# X.1 PROCESS FOR THE REVIEW OF THE REGIONAL GROWTH STRATEGY

**W736-G06-01**

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## X.1.1 INTRODUCTION

The Regional Growth Strategy (RGS) was adopted in November 1999 by all the Councils in the region and is now due for review. Although the fundamental elements of the strategy of a compact city and intensification around transport nodes and corridors continue to be supported, the region has moved on significantly, learnt many lessons around implementation, and as a result aspects of the Strategy need to be reviewed.

The Regional Growth Forum resolved in August that officers report back with a "process outlining how the RGS will be reviewed, with a timeline, the process to include incorporating the Regional Value Proposition work and Business Land Plan". Before embarking on the review process it is important to consider what form the reviewed Strategy will take.

In a parallel process it is intended to undertake a first principles review of the Regional Land Transport Strategy. Thus, there is the opportunity to fully integrate the RLTS and RGS review processes. Consideration also needs to be given to integrating AREDS and Business location and development issues into the review. Linkages to the LTCCP/Community outcomes and LGAAA plan change processes highlight the need to resolve the future role and scope of the Regional Growth Strategy before any review of content begins.

This report sets the proposed review in a historical as well as current context, provides a high level update on the successes of the current Strategy, identifies the drivers for the review and sets out a preferred approach. Agreement of all Councils in the region will be needed on these matters. Once this has occurred, officers will develop a project plan for reporting back to the next Forum meeting.

## X.1.2 THE PROPOSAL

This report suggests that the review of the Regional Growth Strategy can be considered at 3 levels.

- A review of the vision, outcomes and principles of the current RGS.
- A review of the landuse/ infrastructure issues.
- A review of implementation issues.

If this approach is adopted the future RGS could be structured differently from the current Strategy. This would see a higher-level strategic document focussed on wider sustainability principles (it could be called Vision Auckland). Sitting underneath this would be a document, which concentrated on the spatial "Growth Concept" component within the current Strategy. This document would deal with the landuse development and infrastructure matters and would be on the same level as the RLTS and the AREDS. This document could be called the Spatial Development Strategy. Because a review of the Strategy will take some time, running parallel to the review, implementation of the current RGS would need to continue. To some extent the LGAAA processes which will change the RPS and district plans will also enable an immediate review of current implementation. On top of this there may also be applications from Councils to vary the RPS such as applications to change the MUL to accommodate increased business land.

### X.1.3 BACKGROUND TO THE CURRENT REGIONAL GROWTH STRATEGY

The Regional Growth Strategy is a high level regional strategic document adopted by all the councils in the region. Development of the RGS involved research, analysis and evaluation of options, stakeholder and public consultation and took approximately 3 years. Attachment 1 sets out the technical work that went into its development. Attachment 2 sets out the process that was followed.

The RGS consists of the following elements; a vision, a set of principles, 16 outcomes and a growth concept (a compact intensified city integrated with passenger transport). Attachment 3 sets out the RGS vision, principles and outcomes. To provide greater detail on the RGS sector agreements were developed which set out the scale, timing, sequencing and location of how growth will be accommodated at a sub-regional level. The last sector agreement was finalised in October 2001. These sector agreements are in turn implemented by changes to the regions statutory planning documents and through Council and stakeholder funding processes.

The RGS states that a full review of strategy outcomes, principles and criteria and the Growth Concept will occur every 5 years (due November 2004). The Growth Forum considered the issue of a review in 2003 and resolved on the 19 February 2003 that the review focus on closing gaps and updating the Strategy. This was on the basis that a full review of the Growth Strategy would occur in conjunction with the review of the RLTS, which was programmed for the 2006 year and after the completion of the LTCCP.

Review of the Sector Agreements can occur at any time and a reviewed Central Sector Agreement was endorsed by the Forum in November 2003.

The RGS was based on accommodating a population of 2 million by 2050. High population growth means that with a medium level growth projection, 2 million will be reached by 2041.

In 2004, the lack of business analysis behind the RGS was acknowledged by the Regional Growth Forum and work on a business land strategy is underway.

The elements contained in the RGS and identified above are not new to planning in Auckland. A containment policy first appeared in the 1950's with the introduction of metropolitan urban limits. At that time they were a tool to manage the sequencing of development to ensure appropriate provision of infrastructure. The policy of containment remains today as does the metropolitan urban limits although its purpose is much wider than as a sequencing tool. The 1996 Environment Court decision upheld by the Court of Appeal mandated the use of the metropolitan urban limits as a tool to achieve integrated management.

Intensifying housing to make transport and infrastructure operate more efficiently has also been an objective of regional consolidation strategies since the 1950's. For example, the 1974 Regional Planning Scheme proposed higher density housing around commercial centres, transport routes and major open space or coastline, but did not promote housing intensification per se.

The final point to make is that given the changes to the RMA and the changes arising from the LGAAA process the full review of the Regional Policy Statement in 2009 takes on greater significance.

## X.1.4 STATUTORY CONTEXT

Subsequent to the region embarking upon the development of a RGS, the Local Government Act 1974 was amended to provide specific recognition to the Regional Growth Forum and the Regional Growth Strategy. The relevant sections of the Act place an obligation on the ARC to prepare and adopt a regional growth strategy as well as establishing a growth forum for the region.

The Act sets out the objectives of the strategy, "*...to ensure growth is accommodated in a way that meets the best interests of the inhabitants of the Auckland Region*", and sets out matters that the strategy may include such as:

- *"Identification of the anticipated and preferred locations of growth within the Auckland Region.*
- *A statement of key values for considering growth issues.*
- *Information about future growth to assist regional providers of infrastructure to plan to meet future requirements.*
- *Such other matters as are considered appropriate."*

The Act also sets out the functions of the Regional Growth Forum, which is to advise on and approve the Regional Growth Strategy and any amendment to that Strategy before any such strategy or amendment is adopted by the Auckland Regional Council.

Finally, the Act requires that the preparation and adoption of the Regional Growth Strategy or any amendment to that Strategy must be carried out by the Auckland Regional Council in accordance with the special consultative procedures. As such, any review will have to encompass public consultation/engagement processes. The costs and time involved in this are considerable.

## X.1.5 RECENT CHANGES

Several changes have occurred that alter the position that the RGS has in terms of regional strategic documents.

The RGS vision, set of principles and landuse concept and Sector Agreement detail have been adopted into the RPS and district plans through the LGAAA changes. These will be subject to statutory testing through the joint hearings process and subsequently to the Environment Court. The LGAAA changes coupled with changes to the Resource Management Act requiring that district plans have to give effect to the Regional Policy Statement have confirmed the place of the RPS as the overarching planning document for the region. In one sense it is no longer necessary for the RGS to contain landuse elements as the direction and detail are contained in the RPS. However, the RPS is a statutory document and subject to litigation. The RGS and the Sector Agreements are places where the region comes together to address landuse issues in a non-statutory manner. It is therefore still useful as a vehicle where regional consensus can be achieved outside of the statutory RPS arena.

The Councils of the region have all produced community outcomes. The 16 outcomes of the RGS are largely consistent with the community outcomes developed throughout the region.

