

WAITAKERE CITY COUNCIL



**AGENDA FOR AN ORDINARY MEETING OF THE FINANCE AND OPERATIONAL
PERFORMANCE COMMITTEE TO BE HELD IN THE CIVIC CENTRE,
6 WAIPAREIRA AVENUE, LINCOLN, WAITAKERE CITY,
ON MONDAY, 6 OCTOBER 2003
COMMENCING AT 9.30 AM**

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1 APOLOGIES



2 URGENT BUSINESS

Section 46A(7) and (7A) 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 item is a minor matter; and
- (ii) the Chairperson has explained at the beginning of the meeting (when open to the public) that the item will be raised for discussion, why the item is not on the agenda, and why it cannot be delayed until a subsequent meeting; and
- (iii) the Committee resolves to deal with the item.

No resolution, decision, or recommendation may be made in respect of the item except to refer the item to a subsequent meeting for further discussion.

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



3 CONFIRMATION OF MINUTES

Ordinary - Monday, 8 September 2003

RECOMMENDATION

That the minutes of the Ordinary Meeting of the Finance and Operational Performance Committee held on Monday, 8 September 2003, as circulated, be taken as read and now be confirmed.



PART I - PRESENTATION

4 TWELVE-MONTH PERFORMANCE OF THE WAITAKERE CITY RECREATION CENTRES

PURPOSE OF THE REPORT

The purpose of this report is to update the Finance and Operational Performance Committee on the twelve-month performance of the Massey Leisure Centre and the West Wave Recreation Centre for the 2002/2003 year.

BACKGROUND

Waitakere City currently provides two recreation centres, the Massey Leisure Centre and the West Wave Recreation Centre.

The West Wave Recreation Centre, formerly known as the Henderson Big Top, is operated in conjunction with the West Wave Aquatic Centre. This Recreation Centre has a large open floor, Café/activity room with kitchen, programme/activity room, martial arts/dance room and a specialised gymnastics/dry diving pit and area. There are three other main rooms/spaces along the side of the Centre, which house three long-term tenants - Waitakere City Arts Council, Plunket and the Music Education Centre. These tenants have lease agreements with Council; Plunket is given their space at no charge in support of their activities.

The Massey Leisure Centre is a newer purpose built facility; this has a fitness centre, two-court stadium, a crèche for users and a sub-dividable community meeting/activity room. The Massey Leisure Centre is externally managed and Council has a management agreement with YMCA for the operation of the facility; this has been in place since the facility was opened in 1999 and was renewed on 1 July 2003 with officers negotiating the subsidy level and targets annually.

The Massey Leisure Centre's primary target catchment is the northwest of the City. The West Wave Recreation Centre's primary target catchment is the central City, with a growing number of participants from the outer suburbs of the City visiting the Centre. Both facilities provide a range of recreation, leisure and sport programmes, as well as providing hall/stadium hire and meeting space for community and user groups.

STRATEGIC CONTEXT

Council's leisure facilities and activities contribute to the well being of the City's residents, by providing recreation opportunities that promote health and social cohesion. The Council's Leisure Strategy, Community Facility Plan, Parks Strategy, Youth recreation needs assessment and the Funding Policy guide the provision of these facilities and activities to ensure that they are available to all residents, responsive to changing demands and provided efficiently.

Council's strategic objective for leisure is that a comprehensive range of leisure, recreation and sports services and facilities are provided. To improve the well being of the City's people and communities, the Council provides and supports a diverse range of leisure opportunities through facility operation and development, direct funding, assistance to access other funding and support of activity initiatives.

Through the Strategic Plan Council has adopted a platform of 'Strong Communities' stating that in the next 10 years Council will develop the City as a renowned hub of social activity, arts, leisure, sports and recreation.

ISSUES

2002/2003 Highlights

One of the main highlights of the 2002/2003 for the Massey Leisure Centre was the winning of the NZRA/SPARC award for 'Best Facility'. Following this win YMCA and Council were invited to speak at the NZRA conference held in June in regards to the success of the Massey Leisure Centre. Through this presentation a lot of emphasis was put on the success of the partnership between Council and YMCA. The presentation was well received, and had positive feedback from those attending, particularly in regards to the youth programmes initiated at the Massey Leisure Centre.

Another highlight for the Massey Leisure Centre was the successful negotiation of a new agreement between Council and YMCA for the continued management of the facility. Both parties were pleased to be able to continue this successful partnership over a further 3+3+3 year term agreement.

A highlight for the West Wave Recreation Centre was the further development of its relationship with the National Heart Foundation by applying for and successfully gaining affiliation with the Heart Foundation. This included being audited by the Foundation in April 2003. The Centre has also established itself as a venue to cater for a number of Health, Mental Health and training organisations that require recreation, leisure and sporting content in their programmes. The Centre has also formed a partnership with Age Concern who have planned to facilitate several free 'fall prevention' courses in the remainder of the year. Although this relationship is in its infancy stage there has been positive community feedback and bookings for the first course are high.

Another key success for the Recreation Centre was the successful application for an Out of School Care and Recreation (OSCAR) grant, which was awarded in January this year.

Participation Statistics

The 2002/2003 year has been a success particularly for the Massey Leisure Centre and somewhat for the West Wave Recreation Centre, with both experiencing an increase in visitor numbers from the previous year. The total visitor numbers for each facility in 2002/2003 are detailed in tables 1 and 2.

Massey Leisure Centre Visitor Numbers

	2001/2002	2002/2003	Change
Child/Youth Programmes	36813	40270	9%
Adult Programmes	17389	19664	13%
Hirers (stadium & activity rooms)	47309	53220	12%
Fitness Centre	53069	56729	7%
Aerobics	10051	12415	24%
Childcare	7108	6582	-7%
Total Visitors	171,739	188,880	10%

Table 1

The 2002/2003 year has seen the continued popularity of the Massey Leisure Centre with YMCA still experiencing further increases in the participant numbers for the same period in each previous year. However, the 188,880 total visitor numbers for 2002/2003 fell just short of the target of 189,816, this was predominantly due to the Fitness Centre not reaching its target figure, as most other programmes well exceeded their targets. It was agreed that this original target for the Fitness Centre was overly ambitious and was not indicative of the Fitness Centre's capabilities over this period. Although this target was not reached the Fitness Centre has had a successful year with the membership continually growing to just under 1,000 members at the end of 2002/2003. Overall the visitors for the 12 month period has continued the annual increase experienced at Massey Leisure Centre since its opening. The total visitor numbers for 2002/2003 are also above the original 2002/2003 target of 160,000 that was set when the facility was first developed.

West Wave Recreation Centre Visitor Numbers

	2001/2002	2002/2003	Change
Casuals	26738	36585	37%
Schools	562	673	20%
Event Hirers	15463	30318	96%
Programme Hirers	23065	30239	31%
Internal Programmes	24905	17926	-28%
	90,733	115,741	28%

Table 2

Overall in 2002/2003 the West Wave Recreation Centre has seen an increase of 25,000 people, or 28% compared to the previous year. This is compared to an increase of only 1.3% in 2001/2002 due to the redevelopment and loss of the largest activity room.

PROGRAMME AND FACILITY SUMMARY

Massey Leisure Centre

Over the 2002/2003 year the YMCA have had a real youth focus at the Massey Leisure Centre. In addition to the regular youth focus on a Friday night, which includes the u/14 and U/17 basketball league, the first Friday of each month is the YMCA initiated 'Raise Up N Represent' youth programme which is continually growing in popularity. These nights usually involve a variety of activities for the youth aged 13-18 years to participate in, such as table tennis, 3 on 3 basketball, movies, play station games, break dancing and a DJ. In May the Raise Up N Represent night was combined with Hip Hop Nation, another youth targeted event. This proved to be very popular with 450 youth attending on the night. Over this six month period over 1,600 youth participated in the youth programmes run at Massey Leisure Centre, this highlights the success the YMCA have had with their youth initiatives, and this area has been given a much greater focus in the new management agreement with the YMCA. The YMCA organisation also recognised the success of these youth programmes the YMCA team at Massey Leisure Centre are running by awarding them the 'National YMCA focus on Youth' award for the second year running.

Massey Leisure Centre has also had a successful six months in the adult sport leagues that YMCA run, with team numbers in each league being the highest they have been for this period since the facility opened. Netball, soccer and basketball leagues are offered with 25, 15 and 27 teams participating respectively.

Now that the crèche is fully licensed (which was gained in September 2002), the Education Review Office regularly reviews it. These reviews highlight the areas of good performance and areas of improvement for various aspects of the crèche. The latest Education Review Office review was held in May 2003 and there was very positive feedback from the Education Review Office findings, including no areas recommended for improvement in regards to the quality of the programmes. The following extract has also been taken from the Education Review Office report:

“The crèche is spacious and has a welcoming atmosphere. Children settle in well and readily choose from a variety of activities. They follow daily routines with confidence and know what is expected of them. Hygiene routines are carefully monitored and children are supported and closely supervised throughout the day. Staff are caring and value the ideas that children contribute. Children show an interest in activities and receive positive reinforcement to help them succeed.”

West Wave Recreation Centre

The most significant area of growth the West Wave Recreation Centre has experienced during this period has been in the hiring of the facility during off peak time. Visitor numbers have increased in this area by 96%, with some events having 600-1000 people per day. It is important to note that the hireage is on a space booked system, meaning that for this year numbers increased dramatically, but the changes to the bottom line budget increased by only 18%.

