

## CORPORATE SERVICES

### INTRODUCTION

During the period June – December 1999 the Unit has been heavily involved in two major corporate initiatives and one major review within the unit. The corporatisation of Works Operations included a transfer of 2 stores (at Westminster and Milton depots) to the new Canroad Construction LATE. This leaves stores operations at Pages Road and at the Pipe yard in Colombo Street. The new LATE has indicated that it will continue to use many of the purchasing contracts currently managed by the Unit. The other corporate initiative affecting the unit has been the much heavier involvement by Corporate Services Unit staff than originally envisaged. In addition to one staff member now working fulltime on this project the Purchasing and Operations sections have contributed 46 person weeks to this project primarily in reviewing the purchasing process as well as providing training to other units on SAP purchasing. The unit-based initiative is a review of the mail and courier processes.

A major reason for a number of variances from budget have been timing delays in receipt of income for the period to December, which were not processed prior to 31/12/99. As the new computer system will enable us to match revenue with the month in which the costs were incurred the year-end results will ensure that the year results reflect the year's business. Although the FAMIS related costs are well above budget the Corporate Services Unit team is looking to meet its overall (Unit) budget targets at 30 June 2000.

<b>Business Unit</b>	<b>Corporate Services</b>
<b>Output Class</b>	<b>Corporate Support</b>

### Financial Performance

	<b>Last Year</b>	<b>Current Period</b>	
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
Expenditure			
Advice	31,229	26,031	96,139
	<u>31,229</u>	<u>26,031</u>	<u>96,139</u>
Revenue			
Advice	23,030	26,023	25,523
	<u>23,030</u>	<u>26,023</u>	<u>25,523</u>
Net Cost/(Surplus) of Corporate Support	8,199	8	70,616

### Commentary

As noted in the Introduction above Unit staff have spent a significant portion of their time on FAMIS which was not budgeted for. This will be offset by reduced costs in the units other outputs.

### Service Delivery Performance

<b>Performance Indicator</b>		<b>Target</b>	<b>Actual</b>
1.	To report by June 2000 on membership of corporate teams and corporate projects undertaken during 1999/2000.	Done	Due June 2000

<b>Business Unit</b>	<b>Corporate Services</b>
<b>Output Class</b>	<b>Purchasing</b>

### Financial Performance

	<b>Last Year</b>	<b>Current Period</b>	
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
Expenditure			
Purchasing Policy and Systems	55,475	107,014	99,151
Contracts and Purchasing Support	104,581	122,988	117,946
	<u>160,056</u>	<u>230,002</u>	<u>217,097</u>
Revenue			
Purchasing Policy and Systems	41,618	106,994	104,957
Contracts and Purchasing Support	125,696	124,544	116,564
	<u>167,314</u>	<u>231,538</u>	<u>221,521</u>
Net Cost/(Surplus) of Corporate Support	(7,258)	(1,536)	(2,888)

### Commentary

Late revenue receipts for the period ended 31/12/99 which are not included in the above figures mean that the revenue for Contracts and Purchasing Support is running ahead of budget when accruals are taken into account. In addition transfer costs for the purchase of stock are running \$22,356 below budget this being a direct result of transfer of effort to FAMIS support.

### Service Delivery Performance

<b>Performance Indicator</b>		<b>Target</b>	<b>Actual</b>
1.	At least 50% of staff with order books and delegated authority to have attended a seminar within the last four years on purchasing policies, procedures and systems.	50 %	See Note 1
2.	The annual update of the financial delegations register completed by 31 July 1999	Done	Done
3.	To report by June 2000 on the major contracts entered into during 1999/2000	June 2000	To be done by June 2000

Note 1. Current efforts have been focussed on getting all people who need to raise or authorise purchase orders trained in the use of the new purchasing modules. This includes elements of the usual seminar on purchasing policies, procedures and systems. A requirement of all users of the new modules is that they have attended the training on the new module, as manual order books will not be used in future except in emergency situations. Following the completion of this training the Purchasing team will review the seminar content for future years.

<b>Business Unit</b>	<b>Corporate Services</b>
<b>Output Class</b>	<b>Operations</b>

### Financial Performance

	<b>Last Year</b>	<b>Current Period</b>	
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
Expenditure			
Stores	2,304,949	3,057,497	2,355,576
Other internal services	821,835	1,129,227	987,438
	3,126,784	4,186,724	3,343,014
Revenue			
Supply	2,274,950	3,057,202	2,297,489
Other internal services	782,020	1,072,618	938,577
	3,056,970	4,129,820	3,236,066
Net (Surplus) of Stores Operations	69,814	56,904	106,948

### Commentary

On 1 December 1999 the stores operations at Milton and Westminster depots was transferred to Canroad Construction. The remaining operations at Pages Store and the Pipe yard will continue to be run by Corporate Services Unit. The majority of issues occur in the January – April period and it is expected that the stores operations will meet budget targets for the year. In addition to this there is a timing delay in some office services, which will be corrected once FAMIS comes on line.

