
REPORT 12
(1215/11/IM)

Report of the Strategy and Policy Committee
Meeting of Tuesday 16 June 2009

Members: Mayor Prendergast (Deputy Chair), Councillors Ahipene-Mercer, Best, Cook, Coughlan, Foster, Gill, Goulden, McKinnon (Chair), Morrison, Pannett, Pepperell, Ritchie, Wade-Brown and Wain.

MATTERS CONSIDERED BY THE COMMITTEE

The Strategy and Policy Committee dealt with a number of issues for which it has delegated powers to act and therefore these are before the Council for noting.

The Committee hereby recommends that the information be received.

1. **ITEM 141/09P SUMMARY OF CONSULTATION: LONG TERM COUNCIL COMMUNITY PLAN 2009-19**
(1215/52/IM) (REPORT 1)

THAT the Strategy and Policy Committee:

1. *Receive the information*
2. *Note that a response will be provided to all submitters regarding the matters they raised in their submissions.*
3. *Note that submissions of an operational nature have been provided to relevant officers, who will consider submitter suggestions and respond to these as part of work programmes where appropriate.*
4. *Receive the submissions that were lodged as part of the special consultative procedure for the 2009-19 draft long-term council community plan (previously distributed).*
5. *Agree that after the current review of the Local Government Act 2002 is complete, officers review the level of detailed budget figures to be provided in annual and long term plans including whether comparative figures for the preceding year be included and report to the Strategy and Policy Committee.*

2. **ITEM 142/09P LONG TERM COUNCIL COMMUNITY PLAN 2009-19: REPORT OF THE HEARINGS SUBCOMMITTEE**
(1215/52/IM) (REPORT 2)

THAT the Strategy and Policy Committee:

1. *Receive the information.*
2. *Note the minutes of the draft Long Term Council Community Plan Hearings Subcommittee meeting of 5 May 2009 (attached at appendix one of the report).*

3. **ITEM 143/09P RESIDENTS' PANEL**
(1215/52/IM) (REPORT 3)

THAT the Strategy and Policy Committee:

1. *Receive the information.*

4. **ITEM 144/09P REPORT OF THE FUNDING AND ACTIVITY REVIEW WORKING PARTY: REVIEW OF SUBMISSIONS – REVENUE AND FINANCING POLICY**
(1215/52/IM) (REPORT 4)

THAT the Strategy and Policy Committee:

1. *Receive the information.*
2. *Recommend to Council that the General rate differential for 2009/10 be set at a level where commercial, industrial and business properties pay 3.45 times the amount of general rate per dollar of capital value than properties incorporated in the Base (residential) differential.*
3. *Recommend to Council that it agree the following variations from the Revenue and Financing Policy as outlined in the 2009/10 Draft LTCCP:*
 - a) *Remove the proposed new fee in regard to 'out of town' cremations.*
4. *Recommend to Council that it approve and adopt the 2009/10 LTCCP Fees and Charges Schedule attached as Appendix 1 of the officer's report.*
5. *Recommend to Council that it approve and adopt for 2009/10 the LTCCP Rating Mechanisms attached as Appendix 2 of the officer's report.*
6. *Recommend to Council that:*
 - a) *it approve and adopt the Rates Remission and Postponement policies attached as Appendix 3 of the officer's report.*

- b) it incorporates in the Rates Remission and Postponement policies the introduction of a downtown levy rates remission on the full value of properties under development as consulted on through the Draft LTCCP.*
- 7. Recommend to Council that it approve and adopt the Borrowing and Investment Policies attached as Appendix 4 of the officer's report.*
- 8. Note that the Committee will receive a separate report on 'Healthy Homes Funding Opportunities'.*

5. **ITEM 145/09P DRAFT DEVELOPMENT CONTRIBUTIONS POLICY 2009: REPORT FROM DEVELOPMENT CONTRIBUTIONS SUBCOMMITTEE**
(1215/52/IM) (REPORT 5)

THAT the Strategy and Policy Committee:

- 1. Receive the information.*
- 2. Note that nine submissions were received on the draft Development Contributions Policy 2009 during consultation on the draft 2009/19 LTCCP.*
- 3. Agree to recommend the draft Development Contributions Policy 2009 to Council, with no amendments made as a result of submissions.*
- 4. Note that further work will be undertaken to examine the growth impacts of industrial developments on infrastructure demand and the potential for establishing a new "industrial development" sub category of the non-residential category, and appropriate contribution rates.*
- 5. Note that the schedule of development contribution fees in the draft Development Contributions Policy reflects capital expenditure in the draft 2009/19 LTCCP and that the final schedule of fees will be agreed by Council when the 2009/19 LTCCP capital expenditure budgets are confirmed.*
- 6. Agree to the minor financial and administrative corrections and amendments summarised at Appendix One of the officer's report, and incorporated into the revised draft Policy (Appendix Two of the officer's report).*

