26,738	Payments to staff and suppliers	35,615	35,808	33,555			<b>198,449</b>
21,961	Finance costs	29,310	38,673	55,548			
-	Internal charges and overheads applied	119	146	184			
4,217	Other operating funding applications	30,052	28,181	715			
<b>52,916</b>	<b>Total applications of operating funding</b>	<b>95,096</b>	<b>102,808</b>	<b>90,002</b>			
<b>56,623</b>	<b>Surplus (deficit) of operating funding</b>	<b>45,065</b>	<b>40,447</b>	<b>66,050</b>			
	<b>Sources of capital funding</b>						
-	Subsidies and grants for capital expenditure	-	-	-			
-	Development and financial contributions	-	-	-			
29,835	Earthquake recoveries	23,239	38,041	39,360	56,623	Surplus (deficit) of operating funding from funding impact statement	45,065
19,173	Increase (decrease) in debt	(168,383)	(1,416)	91,743	(1,956)	Remove rates funding excluding rates penalties	(25,878)
1,205	Gross proceeds from sale of assets	58,292	6,768	1,296	(8,484)	Deduct depreciation expense	(10,071)
-	Lump sum contributions	-	-	-	32,725	Add capital revenues	23,239
<b>50,213</b>	<b>Total sources of capital funding</b>	<b>(86,852)</b>	<b>43,393</b>	<b>132,399</b>	210	Add vested assets / non cash revenue	210
					<b>79,118</b>	<b>Net cost of services per activity statement surplus/(deficit)</b>	<b>32,565</b>
							<b>38,042</b>
							<b>52,952</b>