

**AGENDA FOR A MEETING OF THE FINANCE AND OPERATIONAL PERFORMANCE
COMMITTEE TO BE HELD AT WAITAKERE CENTRAL, 6 HENDERSON VALLEY
ROAD, HENDERSON, WAITAKERE, ON MONDAY, 6 AUGUST 2007,
COMMENCING AT 9.30 AM**

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PART A - OPENING OF MEETING

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 Elected 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 - 9 July 2007

RECOMMENDATION

That the minutes of the Meeting of the Finance and Operational Performance Committee held on Monday, 9 July 2007, as circulated, be taken as read and now be confirmed.



PART B - LEGAL AND CONSTITUTIONAL

5 AFFIXATION OF COMMON SEAL

EXECUTION OF DOCUMENTS: 2 to 27 July 2007

Nº	NAME	PARTICULARS
4193	WCC - I & S Sousou	Drainage easement in gross - 426 West Coast Road - resolution 1975/2000
4294	WCC - SJ & CE Vizor	Release of Encumbrance No.5770827.4 - CTs.NA9A/191 and 102909 - 40 Royal Road - SPW 22514
4295	WCC - Wolfgang Nethé	Warrant of Appointment & Evidence of Identity - No.WCC348
4296	WCC - Tim Mason	Warrant of Appointment & Evidence of Identity - No.WCC350
4297	WCC - Daniel Christian Sale	Warrant of Appointment of Evidence of Identity - No.WCC351
4298	WCC - Westpark Marina Ltd/ Westpark Village Ltd	Sublease of Lot 2 DP 195238 and part Lot 7 DP110480 - Car and boat trailer parking
4199	WCC - JC Ittwar	Drainage easement in gross - CT.334824 - 48A Larnoch Road, Henderson - WPW 22926
4200	WCC - Waikikamukau Ltd	Drainage easement in gross - CTs.321609 and 321610 - 103L Glengarry Road, Glen Eden - RMA 20052240
4201	WCC - Project Consulting and Management Ltd (Jesse James Trust)	Stormwater drainage easement in gross - CTs.322073, 322074, 322076 to 322083 (inclusive), 322085 and 322086 - 192-198 Huia Road, Titirangi - RMA 20042592
4202	WCC - Project Consulting and Management Ltd (Jesse James Trust)	Encumbrancee consent under Encumbrance B633891.10 - 192-198 Huia Road, Titirangi - RMA 20042592
4203	WCC - Project Consulting and Management Ltd (Jesse James Trust)	Fencing Agreement - CTs.322073, 322074, 322076 to 322083 (inclusive), 322085 to 322087 (inclusive) - 192-198 Huia Road, Titirangi - RMA 20042592
4204	WCC - Project Consulting and Management Ltd (Jesse James Trust)	Encumbrancee consent under Encumbrance B633891.10 - 192-198 Huia Road, Titirangi - RMA 20042592
4205	WCC - Project Consulting and Management Ltd (Jesse James Trust)	Water supply easement in gross - CTs.322073, 322074, 322076 to 322083 (inclusive), 322085 & 322086 - 192-198 Huia Road, Titirangi - RMA 20042592
4206	WCC - Project Consulting and Management Ltd (Jesse James Trust)	Encumbrancee consent under Encumbrance B633891.10 - 192-198 Huia Road, Titirangi - RMA 20042592
4207	WCC	Consent order amending District Plan in relation to the Babich Urban concept Plan s.279(1)(b) Resource Management Act
4208	WCC	Plan Change 2 Harbourview-Orangihina Open Space Environment & Marae Special Area s.293 Resource Management Act
4209	WCC - Project Consulting and Management Ltd	Consent to creation of Easement - 192-198 Huia Road, Titirangi - RMA 20042592

Nº	NAME	PARTICULARS
4210	WCC - Project Consulting and Management Ltd	Consent to registration of Land Covenant and Fencing Agreement - 192-198 Huia Road, Titirangi - RMA 20042592
4211	WCC - Project Consulting and Management Ltd	Consent to creation of easement - 192-198 Huia Road, Titirangi - RMA 20042592
4212	WCC - Project Consulting and Management Ltd	Consent to creation of easement - 192-198 Huia Road, Titirangi - RMA 20042592
4213	WCC - Project Consulting and Management Ltd	Consent to deposit of Plan - 192-198 Huia Road, Titirangi - RMA 20042592
4214	WCC - GP & JE Hartnell and JAG Kearns	Discharge of Encumbrance - CT.NA1100/297 - 35 Portage Road - RMA 1998-1978
4215	WCC - IS McDiarmid & D Blok	Variation of Consent Notice No.6658550.3 - 53 Kitewaho Road - RMA SUB20064207/ LUC22064203
4216	WCC - MT Development Ltd	Drainage easement in gross - CTs.312055 to 312058 (inclusive), 312066 and 312068 - 115 Royal Road, Massey - RMA 20031316
4217	WCC - RM & SJ Beeston	Deed of Waiver s.40 Public Works Act - 132A Te Atatu Road - Council resolution 1242/2006
4218	WCC - Waitakere Group Ltd	Drainage easement in gross - CT.269630 - 15 Sel Peacock and 10-12 Wadier Placer - SUB2004-0473
4219	WCC - Vuksich & Borich Ltd	Consent of Council as Encumbrancee under Encumbrances B878713.5 and B878713.6 - CT.71A/354
4220	WCC - Waitakere Properties Ltd	Declaration of Trust - "Old New Lynn Hotel" - 3176-3180 Great North Road, New Lynn - resolution 1060/2007
4221	WCC - Waitakere Properties Ltd	Memorandum of Transfer - NA6A/1321 - resolution 1060/2007 refers
4222	WCC - Waitakere Properties Ltd	Memorandum of Transfer - NA22A/198 and NA22A/199 - resolution 1060/2007 refers
4223	WCC - N & TT Islam	Fencing Agreement - CT.311077 - 50 and 50A Rata Street, New Lynn - RMA 20041466

RECOMMENDATIONS

1. That the Affixation of Common Seal report be received.
2. That the action taken in affixing the Common Seal on the documents as set out in the agenda report be adopted.