The West Wave Recreation Centre has one of the largest open floor spaces in Waitakere and Auckland Cities, so is therefore often utilised as a venue for exhibitions, weddings, socials and concerts. An example of its popularity is that the Recreation Centre had 20 Saturday's booked for socials out of a possible 27 during the last six months, with an additional four being pre-booked but cancelled at the last minute.

Programme hirers, the groups that hire the facility but manage the programmes themselves with support of the Centre, have increased by 31% in 2002-2003 when compared to 2001/2002. The Centre now has 19 regular hirers who provide programmes such as karate and aerobics.

Overall usage numbers for the internal programmes have decreased, due partly to increases in other types of programmes. However, the programmes generated more revenue and operated at a higher recovery than the previous year. These programmes include the three new gym classes for babies 18 months to three years, which have high demands with each class being fully booked.

The negative publicity received by the Aquatic Centre over the past six months created a direct negative result to the Recreation Centre with the highest ever reported number of cancellations for the After School Programme in one period, which occurred directly after media releases. The programme is slowly still recovering, with numbers increasing.

Recreation staff instruct and co-ordinate a majority of aquatic programming, particularly for older adults. This has been further fostered with the introduction of recreation staff becoming responsible for all aquatic programming, including Aqua aerobics and the Friday night Splash Night. Costs for this have been charged to the Recreation Centre budget; however, a majority of income is shown as aquatic income.

Hydrotherapy classes and a newfound partnership with the District Health Board, Auckland City Council and several local physiotherapists have been developed. These classes provide for special populations and postoperative clients within the community. Initial numbers are double the predictions and at maximum capacity with another class scheduled to start in early October 2003. The development of a partnership has aided with referrals, not just for hydrotherapy but also with other aquatic programmes run by the recreation officers.

RESOURCES

The West Wave Recreation Centre subsidy and the Massey Leisure Centre subsidy have both been provided for through the Annual Plan. The annual operating subsidy in 2002/2003 for the Massey Leisure Centre is \$135,000, and for the West Wave Recreation Centre it is \$254,849.

Staff for relationship management, coordination and contract monitoring of the Massey Leisure Centre, and staff for the operation of the West Wave Recreation Centre have all been provided for through the Annual Plan.

CONCLUSION

The City provides two recreation centres, the Massey Leisure Centre in the northwest and the West Wave Recreation Centre in the central area. Both centres provide space for hirers and programmed activities. In comparing the two centres it is important to note, however, that the facilities have different operating environments and physical facilities. Both facilities have had an increase of visitor numbers compared to 2001/2002. The Massey Leisure Centre has had a 10% increase with 188,880 visitors, and the West Wave Recreation Centre had a 28% increase with 115,741 visitors. The management agreement with YMCA for the operation of the Massey Leisure Centre was renewed at the end of the 2002/2003 for a further 3+3+3 year term.

RECOMMENDATION

That the information be received.

Report prepared by: Helen Anderson, Leisure Projects Leader and Ben Davies, Interim Manager, Aquatic and Recreation Centre.



PART II - PROPERTY

5 UPDATE ON OPOU ROAD HALL, FRENCH BAY

PURPOSE OF THE REPORT

The purpose of this report is to update the Finance and Operational Performance Committee on the progress of fundraising by the Titirangi Orpheus Sea Scouts Group to repair the Opou Road Hall and options for the future of the Hall. The report also seeks endorsement from the Committee on the preferred option that should be progressed.

BACKGROUND

The Opou Road Hall in Opou Reserve, French Bay, Titirangi is owned by the Waitakere City Council and has been unavailable for community use since April 2002 after Council officers found it to be structurally unsound. An earlier decision to repair the Hall at costs of around \$20,000 was reviewed after further investigation found significantly more work was required than first anticipated. The total cost (including structural repairs, waterproofing the toilets and general maintenance) is estimated at around \$50,000. Demolition of the Hall was estimated at approximately \$7,000 as some of the costs could be recovered from materials that can be re-used. An update report on the future of Opou Road Hall was submitted to the New Lynn Community Board for consideration at their March 2003 meeting. A similar report was presented to the Finance and Operational Performance Committee in April 2003 recommending options for the future of Opou Hall.

The Finance and Operational Performance Committee resolved that:

“The recommendation from the New Lynn Community Board to defer any decision on the Opou Road Hall in French Bay be endorsed, and that a progress report on fundraising by the Titirangi Orpheus Sea Scouts Group to repair the Opou Road Hall be brought back to the Finance and Operational Performance Committee in six months time.”

440/2003

A1

A map attached at page A1 shows the location of the Hall and other community facilities in the area. The Hall was donated to the community and relocated to Opou Road Reserve from Waiuku Army Base in the late 1940s. Ownership of the Hall was transferred to the Council in the 1970s. In the past the Hall was used as a focal point for community activities including social dances, family parties, election voting and the Titirangi Orpheus Sea Scout Group. In recent years the casual and regular usage of the Hall has decreased due to a range of factors including lack of parking as the Hall is located at the end of a narrow cul de sac road and has no off street parking. The Hall is also situated directly next to houses in a very residential area and noise and traffic generated by Hall users has caused problems for the community.

The main users of the Hall as at April 2002 were the Sea Scout Group who cater for up to seventy youth and their families in the area and used the venue three evenings a week on average. The Sea Scouts were relocated to the Paturoa Residents and Ratepayers Hall, Titirangi Beach until a final decision had been taken on the future of Opou Hall.

STRATEGIC CONTEXT

The Urban Villages Pathway aims to make the town centres a vibrant fun place to live, giving people choices about recreation in their town centres.

The Council's Strategic Plan is to join and improve the city's parks, bush and streams to form a link throughout the town centres.

Council's Wellbeing and Urban Village Pathway strategic and policy objectives aims to provide networks of appropriate and accessible public buildings as key community focal points and through a wide range of low cost, low impact community activities.

ISSUES

A1

As at 2001, the Titirangi South area within which the Opu Road community is located had a total population of 3237. A relatively high number of Council and non-Council owned community facilities are available for use in the area as marked on the map attached at page A1. The Council carries out maintenance required for Council owned Halls on a case-by-case basis in cooperation with the Hall Management Committees. In addition the Council also administers the Community Hall Fund, which had \$42,000 available in 2002/2003 for small grants of \$500-\$3000 to eligible Hall Management Committees to contribute to the maintenance and running expenses costs of the Halls (both Council and Community owned).

Community Consultation

Consultation with the local community was carried out by Council earlier this year through a questionnaire that was delivered to 400 homes in and around Opu Road. Copies were also distributed to the Sea Scouts and the Paturoa Residents and Ratepayers Association. Of the responses 54% (the majority) believe that the Hall should be demolished and the land reverted to reserve, and 39% prefer that the Hall be repaired¹. Following community consultation two options were identified for the future of the Opu Road Hall, French Bay and included in the report to the Committee in April this year. The options include the following:

Option One - Demolish the Opu Road Hall and Revert Site to Park Land

Option One involves demolishing the Opu Road Hall and reverting the site back to park land. With the exception of the Sea Scouts, community groups have not used Opu Road Hall regularly for a number of years. There are logistical difficulties associated with using the Hall including location and lack of parking. The Sea Scouts prefer the Opu Road Hall to the Paturoa Hall as they were based there for a number of years, felt more secure and less isolated, had storage facilities and as near sole users could leave their equipment set up in the Hall. At the Paturoa Hall the Scouts are required to pack their equipment away and do not feel as secure in this Hall due the absence of surrounding houses or facilities.

The completed questionnaires showed that the majority of the community participating in the consultation support demolition of the Hall and reverting the site back to park space. Opu Reserve is one of few green spaces in the area and is a unique site as it offers a tranquil and scenic public space with little or no traffic pollution including noise. The main reasons cited by those opting for demolition were concerns over the significant amount of funds required to repair the Hall.

¹ 7% of questionnaire respondents were undecided.

Option Two - Repair the Opop Road Hall

Option Two involves carrying out the repairs to Opop Road Hall estimated at \$50,000 and making the Hall available for community use. This option would preserve the Opop Road Hall for long term community use and enable the Sea Scouts to move back to the Hall which they prefer as a base due to proximity to the beach where they launch their boats, the opportunity to display scouting paraphernalia within the Hall and a secure and safe environment. Although potential use of the hall is restricted by the residential location, and lack of parking for Hall users the Sea Scouts would use the Hall regularly during the week and weekends and the Hall would also be available to suitable community groups and actives such as antenatal classes and General election voting. Although a higher number of survey respondents opted to demolish the Hall the majority of those cited the significant costs involved the main reason behind their decision. If repaired the Hall will provide a facility for use by appropriate local groups and Opop reserve will continue to provide public leisure and recreation space and access to the coastal environment.

When approached by Council officers earlier this year to determine whether they could contribute to the repair costs as the main users of the Hall the Sea Scouts advised that they were willing to look into funding options. It was considered that the Scouts might have some difficulty in raising the required funds as many funding organisations will not fund community groups for repairs to buildings that are not owned by the group. However as the Sea Scouts were determined that the Hall be repaired to ensure the continued provision of the scouts for Titirangi youth they were willing to undergo fundraising efforts to contribute to the Hall repair costs.

