

14. REALLOCATION OF FUNDS WITHIN WATERWAYS AND WETLANDS CAPITAL BUDGET

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Corporate Plan Output: Capital Outputs p9.3.41 to 9.3.54	

The purpose of this report is to seek approval for reallocation of the funds to similar or associated projects as per Council policy on alterations to capital and operating budgets adopted at its meeting on 27 May 1999.

DISCUSSION

The total budget for Waterways and Wetlands capital outputs is approximately \$6.3M including just over \$300,000 carry forwards this financial year. This year for the first time the Waterways and Wetlands capital budget has been broken down to individual project level to improve coordination with other infrastructural asset units, Parks and City Streets in particular. Previously the capital budget comprised programme line items rather than project line items (e.g. waterway enhancement programme, utility waterway improvement programme etc).

Overall, the change to a more detailed project-based budget has facilitated coordination with other units and project budget control through the project systems module of the new FAMIS financial system. Of course the disadvantage of a project-based budget compiled 12 months or more prior to contract expenditure on the ground is that many changes can occur to project estimates, timing and priorities. This is reflected in the attached reallocation of funds list which identifies budget transfers totalling \$1.2M. In dollar terms this represents a 20 per cent change to the original budget. Common reasons for the changes requested include:

- altering project timing to coordinate better with other units' capital programmes
- planning delays due to lack of human resources, holdups with resource consents etc
- project timing changes due to either accelerated or delayed private development involving cost-sharing
- difficult negotiations for purchase or other protection instrument

It is anticipated that Waterways and Wetlands project budgeting will become more refined as staff experience with the new FAMIS financial system grows.

The Council has delegated authority to the Strategy and Resources Committee to approve transfers in excess of \$300,000.

Recommendation: That the Committee recommend to the Strategy and Resources Committee that the \$1,201,700 reallocation of funds to similar or associated Waterways and Wetlands projects as identified on the attached list be approved for the 2000/01 financial year.

Deputy Chairman's

Recommendation: That the above recommendation be adopted.