
REPORT 3A
(1215/11/IM)

REPORT OF THE STRATEGY AND POLICY COMMITTEE
MEETING OF TUESDAY 12 MARCH 2013

- **2013/2014 DRAFT ANNUAL PLAN 2013/14**
RECOMMENDATION TO COUNCIL

1. Purpose of Report

This report provides for the adoption of the 2013/14 Draft Annual Plan statement of proposal. It consolidates the committee's resolutions from reports 1-7 of the meeting on 12 March 2013.

2. Executive Summary

The adoption of the 2012-22 Long-Term Plan (LTP) in June 2012 established the Council's activities and levels of service through to June 2015 and an outline of funding requirements through to 2022.

Each year the Council reviews the work programme for the year ahead, identifies variances from what was outlined in the LTP and consults the community on those variances through the annual plan process.

The special consultative procedure must be used to adopt the Annual Plan. This requires the adoption and public consultation on a statement of proposal – a draft of the Annual Plan.

Following a series of workshops and committee deliberations on 12-14 March 2013, the 2013/14 Draft Annual Plan statement of proposal has been prepared and is presented here for adoption.

3. Recommendations

It is recommended that the Council:

- 1. Note that the 2013/14 Draft Annual Plan statement of proposal reflects year two of the 2012-22 LTP and the deliberations and recommendations of the Strategy and Policy Committee meeting of 12-14 March 2013.*
- 2. Note that the 2013/14 Draft Annual Plan statement of proposal will be consulted on using the special consultative procedure.*

3. *Note that the Strategy and Policy Committee will hear all oral submissions on the Draft Annual Plan from 21 May*
4. *Note that the proposed variances agreed at the Strategy and Policy Committee on 12 – 14 March have been included in the 2013/14 Draft Annual Plan statement of proposal (summarised in section 4.1 below) for consultation.*
5. *Note that budget C534 has been reduced by \$40,000 (representing the catering cost for Committee meetings) in the 2013/14 Draft Annual Plan.*
6. *Note that year two of the three year Waterfront Development Plan included in the 2012-22 LTP is included in the 2013/14 Draft Annual Plan*
7. *Agree that for 2013/14 it is financially prudent to forecast a surplus of \$32.019m, comprising:*

Unfunded depreciation totalling (\$14.674m) on the following assets:

- (a) Clearwater Sewage Treatment Plant (\$3.015m)*
- (b) Discontinued Living Earth Plant (\$0.221m)*
- (c) NZTA funded projects (\$7.438m)*
- (d) General (\$4.000m)*

Revenue received for capital purposes totalling (\$40.378m):

- (e) NZTA capital funding (\$10.407m)*
- (f) Housing capital grant and ring-fenced deficit (\$23.479m)*
- (g) Development contributions (\$5.000m)*
- (h) Bequests, trust and other external funding (\$1.492m)*

Self Insurance Reserve (\$0.750m)

Weathertightness funding (\$4.996m)

Waste Minimisation Activity (\$0.018m)

Unrealised fair value adjustment for loans and receivables (\$0.550m)

8. *Agree the proposed amended fees and charges as set out in the 2013/14 Draft Annual Plan statement of proposal for consultation.*
9. *Adopt the 2013/14 Draft Annual Plan statement of proposal (as attached in appendix one) and initiate the special consultative procedure.*
10. *Agree the proposed approach to consultation and engagement on the 2013/14 Draft Annual Plan as set out in section 5 of this report.*
11. *Delegate to the Chief Executive the authority to make any editorial changes that may arise as part of the publication process.*

12. *Note that a summary document will be prepared from the executive summary of the 2013/14 Draft Annual Plan statement of proposal.*
13. *Note that the statement of proposal and summary will form the basis of the special consultative procedure on the 2013/14 Draft Annual Plan that will run from 16 April 2013 to 16 May 2013.*

4. Background

The 2013/14 Draft Annual Plan describes the second year of the LTP. It describes Council's activities and the services it will deliver for that year, the cost of providing them, and how the Council intends to measure progress towards delivering its activities and services.

The purpose of the 2013/14 Draft Annual Plan is to:

- identify any variances from the LTP for that year
- support the LTP in providing integrated decision-making and the coordination of the Council's resources
- extend the opportunity for public participation in the decision-making process
- contribute to the Council's accountability to the community
- detail the annual budget and funding impact statement.

4.1 Variances to the 2012-22 LTP

The content of the 2013/14 Draft Annual Plan statement of proposal outlined in appendix one reflect variances to the 2012-22 LTP agreed by the Strategy and Policy meeting of 12 March 2010.

The key changes are summarised below. Detailed information and funding levels are included in the statement of proposal (attached as appendix one).

Changes in service levels

- Closing branch libraries in the evenings.
- Implementing more consistent closing hours at smaller branch libraries.
- Reducing the opening hours at Khandallah Library.
- Ceasing the proactive development of programmes and services with partners that are targeted at Leisure Card holders.
- Transferring management of Tawa Recreation Centre to Tawa College.
- Permanently reducing the funding for hazardous tree removal by \$100,000.
- Removing funding for the demolition of the Patent Slip Jetty.
- Reducing the grants to both The Wellington Zoo Trust and Positively Wellington Tourism by 3% from the 2012/13 grant level in the LTP.

Increases in income

- Enforcing parking time restrictions at the Wellington Botanic Garden, and installing pay and display parking for five days per week.

