

9.7.0

*CITY  
SOLUTIONS*

RESPONSIBLE COMMITTEE:	STRATEGY & RESOURCES COMMITTEE
BUSINESS UNIT:	CITY SOLUTIONS
ACTIVITY:	BUSINESS UNIT SUMMARY

### Overall Objectives

City Solutions' business intent is to enhance the well-being of the people who live, work and play in Christchurch, and any other urban areas of New Zealand, by creating spaces and places:

- that look beautiful and enhance the quality of the urban environment;
- that provide opportunities for fun, sport, recreation, art and culture;
- that make people feel good;
- that are convenient, efficient and effective;
- that give the ratepayers and the local authority business unit managers recognisably good value for their investment;
- that contribute to environmental sustainability and by providing services that no other consultant can offer.

### Key Changes

#### *Committed Costs (Operating)*

- As a direct result of FTE staff increases and our need to maintain our position at the leading edge of technology our computer lease costs have risen above expectation. Our marketing & communication costs are also budgeted to increase due to our continued expansion into markets external to our core CCC Policy Unit business. \$48,000

#### *Items Committed by Council during the year (Operating)*

- Nil.

#### *Increased Costs due to Increased Demand*

- Staffing has increased from 94 to 126 FTEs. This increase is due to the internal restructuring within the council resulting in staff moving to City Solutions from EPPU, Major Projects and contract staff from Water, Waste and City Streets. Any increase in staffing levels is closely matched with market demand for our services and therefore is self funding (as is the unit's entire operation) and financed by the increase in consultancy and design fees charged.

#### *New Operating Initiatives*

- Nil.

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### ***Fee Changes***

- In our drive to adopt a more business-like approach our revenue earning rates now assimilate the true business model.

### ***Efficiency Gains***

- Our stated financial goal is to increase our excess revenue after costs to 6% of total revenue. We achieved 4.8% in 1999/2000 and are on target to achieve 6% for the 2000/2001 financial year.

### ***New Capital Initiatives***

- Nil.

### ***Capital Cost Increase > 2%***

- Nil.

### ***Capital Cost Increases > 2% Committed by Council during the year***

- Nil.

### ***Restructuring of Budgets***

- With the council restructuring we have added a separate reporting group called Project Management, which incorporates Major Projects and contract management staff transferred in from Water, Waste and City Streets.

## 9.7.1

RESPONSIBLE COMMITTEE::	STRATEGY & RESOURCES COMMITTEE
BUSINESS UNIT:	CITY SOLUTIONS
OUTPUTS:	OUTPUT SUMMARY

NET COST SUMMARY		2000/2001 BUDGET \$	2001/2002 BUDGET \$
<b>CONSULTING SERVICES</b>			
Buildings / Utilities	Page 9.7.4	(60,597)	(102,583)
Survey / Roading / Traffic	Page 9.7.4	(211,737)	(193,208)
Environmental	Page 9.7.4	(114,756)	(159,027)
Project Management	Page 9.7.4	0	(106,121)
<b>TOTAL NET COST CITY SOLUTIONS</b>		-387,090	-560,939
		=====	=====

## 9.7.2

RESPONSIBLE COMMITTEE:	STRATEGY & RESOURCES COMMITTEE
BUSINESS UNIT:	CITY SOLUTIONS
OUTPUTS:	OUTPUT SUMMARY

		2000/2001 BUDGET \$	2001/2002 BUDGET \$
<b>OUTPUT EXPENDITURE</b>			
<b>CONSULTING SERVICES</b>			
Buildings / Utilities	Page 9.7.4	1,009,950	1,709,718
Survey / Roading / Traffic	Page 9.7.4	3,528,951	3,220,138
Environmental	Page 9.7.4	1,912,600	2,650,443
Project Management	Page 9.7.4	274,800	1,768,677
TOTAL EXPENDITURE		6,726,301	9,348,976

