

38. PERFORMANCE REPORT FOR THE ELEVEN MONTHS TO 31 MAY 2011

General Manager responsible:	General Manager, Corporate Services
Officer responsible:	Corporate Performance Manager Corporate Finance Manager
Author:	Paul Anderson, General Manager, Corporate Services

PURPOSE OF REPORT

1. The purpose of this report is to update Council on service delivery, financial, and capital works programme performance results for the eleven months to 31 May 2011. The budgets and targets in this paper are based on those approved by Council in the 2009-19 LTCCP and/or 2010-11 Annual Plan. Council normally receives Performance Reports on a quarterly basis but this reporting cycle has been affected by the earthquakes during the 2010/11 financial year. Notwithstanding this, Council received a last performance report for the six months to 31 December 2010 and also received updated financial forecasts during the 2011/12 Draft and Annual Plan deliberations.
2. The report includes an updated overview on the expected overall financial impact of the earthquake on the Council. These costs have been incorporated into the year-end forecasts.

EXECUTIVE SUMMARY

3. Attached are appendices showing summaries of:
 - Financial performance as at 31 May 2011 (**Appendix 1**)
 - Significant capital projects (>\$250,000) as at 31 May 2011 (**Appendix 2**)
 - Housing development fund and Christchurch Earthquake Mayoral Relief fund as at 31 May 2011 (**Appendix 3**)

Levels of Service

4. In the months following the 4 September 2010 earthquake all level of service were monitored to determine what changes needed to be recommended to Council. Those changes were agreed by Council in the December 2010 Performance Report (most involved suspending targets where key information was still unknown eg. water supply and sewerage). Reporting against the new targets was then set to resume after Christmas. However, the severity of the 22 February 2011 earthquake invalidated large numbers of targets. Council moved into emergency response, meaning key staff were unavailable to provide LOS forecasts and some measurement devices and systems were no longer functioning. Many services were also suspended (sports centres and libraries for example) making measurement meaningless. For these reasons level of service forecasting has remained suspended. However, year-end results are being collated to provide a complete assessment of Council's position. These final results will be reported to Council with the year-end financial results.

Financial Performance

5. The key financials for the year to date are summarised in the table below, with more detail provided in Appendix 2:

.	Year to Date Results			Forecast Year End Results			Forecast Carry Forward		
	\$000's	Actual	Plan	Variance	Forecast	Plan	Variance	Carry Fwd	Result
Financial Summary									
Operational Funding	334,555	344,378	-9,823	517,704	404,375	113,330	-1,420	114,750	
Operational Expenditure	471,727	370,068	-101,659	539,184	404,752	-134,432	6,039	-140,470	
Cash operating surplus	-137,173	-25,691	-111,482	-21,479	-377	-21,102	4,619	-25,721	
Capital Works Programme	104,008	189,646	85,638	137,828	225,605	87,777	88,002	-225	
Works Programme Funding	113,342	120,877	-7,535	116,398	202,286	-85,888	75,000	-10,888	
Works Programme Borrowing Requirement	-9,334	68,768	78,102	21,430	23,319	1,889	13,002	-11,113	

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6. As at May, the year-to-date cash operating deficit of \$111.4 million is expected to reduce to \$21.1 million by year-end (\$25.7 million after operational carry-forwards). The reduction is largely due to earthquake recoveries unaccounted for that will be received or accrued by 30 June. The forecast result is slightly better than that presented to Council and incorporated as part of the 2011/12 Draft Annual Plan (a deficit of \$27.2 million).
7. As at 31 May, the capital works programme is \$85.6 million behind budget. This is forecast to increase slightly to be \$87.8 million at year-end. Adjusted for net proposed carry-forwards (currently \$88.0 million), the capital works programme is forecast to be underspent by \$0.2 million at year-end.
8. Tracking the impact of the earthquake has added significant complexity to the Council's financial result for 2010/11. The table in paragraph 52 of this report details the estimated net operating impact of the earthquake of \$43.6 million after government subsidies and insurance receipts and the table below summarises how this affects the overall operating result for 2010/11.