Fundraising Progress Report

The Orpheus Sea Scouts have recently advised Council officers that they have been successful in their funding applications for repairs to Opop Hall to the amount of \$39,652.60 and are still awaiting decisions on two further applications. The approved funding includes \$25,000 from Portage Licensing Trust, \$12,750 from Southern Trust, \$1,402.60 from New Zealand Community Trust and \$500 from the RSA. The grants have conditions attached relating to the Sea Scouts successfully being awarded the lease of the Opop Hall. If the Finance and Operational Performance Committee approves the recommendation to repair the Opop Road Hall a report on the lease of Opop Hall will be submitted to the New Lynn Community Board for their consideration on 3 November 2003. The report will recommend that the Community Board lease the Opop Road Hall to the Orpheus Sea Scouts. The Orpheus Sea Scouts have been informed that they are welcome to attend and/or speak at the Committee meeting.

Council Officers have recently met with the Sea Scouts and advised that if a decision were made by this Committee to repair the Hall the process would be project managed by Council in accordance with standard Council practice. If approved, it is expected that repairs to the Hall would commence in February 2004 to be completed by May 2004. The scouts are very keen to re-establish their group back in Opop Hall once the repairs are complete. They expect that the move will attract more youth to their Scout groups as they have experienced a decrease in numbers since moving to Paturoa Hall.

RESOURCING

The Orpheus Sea Scouts have raised \$39,652.60 so far towards the repairs costs of Opop Hall and are awaiting decisions on further applications totalling approximately \$14,000. Council commitments to date would allow for repair costs of up to \$10,000 to be funded from the Property Renewals Budget, this being equivalent to the amount previously committed in the 2002/2003 budget for the demolition of the Hall. Funds committed to the repair of the Hall including Council and the Sea Scouts fundraised contribution totals \$49,652.60. Although the amount is slightly under the estimated \$50,000 for the repairs it is likely that the scouts will receive a small amount of further funding in the next few months from outstanding funding applications.

CONCLUSION

The Opopu Road Hall in Opopu Reserve, French Bay, Titirangi is owned by the Waitakere City Council and has been unavailable for community use since April 2002 after Council officers found it to be structurally unsound. An initial decision to repair the Hall was revised after further investigations found significantly more work required at Opopu Road Hall than was first anticipated and repair costs were estimated at around \$50,000. The most regular users of the Hall as at April 2002 were the Sea Scout Group who were relocated to the Paturoa Residents and Ratepayers Hall, Titirangi Beach where they remain today. At the Committee meeting in April a decision on the future of the Opopu Hall was deferred until the Scouts had been given six months to fundraise for the repairs. Within that time the Sea Scouts have successfully fundraised approximately \$40,000 and are still awaiting decisions on further applications. Council's Property Renewals budget has committed \$10,000 towards the repairs.

There are two options that have been considered for the future of the Opopu Hall. It is recommended that the Committee endorse Option Two that the Opopu Road Hall be repaired. Although the majority of the community recommended that the Opopu Hall be demolished this was mostly due to the concern over the significant amount of funding required to repair the Hall. The Opopu Sea Scouts have demonstrated a commitment to the repairs of the Hall and been successful in sourcing 80% of the required funding. The Sea Scouts provide one of the few youth services in the local area and are determined that the renewal of the Hall will attract further youth and their families to the scout group. Once repaired the Hall will also provide a facility for use by appropriate local groups and Opopu Reserve will continue to provide public access to the coastal environment for the wider/and or local community to use and enjoy.

RECOMMENDATIONS

1. That the information be received.
2. That the Finance and Operational Performance Committee endorse that the Opopu Road Hall be retained and repaired.
3. That the Finance and Operational Performance Committee recommends to the New Lynn Community Board that a lease of the Opopu Hall be granted to the Orpheus Sea Scouts.
4. The Finance and Operational Performance Committee approve that up to \$10,000 from Council's Property Renewals Budget be made available for contribution to repair costs of the Opopu Hall.

Report prepared by: Polly O'Brien, Leisure Services, Project Leader Community Resources.



PART III - LEGAL AND CONSTITUTIONAL

6 AFFIXATION OF COMMON SEAL

Execution of Documents: 1 September 2003 - 26 September 2003

Nº	NAME	PARTICULARS
2766	WCC - Edward King	Deed of Lease - 1 Rangiwai Road, Titirangi - Resolution 2068/2002
2767	WCC - MA Smith Trading Trust Ltd	Deed of Waiver - S.40 Public Works Act 1981 - Resolution 1289/2003
2768	WCC - KR Hudson & M Wood	Authority for Use of Dedicated Road - 10 Tanekaha Road
2769	WCC - Northeast Developments Ltd	Authority for Use of Dedicated Road - 91 Winery Way
2770	WCC - White Family Trust	Deed of Lease - GPT Building - 9 Waipareira Ave
2771	WCC - E&E Developments Ltd	Water Supply Easement in gross - CT.NA17B/547 - 352A Swanson Road - SPW 21576
2772	WCC - E&E Developments Ltd	Drainage Easement in gross - CT.NA17B/547 - 352A Swanson Road - SPW 21576
2773	WCC - WJ & EC Turner	Drainage Easement in gross - CT.101358 - 22 La Rosa Street - SPW 20274
2774	WCC - Auckland Regional Transport Network Ltd	Licence to Occupy Encroachment, Ranui Railway Station - Resolution 828/2003
2775	WCC - NZ Rail Corporation	Lease of Railway land at Paremuka - Resolution 1664/2003
2776	WCC - Steven John Hill	Authority for Use of Dedicated Road - 23 Rayner Road, Piha
2777	WCC - Donald Christopher Atchison	Authority for Use of Dedicated Road - 110 Piha Road, Piha
2778	WCC - Waitakere Safer Community Council Trust	Memorandum of Variation of Service Agreement - Resolutions 927/2003 & 1637/2003
2779	WCC - Tony Tay & Associates Ltd	Right-of-way Easement in gross - CTs.81719-81727 - 24 Rakich Drive - SPW 19347
2780	WCC - Tony Tay & Associates Ltd	Water Supply Easement in gross - CTs.81713-81727 - 24 Rakich Drive - SPW 19347
2781	WCC - Rewa Stanley Clark	Drainage Easement in gross - CT.40028 - 87-89 Triangle Road - SPW 20961
2782	WCC - NZ Railways Corporation	Agreement to Lease - Rankin Avenue, New Lynn - Resolution 1664/2003
2783	WCC - SJ & GN Bayne	Deed of Waiver - S.40 Public Works Act 1981 - Resolution 1289/2003
2784	WCC - Keith Leslie Jordan	Surrender of Drainage Right in gross - created by Transfer D627676.11 in respect of CT.NA137A/343 - 29 Vinograd Drive/18 Provence Esplanade - SPW 21587

RECOMMENDATIONS

1. That the information 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: Magdalene Conceicao, Executive Officer (Legal) .



PART IV - FINANCE

7 OPERATING AND CAPITAL EXPENDITURE SUMMARIES

PURPOSE OF THE REPORT

The purpose of this report is to inform the Finance and Operational Performance Committee as to the level of the year to date operating and capital expenditure by Unit compared to budget.

BACKGROUND

A2 This report covers expenditure for the first two months of the current financial year ending 31 August 2003. The financial summaries are attached at page A2.

ISSUES

The next reporting round will be for the three months ending 30 September 2003 at which stage we will be conducting a comprehensive review of expenditure including a variance analysis and forecasts through to year end. Further reviews will be undertaken at the end of the second and third quarters.

If you require any further information in respect of this report, other than of a general nature, please contact either the writer or the Director: Finance prior to the meeting to enable the query to be researched.

RECOMMENDATION

That the information be received.

Report prepared by: Alec Third, Chief Management Accountant.



8 BORROWING AND INVESTMENT REPORT

This report has been circulated separately with the agenda.



9 STATUS OF SPECIAL FUNDS

PURPOSE OF THE REPORT

The purpose of this report is to keep the Committee informed as to the status of Special Funds.

FUNDS

A3 The summary of Special Fund balances as at 31 August 2003 and summary transactions for the first two months of the current financial year are attached at page A3.

If you require any further information in respect of this report, other than of a general nature, please contact either the writer or the Director: Finance prior to the meeting to enable the query to be researched.

RECOMMENDATION

That the information be received.

Report prepared by: Alec Third, Chief Management Accountant.



10 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.

PAYMENTS

A4 A summary schedule of payments made for the period 15 August 2003 to 11 September 2003 is attached at page A4.

A5-A8 A further schedule of all payments of \$5,000 and above, together with the reason for the payment is attached at pages A5 to A8. 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.

RECOMMENDATIONS

1. That the information be received.
2. That the contracts let and payments made be approved.

Report prepared by: Andrew Pollock, Director: Finance.



11 **ANNUAL REPORT 2002/2003**

PURPOSE OF THE REPORT

The purpose of the report is to present the year end Annual Report to the Finance and Operational Performance Committee and seek a recommendation that the report be forwarded to the Council for adoption.

BACKGROUND

The preparation of the Annual Report is a statutory requirement of the Local Government Act. The Annual Report must be adopted no later than five months after the completion of the financial year ending 30 June 2003.