## 9.7.3

RESPONSIBLE COMMITTEE:	STRATEGY & RESOURCES COMMITTEE
BUSINESS UNIT:	CITY SOLUTIONS
OUTPUTS:	OUTPUT SUMMARY

		2000/2001 BUDGET \$	2001/2002 BUDGET \$
<b>OUTPUT REVENUES &amp; RECOVERIES</b>			
<b>CONSULTING SERVICES</b>			
Buildings / Utilities	Page 9.7.4	1,070,547	1,812,301
Survey / Roading / Traffic	Page 9.7.4	3,740,688	3,413,346
Environmental	Page 9.7.4	2,027,356	2,809,469
Project Management	Page 9.7.4	274,800	1,874,798
TOTAL REVENUE & RECOVERIES		7,113,391	9,909,914
<b>NET COST OF OUTPUTS</b>		-387,090	-560,939
<b>COST OF CAPITAL EMPLOYED</b>		231	15,991
<b>CAPITAL OUTPUTS</b>	Page 9.7.5	66,096	122,400

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RESPONSIBLE COMMITTEE:	<b>STRATEGY &amp; RESOURCES COMMITTEE</b>
BUSINESS UNIT:	<b>CITY SOLUTIONS</b>
OUTPUT:	<b>CONSULTING SERVICES</b>

### **OUTPUT : CITY SOLUTIONS OUTPUTS**

For text refer pages 9.7.text.4.ii and 9.7.text.4.iii.

RESPONSIBLE COMMITTEE:	<b>STRATEGY &amp; RESOURCES COMMITTEE</b>
BUSINESS UNIT:	<b>CITY SOLUTIONS</b>
OUTPUT:	<b>CONSULTING SERVICES</b>

## **OUTPUT : CITY SOLUTIONS OUTPUTS**

### **Description**

- Carry out engineering and environmental survey and design including preparation of reports, drawings, specifications and contract documents for a wide range of client work such as buildings, bridges, reservoirs, retaining walls, culverts, frames, roads, traffic management, public and cycle transport, car parks, subdivisions and housing developments, airports, sports facilities, waterway and coastal systems, sewer and stormwater reticulation, pumping stations, retention basins, land boundary definitions, plan and title searches, offsetting and reinstatement of survey works, precise benchmark levelling, civic amenities, urban parks, foreshore developments, ecological areas, restorations schemes, full project management, heating and ventilation, air-conditioning, street lighting, escalators and lifts and the like.
- Carry out contract administration, site supervision, and associated services.
- Update aerial photographs for the City and carry out photo control survey.
- Carry out miscellaneous tasks requested by clients such as feasibility studies, reports, project co-ordination, cost estimates, economic evaluations, maintenance inspections, safety inspections, foundation investigations, provision of producer statements and the like.

### **Objectives for 2001/02**

1. Add value to clients' projects.
2. Increase business (revenue) by 15%.
3. Excess revenue after costs to be 6% (or greater) of total revenue.



RESPONSIBLE COMMITTEE:	<b>STRATEGY &amp; RESOURCES COMMITTEE</b>
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OUTPUT:	<b>CONSULTING SERVICES</b>

### **OUTPUT : CITY SOLUTIONS OUTPUTS**

#### **Performance Indicators**

	<b>2000/01</b>	<b>2001/2002</b>
1. Satisfied clients	Achieved	> 99%
2. Increase in business	6%	42%
3. Excess revenue after costs to be 6% (+) of total revenue	4.8%	6%

MONITORING COMMITTEE:	STRATEGY & RESOURCES COMMITTEE
BUSINESS UNIT:	CITY SOLUTIONS
OUTPUT CLASS:	CONSULTING SERVICES

OUTPUT : CITY SOLUTIONS OUTPUTS			2000/2001 BUDGET \$	2001/2002 BUDGET \$
OUTPUT COSTS				
	FTE'S	FTE'S		
Buildings / Utilities	(14.00)	21.00	1,009,950	1,709,718
Survey / Roding / Traffic	(51.00)	43.00	3,528,951	3,220,138
Environmental	(24.00)	35.00	1,912,600	2,650,443
Project Management	(3.00)	20.00	274,800	1,768,677
	-----	-----	-----	-----
TOTAL COST	(92.00)	119.00	6,726,301	9,348,976
REVENUE				
External Revenue			302,825	345,000
Internal Recoveries			6,810,567	9,564,914
			-----	-----
NET COST - CITY SOLUTIONS OUTPUTS			(387,090)	(560,939)
			=====	=====
Cost of Capital Employed			231	

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OUTPUT CLASS:	<b>CONSULTING SERVICES</b>

**OUTPUT: CITY SOLUTIONS OUTPUTS**

*Description* Provision of design, contract, and project management services to Council on a competitive basis.