Council forecast operating deficit for 2010/11

Earthquake Related:	(\$000)	Note
Initial Emergency Works	8,500	Staff time, Council share of emergency roading
Emergency Operations Centre	28,200	Staff time, catering, stationery, equipment
Recovery of Council Assets	20,800	Staff time
Fees & Charges Lost	16,525	Includes parking, rec centres, regulatory consents, reduced CCHL dividend
Other net cost savings (budget variances)	-16,900	Reduced 'BAU' maintenance, reduced facilities costs, other costs
Council Decisions	4,900	Rates remissions, free central city parking, Band Together costs
	<u>62,025</u>	
Less staff costs above budgeted elsewhere	-20,400	
Less deferred renewals funds allocated by Council	-9,300	
Total Earthquake Related	<u>32,325</u>	
Non Earthquake Related:	<u>-6,604</u>	Rates revenue, lower debt servicing, Art Gallery admissions, maintenance savings
Forecast Operating Deficit	<u>25,721</u>	

Operational Funding

9. Operational funding is forecast to be \$113.3 million higher than budget. Earthquake recoveries account for \$133.2 million. Partially offsetting this are significant revenue shortfalls forecast across the organisation, the most significant of which are: Parking revenue \$4.1 million (\$2.4 million off-street and \$1.7 million on-street); Regulatory Approvals \$3.2 million (Resource Consents \$1.3 million; Subdivision Consents \$0.8 million; Building Consents \$0.4 million; Building Inspections \$0.3 million; and LIMs \$0.3 million); Events and Festivals \$2.9 million (largely relating to the cancellation of the Ellerslie International Flower Show); Road Network \$1.6 million (Carriageways \$1.0 million); Recreation and Sport Services \$1.4 million (due to facility closures); and Parking Enforcement \$1.4 million.
10. Also forecast to be below budget by \$6.3 million is dividends revenue (largely due to a \$5.8 million shortfall in the CCHL dividend). This is partially offset by forecast higher than budgeted rates revenue of \$2.5 million (\$1.9 million rates income and \$0.6m penalties) and higher than budgeted interest revenue of \$1.3 million, although \$0.6 million of this relates to special funds.
11. The set-up for the Ellerslie International Flower Show was well underway at the time of the 22 February earthquake with the majority of costs having been incurred. The subsequent cancellation of the show meant that ticket and sponsorship revenue was refunded and further costs were incurred in packing up. This has resulted in a net loss for the flower show of \$1.5 million for 2010/11. Council does not take business interruption insurance to cover loss in revenue for any of its events; this decision has been reported separately to the Audit & Risk Management Subcommittee along with the Council's other insurance arrangements.

Operational Expenditure

12. Operating costs (excluding debt servicing) are \$103.7 million higher than budget at the end of May. This is caused by earthquake costs detailed below, partially offset by an under spend of \$34.4 million in normal business operations. This is largely due to either facility closures or resources being diverted to earthquake-related work. The most significant underspends are in the following activities: Road Network (\$5.2 million); Water Supply (\$2.3 million); Community Housing (\$2.3 million); Heritage Grants (\$2.2 million); Wastewater Collection & Treatment (\$2.0 million); Events & Festivals (\$1.9 million) and Recreation & Sports Services (\$1.7 million). A slight catch-up is forecast in normal business operating costs (forecast to be \$32.0 million below budget).
13. Potential operational carry-forwards of \$6.0 million have been identified, \$3.8m of which are various grants. This includes Heritage and Arts Centre grants (a total of \$2.3 million); Robert McDougall Art Gallery (\$600k); NZ Open Golf (\$450k); QEII Sports House (\$285k) and Riccarton Bush Trust (\$192k), all no longer expected to be paid out this financial year. The balance largely relates to various projects either delayed or on hold as a result of the earthquakes.
14. Debt-servicing costs are forecast to be \$2.4 million less than budget, due to delayed borrowing as a result of the under-delivery of the capital works programme.

