

MEETING OF THE FINANCE AND AUDIT COMMITTEE

TO THE CHAIRPERSON AND MEMBERS
OF THE COMMITTEE

MEMBERSHIP OF THE COMMITTEE

Cr R M Kirk (Chairperson)

Cr R A Budd
Cr R H M Johnston
Cr N J Wagner

Cr A G Neill
Cr T K Burke (ex officio)

A meeting of the Committee will be held on
Wednesday, 22 November 2006 at 9.30 a.m.

VENUE: Council Chamber
First Floor
Pegasus Building
58 Kilmore Street
CHRISTCHURCH

BUSINESS: As per Order Paper attached.

Dr Bryan Jenkins
CHIEF EXECUTIVE

**RECOMMENDATIONS IN REPORTS ARE NOT TO BE TAKEN
AS COUNCIL POLICY UNTIL ADOPTED BY THE COUNCIL**

58 Kilmore Street,
PO Box 345,
Christchurch,
Telephone: (03) 365-3828,
Fax: (03) 365-3194
Website: www.ecan.govt.nz



**Environment
Canterbury**
Your regional council

COMPLIANCE WITH LOCAL GOVERNMENT ACT 2002 DECISION-MAKING REQUIREMENTS

Except as below, a statement of compliance and a completed decision checklist is required for any agenda item on a council committee or the council recommending that a decision be made. This will be the responsibility of the person signing off the agenda item.

The compliance statement and checklist will not be used for:

- Recommendations that information be received or that the Council make a decision.
- Decisions taken under the Resource Management Act 1991 or the Biosecurity Act 1993 in relation to resource consents, decisions required when following the procedures set out in Schedule 1 of the Resource Management Act 1991, other permissions, submissions on plans, or references to the Environment Court.
- Decisions taken to proceed with enforcement procedures under various primary or secondary legislation or regulations, including procedures under the Resource Management Act 1991, the Biosecurity Act 1993, the Local Government Act 2002, and Environment Canterbury Bylaws.
- Administrative and personnel decisions that are entirely internal to Environment Canterbury.
- Other decisions where the procedures to be followed are set out in Legislation.

COMPLIANCE STATEMENT

The council committee (or the council) must formally certify that:

- It is satisfied that it has sufficient information about the options and their benefits and costs, in terms of the region's social, economic, environmental and cultural well-being and the effects on community outcomes, bearing in mind the significance of the decisions.
- It is satisfied that it knows enough about and has given adequate consideration to the views and preferences of affected and interested parties bearing in mind the significance of the decision.

INFORMATION CHECKLIST

(a)	A Statement of the Proposed Decision
(b)	A Statement of the Objective of the Proposed Decision and the Issue or Problem being addressed
(c)	A list of all reasonably practicable options, (including doing nothing).
(d)	For each option in (c): An evaluation of the Benefits and Costs, in terms of the region's social, economic, environmental and cultural well-being.
(e)	For each option in (c): A statement of the extent to which community outcomes would be promoted or achieved in an integrated and efficient manner.
(f)	For each option in (c): A statement of the Impact, if any, on Environment Canterbury's capacity to undertake its statutory responsibilities
(g)	If the Proposed Decision is a significant decision in relation to land or a body of water, a statement of how Maori values have been taken into account
(h)	A Statement of significant inconsistencies, if any, with any Existing Policy, Plan or Legislation arising from the Proposed Decision.
(i)	A statement how the views and preferences of affected or interested persons have been given adequate consideration during the definition of the problem or issue, the objective, the assessment of options and the development of the proposed decision, including the particular contribution of Maori to the decision-making process.

Notes:

The significance of proposals and decisions determines how much time, money and effort is put into exploring and evaluating options and obtaining the views of affected and interested parties. The significance of proposals and decisions is determined through reference to criteria contained in the policy on significance.

The policy on significance together with Section 76 of the Local Government Act 2002 set out the Council's requirements in relation to decisions. Some decisions can only be made through the Long-Term Council Community Plan, or after the Special Consultative Procedures set out in the Act have been used, (refer to the policy on significance and the Act).

All decisions of Environment Canterbury are subject to the decision-making requirements of section 76 of the Act unless inconsistent with specific requirements of other legislation.

**ENVIRONMENT CANTERBURY
FINANCE AND AUDIT COMMITTEE**

ORDER PAPER

Page No.

1. APOLOGIES
2. REVIEW OF PORTFOLIOS FOR THE 2007/08 ANNUAL PLAN
3. NEXT MEETING – 5 DECEMBER 2006
4. CLOSURE

AGENDA ITEM NO:	SUBJECT MATTER: REVIEW OF PORTFOLIOS FOR THE DRAFT 2007/08 ANNUAL PLAN
REPORT: Finance and Audit Committee	DATE OF MEETING: 22 November 2006
FILE REFERENCES:	PORTFOLIO: All PROJECT: OUTPUT:
REPORT BY: Neil Pilbrow Portfolio Manager- Director Finance and Corporate Services	ENDORSED BY: Wayne Thomas Director Finance and Corporate Services

PURPOSE

To undertake the review of Portfolio Committees' preparations for the 2007/08 Annual Plan.