6. **ITEM 148/09P LONG TERM COUNCIL COMMUNITY PLAN 2009-19: PROMINENT ISSUES AND ADDITIONAL FUNDING REQUESTS**
(1215/52/IM) (REPORT 6)

THAT the Strategy and Policy Committee:

1. *Receive the information.*
2. *Agree the savings proposals (as contained in the draft plan and outlined in appendix 1 of the officer's report **as amended**) be included in the 2009-19 long-term council community plan; **and:***
 - (a) *Agree that Community ICT (Item 1) identify that \$50,000 of the grants programme be ring-fenced to ensure continued web presence for Wellington City community organisations for the period 2010/19.*
 - (b) *Note that the Community ICT (Item 1) 10 year Long Term Council Community Plan budget has allowed for the transfer of money spent on a web presence and support to the contestable grants pool.*
3. *Agree the new funding requirements that were highlighted in the draft plan (and outlined in appendix 2 of the officer's report) be included in the 2009-19 long-term council community plan.*
4. *Note the items in appendix 3 of the officer's report were considered by the Strategy and Policy Committee since the adoption of the draft plan and these have been included in the financial statements provided in report 7.*
5. *Note the response to other prominent matters raised during the consultation period as outlined in appendix 4 of the officer's report.*
6. *Agree to include the following funding additions in the 2009-19 long-term council community plan:*
 - (a) *International Festival of the Arts: addition of \$200,000 opex per year (for the next three years) to maintain operations of the festival at current levels as detailed in appendix (a) of the officer's report).*
 - (b) *Creative Capital Trust: addition of \$75,000 opex in 2009/10 to meet the objectives outlined in appendix (b) of the officer's report.*
 - (c) *Provision of outdoor community space in Churton Park: addition of \$812,500 capex in 2010/11 to for community facilities as detailed in appendix (c) of the officer's report.*
 - (d) *Maori engagement: addition of \$50,000 opex per year to strengthen engagement with Maori and grow Maori cultural festivals as detailed in appendix (d) of the officer's report.*
 - (e) *Growth spine - Adelaide Road Centre: provision (of \$12,568,000) for the acquisition of land, planning and design work for the Adelaide Road Centre as outlined in appendix (e) of the officer's report.*
 - (f) *Marine Education Centre: addition of \$450,000 opex for 2009/10 to fund feasibility as detailed in appendix (f) of the officer's report, **conditional on:***

- (i) *Appointment of a Council officer to the feasibility study steering group (termed by the Trust as the 'Feasibility Study Management Board').*
- (ii) *Wellington City Council Chief Executive Officer approval of the Steering Group report on the scope and estimated costs of the feasibility study.*
- (iii) *Drawdown being conditional on the Trust obtaining a matching value of feasibility study funding from other sources.*
- (iv) *Subject to the Trust acknowledging the clear understanding that there exist no further post-feasibility funding approvals and any further funding from Council (if any) would be conditional upon: funding commitments from other parties to the satisfaction of Wellington City Council, and subject to further decisions at Annual Plan / Long-Term Council Community Plan.*
- (g) *Positively Wellington Tourism: additional funding of \$2,576,000 over three years (being \$500,000 in 2009/10, and \$1,038,000 in 2010/11 and 2011/12) to continue to grow Australian visitor numbers with conditions as detailed in appendix (g) of the officer's report and with the following additional conditions:*
 - (i) *the additional funding will not be used to subsidise any activities that are the responsibility of Grow Wellington.*
 - (ii) *in the event that matching funding for the initiative is not obtained from external parties, and to the extent that Council generates a cash operating surplus equivalent to the level of funding levied on the downtown ratepayer, the Council will consider whether it is financially prudent to carry forward that cash operating surplus to 2010/11 and offset that against the level of rates to be levied against the downtown ratepayers in 2010/11.*
 - (iii) *That at least matching funding referred to in (ii) above is obtained from central government.*
- (h) *Wet Hostel: addition of \$250,000 opex for 2009/10 as a contribution towards the establishment of a wet hostel in Wellington on the following conditions:*
 - i) *That the model is focussed on wrap-around services incorporating health, mental health, addiction, and social and life skills outcomes.*
 - ii) *That the project has an appropriate governance structure.*
 - iii) *That Housing New Zealand provide the accommodation facilities to the trust.*
 - iv) *That the Ministry of Social Development provide support commensurate with other parties.*
 - v) *That the Council contribution is on the basis of the same amount of financial assistance from Capital Coast District Health Board*
 - vi) *That an evaluation be completed before the end of the first year of operation.*

