



Waitakere City Council
Te Taiao o Waitakere

NOTICE OF MEETING

FINANCE AND OPERATIONAL PERFORMANCE COMMITTEE

I hereby give notice that a meeting of the Finance and Operational Performance Committee will be held on:-

DATE: Monday, 9 August 2010 **TIME:** 9.30 am

MEETING ROOM: Council Chamber

VENUE: Waitakere Central, 6 Henderson Valley Road, Henderson, Waitakere

to consider the business as set out herein and to take any necessary action connected therewith.

4 August 2010

Carmen Fernandes
COMMITTEE SECRETARY

Telephone (09) 836 8000 extn 8887

MEMBERSHIP:

Councillors	RI	Clow (Chairman)
	JM	Clews, QSO, JP (Deputy Chairman)
	DQ	Battersby, QSM, JP
	BA	Brady, JP
	MFP	Chan, JP
	LA	Cooper, JP
	AK	Corban, OBE, JP
	RP	Dallow, QPM, JP
	WW	Flaunty, QSM, JP
	PA	Hulse
	MM	Jolley
	JP	Lawley, JP
	PG	Mitchell
	VS	Neeson, JP

Mayor RA Harvey, QSO, JP (ex officio)

(Quorum 5 members)

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(Meeting Room could be subject to change)

(The reports and recommendations contained in all agendas are reports and recommendations only and are not to be construed, in any way, as Council policy until adopted.)

AGENDA FOR A MEETING OF THE FINANCE AND OPERATIONAL PERFORMANCE
COMMITTEE TO BE HELD IN THE COUNCIL CHAMBER AT WAITAKERE
CENTRAL, 6 HENDERSON VALLEY ROAD, HENDERSON,
WAITAKERE, ON MONDAY, 9 AUGUST 2010,
COMMENCING AT 9.30 AM

TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE NO.</u>
<u>PART A - OPENING OF MEETING</u>	1
1 APOLOGIES	1
2 URGENT BUSINESS	1
3 CONFLICTS OF INTEREST	1
4 CONFIRMATION OF MINUTES	1
<u>PART B - LEGAL AND CONSTITUTIONAL</u>	2
5 AFFIXATION OF COMMON SEAL	2
<u>PART C - FINANCE</u>	4
6 CARRY FORWARDS FOR THE FOUR MONTHS ENDING 31 OCTOBER 2010	4
7 STATUS OF SPECIAL FUNDS	6
8 BORROWING AND INVESTMENT REPORT	7
<u>PART D - GENERAL</u>	10
9 COUNCIL CONTROLLED ORGANISATIONS – FOURTH QUARTER PERFORMANCE UPDATE	10
10 WAITAKERE CITIZENS ADVICE BUREAU INCORPORATED ANNUAL REPORT 2009/2010	18
11 LEISURE FACILITY PARTNERSHIP FUND 2010/2011 STAGE TWO APPLICATIONS	21
12 MCLAREN PARK HENDERSON SOUTH COMMUNITY INITIATIVE INCORPORATED END OF YEAR PERFORMANCE AND PERFORMANCE MEASURES FOR 2010/2012 REPORT	31
13 TE ATATU TENNIS CLUB INCORPORATED - NEW LEASE AT PART OF KAUMATUA RESERVE NOT SUBJECT TO THE RESERVES ACT 1977	36
14 RECOMMENDATION FROM INFRASTRUCTURE AND WORKS COMMITTEE	38
<u>PART E - REPORTS FROM THE SUBCOMMITTEES</u>	38
15 TENDERS SUBCOMMITTEE	38

**AGENDA FOR A MEETING OF THE FINANCE AND OPERATIONAL PERFORMANCE
COMMITTEE TO BE HELD IN THE COUNCIL CHAMBER AT WAITAKERE
CENTRAL, 6 HENDERSON VALLEY ROAD, HENDERSON,
WAITAKERE, ON MONDAY, 9 AUGUST 2010,
COMMENCING AT 9.30 AM**

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



4 CONFIRMATION OF MINUTES

Meeting Minutes - Monday, 12 July 2010

RECOMMENDATION

It is recommended that the Finance and Operational Performance Committee resolve to:

Receive the minutes of the meeting of the Finance and Operational Performance Committee held on Monday, 12 July 2010, as circulated, and that they be taken as read and now be confirmed.



PART B - LEGAL AND CONSTITUTIONAL

5 AFFIXATION OF COMMON SEAL

RECOMMENDATIONS

It is recommended that the Finance and Operational Performance Committee resolve to:

1. **Receive** the Affixation of Common Seal report.
2. **Agree** that the action taken in affixing the Common Seal on the documents as set out in the agenda report be adopted.

EXECUTION OF DOCUMENTS: 5-31 July 2010

Nº	NAME	PARTICULARS
5066	WCC - Treephop Fuangkhajornfung and Kunnika Maneesai	Conservation Covenant (in duplicate) - 100 Glendale Road, Glen Eden - resolution no. 2090/2003
5067	WCC - Vodafone New Zealand Limited	Telecommunication Licence (in duplicate) re Ceramco Park, Glendale Road, Glen Eden - resolution no. 1462/2009
5068	WCC - Heka Developments Limited	Authority and Instruction form for electronic transaction - 90 Huia Road, Huia - s.224(c) Certificate, Consent Notice s.221 RMA and water drainage easement - RMA22071668
5069	WCC - ANZ National Bank Limited	Updating cheque signing authorities - resolution no. 1400/2008
5070	WCC - Vector Limited	Authority and Instruction form for electronic transaction for easement - Henderson Creek & Flanshaw Esplanade Reserves - resolution no. 990/2007
5071	WCC - HA Semmens, TM Semmens, WD Bygrave	Memorandum of Encumbrance - 50 Seacrest Drive, West Harbour
5072	WCC - RK & RS Developments NZ Limited	Part release of Bond regarding DP 411760 - 254 Great North Road, Henderson - RMA20071376
5073	WCC - Daniel Richard Downie, Customer Field Specialist	Warrant of Appointment and Evidence of Identity - No.WCC492
5074	WCC - Ngariki Apo, Enforcement Officer	Warrant of Appointment and Evidence of Identity - No.WCC493
5075	WCC - Viliamu Auva'a, Enforcement Officer	Warrant of Appointment and Evidence of Identity - No.WCC494
5076	WCC - Patrick Avers, Enforcement Officer	Warrant of Appointment and Evidence of Identity - No.WCC495
5077	WCC - Poasi Fukofuka, Enforcement Officer	Warrant of Appointment and Evidence of Identity - No.WCC496
5078	WCC - George Pearson, Enforcement Officer	Warrant of Appointment and Evidence of Identity - No.WCC497
5079	WCC - Lisiate Holani, Enforcement Officer	Warrant of Appointment and Evidence of Identity - No.WCC498
5080	WCC - Nitesh Kohli, Enforcement Officer	Warrant of Appointment and Evidence of Identity - No.WCC499
5081	WCC - Iosefa Lipine, Enforcement Officer	Warrant of Appointment and Evidence of Identity - No.WCC500
5082	WCC - Soane Malafu, Enforcement Officer	Warrant of Appointment and Evidence of Identity - No.WCC501

Nº	NAME	PARTICULARS
5083	WCC - Alesana Manuleleua, Enforcement Officer	Warrant of Appointment and Evidence of Identity - No.WCC502
5084	WCC - Ron Martin, Enforcement Officer	Warrant of Appointment and Evidence of Identity - No.WCC503
5085	WCC - Maurice Mauri, Enforcement Officer	Warrant of Appointment and Evidence of Identity - No.WCC504
5086	WCC - Te Atiwei J Hone Ririnui, Enforcement Officer	Warrant of Appointment and Evidence of Identity - No.WCC505
5087	WCC - Navarone Schmaukel, Enforcement Officer	Warrant of Appointment and Evidence of Identity - No.WCC506
5088	WCC - Henry Seve, Enforcement Officer	Warrant of Appointment and Evidence of Identity - No.WCC507
5089	WCC - Shakeel Shaikh, Enforcement Officer	Warrant of Appointment and Evidence of Identity - No.WCC508
5090	WCC - Mohammad Shakeel, Enforcement Officer	Warrant of Appointment and Evidence of Identity - No.WCC509
5091	WCC - Manmohan Singh, Enforcement Officer	Warrant of Appointment and Evidence of Identity - No.WCC510
5092	WCC - Fess Sopoaga, Enforcement Officer	Warrant of Appointment and Evidence of Identity - No.WCC511
5093	WCC - Mark Sopoaga, Enforcement Officer	Warrant of Appointment and Evidence of Identity - No.WCC512
5094	WCC - Barena Stander, Enforcement Officer	Warrant of Appointment and Evidence of Identity - No.WCC513
5095	WCC - Felise Tamiano, Enforcement Officer	Warrant of Appointment and Evidence of Identity - No.WCC514
5096	WCC - Iosefo Saupo, Enforcement Officer	Warrant of Appointment and Evidence of Identity - No.WCC515
5097	WCC - Andrew Tongakilo, Enforcement Officer	Warrant of Appointment and Evidence of Identity - No.WCC516
5098	WCC - Alatina Uota, Enforcement Officer	Warrant of Appointment and Evidence of Identity - No.WCC517
5099	WCC - Weddings Etc. Limited	Road encroachment - 1012 Scenic Drive North, Swanson
5100	WCC - Swanson Railway Station Trust	Deed of Renewal of Lease of part of Swanson Station Park (in duplicate)
5101	WCC - Argosy Buildings Limited and others	Deed of Waiver s.40 Public Works Act 1981 - 9-11 Crown Lynn Place, New Lynn
5102	WCC - Waitakere Cricket Club Incorporated	Deed of Lease of Te Atatu Peninsula Park (in duplicate) - resolution no. 366/2010
5103	WCC - Waitakere Properties Limited	Authority and Instruction for electronic transaction - reconveyance of Identifier 188748 - 10 Ambrico Place
5104	WCC - Housing New Zealand Limited (Devon Group Holdings Limited)	Authority and Instruction for electronic transaction - s224(c) certificate, Consent Notice s.221 Resource Management Act 1991 & Drainage and water supply easements - 8 and 8A-H Totara Road, Te Atatu Peninsula.

Report prepared by: Denis Sheard, Legal Services Manager.



PART C - FINANCE

6 CARRY FORWARDS FOR THE FOUR MONTHS ENDING 31 OCTOBER 2010

GLOSSARY

Auckland Transition Agency (ATA)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval for the forecasted carry forwards as at 31 October 2010.

The notification of these carry forwards to the Auckland Transition Agency (ATA) will be utilised to adjust the eight month budget for the new Auckland Council. This is a logical operational requirement to ensure appropriate budget provision is available and will enable reporting in the new council to be more accurate.