ATTACHMENTS

List of questions.

BACKGROUND

The Council has requested the Finance and Audit Committee to review portfolios' preparations for the 2007/08 Annual Plan and their reasoning behind budget decisions to ensure that proposals going forward have been systematically and rigorously analysed. A set of 11 questions was distributed to Portfolio Committees to answer, as the basis for the review. This was followed subsequent by a request to expand on the scope of two of the questions. Portfolio Chairs have been requested to provide written responses to the questions prior to this meeting (note that five portfolios are scheduled to meet to finalise their responses on the day before, 21 November, so their responses will be tabled at the meeting).

All Councillors are invited to attend this meeting.

REVIEW PROCESS

It is proposed that Portfolio Chairs will speak to their responses and answer questions. The order of appearance generally is that the "smaller" Portfolios are heard first. Public Passenger Transport has been move forward to work around an external commitment for the portfolio manager.

At the conclusion, the Committee will sum up and provide feedback to Portfolio Chairs on the findings of the review. Committee will prepare a report for the December Council meeting, with an oral report to the Combined Porfolios Committee on 23 November, if requested, to assist that Committee in its deliberations.

TIMETABLE

PORTFOLIO	Start time	Duration
Public Passenger Transport	9.30am	30mins
Regional Land Transport	10.00am	15mins
Waste, hazardous substances and contaminated sites	10.15am	15mins
<i>Tea break</i>	<i>10.30am</i>	<i>15mins</i>
Energy	10.45am	15mins
Navigation safety	11.00am	15mins
Emergency management	11.15am	15mins
Hazards	11.30am	30mins
Coastal environment	12.00am	30mins
<i>Lunch break</i>	<i>12.30pm</i>	<i>30mins</i>
Water quality, quantity and ecosystems	1.00pm	30mins
Land	1.30pm	30mins
Pests and biosecurity	2.00pm	30mins
Air quality	2.30pm	30mins
<i>Tea break</i>	<i>3.00pm</i>	<i>15mins</i>
Democratic Process	3.15pm	30mins
Sum up	3.45pm	30mins

Note these times may vary from earlier timetables, which did not provide for tea and lunch breaks.

RECOMMENDATION

That the responses to questions provided by Portfolio Chairs be received.

QUESTIONS FOR THE FINANCE AND AUDIT COMMITTEE REVIEW OF PORTFOLIOS 22 NOVEMBER 2006

A set of 11 questions has been developed that relate to:

- A. Level of service and level of funding
- B. Cost effectiveness and cost efficiency of service delivery
- C. Project priorities
- D. Funding alternatives

It is expected that the answers to most questions will fall out of discussions that the Committee would normally conduct at this stage of the Annual Plan process as it is not the intention to create undue amounts of additional work for Portfolios. It is expected that Portfolio Chairs would compile the responses from their own working knowledge of the portfolio.

Note that the headings incorporate the categories from the Finance & Audit review of the Draft LTCCP conducted earlier this year in the following way: Category 2 - Sources of funding is covered by "Funding Alternatives"; Category 4 – Service delivery is separated into two: "Levels of service and levels of funding" and "Cost effectiveness and cost efficiency of service delivery"; and Category 7 – Specific project deferrals is covered by "Project priorities"

Alterations to the scope of questions 3 and 4 that Portfolio Chairs were asked to also take into account are shown in bold.

A. Level of service and level of funding

Q1: For the underlying service requirements at group of activity (portfolio) and (parent) project level, what are trends in the demand for this service or the driver for activity?

[Note: levels of service for groups of activities are defined in Part A of the LTCCP for each portfolio; the levels of service for parent projects are contained in the supplement to the LTCCP – Project levels of service and funding 2006/07]

Q2: Do changes in the level of service warrant adjustments in the level of funding?

Q3: Are there any new areas of work for project input and development to address changes in level of service **and type of service**?

Q4: What effect would deferral, amendment or deletion have on service delivery **or project outcome**?

Q5: How does the proposed total budget for the portfolio compare with the budget in the LTCCP?

B. Cost effectiveness and cost efficiency of service delivery

Q6: What opportunities exist for cost efficiencies in service delivery?

Q7: Are there possible alternative methods of service delivery?

C. Project Priorities

Q8: What are the relative priorities among the projects in relation to the group of activities in the portfolio?

Q9: Are there new projects (or project adjustments) that have higher priority than existing projects?

Q10: To accommodate new projects or project adjustments what other projects can be deferred?

D. Funding Alternatives

Q11: Are there alternative funding sources to undertake the activities of the portfolio?