

11. 2003/2004 ANNUAL PLAN PROCESS – PROJECT PROPOSALS

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The purpose of this report is to advise the Board of the process for collating and considering projects for inclusion in the Draft Financial Plan and Programme 2004 Edition, and the timetable for this process.

This report is essential to the Board meeting its objective to ***“Promote a fair distribution of the Board’s resources throughout the Shirley/Papanui community.”***

PLAN PROCESS AND TIMETABLE

The Council’s process for preparing the 2004 Edition of the Financial Plan commences, in part, with the Community Board’s input into the capital works programme. This input includes two parts. Part A, is a Planning Statement of key issues which is considered by Standing Committees at their September planning/monitoring meetings. Part B, is the Major Works Projects forwarded directly to the Business Units for comment and costing.

Part A was due with the Community Relations Unit on 23 August. The Board’s draft Objectives have been submitted as they give the Board’s direction for the next two plus years.

Part B Projects - As the Board is aware, Council has put in place measures to constrain significant new expenditure in an effort to contain the rates rises in 2003/04 and 2004/05 when the costs of three major projects – the new art gallery, the upgrade of the waste treatment plant and the new landfill – start to impact on the Council’s budget.

The resolution passed by the Council to give effect to these measures is:

- “1. *That in the coming three years all capital and operating budgets be contained within the projections in the Financial Plan, adjusted for inflation.*
2. *That the provision for unspecified capital projects be deleted and the funding be held in a capital contingency fund to meet unforeseen costs.*
3. *That the unspecified operating sums in years 2, 3 and 4 be deleted.”*

Therefore any projects the Board considers to be essential in years 2, 3, and 4 could only be included by way of a substitution or funded by the Board’s Project Funds. Substitutions need to be within the same business unit and of similar cost. Any new major projects would be forwarded for inclusion in year 5, that is 2006/07.

PLANNING FOR INPUT OF PROJECT WORKS INTO 2004 FINANCIAL PLAN & PROGRAMME

Board input into the 2004 Plan includes the opportunity to submit projects for inclusion in year 5; and substitutions in years 2, 3 and 4.

Project information has been sought from Community Board members, residents groups, schools, preschools, community groups, through notice in the August *‘Residents Update’*. Also through forums such as the meeting with Neighbourhood Support Co-ordinators, deputations to the Board throughout the year and contact through attending local groups meetings.

It is felt that rather than have specific public meeting(s) to seek input into the Financial Plan, it is better to gather information from the community throughout the year, through all contacts.

The following are the required actions:

- The Project Proposals list prepared by staff - from information gained through the above contacts.
- The list is then considered by the Board, prioritised and/or recommended for substitution. **By mid September. (A date needs to be set for this meeting).**
- Forward list to the business units for comment.

2003/2004 PROJECT FUND ALLOCATION

The Board has previously met in early March to allocate its \$390,000 of Project Funds in accordance with criteria set by Council for the allocation of the funds. Allocation of these funds has been left until that time so that items which were not included in the business unit's budgets could be considered for Project Fund allocation. However, given the criteria for new capital projects, the Board's Project Funds could be allocated earlier. It is suggested that this be undertaken in mid February, the earlier time also assists with the Financial Plan & Programme documents preparation.

Board members are asked to start considering items for these processes, that is the capital programme years 2-4 substitutions; inclusion in year five, as well as items for Project Fund allocation.

CONCLUSION

It is recommended that the Board set a date to meet to consider the Project Proposals list; and that Board members forward to the Community Advocate any items they wish to have included in that list. Members have indicated that they wish to have more input into these projects.

The Board's list of Objectives and Performance Indicators should be used as the main document to identify and prioritise both Project Fund allocations and Project Proposals.

A flow chart is attached showing the Annual Plan process for the year, which shows the various stages, timeframes, and input required.

NATURAL + PEOPLE + ECONOMIC STEP ASSESSMENT

#	CONDITION:	Meets condition ✓/0*	HOW IT HELPS MEET CONDITION:
The Natural Step			
N1	Reduce non-renewable resource use	✓	
N2	Eliminate emission of harmful substances	✓	
N3	Protect and restore biodiversity and ecosystems	✓	
N4	People needs met fairly and efficiently	NA	NA - See People Step + Economic Step
The People Step			
P1	Basic needs met	✓	
P2	Full potential developed	✓	
P3	Social capital enhanced	✓	
P4	Culture and identity protected	✓	
P5	Governance and participatory democracy strengthened	✓	
The Economic Step			
E1	Effective and efficient use of all resources	✓	
E2	Job rich local economy	✓	
E3	Financial sustainability	✓	

Chairperson's

- Recommendation:**
1. That a meeting be held on Monday, 16 September 2002 at 4.00 pm to consider project proposals.
 2. That Board members forward their proposals for Project Funding 2003/2004, to the Community Advocate prior to this date.