Capital Works Programme

15. The Capital Works Programme is currently \$85.6 million below budget (as shown in **Appendices 1 and 2**). The most significant variance is in the Wastewater Collection and Treatment area, which is \$25.3 million below budget. This is due to delays on various projects including the Western Interceptor Future Stages (\$10.9 million) and Fendalton Duplication (\$4.5 million), both of which have been delayed by eight weeks as a result of the February earthquake. Parks and Open Spaces are \$11.3 million behind budget, the largest component being on-going delays around Neighbourhood Reserves purchases (\$3.4 million). This is due to ongoing negotiations over some purchases of inner city sites being delayed until 2011/12, and part of the programme being put on hold following the February earthquake. Streets and Transport is \$12.6 million behind budget due to underspends on various projects, most notably the Southern Motorway and Auxiliaries (\$1.7 million) due to changes in the schedule over what was originally planned; The Kerb & Channel Programme (\$1.4 million) due to projects being behind schedule; Tram Base (\$0.8 million) due to the project being put on hold; and Ferrymead Bridge (\$0.8 million) due to work progressing slower than anticipated, coupled with damage sustained to the bridge during the February earthquake. The majority of the Corporate variance relates to Strategic Land Acquisitions (\$15.8 million) as no acquisitions have been completed as yet this financial year. Financial details of significant capital projects are shown in **Appendix 2**, including forecast carry-forwards and bring-backs.
16. The Capital Works Programme year-end forecast shows a slight change from the current position, to be \$87.8 million under budget by year-end. While there is some catch-up forecast in both the Corporate and Wastewater areas (by \$9.5 million and \$1.2 million respectively), the underspends in the Streets & Transport and Parks & Open Spaces areas are forecast to increase further. Overall, the key areas (and significant projects) forecast to be underspent are: Wastewater Collection and Treatment \$24.1 million (Western Interceptor \$9.6 million; Biosolids Drying Facility \$4.4 million and Fendalton Duplication \$4.0 million); Streets & Transport \$17.2m (Christchurch Transport Interchange \$3.0 million; Canterbury Park Access \$2.1 million; University Crossings \$1.1 million and causeway culverts and walls \$1.0 million); Parks and Open Spaces \$16.0 million (Neighbourhood Reserves purchases \$3.2 million; Botanic Gardens Entry Pavilion \$2.9 million; Applefields \$1.9 million; and Cashmere Ponding \$1.4 million); and Corporate \$12.7 million (Strategic Land Acquisitions \$8.0 million, and various IM&CT projects \$4.9 million). Currently, net carry-forwards of \$88.0 million have identified, resulting in an underspend of \$0.2 million for the overall Works Programme.

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Capital Funding

17. Development Contributions revenue is \$11.4 million below budget, and this shortfall is expected to increase to \$13.0 million at year-end. The amount able to be allocated to fund completed work is \$13.0 million below budget, increasing to \$14.6m below budget at year-end as shown in appendix 1.
18. Capital grants and subsidies are \$5.9 million higher than budget, which largely reflects revenue of \$8.1 million relating to the sale of EcoCentral Ltd to CCHL, partially offset by NZTA subsidies (Streets capital revenues), which are currently \$1.9 million lower than budget (forecast to improve to be \$0.6m below budget at year-end). The remainder of the forecast variance relates to earthquake capital revenues (Central Government \$16.8 million; Insurance \$18.2 million; and NZTA \$1.0 million).

Operational Activities

19. City & Community Long-Term Policy & Planning is under budget due to lower external consultant charges as a result of some staff working on earthquake-related projects rather than normal business projects. It is forecast to be over spent by \$325k due to expenditure on the Central City Plan.
20. District Plan is currently under budget mainly due to a lower than expected external spend on Council Plan changes, however external spend is forecast to increase slightly in June as increased external costs are incurred for a number of DP Hearings that are due to take place.
21. Heritage Protection – This activity is \$2.6 million under budget due mainly to Heritage and Arts Centre grants not being uplifted (\$1.3 million and \$0.8 million respectively), both of which are planned to be carried forward to 2011/12. Consultants Fees and Building Maintenance costs are also under budget (\$0.5 million) but are forecast to reduce to \$0.3 million under at year-end.
22. Community Grants – These are forecast to be \$0.5 million under budget at year-end, the most significant item being the QEII Sports House capital grant (\$0.3 million) which will be requested to be carried forward to 2011/12.
23. Social Housing – This activity is under budget due to the deferral of \$1.3 million of maintenance work, while house rental revenue is forecast to be \$0.4 million below budget due to the number of uninhabitable units.
24. Civil Defence and Emergency Management – This activity is \$29.2 million higher than budget as a direct result of the September and February earthquakes. This includes \$49.8 million of earthquake-related costs, broken down as follows: EOC Emergency Management Costs: \$32.2 million; Recovery Management: \$10.4 million; Welfare: \$6.6 million; and Recovery Assistance Centres: \$0.6 million. While some of these costs are forecast to be recovered, the activity is forecast to be \$21.9 million higher than budget at year-end (the majority of which is staff-related costs which are not recoverable).
25. Art Gallery and Museums – This activity is \$1.1 million favourable to budget due to the additional admittances revenue received for the Ron Mueck exhibition. This is also reflected in the year-end forecast, however it is partially offset by lower grants revenue and shop sales due to the Art Gallery being closed to the public since the February earthquake.
26. Libraries – The year-end forecast of \$0.8 million below budget is due to lower operating/maintenance and depreciation costs, partially offset by lower revenues as a result of closures due to the earthquake.
27. Cultural and Learning Services Capital Revenues – Development Contributions are forecast to be \$0.5 million less than budgeted.