STRATEGIC CONTEXT

The Annual Report completes the planning and reporting cycle for the year ended 30 June 2003. The report contains the actual results of financial performance against budgets and non financial measures.

ANNUAL REPORT CONTENT

The financial statements along with the statements of service performance have received clearance from Audit New Zealand. The draft Annual Report will be circulated under separate cover. The key content of the published report will comprise:

- From the Mayor;
- Report of the Chief Executive;
- A year of achievements;
- Sustainable development report;
- Financial overview;
- Report on long term financial strategies and policies;
- Statement of compliance and responsibilities;
- Financial statements for the year ended 30 June 2003;
- Role and structure of Waitakere City Council;
- Human resources policies and programmes;
- Statement of resources;
- Councillors, Community Boards and Waitakere City Council Management;
- Report of the Auditor-General.

It is intended that the Council adopt the Annual Report at its ordinary meeting scheduled for 29 October 2003. Once approved the report will be printed for public distribution.

CONCLUSION

The Annual Report content has been prepared in accordance with statutory requirements and has been completed well within the statutory timeframe. Once adopted by Council the report will be printed. It is expected to be available for public distribution in early November 2003.

RECOMMENDATIONS

1. That the information be received.
2. That it be recommended to Council that the Annual Report for 2002/2003 be approved.

Report prepared by: Andrew Pollock, Director: Finance.



12 POLICY ON REMISSION OF RATES AND POSTPONEMENT OF RATES

PURPOSE OF THE REPORT

The purpose of this report is to inform the Finance and Operational Performance Committee on the issues concerning the development of a rates remission policy and a rates postponement policy, and to recommend a set of principles and rating conditions that will guide the development of such policies, which will be fair, equitable and consistent with Council's strategic direction.

BACKGROUND

The Local Government (Rating) Act 2002 and the Local Government Act 2002 provide that a local authority may adopt policies on the postponement of rates and the remission of rates. The policies on the postponement of rates or the remission of rates must state:

- a) The objectives sought to be achieved by a postponement or remission of the rates, as the case may be; and
- b) The conditions and criteria to be met in order for the requirement to pay rates to be postponed or remitted.

In determining a rates postponement policy a local authority may consider the matters set out in schedule 11 of the Local Government Act 2002. These relate to Maori freehold land, and the values associated with that land. However there is currently no such land identified in Waitakere City.

The transitional provisions for rates postponement and rates remission under the Local Government (Rating) Act 2002 are valid until 30 June 2004. In order to comply with the new legislation, Council is required to adopt a rates remission policy and a rates postponement policy as part of the Annual Plan process for 2004/2005. Consequently the policy will have to be approved by February 2004 for inclusion in the draft 2004/2005 Annual Plan. Any such policy adopted may be amended only as an amendment to the Long Term Council Community Plan.

At its meeting held on 10 February 2003, the Finance and Operational Performance Committee received two separate reports addressing the matters of remission of rates and postponement of rates for the 2003/2004 year under the provisions of the new legislation. With regard to rates remission, the Committee resolved to recommend to the Annual Plan Special Committee:

- a. *That the remission of rates on properties used by sports and other community groups, and remission of penalties and remission of rates on the grounds of extreme financial hardship continue to be dealt with under the existing policy and delegations of authority under the transitional provisions contained in Section 139 of the Local Government (Rating) Act 2002 for the 2003/2004 year.*
- b. *That the issue of developing a policy on rates remission be reported back to Council for consideration during the 2003/2004 year.*
- c. *That a report on financial assistance options for business incentives including boat building and film production be brought to the Annual Plan Special Committee for consideration.*

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With regard to rates postponement, the Committee resolved to recommend to the Annual Plan Special Committee:

- a. *That the transitional provisions of the Local Government (Rating) Act 2002 be used for any application for the postponement of rates for the 2003/2004 year.*
- b. *That the development of a rates postponement policy be reported back to Council during 2003/2004.*

72/2003

At the meeting of the Long Term Council Community Plan and Annual Plan Special Committee held on 25 March 2003 a report on financial assistance options for business incentives was considered. The Committee resolved:

- “2 *That Council approve the prioritisation of a mix of assistance for strategic new businesses within the overall Economic Development Strategy that is being developed at present.*

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The effect of this resolution is that any rates relief as an incentive for businesses will be considered as a part of an overall incentives package within the implementation phase of the Economic Development Strategy.

Rates postponement and rates remission are two different forms of rates relief, and may in some circumstances overlap. Although there will be two separate policy documents on rates remission and rates postponement, it is appropriate for the Finance and Operational Performance Committee to consider both policies together at this stage.

STRATEGIC CONTEXT

Rates constitute the principal source of funding for Council services, and the collection of an adequate amount of rates revenue is critical for meeting the increasing demand for these services and for the maintenance of quality standards at the desired levels. Without an adequate amount of rates revenue Council would not be able to deliver some essential services, which are not normally provided by private sector because of their “public goods” characteristics (e.g. local roads, foot paths and cycle ways, parks and street lights etc.) or those services which generate wider external benefits (e.g. libraries).

ISSUES

While rates are essential for funding the “public goods” provided by Council, they need to be fair, equitable, consistent with Council’s strategic goals, efficient and acceptable to ratepayers. There are circumstances under which rates on property values fail to meet these criteria and cause some negative effects on the community well being as whole, or on the well being of some individual ratepayers. For example -

- (i) The rates burden could affect the ability of community groups and organisations (non-commercial) to deliver services (e.g. community services and sporting and recreational opportunities), which generate wider social benefits.
- (ii) Rates may act as a disincentive to protect land with heritage characteristics, if such protection leads to a loss of private benefits. The protection of such lands contribute to the community well being.
- (iii) The rates on some properties can increase significantly due to the changes in Council’s urban development policies and rules (e.g. impact of changes to Metropolitan Urban Limit on farm land and rural properties). Such policy shifts may impose unfair financial burden on a section of ratepayers.
- (iv) The rise in land values due to rezoning may affect the residential properties in such locations.
- (v) Rates and penalties on rates defaults could impose an unfair burden on those ratepayers who experience extreme financial hardship due to circumstances beyond their control (e.g. old age, physical or mental disability, injury, illness and family circumstances).
- (vi) UAGC on multiple units used for common occupancy could impose undue burden on businesses such as motels and hotels.

These adverse effects can be mitigated or eliminated by providing financial relief in the form of grants or rates postponement or rates remission. While grants are a transparent form of subsidy, rates remission is a hidden subsidy to the recipient property owners from other ratepayers. If the postponed rates, including the financial and other costs, are recovered eventually, such relief may not involve a subsidy. Generally, more transparent forms of subsidies are considered to be more efficient than hidden subsidies. However, in some instances, the administrative cost (transaction cost) of providing rates remission could be lower than the provision of a direct subsidy.

Any form of financial relief provided will involve implications for Council finances: it reduces the amount of current revenue available for the delivery services. And every dollar foregone as a grant, rate remission or postponement is a dollar not available for alternative uses. Therefore, Council needs to be cautious in designing rates relief policies, including grants.

Under the new legislation there are essentially no restrictions on which properties can be eligible for remission of rates, unlike the Rating Powers Act 1998 which restricted rates remissions to specified sporting or community uses, or proven extreme financial hardship. Based on the conditions and the principles identified earlier, it is proposed to consider the following types of rating units for the purpose of developing rates relief policies (rates remission, postponement and grants). For the purpose of rates postponement and rates remission policies, rates include the general rates, targeted rates, uniform annual general charges and annual general charges.

Land Categories Considered for Rates Relief

(i) Land used by community groups and other organisations

The current Council policy provides for remission of rates on land used by sporting and community groups based on an assessment of the benefits against policy criteria.

The objective of this policy is to facilitate the delivery of non-commercial community services and recreational opportunities and to encourage wider use of these services by all sections of the community.

The current policy includes:

- Mandatory remissions - where Council is required to reduce rates by 50%;
- Discretionary remissions - where Council is able, at its discretion, to reduce rates up to 100%. The rate of remission is linked to the degree of contribution to the identified community outcomes;
- Non-rateable land (schools, kindergartens, churches and some hospitals).

Under the Local Government (Rating) Act 2002 most land previously eligible for 50% mandatory rates remission is now 50% non-rateable, and therefore no provision needs to be included in the rates remission policy for this land, together with other fully non-rateable land.

The current policy provides that where discretionary rates remission is granted, the remission does not apply to the Uniform Annual Charge for Solid Waste, or the Uniform Annual General Charge.

Matters that the Committee may wish to review are whether rates remission should also exclude other targeted rates and charges for services provided such as the Rural Sewerage Charge on properties in the Outer Area with septic tanks pumped out by the Council's Contractor, and Wastewater Rates.

Non-rateable properties are exempt from all rates except those relating to services such as solid waste removal, wastewater and water supply, where those services are provided.

Policy Development

It is recommended that the draft rates remission policy exclude targeted rates and charges for services provided from rates remission.

(II) Farmland where rateable value is influenced by potential non-farm use

Under the Rating Powers Act 1988 and the Rating Valuations Act 1998, land used for farming purposes whose property value is influenced by other potential uses, was required to be levied rates on the land value, but was required to pay rates only on the "rates postponement value". The difference between the rates levied and the rates payable were postponed for a period of five years.

