
REPORT 2
(1215/11/IM)

**REPORT OF THE STRATEGY AND POLICY COMMITTEE
MEETING OF TUESDAY 8 MARCH 2011: DRAFT
ANNUAL PLAN 2011/12 - STATEMENT OF PROPOSAL
FOR ADOPTION**

1. Purpose of Report

This report provides for the adoption of the 2011/12 Draft Annual Plan statement of proposal. It consolidates the committee's resolutions from reports 1-5 of the meeting of 8 March 2011.

2. Executive Summary

The 2009-19 Long Term Council Community Plan (LTCCP) established the Council's activities and levels of service through to June 2012.

Each year the Council reviews the work programme for the year ahead, identifies variances from what was outlined in the LTCCP 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 8-9 March, the 2011/12 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 2011/12 Draft Annual Plan statement of proposal reflects year three of the 2009-19 LTCCP and the deliberations and recommendations of the Strategy and Policy Committee meeting of 8-9 March 2011.*
- 2. Note that the 2011/12 Draft Annual Plan statement of proposal will be consulted on using the special consultative procedure between 11 April and 12 May 2011.*
- 3. Note that the Strategy and Policy Committee will hear all oral Draft Annual Plan submitters in mid May 2011.*

4. *Note that the Draft Waterfront Development Plan is included in the 2011/12 Draft Annual Plan for consultation.*
5. *Agree the proposed variances as set out in the 2011/12 Draft Annual Plan statement of proposal (attached as appendix 1) and consult on them using the special consultative procedure.*

#	Variance	\$000
a)	Wellington Sculpture Trust grant reduction (from \$50k to \$35k)	(15)
b)	Economic grants and marketing comprising: Grants (\$25,000) Strategic economic grants (\$10,000) Marketing support for events (\$25,000)	(60)
c)	Botanic Gardens and local parks comprising: Reduce opening hours in winter for Begonia House shop (\$19,000) Close Botanic Garden/Otari Wilton Bush library (\$24,000) Reprioritise maintenance programmes (\$55,000) Reduce park furniture maintenance (\$20,000)	(118)
d)	Reduce pest monitoring (\$14,000) and defer increase (\$77,000) for Biodiversity Action Plan	(91)
e)	Mowing in public places – efficiencies	(10)
f)	Defer increase to hazardous tree removal programme	(100)
g)	Defer decommissioning of Patent Slip jetty	(100)
h)	Sportsfield efficiencies: reduced maintenance required due to artificial programme	(108)
i)	Libraries comprising: Align opening hours (\$57,000) Close 1 (of 5) information desks (28,000) Newspapers in digital format only (\$20,000)	(105)
j)	Swimming pools: rephase school pool grant funding over four (instead of two) years	(500)
k)	Targeted approach to dog control	(36)
l)	Preparation of divestment of under used properties Vogelmorn Hall and St Johns in Karori	(48)
m)	Cemeteries: reduce funding in line with reduced usage	(31)
n)	Wellington waterfront: savings from reduced activity	(170)
o)	Increase heritage grants	129
p)	Undertake feasibility study on a deep water pool complex at the Wellington Regional Aquatic Centre	650

6. *Agree the proposed changes to fees and charges as set out in the 2011/12 Draft Annual Plan statement of proposal and consult on them using the special consultative procedure.*
7. *Agree to include the Revenue and Finance Policy shift in the commercial to residential general rate differential from 3.1:1 to 2.8:1 in the 2011/2012 Draft Annual Plan.*

8. *Agree that Weathertight Homes Settlements for 2011/12 are funded using a combination of funding from general rates (\$2.22m) and borrowings (\$6.58m), and note that this approach is an interim solution pending further consideration as part of the 2012-22 Long Term Plan.*
9. *Agree that for 2011/12 it is financially prudent to forecast a surplus of \$53.338m, comprising:*

Unfunded depreciation on the following assets:

- (a) Clearwater Sewerage Treatment plant (\$3.029m)*
- (b) Decommissioned Living Earth Plant (\$0.204m)*
- (c) Transport Assets (\$9.605m).*

Revenue received for capital purposes:

- (a) NZTA capital subsidies (\$14.743m)*
- (b) housing capital grant and ring-fenced surplus (\$43.499m)*
- (c) development contributions (\$5.753m)*
- (d) bequests, trust and other external funding (\$1.452m).*
- (e) Self Insurance and Weathertight Homes Reserve (\$2.720m).*

Self Insurance Reserve (\$0.500m)

Unrealised fair value for loans and receivables (\$0.501m)

10. *Adopt the 2011/12 Draft Annual Plan statement of proposal (as attached in appendix one) and initiate the special consultative procedure.*
11. *Delegate to the Chief Executive the authority to prepare a summary covering the major matters within the 2011/12 Draft Annual Plan statement of proposal.*
12. *Delegate to the Chief Executive - in consultation with the Community Engagement and Finance Portfolio Leaders - the authority to make any editorial changes and any changes agreed by Council at its meeting of 24 March 2011 to the 2011/2012 Draft Annual Plan prior to consultation commencing.*

4. Background

The 2011/12 Draft Annual Plan describes the third year of the LTCCP. 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 2011/12 Draft Annual Plan is to:

- identify any variances from the LTCCP for that year
- support the LTCCP 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.

5. Conclusion

The Council is asked to adopt the 2011/12 Draft Annual Plan statement of proposal for consultation.

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