

COMBINED PORTFOLIOS COMMITTEE
(DEMOCRATIC PROCESS PORTFOLIO)

TO THE CHAIRPERSON AND MEMBERS OF THE COMMITTEE

MEMBERSHIP OF THE COMMITTEE

Cr T K Burke – Chairperson

Cr R A Budd
Cr A S Carroll
Cr E H Cunningham
Cr R H M Johnston
Cr R M Kirk
Cr R I R Little
Cr A R McKay
Cr A G Neill
Cr M E Oldfield
Cr J F Slee
Cr N J Wagner
Cr J M Waters
Cr W E Woods

A meeting of the Committee will be held on

Tuesday 21 November 2006 at 3:30 p.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 COUNCIL**

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



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:

- (a) 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.
- (b) 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
COMBINED PORTFOLIOS COMMITTEE

ORDER PAPER

1. APOLOGIES
2. MINUTES OF MEETING – 23 August 2006
3. MATTERS ARISING
4. DEPUTATIONS AND PETITIONS

(a) Democratic Process

MATTER FOR RECOMMENDATION TO THE COUNCIL

5. 2007/08 ANNUAL PLAN – PROPOSED LEVEL OF SERVICE AND LEVEL OF FUNDING CHANGES
6. NOTICES OF MOTION
7. EXTRAORDINARY AND URGENT BUSINESS
8. QUESTIONS
9. NEXT MEETING – TBA

ENVIRONMENT CANTERBURY

COMBINED PORTFOLIOS COMMITTEE

MINUTES OF A MEETING OF THE COMBINED PORTFOLIOS COMMITTEE HELD ON WEDNESDAY 23 AUGUST 2006 IN THE COUNCIL CHAMBER, FIRST FLOOR, PEGASUS BUILDING, 58 KILMORE STREET, CHRISTCHURCH FROM 1.30PM.

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MATTERS FOR COMMITTEE DECISION

5. 2007/08 ANNUAL PLAN - DEMOCRATIC PROCESS
6. COMMUNICATION STRATEGY

MATTERS FOR RECOMMENDATION TO COUNCIL

7. 2007/08 ANNUAL PLAN: REVIEW OF PORTFOLIO RECOMMENDATIONS
8. NOTICES OF MOTION
9. EXTRAORDINARY AND URGENT BUSINESS
10. QUESTIONS
11. NEXT MEETING

PRESENT

Crs T K Burke (Chairman), A S Carroll, R H M Johnston, R I R Little, A R McKay, A G Neill, J F Slee, J M Waters and W E Woods.

MANAGEMENT AND STAFF PRESENT

B R Jenkins (Chief Executive), I W Thomas (Director Finance and Corporate Services), J D Talbot (Director Policy and Planning), W M Falconer (Director External Communications), N C Pilbrow (Portfolio Manager Finance & Corporate Services), R Phillips (Portfolio Manager Pests & Biosecurity), P Buell (Regional Harbourmaster), W Simpson (Communications and Relations Manager), and L M McDonald (Administration Officer).

1. APOLOGIES

Cr R M Kirk (leave of absence),
Crs R A Budd, E H Cunningham, M E Oldfield and Wagner

2. MINUTES OF MEETING 15 August 2006

The minutes of the meeting for the meeting of the Combined Portfolio Committee held 15 August 2006 were tabled.

Resolved

The minutes of the meeting held 15 August 2006 were taken as read, confirmed as a correct record of proceedings and adopted.

Cr McKay/Cr Burke

3. MATTERS ARISING

John Talbot provided an update on the situation regarding discussions with Waimakariri District Council regarding access for whitebaiters to the Ashley Rivermouth.

4. DEPUTATIONS AND PETITIONS

Nil.

MATTERS FOR COMMITTEE DECISION

5. 2007/08 ANNUAL PLAN – Democratic Process

Rob Phillips introduced this item.

He confirmed that further reports on the review of the Regional Policy Statement including a scoping report would be presented to the Council later in the year.

Resolved

That the Portfolio Committee notes there are no significant changes proposed for the 2007/08 Annual Plan requiring consultation with key stakeholders.

Cr Waters/Cr Carroll

6. COMMUNICATION STRATEGY

Bill Simpson presented this item.

Cr Little requested that when the Finance and Audit Committee reviews the proposed expenditure, information on the costs of communications be considered. This should include comparison with other councils and the cost of complying with central government requires such as the development of the LTCCP.