Report prepared by: Yvonne Donaldson, Team Leader: Legal Services



PART C - FINANCE

6 BORROWING AND INVESTMENT REPORT

PURPOSE OF THE REPORT

The purpose of this report is to provide an update to the Finance and Operational Performance Committee on the estimated borrowing and investment activity for June 2007.

BACKGROUND

Waitakere City Council enters into treasury-related financial contracts in the ordinary course of its business. It is the role of Council's Funds Management section to manage such contracts and the impact that they have on the organisation. All funds management transactions are governed by the Liability Management and Investment Policy, prepared in compliance with the Local Government Act 2002. As a requirement of that Policy, this report informs the Finance and Operational Performance Committee on the current and future movements of Council's debt and cash investments and provides a general commentary of financial market conditions.

A1-A6 The relevant portfolio and graphs reflect the estimated position as at 30 June 2007 and are attached at pages A1 to A6.

ISSUES

Council's Funds Management function actively manages a large portfolio of various debt and investment instruments. The benefit of borrowing is that it enables Council to carry out the projects identified in the Annual Plan and Long Term Council Community Plan, while spreading the costs for those projects over time to recognise the future benefits. Borrowing funds therefore assist Council with its entire loans-funded strategic initiatives. The Liability Management and Investment Policy requires that a report detailing the management of the portfolio be presented to the Finance and Operational Performance Committee on a regular basis. The report must include information on the following subjects:

- Cash/Debt position
- Forecasted borrowing profile
- Interest rate profile
- Risk management
- Material transactions
- Market commentary

This report addresses the requirement of the Policy and may include other information that is relevant to the Funds Management function.

FINANCIAL IMPLICATIONS

The active management of the treasury portfolio seeks to minimise Council's borrowing costs and maximise investment returns of liquid assets. The Funds Management function is also charged with seeking investors, thus ensuring that there is sufficient liquidity available for the Council to continue its work programme. New Zealand financial markets are significantly volatile and therefore interest rate risk management is a key responsibility of the Funds Management function. Detailed financial information included within this report is intended to give assurance of the prudent management of Council's portfolio.

Council maintains Standard and Poor's Credit Ratings of A-1 short term, and A+ long term (stable).

ESTIMATED SUMMARY OF BORROWING AND INVESTMENT MOVEMENTS TO JUNE 2007

Council's estimated gross term debt position has increased by \$12 million since 31 May 2007, with an estimated closing balance at June 2007 month end of \$297.389 million.

SIGNIFICANT FUNDING TRANSACTIONS ENTERED INTO DURING JUNE 2007

- Amend Interest Rate Swap 022. Decreased duration from 15 August 2017 to 15 August 2012, decreased interest rate payable from 6.60% to 6.19%.
- Amend Interest Rate Swap 025. Decrease duration from 1 November 2015 to 2 May 2011, increasing notional value from \$10 million to \$15 million leaving interest rate payable unchanged at 6.515%.

FINANCIAL MARKET COMMENTARY

Market Overview

The Reserve Bank of New Zealand again increased the Official Cash Rate on 26 July 2007 by 0.25% to 8.25%. The Reserve Bank Governor, Dr. Allen Bollard, made the following press release:

“The New Zealand economy is running strong. We are recording continued big increases in international commodity prices, especially dairy, reflecting solid world demand for our products.

This is very good news for New Zealand. Given this positive situation, some of the negative commentary circulating about the economy is unwarranted.

However, the continued tight labour market, high capacity use, and rising oil and food prices all point to sustained inflationary pressures. That is why we are increasing the OCR today.

The New Zealand dollar has reached very high levels recently, driven by US dollar weakness and New Zealanders' heavy demand for borrowing. This level of the currency has been hurting exports.

The high New Zealand dollar is not sustainable medium term and investors should understand this. The higher OCR now gives strong incentives to New Zealanders save.

New Zealanders have been showing early signs of moderating their borrowing. Provided they keep this up, and the pressure on resources continues to ease, we think the four successive OCR increases we have delivered will be sufficient to contain inflation.”

Perhaps the most important aspect of the statement is the Governor's view that inflationary pressure will be contained with the Official Cash Rate at 8.25%. This leads the financial markets to suspect that the next move the Reserve Bank of New Zealand makes will be to decrease the interest rate. There is no indication of when this might occur, however, it does have the effect of increasing uncertainty in the New Zealand interest rate market and the New Zealand dollar.

Since the release of the Official Cash Rate decision, the New Zealand dollar lost strength against all of the major traded currencies. On a Trade Weighted Index basis, the New Zealand dollar has fallen to approximately 73.20 today from approximately a 76.70 level before the Cash Rate Announcement. Interest rates have remained relatively unchanged, with 90 day bank bills currently trading at 8.55% and ten year swap rates at approximately 7.67%.

Up Coming Dates

13 September 2007

Monetary Policy Statement

CONCLUSION

All transactions covered by this report have complied with the requirements of Council's Liability Management and Investment Policy.

RECOMMENDATION

That the Borrowing and Investment Report be received.

Report prepared by: Bruce Wilkin, Treasury Manager.



7 PAYMENTS FOR APPROVAL

PURPOSE OF THE REPORT

The purpose of this report is to advise of payments made by the Council.

BACKGROUND

This report provides details of payments made to external suppliers in excess of \$5,000. In addition there is a summary listing, which aggregates payments made to various organisations and suppliers for the Committee's information. These payments have already been processed as allowed by delegations approved by the Council. If any Councillor requires information regarding the nature of any payment, that information can be provided.

STRATEGIC CONTEXT

The Council makes various payments as provided for in its Long Term Council Community Plan and Annual Plans. The Council follows good practice for procurement of goods and services and ensures that funding has been provided from appropriate sources.

