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**REPORT 4**  
*(1215/11/IM)*

**Report of the Strategy and Policy Committee**  
**Meeting of Wednesday 21 June 2006**

**Members:** Mayor Prendergast, Councillors Armstrong (Chair), Ahipene-Mercer, Cook, Foster, Gill, Goulden, McKinnon, Morrison, Pepperell, Ritchie, Ruben, Shaw, Wade-Brown and Wain.

**THE COMMITTEE RECOMMENDS:**

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**1. LONG TERM COUNCIL COMMUNITY PLAN: ADOPTION**

**Purpose of Report**

This report provides for the adoption of the Long Term Council Community Plan 2006/07 – 2015/16 (LTCCP).

**Recommendations**

The Strategy and Policy committee recommends that Council:

1. *Agree that the Long Term Council Community Plan 2006/07 – 2015/16 comprises the Draft Long Term Council Community Plan and amendments to that as per the following agreed recommendations of the Strategy and Policy committee meeting that commenced on 21 June 2006:*
  - i. *Changes to projects and programmes as outlined in the schedule contained in appendix one.*
  - ii. *Changes to performance measure as outlined in appendix two.*
  - iii. *Changes to the Development Contributions Policy as outlined in appendix three.*
  - iv. *That in relation to the Indoor Community Sports Centre:*
    - a) *Note that special consultative procedure has been carried out for the Indoor Community Sports Centre and that 458 submissions were received*
    - b) *Note that oral submissions were heard by the Hearings Subcommittee between 17 and 29 May 2006*

- c) *Note that the Strategy and Policy Committee considered the issues raised in the submissions at its meeting of 21 June 2006*
  - d) *Request officers to explore opportunities for Travel Demand Management and additional off-street parking before recommending the use of (approx.) 5800m<sup>2</sup> of land at the northern end of Cobham Drive park.*
  - e) *Agree to proceed with the proposal to develop an Indoor Community Sports Centre and that it be a 12 court facility at Cobham Drive Park.*
  - f) *Agree to fund the increased construction cost of a 12 Court Facility initially through borrowings, but introduce a targeted rate to repay the increase in construction costs over a shorter timeframe.*
  - g) *Agree that the targeted rate be introduced from 1 July 2007 and be set on the basis of the capital value of each rateable rating unit within the City.*
  - h) *Agree that, in accordance with section 100 of the Local Government Act 2002, it is financially prudent to set a level of rates in excess of the annual operating expenditure of the Council for the 10 year period commencing 1 July 2007 in order to fund the repayment of the extra borrowings (estimated at \$11 million) required to construct a 12 Court Indoor Community Sports Centre (and make the consequential amendments to the Funding and Financial Policies).*
  - i) *Note that the estimated capital cost of constructing the proposed 12 court Indoor Community Sports Centre at Cobham Drive Park is approximately \$40 million.*
  - j) *Note that the average net operating cost of the proposed 12 court Indoor Community Sports Centre over 60 years is estimated to be \$2.089 million per annum including depreciation and interest costs and after a targeted rate has been applied as recommended.*
- v. *Agree to the Funding Impact Statement (as contained in appendix four).*
  - vi. *Agree to the Prospective Financial Statements as contained in appendix five.*
  - vii. *Note that the Significance Policy (agreed elsewhere on this agenda) will be included in the Long Term Council Community Plan.*
2. *Agree that for 2006/07:*
- *It is financially prudent to set rates at a level that results in an operating surplus of \$1.778 million.*
  - *It is prudent to non-fund \$9.381 million of depreciation on the Clearwater Sewerage Treatment Plant (partial only), Living Earth Joint Venture and*

*Transport projects, in accordance with the Council's Revenue and Financing Policy.*

- *It is financially prudent to utilise \$9.487m of LTNZ capex subsidies (recognised as income for accounting purposes) to fund capital expenditure.*
  - *New borrowings of up to \$47.172 million be approved to fund capital expenditure and loans for the 2006/07 year.*
  - *Note that the financial statements are prepared in accordance with the New Zealand equivalents of International Financial Reporting Standards and accordingly include unrealised gains arising from fair value accounting adjustments of \$1.013m which are not reflected in the funding statements. This is in accordance with the Revenue and Financing Policy statement on the funding of operational expenditure.*
3. *Note that Audit New Zealand expect to table their report in relation to the Long Term Council Community Plan at this meeting.*
  4. *Note the supplementary information<sup>1</sup> that will be included in the Long Term Council Community Plan 2006/07 – 2015/16 (to be tabled).*
  5. *Adopt the Long Term Council Community Plan 2006/07 – 2015/16 as per resolutions 1-4 above.*
  6. *Delegate to the Chief Executive Officer the authority to reflect these decisions in the final publication and to make minor editorial changes as required.*

## **Background**

### **Statutory basis**

At its simplest the purpose of the LTCCP is to provide a collection of statements that describe the level of service for each of the Council's activities for the next three years. These are set in the context of the community's long term aspirations, the Council's priorities and budgetary projections. They are underpinned by a collection of funding and financial policies.

The Council is required to adopt a LTCCP by 30 June 2006. The special consultative procedure must be used to adopt the LTCCP.

Having completed the special consultative procedure and deliberated on changes the Strategy and Policy committee has recommended the adoption of the plan to Council. The committee's recommendations are contained in this report.

### **Audit**

Legislation also requires the LTCCP to be audited and that it contain a report from the auditor on:

- The extent to which the statement complies with the requirements of the Act

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<sup>1</sup> This covers the introductory messages and minor editorial changes.

- The quality of the information and assumptions underlying the forecast information provided in the statement
- The extent to which the forecast information and proposed performance measures will provide an appropriate framework for the meaningful assessment of the actual levels of service provision.

The Council was issued with an unqualified opinion on the Draft Long Term Council Community Plan on 22 March 2006. Since then Audit NZ has reviewed the Council's consultation process and will carry out test to ensure that the decisions of the Council are adequately reflected in the final plan.

## **Discussion**

The LTCCP comprises the draft plan and any changes that were made by the committee and agreed here. In line with the recommendations of the committee at its meeting commencing on 21 June 2006 the following changes have been incorporated into the LTCCP:

- Changes to reflect the recommendations made at 21 June 2006 meeting (as outlined in appendix one)
- Supplementary information completed since the committee meeting (for example the Mayor and CEO messages)
- Minor editorial changes.

Where more than minor changes have been made, the relevant section of the document has been attached for the Council's confirmation. Accordingly, the following sections are included in the appendices:

- Financial Statements
- Funding Impact Statement
- Executive / financial summary
- Mayor and CEO messages
- Listening to your views section
- Council Controlled Organisation's table (that reflects the agreed measures from the Statements of Intent)
- Audit NZ's Report (to be tabled).

A full copy of the LTCCP and Audit NZ's Report will be tabled at the 28 June 2006 meeting.

## **Conclusion**

Following an extensive process the Council is asked to adopt the LTCCP including a report from its auditor.

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2. **ITEM 153/06P FEEDBACK ON THE DRAFT INFORMATION AND COMMUNICATIONS TECHNOLOGY POLICY**  
(1215/52/IM) (REPORT 4)

*THAT Council:*

1. *Adopt the Information and Communications Technology Policy (attached as Appendix six to this report) – noting that the economic development component of the policy will be an amendment to the policy once it is developed and consulted on.*

**Robert Armstrong**  
**Chair**