There was also a request to review the effectiveness and readership of "Living Here".

Resolved

That the committee receives the 2006/07 Democratic Process portfolio communication strategy.

Cr Burke/Cr McKay

This meeting adjourned between 3pm and 3.45pm to allow the Coastal Environment and Navigation Safety Portfolio Committee to meet.

MATTERS FOR RECOMMENDATION TO COUNCIL

7. 2007/08 ANNUAL PLAN: REVIEW OF PORTFOLIO COMMITTEE RECOMMENDATIONS

A summary of the recommendations from the Portfolio Committees meetings held 15 to 23 August 2006 was tabled. Neil Pilbrow explained that these recommendations would go to the Council meeting of 30 August and then following consultation with key stakeholders would flow through the November round of Portfolio Committee meetings.

Referring to the recommendation from the Water Portfolio Committee regarding funding policies it was noted that no changes had been signaled and it was agreed to amend the wording of the recommendation.

Resolved

***That the words “any changes to” be deleted from the recommendation from the Water Portfolio Committee and the recommendation therefore to read
“That the Portfolio Committee workshop funding policies on water matters”***

Cr McKay/Cr Waters

Recommendation

That the Council approves the following matters for further consideration and consultation with key stakeholders:

LAND AND BIODIVERSITY

- 1. *That the following opportunity for cost efficiencies as identified by the Finance and Audit Committee Review:
“Explore alternative methods for monitoring compliance to reduce Environment Canterbury input, i.e self monitoring with selected monitoring”
be discussed at the Combined Portfolios Committee and then at the Council meeting as this is a serious and important item and should be put forward as a separate issue.***
- 2. *That the Portfolio Committee supports the use of existing information as the first step in developing proposed measures and targets for levels of service.***
- 3. *The possible increases to fund the implementation of the Urban Development Strategy***
- 4. *That the Portfolio Committee note the increase between 2006/07 and 2007/08 and have some concern with components of that increase in the Land Portfolio budget.***

WASTE, HAZARDOUS SUBSTANCES AND CONTAMINATED SITES

The change to the wording of the measure and target for Levels of Service 3.

HAZARDS

- 1. That the Portfolio Committee notes there are no significant changes proposed for the 2007/08 Annual Plan at this stage.**
- 2. That the capital funding for the Waimakariri secondary stopbank may need to be reviewed.**

EMERGENCY MANAGEMENT

That the Portfolio Committee notes there are no significant changes proposed for the 2007/08 Annual Plan.

REGIONAL LAND TRANSPORT

That the Portfolio Committee notes there are no significant changes proposed for the 2007/08 Annual Plan.

PUBLIC PASSENGER TRANSPORT

That the Portfolio Committee notes there may be significant changes required to the 2007/08 Annual Plan, but that no further stakeholder consultation is required at this stage.

WATER QUALITY, QUANTITY AND ECOSYSTEMS

- 1. That the Portfolio Committee recommends that any changes to the planned 2007/08 outputs be signalled as soon as possible to a special meeting of the Portfolio Committee, to enable it to recommend matters that should be canvassed with key stakeholders; and**
- 2. That detail about the A-list work priorities is discussed with the Council in an October 2006 workshop item.**
- 3. That the Portfolio Committee workshop funding policies on water matters.**

PESTS AND BIOSECURITY

- 1. That the Portfolio Committee notes there are no shifts in direction planned in the portfolio.**
- 2. That the Portfolio Committee notes the amended operating expand the figures.**

AIR QUALITY

- 1. Discuss air quality initiatives for Timaru, Kaiapoi, Rangiora and other towns in terms of education and marketing for 2007/08.**
- 2. Discuss a programme of offsets in relation to resource consents for discharge of PM₁₀ in to air.**

ENERGY

- 1. Giving effect to development of Communities for Climate Protection (or similar initiative).**
- 2. Giving effect to the Regional Energy Strategy, complete the community consultation process.**
- 3. Developing a 'strategic context for action' to connect key activity areas in projects to deliver on community expectations (from seminars).**

COASTAL ENVIRONMENT

That the Portfolio Committee notes there are no significant changes proposed for the 2007/08 Annual Plan.

NAVIGATION SAFETY

That the Portfolio Committee notes there may be significant changes required to the 2007/08 Annual Plan, but that no specific stakeholder consultation is required at this stage.

