

A SECTION BY SECTION GUIDE

Financial Overview

These pages (pages 9 to 17) explain how the long term financial strategy ensures that large infrastructural costs and the funds borrowed to pay for these costs are manageable in the context of the day to day running of the Council's operations. The Council uses a strict set of well-established financial guidelines to maintain this strategy. These are outlined here, along with a summary of future financial projections for the next 10 years.

Also included within this section on pages 16 and 17 is information on the rating system and the impact the 2001/02 rates will have on a cross section of properties.

Service Level & Programme Changes

This section (pages 18 to 28) summarises the differences between this Financial Plan and last year's Financial Plan. The individual items have been listed in bullet point form under the following headings:

- committed costs
- committed operating costs approved by Council
- committed capital costs approved by Council
- cost increases due to growth
- new operating initiatives
- new capital initiatives
- efficiency gains

Towards the end of this section are the capital projects which have been deleted from the 5 year programme. These projects were included in last year's Financial Plan and have, for various reasons (which have been noted) been deleted. There is also a page which outlines the Council's new policy relating to rating, ground charges and lease costs for sports organisations. This policy was adopted as part of finalising this Financial Plan & Programme.

Capital Endowment Fund

This section (pages 29 to 30) summarises how \$75 million from the Orion Gas Network sale will be transferred to a Capital Endowment Fund. The fund will be invested in a mix of investments with the income being applied to both economic development projects and civic and community projects. The section also includes details of the 2001/02 Fund allocations.

Plans for Customer Service Activities, Corporate Service Providers, Other Organisations and Trading Activities

This section (pages 31 to 70) outlines and provides a budget for each of the Council's services. Included are the infrastructural services, such as city streets, parks, sewerage and waterways; cultural, community and recreational services such as the art gallery, museum, libraries and Council housing; and the Council's trading enterprises such as the Orion Group, the Lyttelton Port Company and the Christchurch International Airport Company. For each activity or organisation, all new services are described.

For the Council activities the budgets have been summarised on an output class basis. Output classes are best described as groups of related or similar goods or services. Any revenue relating to an output class is matched against the expenditure.

The performance indicators include a mix of measures in terms of quantity, quality, timeliness, etc. Each indicator is related back to a specific objective and indicates whether the objective or specified progress towards it has been achieved. For Objective 1 Performance Indicators 1.1, 1.2 etc. are relevant, Objective 2 Performance Indicators 2.1, 2.2 and so forth.

The capital expenditure which relates to each activity is summarised separately below the Cost of Service Statement.

The categories used to classify capital expenditure are:

- Renewals and Replacements - Maintaining existing assets. Necessary to sustain agreed levels of service.
- Asset Improvements - Capital expenditure that improves or adds to the level of service of existing assets.
- New Assets - Works or purchases creating wholly new assets.
- Capital Funding - Reflects a capital contribution - e.g. For the new Art Gallery.

Forward Capital Programme

This section (pages 71 to 89) itemises what capital improvements are scheduled throughout the city for the next five years, and how much is budgeted for each. It includes infrastructural renewals and replacements such as to streets, parks and water services; as well as developments to improve sports, leisure, recreation, community, economic and environmental services.

Community Board Funded Projects

This section (pages 90 to 93) itemises Community Board funded projects. These projects, which relate to each Community Board area, include new operating initiatives as well as capital expenditure on neighbourhood parks and suburban streets.

Supporting Information

This section (pages 94 to 115) contains the budgeted financial statements, a list of proposed fee changes for various Council services, the Equal Employment Opportunity Programme for 2001/02, a list of elected members and senior staff, and a glossary of terms. A directory of Council Service Centres and contact addresses can be found on the inside back cover.