*Benefits* Council is able to access the wide range of services required through teams focused on our unique needs.

*Strategic Objectives* F1 to 7 *CCC Policy*

***Allocation of Costs of Benefits Pursuant to Section 122E(1)(a)******General Benefits (Section 112F(b))****Nature and Distribution of General Benefits****Direct Benefits (Section 112F(c))***

The clients of the services are the direct beneficiaries

***Control Negative Effects (Section 112F(d))******Modifications Pursuant to Section 12******Funding of Expenditure Needs Pursuant to Section 122E(1)(c)******General Benefits******Direct Benefits***

Direct benefits shall be funded by clients. Any shortfall will be covered by net surpluses arising from other internal service providers.

***Control Negative Effects***

RESPONSIBLE COMMITTEE:	<b>STRATEGY &amp; RESOURCES COMMITTEE</b>
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OUTPUT CLASS:	<b>CONSULTING SERVICES</b>

**OUTPUT : CITY SOLUTIONS OUTPUTS**

	<i>Customer</i>	<i>Residential</i>	<i>Commercial</i>	<i>Rural</i>	<i>Institutions</i>	<i>Grants</i>	<i>Total Method</i>
<b>Costs and Modifications</b>							
<i>Costs</i>							
0.00% General Benefits	-	-	-	-	-	-	-
100.00% Direct Benefits	9,348,976	-	-	-	-	-	9,348,976 TableC
0.00% Negative Effects	-	-	-	-	-	-	-
<i>Total Costs</i>	9,348,976	-	-	-	-	-	9,348,976
<i>Modifications</i>							
Transfer User Costs to Rating	560,939	(410,664)	(108,689)	(14,454)	(27,132)		(0) CapValAll
Non-Rateable	-	(20,873)	(5,524)	(735)	27,132		- CapValGen
<i>Total Modifications</i>	560,939	(431,537)	(114,213)	(15,189)	-	-	(0)
<b>Total Costs and Modifications</b>	<b>9,909,914</b>	<b>(431,537)</b>	<b>(114,213)</b>	<b>(15,189)</b>	<b>-</b>	<b>-</b>	<b>9,348,976</b>

**Funded By**

106.00% User Charges	9,909,914						9,909,914
0.00% Grants and Subsidies		-	-	-	-		-
0.00% Net Corporate Revenues		-	-	-	-		-
-6.00% Capital Value Rating	-	(431,537)	(114,213)	(15,189)	-	-	(560,939)
0.00% Uniform Annual Charge		-	-	-			-
<b>Total Funded By</b>	<b>9,909,914</b>	<b>(431,537)</b>	<b>(114,213)</b>	<b>(15,189)</b>	<b>-</b>	<b>-</b>	<b>9,348,976</b>

RESPONSIBLE COMMITTEE:	STRATEGY & RESOURCES COMMITTEE
BUSINESS UNIT:	CITY SOLUTIONS
OUTPUT CLASS:	CAPITAL OUTPUTS

	2000/2001 BUDGET \$	2001/2002 BUDGET \$
<b>OUTPUT : RENEWALS &amp; REPLACEMENTS</b>		
<b>Computing Upgrades</b>		
CAD Computers	0	0
CAD Software	3,060	3,060
Pen Plotter (upgrade)	0	20,400
Printer Replacements	0	15,300
Unspecified	6,120	31,620
<b>Field Equipment Upgrades</b>		
Total Station	0	0
EDM (D11000) & Theodolite plant	15,300	0
	-----	-----
	24,480	70,380
<b>OUTPUT : ASSET IMPROVEMENTS</b>		
	-----	-----
	0	0
<b>OUTPUT : NEW ASSETS</b>		
Computers and Survey Equipment	0	0
<b>Computing Software</b>		
Printer	0	0
<b>Survey Equipment</b>		
Electronic Level	0	0
Unspecified	41,616	52,020
	-----	-----
	41,616	52,020
<b>TOTAL CAPITAL ASSETS</b>	-----	-----
	66,096	122,400
	=====	=====