PAYMENTS

A7-A12

A summary schedule of payments made for the period 1 June 2007 to 28 June 2007 is attached at page A7. A further schedule of all payments of \$5,000 and above, together with the reason for the payment, is attached at pages A8 to A12.

If a Committee member wishes to ask specific questions relating to any of these payments prior to the meeting, then such questions can be directed to the Director: Finance.

CONCLUSION

The summary schedule of payments is shown for the period 1 June 2007 to 28 June 2007. Payments have been provided for in accordance with approved budgets.

RECOMMENDATIONS

1. That the Payments for Approval report be received.
2. That the contracts let and payments made be approved.

Report prepared by: Andrew Pollock, Director: Finance.



PART D - GENERAL

8 AUCKLAND REGIONAL AMENITIES FUNDING BILL

PURPOSE OF THE REPORT

The purpose of this report is to bring to the Finance and Operational Performance Committee's attention the Auckland Regional Amenities Funding Bill (the Bill), and to seek initial direction from Council to provide a basis for further work and an initial response.

BACKGROUND

The issue of the funding of a number of facilities and amenities that purport to serve and benefit the region has been topical in the Auckland region over an extended period. A number of facilities and amenities have claimed to be regional in nature, and have sought funding from councils across the region. Alongside this, some councils, with Auckland City at the forefront, have claimed that they provide and fund facilities and amenities that benefit the whole region and are used by residents from other territorial authority areas. This situation is seen by some as producing funding inequities.

Regional discussions on this issue have been held from time to time. Recently this issue has been incorporated into discussions over the Auckland Regional Governance project. It has also led to a number of organisations forming together to develop and promote the Bill which is the subject of this report.

There are already some facilities that receive funding from the councils of the region via a statutorily mandated process similar to that proposed in the Bill. These are the Auckland War Memorial Museum and the Museum of Transport and Technology. While this approach provides funding certainty for the facilities concerned, some in the community regard it as less than satisfactory for the local authorities that are required to meet the costs. Issues of concern relate to equity in terms of relative usage by city residents and benefits returned to Waitakere, as well as reduced accountability and decision making for Council in respect of substantial amounts of rates funding that they are required to levy on ratepayers. These issues will be expanded on below with respect to the Bill currently being considered.

STRATEGIC CONTEXT

Council has long recognised that quality facilities and amenities are a vital component of an attractive, liveable and sustainable City and wider Auckland city-region. Council has supported and nurtured arts and culture programmes in the City, and has supported organisations such as Surf Life Saving on a regional basis. Council's Arts and Culture Strategy and the programmes that sit under it are seen as contributing to community outcomes such as Vibrant Arts and Culture, Urban and Rural Villages, Whaiora - Participation in Society and Strong Communities, and forming a vital part of Council's Eco City direction. Services such as surf life saving contribute to strong and safe communities.

Alongside these considerations issues such as affordability, funding equity and the ability of Council and the community to exercise decision making over what ratepayer resources are spent on, are also important parts of Council's strategic framework. All of these issues need to be taken into account when considering the Bill.

ISSUES

Council has demonstrated its support for a number of regional amenities in the past and acknowledges that the issue of regional funding needs to be addressed. However the proposed Bill raises some issues and concerns for Council that need to be explored and discussed.

The Bill

A13-A81

A copy of the draft Bill is attached at pages A13 to A81.

The following agencies have joined together to promote the Bill in order to pursue regional funding:

- Auckland Observatory and Planetarium Trust Board;
- Auckland Philharmonia;
- Auckland Regional Rescue Helicopter Rescue Trust;
- Auckland Theatre Company Limited;
- Coastguard Northern Region Incorporated;
- New Zealand National Maritime Museum Trust Board;
- New Zealand Opera Limited;
- Surf Life Saving Northern Region Incorporated;
- The Auckland Festival Trust; and
- WaterSafe Auckland Incorporated.

The Auckland Zoo is also proposed to receive funding under the Bill, subject to it first being established as an entity separate from Auckland City Council.

The purposes of the Bill are described as being to establish a mechanism to provide adequate, sustainable and secure funding for specified amenities that contribute to the well-being of the Auckland region and make the region a vibrant and attractive place to live or visit, and to ensure that all territorial authorities in the region are part of that mechanism and contribute funding to the specified amenities.

The Bill establishes a funding process and entities to administer that process. The role and powers of the Electoral College, established under the Auckland War Memorial Museum Act 1996, are proposed to be extended to cover the processes proposed in the Bill. The Electoral College, which comprises representatives of each of the territorial authorities in the Auckland region, would be responsible for determining the total annual levy to be paid by the territorial authorities (within the narrow limits imposed by the Bill), appointing half the members of the Auckland Regional Amenities Funding Board (described below), inviting and approving any new organisations to be eligible for regional funding via the Bill's processes, and determining whether organisations should cease to qualify for funding (again, within the processes and limits imposed by the Bill).

The Auckland Regional Amenities Funding Board (the Funding Board) is proposed to be established under the Bill. The Funding Board comprises five members appointed by the Electoral College and five members appointed by the amenities that will receive the funding. It is proposed that the Funding Board will be responsible for receiving and assessing annual applications from each amenity, preparing a funding plan and making a recommendation to the Electoral College on the total levy based on the funding plan. The Funding Board will also monitor the amenities and report on their performance.

The Bill also proposes to establish an Amenities Board. This is to be made up of a representative from each of the amenities eligible for funding, and will appoint the five members of the Funding Board not appointed by the Electoral College. The Bill states that each member of the Funding Board will be required to act independently and may not have any direct relationship with any of the amenities or the territorial authorities.

The Bill proposes limits on the total levy imposed on territorial authorities: a set amount initially, rising over four years to not more than 2% of the combined rates revenue of all of the territorial authorities from the previous year. The levy is allocated across the territorial authorities on the basis of a percentage calculated by dividing each authority's rates revenue from the previous year by the combined rates revenue from all of the contributing authorities, reduced by a 0.6 differential in the case of Franklin and Rodney Districts.

