

CORPORATE SERVICES

**REPORT ON ACTIVITIES
FOR THE PERIOD
1 JULY 1999 - 30 JUNE 2000**

Prepared by
Corporate Services Team

30 June 2000

CORPORATE SERVICES

Introduction

During the year the Corporate Services Unit was involved directly in a number of Corporate and Unit change initiatives. These include the transfer of Westminster and Milton stores' operations to CityCare; extensive involvement in the FAMIS project, particularly the Purchasing area; completing the merger of the former Corporate Administration and Inventory Units and the restructure of Unit activities into Service Delivery Teams; the addition of new services during the year including Fundraising Coordination, Security, Cleaning Services, Management of On-call support pool, Computer installation and Disposal and the provision of some Purchasing and Energy Services to neighbouring Councils.

Business Unit	Corporate Services
	Internal Support Services

Financial Performance

	Last Year	Current Period	
	Actual	Budget	Actual
Expenditure	7,726,697 _____	7,029,730 _____	6,865,406 _____
Revenue	7,815,148 _____ _____	6,919,893 _____ _____	6,906,671 _____ _____
Net Cost/(Surplus) of Internal Support Services	(88,451)	109,837	(41,265)

Commentary

Given the changes referred to above and the resulting demands placed on team members it is gratifying to note that the Unit came in under its operating budget by \$136,614 overall. The main reasons for this were tight control over costs and higher than expected sales of stock in the second half of the year to City Care.

Corporate Support

Service Delivery Performance

Performance Indicator		Target	Actual
1.	To report by June 2000 on membership of corporate teams and corporate projects undertaken during 1999/2000.	Done	See commentary below

Commentary

In addition to the Corporate initiatives noted in the Introduction above the Corporate Services Manager was involved in resolving a number of accommodation issues (primarily associated with changes on the first floor, the top floor of the Annex and FAMIS team accommodation) and was a member of the Council steering team. The major efforts were put into managing the changes affecting the Unit as a result of initiatives noted in the Introduction.

**Purchasing
Service Delivery Performance**

Performance Indicator		Target	Actual
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	July 1999	Completed and issued prior to 31 July, 1999
3.	To report by June 2000 on the major contracts entered into during 1999/2000	June 2000	See Note 2

Notes

1. Seminars for holders of Limited Purchase Order Books have been under review during this period and no full seminars held. Training efforts have been focussed on getting all people who need to raise or authorise purchase orders trained in the use of the new SAP 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. All staff with delegated authority in SAP purchasing received training from the team set up especially for this purpose. As needs arise the training of additional staff in SAP purchasing is taking place in conjunction with the Core FAMIS team. Following the completion of this training the Purchasing System Support team will review the training needs for future years.
2. Thirty-six supply agreements (total value \$10,439,867) were entered into between 1 July and 30 June 2000. Nine of these were of an estimated annual value in excess of \$100,000 with the largest being the supply of electricity at \$5.9 million.

**Operations
Service Delivery Performance**

Performance Indicator		Target	Actual
1.	Achieve a 97% accuracy by value and 90% accuracy on a line item basis as at June 2000	97% by value 90% by line item	98.8% 85%
2.	Fill and effect delivery of 95% of orders received from customers within the agreed time frame	95%	>95%

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	4.2 (See Note 1) 4.7 4.9 (See Note 1) See Note 1 > 12 See Note 2
4.	To dispose of 95% of items which are not being tendered within eight weeks of the item becoming available for disposal	95%	92%
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 3
7.	To report on the progress of installation of Trim in Council Units	Done	See Note 4

Note:

- 1 As at 1 December 1999 the stock at Milton and Westminster depots was transferred to City Care. Some General and Water Supply stock was retained for Council operations at Pages Store and the Colombo Street Pipeyard. All Roading Material stocks were transferred to CityCare on 1 December 1999.
- 2 This stock was located at CityCare's Bitumen Plant and subsequently transferred to CityCare on 31 July.
- 3 The merger of the Corporate Administration and Inventory Units was completed by 31 August 1999. As noted in the introduction the Unit has subsequently been restructured into Service Delivery Teams aimed at optimising staff levels and moving towards a more "customer driven" organisation. A key driver was the need to deliver additional services to other Council Units.
- 4 The TRIM records management system has continued to be rolled out through Council units. It is now available in some 15 business units and is used by over 320 staff with 20 authors to the system. The system is heavily used every working day. The latest version of the software has electronic document management system functionality and will be the building block for more efficient paper and electronic record management.

Business Unit	Corporate Services
Output Class	Energy Management

Financial Performance

	Last Year	Current Year	
	Actual	Budget	Actual
Expenditure			
Management Advice	69,067	81,567	71,253
Management Plans	185,244	139,027	125,764
Clean Air Project	1,091,283	1,121,478	951,634
	1,345,594	1,342,072	1,148,651
Revenue			
Advice	76,620	81,567	64,242
Plans	201,940	139,027	105,506
Clean Air Project	186,283	200,000	42,937
	464,843	420,594	212,685
Net Cost/(Surplus) of Energy Management	880,751	921,478	935,966

Service Delivery Performance

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

The Energy Manager was actively engaged in the overseeing and enhancing 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 \$50,000 has been submitted for further insulation improvements under the Clean Air Programme.

Assistance in energy management has been provided to the Hurunui, Waimakariri and Mackenzie District Councils (on a cost recovery basis).

The City Council won a "highly commended" EECA Award in 2000 for outstanding achievements in energy efficiency and a separate Energy Manager Award.

Commentary

1. 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.

2. Assistance provided to the Senior Purchasing Officer in analysing suppliers' tenders for electricity supply contract.
3. A number of energy efficiency projects have been implemented in 1999/2000, other are planned for implementation in 2000/2001:

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	14,000	2.3
QEII redevelopment - variable speed drives for fans	10,400	3.5
Beckenham Housing complex - solar water heating	2,200	-

Civic Offices - lighting upgrade in Councillors' Lounge	1,400	3.6
Parking Unit building – lighting improvements	540	3.1
Energy Saver Team at Civic Offices	9,000	-
New Art Gallery – standby generator	27,300	2.7
Energy Efficiency Show Home and Energy Advisory Service	Enhancement of Council's Clean Air & Energy Efficiency Programme	-
Total	\$226,840	3

Business Unit	Corporate Services
Output Class	Capital Outputs

Financial Performance

	Last Year Actual	Current Period	
		Budget	Actual
Replacement and Renewals	52,064	21,500	21,203
Improvements		38,736	38,736
Sales	0	0	(2,246)
	—	—	—
Net Cost of Capital Outputs	52,064	60,236	57,693