

9. CITY WATER & WASTE UNIT: SUMMARY 9 MONTH FINANCIAL MONITORING REPORT

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Corporate Plan Output: Liquid Waste, Solid Waste, Water Services	

The purpose of this report is to provide an update on end of year financial results including approval for certain extra work and capital re-allocation.

BACKGROUND

Results for nine months and current best prediction for end of year 12 month (i.e. to 30 June 2001) results are summarised below.

OPERATIONS (9 MONTH ACTUAL/12 MONTH PREDICTION)

Item	Net 9 month Budget Variance Actual (\$m)	Main Reasons for Variance	Net 12 Month Budget Variance Predicted (\$m)	Main Reasons for Variance.
Liquid Waste	-1.253	(a) additional revenue from capacity upgrade charges (b) bio-solids application to forests delayed (c) savings from restructuring Unit	-0.916	(a) ditto reasons (a), (b), (c) for 9 months
Solid Waste	-1.354	(a) additional kerbside recyclable collection delayed (b) kerbside contract payments running late (c) refuse bag purchase and delivery payments not made yet	-0.288	(a) additional kerbside recycling collection delayed (b) savings implemented at Burwood Landfill
Water Supply	-1.387	(a) reticulation maintenance lower than anticipated (b) savings from restructuring Unit (c) Central Plains Water enhancement contract payment delayed	-0.221	(a) ditto (a), (b), reasons for 9 months
Totals	-3.994 (surplus)		-1.425 (surplus)	

CAPITAL (12 MONTH PREDICTION)

Item	(1) Budget (\$m)	(2) 12 month Expenditure Predicted (\$m)	(3) Carry Over Anticipated (\$m)	(4) Total (2) + (3)	Surplus/Deficit (1) – (4)
Liquid Waste	17.197	11.391	5.771	17.162	0.035
Business	0.132	0.076	-	0.076	0.056
Solid Waste	4.132	3.620	0.213	3.833	0.299
Water Supply	8.272	7.662	0.610	8.272	-
Totals	29.733	22.749	6.594	29.343	0.390 (surplus)

RE-ALLOCATION OF EXPENDITURE

(a) **Operations:** Approval is requested for the following items to be financed from the predicted \$1.425m, 12 month surplus operational funds.

		(\$1,000)	Year to be spent
(a)	extension to the main pumping station (Colombo Street) control building to provide amenity and other space lost in old workshop – note this will be capital expenditure.	150	2001/02
(b)	work from Geodata Services Unit		
	▪ for raster to vector conversion of electronic water supply pipe records	290	"
	▪ for vectorisation of existing water pipe paper plans in old Heathcote County area.	80	"
(c)	Central Plains water enhancement study (40 Christchurch City Council, 40 Selwyn District Council) note this extends the already budgeted 150/150.	40	2000/01
(d)	Asset Management benchmarking study by Meritec	25	"

(e) additional 8,000 recycling crates for expanded kerbside collection 45 2001/02

Total \$630

Note this will leave as un-allocated surplus, a sum of \$0.795m (i.e. \$1.425m - \$0.630). This should be regarded as an indicative sum as it is too early to predict precisely.

Note also that some of the above items will need to be carried forward and expended in the next (2001/02) year.

(b) Capital: Approval is requested for a re-allocation of the following capital sums.

	01/02	02/03	03/04	04/05	05/06
Asset Improvements Reticulation					
No 11 Pressure Main Upgrading	-715,000	715,000			
No 20 Pump Station Upgrade	387,000	-387,000			
Asset Improvements CWTP					
Shoreline Diffuser		700,000	-700,000		
Pond Baffles Wetlands		1,600,000			-1,600,000
Cover Primary Tanks				-1,500,000	1,500,000
Replace Biosolids Lagoons			-900,000	900,000	
Annual Difference	-328,000	2,628,000	-1,600,000	-600,000	-100,000
Cumulative Difference	-328,000	2,300,000	700,000	100,000	0

SUMMARY

City Water & Waste budget is predicted to be underspent in operations and capital at the end of the 12 month period (i.e. to 30 June 2001). Approval is requested for expenditure of part of this surplus on some additional items. Re-allocation of expenditure is requested for some capital items.

Recommendation: That it be recommended to the Strategy and Resources Committee:

1. That the 12 month predicted surplus operational expenditure be noted and approval given for expenditure on some additional items as reported in 4(a) above.
2. That the 12 month predicted capital expenditure and carry over results be noted and that a re-allocation of expenditure on the items requested in 4(b) above is approved.

Chairman's

Recommendation: That the above recommendation be adopted.