RECOMMENDATIONS

It is recommended that the Finance and Operational Performance Committee resolve to:

1. **Receive** the Carry Forwards for the Four Months Ending 31 October 2010 report.
2. **Approve** the listed carry forward items appended to this report to the total value of \$7.3 million.

BACKGROUND

1. The Finance workstream of the ATA is currently constructing budgets for the new Auckland Council. Auckland Council's budget for 2010/2011 commences 1 November 2010 through to 30 June 2011.
2. The request for carry forwards as at 31 October 2010 from Waitakere City Council's forecast is to enable those carry forwards to be added to the Auckland Council budgets. This will enable more accurate budget control for Auckland Council as the more accurate budgets will be loaded into their SAP systems and also enable sensible reporting to take place.

DECISION MAKING

3. There are no decisions required in respect of this report.

Issues

4. Waitakere City Council's four month budget contained in the approved Annual Plan includes carry forwards forecasted from the May 2010 forecasting period, totalling \$136 million. Council's current practice is to review those carry forwards after the cut-off period for the financial year has been completed. In a number of cases adjustments are still required as the amounts incorporated into the budget do not reflect unforeseen changes that may have occurred up to 30 June 2010. The review of the carry forwards included in the four month budget and the results of the finalisation of the June 2010 cut-off period has yielded a reduction of \$11 million. This is essentially the result of project delays that eventuated and weren't forecasted at the time the carry forwards were approved. These carry forward adjustments have already been incorporated into the budgets as many of them relate to committed contracts and the budget is required to enable that payment to be processed.

- A1-A6
5. Therefore the carry forwards contained in the schedule attached at pages A1 to A6 are derived from budgets approved in the Annual Plan process with adjustments made to carry forwards as discussed above. This schedule has been provided to the ATA to be utilised to update the eight month budgets for Auckland Council.
 6. The identified forecasted carry forwards as at 31 October 2010 relate to both capital projects and operational projects. Most have arisen due to timing differences between the actual project and the default budget allocation to the four month budget. The default budget allocation refers to the fact that most capital projects were deemed to have 22% of their total amount allocated to the four month budget based on historical performance. In formulating the four month apportionment this default was adjusted in some cases, particularly for significant projects where project timing was available.

STRATEGIC CONTEXT

7. Budget is provided within the Annual Plan 2010/2011 for a number of projects identified for delivery based on year two of Council's Long Term Council Community Plan 2009-2019. The Long Term Council Community Plan 2009-2019 was derived from Council's activity plans which incorporated analysis in regard to strategic objectives, levels of service targets, meeting additional demand from growth and maintaining service capacity and integrity of assets.

CONSULTATION

8. No consultation was required in respect of this report. The carry forwards have been derived from forecasted expectations compiled by the respective activity managers and unit directors.

RESOURCES

9. This report has no resource implications.

IMPLEMENTATION ISSUES

10. The carry forward list has been provided to the ATA. It will be the ATA's responsibility to incorporate the carry forwards into the Auckland Council budgets.

AUCKLAND COUNCIL TRANSITION ISSUES

11. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

Report prepared by: Stephen Drumm, Associate Director of Finance.



7 **STATUS OF SPECIAL FUNDS**

EXECUTIVE SUMMARY

A7

The purpose of this report is to inform the Finance and Operational Performance Committee on the status of the Council's special funds as at 30 June 2010, as attached at page A7.

RECOMMENDATION

It is recommended that the Finance and Operational Performance Committee resolve to:

Receive the Status of Special Funds report.

BACKGROUND

1. Special funds are those funds held or designated by the Council for a specific purpose or purposes.
2. Special fund movements are recommended through the Long Term Council Community Plan and Annual Plan adoption process. Special funds are classified as either "Restricted Funds" or "Non-Restricted Funds". Restricted funds are those funds that have been received by the Council from a third party or parties and are to be used for a specific purpose or purposes. Non-restricted funds are funds established by a Council resolution to use and set aside its own funds and also to meet a specific purpose or purposes. Council can determine when non – restricted funds are no longer required and they can be transferred back to general fund.
3. The special funds have been used to offset Council borrowings. This is part of the overall fund management strategy. Therefore any payments from the special funds will be drawn from Council overall cash or debt funds as appropriate. Interest is allocated to applicable funds at official cash rate for each month.

DECISION MAKING

4. There are no decisions required in respect of this report.

ISSUES

5. There are no major movements of the special funds between May 2010 and June 2010 other than receipts for the Land Subdivision Reserve Fund and interest allocations.

STRATEGIC CONTEXT

6. The Council uses special funds as provided for in the Long Term Council Community Plan and Annual Plan.

CONSULTATION

7. No consultation was required in respect of this report.

RESOURCES

8. This report has no resource implications.

IMPLEMENTATION ISSUES

9. There are no implementation issues in respect of this report.

AUCKLAND COUNCIL TRANSITION ISSUES

10. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

Report prepared by: Khee Mee Soo, Deputy Director: Finance.



8 BORROWING AND INVESTMENT REPORT

GLOSSARY

Reserve Bank of New Zealand	(Reserve Bank)
Long Term Council Community Plan 2009-2019 (LTCCP)	
Finance and Operational Performance Committee	(the Committee)

EXECUTIVE SUMMARY

This is a monthly report to the Council's Finance and Operational Performance Committee (the Committee) and is also a requirement of the Council's adopted Liability Management and Investment Policy. It provides information on the Council's borrowing and investment activities over the past month and also high level information on current financial market conditions. From time to time additional and more detailed information is requested on particular areas of interest by the Committee or other Committees.

RECOMMENDATIONS

It is recommended that the Finance and Operational Performance Committee resolve to:

1. **Receive** the Borrowing and Investment Report.
2. **Approve** the Borrowing and Investment Report.

BACKGROUND

1. The Council enters into treasury related financial contracts in the ordinary course of its business. It is the role of the 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 the Liability Management and Investment Policy this report informs the Committee on the current and future movements of the Council's debt and cash investments, and provides a general commentary of financial market conditions.

A8-A13

2. The relevant portfolio and graphs reflect the unaudited estimated position as at 30 June 2010 and are attached at pages A8 to A13.

DECISION MAKING

Issues

3. The Council's Funds Management function actively manages a large portfolio of various debt and investment instruments. The benefit of borrowing is that it enables the Council to carry out the projects identified in the Annual Plan and Long Term Council Community Plan (LTCCP), while spreading the costs for those projects over time to recognise the future benefits. Borrowing funds therefore assist the Council with its entire loans funded strategic initiatives. The Liability Management and Investment Policy require that a report detailing the management of the portfolio be presented to the 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; and
 - Market commentary.
4. This report addresses the requirement of the Liability Management and Investment Policy and may include other information that is relevant to the Funds Management function.

Financial Implications

5. The active management of the treasury portfolio seeks to minimise the 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 the Council's portfolio.
6. The Council maintains a Standard and Poor's Credit Ratings of A-1+ short term, and AA- long term (Stable Outlook).
7. The Council has adopted financial ratios included in its Liability Management and Investment Policy which provides limits on the level of debt and interest the Council will have. Table 1 shows the ratio limit, the 2007/2008 actual and the 2009/2010 budgeted levels.

Financial Ratio	Actual 2007/2008	Budget 2009/2010
Net Debt as a percentage of income	144.48%	212%
Net interest as a percentage of income	9.4%	12%
Net Interest as a percentage of rates	17.7%	20%

Table 1: Financial Ratios for 2007/2008 and 2009/2010 financial years.

Interest Rates

8. It was of little surprise that the Reserve Bank of New Zealand (Reserve Bank) again increased its Official Cash Rate by a further 0.25% on 29 July 2010 to the new level of 3.0%. This is likely to be the ongoing trend over the next 12 to 18 months as the bank removes excessive monetary stimulus from the economy. In saying this, contained within the Monetary Policy Statement, the Reserve Bank signalled that future cash rate increases may "*be more moderate than was projected in the June Statement.*"
9. The Reserve Bank's statement also comments on the subdued domestic demand as households remain cautious about spending, reflected in relatively flat retail spending growth, a declining housing market and weak household credit growth. Most of "*this caution has been evident for some time*", however, the bank also identified that there has also been a slow down in net immigration which will also dampen consumer type spending. The Reserve Bank also expects the effects of the Goods and Services Tax increase in October 2010 will have a temporary inflationary impact, they are more interested in the price and wage behaviour after the tax change, which could change a temporary impact into something that may increase inflation above the policy target range over the medium term.
10. The financial markets are still predicting a further 0.25% increase in the Official Cash Rate at the next Monetary Policy Statement date on 16 September 2010. However, even with this increase, the cash rate would still be significantly lower than what most financial market practitioners consider to be a neutral setting of approximately 5.50%.
11. The 90 Day Bank Bill has continued its upward trend and is currently at approximately 3.27%, while the longer term interest rates have trended downwards. The New Zealand 10 year swap rate began July 2010 at approximately 5.37% and ended the month at approximately 5.25%.

Integrated Treasury Group Update

12. The Integrated Treasury Group has discussed a number of issues over the past month. These include discussions on Auckland Council security and expenditure forecasts for debt issuance reasons. A number of possible initiatives are currently being discussed, that will ensure the Auckland Council remains liquid after transition.

STRATEGIC CONTEXT

13. The management and use of borrowing and investments is aligned to all of the Council's strategic objectives, as adopted in both the LTCCP and the Annual Plan 2009/2010.

Preferred Option

14. There is no preferred option presented with this report.

CONSULTATION

15. This report includes data sourced by the Council's external treasury advisors, Asia Pacific Risk Management, and material, opinions or views sourced from various financial institutions.

RESOURCES

16. The Council, through its Annual Plan 2009/2010, provided for total new borrowings of \$230.585 million, including loans attributable to projects carried forward from previous years totalling \$114.412 million. Total interest cost has been provided in the Annual Plan 2009/2010 of \$31.839 million.

IMPLEMENTATION ISSUES

17. There are no implementation issues identified for this report.

AUCKLAND COUNCIL TRANSITION ISSUES

18. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

Report prepared by: Bruce Wilkin, Group Manager: Funds Management.