### X.1.6 REGIONAL GROWTH STRATEGY SUCCESSES

In its short time the RGS has achieved a number of successes. These include:

- The RGS has provided a broad framework around which consensus has been built on the future direction of growth and development within the region. The community are generally in support of a more compact intensifying urban area. The Forum has encouraged ongoing political engagement to address issues.
- The work undertaken to support the RGS and its ongoing implementation has provided explicit recognition to urban growth objectives. Some innovative work has been achieved and costs have been shared by Councils.
- The RGS has provided a framework around which Central government can address the regions needs and has served as a point of agreement when the region has engaged with central government. The results of this can be seen primarily in changing legislation (e.g. legislative support for the RGS) and investment in transport but also in a greater interest in urban sustainability and urban development issues generally.
- The RGS has led the way in taking a longer term view of growth management issues resulting in the identification of infrastructure requirements to accommodate growth and the securing of infrastructure funding e.g. Transport, schools, energy etc.
- The RGS and the Forum have served as an example/model for other regions.
- The RGS led the way in the move away from a purely effects based approach to managing growth and development to a more holistic and sustainable way. Initially set up as a non-statutory process its development resulted in the use of new tools to achieve integration within the region. (Memorandum of Understanding, Sector Agreements).
- The RGS has achieved a consolidation of the existing urban area and has resulted in good examples of compact urban development. This point should not be underestimated. In the development of the RGS Councils faced criticism that there was no market for the type of developments envisaged.

### X.1.7 ISSUES AND GAPS IN THE EXISTING RGS

In order to focus the review process it is useful to identify the drivers for a review. Apart from the nominated review date there are a number of such drivers.

- The first is that implementation of the RGS has been variable. The landuse concept has been implemented in terms of agreed moves to the urban limits. There has also been general intensification throughout the region. Implementation is however slow in terms of zoning for quality intensification around transport centres. The lack of progress must however be kept in context as the strategy is only 6 years old and the Sector Agreements only 3 ½ years. To expect significant advances in this short a timeframe may be overly optimistic. It also underestimates the considerable time and resources required to engage with the community and effect change.

- In terms of the 16 outcomes, strategies have been produced for Affordable Housing and Open Space. However, implementation of these strategies has also been limited.

- A further issue around implementation is that the Councils have limited tools to ensure the type of development envisaged in the Growth Strategy actually occurs.

- Arising from slow implementation is the issue of diminishing capacity to accommodate expected growth. If high growth rates and lack of substantial progress with selected intensification continue the region could face capacity constraints within 10 years. This capacity constraint is for both residential and business land needs. This capacity constraint manifests itself in one way through the demand for more greenfields. In 2009, when the RPS is reviewed, this pressure is likely to manifest itself through RMA challenges to the metropolitan urban limits.

- Community acceptance of intensification has also proved difficult to achieve particularly in areas identified for intensification. The ARC Environmental Awareness survey shows support for the Growth Strategy (50% of those surveyed support the basis of the Growth Strategy 22% are neutral and 28% disagree. 40% indicate that they would consider an apartment or the like as suitable accommodation for their needs at some stage). However, this support is at a generic level and is not translated into support by communities identified for redevelopment. Contributing factors include the poor quality of building construction, poor urban design, new developments lack of integration with the existing community, lack of supporting infrastructure and a general concern about change.

- One of the premises of the Growth Strategy is that of intensification supported by a high quality public transport system. Significant progress has been made on addressing public transport in the region. However, to date the market has not placed a premium on locating near these transit stations. Intensification must go hand in hand with the provision of the necessary infrastructure particularly public transport.

- The existing RGS was primarily a residential landuse strategy and did not adequately integrate the business and economic development issues with the provision of landuse and infrastructure. This is recognized by the subsequent work on AREDS and the BLS. The proposed review allows the opportunity to integrate these matters. The question also arises about whether there are any other gaps/issues that the review should consider such as energy planning and provision of social infrastructure.

- Rural issues were only tentatively addressed in the RGS and consideration needs to be given to integrating these matters into the review.

- Underlying many of the issues above is the question of infrastructure funding. The pace of growth has generally outstripped the ability of the region to fund necessary infrastructure. The type of development envisaged by the Growth Strategy requires considerable up front investment by Councils who are largely reliant on traditional funding mechanisms.

The drivers identified above relating to landuse and capacity issues will always be to the forefront of the debate around the RGS. What is often forgotten in this debate is the RGS also includes a vision, principles and outcomes and is still at the relatively early stages of its implementation.

## X.1.8 SUGGESTED APPROACH

It is recommended that the review focus on determining which elements of the current RGS still represent the aspirations of the region and then address the gaps/shortcomings etc.

Such an approach could be separated into three components:

The first is a process that reviews the vision, principles and outcomes of the current RGS. The focus should be on determining whether these are still relevant and whether there are any gaps, for example, do the existing 16 outcomes encompass all the elements of sustainability. The aim of this part of the review would be to adopt a vision and a small number of outcomes for the region which provide an overarching regional framework which would inform and link all other regional strategies.

Under the guidance of the CEO forum, work is underway examining options for developing a Long Term Framework for sustainability in the Auckland Region. There are clear overlaps with the development of this framework and with the proposed review of the vision, principles and outcomes of the current RGS. Should the Forum agree with the recommended approach then the development of a Long Term Framework and the review of the RGS vision, principles and outcomes could be combined.

The second component is a review of the spatial "Growth Concept" within the current Strategy. This would deal with landuse, development and infrastructure matters and would be integrated with the RLTS, and informed by AREDS and current Growth Forum work around business matters.

This process will take time; involve technical inputs, scenario development and testing. It is also likely to be the area, which is the most contentious as it is the area where the current compact intensifying city model versus alternative models would be debated.

This component will also need to take into account the LGAAA changes to the regions planning documents, which are also addressing the spatial elements of the existing RGS.

The third component focuses on addressing how the reviewed strategy will be implemented. Whether the reviewed strategy that emerges is a refinement of the existing one or is fundamentally different, the key to its success will be in its implementation.

While the review is underway implementation of the existing strategy would still continue.

The three-stage process above lends itself to a restructuring of the existing RGS. The high level vision, principles and outcomes could form an overarching strategic framework for sustainability in the region. This framework would inform and integrate all other regional strategies. The landuse/infrastructure matters could then be contained in a separate document similar to the RLTS and informed by the overarching document. Implementation issues could be included within revised Sector Agreements.

Once the Growth Forum has reached an agreed approach then further work will need to be done to develop a timeline and project plan.

## X.1.9 ARC'S POSITION

At a special meeting of the Regional Strategy and Planning Committee on 27th October 2005, the ARC considered this report. Mindful that the Growth Forum and individual Councils had not yet considered the report, the ARC adopted a position as the basis for discussion with the Forum partners. For the Forum's information, the resolution of the ARC committee is set out as follows:

a) That the report be received.

b) That the ARC adopts as, the basis for discussion with partners, an approach to reviewing the Regional Growth Strategy which:

   i. Includes the following components:

      - A review of the vision, outcomes and principles of the current RGS.