### Service Delivery Performance

<b>Performance Indicator</b>		<b>Target</b>	<b>Actual</b>
1.	Achieve a 95% accuracy by value and 85% accuracy on a line item basis as at June 1999	95% by value 90% by line item	To be done in June 99
2.	Fill and effect delivery of 95% of orders received from customers within the agreed time frame	95%	99%
3.	Achieve the stock turns for certain categories of stock as set out below: General Fuel Water Supply Roading Material Canroad Construction	3.0 4.0 5.0 24.0 12.0	See Note 1 4.6 3.6 2.8 28.3 16.2
4.	To dispose of 95% of items which are not being tendered within eight weeks of the item becoming available for disposal	95%	>95%
5.	To provide regular reports to users (of copying and printing services) showing volumes and costs.	Done	These are provided on request.
6.	To carry out a review of the services transferred from the former Corporate Administration function.	Done	See Note 2
7.	To report on the progress of installation of Trim in Council Units	Done	See Note 3

Note 1 As the stock at Milton and Westminster depots was transferred to Canroad Construction on 1 December 1999 the actual stock turns noted above are those for the year ended 30/11/99.

Note 2 A review has been carried out of the services transferred resulting in telephones and information services being transferred to the Ground Floor customer centre. Systems in a number of the former outputs have been streamlined while the mail room operations, courier, records management, archives and record storage services have been combined into a Total Document Management service.

Note 3 TRIM continues to be rolled out into Council workgroups with the biggest challenge being the state of the existing hardcopy records. In a number of cases the records are inadequately indexed with a significant number of records having little value to the Council's operations. In the period since July 1999 TRIM has been introduced into City Streets, Fendalton Service Centre, Sockburn Service Centre and Administration section of Environmental Services Unit. Currently the team is involved in introducing it in the Leisure Unit with plans for rollouts in City Design, and the Corporate Office to follow completion of the Leisure Unit rollout. It is intended to then expand the use of TRIM into other information types including engineering plans, all of which can be indexed in a single corporate master index.

<b>Business Unit</b>	<b>Corporate Services</b>
<b>Output Class</b>	<b>Energy Management</b>

**Financial Performance**

	<b>Last Year</b>	<b>Current Period</b>	
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
Expenditure			
Management Advice	27,609	40,787	38,370
Management Plans	19,462	28,740	25,847
	<u>          </u>	<u>          </u>	<u>          </u>
	47,071	69,527	64,217
Revenue			
Advice	36,453	40,787	6,006
Plans	21,680	28,732	4,000
	<u>          </u>	<u>          </u>	<u>          </u>
	58,133	69,519	10,006
	<u>          </u>	<u>          </u>	<u>          </u>
Net Cost/(Surplus) of Energy Management	(11,062)	8	54,211

The shortfall in revenue is due to delays in receiving the energy management rebate from our current supplier. Some of the outstanding rebate has now been received with the balance to follow shortly.

<b>Business Unit</b>	<b>Corporate Services</b>
<b>Output Class</b>	<b>Clean Air Project</b>

### Financial Performance

	<b>Last Year</b>	<b>Current Period</b>	
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
Expenditure			
Clean Air Project	474,287	733,790	440,603
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	474,287	733,790	440,603
Revenue			
Clean Air Project	30,549	100,000	0
	<hr/>	<hr/>	<hr/>
	30,549	100,000	0
	<hr/>	<hr/>	<hr/>
Net Cost/(Surplus) of Energy Management	443,738	633,790	440,603

### Commentary

It is predicted that the funds allocated to this project will be spent before the end of the financial year so an application for additional funds will be made.

### Service Delivery Performance

<b>Performance Indicator</b>		<b>Target</b>	<b>Actual</b>
1.1	Carry out energy audits for the implementation of the energy strategy plan.	Done	Done see Note 1
1.2	Review new designs and implement the Energy Efficiency & Sustainability Assessment process.	Done	Done
2	Provide recommendations for achieving benchmarked targets for areas listed in the energy cost reduction programme for the 1999/2000 year.	Done	Done, see Note 2
3	Initiatives identified in the energy cost reduction programme as they relate to the 1999/2000 budget year implemented by the due date.	Done	Done, see Note 4
4.	Analyse energy suppliers' tenders and prepare reports with recommendations for purchasing electricity and other energy sources.	Done	Done, see Note 3
5.	To produce regular reports to the Council on the progress with the Clean Air and Energy Efficiency Programme.	Done	Done

The Energy Manager was actively engaged in the overseeing and enhancement of the Council's Clean Air and Energy Efficiency Programme. Energy Advisory Service has been organised and the Council's Energy Efficiency Show Home prepared for operation from 14 February 2000.

