



Report 05.394
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Committee Landcare
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Parks and Forests and Flood Protection capital works programme changes for 2005/06

1. Purpose

To seek Council approval to carry forward capital works budget from 2004/05 to enable programmes to be completed in 2005/06

To seek Council approval to amend the Flood Protection capital works programme in 2005/06

2. Significance of decision

The matters in this report do not trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

3. Background

In the Council rebudget process, which takes place after the end of the third quarter, we did apply for (and receive approval for) a number of rebudgets for the capital works programme. However, progress of a number of items in the programme fell short of where we forecast to be at the end of the financial year and we are now in a situation where we need to complete more work than anticipated in the 2005/06 financial year.

4. Parks and Forests projects to carry forward to 2005/06

As reported in Report 05.364, the rangers office at Queen Elizabeth Park did not progress as far as planned in 2004/05. We have already rebudgeted \$50,000 of the total \$100,000 budget to 2005/06.

However, total costs in 2004/05 were only \$10,000 resulting in the additional \$40,000 unspent being needed in 2005/06 to complete the works.

5. Flood Protection changes to capital works programme 2005/06

The following Flood Protection capital works projects did not progress to the planned position by the end of the financial year and the unspent funds are needed in 2005/06 to either continue with or complete the works.

Ava to Ewen land settlements	\$17,000
Strand Park stopbank design	\$30,000
Norfolk St stopbank	\$20,000
Mangaroa Flood Hazard Assessment	\$8,500

Total	\$75,500
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Additional funds of \$77,000 are also needed to complete the Norfolk St stopbank project in Belmont (a total cost of \$97,000 in 2005/06). The installation of the new floodgates is significantly more expensive than estimated.

This additional \$77,000 can be funded from expected savings in the Strand Park channel realignment project.

The following table summarises the changes we request be made to the 2005/06 Flood Protection capital works programme:

Capital project	Budget 05/06	Carry forward unspent 04/05	Other changes 05/06	New Budget 05/06
Ava to Ewen land settlement	0	17,000		17,000
Strand Park stopbank upgrade	108,000	30,000		138,000
Norfolk St stopbank	0	20,000	77,000	97,000
Strand Park channel realignment	302,000	0	(77,000)	225,000
Mangaroa Flood Hazard Assessment	81,000	8,500		89,500
Total changes	491,000	75,500	0	566,000

6. Financial implications

6.1 Expenditure

In total, the maximum impact on the capital programme for 2005/06 for the above jobs will be \$40,000 for Parks and Forests and \$75,500 for Flood Protection. These will appear as an overspend in the capital expenditure budgets.

In reality, once the tenders have been reviewed for the Alicetown stopbank project, Flood Protection may have an overall savings in the total capital expenditure budget in 2005/06.

6.2 Funding

As with most capital works, funding is via loan and we do not accrue interest until the loan is drawn down.

Funding for the loan repayments for these projects is already included in the budget, so the completion in 2005/06 will not result in any unfavourable funding variances.

7. Communication

At this stage no further communication is required.

8. Recommendations

That the Committee recommend to Council that it:

- 1. **Receive** the report.*
- 2. **Note** the contents of the report.*
- 3. **Approve** the recommended carry forward of capital expenditure budgets of up to \$75,500 in Flood Protection and \$40,000 in Parks and Forests to 2005/06 to enable the remaining 2004/05 and revised 2005/06 capital works programme to be completed.*
- 4. **Approve** the reallocation of \$77,000 from the Strand Park channel realignment budget to enable the Norfolk St floodgates to be completed in 2005/06.*

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