      - A review of the spatial component of the current RGS.

      - A review of implementation issues.

   ii. Supports in principle the restructuring of the existing RGS into a higher level strategic document focussed on wider sustainability principles, including the social, cultural, economic and environmental matters in line with relevant legislation and a separate Spatial Development Strategy addressing landuse and infrastructure matters.

   iii. Will run in parallel with a first principles review of the RLTS (Regional Land Transport Strategy).

c) That the need to involve Government in a collaborative approach to the review of the Regional Growth Strategy be endorsed.

d) That the review of the existing strategy be carried out as expeditiously and economically as possible.

**ATTACHMENTS**

e) Attachment 1 - Technical reports produced for the development of the RGS.

f) Attachment 2 - Key Stages followed to produce the current RGS.

g) Attachment 3 - RGS Vision, Principles and Outcomes.

***RECOMMENDATIONS***

a) That the report be received.

b) That the report be referred to each Council as the basis for determining a preferred approach to the review of the Regional Growth Strategy.

c) That each Council report its position on the review of the Regional Growth Strategy to the next Growth Forum meeting.

d) That the Forum endorse integrating the review of the Regional Growth Strategy with the Regional Land Transport Strategy.

**ATTACHMENT 1**

**Technical Reports published as inputs into the development of the Regional Growth Strategy**

- A Place Sought By Many: A Brief History of Regional Planning for Auckland's Growth (May 1997).
- Growth Management Techniques: A Tool Box of Techniques (June 1997).
- Natural and Physical Resource Constraints: Stage 1 Database (July 1997).
- Natural and Physical Resource Constraints: Stage 2 Evaluation (June 1998).
- Employment Location in the Auckland Region (March 1998).
- Capacity for Growth (March 1998).
- Physical Infrastructure Providers Survey (March 1998).
- Business Opinion Survey (March 1998).
- Residential Intensification Developers Survey (April 1998).
- Survey of Regional Environmental Organisations (April 1998).
- Rural Values Report (April 1998).
- No or Slow Growth: the Rationale, Policy Approaches, Techniques and Implications (April 1998).
- Summary of Consultation Processes: The Views of Stakeholders and the Public (June 1998).
- Intensification of Urban Areas (June 1998).
- Social Infrastructure: Impacts of Urban Growth (June 1998).
- Transport and Landuse in the Auckland Region: Summary of Studies 1991-1998 (January 1999).

**Technical work carried out by and for the Regional Growth Forum following the publication of the draft Regional Growth Strategy**

- The Influence of Transport Investment on Urban Intensification: Final Report (February 1999, prepared by PPK Environment & Infrastructure Pty Ltd).
- Transport Implications of Intensive Urban Areas: Discussion Paper (February 1999, prepared by Hill Young Cooper).
- Metropolitan Urban Limits in the Auckland Region: Impact on Land Prices (October1999).
- Business Location in the Auckland Region (October 1999).

- Affordable Housing in the Auckland Region: Issues, Mechanisms and Strategies (October 1999, prepared by Business and Economic Research Limited).

- Key Mechanisms for Implementation (October 1999, prepared by KPMG).

- Draft Auckland Regional Growth Strategy: Commentary (October 1999, prepared by McDermott Fairgray).

## ATTACHMENT 2

# Key Stages in the Development of the Regional Growth Strategy

MAY 1996

**Auckland Regional Growth Forum**
established

| | | |
|---|---|---|
| Consultation<br>- public<br>- stakeholders | Technical analysis and research<br>Integration with regional transport policy | Growth Forum Workshops |

JULY 1998

**"Auckland: A Dynamic Region Draft Regional Growth Strategy"**
released for comment
- together with draft Regional Land Transport Strategy

| | | |
|---|---|---|
| - Stakeholder & Public meetings<br>- Submissions<br>- Hearings | Further Technical analysis<br>Further integration with transport policy | Growth Forum & Transport Committee Workshops |

NOVEMBER 1999

**"Auckland Regional Growth Strategy: 2050"**
adopted and launched
- together with Regional Land Transport Strategy 1999

ONGOING

**Implementation - Vision into Action**

| | | |
|---|---|---|
| - Partnerships with key stakeholders<br>- Consultation<br>- Education<br>- Advocacy | Range of implementation mechanisms: sector plans: RLTS; PTAP etc<br>Further technical analysis, monitoring & review | Growth Forum meets regularly<br>Ongoing integration with Transport Committee |

2005

First Full Review

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ATTACHMENT 3

## REGIONAL GROWTH STRATEGY VISION

The diversity and well-being of people and communities living in the Auckland region will continue to prosper in a sustainable manner which:

- Promotes strong, supportive communities
- Ensures a high quality living environment
- Creates a region that is easy to get around and
- Protects our coast and surrounding natural environment.

Table 2: Full statement of desired regional outcomes to be achieved in a Regional Growth Strategy

| Outcome | Outcome definition |
|---|---|
| Water quality | water quality in streams and coastal marine area is maintained where it is good and improved where it is now degraded |
| Access and transport efficiency | more transport choices and high levels of access for all sections of the community, a closer relationship between home and work, activities, shopping, open space etc., managing traffic congestion and a better passenger transport system |
| Coastal environment | natural character of coastal environment including landscapes, ecosystems, native bush and water quality preserved and enhanced and access to clean and beautiful beaches maintained |
| Air quality | air quality is maintained where it is good and improved in areas where it is now degraded |
| Sustainable use of resources | more efficiency in use of natural and physical resources, including urban land, rural land, infrastructure and energy resources |
| Employment choice | more employment choices everywhere, better match of employment to population in different parts of region |
| Business opportunity | improved opportunities for businesses (business growth, development opportunities, affordable and suitable land and infrastructure) |
| Urban amenity | higher quality urban amenity particularly business, residential, shopping and public space areas (more trees, better streetscape, better urban design etc.) |
| Safe, healthy communities | safer, healthier communities with high-quality readily accessible community facilities and services publicly and privately provided (e.g. libraries, sporting facilities, schools, stadia, theatres, cafes, gyms etc.) |
| Housing choice/ affordability | improved housing choice and affordability throughout the region |
| Cultural heritage | protection and enhancement of cultural heritage |
| Habitat | expansion and protection of high-quality indigenous habitat |
| Open space | a greater range and diversity of protected open space |
| Rural amenity | better non-urban and rural amenity including landscape protection, and more trees and vegetation |
| Physical and social infrastructure | physical and social infrastructure provided, maintained, enhanced and optimised - existing infrastructure maintained and utilised where it has sufficient capacity for growth, and upgraded where it has not |
| Cultural identity | cultural identity, including maintaining cultural diversity |