Where the property was still being used for farming at the end of five years from any year in which rates were assessed, the rates for the earliest year were written off. Where a property or a part of a property ceased being used for farming or where the property was sold during that five-year period, any rates postponed were immediately payable.

However the provisions of the Rating Valuations Act 1998 relating to assessment and inclusion on the valuation roll of a rates postponement value have been repealed, and advice has been received that as from 1 July 2004, rates postponement values will not appear in the Valuation Roll on which rates are levied.

This change will impact on properties with current rates postponement values with effect from 1 July 2004. Therefore, Council needs to consider how to rate farmland within urban limits as from 1 July 2004.

Issues for consideration

The objective of this policy is to provide relief to bona fide farmers whose rateable value of the rating unit is influenced significantly by the potential alternative uses such as residential, commercial, industrial or other non-farm activities. In this context, farming is defined as exclusive or principal use of land for agricultural, horticultural, or pastoral purposes, or for the keeping of bees or poultry or other livestock.

There are a number of issues that Council need to consider in reviewing this policy:

- whether the definition of farming is acceptable;
- whether postponement of rates should continue after 1 July 2004;
- how rates on these properties should be assessed in the future;
- should there be any difference in rating of farmland property in the urban and rural areas, and should there be any difference in rating on different types of farming use;
- how any postponed rates should be assessed;
- when any rates postponed after 1 July 2004 should be payable;
- whether and when any rates postponed after 1 July 2004 should be written off;
- whether interest or additional charges should be added to the amount of rates postponed.

It is not clear whether the current policy has encouraged genuine farming in the areas affected by urbanisation or whether it has enabled the landowners to simply defer the sub-division of such land for capital gains. The growing demand for land against a limited supply may eventually tilt the balance against farming, and induce landowners to convert them for non-farm activities.

The eventual writing off of rates tends to distort the cost signals that are expected to reflect the relative scarcity of resources so that they will be used most efficiently. The real cost of under-utilisation of land is suppressed by the postponement of rates. It could discourage the supply of land for commercial and industrial activities essential for employment growth, which is accorded high priority in the City. On the other hand, the continuation of the rates postponement policy may provide a window of opportunity for landowners to search for innovative farming that could use land more intensively and generate higher incomes and employment opportunities; but there is no evidence of such developments at present.

Under the current policy, the rates postponed for a period of five years are rolled over by writing off the amounts postponed for the prior years. This means that the longer the period of postponement, the greater will be the amount of rates foregone by Council. This policy may encourage farmland owners to speculate in the property market in anticipation of large capital gains at Council's expense.

Policy Development

Council may consider continuing the current policy as the future changes to Metropolitan Urban Limit and District Plan may affect the land values in areas where such changes occur (for example, Northern Strategic Growth Area). However, rating policy should not discourage efficient use of scarce resources such as land within urban limits. One way of minimising such effects and reducing the financial cost to Council is to not write off the amounts of rates postponed but to treat them as loans with interest accruing annually. The amounts postponed should be carried forward and recovered in the event the land is sold or if the land is converted to a non-farm activity. Amounts could be postponed only in situations where land is used for bona fide farming on a long-term basis.

The effects of the past policy on farm and rate postponement need to be evaluated during the 2005/2006 Long Term Council Community Plan process in order to refine the proposed rates postponement policy.

(iii) SPECIAL RATEABLE VALUES

Under the Rating Powers Act 1988, certain classes of property were assigned special values on which rates were required to be assessed instead of the normal land values. The type of property uses where the special values are less than the land values are:

- a) Residential Land in Commercial or Industrial Areas.
- b) Land subject to Special Preservation Conditions.
- c) Existing Use Property (one property only in this category).

(a) Residential lands where rateable value is influenced by rezoning

The legal requirement to adopt special rateable values provided rates relief to owners of residential rating units in non-residential areas where the property values are influenced significantly by the changes in Council policies and rules relating to urban development.

The removal of the special value provisions of the legislation will result in an increase in rates on these properties. Generally such properties have a higher potential value because of the ability for the land to be used for commercial or industrial purposes.

Prior to the enactment of the Rating Powers Act 1988, the Rating Act 1967 provided that such land could be subject to postponement of rates which were written off after 5 years, if the property was still used as a residence by the applicant.

Issues for consideration

While providing rates relief by way of rates postponement is justified on equity and fairness grounds, it is important to recognise that the owners of residential properties in commercial and industrial areas are able to realise capital gains upon the sale of such properties. Therefore, Council needs to consider recovering the amounts postponed, plus the interest cost incurred by Council from the ratepayer in the event of the sale of the property.

Policy Development

Provision may need to be made for the postponement of rates on any residential property located in a commercial or industrial area which is owner occupied as residence, or occupied under such other circumstances that the Council deems reasonable under the objectives of the policy, the amount of rates to be postponed being calculated on the difference between the land value and a "special value" assessed on the same basis that existed prior to the enactment of the Local Government (Rating) Act 2002.

Rates would be postponed under such a policy only where the applicant was the owner of the property at the time of any change to the District Plan that caused the increase in the value of the property, or 1 July 2003, whichever date is the later. The rates so postponed plus the interest cost incurred by Council would be immediately payable when the property ceases to be the residence of the applicant, is sold, or on the death of the applicant.

(b) Land subject to Special Preservation Conditions

The Rating Powers Act 1988 provided for special values to be assessed on lands protected for natural resource and heritage conservation purposes. The objective of this policy is to preserve and promote natural resources and heritage by encouraging the protection of land with natural, historic or cultural features.

There are currently 12 properties with special values assessed under Section 27 of the 1988 Act in Waitakere City, located at Laingholm, Piha, Karekare, and Waitakere.

Current Policy

The Green Network Rates relief policy provides financial grants to property owners on the basis of the proportion and quality of native bush on the property. Currently 5 properties with special values assessed under this category also receive Green Network rates relief. However currently there are no lands identified for protection for heritage purposes in Waitakere.

Issues for consideration

Any policy on rates relief for the conservation of natural or heritage features should be developed taking into account the current policy for Green Network rates relief. Under the latter, grants are made to property owners on the basis of a formula that takes into account the proportion and quality of native bush on the property.

Consideration needs to be given to whether any rates relief needs to be given to properties with a special value in this category of properties, other than through the Green Network Rates Relief policy.

Policy Development

Rates relief on any land that currently has a special value or identified in the future for conservation purposes needs to be considered within a wider policy that incorporates the Green Network Rates Relief Policy as well.

It is recommended that relief for lands identified for the protection of natural or heritage features be provided in the form of grants under the new policy proposed.

(iv) RATES RELIEF ON THE GROUNDS OF HARDSHIP

Rates relief on the grounds of hardship could be in the form of either remission or postponement of part or all of rates levied. The extreme financial hardship provisions only applied to individuals under the Rating Powers Act 1988. The objective of this policy is to assist ratepayers experiencing extreme financial difficulties, which affect their ability to pay their rates. However, no rates have ever been remitted under these provisions. In most, if not all cases, there would be sufficient equity in a property to make rates postponement an option.

Issues for consideration

Council needs to consider whether extreme financial hardship experienced by individuals (natural persons) should be considered for providing rates relief either in the form of postponement or remission.

In this context, some of the relevant issues include the following:

- the assessment of financial hardship due to personal or family circumstances requires information about the ratepayer's income, including income support from Work & Income New Zealand, the outgoing and the financial assets. Council does not have access to such personal data;
- property rates are not based on the incomes of the ratepayers and therefore rates are not an appropriate mechanism for the purpose of redistributing income from one group of ratepayers to another;
- central government has mechanisms to provide income support for individuals and families whose incomes are inadequate to meet the living expenditures;
- potential inequities may develop between ratepayers with similar incomes and outgoings to those granted rates remission, but who do not apply for rates remission or who are not property owners;
- the potential for a significant impact on Council's income and level of rates if the threshold is set to high and significant numbers of ratepayers and significant amounts of rates are remitted;

- the use of the rates postponement tool in cases of hardship (again with potential impact on Council's finances if significant amounts of rates are postponed);
- in the context of rates postponement, the question is whether Council should recover at least the cost of borrowing.

The issue of ability to pay has arisen in the context of water use and water conservation. At present separate work is being undertaken to advise Council on this issue and it is suggested that Council await the recommendations of these work groups.

Policy Development

Council may consider postponement of rates for individuals whose ability to pay is affected by extreme financial hardship, subject to a percentage charge equivalent to Council's cost of borrowing.

The issue of rates remission on extreme hardship grounds should be considered only after an in-depth research on the degree and the extent of hardship in the City and the appropriate methods of addressing the hardship issue in conjunction with the ability to pay issues related to household water use. The ability to pay issue related to water services is considered separately under the Water Services Assessment to be completed by June 2005.

(v) REMISSION OF WATER CHARGES WHERE THERE IS A LEAK

Where a property is found to have a significant leak from water pipes on the ratepayers side of the meter, which is often found following a water billing, it is common practice to remit part of the water charges, and the ratepayer is required to pay the part of the charge relating to the purchase of water from Watercare Services Ltd when evidence of the leak being repaired is produced.

Policy Development

It is recommended that the rates remission policy include this item.

