

STAFF REPORT

TO: Mayor and Councillors
FROM: M W Staite, Corporate Services Manager
DATE: 18 June 2008
SUBJECT: **Variation to Engineering Works Programme**

Introduction

Staff have been asked to prepare a report on the proposed amendments to the 2008/2009 Engineering transportation budget.

Discussion

Based on published information to December 2007 and projections to June 2008 it is evident that cost escalation to 30 June 2008 will be in the order of 8.5% and that the long term average for the 2008/2009 year will be 6.5%.

Additional funding would be required to maintain the same level of service, to meet contractual commitments and undertake programmed improvements.

The difference between the submitted 3% and projected 6.5% amounts to a Council share of \$200,000. Land Transport New Zealand would be expected to contribute a similar amount, in the event that the 3% is exceeded.

To accommodate the projected shortfall within the existing budgets it is proposed that in 2008/2009 the seal widening and sealed smoothing programme is reduced.

The reason these categories have been chosen is that deferring this work has minimal long term impact on the roading asset.

Significance

This proposed change does not breach Council's Significance Policy.

Recommendation

That the above variations be incorporated into Council's 2008/2009 Annual Plan.

Murray Staite
Corporate Services Manager