Table 4: Principles for evaluating regional growth alternatives

| Relevant desired outcome area | A. Principles to be applied over the whole region |
|---|---|
| • Safe, healthy communities<br>• Social infrastructure<br>• Housing choice/affordability<br>• Employment choice | Enable people and communities to meet their basic needs of shelter, safety, health, education, cultural expression, income, recreation and leisure, to facilitate the health and safety of present and future communities. |
| • Cultural identity<br>• Heritage<br>• Rural and urban amenity | Take into account the values of identified cultural heritage sites and areas, and their setting/context during (re)development. |
| • Cultural identity<br>• Safe, healthy communities | Foster cultural expression by cultivating a sense of place, recognising arts and culture as key elements of place, enhancing cultural well-being and recognising the cultural diversity of local and regional communities. |
| • Water quality<br>• Rural and urban amenity | Maintain or improve water quality in all catchments. |
| • Protect habitat<br>• Rural and urban amenity | Maintain and enhance high-quality indigenous habitats, especially those in proximity to Significant Natural Areas and Values[11], during (re)development. |
| • Coastal environment | Recognise and maintain the qualities of identified highly valued coastal environments (the sea, islands, marine reserves, shoreline, harbours and estuaries) during (re)development. |
| • Housing choice<br>• Employment choice | Enable a regional growth pattern which can provide a range of employment choice and housing choice by type, affordability and location. |
| • Safe, healthy communities<br>• Cultural identity | Encourage a regional land use and transport pattern which:<br>• Enables people focused communities, and protects and fosters existing and future community values and integrity. |
| • Access and transport efficiency<br>• Business opportunity<br>• Sustainable use of the resources<br>• Air quality<br>• Employment choice | • Recognises different types and functions of transport corridors and their relationship with adjoining land uses such as the location of freight forwarding/distribution near motorways and/or rapid transit interchanges; or the location of housing and community facilities near passenger transport. |
| • Business opportunity<br>• Efficient use of resources | • Is flexible and accommodates change (e.g. new technology, road reform/pricing, new work practices, new industries etc.) while providing sufficient certainty for planning purposes. |
| • Business opportunity<br>• Employment choice<br>• Sustainable use of resources<br>• Access | • Enables a range and quality of business locations to accommodate employment growth (e.g. industrial areas near motorway/rapid transit interchanges; a variety of mixed use, sub-regional or town centres for offices and services outside the CBD). |

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| Relevant desired outcome area | A. Principles to be applied over the whole region |
|---|---|
| • Access<br>• Business opportunity<br>• Employment choice | • Enables a good local, cross-region, inter-region and international transport network, including passenger transport for ease of movement for goods and services, business traffic and commuter traffic. |
| • Access<br>• Urban amenity<br>• Air quality<br>• Social infrastructure provision<br>• Employment choice | • Reduces the need to travel by car by encouraging more employment/business/retail/community facilities close to residential areas and the opportunity to walk or cycle. This pattern needs to foster a critical mass in terms of population to support a range of small local enterprises. |
| • Social infrastructure provision<br>• Safe, healthy communities<br>• Employment choice | Enable a regional land use pattern where local areas have sufficient critical mass in terms of population to support a range of quality and accessible community facilities and services, including health facilities and education and training to support employment choice. |
| • Safe, healthy communities<br>• Urban amenity | Enable all urban areas to be capable of responding to community values, including improved community safety, amenity and urban design measures. |
| • Business opportunity<br>• Urban amenity | Provide adequate and high-quality infrastructure to support business, residential and other opportunities in a timely manner. |
| • Sustainable use of resources | Take into account the values of productive soils when managing growth in rural areas. |
| • Sustainable use of resources<br>• Social infrastructure | Sequencing of all new growth areas to be co-ordinated with the provision or upgrading of drainage and other infrastructure (including social infrastructure). |
| • Social infrastructure<br>• Safe, healthy communities | Ensure the costs and benefits of growth are distributed in a manner that does not unfairly impact upon any group or community's ability to provide for its social, economic and cultural well-being. |
| **Relevant desired outcome area** | **B. Principles to be applied to new urban areas ... (in addition to above principles for the whole region)** |
| • Water quality | Avoid urbanisation of the most highly valued and sensitive areas in respect of water quality. |
| • Coastal environments<br>• Indigenous habitats | Avoid urbanisation of the most sensitive and highly valued coastal environments such as estuaries, harbours and wetlands. |
| • Open space<br>• Rural and urban amenity | Avoid urbanisation in areas where existing protected open space or other significant highly valued open space areas will be adversely affected. |
| • Rural amenity<br>• Heritage | Avoid urbanisation of the most highly valued rural areas such as high-quality landscapes, bush areas or views. |

| Relevant desired outcome area | C. Principles to be applied to urban intensification areas both in the existing urban area and in new greenfields development ... (in addition to the principles for the whole region) |
|---|---|
| • Access<br>• Urban amenity<br>• Safe, healthy communities | All intensification areas to be served by an effective and efficient passenger transport system. |
| • Employment choice<br>• Access<br>• Community | All intensification areas to be within walking distance of a commercial or employment centre. |
| • Heritage<br>• Urban amenity | All intensification areas to be located in a manner that maintains identified residential character areas. |
| • Open space<br>• Safe, healthy communities<br>• Urban amenity | All intensification areas to be located and developed in a manner that provides adequate open space for the needs of local residents. |
| • Social infrastructure<br>• Safe, healthy communities<br>• Access & transport efficiency | All intensification areas to have access to appropriate and affordable education, health, community, recreation, social services and facilities. |
| • Housing choice<br>• Employment choice<br>• Community | All intensification areas to provide a range of dwelling types and densities including mixed use development activity where appropriate. |

# Greenhouse Gas Emissions Analysis and Forecast

## Milestone One Report
## Communities for Climate Protection™ - New Zealand Programme

### Executive Summary

In July 2004, Waitakere City Council joined the Communities for Climate Protection™ - New Zealand (CCP®-NZ) Programme, a campaign to reduce greenhouse gas emissions. CCP®-NZ is a New Zealand Government initiative delivered by the International Council for Local Environmental Initiatives – Australia / New Zealand (ICLEI-A/NZ). This programme is part of ICLEI's International Cities for Climate Protection™ Campaign.

The analysis and forecast of greenhouse gas emissions has now been completed for Waitakere City Council and this report details the results.

Key findings identified from the inventory process are:

- The CCP®-NZ Programme divides local authorities' greenhouse gas emissions into two areas; Corporate (referring to council activities), and Community (the residential, commercial and industrial sectors of the council area).
  - Corporate Base Year 2002 greenhouse gas emissions were 6,059 tonnes of carbon dioxide equivalents ($CO_2e$). In a business as usual scenario, where no action is taken, these emissions are expected to rise by 65% by 2010.
  - Community Base Year 2001 greenhouse gas emissions were 900,353 tonnes $CO_2e$. In a business as usual scenario, where no action is taken, these emissions are expected to rise by 25% by 2010.
- The key source of greenhouse gas emissions from council's operations is electricity use for Buildings, Water and Sewage (treatment and pumping), and Streetlights.
- Key sources of greenhouse gas emissions from the Community analysis include the Transport and Solid Waste sectors.



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## Background

CCP®-NZ is a New Zealand Government initiative delivered by the International Council for Local Environmental Initiatives – Australia/ New Zealand (ICLEI-A/NZ). This programme is part of ICLEI's International Cities for Climate Protection™ Campaign.