The Bill proposes that the funding plan prepared by the Funding Board will be the subject of a public consultation process before it is adopted. The Bill also sets out funding principles against which funding sought by amenities will be assessed.

Concerns for Waitakere

Officers are still analysing the detail of the Bill in order to prepare any submission that the Council might wish to make. However, based on initial analysis, the following issues emerge that are likely to be of concern to Council and its communities:

Selection of Amenities – Now and in the Future

While the organisations behind the Bill have shown considerable initiative in bringing the Bill to this stage, the 'self-selection' aspect of the Bill raises issues about how organisations or amenities are selected as being suitable for regional funding. It would seem desirable for there to be some form of debate and decision-making within the region, and possibly within individual territorial authority areas, in respect of which amenities are regarded as priorities for regional funding. While there are processes and criteria in the Bill for assessing applications to become specified amenities, and for assessing the extent to which specified amenities meet the criteria for regional funding, the responsibility for these processes is removed from directly-elected Councils.

Removal of Council Discretion in Decision Making

One of the concerns with the Bill is that it removes control over how ratepayers' funds are allocated from Council decision-making and its related public accountability mechanisms. While the Bill does provide for some consultation on the Funding Plan and in any situation where it is proposed to remove an entity from the list of specified amenities, this is carried out by the Funding Board, which is somewhat removed from direct accountability to either the public or the contributing territorial authorities.

Is Funding From Territorial Authorities the Best Mechanism?

In putting together the Bill, the proposing organisations have reached the conclusion that funding from the territorial authorities of the region is the best answer to the problem of regional funding, seemingly without much in the way of robust analysis of the options or alternatives. In the explanatory note to the Bill, the discussion of alternatives is brief, and funding via regional rates is dismissed on the basis that: "*the Auckland Regional Council has resolved not to fulfil that role at this stage.*"

One is forced to wonder why such a resolution from the Regional Council would be given any more weight than a similar one from a territorial authority. In addition, seemingly no attention has been paid to work done on this issue through the Auckland Regional Governance project. While not ruling out the approach taken in the Bill, the view of Council officers is that more robust analysis is required before any view that funding from territorial authorities is the best solution can be accepted.

Regional Equity Issues

While the Bill provides for a differential factor of 0.6 on funding for the Rodney and Franklin Districts, presumably based on distance from and resulting use of a number of the amenities, there are still some issues of equity not adequately addressed in the Bill. Part of the justification for funding regional amenities, and in particular arts and cultural amenities, is to create a vibrant and prosperous city-region. Aside from any intrinsic value these amenities might have, they are said to benefit communities by attracting people to localities and providing activity off which businesses can prosper. Most of the arts and cultural amenities listed in the Bill are physically located in Auckland City (e.g. the Maritime Museum and the Observatory) or perform or stage events and performances predominantly within Auckland City. This means that it is businesses within Auckland City that gain the benefits associated with the spending power of audiences/patrons attracted to these events or facilities. In addition, it is likely for some amenities, although Council has no data on this, that those living closer to an event or amenity would be more likely to visit that event or amenity than those living further away.

Funding Mechanism Inequities

The funding mechanisms proposed in the Bill are unfair. While the Bill proposes to set maximum levels of total funding that can be required from contributing authorities, it does so based on the level of rates revenue from the previous financial year. The method of allocation of the levy to individual authorities described above (individual Council rates revenue divided by combined rates revenue) unfairly favours Councils who have removed large components of cost (such as water and wastewater) from their rates levy over those who have not. Auckland City would be among those to gain the most from such an approach, while it is their businesses who gain the most from the existence of most of the amenities (particularly those with geographical locations). Given the recent public debate over water and wastewater charges and ownership in the region, it would seem strange for Parliament to want to institute a structural incentive to corporatisation and user charges through an unrelated Bill on the funding regional amenities. This is precisely what the Bill in its current form would do.

Relationship with the Auckland Regional Governance Project

The issue of funding for regional amenities and facilities has been discussed through the Auckland Regional Governance project. The Bill is out of step with the approach taken in this work. The issue of funding of regional amenities was dealt with in the joint report consider by the councils of the region. The 27 June 2007 meeting of Council resolved:

“Regional Facilities

- h) *Greater Auckland to assume ownership and/or funding responsibility for existing facilities of a primarily regional nature, including the Auckland War Memorial and Transport Museums, and those facilities and services requiring regional funding; with any transfer of ownership and/or funding subject to a process of negotiation and agreement between parties. The starting point for the process would be the proposed ‘Auckland Regional Amenities Bill’ promoted by eleven region organisations and supported by Auckland City Council. Transfers will be contingent on:*
- *identifying a transparent process for the identification of the reduced rating requirements by relevant territorial authorities as a result of the transfer of functions;*
 - *identification of additional regional funding sources to support both existing and new facilities;*
 - *certainty (possibly through legislation) about the funding obligations and mechanisms that are to operate within the region.”*

(part minute number 1145/2007)

Given the extensive work done through the Auckland Regional Governance project, the fact that it recognises the issues raised in the proposed Bill, and the level of agreement that has been reached between councils, it seems more appropriate for the proponents of the Bill to be directed to work with the Councils of the region as outlined in the resolution above.

Initial Action Proposed

Further analysis of the Bill is required, alongside work with other Councils in the region. Overall, the view of Council officers is that while the issue of funding of regional amenities is one that needs to be addressed, the proposed Bill has significant shortcomings, both at a conceptual level and in its detail. It is recommended that Council advise all parties involved to address the issue through the processes envisaged in the Regional Governance project, and in the meantime oppose the Bill in its current form.

Further work will be done in relation to the proposed Bill, and the matter will be reported to Council as appropriate. Work on drafting a submission will commence as part of this.

RESOURCES

If the Bill as proposed became law, it is estimated that upwards of \$2 million per annum could be added to the City's rate requirement within a short period of time.

CONCLUSION

The Auckland Regional Amenities Funding Bill has been publicly notified as a precursor to its entering the Parliamentary process. The Bill is being promoted by a number of organisations seeking access to regional funding, via a compulsory levy on territorial authorities.