## 9.7.6

RESPONSIBLE COMMITTEE:	STRATEGY & RESOURCES COMMITTEE
BUSINESS UNIT:	CITY SOLUTIONS
OUTPUT CLASS:	CAPITAL OUTPUTS

Description	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006
<b>RENEWALS &amp; REPLACEMENTS</b>					
<b>Computing Upgrades</b>					
Business Software (Excel, Word, Access, Dos etc)	3,060	3,060	3,060		
Printer Replacements	15,300	15,300	15,300		
Plotter (Upgrade InkJet Plotter)	20,400	20,400	20,400		
<b>Survey Equipment Upgrades</b>					
Total Station					
EDM (D11000) & Theodolite					
<b>Unspecified</b>	31,620	31,620	31,620	125,000	125,000
<b>TOTAL RENEWALS &amp; REPLACEMENTS</b>	70,380	70,380	70,380	125,000	125,000
<b>ASSET IMPROVEMENTS</b>					
<b>TOTAL ASSET IMPROVEMENTS</b>	0	0	0	0	0

## 9.7.7

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BUSINESS UNIT:	CITY SOLUTIONS
OUTPUT CLASS:	CAPITAL OUTPUTS

Description	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006
<b>NEW ASSETS</b>					
Computing and Survey Equipment Unspecified	52,020	52,000	52,000	52,000	52,000
TOTAL NEW ASSETS	52,020	52,000	52,000	52,000	52,000
<b>TOTAL CAPITAL EXPENDITURE</b>	122,400	122,380	122,380	177,000	177,000
<b>Annual Plan 2000/2001</b>	<b>\$66,096</b>	\$122,400	\$122,400	\$122,400	\$176,868

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OUTPUT CLASS:	<b>CAPITAL OUTPUTS</b>

	<b>YEAR 6</b>	<b>YEAR 7</b>	<b>YEAR 8</b>	<b>YEAR 9</b>	<b>YEAR 10</b>
<b>RENEWALS &amp; REPLACEMENTS</b>					
Unspecified	125,000	125,000	125,000	125,000	125,000
<b>TOTAL RENEWALS &amp; REPLACEMENTS</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>
<b>ASSET IMPROVEMENTS</b>					
Unspecified					
<b>TOTAL ASSET IMPROVEMENTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NEW ASSETS</b>					
Unspecified	52,000	52,000	52,000	52,000	52,000
<b>TOTAL NEW ASSETS</b>	<b>52,000</b>	<b>52,000</b>	<b>52,000</b>	<b>52,000</b>	<b>52,000</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>177,000</b>	<b>177,000</b>	<b>177,000</b>	<b>177,000</b>	<b>177,000</b>
<b>Annual Plan 2000/2001</b>	<b>\$176,868</b>	<b>\$176,868</b>	<b>\$176,868</b>	<b>\$176,868</b>	



RESPONSIBLE COMMITTEE:		STRATEGY & RESOURCES COMMITTEE				
BUSINESS UNIT:		CITY SOLUTIONS				
ACTIVITY:		FEES SCHEDULE				
Fees Description	2000/2001 Present Charge	2000/2001 Revenue from Present Charge	2001/2002 Proposed Charge	2001/2002 Projected Revenue From Proposed Charge	2001/2002 Projected Revenue as a percentage of Total Cost	Notes
<b>DESIGN FEES</b>	Charged on an hourly basis. (includes all overhead costs)		Charged on an hourly basis. (includes all overhead costs)			
Total External Income (DESIGN)		\$311,220		\$350,000	100.00%	
TOTAL		\$311,220		\$350,000		