CCP®-NZ encourages and supports councils to reduce their greenhouse gas emissions and develop actions to foster climate change action at a local level. There are almost 700 Councils participating in the CCP® Programme around the world, including 14 New Zealand councils.

Waitakere City Council joined the CCP®-NZ Programme in June 2004 and committed to completing the five milestones of the Programme. These are:

- *Milestone 1:* Conduct an inventory and forecast for Community and Corporate (council) greenhouse gas emissions
- *Milestone 2:* Establish greenhouse gas emissions reduction goals
- *Milestone 3:* Develop and adopt a local action plan
- *Milestone 4:* Implement the local action plan and quantify the benefits of implementing actions
- *Milestone 5:* Monitor and report on implementation of the local action plan and progress towards achieving the reduction goal.

The milestone framework enables council to strategically identify sources and levels of greenhouse gas emissions produced from within council's operations ('Corporate') and the community. Council has completed Milestone 1 and can now use the results to set a reduction goal and prioritise actions to reduce greenhouse gas emissions that are locally relevant.

To assist with Milestone 1, council used $4,000 funding from the New Zealand Climate Change Office of the Ministry for the Environment to employ an intern from Unitec Institute of Technology. Waitakere City Council also formed a CCP®-NZ team involving Katja Lietz, Brent Bielby, Michelle Dawson and Brett Disley (Intern), staff from Strategy & Development and Cleaner Production sections. The on-going role of this team will be to assist the development of the local action plan (Milestone 3) and the implementation of measures to reduce greenhouse gas emissions (Milestone 4).

## Milestone 1: Analysis and Forecast of Greenhouse Gas Emissions Results

Note: All greenhouse gas emissions are equated into a common measure of carbon dioxide equivalents ($CO_2e$) in tonnes (T). $CO_2e$ is a measure of *equivalent* carbon dioxide produced from each emissions source. For example, methane is 21 times more potent than carbon dioxide in terms of global warming potential. Therefore, 1 tonne of methane is calculated to be the equivalent of 21 tonnes of $CO_2$, and is expressed as 21 T-$CO_2e$.

### The Corporate Emissions Analysis

The base year selected by Waitakere City Council for the corporate emissions inventory was the financial year 2001/02. This base year was selected due to the availability of data necessary to complete the inventory.

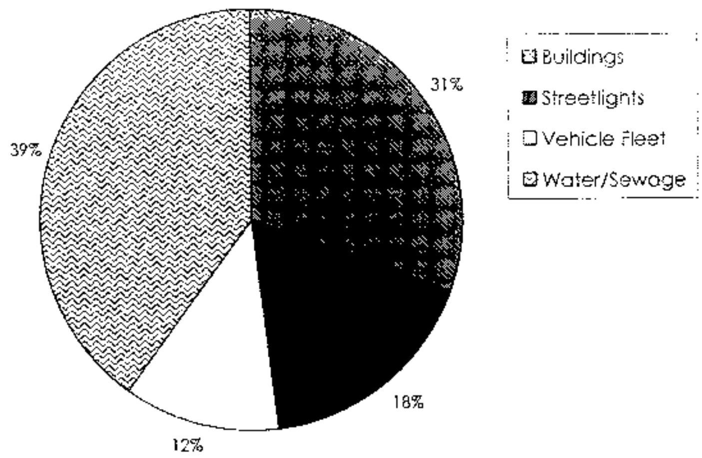
The forecast year is 2010. This is recommended by ICLEI-A/NZ and is the mid-point of the First Commitment Period of the Kyoto Protocol. The forecast calculations are based on a 'business as usual' scenario for council's operations. This includes any new developments expected between the base year and the forecast year. Examples include; Waitakere Central, West Wave and Massey Library.

The Corporate emissions analysis is broken down into six main sectors:

- Buildings – emissions resulting from the energy use (electricity and gas) of council owned and/or operated buildings
- Streetlights – emissions resulting from the energy use of streetlights
- Vehicle Fleet – emissions resulting from the energy use (petrol and diesel) of council-operated vehicles and machinery
- Employee Commute – a non-compulsory sector which examines emissions resulting from the energy use (petrol and diesel) of Council employees travelling to and from the workplace in personal vehicles.
- Water and Sewage – emissions resulting from the energy use (fuel and electricity) by the buildings and equipment used for pumping and treatment of water and sewage by facilities owned/operated by council. Included in this sector is the Waitakere City share of the energy for the treatment of wastewater at the Watercare wastewater treatment plant at Mangere
- Waste – emissions resulting from the breakdown of organic waste originating from corporate activities and operations (organic waste breaks down to produce methane). This section was not covered in the analysis due to lack of data. Plans are to review and include this as waste audit results become available.

Figure 1 below shows the percentage of corporate emissions generated from each of these sectors during the inventory year of July 2001 to June 2002.

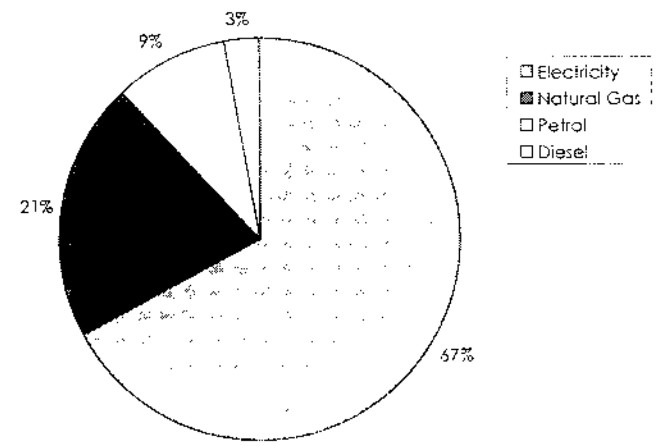
Figure 1: Waitakere City Council Corporate Emissions by Sector




Major sources of emissions in the buildings sector are attributed to the Civic Centre, West Wave and Community Centres & Library buildings.
Figure 2 illustrates the breakdown of corporate emissions by source. Major users of energy by source in descending order are;

- Electricity: Community Centres, Libraries and Halls; West Wave; Civic Centre; Green Assets and Enterprise operations.
- Natural Gas: West Wave and Waikumete Cemetery.

Figure 2: Waitakere City Council Corporate Emissions by Source



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## Corporate Emissions Forecast

As Figure 3 and Table 1 illustrate, corporate emissions are expected to increase under a 'business as usual' scenario by 65%. Main areas of increasing greenhouse gas emissions are buildings, streetlights and water/wastewater. The overall increase can be attributed to the population growth forecast for Waitakere and the council requirements to support this growth. However all projections made are based on data extrapolation used from the energy management database 'EnergyPro' over a four year historic period.

