

9.7.0

*CITY*  
*SOLUTIONS*



RESPONSIBLE COMMITTEE:	STRATEGY & FINANCE COMMITTEE
BUSINESS GROUP:	CITY SOLUTIONS
ACTIVITY:	BUSINESS GROUP 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

#### *Contributions towards the \$10M Net Rates Savings Targets*

- The 2003/04 draft budget for the City Solutions Unit is \$211,186 less than the approved net direct cost projections. This represents the Unit contribution towards the \$10M net rates savings target which was established by the Council on 16 July 2002. (\$211,186)



## 9.7.1

RESPONSIBLE COMMITTEE::	<b>STRATEGY &amp; FINANCE COMMITTEE</b>
BUSINESS UNIT:	<b>CITY SOLUTIONS</b>
OUTPUTS:	<b>OUTPUT SUMMARY</b>

		<b>2002/2003 BUDGET \$</b>	<b>2003/2004 BUDGET \$</b>
<b>NET COST SUMMARY</b>			
<b>CONSULTING SERVICES</b>			
City Solutions Consulting Services	Page 9.7.2	(73,800)	(80,000)
<b>TOTAL NET COST CITY SOLUTIONS</b>		(73,800)	(80,000)
<b>OUTPUT EXPENDITURE</b>			
<b>CONSULTING SERVICES</b>			
City Solutions Consulting Services	Page 9.7.2	8,874,673	8,979,151
<b>TOTAL EXPENDITURE</b>		8,874,673	8,979,151
<b>OUTPUT REVENUES &amp; RECOVERIES</b>			
<b>CONSULTING SERVICES</b>			
City Solutions Consulting Services	Page 9.7.2	8,948,473	9,059,151
<b>TOTAL REVENUE &amp; RECOVERIES</b>		8,948,473	9,059,151
<b>NET COST OF OUTPUTS</b>		(73,800)	(80,000)
<b>COST OF CAPITAL EMPLOYED</b>		9,326	8,991
<b>CAPITAL OUTPUTS</b>		102,500	65,000

RESPONSIBLE COMMITTEE:	STRATEGY & FINANCE COMMITTEE
BUSINESS GROUP:	CITY SOLUTIONS
OUTPUT:	CONSULTING SERVICES

## 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.
- 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 2003/04	Performance Indicators		
		Actual 2001/02	Budget 2003/04
1. Add value to clients' projects and desired outcomes.	• Satisfied clients	Achieved	> 99%
2. Increase external revenue profit by 1%.	• Increase in gross external revenue	12.6%	5.4%
3. Excess external revenue after costs to be 10% (\$80,000). All other internally generated revenue is at zero margin.	• Profit on external revenue	10%	11%

## 9.7.2

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

	2002/2003 BUDGET \$	2003/2004 BUDGET \$
<b>OUTPUT : CITY SOLUTIONS CONSULTING SERVICES</b>		
OUTPUT COSTS		
Allocated Holding Account	8,865,716	8,968,589
Alloc O/Head - Output Corporate Overheads Cost Centre	8,957	10,562
TOTAL COST	8,874,673	8,979,151
REVENUE		
External Revenue	410,000	750,000
Internal Recoveries	8,538,473	8,309,151
NET COST - CITY SOLUTIONS OUTPUTS	(73,800)	(80,000)





## 9.7.3

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

Description	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	
RENEWALS & REPLACEMENTS						
Office Furniture & Equipment	15,000	15,000	15,000	15,000	15,000	
Computing Upgrades						
Business Software	35,000	20,000	20,000	20,000	20,000	
Survey Equipment Upgrades						
Total Station		17,500			17,500	
Digital Survey Level	15,000					
Unspecified	0					
TOTAL RENEWALS & REPLACEMENTS	65,000	52,500	35,000	35,000	52,500	
TOTAL CAPITAL EXPENDITURE						
	65,000	52,500	35,000	35,000	52,500	
Annual Plan 2002/2003	102,500	60,000	50,000	60,000	32,500	77,500
	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	
RENEWALS & REPLACEMENTS						
Unspecified	35,000	35,000	52,500	35,000	35,000	
TOTAL RENEWALS & REPLACEMENTS	35,000	35,000	52,500	35,000	35,000	
TOTAL CAPITAL EXPENDITURE						
	35,000	35,000	52,500	35,000	35,000	
Annual Plan 2002/2003	77,500	77,500	77,500	77,500		



## 9.7.4

RESPONSIBLE COMMITTEE:		STRATEGY AND FINANCE COMMITTEE				
BUSINESS UNIT:		CITY SOLUTIONS				
ACTIVITY:		FEES SCHEDULE				
Fees Description	2002/2003 Present Charge	2002/2003 Revenue from Present Charge	2003/2004 Proposed Charge	2003/2004 Projected Revenue From Proposed Charge	2003/2004 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)		100.00%	
Total External Income (DESIGN)		\$410,000		\$750,000		
TOTAL		\$410,000		\$750,000		

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

**OUTPUT: CITY SOLUTIONS CONSULTING SERVICES**

**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; FINANCE COMMITTEE</b>
BUSINESS UNIT:	<b>CITY SOLUTIONS</b>
OUTPUT CLASS:	<b>CONSULTING SERVICES</b>

**OUTPUT : CITY SOLUTIONS CONSULTING SERVICES**

	<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	-	-	-	-	-		- 0
100.00% Direct Benefits	8,979,151	-	-	-	-		8,979,151 TableC
0.00% Negative Effects	-	-	-	-	-		- 0
<i>Total Costs</i>	8,979,151	-	-	-	-	-	8,979,151
<i>Modifications</i>							
Transfer User Costs to Rating	80,000	(57,604)	(15,468)	(2,110)	(4,818)		- CapValAll
Non-Rateable	-	(3,692)	(991)	(135)	4,818		- CapValGen
<i>Total Modifications</i>	80,000	(61,296)	(16,459)	(2,245)	-	-	-
<b>Total Costs and Modifications</b>	<b>9,059,151</b>	<b>(61,296)</b>	<b>(16,459)</b>	<b>(2,245)</b>	<b>-</b>	<b>-</b>	<b>8,979,151</b>

**Funded By**

100.89% User Charges	9,059,151						9,059,151
0.00% Grants and Subsidies		-	-	-	-		- 0
0.00% Net Corporate Revenues		-	-	-	-		- 0
-0.89% Capital Value Rating	-	(61,296)	(16,459)	(2,245)	-	-	(80,000)
0.00% Uniform Annual Charge		-	-	-			-
<b>Total Funded By</b>	<b>9,059,151</b>	<b>(61,296)</b>	<b>(16,459)</b>	<b>(2,245)</b>	<b>-</b>	<b>-</b>	<b>8,979,151</b>