

7.4.0

CITY
SOLUTIONS

RESPONSIBLE COMMITTEE:	STRATEGY & FINANCE COMMITTEE
BUSINESS UNIT:	CITY SOLUTIONS
ACTIVITY:	BUSINESS DEPARTMENT SUMMARY

Mission Statement

We are the Council's consultancy, specialising in local government infrastructure in the urban environment, delivering projects through the provision of Project Management, Planning, Design and Contract Administration.

Vision

“Quality Solutions for Quality of Life”

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.

Objectives for 2004/05		Performance Indicators	
		Actual 2002/03	Budget 2004/05
1. Add value to clients' projects and desired outcomes.	• Satisfied clients	Achieved	> 99%
2. Increase gross external revenue by 1% each year.	• Increase in gross external revenue	1.0%	1.0%
3. Net Profit achieved on external revenue to be above 10%.	• Net Profit on external projects	5.5%	10.0%
4. Internally generated revenue is achieved at zero margin	• Net Profit on internal projects	(1.3%)	0.0%

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Key Changes***Increased Costs due to Increased Demand***

<ul style="list-style-type: none"> Additional costs are to match the increased demand from asset units as City Solutions continue to deliver more of the capital programme, with the aim of reducing capital carry forwards. These increased costs are met by existing client capital budgets. 	\$420,000
<ul style="list-style-type: none"> Work of the department is carried out within a budget of \$9.3M. All costs are balanced by earned revenue. Professional fees are either fixed fee quotes or charged out to clients on an hourly basis using the ACENZ formula. The department's competitiveness is measured by the ability to maintain client satisfaction with service provided (and hence retain clients) while ensuring that internal revenue is achieved at a zero profit margin. Other key indicators include average hourly internal charge-out rate and average chargeable hours percentage. 	
<ul style="list-style-type: none"> Available project services also include the preparation of economic evaluations and feasibility studies, all aspects of contract preparation, tendering and administration and the commissioning and maintenance management of projects. 	

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RESPONSIBLE COMMITTEE::	STRATEGY & FINANCE COMMITTEE
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OUTPUTS:	OUTPUT SUMMARY

	2003/2004 BUDGET \$	2004/2005 BUDGET \$
NET COST SUMMARY		
CONSULTING SERVICES		
City Solutions Consulting Services	(80,000)	(81,600)
NET COST OF OUTPUTS	(80,000)	(81,600)
COST OF CAPITAL EMPLOYED	8,991	12,580
CAPITAL OUTPUTS	65,000	52,500

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

	2003/2004 BUDGET	2004/2005 BUDGET
OUTPUT EXPENDITURE		
CONSULTING SERVICES		
City Solutions Consulting Services	8,979,151	9,165,782
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TOTAL EXPENDITURE	8,979,151	9,165,782
OUTPUT REVENUES & RECOVERIES		
CONSULTING SERVICES		
City Solutions Consulting Services	9,059,151	9,247,382
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TOTAL REVENUE & RECOVERIES	9,059,151	9,247,382

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RESPONSIBLE COMMITTEE:	STRATEGY & FINANCE COMMITTEE
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OUTPUT CLASS:	CAPITAL OUTPUTS

Description	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
RENEWALS & REPLACEMENTS					
Office Furniture & Equipment	15,000	15,000	15,000	15,000	
Computing Upgrades					
Business Software	20,000	20,000	20,000	20,000	
Survey Equipment Upgrades					
Total Station	17,500			17,500	
Digital Survey Level					
Unspecified					35,000
TOTAL RENEWALS & REPLACEMENTS	52,500	35,000	35,000	52,500	35,000
ASSET IMPROVEMENTS					
TOTAL ASSET IMPROVEMENTS	0	0	0	0	0
NEW ASSETS					
Unspecified					
TOTAL NEW ASSETS	0	0	0	0	0
TOTAL CAPITAL EXPENDITURE	52,500	35,000	35,000	52,500	35,000
Annual Plan 2003/2004	65,000	52,500	35,000	52,500	35,000

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RESPONSIBLE COMMITTEE:	STRATEGY & FINANCE COMMITTEE
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OUTPUT CLASS:	CAPITAL OUTPUTS

	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
RENEWALS & REPLACEMENTS					
Unspecified	35,000	52,500	35,000	35,000	52,500
TOTAL RENEWALS & REPLACEMENTS	35,000	52,500	35,000	35,000	52,500
ASSET IMPROVEMENTS					
Unspecified					
TOTAL ASSET IMPROVEMENTS	0	0	0	0	0
NEW ASSETS					
Unspecified					
TOTAL NEW ASSETS	0	0	0	0	0
TOTAL CAPITAL EXPENDITURE	35,000	52,500	35,000	35,000	52,500
Annual Plan 2003/2004	35,000	52,500	35,000	35,000	

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RESPONSIBLE COMMITTEE:		STRATEGY AND FINANCE COMMITTEE				
BUSINESS UNIT:		CITY SOLUTIONS				
ACTIVITY:		FEES SCHEDULE				
Fees Description	2003/2004 Present Charge	2003/2004 Revenue from Present Charge	2004/2005 Proposed Charge	2004/2005 Projected Revenue From Proposed Charge	2004/2005 Projected Revenue as a percentage of Total Cost	Notes
DESIGN FEES	Charged on an hourly basis. (includes all overhead costs)		Charged on an hourly basis. (includes all overhead costs)			
Total External Income (DESIGN)		\$750,000		\$757,500	100.00%	
TOTAL		<u>\$750,000</u>		<u>\$757,500</u>		