Figure 3: Waitakere City Council Corporate Greenhouse Gas Emissions

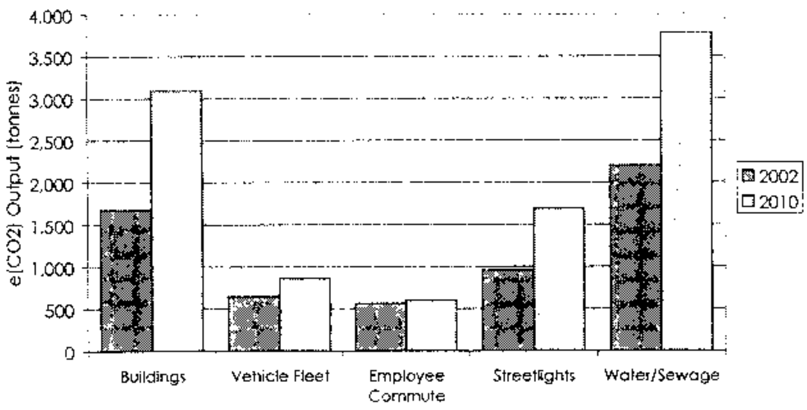



Table 1: Base and Forecast Years Corporate Greenhouse Gas Emissions by Sector.

| Sector | Year 2002 (Equivalent CO2 Tonnes) | Year 2010 (Equivalent CO2 Tonnes) |
|---|---|---|
| Buildings | 1,679 | 3,096 |
| Streetlights | 958 | 1,696 |
| Vehicle Fleet | 650 | 867 |
| Employee Commute | 568 | 604 |
| Water/Sewage | 2,204 | 3,782 |
| **Total** | **6,059** | **9,441** |

## The Community Emissions Analysis

The base year selected by Waitakere City Council for the Community emissions inventory is 2001. The primary reason for selecting this base year is the source of data for the Community inventory from sources such as Statistics New Zealand, the Ministry for Economic Development and EECA who all base their research and projections on information provided in the last census of 2001. ICLEI-A/NZ has provided a proxy data worksheet also sourcing data from similar sources which has been used for part of the community forecast. The forecast year is 2010. Forecast calculations are based on a 'business as usual' scenario allowing for a medium population growth scenario within the city and its associated effects.

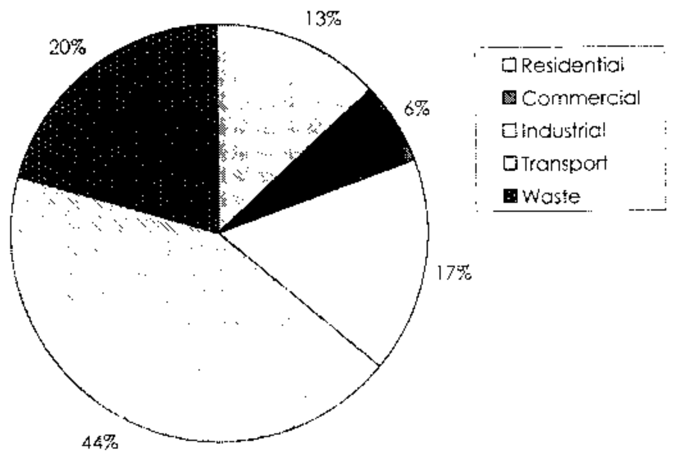
The Community analysis is divided into five sectors:

- Residential – emissions resulting from household energy use across the city
- Commercial – emissions resulting from commercial operations
- Industrial – emissions resulting from energy in local industry operations
- Transport – emissions resulting from energy use associated with vehicle use
- Waste – emissions resulting from the breakdown of waste originating from the community.

In is anticipated that agriculture will become another sector in the Community emissions analysis, including emissions resulting from stock, cropping and other agricultural activities. However, this has not yet been finalised by ICLEI-A/NZ as a CCP®-NZ sector, and may be taken into account in future inventories. In Waitakere City, agricultural emissions are unlikely to play a major role, because of the largely urban nature of the city.

Figure 4 illustrates the percentage breakdown of Community greenhouse gas emissions from each sector. The greatest emissions result from the transport sector, followed by waste. The 44% of the community emissions generated from fossil fuel consumption in transport use contributes almost 400,000 T-$CO_2$e.

Figure 4: Waitakere City Council Community Emissions by Sector



## Community Emissions Forecast

As Figure 5 and Table 2 illustrate, overall community emissions are expected to increase under a 'business as usual' scenario by 25%. Main areas of increasing greenhouse gas emissions are transport and waste. The overall increase can be attributed to the population growth in the city.

Figure 5: Waitakere City Community Greenhouse Gas Emissions

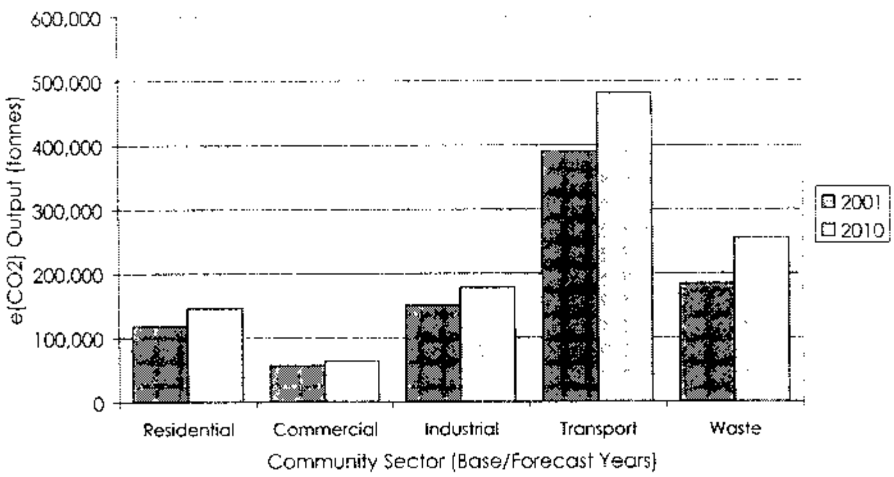



Table 2: Base Year and Forecast Year Community Greenhouse Gas Emissions by Sector.

| Sector | Year 2001 (Equivalent CO2 Tonnes) | Year 2010 (Equivalent CO2 Tonnes) |
|---|---|---|
| Residential | 118,709 | 146,555 |
| Commercial | 56,810 | 63,848 |
| Industrial | 150,432 | 178,531 |
| Transport | 390,334 | 481,751 |
| Waste | 184,069 | 255,324 |
| **Total** | **900,354** | **1,126,009** |

## Next Steps

Council has now completed the requirements of Milestone 1 of the CCP®-NZ Programme and has begun work on Milestone 2 which is developing goals for reducing greenhouse gas emissions.

Work on Milestone 2 will be completed early in 2006.

Milestone 3 then requires council to produce a local action plan for how it will work towards implementing and achieving the goals set.

BACKGROUND INFORMATION
FOR REPORT ABOUT THE HOUSING FOR OLDER ADULTS PORTFOLIO

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# 1. Summary

## 1.1. Housing for older adults portfolio

The Council has for some time subsidised the housing for older adults service, despite limiting the amount of investment in the portfolio and offering a minimum level of maintenance response. As a business it is therefore operating at a loss (between $265k and $593k over the past 3 years).