Council officers see that the issue of regional funding of amenities is one that needs to be addressed. However, they also see a number of issues with the Bill in its current form that are likely to create unfairness and be of concern to the Council and residents of the City.

In addition, the Bill does not recognise the work done through the Auckland Regional Governance Project which agreed that a process is needed for addressing the issue of regional funding for facilities and amenities, and specifically addressing the issues raised in the Bill. It is recommended that Council advise those proposing the Bill that they should work through the Regional Governance process in the first instance. It is also recommended that Council should oppose the Bill in its current form, particularly if the proposing organisations elect not to work through the regional governance process.

RECOMMENDATIONS

1. That the Auckland Regional Amenities Funding Bill report be received.
2. That the Chief Executive Officer write to the proponents' organisations of the Auckland Regional Amenities Funding Bill and any other parties identified as appropriate, advising that the Bill and the issues it attempts to address should be dealt with through discussions with the Councils of the region as agreed through the Auckland Regional Governance project prior to its introduction to Parliament.
3. That Council note the concerns relating to the Auckland Regional Amenities Funding Bill set out in the agenda report and instruct the Chief Executive Officer to commence work on a submission opposing the Bill in its current form for reporting back to Council, should the Bill be introduced to Parliament without reference to the process outlined in no. 2. above.
4. That Council authorise the Chief Executive Officer to communicate Council's concerns regarding the Auckland Regional Amenities Funding Bill to other parties as he considers appropriate.

Report prepared by: Ross McLeod, Director: Corporate and Civic Services



9 **INTERIM AUDIT REPORT FOR THE YEAR ENDED 30 JUNE 2007**

PURPOSE OF THE REPORT

The purpose of this report is to update the Finance and Operational Performance Committee with regard to the outcome of the Interim Audit, for the year ended 30 June 2007, carried out by Audit New Zealand.

BACKGROUND

Each year, as a lead up to the audit of Council's Annual Report, Audit New Zealand conducts an interim audit. This audit is primarily aimed at ensuring that appropriate systems, controls and management practices are in place to underpin the integrity of the financial information and data used to complete the Annual Report.

STRATEGIC CONTEXT

Council's Annual Report is the official document through which Council reports on achievements against its stated strategies and objectives contained with the Long Term Council Community Plan and Annual Plan. Council is legally required to prepare an annual report, the content of which is governed by legislation and prevailing accounting standards.

ISSUES

A82-A97

Audit New Zealand's report on their interim audit is attached at pages A82 to A97. There are no areas of concern that will impact on the year-end audit. Comment on the matters raised by Audit New Zealand are embodied in the Interim Management Report

CONCLUSION

Audit New Zealand's interim audit of Council's systems and process has now been completed and appropriate actions have been taken in response to matters raised.

RECOMMENDATION

That the Interim Audit Report for the Year Ended 30 June 2007 be received.

Report prepared by: Alec Third, Group Manager: Financial Operations.



10 **FINAL VERSION OF THE COMMUNITY HALLS REFERENCE DOCUMENT**

PURPOSE OF THE REPORT

The purpose of this report is to present to the Finance and Operational Performance Committee the final version of the Waitakere City Community Halls Reference Document (December 2006).

BACKGROUND

In March 2006, this Committee approved the Community Halls Review 2006 Project Brief which outlined the collaborative approach (i.e. between the three Council units of Leisure Services, Property Assets, and Health and Safety, along with an independent contractor) and the way this project would be undertaken.

In April 2006, a tender process commenced which resulted in Westies Waitakere being awarded the contract to undertake the Community Halls Review (in collaboration with Council officers). The primary deliverable under this contract is a community halls reference document which would outline the key identifiers of each Community Hall so that updated information and details would be available on each Community Hall for use throughout Council and Council Committees.

The draft Waitakere City Community Halls Reference Document (December 2006) was presented to the Finance and Operational Performance Committee on 12 March 2007. The Committee requested:

- “3. *That as an input into the asset management planning for the community halls, a copy of the Waitakere City Community Halls Reference Document be circulated to each of the community halls executive committee, Community Boards and any other interested party for their information and comment.*
4. *That the revised Waitakere City Community Halls Reference Document be brought back to the Finance and Operational Performance Committee for approval.”*

(429/2007)

Also at the Finance and Operational Performance Committee meeting of 12 March 2007, a request was made that the hard copy of the document be made as double-sided in order to reflect Council's eco-friendly principles.

STRATEGIC CONTEXT

Community Halls contribute to Council's Strong Communities, Urban and Rural Villages strategic platforms by providing appropriate and accessible public buildings as key community focal points that offer a wide range of low cost community activities.

The Local Government Act 2002 defines one of Council's responsibilities as to promote the social, economic, environmental and cultural wellbeing of communities, in the present and for the future.

As stated in the Community Facilities Plan - Waitakere City 2000 to 2100 document, Council's objectives in providing or supporting general purpose community space is to strengthen community activity and interaction within the City. This is done by ensuring a network of accessible facilities that meet the needs for meeting spaces and a wide range of community activities, education and training. Community facilities support both the social and economic base of the City, by fostering the volunteer activity that forms the backbone of the City, and bring people together in productive ways.

ISSUES

Per the resolution at Council's 12 March 2007, Finance and Operational Performance Committee meeting, the draft Waitakere City Community Halls Reference Document (December 2006) was distributed to each of Council's Community Boards and out to the Hall Management Committee via a letter to each committee on 22 March 2007.

Community Hall Management Committees were requested to review the document and to feedback any comments or modifications to Council by the end of May 2007 that could then be incorporated into the final version of the document.

Council received comments from three community halls. A summary of the information received is provided below:

1) Waiaatarua Community Hall

- New contact phone number;
- Changes to the maximum capacity number; and
- Changes to the number of chairs and tables identified.