PART D - GENERAL

9 COUNCIL CONTROLLED ORGANISATIONS – FOURTH QUARTER PERFORMANCE UPDATE

GLOSSARY

Waitakere City Holdings Limited	(WCHL)
draft 2010/2011 Annual Activity Plan	(AAP)
Waitakere Enterprise	(WE)
2010/2011 Annual Funding and Service Agreement	(FSA)
Long Term Council Community Plan 2009-2019	(LTCCP 2009-2019)
Council Controlled Organisation/s	(CCOs)
Waitakere Properties Limited	(WPL)
Statements of Intent	(SOIs)
Auckland Film Studios Limited	(AFSL)
Auckland Transition Agency	(ATA)
Auckland Council Property Limited	(ACPL)

EXECUTIVE SUMMARY

The purpose of this report is to provide an overview on the fourth quarter (and 2009/2010 financial year end) performance for Waitakere City Holdings Limited (WCHL) and its subsidiaries and reporting entities. An update is also provided on priorities within the year ahead.

The draft 2010/2011 Annual Activity Plan (AAP) for Waitakere Enterprise (WE) is provided for comment and approval, and confirmation is also sought for the 2010/2011 Annual Funding and Service Agreement (FSA) for WE to be based on an annual contract value of \$1,154,684 as per Year 2 (inflation-adjusted) of the Long Term Council Community Plan 2009-2019 (LTCCP 2009-2019).

RECOMMENDATIONS

It is recommended that the Finance and Operational Performance Committee resolve to:

1. **Receive** the Council Controlled Organisations - Fourth Quarter Performance Update report.
2. **Approve**, subject to resolution 4 below, that the 2010/2011 Annual Funding and Service Agreement for Waitakere Enterprise be based on an annual contract value of \$1,154,684 as per Year 2 (inflation-adjusted) of the Long Term Council Community Plan 2009-2019.
3. **Approve**, subject to resolution 4 below, the 2010/2011 draft Annual Activity Plan for Waitakere Enterprise.
4. **Note** that resolutions 2 and 3 above are subject to confirmation by the Auckland Transition Agency.

BACKGROUND

1. WCHL provides leadership and manages the relationship and performance of Waitakere's Council Controlled Organisations (CCOs) / Trading Organisations. The relationship between the Council and the WCHL Board is managed by the Director: Corporate and Business Services. Council has a 100% shareholding in WCHL which in turn has a 100% shareholding in Waitakere Properties Limited (WPL) which develops and manages Council-owned properties. The Waitakere Enterprise Trust Board (trading as WE) is the Council's economic development agency and is tasked with undertaking initiatives which accelerate the sustainable economic growth of the City. The Finance and Operational Performance Committee has the delegated responsibility to consider matters relevant to the governance and performance (of the Boards) of the CCOs.
2. Through the respective Statements of Intent (SOIs), the Council requires that WCHL, WPL and WE provide regular financial and operational performance reports and commentary to Council. Auckland Film Studios Limited (ASFL) is not classed as a CCO within the meaning of the Local Government Act 2002, and, as such, is not required to report formally through to Council. Council's shareholder interests in ASFL are represented via two nominated Directors and it is also agreed that WCHL will provide an overview on the operational performance of this entity in conjunction with its required reporting on WE and WPL.
3. Consolidated financial statements for WCHL, its subsidiaries and interests in associates (including summary schedule of Trust Account transactions for WPL), and statement of service performance for these entities, will be consolidated in to the Council position for adoption after the financial accounts have been audited as required.
4. It is noted that all CCOs now have the option to complete a 16 month annual report and audit (for July 2009 through to 31 October 2010). In accordance with the provisions of the current legislation, performance reporting for existing/terminating CCOs, for the period of July 2010 to October 2010, needs to be presented to the new Auckland Council by 31 December 2010 and will constitute the 'Half-Yearly' report for 2010/2011 as defined in the Local Government Act 2002.

- Section 56 of the Local Government (Tamaki Makaurau Reorganisation) Amendment Act 2010 provides a “trump card” in relation to these reporting requirements for regulators such as the Inland Revenue Department and the Companies Office.
- Contingency plans are in place for this reporting function to be prepared for, as far as practicable, in advance of 31 October 2010. It is confirmed that the Annual Report team for Waitakere City Council will be responsible for preparing the 16-month final accounts/audit for WCHL post-amalgamation to Auckland Council. The Auckland Transition Agency (ATA) has identified the key people within Waitakere City Council and they will be offered contracts (if they do not have jobs with Auckland Council) or will be seconded from their new roles with Auckland Council.
- Critical staff members within the CCOs have confirmed availability to support final audit processes as required (on a contract basis if they are no longer directly employed by the new Auckland Council or its CCOs).
- AFSL financial statements for the year ended 31 March 2010 have been completed and arrangements are in place for interim reporting to be provided for the period of April 2010 to July 2010, to provide a 16-month result which will align with financial reporting requirements for the Council under current legislation.
 - Under NZ International Accounting Standard No. 28 (Investment in Associates), the Council needs to determine its share of the recognised revenues and expenses of AFSL within the Council's final 31 October 2010 financial statement. For this equity accounting to occur, the term or length of reporting periods for the two organisations must be the same, and the difference between the end of the reporting periods of Auckland Film Studios and the Council may not be more than 3 months (i.e. the AFSL accounts for August 2010 to October 2010 do not need to be included).

DECISION MAKING

5. This report provides an update on the fourth quarter and 2009/2010 financial year end performance of WCHL, WPL, WE and AFSL. It also seeks approval for the FSA contract agreement for WE to be based on Year 2 of the LTCCP 2009-2019 (including adjustment for inflation). It is noted that the ATA decision confirmation request for SOIs and supporting documents, approved by the Finance and Operational Performance Committee at its meeting held on Monday, 12 July 2010 as follows, need to be updated accordingly:

The Finance and Operational Performance Committee resolved to:

1. **Receive** the Council Controlled Organisations - Final Statements of Intent from 1 July 2010 report.
2. **Approve**, subject to resolution 4 below, the final Statements of Intent, from 1 July 2010, for Waitakere City Holdings Limited, Waitakere Properties Limited and Waitakere Enterprise.
3. **Approve**, subject to resolution 4 below, the Waitakere Enterprise 2010/2011 Funding and Service Agreement.
4. **Note** that resolutions 2 and 3 above are subject to confirmation by the Auckland Transition Agency.

6. The sections of the report below provide an overview on the annual performance highlights and the future priorities for WCHL, WE, WPL and AFSL. This information is based on performance updates presented to the WCHL Board in July 2010.

Waitakere City Holdings Limited

7. WCHL has continued to deliver upon its strengthened governance and leadership role for Council's CCO's - this included clarified reporting and communication lines, and guidance to ensure that entities are operating to the same priorities as Council and that their work aligns to Council's strategic objectives. Improved performance monitoring and reporting functions have been achieved and WCHL provided advice on a number of strategic reviews including the WPL Trust Model and the priority / future delivery strategy for existing WPL Trust Projects, and a historic request to consider the most efficient use of Council's investment in WPL (and WCHL).
8. Within the transitional environment of amalgamation to one Auckland Council the priority for WCHL has been to focus on ensuring that existing CCOs are well supported, and that ongoing work programmes are well managed, delivering to high standards, and are approved by the ATA as required.
9. It is noted that WCHL has been identified by the ATA for disestablishment on 31 October 2010. Arrangements are in place to ensure that WCHL will remain fully operational in its existing governance role until this point.

Waitakere Properties Limited

10. WPL has reported that the company is in compliance with all matters in its SOI and it has met all capital distributions budgeted for within 2009/2010 (Waitakere Central One, Keeling Road and Totara Avenue shops). WPL's 2010/2011 financial year resulted in a small profit of \$960 before tax. Annual performance targets have been met and a collaborative working relationship has been strengthened with Council officers. Delivery on active development projects and recoveries from the WPL commercial property management portfolio are impacted by the strategic priorities of the Council, the economic climate, and matters associated with the transition to one Auckland Council.
11. Key issues for WPL in the months ahead include the responsibility for ongoing delivery of strategic projects by the Auckland Council and finalising risk management initiatives for post - amalgamation. The table below provides an overview on the status and current priority of active development projects.

Project / Initiative	Status Update
Yard 37 <i>(Hobsonville Marine Precinct)</i>	<ul style="list-style-type: none"> Working with Council to finalise High Court litigation with Sovereign Yachts and to secure direct on-sale for this site. ATA confirmation is being sought for Council approval for WPL to enter into development agreements and the associated funding strategy. On target to complete consenting programme by the end of the year. Updating model for delivery, including the financial model, based on industry requirements and demand, economic climate, and realistic land values, to

Project / Initiative	Status Update
	<p>achieve necessary levels of pre-sales for project to proceed to construction phase in 2011/2012.</p> <ul style="list-style-type: none"> • Ongoing advocacy for future project delivery and funding by Council and then the Auckland Council (Advocacy Plan implementation). • Ongoing marketing work programme - working to provide sufficient project certainty to secure current expressions of interest.
<p>Great North Road <i>(Childcare Facility - Old New Lynn Hotel site)</i></p>	<ul style="list-style-type: none"> • Council approval (confirmed by the ATA reference no. ATA0660 on 16 July 2010) has been provided for the proposed childcare facility at this site. This included a budget increase of \$95,404. • Design modifications have been made to address objections (primarily noise-related) raised through consent process. • Agreement to Lease secured with Kidicorp. • Working through Council requirement for an easement for a bus shelter which will impact on car parking area. • WPL ready to commence through to construction phase and facility will be operational by March 2011 (sale proposed by 30 June 2011). • Letter of Direction to be finalised for current development budget and consented plan.
<p>Wilsher Village <i>(non-Trust Project)</i></p>	<ul style="list-style-type: none"> • Demolition of the vacant half of the site completed by 30 June 2010 (works led by Council's Asset Management team). • Resource Consent Application publicly notified - minor objections (reverse sensitivity, landscaping) readily addressed through design tweaks. • WPL updating business plan for delivery based on market research testing and site visits in Australia. • Letter of Direction to be finalised for consented plan - project delivery to be determined by the Auckland Council.
<p>Waitakere Central One</p>	<ul style="list-style-type: none"> • Certainty in the location of the Auckland Transport CCO at Waitakere Central will ensure full tenancy of Waitakere Central One, and has already resulted in commercial interest in the development / occupancy for the remainder of the site (Waitakere Central Two).
<p>10 Ambrico Place</p>	<ul style="list-style-type: none"> • Council has formalised request for the reconveyance of this property, as an alternative development outcome has now been determined for this site in conjunction with Auckland Kindergarten Association (part of the wider New Lynn Town Centre redevelopment programme and the resolution of related Public Works Act 1981 compensation obligations). <ul style="list-style-type: none"> - Trust deed and project account to be extinguished concurrently. - No further WPL action required.