With the majority of this housing portfolio now over 25 years old, there are maintenance and renewal issues with the aging stock. This has implications for the future maintenance and refurbishment of each village. Many of the units, if built today would not be considered suitable to house older people. Whilst the Council is catering for the 'active' elderly, there do remain issues with both the units themselves and the grounds of the villages. Although some of the units may be 'unsuitable' in their present state, this does not necessarily mean that wholesale replacement of them is appropriate or necessary. Improvements on all scales can be made to the Units, from simple replacement of ovens to a redesign of the interior.

## 1.2. Governance and operational

*Governance and tenancy management*
The housing for older adults portfolio has been managed 'in-house' by the Council. Tenant needs are responded to through Council via the property officer. Services provided by the Council includes building maintenance, an urgent after hours service which is covered by the Council call centre, and maintenance of the grounds of the villages.

*Current demand for Council's housing for older adults*
The entire portfolio can accommodate 361 tenants. Although there are just 2 people on the waiting list, this is likely to be due to the need to increase the desirability of some of the villages and that the housing is not marketed heavily to attract potential tenants.

The desirability of the villages vary, with no vacancies in some villages and vacancies for others. Potential tenants typically prefer the more attractive and smaller villages that are close to amenities. Some villages are full (Godley, Harmony, Hutchinson Avenue, Kaumatua, Jack Smythe and South Karaka Street). Others have few vacancies (for example, Flagstaff, Kaurilands Court and North Karaka). The highest vacancy rate is at Wilsher village.

## 1.3. Social housing in New Zealand

*Housing New Zealand Corporation*
Housing New Zealand Corporation is the main provider of social housing in New Zealand, providing state rental housing for low income households and for other groups who have the greatest housing need.

There is a high demand for social housing owned by HNZ in Waitakere City, due to high population growth, land supply constraints (the ranges, harbours and the Metropolitan Urban Limit) and relatively high numbers of lower income households. The demand for state owned property in Waitakere City is on the increase. Since 2000, the waiting lists at the two local offices of Henderson and New Lynn have increased annually.

*Housing portfolios of other Councils*
The majority of Councils across New Zealand own housing which in many cases, were built to accommodate older people. The largest portfolios of over 2,000 houses are held by Christchurch and Wellington, and Waitakere City has the 9 largest portfolio in the country. A total of 34 Councils own 100 or more houses.

Generally, Councils with older adult housing stock appear to be committed to continuing to provide that housing and to maintain direct involvement with it, as pretty much the existing level. Some Councils are actively seeking to increase their portfolio, including Christchurch and Timaru.

Deferred maintenance is an issue for many of the Councils due to lack of funding to cover such costs. Most of the Councils offer housing for older people only. However, a number have entered into new markets, offering housing to refugees, multiple disadvantaged, those on low incomes, with limited assets and who can demonstrate a housing need.

### 1.4. The aged care sector in New Zealand

*Trend towards private sector*
Changes in the ownership of accommodation in the aged care sector means that fewer providers are offering the kind of accommodation that the Council now offers, which is 'social housing' for older people who are capable of independent living.

*Scale of the housing for older adults market in Waitakere City*
There are 5 known providers of social housing for older adults in Waitakere City, who provide an estimated 1085 houses. This excludes emergency houses and other housing geared towards particular groups, such as people with special needs. It is estimated that Waitakere City Council currently provides just under a third (30.9%) of social housing for older adults in Waitakere City.

*Future demand for older adult housing in Waitakere City*
The overall proportion of older people in Waitakere City is expected to increase significantly between 2001 and 2021. This population growth is in large part due to the baby boomers; those born between 1946 and 1964, over the next 20 years progressively moving through the older age brackets.

A significant increase (66.3%) in the total number of rented households by 60 years plus tenants over a 10 year period (2006 – 2016). Based on medium growth projections, over the next 10 years (2006 – 2016), the Council would need to increase its portfolio by 207 units to maintain existing share of the market.

### 1.5. Opportunities for the Council

*Housing Fund - Housing New Zealand*
Central government funding may be available for the Council's housing for older adults portfolio. Housing New Zealand Corporation's Housing Fund offers a total of $63 million over a 4 year period to encourage the provision of affordable housing. Housing NZ has indicated that funding will not exceed $1 million for any upgrade or reconfiguration work on Waitakere City Council HFOA housing stock.

*Planning and growth issues*
There is the opportunity to use the District Plan framework to facilitate development across Waitakere City, either via a sale of the whole portfolio or part sale of some villages. There are nine villages that are located in, or close to areas which have been identified as a future growth area by the Council, and may therefore have a 'strategic' value. Of particular interest, are the villages which are located in or near to Town Centres of New Lynn, Glen Eden and Henderson as these are priority work.

*Reconfigure the villages/development potential*
The growth of Waitakere City over time suggests that potential opportunities to reconfigure housing for older adult properties exist. In particular, the villages of Godley Court and Wilsher appear appropriate for such investigation.

*Partnership and a showcase housing project*

There are opportunities to consider close working relationships with Housing New Zealand in relation to the housing for older adult portfolio. The Council could initiate a joint venture demonstration project with potential partners including Housing New Zealand, third sector agencies and organisations, and private sector developers and companies.

### 1.6. Views of stakeholders

*Tenants*

Tenants were generally satisfied with the current locations and size of their villages (regardless of the number of tenants), and did not want to move. If changes were to be made to units or villages, tenants wanted units to be larger and modernised, with more storage (internal and external) and car parking, with better security features – both internal and external. Better insulation and reduced condensation were also key factors. The best things about all the villages were the people and the convenience/proximity to amenities and services. A minority said that the villages required no changes ('okay as it is' and 'nothing to be changed').

*Members of the public and wider community*

On the basis of the consultation with the community as part of the development of the Long Term Council Community Plan, there appears to be widespread recognition of the need for affordable housing. There was support for Council to be a provider of housing and a developer of low-cost housing.

### 1.7. Options for standards of service

Currently, the service offered to the tenants is at minimum acceptable standard and in some cases, the living accommodation offered at the villages is unsuitable for older people. Any upgrading of the properties would probably be dependent on costs and need and options include raising the overall standard of the units and villages (to thresholds 2 and 3 as defined by the Property Standards Quality Approach), or reconfiguring some of the units (significantly increasing the size of a unit), or redevelopment (rebuilding a village or part of a village).

Additional services include the possibility of working with out-of-house agencies to best utilize social services and support agencies, offering additional facilities (eg. communal halls in villages), and additional activities (such as outings, trips and events).

### 1.8. Options for funding

The ability of the housing for older adults portfolio to 'pay its way' and not pose a cost on the ratepayers, is a key issue. It is becoming more difficult to manage the portfolio so that no cost is passed on to Council or the ratepayers. This is due to the rental policy, an increase in rates, the requirement to set aside depreciation costs (an average of 3%) on the value of assets owned, and the increased cost of maintenance and upgrades due to the aging stock.

In all instances, the current model produces less income than all the alternative options, and the opportunity cost represents that difference. The amount of 'lost' income per year, ranges from just over $200,000 (via a sale to a social housing provider, to $1.1 million (via increasing rent to a market level).

