

**AGENDA FOR A MEETING OF THE LONG TERM COUNCIL COMMUNITY PLAN AND
ANNUAL PLAN COMMITTEE TO BE HELD IN THE COUNCIL CHAMBER AT
WAITAKERE CENTRAL, 6 HENDERSON VALLEY ROAD, HENDERSON,
WAITAKERE, ON FRIDAY, 18 JUNE 2010, COMMENCING AT 9.30 AM**

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1 APOLOGIES



2 URGENT BUSINESS

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 provides that where an item of business is not on the agenda, it may only be dealt with at the meeting if:

- (i) the Committee by resolution so decides; and
- (ii) the Chairman has explained at the beginning of the meeting (when open to the public) that the item will be raised for discussion and decision, why the item is not on the agenda, and why it cannot be delayed until a subsequent meeting.

The Committee may make a decision on a matter determined to be urgent.

NOTE: Urgent Business need not be dealt with now and may be delayed until later in the meeting.



3 CONFLICTS OF INTEREST

The Council has acknowledged in its Code of Conduct that Members need to be vigilant to stand aside from decision making when a conflict arises between their role as a member of the Council and any private or other external interest they might have. This note is provided as a reminder to members to check that no such conflicts arise in relation to any items on this agenda.



4 CONFIRMATION OF MINUTES

Meeting Minutes -	Monday, 22 February 2010;
Reconvened Meeting Minutes -	Tuesday, 23 February 2010;
	Tuesday, 16 March 2010;
	Friday, 9 April 2010;
	Friday 16 April 2010; and
	Tuesday, 20 April 2010.

RECOMMENDATION

It is recommended that the Long Term Council Community Plan and Annual Plan Committee resolve to:

Receive the minutes of the meetings of the Long Term Council Community Plan and Annual Plan Committee held on Monday, 22 February 2010 and reconvened on Tuesday, 23 February 2010, Tuesday, 16 March 2010, Friday, 9 April 2010, Friday 16 April 2010 and Tuesday, 20 April 2010, as circulated, and that they be taken as read and now be confirmed.



5 DRAFT ANNUAL PLAN 2010/2011 BUDGET DECISIONS AND APPROVAL PROCESSES

GLOSSARY

Long Term Council Community Plan and Annual Plan Committee	(the Committee)
Long Term Council Community Plan 2009-2019	(LTCCP)
Auckland Transition Agency	(ATA)

EXECUTIVE SUMMARY

The purpose of this report is to advise the Long Term Council Community Plan and Annual Plan Committee (the Committee) of the budget decision and approval processes for adopting the Annual Plan 2010/2011. The report includes the 2010/2011 Draft Financial Carry Forwards requests.

The Local Government (Auckland Council) Act 2009 requires the Council to prepare an Annual Plan 2010/2011 for the four months that it is in existence until 31 October 2010. This Annual Plan 2010/2011 may be adopted by Council if it is not inconsistent with the Long Term Council Community Plan 2009-2019 (LTCCP). Consultation with the Auckland Transition Agency (ATA) is required throughout the process of the Annual Plan 2010/2011 preparation.

RECOMMENDATIONS

It is recommended that the Long Term Council Community Plan and Annual Plan Committee:

1. **Receive** the Draft Annual Plan 2010/2011 Budget Decisions and Approval Processes report.
2. **Agree**, subject to resolution 7 below, that a total of \$134,765,223 capital funding be carried forward to the 2010/2011 financial year.
3. **Agree**, subject to resolution 7 below, that a total of \$1,975,295 operating funding be carried forward to the 2010/2011 financial year.
4. **Agree**, subject to resolution 7 below, that the carried forward schedule be referred to the Chief Executive Officer and that the Budget Review Group approve the final figure to be carried forward to the 2010/2011 financial year.

5. **Approve**, subject to resolution 7 below, the recommendation from the Finance and Operational Performance Committee to add \$305,000 to the draft Annual Plan 2010/2011 to cover the funding shortfall for Housing for Older Adults so that all tenants who were in occupation prior to 1 April 2008 will be charged according to the previous rental policy of 25% of gross Superannuation or benefit, for the term of their current tenure, unless they move for reasons of medical care or if their unit is deemed substandard by Council.
6. **Agree**, subject to resolution 7 below, to recommend to Council to adopt a formal resolution that the draft Annual Plan 2010/2011 budget is not inconsistent with the year two of the Long Term Council Community Plan 2009-2019.
7. **Note** that resolutions 2 to 6 are subject to confirmation from the Auckland Transition Agency.

