

**MEETING OF THE
COASTAL ENVIRONMENT AND NAVIGATION SAFETY
PORTFOLIO COMMITTEE**

**TO THE CHAIRPERSON AND MEMBERS OF THE
COMMITTEE**

MEMBERSHIP OF THE COMMITTEE

Cr R M Kirk (Chairperson)

Cr T K Burke
Cr E H Cunningham
Cr A G Neill
Cr M E Oldfield
Cr J M Waters

A meeting of the Committee will be held on

Tuesday, 21 November 2006 at 1:30 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**

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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
COASTAL ENVIRONMENT AND NAVIGATION SAFETY
PORTFOLIO COMMITTEE

ORDER PAPER

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

(a) Navigation Safety

MATTER FOR RECOMMENDATION TO THE COMBINED PORTFOLIOS COMMITTEE

5. 2007/08 ANNUAL PLAN – PROPOSED LEVEL OF SERVICE AND LEVEL OF FUNDING CHANGES

(b) Coastal Environment

MATTER FOR RECOMMENDATION TO THE COMBINED PORTFOLIOS COMMITTEE

6. 2007/08 ANNUAL PLAN – PROPOSED LEVEL OF SERVICE AND LEVEL OF FUNDING CHANGES

7. NOTICES OF MOTION
8. EXTRAORDINARY AND URGENT BUSINESS
9. QUESTIONS
10. NEXT MEETING – TBA

ENVIRONMENT CANTERBURY

COASTAL ENVIRONMENT AND NAVIGATION SAFETY PORTFOLIO COMMITTEE

MINUTES OF THE MEETING OF THE COASTAL ENVIRONMENT AND NAVIGATION SAFETY PORTFOLIO COMMITTEE HELD ON WEDNESDAY 23 AUGUST 2006 IN THE COUNCIL CHAMBER, FIRST FLOOR, PEGASUS BUILDING, 58 KILMORE STREET, CHRISTCHURCH FROM 3.15 PM.

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1. APOLOGIES
2. MINUTES OF MEETING – 17 August 2005
3. MATTERS ARISING
4. DEPUTATIONS AND PETITIONS
- MATTER FOR RECOMMENDATION TO THE COMBINED PORTFOLIOS COMMITTEE**
5. 2007/08 ANNUAL PLAN – Coastal Environment
- MATTER FOR COMMITTEE DECISION**
6. COMMUNICATION STRATEGY – Coastal Environment
- MATTER FOR RECOMMENDATION TO THE COMBINED PORTFOLIOS COMMITTEE**
7. 2007/08 ANNUAL PLAN – Navigation Safety
- MATTER FOR COMMITTEE DECISION**
8. COMMUNICATION STRATEGY - Navigation Safety
9. NOTICES OF MOTION
10. EXTRAORDINARY AND URGENT BUSINESS
11. QUESTIONS
12. NEXT MEETING

This meeting was advertised to be held on Thursday 17 August 2006 but due to the lack of a quorum was not held on that date. This was the first available opportunity to hold the meeting with a quorum of three committee members present.

PRESENT

Crs J M Waters (Acting Chairperson), T K Burke and E H Cunningham.

IN ATTENDANCE

Cr R I R Little and R H M Johnston.

MANAGEMENT AND STAFF PRESENT

B R Jenkins (Chief Executive), N C Pilbrow (Portfolio Manager Finance & Corporate Services), P Buell (Regional Harbourmaster), D Gregory (Senior Resource Management Planner – Coast Biodiversity), L Bolton-Ritchie (Coastal Water Quality Scientist), J Cope (Coastal/Fluvial Scientist) and L M McDonald (Administration Officer).

1. APOLOGIES

Cr R M Kirk (leave of absence)
Cr M E Oldfield

2. MINUTES OF MEETING – 17 August 2005

Resolved

The minutes of the meeting held 17 August 2005 were taken as read, confirmed as a correct record of proceedings and adopted.

Cr Waters/Cr Burke

3. MATTERS ARISING

There were no matters arising.