DEMOCRATIC PROCESSES

That there are no significant changes proposed for the 2007/08 Annual Plan requiring consultation with key stakeholders.

CR BURKE/CR NEILL

Meeting Dates

A memorandum dated 22 August 2006 with proposed meeting dates for November 2006 was tabled.

Recommended

- (a) ***That in order to accommodate a review by the Finance and Audit Committee of the LTCCP process the scheduled November Portfolio meetings be amended as follows:***

Tuesday 14 November 2006

am Water Quality Quantity and Ecosystems

pm Hazards and Emergency Management

Pests and Biosecurity

Wednesday 15 November 2006

am Air Quality and Energy

pm Regional Land Transport and Public Passenger Transport

Tuesday 21 November 2006

am Land and Biodiversity, Waste, Hazardous Substances and Contaminated Sites

pm Coastal Environment and Navigation Safety

Democratic Process

Wednesday 22 November 2006

Finance and Audit Committee meeting with Portfolio Chairs

Thursday 23 November 2006

Combined Portfolios' Committee

Cr Johnston/Cr Burke

8. NOTICES OF MOTION

Nil

9. EXTRAORDINARY AND URGENT BUSINESS

Nil

10. QUESTIONS

Nil

11. NEXT MEETING

November 2006

The meeting closed at 4.36pm.

CONFIRMED

DATE _____ CHAIRPERSON

AGENDA ITEM NO: 5	SUBJECT MATTER: 2007/08 ANNUAL PLAN – PROPOSED LEVEL OF SERVICE AND LEVEL OF FUNDING CHANGES
REPORT: Combined Portfolios Committee	DATE OF MEETING: 21 November 2006
FILE REFERENCES:	PORTFOLIO: Democratic Process PROJECT: – OUTPUT: –
REPORT BY: Josie McNee Democratic Process Portfolio Convener	ENDORSED BY: Wilma Falconer, Director External Relations

PURPOSE

1. To receive stakeholder feedback on possible shifts in direction identified in August 2006.
2. To recommend priorities, tradeoffs or deferrals for the 2007/08 Annual Plan to the Combined Portfolios committee, to enable staff to undertake the necessary budget amendments.
3. To prepare responses for the Finance and Audit Committee Review of Portfolios.

ATTACHMENTS

- Appendix 1: LTCCP Budgets for 2007/08.

Please bring the following to the meeting:

- The 2006-16 LTCCP.
- Project Levels of Service and Funding for 2006/07.

BACKGROUND

Whilst the Annual Plan for 2007/08 was set as part of the long term delivery of ECan's contributions to community outcomes, it is appropriate to look at the need to fine tune the annual programme to-

- ensure we are on course,
- reflect new information about resource demand,
- respond to changes in the operating environment,
- review alternative methods of funding, and
- review alternative methods of service delivery.

The Portfolio Committee has two tasks to complete:

1. PROGRESSING THE 2007/08 ANNUAL PLAN PROCESS- This will involve consideration of stakeholder feedback on possible shifts in direction identified by the Committee in August 2006, and the provisional rates estimates for 2007/08 for a range of indicator properties across Canterbury. Following this, the Committee will make decisions on the shifts in direction to the levels of service and levels of funding in the LTCCP for 2007/08, if any, to recommend to the Combined Portfolios Committee, having regard to priorities, tradeoffs or deferrals to the levels of service and levels of funding in the LTCCP for 2007/08.

2. PREPARING FOR THE FINANCE AND AUDIT COMMITTEE REVIEW OF PORTFOLIOS- This involves the review of portfolios' preparations for the 2007/08 Annual Plan to be undertaken by the Finance and Audit Committee. The review will examine the reasons behind budget decisions to ensure that proposals going forward into the 2007/08 budget have been

systematically and rigorously analysed. Portfolio Committees will be asked 11 questions relating to:

- Level of service and level of funding
- Cost effectiveness and cost efficiency of service delivery
- Project priorities
- Funding alternatives

The questions are set out in Part 2 of this paper.

IS AN AMENDMENT LIKELY TO BE REQUIRED TO THE 2006-16 LTCCP?