Project / Initiative	Status Update
	<ul style="list-style-type: none"> • The reconveyance of 10 Ambrico Place to Council and the closure of the associated Trust project bank account, in advance of alternative development plans being realised by WPL, has resulted in a final deficit within the 2009/2010 Council accounts. • The project outcomes achieved by WPL to provide a clean development site are acknowledged (demolition of redundant building, reconstruction of substantial retaining wall bounding adjacent reserve, subdivision to construct and vest localised internal roading connections and reserve areas).

Waitakere Enterprise

12. WE continue to perform well in its delivery of services and programmes, and has met its year-end performance targets for 30 June 2010. For the purposes of financial year end retained earnings, WE reported an overall loss due to non-recoverable costs associated with preparing for the transition to the new Auckland Council and cuts to external funding (losses to be met internally through working capital and equity - no further funding will be sought from the Council). WE has managed to minimise the forecast 2009/2010 financial year end losses to an operating deficit of \$57,110.
13. Priorities for 2010/2011 are to deliver on services as outlined in the approved WE SOI, FSA and the AAP.
- A14-A27 14. The AAP (incorporating a 4 month plus 8 month work programme) is attached for comment at pages A14 to A27 and will need to be finalised once there is further clarity on the future governance arrangements, external funding revenues and confirmed service delivery programme from November 2010 onwards.
15. Key concerns for WE in the months ahead continue to be:
 - Uncertainty of external central government funding – further clarity anticipated by October 2010. WE is awaiting final decision on their bid to deliver business assistance packages for high growth potential clients, particularly those with export potential (central government target market of 3% of the total business population) and the 2010/2011 programme provides ongoing delivery to the wider business community in Waitakere.
 - The physical location of WE post 31 October 2010 and the potential impacts of any change in location.
16. It is noted that Darryn Grant (Business Investment Manager) is now the Acting Chief Executive for WE. Susan O’Meagher is thanked for her services in this role during the challenging operational environment of the past months.

Auckland Film Studios Limited

17. The AFSL provides a unique facility for the burgeoning film industry in Auckland and New Zealand and there is a high level of confidence for the ongoing success and growth of this facility. Council has invested in the AFSL for strategic purposes that include substantive economic and employment benefits to Waitakere.

18. The current valuation of the film studio land and buildings asset is \$10.65 million (as at 31 March 2010). Securing long-term future tenancies and rental income streams is of priority to the studios, to enable the progress of development plans for this facility. Local film projects are being provided with access to the studio facilities whilst AFSL canvasses the strong level of interest from substantive international film projects.

STRATEGIC CONTEXT

19. CCOs of all types are used as vehicles to implement aspects of the LTCCP and Annual Plan. The Council has established WCHL, WPL, WE and other entities to assist the Council in meeting its strategic outcomes through a return on investment, involvement in strategic projects, economic development and in the support of service delivery. This includes investigating investment opportunities which have the potential to enhance employment opportunities or to stimulate economic growth, promoting investment in Waitakere.
20. WCHL has a responsibility to ensure that WPL and WE operate economically and efficiently, and in accordance with the strategic direction and priority concerns of the Council (including the Waitakere Economic Wellbeing Strategy 2009) and their agreed SOIs, to optimise returns (both financial and non-financial) within the parameters set by the Council.

CONSULTATION

21. Engagement has occurred with the Chairmen and Chief Executives of WCHL, WPL, WE and AFSL. The Chief Executive of WPL and Acting Chief Executive of WE attended the 29 July 2010 WCHL Board Meeting and provided an update on their performance for the fourth quarter and year ended 30 June 2010.
22. Consultation has also been undertaken with staff across Council who engage directly with Waitakere's CCOs - this includes Strategic Planning (Economic Development Strategy), the Finance Directorate, and the Development Investment Group.

RESOURCES

23. The resource commitments associated with the governance, monitoring, operation and delivery of projects and services by WCHL, WPL and WE are provided for within the LTCCP and the Annual Plan 2010/2011. It is noted that WE also secures external funding to deliver the combination of core Council services and ancillary support services for skill development and business support. At the time of preparation for this report, the level of external funding was still subject to uncertainty due to central government funding reviews.
24. There was an administrative error in the budget allocation for WE, whereby the Year One level of funding within the LTCCP (\$1,118,000) was provided for within the Annual Plan 2010/2011 and the FSA approved by the Finance and Operational Performance Committee at its meeting held on 12 July 2010, resolution no. 956/2010 (please see paragraph 5 above). This budget value does not allow for the 3.3% adjustment for inflation and the approved budget should be \$1,154,894 which is the Year 2 budget approved in the LTCCP. This is also the basis of the financial planning and AAP for WE. It has been agreed internally that the funding shortfall of \$36,894 can be sourced from corporate savings and there will be no impact on the rates for the financial year 2010/2011. The ATA decision confirmation request associated with the final SOI and FSA for WE will need to be updated accordingly.

IMPLEMENTATION ISSUES

25. There continues to be a degree of uncertainty over the implementation and delivery of strategic projects and approved work programmes for the eight month period of November 2010 - June 2011, as existing CCOs are terminated and responsibilities are transferred through to the new Auckland Council entities.

AUCKLAND COUNCIL TRANSITION ISSUES

26. The Local Government (Tamaki Makaurau Reorganisation) Act 2009 imposes restrictions on Waitakere City Council's decision making capabilities in respect of a decision to agree to, or modify, the statement of intent of a council-controlled organisation (section 31(4)(n)). Accordingly, the 12 July 2010 Finance and Operational Performance Committee's decision to approve WE's final SOI (supported by FSA and AAP) needs to be confirmed in writing by the ATA before the decision is implemented.
27. The "Third Bill" (the Local Government (Auckland Law Reform) Bill) has now been enacted as the Local Government (Auckland Transitional Provisions) Act 2010, with further consequent amendments to the Local Government (Tamaki Makaurau Reorganisation) Act 2009 and the Local Government (Auckland Council) Act 2009.
28. The Cabinet-approved Auckland Council CCO structure was announced on 6 July 2010. This confirmed the seven substantive CCOs will be overseen by a committee of the Auckland Council and will include the following entities (to be given effect by the Governor General by Order in Council - process to be completed mid-August 2010):
- Auckland Tourism, Events and Economic Development Ltd (TEED)
(WE functions and reporting transfer through to this entity).

This CCO will be established to help lift the Auckland region's economic wellbeing, and to support and enhance the ability of the Auckland region to compete internationally. TEED will rationalise and consolidate existing councils events and economic development activities across the region into one CCO to achieve a consistent approach to economic development, tourism, and events promotion.
 - Auckland Council Property Limited (ACPL)
(WPL functions transfer here and the Auckland Council (Property Unit)).

The establishment of ACPL will consolidate existing property management and development CCOs, provide a consistent approach to commercial property management across the Auckland Council property portfolio, and ensure an appropriate return on Auckland Council owned commercial property.
 - Auckland Council Investments Limited (ACIL)
(AFSL interests represented here).

ACIL is being established to bring a strong commercial focus to the ownership and governance of the Auckland Council's major investment assets and provide an efficient structure for the ownership of the assets. The establishment of ACIL will consolidate existing equity investments and will achieve a consistent approach to investment portfolio management across the Auckland Council. ACIL will own and manage assets transferred from existing councils and CCOs.

29. The ATA has now released final Work Force Plans for future CCOs which outline the core purpose, roles and responsibilities of these entities. Applications for the Chief Executive positions for these entities have now closed and decisions on all appointments will be communicated by early September 2010, with the transfer of staff to be completed by the end of October 2010. Nominees for appointment to CCO boards were presented by 30 July 2010, with letters of appointment to be delivered to successful nominees by 31 August 2010 (appointments to be gazetted by early September 2010).
30. Formal documentation has been sent to WPL and WE providing clarity on the process for transferring across to the new entities – existing entities will effectively be terminated on 31 October 2010, with the transfer of assets, responsibilities and staff to relevant sections of the new Auckland Council and the new CCOs. Council officers are seeking a similar level of clarification on the disestablishment process for WCHL.
- All Board memberships will be terminated at 31 October 2010 (no compensation payable for early termination).
 - WE staff have been advised (with the exception of the Acting Chief Executive / Chief Executive role) that all of their roles are considered to be substantively similar and their roles will be mapped across to the new entity (in reality, two further positions are likely to be substantially different).
 - WPL staff have all been advised that all roles in the new entity are considered to be substantively different, however, they are eligible to apply for these new roles (or comparative roles within the new Auckland Council). ACPL is currently proposed to be based in Manukau City and has a proposed team of contractors to deliver strategic projects currently being delivered by WPL (Hobsonville Marine Precinct and Great North Road Childcare/Wilsher Village Redevelopment).

Report prepared by: Jaine Lovell-Gadd, Director: Corporate and Business Services.



10 WAITAKERE CITIZENS ADVICE BUREAU INCORPORATED ANNUAL REPORT 2009/2010

GLOSSARY

Waitakere Citizens Advice Bureau Incorporated	(WaiCAB)
Citizens Advice Bureau	(CAB)
Citizens Advice Bureaux	(CABx)
Citizens Advice Bureaux of New Zealand	(CABNZ)
Auckland Transition Agency	(ATA)

EXECUTIVE SUMMARY

The purpose of this report is to update the Finance and Operational Performance Committee on the achievements and the performance against targets of the four Citizens Advice Bureaux (CABx) and the Waitakere Citizens Advice Bureau Incorporated (WaiCAB) for the 2009/2010 year.

RECOMMENDATION

It is recommended that the Finance and Operation Performance Committee resolve to:

Receive the Waitakere Citizens Advice Bureau Incorporated Annual Report 2009/2010.

BACKGROUND

1. The Council has a longstanding partnership with WaiCAB which commenced in the 1997/1998 year with the first of the partnering agreements being signed between WaiCAB and the Council. Until 2003, the partnering agreement and the schedules to the agreement containing the performance targets had been negotiated annually. At the City Development Committee meeting held on 6 March 2003, it was resolved as follows:

“That the proposed criteria and process for providing longer term funding to organisations be approved in principle.”

378/2003

2. As a result of this resolution, from 2003 onwards all partnering agreements between the Council and WaiCAB have been triennial agreements with the schedules containing the performance targets being negotiated annually. The funding for the operation of the four CABx and the administration of WaiCAB is set annually through the Annual Plan process.
3. WaiCAB receives annual funding from Council. Monitoring and evaluation of WaiCAB's performance measures includes periodical surveys conducted by an independent reviewer appointed by Council.
4. WaiCAB operates four CABx in Waitakere, located at Henderson, New Lynn, Glen Eden and Massey. All four CABx are co-situated with library premises.
5. All Citizens Advice Bureau (CAB) services are provided free of charge to the public.
6. WaiCAB staff comprises 10 paid employees, including managers at each CAB and a total volunteer pool of over 100 volunteers.
7. The WaiCAB Board of Governors consists of seven elected volunteer representatives and two Community Board Members.