4. DEPUTATIONS

Nil

MATTERS FOR RECOMMENDATION TO THE COMBINED PORTFOLIOS COMMITTEE

5. 2007/08 ANNUAL PLAN – COASTAL ENVIRONMENT

Justin Cope introduced this item.

It was suggested that the priority allocated to lobbying central government about coastal occupation charges should be urgent. It was noted that this issue had not been tested in the courts and there may be some benefit from monitoring the Auckland situation.

Recommended to the Combined Portfolios Committee

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

Cr Burke/Cr Cunningham

Item 7 was taken at this time.

7. 2007/08 ANNUAL PLAN – NAVIGATION SAFETY

Peter Buell introduced this item and advised that for navigation safety it was difficult to identify measures and targets that the Council is solely responsible for. Staff are looking at reviewing the levels of service for this portfolio.

It was noted that further significant fuel price rises could affect the costs of contract services.

Recommended to the Combined Portfolios Committee

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.

Cr Cunningham/Cr Burke

MATTER FOR COMMITTEE DECISION

6 & 8. COMMUNICATION STRATEGY

Josie McNee introduced the communication strategies for coastal environment and navigation safety.

Resolved

That the committee receives the 2006/07 Coastal Environment and Navigation Safety communication strategies.

Cr Burke/Cr Cunningham

9. NOTICES OF MOTION

Nil.

10. EXTRAORDINARY AND URGENT BUSINESS

Nil.

11. QUESTIONS

Nil.

12. NEXT MEETING

November 2006

The Meeting closed at 3.40pm.

CONFIRMED

DATE _____ CHAIRPERSON _____

AGENDA ITEM NO: 5	SUBJECT MATTER: 2007/08 ANNUAL PLAN – PROPOSED LEVEL OF SERVICE AND LEVEL OF FUNDING CHANGES
REPORT: Coastal Environment/Navigation Safety Portfolio Committee	DATE OF MEETING: 21 November 2006
FILE REFERENCES:	PORTFOLIO: Navigation Safety PROJECT: – OUTPUT: –
REPORT BY: Tony Whiteley, Acting Navigation Safety Portfolio Convenor	ENDORSED BY: Mike Freeman, Director Regulation

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.

- | |
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| <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: p51
- Level of funding: p52

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 p28 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 the following changes be included in the 2007/08 Annual Plan, as a variation to the 2006-16 LTCCP.

TABLE 1: Recommended changes to portfolio levels of service

Reason for change	New or Revised Description	New or Revised Measure	New or Revised Target
Add a second measure and target to LoS No 1	No change	The percentage of cases of observed non-compliance with Navigation Safety Bylaws where either a warning or an infringement notice is issued.	100%

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 2: 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
NAVIGATION SAFETY				
0474 and 0475 Navigation safety	Further significant fuel price rises could affect cost of contract services.	Reduce contract hours and/or change contracts	No change	Some reduction/change in level of service possible.

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

NAVIGATION SAFETY

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

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: pp51-52.
- Project Levels of Service and Funding for 2006/07: p28
- Appendix 1
- Trend information:

We have gathered information on incidents and accidents and both of these have been trending downwards but with boating numbers on the increase our presence in areas of high watercraft use is certainly well and truly warranted. Our contracted enforcement Officers have been reporting incidents and these have been recorded in the agendas for the Regulation Overview Committee meetings.

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
Policy making and planning	Continued assessment of Bylaw effectiveness
Operations	No significant change
Regulating and enforcing	No significant change

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

Response

New level of service can be accommodated with existing levels of funding.

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

At present we are maintaining services. The whole thrust of this portfolio is safety any deferrals, amendments or deletions would need to be very careful thought out.

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

Response

There is no change in budget when compared to the LTCCP.

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.

The Finance and Audit Committee Review of the Draft LTCCP identified no opportunities for cost efficiencies, nor were any raised at the August 2006 Portfolio Committee meeting. However, questions 6 and 7 require the committee to review this again whether opportunities for cost efficiencies or alternative methods of service delivery exist.

QUESTIONS

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

Response

Only minor cost efficiencies have been identified these included extending the period before buoys and navigation marks are maintained (now annually).

