

19. LTCCP MONITORING REPORT AS AT 31 JANUARY 2007

General Manager responsible:	General Manager Corporate Services, DDI 941-8540
Officer responsible:	General Manager Corporate Services
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PURPOSE OF REPORT

1. To update Council on the LTCCP performance (including financials) of the 2006/07 financial year.

EXECUTIVE SUMMARY

2. Attached are appendices showing:
 - LTCCP service delivery results as at 31 January 2007 (Appendix 1)
 - Financial Performance as at 31 January 2007 (Appendix 2)
 - Significant Capital Projects as at 31 January 2007 (Appendix 3).
3. This is the third monitoring report for the 2006/07 financial year. The next report will be on the results as at the end of March.

Service Delivery Performance

4. The January Horizon report (Appendix 1) is attached showing levels of service and capital project delivery.
5. Overall, Levels of Service are slightly down from previous months, but remain on track with 80% of LOS forecast to hit their service delivery target. Exceptions are listed in Appendix 1.
6. Overall, capital project performance stands at 70% of projects forecast to deliver to target. Exceptions are listed in Appendix 1.
7. Please note that the sections dealing with Forecast Finance measures the number of services and capital under/over and on budget. For details of the dollar impact, reference must be made to the Financials (Appendices 2 and 3).

Financial Performance

8. Overall we are still generally on track to deliver at both an operating and capital level.

2006/07 Surplus

9. With the shortfall in revenue (driven by lower parking revenue) and higher maintenance costs, our year end surplus (from a cash basis) is forecast to be \$2.5m worse than budget.

Operating Costs

10. Within the Streets and Transport activities, signs remain that contract costs will exceed budget significantly by year end (currently \$2.8m over budget). This activity is currently forecasting an overspend of \$6.6m. Three elements appear to be one-off costs - storm damage (primarily in the Banks Peninsula area) of \$1.350k, \$500k for power charges and \$300k dump fee costs. The latter two charges relate to expenditure that should have been accounted for last year.
11. Within the Solid Waste area, the negotiated META contract is producing savings helping to offset the above.
12. Total external costs are forecast to be \$2.8m over budget at year end.

Revenue

13. On-street parking fee income is currently behind budget by \$1.2m.
14. Vesting of assets are behind budget by \$4.6m, principally due to a timing issue. This is a non cash item. Development Contributions for reserves are ahead of budget, partly offset by contributions in other areas being behind. There is no rate impact as development contributions are reflected in the "surplus".
15. LTNZ subsidies are also behind budget by \$1.4m, which is largely an expenditure timing issue.
16. Currently there is a \$2.6m revenue shortfall forecast at year end.

Capex

17. Ocean Outfall: Is forecast to spend \$5.5m more than the 2006/07 budget, but we will be within the overall project budget.
18. Fifth and Sixth Digester: There is no change to the forecast to spend \$6.8m more than the 2006/07 budget, and we will still be within the overall project budget.
19. The Blenheim Road Deviation is forecast to spend \$1.7m more than the 2006/07 budget and is currently ahead of plan.
20. Strategic Land Purchases: These represent \$13.8m of our budget. The difficulty in identifying and securing appropriate land parcels was highlighted in the October report and the expected expenditure has been reduced to \$8.5m.
21. Overall we are forecasting to spend some \$174m (budget \$183m) this year which is our best performance for many years. Council should note that the "over" expenditure detailed above is offset by some \$16m worth of projects which are carried forward.

STAFF RECOMMENDATION

It is recommended that the Council receive the report.