

Report No:	RESC11-10-02
File No:	
Date:	14 October 2011
<b>Decision Required</b>	

## REPORT SUMMARY

**Report to:** Engineering Services Committee  
**Meeting Date:** 27 October 2011  
**Report Author** Jeff Cuthbertson, Utilities Manager  
**Subject:** **2010/11 Utilities Budgets - Carry Forwards**

### EXECUTIVE SUMMARY

This report sets out a number of Utilities projects that commenced in the 2010/11 financial year and which require budget carryover to ensure that these can be completed.

### RECOMMENDATION/S

That the report be received.

### DRAFT RESOLUTION

**THAT the Engineering Services Committee receives the report, RESC11-10-02, Budget Carry Forwards for Utilities.**

**THAT the Engineering Services Committee approves the 2010/2011 Utilities budget carryovers into the 2011/201\21 financial year as outlined in the report, RESC11-10-02**

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**Subject:** **2010/11 Utilities Budgets - Carry Forwards**

## **1. Purpose**

- 1.1 The purpose of this report is to seek approval from the Engineering Services Committee to carry over some of the 2010/2011 approved Utilities budget into the 2011/2012 financial year.

## **2. Background**

- 2.1 A number of projects commenced in the 2009/2010 financial year. The works have continued and the budget carryovers are required to ensure that these can be completed.
- 2.2 Some projects are yet to be initiated and will be carried out shortly.

## **3. Present Situation/Matters to be Considered**

- 2.1 The request to carryover the 2010/2011 Utilities budget is to ensure the continuation of the contracted work that commenced in the 2010/2011 financial year. It is also to resolve land and resource consent issues that staff have been working through during the year.
- 2.2 The attached spreadsheet (Appendix 1) outlines the proposed budgets to be carried over. All of the budgets are either loan-funded, development or cash-funded and this will not have any effect on proposed rates.
- 2.3 As detailed in the attached spreadsheet a summary of the funding to be carried over into the 2010/2011 financial year budgets is as follows:

	Approved capital budget (including previous carryovers)	Actual expenditure	Committed Works	Work to be initiated	Carryover to 2010/2011 Budget
<b>Water</b>	\$8,927,938	\$5,383,235	\$1,046,652	\$2,334,051	\$3,380,703
<b>Stormwater</b>	\$2,776,063	\$1,340,135	\$363,781	\$307,249	\$671,120
<b>Wastewater</b>	\$12,115,102	\$7,805,145	\$3,011,416	\$915,968	\$3,927,384
<b>Solid Waste</b>	\$2,753,812	\$2,610,610	\$143,202	\$0	\$143,202
<b>Total</b>	\$26,752,915	\$17,139,125	\$4,565,141	\$3,557,268	\$8,122,409

2.4 Committed works refers to works that were started prior to 30 June 2011 and that need to have continued funding, ie contract let in mid-June 2011 and finishes in November 2011.

2.5 Work to be initiated refers to projects that we have commenced work on design, consents, land purchase etc but have not had a contract let for them as yet.

2.6 A table is attached providing more details of the budget carryovers for the Committee's information.

#### **4. Financial/Budgetary Considerations**

4.1 With several committed projects from last financial year underway, the carryover of funding is necessary to prevent an impact on the current year's budgets and subsequent work programmes.

4.2 The proposed carryover from the 2010/2011 approved budget is \$8,122,409. All of the carryovers are loan funded, development contributions and cash as identified in the spreadsheet.

4.3 The sums to be carried over have been checked by Corporate Services and are correct as at 13 October 2011.

#### **5. Options**

5.1 There are no alternative options being considered as the funding is necessary to ensure those projects that are in-hand are completed.

#### **6. Significance**

6.1 This is not considered a significant decision as the funding has already been committed.

## **7. Recommendation/s**

- 7.1 THAT this report be received.
- 7.2 That the funding shown in the table for capital projects initiated in 2010/11 and due for completion in this current financial year 2011/12 be carried over.

## **8. Timeline/Next Steps**

- 8.1 Once the carry forwards have been approved the 2010/11 accounts can then be finalised.

## **9. Draft Resolution**

- 9.1 THAT the Engineering Services Committee receives the report, RESC11-10-02, Budget Carry Forwards for Utilities.**
- 9.2 THAT the Engineering Services Committee approves the 2010/2011 Utilities budget carryovers into the 2011/2012 financial year as outlined in the report, RESC11-10-02**

### **Appendices:**

Appendix 1: Utilities carry forward budgets from 2010-11 to 2011-12