Q7: Are there possible alternative methods of service delivery?

Response

No opportunities exist for cost efficiencies.

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

All codes carry equal priority as combined they help to make our waterways safer places.

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

Response

There are no new projects.

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

Response

OPPORTUNITIES FOR FURTHER DEFERRALS	CONSEQUENCES
N/A	

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. Portfolio Committees may wish to defer discussion on them 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

No alternative sources of funding.

RECOMMENDATION TO THE COMBINED PORTFOLIOS COMMITTEE

- That no changes are required to the levels of funding and expenditure in the 2006-16 LTCCP for 2007/08.*
- That the variation to level of service No 1 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 2007/078 <i>[KEY SHIFT IN DIRECTION FOR 2007/08]</i>
Navigation safety		<i>680</i>	<i>742</i>	9%	
1. Policy making and planning		<i>7</i>	<i>7</i>	3%	Updated Waimakariri rules implemented as required. Remainder of bylaws are expected to remain constant. Continue Port and Harbour Safety code and Safety management system. Continue assessment of bylaw effectiveness.
0470	Navigation Safety Policy	<i>7</i>	<i>7</i>	3%	
2. Operations		<i>120</i>	<i>169</i>	41%	Continue maintenance/upgrade of signs/buoys etc as required. Port and Harbour safety code implementation for Akaroa and Kaikoura
0476	Aids to Navigation - harbours	<i>106</i>	<i>154</i>	46%	
0478	Aids to Navigation - Inland Waters	<i>14</i>	<i>14</i>	3%	
3. Regulating and enforcing		<i>553</i>	<i>566</i>	2%	Same as 2006/07.
0474	Navigation Safety - harbours	<i>398</i>	<i>409</i>	3%	
0475	Navigation Safety - Inland Waters	<i>156</i>	<i>156</i>	1%	

TABLE 4: Funding Summary

Funding source	LTCCP 2006/07	LTCCP 2007/08
Interest	2	3
User pays/Other	155	155
Grants	-	-
Targeted rates	-	-
General rates	523	584
Total income	680	742
Operating expenditure	680	742
Operating surplus/(deficit)	-	-
General Reserve	-	-
Total funding from reserves	-	-

AGENDA ITEM NO: 6	SUBJECT MATTER: 2007/08 ANNUAL PLAN – PROPOSED LEVEL OF SERVICE AND LEVEL OF FUNDING CHANGES
REPORT: Coastal Environment/Navigation Safety Portfolio Committee	DATE OF MEETING: 21 November 2006
FILE REFERENCES:	PORTFOLIO: Coastal Environment PROJECT: – OUTPUT: –
REPORT BY: Justin Cope, Portfolio Convenor Coastal Environment	ENDORSED BY: George Griffiths, Director Investigations and Monitoring

PURPOSE

1. To receive stakeholder feedback on possible shifts in direction identified in August 2006.
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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.

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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.

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

WHAT IS THE NEXT STAGE?

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

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|---|

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: pp24-25
- Level of funding: p26

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 p5 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 the following changes be included in the 2007/08 Annual Plan, as a variation to the 2006-16 LTCCP.

TABLE 1: Recommended changes to portfolio levels of service

Reason for change	New or Revised Description	New or Revised Measure	New or Revised Target
Level of Service 2 "Improving the aquatic health of estuaries" required a measure and target	No change	The percentage of water quality monitoring sites meeting water quality standards for the maintenance of aquatic ecosystems defined in the Regional Coastal Environment Plan 2005	The percentage is increasing.

Reason for change	New or Revised Description	New or Revised Measure	New or Revised Target
<p>LoS 4: Authorising resource users to use natural and physical resources in a way that the environmental effects remain acceptable to the community.</p> <p>The development of additional measures and targets will be considered by the Combined Portfolios Committee.</p>			

Portfolio Levels of Funding

At the August meeting, the committee concluded that no changes were required to the 2007/08 work programmes in the LTCCP.