(vi) REMISSION OF PENALTIES

Under the Rating Powers Act 1988, local authorities had the power to remit additional charges (penalties) where it considered it would be just and equitable to do so.

Under the Local Government (Rating) Act 2002 it will be necessary to include the remission of penalties under the rates remission policy. The objective of this policy is to enable the Council to act fairly and reasonably in its consideration of penalties added to rates, payment of which have not been received by the Council by the due date, due to various circumstances.

Policy Development

The remission of penalties should be included in the rates remission policy, subject to appropriate criteria being met. The criteria need to be included in the policy document.

(vii) REMISSION OF UNIFORM ANNUAL GENERAL CHARGES

Currently the Council's differential rating system provides that where a minor household unit "is used as their principal place of permanent residence by a member or members of the immediate family of the owner and occupier of the associated dwelling on the same site or is used by such owner in direct conjunction with his/her occupation of such associated dwelling or is otherwise to be kept vacant for the financial year concerned) it shall not be a dwelling for the purpose of determining whether it is classed as a multi-unit property". Such properties are commonly referred to as "granny flats".

Although it is clear that such properties are not rated as multi-units, the position with regard to the levying of a Uniform Annual General Charge on every separately inhabited part of a rating unit is less clear.

Policy Development

In order to remove any doubt, Uniform Annual General Charge should be remitted on such minor household units used as "granny flats".

The new policy on remission of UAGC should also include motels, hotels and storage facilities if they in theory attract multiple UAGC and if it is considered that the imposition of UAGC on such properties is against the principles set out before. The rates remission policy may also be extended to properties spanning the boundary of Waitakere City with another local authority. It is proposed to investigate the practices in other local authorities before the policy is finalised.

(viii) RATES RELIEF AS A BUSINESS INCENTIVE

Rates relief as an incentive for business investments and employment generation is being considered as part of a wider policy within the implementation phase of the economic development strategy of the City. The relevant recommendations as developed could be incorporated into the appropriate rates relief policies.

RESOURCES

The development of a rates remission policy has been included in the work programme for the 2003/2004 year.

CONCLUSION

Under the Local Government Act 2002 and the Local Government (Rating) Act 2002, Council is required to develop policies on the postponement and the remission of rates. Because of the financial implications involved in providing such rates relief measures, Council needs to adopt a judicious approach to develop the relevant policies. It is proposed that the rating units for rates relief policies be identified on based on the following principles:

- fairness and equity;
- elimination or mitigation of disincentives to actions that clearly contribute to community outcomes;
- consistency with the Council's strategic goals;
- efficiency and transparency.

The adoption of rates relief as an incentive for businesses or to address financial hardship problems will be considered as a part of an overall incentives package within the implementation phase of the Economic Development Strategy.

The issue of ability to pay has arisen in the context of water use and water conservation. At present separate work is being undertaken to advise Council on these issues, and it is suggested that Council await the recommendations of these work groups.

RECOMMENDATIONS

1. That the information be received.
2. That the Finance and Operational Performance Committee approve the following principles for the development of rates remission and rates postponement policies:
 - fairness and equity;
 - elimination or mitigation of disincentives to actions that clearly contribute to community outcomes;
 - consistency with the Council's strategic goals;
 - efficiency and transparency.
3. That the Finance and Operational Performance Committee approve the following categories and conditions, identified on the basis of the principles stated above, for the purpose of developing rates postponement and remission policies:
 - (i) Land used by community groups and other organisations;
 - (ii) Farmland where rateable value is influenced by potential non-farm use;
 - (iii) Residential lands where rateable value is influenced by rezoning;
 - (iv) Land subject to special preservation conditions;
 - (v) Rates relief on the grounds of hardship;
 - (vi) Remission of water charges where there is a leak;
 - (vii) Remission of penalties;
 - (viii) Remission of Uniform Annual General Charges.
4. That the Finance and Operational Performance Committee approve for inclusion in the draft policies for remission and postponement of rates:
 - a) That the rates remission policy for community groups and other organisations exclude targeted rates and charges for services provided from rates remission.
 - b) That the rates postponed on farmland in urban areas not be written off under the proposed policy.
 - c) That interest be charged on the rates postponed on farmland, and the full amount of the rates postponed including the interest charge capitalised be recovered from the landowner in the event of a sale or conversion of land to non-farm activity.
 - d) That interest be charged on the rates postponed on residential properties in commercial and industrial areas, and the full amount of the rates postponed including the interest charge capitalised be recovered in the event of the property ceasing to be the residence of the landowner, or the sale of the property.

- e) That the properties with heritage features be considered for relief in the form of grants under a new policy that will include all lands protected for natural resource and heritage conservation purposes (if this is approved, rates on such land will not be based on special valuation to avoid "double dipping").
 - f) That rates postponement be allowed in the event of extreme financial hardship experienced by individual ratepayers (natural persons), subject to an annual fee equivalent to the Council's borrowing cost.
- 5. That the Finance and Operational Performance Committee give direction as to whether rates remission is to be considered for individual ratepayers experiencing extreme financial hardship.
 - 6. That the Finance and Operational Performance Committee approve the consideration of any rates relief for businesses experiencing hardship within an overall package of relief during the implementation phase of the economic development strategy.
 - 7. That the two policy documents on rates postponement and rates remission be forwarded to the Finance and Operational Performance Committee by February 2004.

Report prepared by: Andrew Pollock, Director Finance and Ariya Randeni, Senior Analyst, Economic Policy.



13 **APPLICATION FOR REMISSION OF RATES - MAN ALIVE INCORPORATED**

PURPOSE OF THE REPORT

A9-A21

The purpose of this report is to advise the Finance and Operational Performance Committee of an application for rates remission received from Man Alive Incorporated refer attachment at pages A9 to A21.

BACKGROUND

During the consideration of the Long Term Council Community Plan, and Annual Plan for the 2003/2004 year, the Council resolved to adopt the transitional provisions of the Local Government (Rating) Act 2002 with regard to consideration of applications for rates remission in the 2003/2004 year. Those transitional provisions authorise the application of the existing rates remission policy, which was adopted by the Council in 1998, and the remission of rates as if the Rating Power Act 1988 were still in force.

The Second Schedule of the Rating Powers Act 1988 provided that a local authority could remit rates on a variety of predominantly community uses of land including land:

- (i) Owned or occupied by or in trust for any society or association of persons, , the object or principal object of which is to conduct crèches or to conserve the health or wellbeing of the community or to tend the sick or injured.
- (n) Owned or occupied by or in trust for any society or association of persons,, whose object or principal object or one of whose principal objects is to promote generally the arts, or any purpose of recreation, health, education, or instruction for the benefit of residents or any group of residents of the district.

STRATEGIC CONTEXT

A new rates remission policy to apply from 1 July 2004 is currently being developed. This will have to be considered and consultation undertaken as part of the 2004/2005 Annual Plan, and adopted in that Plan.

Any application for rates remission granted for the 2003/2004 year should apply for that year only. When the new policy has been adopted, applications for rates remission from 1 July 2004, including all rates remissions currently granted, will have to be considered in terms of the new policy adopted.

ISSUES

Man Alive Incorporated is the owner of a property at 11 Edmonton Road, Henderson.

The property is used for the purposes of counselling, anger management and life skills for men, together with use of meeting rooms by various community groups.

Under the current rates remission policy, remission of rates may be granted where :

- 1.a) The land in respect of which a remission of rates is being applied for is being used in such a way that can be demonstrated to contribute to one or more of the following strategic outcomes:
 - increasing participation in community activities;
 - improving access to health, leisure, and other services essential to mental and physical wellbeing;
 - improving access to information, education and learning opportunities;
 - fostering iwi, hapu and Maori development;
 - fostering cultural diversity in Waitakere City;
 - encouraging the community to be involved in looking after the City's natural, heritage and cultural resources;
 - improving safety for people in their homes, on the roads, in their local neighbourhood, and in town centres;
 - fostering co-operation, partnership, and sharing of resources between groups in the not for profit sector;
 - promoting a sense of belonging and identity for all people living in Waitakere City.
 - b) The land for which an application for remission of rates is being made should have a high level of use and Waitakere City residents benefit most from its use.
2. Other factors taken into account in deciding the level of remission include:
 - a) The level of funding received from central government by the group using the land.
 - b) Other funding and assistance received from Council by the group using the land.

The level of rates remission able to be granted under the policy is as follows.

In all cases, the applicant is required to pay the Uniform Annual General Charge, Water Charges and Refuse Collection Charges. The approved level of rates remission applies to other parts of the rates levied.

Level One: Remainder of rates are remitted by 100 percent

- a level one remission will be granted when the land for a which a remission is being applied for is being used in a way that makes a **major** contribution to one or more of the strategic outcomes as set out in the next section, and criteria 1(b) above is met.

Level Two: Remainder of rates are remitted by 66 percent

- a level two remission will be granted when the land for which a remission is being applied for is being used in a way that makes a significant contribution to one or more of the strategic outcomes as listed above.

Level Three: Remainder of rates is remitted by 33 percent

- a level three remission will be granted when the land for which a remission is being applied for is being used in a way that makes a **moderate** contribution to one or more of the strategic outcomes as listed above.

EVALUATION OF THE APPLICATION AGAINST THE POLICY

The property use appears to contribute to a number of the strategic outcomes.

