
REPORT 6
(1215/11/IM)

ADOPTION OF THE LONG TERM COUNCIL COMMUNITY PLAN 2009/10 – 2018/19

1. Purpose of Report

This report provides for the adoption of the Long Term Council Community Plan 2009/10 – 2018/19 (LTCCP) in line with the decisions and recommendations of the Strategy and Policy Committee meeting of 16 June 2009.

This report consolidates the recommendations made at that meeting to allow these to be considered as a coherent package.¹

2. Recommendations

It is recommended that the Council:

1. *Receive the information.*
2. *Note that the Draft Long Term Council Community Plan 2009/10 – 2018/19 was consulted on using the special consultative procedure from 16 April to 18 May 2009.*
3. *Note that oral submissions were heard by the Long Term Plan Hearings Subcommittee from 25 – 29 May 2009.*
4. *Note that the Strategy and Policy Committee considered the issues raised in written and oral submissions at its meeting of 16 June 2009.*
5. *Note that the Long Term Council Community Plan 2009/10 – 2018/19 has been prepared based on changes to the statement of proposal as a result of decisions and recommendations of the Strategy and Policy Committee meeting of 16 June 2009 as outlined in section 4.3 of this report.*
6. *Note that Audit New Zealand has completed their review and have indicated that they expect to issue an unqualified report at this meeting.*

¹ The financial information in the recommendations provided in this report have also been updated to reflect the final position agreed by the Strategy and Policy Committee of 16 June 2009. The noting recommendations are also provided in part b of this agenda.

7. *Agree the projects and programme budgets (attached as appendix 2) and note that these are reflected in the activity budgets provided in the Long Term Council Community Plan 2009/10 – 18/19.*
8. *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.*
9. *Agree that for 2009/10 it is financially prudent to forecast a surplus of \$24.128 million, comprising:*
 - (a) *Unfunded depreciation on the following assets:*
 - (i) *Clearwater Sewerage Treatment Plant (\$2.768m)*
 - (ii) *The building that housed the Living Earth Joint Venture Plant (\$0.197m)*
 - (iii) *Transport Assets (\$7.521m).*
 - (b) *Revenue received for capital purposes:*
 - (i) *NZTA capital subsidies (\$14.418m)*
 - (ii) *Housing capital grant and ring-fenced surplus (\$14.328m)*
 - (iii) *Development contributions (\$4.524m)*
 - (iv) *Bequests, trusts and other external funding (\$0.745m).*
 - (c) *Self Insurance Reserve (\$0.5m).*
 - (d) *Unrealised fair value adjustment for loans and receivables (\$0.098m).*
10. *Agree new borrowings of up to \$49.430 million to fund capital expenditure (including forecast carried forward capital expenditure) and loans for the 2009/10 year.*
11. *Agree 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.*
12. *Adopt the Long Term Council Community Plan 2009/10 – 2018/19 (as attached in appendix one) including:*
 - *Community outcomes: a list of them and the process for determining them.*
 - *Groups of activities: activity statements on the intended levels of service for activities grouped by strategy area.*
 - *An outline of the steps the Council intends taking to develop Maori capacity to contribute to decision-making processes.*
 - *A schedule covering the nature and scope of the activities of the Council's council-controlled organisations.*
 - *Forecast Financial Statements.*

- *Funding Impact Statement².*
- *Schedule of fees and charges and rating mechanism for 2009/10.*
- *Statement concerning the balancing of the budget.*
- *Funding and Financial Policies (Revenue and Financing Policy, Development Contributions Policy, Investment and Liability Management Policy, Rates Remission Policy, Rates Postponement Policy, and Policy on Partnerships with the Private Sector).*
- *Statement of Significant Forecasting Assumptions.*
- *Summaries of the Assessment of Water and Sanitary Services and of the Waste Management Plans.*
- *Significance Policy.*

12. *Delegate to the Chief Executive Officer the authority to make any minor editorial changes that may arise as part of the publication process.*

4. Background

4.1 The process

The Council's LTCCP is provided for adoption in line with the Local Government Act 2002. This follows:

- preparatory work including an early engagement exercise
- the adoption of a statement of proposal / draft LTCCP in March 2009
- a special consultative procedure in April and May 2009
- associated hearings
- Strategy and Policy Committee deliberations on the consultation results and consideration of recommendations/decisions on the LTCCP.

4.2 Audit review

Since the 16 June Strategy and Policy deliberations, Audit New Zealand have completed their audit work and referred the LTCCP to the Office of the Auditor General (OAG) for review. The OAG reviews all LTCCPs before audit opinions are issued. The Council received feedback from Audit New Zealand and the OAG on 23 June 2009. No substantive issues were raised which could impact on the audit opinion. Audit New Zealand expect to provide an unqualified audit opinion at this meeting of the Council.

4.3 Changes

The contents of the LTCCP outlined in appendix one reflect changes to the statement of proposals covering:

- the decisions and recommendations made at the Strategy and Policy Committee meeting of 16 June 2009 (see below)
- revised funding and financial statements to reflect the final budgets (and the inclusion of past year comparisons)
- a refreshed executive summary

² Note the rates funding statement – included in the rates strike paper – will be included in the funding impact statement for the long term council community plan.

- minor editorial changes (i.e. key facts have been updated for the latest survey results)
- a new Audit Report (to be tabled).

The key changes to the plan include:

Governance

- The addition of \$50,000 per annum to strengthen engagement with Maori and grow Maori cultural festivals.

Environment

- The addition of \$450,000 in 2009/10 towards a detailed feasibility study on the Marine Education Centre at Lyall Bay.
- Additional commentary on how the Council will look to support volunteer groups to carry out their work in the city, and give greater focus to these groups working towards implementing the biodiversity action plan, including stream care.
- The addition of \$480,000 funding towards the Karori Sanctuary visitor centre.
- A note that the Wellington Regional Council will be offering a rates remission scheme in line with the Government's healthy homes initiative.

Economic development

- The addition of funding for Positively Wellington Tourism's campaign to grow visitor numbers from Australia.
- The addition of funding for the Carter Observatory project to be completed.

Cultural well-being

- The addition of \$75,000 in 2009/10 toward the Cuba Street Carnival and the Fringe Festival to merge into the Creative Capital Trust.
- The addition of \$200,000 per year for the next three years towards the NZ International Festival of the Arts.

Social and recreation

- The addition of \$812,500 capex in 2010/11 towards outdoor community space at Churton Park.
- The addition of \$200,000 in 2009/10 towards the establishment of a Wet Hostel conditional on other agencies' involvement.
- Additional commentary to reflect that \$50,000 of the grants programme will ensure a continued web presence for Wellington city community organisations.

Urban development

- The addition of funding to acquire land needed to widen and upgrade the Adelaide Road corridor as part of the growth spine framework.
- The rephrasing of the town centre upgrade of Kilbirnie from the out years to 2010/11 – 11/12.

Transport

- Additional commentary reflecting the decision to provide bus lanes through Manners Mall and associated works.
- The addition of \$250,000 in 2009/10 and then \$500,000 each following year to progress a strategic cycling network.

The final publication will be printed following the LTCCP's adoption.

6. Conclusion

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

Contact Officers: Brian Hannah - Principal Advisor and Helen Rogers – Financial Controller.

Appendix 1

Appendix 2