2) McAndrew Hall

New Zealand Country Women's Institute expressed a general concern that the report portrays the hall as worse than it actually is, as: "we quite like the colour scheme and although we were offered a stove, declined as having used other halls with dirty stoves we thought better of it." They also stated that: "We do have members who are much younger than eighty years and hope to recruit more." And also that they are hiring the hall out more now than when the review took place.

3) Huia Hall - from Huia-Cornwallis Ratepayers and Residents Association

- Identification that there are no public toilets next door at the museum as said in the document;
- Correction that there are two small storage rooms, not one, off the main hall;
- Addition of 'Council and ARC meetings' as well as 'museum visitor groups' under the User group profile section and the deletion of "21st parties" from that list;
- Clarification that the hall management committee is a sub-committee of the Residents & Ratepayers Group under Management Group profile;
- Addition that they have now put a quarterly spring cleaning programme in place;
- Additions regarding the installation of a wastewater treatment system and opening up the hall to the view and sun, and improved storage space under the section regarding improvement ideas and suggestions from the Committee;
- Rewording the sentence under Locality section;
- Removing Laingholm Victory Road Hall from the list of other facilities in the area;
- Adding information regarding the increase in people investing in the area and using properties as bachs in the Comparisons/ facts of interest section; and
- Spelling of 'Kiwaniis Huia Camp' in the hall's Summary Case Study page.

All comments received from these three submissions have been taken into account and modifications requested have been made and incorporated into this final document presented here with this report.

RESOURCES

Council staff resources are provided for project support within current work programmes.

CONCLUSION

The draft Waitakere City Community Halls Reference Document (December 2006) was presented to March 2007 Finance and Operational Performance Committee. A resolution from that meeting requested that the hall management committees be given an opportunity to review and make comment on the draft document. It was also requested that the hard copy of the document be made as double sided in order to reflect Council's eco-friendly principles.

The draft Waitakere City Community Halls Reference Document (December 2006) was distributed out to the halls' Management Committees via a letter to each committee on 22 March 2007.

Community Hall Management Committees were requested to review the document and to feedback any comments or modifications to Council by the end of May 2007 that could then be incorporated into the final version of the document.

Council received comments from three community halls. All comments received from these three submissions have been taken into account and modifications requested have been made. A final version of the Waitakere City Community Halls Reference Document (December 2006) will be circulated separately. The purpose of this report is to outline the key identifiers of each Community Hall so that information and details are available on each Community Hall for use throughout Council and Council Committees.

RECOMMENDATIONS

1. That the Final Version of the Community Halls Reference Document report be received.
2. That the final version of the Waitakere City Community Halls Reference Document (December 2006) be approved.

Report prepared by: Kimberly Rees: Project Leader, Community Resources, Leisure Services.



11 **WASTE-NOT FUND**

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Finance and Operational Performance Committee to develop a contestable fund to support waste minimisation initiatives proposed by the community to progress the Zero Waste strategic platform.

BACKGROUND

There has been a number of worthy waste projects seeking assistance funding from the Council over the past few years. Projects such as Resene Paints Paintwise take back programme, the Cloth Nappy project, Interwaste recycling of fluorescent tubes and Green Bay plastic bag-free community, all of which the Council has contributed to financially. With the increase in rubbish bag collection charges by 25 cents per bag with 5 cents per bag for waste initiatives, the opportunity now exists to set up a formal process for supporting community waste initiatives.

STRATEGIC CONTEXT

The Council's Zero Waste strategic goal is to turn waste into useful resources to the greatest extent possible with the minimum going to landfill. The Solid Waste Management Plan 2005: Zeroing in on Waste anticipates the establishment of a community initiatives grant or fund to encourage the community to find ways to reduce waste.

ISSUES

The purpose of the Waste-Not Fund will be to provide support and seed funding for approved community based waste minimisation projects. These may include education, community or business projects that fit with the Zero Waste vision that: "Waitakere will be a clean and attractive City that turns all its waste into resources."

The Waste-Not Fund could be open to individuals, community groups, schools, businesses, charities and trusts. The criteria for eligibility of projects are proposed as:

Waste minimisation

Projects that contribute to waste minimisation in Waitakere.

Community awareness and participation

Projects that heighten community knowledge, promote active involvement in waste minimisation, and encourage behaviour change.

Innovation

Projects that develop or provide an entirely new product, technology or service to an area, community or business sector that did not previously exist.

Transferability

Ideas or projects that can be implemented across Waitakere.

Cost-effective

Reductions in waste to landfill or level of awareness raised should be relative to the cost of the project.

A98

It is anticipated that there could be one application round per year, beginning in March 2008. The Finance and Operational Performance Committee could select and approve applications, or authority to approve applications could be delegated to a number (maybe three) of the Committee Members to be assisted by officers in Strategy and the Manager Solid Waste. Proposed criteria and conditions for applications are attached at page A98.

If the Waste-Not Fund is approved a page on the web site would be set up similar to that for the Creative Communities Scheme web page detailing the application conditions, criteria for assessing applications and an application form. Opportunities to apply for funding will be advertised on the website, in the Western Leader and in Waitakere City News.

RESOURCES

It is estimated that the Waste-Not Fund will grow to approximately \$100,000 over a one-year period. It is anticipated that fund applications may be in the order of \$5,000-\$10,000 depending on the nature of the project. However, this is the order of funding sought by a number of groups to date.

CONCLUSION

A Waste-Not Fund anticipated in the Solid Waste Management Plan and resourced by a 5 cents additional charge on domestic rubbish bags could be established to fund community waste minimisation initiatives. Projects supported by the Waste-Not Fund and undertaken by the community or businesses would contribute to the Council's Zero Waste objectives.

RECOMMENDATIONS

1. That the Waste-Not Fund report be received.
2. That the Finance and Operational Performance Committee approves the establishment of a Waste-Not Fund to be subsidised by the additional 5 cent rubbish bag charge.
3. That three Councillors be delegated the authority to approve fund applications up to the sum of \$100,000 in any one financial year, according to the criteria attached at page A98 to the Agenda report.

A98

Report prepared by: Carol Bergquist, Senior Analyst Environmental Policy.