DECISION MAKING

8. This report is provided for information only and requires no decision making.
9. All performance targets were met by WaiCAB and the CABx. A new national database, including accurate and up-to-date local information, became operational on 1 July 2010. An interactive web-based information service, being introduced as part of the Citizens Advice Bureaux of New Zealand (CABNZ) national digital strategy, is expected to be launched in September 2010.
10. The total number of enquiries responded to by the four CABx for 2009/2010 was 79,175, an increase of 5,397 over the previous year. This increase of 7.3% in enquiries for 2009/2010 follows a 5.8% increase in enquiries in the previous year.
11. The complete WaiCAB Annual Report 2009/2010 is attached at pages A28 to A40.

STRATEGIC CONTEXT

12. The strategic basis of this relationship lies in the CABx delivery of the Council's community outcomes of; Toiora, Working Together and Urban and Rural Villages and the Strategic Priority of Lifelong Learning, in the following ways:
 - Providing access to good quality information;
 - Having informed residents and helping to create a 'Smart City' with lifelong learning opportunities;
 - Increasing the participation in local affairs and community life;
 - The increasing importance of technology and access to information; and
 - Assisting people to find help in dealing with issues in their lives.

13. The provision of the CABx service in Waitakere contributes to the strategic outcomes of all aspects of the Quadruple bottom line in the areas of:
 - **Social:** The CABx contribute to an informed community and the ability for citizens to participate in society and its governance structures. The CABx large volunteer base enables social contribution and linkages which otherwise would not be as easily facilitated.
 - **Economic:** The CABx provide assistance to citizens in financial difficulty, and links to agencies, which contributes to individuals becoming responsible consumers, thus benefiting the individual, their families and businesses. Individuals and small businesses benefit from knowledge in consumer rights and law.
 - **Environment:** The CABx act as a first point of contact and referral for information around sustainable practice, and refer clients to appropriate environmental agencies and Government departments, including referrals to the Council.
 - **Cultural:** The CABx provide accessible, community based, face to face services to clients and the diversity of the City's population is reflected in the composition of staff and volunteers providing these services. This multilingual capacity within each CAB is augmented by the availability of CAB Language Link, providing additional language support in 26 languages and clients can also be referred to a specialised local Settlement Support service.

CONSULTATION

14. This report accurately reflects the Annual Report submitted by WaiCAB as part of their funding requirement. Consultation with WaiCAB regarding the content of this report has been carried out. No further consultation is required for the presentation or compilation of this report.

RESOURCES

15. The total amount of funding received by WaiCAB from the Council for the 2009/2010 financial year was \$390,000. This amount has been increased to \$403,000 in the Annual Plan 2010/2011.

16. At the Long Term Council Community Plan and Annual Plan Committee meeting on 21 October 2009 WaiCAB was included in the list of 18 organisations approved for three year funding from 1 July 2009 to 30 June 2012. This approval was subject to the negotiation of appropriate service agreements and any requirements of quality assurance at the level of funding approved in the Long Term Council Community Plan. This decision was subsequently approved by the Auckland Transition Agency (ATA).

17. The current two year service agreement between Council and WaiCAB expires on 30 June 2011. The current level of funding will be maintained by the new Auckland Council until 30 June 2012.
18. In 2009/2010 WaiCAB was successful in applying for additional funds for volunteer training, telephone, internet and postage. Funding was received from the Community Organisation Grants Scheme, West Auckland Adult and Community Education and New Zealand Post.

IMPLEMENTATION ISSUES

19. There are no implementation issues arising from this report.

AUCKLAND COUNCIL TRANSITION ISSUES

20. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.
21. WaiCAB has, with other regional CABx, formed a working party for the purposes of engagement with the ATA. Representations have been made to the ATA in relation to the integration of funding, support and resource allocation to ensure the continued level of service delivery provided by the 27 CABx in the Auckland region.

Report prepared by: Brendon Hickey - Migrant Information Coordinator, Waitakere Library and Information Services.



11 LEISURE FACILITY PARTNERSHIP FUND 2010/2011 STAGE TWO APPLICATIONS

GLOSSARY

Leisure Facility Partnership Fund	(LFPF)
Leisure Facility Partnership Fund Review Group	(Review Group)
Department of Cycling Incorporated	(DoCycling)
Massey High School	(MHS)
Taipari Strand Water Sport Group	(Taipari Group)
Waitemata Table Tennis Association	(the Association)
Ken Maunder Park Community Trust	(the Trust)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Finance and Operational Performance Committee to progress the following four applicants to stage three of the Leisure Facility Partnership Fund (LFPF) and allocate the respective amounts. The four applicants and recommended allocated amounts are:

- Department of Cycling Incorporated - \$175,000;
- Massey High School - \$100,000;
- Taipari Strand Water Sport Group - \$150,000; and
- Waitemata Table Tennis Association - up to \$75,000.

Four applications were received for the 2010/2011 stage two round of the LFPF. The Leisure Facility Partnership Fund Review Group (Review Group) assessed the applications against the stage two criteria and have recommended that all four applicants should progress to stage three with varying levels of funding allocated to each project.

RECOMMENDATIONS

It is recommended that the Finance and Operational Performance Committee resolve to:

1. **Receive** the Leisure Facility Partnership Fund 2010/2011 Stage Two Applications report.
2. **Approve** the application by the Department of Cycling Incorporated to move onto stage three of the Leisure Facility Partnership Fund and allocate \$175,000 to the project, subject to meeting stage three criteria and any other conditions set by the Leisure Facility Partnership Fund Review Group by 30 June 2012.
3. **Approve** the application by Massey High School to move onto stage three of the Leisure Facility Partnership Fund and allocate \$100,000 to the project, subject to meeting stage three criteria and any other conditions set by the Leisure Facility Partnership Fund Review Group by 30 June 2012.
4. **Approve** the application by Taipari Strand Water Sports Group to move onto stage three of the Leisure Facility Partnership Fund and allocate \$150,000 to the project, subject to meeting stage three criteria and any other conditions set by the Leisure Facility Partnership Fund Review Group by 30 June 2012.
5. **Approve** the application by Waitemata Table Tennis Association to move onto stage three of the Leisure Facility Partnership Fund and allocate up to \$75,000 to the project, subject to meeting stage three criteria and any other conditions set by the Leisure Facility Partnership Fund Review Group by 30 June 2012.

BACKGROUND

1. The purpose of the LFPF is to enable the Council to strategically direct capital development assistance to community leisure and sporting projects. Traditionally the 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 the Council at an inopportune time.
2. The 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, such as floodlighting of sports pitches.
3. In alternative years, 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 the Council's discretion. The Council may choose not to fund any of the proposed projects in a given year or alternatively may forward fund in another year.

4. 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.
5. Stage one proposals from the Department of Cycling Incorporated, Massey High School, Manukau Volunteer Coastguard, Taipari Strand Water Sport Group and Waitemata Table Tennis Association were approved and progressed to stage two of the LFPF.

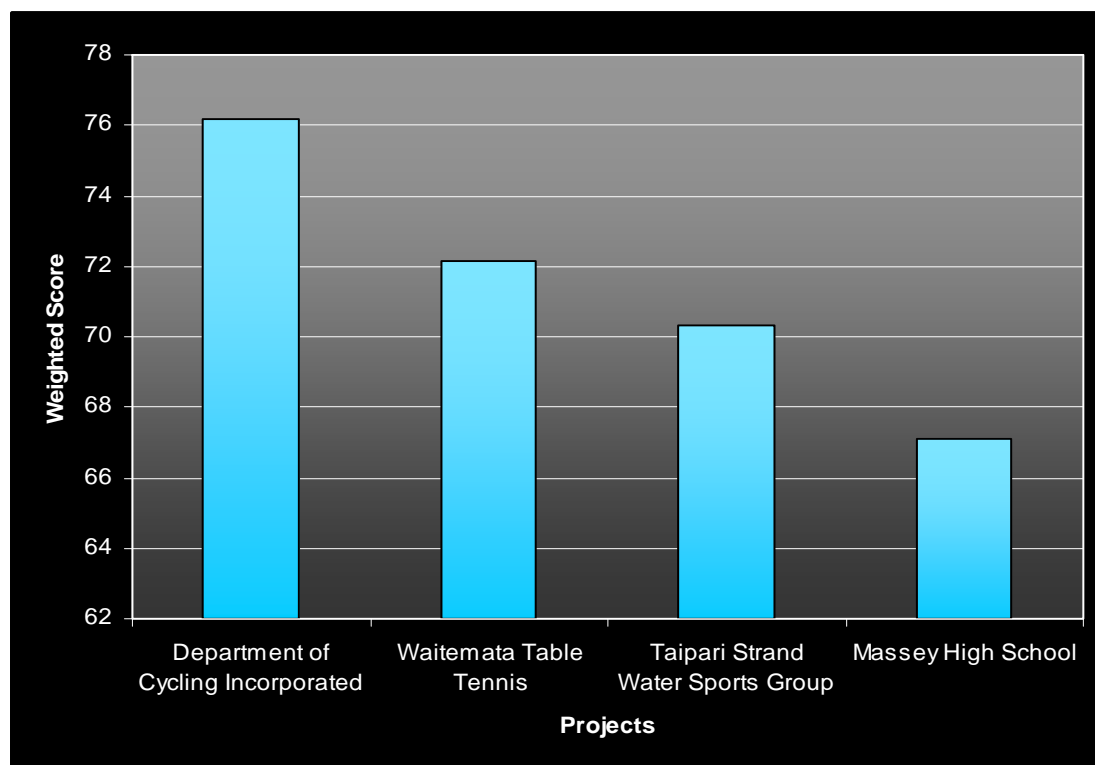
DECISION MAKING

2008/2009 LFPF Stage Two Application

6. Stage two applications for the LFPF closed on 2 July 2010 with four applications and a letter from Ken Maunder Park Community Trust being received. The Review Group consisting of Council officers from Leisure Services, Parks Planning and Parks Assets, Public Affairs as well as two sport development representatives from Sport Waitakere, assessed the applications against the stage two criteria as outlined below:
 - The extent to which the proposal would support increased community participation, in particular leisure or sporting activities;
 - The extent of community support for and involvement in the project;
 - The likely community use levels within the facility and the degree to which these levels align with the size of capital grant being sought;
 - The potential of the project to resolve existing community facility or capacity building problems;
 - A description of how the group proposes to fund the project. What funding agents have signalled support for the project and the funds the organisation intend to provide;
 - 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 the Council); and
 - The extent to which the organisation has demonstrated the ability to develop and then operate the proposed facility.
7. The Review Group's assessment confirmed the high standard of the projects this round. Table 1 below summarises the Review Group's assessment and Graph 1 plots the weighted scores (out of 100) for each project.