At this stage it is considered that the proposed changes to the 2007/08 budget and work programmes identified in August are not significant enough to trigger an amendment to the LTCCP. Amending the LTCCP is to be avoided as any amendment would almost certainly involve a full financial audit. This would necessitate extra council meetings to adopt documents pre and post audit, with attendant timing constraints and costs. The intention of the Local Government Act in respect of LTCCPs is to provide a high level of certainty for ratepayers, which means not changing them more than necessary. The LTCCP concept is to provide programmes over 10 years and variations between years will occur, which do not constitute amendments to the 10 year plan. This could include variations to the levels of rates.

Annual Plans are able to accommodate variations to the LTCCP, provided they do not include the matters listed in sec 97 of the Local Government Act and they do not alter significantly intended levels of service (significantly is not defined).

The question will become clearer when the extent of changes is confirmed at the December Council meeting.

WHAT IS THE NEXT STAGE?

At the completion of Portfolio Committee meetings and the Finance and Audit Committee Review of Portfolios, the Combined Portfolios Committee will consider individual Portfolio Committees' recommendations for recommending to the Council in November. The Finance and Audit Committee will report the findings of its Review of Portfolios separately to the Council in December.

Following this, staff will undertake the detailed budgeting work required and bring back a proposed draft budget in February to be adopted as the basis for the Draft 2007/08 Annual Plan.

Councillors are reminded that this November round of Portfolio Committee meetings is the second of three opportunities to introduce further changes. **The last opportunity is at the December Council meeting.**

PART 1: 2007/08 ANNUAL PLAN

Councillors will recall that the starting point for the 2007/08 Annual Plan is the levels of service and levels of funding in the LTCCP for 2007/08 and that increases in both have already been provided in 2007/08.

Councillors are reminded of the agreed principles for developing the 2007/08 Annual Plan.

- | |
|---|
| <ol style="list-style-type: none">1. The overarching objective is to manage variations to the LTCCP within the 2007/08 expenditure and revenue forecasts in the LTCCP (total exp +3.8%, gen rates +7.3%). |
|---|

2. If possible, avoid introducing matters requiring the LTCCP to be amended.
3. Budget may be re-allocated within and between portfolios to manage changed circumstances.
4. Options must be developed for any variations.

Background information for this portfolio can be found as follows.

Portfolio information

Portfolio information for 2007/08 can be found in the following places in the 2006-16 LTCCP:

- Levels of service: p29
- Level of funding: p31

Activity and parent project information

Activity and parent project level of funding for 2007/08 can be found in Appendix 1. This also includes a comparison with 2006/07 and the reasons for any significant increases. Details of the possible shifts in direction raised at the August Portfolio Committee meetings, if any, are also shown.

While parent project levels of service for 2007/08 have not yet documented, they will be generally similar to those for 2006/07, which can be found on p9 of Project Levels of Service and Funding for 2006/07.

RECOMMENDATIONS FROM THE AUGUST PORTFOLIO COMMITTEE MEETINGS

The purpose of the August meetings was to identify, as early as possible in the budget process, any possible shifts in direction for 2007/08, over and above the LTCCP, and to consider the impact of these on the levels of service and levels of funding in the LTCCP. This early identification enables key stakeholders to be appraised of the possible shifts and their feedback taken into account at the beginning of the budget process, rather than receiving it at the formal submission stage, when it is often too late to make major changes.

Portfolio Levels of Service

The August meeting was advised that further work was needed before a recommendation could be made on whether improvements were needed or not. A review of all LTCCP levels of service has now been completed and it is recommended that no changes are made in this portfolio.

Portfolio Levels of Funding

At the August meeting, the committee considered the following changes to the 2007/08 work programmes in the LTCCP. The committee now needs to review them in light of stakeholder feedback and decide whether or not to recommend they be included in the 2007/08 budget.

TABLE 1: Possible shifts in direction

Project number and name	Brief description	Indication of work that could be traded-off or deferred	Estimated change in budget	Impact on LTCCP levels of service
DEMOCRATIC PROCESS				
208 Council Elections	Additional Council Election expenditure to be funded	To be funded from reserves, accumulated over last two	\$200,000	None

Project number and name	Brief description	Indication of work that could be traded-off or deferred	Estimated change in budget	Impact on LTCCP levels of service
	from general reserves, which was omitted from LTCCP, will be added.	years.		
351 Advisory Services - Corporate	Implementation of Customer Services review	To be funded from within existing projects (\$20k)	None	None
704 Regional Policy Statement	Review of Regional Policy Statement will require additional resources	Plan implementation and a range of other policy projects.	\$181,000 (to be found within the portfolio)	None

The following resolution was adopted by the Council on 30 August 2006.