- vii) *That no further Council funding is to be advanced until a total sustainable funding package is assured and governance structure confirmed.*
 - viii) *That other potential funders be identified.*
 - ix) *That Heads of Agreement be drawn up between the parties.*
 - i) *Agree to include the following additions to the long-term council community plan 2009-19 (all capex):*
 - i) *\$250,000 capex (in 2009/10) and then \$500,000 per annum to progress the strategic cycle walking network. (This is based on the Wellington City Council component of the agreed strategic network including the Great Harbour Way and Tawa-Porirua stream – Middleton Road and routes from the South Coast to the Central Business District).*
 - ii) *Note that a focus on reserves management and community engagement has identified a need to create capacity to better support volunteer management and increase the emphasis on implementing the biodiversity action plan including stream care.*
7. *Agree that Council provide Premises Management Trust with a letter of comfort in regard to lease arrangements as detailed in appendix (i) of the officer's report.*
8. *Note that the government's healthy homes initiative will be supported through a targeted rate offered by the Wellington Regional Council as detailed in appendix (j) of the officer's report.*
9. *Decline the new funding requests as detailed in appendices (k) to (q) of the officer's report.*

NOTED:

The resolution differs from the recommendations in the officer's report as follows:

The Committee added the text in **bold**.

7. **ITEM 150/09P 2009-19 LONG TERM COUNCIL COMMUNITY PLAN FOR RECOMMENDATION TO COUNCIL (1215/52/IM) (REPORT 7)**

THAT the Strategy and Policy Committee:

- 1. *Receive the information.*
- 2. *Note that during the consultation period new funding matters were agreed by the Strategy and Policy Committee (as detailed in Report 6, appendix 3 of the officer's report). These budget changes have been included in the inflation adjusted Funding and Borrowing Statements*

and Financial Statements as detailed in appendices 1 and 2 of this report.

3. *Agree that the inflation adjusted Funding and Borrowing Statements and Financial Statements as detailed in appendices 1 and 2 be included in the 2009-19 long-term council community plan (noting that any changes arising as part of these deliberations will be incorporated into the final statements presented to Council).*
4. *Agree that, having due regard to the requirements of section 100 of the Local Government Act 2002, the Council's forecasting assumptions and the Revenue and Financing Policy it is financially prudent not to set a level of operating revenue that meets the projected operating expenses of Council.*
5. *Recommend that Council agrees that for 2009/10 it is financially prudent to forecast a surplus of \$23.476m, comprising:*
 - a) *Unfunded depreciation on the following assets:*
 - (i) *Clearwater Sewerage Treatment Plant (\$2.768m)*
 - (ii) **The building that housed Living Earth Joint Venture Plant (\$0.197m)**
 - (iii) *Transport Assets (\$7.521m).*
 - b) *Revenue received for capital purposes:*
 - (i) *NZTA capital subsidies (\$13.767m)*
 - (ii) *Housing capital grant and ring-fenced surplus (\$14.328m)*
 - (iii) *Development contributions (\$4.524m)*
 - (iv) *Bequests, trust and other external funding (\$0.745m).*
 - c) *Self Insurance Reserve (\$0.5m).*
 - d) *Unrealised fair value adjustment for loans and receivables (\$0.098m).*
6. *Recommend that Council agree the Statement of Significant Accounting Policies, and Statement of Significant Forecasting Assumptions as detailed in appendices 3 and 4.*
7. *Agree the project and programme budgets (attached as appendix 5 of the officer's report) and that, subject to the deliberations on the recommended changes to budgets in reports on this agenda, consequential changes will need to be made and that these will be reflected in the activity budgets provided in the final long-term council community plan presented to Council for adoption on 29 June 2009.*
8. (a) *Agree that officers prepare the long-term council community plan 2009-19 (including the associated policies) based on the draft Long-term Council Community Plan 2009-19 and reflect any changes agreed at this meeting of the Strategy and Policy Committee (16 June 2009); and*
 - (b) *Delegate to the Chief Executive Officer the authority to make editorial changes that may arise as part of preparing the final long-term council community plan document for Council.*