12 LEISURE FACILITY PARTNERSHIP FUND 2006/2007 STAGE ONE APPLICATIONS

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Finance and Operational Performance Committee as to which applicants progress through to stage two of the Leisure Facility Partnership Fund (LFPF).

BACKGROUND

The purpose of the LFPF is to enable Council to strategically direct capital development assistance to community leisure and sporting projects. Traditionally Council responded to such capital development requests on an ad hoc basis, which raised the potential risk that worthy projects may have gone unsupported for the simple reason that they were presented before Council at an inopportune time.

Council's funding will be used to secure access to facilities for community use. Funding is only available for capital development projects (new facilities and expanding/refurbishing existing facilities) and specifically excludes debt servicing, annual maintenance, Council-owned assets and operational funding. The fit-out of facilities is not generally eligible, however, a single chattel costing more than \$100,000 will be considered, for example floodlighting of sports pitches.

In any given year, an amount of \$500,000 is available to be shared amongst successful applicants at stage three. This funding is contested, with final allocation resting solely at Council's discretion. Council may choose not to fund any of the proposed projects in a given year or alternatively may forward fund in another year.

Proposals to the LFPF will be analysed in three distinct stages, each with their own evaluation criteria. The policy has been set out this way so as to minimise the level of work community organisations are required to undertake when making an initial proposal.

STRATEGIC CONTEXT

There are two Community Outcomes that this project contributes to: Strong Communities (He Iwi Kaha) and Toiora (Healthy Lifestyles). It does this particularly through supporting recreational opportunities with health outcomes and enabling opportunities for stronger connections and networking in the community.

Through the Strong Communities platform, Council outlines its commitment to undertaking initiatives that will contribute to making Waitakere a safe and informed healthy place to live and to improving local leisure and recreation opportunities and choices. Through adoption of First Call for Children, Council has also stated its commitment to proactively supporting children, young people and their families in Waitakere. Direct financial assistance to organisations providing facilities and activities to get people more active, assists Council's commitment to these policies.

ISSUES

Stage one applications for the LFPF closed on 6 July 2007. Six applications were received from a wide range of organisations. A LFPF Review Group (Review Group) consisting of Council officers from Leisure Services and Parks Planning, as well as the Sport Development Manager from Sport Waitakere, assessed the applications against the criteria as outlined in the policy document. Table 1 summarises the Review Group's assessment of the applicants against the stage one criteria.

Table 1

Stage One Criteria	Marina View School	Starling Park Sports Club Inc.	Waitakere College	Oratia United AFC	Waitakere Badminton Assn.	Woodlands Park School
Demonstrated community active or passive leisure or sports benefits	Yes	Yes	Yes	Yes	Yes	No
Not-for-profit and legally constituted	Yes	Yes	Yes	Yes	Yes	Yes
Located in Waitakere	Yes	Yes	Yes	Yes	Yes	Yes
Aligns with Council's strategic objectives	Yes	Yes	Yes	Yes	Yes	No
Acceptable location with easy community access	Yes, but needs further consultation	Yes	Yes, but needs further consultation	Yes	Yes, but needs further consultation	Yes
The project must be financially viable	Yes	Yes	Yes	Yes	Yes, but will require further evidence	Yes
Estimated Cost	\$1.6 million	\$1.2 million	\$1.2 million	\$1.5 million	\$728,481	\$204,000
Own Contribution	\$600,000	\$60,000	\$525,473	\$30,000	To be confirmed	\$0
Proposed Contribution by Council	\$250,000	\$100,000	\$250,000	\$230,000	\$120,000	\$104,000
Project to be completed by	June 2009	June 2009	February 2009	June 2010	June 2010	December 2007

Of the six applications received, the Review Group recommend five to progress through to stage two. The one application that the Review Group felt did not meet the criteria, and are recommending does not progress to stage two was from the Woodland Park School, who applied for funding to build a twenty-nine bay car park outside the school hall to provide access to the Hall and grounds. The Review Group felt that this would not create new leisure opportunities for the community and could not demonstrate any direct community active or passive leisure or sporting opportunities so therefore have recommended to this Committee that they do not progress.

The five applications that the Review Group felt met the criteria and are recommending should progress to stage two, are:

1. Marina View School

The school is proposing to build a new gymnasium and Astroturf all-weather playing surface for their use and for the use of the community (see proposed location attached at page A99). They do not have a gymnasium and currently the school hall does not meet their needs. The school already has significant funding set aside for this project and see this as an important facility for themselves and the local community. The Review Group has some questions over the accessibility and proposed location of the facility, and if the school is successful they will be asked to provide more in-depth information regarding the community access and need, and undertake some community consultation.

2. Starling Park Sports Club Incorporated

A100 The Starling Park Sports Club is proposing to build clubrooms on Starling Park (see proposed location attached at page A100). The previous clubrooms were destroyed by fire in December 2005. The new clubrooms would house both the Waitakere Bears Softball Club and Ranui Swanson AFC, with a possible third partner being the Westcity Darts Club. This would create a multi-sport facility on the park, which would see members of all three clubs interact and strengthen the local community. If successful in progressing to stage two, the Review Group would like to see how the club intends to make the clubrooms a family-friendly environment and the proposed design has considered this.

3. Waitakere College

A101 Waitakere College are looking to build an additional indoor gymnasium to accommodate the growing sporting and leisure needs of the school and the community (see proposed location attached at page A101). The school is planning on upgrading the current sporting facilities and have set aside significant funding for the development of this new indoor facility. The school is still considering the actual design of the proposed building and whether it will be an all-weather surface in a semi-enclosed building or hard-court surface in a fully-enclosed facility, and will need to consult with the local community, if successful, to ensure the project is catering for the community needs as well as the school.
The Review Group have some issue over the access to the proposed facility and will require more information on the planned upgrade of the surrounding buildings if they progress onto stage two, as well as more in-depth information on the community need for this building.