Project	Raw Score	Weighted Score	Rank
Department of Cycling Incorporated	75.0	76.2	1
Waitemata Table Tennis	70.5	72.2	2
Taipari Strand Water Sports Group	70.4	70.3	3
Massey High School	68.5	67.1	4

Table 1: Review Group assessment of stage two Leisure Facility Partnership Fund applications



Graph 1: Review Group assessment of stage two Leisure Facility Partnership Fund applications

Summary of Applications

Department of Cycling Incorporated

8. Project brief - The Department of Cycling Incorporated (DoCycling) intend to develop Te Rangi Hiroa Reserve into a cycling hub for Waitakere by enhancing the existing bike facilities and developing new facilities in the Te Rangi Hiroa Reserve. The application received from DoCycling indicated the following aspects to this stage of the park development:
 - Construction of a bridge for pedestrian and bicycle traffic to access a block of land earmarked for mountain bike track development;
 - Development of mountain bike tracks in the abovementioned block. This is envisaged to be completed largely by volunteer labour, however planning of the tracks will be undertaken professionally to ensure the best use is made of the available land;
 - Upgrade of the BMX track which is currently formed in a triangle shape. The trend both nationally and worldwide is to have a rectangle format as this track shape is more spectator-friendly and more challenging for competitive riders. Included in the BMX track upgrade would be replacement of the 'start gate' system. The current system is over 20 years old has reached the end of its life and needs to be replaced; and
 - Development of a beginner mountain bike section near the existing BMX track. This would be a skills based course where juniors and people new to the sport can practice. It is the intention that this will be used by the BMX club as well.
9. Financial - The estimates for the items which relate to BMX are based on advice from the Whangarei and Puni BMX clubs who recently redeveloped their tracks in 2006. The estimates for the items which relate to mountain biking are based on similar work that was undertaken at the Arch Hill Reserve in central Auckland. The cost to build the bridge is an estimate as the location of the bridge will influence final costs.

Item	Cost Estimate	Details
Building of bridge	\$80,000	Dependent on placement
Development of mountain bike tracks	\$50,000	Initial track development
Development of learner area	\$5,000	Creation of learner area
BMX Gate Start System	30,000	Varying mechanism options
BMX Track re Model	14,000	Machine Hire, Experienced Operators
Surface Materials (BMX)	10,000	Metal,Lime,Tarseal
Lighting Upgrade (BMX)	Unknown	Dependant on new track layout
Resource Consents	\$10,000	Dependant on Council requirements
Total	\$199,000	

Table 2: Cost estimates for the Department of cycling incorporated project

10. DoCycling has applied to the LPPF for \$179,000, which covers the majority of the budgeted costs, however their main contribution will be through voluntary labour of track development. This large proportion from Council will ensure the project gets completed in a timely manner. Further fundraising will be made to fund the lights and further track development.

Possible Funding Options	Guaranteed	Proposed	Timeframe for fund allocation
Own contribution	Volunteer labour		
ASB Trust		\$20,000	Feb 2010
Council contribution		\$179,000	August 2010
Total		\$199,000	

Table 3: Funding sources for the Department of cycling incorporated project

11. Community support / use - The Council is in the process of completing a recreation plan for Te Rangi Hiroa Reserve and it is envisioned that the provision of bike facilities will be incorporated into this plan to align with the reserve management plan which makes allowances for mountain bike tracks to be developed. There are no dedicated cycling facilities in West Auckland and with recreational cycling activities currently experiencing growth, DoCycling believe that there is enough demand to form a cycling hub. Statistics in the Waitakere recreational cycling plan confirm this growth and identifies mountain biking as having the largest growth.
12. A key focus of this project is to involve youth and to get more people more active. The range of bike facilities indicated will provide activities for the whole family.
13. Recommendation - The DoCycling project received the highest assessment score from the Review Group who considered that this project would be the catalyst for bike development in Waitakere. The Review Group acknowledged that DoCycling has requested a large proportion of the total project cost, however considered that this project is only the first stage of a larger bike hub project for which DoCycling should be able to secure additional external funding.
14. The Review Group recommends the DoCycling project progresses to stage three of the LPPF and is allocated \$175,000. An additional condition was recommended by the Review Group that a governance structure for the benefit of cycling sports at Te Rangi Hiroa Reserve is developed.

Waitemata Table Tennis Association

- A41
15. Project brief - Waitemata Table Tennis Association (the Association) propose to redevelop their stadium to increase playing space from five tables to 10 as well as an upgrade to the reception area, lounge, changing and toilet facilities, kitchen and spectator area (see proposed development attached at page A41). The facility will be a sub-regional base for table tennis and help the Association cater for growing numbers as well as help attract regional and national tournaments to Waitakere.
16. Financial - The costs below are based on estimates from the Association's architects - Context Architects.

Item	Cost Estimate	Details
Playing Area	\$1,152,000.00	960m ² at rate \$1,200
Amenities	\$483,000.00	230m ² at rate \$2,100
Siteworks	\$50,000.00	100m ² at rate \$500
Demolition of Old Structure	\$23,750.00	475m ² at rate \$50
Contingency	\$85,437.50	5%
SUBTOTAL	\$1,794,187.50	
Architectural Fees	\$122,004.75	6.8%
Engineering Fees	\$53,825.63	3%
Other Consultants	\$17,941.88	1%
TOTAL	\$1,987,959.75	

Table 4: Cost estimates for the Waitemata Table Tennis Association project

17. The Association has applied to the LFPF for the full amount of the fund being \$500,000. Learning from previous LFPF rounds is that insufficient funding from Council results in projects unable to get off the ground. In general, Council funding of approximately 50% has the best result for community projects to raise the remaining funds. The large amount of funding required to be raised from external organisations is a risk for this project's timely completion.

Possible Funding Options	Guaranteed	Proposed	Timeframe for fund allocation
Own contribution	\$50,000		
The Trust Charitable Foundation		\$250,000.00	By Jan 2012
ASB Trust		\$400,000.00	By Jan 2012
Lottery Community Facilities Fund		\$500,000.00	By Jan 2012
Fundraising		\$10,000	By Jan 2012
Other		\$290,000	By Jan 2012
Council contribution		\$500,000	Aug 2010
Total	\$50,000	\$1,950,000	By Jan 2012

Table 5: Funding sources for the Waitemata Table Tennis Association project

18. Community support/use - The Association is the regional sporting organisation for table tennis in Waitakere and their facility is the only table tennis facility in Waitakere. The new facility aims to cater for the growing demand of the sport. The Association indicated, in their proposal, four main immediate opportunities to expand usage and playing numbers:

- Significant opportunity to meet the demands for a weekly inter-school competition (currently Waitakere Schools are forced to commute to Gillies Ave to compete);
 - The expanded facility will be actively promoted to the growing numbers of Asian communities in the City;
 - The day club able to double in size and actively marketed to the over 65's; and
 - Enable Junior Club to sustain its present growth.
19. Table Tennis New Zealand have indicated their support for the project and the Association are hoping that the new facility will enable regional and national table tennis tournaments return to Waitakere.
20. Recommendation - The Review Group assessment scored the Association's project second. The Review Group considered \$500,000 an appropriate amount to allocate to a project of this scope, although without the indication from other funding organisations that they too will fund the project there would be a risk that the project would not progress in a timely manner. Allocating the entire fund to the Association would also preclude the other projects from progressing.
21. The Review Group considers the Association's project to be worthwhile and recommends the project progresses to stage three of the LFPF and is allocated up to \$75,000 to enable the Association to gain any necessary consents which will assist them when approaching external funding organisations. The Review Group welcomes a further application to subsequent rounds of the LFPF when the Association has secured the support of external funding organisations.

Taipari Strand Water Sports Group

A42

22. Project brief - An application was received from the Waitemata Rowing Club on behalf of the Taipari Strand Water Sport Group (Taipari Group). The proposal is for a new floating pontoon to replace the existing one which is no longer meeting the needs of the clubs or the community. The new pontoon will be approximately 15 metres long and be installed parallel with the bank. Sediment would be removed so that the pontoon will provide all tide access. This will provide water users with extended use of the Henderson creek and allow kayakers, rowers and other users access to the water (see proposed development attached at page A42).
23. Financial - The costs below are based on estimates from Bellingham Marine and Quayside Marine. These two firms have recently designed and built a pontoon for St Kentigern College rowing club.

Item	Cost Estimate	Details
Notifiable consent (ARC)	\$7,500	May be required if existing consent has to be changed
Specialist Reports:		
1. Assessment of Environmental Effects	\$8,500	
2. Geotechnical Investigation	\$5,000	
3. Land & bathometric Survey	\$2,500	
Excavation of creek bed	\$28,000	Design/Consent dependent
Pontoon	\$126,000	
Supply electric power	\$3,500	For lighting and power for hoist used to assist disabled people
Total	\$181,000	

Table 6: Cost estimates for the Taipari Strand Water Sports Group project

24. The Taipari Group has applied to the LFPF for \$150,000, which is a large proportion of the project cost. This large proportion from Council will ensure the project is completed in a timely manner.

Possible Funding Options	Guaranteed	Proposed	Timeframe for fund allocation
Own contribution		\$6,000	October 2010
The Trust Charitable Foundation		\$25,000	December 2010
Council contribution		\$150,000	August 2010
Total		\$181,000	

Table 7: Funding sources for the Taipari Strand Water Sports Group project

25. Community support / use - The Taipari Group is made up of the Kenley Water Ski Club, Te Atatu Endeavour Sea Scouts, Waitemata Rowing Club and the Waitemata Canoe and Multisport Club and between them they provide a range of water sport opportunities to the community.

26. Each member of the Taipari Group supports the pontoon as they will all benefit from the increased water access it will provide their club and the wider public. The project has also received a letter of support from the Te Atatu Community House and the Friends of Taipari Strand. An additional benefit is that the likelihood of attracting regional and national kayak/canoe events is greatly increased.

A43

27. Recommendation - The Review Group were pleased to see the collaborative approach from the Taipari Group. The Council and Sport Waitakere have been working for some time on getting the groups to work more collaboratively. Confirmation that the groups are committed to working together was demonstrated by the signing of the Taipari Group memorandum of understanding (attached at page A43).

28. The Review Group recommends the Taipari Group project progresses to stage three of the LFPF and is allocated \$150,000. An additional condition was recommended by the Review Group that the Taipari Group seek to obtain legal status so that they can have ownership of the pontoon.

