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Committee Policy, Finance and Strategy Committee
Author David Benham, Chief Executive Officer

Proposed 2007/08 Annual Plan and Proposed Amendment to the 2006-16 Ten Year Plan (LTCCP)

1. Purpose

To seek approval for the Council's Proposed 2007/08 Annual Plan and Proposed Amendment to the 2006-16 Ten Year Plan (LTCCP) to be released for public consultation. Both are statements of proposal under the Local Government Act 2002.

2. Significance of the decision

The subject matter of this report will lead to the Council making a "significant" decision within the meaning of the Local Government Act 2002. The process of adopting an Annual Plan and amending the LTCCP will include use of the special consultative process.

3. Background

Over the last few months, Councillors have been working on the development of Council's 2007/08 Annual Plan. This Annual Plan comprises year two of the 2006-16 Ten Year Plan (LTCCP) and variations to that Ten Year Plan.

At its meeting on 22 February 2007, the Council approved the projected rates and levies to be included in the Proposed Plan. At the same meeting, Council adopted the Wellington Regional Strategy (WRS) and agreed to undertake a new activity as the keeper of the WRS. Therefore, a targeted economic development agency rate of \$4.5 million (incl. GST) is included in the Proposed 2007/08 Annual Plan.

However, under section 16 of the Local Government Act 2002, the Council has received an objection from Upper Hutt City Council, to this Council undertaking this new activity.

We have received legal advice that the Council may include the economic development agency rate in its Proposed 2007/08 Annual Plan, although it

cannot adopt the LTCCP amendment that went out for consultation in September 2006 (Council's first proposed amendment to its LTCCP).

The Committee is now being asked to recommend that Council approves the Proposed 2007/08 Annual Plan document, which also contains a Proposed Amendment to the 2006-16 Ten Year Plan (LTCCP) relating to the Revenue and Financing Policy (see below). In addition, a summary document has been prepared which will be distributed to all households.

The Proposed 2007/08 Annual Plan, incorporating the Proposed Amendment to the 2006-16 Ten Year Plan (LTCCP) (**Attachment 1**) - Council's second proposed amendment to its LTCCP - and the summary document (**Attachment 2**) are attached to this report

Submissions on some of our previous planning documents pointed out that, in spite of all the information provided, it was sometimes difficult to work out what the Council actually intended to do in the financial year. Consequently, this year, in both the summary and full documents, we have tried to specify key projects planned for the 2007/08 year.

The documents need to be printed and distributed to start the consultation process on 5 April 2007 (see timetable below).

When the Council approves the Proposed Amendment to the LTCCP, Audit New Zealand will provide their audit report for the Proposed Amendment. The auditors will be present at the meeting.

4. Proposed Amendment to the 2006-16 Ten Year Plan (LTCCP)

It is proposed that the Council's Revenue and Financing Policy be amended to allow the Council to fund, through loans, certain rail expenditure over a period greater than the five years currently allowed.

This will only apply in circumstances where the Council is unable to obtain an ownership interest in respect of that expenditure. An example of this would be station upgrades where the assets are held by ONTRACK.

The proposed amendment relates to section 2.1 of the Revenue and Financing Policy, replacing the last bullet point in this section with the following:

Where the expenditure relates to the provision of passenger rail services, benefits of that expenditure extend beyond one year, and Greater Wellington is unable to obtain an ownership interest in the asset created; in this situation, Greater Wellington may loan fund the expenditure over a period not exceeding 75% of the expected useful life of that asset.

There is no financial impact as a result of this amendment.

5. Timetable

The timetable for the Annual Plan and Amendment is as follows:

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|-----------------|---|
| 13 March | Council approves the Proposed 2007/08 Annual Plan, incorporating a Proposed Amendment to the 2006-16 Ten Year Plan (LTCCP), and summary document, to be released for public consultation.

Audit New Zealand provides its audit report on the Proposed Amendment. |
| 5 April – 7 May | Submission period. |
| 23 - 25 May | Hearings for public submissions. |
| 12 June | Council approves the rates and levies numbers for inclusion in the final 2007/08 Annual Plan. |
| 28 June | Council adopts the final 2007/08 Annual Plan and the amendment to the 2006-16 Ten Year Plan (LTCCP) – the second amendment.

Council sets its rates and water levy for 2007/08. |

6. Communication

The summary document will be distributed to all households in the region. It contains a submission form to allow the public to make a short submission relatively easily.

Where possible, we intend to hold joint public meetings with the city and district councils.

7. Recommendations

That the Committee recommend that Council:

1. ***Receives the report.***
2. ***Notes the content of the report.***
3. ***Approves the Council's Proposed 2007/08 Annual Plan and summary document, subject to any changes the Committee may identify.***
4. ***Approves the Proposed Amendment to the 2006-16 Ten Year Plan (LTCCP) relating to the Revenue and Financing Policy.***

5. *Upon receipt of the Audit opinion, **adopts** the Proposed Amendment to the 2006-16 Ten Year Plan (LTCCP) relating to the Revenue and Financing Policy and the Proposed 2007/08 Annual Plan and summary document, for the purpose of public consultation.*

Report prepared by:

David Benham
Chief Executive Officer

Attachment 1: The Proposed 2007/08 Annual Plan, incorporating a proposed amendment to the 2006-16 Ten Year Plan (LTCCP)

Attachment 2: Summary document