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

COASTAL ENVIRONMENT

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

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: pp24-26.
- Parent Project Levels of Service and Funding for 2006/07: p5
- Appendix 1
- The following trend information:
Most of the drivers for the groups of activities and LTCCP levels of service stem from the implementation, monitoring and review of the Regional Coastal Environment Plan 2005. Relevant monitoring and review sections of the RCEP will be tabled at the meeting.

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	RCEP, Avon-Heathcote Estuary Ihutai Management Plan.
Policy making and planning	RCEP, Regional Oil Spill Response Plan, Pegasus Bay Access Strategy.
Monitoring	RCEP, Avon-Heathcote Estuary Ihutai Management Plan.
Communicating, educating and advocating	Avon-Heathcote Estuary Ihutai Trust MOU/Management Plan, continuing support of coast care groups in Canterbury.
Regulating and enforcing	RCEP.

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

Response

No change in levels of service.

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

Response

No change in levels of service, however:

A new parent project, **coastal water quality investigations**, has been added to the Investigations activities to aid delivery on coastal water quality and aquatic health levels of service

The Policy making and planning activity has two new projects to undertake work stated as planned for delivery in 2007/08 in the LTCCP – **Review of Regional Oil Spill Response Plan** and the development of bylaws and policies for the **Pegasus Bay Access Strategy**

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

Response

Diminished capacity to deliver Level of Service 2 and 3 (page 24 LTCCP) and on investigating causes of effects on water quality as planned in LTCCP.

Review of **Regional Oil Spill Response Plan** would not be completed and development of **Pegasus Bay Access Strategy** policies and bylaws would not be undertaken in 2007/08.

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

Response

Proposed total budget for the Coastal Environment portfolio is the same as the planned expenditure in the LTCCP - \$1,853,000.

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		
<p>Resource Consents Compliance Monitoring and RMA Enforcement The review identified a number of opportunities for cost efficiencies. A number of these have been actioned and others are being considered for action.</p> <p>It is proposed that these be referred to the Regulation Overview Committee for further consideration, as necessary.</p>	N/A	None

QUESTIONS

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

Response

(Committee to consider).

Q7: Are there possible alternative methods of service delivery?

Response

(Committee to consider).

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

Investigations
Coastal Hazard and Water Quality Investigations (**Higher Priorities**)

Policy Making and Planning
Review of Regional Oil Spill Response Plan (**Higher priority – planned work for 2007/08 in LTCCP**)

Pegasus Access Strategy (policies and bylaws) **(Higher priority for delivery on planned work in the LTCCP however, dependent on outcome of current access issues i.e. Ashley/Saltwater Creek)**

Regional Coastal Environment Plan and Coastal Environment District Planning Liason **(High Priority particularly due to review of coastal hazard zones, aquaculture issues and developments with coastal occupancy charging (dependant on direction from central government))**

Monitoring

Coastal Hazard Monitoring and Coastal Water Quality **(Higher Priorities)**

Coastal and River Environment Monitoring **(Lower Priority)**

SOE Report **(Lower priority in those years when SOE report not produced)**

Communicating, educating and advocating

Support of Avon-Heathcote Estuary/Ihutai Trust – through Memorandum of Understanding (Trust, ECan, CCC) **(Higher Priority)**

Public Information, Advisory, Advocacy and Communications **(High Priority)**

Regulating and Enforcing

(all projects high priority)

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

Response

(Committee to consider).

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

Response

OPPORTUNITIES FOR FURTHER DEFERRALS	CONSEQUENCES
<u>0279 Coastal Hazard Investigations</u> Defer LIDAR survey of Canterbury Bight - \$30,000	Bring Coastal Hazard Investigations budget to same level as 2006/07
<u>0273 Coastal and River Environment Monitoring</u> Defer updating of coastal access database and mapping exercise - \$10,000	Monitoring of access points to and along CMA not undertaken 07/08. Bring coastal and river environment monitoring budget to same level as 2006/07

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. Portfolio Committees may wish to defer discussion on them until further analysis of them has been completed..