DEMOCRATIC PROCESSES

That there are no significant changes proposed for the 2007/08 Annual Plan requiring consultation with key stakeholders.

STAKEHOLDER FEEDBACK ON POSSIBLE SHIFTS IN DIRECTION

There has been limited feedback to date. Federated Farmers had a particular focus on Land, Water and Pest Portfolio issues and expressed concern at rate increases and were clear that any new work should be accommodated within existing budget. Further feedback will be tabled at the combined portfolio meeting.

PART 2: FINANCE AND AUDIT COMMITTEE REVIEW OF PORTFOLIOS

The Finance and Audit Committee will meet on 22 November 2006 to review Portfolio Committees' preparations for the 2007/08 Annual Plan. All Councillors are invited to attend this meeting. The Committee wishes to understand the reasons behind budget decisions to ensure that proposals going forward into the 2007/08 budget have been systematically and rigorously analysed. Portfolio Chairs have been asked to furnish a brief written summary of responses to each question before the Finance and Audit Committee meeting on 22 November. This will ensure all portfolios' views are heard and the review completed within the one day available.

The Finance and Audit Committee has compiled 11 questions relating to:

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

The questions are set out in the following sections. Some of the questions will involve matters that have already been well aired by the Portfolio Committee. For these it should simply be a matter of recording the Committee's position and moving on. Other questions may require fresh discussion.

To facilitate the process, where the Committee's views are already known, the "response" has already been entered, but can be altered at the meeting. In other cases the response has been left blank, to be completed at the meeting.

A. LEVEL OF SERVICE AND LEVEL OF FUNDING

Questions 1 to 5 are aimed at ensuring that the demand driving planned changes in levels of service and levels of funding for 2007/08 are substantiated by facts and figures and that changes to services are reflected in changes in funding (this is a requirement of Schedule 10 of the Local Government Act).

RELEVANT REFERENCE MATERIAL

- LTCCP: p29 and p31
- Project Levels of Service and Funding for 2006/07: p9
- Appendix 1

QUESTIONS

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

Response

Activity	Trends in demand / Drivers
Investigating	Inflation.
Policy making and planning	Inflation and Regional Policy Statement.
Monitoring	Inflation.
Operations	Inflation and triennial election.
Communicating, educating and advocating	Inflation and increase in customer enquiries.

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

Response

N/A

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

Response

N/A

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

Response

Cannot defer statutory responsibilities, reductions in communications would affect levels of service 1, 2 and 3.

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

Response

No change.

B. COST EFFECTIVENESS AND COST EFFICIENCY OF SERVICE DELIVERY

Questions 6 and 7 are aimed at ensuring that the portfolio has considered all opportunities for improving cost effectiveness and cost efficiency of service delivery.

Category 4 in the Finance and Audit Committee Review of the Draft LTCCP identified opportunities for cost efficiencies and recommended they be referred to individual portfolio committees for consideration in August 2006. These are shown again below and along with the committee's the decisions. Questions 6 and 7 require the committee to review again that material and the action to be taken.

TABLE 2 Category 4: Finance and Audit Committee Review of the Draft LTCCP

OPPORTUNITIES FOR COST EFFICIENCIES	CONSEQUENCES	ACTION RECOMMENDED BY THE PORTFOLIO COMMITTEE IN AUGUST 2006
4. SERVICE DELIVERY		
Democratic Process <ul style="list-style-type: none"> • Outsourcing of service provision. • Democratic Process support broadband development. 	<ul style="list-style-type: none"> • Potential savings from further competitive tendering, high level of existing tendering. Increased contract administration? • Opportunities to deliver higher levels of service at same cost-improved communication with stakeholders, reaching more people more easily. Potential cost savings through electronic gathering of environmental data, resource consent compliance info, which would be freed-up for other work. 	No action recommended. Work is ongoing. No action recommended. Work is ongoing.

QUESTIONS

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

Response

See above. Work is ongoing.

Q7: Are there possible alternative methods of service delivery?

Response

No.

C. PROJECT PRIORITIES

Questions 8 to 10 are aimed at ensuring that relative priorities within portfolios have been considered and that any new work associated with proposed shifts in direction has been assessed against them. Finally, has the portfolio identified any work that could be deferred?