The Accounts for the year ended 30 June 2002 show that of the total income of \$604,969, a significant proportion is derived from various Government agencies, Lotteries Grants and charitable funding sources.

Previously the applicant rented premises in Henderson.

2003/2004 rates on the property at 11 Edmonton Road amount to \$1,914 of which the Uniform Annual General Charge and Refuse Charge amount to \$468.

The maximum rates remission possible under the current policy is \$1,446. A 66% and a 33% rates remission would amount to \$954, and \$477 respectively.

CONCLUSION

The use of the property contributes to a number of strategic outcomes. However, unlike other community organisations granted rates remission, a significant proportion of funds are sourced from various Government agencies, either as grants or payments for services. On this basis a minimum 66% rates remission is supported.

A22

Attached at page A22 for the Information of the Finance and Operational Performance Committee is a list of properties currently granted rates remission, and the percentage of rates remission granted.

RECOMMENDATIONS

1. That the information be received.
2. That the Finance and Operational Performance Committee approves 66% rates remission for the 2003/2004 year.

Report prepared by: Andrew Pollock, Director: Finance.



PART V - GENERAL

14 COHOUSING NEW ZEALAND LIMITED / EARTHSONG ECO NEIGHBOURHOOD

PURPOSE OF THE REPORT

The purpose of this report is to advise the Finance and Operational Performance Committee of the financial provisions of the Memorandum of Understanding between Earthsong Eco Neighbourhood and Waitakere City Council, as requested at the Finance and Operational Performance Committee meeting on 11 August 2003 meeting.

BACKGROUND

A23-A31 A Memorandum of Understanding between Earthsong Eco Neighbourhood and Waitakere City Council attached at pages A23 to A31 was ratified by the Environmental Management Committee on 8 July 2003:

- “1. That the information on the Memorandum of Understanding Between Earthsong Eco Neighbourhood and Waitakere City Council be received.
2. That the Environmental Management Committee approves that Council enters into a Memorandum of Understanding between Earthsong Eco Neighbourhood and the Council.
3. That the Environmental Management Committee nominates Cr Yates as the representative to Earthsong and Cr Hulse as the alternate.
4. That the Chief Executive be authorised to sign the Memorandum of Understanding on behalf of the Council.
5. That a site visit be arranged for Councillors to view the Earthsong Eco Neighbourhood in the near future.
6. That the Committee congratulates Earthsong representative, Robin Allison, for her contribution to the development of Earthsong Eco Neighbourhood and her receipt of a social entrepreneur grant that enabled her to visit co-housing developments in North America.”

(1432/2003)

and formally signed by the Chief Executive on 26 July 2003.

The Memorandum provides for regular formal meetings between Earthsong and the Council to share information on progress and strategic priorities, to negotiate terms of access to the Earthsong site, and to develop contracts to meet Annual Plan requirements. Any budget required will be subject to standard Annual Plan processes.

A Councillor has been appointed to meet with Earthsong on a quarterly basis and Council officers will meet regularly with Earthsong representatives to liaise on work programmes, research projects, contracts and matters arising.

Cohousing New Zealand Limited, Earthsong's non profit development company, wrote to Council on 26 June 2003 requesting rates relief. This request was not received in time to be considered as a submission on the Annual Plan, therefore the request was referred to the Finance and Operational Performance Committee on 11 August 2003, when it was resolved:

“That the application for rates relief by Cohousing New Zealand Limited be declined at this time, but that the financial provisions of the Memorandum of Understanding with Cohousing New Zealand be reported back to the Finance and Operational Performance Committee.”

1671/2003

STRATEGIC CONTEXT

The Council's Strategic Plan sets the City's direction for sustainable management through to 2013. Earthsong's vision to establish a cohousing neighbourhood based on the principles of permaculture that will serve as a model of a socially and environmentally sustainable community aligns with all nine of the Council's strategic platforms underpinning the City's direction.

Earthsong's vision aligns particularly well with the Council's Three Waters objective to demonstrate innovative water management, and its Zero Waste, Sustainable Energy and Clean Air, Strong Communities and Active Democracy platforms.

MEMORANDUM OF UNDERSTANDING - FINANCIAL PROVISIONS

The purpose of the Memorandum of Understanding is to recognise Council's relationship with Earthsong and to set out how the future relationship is to be managed. Two of the Memorandum's key outcomes are:

- to allow for payment by the Council to Earthsong in return for services supplied, such as Council and community access;
- to enable Earthsong to have easier access to the Council's processes, information and resources.

Clause 6.5 of the Memorandum recognises that resourcing will be through mechanisms such as honorariums, mutually agreed work programmes and contracts. This will include Council-commissioned input by Earthsong to research projects, community access and education, and promotion of the eco city. A schedule of fees for site visits is currently being prepared by Earthsong for agreement with Council officers. Specific initiatives will be resourced through the Annual Plan process.

Clause 7.4 states that any significant contracts in excess of \$5,000 will be managed to standard Council procedures.

Clause 8.2 states that Council will pay for services supplied at Council's prior written request and that payment may be in cash and/or in-kind (e.g. access to Council staff, resources and services).

CONCLUSION

Earthsong, by way of their Memorandum of Understanding with Waitakere City Council, are provided with a number of avenues for gaining some financial advantage, including direct payment for services supplied and in-kind payment by way of the use of Council resources and services. Any specific and mutually agreed upon initiatives will be resourced through the Annual Plan or through current approved budgets.

RECOMMENDATION

That the information be received.

Report prepared by: Andrew Pollock, Director: Finance.



15 **2002/2003 COMMUNITY CENTRE ANNUAL PERFORMANCE REPORT**

PURPOSE OF THE REPORT

The purpose of the report is to inform the Finance and Operational Performance Committee on the Community Centres' annual performance for the 2002/2003 financial year.

BACKGROUND

Council owns and manages six Community Centres that cater for a wide range of community groups and activities through the provision of bookable spaces and the facilitation of activities. Community Centres also play a role in hosting civic events, including the City's key festivals and events such as the Going West Literary Festival (including Storyfest) and the Inaugural Moon Festival.

Community Centres also play host to a number of community events & festivals - examples include the Waitakere Secondary Schools Career Expo, Well-being Health Summit, Te Roopu Kapahaka O Te Atatu's annual friendly festival, Waitakere Multicultural Society and other cultural societies events. Local and Central government meetings and workshops, corporate conferences and functions, and many more one-off celebrations are also staged at the Community Centres.

The other major role of the Community Centres is to provide space for community group's to meet and participate in local activities.

STRATEGIC CONTEXT

Community and Leisure facilities and activities contribute to Council's Strong Communities and Urban and Rural Villages Strategic Platforms by helping provide networks of appropriate and accessible public buildings as key community focal points and through a wide range of low cost, low impact community activities.

Council's strategic objective for leisure is that a comprehensive range of leisure, recreation and sports services and facilities are provided.

The First Call for Children policy also has significant relevance in identifying the need for provision of programmes within the centres for youth.

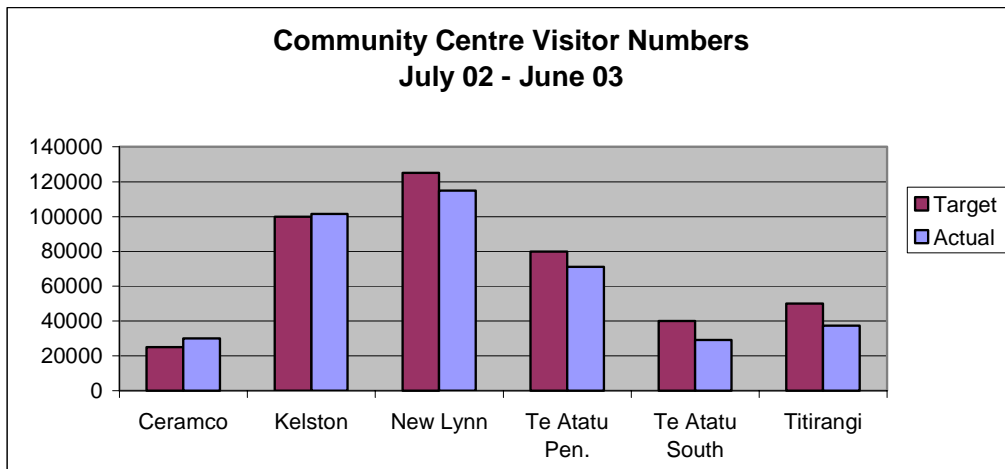
The Local Government Act defines one of Council's responsibilities is to promote the social, economic, environmental and cultural well being of communities, in the present and for the future.

ISSUES

Annual Performance Measures

The key booking measures of Community Centre performance is number of visitors, volume of occupancy, range of activity and achievement of financial targets.