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28. Neighbourhood Parks – This activity is forecast to be \$0.6 million unfavourable to budget due to the loss of nursery plant sales.
29. Garden and Heritage Parks – This activity is \$0.9 million behind budget principally due to maintenance delays (\$0.6 million) and non payment of the Riccarton Bush Trust capital grant (\$0.2 million). This grant will be requested to be carried forward to 2011/12. Some of the planned maintenance work is forecast to be caught up by year-end, with the overall activity underspend reducing to \$0.5 million.
30. Waterways and Land Drainage – This activity is \$2.3 million over budget, due to \$3.5 million of earthquake-related costs, partially offset by lower normal business maintenance costs of \$1.2 million as works have been put on hold and resources diverted elsewhere. While the earthquake costs are forecast to be largely recovered, only a \$0.3 million catch-up in normal business maintenance costs is forecast.
31. Parks and Open Spaces Capital Revenues – Waterways and Wetlands Development Contributions are forecast to be \$3.6 million below budget, while Parks Development Contributions are forecast to be \$1.3 million below.
32. Recreation & Sports Services – Costs in this activity are \$1.5 million below budget (including \$0.5 million depreciation costs), partially offset by lower revenues across the activity (\$1.3 million). Both of these variances are largely due to facility closures following the earthquakes. While the QEII and Centennial facilities will remain closed for the rest of the financial year (and beyond), other Council facilities (eg. Jellie Park, Pioneer) were reopened and a \$0.5 million catch-up in operating/maintenance costs is forecast (\$0.7 million below budget at year-end). Offsetting this forecast underspend is lower than budgeted revenues from entry/usage fees, forecast to be \$1.2 million below budget at year-end.
33. Events and Festivals – This activity is forecast to be \$1.4 million over budget at year-end almost entirely due to the cancellation of the Ellerslie Flower Show (\$1.5 million). The loss of revenue is almost 100% with only roughly 50% of the costs able to be saved. Partially offsetting this is the NZ Open Golf event which is now not expected to go ahead this financial year.
34. Recreation and Leisure Capital Revenues – Development Contributions are forecast to be \$0.8 million less than budgeted.
35. Residual Waste Collection and Disposal – This activity is \$1.6 million over budget due to earthquake-related refuse disposal fees (\$1.4 million), however these are forecast to be fully recovered. The forecast year-end favourable variance is due to \$0.4 million additional revenue as a result of re-opening Burwood Landfill after the September earthquake, and a \$1.0 million return from EcoCentral Ltd due to the profit share agreement in place. This is partially offset by higher than budgeted refuse disposal costs (\$0.9 million) reflecting additional tonnages going to landfill.
36. Organic Material Collection and Composting – The year-to-date variance reflects the fact that the Organics Processing Plant has not been operating since the February earthquake. Kerbside collections are continuing, with organic waste now going to the landfill. The plant is not expected to be operating again before June, and the ongoing operating cost savings have been reflected in the year-end forecast.
37. Enforcement and Inspections – The year-to-date variance reflects \$6.9 million of earthquake-related expenditure, mainly around building demolitions (forecast to be fully recovered). The unfavourable forecast variance is due to the fact that there has been no parking enforcement activity in the CBD as a result of the Feb earthquake.