BACKGROUND

1. The Council must prepare and adopt the Annual Plan 2010/2011 commencing 1 July 2010 under section 95 of the Local Government Act 2002. The Annual Plan 2010/2011 process has been changed by legislation to recognise the imminent changes to Auckland governance. The Local Government (Auckland Council) Act 2009 under sections 29A and 29B gives rise to the following changes:
 - Councils must prepare an Annual Plan for the 2010/2011 financial year but this is required to cover the period 1 July 2010 to 31 October 2010 with information provided for the period 1 November 2010 to 30 June 2011 for comparative purposes.
 - As long as the Annual Plan 2010/2011 is consistent with year two of the LTCCP, no consultation is required in relation to the Annual Plan 2010/2011.
 - Councils must set rates and other revenue mechanisms for the full 12 month period; these must be sufficient to fund the four month period plus the balance of the 2010/2011 financial year as if the requirements identified for the four month period continued for the balance of the financial year.
 - Councils must consult with the ATA throughout the preparation of the Annual Plan 2010/2011.

DECISION MAKING

Issues

2. The Committee received reports on budget proposals for the 2010/2011 financial year at the Committee meetings held on 22 February 2010, 23 February 2010, 16 March 2010, 9 April 2010, 16 April 2010 and 20 April 2010.
3. All budget changes to the year two of the LTCCP budget as approved by the Committee's resolutions at the above meetings have been incorporated into the draft Annual Plan 2010/2011 budget.
4. The draft Annual Plan 2010/2011 budget also incorporates the resolutions of the Finance and Operational Performance Committee meeting of 10 June 2010 that pertain to the Annual Plan 2010/2011 budget. Specifically the budget changes include the use of the forecast operating and capital surplus funding from the 2009/2010 financial year, and the Housing for Older Adults - Rental Charges. A verbal report will be provided on the additional capital surplus to be applied to the projects listed in the second list of projects presented to the Finance and Operational Performance Committee meeting on 10 June 2010.

5. In summary the draft Annual Plan 2010/2011 budget now shows the council controlled rate increase of 3.99% compared to 7.29% reported in the LTCCP.
6. The rates resolution for setting the 2010/2011 rate requirements report will be circulated under a separate supplement prior to the Committee's meeting to be held on 25 June 2010 prior to Council adopting the draft Annual Plan 2010/2011 on the same day.

A1-A15

7. The list of carry forwards for both capital and operating programmes are included in attachment at pages A1 to A15. Carry forwards arise as the implementation of the budgeted annual work programmes have not proceeded as originally planned. Issues resulting in delays include:
 - Inclement weather condition resulting in construction delays;
 - Unavailability of contractors, materials or other resources;
 - Prolonged negotiations with affected parties or disputes;
 - Protracted consent, application or hearings processes; and
 - Reliance on timeframes imposed by external parties (e.g. government agencies).
8. Operating carry forwards pertain to projects which could either not proceed during the year or for which external funding has been received for work which will continue in the 2010/2011 financial year.
9. The approved carry forwards will be updated in the Annual Plan 2010/2011.
10. The updated Annual Plan 2010/2011 will be available at the 25 June 2010 Committee meeting for adoption. A final printed version will be published and made available to the public in July 2010.

STRATEGIC CONTEXT

11. The Annual Plan 2010/2011 is year two of the LTCCP. The LTCCP describes the Council's response to the community outcomes and provides a long term focus for the decisions and activities of the Council. The LTCCP gives expression to the strategic direction of the Council, the Auckland sustainability framework, and provides a basis for accountability to the community. The LTCCP also details a proposed work plan for the Council and how it will manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

CONSULTATION

12. There is no requirement for Council to consult the public on the draft Annual Plan 2010/2011. The draft Annual Plan 2010/2011 can be adopted by resolution of Council if it is not inconsistent with the 2010/2011 year of the LTCCP. This is in accordance with section 29A of the Local Government (Auckland Council) Act 2009.
13. The ATA is consulted throughout the process of preparation of the Annual Plan 2010/2011.

RESOURCES

14. Resources are as provided in year two of the LTCCP. This report has no additional resource implications other than staff time.

IMPLEMENTATION ISSUES

15. There are no implementation issues.

AUCKLAND COUNCIL TRANSITION ISSUES

16. The Local Government (Tamaki Makaurau Reorganisation) Act 2009 section 31(4) (b) requires ATA's approval prior to the Council adopting or amending a Long Term Council Community Plan or to adopt an Annual Plan. Relevant information will be provided to the Auckland Transition Agency to assist them in their confirmation process.

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