- Introducing pay and display parking at Freyberg Pool for five days per week.
- Changing the operating model of the crèche at the Wellington Regional Aquatic Centre to a cost recovery basis.
- Introducing a parking permit for taxis using dedicated taxi ranks in Wellington City.

Changes in the capital expenditure programme

- Delaying the programmed spend on Southern Landfill improvement by two years.
- Bringing the timing of beautification work at Alex Moore Park forward to align with the construction of the new synthetic turf. This has no impact on borrowings due to the funding coming from the Plimmer Bequest Trust.

New opportunities

- Funding for a series of ‘smart energy’ initiatives which will see Council work in partnership with others to grow our reputation as a progressive city and reduce pressure on the environment and infrastructure.
- Taking a proactive management approach for the Built Heritage Incentive Fund to improve the earthquake strengthening outcomes from this fund.
- Progressing work on the greening of Taranaki Street, which forms part of the processional route through the city from Parliament up to Government House.
- Investigating opportunities for the future of the Civic Square precinct given the need to address a number of earthquake prone building (and other) issues in this area.
- Undertaking further work on the development of the Miramar Peninsula Framework.
- Progressing the Capital Education Initiative to improve the facilitation of school visits to the capital.
- Implementing a reduction in the vehicle speed limit across the Central City.
- Providing feasibility funding of \$205,000 for the proposed redevelopment of the Clyde Quay Harbour, noting that any funding for the capital works of the Clyde Quay Boat Harbour Redevelopment Plan will be subject to normal Council Annual and Long Term Plan processes and that no further funding is guaranteed.
- Assessing existing playgrounds for their suitability for children with disabilities and consulting on needs within the community to enhance the existing playground assets for children with disabilities.
- Investigating the implementation of an ongoing six month intern programme for four refugees and/or new migrants and/or people with disabilities in the 18 - 28 age group, who are having real difficulty gaining work experience.
- Increasing Council’s funding to Zealandia by \$175,000 in 2013/14 and 2014/15.

5. Consultation

Following the debate at deliberations on the approach to consultation and engagement on the 2013/14 Draft Annual Plan, it is proposed that the following actions are taken:

- Produce and distribute the summary document, submission form and full draft annual plan
- Run dedicated feature stories in the Council's *Our Wellington Page* in the Dominion Post
- Make use of social media tools to inform people about and engage with them on the 2013/14 Draft Annual Plan.
- Conduct a survey on the key proposals included in the 2013/14 Draft Annual Plan.
- Provide our mana whenua partners, and representatives of Māori organisations with which Council has a working relationship, with the opportunity to provide feedback on the full draft plan.
- Use the online engagement panel *Our Capital Voice* as an engagement tool for the draft annual plan but be explicit that any comments received through this tool do not constitute a formal submission on the draft plan.
- Improve how the oral submission process operates by:
 - Using an online booking system for the hearings so that submitters can select their preferred time from the available scheduled timeslots. This will be carefully managed to avoid gaps between appointments.
 - Initially limiting the oral hearing timeslots to between 9.30am and 12.30pm on Tuesday 21 May to Thursday 23 May 2013.
 - Scheduling one additional hearings session in the evening. Bookings would initially be taken from 5.30pm until 6.30pm, with a further hour from 6.30pm to 7.30pm made available if demand warrants it.
 - Piloting the use of Skype or teleconferencing with submitters if requested.
 - Providing an updated guidance sheet to oral submitters with information on what to expect and key pointers on making an effective oral submission.
 - Providing improved signage in the committee room foyer and additional staff to guide submitters through the submission process when they arrive for their scheduled slot.
 - Retaining the current practice of offering individual submitters a 5 minute slot to make their submission and organisations a 10 minute slot.
 - Providing a countdown clock so that submitters can see how much time they have left on their time slot.

Furthermore, given the Committee's subsequent direction to hold ward-based meetings in relation to the potential changes in regional governance, it is proposed that one meeting is organised in each ward where people can discuss both the proposed governance changes and the 2013/14 Draft Annual Plan. It is proposed that the first hour of the meeting is focussed on regional governance. Then after a 15 minute break, it is proposed that the second hour is focussed on the 2013/14 Draft Annual Plan. It is proposed that the Mayor introduces both topics.

6. Conclusion

Following an extensive process the Council is asked to adopt the 2013/14 Draft Annual Plan statement of proposal for consultation.

Contact Officers: Martin Rodgers, Manager Research, Consultation & Planning and Martin Read, Manager Financial Strategy & Planning.

SUPPORTING INFORMATION

1) Strategic fit / Strategic outcome

The paper gives effect to Council's overall vision of Wellington Towards 2040: Smart Capital.

2) LTP/Annual Plan reference and long term financial impact

The paper proposes that variances to Council's current LTP and the budget implications, are subject to public consultation through the 2013/14 Draft Annual Plan.

3) Treaty of Waitangi considerations

Council's Mana Whenua have been consulted on the key proposals in this paper.

4) Decision-making

The decisions in this paper are significant.

5) Consultation

a) General consultation

The proposals in this paper will be subject to a special consultative procedure.

b) Consultation with Maori

Council's Mana Whenua have been consulted on the key proposals in this paper.

6) Legal implications

Council's lawyers have not been consulted during the development of this report.

7) Consistency with existing policy

The report is consistent with existing Council policies.