Massey High School

A44

29. Project brief - Massey High School (MHS) received a special grant from the Ministry of Education for non-teaching space and after community consultation decided to build a performing arts centre. The performing arts centre will be constructed on the front boundary of the school and will include a theatre, back stage area, dressing rooms, kitchen, café, administration suit and foyer. Whilst the special grant is significant it has conditions around its use which has meant MHS require external funding to provide a facility that will meet the needs of the community (see proposed development attached at page A44).

30. Without external funding raised and with a deadline to spend the Ministry of Education funding, the construction of the performing arts centre will commence in July 2010 without a backstage area or seating. With these omissions the performing arts centre will still be adequate to meet the school's performing arts needs, however will make the performing arts centre unsuitable for a number of community users. Many of MHS support letters specify the need for suitable backstage facilities.

31. Financial - The costs below are based on quantity surveyor estimates from Dean, Murray and Partners.

Item	Cost Estimate	Details
Base Contract for Building & car park	\$2,612,000.00	
Cafe, toilet, office, trophy cabinet fitout	\$229,500.00	
Backstage Stage	\$300,000.00	\$225,000 funded from Lottery
Stage Curtains	\$50,000.00	Curtain tracks & light tracks
Theatre Seating	\$150,000.00	
Lighting & Sound	\$100,000.00	
Loose Furniture	\$123,687.00	
Fees & Consents	\$435,500.00	Including resource consent not in QS
Total	\$4,003,187.00 (Ex gst)	

Table 8: Cost estimates for the Massey High School project

32. MHS seeks funding for the following to complete their project:

• Auditorium Structure	\$310,000 (26% of total estimated cost)
• Auditorium Seating	\$150,000
• Fees	\$ 15,500 (portion of the total fees)
	\$475,500

33. In June 2010 the Lotteries Community Facilities Committee granted MHS \$225,000 for the backstage area. With an estimated cost of \$300,000 this still leaves a shortfall of \$75,000 to complete the backstage area.

Possible Funding Options	Guaranteed	Proposed	Timeframe for fund allocation
Own contribution	3,048,187.00		
The Trust Charitable Foundation		100,000	Aug/Sept 2010
Lottery Community Facilities Fund	225,000		
Other		150,000.00	Jul 2010
Council contribution		\$475,500.00	Aug 2010
Total	\$3,273,187.00	\$735,500.00	

Table 9: Funding sources for the Massey High School project

34. Community support / use - MHS has a history of making their facilities available to the community and regularly make available their gym, pool and kitchen for use by the community.
35. A number of organisations from various areas of the community have given their support for the performing arts centre. Schools, community, business, dance, drama, arts and cultural organisations have indicated their desire to be users of the facility.

36. Recommendation - The MHS project as a whole received the lowest score from the Review Group assessment; however the Review Group believed getting the backstage area complete would have a large positive impact on the performing arts centre's ability to cater for community users needs. Funding of the backstage at this time in the project ensures design and construction can be incorporated into the current stage one build.
37. The Review Group recommends the MHS project progresses to stage three of the LPPF and is allocated \$100,000 to develop and construct a backstage area to enhance the community use of the performing arts centre. An additional condition was recommended by the Review Group that the Council is provided the opportunity to input into the design of the backstage to help ensure it best meets the needs of the community. The decision to allocate \$100,000 instead of the \$75,000 shortfall will allow some improvement to the backstage design.

Ken Maunder Park Community Trust

A45

38. A letter was received from Ken Maunder Park Community Trust (the Trust) which is a previous successful stage three applicant of the LPPF, requesting an additional grant (letter attached at page A45). The Trust's project has incurred additional costs during the course of construction and have a shortfall of \$186,501 needed to complete their building.
39. An unallocated amount of the 2008/2009 round of the LPPF was distributed between existing LPPF applicants who had experienced funding shortfalls and construction cost increases. At the time the the Trust's project was financially stable and subsequently they were the only existing LPPF project not to receive any additional funding at that stage.
40. The Review Group has recommended allocation of the full amount of the 2010/2011 fund to current applicants unlike the case in 2008/2009 where there was unallocated funds. The absence of any unallocated funds meant the request for an additional grant to the Trust was not considered by the Review Group.

STRATEGIC CONTEXT

41. Through the Strong Communities Community Outcome, the Council outlines its commitment to undertaking initiatives that will contribute to making Waitakere a safe, informed and healthy place to live and to improving local leisure and recreation opportunities and choices. Through adoption of First Call for Children, the Council has also stated its commitment to proactively supporting children, young people and their families in Waitakere. Direct financial assistance to organisations providing recreation facilities and activities assist the Council's commitment to these policies.
42. New facilities create more opportunities for residents to participate in sport and or physical activity and will complement the initiatives being implemented through the Active Waitakere 'Move It Waitakere' Action Plan. Making the facilities available for community use assists Council achieve the easy access pathway of the active recreation plan to get more of the west more active more often.

CONSULTATION

43. Internal consultation occurred between Leisure Services, Parks Planning, Parks Assets and Public Affairs who make up the Review Group. A sport development representative from Sport Waitakere is the external representative on the group and is involved as part of the partnering agreement between Council and Sport Waitakere.

RESOURCES

44. \$500,000 is set aside by Council in the Annual Plan 2010/2011 for LFPF projects. Other resources for the LFPF include dedicated staff time to review and assess the applications and assist and direct the organisations.

IMPLEMENTATION ISSUES

45. There are no implementation issues associated with this report.

AUCKLAND COUNCIL TRANSITION ISSUES

46. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

Report prepared by: Paul Edwards, Recreation Partnership Projects Leader.



12 MCLAREN PARK HENDERSON SOUTH COMMUNITY INITIATIVE INCORPORATED END OF YEAR PERFORMANCE AND PERFORMANCE MEASURES FOR 2010/2012 REPORT

Finance and Operational Performance Committee (FOP)
McLaren Park Henderson South Community Initiative Incorporated (MPHSCII)

EXECUTIVE SUMMARY

The purpose of this report is to update the Finance and Operational Performance Committee (FOP) on the end of year performance of the McLaren Park Henderson South Community Initiative Incorporated (MPHSCII) for their community development contract with Council and to agree to the performance measures for the 2010/2012 Funding Agreement.

MPHSCII (formally McLaren Park Community Project) was established in 2002 as a local community working group, and became an incorporated society in 2004. Their mission is to be *“the local community group developing, supporting, and providing projects that will bring long-term benefit to the individual residents and the whole community in McLaren Park and Henderson South area.”*

Council has a funding agreement with MPHSCII for an amount of \$45,000 for community development and \$15,000 allocated for accommodation support. The purpose of this funding agreement is to set the terms and conditions of funding by Council and to agree the services to be provided by MPHSCII. Council's funding enables MPHSCII to deliver wellbeing outcomes by increasing the strength, health and vitality of the local McLaren Park and Henderson South community through a range of initiatives.

RECOMMENDATIONS

It is recommended that the Finance and Operational Performance Committee resolve to:

1. **Receive** the McLaren Park Henderson South Community Initiative Incorporated End of Year Performance report.
2. **Agree** to the recommended performance measures as set out in the 2010/2012 Funding Agreement with the McLaren Park Henderson South Community Initiative.

BACKGROUND

1. The Border Road/Henderson South/McLaren Park area of Waitakere is a unique blend of residential, commercial and industrial properties with a diverse population of approximately 6,891 residents of which 36% are of Pacific Island ethnicity, which is double the Citywide average of 15%.
2. Council has recognised this area as one of the most disadvantaged communities in the City, in terms of socio-economic status and access to services, and as such has made a financial commitment over the past eight years to support this community in the sustainable development of improved access to social and recreation services.
3. MPHSCII and Council are committed to enhancing the wellbeing of people in this community by providing opportunities for them to participate in community activities. Empowering communities and the volunteer sector so that people are better able to improve their own health, safety and wellbeing is a key Council goal. An annual funding and services agreement has been in place since 2002 with MPHSCII funded to provide services that advance community outcomes.
4. Council's relationship with MPHSCII has developed considerably since 2002 with a long process of trust and relationship building. Council and MPHSCII have developed a mutual respect and common aims which are contributing to greater community development objectives.

DECISION MAKING

Issues

Performance Measures

5. The performance measures for the 2009/2010 financial year were based on the MPHSCII strategic plan for this period and consists of the following principle areas:
 - Establish a community facility on Corban Green;
 - Provide quality events and programmes that meet the needs of the community;
 - Development of new programmes; and
 - Marketing, staffing, partnerships and financial governance.

Establishing a Community Facility on Corban Green

6. MPHSCII has been actively involved, as members of the Project Control Group, for the development of the new community facility on Corban Green. MPHSCII have been verbally informed that their application to establish a Computer Clubhouse alongside the new community facility has been successful and they are currently awaiting written confirmation of this from Central Government.

7. A facility management contract is currently being developed which will detail how the facility is to be managed and will form the basis of a funding agreement to assist MPHSCII in the operations of the proposed community facility.
8. A footprint lease of the area where the Computer Clubhouse will be located has been applied for by MPHSCII. The Henderson Community Board approved this lease at its February 2010 meeting as follows:

“The Henderson Community Board resolved to:

4. ***Approve** that the Chief Executive Officer be given authority to negotiate with McLaren Park Henderson South Community Initiative Incorporated to grant a new lease at Corban Green for the footprint of a new community building under the Reserves Act 1977.”*

56/2010

Provide Quality Events and Programmes that Meet the Needs of the Community

9. **Youth** - MPHSCII meet the needs of youth in their area through the Young Believers youth group. The Young Believers meet weekly with extra activities during school holidays. Over the past year these have included:
 - 280 youth attending “Straight off the Street”, (a music concert);
 - 40 youth participating in a leadership development camp;
 - 160 youth attended a Youth Week event;
 - Two other youth groups were invited to join an “Amazing Race” event organised by the Young Believers; and
 - Members of Young Believers attend “Suss it” meetings.
10. **Children** - MPHSCII ran a School Holiday Programme based at Henderson South Primary School. The goal was to have a 60% return rate of students attending the programme, set up a children’s focus group to evaluate how the programme was progressing and to up skill staff to continue to meet the changing needs of the children attending the programme. The following was achieved:
 - Return rate of 58% (some of their children moved on to the youth holiday programme);
 - Staff attending training courses to up skill themselves;
 - A children’s focus group was established that provides support for fundraising of trips; and
 - Feedback from parents is helping to plan future programmes.
11. Annual Local Festival - Each year MPHSCII holds a community festival entitled People, Pride, Place. The aim is to host a festival which celebrates the local community, is a networking tool and increases the number of local residents attending the festival. This year’s festival was successful and had 550 participants; however revenue was down on previous years.
12. Family focus lens - This initiative will interview five families before the construction of the proposed facility and again after it is built to ascertain the impact it has on the community. This action has not commenced as MPHSCII has not had the resources to undertake it. They are working with the Families Commission in an attempt to get funding to ensure this initiative takes place.