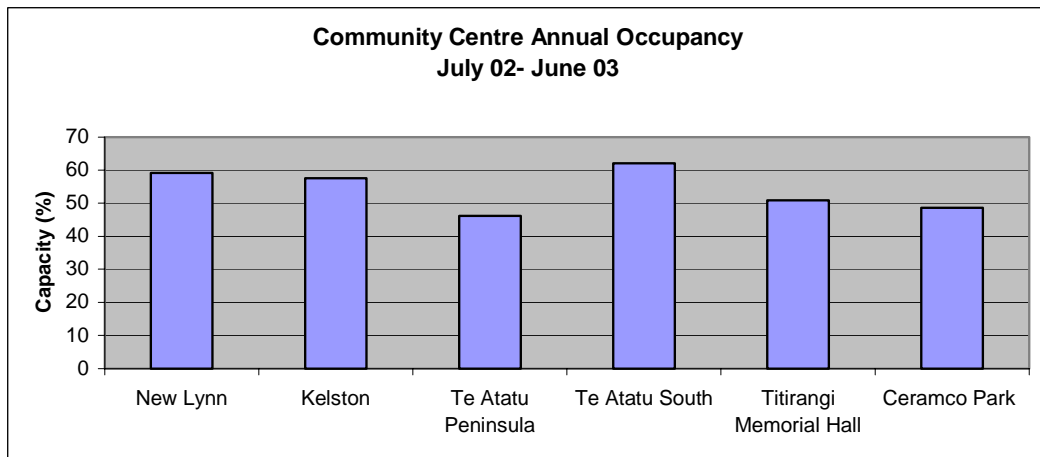
Number of Visits



Graph 1

A total of 387,404 people have visited the Centres July 2002 - June 2003, to attend some form of activity or event. This is an increase compared to last year's total, which were 381, 870 visitors. We are 12% below our budgeted target for 2002/2003, which is due to greater restrictions on functions such as socials, which is discussed in the financial section of this report.

Annual Occupancy



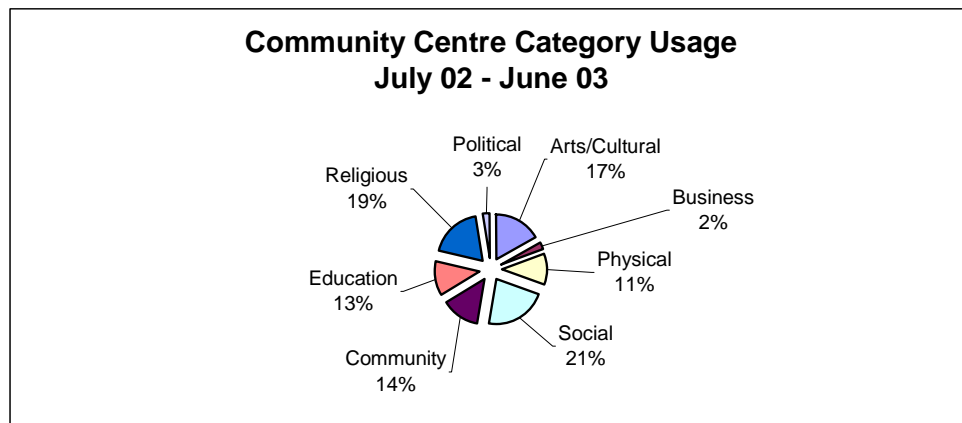
Graph 2

The target occupancy set for 2002/2003 for all Community Centres was 55%. As reflected in Graph 2 above, New Lynn, Kelston and Te Atatu South continue to have good occupancy levels. Overall occupancy is at 54% for 2002/2003, which is an increase compared to last year figure of 50%. Te Atatu Peninsula Community Centre has an occupancy level of 53.4% in the main hall, but its final occupancy total is affected by the low use of its smaller rooms.

Range of Activities

A32-A33

Each Centre offers similar core activities, however, due to the different design of the buildings and cultural mix of the community/area, the Centres attract different activities and develop distinct personalities. The following pie chart in Graph 3 demonstrates the averaged proportion of different uses in all Centres. Attached at pages A32 to A33, has individual pie charts for each centre. These demonstrate that opportunities exist for expanding and decreasing some categories of usage in some Centres to ensure an appropriate range of activities are provided.



Graph 3

Financial

The forecasted and actual revenue figures from Community Centre hireage are as follows:

1 July 2002/30 June 2003	2001/2002 Budget	2001/2002 Actual	2002/2003 Budget	2002/2003 Actual
Kelston Community Centre	67,021	69,634	73,000	66,490
Titirangi War Memorial Hall	22,088	19,759	30,000	25,828
Ceramco Park Function Centre	19,974	17,397	28,000	18,626
New Lynn Community Centre	67,764	66,494	88,000	69,024
Te Atatu Peninsula Community Centre	52,209	45,807	55,000	45,390
Te Atatu South Community Centre	23,279	23,806	32,000	23,102
TOTAL	\$252,335	\$242,897	\$306,800	\$248,356

Table 1

Actual revenue has increased slightly compared to last year's figure, with New Lynn and Kelston Community Centre's being our highest revenue earners. Overall Community Centre revenue is under its target by \$58,000. The budgeted income figure was increased for the 2002/2003 Annual Plan.

The introduction of mandatory security guards for socials and functions where liquor is consumed has meant that many of those running socials have elected to use other venues. This in turn has created a loss in revenue for centres such as New Lynn, Te Atatu Peninsula and Kelston. Some of those hirers running socials were in breach of the Sale of Liquor Act and Terms and Conditions of Hire, with the end result being that the facility would be damaged or left in an untidy state. These incidents have decreased considerably and accordingly our maintenance costs are not as high as previously.

Corban Estate Art Centre continued to increase the use of their facilities from a Cultural and Arts perspective attracting events like Pasifika Arts Festival, which were formerly held at Community Centres.

Developments

A new security system was installed in the New Lynn Community Centre in June 2003. The system was installed to provide a safe and secure facility for user groups, especially those groups in the evening and on their own after office hours.

A card reader is located by the Centre's main doors. Hirers swipe their card to enter and exit the building. Public access is limited to the foyer area, as people are required to use the swipe card to unlock the doors that lead to the back corridor area. By limiting public access to the back corridor, user groups have a greater sense of security when using the toilets, changing rooms or accessing the storage rooms. The Fire Exit doors in the back corridor are alarmed 24 hours a day, 7 days a week. The back corridor was a common access point for intruders, who would enter through the main doors and make their way down the back corridor passage, opening the Fire Exit doors for their associates.

The security system went live in July 2003 and has been valuable in monitoring user groups in the facility, especially those that are in after hours. This has resulted in a dramatic decrease to vandalism and theft at the Community Centre.

Promotions and Publicity

Generic advertising for Community Centre activities currently consists of individual centre programme flyers (approximately 2000 distributed per centre, per annum), posters and community signage (including two Advertising Shells) and Council's website. Quarterly advertisements are also placed in the "Western Leader Focus on Community Education" insert.

A comprehensive Business / Marketing and Promotions plan was completed for New Lynn and Kelston Community Centres.

Some of the Recommendations from this report that have been actioned to date are:

- installation of lockable perspex notice boards in the Community Centres - completed;
- design new main signage for New Lynn Community Centre - ongoing;
- target migrant groups - ongoing.

CONCLUSION

The Community Centres continue to provide high quality facilities to meet community demand and need:

- 387,404 people visited Waitakere Community Centres July 2002 - June 2003, an increase compared to 2001/2002 figures of 381,870 visitors;
- average occupancy rates are 54.05%, an increase compared to 2001/2002 figures of 50%;
- a good balance has been achieved in the range of activities currently undertaken in Waitakere City Community Centres;
- total income for the 2002/2003 Financial year was \$248,461, an increase compared to 2001/2002 figure of \$242,897;
- generic community centre marketing and promotion initiatives continue.

RECOMMENDATION

That the information be received.

Report prepared by: Robert Matamu Community Activity Facilitator, Leisure Services.



16 ACCOMMODATION REVIEW: COUNCIL OPERATIONS

This report was not available at the time of printing and will be circulated separately with this agenda.



17 **OLD NEW LYNN HOTEL**

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 Old New Lynn Hotel.

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">Old New Lynn Hotel	The withholding of information is necessary in order to: <ul style="list-style-type: none">enable the local authority holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	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.

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 would affect the Council's negotiations.*



PART VI - SUBCOMMITTEE REPORTS

18 EMERGENCY SERVICES SPECIAL COMMITTEE

THE SPECIAL COMMITTEE SUBMITS THE FOLLOWING REPORTS OF ITS ORDINARY MEETINGS HELD ON TUESDAY, 5 AUGUST 2003 AND THURSDAY, 11 SEPTEMBER 2003

MATTERS CONSIDERED

A34-A39

The Special Committee dealt with a number of items for which it has delegated powers to act and a copy of the minutes of the meetings are attached at pages A34 to A39.

The Special Committee Recommends:

That the Ordinary Meeting reports of the Emergency Services Special Committee held on Tuesday, 5 August 2003 and Thursday, 11 September 2003 be received.

DQ Battersby, JP
CHAIRPERSON



19 TENDERS SUBCOMMITTEE

THE SUBCOMMITTEE SUBMITS THE FOLLOWING REPORTS OF ITS ORDINARY MEETINGS HELD ON FRIDAY, 12 SEPTEMBER 2003 AND FRIDAY, 26 SEPTEMBER 2003

MATTERS CONSIDERED

A40-A46

The Subcommittee dealt with a number of items for which it has delegated powers to act and a copy of the minutes of the meetings are attached at pages A40 to A46.

The Subcommittee Recommends:

That the Ordinary Meeting reports of the Tenders Subcommittee held on Friday, 12 September 2003 and Friday, 26 September 2003 be received.

JM Clews, QSO, JP
CHAIRPERSON