Category 2 in the Finance and Audit Committee Review of the Draft LTCCP identified a list of funding alternatives, with priority for action, as shown in the following table. While this

information was considered by the Portfolio Committee in August, the action intended to be taken was not recorded. Question 11 requires the committee to review that material again and record the action it recommends be taken.

TABLE 3 Category 2: Finance and Audit Committee Review of the Draft LTCCP

OPPORTUNITIES FOR COST EFFICIENCIES	CONSEQUENCES	PRIORITY	DUE DATE	COMMENTS	ACTION RECOMMENDED BY THE PORTFOLIO COMMITTEE IN AUGUST 2006
2. SOURCES OF FUNDING					
Coastal Environment <ul style="list-style-type: none"> levying coastal occupation charges on Port Companies. 	<ul style="list-style-type: none"> Increased revenue. 	Medium	Ongoing	This is a Government Issue. Needs change to RMA, which is unlikely. Try to make into a rating issue under LGA.	None

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

Response

Other than coastal occupation charges, which is dependent on central government progress, staff have not identified any alternatives.

RECOMMENDATION TO THE COMBINED PORTFOLIOS COMMITTEE

1. *That no changes are required to the levels of funding and expenditure or levels of service in the 2006-16 LTCCP for 2007/08.*
2. *That the variation to level of service No 2 be included in the draft 2007/08 Annual Plan.*

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

TABLE 4: LTCCP Budgets 2006/07 & 2007/08

ACTIVITY	PROJECT	2006/07 \$000	2007/08 \$000	% CHANGE	PLANNED FOR THE ANNUAL PLAN FOR 2007/08 [KEY SHIFT IN DIRECTION FOR 2007/08]
Coastal environment		1,635	1,852	13%	
1. Investigations		178	273	54%	Same as 2006/07, but at an increased level.
0279	Coastal Hazards Investigations	178	208	17%	
0290	Coastal Water Quality Investigations	0	66	new	
2. Policy making and planning		231	278	20%	Same as 2006/07, plus review of Marine oil spill contingency plan and developing by-laws
0338	Pegasus Bay Access Strategy	0	19	new	
0344	Regional Coastal Environment Plan	197	206	5%	
0616	Marine Oil Spill Response Contingency Planning	0	18	new	
0645	District Planning Liaison - Coastal Environment	34	35	2%	
3. Monitoring		476	496	4%	Same as 2006/0, but at an increased level.
0273	Coastal & River Environment Monitoring	18	29	61%	
0278	Coastal Hazards Monitoring	193	177	-8%	
0289	Coastal Water Quality Monitoring	246	268	9%	
0639	State of Environment Report - Coastal	19	22	15%	
4. Communicating, educating and advocating		389	438	12%	Same as 2006/07, but at an increased level.
0215	Coastal Communications	44	45	2%	
0227	Planning Advisory (all portfolios)	48	54	13%	
0230	Public Information - Coastal	6	6	2%	
0233	Advocacy - Coastal Environment	115	107	-7%	
0247	Environmental Advisory Services - Coastal	7	7	2%	
0256	Advisory Services - Consents - Coastal Environment	20	20	4%	
0454	Avon / Heathcote Non Statutory Plan Implementation	150	198	32%	
5. Regulating and enforcing		361	368	2%	Same as 2006/07
0658	Marine Pollution Enforcement	186	183	-1%	
0661	Resource Consent Compliance Monitoring- Coastal Env	56	63	12%	
0664	RMA Enforcement - Coastal Environment	37	37	0%	
0674	Environment Court Consent Objections and Appeals - Coastal Environment	8	9	2%	
0681	Permitted Activities Compliance Monitoring - Coastal Environment	20	20	1%	
0682	Resource Consent Processing - Coastal Environment	53	55	3%	

TABLE 5: Funding Summary

Funding source	LTCCP 2006/07	LTCCP 2007/08
Interest	6	8
User pays/Other	277	289
Grants	-	-
Targeted rates	-	-
General rates	1,352	1,555
Total income	1,635	1,852
Operating expenditure	1,635	1,852
Operating surplus/(deficit)	-	-
General Reserve	-	-
Total funding from reserves	-	-