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38. Regulatory Approvals – This activity is \$2.7 million over budget (building inspections \$1.1 million; building consents \$0.5 million, resources consents \$0.5 million and subdivision consents \$0.3 million), all impacted by the February earthquake. A further deterioration is forecast across all these areas, especially in building and resources consents, forecast to be \$0.9 million and \$0.8 million higher than budget respectively. Also included in the forecast are \$0.4 million of costs associated with the new Earthquake Building Services Unit.
39. Road Network – Excluding depreciation costs which are \$5.9 million lower than planned, this activity is \$40.0 million over budget. This includes \$43.2 million of earthquake-related maintenance costs (these are forecast to increase to \$54.9 million higher than budget at year-end, with \$47.7 million forecast to be recovered). Normal business maintenance costs are \$5.1 million below budget (as some of the normal operational work has been put on hold), however this is partially offset by NZTA operational subsidies which are currently \$1.4 million below budget. The normal business activity forecast is \$8.4 million favourable. This is largely due to maintenance and depreciation costs (forecast to be \$4.7 million and \$5.4 million below budget respectively), partially offset by lower NZTA subsidy revenue (\$1.1 million) and commercial rent revenue (\$0.3 million, due to lower revenue from cell sites as well as from 'furniture on streets' rental in the CBD).
40. Active Travel – This activity is \$1.2 million below budget, mainly due to an underspend on maintenance costs (\$0.6 million) as resources have been diverted to earthquake-related maintenance. Depreciation costs are also \$0.4 million below budget. Both are forecast to remain close to this level at year-end.
41. Parking – Revenue from casual parking fees is \$2.5 million below budget (\$1.3 million Off-Street and \$1.2 million On-Street), and reserved parking revenue is \$0.4 million below budget due to the February earthquake. In addition, staff costs are higher than budget due to delays in the rollout of the parking building automation. Partially offsetting this are operating/maintenance cost savings as a result of most parking facilities being closed. A further deterioration of \$1.6 million in total parking revenue is forecast by year-end, assuming no charges for On-Street parking for the rest of the financial year, and only a small number of Off-Street parking facilities being available. While the staff costs overspend is forecast to increase (mostly redundancies), this will be largely offset by lower forecast operating costs due to facility closures.
42. Public Transport Infrastructure – This activity is \$1.4 million above budget due to higher than planned depreciation costs (mainly relating to the new Transport Interchange site).
43. Streets & Transport Capital Revenues are \$3.7 million below budget, which relates to NZTA Capital Subsidy revenue (\$1.9 million) and Cash Development Contributions (\$1.8 million). The NZTA Capital Subsidy variance is expected to improve by \$1.5 million by year-end, with DCs forecast to deteriorate a further \$0.2 million.
44. Wastewater Collection – This activity is \$31.7 million over budget, almost all of which is due to earthquake-related costs. These are forecast to be fully recovered, with the activity forecast to be close to budget at year-end.
45. Wastewater Treatment & Disposal – is \$3.2 million below budget, due to under-spends on operating and maintenance costs (\$2.4 million) mainly around delays associated with the operation of the Bio Solids Drying Plant, and resources being diverted to earthquake-related work. These costs are forecast to remain close to this level at year-end. Revenue from Trade Waste Charges is \$0.8 million higher than budget, however a \$0.2 million deterioration is forecast due to a number of large businesses who normally incur these charges not operating since the earthquake.
46. Wastewater Collection & Treatment Capital Revenues – Development Contributions are forecast to be \$3.6 million less than budget.