4. Oratia United Association Football Club

A102 The Oratia Football Club were successful last year in reaching stage two of the LFPF but decided not to progress onto stage three as the club felt they needed more time to develop their proposal. The club is still proposing to upgrade the existing clubhouse and associated facilities and setup a Sports Club (see proposed location at attached page A102) which would cater for a number of other sporting codes and community groups that use Parrs Park at various times throughout the year. A recently-completed feasibility study has identified a number of options for the club, and in particular around partners for this proposed facility. The Review Group would like to see more investigation into the possible partner organisations if successful in progressing into stage two of the fund.

5. Waitakere Badminton Association

A103 Waitakere Badminton is asking Council to provide funding for stage two of the redevelopment of their facility, which will involve the upgrade of the front of the Badminton Hall and the fit-out and use of a new basement space under the additional three courts that will be completed as part of stage one development (see proposed location attached at page A103). The Badminton Association has already secured funding to undertake the construction of an additional three courts and has some funding committed to the stage two developments. The Review Group were interested in the possible community use of the basement area under the new courts and have recommended they progress to stage two so that further community consultation can take place to identify the possible need and use of these facilities.

The Review Group felt that these applicants meet the criteria for stage one of this fund, and should therefore have the opportunity to move through to stage two.

Those successful in progressing to stage two will be provided with a set of criteria that they will have to meet, which will include specific areas of interest as identified by the Review Group as well as the stage two criteria as outlined below.

The criteria used to assess stage two will be:

- What extent will the facility support increased community participation, in particular leisure or sporting activities?
- Has the proposed facility got community support and involvement?
- Detailed investigation into the likely community use of the proposed facility and how does that compare to the size of the capital grant being sought?
- Is there a need for the facility of this nature in that particular area?
- The potential of the project to resolve existing community facility or capacity building problems.
- Detailed evidence of the financial viability of the project, including which organisations have signalled they will fund this project and how much are they going to contribute.
- The degree to which partner organisations have shown the ability and willingness to develop and share in a joint vision in a facility (e.g. has the potential partner shown a willingness to enter into a partnership with Council).
- The extent to which the organisation has demonstrated the ability to develop and then operate the proposed facility.

It is important to note that by applicants progressing to stage two it does not guarantee funding.

RESOURCES

Council has set aside \$515,000 in the 2007/2008 budget for the LFPF. Other resources include staff time to review and assess the applications and assist and direct the organisations with the gathering of information.

CONCLUSION

The LFPF was established to assist community organisations in creating leisure and sporting opportunities, and to secure access to facilities for community use. The fund is available for capital development projects, including new facilities and expanding/refurbishing of existing facilities.

Stage one applications closed on the July 6 2007 and six applications were received. A Review Group made up of Council officers from Leisure Services, Parks Planning and the Sports Development Manager from Sport Waitakere reviewed the applicants against the stage one criteria, as outlined in the Leisure Facility Partnership Policy document.

The Review Group recommended that five applications progress to stage two of the fund, where they will be required to provide more in-depth information on their proposals, including conducting community consultation and some level of feasibility. Those applicants are:

1. Marina View School
2. Waitakere College
3. Starling Park Sports Club Incorporated
4. Oratia United AFC
5. Waitakere Badminton Association

The Review Group also recommended that the application from the Woodland Park School not progress to stage two as it did not meet the stage one criteria.

RECOMMENDATIONS

1. That the Leisure Facility Partnership Fund 2006/2007 Stage One Applications report be received.
2. That the applications received from:
 - Marina View School,
 - Waitakere College,
 - Starling Park Sports Club Inc,
 - Oratia United AFC, and
 - Waitakere Badminton Association

be approved for the stage two round of the Leisure Facility Partnership Fund 2007/2008.

Report prepared by: Rob McGee, Leisure Services Projects and Contracts Officer.



13 SHADBOLT HOUSE - AUCKLAND UNIVERSITY OF TECHNOLOGY PROPOSAL

This report will be circulated separately as it was not available at the time the Agenda went to print.



14 DEBT OVERVIEW

This report will be circulated separately as it was not available at the time the Agenda went to print.



15 WASTE MINIMISATION (SOLIDS) BILL - SUPPLEMENTARY SUBMISSION

This report will be circulated separately as it was not available at the time the Agenda went to print.



PART E - REPORTS FROM THE SUBCOMMITTEES

16 TENDERS SUBCOMMITTEE

THE SUBCOMMITTEE SUBMITS THE FOLLOWING REPORT OF ITS MEETING HELD ON FRIDAY, 6 JULY 2007 AND FRIDAY, 20 JULY 2007.

MATTERS CONSIDERED

A104-A110

The Subcommittee dealt with a number of items for which it has delegated powers to act and a copy of the minutes of the meeting is attached at pages A104 to A110.

The Subcommittee Recommends:

That the Meeting report of the Tenders Subcommittee held on Friday, 6 July 2007 and Friday, 20 July 2007, be received.

JM Clews, QSO, JP
CHAIRMAN



PART F - PUBLIC EXCLUDED MATTER

17 WILSHER VILLAGE: PROGRESS ON LAND ACQUISITIONS

This item will be considered in the Confidential Supplement of the agenda, and has been circulated to members separately with this agenda.

PROCEDURAL MOTION TO EXCLUDE THE PUBLIC

That the public be excluded from the following part of the proceedings of this meeting, namely. Wilsher Village: Progress on Land Acquisitions.

The general subject of the matter to be considered while the public is excluded, the reason for passing this resolution in relation of the matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of the matter to be considered.	Reason for passing this resolution in relation to the matter.	Ground(s) under Section 48(1)(a) for the passing of this resolution.
<ul style="list-style-type: none">• Wilsher Village: Progress on Land Acquisitions	<p>The withholding of information is necessary in order to:</p> <ul style="list-style-type: none">• Enable any local authority holding the information to carry on without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	<p>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 7(2)(i) of that Act which would be prejudiced by the holding of the relevant part of the proceedings of the meeting in public as follows:

- *The report contains information which if released could affect the Council's negotiations.*