The Finance and Audit Committee Review of the Draft LTCCP identified no areas of low priority work that could be deferred or cut in 2006/07. Questions 8 to 10 require the committee to identify areas of low priority work that it could consider deferring or cutting in 2007/08.

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

Response

Communications projects are necessary to deliver on Levels of Service 1, 2 and 3. Many of the other projects relate to statutory responsibilities, which cannot be deferred.

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

Response

Regional Policy Statement has higher priority than existing policy projects.

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

Response

OPPORTUNITIES FOR FURTHER DEFERRALS	CONSEQUENCES
None.	

D. FUNDING ALTERNATIVES

Question 11 is aimed at ensuring that funding alternatives have been considered.

Uniform Annual General Charges and other alternatives to general rates (possibly for work associated with water investigations and monitoring), will be brought to the Council for consideration in due course. In response to feedback to the Draft 2006-16 LTCCP, these issues will be taken back to the public for further consultation before they can be considered to introduction. It is suggested the Portfolio Committee defers discussion on until further analysis of them has been completed.

The Finance and Audit Committee Review of the Draft LTCCP identified no alternative sources of funding. Question 11 requires the committee to consider this again.

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

Response

Some projects may be suitable to be funding by a Uniform Annual General Charge.

RECOMMENDATION TO THE COMBINED PORTFOLIOS COMMITTEE

That the additional funding required for the Council elections, from the general reserve, be included in the draft 2007/08 Annual Plan.

APPENDIX 1: PARENT PROJECT LEVELS OF FUNDING FOR 2006/07 AND 2007/08

TABLE 3: LTCCP Budgets 2006/07 & 2007/08

ACTIVITY	PROJECT	2006/07 \$000	2007/08 \$000	% CHANGE	PLANNED FOR THE ANNUAL PLAN FOR 2007/08 <i>[KEY SHIFT IN DIRECTION FOR 2007/08]</i>
Democratic process		7,179	7,291	2%	
1. Investigations		41	42	2%	Same as 2005/06
0206	Official Information Requests	41	42	2%	
2. Policy making and planning		3,816	3,891	2%	Same as 2005/06, except that the Regional Policy Statement will require and additional \$180k, which is to be transferred from Plan Implementation and other planning projects.
0201	Council & Committee Meetings	971	994	2%	
0204	Ratepayer Servicing	1,126	1,156	3%	
0210	Long Term Council Community Plan	261	252	-4%	
0234	Portfolio Management	817	847	4%	
0235	Regional Strategy	113	116	2%	
0277	Plan Implementation and Effectiveness Monitoring Systems	224	293	31%	
0704	Regional Policy Statement Review	304	234	-23%	
3. Monitoring		23	6	-76%	Surveying public awareness of ECan's work is undertaken every other year.
0218	Awareness Surveys	23	6	-76%	
4. Operations		879	883	1%	Same as 2005/06, except for Council elections.
0208	Council Elections	101	110	9%	
0221	Archives	134	137	2%	
0271	Chatham Islands Council Services	644	637	-1%	<i>[Council elections will cost \$310k in 2007/08. The additional funding required (\$200k) will come from general reserves, where the previous 2 years' revenue has been accumulating.]</i>
5. Communicating, educating and advocating		2,420	2,468	2%	Same as 2005/06.
0202	Public Information- Corporate	846	945	12%	
0207	Liaison Tangata Whenua	135	77	-43%	Reduction in Tangata Whenua liaison is an error, but it is proposed the work will be carried out within the reduced budget without requiring additional funds.
0211	Publicity	216	223	3%	
0212	Education Liaison	194	198	2%	
0213	Resource Management Award	73	36	-51%	
0216	Annual Report	201	205	2%	
0231	Internet Site Maintenance	60	68	13%	
0232	Communications Strategy Development	67	70	4%	
0351	Advisory Services- Corporate	628	645	3%	Resource Management Awards are awarded every other year.

TABLE 4: Funding Summary

Funding source	LTCCP 2006/07	LTCCP 2007/08
Interest	26	37
User pays/Other	704	698
Grants	1	1
Targeted rates	-	-
General rates	6,341	6,448
Total income	7,072	7,184
Operating expenditure	7,179	7,291
Operating surplus/(deficit)	(107)	(107)
General reserve	-	-
PPT Reserve	107	107
Total funding from reserves	107	107