The Energy Manager continued co-operation with EECA for Energy Saver Fund subsidies for residential energy efficiency in Christchurch and for the Council's Elderly Persons Housing.

A grant of \$11,000 from EECA has been arranged for solar water heating in new Beckenham housing complex. An application for another EECA grant of \$75,000 submitted for further insulation improvements in Elderly Persons Housing.

Assistance in energy management provided to the Hurunui District Council.

### Commentary

1. A comprehensive energy audit performed for all Council's rental housing units that resulted in recommendations for further energy efficiency improvements and constituted a basis for an application for further funds from EECA's Energy Saver Fund.

Energy audits performed for Pioneer and Centennial Pools, as well as for car parking buildings that identified a number of cost saving measures for implementation in 1999/2000.

An energy audit for parks and reserves is planned for completion by June 2000.

2. Recommendations for achieving benchmark targets given for both new projects and existing facilities. For new projects recommendations given to Major Projects Co-ordination Manager and Unit Managers on:

- application of modern energy efficient technologies for the new Art Gallery;
- redevelopment of QEII complex,
- Fendalton Service Centre/Library,
- Bus Interchange project,
- New housing complexes.

For existing facilities, recommendations given to Leisure Unit on Pioneer and Centennial swimming complexes, Waste Management Unit, Water Services, Property Unit, Parking Operations, Libraries.

3. Assistance provided to the Senior Purchasing Officer in analysing suppliers' tenders for electricity supply contract.
4. A number of energy efficiency projects are planned for implementation in 1999/2000:

Project	Annual Savings \$	Pay back (years)
Fendalton Service Centre/Library - economizers to air-conditioning equipment and LPG air preheating	12,000	4.6
QEII redevelopment - heat pump	150,000	3.0
QEII redevelopment - condensing boiler	13,600	2.4
QEII redevelopment - variable speed drives for fans	10,400	3.5
Beckenham Housing complex - solar water heating	2,200	5
Civic Offices - lighting upgrade in Councillors Lounge	1,400	3.6
Parking Unit building - lighting	540	3.1
Energy Saver Team at Civic Offices	9,000	-
Insulation of flats for Elderly Persons Housing and Public Rental Units	Healthier living conditions for tenants	-
Energy Efficiency Show Home and Energy Advisory Service	Enhancement of Council's Clean Air & Energy Efficiency Programme	-
<b>Total</b>	<b>199,140</b>	<b>3</b>

<b>Business Unit</b>	<b>Corporate Services</b>
<b>Output Class</b>	<b>Capital Outputs</b>

**Financial Performance**

	<b>Last Year Actual</b>	<b>Current Period</b>	
		<b>Budget</b>	<b>Actual</b>
Replacement and Renewals	3,369	31,984	25,610
	<u>          </u>	<u>          </u>	<u>          </u>
Net Cost of Capital Outputs	3,369	31,984	25,610



<b>Business Unit: Corporate Services</b>
<b>Financial Results to 31 December 1999</b>

Output Class	Expenditure			Recoveries			Net Cost (Surplus)		
	Last Year Actual	This Period Budget	This Period Actual	Last Year Actual	This Period Budget	This Period Actual	Last Year Actual	This Period Budget	This Period Actual
Corporate Support	31,229	26,031	96,139	23,030	26,023	25,523	8,199	8	70,616
Purchasing	160,056	230,002	217,097	167,314	231,538	221,521	(7,258)	(1,536)	(2,888)
Operations	3,126,784	4,186,724	3,343,014	3,056,970	4,129,820	3,236,066	69,814	56,904	106,949
Energy Management	47,071	69,527	64,217	58,133	69,519	10,006	(11,062)	8	54,211
Clean Air Project	474,287	733,790	440,603	30,459	100,000	0	443,738	633,790	440,603
	<u>3,839,427</u>	<u>5,246,074</u>	<u>4,161,070</u>	<u>3,335,906</u>	<u>4,556,900</u>	<u>3,493,116</u>	<u>503,431</u>	<u>689,174</u>	<u>669,491</u>
Capital	3,369	31,984	25,610	0	0	0	3,369	31,984	25,610