Development of New Programmes

13. Young people - Building on existing programmes. MPHSCII work directly with youth at risk in a wrap around service. Funding was sought from an external funding provider for this but MPHSCII was unsuccessful, although they did manage to get funding from the Ministry of Social Development for a youth holiday programme.
14. Social/community enterprise - The intention is to move towards securing maintenance and physical works contracts from Council Parks department. MPHSCII have set up a limited liability company and intend to approach Council to discuss possibilities of securing contracts in their local area.
15. Housing - MPHSCII provide support and advocate for improving housing conditions in the catchment area. A baseline study was undertaken with 61 residents questioned to determine the level of insulation houses contain and whether the householders were aware of the government subsidy available to upgrade house insulation. Further plans to advance this goal are being discussed.

Marketing, Staffing, Partnerships and Financial Governance

16. Marketing - A marketing communication strategy is being developed to ensure the community are aware of the services MPHSCII offer. An upgraded website is due to be launched on the 10 August 2010.
17. Staff and volunteers - MPHSCII wish to be seen as good employers who value their staff and volunteers. Staff have been informed that professional development is available to them and staff contracts have been renewed.
18. Partnerships - A strategy to develop and maintain key partnerships was set and MPHSCII are currently in discussion with Council to develop a partnering agreement. They have participated in partnering policy workshops and had representation on the Community Coalition for Auckland which is a steering committee in relation to Auckland governance.
19. Funding and financial independence - The goal is to investigate various funding sources and ensure that staff know how to fundraise both from businesses and philanthropic organisations. Several staff members have been to funding workshops and have learnt the skills of writing funding applications.

Overall Performance

20. MPHSCII is a professional organisation that works hard to support its community. It has good procedures and processes in place and accounts accurately for its funding to the various agencies that support it. The collaboration with Council around the proposed community facility has been positive and there is a good working relationship between Council and MPHSCII. Overall MPHSCII have continued to grow in their capacity and capability to deliver programmes on behalf of their community. Council's funding to MPHSCII continues to leverage great returns for the community. The outcomes achieved, demonstrate a valued investment which is making a positive difference to the community MPHSCII serve.

2010/2011 MPHSCII Funding Agreement and Performance Measures

A46-A51

21. MPHSCII and Council have negotiated the 2010/2011 funding agreement. This includes the annual performance measures which align with MPHSCII's strategic plan and are attached at pages A46 to A51 to this report as part of the MPHSCII shared work programme. The performance measures for the 2010/2011 financial year require agreement from the Finance and Operational Performance Committee.

STRATEGIC CONTEXT

22. In 2005, Waitakere identified a set of community outcomes for the community of Waitakere. The Council must take these into account in the formulation of its long term strategic direction. The community outcomes that community development initiatives contribute to are: Mauri Ora, Strong Communities, Toiora, Urban and Rural Villages, Vibrant Arts and Culture and Working Together. Of these, the primary community outcome is Strong Communities, by enabling and creating ways for people to contribute to their own communities which foster networks and a strong sense of belonging and positively contributes to the City, community, friends and family.
23. Waitakere has adopted its strategic framework of six strategies. The delivery of community development initiatives meet the Social and Cultural Wellbeing strategies. In particular community development contributes to "building strong resilient communities" and "informed, resourceful and skilled people" outcome areas. It also contributes to achieving the strategic priorities of the Treaty of Waitangi, Sustainability, First Call for Children, Safe City and Lifelong learning.

CONSULTATION

24. MPHSCII has undertaken considerable consultation with their local community over the past eight years and continually works to keep in touch with the needs of their area.

RESOURCES

25. \$45,000 per annum has been allocated in the Long Term Council Community Plan 2009-2019 to support MPHSCII and \$15,000 towards accommodation costs of their offices in Bruce McLaren Road. The accommodation support will cease once MPHSCII relocate to the proposed community facility on Corban Green.

IMPLEMENTATION ISSUES

26. There are no implementation issues.

AUCKLAND COUNCIL TRANSITION ISSUES

27. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

Report prepared by: Jan Brown, Community Projects and Liaison Officer.



13 **TE ATATU TENNIS CLUB INCORPORATED - NEW LEASE AT PART OF KAUMATUA RESERVE NOT SUBJECT TO THE RESERVES ACT 1977**

GLOSSARY

Te Atatu Tennis Club Incorporated	(TATC)
Henderson Ward Local Reserves Management Plan	(Management Plan)
Te Atatu Town Centre Reserve Management Plan	(Town Centre RMP)

EXECUTIVE SUMMARY

The purpose of this report is to seek the Finance and Operational Performance Committee's approval to grant Te Atatu Tennis Club Incorporated (TATC) a new lease of land at Kaumatua Reserve on part of Pt Allot 4 DP 24371 Waipareira and Lot 1 DP 54618 contained in certificate of title NA20D/839. The delegation for approval to grant the proposed lease lies with the Finance and Operational Performance Committee because the land, although commonly referred to as part of Kaumatua Reserve, has not been classified under the Reserves Act 1977 and therefore is not subject to the Reserves Act 1977.

RECOMMENDATIONS

It is recommended that the Finance and Operational Performance Committee resolve to:

1. **Receive** the Te Atatu Tennis Club Incorporated - New Lease at Part of Kaumatua Reserve Not Subject to the Reserves Act 1977 report.
2. **Approve** that a new lease be granted to Te Atatu Tennis Club Incorporated for a term of 10 years with one right of renewal for five years at \$250 + GST per annum, in accordance with Council's Community Leases Policy, for land on part of Pt Allot 4 DP 24371 Waipareira and Lot 1 DP 54618.
3. **Agree** that the Chief Executive Officer be authorised to negotiate and conclude a new lease at Kaumatua Reserve with Te Atatu Tennis Club Incorporated.

BACKGROUND

1. TATC is an incorporated society and has been since 1967. In September 1966 a lease was granted to TATC for 20 years from 1 September 1966 by Waitemata County Council, and in 1977 a 33 year lease (the 1977 lease) was granted by the Waitemata City Council from 1 January 1977 which included the right to erect and maintain a pavilion and courts at Kaumatua Reserve. It is not documented why a new 33 year lease was granted before the previous 20 year lease had expired, but it could possibly have been because the 1977 lease specifically included the right to build a pavilion. This lease expired 31 December 2009, and TATC have requested a new lease under Council's Community Leases Policy.

DECISION MAKING

2. It is proposed that a new lease with TATC be negotiated and agreed for a term of 10 years with a right of renewal for a further five years in accordance with Council's Community Leases Policy.
3. Although the 1977 lease does not mention it, part of two public tennis courts appear to be included within the leased area. This will be excluded from the new lease, but TATC will be required to continue to maintain the tennis nets on the public courts.

- A52-A53
4. Attached at page A52 is the 1977 lease plan identifying the leased area edged in pink. At page A53 edged in red is the proposed leased area for the new lease being part of Pt Allot 4 DP 24371 Waipareira and Lot 1 DP 54618. This reduced leased area will exclude not only the public courts but also the pedestrian access way which now connects Kaumatua Court (a Council owned Housing for Older Adults village) to the shops on Te Atatu Road.

Issues

Reserves Act 1977

5. The land to be leased is contained in certificate of title NA20D/839 and is held by Council in fee simple and is outside, therefore not subject to, the Reserves Act 1977. Reference to the site is made within the Te Atatu Town Centre Reserve Management Plan (Town Centre RMP) which was adopted in 1999, and the Henderson Ward Local Reserves Management Plan (Management Plan) which was adopted in July 2009. The Management Plan superseded the Town Centre RMP.
6. The land to be leased is outside of the Reserves Act 1977, therefore neither the Town Centre RMP nor the Management Plan have any effect in relation to this land and cannot do so until such time as the land is declared a reserve and classified under the Reserves Act 1977.
7. Kaumatua Reserve is categorised as a local community facility under the Parks and Open Spaces Strategic Plan 2009. Approval to enter into a lease on Kaumatua Reserve would normally be within the delegation of the Henderson Community Board. But as the land to be leased is not subject to the Reserves Act 1977, Council's delegated authority to lease the land is with the Finance and Operational Performance Committee. A copy of this report will be presented to the Henderson Community Board on 5 August 2010 for information.

STRATEGIC CONTEXT

8. The proposal is in keeping with Council's Social Strategy and with its First Call for Children Strategic Priority. The existence of TATC contributes to the health and wellbeing of, and to a feeling of connection to, the community. Of 128 members, 56 are aged from between 5 years and 19 years. TATC plans to expand its membership and improve facilities. Sessions are provided especially for junior members on Saturday mornings with special provision for veteran players, seniors and casual members at other times. TATC's sole objective is the promotion and development of the amateur sport of tennis.

CONSULTATION

9. Council's Lease Assessment Group has been consulted and is agreeable to the proposal.

RESOURCES

10. No resources are required other than staff time.
11. The granting of a lease which excludes the two public tennis courts will mean that maintenance of the public tennis courts is the responsibility of Council. Council is already maintaining them and therefore there will be no change or impact on Council as a result of excluding the public tennis courts from the leased area. TATC has always maintained, and will continue to maintain the nets on the public tennis courts.

IMPLEMENTATION ISSUES

12. If approval is granted a new lease will be negotiated and agreed with TATC.

AUCKLAND COUNCIL TRANSITION ISSUES

13. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

Report prepared by: Stephanie Willcox, Community and Reserves Lease Officer.



14 RECOMMENDATION FROM INFRASTRUCTURE AND WORKS COMMITTEE

DRAFT WAITAKERE CITY COUNCIL SPEED LIMITS BYLAW 2010 – HEARING REPORT

It is recommended that the Finance and Operational Performance Committee resolve to:

Agree to approve \$280,000 for school speed zones to be funded from the capital project surplus in the Annual Plan 2010/2011.



PART E - REPORTS FROM THE SUBCOMMITTEES

15 TENDERS SUBCOMMITTEE

THE SUBCOMMITTEE SUBMITS THE FOLLOWING REPORT OF ITS MEETING HELD ON FRIDAY, 2 JULY 2010, FRIDAY, 16 JULY 2010 AND FRIDAY, 30 JULY 2010

MATTERS CONSIDERED

A54-A63

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 A54 to A63.

It is recommended that the Finance and Operational Performance Committee resolve to:

Receive the meetings report of the Tenders Subcommittee held on Friday, 2 July 2010, Friday, 16 July 2010 and Friday, 30 July 2010.

RI Clow
CHAIRMAN