*Continue to provide housing*

If Council chose to continue to provide housing four income options are presented. Rent levels could remain at the current level (option 1) or be raised to increase income so that the portfolio would become more commercially viable. The highest return would be generated by charging rents at market rate (option 2), which would double the current income and return $2.2 million. This would not constitute social housing.

The two social housing models would also generate more revenue but to a lesser extent. For example, if rent were increased to 70% of market rent (option 3), this would generate additional revenue of $299,208. Rents could be set at a higher level and still be considered social housing, by pitching rent at 70% of Housing New Zealand's lowest 25% of rent levels in Waitakere City (option 4).

*Sell the housing*
Options include selling at market price or below market price in order to divest the asset to another social provider or an agency or organisation who are keen to enter the affordable housing market. The income received through interest accrued from the capital following a sale would be dependent on the sale price of the portfolio. The return from interest following realisation of capital, would generate similar revenue to social housing.

The best financial return is if the portfolio is sold at market value ($1.8million a year), compared to selling at a reduced market rate to a social housing provider ($1.3 million a year).

*Social housing at 70% market rental and accommodation supplements*
There is the potential to access central government funding through a rental supplement (accommodation supplement) which would help to fund a rental increase and is likely to minimise the rent impact for residents. The majority of a rental increase to 70% of market rate (Option 3), appears to be covered by the accommodation supplement. This means that most of the additional $454,000 revenue generated from option 3 that constitutes social housing would be covered by a benefit paid by central government.

**1.9. Options for governance**

All alternative governance options to the status quo are likely to increase the cost to Council – mainly due to the costs associated with setting up any new structure, Council oversight requirements and potential tax implications.

In short, Council's housing for the older adults portfolio is too small and insufficiently profitable as it stands to justify the set-up costs of many of the following options.

## 2. Waitakere City Council's housing portfolio

### 2.1. History of Council's involvement in housing

Waitakere City Council has been in the business of providing housing for older adults since the early 1960s, as a result of central government initiatives that encouraged local authorities to enter the housing business. Incentives at the time included low interest and suspensory loans. Council's housing for the older adults units were primarily constructed in the 1960s and 1970s.

Since that time, the Council has continued to provide housing solely for older people and has managed the portfolio in-house, including matters relating to the tenants and maintenance. Several services are contracted out, such as upkeep of the gardens. The housing for older adult service does not operate as a separate business unit, and any 'income' or 'expenditure' is budgeted for in the Annual Plan as with any other activity of Council.

Over the decades, the environment in which the Council has provided this housing has changed. For example, during the 1980s there was a major shift in central government policy, with a move toward a welfare model targeting those most in need, which reduced the emphasis on state provision of housing (in general and for older adults). People on limited means were eligible for a housing subsidy (Accommodation Supplement), to enable them to seek housing which met their needs, whether this be in the public or private sector.

As a result, central government withdrew its direct and ongoing support for whom owned housing which was built with government support. Without the financial assistance of central government, it has been difficult for local councils to continue to manage their housing for older adult portfolios, in particular, the maintenance and improvement of the properties, and ability to respond to changing needs. Waitakere City Council, took the position of reaffirming its commitment to providing social housing for older people, by maintaining rent levels and limiting maintenance and renewal work on the units.

Further changes in central government policy, have for example, resulted in a greater emphasis on the direct provision of affordable housing as set out in The New Zealand Housing Strategy, which was launched in 2005. Notably, central government has indicated that it is willing to assist local governments in the provision of affordable housing (for older adults and other groups in need), with the establishment of a Housing Fund. Two funds exist; the Local Government Housing Fund for local councils, and the Housing Innovation Fund for third sector partnerships. The Fund aims to:

- Encourage the development of an innovative housing third sector;
- Encourage local authorities to retain and add to their existing stock of social housing; and
- Protect the Crown's investment in local government social housing.

Despite limiting the amount of investment in the portfolio and offering a minimum level of maintenance response, the Council has for some time subsidised the housing for older adults service. As a business it is therefore operating at a loss, however the Council owns all of the twelve villages so there are no outstanding loans.
With the majority of this housing portfolio now over 25 years old, there are maintenance and renewal issues with the aging stock. This has implications for the future maintenance and refurbishment of each village.

### 2.2. Current policies concerning housing for older adults portfolio

Council's commitment as a provider of housing for older adults, was evidenced by a series of Committee resolutions in 2001 and 2002, as follows:

*Community Facilities and Recreation Committee (March 2001: 429/2001):*

- Commitment - that Council continué to provide the housing for older adult service on a cost-recovery basis.

- Rental policy - that rents be slightly increased in a phased manner and the proceeds be reinvested to upgrade existing housing.
- Eligibility policy - that the current eligibility criteria for housing for older adults be retained.

*Community Facilities and Recreation Committee (March 2001: 429/2001):*
- Opportunities - that opportunities continue to be investigated to upgrade existing Council housing and make optimal use of existing sites to better meet the needs of current and future residents.

*City Development Committee (June 2002: 1080/2002):*
- Self funding regime - determining that it should operate under a 'self funding' regime, carrying forward revenue surpluses or deficits to future financial years as from 1 July 2002, to allow the asset to be run on a cost recovery basis instead of a year-to-year budgeting process.
- Rental policy - setting rent levels to 25% of gross superannuation, or 25% gross other taxable benefit, or 25% of gross superannuation if not on a benefit. Rentals will be adjusted in accordance with any future changes to benefits.
- Rent reviews - that a stage process of rent reviews be implemented in 6 monthly intervals of $10.00 per fortnight until all residents are on rents in line with the revised policy.
- Defining 'cost recovery' - as the financing of operating costs, repayment of interest, and funding depreciation.
- Depreciation - determining use of annual depreciation provision for the portfolio to be dedicated solely for the use of the housing asset, and to be accumulated to provide for capital and renewal works on the asset, and that no specific fund be required to be built up, but that the depreciation be tracked by accounting practice.

*City Development Committee (June 2002: 1081/2002):*
- Commitment
  That the Committee re-affirms Council's commitment to the provision of Housing for Older Adults service.

*City Development Committee (June 2002: 1082/2002):*
- Commitment
  That a report outlining possible future options involving collaboration with Central Government and other agencies to provide adequate housing choice for the City's older adults be presented to the Committee.

### 2.3. Housing for older adults as a strategic asset and a significant activity

Given the social housing policies that are in place as a result of the resolutions made by former Committees, it is a requirement of the Council to recognise the housing for older adults portfolio as a 'strategic asset' pursuant to the Local Government Act s5, which defines a 'strategic asset' to include:

> *"any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy"*

As a strategic asset, the housing for older adults portfolio is listed in the Council's Annual Plan, as required by the Local Government Act s90(2). In addition, the provision of housing to members of the public, would probably be considered a 'significant activity' of the Council, which means that decisions may be subject to fulfilling certain consultative requirements under the Local Government Act 2002. If the Council is considering significant changes to the portfolio, such as the transfer of management or sale (either in whole or in part), the special consultative procedure as outlined in the Local Government Act 2002 (s88), must first be undertaken, to ensure that the community understands what is proposed and that the Council has taken the views of the community into consideration.

### 2.4. Condition and suitability of the portfolio