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47. Water Supply – This activity is \$13.1 million higher than budget, reflecting \$14.2 million of earthquake-related costs. Depreciation costs are also \$1.1 million higher than budget. Partially offsetting this is normal business operating/maintenance costs (\$2.2 million below budget as a result of the focus on earthquake repairs). Overall, the activity is forecast to be close to budget at year-end.
48. Water Supply Capital Revenues – Development Contributions are forecast to be \$1.2 million less than budget.
49. Corporate Revenues & Expenses – These are forecast to be \$41.3 million favourable, \$36.0 million of which relates to earthquake capital spend recoveries (Central Government \$16.8 million; Insurance \$18.2 million; and NZTA \$1.0 million). Other favourable variances are rates \$2.5 million higher than budget (rates income \$1.9 million and penalties \$0.6 million); higher interest revenue of \$1.3 million; lower debt servicing costs of \$2.4 million; and the surplus on the sale of CCC Two Ltd \$8.1 million. Partially offsetting this is dividends revenue, forecast to be \$6.3 million lower than budget, mainly due to a \$5.8 million shortfall in the expected CCHL dividend. Also included is \$3.7 million of earthquake rates remissions.
50. Revenue recognised from Vested Assets and Land Development Contributions are forecast to be \$8.4 million and \$2.7 million less than budget respectively.

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FINANCIAL IMPACT OF THE EARTHQUAKE - ESTIMATE OF COSTS AS AT 31 MAY 2011

51. This table summarises the current estimate of the impact of the earthquake on Council.

\$ million	Actual to Date				Forecast 10/11 Results				Forecast Life Results			
	Total Cost	Govt Subsidy	Insur Cover	Net Cost	Total Cost	Govt Subsidy	Insur Cover	Net Cost	Total Cost	Govt Subsidy	Insur Cover	Net Cost
Summary												
EQ Recovery Fund receipts ex rates				(44.0)				(44.0)				(44.0)
Unallocated Recoveries		(41.9)	(19.6)	(61.5)				-				-
Net Operating Costs	162.8	(.0)	(.0)	162.8	197.1	(127.2)	(28.4)	41.6	426.0	(273.4)	(32.8)	119.7
Net Rebuild Costs	21.4	-	-	21.4	38.5	(17.8)	(18.2)	2.6	2246.4	(1101.2)	(543.6)	601.6
Net Cost (Surplus funds)	184.2	(41.9)	(19.6)	78.6	235.6	(144.9)	(46.6)	.1	2672.3	(1374.6)	(576.4)	677.3

\$ million	Actual to Date				Forecast 10/11 Results				10/11 Plan	Forecast Life Results			
	Total Cost	Govt Subsidy	Insur Cover	Net Cost	Total Cost	Govt Subsidy	Insur Cover	Net Cost		Total Cost	Govt Subsidy	Insur Cover	Net Cost
Summary													
EQ Recovery Fund receipts ex rates				(44.0)				(44.0)	(44.0)				(44.0)
Unallocated Recoveries		(41.9)	(19.6)	(61.5)				-					-
Net Operating Costs	162.8	(.0)	(.0)	162.8	197.1	(127.2)	(28.4)	41.6	9.7	426.0	(273.4)	(32.8)	119.7
Net Rebuild Costs	21.4	-	-	21.4	38.5	(17.8)	(18.2)	2.6	-	2246.4	(1101.2)	(543.6)	601.6
Net Cost (Surplus funds)	184.2	(41.9)	(19.6)	78.6	235.6	(144.9)	(46.6)	.1	(34.3)	2672.3	(1374.6)	(576.4)	677.3

52. Operating costs and direct business impacts of \$162.8 million have been incurred to date, along with \$21.4 million of rebuild costs. Recoveries of \$61.5m have been received to date from government and insurers. The forecast 10/11 results show the expected net cost to Council. The net operating cost for 2010/11 is included in the forecast operating deficit of \$25.7 million. The Earthquake recovery fund is forecast to have a balance of \$32.2 million at 30 June 2011.

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A more detailed breakdown of costs is shown below:

\$ million	Actual to Date				Forecast 10/11 Results				Forecast Life Results			
	Total Cost	Govt Subsidy	Insur Cover	Net Cost	Total Cost	Govt Subsidy	Insur Cover	Net Cost	Total Cost	Govt Subsidy	Insur Cover	Net Cost
Operating Cost Details												
/1-3,5 Initial Emergency Works	48.7	-	-	48.7	46.3	(37.1)	(8.1)	1.1	46.3	(37.1)	(8.1)	1.1
/4 Initial Roothing Emergency Works	51.0	(.0)	-	51.0	60.9	(43.6)	(10.9)	6.4	60.9	(43.6)	(10.9)	6.4
/8 Welfare / Caring for the displaced	6.6	(.0)	-	6.6	9.6	(8.6)	-	1.0	9.6	(8.6)	-	1.0
<i>Response Costs:</i>												
/6 Emergency Management costs (EOC)	32.0	-	-	32.0	33.4	(3.2)	(2.1)	28.2	33.4	(3.2)	(2.1)	28.2
/7 Recovery Management	10.5	-	(.0)	10.4	10.6	-	-	10.6	10.6	-	-	10.6
BAU Internal Cost allocs (Staff time excl CPG)	(20.4)			(20.4)	(20.4)			(20.4)	(20.4)			(20.4)
Misc Recovery costs	.7	-	-	.7	.4	-	-	.4	.4	-	-	.4
Demolition Works	7.3	-	-	7.3	12.1	(11.7)	-	.3	12.1	(11.7)	-	.3
/9 Recovery Work - Council Assets	24.1	-	-	24.1	37.4	(23.0)	(5.9)	8.6	45.7	(23.0)	(5.9)	16.8
/11 Increased Costs of Operating	1.4	-	-	1.4	1.3	-	(1.3)	.0	159.1	(146.2)	(5.8)	7.1
Infrastructure Rebuild Management Office	1.3			1.3	.3			.3				-
Building Consents and Inspections	.1			.1	.4			.4				-
CERA	.2	-	-	.2	.2	-	-	.2	.2	-	-	.2
<i>BAU Costs:</i>												
Fees & Charges Lost	13.5			13.5	13.5			13.5	34.6			34.6
Reduced CCHL Dividend	-			-	3.0			3.0	41.6			41.6
Increased BAU Operating Costs	4.9			4.9	4.9			4.9	16.4			16.4
Reduced BAU Operating Costs	(21.7)			(21.7)	(21.7)			(21.7)	(31.0)			(31.0)
<i>Council Decisions:</i>												
Rates Remission	1.4	-	-	1.4	3.7	-	-	3.7	5.3	-	-	5.3
1hr Free Central City Parking	1.0			1.0	1.0			1.0	1.0			1.0
Band Together net cost	.2	-	-	.2	.2	-	-	.2	.2			.2
Total Net Operating impact	162.8	(.0)	(.0)	162.8	197.1	(127.2)	(28.4)	41.6	426.0	(273.4)	(32.8)	119.7

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\$ million	Actual to Date				Forecast 10/11 Results				Forecast Life Results			
	Total Cost	Govt Subsidy	Insur Cover	Net Cost	Total Cost	Govt Subsidy	Insur Cover	Net Cost	Total Cost	Govt Subsidy	Insur Cover	Net Cost
Rebuild Cost Details												
Facilities	3.6			3.6	3.9	-	(3.7)	.2	239.8	-	(226.5)	13.4
Water	10.8			10.8	20.7	(10.8)	(9.8)	.1	152.9	(79.9)	(72.6)	.5
Sewer	5.4			5.4	9.6	(5.0)	(4.5)	.1	789.9	(412.6)	(373.2)	4.1
Stormwater	.0			.0	2.4	(.9)	(.7)	.8	108.9	(42.9)	(30.7)	35.3
Greenspace	.6			.6	.6	(.0)	(.1)	.5	57.2	(2.3)	(9.2)	45.6
Transport	1.0			1.0	1.3	(1.0)	-	.3	797.6	(593.5)	-	204.1
Retreat / LAPP Liability / Shortfall Allow etc						(.0)	.6	.6	100.0	30.0	168.6	298.6
Total Net Capital impact	21.4	-	-	21.4	38.5	(17.8)	(18.2)	2.6	2,246.4	(1,101.2)	(543.6)	601.6

38 Cont'd

FINANCIAL IMPLICATIONS

53. As above.

Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?

54. Yes – there are none.

LEGAL CONSIDERATIONS

Have you considered the legal implications of the issue under consideration?

55. Yes – there are none.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

56. Both service delivery and financial results are in direct alignment with the LTCCP and Activity Management Plans.

Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?

57. As above.

ALIGNMENT WITH STRATEGIES

58. Not applicable.

CONSULTATION FULFILMENT

59. Not applicable.

STAFF RECOMMENDATIONS

It is recommended that the Council receives the report.